



18th October 2012

ATLAS SECURES 12MTPA GROWTH STRATEGY WITH US\$325M LOAN

Atlas Iron Limited (ASX Code: AGO) is pleased to announce that it has secured a fully underwritten commitment for a funding facility of US\$325 million ("Term Loan") as part of its strategy to grow its North Pilbara iron ore production. The Company is targeting exports at a rate of 12 million tonnes per annum by December 2013.

The Term Loan, combined with Atlas' AUD\$313 million cash on hand as at 30 September 2012, means Atlas has sufficient funding available to complete development of the Mt Dove, Abydos and Mt Webber mines and the Yard 2 expansion works at Utah Point Port.

The Atlas Board has approved the development of Mt Dove, Abydos, the Utah Yard 2 facilities and is due to consider the Mt Webber Mine development early next year. The combination of this staged development strategy and complete financing package ensures Atlas has the flexibility to make expansion commitments in light of its forward view of iron-ore market conditions, as investment decisions are required.

The Term Loan, which is Atlas' first material debt facility, also enables the Company to maintain its conservative balance sheet and meet cash flow projections while accommodating iron ore price volatility that has been evident in the market. The Term Loan is fully underwritten with syndication expected to be complete by early December 2012.

Key terms of the Term Loan include:

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| Principal amount | US\$325 million (fully underwritten) |
| Maturity | 5 years |
| Security | Secured over Atlas' Assets |
| Type of Loan | Underwritten Senior Secured Term Loan Facility ("Term Loan B Facility") |
| Covenants | Covenant-lite |
| Structure | USD floating rate over LIBOR |

Credit Suisse is the Sole Lead Arranger and Underwriter for the Term Loan with Goldman Sachs as Co-Manager.

Atlas Managing Director Ken Brinsden said, "This facility will give Atlas the luxury of being able to develop additional production capacity with confidence and funding flexibility. It is totally consistent with Atlas' policy of achieving significant growth while maintaining a conservative financial position. The sub-components of our expansion strategy come in bite-sized chunks, with the opportunity to tailor production to suit iron ore markets and grow shareholder returns."

"The Term Loan is a cost-effective source of funds and prudent means of ensuring that Atlas can implement its expansion strategy on its terms." Mr. Brinsden said.

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