



AUEX VENTURES, INC.

Quarterly Report
Expressed in U.S. dollars

**For the three months ended
September 30, 2009**

Unaudited (prepared by management)

Notice to Reader

These interim consolidated financial statements of AuEx Ventures Inc. have been prepared by management and approved by the Audit Committee and Board of Directors of the Company. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed these interim consolidated financial statements, notes to financial statements and the related quarterly Management Discussion and Analysis.

Date

The following discussion is management's assessment and analysis of the results of operations and financial conditions ("MD&A") of AuEx Ventures, Inc. ("AuEx" or the "Company") and should be read in conjunction with the accompanying unaudited interim consolidated financial statements and related notes thereto for the three months ended September 30, 2009 and with the audited consolidated financial statements for the year ended June 30, 2009 which are available at the SEDAR website at www.sedar.com.

The financial information in this MD&A is derived from the Company's financial statements prepared in accordance with Canadian generally accepted accounting principles and all dollar amounts are expressed in U.S. dollars unless otherwise indicated.

The effective date of this report is November 13, 2009.

Overview

AuEx Ventures, Inc. is a Toronto Stock Exchange ("TSX") listed precious metals exploration company that has a current portfolio of twenty three exploration projects in Nevada and Utah, two projects in Spain and two projects in Argentina. The Company controls about 176,000 acres of unpatented mining claims and fee land in Nevada. Nine of the projects are in joint venture or exploration earn-in agreements with five companies. The Company applies the extensive Nevada exploration experience and high-end technical skills of its founders to search for and acquire new precious metal exploration projects that are then offered for joint venture.

The Company's principal property is a 49% interest in the Long Canyon Joint Venture with Fronteer Development Group, Inc. ("Fronteer").

The Company's MD&A for the year ended June 30, 2009 contained information up to September 28, 2009 and should be referred to.

Operation Highlights for the three months ended September 30, 2009 and up to November 13, 2009

- Drill results continue at Long Canyon Joint Venture
- Pequop South project optioned to Golden Dory
- Trinity Silver project optioned to Yellowcake
- The Company purchased Basti Resources owner of the Baza Project
- Baza Project optioned to Western Uranium

2010 is expected to be a significant year for new project generation in addition to continued work on existing projects with the Company's funding exploration and joint venture partners. The Company and its funding partners are expected to expend well over \$20 million on AuEx projects for exploration and drilling in calendar 2010.

Long Canyon Joint Venture –

The Company holds a 49% interest in the Long Canyon Venture located in Elko County Nevada. Fronteer, operator and 51% owner, provided the following results from the ongoing 2009 drill program to the Company.

Drilling at Long Canyon has defined a new mineral trend featuring an open-ended zone of shallow, oxidized gold mineralization, including significant high-grade intercepts. To date, Long Canyon's work-program has extended mineralization along trend to 2 kilometres and across multiple zones, with a footprint up to 400 metres in width.

The project announced its first resource estimate, as of March, 2009 quoted at a cut-off grade of 0.30 grams per tonne gold, comprising:

- An Indicated resource of 363,000 ounces at an average grade of 2.35 grams per tonne ("g/t") gold (4,808,000 tonnes)
- An Inferred resource of 459,000 ounces at an average grade of 1.63 g/t gold (8,780,000 tonnes).

Of particular significance, the grade-tonnage distribution of this estimate shows that higher cut-off grades only modestly reduce the number of contained ounces, while significantly increasing the average grade of the resource. This positive correlation speaks to the high-grade nature of the gold deposit.

For example, using a 1.0 g/t cut-off, 84% of the total resource ounces remain as follows:

- An Indicated resource of 322,000 ounces at an average grade of 4.01 g/t gold (2,496,000 tonnes)
- An Inferred resource of 369,000 ounces at an average grade of 3.16 g/t gold (3,634,000 tonnes).

Column-leach testing of bulk samples from Long Canyon has returned gold recoveries averaging as high as 90.1%. The metallurgical test data suggests Long Canyon's oxidized gold mineralization is amenable to low-cost, conventional, heap-leach processing.

Long Canyon Joint Venture 2009 work program

Calendar 2009's \$14.1 million work program will build on the strong geological foundation established in 2008, with a clear focus on both increasing the deposit size and better understanding the scope of potential development scenarios.

In August 2009 the budget was increased to include the purchase of the M & N Ranch located immediately east of the Long Canyon area of interest. This joint venture purchase provides the Long Canyon Venture with 11,800 acres of surface rights and 1,657 acre-feet of water rights. The Company's share of the purchase price was \$2.1 million.

Approximately \$10 million is being spent on expansion and infill drilling, with 35,000 metres of reverse circulation and core drilling planned. The balance of the budget will be spent on preliminary environmental, engineering and metallurgical studies to begin assessing potential processing options and economics of the deposit. Fieldwork for the program began in early May and up to September 15, 2009 approximately 17,400 metres and 142 holes have been drilled.

Other work being conducted in 2009 consists of preliminary metallurgical evaluation, preliminary engineering investigations and environmental studies. These are designed to provide a better understanding of processing options and project economics leading to a better understanding of potential development options. Work on these various items is underway at present.

Open-pit mine designs and schedules have now been completed by Mine Development Associates ("MDA") of Reno, Nevada. The design study used the project's initial NI 43-101 resource estimate completed by MDA in March 2009. Cash flow models based on estimated capital and operating costs for the project are now being finalized for this near-surface, 100% oxide gold deposit. The data is expected to be included in a NI 43-101 compliant Preliminary Economic Assessment Study planned to be completed by year-end.

Metallurgical samples obtained from 15 core holes on two mineralized cross sections have now been composited and submitted to McClelland Laboratories Inc. in Sparks, Nevada. Three additional core holes, on a third cross section, are awaiting final assays before compositing and submittal to McClelland. Metallurgical tests will provide a more detailed understanding of gold recoveries than what was previously provided by column-leach testing of bulk samples taken exclusively from road cuts. The metallurgical program is designed and supervised by Gary Simmons of GL Simmons Consulting LLC. Metallurgical findings are expected to be reported during the first quarter of 2010.

Four geotechnical holes have now been drilled to investigate rock quality and strength in areas that are planned to eventually host open-pit high walls. The geotechnical program is being conducted by Golder Associates in Reno, Nevada and initial findings are planned to be available by the end of 2009.

Ongoing drilling continues to highlight the strong continuity and high-grade nature of gold mineralization at Long Canyon. Drill results from this season's work program are expected to be included in an updated NI 43-101 resource estimate to be completed during the first quarter of 2010.

Four drill rigs will be dedicated to testing the north, northeast and east sides of the deposit, with a focus on areas where high-grade mineralization is open-ended. The remainder of this year's work-program is focused on aggressive step-out drilling along strike outside of the current resource area, as well as testing the mineralization potential at depth underlying the currently defined resource.

From October 2008 to September 30, 2009 AuEx advanced \$9,951,788 to the Long Canyon Joint Venture of which \$5,247,270 relates to the Company's share of the calendar 2009 Long Canyon Venture budget.

