

## SEPTEMBER 2009 QUARTERLY REPORT

29 October 2009

### ATLAS IRON LIMITED

ASX SYMBOL: AGO

ABN 63 110 396 168

Ground Floor  
10 Richardson Street  
WEST PERTH WA 6005

PO Box 223  
WEST PERTH WA 6872

Phone +61 8 9476 7900  
Fax +61 8 9476 7988

[www.atlasiron.com.au](http://www.atlasiron.com.au)

### CONTACTS

David Flanagan  
Managing Director

Mark Hancock  
Chief Financial Officer

Ken Brinsden  
Operations Manager

Andrew Paterson  
Geology Manager

Tony Walsh  
Company Secretary

### About Atlas Iron Limited

- Atlas is a rapidly growing iron ore miner and explorer in the Pilbara of Western Australia
- Atlas commenced the export of iron ore from Pardoo in December 2008, and is on target to grow production at Pardoo to 2.4Mtpa by mid 2010
- With targeted production at Wodgina, Abydos and Mt Webber, Atlas is targeting a production rate of 6Mtpa of DSO from late 2010, and 12Mtpa by 2012.
- Atlas has agreed to merge with Warwick Resources and will issue 1 Atlas share for every 3 Warwick shares.

### HIGHLIGHTS FOR THE QUARTER

- Iron ore shipments on track to reach 1 million WMT target for the 2009 calendar year
- 383,161 ore tonnes mined for the quarter
- 293,838 ore tonnes processed for the quarter
- 300,326 dry tonnes shipped for the quarter
- Investment in increasing inventory levels of over the quarter in preparation for increased shipping and the impending wet season
- 1,000,000 ore tonnes mined since project commencement
- Pardoo crushing and screening infrastructure expanded, targeting 2.4Mtpa
- 259 exploration and resource definition holes drilled for 18,221m
- Merger with Warwick Resources announced, with completion expected in mid-December 2009
- \$154 million of cash on hand at 30 September 2009

### Subsequent to the end of the September Quarter

- 858,900 WMT shipped for the year to date following completion of the latest shipment in October 2009
- Resources increased by 46% quarter-on-quarter to 138.6 million tonnes at 56.8% Fe
- 34% increase in Mt Webber resources to 43.7Mt at 57.4% Fe
- Atlas exercises its right with Talison Minerals to access the existing Wodgina Mine infrastructure
- Contracts awarded to commence construction of the Wodgina DSO mine
- Key Wodgina mining operations contract tenders underway
- Wodgina on track to commence exports from the 2<sup>nd</sup> quarter of 2010

## INTRODUCTION

Atlas Iron Limited (Atlas or the Company) is exporting iron ore through the port of Port Hedland and actively exploring for Direct Shipping Ore (DSO) in the Pilbara of Western Australia. With a growing number of high quality iron ore projects and one of the largest exploration landholdings in the Pilbara, the Company has the resources to underpin rapid expansion plans in the North Pilbara over the next three years. In the longer term Atlas is seeking to expand its operations into the Newman area, through its planned merger with Warwick Resources Limited which is expected, subject to Warwick Resources shareholder and optionholder approval, to be completed in mid-December 2009.



Figure 1: Pilbara Projects Location Plan

While exporting iron ore from the Pardoo mine (Atlas' first mine development), Atlas is also active in feasibility assessment, new acquisitions, target generation and grass roots exploration. Ongoing project definition through acquisition, exploration and feasibility studies has delivered a strong project pipeline which the Company considers has the potential for a production rate of 12 million tonnes per annum of Direct Shipping Ore (DSO) by 2012.

As the Company demonstrates its capacity to discover, assess and develop, it is well positioned to advance a number of projects concurrently, with the intention to both expand the Company's production base and extend mine life.

## PARDOO PROJECT

Atlas' Pardoo Project is located 75 kilometres by road from the Public Access Port of Port Hedland, in the Pilbara of Western Australia. Mining, processing and direct shipping iron ore exports are now in progress, with the company having shipped 709,840 tonnes from mine commencement to the end of the September quarter. Mine production is now operating at or above 1 million tonnes per annum, consistent with our target scheduling. Production at Pardoo is anticipated to reach an annualised rate of 2.4Mt by mid-2010, with an ultimate target of 3 Mtpa mine production capacity.

### *Pardoo DSO Mine Development and Production*

Mine production during the quarter was primarily derived from the Bobby, Alice East and West pits, with pit development having commenced at South Limb. During the month of September the Company mined its 1 millionth ore tonne at Pardoo, and is on track to achieve 1 million tonnes shipped during 2009.

