

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of Auzex Resources Limited will be held in the Earl of Inchcape Room, Brisbane Polo Club, 1 Eagle Street Brisbane QLD at 4.30pm on Friday, 26 November 2010.

ORDINARY BUSINESS

Financial Report and Directors' and Audit Reports

1. To receive and consider the Financial Report, including the Directors' Declaration, for the year ended 30 June 2010 and the related Directors' Report and Audit Report.

Remuneration Report

2. To adopt the Remuneration Report for the financial year ended 30 June 2010.
(Note: the vote on this resolution is advisory only and does not bind the Directors or the Company).

Voting

While there is no legal requirement to abstain from voting, the Company believes it is appropriate that none of the Directors, the Executives named in the remuneration report or their respective associates vote on the advisory remuneration resolution, except as directed by any proxy.

Re-election of Director

3. Mr Chris Baker retires by rotation in accordance with Article 13.5 of the Company's Constitution, and being eligible, offers himself for re-election.

SPECIAL BUSINESS

4. Increase in maximum aggregate Non-Executive Directors' Remuneration

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

"That, pursuant to ASX Listing Rule 10.17 and Article 13.16 of the Company's Constitution, the maximum aggregate remuneration payable to the Non-Executive Directors for their services as Non-Executive Directors, for the years from and including the year commencing 1 July 2010 be increased to \$150,000 per annum and divided among the Directors in the manner set out in the Explanatory Memorandum and otherwise as the Directors agree."

Voting Exclusion Statement

The Company will disregard any votes cast on the above resolution by:

- any of the Directors; and
- any associate of those persons.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

By Order of the Board
Paul Frederiks,
Company Secretary

Voting Entitlements

The time for the purposes of determining voting entitlements pursuant to regulation 7.11.37 of the Corporations Regulations will be as it appears in the Share Register at 6.00pm (Brisbane Time) on 24 November 2010. Accordingly, transactions registered after that time will be disregarded in determining shareholders entitled to attend and vote at the Annual General Meeting.

Proxies

A shareholder has the right to appoint a proxy, who need not be a shareholder of the Company. If a shareholder is entitled to cast two or more votes they may appoint two proxies and may specify the percentage of votes each proxy is appointed to exercise. To be valid, the Proxy Form must be received by the company's share registrar, Computershare Investor Services Pty Limited, by 4.30pm (Brisbane Time) on Wednesday 24 November 2010. For further details on completing the Proxy Form, please see the instructions on the reverse of the Proxy Form.

The completed form of proxy may be:

- Mailed to the Company's share registry, Computershare Investor Services Pty Limited at GPO Box 242, Melbourne VIC 3001, or
- Hand delivered to the Company's share registry, Computershare Investor Services Pty Limited at Level 19, 307 Queen Street, Brisbane QLD 4000; or
- Mailed or hand delivered to the Company's registered business office at c/ DLA Phillips Fox, Level 28, Waterfront Place, 1 Eagle Street, Brisbane QLD 4000, or
- Faxed to Computershare Investor Services Pty Limited on 1800 783 447 (within Australia) or +613 9473 2555 (outside Australia).

EXPLANATORY MEMORANDUM

Item 1 - Annual Financial Report

The *Corporations Act 2001* requires the Reports of the Directors and of the Auditors and the annual financial report, including the Financial Statements, to be laid before the Annual General Meeting and the Company's Constitution provides for such Reports and Statements to be received and considered at the Meeting. Neither the *Corporations Act* nor the Constitution requires a vote of shareholders at the Annual General Meeting on such Reports or Statements. However, shareholders will be given ample opportunity to raise questions on the Reports and Statements at the Meeting. The Company's auditor will be available at the meeting to answer any questions in relation to the conduct of the audit and the preparation and content of the Auditor's Report.

Item 2 - Remuneration Report

The Company's Remuneration Report for the financial year ended 30 June 2010 is set out on pages 34 to 38 of the Company's 2010 Annual Report. Section 250R(2) of the *Corporations Act 2001* requires Auzex Resources to propose a resolution that the Remuneration Report be adopted. Prior to holding this vote, shareholders will be given reasonable opportunity to ask questions or make comments on the Remuneration Report.

The vote on this resolution is advisory only and does not bind the Directors of Auzex Resources. The Directors recommend that you vote in favour of this Advisory resolution.

Item 3 - Re-election of Mr Chris Baker

Mr Chris Baker is Non-executive Chairman of Auzex Resources and was appointed to the Board on 11 August 2005.

Chris holds a BSc (Hons) in Mineral Technology (1976), and an MBA (1994) from the University of Otago, New Zealand. He is a member of the Institute of Directors (NZ), and a Fellow of the Australasian Institute of Mining and Metallurgy.

His current roles include: CEO of Straterra, a group that represents the resource sector in New Zealand; Managing Partner of Saunders Unsworth Ltd, a Wellington based public policy consultancy; Chairman of the Coal Association of New Zealand; Executive Chairman of the NZCCS Partnership; Director of the Canberra based CO2CRC (Cooperative Research Centre for Greenhouse Gas Technologies).

The Directors (with Mr Baker abstaining) recommend that shareholders vote in favour of this resolution.

Item 4 - Increase in Maximum Aggregate Non-Executive Directors' Remuneration

Auzex Resources Limited listed on the Australian Securities Exchange in September 2005. Under ASX Listing Rule 10.17 and Article 13.16, the members by resolution in General Meeting are required to set the aggregate sum of remuneration to be paid to Non-Executive Directors for their services as Non-Executive Directors. This amount was last set by members at an aggregate of \$100,000 prior to the Company's listing in 2005.

Current corporate practice in Australia is for Boards to be composed with a majority of Non-Executive Directors. Your Company currently has three Non-Executive Directors (Mr Eugene Iliescu was appointed a Non-Executive Director in March 2010) and two Executive Directors. The Company's Executive Directors do not receive Directors' fees.

Your Non-Executive Directors have given and will continue to give a significant time commitment in overseeing the progression of the Company's business plan. The amounts paid to Non-Executive Directors have been modest to date and as an example a Non-Executive Director received a base fee of \$35,000 in FY0910 in what was a very busy and successful year. As the Company now has three Non-Executive Directors it is necessary to increase the maximum amount of remuneration available for those Non-Executive Directors. If the remuneration is not increased, the Company will not be able to pay fees to the Non-Executive Directors later this financial year.

To accommodate the above and allow for future Non-Executive Director fee increases, it is proposed that the maximum aggregate remuneration be increased by \$50,000 to \$150,000 per annum.

The Directors and their respective associates will not cast any vote on this Resolution and any votes cast will be disregarded except if cast as a proxy for a person who is entitled to vote and in accordance with the directions on the proxy.