Pequop South

On August 7, 2009 the Company executed an exploration earn-in agreement with Golden Dory Resources, Corp. ("Golden Dory") of Gander, Newfoundland, Canada concerning one of the new prospects named the Pequop South gold property. It is located about 8 miles south of the Long Canyon gold deposit and comprises 79 unpatented mining claims.

Golden Dory has paid the Company an initial payment of \$20,000 and has committed to expend a minimum of \$50,000 during the first agreement year. Golden Dory is required to expend a minimum of \$2,850,000 and complete a bankable feasibility study within seven years to earn a 70% undivided interest in the Pequop South property. Should Golden Dory expend \$5,000,000 or more and terminate its interest without vesting, it would be entitled to a 3% net smelter return ("NSR") royalty capped at twice its investment.

Trinity Silver Project

Trinity Silver property consists of approximately 5,000 acres of leased and sub-leased fee land and 59 unpatented mining claims held under lease from Newmont.

On August 28, 2009 AuEx executed a letter of intent ("LOI") with Yellowcake Mining, Inc. ("YCMC") an American OTC-BB listed company based in Vancouver, British Columbia on the Trinity Silver property.

Under the terms of the LOI, YCMC will reimburse the Company for 2009 mining claim fees and will have until November 15, 2009 (verbally extended by the Company from November 1, 2009) to sign an exploration earn-in agreement (the "Agreement"). Upon signing the Agreement, YCMC will pay the Company \$250,000 and incur expenses on the property during the first agreement year of at least \$500,000, and is committed to the preparation of a current resource estimate complying with NI43-101 standards. YCMC is required to pay the Company \$250,000 on the first anniversary of the Agreement and to expend a minimum of \$1,000,000 during the second Agreement year. YCMC must expend a minimum of \$5,000,000 within 6 years and complete a bankable feasibility study to earn an undivided 70% interest in the Trinity Silver property. Should YCMC expend \$3,000,000 or more and terminate its interest without vesting, it would be entitled to a 3% NSR royalty capped at twice its investment.

On signing the Agreement AuEx will undertake to YCMC that it will exercise its option to purchase the Trinity Silver property from Newmont for \$500,000 prior to December 31, 2009. Newmont retained a sliding scale royalty that increases to 5% at silver prices above \$10 per ounce. This royalty may be reduced by one percentage point under certain conditions. In addition, Newmont retains the right to back-in up to completion of feasibility upon fulfillment of specific expenditure requirements.

The Trinity Silver property was discovered in the early 1980's and was developed as a small open pit, oxide silver heap leach operation which produced about 5,000,000 ounces of silver over 2 years in the mid- to late 1980's.

Unoxidized silver mineralization, defined by over 100 holes drilled at that time, was not mined. The Trinity Silver deposit is epithermal in style, tertiary in age and is hosted predominately in felsic volcanic rocks. AuEx conducted two earlier phases of drilling on the property totaling 25 core and reverse circulation holes under a previous earn-in agreement that was terminated on July 17, 2009.

Baza Spain update –

In 2006, AuEx entered into a grub stake agreement with experienced geologists in which initial sampling of an old iron district in Spain yielded samples up to 12 g/t Au. Further work ensued and the underlying geologists organized Basti Resources S.L. (“Basti”), a Spanish limited liability corporation, to acquire land in the Baza Area of Interest. Subsequently, two rounds of regional stream sediment sampling, remote sensing, rock chip sampling, and considerable prospecting on foot exposed a large area of siderite-albite veining. Specific areas have a significant Cu-Au tenor and samples up to 20 g/t Au and 10% Cu have been found. Areas with multi-km strike length have consistently greater than 0.3% copper and multi-gram gold. The mineralization appears to be a type of Iron Oxide Copper Gold (IOCG) deposit. Currently, an extensive ground magnetics program is underway.

On September 28, 2009 EuEx Resources Inc., (“EuEx”) a wholly owned subsidiary of AuEx, purchased Basti for €14,000 of which €4,000 was paid on October 14, 2009 and the remainder will be paid in €50,000 annual installments commencing November 20 beginning in 2009. The sellers retained a 1.5% NSR royalty that can be bought down.

On October 13, 2009 Basti and AuEx signed an option agreement with Western Uranium Corporation (“WUC”) whereby WUC can acquire a 70% interest in the properties by funding the continued exploration and development within the Baza Area of Interest. The Baza Project currently contains two exploration permits and a third is pending for a total of more than 10,000 hectares.

WUC has the right to carry EuEx through bankable feasibility on any given exploration permit to earn up to 70% of the project and by paying an aggregate of \$400,000 to AuEx of which US\$100,000 has been received. To maintain the option \$100,000 must be paid on the first, second, and third anniversaries of the Agreement to AuEx and minimum annual expenditures must be incurred at the rate of:

1. €500,000 on or before the first anniversary;
2. €600,000 on or before the second anniversary;
3. €1,000,000 on or before the third anniversary; and
4. €500,000 in each subsequent year until such time as a bankable feasibility study is obtained on a particular Permit.

If WUC spends at least €3,000,000 on any given exploration permit or application, it is entitled to a 5% NSR royalty which reduces to a 1% NSR royalty after €6,000,000 in payments.

Measurements

Imperial units of measure have been used in this MD&A. To convert Imperial measurements to metric equivalents divide by:

Short tons to tonnes	1.10231
Ounces (troy) to kilograms	32.150
Ounces (troy) to grams	0.03215
Ounces (troy) / short ton to grams/tonne	0.02917
Acres to hectares	2.47105
Miles to kilometers (km)	0.62137
Feet to meters	3.28084

Critical Accounting Estimates

Critical accounting estimates used in the preparation of the financial statements include the Company's estimate of recoverable value on its property, plant and equipment, site reclamation and rehabilitation, estimates of future income taxes as well as the value assigned to stock-based compensation expense. These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control.

The factors affecting stock-based compensation include estimates of when stock options might be exercised and the stock price volatility. The timing for exercise of options will depend, among other things, upon a variety of factors including the market value of AuEx shares and financial objectives of the holders of the options. AuEx used historical data to determine volatility in accordance with Black-Scholes modeling, however the future volatility is inherently uncertain and the model has its limitations. While these estimates can have a material impact on the stock-based compensation expense and hence results of operations, there is no impact on the Company's financial condition.

AuEx's recoverability evaluation of its mineral properties and equipment is based on market conditions for minerals, underlying mineral resources associated with the assets and future costs that may be required for ultimate realization through mining operations or by sale. AuEx is in an industry that is exposed to a number of risks and uncertainties, including exploration risk, development risk, commodity price risk, operating risk, ownership and political risk, funding and currency risk, as well as environmental risk. Bearing these risks in mind, AuEx has assumed recent world commodity prices will be sustainable. Certain of AuEx's mineral properties have a defined mineral resource yet, there is always the potential for a material adjustment to the value assigned to mineral properties and equipment.

