



AUROX Resources Limited
ABN 32 106 793 560

Suite 1, 245 Churchill Avenue
Subiaco WA6008
Australia

PO Box 344
Subiaco WA 6008

Tel +61 (8) 9382 4477
Fax +61 (8) 9382 2012
www.aurox.com.au

26 November 2009

e-lodgement
Company Announcements Office
ASX Limited
2 The Esplanade
PERTH WA 6000

ASX / Media Announcement

**INTEGRATED FEASIBILITY STUDY CONFIRMS BALLA BALLA
AS A WORLD CLASS LOW COST PRODUCER**

- An Integrated Producer of Iron Ore, Vanadium and Titanium
- Strong Financial Returns from Simple Low Risk – Low Cost Operation
- Pre tax NPV of A\$1.5 Billion on 16 Yr JORC Ore Reserves and A\$2.0 Billion based on 26 Yr JORC Mineral Resources*
- Life of mine average net cash cost of A\$22.04 per tonne of iron ore concentrate after by-product revenues
- Funding Discussions Underway

* Key assumptions set out on page 3 of this release

A handwritten signature in black ink, appearing to read 'Charles Schaus'.

Charles Schaus
Managing Director

For further information regarding this announcement, please contact Charles Schaus.

Telephone: (08) 9382 4477

Facsimile: (08) 9382 2012

Email address: mail@aurox.com.au

Visit the Aurox website: www.aurox.com.au

For personal use only



Project Financial Summary

Pilbara iron ore developer Aurox Resources Limited (ASX: AXO) has completed its engineering and cost study for the integrated production of iron ore, vanadium and titanium at its West Pilbara Balla Balla Project.

Operations are scheduled to commence in the first half of 2012 with the production of 6Mtpa iron concentrate and 280,000tpa of titanium (ilmenite) concentrate in Phase One. This will be followed by a Phase Two expansion to 10Mtpa of iron concentrate within 4 years. The expansion in Phase Two will include the construction of a ferro-vanadium plant capable of producing 7,000tpa ferrovandium. In addition, an average of 470,000tpa of titanium (ilmenite) concentrate will be recovered from the expanded production of iron concentrate.

Life of mine average net cash operating costs are estimated to be A\$22.04/tonne¹ of iron ore concentrate, net of ilmenite and ferro-vanadium revenue, FoB Port Hedland. This compares very favourably to other existing and potential sources of iron ore from Western Australia.

Aurox Managing Director Charles Schaus said the Integrated Feasibility Study has confirmed the project economics and shows Aurox can be a world class low cost producer of iron ore, vanadium and titanium.

“By integrating these processes we gain significant efficiencies in infrastructure provision and plant operation.

“The integrated project means Aurox would also have the benefit of three product revenue streams which diversify the demand risks associated with each commodity through the cycle.

“Aurox has regulatory approvals and is ready to commence site development as soon as funding is arranged”, Mr Schaus said.

Integrated Feasibility Study

Capital costs required to commence production in 2012 for Phase One are currently A\$1.3 billion which includes all expenditure associated with mining pre-strip, manufacturing, installation and manning of the 6Mtpa iron concentrate plant, 280,000tpa titanium circuit, slurry pipeline from site to Port Hedland and stacker / reclaimer infrastructure at Utah Point. The Phase Two upgrade to the iron and titanium circuits to 10Mtpa and 470,000tpa respectively, plus the installation of the ferrovandium plant will require further investment of A\$0.7 billion.

These capital estimates have been compiled by Orelogy Pty Ltd and GR Engineering Services for the Integrated Feasibility Study. Aurox has already commenced a process of optimising these capital estimates. It is expected that this work will result in a reduction of these estimates through the use of alternate key equipment suppliers. In addition, studies are underway to explore the

¹ Average net cash operating costs represents the average site operating costs less average by-product revenues based on long-term ferrovandium price of US\$30/kg, and a long-term ilmenite price of US\$105/tonne.

ability to leave process water from the slurry pipeline at Port Hedland. This water could potentially be used for dust suppression and other industrial needs. If these studies are successful and the associated approvals are granted this would remove the requirement for a water return line on the project's slurry pipeline. This would reduce the capital estimate for Phase One by an estimated A\$60 million.

Based on the currently defined ore reserves, Balla Balla has a life of mine ("LOM") of 16 years. Aurox has also undertaken conceptual mine plan studies to explore the potential for extending this mine life through the exploitation of the existing Mineral Resources. This work has shown Balla Balla's mine life could exceed 26 years. In addition, further upside is anticipated from drilling below 100 metres along the 9.5 kilometre Far Western zone.

