



ATLAS IRON LIMITED

2016 AGM PRESENTATION – 21 NOVEMBER 2016

Disclaimer



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Disclaimer (cont.)



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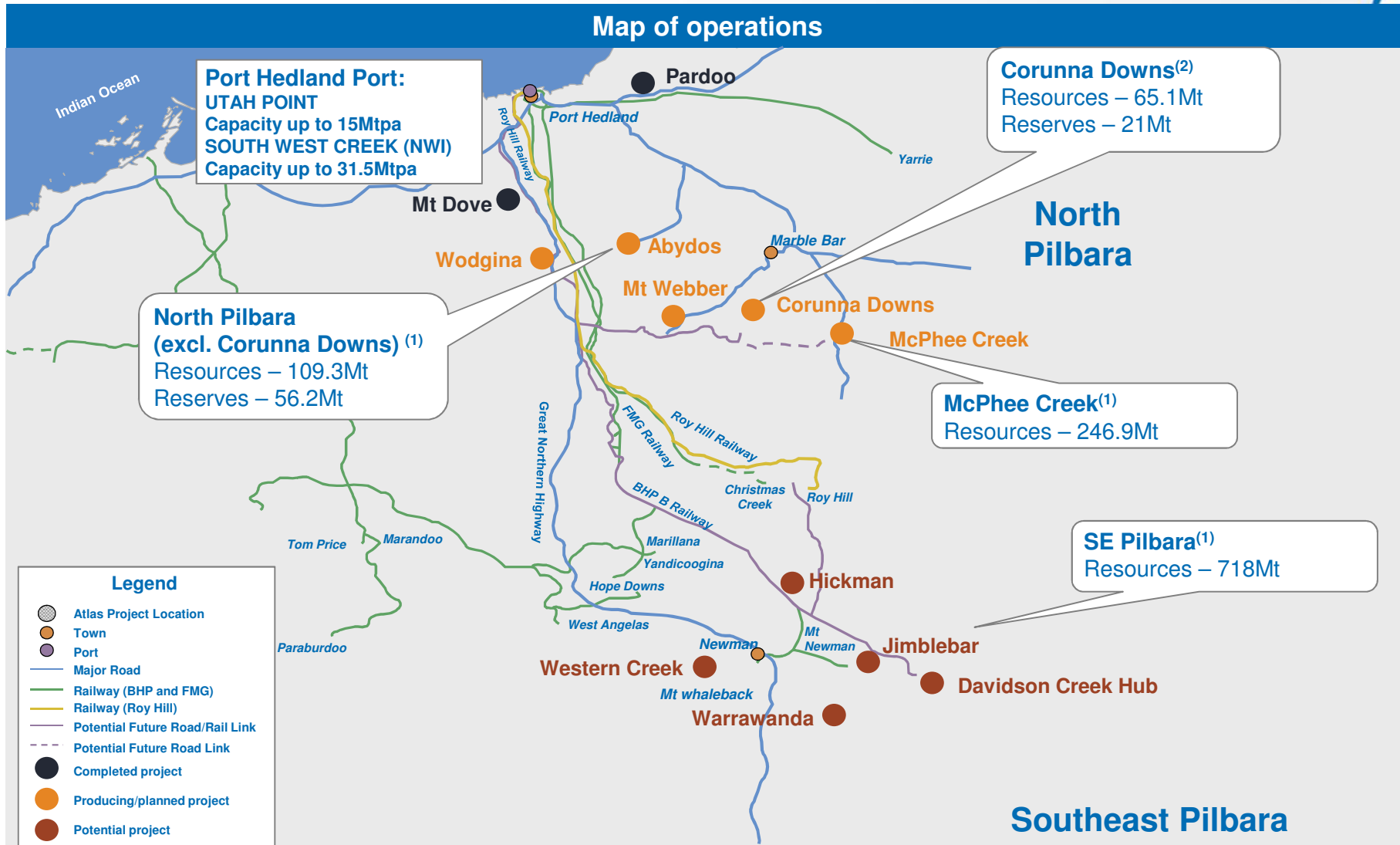
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Atlas Operations, Resources and Port Allocation



(1) Mineral Resources and Ore Reserves as at 30 June 2016, please refer to the JORC compliance statements in the appendices to this presentation and ASX Announcement dated 22 September 2016.
 (2) Refer to ASX Announcement on 23 December 2015 and ASX Announcement dated 22 September 2016

