



Consolidation of South East Pilbara Iron Ore Assets and Recommended Takeover Offer for FerrAus by Atlas



June 2011



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South East Pilbara Consolidation



- Atlas and FerrAus have executed agreements that will consolidate the South East Pilbara iron ore assets of FerrAus and Atlas (Iron Ore Assets Acquisition), and pursuant to which Atlas will subscribe for \$24 million of FerrAus shares at \$0.65 per share (Subscription), subject to FerrAus shareholder approval.
- Atlas to become FerrAus' largest shareholder, with a 38.3% interest at completion of the Subscription and Iron Ore Assets Acquisition.
- The consolidation of the South East Pilbara iron ore assets of Atlas and FerrAus will result in FerrAus owning a substantial DSO resource inventory of 489Mt at 56.7%Fe¹ and additional exploration targets in the highly prospective significant South East Pilbara landholding, with potential to rapidly grow those resources.
- The increased project scale will provide FerrAus with the opportunity and much greater leverage to pursue the development of an independent infrastructure solution in the South East Pilbara.
- FerrAus' Directors unanimously recommend that FerrAus shareholders vote in favour of the Iron Ore Assets Acquisition and the Subscription, subject to the opinion of an independent expert.

Note

1. Refer to Appendices for Resource and Reserve Tables, and Competent Person statements



Overview of Subscription and Iron Ore Asset Acquisition



Subscription

- Atlas to subscribe for 37,439,785 FerrAus ordinary shares at an issue price of \$0.65 per share to raise \$24.3 million, subject to FerrAus shareholder approval.
- The FerrAus Board of Directors unanimously recommend that shareholders vote in favour of the Subscription, subject to the opinion of an independent expert.

Iron Ore Asset Acquisition

- Coincident with the Subscription, FerrAus has agreed to buy and Atlas has agreed to sell South East Pilbara iron ore assets owned by Atlas in consideration for 121,846,154 FerrAus shares at a deemed issue price of \$0.65 per share.
- Key iron ore projects to be acquired by FerrAus include:

| Project Name | Resource (Mt) | Fe % |
|-----------------------|------------------|--------------|
| McCameys North | 38.9 | 58.0% |
| Jimblebar Range | 12.6 | 57.5% |
| Caramulla South | 13.8 | 53.9% |
| Western Creek | 19.1 | 55.1% |
| Warrawanda | 28.1 | 28.1% |
| Giralia Western Creek | 52.4 | 56.7% |
| Jigalong | Target of 50-100 | |
| Total | 158 | 56.5% |

- FerrAus and Atlas believe that there is exploration potential to further grow these resources.
- The Iron Ore Assets Acquisition is subject to FerrAus shareholder approval and is unanimously recommended by the FerrAus Board of Directors, subject to the opinion of an independent expert.



Strategic Rationale for Subscription and Acquisition



- | | |
|---|---|
| 1 | <p>A very significant size DSO resource inventory and exploration potential in the South East Pilbara</p> <ul style="list-style-type: none">▪ All FerrAus shareholders will benefit from a combined 488.9Mt of DSO resources¹, and additional prospective exploration targets in the highly prospective South East Pilbara landholding |
| 2 | <p>Increased project scale enhances the ability to pursue project development and an infrastructure solution</p> <ul style="list-style-type: none">▪ The increased project scale will provide FerrAus with the opportunity and much greater leverage to pursue the development of an independent infrastructure solution in the South East Pilbara |
| 3 | <p>Ensures FerrAus is well funded</p> <ul style="list-style-type: none">▪ Ensures FerrAus is well funded to pursue the next stage of development of the enlarged South East Pilbara landholding |
| 4 | <p>Reduce costs and increased access to funding</p> <ul style="list-style-type: none">▪ Consolidating the two company's South East Pilbara asset portfolios will provide the capacity to substantially reduce overall capital and operating costs and increases access to funding, enabling FerrAus to more readily fund the business in a cost effective manner |
| 5 | <p>Atlas as FerrAus' largest shareholder</p> <ul style="list-style-type: none">▪ Significant benefits to be realised from introducing the support of Atlas, an iron ore producer with significant project development and production experience, financial strength, a demonstrated capacity to develop infrastructure solutions, and very strong and rapidly growing cashflow from iron ore production in the Pilbara |



Note

1. Refer to Appendices for Resource and Reserve Tables, and Competent Person statements

Indicative Timetable



Subscription
and Iron Ore
Asset
Acquisition

20 July 2011

Notice of Meeting and Independent Expert's Report despatched to FerrAus shareholders

17 August 2011

General Meeting of FerrAus shareholders

24 August 2011

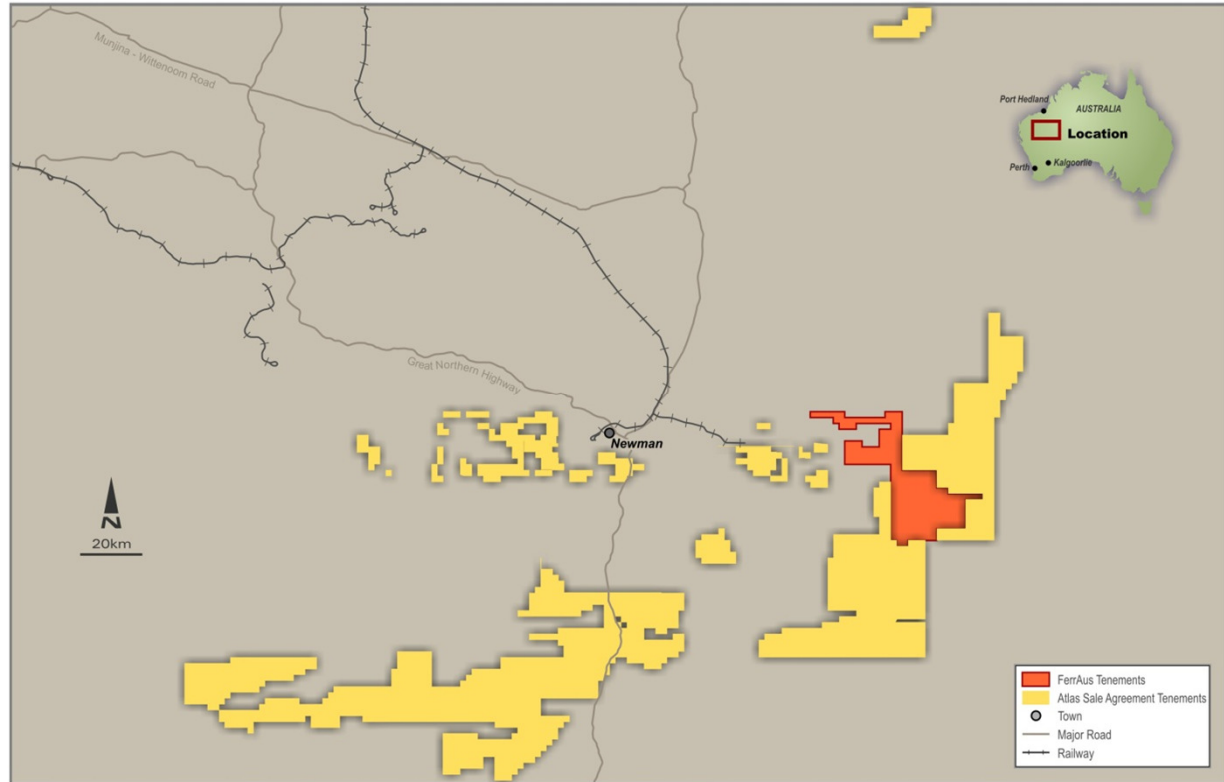
Allotment of Subscription shares and Iron Ore Asset Acquisition consideration shares to Atlas