The headline illustrative projections shown below were generated from the detailed financial analysis of the Integrated Feasibility Study results.

Key Items	Key Outcomes	
	16 Year LoM	26 Year LoM
Average Annual Revenue	A\$ 1.0 billion	A\$1.0 billion
Average Annual EBITDA	A\$ 510 million	A\$ 450 million
Average Annual Net Cash Cost	A\$ 22.04 / tonne	A\$ 30.20 / tonne
Project Pre Tax NPV (8% real)	A\$ 1.5 billion	A\$ 2.0 billion

Notes: Project NPV represents the net present value of the cash flows of the project based on a long-term AUD:USD exchange rate of 80 cents, long-term iron ore price of US 120 cents/ dmtu, long-term ferrovanadium price of US\$30/kg, and a long-term ilmenite price of US\$105/tonne. Average Annual Net Cash Cost is average site operating costs less average by-product revenues based on the above long-term price assumptions.

Project Funding

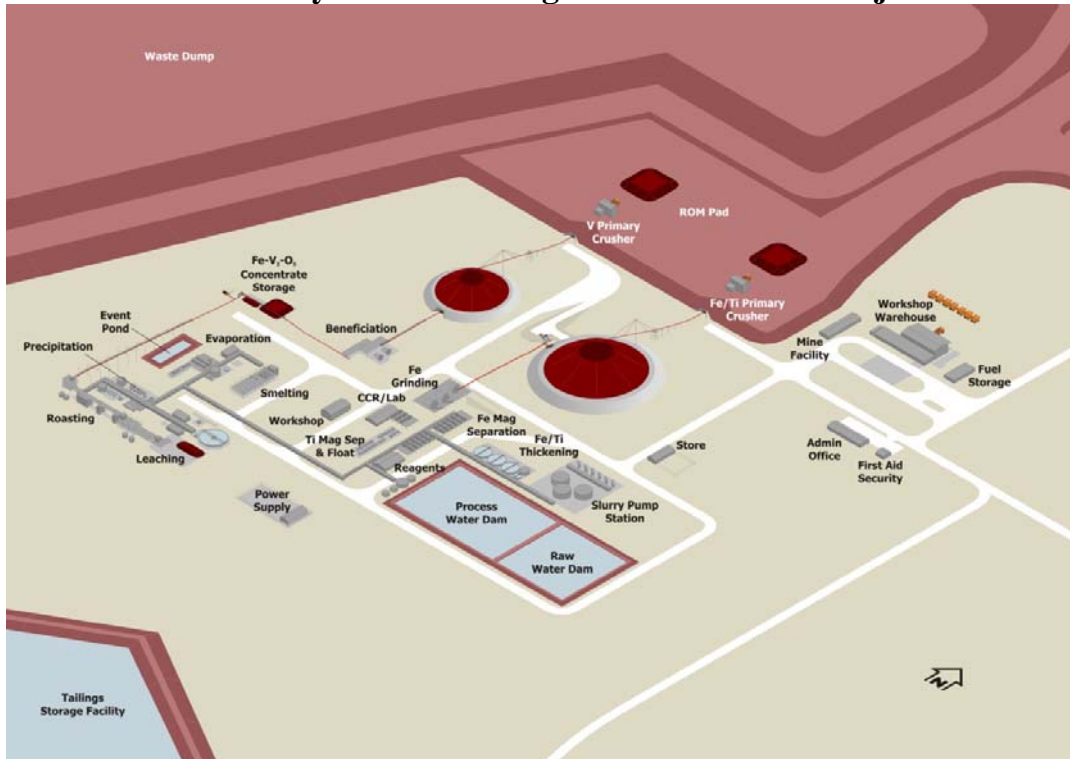
In September 2009 Aurox mandated Sigiriya Capital to advise and assist the company in securing the finance necessary to build Balla Balla. Most recently Sigiriya Capital advised Aquila Resources Limited on it's A\$285 million investment by Baosteel Group.

Discussions with potential investors and financial institutions having the capacity to provide the necessary debt and equity funding for the Balla Balla project are now underway.

Project Overview Presentation

An overview of the Balla Balla Integrated Multi-Product Project will be presented to shareholders at tomorrow's Annual General Meeting being held at 11:00am in Exchange Plaza, Perth. A copy of the presentation will be lodged with the Australian Stock Exchange prior to the AGM and also posted on the Aurox website; www.aurox.com.au. The Company invites all shareholders and interested parties to review the presentation.