Atlas: Business Performance

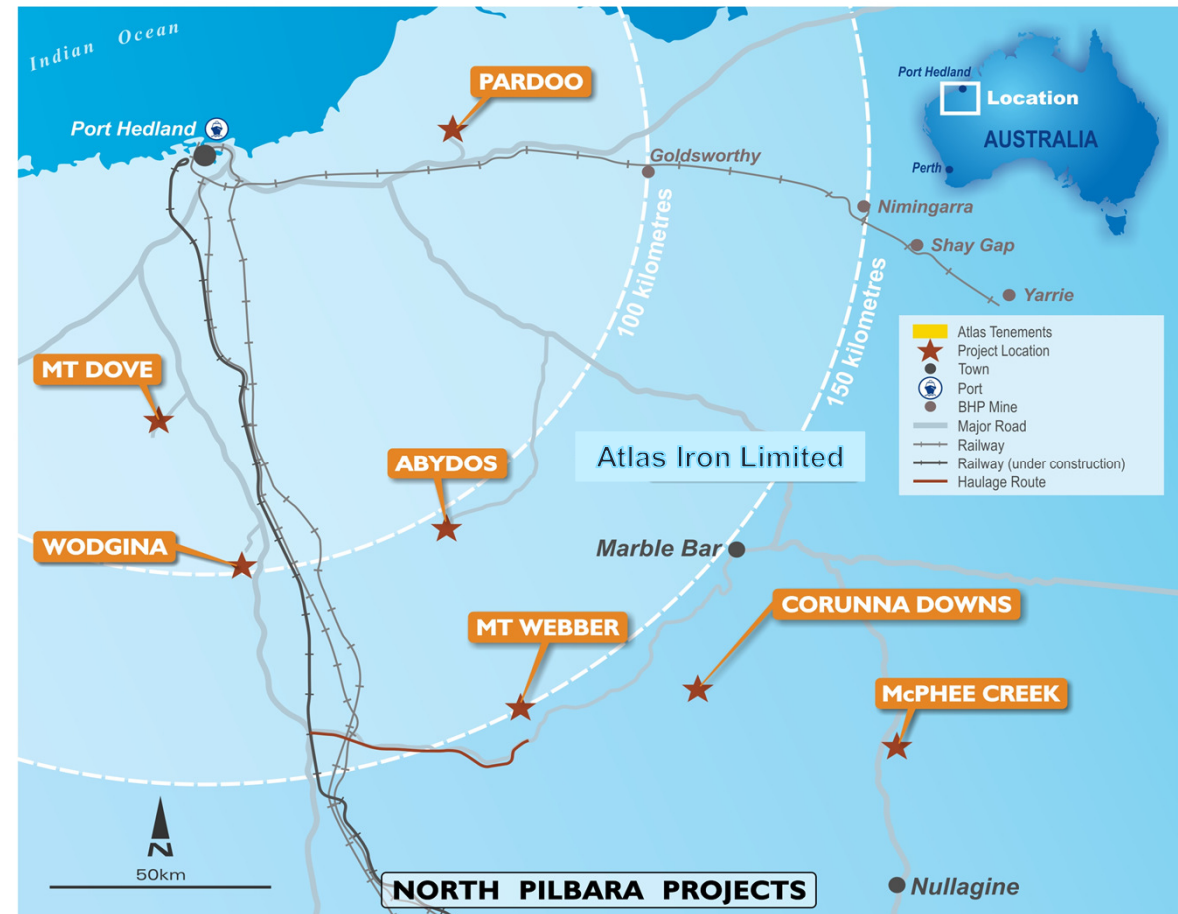


- **Operations**
- **FY2016 Performance**
- **September 2016 Quarter**
- **FY2017 Guidance – on track**

North Pilbara Operations



- Significant strategic foothold in North Pilbara.
- Operations and Reserves all within economic trucking distance of port
- On road haulage to port, export through Utah Point, Port Hedland
- **Abydos**
 - Run rate of 3+Mtpa in FY2016, Finishes production: H1 FY2018
- **Wodgina**
 - Run rate of 5-6Mtpa in FY2016, Finishes production: late H2 2017
- **Mt Webber**
 - Run rate of 6 to 7Mtpa in FY2016, 7 to 8 year mine life



Atlas: FY2016



	FY2016 Actual	FY2016 Guidance**	Variance
Ore tonnes shipped (WMT)	14.5M	14M – 15M	within guidance
C1 cash costs (A\$/WMT FOB)	\$34.39	\$35 - \$38	2%
Full cash cost (A\$/WMT CFR China)*	\$52.60	\$55 - \$59	4%
Development Capital (A\$)	\$9.5M	\$10 - \$15M	5%
Depreciation & Amortisation (A\$/WMT)	\$5.9	\$6 - \$7	2%
Net AUD Atlas CFR Sale Price (A\$/WMT)	\$55.47	No Guidance provided	n/a