SE Pilbara Projects of an Enlarged FerrAus



- Following completion of the Subscription and Iron Ore Assets Acquisition, FerrAus' consolidated South East Pilbara DSO Projects will be of significant scale:
 - 488.9Mt DSO resource tonnes¹
 - Significant strategic landholding in the South East Pilbara



Note

1. Refer to Appendices for Resource and Reserve Tables, and Competent Person statements



Recommended Takeover Offer by Atlas for FerrAus



- Atlas and FerrAus have executed a Bid Implementation Agreement pursuant to which Atlas has agreed to make an off-market takeover bid for 100% of FerrAus at an implied offer price of \$0.858 per FerrAus ordinary share, subject to completion of the Subscription and Iron Ore Assets Acquisition.
- Atlas will offer 1 Atlas ordinary share for every 4 FerrAus ordinary shares (Recommended Takeover Offer). The Recommended Takeover Offer represents a 34% premium to FerrAus' last closing price of \$0.64 per share on 24 June 2011.
- In the absence of a Superior Proposal, each FerrAus Director recommends that FerrAus Shareholders accept the Atlas Offer, unless the Independent Expert opines at any time that it is not fair and is not reasonable, and each FerrAus Director will accept, or procure the acceptance of, the Atlas Offer in respect of all the FerrAus Shares that they hold or in which they otherwise have a relevant interest.
- Atlas' development and production expertise, strong cashflows from operations and robust balance sheet mean that Atlas is well positioned to advance the South East Pilbara iron ore assets and maximise the value of these assets for the benefit of Atlas and FerrAus shareholders.
- Combined Group will have approximately 1 Billion tonnes of DSO resources¹.

Note

1. Refer to Appendices for Resource and Reserve Tables, and Competent Person statements



Overview of Recommended Takeover Offer



| | |
|------------------------------------|---|
| Takeover Offer | <ul style="list-style-type: none"> Off-market takeover offer for FerrAus and Atlas of (1) Atlas ordinary share for every (4) FerrAus ordinary shares to be made immediately upon completion of the Subscription and Iron Ore Asset Acquisition Represents an implied offer price of \$0.858 per FerrAus share, representing a 34% premium, based on the last close price of Atlas shares on 24 June 2011 of \$3.43. |
| Conditions | <ul style="list-style-type: none"> Key conditions include: <ul style="list-style-type: none"> Minimum acceptance condition of 50.1% No material adverse change in relation to FerrAus No prescribed occurrences in relation to FerrAus Atlas will declare its offer for FerrAus to be free of all defeating conditions upon achieving acceptances of 50.1% |
| FerrAus Directors Recommend | <ul style="list-style-type: none"> FerrAus' Directors unanimously recommend that FerrAus shareholders accept the Recommended Takeover Offer and have agreed to accept the Recommended Takeover Offer in relation to all of the FerrAus shares owned or controlled by them, in the absence of a superior proposal, and subject to the opinion of an independent expert. The FerrAus Directors believe the Recommended Takeover Offer represents a superior proposal to the unsolicited takeover offer by Wah Nam International Holdings Ltd. |
| Exclusivity Arrangements | <ul style="list-style-type: none"> Customary no shop/no talk provisions and Atlas has right to match a superior proposal. |



Strategic Rationale for Recommended Takeover Offer



| | |
|---|---|
| 1 | <p>Strengthening of the leading ASX listed independent mid-tier iron ore company</p> <ul style="list-style-type: none"> ▪ Pro-forma combined market capitalisation in excess of \$3 billion ▪ Balance of cash flow producing assets, near term development projects & medium term development projects |
| 2 | <p>A large and growing DSO iron ore resource inventory</p> <ul style="list-style-type: none"> ▪ Combines FerrAus' 331Mt DSO resource and Atlas' 652Mt DSO resource¹ ▪ Combined group will have approximately 1 Billion tonnes of DSO resources¹ |
| 3 | <p>Ability to deploy cashflow from production and financial capacity to accelerate development</p> <ul style="list-style-type: none"> ▪ Atlas has a strong balance sheet and is targeting production of 12Mtpa by the end of 2012 and 22Mtpa from the North Pilbara alone by 2015² ▪ Combined group is targeting production of 20Mtpa from its South East Pilbara DSO assets alone by 2016² ▪ The Recommended Takeover Offer will provide FerrAus shareholders with exposure to Atlas' strong balance sheet and cashflow from its existing iron ore production to accelerate an independent infrastructure solution in the South East Pilbara |

Note

1. Refer to Appendices for Resource and Reserve Tables, and Competent Person statements
2. Production targets are subject to the completion of the necessary feasibility studies, government approvals & permitting, and execution of all necessary infrastructure agreements



Strategic Rationale for Recommended Takeover Offer



4

Strengthening strategic port position¹

- Combining Atlas' port capacity and FerrAus' port allocation has a strong strategic advantage
 - Atlas has a current or future entitlement of:
 - Up to 15Mtpa capacity at Utah Point (operating port)
 - Up to 19.5Mtpa allocation through the proposed South West Creek facility
 - Indicative Allocation of up to 10Mtpa through the proposed Anketell port
 - FerrAus has an entitlement of up to 12Mtpa through the proposed South West Creek facility
- The Combined Group will have a current or future entitlement of up to 46.5Mtpa in Port Hedland's inner harbour and up to 10Mtpa at Anketell port

5

Enhanced capital markets profile and financial capabilities

- Increased size and scale will provide greater access to capital to support project development
- Stronger capital markets profile including a strengthened position within the S&P/ASX 100 index
- Enhanced scale provides a better platform to pursue rapid growth of DSO production and further growth opportunities

6

Experienced development and production team

- Atlas' experienced team has the operational and project development capabilities to unlock maximum value for FerrAus and Atlas shareholders



Note

1. Port capacity refers to current, future or indicative allocations or capacity. Port capacity may be subject to further studies, approvals, permitting and/or infrastructure agreements

