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ASX / Media Announcement

Aurox progresses construction of its Balla Balla magnetite project

Pilbara iron ore developer Aurox Resources Limited (“Aurox”) (ASX:AXO) has further advanced its Balla Balla project with engineering work commencing and key plant components secured as part of the first phase of its manufacturing arrangements.

Aurox recently announced the appointment of FLSmidth Minerals Pty Ltd (“FLSmidth”) and Siemens Ltd (“Siemens”) to design, engineer and manufacture all major components required to commission the six million tpa Balla Balla magnetite concentrate processing plant and related port infrastructure.

The contract with FLSmidth is fixed at approximately **\$A170 million**. Aurox has made an initial payment of **\$8.9 million** (inclusive of GST) to execute the order which includes securing key long lead plant components and initiating detailed engineering design work.

Aurox is on track to become WA’s first magnetite iron ore producer from the low cost Balla Balla project, which is located near the Pilbara coast south east of Port Hedland.

FLSmidth will supply the complete plant and material handling systems from the primary crusher through the processing plant. They will also design and supply Aurox’s equipment for installation at Port Hedland. The scope of supply includes a relocatable gyratory crusher, SAG and ball mills, ore stockpiling and reclaiming equipment, concentrate stacking, ship-loading equipment and smaller ancillary items. FLSmidth will also provide services to coordinate construction and equipment installation as well as plant commissioning.

Aurox Managing Director Charles Schaus said “FLSmidth’s firm commitment to the Balla Balla project combined with their enormous engineering and manufacturing capacity ensures we will hit the ground running later this year when construction commences.”

Under a separate agreement, Siemens will supply gearless mill drives and electrical infrastructure for plant and port. It is proposed that this agreement will also be fixed price, details of which will be announced in due course.

Aurox is in advanced discussions with other contracting groups for balance of plant work including village, earthworks, slurry pipeline, tailings facilities, borefield and Australian Standards supervision. Government and environmental work is on schedule with no significant delays to approvals anticipated.

Aurox Resources Limited



Charles Schaus
Managing Director

FLSmidth Profile

FLSmidth is a leading supplier of equipment and services to the global minerals industry with 9,400 employees worldwide. FLSmidth recently celebrated their 125th anniversary and are listed on the Copenhagen Stock Exchange with a market capitalisation of approximately 3.5 billion euros.

The Balla Balla Magnetite Project

Aurox Resources Limited (ASX: AXO) is a Perth based minerals group, with its most advanced being the 100% owned Balla Balla magnetite project. The project is located near the coast south-west of Port Hedland in the renowned Pilbara mining region of Western Australia.

Aurox is well advanced in the development of Balla Balla, having completed a Bankable Feasibility Study for the annual production of six million tonnes of magnetite iron ore concentrate. The Company has in place two 15 year sales contracts each for 3mtpa with major Chinese steel companies. The contracts provide for future expansion to 10mtpa of concentrate sales within 5 years of production start-up.

Balla Balla is based on a massive homogenous magnetite ore body currently being developed as one of the lowest cost magnetite operations in Australia. The project also has significant potential for titanium production. Of tremendous benefit to the operation is its close proximity to major ports, gas reticulation, grid power and the major Northwest Coastal highway.

The new Balla Balla Bankable Feasibility Study demonstrates strong project economics with magnetite iron ore concentrate shipments to China scheduled to commence in the second half of 2010.

For more information about the Balla Balla magnetite project please visit the Aurox website at:

www.aurox.com.au