



25 July 2012

## **Atlas meets shipping and cost guidance**

### **HIGHLIGHTS FOR THE JUNE 2012 QUARTER**

- Atlas shipped 1.50Mt (WMT) during the June 2012 Quarter, up 25% on the March 2012 Quarter and consistent with previous guidance
- Shipments totalled 5.57Mt (WMT) in the 2012 financial year, up 21% on the 2011 financial year and consistent with previous guidance
- Average price per tonne for 57.5% Fe product of ~US\$122 CFR (DMT) for the June 2012 quarter. An average of ~US\$118 CFR (DMT) was achieved inclusive of the two previously advised low-grade cargoes sold during the quarter
- Cash operating costs (FOB, excluding royalties) are in line with previous guidance of \$42-45/t for the 2012 financial year
- Acquisition of Daltons Joint Venture iron ore rights at the Mt Webber project completed
- Binding Memorandum of Understanding entered into with QR National (ASX:QRN) to progress the evaluation of an independent railway in WA's Pilbara region
- Balla Balla magnetite project sale completed in the June 2012 Quarter
- Mark Hancock appointed as Executive Director – Commercial, and leading resource industry lawyer Geoff Simpson appointed as an independent Non-Executive Director
- Abydos and Mt Dove DSO projects now under construction as part of Atlas' strategy to grow production to 10Mtpa by June 2013 and 12Mtpa by December 2013
- \$399.5 million cash on hand as at 30 June 2012

### **Subsequent to the end of the June 2012 Quarter**

- 70% increase in Reserves to 414Mt (see Appendix 2 for further details)
- Maiden Probable Reserve at McPhee Creek Project of 89.7Mt, with a further significant Reserve and Resource update expected with the December 2012 Quarterly Report
- 46% increase in South East Pilbara Reserves to 238Mt
- 7% increase in North Pilbara Reserves to 84.8Mt net of Pardoo and Wodgina production
- Total Resources increase by 5% to ~1.1Bt (see Appendix 2 for further details)
- Experienced CFO, Anton Rohner, appointed as Atlas CFO, commencing October 2012

"This is an outstanding result all round," Managing Director Ken Brinsden said. "The production and cost figures are particularly pleasing given the impact of the failure of the Utah Point ship loader and adverse weather earlier in the year, and industry cost pressures.

"At the same time, we have ensured Atlas is well on track to double production to 12Mtpa by the end of next year and we have made further significant progress in bedding down the reserves needed to underpin our longer-term production target of 46Mtpa by 2017."