Table 1 below outlines the September 2009 quarter production in comparison to the previous quarter (June 2009).

<b>Table 1: Pardoo Mine Production</b>				
	<b>September Quarter 09 (t)</b>	<b>June Quarter 09 (t)</b>	<b>Variance Quarter (t)</b>	<b>Variance Quarter (%)</b>
Ore Tonnes Mined	383,161	287,837	+95,324	+33%
Ore Tonnes Processed	293,838	265,499	+28,339	+11%
Ore Tonnes Shipped (Dry)	300,326	152,091	+148,235	+97%

<b>Table 2: Pardoo Inventory</b>				
	<b>September Quarter 09 (t)</b>	<b>June Quarter 09 (t)</b>	<b>Variance Quarter (t)</b>	<b>Variance Quarter (%)</b>
Run of Mine Ore Stocks	130,509	40,285	+90,224	+323%
Final Product Stocks - Site	58,315	44,932	+13,383	+30%
Final Product Stocks - Port	134,994	168,245	-33,251	-18%

Mine production and ore tonnes processed have exceeded the targeted 1Mtpa production rate during the quarter. With the recently installed and commissioned crushing and screening plant, and construction of the Pardoo mine camp facility underway (targeted commissioning late November), the Company is well positioned to expand its production rate towards a target rate of 2.4Mtpa at Pardoo from the 2<sup>nd</sup> quarter of 2010.

Mining and Civil Australia (MACA) have been awarded the recently tendered Pardoo Crushing and Screening contract, with commissioning of the new plant occurring during September. As a

result of the award of the revised contract Atlas will realise a substantial saving in crushing and screening costs, in addition to having additional plant capacity to support the company's mine expansion objectives.

The mine camp is being constructed to support the continued expansion of mine production, providing capacity of 75 rooms to support continuous shift operations on site.

As illustrated in Table 2, cash has been invested in increasing inventory levels of over the quarter in preparation for increased shipping and the impending wet season. The return on this investment will occur as the tonnes are sold in coming quarters.

Iron ore sales are on track to reach the targeted level of 1 million WMT for the 2009 calendar year, with 858,900 WMT (814,646 DMT) shipped for the year to date following completion of the latest shipment in October 2009. Shipments to 30 September 2009 totalled 688,859 WMT (651,747 DMT).

The demand for product from Atlas' customers has been strong, reflecting the general demand dynamic for Australian iron ore. Spot prices are currently 15 to 20% above the benchmark prices agreed by major iron producers for markets outside China.

Atlas' operating performance for the quarter has however been impacted by the July shipment which (in the absence of an agreed benchmark) was priced on a spot basis one month out from shipment date. Spot prices were low and freight high at that time resulting in a loss being made on the cargo. Sales concluded by Atlas since that time and going forward are priced according to the benchmark relativity referred to in our long term contracts, which results in improved financial outcomes.

Net Australian dollar revenue has also been impacted during the quarter by the dramatic increase in the value of the Australian dollar versus the USD dollar. The dollar rose from 80.7c to 92.2c, an increase of some 14% for the quarter.

During the quarter Atlas entered short dated forward exchange contracts totalling US\$6 million at an average rate of US\$77.7 cents, with settlement having occurred during the quarter. As at the date of this report no currency hedges are in place.

## **WODGINA DSO PROJECT**

The Wodgina DSO Project is located approximately 100 kilometres south of Port Hedland and immediately adjacent to the existing Wodgina Tantalum mine, owned by Talison.

### ***Resource Development***

During the September Quarter 171 RC holes and 13 diamond holes were drilled at Wodgina for a total of 13,987.8 metres. Drilling was mainly focused on infilling the Anson deposit to a drill density of 20 by 20 metres in order to upgrade the majority of resource tonnes from inferred to indicated, but a number of holes were also drilled into Dragon and Constellation to extend and delineate the edges of the iron enrichment. All drilling has added to the Company's confidence level with the Wodgina project, by demonstrating the excellent continuity of enrichment and grade.

As the Anson infill work is ongoing the project resources are not due to be updated until all the data is complete. Updated and upgraded resources and reserves are scheduled to be delivered by year's end.

## ***Mine Development***

Based on the Wodgina Feasibility Study outcomes announced to the ASX on July 31<sup>st</sup> 2009, the Atlas Board resolved to develop and execute the Wodgina DSO Project as the Company's next mine development. Furthermore, Atlas recently exercised its right to access the existing Wodgina Mine Infrastructure under its arrangement with Talison Minerals, the owner of the Wodgina Tantalum Mine. In so doing, the Company has established a platform to rapidly progress towards the export of iron ore from the Wodgina Project at a low capital cost. The Company is on track to commence exports from Wodgina from the 2nd quarter in 2010.