Indicative Timetable



Recommended Takeover Offer

| | |
|--------------------------|--|
| 18 August 2011 | Atlas lodges Bidder's Statement with ASIC and ASX and serves it on FerrAus, and FerrAus lodged its Target's Statement with ASIC and ASX and serves it on Atlas |
| 19 August 2011 | Atlas despatches Bidder's Statement to FerrAus shareholders, and FerrAus despatches its Target's Statement to FerrAus shareholders |
| 19 August 2011 | Atlas Offer opens |
| 24 August 2011 | Allotment of Subscription shares and Iron Ore Asset Acquisition consideration shares to Atlas |
| 19 September 2011 | Atlas Offer closes (unless extended) |



Benefits to FerrAus Shareholders



- **Immediate Cash Flow** – The Recommended Takeover Offer will provide FerrAus shareholders with exposure to Atlas’ strong cashflow from its existing iron ore production and rapidly growing production profile from a number of development projects
- **Financial Capacity** – Atlas’ robust balance sheet and strong cashflows from operations provides the financial capacity to pursue the development of the South East Pilbara iron ore assets
- **Improved Liquidity** - FerrAus shareholders will receive shares in Atlas, an S&P/ASX 100 company, and will enjoy the benefits of holding an investment in a company with far greater liquidity
- **Improved Access to Infrastructure** – The Combined Group will have a current or future entitlement of up to 46.5Mtpa in Port Hedland’s inner harbour and up to 10Mtpa at Anketell port¹. This port allocation is of significant strategic importance to maximise value from FerrAus’ DSO iron ore resources
- **Proven Expertise** - Atlas has a proven track record of exploration, developing iron ore mines and exporting iron ore

Note

1. Port capacity refers to current, future or indicative allocations or capacity. Port capacity may be subject to further studies, approvals, permitting and/or infrastructure agreements



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Benefits to Atlas Shareholders



- **More Diversified Asset Base** – The Combined Group will be growing strong operations in the North Pilbara and South East Pilbara
- **A Stronger DSO iron ore resource base** – The Combined Group will have a DSO iron ore resource inventory of close to 1 Billion tonnes¹
- **Utilise Expertise** - The deployment of Atlas' experience in developing and operating iron ore mines will unlock maximum value from FerrAus' iron ore assets
- **Enhanced Project Development Pipeline** – Atlas will grow its portfolio pipeline with the addition of significant projects in the South East Pilbara
- **Enhanced Scale and Access to Capital Markets** – Upon completion Atlas will have a pro-forma combined market capitalisation of circa \$3 billion
- **Improved Access to Infrastructure** – The Combined Group will have a current or future entitlement of up to 46.5Mtpa in Port Hedland's inner harbour and up to 10Mtpa at Anketell port². This port allocation is of significant strategic importance to maximise value from DSO iron ore resources in the South East Pilbara
- **Increased Production Profile** – Atlas targeting to produce over 20Mtpa from the South East Pilbara alone by 2016³

Note

1. Refer to Appendices for Resource and Reserve Tables, and Competent Person statements
2. Port capacity refers to current, future or indicative allocations or capacity. Port capacity may be subject to further studies, approvals, permitting and/or infrastructure agreements
3. Production targets are subject to the completion of the necessary feasibility studies, government approvals & permitting, and execution of all necessary infrastructure agreements

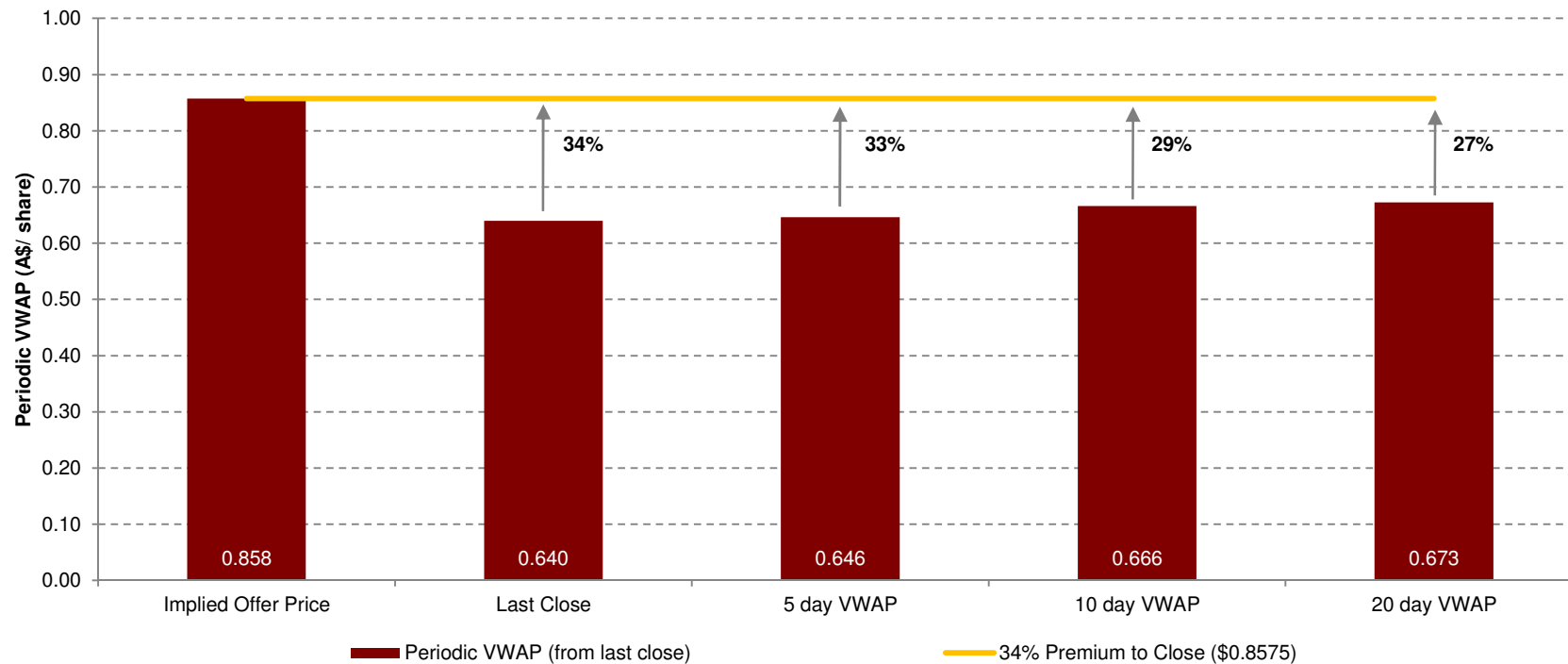


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Significant Value for FerrAus Shareholders



- The implied Recommended Takeover Offer price represents a significant premium to the recent trading level of FerrAus shares



