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ASX RELEASE

AUZEX TO RAISE UP TO A\$3.7 MILLION BY PLACEMENT AND RIGHTS ISSUES

Highlights

- Auzex Resources Limited (Auzex) to raise up to A\$3.7 million by a Placement and Rights Issues.
- A\$0.9 million raised through a placement at A\$0.12 per share to institutional and sophisticated investors (**Placement**), the Placement was oversubscribed.
- A major international resources fund has taken a cornerstone investment in the Placement.
- Renounceable rights issues to be offered to eligible shareholders and optionholders.
- The raising provides Auzex with a strong financial platform to advance the Bullabulling Gold Project in Western Australia.

The proceeds of the Placement and the rights issues will be used to undertake exploration activities at the Bullabulling Gold Project in Western Australia, where the Company, in joint venture with Central China Goldfields Plc, intends to fast-track a feasibility study into the development of the Project over the next 12 to 18 months.

Placement

The Company has secured commitments totalling A\$0.9 million (utilising the 15% capacity under the ASX Listing Rules) under a Placement to institutional and sophisticated investors. The Placement was oversubscribed and priced at A\$0.12, representing a 22% discount to the 30 day volume weighted average price (VWAP) for the period ending 25 June 2010.

Placees will receive an attaching option for every three shares subscribed. These options have an exercise price of A\$0.20 and will expire on 13 February 2012. The grant of the options is subject to shareholder approval and the Company will apply for the Options to be listed on ASX if the spread requirements under the Listing Rules are satisfied.

Shares issued under the Placement rank equally in all respects with existing shares.

Rights issues

Renounceable rights issues (**Rights Issues**) raising up to A\$2.8 million will be offered on the same terms as the Placement, to both Auzex's current shareholders (including subscribers under the Placement) and holders of AZXO listed options:

- 1 for 3 renounceable pro-rata offer to eligible shareholders at \$A0.12 per share or \$NZ0.145 per share, together with one attaching option exercisable at \$A0.20 for every three Shares issued under that offer, and will expire on 13 February 2012.
- 1 for 3 renounceable pro-rata offer to eligible optionholders at \$A0.12 per share or \$NZ0.145 per share, together with one attaching option exercisable at \$A0.20 for every three Shares issued under that offer, and will expire on 13 February 2012.

The record date for the Rights Issues will be 7.00pm (Brisbane time) on Friday 16 July 2010. The Rights Issues will be offered to shareholders and AZXO optionholders (as applicable) with registered addresses in Australia or New Zealand.

The Company will apply for the options to be quoted on ASX if the shareholder spread requirements under the Listing Rules are satisfied.

The Rights Issue timetables will be released to ASX shortly.

Grant of options

The Company has, subject to shareholder approval, agreed to issue 2,000,000 options to its corporate adviser Stonebridge Securities Limited for services provided, including in relation to the Placement.

The options will be exercisable at \$AU0.20 and will expire on 13 February 2012. The Company will apply for the Options to be listed on ASX if the spread requirements under the Listing Rules are satisfied.

Yours sincerely

Auzex Resources Limited



J. J. Lawton
Managing Director