The completion of the Feasibility Study represented over 9 months work, incorporating; exploration and resource development RC drilling, diamond drilling, metallurgical test work, process development and mine planning managed by Atlas Iron. The Feasibility Study mine plan envisages mining, crushing & screening, and trucking ore to Utah Point at an initial rate of 2 million tonnes per annum (Mtpa) growing to 3.6Mtpa during 2010. The project will utilise the Wodgina mine's existing mine infrastructure. The current port loading option is for ore to be shipped through Utah Point at Port Hedland, where Atlas has an allocation of 6Mtpa subsequent to the commissioning of the berth in June 2010. The total estimated workforce required on site at the project will be approximately 120 people.

The estimated capital requirement for the establishment of the project is AUD\$9.57 million, including a relatively small pre-strip and contingency of A\$0.5 million, however exclusive of working capital. The minimal capital outlay has been possible by leveraging off the already established infrastructure at Talison Mineral's Wodgina Tantalum Mine. Feasibility operating costs vary between AUD\$38 and \$45/tonne per period over the life of the mine (mine start-up costs nominally \$50 per tonne), with the annual average operating cost over the life of the mine is estimated at A\$41 per tonne of ore mined (including royalties).

Progress towards the development of the Wodgina DSO mine is well advanced with several of the construction contracts awarded. Work will commence on the upgrade to the intersection of the mine access road with the Great Northern Highway from early November, and CSI Pty Ltd is gearing up for the required modifications to the existing crushing and screening plant to facilitate iron ore sampling and final product stacking.

Tendering has commenced for both the Wodgina mining and haulage contracts, with the expectation that these key contracts will be awarded by the end of November and mid-December respectively. The crushing and screening contract is facilitated through the existing relationship between Talison Minerals and CSI Pty Ltd.

Having recently signed the Wodgina DSO Project Native Title Agreement with the Kariyarra people and environmental assessment and approvals well underway, the Company is well placed to commence mining at Wodgina from February next year.

Discussions with potential off-take partners for Wodgina DSO product are also underway, with strong interest received from both existing Pardoo customers and a number of new parties. It is anticipated that initial off-take contracts for Wodgina will be signed during the December 2009 quarter.



