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e-lodgement
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RESERVES AND MERGER UPDATE

Balla Balla Reserves

As part of the independent reviews being undertaken for inclusion in the Scheme Booklet for the proposed merger with Atlas Iron Limited (ASX: AGO), the mine plan for the Far West Area of the Balla Balla deposit has been remodelled. This has included a new detailed pit design by mining consultants Orelogy Pty Ltd. As a result of this remodelling exercise, the Balla Balla Reserves have been reduced to a total proven and probable reserve of 229 million tonnes (a reduction of 9 million tonnes, approximately 4%). The Far West deposit's iron, vanadium and titanium grades have increased marginally, as shown when comparing the December 2009 and the updated June 2010 Reserves in Tables 1 and 2 below.

Table 1 shows Balla Balla Reserves as calculated in December 2009. Table 2 shows Balla Balla Reserves as calculated in June 2010, via the remodelling exercise referred to above.

Atlas Merger

The time taken to prepare the required independent expert reports for the Scheme Booklet has far exceeded initial expectations. These reports are nearing completion and it is expected that they, together with the Scheme Booklet, will soon be submitted to ASIC for review. It is the current expectation of Aurox and Atlas that the Scheme Booklet should be mailed to shareholders in late June 2010. The Aurox shareholder meeting to approve the proposed merger with Atlas Iron is expected to be held in late July 2010.

Craig Ferrier
Company Secretary

For further information regarding this announcement, please contact Craig Ferrier.

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TABLE 1

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

TABLE 2

Balla Balla Ore Reserve Estimate – June 2010

Category	Area	Mt	Fe%	V2O5%	TiO2%	% of TOTAL
Proved	Western	86.0	45.9	0.66	14.0	46%
	Central	58.6	44.5	0.59	13.7	32%
	Eastern	27.5	45.4	0.59	13.8	15%
	Far West	13.0	42.4	0.59	13.0	7%
	TOTAL	185.1	45.1	0.62	13.8	81%
Probable	Western	6.4	45.8	0.68	13.7	15%
	Central	12.6	45.2	0.60	13.9	29%
	Eastern	8.1	44.4	0.56	13.7	19%
	Far West	16.8	43.1	0.60	13.2	38%
	TOTAL	43.9	44.3	0.60	13.6	19%
TOTAL	Western	92.4	45.8	0.66	14.0	40%
	Central	71.2	44.6	0.59	13.7	31%
	Eastern	35.6	45.2	0.58	13.8	16%
	Far West	29.8	42.8	0.59	13.1	13%
	TOTAL	229.0	45.0	0.62	13.8	100%

Notes:

Cut-off grade = 35% Fe

Fresh Ore only, no oxide material included

Competent Persons Statements

The Balla Balla Ore Reserves were estimated by Mr Steve Craig, a member of the Australian Institute of Mining and Metallurgy and a full-time employee 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.