AuEx has an obligation to reclaim its properties after the surface has been disturbed by exploration methods at the site. As a result AuEx has recorded a liability for the fair value of the reclamation costs it expects to incur. The Company estimated applicable inflation and credit-adjusted risk-free rates as well as expected reclamation time frames. To the extent that the estimated reclamation costs change, such changes will impact future reclamation expense recorded.

New accounting standards:

Effective July 1, 2009, the Company adopted a new accounting standard, Section 3064 "Goodwill and Intangible Assets" which replaced the existing Section 3062 "Goodwill and Other Intangible Assets" and Section 3450 "Research and Development Costs". The new pronouncement establishes standards for the recognition, measurement, presentation, and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The adoption of this standard did not have a material impact on the Company's financial statements.

Recent accounting pronouncements:

International financial reporting standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of July 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended June 30, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

Business combinations, non-controlling interest and consolidated financial statements

In January 2009, the CICA issued Handbook Sections 1582 "Business Combinations", 1601 "Consolidated Financial Statements" and 1602 "Non-controlling Interests" which replace CICA Handbook Sections 1581 "Business Combinations" and 1600 "Consolidated Financial Statements". Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under IFRS. Section 1582 is applicable for the Company's business combinations with acquisition dates on or after January 1, 2011. Early adoption of this Section is permitted. Section 1601 together with Section 1602 establishes standards for the preparation of financial statements. Section 1601 is applicable for the Company's interim and annual financial statements for its fiscal year beginning July 1, 2011. Early adoption of this Section is permitted and all three Sections must be adopted concurrently.

Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

In January 2009, the CICA issued EIC 173, "*Credit Risk and the Fair Value of Financial Assets and Financial Liabilities*". The EIC provides guidance on how to take into account credit risk of an entity and counterparty when determining the fair value of financial assets and financial liabilities. EIC 173 will be applicable for the Company's interim and annual financial statement for its fiscal year beginning July 1, 2010 and management is currently assessing its impact on the Company's interim and annual financial statements for fiscal 2010.

Results of Operations

Results of Operations for the three months ended September 30, 2009

The consolidated net loss for the three months ended September 30, 2009 was \$2,338,073 (2008 - \$1,354,008).

The significant changes between the current quarter and the comparative quarter are discussed below.

Mineral property exploration expenditures of \$3,057,045, net of \$229,373 recovered from funding partners, was \$2,827,672 (2008 - \$663,817 net). The increase is almost entirely attributable to maintaining the Company's 49% interest in the Long Canyon Venture. The Company received a \$20,000 mineral property option payment from Golden Dory of which \$9,262 recovered the 2009 capitalized acquisition cost of the Pequop South project and the remaining \$10,738 reduced the net loss for the period. For some of the projects the Company performs the exploration work pursuant to a service contract for the operator for which it earns a management fee. Exploration expenditures paid for directly by funding partners are not included in the Company's financial statements.

Consulting fees were slightly higher than in the comparative quarter as the Company is again using an investor relations consultant.

Professional fees were higher in the current quarter due to the negotiations and finalizing several agreements with the most significant legal costs being attributed to the acquisition of Basti and the concurrent option agreement with WUC.

Shareholder relations have increased in the current quarter as the Company increases its market awareness programs in the investment community by attendance at more investment conferences and travelling and conducting more one-on-one meetings with potential investors. This type of activity is expected to increase from past levels.

Salaries and benefits charged to administration totaled \$190,631 (2008 - \$176,666) which amount includes \$43,105 of directors fees (2008 - \$39,729). Including Ronald Parratt and Richard Bedell, in addition to one full time office administrator, the Company now has six full time geologists employed, and six part time consultants based in the exploration office in Reno, Nevada and one full time geologist based in Argentina.

The non-cash stock-based compensation expense of \$358,115 (2008 - \$296,168) is the recognition of the fair value of stock options over their vesting periods. Another \$17,957 (2008 - \$65,532) of stock-based compensation expense is included in the Argentina mineral property exploration expenditure.

Summary of Quarterly Results

	3 months ended September 30, 2009	3 months ended June 30, 2009	3 months ended March 31, 2009	3 Month ended December 31, 2008	3 months ended September 30, 2008	3 months ended June 30, 2008	3 months ended March 31, 2008	3 months ended December 31, 2007
Total revenues	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Net loss	(2,338,073)	(2,420,460)	(1,350,330)	(2,483,647)	(1,354,008)	(1,049,123)	(1,004,103)	(848,913)
Net loss per share, basic and diluted	(0.06)	(0.08)	(0.04)	(0.09)	(0.05)	(0.04)	(0.04)	(0.03)

As the Company's exploration and administrative activities increase the Company's costs and net loss can be expected to continue to rise. The Company has generated no revenue to date.

Liquidity

The Company has funded its operations to date from the sale of its equity securities and by project option payments and work programs funded by third parties.

As at September 30, 2009 the Company had working capital of \$13,827,354 compared to working capital at June 30, 2009 of \$18,137,636.

The Company intends to continue to fund its 49% participating interest in the Long Canyon Joint Venture and it will, as market conditions and the need arises, attempt to raise additional funds through additional equity financings that may be on terms that dilutive, or potentially dilutive, to its shareholders. It is expected that the Long Canyon resource estimate to be conducted in the first quarter 2010 will significantly increase the size of this gold resource and will support the continued exploration and potential development of this deposit.

Capital Resources

The Company has common stock purchase warrants and stock options outstanding, that if exercised will raise additional capital for the Company. If all warrants and stock options were exercised for cash the Company would realize approximately \$18.2 million in additional capital.

The 1,500,000 warrants that expire March 11, 2011 entitle the warrant holder to purchase one additional share at a price of C\$2.75 per share for the first year following issuance and C\$3.25 for the second year following issuance. In the event that the trading price of the Company's shares on the Toronto Stock Exchange is C\$4.12 or greater for a period of 20 consecutive trading days in the period commencing either four months and up to twelve months after the closing date or above C\$4.87 per share thereafter, the Company may provide notice of an earlier expiry of the warrants, in which case the warrants shall expire 30 days after such notice is given.

The 2,569,750 warrants that expire June 16, 2011 entitle the warrant holder to purchase one additional share at a price of C\$2.75 per share for the first year following issuance and C\$3.30 for the second year following issuance. In the event that the trading price of the Company's shares on the Toronto Stock Exchange is C\$4.12 or greater for a period of 20 consecutive trading days in the period commencing either four months and up to twelve months after the closing date or above C\$4.95 per share thereafter, the Company may provide notice of an earlier expiry of the warrants, in which case the warrants shall expire 30 days after such notice is given.

Transactions with Related Parties

Unless disclosed elsewhere, related party transactions for the three months ended September 30, 2009 are as follows:

- (a) Paid or accrued \$20,944 (2008 - \$21,823) for consulting fees to Golden Oak Corporate Services, a company controlled by, Doris Meyer, an officer of the Company.
- (b) Paid or accrued \$13,003 (2008 - \$Nil) for consulting fees to Connie Parratt, the spouse of Ronald Parratt, an officer of the Company.
- (c) Paid half of the annual lease payments for the Green Monster (\$10,000) (2008 - \$Nil) and the Rose Mine (\$5,000) (2008 - \$5,000) projects to a company controlled by Richard Bedell, a director of the Company.