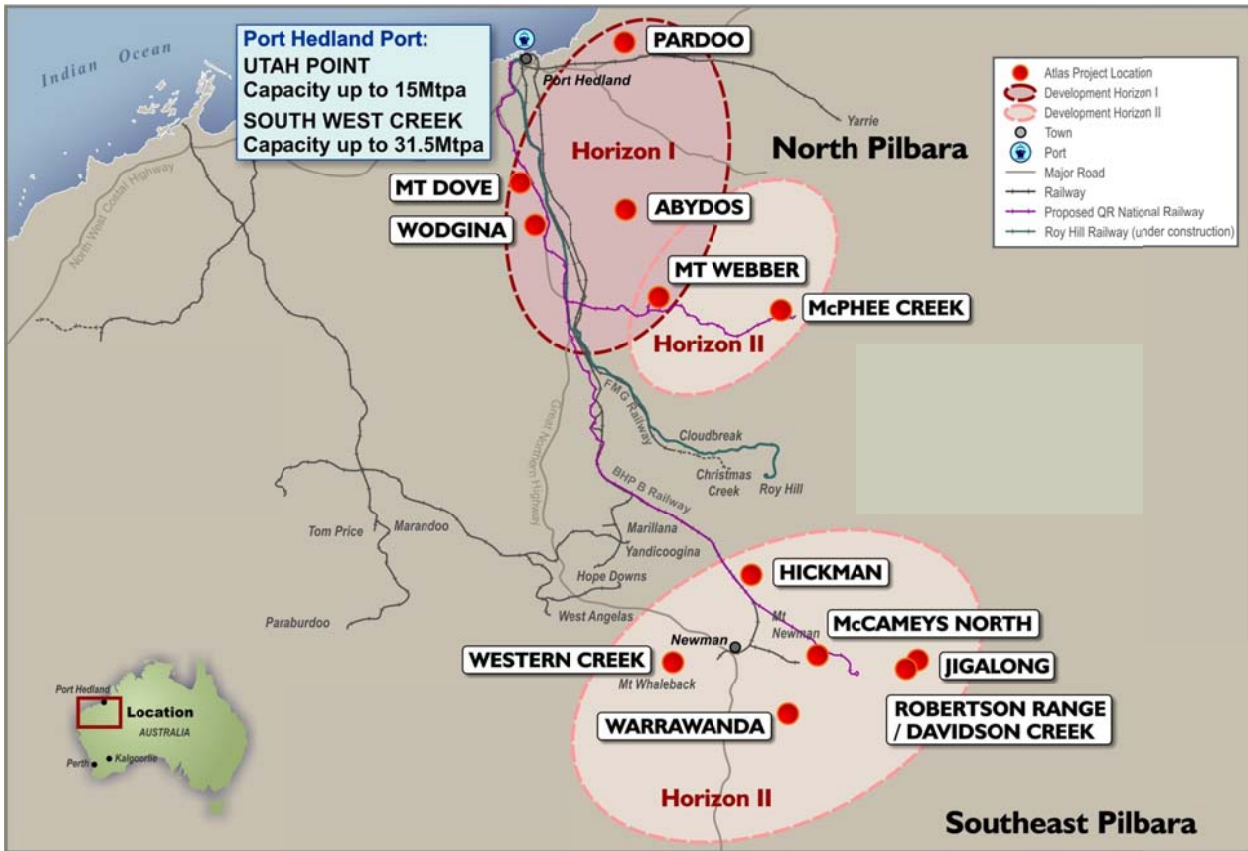


FIGURE1 - Atlas: Pilbara's Emerging Powerhouse

## INTRODUCTION

Atlas first commenced exports from the Pardoo DSO project in the Pilbara at the rate of 1Mtpa in December 2008 and following commencement of its second operation at Wodgina in June 2010, Atlas achieved export rates of 6Mtpa in line with targeted growth initiatives. Atlas will bring a further three new mines into production in the North Pilbara (Mt Dove, Abydos and Mt Webber) in the next 18 months to achieve exports at the rate of 10Mtpa by June 2013 and targeting 12Mtpa by December 2013. With the addition of McPhee Creek and its South East Pilbara assets, Atlas plans to progressively expand its exports, targeting 46Mtpa during the 2017 calendar year.



**OPERATIONS**

**MINE PRODUCTION AND SHIPPING**

<b>Table 1: Production</b>				
	<b>June 2012 Quarter (t)</b>	<b>March 2012 Quarter (t)</b>	<b>Variance Quarter (t)</b>	<b>Variance Quarter (%)</b>
Ore Tonnes Mined <sup>2</sup>	1,526,311	1,121,661	404,650	36.1
Ore Tonnes Processed	1,534,530	1,055,456	479,074	45.4
Haulage to Port	1,481,201	1,193,110	288,091	24.1