- **Within or better than FY2016 guidance**
- **Cash flow from operations of A\$31M (FY2015: cash outflow of A\$67M)**
- **Full cash costs* A\$52.60/t CFR for FY2016 (A\$49/t CFR in June & Mar 2016 Qtrs), down from A\$54/t in Dec 2015 Qtr & A\$66/t in Dec 2014 Qtr**
- **Debt restructure completed with cash interest costs reduced by ~65%**

* - Full cash costs – see definition in Disclaimer

** - Original FY2016 Guidance provided in the Oct16 Qtr Report – unchanged since then

Atlas: September 2016 Quarter



	September 2016 Quarter	June 2016 Quarter	Variance Quarter
Ore tonnes shipped (WMT)	4.1M	3.7M	8%
C1 cash costs (A\$/WMT FOB)	\$34	\$33	(3%)
Full cash cost* (A\$/WMT CFR China)	\$50	\$49	(2%)
Depreciation & Amortisation (A\$/WMT)	\$5	\$4	(20%)
Net Atlas CFR Ave. Sale Price (A\$/WMT)	\$56	\$57	(2%)
Development Capital (A\$)	\$1.3M	-	-
Net Debt at period end (A\$)	\$89M	\$109M	18.4%

- **A\$24M generated from operations after interest and contractor profit share**
- **Net Debt reduced to A\$89M at 30 September 2016 (A\$109M at 30 June 2016)**
- **Cash on hand at 30 September 2016 A\$95M (30 June 2016: A\$81M)**
- **A\$15M of debt repaid in October 2016 via cash sweep mechanism**

* - Full cash costs – see definition in Disclaimer

Atlas: FY2017 Guidance – on track



	Full Year Guidance	September 2016 Quarter**
Ore tonnes shipped (WMT)	14M – 15M	4.1M
C1 cash costs (A\$/WMT FOB)	\$34 - \$36	\$34
Full cash cost* (A\$/WMT CFR China)	\$48 - \$52	\$50
Sustaining Capital (A\$)	\$4M - \$6M	\$0.9M
Development Capital (A\$)	\$8M - \$10M	\$1.3M
Cash Interest paid (A\$)	\$9M - \$11M	\$2.7M
Depreciation & Amortisation (A\$/WMT)	\$4 - \$6	\$5
Breakdown of the 14Mt to 15Mt of product expected to be shipped in FY2017	Full Year Guidance	September 2016 Quarter**
Atlas fines (WMT)	9M – 10M	2.3M
Atlas lump (WMT)	4M – 5M	1.4M
Value fines (WMT)	~1M	0.4M

* - Full cash costs – see definition in Disclaimer

** - See Atlas' September 2016 Quarterly Report released on ASX for full details

Atlas: Sustaining Production Capacity



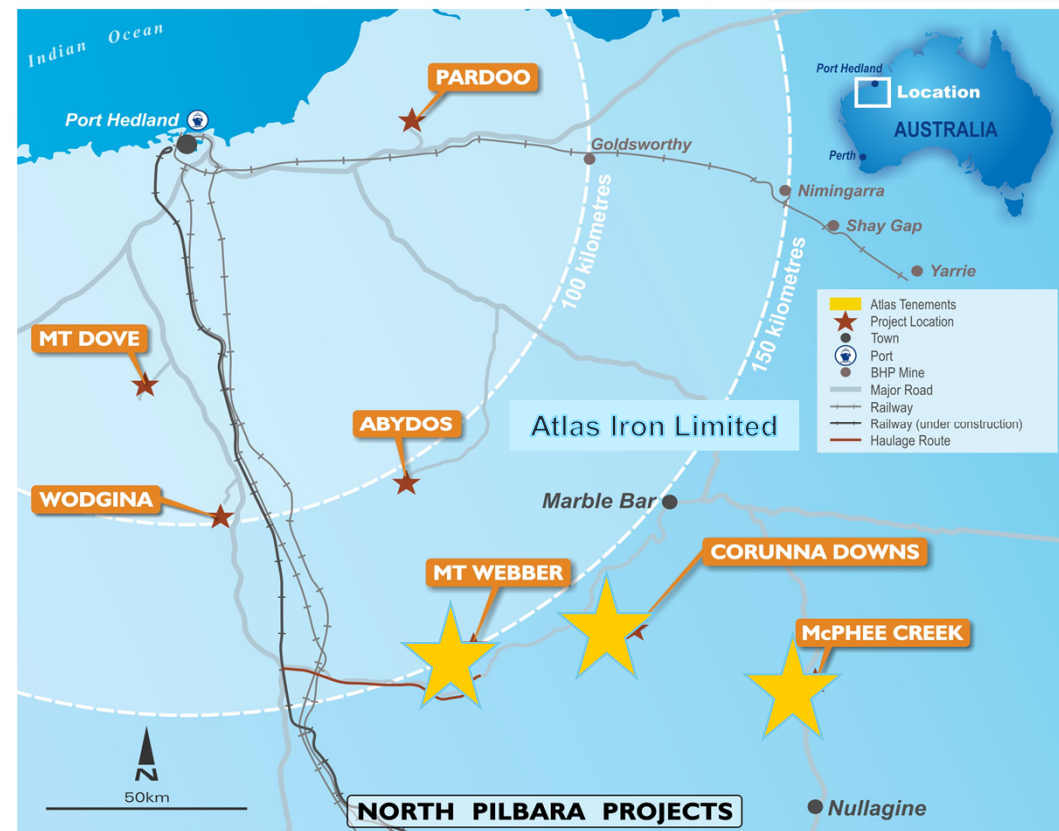
- **Mt Webber Expansion**
- **Corunna Downs project**
- **McPhee Creek project**