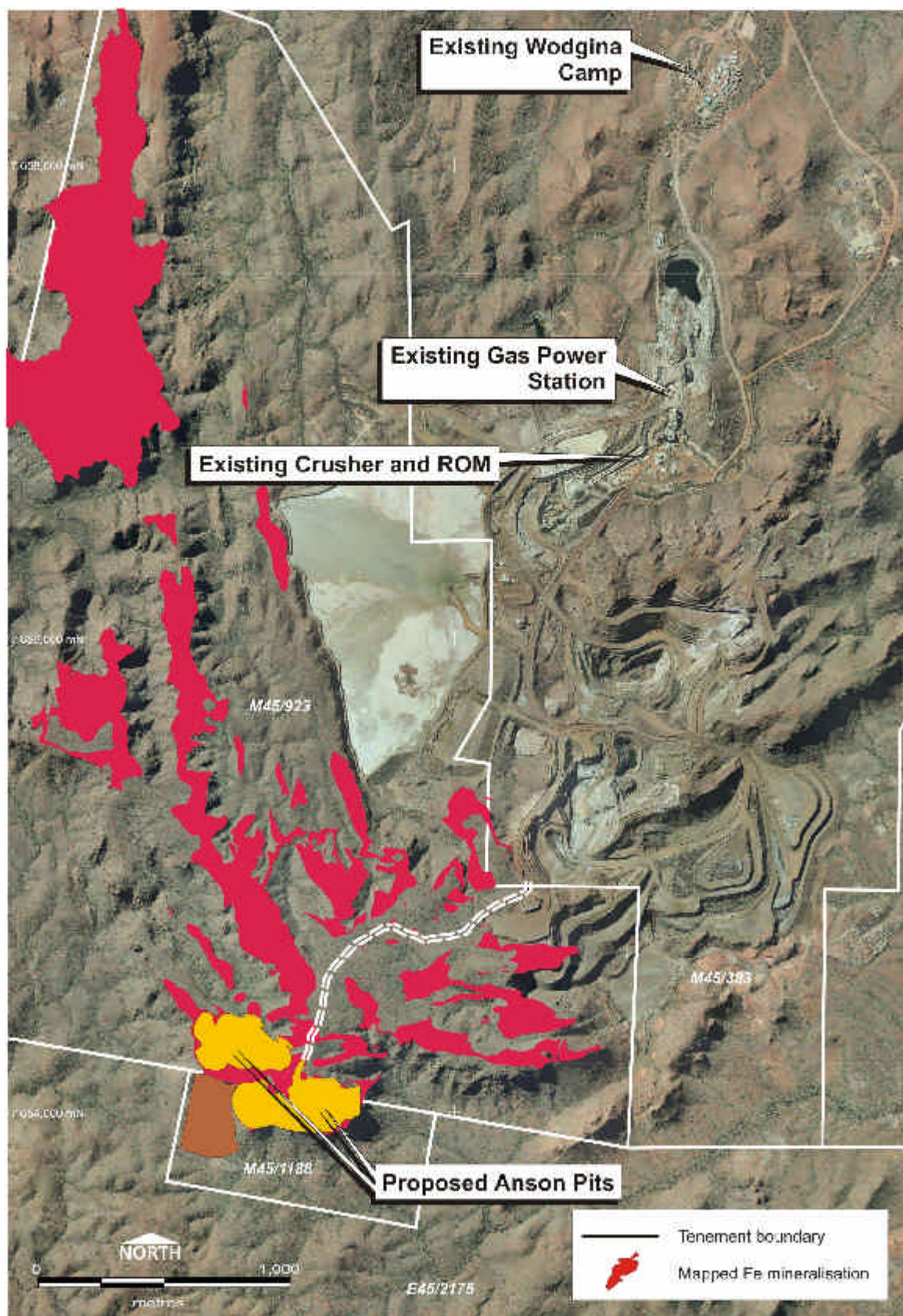


Figure 2: Wodgina Project Initial Mine Development Layout



## ABYDOS DIRECT SHIPPING ORE (DSO) PROJECT

The Abydos Project is located 100 kilometres south of the Public Access Port of Port Hedland in the Pilbara of Western Australia. Similar to Pardoo, the project area contains potential for hosting significant bedded supergene iron ore deposits (BED) and channel infill deposits (CID). The project area contains prospective Archaean banded iron formation host rocks abutting BHP-Billiton State Agreement tenements, known to host iron ore mineralisation.

### Resource Development

Drilling recommenced at Abydos in September, picking up where last year's drilling programme left off with infill holes at the Trigg deposit. 16 RC holes were drilled for a total of 1,294 metres. Assay results from these holes have not yet been received, and drilling is ongoing.

The resource development drilling at Abydos has been brought forward in the schedule with the aim of converting the inferred resources on priority deposits, such as Leighton, Scarborough, Mettams and Mullaloo into the indicated category, so they can be included in the June 2010 reserve estimations.

