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AUROX TO AMEND TERMS OF CONVERTIBLE NOTES TO PERMIT EARLY CONVERSION

Aurox Resources Limited (“Aurox” and the “Company”) announces that it proposes to amend the terms of its listed unsecured redeemable convertible notes (ASX Code: AXOG) (“Notes”) to permit early conversion by noteholders (“Proposal”), with a \$0.25 per Note cash payment to be made to noteholders who exercise the early conversion option.

As part of that proposal Aurox has reached agreement with institutional investors who hold over 70% of the Notes (“Institutional Noteholders”) for the early conversion of their Notes.

Aurox’s Managing Director Charles Schaus said, *“The changes in financial markets and the global economy over the past year have had a profound effect on the ability of Aurox to advance the development of the Balla Balla project as originally intended.”*

Like many other resource companies, Aurox has had to review its strategy and operating activities to deal with a markedly different environment. The early conversion proposal is considered to be an equitable outcome for noteholders and the Company alike and a prudent approach to capital management in difficult times. Removing the debt overhang of the Notes will make Aurox shares a more attractive investment and squarely puts the focus back on the Balla Balla project.”

The Company currently has outstanding approximately 50.33 million Notes, each with a face value of \$0.95. The Notes mature on 30 June 2010. The terms and conditions of the Notes are regulated by a Trust Deed. Each Note is convertible by a noteholder into one (1) new ordinary share in the Company (“New Share”) upon the occurrence of certain specified events prior to maturity.

The key financial terms of the Proposal are that conditional upon an amendment to the Trust Deed to permit early conversion of the Notes, the Company intends to invite all noteholders to convert their individual holdings of the Notes (on the existing basis of one New Share for every Note) on the same basis as the Institutional Noteholders. As such investors would have the option to convert their Notes and receive for each Note held:

- Cash of \$0.25; and
- One ordinary share in Aurox.

As outlined above, the Company has reached agreement on the terms of the Proposal with institutional investors who hold in aggregate approximately 70% of the 50.33 million Notes. The Institutional Noteholders have agreed to the proposed amendment to the terms of the Notes, to submit a conversion notice once the proposed amendment becomes effective and that the New Shares issued to them will be subject to a voluntary escrow of six months from issue.

The issue of the New Shares will not require further shareholder approval or the issue of a disclosure document because the Notes were issued in August 2007 pursuant to shareholder approval under ASX Listing Rule 7.1 and a prospectus was lodged with ASIC.

The Notes have an aggregate face value of \$47.81m and are redeemable on 30 June 2010. The semi-annual interest payments due until redemption, in aggregate, amount to \$5.02m. If all the holders of Notes accept the invitation for early conversion, approximately \$12.58m in cash will be paid by the Company and an aggregate of 50.33m New Shares will be issued.

The Company intends to extend the early conversion invitation to all registered holders of Notes shortly following the amendment to the Trust Deed becoming effective. The Company will announce the timetable to implement the Proposal once the Trust Deed amendment is effective.

Aurox was advised by Helmsec Global Capital Limited.

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