



Annual Report 2012



Every member of the Atlas family
has a hand in our success.

One Vision
Many Hands

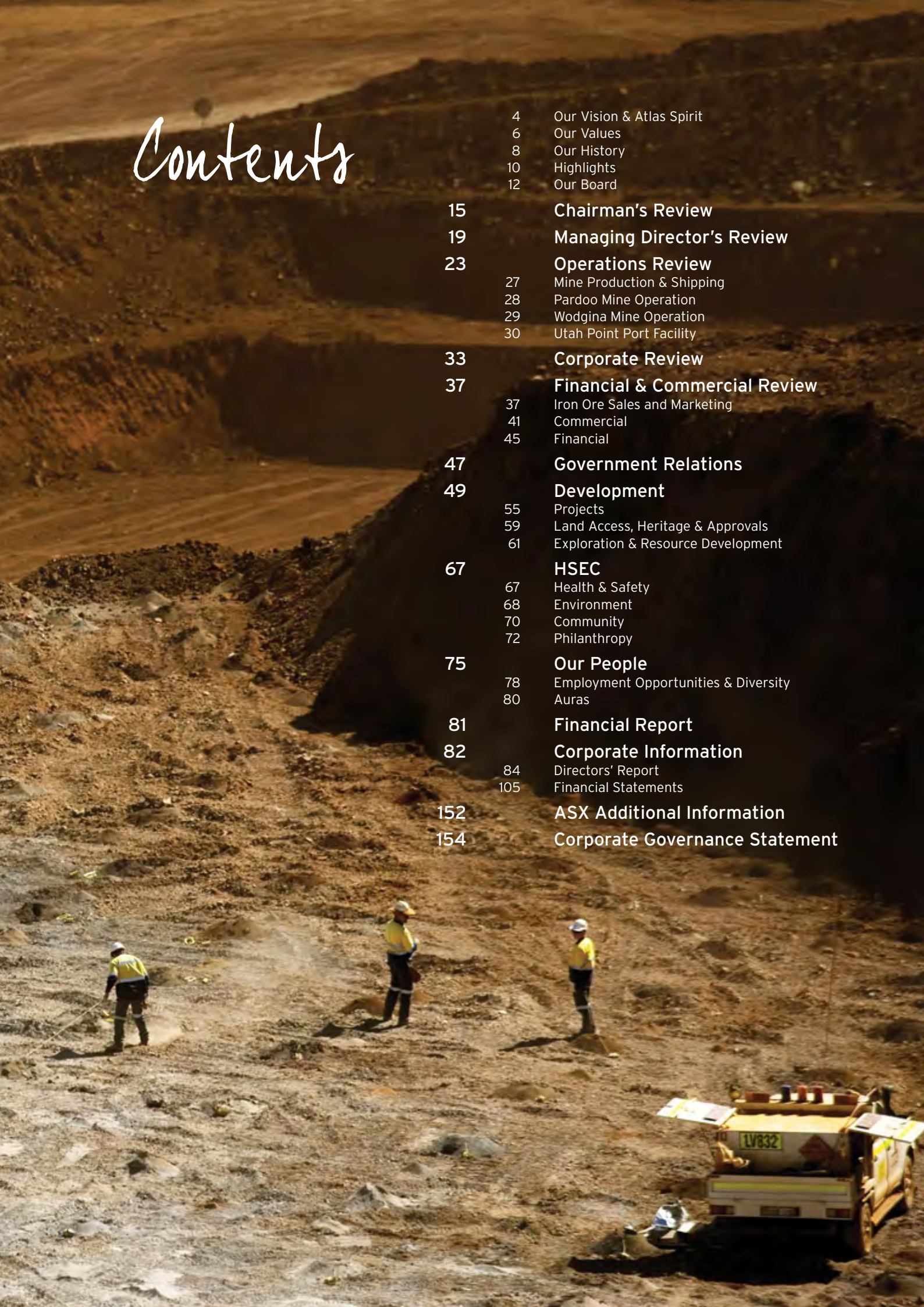


Together we are building
a great Australian company.



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Our Vision

To build a truly great Australian company that is a fantastic place to work,
makes the world a better place and delivers outstanding returns for shareholders.
A company our families are all proud of.



Atlas Spirit

The Atlas spirit is the foundation of its exceptional people and it's in everyone's hands. Every manager, leader and employee from the field to the boardroom, makes a genuine difference to the Company. We empower every employee to make a difference and recognise the impact that their contribution will have on the success of our business. As Atlas grows from strength-to-strength, it is this unique spirit that keeps us at the forefront of our industry.



Our Values



Strive for Business Excellence

We challenge ourselves to be efficient and effective with available resources.
We seek improvement and embrace change.

Work Safely

We consider the safety aspect of everything we do.
Employees own their safety and well being, in and out of work.

Work as a Team

Working together to meet challenges and develop solutions, we actively engage and support our people and understand and value the contribution of others.

Do the Right Thing

We are honest and fair in all our dealings and courageous in making hard decisions that support our business goals. Our decisions and actions will make our families proud.

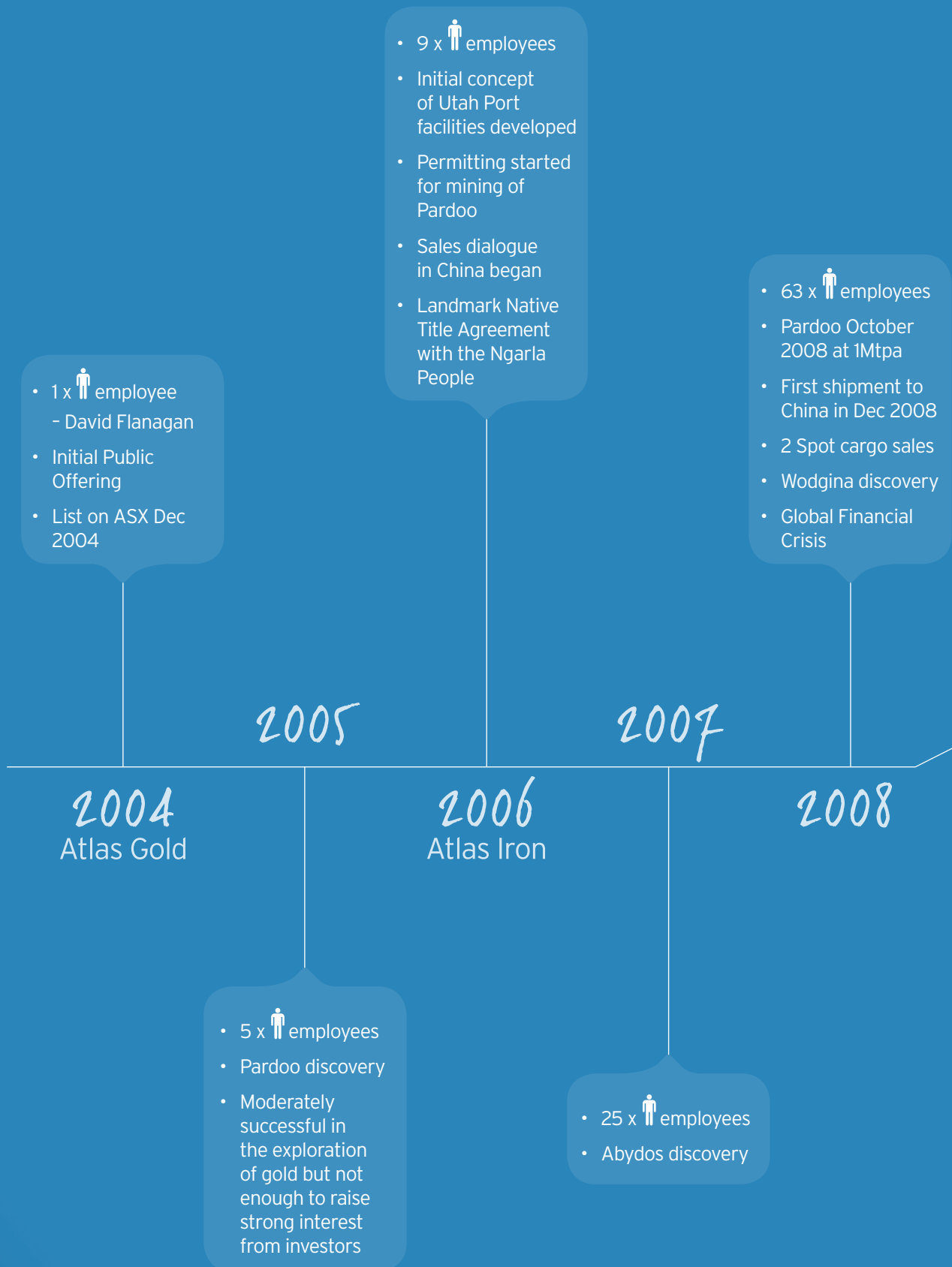
Indomitable Spirit

Our people are resilient. We approach challenges with courage and passion.

Think Win-Win

The people and organisations we engage with will benefit fairly.
We give every opportunity a go and think long term with respect to the relationships we cultivate and nurture.

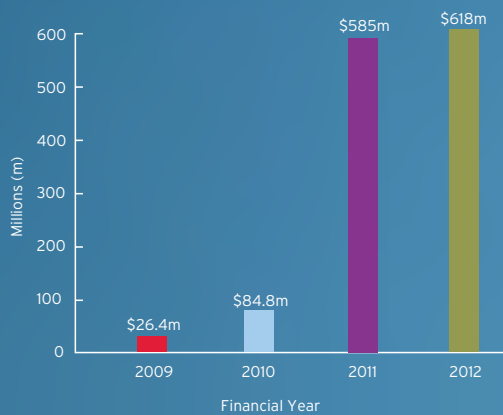
History



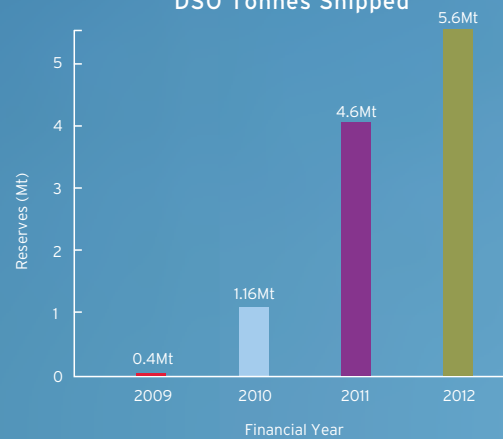


Highlights

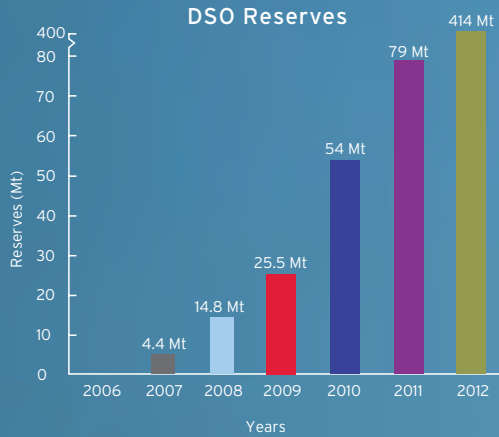
Revenues



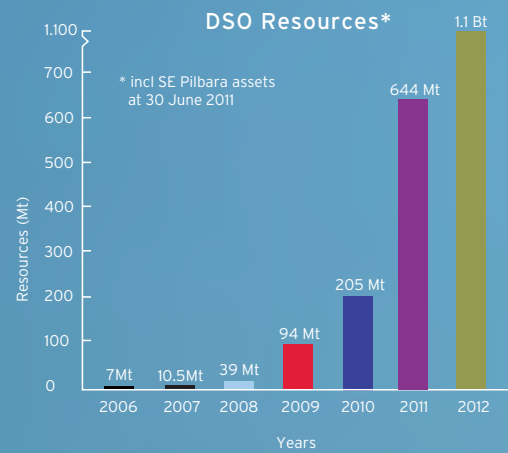
DSO Tonnes Shipped



DSO Reserves



DSO Resources*



Highlights



Operations

Shipped 5.57Mt (4.6Mt - WMT) during the year ended 30 June 2012

Shipped 10 millionth tonne to China

Cash costs per tonne (FOB) within targeted range of A\$42 to A\$45

Commenced construction of Abydos and Mt Dove mines

Atlas on target to produce at a rate of 12Mtpa by December 2013

70% increase in DSO Reserves to 414Mt

Expanded and extended Wodgina infrastructure

Maiden Reserve of 89Mt at McPhee Creek

Total resources of 1.1 billion tonnes

Revenue increases 6% to \$618m

Corporate

Maintained strong cash position at 30 June 2012 of \$400m

Completed off market takeover of South East Pilbara iron ore explorer FerrAus Ltd in Nov 2011