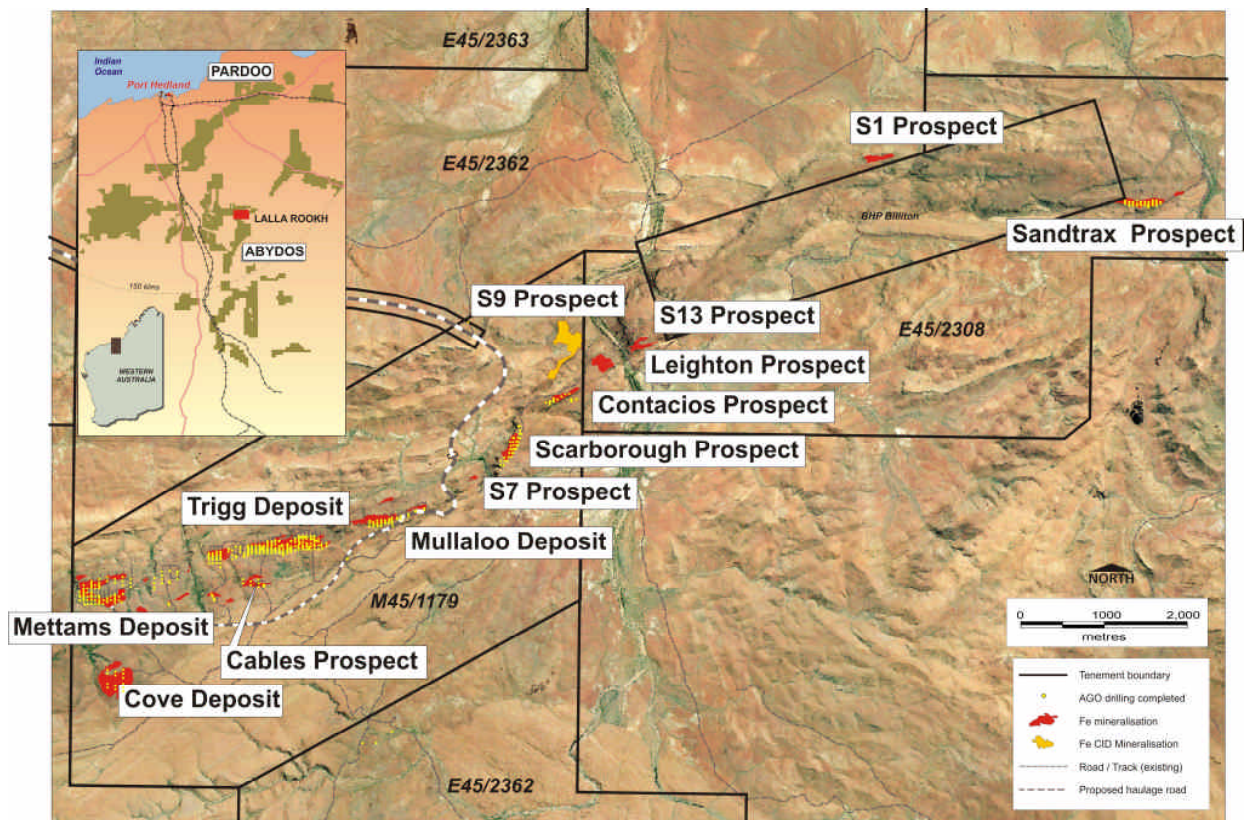


Figure 3: Abydos deposit & prospect locations.

### Mine Development

Together with the Wodgina and Pardoo Projects, the Abydos DSO project will contribute to the Company's objective of growing production to 9Mtpa in 2011.

All studies contributing to the proposed Abydos mines approvals process are either completed or nearing completion. Upon completion of the aforementioned surveys and studies, the data will then be compiled for inclusion within the 'Environmental and Social Impact Assessment' that will form the basis for the ongoing project approvals in line with government requirements.

## MT WEBBER DSO PROJECT

The Mt Webber DSO project is located approximately 150km southeast of Port Hedland, 40km east of the FMG railway line and adjacent to the Woodstock – Marble Bar road. The project is the fourth of Atlas' main Pilbara DSO project areas, along with Pardoo, Wodgina and Abydos, which are expected to underpin the Company's expansion through to 2012.

### Exploration

During the quarter 59 RC holes were drilled, for a total of 2,939 metres over the Ibanez (previously referred to as the MW1 prospect), Gibson (previously MW2) and Fender (MW4 and MW5) deposits. Drilling was completed in early September and the rig demobilised to Abydos.

The next planned work at Mt Webber will be a diamond drilling program, currently scheduled for mid-November. This will provide core samples for density testing and metallurgical test-work. The density data should enable portions of the resource to be upgraded from inferred to indicated category.