Plant Layout of the Integrated Balla Balla Project



Balla Balla Mineral Resources and Ore Reserve

The tables below set out the Balla Balla Mineral Resource estimate from which the current Ore Reserves were derived and applied in the Integrated Feasibility Study. The Mineral Resources were estimated by geological consultants Golder Associates Pty Ltd and the Ore Reserves estimated by mining engineering group Orelogy Pty Ltd. Also displayed is a surface projection of the Balla Balla deposit showing the locations of the pits and additional mineral resources along the 18.5 kilometre strike.

Mineral Resource Estimate

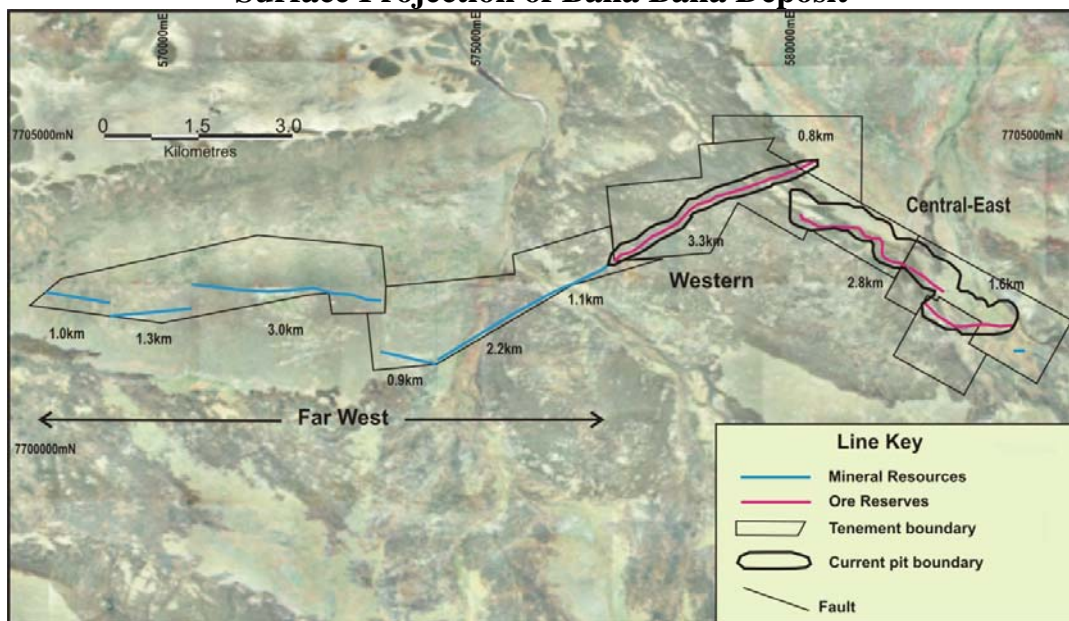
Category	Mt	Fe %	V2O5%	TiO2%
Measured	219	45	0.64	14
Indicated	87	45	0.65	14
Inferred	150	44	0.68	14
TOTAL	456	45	0.66	14

For personal use only

Ore Reserve Estimate

Category	Mt	Fe%	V2O5%	TiO2%
Proved	180	45	0.63	14
Probable	27	45	0.64	14
TOTAL	207	45	0.63	14

Surface Projection of Balla Balla Deposit



Competent Persons Statements

In November 2008 Aurox reported an increase to the Proved and Probable Ore Reserves of the Western Pit and Central-East Pit areas of the Balla Balla magnetite deposit. The associated Balla Balla Mineral Resources were estimated by Mr Richard Gaze of Golder & Associates Pty Ltd. The Balla Balla Ore Reserves for the Western Pit and Central-East Pit areas were estimated by Mr Steve Craig of Orelogy Pty Ltd. Both parties have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Richard Gaze and Mr Steve Craig consent to the inclusion in this report of the above Resource and Reserve information in the form and context in which it appears.

In July 2009 Aurox reported an increase to Measured, Indicated and Inferred Resources of the Western Pit and Central-East Pit areas of the Balla Balla magnetite deposit. In December 2008 Aurox upgraded the Balla Balla Far West area resources from 100% Inferred to Measured, Indicated and Inferred Resources. The information in these reports that relates to Exploration and Minerals Resources is based on information compiled by Matt Chinn and Richard Gaze who are both members of the Australian Institute of Mining and Metallurgy. Matt Chinn is a full-time employee of Aurox Resources Limited. Richard Gaze is a full time employee of Golder Associates. Matt Chinn and Richard Gaze have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Matt Chinn and Richard Gaze consent to the inclusion in the report of matters based on this information in the form and context in which it appears.