**Note 1:** See Appendix 1 for detail of mine production at Pardoo and Wodgina

**Note 2:** Ore Tonnes Mined represents ore tonnes delivered to Run-of-Mine (ROM) at the Plant

<b>Table 2: Inventory and Shipping</b>				
	<b>June 2012 Quarter (t)</b>	<b>March 2012 Quarter (t)</b>	<b>Variance Quarter (t)</b>	<b>Variance Quarter (%)</b>
<b>Inventory</b>				
Run of Mine Ore Stocks	209,682	217,902	(8,220)	(3.8)
Final Product Stocks - Site	100,842	47,513	53,429	112.2
Final Product Stocks - Port	6,759	29,622	(22,863)	(77.2)
<b>Shipping</b>				
Ore Tonnes Shipped (Wet)	1,504,064	1,211,630	292,434	24.1
Ore Tonnes Shipped (Dry)	1,382,847	1,097,425	285,422	26.0

Production for the June 2012 Quarter resulted in shipments of 1.504Mt (WMT). This reflected a 25% increase on the March 2012 Quarter, which was significantly impacted by a failure of the Utah Point ship loader and adverse weather. Shipped Tonnes for the 2012 Financial Year were 5.57Mt (WMT), in line with guidance provided in January 2012. Despite the cost pressures being felt across the industry, cash operating costs (FOB, excluding royalties) for the 2012 Financial Year were in line with previous guidance of \$42-45/t.

Please see Appendix 1 for further details of production outputs by mine.



## **MARKETING**

Iron ore sales for the June 2012 Quarter were 1.504Mt WMT (1.38Mt DMT), up from the March 2012 Quarter (1.21Mt WMT (1.11Mt DMT)) which was impacted by port infrastructure and weather disruptions.

Atlas' average sale price for its standard 57.5% Fe product for the June 2012 Quarter was US\$122 per DMT consistent with the US\$124 per DMT achieved in March 2012 Quarter.

In addition to the standard grade cargos, as previously advised, Atlas also sold two lower grade cargos with an average of 53.5% Fe during the June 2012 Quarter. The overall average price for the June 2012 Quarter inclusive of those lower grade cargos was US\$118 per DMT.

Spot sales were concluded with a number of new parties during the June 2012 Quarter as the Company looked to broaden its customer base, as production levels grow during the 2013 financial year. These parties include a number of new Chinese mills and international trading groups.

## **PROJECTS – HORIZON 1**

During the June 2012 Quarter, Atlas spent \$55.4 million on project development, with the focus being on the Wodgina Expansion project and detailed engineering across various projects.

During the second half of the 2012 financial year the Atlas Board approved the development of the Mt Dove DSO project and the Abydos DSO project. Following receipt of ground clearance approvals in June 2012, construction of Mt Dove is now underway with the construction contract awarded to MACA. Mt Dove production is expected to contribute to Atlas shipped tonnes in the December 2012 Quarter. The Abydos DSO project is gathering momentum with initial site establishment underway, pre-strip to start later in the year and first ore planned for April 2013.

Atlas' Horizon 1 growth strategy is targeting production rates of 10Mtpa by June 2013 and targeting 12Mtpa by December 2013.

Atlas previously flagged a 'Warden's Court' process in relation to an objection received to developing the originally proposed haul road network. Atlas is pleased to advise that it has completed the Warden's Court process to its satisfaction and therefore is not expecting any further impact of this matter on the development of its North Pilbara mines.

## **PROJECTS – HORIZON 2**

### **Rail**

#### ***Atlas / QR National progress joint Pilbara Rail study***

During the June 2012 Quarter, Atlas entered into a binding Memorandum of Understanding with QR National to progress the feasibility of an independent railway in WA's Pilbara region. 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 line would initially be connected to stockpiling facilities which would be developed concurrently at Port Hedland. Under the binding agreement, Atlas 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 having the option to participate as a junior equity partner in the Project. Atlas also continues to engage with other Pilbara miners in relation to rail infrastructure.

## **Port**

### ***North West Infrastructure***

Atlas holds a 63% interest in North West Infrastructure (NWI) which has rights to 50Mtpa of export capacity at Port Hedland and is progressing its plans to develop a stockyard facility in Boodarie and berths in South West Creek at Port Hedland. Following receipt of environmental approvals for the landside development of its proposed port infrastructure during March 2012, NWI has continued to focus on technical development in preparation for construction and integration with a future rail solution.