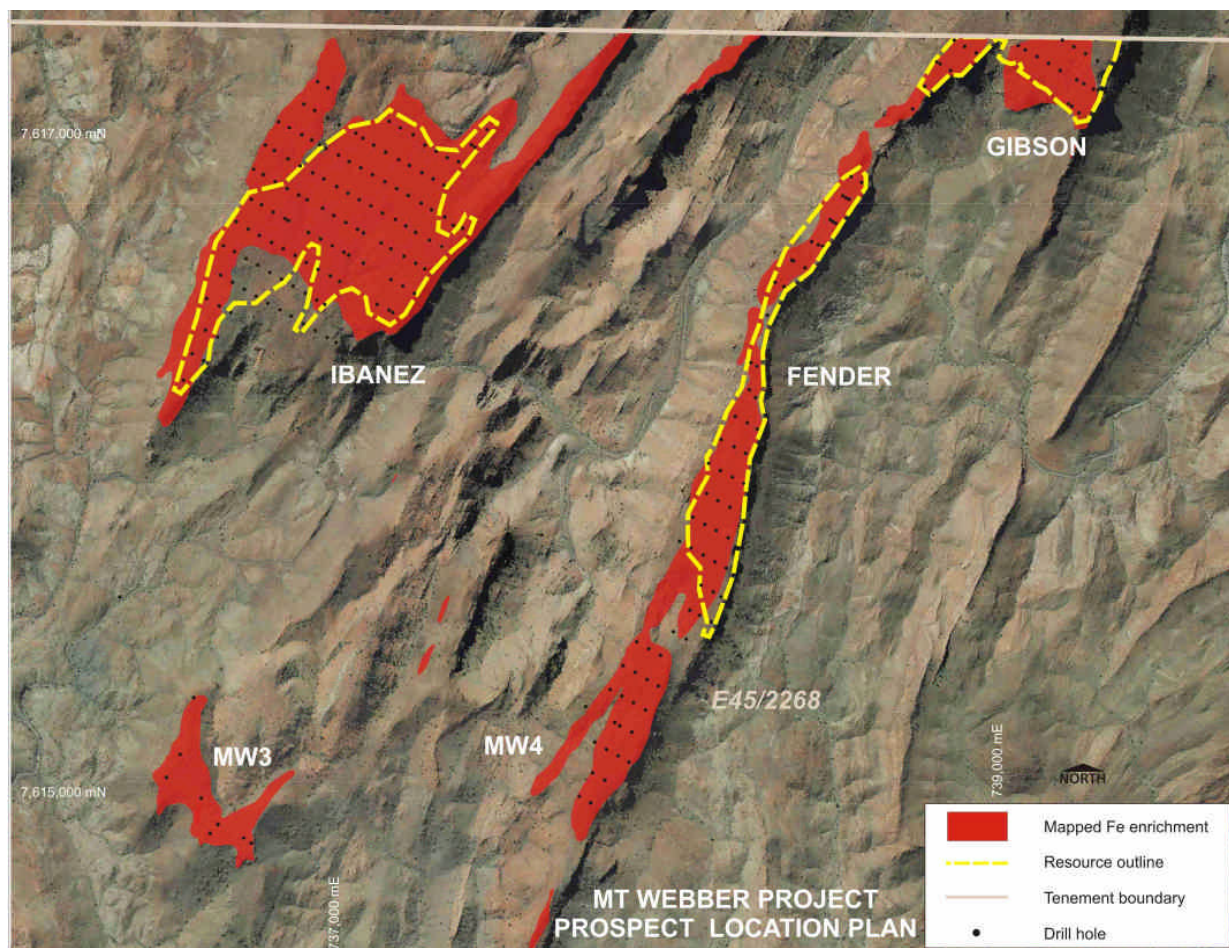


Figure 4: Mt Webber resource outlines and RC drilling, October 2009.

## DSO RESOURCES

During the quarter the Company announced a maiden resource for the Mt Webber project of 32.6 million tonnes at 57.3% Fe. This was updated subsequent to the end of the quarter by an additional resource estimate, with additional mineralisation at the Fender deposit and the



discovery of the Gibson deposit adding an additional 11 million tonnes to the inferred resource total.

**As a result the Atlas resource inventory, as at October 2009, has grown by 46% or 43.7 million tonnes compared to the July 2009 resource update.**

The resource and reserve summaries are tabled below.

Atlas Summary Resource Table - October 2009									
Project Area	Resource Classification	Kt	Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	P (%)	S (%)	LOI (%)	CaFe (%)
Total	Measured	2,150	56.6	6.7	2.5	0.17	0.02	9.1	62.3
	Indicated	36,823	57.2	6.8	1.7	0.09	0.02	8.8	62.7
	Inferred	99,642	56.6	7.0	2.2	0.07	0.04	8.9	62.1
Grand Total		138,615	56.8	6.9	2.1	0.08	0.03	8.8	62.3

**Table 3: Atlas Iron resource summary October 2009**

**Note: CaFe% is calcined Fe calculated by Atlas using the following formula:  $(Fe\% / (100 - LOI\%)) * 100$ .**

On 12 October 2009, Haddington Resources Limited announced that it had exercised its clawback right on Friday 9 October 2009 in accordance with the agreement between Haddington and its subsidiary Australian Tantalum Pty Ltd, Atlas and its subsidiary Atlas Operations Pty Ltd. Pursuant to this agreement, Haddington is required to pay Atlas consideration for a 30% interest in the Mt Webber Iron Ore Project, equal to four times the exploration expenditure by Atlas. The consideration for the clawback under the Agreement will be payable by Haddington to Atlas within 60 days. Atlas has notified Haddington that the consideration payable is \$8,859,672 (based on an expenditure amount calculated at \$2,214,918).

## RIDLEY MAGNETITE PROJECT

Atlas completed the Preliminary Feasibility Study (PFS) for the Ridley Magnetite Project on 14 April 2009. The completion of the PFS marked the culmination of two years work in diamond drilling, resource modelling, metallurgical test work, process development and mine planning managed by Atlas.

Atlas has received expressions of interest from a number of capable and credible parties to partner Atlas in the development of Ridley and to acquire a controlling interest in the project. Atlas' preferred model is to retain a minority interest in the project and contribute its skills to the development of the project.

A global investment bank has been retained by Atlas to seek expressions of interest from such parties. Currently, interested parties arising from the process are completing due diligence on the Ridley Magnetite Project with a view to lodging bids during the December quarter, following which evaluation will occur and final negotiations undertaken.

