



Wednesday, 13 January 2010

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

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

ASX / Media Announcement

AUROX AND PORT HEDLAND TO BENEFIT FROM BALLA BALLA WATER

Highlights

- Scoping study shows long-term sustainable water reserve of minimum 5GL per annum processed water can be delivered to Port Hedland
- Water can be delivered as mine/transport by-product at minimal cost
- Integrated Feasibility Study finalised in November 2009 that confirmed Balla Balla economics with a pre-tax NPV of \$1.5 billion before any additional revenue from secondary water sales to Port Hedland

Pilbara iron ore developer Aurox Resources Limited (ASX: AXO) today announced the completion of its Pilbara Water Reuse Initiative Scoping Study. The study was partially funded through the Royalties for Regions Pilbara Regional Grants Scheme, with the aim of evaluating the concept of providing a low-cost, fit-for-purpose water supply to Port Hedland.

The Balla Balla project will deliver Iron ore concentrate as pumped slurry via a buried pipeline to Utah Point at Port Hedland, where it will be de-watered and stockpiled prior to export.

The study investigated the concept of the Balla Balla project leaving 5GL per annum of filter decant water at Port Hedland, instead of pumping it back to the mine site where it would have been used again in the process circuit. The desired outcome is to leave process water at Port Hedland to provide a fit-for-purpose solution for low-end uses, such as dust suppression and equipment wash-down, instead of using scarce, good quality potable water for these purposes.

Key outcomes of the study include:

- There is a high level of confidence that a long-term sustainable water reserve to deliver a minimum of 5GL per annum of process water to Port Hedland is easily achievable.
- Capital and operating costs are low relative to other Pilbara water supply options recently studied in a report commissioned by the Department of Water.
- The probable timing of the first delivery of water to Port Hedland coincides conveniently with a projected deficit in community supply.
- The study has identified the potential to delineate 30GL per annum of water, so other areas of the Pilbara could be serviced via dedicated pipelines and the volume of delivery to Port Hedland could be increased.

The report has recommended that a detailed definitive feasibility study now be conducted into the Pilbara Water Reuse Initiative. Aurox Resources will be seeking funds from the State and potentially Federal governments to assist in the completion of the feasibility study.

Aurox Managing Director Charles Schaus said; “The Water Reuse Study demonstrates the potential for an additional low cost revenue stream that has not yet been factored into the already low cost Balla Balla project.

“In addition, there is a direct benefit to the growing community of Port Hedland by the provision of much needed water at a relatively modest cost for low end use.”



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