



7 January 2013

ATLAS PRODUCTION GROWTH ON TRACK AS HORIZON ONE DEVELOPMENT PROJECTS PROGRESS

PILBARA PROJECT DEVELOPMENT HIGHLIGHTS

- **MT DOVE MINE PRODUCTION COMMENCES DURING DECEMBER 2012**
- **ABYDOS PRE-STRIP MINING COMMENCES**
- **UTAH POINT YARD 2 PROJECT PROGRESSING WELL**

Atlas Iron Limited (ASX Code: AGO) is pleased to provide an update on key development projects contributing to its near-term Horizon 1 production target of 12Mtpa. In addition to the start of production at the Mt Dove Mine (as announced on Friday), further material progress is being made at its Abydos Mine and Utah Point Yard 2 projects.

"It's great to be starting the New Year on a very positive note with the achievement of these important mining, production and infrastructure development milestones as part of our Horizon 1 growth strategy," said Atlas Managing Director Ken Brinsden. "We are also pleased to see the return of positive sentiment to the iron ore sector with a strong rebound in iron ore prices and plenty of activity from Atlas' customer base."

"Atlas' low-cost production growth strategy and expanding production base puts us in a great position to benefit from these improved conditions, just as it enabled us to weather the volatile trading conditions experienced last year," Mr Brinsden added.

ABYDOS MINE DEVELOPMENT

Atlas is also pleased to announce that major mining activity has commenced at its Abydos Mine, with the commencement of pre-strip mining and the site access earthworks.

Construction first commenced at Abydos in May 2012, with installation of the construction camp. First production and haulage to port is scheduled for June 2013 at a rate of 2-3Mtpa. Abydos, Mt Dove and Mt Webber underpin Atlas' Horizon 1 targeted production rate of 12Mtpa by December 2013.

Further supporting Atlas' expansion plans, the Company is also pleased to announce that it has expanded its 'umbrella' haulage agreement with IES Resources, to support the expanded production arising from the inclusion of the Abydos mine in the Atlas North Pilbara portfolio.



First Production Blast at the Abydos Mine

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Abydos Mining – Pre Strip Commencement

UTAH POINT YARD 2 EXPANSION

Works are also well underway on the further development of Atlas' Utah Point port facilities in Port Hedland at Utah Point Yard 2, to further expand the Company's export capacity over the remainder of the financial year, enabling these facilities to accommodate the additional tonnages from both the Mt Dove and Abydos mines as they come on line.



Utah Point Yard 2 Major Earthworks Package Complete

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