## **PILBARA INFRASTRUCTURE DEVELOPMENTS**

### ***Port Hedland Port Authority – Utah Berth Facility***

As previously advised, Atlas has secured an additional 3Mtpa allocation through the Utah Point facility until February 2012, taking the total Utah Point allocation to 6Mtpa in the period 2010 to 2012. Construction of the berth continued during the quarter, with Atlas expecting to be able export product through the berth during the latter part of the June quarter of 2010.

### ***North West Iron Ore Alliance***

Atlas Iron is a founding member of the North West Iron Ore Alliance (NWIOA), a group of independent iron ore producers and explorers progressing projects in the Pilbara of Western Australia.

The NWIOA is progressing the development of its South West Creek port and ore handling facility, with pre feasibility works having commenced during the current quarter.

## **CORPORATE**

At the end of the September 2009 quarter Atlas Iron Limited had 399,665,521 shares on issue. The top 20 shareholders hold approximately 60% of the issued capital. Since the end of the quarter report the Company has issued 45,000 shares pursuant to the exercise of unlisted options.

As at 30 September 2009, the Company had \$154 million of cash on hand.

Since the last quarterly report the Company has issued 56,834,808 shares. The shares were issued as follows:

- Completion of allotment under Tranche 1 of June 2009 capital raising – 2,086,000
- Allotment under Tranche 2 of June 2009 capital raising - 33,539,568 shares
- Allotment of Share Purchase Plan shares – 10,704,240 shares
- Exercise of options – 9,805,000 shares
- Issues to Hannans Reward Limited pursuant to Warwick Resources Limited / Hannans Reward Limited agreement – 700,000 shares

## **SHAW RIVER RESOURCES LIMITED**

At the date of this report Atlas holds a 45.46% interest in Shaw River Resources Limited (Shaw) (ASX Code: SRR). Shaw holds non iron ore mineral rights over some of Atlas' Pilbara tenements. For further details on Shaw River's activities, please refer to Shaw River's Quarterly Reports or its website ([www.shawriver.com.au](http://www.shawriver.com.au)).

## **WARWICK RESOURCES LIMITED**

### ***Proposed Merger with Warwick Resources***

On 7 September 2009 Atlas announced the proposed merger with Warwick Resources Limited (ASX Code: WRK) (Warwick) by way of Schemes of Arrangement with Warwick shareholders and optionholders. Atlas will issue one Atlas share to Warwick shareholders for every three Warwick shares on issue. Atlas will also issue Atlas shares to Warwick optionholders on a ratio determined by the exercise price and expiry date of the respective options. The Board of Warwick (other than Atlas' nominee) has unanimously recommended that all Warwick security holders support the Schemes. The Schemes are subject only to customary conditions such as

approval being received from the security holders of Warwick and court approvals, regulatory approvals, that the Independent Expert concludes that the Schemes are in the best interests of Warwick shareholders and optionholders and does not change that conclusion and other conditions customary for a public transaction of this nature.

Atlas expects that the merger with Warwick will be implemented by 18 December 2009. An indicative timetable for the merger with Warwick is provided below.

<b>Event</b>	<b>Indicative Date</b>
Scheme Booklet sent to Warwick Security Holders	By 30 October 2009
Warwick Shareholders Meeting	11.30am (WST) on 30 November 2009
Warwick Optionholder Meeting	12.00pm (WST) on 30 November 2009 (or, if later, as soon as possible after the conclusion of the Shareholders Meeting)
Second Court hearing	7 December 2009
Effective Date – court order lodged with ASIC	8 December 2009
Implementation Date for the share scheme	17 December 2009
Implementation Date for the option scheme	18 December 2009

As a result of the proposed merger, in addition to the targeted production rate of 12Mtpa in 2012 from Atlas' existing DSO projects, the combined Company will be targeting additional production of 14Mtpa from Atlas' and Warwick's South East Pilbara projects by 2014. Achieving this target DSO production rate of 26Mtpa will also be conditional on project related feasibility studies, environmental permitting, infrastructure access agreements and timely project construction

Atlas currently holds a 22% interest in Warwick. For further details on Warwick's activities please refer to Warwick's Quarterly Reports or its website ([www.warwickresources.com.au](http://www.warwickresources.com.au)).





