

# Auzex Resources Limited

ABN 74 106 444 606

## Notice of Extraordinary General Meeting

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**Auzex Resources Limited**  
**Notice of Extraordinary General Meeting**

Notice is hereby given that an Extraordinary General Meeting of Shareholders of Auzex Resources Limited will be held in Suite 544, 420 Queen Street Brisbane QLD at 10.00am on Monday 25 May 2009.

**SPECIAL BUSINESS**

**Approval of placement of shares to Directors**

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

"That, for the purposes of listing rule 10.11, and for all other purposes, approval is given for the issue of a total of 459,256 fully paid ordinary shares at a subscription price of 15 cents per share to the Directors named in the Explanatory Memorandum".

**Voting Exclusion Statement**

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

- all of the Directors named in the explanatory memorandum accompanying the notice of meeting who will participate in the issue; 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.

**Approval of issue of shortfall shares under the Share Purchase Plan announced March 2009 to Directors**

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

"That, for the purposes of listing rule 10.11, and for all other purposes, approval is given for the placement to the Directors of up to 2 million shortfall shares under the Share Purchase Plan announced on 20 March 2009 on the terms and conditions set out in the Explanatory Memorandum".

**Voting Exclusion Statement**

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

- all of the Directors named in the explanatory memorandum accompanying the notice of meeting; 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.

**Issue of Share Options to Managing Director**

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

"That, for the purpose of listing rule 10.14, and for all other purposes, approval is given for the grant under the Auzex Option Plan, of 1,000,000 options to Mr Eugene Iliescu on the terms and conditions set out in the Explanatory Memorandum."

**Voting Exclusion Statement**

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

- all Directors of the Company; 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.

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**Approval to refresh the Company's 15% placement capacity**

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

"That, for the purposes of listing rule 7.4, and for all other purposes, approval is given for the placement issue of 2,974,086 fully paid ordinary shares on 19 March 2009 on the terms and conditions set out in the Explanatory Memorandum."

**Voting Exclusion Statement**

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

- all persons who participated in the placement issue of shares; 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 7.00pm on 23 May 2009. Accordingly, transactions registered after that time will be disregarded in determining shareholders entitled to attend and vote at the Extraordinary 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 Ltd, by 10.00am on 23 May 2009. 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/o 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).

## **Auzex Resources Limited Explanatory Memorandum**

### **Item 1 – Approval of placement of shares to Directors**

Auzex Resources announced on 18 March 2009 that it had completed a placement of approximately 3.4 million fully paid ordinary shares at 15 cents per share raising a total of \$515,000. Of the above amount, Directors had committed to contributing a total of \$68,888 being 459,256 fully paid ordinary shares at 15 cents per share.

Under listing rule 10.11 a listed company is prohibited from issuing or agreeing to issue shares to a related party (which includes a Director) without the approval of shareholders. Accordingly, shareholder approval is sought for the issue of shares to Directors under the share placement and the Company provides the following additional information in accordance with listing rule 10.13:

<b>Director</b>	<b>Number of shares subscribed</b>	<b>Amount subscribed</b>
Eugene Iliescu	333,334	\$50,000
Greg Partington	59,254	\$8,888
Chris Baker	33,334	\$5,000
Paul Frederiks	33,335	\$5,000
<b>TOTAL</b>	<b>459,256</b>	<b>\$68,888</b>

All funds received from the issue of the shares will be used by the Company to strengthen the Company's balance sheet and enable the Company to seek partners for its Kingsgate molybdenum-silica-bismuth Project in northern New South Wales, evaluate the Khartoum tin Project, and explore the Company's gold targets.

The shares will be allotted and issued to the Directors by the Company immediately and in any event not later than one month after the resolution is passed. When issued, the shares will rank equally with the Company's existing fully paid ordinary shares.

If shareholder approval is given under listing rule 10.11, shareholder approval is not required under listing rule 7.1.

### **Item 2 – Approval of issue of shortfall shares under the Share Purchase Plan announced March 2009 to Directors**

Auzex Resources announced on 18 March 2009 that it would be offering a Share Purchase Plan (SPP) to shareholders on the same terms and conditions as the placement announced on that day. On 30 March 2009, the Company announced the terms and timetable of the SPP. As the SPP is non-renounceable, a right to subscribe for shares under the SPP cannot be sold or transferred and will lapse if not exercised, in which case the Company will not raise the maximum amount possible under the SPP. Accordingly, the Company would like to have the ability to issue up to 2 million shortfall shares under the SPP to Directors, and seeks shareholder approval for Directors' participation under listing rule 10.11.

The following information is provided in accordance with listing rule 10.13:

- The Directors that may participate in the shortfall shares under the SPP are John Lawton, Eugene Iliescu, Greg Partington, Chris Baker and Paul Frederiks.
- The aggregate maximum number of shares that may be issued to Directors will not exceed 2 million shares.
- The shortfall shares will be allotted and issued to the Directors by the Company no later than one month after the resolution is passed.
- The shortfall shares will be issued at 15 cents per share and will rank equally with the Company's existing fully paid ordinary shares.
- All funds received from the issue of the shares will be used by the Company to strengthen the Company's balance sheet and enable the Company to seek partners for its Kingsgate molybdenum-silica-bismuth Project in northern New South Wales, evaluate the Khartoum tin Project, and explore the Company's gold targets.

If shareholder approval is given under listing rule 10.11, shareholder approval is not required under listing rule 7.1.