Ken Brinsden and Mark Hancock promoted to Managing Director and Executive Director, Commercial respectively

Sold Yerecoin and Balla Balla magnetite projects for circa \$60 million in aggregate plus potential royalty stream

MOU with QR National to progress study on independent Pilbara rail

Maiden dividend of 3c per share paid to shareholders



Our Board



During the year the following changes were made to the Atlas Board:

- Mr Jeff Dowling joined as Non-Executive Director in November 2011.
- In February 2012, Mr David Flanagan, previously Managing Director of Atlas, became Executive Chairman and Mr Ken Brinsden, previously Chief Development Officer of Atlas, was promoted to Managing Director. At the same time Ms Kerry Sanderson AO joined as a Non-Executive Director.
- In May 2012 Mr Mark Hancock, also Chief Commercial Officer of Atlas, became Executive Director, Commercial in May 2012. At the same time Mr Geoff Simpson joined as a Non-Executive Director.
- Mr Geoff Clifford, outgoing Chairman, retired in July 2011.
- Subsequent to year end Mr David Flanagan became Non-Executive Chairman and Dr David Smith was elected Lead Independent Director.



Left to right: Mark Hancock, Tai Sook Yee, David Smith, David Flanagan (seated), Kerry Sanderson AO, Tony Walsh, Ken Brinsden (seated), Geoff Simpson, Jeff Dowling. Absent: David Hannon



Chairman's Review

David Flanagan - *Chairman*

We would like to thank shareholders for their support and loyalty during this important growth phase Atlas is in. We are building a great Australian Resources Company and look forward to rewarding shareholders for their continued support and loyalty.

This year has seen Atlas reach some important milestones. Atlas grew its ore exports from 4.6Mt to 5.57Mt. At the same time Atlas improved its safety performance. Atlas also completed the acquisition of FerrAus Limited and the sale of its Balla Balla and Yerecoin magnetite projects, and paid a dividend of 3c per share to its shareholders. Importantly, Atlas has delivered these results by conducting its business consistent with its values and culture.

Atlas has positioned itself as a business that is not only capable but also responsible. Atlas would not have the capability or the resilience, nor would it have thrived without having engaged with the communities the way that it has. This engagement builds resilience and an ability to do things that

you wouldn't have if you didn't do that work. Atlas is proud to support the communities in which it operates and this year Atlas has done that well. A highlight this year was Atlas' Community Day where staff were able to give back and support the community of Port Hedland. The day was an absolute success. Atlas also sponsored Perth's local 20/20 cricket team, the Perth Scorchers.

This year, there has been some important changes to the Atlas Board. Ken Brinsden, previously Chief Development Officer, was promoted and appointed as Managing Director and David Flanagan, previously Managing Director, stepped into the role of Chairman. The Board also promoted Mark Hancock, Chief Commercial Officer, to Executive Director, Commercial and appointed three additional non-executive directors, Jeff Dowling, Geoff Simpson and Kerry Sanderson AO. Atlas is proud to have two female directors on its Board and have over 30% of its senior managers being female at year end, showing its commitment to diversity in its workplace.



David Flanagan in the Pilbara.



"Part of surviving in the iron ore space in the Pilbara is keeping our costs under control and being flexible and dynamic. If some big elephant puts their foot on something and creates a roadblock, we've got to quickly figure out a way around it. And that's what our team has done so brilliantly."

David Flanagan
Chairman





Managing Director's Review

Ken Brinsden - Managing Director

The past 12 months has been a period of consolidation across our mining and export operations, including the first full year of production from our Wodgina mine. Combined production from the Wodgina and Pardoo mines is now 6Mtpa.

The team at Atlas has continued to deliver despite the challenges that confront the Company from time-to-time, like the Utah Point shiploader outage and cyclones that impacted our production in the March quarter. It's that determination, resilience and dedication that has earned Atlas its reputation as a high performing operating Company. What we

reinvestment in the Company. That's a very credible result considering the circumstances.

These milestones demonstrate what Atlas is capable of, we are fortunate to have some fantastic technical resources available to us within the Company and this establishes a great platform for success as Atlas starts to introduce new mines.

The next few years will be a very busy time for Atlas as it strives towards delivering its Horizon 1 and Horizon 2 growth projects. These projects will see Atlas double its production to a rate of 12Mtpa by December 2013, with further amazing

"This year we delivered our 10,000,000th tonne to China. As anyone who's loaded up the ute with a tonne of sand will tell you, that's a lot! It's a credit to everyone who has been involved. We've got an amazing team at Atlas, a bunch of people who are passionate about our success and building a great Australian company."

say we will do, we do our utmost to achieve and that's true for all the goals that Atlas sets for itself.

Some of the major milestones Atlas has achieved this year include delivering our 10 millionth tonne to China, delivering a 70% increase to Atlas Ore Reserves and growing our Mineral Resource base to 1.1 billion tonnes (Bt). Atlas has also entered into a Memorandum of Understanding with QR National to progress a feasibility study for an independent railway in the Pilbara region.

Despite softening iron ore markets in the 2012 financial year, Atlas posted an underlying profit of \$98m, inclusive of a period of significant

growth options up to 46Mtpa by 2017 through its sizeable 1.1Bt Pilbara resource base and significant Port Hedland port shipping allocation. Late in the 2012 Financial Year Atlas began construction of its 3rd and 4th mines, Mt Dove and Abydos. These projects are now well underway and central to the delivery of our Horizon 1 production targets.

Beyond 2017 Atlas will embark on delivering its Horizon 3 growth program which targets the expansion of the Company's activities to become a 'Great Australian Company', moving into alternate jurisdictions in both Australia and overseas, beyond Direct Shipping Iron Ore and into further



*"Atlas has a fantastic niche
in what we are doing.
Sometimes I pinch myself
and think how did we get here?
We've got such a fantastic team
and we've been able to establish
our mines and work systems
to the point where we are
genuinely globally competitive."*

Carbon Steel commodities. Atlas has investments in Centaurus Metals and Shaw River Manganese which have the potential to assist with this goal.

Atlas is participating in a global industry where we are a part of global seaborne and traded iron ore. Whilst iron prices fluctuate over a year, there's a clear link between the steel that's produced from that ore and lifting millions and millions of Chinese people out of poverty. China requires this steel to industrialise and move from being an agricultural based society to a more industrialised one. We are confident that demand for Atlas' iron ore will continue well into the future.

Atlas has a fantastic niche. Through the hard work and dedication of our people, Atlas has established and positioned its mines where we are now globally cost competitive. Their passion and energy has put Atlas in a very strong position and

as a result, we're now able to deliver quality iron ore to China cheaper than most companies around the world.

My view on the future is that, while there will be some challenges along the way, China will continue to grow and support the seaborne iron ore trade in the process. Atlas' niche within that market is a strong one. If Atlas can continue to deliver and keep the Atlas Spirit alive then Atlas is well positioned to take advantage of the incredible opportunities that lie ahead.

Ken Brinsden
Managing Director



Ken Brinsden (right) with Port Hedland resident managers Matt Ramsden (left) and Shane Baesjou (centre).



Operations Review

Jeremy Sinclair - Chief Operating Officer

Business Overview

The Pilbara is host to some of the largest iron ore deposits in the world. Atlas has positioned itself in the North Pilbara with the most extensive landholding within 150 kilometres of the world's largest iron ore port, Port Hedland. With unprecedented demand for iron ore coming from emerging Asian markets, combined with undeveloped resources in the Pilbara, Atlas is uniquely positioned to deliver into these markets and build a great Australian company. One of the early movers of the current iron ore juniors in the Pilbara, Atlas listed on the ASX in December 2004 and within 9 months of listing, the Company had made a Direct Shipping iron ore discovery at its Pardoo Project, 75 kilometres east of Port Hedland. This has since transformed the Company from iron ore explorer to producer with Atlas being one of only two junior iron ore companies to move into production in the world's premier iron ore province.

Aurox Resources in 2010 giving it port capacity up to 15Mtpa at Utah Point, combined with the subsequent development of the Abydos, Mt Dove and Mt Webber DSO Projects, the Company is targeting growing its production rate to 12Mtpa by December 2013.

In order to further enhance its production profile over time, Atlas continues to pursue strategic, complementary and value-adding acquisitions, predominantly in the Pilbara region of Western Australia such as the FerrAus transaction which was completed in November 2011. Furthermore, Atlas has continued to maintain an aggressive exploration program across its prospective Pilbara landholdings with outstanding results, culminating with the announcement of a 70% increase in its reserves position subsequent to year-end. Atlas has defined JORC compliant reserves of over 414Mt from a resource base of over 1.1Bt. With a growing number of high quality iron ore projects and one of the largest landholdings in the Pilbara, located close to infrastructure, the Company is

"Operational readiness is a major focus in our business plans and our people are fine tuning processes, systems, and organisational structures to successfully integrate Atlas' new mines."

Atlas initially commenced production in 2008 from its Pardoo Mine, marking the commencement of what the Company plans to be a meaningful, positive and long-term contribution to the Pilbara iron ore industry and its regional communities.

Atlas' Pilbara mines are now running at rates of 6Mtpa. With the Company's merger with

continuing to effectively define resources and reserves capable of being mined and exported with relatively low and globally competitive capital expenditure.

Atlas' operations team has now proven its ability to deliver new projects, from discoveries to mines, to shipping in a highly challenging



environment. This capability presents Atlas as a dynamic growing mid-cap producer with a unique opportunity to deliver benefits to shareholders and the communities in which it operates. Clearly with this retained capacity, the Company is well positioned to maximise the returns and minimise risk in future project developments. Therefore, Atlas is well positioned to advance a number of projects concurrently in the Pilbara to expand its North Pilbara DSO production to an annualised rate of 12Mtpa by December 2013 and 15Mtpa by 2015.

Atlas is a proven performer in a region previously dominated by some of the world's largest mining companies.