Note

1. Implied Offer Price based on the closing price of Atlas shares on 24 June 2011 and one (1) Atlas ordinary share for every four (4) FerrAus ordinary shares
2. Periodic VWAPs of FerrAus shares up to and including 24 June 2011, being the last trading day before the Recommended Takeover Offer was announced



History of Shareholder Returns



- The Atlas share price has performed strongly since listing in December 2004 and has increased 1,615% on its listing price
- The Recommended Takeover Offer provides FerrAus shareholders with the ability to participate in any future performance of Atlas shares



Note

— Atlas Share Price

1. Atlas listed on the ASX in December 2004 at an IPO price of \$0.20 per share



Comparison with Wah Nam offer



- The FerrAus Directors believe the Recommended Takeover Offer represents a superior proposal to the unsolicited takeover offer by Wah Nam International Holdings Ltd.

| Reasons FerrAus recommended shareholders reject the Wah Nam offer | By comparison, the Atlas Recommended Takeover Offer... |
|--|---|
| <ul style="list-style-type: none"> ▪ Wah Nam’s offer is unsolicited and highly conditional | <ul style="list-style-type: none"> ✓ Is friendly and has been negotiated ✓ Has minimal conditions and will be declared unconditional upon reaching 50.1% |
| <ul style="list-style-type: none"> ▪ The price of Wah Nam shares does not appear to be supported by underlying value | <ul style="list-style-type: none"> ✓ Is supported by highly liquid trading of Atlas shares on the ASX, and an attractive portfolio of assets with existing and significant ongoing cash flow ✓ Has a high implied value (\$0.858 per FerrAus ordinary share) |
| <ul style="list-style-type: none"> ▪ Significant dilution of shareholders interest in the Pilbara project and obtaining exposure to Wah Nam’s non-iron ore assets | <ul style="list-style-type: none"> ✓ Maintains shareholders exposure to the Pilbara region, and provides access to current production, strong cashflows and an attractive project pipeline |
| <ul style="list-style-type: none"> ▪ Wah Nam’s ability to advance FerrAus’ Pilbara project is uncertain | <ul style="list-style-type: none"> ✓ The benefits of the transaction are immediately available to shareholders upon successful completion ✓ Provides access to the significant knowledge, experience and track record of the Atlas board and management team in developing and operating iron ore projects ✓ Provides significant financial capacity to develop FerrAus’ Pilbara project |



Overview of the Combined Group



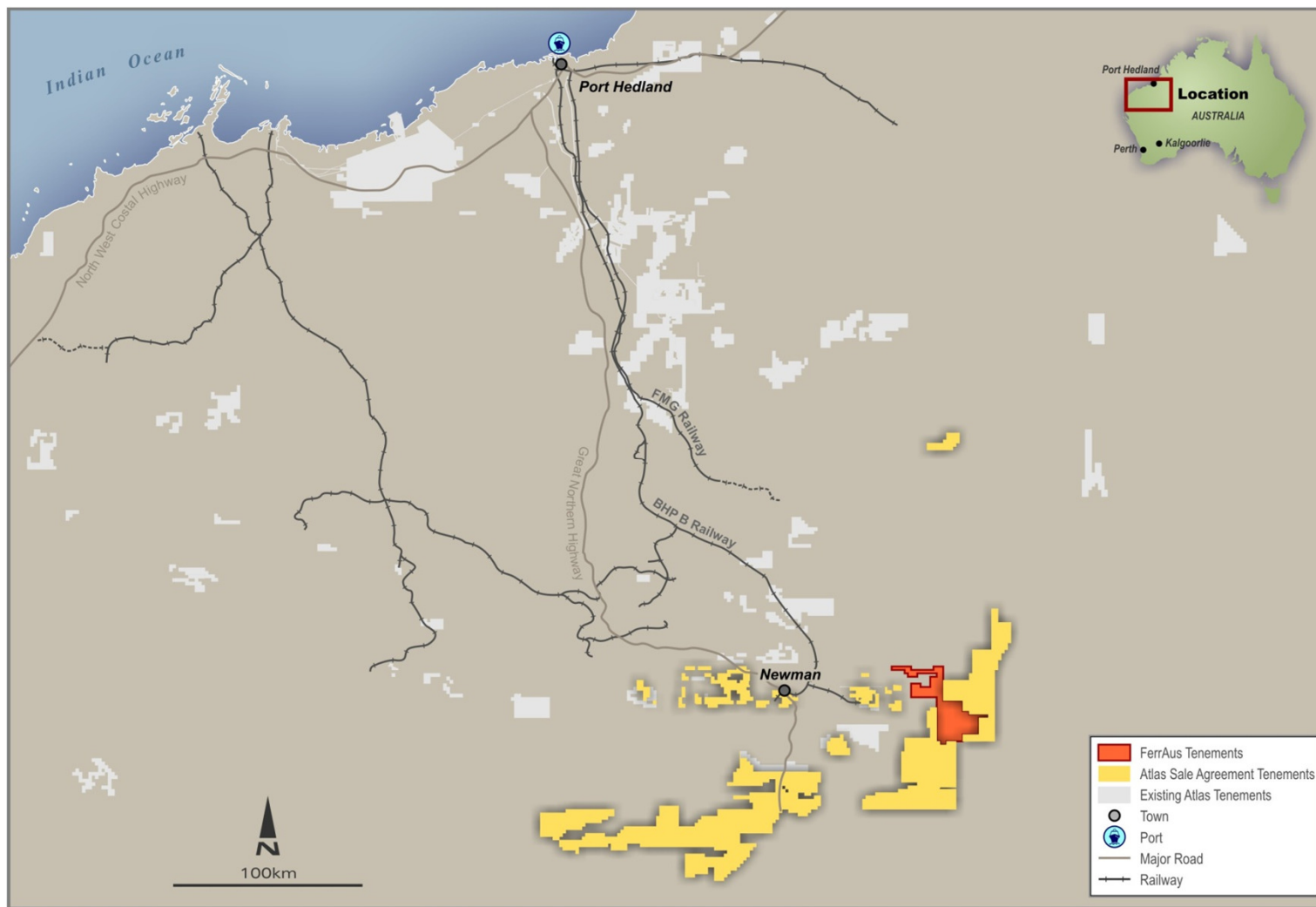
- Multiple DSO mines in production and coming into development
- Current annualised export rate of approximately 6Mtpa of DSO and growing
- Targeting production of 12Mtpa by end of 2012¹
- Targeting production at a rate of 22Mtpa from North Pilbara alone by 2015¹
- Targeting production of over 20Mtpa from the South East Pilbara assets alone by 2016¹
- Strong and growing operating cash flows, robust balance sheet and no debt
- Low cost producer, globally competitive
- Experienced management - discovery, development, mining operations management
- Approximately 1 billion tonnes of DSO resources²
- Current or future entitlement of up to 46.5Mtpa in Port Hedland's inner harbour and up to 10Mtpa at Anketell port³
- Three Magnetite Projects
- Exploration – extensive landholding, large exploration targets
- Member of S&P ASX 100 Index