## **EXPLORATION AND RESOURCE DEVELOPMENT**

During the June Quarter 2012 Atlas drilled 739 RC holes and 41 diamond holes for a total of 77,694 meters across its Pilbara projects. Approximately 74% of these holes were drilled at McPhee Creek, Abydos, and Mt Webber. During the June 2012 Quarter Atlas spent \$24.4 million on exploration and resource development, and \$6.3 million on studies.

The McPhee Creek site has now been handed over to Atlas' Resource Development team from the Exploration workgroup, to continue the program of RC definition drilling as well as the ongoing metallurgical and geotechnical programs. The new McPhee Creek camp installation (60-persons) has been completed to support the ongoing exploration, resource development and associated project development works.

The remaining 26% of drilling in the June 2012 Quarter was performed on greenfields exploration projects in the Southeast Pilbara, including Jigalong, Jimblebar and Western Creek. The drilling at Jigalong has been successful in identifying further mineralisation at the Mijimiji prospects, first discovered in the Marra Mamba Formation by Hannans Reward in 2008. An initial inferred resource for Mijimiji is expected to be completed during the December 2012 Quarter.

## **RESOURCE AND RESERVE UPDATE**

Following a drilling program of over 200,000 meters, Atlas' Reserves now stand at 414Mt at 56.9% Fe, an increase of 70% since the acquisition of FerrAus in October 2011. In addition, Atlas Resources have increased by 5% since the acquisition of FerrAus in October 2011 to 1.085Bt at 56.1% Fe (see Appendix 2 and the announcement dated 25 July 2012 for further details).

Atlas is pleased to advise a maiden Reserve (Probable Reserve) at its McPhee Creek Project of 89.7Mt at 57.7% Fe (see Appendix 2 for further details) with an Indicated Resource of 155Mt at 56.8% Fe and an Inferred Resource of 71Mt at 54.2% Fe. Significant drilling was completed at McPhee in the June 2012 Quarter, with more planned for the September 2012 Quarter. Atlas is targeting an increased Resource and Reserve base at McPhee Creek when it releases its December 2012 Quarterly Report.



Reserves at Atlas' North Pilbara projects increased from 79Mt to 85Mt despite shipping over 5.57Mt during the 2012 Financial Year. The North Pilbara projects include the Pardoo and Wodgina mining operations as well as the Mt Dove, Abydos and Mt Webber DSO projects.

Reserves at Atlas' South East Pilbara projects increased by 46% from 163Mt to 239Mt since the acquisition of FerrAus in October 2011.

A net decrease of 43.9Mt in the Resource at McPhee Creek has been estimated following additional infill drilling within the mineralised envelope, adjustment of bulk densities and revised interpretation of the mineralised stratigraphy. While the volume of the orebody has not changed significantly; there is a reduction in in-situ density from the 3.1g/cc used in the previous resource estimate to 2.5g/cc. The focus of drilling at McPhee Creek has now switched from infill drilling to extensional work, with the intention of increasing both the resource and reserve base in the first half of the 2013 Financial Year. With significant drilling planned at McPhee Creek in the 2013 Financial Year, Atlas is confident of material resource upside at McPhee Creek.

There is a net increase of 49.1Mt in the Boolgeeda Formation resulting from an updated resource estimate for McCamey's North and a maiden inferred resource of 41.2Mt at 55.6% Fe at the Hickman DSO project. With additional drilling planned at Hickman in the 2013 Financial Year, Atlas is confident there is further resource upside at Hickman.

## **CORPORATE**

### ***Mt Webber DSO Project – Daltons Joint Venture***

On 26 March 2012 Atlas announced that it had entered into a binding Heads of Agreement to acquire the remaining 25% of the iron ore rights on the relevant Daltons Joint Venture tenements from Haoma Mining (see announcement of 26 March 2012 for further details). During the June 2012 Quarter, Atlas finalised the formal agreement with Haoma and paid the agreed consideration of \$10 million in cash and 8.4 million Atlas ordinary shares.