Ore Reserves

Atlas has increased its Pilbara Ore Reserves by 70% in the 2012 financial year. The growth has been driven by defining the Maiden Ore Reserve at McPhee Creek of 89.7Mt, a 46% increase in South East Pilbara Reserves to 239Mt and a 7% growth in North Pilbara Reserves to 84.8Mt net of production. For further details please refer to Atlas' previous Resource and Reserve update announcement dated 25 July 2012.

Jeremy Sinclair
Chief Operating Officer



Atlas Summary Ore Reserves Table - as at 30 June 2012

	Reserve Classification	Kt	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P %	S %	LOI %	CaFe %
Sub Total**	Proven	58,000	58.0	5.3	2.4	0.09	0.03	8.4	63.3
	Probable	356,000	56.6	6.2	2.9	0.10	0.02	8.8	62.1
Grand Total**	All Reserves	414,000	56.8	6.0	2.9	0.10	0.02	8.8	62.3

Notes for the above table and 25 July 2012 announcement:

- **Ore Reserves at Mt Webber are quoted on a gross basis, with equity subject to Joint Venture interests in the ratio AGO 70% :AJM 30%, for the Ibanez, Fender and Gibson deposits.
- The Ore Reserves are reported at Cut-Off Grades (COG) ranging from 50 - 56% Fe, varying by pit location.
- The Sth East Pilbara Ore Reserves are quoted as Run-of-Mine Reserves pre-beneficiation.
- The Ore Reserves have been estimated in compliance with the JORC Code. (See 25 July 2012 announcement for further details).
- CaFe% is calcined Fe calculated by Atlas using the following formula $(Fe\% / (100 - LOI\%)) * 100$.
- Ore Reserves are quoted inclusive of mining depletion, Run-of-Mine ore and final product stocks at the Company's existing operating mines, being the Pardoo and Wodgina operations.

Mining Ore Reserve Estimates - Compliance with the JORC code assessment criteria

This mining Ore Reserve statement has been compiled in accordance with the guidelines defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code - 2004 Edition).

Ore Reserve Estimation - Pardoo, Wodgina, Mt Dove, Abydos, Mt Webber and McPhee Creek

The information in this report that relates to Ore Reserve estimations for the Pardoo, Wodgina, Mt Dove, Abydos,

Mt Webber and McPhee Creek Areas, is based on information compiled by employees of Atlas Iron Limited and Audited by Mr Steve Craig, who is a member of the Australasian Institute of Mining and Metallurgy. Steve Craig is a full time employee and Managing Director of Orelogy Pty Ltd. Steve Craig has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Steve Craig consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Ore Reserve Estimation - Ferraus Project (Davidson Creek, Robertson Range, Mirrin Mirrin)

The information in this report that relates to Ore Reserve estimations for the Ferraus Project Area, is based on information compiled by Mr Alan G. Cooper, who is a member of the Australasian Institute of Mining and Metallurgy. Alan Cooper is a full time employee of Snowden Mining Industry Consultants Pty Ltd. Alan Cooper has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Alan Cooper consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



Mine Production and Shipping

David Wilkie - General Manager, Mine Operations

Atlas' combined production rate of 6Mtpa is sourced from the Company's Pardoo Mine and Wodgina Mine.

Mine Production (Ore Tonnes Processed) increased by 21% over the past 12 months as the Company experienced its first full year of production at nameplate capacity from the Wodgina Mine.

Shipped tonnes (Ore Tonnes Shipped (Wet)) increased by 21%, achieving 5.6Mt for the year.

In January 2012 the Company provided revised guidance for the year of 5.5Mt - 5.7Mt (Wet) shipped, following a cyclone in January 2012

and a significant unplanned breakdown at the Utah Point facility that prevented shiploading for over two weeks. Cyclone preparation and tie-down, compounded by the negative effect of heavy rain events, impacted operating time, productivity and the ability to transport product to port.

Despite the effects of further heavy rain events and another cyclone in March 2012, a focussed effort in the June 2012 quarter resulted in January 2012 market guidance being achieved for shipped tonnes and cash costs (\$42 to \$45/tonne).

"A major milestone for us this year was coming in on cost in the face of some significant challenges and curve balls. Despite them, we've been able to maintain our costs inside our guidance, which is a pretty significant achievement in the current market."

Combined Mine Production

	12 Months to June 30 2012 (t)	12 Months to June 30 2011 (t)	Variance (t)	Variance (%)
Ore Tonnes Mined	5,577,884	4,881,311	+696,573	+14%
Ore Tonnes Processed	5,492,243	4,525,648	+966,595	+21%
Ore Tonnes Shipped (Wet)	5,567,726	4,589,271	+978,455	+21%
Ore Tonnes Shipped (Dry)	5,141,195	4,294,084	+847,111	+20%

Pardoo Mine Operation

Atlas' Pardoo DSO Project is located just 75 kilometres by road from the port of Port Hedland, in the Pilbara region of Western Australia. The Pardoo Mine produced 1.45Mt processed ore in the 2012 financial year compared with 1.72Mt in the previous fiscal year. The lower production in 2012 was planned (via the mine plan) in conjunction with a planned increase in production at Atlas' Wodgina DSO Project.

Mining during the 2012 financial year focused on the Emma, Bobby, Alice East Extension, Glenda, Chloe pits and South Limb pits. Production from each source is sequenced to maintain Run of Mine (ROM) levels and achieve the targeted ore specification, whilst also maximising the life-of-mine.

Atlas' operational staff and the primary site contractor, Mining and Civil Australia (MACA), have had another successful year in working together to further improve the operation on many fronts.



Wodgina Mine Operation

The Wodgina Mine is 100km due south of Port Hedland and immediately adjacent to the existing Wodgina Tantalum Mine owned by Global Advanced Metals (GAM). Under an agreement with GAM, Atlas is able to access infrastructure owned and operated by GAM. Atlas and GAM have continued to enjoy a mutually beneficial relationship made possible by a genuine approach to a win-win outcome and shared values. Specific components of the mine have recently undergone expansion or upgrading to facilitate an increased production capacity from the mine in line with Atlas' Horizon 1 Growth Programme.

The Wodgina Mine produced 4.04Mt processed ore in the 2012 financial year compared with 2.81Mt in the previous fiscal year. Mining during the 2012 financial year focussed on the Anson Pit and the recently developed Dragon Pit.

Atlas' operational staff and the mining contractor, BGC Contracting Pty Limited, have been successful in achieving a significant increase in ore and waste movement over the past 12 months.

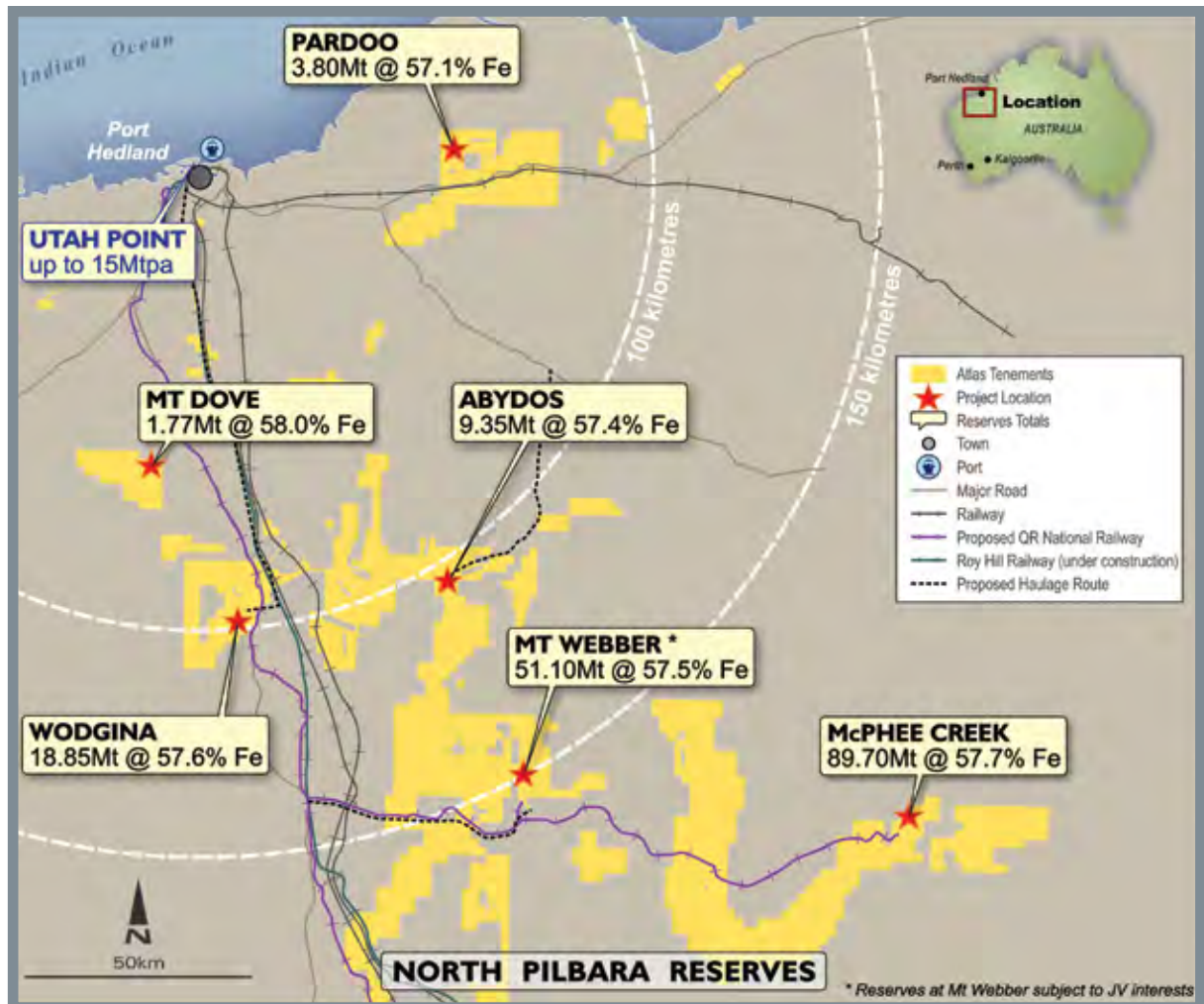




Utah Point Port Facility

Atlas is shipping iron ore exclusively through the Utah Point facility in Port Hedland harbour at a rate of 6Mtpa, underpinned by the combined production of its Pardoo and Wodgina mines. With the addition of the Mt Dove, Abydos and Mt Webber mines in the next 16 months, Atlas' shipping rate from Utah Point will grow from its current annualised rate of 6Mtpa to an annualised rate of 12Mtpa by December 2013.

The government owned Utah Port facility remains an outstanding success in providing an opportunity for companies to export whilst also generating strong returns for the State.





Corporate Review

Tony Walsh - *Company Secretary*

Corporate

Off-Market Takeover for FerrAus (FRS)

On 27 June 2011, Atlas and FerrAus Limited ("FerrAus") announced that they had entered into agreements under which:

1. Atlas agreed to subscribe for 37,439,785 FerrAus shares at an issue price of \$0.65 per FerrAus share ("Subscription");
2. FerrAus agreed to buy certain iron ore tenements in the South East Pilbara from wholly owned subsidiaries Warwick Resources Pty Ltd and Giralia Resources Pty Ltd, in consideration for the issue of 121,846,154 FerrAus shares with a deemed issue price of \$0.65 per share ("Iron Ore Assets Acquisition"); and
3. Atlas agreed to make an off-market takeover bid for 100% of the FerrAus shares on issue on the basis of 1 Atlas ordinary share for every 4 FerrAus shares ("Takeover Offer").