1. Production targets are subject to the completion of the necessary feasibility studies, government approvals & permitting, and execution of all necessary infrastructure agreements
2. Refer to Appendices for Resource and Reserve Tables, and Competent Person statements
3. Port capacity refers to current, future or indicative allocations or capacity. Port capacity may be subject to further studies, approvals, permitting and/or infrastructure agreements



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Pilbara DSO Projects - Combined Group





APPENDICES



Atlas Corporate Summary



Shareholding

| | |
|-----------|-------|
| IMC Group | 8.1% |
| Blackrock | 5.0% |
| Top 20 | 64.5% |

Capital Structure

| | |
|--------------------------|-----------|
| Ordinary Shares | 825.9m |
| Market Cap at \$3.43 | A\$2,833m |
| Cash as at 31 March 2011 | A\$293m |
| Debt | A\$0m |
| Enterprise Value | A\$2,540m |
| Options | 25.4m |

Atlas' Share Price Performance



AGO was included in the ASX 100 at 4 March 2011

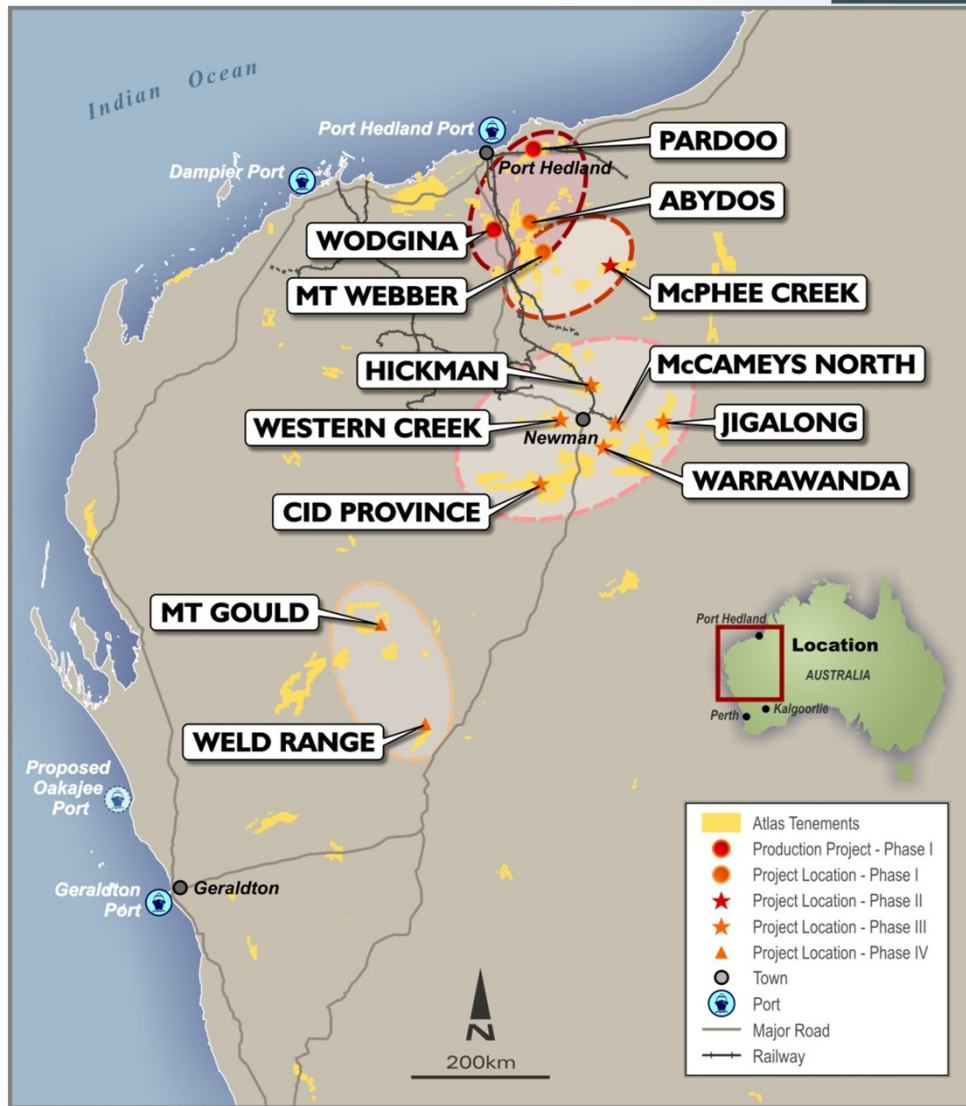
Current AGO Investments:

- 45.4% Shaw River Resources (SRR) – Manganese Explorer/Developer
- 15.0% U3O8 Ltd (UTO) - Uranium explorer
- 10.8% Zenith Minerals (ZNC) – Au and Base Metals Explorer
- 9.1% Carpentaria Exploration Ltd (CAP) – Multi-commodity Explorer

