

15 July 2008

Pro-rata Options Issue to Shareholders

Auzex Resources is pleased to announce that it will be inviting shareholders to participate in a share capital expansion of the Company through a non-renounceable pro-rata offer of one option for every two fully paid shares held. The options will be priced at 10 cents and will have an exercise price of 75 cents and an expiry date of 30 September 2010. The Company will apply for the quotation of the options on ASX.

The Company intends to include a facility to allow shareholders to apply for options in addition to their entitlement under the pro-rata offer. The Directors will allocate any shortfall in the issue, at their discretion, to those shareholders who apply for a greater number of options than their entitlement.

The offer timetable and documentation will be issued shortly and the offer is anticipated to close in late August.

To be eligible to participate in the issue, investors will need to be registered as a shareholder in Auzex by the announced record date and, if buying shares on market, will need to buy those shares before the announced 'ex' date.

The funds raised from this pro-rata issue will be used to strengthen the Company's financial position as it completes the Feasibility Study for the Kingsgate Molybdenum-Silica-Bismuth Project, near Glen Innes in New South Wales.

This is an exciting time in the growth phase of Auzex Resources as its Kingsgate and Khartoum (North Queensland) projects advance. Shareholders can expect that the following deliverables from those projects will be achieved over the next six months:

- Kingsgate (molybdenum-silica-bismuth) – completion of feasibility studies for development of the project, and conclusion of development, product marketing and financing arrangements
- Khartoum (tin) – assessment of this potentially world-class project including drilling with a view to establishing an initial JORC compliant resource
- Lyell NZ (gold) – preparations for commencement of drilling during the next summer season.

Auzex Resources thanks shareholders for their continuing interest and looks forward to their support. For further information on the Company and its projects, please refer our website or contact Auzex's Executive Chairman, Mr John Lawton on +61 7 3303 0198.

Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled by John Lawton who is a Member of The Australasian Institute of Mining and Metallurgy. He is a full-time employee of the Company and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. John Lawton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.