FerrAus was an ASX listed mine development and exploration company, with a focus on iron ore in the South East Pilbara region of Western Australia. FerrAus was progressing development of South East Pilbara DSO Projects, and was completing a definitive feasibility study in respect of these projects. In addition, FerrAus held a material interest North West Infrastructure, the entity that has been granted the South West Creek port allocation in the port of Port Hedland.

The Subscription and Iron Ore Assets Acquisition were approved by FerrAus' shareholders in August 2011 and in September 2011 Atlas launched its bid for FerrAus. In October 2011, Atlas successfully closed its off-market takeover offer for all the shares in FerrAus. During the December 2011 quarter Atlas completed the compulsory

acquisition of the outstanding FerrAus shares and now owns 100% of FerrAus. The finalisation of the takeover crystallised the obligation to pay stamp duty on the underlying land rich assets of FerrAus. Stamp duty and takeover advisory fees for both companies have been expensed and total approximately \$20 million.

Centaurus Metals Limited

During the September 2011 quarter, Atlas completed its acquisition of a strategic interest in Centaurus Metals Limited (ASX code: CTM) ("Centaurus"), an emerging Brazilian iron ore explorer and developer. Under the terms of a strategic alliance with Centaurus, Atlas acquired a 19.85% equity stake in Centaurus for \$18.7 million and Atlas has a right to maintain this 19.85% strategic interest (see Centaurus' website: www.centaurus.com.au for further details).

Subsequent to the year end, Atlas participated in a capital raising by Centaurus to maintain its 19.85% strategic interest by subscribing for up to \$5.2 million in two tranches.

Shaw River Manganese Limited

At year end Atlas held a 45.4% strategic interest in Shaw River, a manganese exploration and development company. As Shaw River's major shareholder, Atlas is continuing to support Shaw River's initiatives to build a significant manganese exploration and development portfolio. Work is continuing on Shaw River's 'Otjo' Manganese project in Namibia (see Shaw River's website: www.shawriver.com.au for further details).


Subsequent to the year end, Atlas participated in Shaw River's \$8 million capital raising to increase its strategic interest to 53%, by subscribing for \$5 million.





*"Atlas' reputation is
important to the Company and
the relationships it has with regulatory authorities
and government is something that is valued highly
along with its desire to do the right thing
in all aspects of business."*

Tony Walsh
Company Secretary





Financial and Commercial Review

Mark Hancock - Executive Director, Commercial

The 2012 financial year was another active one for the commercial team, with the Company further establishing itself and a number of transactions completed, both purchasing and selling assets, as Atlas looks to continue to position itself for its next phase of growth.

Iron Ore Sales and Marketing

Current Year Sales

During the 2012 financial year, Atlas exported approximately 5.6 million wet metric tonnes of iron ore fines to its Chinese customers. The primary product was a blend of production from the Pardoo and Wodgina mines with a targeted iron ore content of 57.5% and this was periodically supplemented with a lower grade product which typically had an iron content in the order of 54%.

The lower grade product has a lower realised sale price but also a lower attributable cost of production as it is necessary to mine this material to access the standard grade product. This product was keenly sought by customers so Atlas will look to produce further product of this nature when the logistics chain allows.

During the year, Atlas completed its 100th shipment and shipped its 10 millionth tonne. A new term sale contract and a number of Memoranda of Understanding on future co-operation were signed during the year.

In addition to sales to long term customers, a number of spot sales continued to be concluded during the 2012 financial year. These spot sales increase the penetration of Atlas product in the market with more than 25 mills having now used Atlas product, reflecting its wide acceptance in the China market place.

"We've succeeded in many cases where others have failed, in terms of getting agreements with multiple parties across the Pilbara."



Wodgina mine.

Pricing

During the year the index based pricing methodology for iron ore has continued to evolve, with the pricing reference period shortening from quarterly to monthly under long term contracts, while spot sales have been based on either short term indices or a negotiated fixed price.

A number of the initial long term contracts entered into in 2008 and early 2009 expired in March 2012 and further contracts were entered into to partially replace these. Given that both term and spot contracts are priced off short term indices the distinction between the two is less than in the past, so Atlas has taken a higher portion of spot business. Atlas will continue to target a variety of spot and term contracts to appropriately balance risk and reward.

Realised prices have been volatile over the course of the 2012 financial year with the strong prices experienced in the September 2011 quarter falling by around one third during October 2011 as the impact of global economic conditions and tightening of credit in China lead to reduced buying from the Chinese mills. The fall in prices was accompanied by a fall in the Australian dollar which helped to partially offset the drop in US dollar denominated sales revenue. Prices recovered quickly from the October 2011 fall and have been steady in the second half of the financial year, but have weakened significantly post year end.

No significant iron ore price or currency hedges were entered into during the financial year.

Mark Hancock
*Executive Director,
Commercial*



Shipping

All product was sold on a delivered basis into China over the course of the financial year. The tonnes were exported via the Utah Point facility in Port Hedland, of which Atlas was one of the foundation customers. Atlas typically uses Mini Cape sized vessels of 110,000 WMT chartered directly by Atlas on a spot or term basis. This vessel size is well suited to Atlas' targeted customer base of small to medium sized mills and provides some advantages to customers who have logistical constraints at port.

Future Developments

While China is expected to be the dominant market for the Company in the foreseeable future, Atlas is also working on developing a presence in the other mature Asian markets and the emerging South East Asian nations with a view to diversifying its customer base.

Demand for new contracts and renewal of existing contracts remains strong and the Company is confident that all existing and expansion tonnage produced will be placed in the market as it becomes available.

The development of index based trade has lead to a variety of electronic trading platforms emerging, with Atlas signing up as a member of Global Ore and CBM to further develop its understanding and ultimate participation in this market.



"We're targeting very strong growth over the next few years, so what we've worked hard on is building systems and processes that will enable us to keep pace with that growth."

Alvin Rajwanth
Marketing Manager





Commercial

Jack Cullity - General Manager, Commercial

Mt Webber DSO Project - Daltons Joint Venture

During the year Atlas entered into a binding Heads of Agreement to acquire the remaining 25 percent of the iron ore rights on the relevant Daltons Joint Venture tenements from Haoma Mining (see announcement of 26 March 2012 for further details). Atlas finalised the formal agreement with Haoma and paid the consideration due of \$10 million

in cash and 8.4 million ordinary shares.

Atlas now owns 100 percent of the iron ore rights on the relevant Daltons Joint Venture tenements at the Mt Webber DSO Project.

Mt Dove

Atlas bought the royalty payable to De Grey Mining on the first 2Mt of production from the Mt Dove mine for \$1million in cash. De Grey Mining was the original vendor of the project and was entitled to a 1% royalty on the FOB sale price.

"One of the great strengths of Atlas is its people. They're energetic and they're relatively young and capable. They recognise the importance of the contribution that Atlas is making to the Pilbara in both a business and community sense."



Mt Dove.



Sale of Magnetite Projects

During the year the Company has monetised two of its magnetite projects and continued to search for a development partner for the large scale Ridley project.

Yerecoin sale

The first project monetised was Yerecoin, which was acquired via the 2011 acquisition of Giralia Resources Ltd. Yerecoin is located 120km north east of Perth and was sold to Cliffs Natural Resources for \$18 million with further payments to be made upon Cliffs defining additional reserve tonnes.

Balla Balla sale

The second project which was monetised was Balla Balla, which was acquired via the acquisition of Aurox in 2010. Balla Balla is a significant titanomagnetite orebody which has been the subject of a Definitive Feasibility Study and has received its key environmental approvals to facilitate early project development. The project was sold to Forge Resources and Todd Corporation for \$39.5 million plus future royalty streams.

Jack Cullity

General Manager, Commercial





Financial

Lorraine Hannett - General Manager, Finance

Summary of financial results for the year ended 30 June 2012

	2012 \$'000	2011 \$'000
Revenue	617,537	584,908
Underlying profit before tax (Non-IFRS) *	97,755	189,235
Underlying profit after tax (Non-IFRS) *	72,181	174,337
Net cashflows from operating activities	207,457	221,202

*Not audited or reviewed

Implementation of SAP

One of the major milestones this year was the implementation of SAP, Atlas' new accounting software and reporting system.

A key contributor to the success of the implementation was the commitment, dedication and enthusiasm of all those involved. As a result, we have an ERP that will support our growth through 15Mtpa and beyond.

Mineral Resource Rent Tax

The output presented often does not reflect the amount of technical thought and input required to reach that result. The project team successfully worked their way through the Mineral Resource Rent Tax, a complicated tax with a complicated outcome.

"We're a listed company, we've got certain compliance requirements and our shareholders have expectations. We need to meet those and do it well and we need to produce quality output."

Capabilities

I am proud to see the team's capabilities continue to develop, questioning the status quo and striving for business excellence.

Thinking outside the box, we've come up with some really great ideas which have resulted in successful outcomes of significant benefit to the business.





Government Relations

Libby Lyons - General Manager, External Relations

Government relations are an extremely important part of our business and over the past 12 months, we have been a powerful advocate for the resources industry, in particular the so-called "junior producers".

As a proud Australian company, we're neither afraid nor reluctant to pay our way in taxes. We understand our contribution will provide important services like better education for our kids, superior hospitals for the community and improved roads for us all to drive on.

At Atlas, we have no problem with this, as long as these policies are fair and equitable. At the end of the day, size doesn't matter and we should all be paying the same fair amount.

Atlas is widely regarded by the media as a company that has something meaningful to say. We will be forthright and we will comment on issues we feel strongly about which are in the best interests of Atlas, our shareholders and the communities we operate in.

In terms of external relations, my job is made so much easier through the work that our people do. At Atlas, we don't just talk the talk; we walk it! Whether it's out in the field, or out in the community, the actions of our people speak louder than words.

At Atlas, everything that everybody does everyday is a demonstration of our capability.

Nothing is insurmountable and there is no problem that can't be solved.

"Atlas has a great reputation up and down the Terrace and across the nation. From shareholders through to other resource companies and service providers, we are renowned for our can-do attitude and our great set of values."

If that's not the case, we won't think twice about making a stand and speaking out for what's right. Our voice has not gone unheard, with Government reassessing certain policies due to the concerns raised by Atlas.

Atlas has a great reputation in Western Australia and across the nation. From our shareholders through to our suppliers and other resource companies, Atlas is renowned and respected for its values and can-do attitude.

It's our can-do attitude and the Atlas Spirit that's earning Atlas a formidable reputation and making us a force to be reckoned with.





Development Review

Rob Wilson - Chief Development Officer

Since embarking on its Iron Ore mining strategy in 2006, Atlas has focused on building a strong project and infrastructure pipeline that provides various development options for the Company. The Company now has a clear development path, with the ability to optimise this to suit market requirements flowing from the inherent development optionality. Furthermore, with many feasibility studies, two completed mine developments, and two more mines under construction, the Company has the track record, skills and experience to continue to deliver profitable growth.