Strong share price and liquidity



Atlas' DSO Projects



Comprehensive exploration and project development programme to support growth

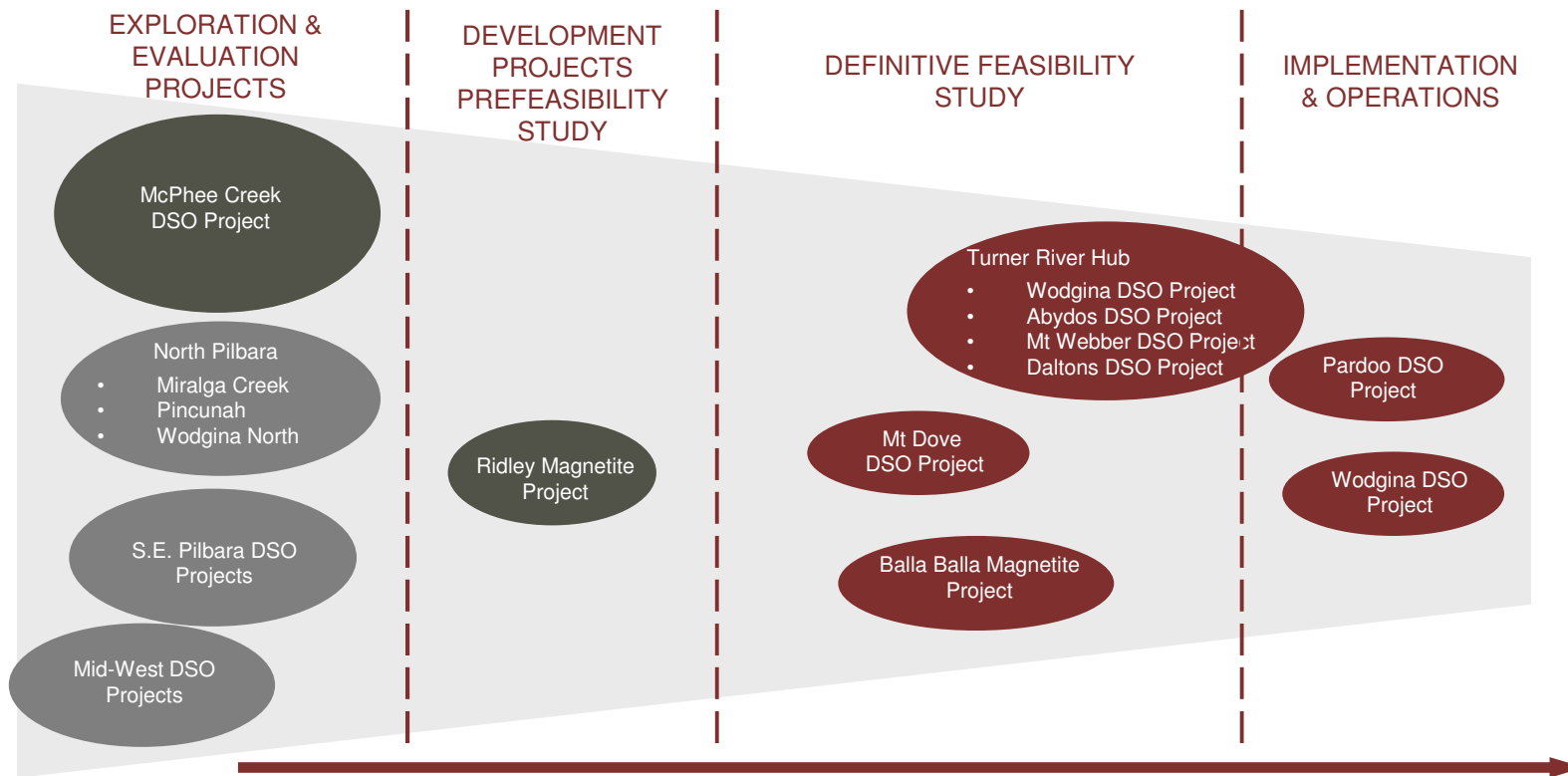
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Atlas Mine Projects



- Atlas' project pipeline shows significant depth and opportunity



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FerrAus Corporate Summary



Shareholding

| | |
|-------------------|--------------------|
| Wah Nam | 16.4% ¹ |
| CRM | 10.4% |
| China West Mining | 6.1% |
| Directors | 11.3% |

Capital Structure

| | |
|--------------------------------|-----------|
| Ordinary Shares | 249.4m |
| Market Cap at \$0.64 | A\$160m |
| Cash as at 31 March 2011 | A\$43.1m |
| Debt | A\$0m |
| Enterprise Value | A\$116.9m |
| Options and Performance Shares | 16.6m |

FerrAus' Share Price Performance



Note

1. Excludes acceptances of approximately 1.6% under the current Wah Nam offer



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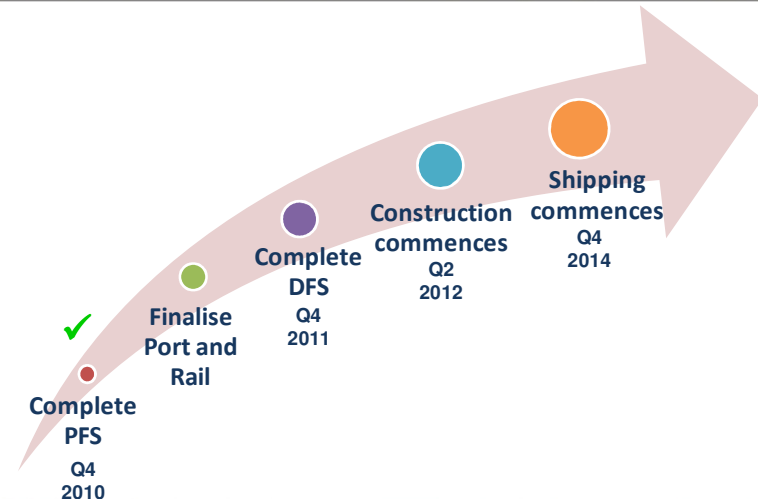
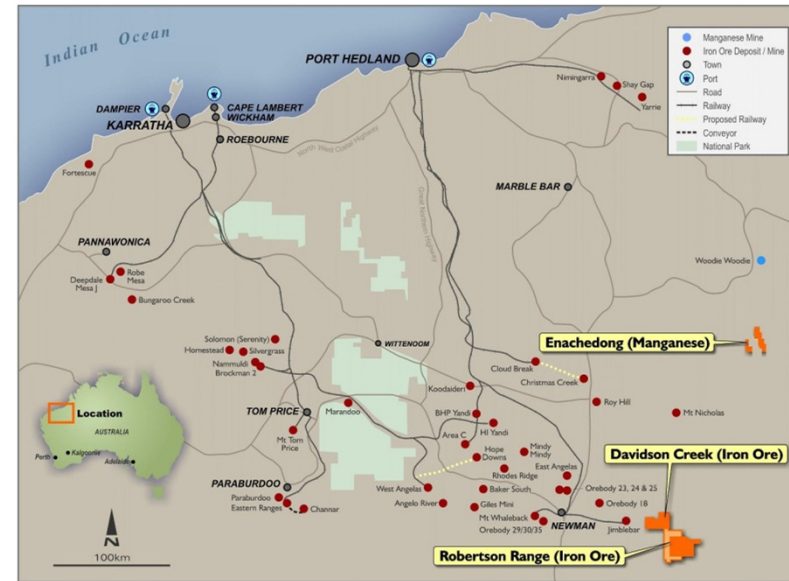
FerrAus Pilbara Project



Key Project Parameters from Prefeasibility Study¹

| | |
|-------------------------------------|--|
| Ore Reserve | 163.0 Mt @ 57.4% Fe |
| Mineral Resource | 331 Mt |
| Target Production | Peak production of 15 Mtpa of fines wet First production expected Q4 2014 |
| Estimated Life of Mine | 227Mt projected life of mine production Resulting in mine life of 15+ years |
| Capital Expenditure | A\$960 million |
| Expected operating cash cost | A\$43.5 to \$46.5/wmt |
| Payback period (discounted) | 4 years |

¹ PFS estimate only and is subject to completion of a positive DFS and other risks



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Life of Mine Production Estimates – Key Assumptions



| PFS Mining Inventory (including Inferred) | |
|---|--|
| Davidson Creek (DC) and Robertson Range (RR) | 153 Mt (dry) - this includes 126 Mt of Probable Ore Reserves |
| FerrAus Internal Preliminary Mining Inventory – Inferred Category | |
| Mirrin Mirrin (MM) +52% Fe | 32 Mt (dry) |
| Low Grade (RR, DC and MM) 50-52% Fe DC, MM and 50-53% Fe RR | 17 Mt (dry) |
| Sub Total | 49 Mt (dry) |
| Total Dry Tonnes | 202 Mt (dry) |
| Corporate Target | |
| Corporate Exploration Target | 49 Mt (dry) |
| Total | |
| Nominal Total Dry Tonnes (including Corporate Target) | 251 Mt (dry) |
| Product | |
| Life of Mine Average Yield | 82.8 % |
| Moisture | 9 % |
| Life of Mine Production | 227 Mt (wet) |
| Product Grade | 59.1 % Fe |

The term “Target”, and “Exploration Target”, where used in this announcement, should not be misunderstood or misconstrued as an estimate of Mineral Resources and Reserves as defined by the JORC Code (2004), and therefore the terms have not been used in this context.