### ***Magnetite Projects***

#### Ridley

Commercial negotiations have continued during the June 2012 quarter with potential investors or partners in the Ridley magnetite project

#### Balla Balla

During the June 2012 Quarter, and following the approval of the transaction by Forge Resources Limited (ASX:FRG) shareholders, the Company received the remaining \$39 million in proceeds for the sale of its Balla Balla magnetite project to Forge. Atlas remains exposed to the project via royalty stream

### ***Centaurus Metals Limited***

Atlas holds a 19.85% strategic interest in Centaurus Metals Limited, an emerging Brazilian iron ore explorer and developer (see Centaurus' website: [www.centaurus.com.au](http://www.centaurus.com.au) for further details).

Subsequent to the June 2012 Quarter, the Company 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. Subject to approval by Centaurus shareholders, the 2<sup>nd</sup> tranche is expected to be completed late in the September 2012 Quarter (see Centaurus' ASX announcement dated 9 July 2012 for further information).



***Shaw River Manganese Limited***

Atlas holds a 45.4% strategic interest in Shaw River, a manganese exploration and development company (see Shaw River's website: [www.shawriver.com.au](http://www.shawriver.com.au) for further details).

Subsequent to the June 2012 Quarter, the Company committed itself to participating in Shaw River's \$8 million capital raising to maintain and potentially increase its 45.4% strategic interest by subscribing for up to \$5 million.

***Changes to the Board of the Directors and Senior Management***

During the June 2012 Quarter, Mark Hancock, former Chief Commercial Officer was appointed as Executive Director. At the same time, Geoff Simpson, a leading resource industry lawyer was appointed as an independent Non-Executive Director. (See announcement dated 25 May 2012 for further details).

Atlas is pleased to advise that it has appointed Anton Rohner as Chief Financial Officer (CFO) effective from early October 2012. Anton brings over 20 years' experience across banking, energy and mining sectors to the role. Prior to Atlas Anton served as CFO for an ASX200 listed resources company for three years and before that has held Managing Director and Senior Finance roles at investment banking, mining and utilities companies in Australasia. His experience in operations and financing large energy, mining and infrastructure assets will assist Atlas in achieving its production targets. Anton Rohner is an Accountant (CPA Australia) and a member of the Australian Institute of Company Directors.

***New Registered Office and Principal Place of Business***

Subsequent to the June 2012 Quarter, the Company moved premises to Level 18, Raine Square, 300 Murray Street, Perth.



## **CORPORATE PROFILE**

### **Directors**

David Flanagan, Executive Chairman  
Ken Brinsden, Managing Director  
Mark Hancock, Executive Director, Commercial  
David Hannon, Non-Executive Director  
Dave Smith, Non-Executive Director  
Tai Sook Yee, Non-Executive Director  
Jeff Dowling, Non-Executive Director  
Kerry Sanderson AO, Non-Executive Director  
Geoff Simpson, Non-Executive Director

### **Company Secretary**

Tony Walsh

### **Executive Management**

Jeremy Sinclair, Chief Operating Officer  
Rob Wilson, Chief Development Officer  
Anton Rohner, Chief Financial Officer (joining in early October 2012)

### **Registered Office and Head Office**

Level 18, 300 Murray Street, Perth WA 6000  
Website: atlasiron.com.au

### **Share Details as at 30 June 2012**

904,580,993 ordinary shares

### **Unlisted Options as at 30 June 2012**

16,700,000 Unlisted Options

### **Substantial Shareholders as at 30 June 2012**

IMC Group: 66.75 mil shares  
Schroder Investment Management Australia: 77.6 mil shares  
Blackrock Investment Management: 48.98 mil shares