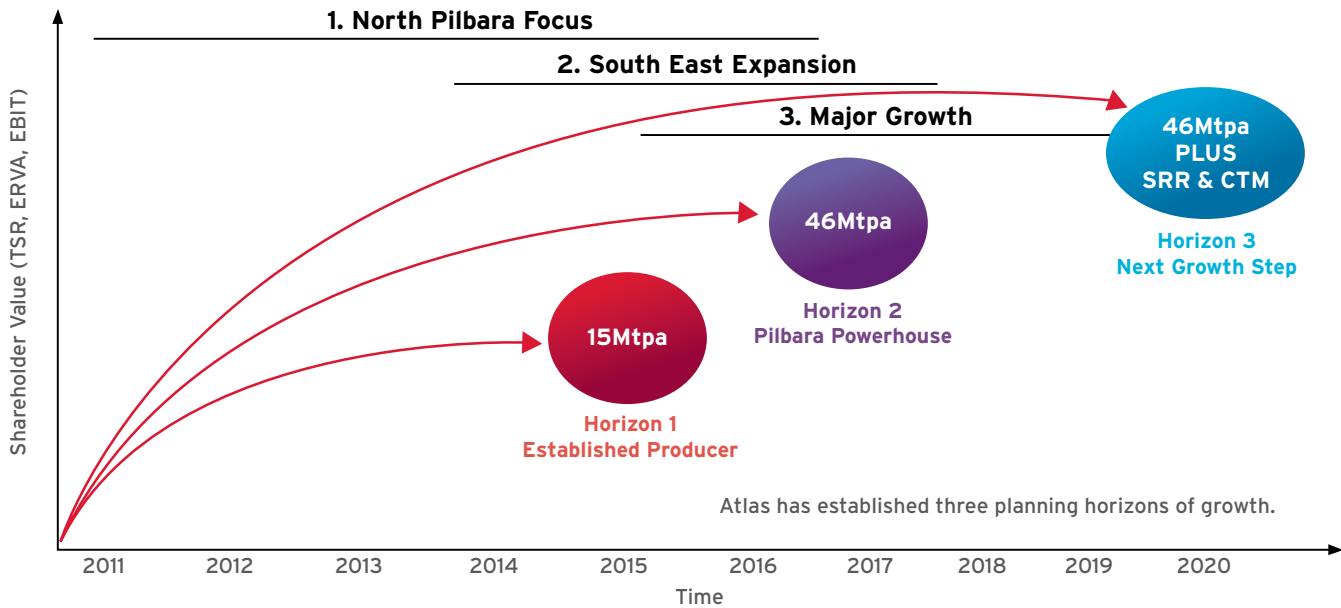
Atlas 'Horizons' Growth Program

Atlas has made a resounding success of mine development and iron ore exports from its North Pilbara business. Using the close proximity to port of its resources and utilising existing infrastructure, the Company has created one of the lowest capital cost iron ore mine developments in Australia and has been able to grow production to its current rate of 6Mtpa.

"We've got wonderful technical capability that empowers us to achieve our business goals. When they're properly engaged with what we're trying to achieve, the results are amazing!"



Atlas' Key Strategic Milestones



Horizon 1

The 'Horizon 1' Growth Program defines the Company's near term focus, extending its North Pilbara development model to target 12Mtpa by December 2013 and targeting 15Mtpa in 2015, exporting through the Company's existing Utah Point allocation.

The 'Horizon 1' Growth Program spans several mine and infrastructure developments, including:

- Expansion of the existing Wodgina DSO Mine,
- Development of the Mt Dove Mine,
- Development of the Abydos Mine,
- Development of the Mt Webber Mine,
- Development of a road transport solution to support North Pilbara production, and
- Further development of Utah Point port facilities to realise Atlas' ultimate 15Mtpa port allocation.

The Company is well advanced on the environmental approvals process supporting its 'Horizon 1' Growth programme, including extensive North Pilbara flora / fauna field study work and desktop analysis in addition to the pegging of the required mining, haulage and processing tenure applications. Furthermore, Atlas is active in exploration across its Northern Pilbara Projects in order to add to the Company's Resource and Reserve base, with a particular

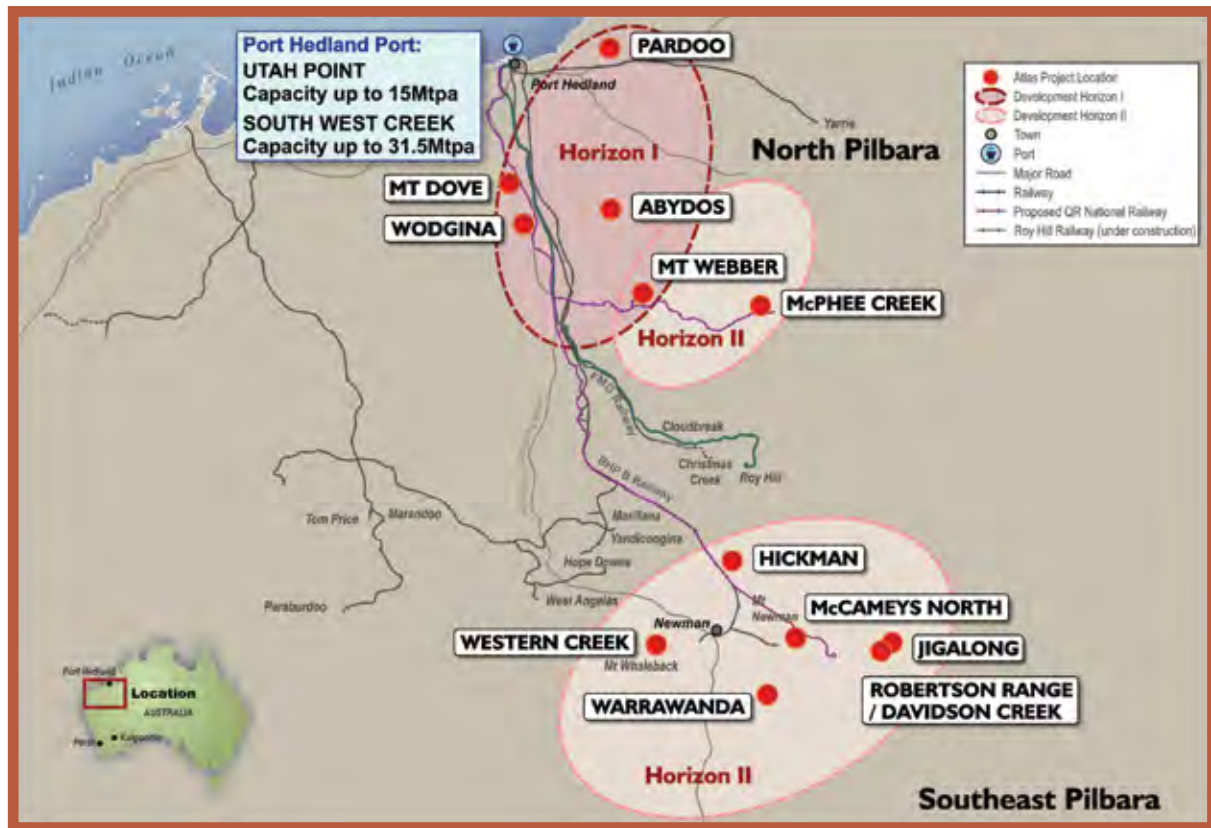
focus on those resources that will contribute to the Horizon 1 Growth program.

Horizon 1 projects remain Atlas' highest priority and attract the major proportion of management resources to ensure targets are met.

Horizon 2

Atlas' 'Horizon 2' Growth Program targets expansion of the Company's production base from 15Mtpa targeting up to 46Mtpa through expansion of its North Pilbara production, development of its South East Pilbara Resources and further expansion of the Company's logistics chain including port and rail developments. To support the development of Horizon 2 mines, progress is being made on both port and rail solutions through the Company's participation in North West Infrastructure (NWI), discussions with various parties on potential rail solutions and participation with QRN in a rail study exploring the various options for rail solutions.

These are ambitious but achievable targets that build directly on our skill set, infrastructure rights and expanding resource assets at McPhee Creek and S.E. Pilbara. This represents a clear logical way to deliver exceptional value to shareholders.



Horizon 3

Atlas' 'Horizon 3' Growth Program targets expansion of the Company's activities to become a 'Great Australian Company', moving into alternate jurisdictions in both Australia and overseas, potentially beyond Direct Shipping Iron Ore and into further Carbon Steel commodities. Whilst not the main focus of the Company, further options are being assessed and developed to progress growth in the Company's project pipeline to reflect this strategy.

Horizon 3 is essentially keeping an eye out for low risk opportunities for generating potentially world class resource projects. Existing examples include the Company's investments in Shaw River Manganese (SRR) and Centaurus Metals (CTM). Please refer to the Corporate section within this report for further details on these investments.

Utah Point Port

The new multi-user port at Utah Point in Port Hedland is integral to Atlas' 'Horizon 1' Growth Program, with Atlas holding a right to up to 15Mtpa of port capacity.

To realise this port capacity Atlas will further develop the Utah Point landside facilities (over and above

that already established at 'Yard 1') by installing additional stacking and reclaiming infrastructure in 'Yard 2' at Utah Point. Atlas' Yard 2 facilities will be developed in stages, with an initial development underway to provide at least 4Mtpa of capacity in Yard 2 by May 2013, and full development of the yard over the following 12 months.

North West Infrastructure

Atlas holds a 63% interest in North West Infrastructure (NWI), which has rights to 50Mtpa of export capacity at Port Hedland.

NWI has made significant progress towards the development of the South West Creek port. Key developments during the year include:

- economic studies nearing completion,
- environmental approval for landside developments received,
- Native Title agreements in place, and
- Rail studies underway with QR National.

With Atlas' significant growth profile the NWI South West Creek facility is an important link in Atlas' Horizon 2 logistics chain.

QR National

During the year Atlas entered into a binding Memorandum of Understanding with QR National to progress the feasibility of an independent railway in WA's Pilbara region. Subsequent to year end, Brockman Resources (Brockman) joined QR National and Atlas as partners in this feasibility study. The proposed Pilbara Independent Rail (PIR) Project would connect iron ore deposits owned by Atlas and other companies in the East and South-East Pilbara to Port Hedland. The study is expected to be completed by the end of this calendar year, with first haulage earmarked for as early as 2015.

The standard-gauge railway would be designed to be expanded progressively in line with shipping allocations at Port Hedland port. The rail line would initially be connected to stockpiling facilities which would be developed concurrently at Port Hedland.

Under the binding agreement, Atlas, Brockman and QR National will share the costs of the study and both will contribute resources as required. Any development proposal would be subject to the approvals and investment hurdles of the companies' respective Boards. The agreement envisages that Atlas would be a foundation customer of the railway and contemplates Atlas being a junior equity partner in the Project.

Atlas also continues to engage with other Pilbara miners in relation to rail infrastructure.







Projects

Jason Cross - Project Director, Development

Wodgina Mine Expansion

In May 2011 Atlas announced that it had struck a pivotal agreement with GAM, the owners of the infrastructure at the Wodgina Tantalum mine site, allowing it to expand capacity at its Wodgina Iron Ore mine as a result of a long term infrastructure agreement.

Under the new agreement, Atlas has access to a range of infrastructure including 100% of the existing crushing and screening plant, and the ability to expand site infrastructure to suit its production targets. During the year the Company expanded camp accommodation and

represents an ideal opportunity for Atlas to deliver a high quality blending product. With a low stripping ratio, near 100% mineral extraction anticipated and a low CAPEX start-up, the project is also set to deliver a favourable economic outcome for Atlas.

