



March 11, 2010

ATLAS AND AUROX MERGER UPDATE

Atlas Iron Limited [Atlas and ASX:AGO] and Aurox Resources Limited [Aurox and ASX:AXO] yesterday announced to the Australian Securities Exchange (ASX) that they have executed a Scheme Implementation Agreement to effect a merger of the two companies by way of Scheme of Arrangement. Atlas will issue Aurox shareholders with one Atlas share for every three Aurox shares they hold upon implementation. The merger has been unanimously recommended by the Board of Aurox and the Aurox Board members intend to vote in favour of the Scheme in relation to their personal shareholdings in Aurox, in the absence of a superior proposal.

MARKET & SHAREHOLDER RESPONSE

Mr David Flanagan, Atlas Managing Director, said "Atlas is delighted by the positive market response to its agreed merger with Aurox. The shareholder feedback in response to the announcement is a validation of our growth strategy and ambitions. Whether you are in Hunter Valley coal or Pilbara iron ore it is all about resource quality, infrastructure access and economies of scale. This merger creates one company with an outstanding rapidly growing production profile supported by port capacity in one of the world's greatest bulk export ports. On completion of the merger Atlas will have a rapidly growing production profile from a number of DSO development projects, 187mt of DSO resources, exploration targets of 430mt to 750mt at 57% to 60% Fe, significant port capacity and two well advanced Pilbara magnetite projects".

UPPCA TERMS

The announcement of the merger between Atlas and Aurox followed the announcement on 22 February 2010 in relation to a Utah Point Port Co-Operation Agreement (UPPCA) whereby Atlas advanced Aurox a loan for the purpose of Aurox paying the facility charge to the Port Hedland Port Authority (PHPA). Notwithstanding the Scheme of Arrangement process, this agreement is still binding.

In consideration for the loan, Aurox granted Atlas an exclusive first right of use to any of Aurox's surplus or unused port capacity, berth, ship-loading and stockpiling capacity of the Utah Point Port Facility for 15 years, subject to all necessary government and regulatory consents and approvals. This capacity remains in place until the successful commissioning of Balla Balla and no less than six months notification from Aurox.

In 2015 Aurox has a right to increase stockpile and export capacity from 6mtpa to 10mtpa of product. Where throughput at the Utah Point Berth is increased by more than 2mtpa through efficiencies delivered by Aurox, the 10mtpa allocation of capacity will be increased to 12mtpa.



David Flanagan further commented “Atlas looks forward to completing the merger process and bring together the two companies to create a very fast growing Pilbara iron ore company with strong mining and project execution expertise, large DSO resource base with an infrastructure capacity to meet our rapidly growing forward production profile”.

For further information please contact

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