

Appendix 5B

Mining exploration entity quarterly report

Name of entity

AUZEX RESOURCES LIMITED

ABN

74 106 444 606

Quarter ended ("current quarter")

31 December 2011

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (6 mths) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for:		
	(a) exploration and evaluation	(5,299)	(10,541)
	(b) development	-	-
	(c) production	-	-
	(d) administration & working capital movements*	(2,637)	(3,643)
	<i>(*Note: includes prepayment of exploration and evaluation expenditure for January & February 2012 to JV operating company)</i>		
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	45	122
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other – GST Received	250	513
	Other – JV partner share of expenditure	3,009	6,618
	Net Operating Cash Flows	(4,632)	(6,931)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-5	(92)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	46	56
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other – Term deposit classified as receivable	-	-
	Net investing cash flows	41	(36)
1.13	Total operating and investing cash flows (carried forward)	(4,591)	(6,967)

Appendix 5B - Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(4,591)	(6,967)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	8,336	8,336
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – Share capital raising expenses	(541)	(541)
	Net financing cash flows	7,795	7,795
	Net increase (decrease) in cash held	3,204	828
1.20	Cash at beginning of quarter/year to date	1,399	3,775
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter*	4,603	4,603

* The Company has further term deposit of \$750,000 that doesn't meet the definition of cash under its cash accounting policy (refer to Note 2 in the Annual Report) - \$750,000 is provided as security against bank guarantees provided to the WA and NSW governments to secure tenement obligations.

**Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	381
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	2,500
4.2 Development	-
4.3 Production	-
4.4 Administration	1,050
Total	3,550

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	2,103	399
5.2 Deposits at call	2,500	1,000
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)*	4,603	1,399

* The Company has further term deposit of \$750,000 that doesn't meet the definition of cash under its cash accounting policy (refer to Note 2 in the Annual Report) - \$750,000 is provided as security against bank guarantees provided to the WA and NSW governments to secure tenement obligations.

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	Nil		-	-
6.2 Interests in mining tenements acquired or increased	E 15/1263 E 15/1264 P 15/5567		- - -	50% 50% 50%

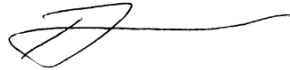
Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>	-	-		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-		
7.3 *Ordinary securities	130,206,265	130,206,265		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	33,348,792 1,663,592	33,348,792 1,663,592	\$0.24 \$0.20	\$0.24 \$0.20
7.5 *Convertible debt securities <i>(description)</i>	-	-		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-		
7.7 Options <i>(description and conversion factor)</i>	11,925,892 1,943,479	11,925,892 -	<i>Exercise price</i> \$0.13 \$0.10	<i>Expiry date</i> 13/02/12 21/10/13
7.8 Issued during quarter	426,425	-	\$0.19	28/10/14-
7.9 Exercised during quarter	1,663,592	1,663,592	\$0.20	13/02/12
7.10 Expired during quarter		-		
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>	-	-		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

Date: 31 January 2012

Print name: Company secretary
PAUL FREDERIKS

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==