The Abydos Mine

The Abydos mine is another standalone project with planned installed capacity of 3Mtpa. The Board approved an investment in the project in 2012. Initial construction works are underway with full works planned to kick off in September 2012, targeting first ore shipments in the 2013 June quarter.

"We've spent a fair bit of time focusing on our people and getting the right mix to underpin what is a significant wave of growth for us in the project space over the next 3-5 years."

infrastructure such as an alternate Tantalum crushing and screening capacity for GAM on the site leaving both parties free to optimise their operations to meet varying market conditions.

Haulage of final product to port from Wodgina is via the existing on-highway haulage model.

Mt Dove DSO Project

Atlas' Mt Dove DSO Project is a stand-alone development due south of Port Hedland that will transport product to the new Utah Point port facility at Port Hedland, 72km via the Great Northern Highway. The project was approved by the Board in 2012 and construction started in late June 2012. First ore is scheduled to be shipped in December 2012. The project

Haulage of final product to port from Abydos will be via a private haul road linked to the public road highway.

Mount Webber

The Mt Webber project has been subject to further engineering studies during the year. The Company envisages a staged development to a total installed capacity of 6Mtpa, incorporating the Company's standard mine concept. Ore will initially be transported using the standard truck haulage approach, with the intention to move to rail haulage once the rail solution is in place. The Company is targeting to commence production at Mt Webber by December 2013.



ONSITE WORK OPERATION CHANNEL

NAME	DATE	COMPANY	TIME OUT	TIME IN
Tim	7/7/12	RECON	0700	17
	07/07/12		0630	18
Andy, Geoff, Lee, Kyle, Ryan, Tipene	7/7/12	Conductor	6:30	18
DAP, Dean, Daniel	7-7-12	TERA	6:30	5
Dan	7/7	WATTS	6:30	18
DSI			6:30	18
			6:45	18
Adm A			6:45	17
			6:45	17
D3			0630	17
			7 AM	2
				9
				10
				17

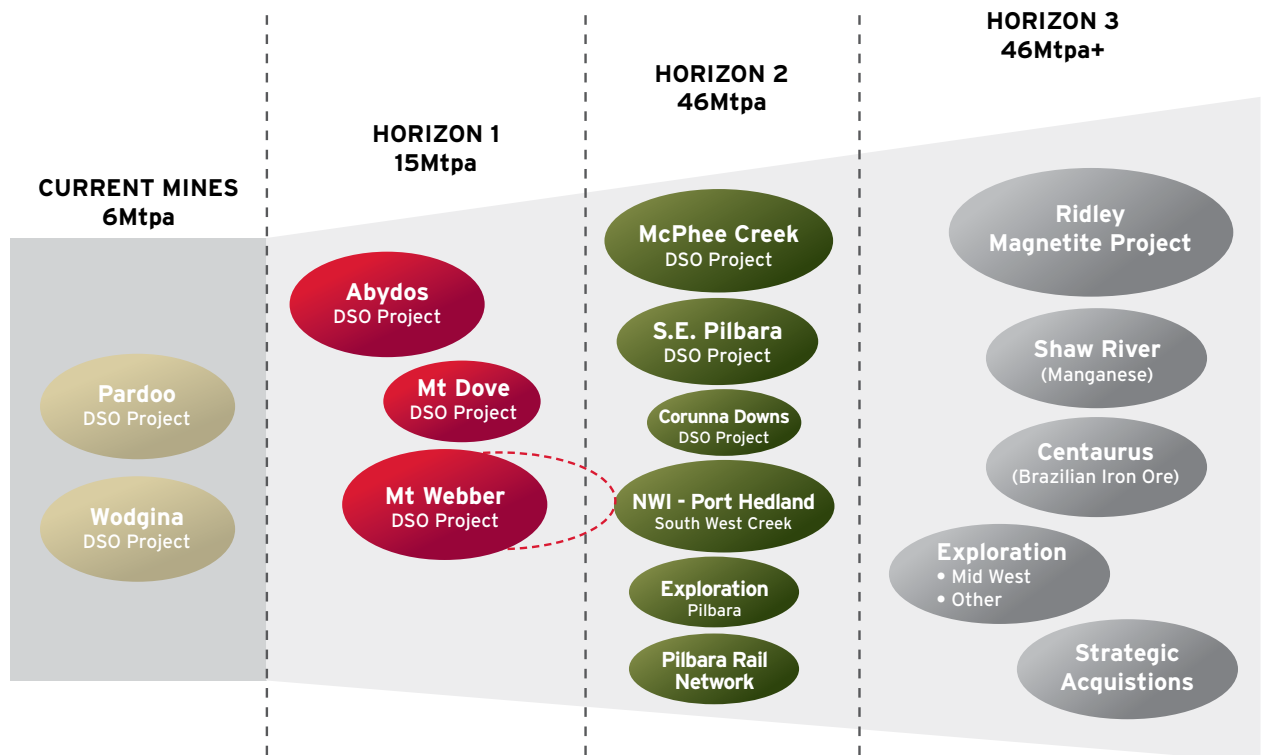


LOCATION/SAT

1
ONE 1, CHIS
one 1, Laydown
ONE 2
ONE 1 CHIS
LONG 1 CH L5
ZONE 1 CHIS
Zone 1, 2, 3
Zone 1, 2, 3
ONE 1
LAYDOWN
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RECON CONNECTOR

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Atlas' Horizon 1, 2 and 3 Projects and Interests

McPhee Creek

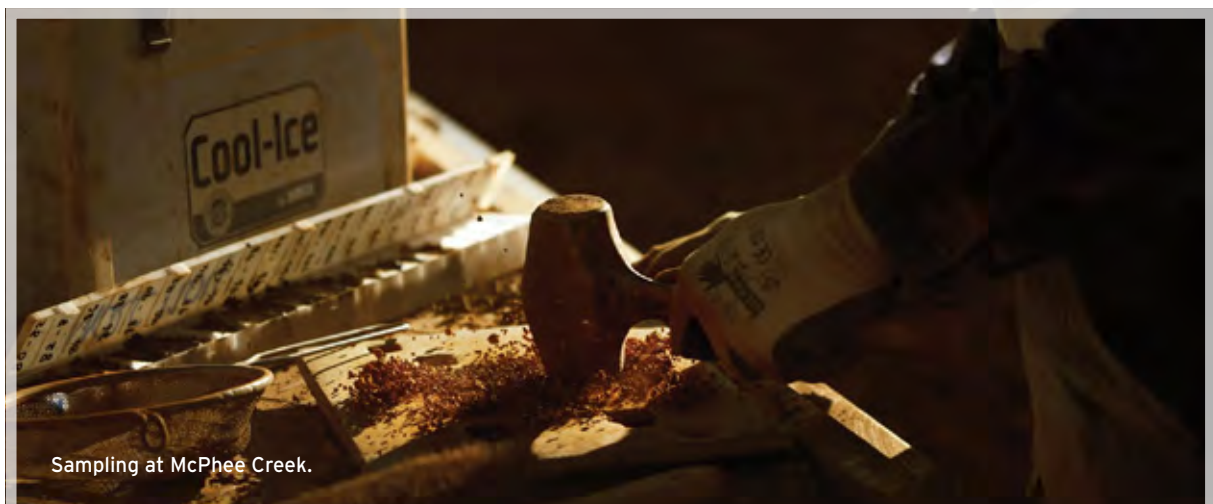
During the year the Company completed a scoping study on the proposed McPhee Creek project. Further studies are underway and will be undertaken during the 2013 Financial Year to support the development of the rail infrastructure solution. Significant drilling was undertaken at McPhee Creek resulting in a revised mine plan and the declaration of Ore Reserves of 89Mt of DSO product. Further drilling and test work is underway targeting the maximisation of the resource to reserve conversion during the 2013 Financial Year.

South East Pilbara Project

Following the acquisition of FerrAus early in the year, a feasibility study was completed in December 2011 for the former FerrAus South East Pilbara project. The Company has continued with resource development having recently declared Ore Reserves of 239Mt. Further studies are planned to be undertaken during the year.

Jason Cross

Project Director, Development





Land Access, Heritage & Approvals

Angela Johnson - General Manager, Land Access, Heritage & Approvals

With Atlas' successful transition from explorer to producer, our need, desire and ability to strive for best practice escalates. Atlas has deliberately enhanced both the skill set and resourcing capability to enable elevated baselines for outcomes in environmental approval and heritage best practice, land access consents, stakeholder engagement and social responsibility awareness.

Throughout the year Atlas has secured brownfield approvals to continue development of our existing operations. We have continued to develop relationships with key stakeholders at these sites including increased liaison with our traditional owners, pastoral liaison and execution of commitments. Atlas prides itself with its ability to

early construction works at its proposed Abydos mine. Atlas is on target to deliver all approvals to commence implementation of the project in September 2012.

To accommodate the increased production, Atlas has been working with the Port Hedland Port Authority for approval to expand its export capability out of the Utah Point facility by developing Stockyard 2 (Yard 2). Atlas received access to commence works in Yard 2 in June 2012.

Atlas promotes a culture of responsible environmental management within the organisation, in order to protect the natural environment, indigenous and social surroundings, and continually improve its environmental and social performance. Atlas believes its licence to operate as a resources company is dictated by its compliance with applicable laws and regulations.

"To be part of our team, you need to have a strategic vision so that if you're faced with a blockage in one direction, you can look for valid alternatives in another."

enter into infrastructure sharing arrangements for mutual benefit with neighbouring Pilbara mining companies. A significant achievement during the year was the execution of an infrastructure sharing agreement with Venturex for dual use of the proposed Venturex haul road to complement our Abydos project.

As Atlas delivers on its commitment to expand the Company by incremental growth of mining operations within road haulage distance to Port Hedland, the 2012 Financial Year realised the significant milestone of access to implement our third DSO mining operation, Mt Dove. In addition, Atlas secured access to commence

The ongoing development of the indigenous enterprise and partnering incentive programs, along with enhanced heritage survey programs, continue to strengthen the growing relationships with Atlas' Indigenous stakeholders. Transparent and open communications with Government is building toward an interactive partnership focused on environmental and social well being.





Exploration and Resource Development

Andrew Paterson - General Manager, Geology

Exploration and evaluation drilling continued to accelerate during the 2012 Financial Year, with Atlas completing over 200,000 metres of drilling at a range of projects in the Northern and Southeast Pilbara. In total, 2,266 RC holes and 121 diamond holes were drilled.

The main focus of field work was on advanced projects in the North Pilbara: Abydos, Mt Webber and McPhee Creek, with these three sites accounting for 78% of metres drilled during the year. Drilling at McPhee Creek was restricted to infill drilling within the existing resource

The Company's direct shipping ore mineral resources grew to 1.085Bt at 56.1% Fe during the year. The FerrAus acquisition added 444.3Mt, in addition to the maiden resource at the Hickman Project. Incremental resource growth at McCamey's North and Mt Webber also added to the total.

Moving into the 2013 Financial Year, Atlas remains committed to achieving resource growth through exploration success, although at a lower level of activity than in the 2012 Financial Year. To this end the Company will be drilling a number of exploration targets on its Southeast Pilbara

"The main goal for the year was to Drill McPhee Creek. We achieved everything we said we would do and we broke a number of Atlas drilling records in the process."

envelope, with the intention of converting the bulk of the inferred resource to indicated category as quickly as possible. This work is now largely complete, and the focus at McPhee Creek is shifting to extensional opportunities.