### **Reporting Calendar**

2012 Audited Annual Accounts: 24 August 2012  
September 2012 Quarterly Report: 25 October 2012





**Appendix 1 – Mine Production at Pardoo and Wodgina**

<b>Table A: Mine Production – Pardoo</b>				
	<b>June 2012 Quarter (t)</b>	<b>March 2012 Quarter (t)</b>	<b>Variance Quarter (t)</b>	<b>Variance Quarter (%)</b>
Ore Tonnes Mined	300,645	207,603	93,042	44.8
Ore Tonnes Processed	309,497	219,174	90,323	41.2
Haulage to Port	281,193	241,325	39,868	16.5

**Note:** Ore Tonnes Mined represents ore tonnes delivered to Run-of-Mine (ROM) at the Plant

<b>Table B: Mine Production – Wodgina</b>				
	<b>June 2012 Quarter (t)</b>	<b>March 2012 Quarter (t)</b>	<b>Variance Quarter (t)</b>	<b>Variance Quarter (%)</b>
Ore Tonnes Mined	1,225,666	914,058	311,608	34.1
Ore Tonnes Processed	1,225,033	836,282	388,751	46.5
Haulage to Port	1,200,008	951,785	248,223	26.1

**Note:** Ore Tonnes Mined represents ore tonnes delivered to Run-of-Mine (ROM) at the Plant.



**Appendix 2**

**Mineral Resource Estimate (for full details see announcement dated 25 July 2012)**

<b>Atlas Iron Limited - Mineral Resource Summary 30 June 2012</b>									
	<b>Resource Classification</b>	<b>Kt</b>	<b>Fe (%)</b>	<b>SiO<sub>2</sub> (%)</b>	<b>Al<sub>2</sub>O<sub>3</sub> (%)</b>	<b>P (%)</b>	<b>S (%)</b>	<b>LOI (%)</b>	<b>CaFe (%)</b>
<b>Pardoo</b>	<b>Measured</b>	50	56.9	7.1	2.6	0.18	0.02	8.1	61.9
	<b>Indicated</b>	9,800	56.4	8.1	1.9	0.10	0.03	8.2	61.4
	<b>Inferred</b>	8,000	55.6	7.9	2.4	0.10	0.02	9.1	61.2
<b>Abydos</b>	<b>Indicated</b>	11,500	57.1	6.5	1.9	0.05	0.02	9.4	63.0
	<b>Inferred</b>	9,000	56.8	6.7	2.0	0.06	0.02	9.4	62.6
<b>Wodgina</b>	<b>Measured</b>	11,430	57.2	6.4	1.6	0.06	0.08	8.6	62.6
	<b>Indicated</b>	23,500	56.0	7.9	1.9	0.08	0.05	9.1	61.6
	<b>Inferred</b>	16,000	53.9	8.8	3.5	0.06	0.05	9.4	59.5
<b>Mt Webber</b>	<b>Measured</b>	22,700	57.8	5.5	2.0	0.09	0.02	8.8	63.4
	<b>Indicated</b>	41,500	56.1	7.8	2.4	0.08	0.02	8.5	61.3
	<b>Inferred</b>	1,000	56.8	8.4	1.2	0.06	0.06	7.2	61.2
<b>McPhee Creek</b>	<b>Indicated</b>	155,400	56.8	6.6	1.9	0.15	0.01	9.4	62.3
	<b>Inferred</b>	71,000	54.2	8.6	3.4	0.09	0.02	9.6	61.9
<b>Mt Dove</b>	<b>Indicated</b>	1,800	58.0	6.8	1.8	0.11	0.03	7.9	62.9
	<b>Inferred</b>	1,000	58.5	6.3	1.7	0.11	0.02	7.8	63.4
<b>Mid West</b>	<b>Inferred</b>	12,000	60.0	6.3	2.9	0.06	0.01	3.7	62.3
<b>Newman</b>	<b>Indicated</b>	41,100	58.1	5.3	4.4	0.17	0.01	6.1	61.9
	<b>Inferred</b>	166,000	56.0	6.9	4.0	0.05	0.02	8.3	61.1
<b>Jigalong</b>	<b>Measured</b>	43,200	57.9	5.2	3.0	0.10	0.01	8.2	63.6
	<b>Indicated</b>	339,100	55.9	6.8	3.7	0.09	0.01	8.7	61.7
	<b>Inferred</b>	62,000	55.4	8.1	3.3	0.10	0.01	8.2	59.1
<b>West Pilbara</b>	<b>Inferred</b>	38,000	53.6	7.5	4.8	0.04	0.01	9.3	59.1
<b>Total</b>	<b>Measured</b>	77,380	57.8	5.5	2.5	0.09	0.03	8.4	63.4
	<b>Indicated</b>	623,700	56.3	6.8	3.1	0.11	0.02	8.7	61.8
	<b>Inferred</b>	384,000	55.4	7.6	3.7	0.07	0.02	8.6	60.7
<b>Grand Total</b>		<b>1,085,080</b>	<b>56.1</b>	<b>7.0</b>	<b>3.3</b>	<b>0.09</b>	<b>0.02</b>	<b>8.6</b>	<b>61.6</b>

