

22 September 2016



Mineral Resources and Ore Reserves at 30 June 2016

Highlights

- Mineral Resources and Ore Reserves for operating mines, Abydos, Wodgina and Mt Webber, reflect production depletion resulting from record tonnes shipped in FY2016
- Corunna Downs Mineral Resources and Ore Reserves unchanged from the pre-feasibility study (PFS) released on 23 December 2015
- Mineral Resources for McPhee Creek, South East Pilbara and other exploration and development assets unchanged
- Ore Reserves for McPhee Creek and South East Pilbara have been reviewed based on current assessments of the ability to fund rail and port infrastructure for these iron ore projects

Atlas Iron Limited (ASX: AGO or Atlas) advises on its Mineral Resources and Ore Reserves as at 30 June 2016.

Atlas advises that the Mineral Resources and Ore Reserves for its operating mines, Abydos, Wodgina and Mt Webber, reflect production depletion which resulted in record tonnes shipped in FY2016.

On 23 December 2015 Atlas released the results of the Corunna Downs project PFS. Corunna Downs Mineral Resources and Ore Reserves at 30 June 2016 are unchanged from the PFS released by Atlas to ASX on 23 December 2015.

As flagged in its FY2016 Annual Results announcement dated 30 August 2016, Atlas has reviewed its Ore Reserves for its Horizon 2 projects at McPhee Creek and South East Pilbara (Davidson Creek Hub). Based on current assessments of the ability to fund rail and port infrastructure for these iron ore projects, Atlas has not reported Ore Reserves at 30 June 2016 for its Horizon 2 projects at McPhee Creek and South East Pilbara (Davidson Creek Hub). Atlas continues to report Mineral Resources for these two projects.

Atlas is continuing to investigate a trucking based infrastructure solution for its McPhee Creek project based on a similar model to its existing projects and the Corunna Downs project PFS. Should such a trucking based infrastructure solution for its McPhee Creek project be feasible, Atlas may again be able to report Ore Reserves for its McPhee Creek project.

Full details of Atlas' Mineral Resources and Ore Reserves as at 30 June 2016 are set out in Appendix 1 to this announcement.

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Appendix 1

Mineral Resources and Ore Reserves as at 30 June 2016

The Mineral Resources and Ore Reserves in the following tables are as of 30 June 2016. Comparative totals from June 2015 are provided for reference.

2016 Mineral Resources

	Likely Mining Method (b)	Measured Resources at end June 2016		Indicated Resources at end June 2016		Inferred Resources at end June 2016		Total Resources at end June 2016		Total Resources at end of June 2015		Atlas Interest	Reporting Cut-Off
		Tonnage	Grade	Tonnage	Grade	Tonnage	Grade	Tonnage	Grade	Tonnage	Grade		Grade
Iron Ore (a)		Kt	% Fe	Kt	% Fe	Kt	% Fe	Kt	% Fe	Kt	% Fe	%	Fe%
Pardoo	O/P					9,000	55.7	9,000	55.7	9,000	55.7	100	53
Abydos (c)	O/P			9,500	57.1	6,000	56.8	15,500	57.0	19,100	57.1	100	50
Wodgina (d)	O/P	2,000	56.1	6,700	55.6	16,000	54.0	24,700	54.6	32,400	55.4	100	53
Mt Webber (e)	O/P	32,000	58.3	22,100	55.4	2,000	57.3	56,100	57.1	62,200	56.9	100	50
McPhee Creek	O/P	32,900	57.4	205,000	56.2	9,000	55.0	246,900	56.3	246,900	56.3	100	48.5
Miralga Creek	O/P					4,000	57.6	4,000	57.6	4,000	0.0	100	50
Corunna Downs (f)	O/P			42,100	57.3	23,000	57.2	65,100	57.2	65,000	57.3	100	50
Mid-West	O/P					12,000	60.0	12,000	60.0	12,000	60.0	100	50
Hickman	O/P					70,000	55.4	70,000	55.4	70,000	55.4	100	50
Western Creek	O/P					79,000	56.0	79,000	56.0	79,000	56.0	100	50
Jimblebar	O/P			41,100	58.1	28,000	55.6	69,100	57.1	69,100	57.1	100	50-53
Warrawanda	O/P					24,000	56.8	24,000	56.8	24,000	56.8	100	53
Davidson Creek Hub	O/P	43,200	57.9	339,100	55.9	94,000	55.8	476,300	56.0	476,300	56.0	100	50
West Pilbara	O/P					38,000	53.6	38,000	53.6	38,000	53.6	100	50
		110,100	57.8	665,600	56.2	414,000	55.8	1,189,700	56.2	1,207,000	56.1		