Although the Atlas exploration team were busy at McPhee Creek for the bulk of the year, they also completed a comprehensive exploration program over Atlas' Marra Mamba targets at Jigalong as well as smaller programs at Weelaranna, Hickman, McCamey's North and Upper Ashburton. The Company was successful in receiving Government EIS funding for four small exploration programs, and these were all successfully completed during the year.

projects. Drilling at McPhee Creek will test extensional opportunities there, and a small projects team will test regional prospects in the Abydos and Mt Webber areas. Further work also remains to be completed at Wodgina.



"One of our major areas of success, that
our safety performance, which continues to
our activity levels climb. That's

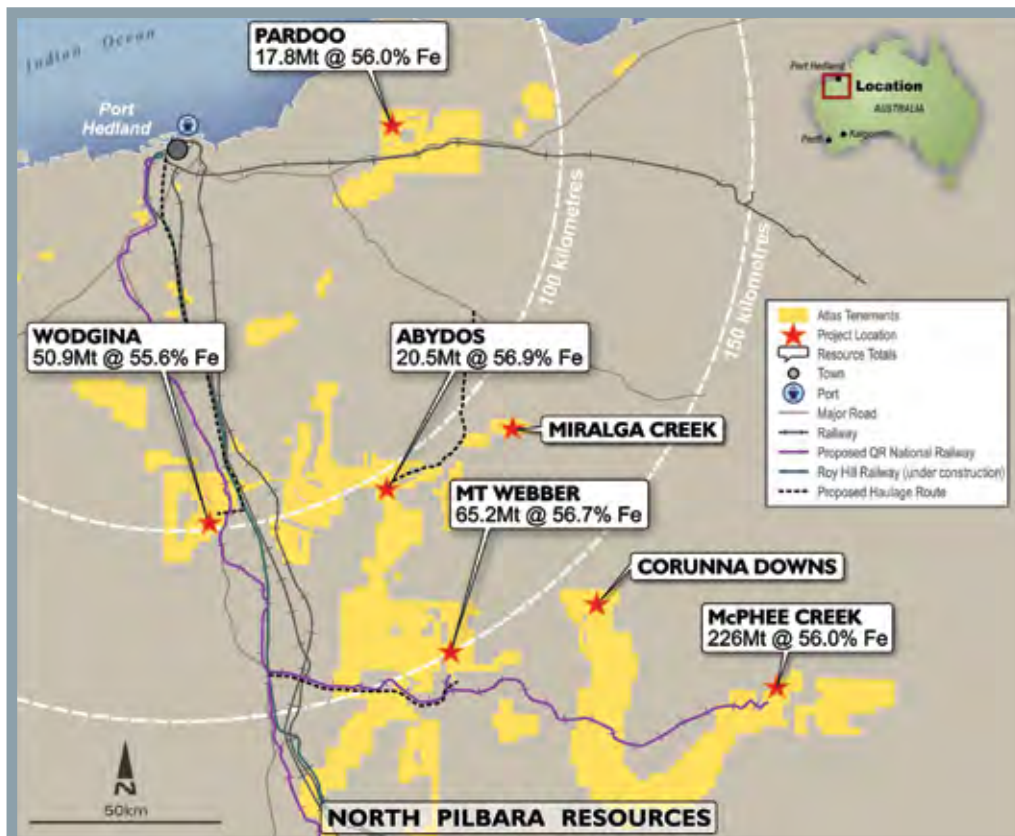
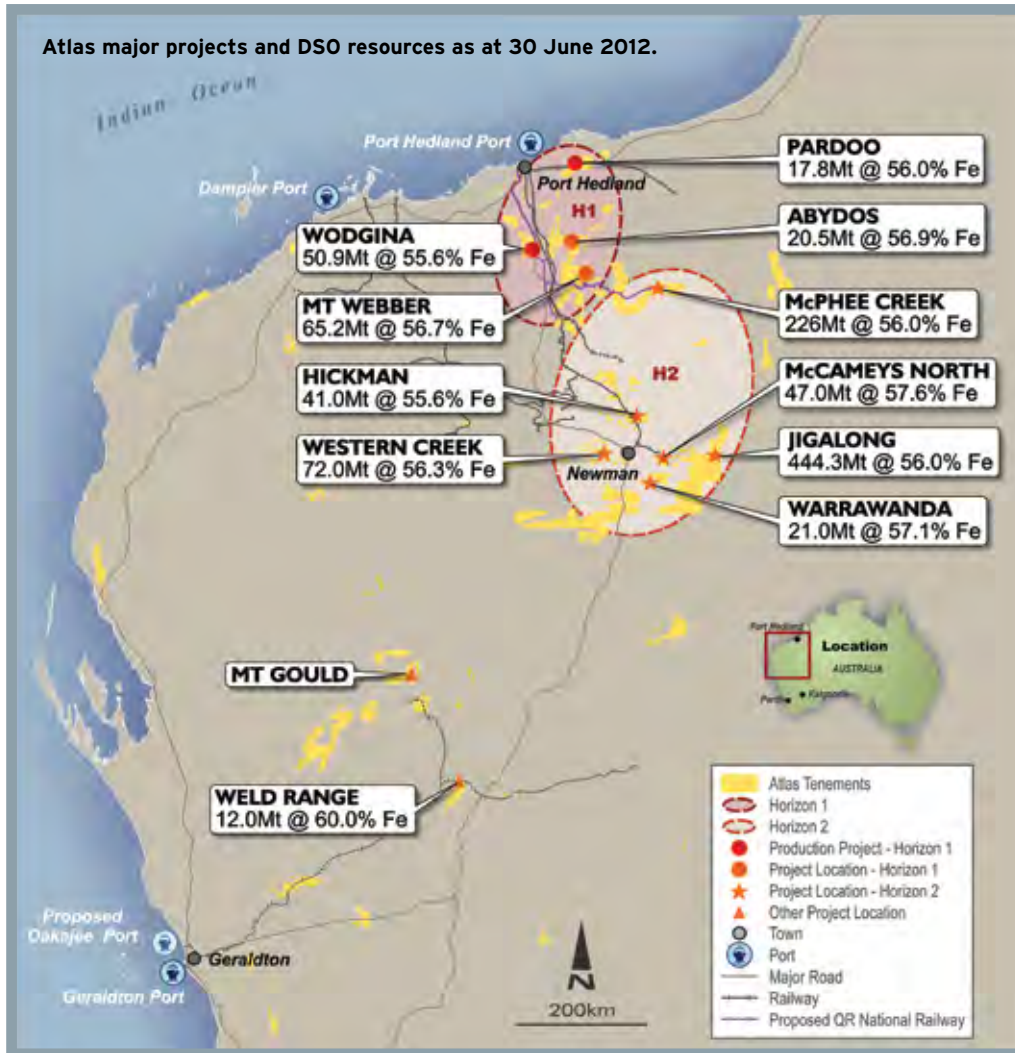
Pip Darvall
Exploration Manager



*is ongoing, is
improve while
fantastic."*



Atlas major projects and DSO resources as at 30 June 2012.



Atlas Iron Limited - DSO Resource Summary 30 June 2012 - Rounded

	Resource Classification	Kt	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	S (%)	LOI (%)	CaFe (%)
Pardoo	Measured	50	56.9	7.1	2.6	0.18	0.02	8.1	61.9
	Indicated	9,800	56.4	8.1	1.9	0.10	0.03	8.2	61.4
	Inferred	8,000	55.6	7.9	2.4	0.10	0.02	9.1	61.2
Abydos	Indicated	11,500	57.1	6.5	1.9	0.05	0.02	9.4	63.0
	Inferred	9,000	56.8	6.7	2.0	0.06	0.02	9.4	62.6
Wodgina	Measured	11,430	57.2	6.4	1.6	0.06	0.08	8.6	62.6
	Indicated	23,500	56.0	7.9	1.9	0.08	0.05	9.1	61.6
	Inferred	16,000	53.9	8.8	3.5	0.06	0.05	9.4	59.5
Mt Webber	Measured	22,700	57.8	5.5	2.0	0.09	0.02	8.8	63.4
	Indicated	41,500	56.1	7.8	2.4	0.08	0.02	8.5	61.3
	Inferred	1,000	56.8	8.4	1.2	0.06	0.06	7.2	61.2
McPhee Creek	Indicated	155,400	56.8	6.6	1.9	0.15	0.01	9.4	62.3
	Inferred	71,000	54.2	8.6	3.4	0.09	0.02	9.6	61.9
Mt Dove	Indicated	1,800	57.9	6.8	1.8	0.11	0.03	7.9	62.9
	Inferred	1,000	58.5	6.3	1.7	0.11	0.02	7.8	63.4
Mid West	Inferred	12,000	60.0	6.3	2.9	0.06	0.01	3.7	62.3
Newman	Indicated	41,100	58.1	5.3	4.4	0.17	0.01	6.1	61.9
	Inferred	166,000	56.0	6.9	4.0	0.09	0.02	8.3	61.1
Jigalong	Measured	43,200	57.9	5.2	3.0	0.10	0.01	8.2	63.6
	Indicated	339,100	55.9	6.8	3.7	0.09	0.01	8.7	61.7
	Inferred	62,000	55.4	8.1	3.3	0.10	0.01	8.2	59.1
West Pilbara	Inferred	38,000	53.6	7.5	4.8	0.04	0.01	9.3	59.1
Total	Measured	77,380	57.8	5.5	2.5	0.09	0.03	8.4	63.4
	Indicated	623,700	56.3	6.8	3.1	0.11	0.02	8.7	61.8
	Inferred	384,000	55.4	7.6	3.7	0.08	0.02	8.6	60.7
Grand Total		1,085,080	56.1	7.0	3.3	0.10	0.02	8.6	61.6

Note: Tonnes are rounded according to their JORC category.

Grades are carried through unaffected by rounding errors from the table above.

Geological Data, Interpretation and Resource Estimation - Other DSO Projects

The information in this report that relates to mineral resource results on Atlas' DSO Projects other than Jigalong is based on information compiled by Mr Steve Warner who is a member of the Australasian Institute of Mining and Metallurgy. Steve Warner is a full time employee of Atlas. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Steve Warner consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Geological Data, Interpretation and Resource Estimation - Jigalong

The information in this report that relates to mineral resource results on Atlas' Jigalong Project is based on information compiled by Mr John Graindorge who is a Chartered Professional member of the Australasian Institute of Mining and Metallurgy. John Graindorge is a full time employee of Snowden Mining Industry Consultants Pty Ltd. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. John Graindorge consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.



HSEC

Sharon-Lee Stroud - General Manager, HSEC

Health & Safety

Atlas has continued to deliver solid improvements in safety performance in 2012. The organisation's Total Recordable Injury Frequency Rate (TRIFR) has improved by 20% over the year and is reflective of the efforts placed on establishing fit for purpose systems to manage Atlas' exposures at the point of risk. In an environment of rapid growth and emerging systems, strong leadership at the frontline has further bolstered this improvement.

System framework has seen an increased focus on developing the organisation's skills around risk management and incident investigation. An intensive training regime around these core safety management skills has sought to build a solid foundation of hazard awareness, sound risk management principles, quality incident investigations and the identification and implementation of sustainable actions to prevent recurrence.

This year Atlas embarked on a program to implement a series of Principal Hazard Standards to address the key risks faced by the


"Atlas takes a pro active approach to safety. We are not about developing millions of policies and procedures. Instead we understand the risks that are present in the working environment and build systems around these risks to protect our people."

