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AUROX ADVANCES WITH MAJOR PORT AGREEMENT

Pilbara iron ore developer Aurox Resources Limited [ASX Code: AXO] (“Aurox”) has taken a further step in the development of its Balla Balla magnetite project, securing an Agreement with the Port Hedland Port Authority (“PHPA”) for a magnetite shipping facility.

The Agreement, which includes dewatering, stockpiling and ship-loading at the Utah Point Multiuser Facility, is another step toward becoming WA’s first magnetite iron ore producer from Balla Balla, which is located near the Pilbara coast.

Aurox has secured an area at Utah Point (see satellite photo) designed to hold a linear stockpile capable of servicing a shipping operation in excess of 10 million tonnes per annum. The company will install and operate its own dewatering, stacking and reclaiming equipment, with the capacity to feed the PHPA out-loading conveyor system at its design rate of 7,500 tonne per hour.

Aurox Managing Director Charles Schaus said the port agreement was a major milestone for Aurox and its shareholders.

“Access to port facilities is clearly a critical element in the development of a project such as this - without a port there is no project,” Mr Schaus said.

“The signing of this agreement further de-risks the Balla Balla project, and keeps us on track toward first shipment of magnetite concentrate in the second half of 2010,” Mr Schaus said.

Aurox will transport the Balla Balla magnetite concentrate 110 kilometres from the mine site to Utah Point via a buried slurry pipeline, avoiding the traffic, dust and noise associated with a trucking operation. The slurry product will be dewatered at the port with the majority of process water returned to Balla Balla for reuse. However, a small quantity of water will be retained at the port for dust suppression and wash down purposes.

Aurox will prepay a Port Facility Charge which is refunded by the PHPA through a formulated reduction of port utilisation fees against future Balla Balla tonnage shipped over the Utah Point Berth. The term of the Agreement is 15 years.

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“Although Aurox will be the biggest user of the Utah Point facility, our operations will have no adverse impact on the Port Hedland Community,” Mr Schaus said.

PHPA Chief Executive Officer Andre Bush stated “We would like to welcome Aurox Resources as a cornerstone partner in Utah Point. Securing Port access removes a critical barrier to entry for Aurox and we’re pleased to facilitate the provision of this important piece of infrastructure,”

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SATELLITE PHOTO



About Aurox

Aurox Resources Limited (ASX: AXO) is a Perth based metals developer with its primary asset the 100% owned Balla Balla iron ore concentrate project. The project is located near the coast west of Port Hedland in the renowned Pilbara region of Western Australia. Aurox is well advanced in the development of Balla Balla, having commenced detailed engineering and securing orders for all long lead items such as crusher and mills. The Company has in place two 15 year sales contracts for a total of 6 million tonnes per annum increasing to 10 million tonnes per annum concentrate production in year 5 with major Chinese Steel Companies.

Balla Balla is based on a large homogenous magnetite ore body, which will be developed as one of the lowest cost magnetite operations in Australia. The project also has significant titanium and phosphate potential, and is located near major ports, gas and grid power with main highway access.

The Balla Balla Feasibility Study demonstrates strong project economics with magnetite iron ore shipments to China scheduled to commence in the second half of 2010 making Aurox Western Australia’s first magnetite producer.