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Atlas DSO Resources & Reserves



| Atlas DSO Resources | | | | | | | | |
|---------------------|-------------------------|---------------|-------------|----------------------|------------------------------------|------------|------------|-------------|
| Region | Resource Classification | Mt | Fe(%) | SiO ₂ (%) | Al ₂ O ₃ (%) | P(%) | LOI(%) | CaFe(%) |
| North Pilbara | Measured | 16.68 | 57.7 | 5.9 | 1.6 | 0.08 | 8.7 | 63.2 |
| | Indicated | 146.9 | 56.8 | 6.6 | 2.2 | 0.10 | 9.1 | 62.4 |
| | Inferred | 285.4 | 56.1 | 7.2 | 2.3 | 0.11 | 9.3 | 61.9 |
| Southeast Pilbara | Inferred | 158.0 | 56.7 | 6.3 | 3.9 | 0.09 | 8.1 | 61.7 |
| West Pilbara | Inferred | 38.0 | 53.6 | 7.5 | 4.8 | 0.04 | 9.3 | 59.1 |
| Midwest | Inferred | 12.0 | 60.0 | 3.3 | 2.7 | 0.05 | 1.6 | 65.1 |
| Total | Measured | 16.68 | 57.7 | 5.9 | 1.6 | 0.08 | 8.7 | 63.2 |
| | Indicated | 146.9 | 56.8 | 6.6 | 2.2 | 0.10 | 9.1 | 62.4 |
| | Inferred | 493.0 | 56.2 | 6.8 | 3.0 | 0.10 | 8.7 | 61.7 |
| Grand Total | | 656.98 | 56.4 | 6.8 | 2.8 | 0.1 | 8.8 | 61.8 |

| Atlas Summary Reserves Table – 30 June 2010 | | | | | | | | | |
|---|------------------------|---------------|-------------|----------------------|------------------------------------|-------------|-------------|------------|-------------|
| | Reserve Classification | Kt | Fe(%) | SiO ₂ (%) | Al ₂ O ₃ (%) | P% | S% | LOI% | CaFe% |
| Sub Total | Proven | 14,273 | 58.2 | 5.5 | 1.5 | 0.09 | 0.05 | 8.7 | 63.7 |
| | Probable | 39,418 | 57.5 | 6.2 | 1.9 | 0.08 | 0.03 | 8.9 | 63.1 |
| Grand Total** | All Reserves | 53,691 | 57.7 | 6.0 | 1.8 | 0.08 | 0.03 | 8.8 | 63.2 |

Note: Bedded ore reserves estimates at cut-off grades in the range of 54-56% Fe
Reserves at Mt Webber are subject to Joint Venture interests in the ratio AGO 70% : AJM 30%

Note: Measured, Indicated and Inferred mineral Resources are rounded to the nearest ten kilotonnes, 100 kilotonnes and million tonnes respectively. Rounding errors may occur. These mineral Resources are based on 100% of all projects. Atlas owns 70% of the Mt Webber Project and Giralia owns 75% of the Daltons Project



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Atlas Exploration Targets



Atlas DSO Targets - January 2011⁽¹⁾

| Project Area | Tonnage Range | | Grade Range | |
|-------------------|---------------|------------|-------------|-----------|
| | Mt | Mt | Fe % | Fe % |
| Northeast Pilbara | 47 | 209 | 56 | 60 |
| Southeast Pilbara | 117 | 331 | 56 | 60 |
| Mid-West WA | 58 | 98 | 56 | 66 |
| Total | 222 | 638 | 56 | 60 |

Notes:

1. DSO Exploration targets quoted above are not inclusive of current resources.

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FerrAus Pilbara Project (DSO)



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| FerrAus DSO Resource Summary | | | | | | | |
|------------------------------|------------|--------------|----------------------|------------------------------------|-------------|-------------|--------------|
| Resource Category | Tonnes Mt | Fe (%) | SiO ₂ (%) | Al ₂ O ₃ (%) | P (%) | LOI (%) | CaFe (%) |
| Measured | 32.9 | 58.69 | 4.47 | 2.74 | 0.10 | 8.10 | 63.86 |
| Indicated | 197.6 | 57.45 | 5.43 | 3.11 | 0.09 | 8.58 | 62.82 |
| Inferred | 100.5 | 54.58 | 7.61 | 4.55 | 0.10 | 8.65 | 59.74 |
| Total | 331 | 56.70 | 6.00 | 3.51 | 0.09 | 8.55 | 61.99 |

Small discrepancies may occur in the tabulated resources due to the effects of rounding. Calcined Fe grade calculated as follows: $CaFe = (Fe \times 100) / (100 - LOI)$. High Resources are reported above a 55% Fe cut-off grade, Medium Grade Resources (between 53% Fe and 55% Fe for RR, between 52% Fe and 55% Fe for DC and MM) and Low Grade Resources (between 50% Fe and 53% Fe for RR, between 50% Fe and 52% Fe for DC and MM). The above resources were classified and reported in accordance with the 2004 Australasian Code for Reporting of Exploration Results, Mineral Resources, and Ore reserves (the JORC Code). Snowden Mining Industry Consultants classified the mineral resources listed in the above table

| FerrAus DSO Reserves | | | | | | | |
|-----------------------|------------------------------|------------|-------------|------------------|--------------------------------|-------------|------------|
| Area | JORC (2004) Reserve Category | Tonnes | Fe | SiO ₂ | Al ₂ O ₃ | P | LOI |
| | | Mt | (%) | (%) | (%) | (%) | (%) |
| Robertson Range | Proved | - | - | - | - | - | - |
| | Probable | 31 | 58.3 | 5.4 | 3 | 0.09 | 7.4 |
| | Total | 31 | 58.3 | 5.4 | 3 | 0.09 | 7.4 |
| Davidson Creek | Proved | - | - | - | - | - | - |
| | Probable | 95 | 57 | 5.5 | 3.3 | 0.09 | 8.9 |
| | Total | 95 | 57 | 5.5 | 3.3 | 0.09 | 8.9 |
| MirrinMirrin | Proved | - | - | - | - | - | - |
| | Probable | 37 | 57.5 | 4.3 | 2.3 | 0.09 | 8.7 |
| | Total | 37 | 57.5 | 4.3 | 2.3 | 0.09 | 8.7 |
| Total Reserves | | 163 | 57.4 | 5.2 | 3 | 0.09 | 8.6 |