An amount of \$62,951 for expenses and director fees owed to officers and directors are included in accounts payable and accrued liabilities (June 30, 2009 - \$33,584). These amounts were paid subsequently.

The related party transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Outstanding Share Data as at November 13, 2009

The authorized share capital of AuEx consists of an unlimited number of common shares, 10,000,000 preferred shares and one special voting share (the "Special Voting share"). The holder of the Special Voting share, Pacific Corporate Trust Company, is entitled to the number of votes equal to the number of Class B non-voting common shares ("Exchangeable Shares") outstanding subject to reduction in certain circumstances.

	Common Shares issued and outstanding	Exchangeable shares issued and outstanding	Total common and exchangeable shares outstanding	Common Share Purchase Warrants	Common Share Purchase Options
Balance September 30, 2009	35,410,051	4,605,279	40,015,330	4,069,750	4,200,000
Stock options exercised	189,861	-	189,861	-	(200,000)
Balance November 13, 2009	35,599,912	4,605,279	40,205,191	4,069,750	4,000,000

Financial Instruments and related risks

The Company's financial instruments consist of cash, marketable securities, receivables and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

The financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash. The Company places its cash with high quality financial institutions, thereby minimizing exposure for deposits in excess of federally insured amounts. The Company believes that credit risk associated with cash is remote.

In conducting business, the principal risks and uncertainties faced by the Company centre on exploration and development, resource and commodity prices and market sentiment.

The prices of resource and commodity markets fluctuate wildly and are affected by many factors outside of the Company's control. The relative prices of metals and minerals and future expectations for such prices have a

significant impact on the market sentiment for investment in mining and resource exploration companies. The Company relies on equity financing for its working capital requirements and to fund its exploration programs. There is no assurance that such financing will be available to the Company, or that it will be available on acceptable terms.

Forward looking statements

This discussion includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical facts, that address future exploration activities and events or developments that the Company expects are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploration successes, the maintenance and continuation of exploration funding agreements and continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

Risks and Uncertainties

Mineral exploration is subject to a high degree of risk, which a combination of experience, knowledge, and careful evaluation may fail to overcome. Exploration activities seldom result in the discovery of a commercially viable mineral resource. Exploration activities require significant cash expenditures. The Company will therefore require additional financing to carry on its business and such financing may not be available when it is needed.

Technical Reporting

All data, as disclosed in this MD&A have been verified by the Company's qualified persons Ronald L. Parratt, M.Sc., and Certified Professional Geologist, Richard L. Bedell, M.Sc., and Certified Professional Geologist and Eric M. Struhsacker, M.Sc., and Certified Professional Geologist to the degree disclosed in this MD&A.

Disclosure and Internal Controls and Procedures

Management is responsible for establishing and maintaining disclosure controls and procedures for the Company. Based on an evaluation of the Company's disclosure controls and procedures as of the end of the period covered by this MD&A, management believes such controls and procedures are effective in providing reasonable assurance that material items requiring disclosure are identified and reported in a timely manner.

The Chief Executive Officer and Chief Financial Officer have designed the internal controls over financial reporting, or caused it to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

During the three months ending September 30, 2009, there has been no change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Corporate Governance

Management of the Company is responsible for the preparation and presentation of the annual financial statements and notes thereto, MD&A and other information contained in the annual report. Additionally, it is Management's responsibility to ensure the Company complies with the laws and regulations applicable to its activities.

The Company's management is held accountable to the Board of Directors ("Directors"), each member of which is elected annually by the shareholders of the Company. The Directors are responsible for reviewing and approving the annual audited financial statements and MD&A. Responsibility for the review and approval of the Company's quarterly unaudited interim financial statements and MD&A is delegated by the Directors to the Audit Committee,

which is comprised of three directors who are independent of management. Additionally, the Audit Committee pre-approves audit and non-audit services provided by the Company's auditors.

The auditors are appointed annually by the shareholders to conduct an audit of the financial statements in accordance with generally accepted auditing standards. The external auditors have complete access to the Audit Committee to discuss the audit, financial reporting and related matters resulting from the annual audit as well as assist the members of the Audit Committee in discharging their corporate governance responsibilities.

Other Information

Additional information relating to the Company is available for viewing on SEDAR at www.sedar.com.



INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Expressed in U.S. dollars

**For the three months ended
September 30, 2009**

Unaudited (prepared by management)

AUEX VENTURES, INC.
INTERIM CONSOLIDATED BALANCE SHEETS
(Expressed in U.S. dollars)

	September 30, 2009 (unaudited)	June 30, 2009
ASSETS		
Current		
Cash	\$ 12,912,890	\$ 17,093,191
Exploration advances	966,924	995,379
Receivables	211,641	401,638
Prepaid expense	65,325	996
	<u>14,156,780</u>	<u>18,491,204</u>
Equipment (Note 5)	121,371	141,085
Mineral properties (Note 6)	2,929,180	840,872
Restricted cash (Note 7)	639,882	364,352
Reclamation bond (Note 7)	19,427	-
	<u>17,866,640</u>	<u>19,837,513</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current		
Accounts payable and accrued liabilities	\$ 329,426	\$ 353,568
Asset retirement obligation	<u>344,842</u>	<u>329,572</u>
	<u>674,268</u>	<u>683,140</u>
Shareholders' Equity		
Capital stock (Note 9)	31,435,603	31,389,217
Contributed surplus (Note 9)	4,021,978	3,692,292
Deficit	<u>(18,265,209)</u>	<u>(15,927,136)</u>
	<u>17,192,372</u>	<u>19,154,373</u>
	<u>\$ 17,866,640</u>	<u>\$ 19,837,513</u>

Nature of operations (Note 1)

Subsequent event (Note 9)

Approved by the Board of Directors

/s/ "Ronald L. Parratt"
Ronald L. Parratt, Director

/s/ "Robert Boaz"
Robert Boaz, Director

The accompanying notes are an integral part of these interim consolidated financial statements.

AUEX VENTURES, INC.**INTERIM CONSOLIDATED STATEMENTS OF LOSS, COMPREHENSIVE LOSS AND DEFICIT**

(Expressed in U.S. dollars)

For the three months ended September 30

(unaudited – prepared by management)

	2009	2008
EXPENSES		
Amortization	\$ 10,109	\$ 9,748
Consulting	44,865	35,753
Foreign exchange (gain) loss	(1,175,507)	21,400
Insurance	3,743	9,453
Management fees	(4,706)	(1,942)
Mineral property exploration expenditures (Schedule)	2,827,672	663,817
Mineral property recoveries	(10,738)	(15,913)
Office and miscellaneous	12,222	15,005
Professional fees	33,274	12,602
Regulatory and transfer agent fees	20,842	94,808
Rent	12,616	12,443
Salaries and benefits	190,631	176,666
Shareholder relations	43,016	19,462
Stock-based compensation (Note 9)	358,115	296,168
Travel and related	11,885	17,255
Loss before other items	(2,378,039)	(1,366,725)
OTHER ITEMS		
Interest and other income	39,966	12,517
Gain on sale of equipment	-	200
	39,966	12,717
Loss and comprehensive loss for the period	(2,338,073)	(1,354,008)
Deficit, beginning of period	(15,927,136)	(8,318,691)
Deficit, end of period	\$ (18,265,209)	\$ (9,672,699)
Basic and diluted loss per common share	\$ (0.06)	\$ (0.05)
Weighted average number of common shares outstanding	40,007,881	25,235,684

The accompanying notes are an integral part of these interim consolidated financial statements.