The appointment of a dedicated General Manager for Health, Safety, Environment and Community (HSEC) in November 2011 to lead the HSEC portfolio for the business was symbolic of the importance Atlas places on this function and an acknowledgement that solid leadership in this area is a fundamental ingredient to delivering on Atlas' plans for growth. There is a genuine heartfelt belief amongst the senior leadership team that you can't have a good business unless it is a safe business. Atlas' license to operate is inextricably tied to our ability to maintain compliance to all legal and operating requirements whilst actively seeking opportunities to further improve performance.

The implementation of the Atlas integrated Health, Safety and Environment Management

organisation and more broadly by the mining industry. The first three standards addressing Isolation and Lock-out, Journey Management and Vehicles and Traffic Management were implemented this year with a further seven to be implemented in the following year. A key component of the success of the roll-out was the consultative process used to develop the standards and the importance of using frontline leaders as the primary messengers for communicating the requirements of the standards to their staff and contractors.

Atlas employs a large contractor population and as such not only faces the challenge of building and nurturing their own HSE culture but also influencing the culture of contracting



organisations to achieve ever-improving standards of performance. The implementation of the Atlas Contractor Safety Management Framework this year has seen a much greater focus on the due-diligence associated with bringing new contractors into the business and also on the processes in place to manage contractor performance on an ongoing basis. Atlas employs a partnership approach to contractor engagement and actively seeks the input and commitment from contractor personnel at quarterly health and safety forums. These forums present an opportunity for networking, shared learnings, communication of key health and safety management system changes and also the collective identification of ideas for improvement.

Environment

This year Atlas has bolstered its commitment to environmental compliance through the development of a corporate environmental team to support the operational, exploration and resources development sites. The environmental team's primary objective is to support Atlas operations to achieve environmental excellence and ensure our continued licence to operate. Environmental Technicians and Advisors out in the field now have the ability to liaise with and gain support from senior environmental staff to obtain clarity on operational objectives, and ensure alignment with the broader organisational goals for environmental compliance and improvement.

Atlas has established a comprehensive plan to support the business to achieve its growth targets safely and sustainably over the coming year. Areas of focus include:

- Implementing an energy and carbon management program to ensure compliance with regulatory requirements as well as identifying opportunities for reducing Atlas' carbon footprint,
- Progressing the implementation of the Principal Hazard Standards program to define minimum performance standards for managing fatality-potential risks,
- Identifying opportunities for optimising the health, safety and environmental design aspects of future mines and supporting infrastructure,
- Continuing to work towards a sustainable safety culture based on strong leadership, clear lines of accountability, high levels of employee engagement and solid performance improvement over time.



Community

Implementation of the Atlas Community Investment Strategy this year has seen the Company take a more considered approach towards investing in causes that make a tangible difference in the communities in which we influence or operate.

Atlas' community investment program supports the organisation's vision to make the world a better place. The program aims to connect our business and people with our neighbours and local communities to achieve "hands on" and sustainable positive outcomes. Atlas strongly believes in creating opportunities through education, environmental sustainability, health, arts and culture and community development, thereby improving the quality of life in the communities in which we operate. In supporting organisations, programs and initiatives that share these aspirations, we hope to create an enduring positive legacy.

We also support causes that are important to Atlas employees through our workplace matched giving program and philanthropic pursuits, as well as the active promotion of community volunteering through events such as the annual Atlas Community Day.

The Atlas 2011 Hedland Community Day

Atlas is passionate about corporate social responsibility and adamant that all employees and the organisation benefit directly from

community engagement. In September 2011, over 200 Atlas staff and contractors travelled to Port Hedland and South Hedland to contribute to a range of community projects in a one-day volunteering "blitz". This day presented an opportunity for Atlas management and staff to give back to the people that do not always directly gain from local mining activity.


"Ngayanhtharti" was the theme of the day. This means "We Together" in the local Kariyarra language. Volunteers from Atlas joined with members of the local community across 5 locations and 4 primary schools to create positive experiences and outcomes.

The day was a huge success for both Atlas staff and the Hedland community and all acknowledged that the volunteering projects undertaken had provided a great opportunity for Atlas employees to give back to the community in a very hands-on and sustainable way.

Sharon-Lee Stroud
General Manager, HSEC



Children from Cassia Primary School learning on ipads donated by Atlas.



"Atlas came to us as part of their 2011 Community Day. What they did was amazing. Amazing because it was a real team effort. They painted our interior and our logo outside. And they donated our new garden shed.

Our staff and our families are just blown away by their generosity. Normally big companies take their staff to five star hotels or Bali but not in this case. Atlas came here to our community and worked for all of us and gave so much of their time. And for that we are eternally grateful."

Te Rangi Marie Pakau

Co-ordinator, Lawson Street Youth Centre, South Hedland



"Being given the opportunity to meet with WA charities through the Atlas Philanthropic Committee and positively change peoples lives is a wonderful feeling."

Amy Doherty
*Senior Resource
Development Geologist*



Philanthropy Review

Atlas has maintained a strong focus on contributing to the betterment of society, local communities, and others less well-off via charitable aid and donations. Through its activities in the community Atlas works to generally promote corporate and personal participation in philanthropy. We believe that through effective promotion of philanthropy, companies, individuals and communities are significantly better places to work and live. The Atlas Philanthropic Committee consists of staff representatives from across the organisation and meets on a monthly basis to consider requests for donations and support initiatives for helping those in need.

During the 2012 financial year, Atlas has been an active supporter of the following groups and initiatives:

- Many Rivers Opportunities Micro Finance Program
- RV Sports Remote Communities Youth Basketball program
- The North West Festival 2012
- Community Development Foundation

- Disadvantaged Schools Programs
- Starlight Children's Foundation
- Port Hedland Trails Master Plan
- Earth Science WA Remote Area Education Programs
- Manna Incorporated
- Youth Focus
- Clontarf/Ngarla Indigenous Basketball Committee

In April 2012, Atlas and its staff held a charity golf day in aid of the Starlight Childrens Foundation. This was the second event of its kind and was supported by Atlas' major suppliers to raise over \$95,000 for Starlight to provide funding for their programs for seriously ill and hospitalised children and their families.

In October 2011, David Flanagan was named the inaugural winner of the Western Australian Governor's Award for Giving in recognition of his and Atlas' work to push the boundaries of philanthropy in WA.

Over the coming year, Atlas will continue to contribute to local communities through active participation in charitable events and fundraising initiatives organised by charitable organisations as well as promote the value and importance of corporate volunteering activities.





Our People

Linda Devereux - *General Manager, Human Resources*

What a year! We have put our people through a lot of change and growth as we set high expectations for everyone across the Company. During the year Atlas made a conscious decision to raise the bar across everything we do and how we do it. This has helped us achieve our goals during the year and also prepared us for the challenges that lie ahead over the coming five years.

It takes certain types of people, leadership style and organisational culture to realise these goals. Our people are passionate about what they do and about the success of Atlas. Together we can do it.

At Atlas, we genuinely recognise the importance of our people. We ask a lot of them and in turn they deserve to work for a great company, one that their families are proud of. To support our people and enable them to achieve great things some of the key aims during year were to review our organisational design, build on our leadership capability and drive our culture and brand. All the fundamentals of a great business.

During the year, we defined our operating model and reviewed the structure across our leadership group. This provided better role clarity within the Company and helped ensure alignment to the Company's strategy. We have a very capable leadership team at Atlas and it is the qualities, passion and capability of this team that we aim to emulate right throughout the business. The introduction and implementation of our Leadership Program during the year has

helped us to define and educate our current and future leaders on the qualities and traits that we believe will take us to the next level of business excellence.

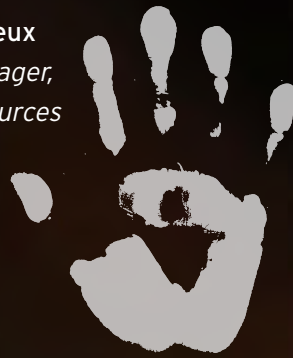
One of the big growth areas for Atlas has been its workforce numbers. Atlas saw a 100% increase in its people numbers during the year. With two new mines starting in the 2013 Financial Year, we are looking to replicate this again. Our ability to attract and retain quality people is very much dependent on our organisational culture and our Company brand. We place a huge emphasis on our culture, our areas of strength, things that differentiate us and things that make us attractive to quality candidates. We built and implemented our brand and culture initiative during the year to drive our Company vision, values and brand pillars into every corner of our business. This allows us to keep a constant finger on the pulse of our organisational culture. This initiative is alive and well across Atlas and is key to what makes us different.

Yes, we have another challenging year ahead and many more to come, but this dynamic organisation is full of passionate, vibrant people who are excited about what they have achieved and what challenges are to come. Our people are extremely capable of taking those challenges on and succeeding. We will continue to strive for excellence with this great team and the like-minded people who are yet to join this fantastic Company.



"In such a tight labour market, one of our key successes was ensuring we had the people capacity to reach our 10,000,000 tonne milestone. We've helped the business by having the right people in place to deliver."

Linda Devereux
General Manager,
Human Resources







Employment Opportunities and Diversity

Ask around and you'll hear many people say that there's a bit of a different feel to Atlas. It takes a certain type of person to work in such a dynamic company like Atlas where there's constant change, expansion and the need for staff to adapt.

"Atlas is by far the most inclusive company that I've worked for. We have a great culture and a really strong people focus."

Despite the fact that Atlas has grown rapidly, the Company has managed to maintain a great atmosphere and a strong culture through its people. It's not like any other company I've worked for. Everyone has a can-do attitude and is committed to moving forward towards the Company's goals.

Despite becoming a larger organisation, there's still that small company feel with a friendly working environment and plenty of career development opportunities. The training opportunities with Atlas are endless, as they believe that by continuing to improve their people through training they'll continue meeting their targets.

At Atlas there are strong, inspirational leaders in all departments. As a young person at the beginning of her career, being able to work at Atlas is a brilliant opportunity. Diversity in any organisation is very important. At Atlas over 30% of the leadership team is female. It's great to see and personally, as a female, it's great to be part of an organisation that really supports and encourages this.

The opportunities that have been provided to me at Atlas have been great. I've learnt so much about true leadership, which I certainly didn't expect when I accepted my role. Another thing that I love is that Atlas is dynamic. It feels like there's always something exciting going on. When events such as the FerrAus acquisition occur it's all systems go and that energy and drive is infectious. The benefit of this, as an employee, is that you get exposure to a wide range of activities because things are always changing. You're constantly having to adapt, but by doing that, you get exposure to all facets of the business.

With the current size of the Company and its constantly changing nature, it means there are opportunities to move around laterally within your role or internally across departments. Atlas also uses succession planning so that as one person

moves up, there's always someone there to fill the vacated role.

A real highlight for Atlas this year was the roll out of the Atlas Graduate Program. In the exploration department we took on three graduate geologists who got the chance to

migrate through the Company laterally and have a go at all aspects of the geology business from exploration to resource development to production. Coming out of university it's not always clear for geologists wanting to go into the mining industry. There are many questions such as what pathway is going to suit their interests and strengths?

The opportunity to come into the Graduate Program makes Atlas "an employer of choice". By providing graduates experience, ultimately we

benefit by having the right personalities in the right jobs. Ideally, we're able to more effectively retain these employees.

Meg Weatherman
*Senior Exploration
Geologist*



Stewart Beckley, Resource Development Geologist

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