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Company Announcements Office
ASX Limited
2 The Esplanade
PERTH WA 6000

ASX / Media Announcement

ORE RESERVES INCREASED BY 15 PERCENT

Highlights

- Balla Balla ore reserve estimate increases by 15 per cent to JORC compliant 238 million tonnes
- Follows 26 November announcement demonstrating the strong financial returns from Simple Low Risk – Low Cost operation
- Integrated project to give benefit of three product revenue streams across iron ore, vanadium and titanium, reducing average net costs to \$22.04 per tonne iron concentrate
- Regulatory approvals in place – ready to commence development

Pilbara iron ore developer Aurox Resources Limited (ASX: AXO) today announced a 15 percent increase to its Balla Balla Ore Reserve estimate.

The JORC compliant Balla Balla Ore Reserves have grown from 207 to 238 million tonnes with over 79% being classified in the Proved Ore Reserve category. The Ore Reserve increase is a result of pit optimisation and design work carried out by mining consultants Orelogy Pty Ltd on near surface mineral resources located in the Far West Area of the 18.5 kilometre long Balla Balla deposit.

Aurox Managing Director Charles Schaus said; “Today’s reserve increase is further confirmation of what we have at Balla Balla in terms of size and quality.

”While the maiden Far West Ore Reserve estimate is a good start, it is only a small section of our 18 kilometre long resource, and the Far West is expected to grow substantially once drilling and resource modelling resumes.

Currently the drilling in the Far West Area is widely spaced and extends to only 100 vertical metres. Based on the strong continuity of Balla Balla mineralisation, it is reasonable to expect that follow-up drilling will upgrade near surface resources and delineate new resources at depth leading to future Ore Reserve increases in the Far West Area.”

Balla Balla Ore Reserve Estimate – December 2009

Category	Area	Mt	Fe%	V2O5%	TiO2%	% of TOTAL
Proved	Western	86	45.9	0.66	14.0	36%
	Central	59	44.5	0.59	13.7	25%
	Eastern	27	45.4	0.59	13.8	12%
	Far West	16	41.3	0.58	12.6	7%
	TOTAL	188	45.0	0.62	13.7	79%
Probable	Western	6	45.8	0.68	13.7	3%
	Central	13	45.2	0.60	13.9	5%
	Eastern	8	44.4	0.56	13.7	3%
	Far West	22	41.9	0.58	12.8	9%
	TOTAL	50	43.7	0.60	13.3	21%
TOTAL	Western	92	45.8	0.66	14.0	39%
	Central	71	44.6	0.59	13.7	30%
	Eastern	36	45.2	0.58	13.8	15%
	Far West	39	41.6	0.58	12.7	16%
	TOTAL	238	44.7	0.62	13.7	100%

Notes:

Cut-off grade = 35% Fe

Fresh Ore only, no oxide material included

The Far West Ore Reserve is based on measured and indicated ore within an optimal shell only

Competent Persons Statements

The Balla Balla Ore Reserves were estimated by Mr Steve Craig of Orelogy Pty Ltd who has 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 a Competent Persons as defined in the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Steve Craig consents to the inclusion in this report of the above Resource and Reserve information in the form and context in which it appears.



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