AUEX VENTURES, INC.
CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in U.S. dollars)
For the three months ended September 30
(unaudited – prepared by management)

	2009	2008
CASH FLOWS TO OPERATING ACTIVITIES		
Loss for the period	\$ (2,338,073)	\$ (1,354,008)
Items not affecting cash:		
Amortization - equipment	10,109	9,748
Amortization - mineral property exploration	3,620	932
Asset retirement obligation	15,270	-
Stock-based compensation - administration	358,115	296,168
Stock-based compensation - mineral property exploration	17,957	65,532
Gain on sale of equipment	-	(200)
Changes in non-cash working capital items:		
Decrease (increase) in receivables	189,997	(16,445)
Increase in prepaid expenses	(64,329)	(4,612)
Decrease in exploration advances	28,455	289,264
Increase (decrease) in accounts payable and accrued liabilities	(24,142)	110,505
Net cash used in operating activities	<u>(1,803,021)</u>	<u>(603,116)</u>
CASH FLOWS TO INVESTING ACTIVITIES		
Restricted cash and reclamation bonds	(294,957)	147,008
Purchase of equipment	5,985	(56,907)
Gain on sale of equipment	-	200
Mineral property recoveries	19,262	74,087
Mineral property expenditures	(2,107,570)	(36,439)
Net cash provided by (used in) investing activities	<u>(2,377,280)</u>	<u>127,949</u>
CASH FLOWS FROM FINANCING ACTIVITY		
Issuance of common stock for cash	-	50,000
Net cash provided by financing activity	<u>-</u>	<u>50,000</u>
Change in cash for period	(4,180,301)	(425,167)
Cash, beginning of period	<u>17,093,191</u>	<u>4,412,448</u>
Cash, end of period	\$ <u>12,912,890</u>	\$ <u>3,987,281</u>
Supplemental disclosure with respect to non-cash financing and investing:		
Fair value of stock options exercised	\$ 46,386	\$ 26,974

The accompanying notes are an integral part of these interim consolidated financial statements.

AUEX VENTURES, INC.
CONSOLIDATED SCHEDULE OF MINERAL PROPERTY EXPLORATION EXPENDITURES

(Expressed in U.S. dollars)

For the three months ended September 30

(unaudited – prepared by management)

<i>Exploration expenditures by property:</i>	Three months ended September 30, 2009			Three months ended September 30, 2008		
	Exploration Expenditures	Recoveries from funding partners	Net Exploration Expenditures	Exploration Expenditures	Recoveries from funding partners	Net Exploration Expenditures
Nevada:						
Antelope	\$ 155	\$ -	\$ 155	\$ 4,625	\$ -	\$ 4,625
Arabia	9,840	-	9,840	5,974	-	5,974
Buffalo Canyon	67,031	(67,031)	-	42,831	(42,831)	-
Bunce	5,374	-	5,374	25,660	-	25,660
Fireball Ridge	17,774	-	17,774	-	-	-
General reconnaissance	90,288	-	90,288	66,926	-	66,926
Goldstar	11,282	-	11,282	22,422	-	22,422
Green Monster	90,491	(90,491)	-	66,059	(66,059)	-
Hays Canyon	40,259	(40,259)	-	34,375	(34,375)	-
Hum	-	-	-	11,189	-	11,189
Jessup-West (JPW)	3,360	-	3,360	-	-	-
Klondike North	-	-	-	35,995	(35,995)	-
Leonid	13,790	-	13,790	24,925	-	24,925
Long Canyon Venture	2,361,169	-	2,361,169	292,408	(3,144)	289,264
Long Canyon South	8,820	-	8,820	7,250	-	7,250
NLRC License	-	-	-	6,538	-	6,538
North Pequop	20,472	-	20,472	-	-	-
Olympic	16,020	-	16,020	21,372	-	21,372
Pasco Canyon	-	-	-	4,771	(4,771)	-
Pequop South	31,592	(31,592)	-	-	-	-
Pequop (West Pequop and Long Canyon)	25,290	-	25,290	6,977	(6,977)	-
Reef	11,733	-	11,733	9,875	-	9,875
Rose Mine	9,067	-	9,067	6,861	-	6,861
Sinter	7,280	-	7,280	14,527	-	14,527
Southwest Trinity	-	-	-	29,143	(10,997)	18,146
Swiss Bank	-	-	-	4,947	(4,947)	-
Trinity Silver	29,189	-	29,189	2,797	(2,797)	-
Wildcat	6,853	-	6,853	-	-	-
Woodhills	69,845	-	69,845	-	-	-
	2,946,974	(229,373)	2,717,601	748,447	(212,893)	535,554
Spain:						
Baza	72,430	-	72,430	15,318	-	15,318
South America:						
Argentina reconnaissance	19,684	-	19,684	106,788	(75,029)	31,759
Stock based compensation - Argentina	17,957	-	17,957	65,532	-	65,532
Hidefield	-	-	-	15,654	-	15,654
Mineral property exploration expenditures	\$ 3,057,045	\$ (229,373)	\$ 2,827,672	\$ 951,739	\$ (287,922)	\$ 663,817

The accompanying notes are an integral part of these interim consolidated financial statements.

1. NATURE OF OPERATIONS

AuEx Ventures, Inc. (the “Company”) was incorporated on May 10, 2004 under the laws of the Province of British Columbia and its principal business activities are the acquisition and exploration of unproven mineral properties in the USA, Argentina and Spain.

The Company has not generated any production revenue since inception and has never paid any dividends and is unlikely to pay dividends or generate earnings in the immediate or foreseeable future. The Company has not yet determined whether its properties contain ore reserves that are economically recoverable. The recoverability of the amounts spent for mineral properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from the disposition of the properties. The Company will periodically have to raise additional funds to continue operations and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles applicable to a going concern, which assumes that the Company will realize its assets and discharge its liabilities in the ordinary course of business. As at September 30, 2009, the Company had an accumulated deficit of \$18,265,209 and working capital of \$13,827,354.

2. SIGNIFICANT ACCOUNTING POLICIES

These interim consolidated financial statements for the Company have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”). They do not include all of the information and disclosures required by GAAP for annual financial statements. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. The interim consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements including the notes thereto for the year ended June 30, 2009 which may be found on www.sedar.com.