Combined South East Pilbara DSO Resources



| Combined Southeast Pilbara DSO Resources | | | | | | | | |
|--|-------------------------|--------------|-------------|----------------------|------------------------------------|-------------|------------|-------------|
| | Resource Classification | Mt | Fe (%) | SiO ₂ (%) | Al ₂ O ₃ (%) | P% | LOI% | CaFe% |
| All Projects | Measured | 32.90 | 58.7 | 4.5 | 2.7 | 0.10 | 8.1 | 63.9 |
| | Indicated | 197.6 | 57.5 | 5.4 | 3.1 | 0.09 | 8.6 | 62.8 |
| | Inferred | 258 | 55.9 | 6.8 | 4.1 | 0.09 | 8.3 | 60.9 |
| | Total | 488.6 | 56.7 | 6.1 | 3.6 | 0.09 | 8.4 | 61.9 |

Note: *Wishbone DSO resource reported at >53% Fe cut-off; all other projects reported at >50% Fe cut-off. CaFe% is calcined Fe calculated by Atlas using the following formula $(Fe\% / (100 - LOI\%)) * 100$. Resources tonnages are rounded according to their JORC category. Rounding errors may occur. Refer to individual resource tables above for Atlas and FerrAus Competent Persons statements.*

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Combined entity DSO Resources and Reserves



| Combined Entity DSO Resources | | | | | | | | |
|-------------------------------|-------------------------|------------|-------------|----------------------|------------------------------------|-------------|------------|-------------|
| Region | Resource Classification | Mt | Fe(%) | SiO ₂ (%) | Al ₂ O ₃ (%) | P(%) | LOI(%) | CaFe(%) |
| North Pilbara | Measured | 16.68 | 57.7 | 5.9 | 1.6 | 0.08 | 8.7 | 63.2 |
| | Indicated | 146.9 | 56.8 | 6.6 | 2.2 | 0.10 | 9.1 | 62.4 |
| | Inferred | 285 | 56.1 | 7.2 | 2.3 | 0.11 | 9.3 | 61.9 |
| Southeast Pilbara | Measured | 32.90 | 58.7 | 4.5 | 2.7 | 0.10 | 8.1 | 63.9 |
| | Indicated | 197.6 | 57.5 | 5.4 | 3.1 | 0.09 | 8.6 | 62.8 |
| | Inferred | 258 | 55.9 | 6.8 | 4.1 | 0.09 | 8.3 | 60.9 |
| West Pilbara | Inferred | 38 | 53.6 | 7.5 | 4.8 | 0.04 | 9.3 | 59.1 |
| Midwest | Inferred | 12 | 60.0 | 3.3 | 2.7 | 0.05 | 1.6 | 65.1 |
| Total | Measured | 49.58 | 58.3 | 5.0 | 2.4 | 0.09 | 8.3 | 63.6 |
| | Indicated | 344.5 | 57.2 | 5.9 | 2.7 | 0.09 | 8.8 | 62.6 |
| | Inferred | 593 | 55.9 | 7.0 | 3.3 | 0.10 | 8.7 | 61.4 |
| Grand Total | All Resources | 988 | 56.4 | 6.8 | 2.8 | 0.10 | 8.8 | 61.8 |

Note: Refer to individual resource tables above for Atlas and FerrAus Competent Persons statements.

| Combined Entity DSO Reserves Table | | | | | | | | |
|------------------------------------|------------------------|------------|-------------|----------------------|------------------------------------|-------------|------------|-------------|
| Region | Reserve Classification | Mt | Fe(%) | SiO ₂ (%) | Al ₂ O ₃ (%) | P% | LOI% | CaFe% |
| North Pilbara | Proven | 14 | 58.2 | 5.5 | 1.5 | 0.09 | 8.7 | 63.7 |
| | Probable | 39 | 57.5 | 6.2 | 1.9 | 0.08 | 8.9 | 63.1 |
| Southeast Pilbara | Proven | 163 | 57.4 | 5.2 | 3.0 | 0.09 | 8.6 | 62.8 |
| Sub Total | Proven | 14 | 58.2 | 5.5 | 1.5 | 0.09 | 8.7 | 63.7 |
| Sub Total | Probable | 202 | 57.4 | 5.4 | 2.8 | 0.09 | 8.6 | 62.8 |
| Grand Total | All Reserves | 217 | 57.4 | 5.4 | 2.7 | 0.09 | 8.6 | 62.9 |

Note: This summary table includes DSO reserves calculated by Atlas as at 30 June 2010, and by FerrAus as at May 2011
 Bedded ore reserves estimates at cut-off grades in the range of 54-56% Fe
 Reserves at Mt Webber are subject to Joint Venture interests in the ratio AGO 70% : AJM 30%
 Refer to individual DSO reserve tables above for Atlas and FerrAus Competent Persons statements.



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Competent Persons Statements



Atlas

Geological Data, Interpretation and Resource Estimation – DSO Mineral Resources

The information in this report that relates to mineral resource results is based on information compiled by Mr. Andrew Paterson who is a member of the Australasian Institute of Mining and Metallurgy and a full time employee of Atlas Iron Limited. Mr. 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 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'. Mr. 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.

Reserve Estimation

The information in this report that relates to Reserve estimations is based on information compiled by Mr Ken Brinsden, who is a member of the Australasian Institute of Mining and Metallurgy. Ken Brinsden is a full time employee of Atlas Iron Limited. Ken Brinsden 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'. Ken Brinsden consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Atlas Iron Limited – Statement on Global Exploration Target

The combined entity will have a total exploration target range of 222 to 638 Mt in range of 57% to 60% Fe, in addition to its current stated resource inventory. The potential quantity and grade of these targets is conceptual in nature. There has been insufficient exploration completed on these projects to define a Mineral Resource and it is uncertain whether further exploration will result in the determination of a Mineral Resource.

FerrAus

Resources Statement

Geological interpretation, exploration results, and mineral resource information contained in this report to which this statement is attached is based on information compiled by Mr Peter Brookes who is member of the Australian Institute of Geoscientists (AIG) and who is a full time employee of FerrAus Limited. Peter Brookes has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being 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". Mr Brookes consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

Ore Reserve Statement

The Ore Reserve Statement has been prepared by Snowden Mining Industry Consultants ('Snowden') on behalf of FerrAus Limited.

The author of the report, Mr. Alan G Cooper, Principal Mining Consultant for Snowden Mining Industry Consultants, states that he is a Member of The Australasian Institute of Mining and Metallurgy (The AusIMM) and has more than five years mining experience applicable to the mining of Iron Ore. He consents to the public release of this Ore Reserve estimate, providing it remains in the context presented.