Mineral Resources are reported inclusive of Ore Reserves

- Iron Ore Mineral Resource tonnes are reported on a dry weight basis, tonnes are rounded according to JORC category with grades carried through unaffected by rounding.
- Likely mining method: O/P=Open Pit.
- Abydos Mineral Resources have decreased due to production at Trigg, Mettams, Cove, Contacios, Leighton and Scarborough, partially offset by a resource model update for Contacios.
- Wodgina Mineral Resources have reduced due to production at Avro, Constellation, Dragon, and Hercules.
- Mt Webber Mineral Resources have decreased due to production at Ibanez.
- Corunna Downs Mineral Resources have increased due to resource model updates for Split Rock, Shark Gully and Runway, reported December 2015.
- Other Mineral Resources remain unchanged from 30 June 2015.

2016 Ore Reserves

	Product Type (a,b)	Proved Ore Reserves at end June 2016		Probable Ore Reserves at end June 2016		Total Ore Reserves at end of June 2016 (c)		Total Ore Reserves at end of June 2015		Atlas Interest	Reporting Cut-Off
		Kt	% Fe	Kt	% Fe	Kt	% Fe	Kt	% Fe	%	% Fe
Abydos (d)	Standard Fines	400	56.6	3,500	56.9	3,900	56.9	7,400	57.2	100	52.0
Wodgina (d)	Standard Fines	1,400	56.1	700	57.4	2,000	56.6	7,400	57.1	100	54.0 - 54.5
Wodgina (d)	Value Fines	-	-	2,600	53.5	2,600	53.5	3,000	53.3	100	50.0
Mt Webber (d)	Standard Fines	29,200	57.9	18,300	55.8	47,600	57.1	53,200	57.3	100	50.0 - 53.5
McPhee Creek	Standard Fines	-	-	-	-	-	-	188,200	56.0	100	48.5
Corunna Downs	Standard Fines	-	-	21,000	57.0	21,000	57.0	-	-	100	51.0 - 53.0
Davidson Creek Hub	Standard Fines	-	-	-	-	-	-	239,000	56.5	100	50.0 - 52.0
Port Stocks	Standard Fines	100	56.9	-	-	100	56.9	100	57.1	100	
Total Ore Reserves (c)		31,100	57.8	46,100	56.3	77,200	56.9	498,300	56.4		

- a) All Ore Reserves are Iron Ore, reported on an in-situ dry weight basis, to be mined by open pit method or located in stockpiles.
b) Standard Fines product targets a grade above or at 56.4% Fe. Value Fines are a lower grade product.
c) The presented tonnages and grades are rounded. Total tonnages and grade are summed on the raw data then rounded.
d) Ore Reserves at Abydos, Wodgina and Mt Webber decreased following production depletion.



Mineral Resources and Ore Reserves Corporate Governance

Atlas has an established Ore Reserve Steering Committee (ORSC) that oversees the Mineral Resources and Ore Reserves processes and reporting. The committee includes management from geology, operations and mine planning. It meets regularly and is responsible for reconciliation, estimation and reporting of Mineral Resources and Ore Reserves. Ore Reserves undergo rigorous governance and signoff processes extending to all disciplines responsible to satisfy JORC compliance with this process audited by external consultants.

Atlas continues to develop its internal systems and controls in order to maintain JORC (2012) compliance in all external reporting, including the preparation of all reported data by Competent Persons as members of the Australasian Institute of Mining and Metallurgy.

Competent Persons Statements

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 - 2012 Edition).

Ore Reserve Estimation – Wodgina, Abydos, Mt Webber, Corunna Downs and Ore Stocks at Utah Port

The information in this report that relates to Ore Reserve estimations for the Wodgina, Abydos, Mt Webber, Corunna Downs Areas and ore stocks at Utah Port, is based on information compiled under the guidance of and audited by Mr Eric Kiely, who is a member of the Australasian Institute of Mining and Metallurgy. Eric Kiely is a full time employee and security holder of Atlas. Eric Kiely 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Eric Kiely consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Geological Data, Interpretation and Resource Estimation – Davidson Creek Hub Project (excluding Miji Miji deposit)

The information in this report that relates to mineral resource results on Atlas' Davidson Creek Hub 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. John Graindorge 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. John Graindorge consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Geological Data, Interpretation and Resource Estimation – Atlas DSO Projects (including Miji Miji deposit at Davidson Creek Hub)

The information in this report that relates to mineral resource results on Atlas' DSO Projects, other than Davidson Creek Hub, is based on information compiled by Mr Leigh Slomp who is a member of the Australasian Institute of Mining and Metallurgy. Leigh Slomp is a full time employee and shareholder of Atlas. Leigh Slomp 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Leigh Slomp consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.