## **Auzex Resources Limited Explanatory Memorandum**

### **Item 3 – Issue of Share Options to Managing Director**

The Directors resolved at a board meeting held on 13 March 2009 (without Mr Iliescu being present for that part of the meeting) to issue, subject to shareholder approval, 1,000,000 options over fully paid ordinary shares under the Auzex Option Plan, to Mr Iliescu as part of his employment package as Managing Director.

Options will vest in three tranches as follows:

- 50% of the options will vest at an exercise price of 15 cents per share on 30 September 2009 and have an expiry date of 31 March 2010;
- 25% of the options will vest at an exercise price of 20 cents per share on 30 September 2009 and have an expiry date of 31 March 2011;
- 25% of the options will vest at an exercise price of 25 cents per share on 30 September 2009 and have an expiry date of 31 March 2011.

The Directors (with Mr Iliescu not participating owing to his interest in the matter) believe that Mr Iliescu's remuneration package (including the proposed options component of that package) is reasonable remuneration having regard to the Company's circumstances and his responsibilities as Managing Director.

Under listing rule 10.14, the Company cannot grant the options without shareholder approval. Accordingly, shareholder approval is sought and the Company provides the following additional information in accordance with listing rule 10.15:

- The maximum number of options to be granted and for which approval is sought is 1,000,000 options under the Auzex Option Plan, with an expiry date of 31 March 2011. If all of the options are exercised, Mr Iliescu will be issued with 1,000,000 fully paid ordinary shares;
- The options will be granted as part of Mr Iliescu's overall remuneration package but for no other consideration;
- All Directors, executives and their nominees are entitled to participate under the Auzex Option Plan;
- The terms and conditions of the Auzex Option Plan were announced to market on 3 October 2005 and are available for viewing on the Company's web [www.auzex.com](http://www.auzex.com) under the investor centre tab;
- Mr Iliescu does not hold any other options in the Company pursuant to his employment package;
- No loan will be made by the Company to Mr Iliescu to assist him acquire the options;
- If approved, the Company will grant the options to Mr Iliescu by 31 May 2009.

***Each of the Directors of the Company (except for Mr Iliescu) recommend that shareholders vote in favour of this resolution.***

**Auzex Resources Limited  
Explanatory Memorandum**

**Item 4 –Approval to refresh the Company's 15% placement capacity**

Under listing rule 7.1, a listed company is prohibited from issuing or agreeing to issue equity securities without shareholder approval if in doing so it would mean that the number of equity securities issued in the preceding 12 month period would exceed 15% of the number of fully paid ordinary shares on issue at the beginning of the 12 month period.

However, under listing rule 7.4, an issue of shares made without specific approval under listing rule 7.1 is treated as having been made with approval for the purpose of listing rule 7.1 if the original issue did not breach listing rule 7.1 and is subsequently approved by ordinary shareholders.

The Company announced on 20 March 2009 that it had issued 2,974,086 fully paid ordinary shares at 15 cents per share. By issuing the shares the Company has substantially used its placement capacity under listing rule 7.1. Accordingly, the Company wishes to restore its placement capacity used up by the placement of those shares by seeking approval under listing rule 7.4 for the issue of those shares.

The effect of obtaining shareholder approval will be that the shares issued will be treated as having been made in accordance with listing rule 7.1, and, as a result, the Company's ability to issue the number of shares permitted under listing rule 7.1 without shareholder approval will not be affected by the placements.

In accordance with listing rule 7.5, the directors provide the following information:

<b>A. Details of shares issued under the Placement:</b>	
<b>Allottees</b>	<b>Number of shares issued</b>
Kamona Investments Pty Ltd	500,000
Jervois Mining Limited	400,000
Philip Chisholm	333,334
Misty Grange Pty Ltd BJ & LA Winsor Sper Fund	333,334
Project Advisory Services Pty Ltd Superannuation Fund	234,080
John Lewins & Ashish Samal	166,667
Selected Leasing Pty Ltd ATF The Graham Superannuation Fund	166,667
Boris Gabb Pty Limited ATF Peter D. Gabb Superannuation Fund	133,334
Aslan Superannuation Fund Pty Ltd	133,334
Scintilla Strategic Investments Ltd	100,000
Parker Ambor Family Pty Ltd	100,000
Raquel Kaye Beale	100,000
The Gowan Super Fund	100,000
The SL Wright Super Fund	40,000
Ms Ann-Marie Maguire & Mr Clement Bernard Campbell <Vicpark Investments a/c>	33,334
Ross Burke	33,334
Ian Cunynghame Daymond	33,334
Mark Charles Tomkinson & Lisa Anne Marilyn Tomkinson	33,334
<b>Total</b>	<b>2,974,086</b>

<b>B. The price at which the securities will be issued</b>	15 cents per ordinary share
<b>C. The terms of the securities:</b>	All of the shares to be issued will be fully paid ordinary shares in the Company that rank pari passu and form one class with all other ordinary shares of the Company.
<b>D. The use (or intended use) of the funds raised:</b>	To strengthen the Company's balance sheet and enable the Company to seek partners for its Kingsgate molybdenum-silica-bismuth Project in northern New South Wales, evaluate the Khartoum tin Project, and explore the Company's gold targets.
<b>E. The date of allotment:</b>	19 March 2009

***The Directors unanimously recommend that shareholders vote in favour of this resolution.***