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Unit 441 Skyline Apartments
30 Macrossan Street
Brisbane Qld 4000 Australia
GPO Box 3249
Brisbane Qld 4001 Australia
Tel +61 7 3333 2722
Email: enquiries@auzex.com
www.auzex.com

ASX RELEASE

NOTICE UNDER SECTION 708AA(2)(F) OF THE CORPORATIONS ACT 2001 (CTH)

Auzex Resources Limited (**Company**) recently announced a capital raising comprising:

- a placement of \$3.4 million to institutional and sophisticated domestic and international investors (**Placement**); and
- a proposed 1 for 5 renounceable rights issue to raise up to approximately \$4.6 million.

The net proceeds of the capital raising will be used to fund the development of the Company's flagship Bullabulling gold project.

Under the rights issue, eligible shareholders will be able to subscribe for 1 share for every 5 shares that they hold at the record date at an issue price of \$0.24 per share (**Rights Issue**).

The Rights Issue will be open to shareholders on the record date of 7.00pm (Sydney time) on 27 October 2011 with a registered address in Australia and New Zealand (**Eligible Shareholders**).

The Company gives notice under section 708AA(2)(f) of the *Corporations Act 2001* (**Act**) as modified by Australian Securities and Investments Commission Class Order 08/35 (CO 08/35) that:

- 1 The Company will offer the shares under the Rights Issue without disclosure to Eligible Shareholders under Part 6D.2 of the Act.
- 2 The Company is providing this notice under paragraph 708AA(2)(f) of the Act as notionally modified by CO 08/35.
- 3 As at the date of this notice, the Company has complied with:
 - 3.1 the provisions of Chapter 2M of the Act as they apply to the Company;
and

3.2 section 674 of the Act.

4 As at the date of this notice, there is no excluded information as defined in section 708AA(8) and section 708AA(9) of the Act which is required to be disclosed by the Company.

5 The effect the issue of shares under the Rights Issue will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including:

5.1 investor demand and the level of support for the Rights Issue;

and

5.2 the level of trading (if any) in rights.

If every Eligible Shareholder takes up their full entitlement under the Rights Issue and there is no rights trading, the Rights Issue will have no material effect on the control of the Company.

However, if not every security holder subscribes for their full entitlement under the Rights Issue the existing shareholders will be diluted upon the issue of shares.

The examples below illustrate the potential level of dilution to existing shareholders that will occur if:

- The three largest shareholders take up their entitlements; and
- Either 50% or no other shareholders take up their entitlements.

These examples disregard the effect of any issue of shares under the Placement because the completion date of the Placement will occur after the record date and assume that:

- Except for the shares issued under the Rights Issue, no shares are issued before the issue of shares pursuant to the Rights Issue;
- All of the Company's shareholders are Eligible Shareholders; and
- There are no subscriptions for additional shares and no underwriting.

The examples are provided for illustrative purposes only. None of the named shareholders have advised the Company of their intentions to participate in the Rights Issue and they may not participate in the Rights Issue in full or in part.

The Company's actual position on completion of the Rights Issue may differ from the position illustrated in the pro forma capital structures below.

Example 1 - Subscription for shares under the Rights Issue by 100% of Eligible Shareholders

Assuming that 100% of Eligible Shareholders subscribe for their full entitlement of shares under the Rights Issue and there is no rights trading, there will be no material effect on the control of the Company.

Example 2 - Subscription for shares under the Rights Issue by three largest shareholders

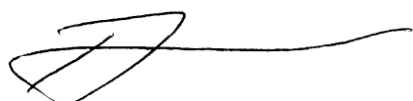
Assuming that only the Company's three largest shareholders subscribe for their full entitlement of shares under the Rights Issue and there is no take-up under the shortfall facility, the effect on the control of the Company would be as follows:

	Shares pre Rights Issue	Shareholding pre Rights Issue (%)	Shares post Rights Issue	Shareholding post rights issue (%)
Baker Steel Capital Managers LLP	8,727,358	9.17%	10,472,830	10.48%
GGG Resources plc	8,000,000	8.40%	9,600,000	9.60%
John Lawton	7,171,689	7.53%	8,606,027	8.61%
Other shareholders	71,294,836	74.89%	71,294,836	71.31%
Total shares on issue post Rights Issue	95,193,883	100%	99,973,693	100%

Example 3 - Subscription for shares under the Rights Issue by three largest shareholders and 50% of other shareholders

Assuming that the Company's three largest shareholders subscribe for their full entitlement of shares under the Rights Issue and only 50% of the shareholders other than the three largest shareholders subscribe for their full entitlement of shares under the Rights Issue and there is no take-up under the shortfall facility, the effect on the control of the Company would be as follows:

	Shares pre Rights Issue	Shareholding pre Rights Issue (%)	Shares post Rights Issue	Shareholding post rights issue (%)
Baker Steel Capital Managers LLP	8,727,358	9.17%	10,472,830	9.78%
GGG Resources plc	8,000,000	8.40%	9,600,000	8.96%
John Lawton	71,294,836	7.53%	8,606,027	8.04%
Other shareholders	71,294,836	74.89%	78,424,320	73.22%
Total shares on issue post Rights Issue	95,193,883	100%	107,103,177	100%



Mr Paul Frederiks
Company Secretary