**Note:**

Pardoo, Wodgina, McCamey's North and Warrawanda resources quoted at >53% Fe cut-off grade.  
 Mt Webber, Abydos, Mt Dove, McPhee Creek, Newman, Midwest, West Pilbara resources quoted at >50% Fe cut-off grade.  
 CaFe% is calcined Fe calculated by Atlas using the following formula  $(Fe\% / (100 - LOI\%)) * 100$ .  
 Resources within the Mt Webber Altura JV are subject to a 70:30 AGO:AJM joint venture interest.

**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.

**Reserve Estimate (for full details see announcement dated 25 July 2012)**

<b>Atlas Summary Ore Reserves Table - as at 30 June 2012</b>									
	<b>Ore Reserve Classification</b>	<b>Kt</b>	<b>Fe (%)</b>	<b>SiO<sub>2</sub> (%)</b>	<b>Al<sub>2</sub>O<sub>3</sub> (%)</b>	<b>P (%)</b>	<b>S (%)</b>	<b>LOI (%)</b>	<b>CaFe (%)</b>
<b>Sub Total**</b>	<b>Proved</b>	58,000	58.0	5.3	2.4	0.09	0.03	8.4	63.3
	<b>Probable</b>	356,000	56.6	6.2	2.9	0.10	0.02	8.8	62.1
<b>Grand Total**</b>	<b>All Reserves</b>	<b>414,000</b>	<b>56.8</b>	<b>6.0</b>	<b>2.8</b>	<b>0.10</b>	<b>0.02</b>	<b>8.8</b>	<b>62.3</b>

**Notes:**

1. \*\*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.
2. The Ore Reserves are reported at Cut-Off Grades (COG) ranging from 50 - 56% Fe, varying by pit location
3. The Sth East Pilbara Ore Reserves are quoted as Run-of-Mine Reserves pre-beneficiation.
4. The Ore Reserves have been estimated in compliance with the JORC Code. (See Attachment 1 for further details).
5. 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.

**Exploration Results**

The information in this report that relates to exploration results is based on information compiled by Mr Andrew Paterson who is a member of the Australian Institute of Mining and Metallurgy and an employee of Atlas Iron Limited. Andrew Paterson 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'. Andrew Paterson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

**Dollars**

Means Australian dollars.

**Production and Shipping Targets**

The production and shipping targets for Atlas' DSO projects are subject to the completion of all necessary feasibility studies, environmental permitting, port access, financing arrangements, execution of infrastructure related agreements, necessary agreements with joint venture parties and timely project construction