

15 September 2010

The Manager
ASX Limited
Exchange Plaza
Level 8, 2 The Esplanade
PERTH WA 6000

AUVEX RESOURCES LIMITED – SHAREHOLDER LETTER

Please find attached a shareholder update received from Auvex Resources Limited.

Montezuma Mining Company Limited currently holds 7,500,000 ordinary shares in Auvex Resources Limited.

Yours faithfully

A handwritten signature in blue ink that reads "John Ribbons". The signature is written in a cursive style with a large loop at the end.

John Ribbons
Company Secretary



auvex resources LTD

ABN 80 129 087 832

15 September 2010

Dear Shareholders

**SUPREME COURT PROCEEDINGS - FARMIN AND JOINT VENTURE AGREEMENT
- SUNDAY HILL AND ANT HILL PROJECT**

On 16 August 2010, Auvex Resources Limited ("**Auvex**") notified its shareholders that proceedings had been commenced against it in the Supreme Court of Western Australia by its joint venture partner, Mesa Minerals Limited (formerly HiTec Energy Limited) ("**Mesa**").

Mesa commenced the proceedings to seek a declaration that Auvex had committed an event of default under the Farm In and Joint Venture Agreement dated 28 April 2008 ("**Agreement**") and to compel Auvex to participate in a process under the Agreement by which Auvex's share in the joint venture is to be valued for the purposes of Mesa deciding whether to acquire it from Auvex.

On 10 September 2010 Auvex filed and served its defence, denying it committed an event of default under the Agreement.

Auvex also filed and served a counterclaim against Mesa by which it claims :

- a declaration that Mesa committed an event of default under the Agreement for failing to attend joint venture Management Committee meetings, entitling Auvex under the Agreement to acquire Mesa's share in the joint venture;
- approximately \$1.4 million for costs incurred by Auvex as Manager of the joint venture during the period of March 2009 to June 2010, which Mesa has refused to pay;
- approximately \$264,000 for monies owed to Auvex from the sale of joint venture ore; and
- that Auvex has a 50% interest in the port capacity acquired by Mesa for and on behalf of the joint venture at the new Utah Point port facility in Port Hedland.

Auvex will vigorously pursue its defence and counterclaim in the Supreme Court and endeavour to ensure that the joint venture assets, including the port capacity, are preserved pending the determination of the Supreme Court action.

Yours sincerely

A handwritten signature in black ink, consisting of a large, stylized loop followed by a horizontal line extending to the right.

Peter Cunningham
Managing Director