New accounting standards:

Effective July 1, 2009, the Company adopted a new accounting standard, Section 3064 “Goodwill and Intangible Assets” which replaced the existing Section 3062 “Goodwill and Other Intangible Assets” and Section 3450 “Research and Development Costs”. The new pronouncement establishes standards for the recognition, measurement, presentation, and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The adoption of this standard did not have a material impact on the Company’s financial statements.

Recent accounting pronouncements

International financial reporting standards (“IFRS”)

In 2006, the Canadian Accounting Standards Board (“AcSB”) published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada’s own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of July 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended June 30, 2011. While the Company has begun assessing the adoption of IFRS for 2011,

the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

Business combinations, non-controlling interest and consolidated financial statements

In January 2009, the CICA issued Handbook Sections 1582 “Business Combinations”, 1601 “Consolidated Financial Statements” and 1602 “Non-controlling Interests” which replace CICA Handbook Sections 1581 “Business Combinations” and 1600 “Consolidated Financial Statements”. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under IFRS. Section 1582 is applicable for the Company’s business combinations with acquisition dates on or after January 1, 2011. Early adoption of this Section is permitted. Section 1601 together with Section 1602 establishes standards for the preparation of financial statements. Section 1601 is applicable for the Company’s interim and annual financial statements for its fiscal year beginning July 1, 2011. Early adoption of this Section is permitted and all three Sections must be adopted concurrently.

Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

In January 2009, the CICA issued EIC 173, “*Credit Risk and the Fair Value of Financial Assets and Financial Liabilities*”. The EIC provides guidance on how to take into account credit risk of an entity and counterparty when determining the fair value of financial assets and financial liabilities. EIC 173 will be applicable for the Company’s interim and annual financial statement for its fiscal year beginning July 1, 2010 and management is currently assessing its impact on the Company’s interim and annual financial statements for fiscal 2010.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial Risk Management

The Board of Directors has overall responsibility for the establishment and oversight of the Company’s risk management framework. The Company’s financial instruments consist of cash, receivables, investments and accounts payable and accrued liabilities.

The Company has classified cash and investment as held-for-trading. Receivables are classified as loans and receivables, and accounts payable and accrued liabilities as other liabilities, all of which are measured at amortized cost.

The fair values of cash, receivables, and accounts payable and accrued liabilities approximate their book values because of the short-term nature of these instruments. The investment is shares of a private company that have been written down to zero.

Financial Instrument Risk Exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Credit Risk

The Company’s only exposure to credit risk is on its bank accounts. Bank accounts are with high credit quality financial institutions.

Liquidity Risk

The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company’s holdings of cash. The Company’s cash is invested in business accounts which are available on demand.

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Interest Risk

The only significant market risk exposure to which the Company is exposed is interest rate risk. The Company's bank account earns interest income at variable rates. The fair value of its portfolio is relatively unaffected by changes in short-term interest rates. The Company's future interest income is exposed to short-term rates.

Exchange Risk

As at September 30, 2009 the majority of the Company's cash was held in Canada in Canadian Dollars. The Company's significant operations are carried out in Nevada. As a result a portion of the Company's working capital is denominated in Canadian dollars and is therefore subject to fluctuation in exchange rates. The effect of a one percent change in the foreign exchange rate on the cash held in Canadian dollars would be approximately \$123,000. At September 30, 2009 the US to Canadian dollar exchange rate was \$1.0707 an increase of over 9% over the exchange rate of \$1.163 at June 30, 2009 that resulted in a foreign exchange gain of \$1,175,507 in the three months ended September 30, 2009 on its Canadian denominated cash and working capital.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

4. INVESTMENT

At September 30, 2009, the Company owns 1,500,000 common shares of North Range Resources Ltd. that were received on a settlement of a debt related to the Bunce property in the year ended June 30, 2009. North Range is a private company and the Company has written down the fair value of the common shares that currently represent approximately 6% of the total issued and outstanding shares of North Range to zero.

5. EQUIPMENT

	September 30, 2009			June 30, 2009	
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value	
Office equipment	\$ 18,241	\$ 11,010	\$ 7,231	7,912	
Computers	52,268	38,053	14,215	15,994	
Field equipment	160,175	60,250	99,925	117,179	
Net book value	\$ 230,684	\$ 109,313	\$ 121,371	\$ 141,085	

AUEX VENTURES, INC.
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6. MINERAL PROPERTIES

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties, and to the best of its knowledge, all properties are in good standing.

All of the Company's mineral properties are listed in alphabetical order.

	June 30, 2009	Additions	Recoveries	Written off	September 30, 2009
Nevada:					
Antelope	\$ -	\$ -	\$ -	\$ -	\$ -
Arabia	4,876	-	-	-	4,876
Buffalo Canyon	-	-	-	-	-
Bunce	158,757	-	-	-	158,757
Fireball Ridge	5,000	-	-	-	5,000
Fireball South	1,600	-	-	-	1,600
Gold Star	6,439	-	-	-	6,439
Green Monster	-	10,000	(10,000)	-	-
Grouse Creek	-	-	-	-	-
Hays Canyon	-	-	-	-	-
Hum	-	-	-	-	-
Jessup-West (JPW)	-	-	-	-	-
Klondike North	-	-	-	-	-
Leonid	-	-	-	-	-
Long Canyon Venture	146,589	2,088,380	-	-	2,234,969
Long Canyon South	-	-	-	-	-
NLRC License	38,175	-	-	-	38,175
Olympic	35,000	-	-	-	35,000
Pasco Canyon	-	-	-	-	-
Pequop (West Pequop and Long Canyon)	290,054	-	-	-	290,054
Pequop South	9,262	-	(9,262)	-	-
Reef	15,366	-	-	-	15,366
Rose Mine	10,000	10,000	-	-	20,000
Sinter	18,820	-	-	-	18,820
Trinity Silver	-	-	-	-	-
Wood Hills South	68,330	(810)	-	-	67,520
Utah:					
Wildcat	2,610	-	-	-	2,610
Spain:					
Baza	-	-	-	-	-
Argentina:					
Santa Cruz	19,957	-	-	-	19,957
Meridiano	10,037	-	-	-	10,037
Mineral properties	\$ 840,872	\$ 2,107,570	\$ (19,262)	\$ -	\$ 2,929,180

AUEX VENTURES, INC.
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Details on the Company's mineral properties are found in note 6 to the audited consolidated financial statements for the year ended June 30, 2009 and only material differences to those agreements are noted below:

Long Canyon Property, Elko County, Nevada

The Company's Long Canyon property is under a December 22, 2006 exploration and option to joint venture agreement with NewWest Gold USA Inc., which is owned by Fronteer Development Group Inc. ("Fronteer"). Fronteer owns 51% and is the operator of the Long Canyon Venture with the Company participating at 49%. Each party reserved a 3% NSR royalty on lands contributed.

In July 2009, Fronteer completed the acquisition of the M&N Ranch, together with all water rights, for the benefit of the Long Canyon Venture for consideration of \$4,262,000 of which the Company's 49% share was \$2,088,380.