Figure 5: Warwick Resources' South East Pilbara tenements relative to Atlas' existing tenements

**PLANNED WORK DECEMBER 2009 QUARTER**

- Wodgina – Continue infill drilling, first-pass exploration at Wodgina North, iron ore marketing discussions and continue environmental permitting activities.
- Commence construction at the Wodgina mine in preparation for mining early in 2010.
- Abydos – Ongoing resource conversion for inclusion in end-of-year reserves, continue environmental permitting work.
- Mt Webber – Diamond drilling for bulk density and metallurgical test work.
- Pardoo – Continue camp construction, mine development and expansion of mine production targeting 2.4Mtpa by mid 2010.
- Mid West – Reconnaissance mapping of new exploration areas.
- Ridley – Completion of bid evaluation
- Warwick Resources – Complete Scheme of Arrangement subject to Warwick security holder and court approval

**COMPETENT PERSONS AND JORC COMPLIANCE STATEMENTS*****Geological Data, Interpretation and Resource Estimation – Mt Webber***

The information in this report that relates to mineral resource results is based on information compiled by Mr Shane Tomlinson is a member of the Australian Institute of Geoscientists & Mr Chris Allen is a member of the Australasian Institute of Mining and Metallurgy. Shane Tomlinson is a full time employee of Atlas Iron Limited and Chris Allen is a full time employee of CSA Global Pty Ltd. Shane Tomlinson & Chris Allen have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they have 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'. Shane Tomlinson and Chris Allen consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

***Geological Data, Interpretation and Resource Estimation – Alice, Clare, Hubert, Glenda, and Connie Resources***

The information in this report that relates to mineral resource results is based on information compiled by Mr Tony Cormack & Mr Richard Gaze who are members of the Australasian Institute of Mining and Metallurgy. Tony Cormack is a full time employee of Atlas Iron Limited and Richard Gaze is a full time employee of Golder Associates Pty Ltd. Tony Cormack & Richard Gaze have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they have 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'. Tony Cormack and Richard Gaze consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

***Geological Data, Interpretation and Resource Estimation – Bobby, Floyd, Emma, Olivia, Avalon Point, Mettams, Mullaloo, and Trigg Resources***

The information in this report that relates to mineral resource results is based on information compiled by Mr Tony Cormack & Mr David Williams who are members of the Australasian Institute of Mining and Metallurgy. Tony Cormack is a full time employee of Atlas Iron Limited and David Williams is a full time employee of CSA Global Pty Ltd. Tony Cormack & David Williams have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they have 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'. Tony Cormack and David Williams consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

***Geological Data, Interpretation and Resource Estimation – South Limb and Dean Resources***

The information in this report that relates to mineral resource results is based on information compiled by Mr Tony Cormack & Mr Malcolm Titley who are members of the Australasian Institute of Mining and Metallurgy. Tony Cormack is a full time employee of Atlas Iron Limited and Malcolm Titley is a full time employee of CSA Global Pty Ltd. Tony Cormack & Malcolm Titley have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they have 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'. Tony Cormack and Malcolm Titley consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

***Geological Data, Interpretation and Resource Estimation – Mt Dove and Wodgina***

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

The information in this report that relates to mineral resource results is based on information compiled by Mr Simon Gobbett who is a member of the Australasian Institute of Mining and Metallurgy. Simon Gobbett is a full time employee of Atlas Iron Limited. Simon Gobbett 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'. Simon Gobbett consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.



**Exploration Results – Wodgina, Mt Webber and Turner River**

The information in this report that relates to exploration results at Wodgina, Mt Webber and Turner River is based on information compiled by Mr. Tony Cormack who is a member of the Australasian Institute of Mining and Metallurgy and is an employee of Atlas Iron Limited. Tony Cormack 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'. Tony Cormack 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**

Atlas has reported a total resource inventory of 138.6 million tonnes at 56.8% Fe consisting of resources at Pardoo, Abydos, Mt Dove, Mt Webber and Wodgina. While the Company intends to do further exploration on its tenements and remains optimistic it will report additional resources and reserves in the future, any discussion in relation to targets, resources, reserves or 'ore' over and above the resource of 138.6 million tonnes at 56.8% Fe is only conceptual in nature. There has been insufficient exploration to define a Mineral Resource over and above the resource of 138.6 million tonnes at 56.8% Fe, and it is uncertain if further exploration will result in the determination of a Mineral Resource over and above the resource of 138.6 million tonnes at 56.8% Fe.

**Ore Reserve Estimation Ridley Deposit**

The sections in this report that relate to the Ridley Ore Reserves are based on information compiled under the direction of Mr Bruce Gregory. Mr Gregory is a Member of the Australasian Institute of Mining and Metallurgy and is a full time employee of AMC Consultants Pty Ltd. Mr Gregory has sufficient experience relevant to the style of mineralization and type of deposit under consideration 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 Gregory consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

**Dollars** means Australian dollars