Pequop South project, Elko County, Nevada

On August 7, 2009 the Company entered into an exploration and development option agreement with Golden Dory Resources Corp. ("Golden Dory") on the Company-owned Pequop South project. Golden Dory paid the Company \$20,000 on signing and must expend at least \$50,000 during the first year of the agreement. Golden Dory must expend a minimum of \$2,850,000 and complete a bankable feasibility study within seven years to earn a 70% interest in the Pequop South property whereupon a joint venture would be formed. Should Golden Dory expend \$5,000,000 or more and terminate its interest without vesting, it would be entitled to a 3% net smelter return royalty ("NSR") capped at twice its investment.

Trinity Silver project, Pershing County, Nevada

On July 29, 2005 the Company leased the former producing silver mine and surrounding property in Pershing County, Nevada forming the Trinity Silver project from Newmont. This former producing mine was subsequently reclaimed by the previous operators.

On August 28, 2009 the Company entered into a letter of intent ("LOI") with Yellowcake Mining, Inc. ("YCMD") granting YCMD the exclusive right to enter into an exploration and development option agreement on the Trinity Silver project. Under the terms of the LOI, YCMD will reimburse the Company for 2009 mining claim fees and will have until November 15, 2009 to sign an Exploration Earn-in Agreement ("Agreement"), which date has been verbally extended from November 1, 2009. Upon signing the Agreement, YCMD will pay to the Company US\$250,000 and incur expenses on the property during the first agreement year of at least US\$500,000, and is committed to the preparation of a current resource estimate complying with 43-101 standards. YCMD is required to pay the Company US\$250,000 on the first anniversary of the Agreement and to expend a minimum of US\$1,000,000 during the second Agreement year. YCMD must expend a minimum of US\$5,000,000 within 6 years and complete a bankable feasibility study to earn an undivided 70% interest in the Trinity Silver property. Should YCMD expend US\$3,000,000 or more and terminate its interest without vesting, it would be entitled to a 3% NSR capped at twice its investment.

On signing the Agreement AuEx will undertake to YCMD that it will exercise its option to purchase the Trinity Silver property from Newmont for \$500,000 prior to December 31, 2009. Newmont retained a sliding scale royalty that increases to 5% at silver prices above \$10 per ounce. This royalty may be reduced by one percentage point under certain conditions. In addition, Newmont retains the right to back-in up to completion of feasibility upon fulfillment of specific expenditure requirements.

Baza Project, Spain

On September 28, 2009 EuEx Resources Inc. (“EuEx”), a wholly owned subsidiary of the Company, purchased Basti Resources S.L. (“Basti”) for €14,000 of which €4,000 was paid in October 2009 and the remainder will be paid in €0,000 annual installments commencing November 20, 2009. The sellers retained a 1.5% NSR that can be bought down. The Company has had a grub stake agreement with Basti since 2006.

On October 13, 2009 Basti and the Company signed an option agreement (the “Agreement”) with Western Uranium Corporation (“WUC”) whereby WUC can acquire a 70% interest in the properties owned by Basti (the “Baza Project”) by funding the continued exploration and development within the Baza Project Area of Interest.

WUC has the right to carry EuEx through bankable feasibility on any given exploration permit to earn up to 70% of the project and by paying an aggregate of \$400,000 to the Company of which \$100,000 was received on October 13, 2009. To maintain the option \$100,000 must be paid on the first, second, and third anniversaries of the Agreement to the Company and minimum annual expenditures must be incurred at the rate of:

1. €00,000 on or before the first anniversary;
2. €00,000 on or before the second anniversary;
3. €1,000,000 on or before the third anniversary; and
4. €00,000 in each subsequent year until such time as a bankable feasibility study is obtained on a particular Permit.

If WUC spends at least €3,000,000 on any given exploration permit or application, it is entitled to a 5% NSR which reduces to a 1% NSR after €6,000,000 in payments.

7. RECLAMATION BONDS AND RESTRICTED CASH

The Company is required to post bonds with the Bureau of Land Management (“BLM”) for reclamation of planned mineral exploration programs work associated with the Company’s mineral properties located in the United States. For the Company’s mineral properties that are being actively explored under funding arrangement agreements, the funding partners are responsible for bonding for the surface disturbance created by the exploration programs funded by each of them on those projects.

Agnico-Eagle Mines Ltd. (“Agnico”) earned a 51% interest in the West Pequop property on June 19, 2008 and the surface disturbance to that date was determined to be \$388,682 of which the Company’s share is \$190,454 (June 30, 2008 - \$190,454). The Company has posted a Letter of Credit with the BLM that is in turn secured by interest earning restricted cash taking the form of a certificate of deposit of \$190,454. As Agnico is responsible for surface disturbance going forward on this project the amount of the reclamation bond is equal to the asset retirement obligation for this project.

The Company’s 49% participating share of a Letter of Credit and reclamation bond with the BLM held by Frontier Development Group Inc. on behalf of the Long Canyon Joint Venture is \$192,985 at September 30, 2009 (June 30, 2009 - \$173,898). In addition the Company has posted \$275,870 being its 49% share of escrowed cash, with the City of Wendover, Nevada that will be released upon completion of a water production well.

8. RELATED PARTY TRANSACTIONS

Unless disclosed elsewhere, related party transactions for the three months ended September 30, 2009 are as follows:

- (a) Paid or accrued \$20,944 (2008 - \$21,823) for consulting fees to a company controlled by an officer of the Company.
- (b) Paid or accrued \$13,003 (2008 - \$Nil) for consulting fees to the spouse of an officer of the Company.
- (c) Paid half of the annual lease payments for the Green Monster (\$10,000) (2008 - \$Nil) and the Rose Mine (\$5,000) (2008 - \$5,000) projects to a company controlled by a director of the Company.

An amount of \$62,951 for expenses and director fees owed to officers and directors are included in accounts payable and accrued liabilities (June 30, 2009 - \$33,584). These amounts were paid subsequently.

The related party transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

9. CAPITAL STOCK AND CONTRIBUTED SURPLUS

Authorized: An unlimited number of common shares without par value and 10,000,000 preferred shares
Issued and outstanding:

	Shares	Value	Contributed Surplus
Outstanding at June 30, 2009	39,754,405	\$ 31,389,217	\$ 3,692,292
Issued during period:			
Stock options exercised	260,925	46,386	(46,386)
Fair value of stock options vested	-	-	376,072
Outstanding at September 30, 2009	40,015,330	\$ 31,435,603	\$ 4,021,978

During the three months ended September 30, 2009, the Company issued 260,925 common shares for the cashless exercise of 300,000 stock options.

Exchangeable Shares

The Company issued a special voting share to a transfer agent attaching a number of votes equal to the number of Exchangeable Shares at any given time, or, at June 28, 2005 the equivalent of 7,979,817 common shares in exchange for the 7,979,817 Class B shares of Holdings held by the former shareholders of AuEx, Inc. At September 30, 2009 there were 4,605,279 Class B shares outstanding (June 30, 2009 – 4,615,279). All of the Exchangeable Shares have been included in the outstanding share capital schedule.

Shareholder Rights Plan

On June 15, 2009 the Company's shareholders adopted a shareholder rights plan (the "Rights Plan") to protect the Company's shareholders from unfair, abusive or coercive take-over strategies, including the acquisition of control of the Company through a take-over bid that does not treat all shareholders equally or fairly.

AUEX VENTURES, INC.
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The primary objective of the Rights Plan is to provide the Board of Directors with sufficient time to explore and develop alternatives for maximizing shareholder value if a take-over bid is made for the Company and to ensure that every shareholder has an equal opportunity to participate in such a bid. The Rights Plan is similar to plans adopted by other Canadian companies and ratified by their shareholders. The Company is not aware of any pending or threatened take-over bid for the Company.

The Rights Plan is intended to encourage a person (an “Acquiring Person”) who makes a take-over bid to proceed either with the approval of the Company’s Board of Directors or by way of a “Permitted Bid”, which generally requires a take-over bid to satisfy certain minimum standards designed to promote fairness. Those standards include a requirement that the bid be kept open for at least 60 days and that, if more than 50% of the shares subject to the bid are tendered within that period, the bid must remain open for an additional 10 days to permit the other shareholders to also tender their shares. The 10 day provision is designed to reduce the pressure to tender during the initial 60-day period.

The Rights Plan provides that if a take-over bid fails to meet these minimum standards and the Rights Plan is not waived by the Board of Directors, holders of Voting Shares other than the Acquiring Person will be able to purchase additional common shares of the Company at a significant discount to market, thus exposing the Acquiring Person to substantial dilution of its holdings.

Warrants

The continuity for share purchase warrants for the three months ended September 30, 2009:

Expiry date	Exercise		Issued	Exercised	Expired	Balance, September 30, 2009
	Price Cdn	Balance, June 30, 2009				
March 11, 2011	\$ 2.75	1,500,000	-	-	-	1,500,000
June 16, 2011	\$ 2.75	2,569,750	-	-	-	2,569,750
		4,069,750	-	-	-	4,069,750
Weighted average exercise price US		\$2.36	\$ -	\$ -	\$ -	\$ 2.57

- a) The warrants that expire March 11, 2011 entitle the warrant holder to purchase one additional share at a price of C\$2.75 per share for the first year following issuance and C\$3.25 for the second year following issuance. In the event that the trading price of the Company’s shares on the Toronto Stock Exchange is C\$4.12 or greater for a period of 20 consecutive trading days in the period commencing either four months and up to twelve months after the closing date or above C\$4.87 per share thereafter, the Company may provide notice of an earlier expiry of the warrants, in which case the warrants shall expire 30 days after such notice is given.
- b) The warrants that expire June 16, 2011 entitle the warrant holder to purchase one additional share at a price of C\$2.75 per share for the first year following issuance and C\$3.30 for the second year following issuance. In the event that the trading price of the Company’s shares on the Toronto Stock Exchange is C\$4.12 or greater for a period of 20 consecutive trading days in the period commencing either four months and up to twelve months after the closing date or above C\$4.95 per share thereafter, the Company may provide notice of an earlier expiry of the warrants, in which case the warrants shall expire 30 days after such notice is given.

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Stock options

On October 26, 2009, the Company's shareholders approved an increase in the shares reserved for the combined Incentive and Non-qualified Stock Option Plan (the "Plan") to 8,000,000 shares reserved for issuance. All options granted pursuant to the Plan are for a term of five years and vest as to one-third on each six month anniversary from the date of grant.

The continuity for stock options for the three months ended September 30, 2009 is as follows:

Expiry date	Exercise price		Balance, June 30, 2009	Granted	Exercised	Expired	Balance, September 30, 2009
	US\$	Cdn \$					
November 2, 2009	\$0.20		200,000	-	(100,000)	-	100,000
November 2, 2009	\$0.32		300,000	-	(200,000)	-	100,000
June 15, 2011		\$1.75	835,000	-	-	-	835,000
February 13, 2012		\$2.43	100,000	-	-	-	100,000
July 11, 2012		\$2.15	1,140,000	-	-	-	1,140,000
July 24, 2013		\$2.14	775,000	-	-	-	775,000
December 30, 2013		\$1.73	565,000	-	-	-	565,000
July 16, 2014		\$2.50	-	585,000	-	-	585,000
			3,915,000	585,000	(300,000)	-	4,200,000
Weighted average exercise price US			\$ 1.53	\$ 2.33	\$ 0.28		\$ 1.85

At September 30, 2009, 2,721,659 of the stock options were exercisable. Subsequent to September 30, 2009, the Company issued 100,000 common shares pursuant to the exercise of 100,000 stock options for proceeds of \$20,000 and issued 89,861 common shares pursuant to the cashless exercise of 100,000 stock options.

Stock compensation expense

On July 16, 2009 the Directors granted 585,000 options with a fair value of \$854,188 or \$1.46 per option. The fair value recognized in the three months ended September 30, 2009 was \$217,503 and the remaining \$636,685 will be recognized in fiscal 2010 and 2011. The fair value was estimated on the grant date using the Black-Scholes Option Pricing Model with the following assumptions: 82% expected stock price volatility, a 2.52% risk free interest rate, a 4.77 year expected life and zero expected dividend yield.

On December 30, 2008 the Directors granted 565,000 options with a fair value of \$536,457 or \$0.95 per option. The fair value was recognized as \$327,835 in fiscal 2009, \$74,508 was recognized in the three months ended September 30, 2009 and the remaining \$134,114 will be recognized in the remainder of fiscal 2010. The fair value was estimated on the grant date using the Black-Scholes Option Pricing Model with the following assumptions: 87% expected stock price volatility, a 1.7% risk free interest rate, a 4.77 year expected life and zero expected dividend yield.

On July 24, 2008 the Directors granted 850,000 options of which 66,667 were subsequently cancelled. The fair value to be recognized, net of forfeitures, is \$1,019,583 or \$1.30 per option. The fair value was recognized as \$860,800 in fiscal 2009, \$84,061 in the three months ended September 30, 2009 and the remaining \$74,722 will be

AUEX VENTURES, INC.
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recognized in the remainder of 2010. The fair value was estimated on the grant date using the Black-Scholes Option Pricing Model with the following assumptions: 83% expected stock price volatility, a 3.4% risk free interest rate, a 4.77 year expected life and zero expected dividend yield.

Total stock-based compensation expense is \$376,072 (2008 - \$361,700) of which \$358,115 (2008 - \$296,168) is recognized in general expenses and \$17,957 (2008 - \$65,532) was allocated to Argentina mineral exploration expenditures.

10. MANAGEMENT OF CAPITAL

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. Management does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

11. SEGMENT INFORMATION

The Company operates in one business segment being the acquisition and exploration of mineral properties and has three geographical segments: USA, Argentina and Spain. The total assets attributable to the geographical locations relate primarily to equipment and deferred mineral property costs and have been disclosed in notes 5 and 6.