* - Full cash costs – see definition in Disclaimer

Sustaining Production Capacity - Three North Pilbara initiatives



1. Mt Webber Expansion to 7.8 to 8Mtpa
 2. Corunna Downs project ~4Mtpa
 3. McPhee Creek project 4 to 6 Mtpa
- Corunna Downs and McPhee Creek within economic trucking distance of port
 - Targeting;
 - Mt Webber 7Mtpa – Nov 2016
 - Mt Webber 7.8Mtpa – September 2017 Quarter
 - Corunna Downs project by March 2018 Quarter,
 - McPhee Creek DFS in CY2019

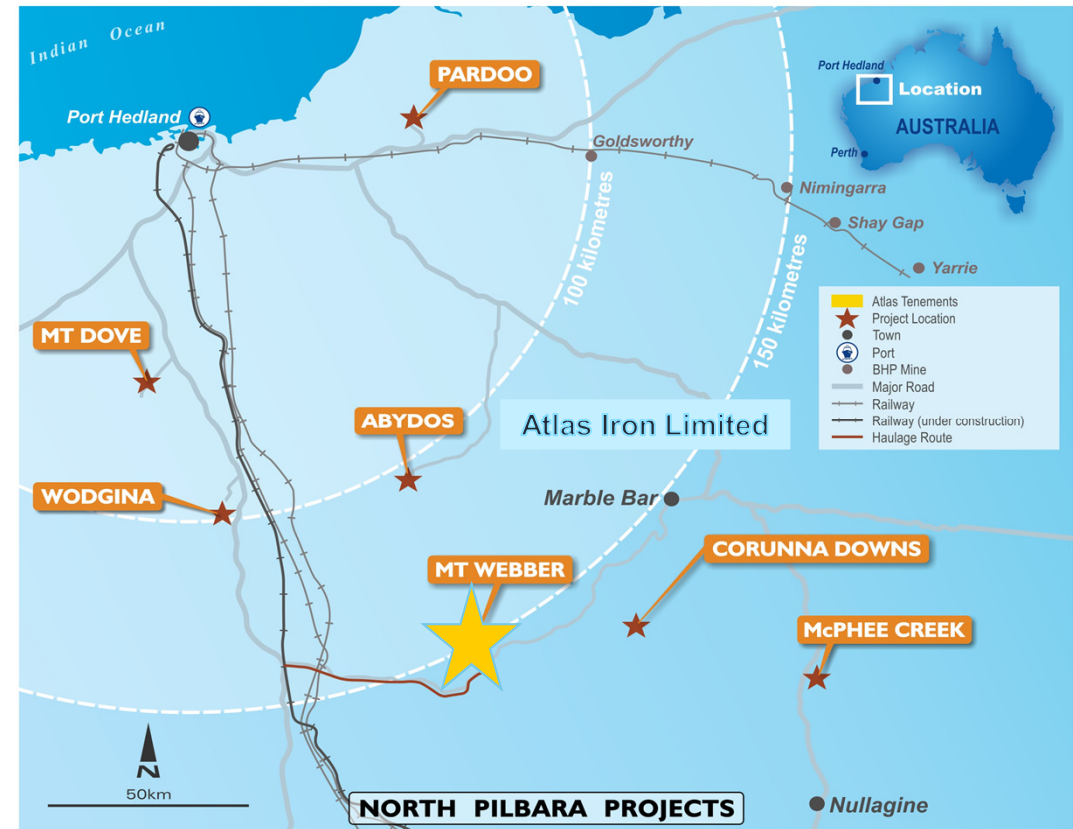


Sustaining Production Capacity

1. Mt Webber expansion



- FY2016 capacity circa 6Mtpa
- Expansion from 6Mtpa to 7Mtpa now completed
- Targeting expansion to 7.8Mtpa by September 2017 Quarter
- Little to no capex requirement for expansion



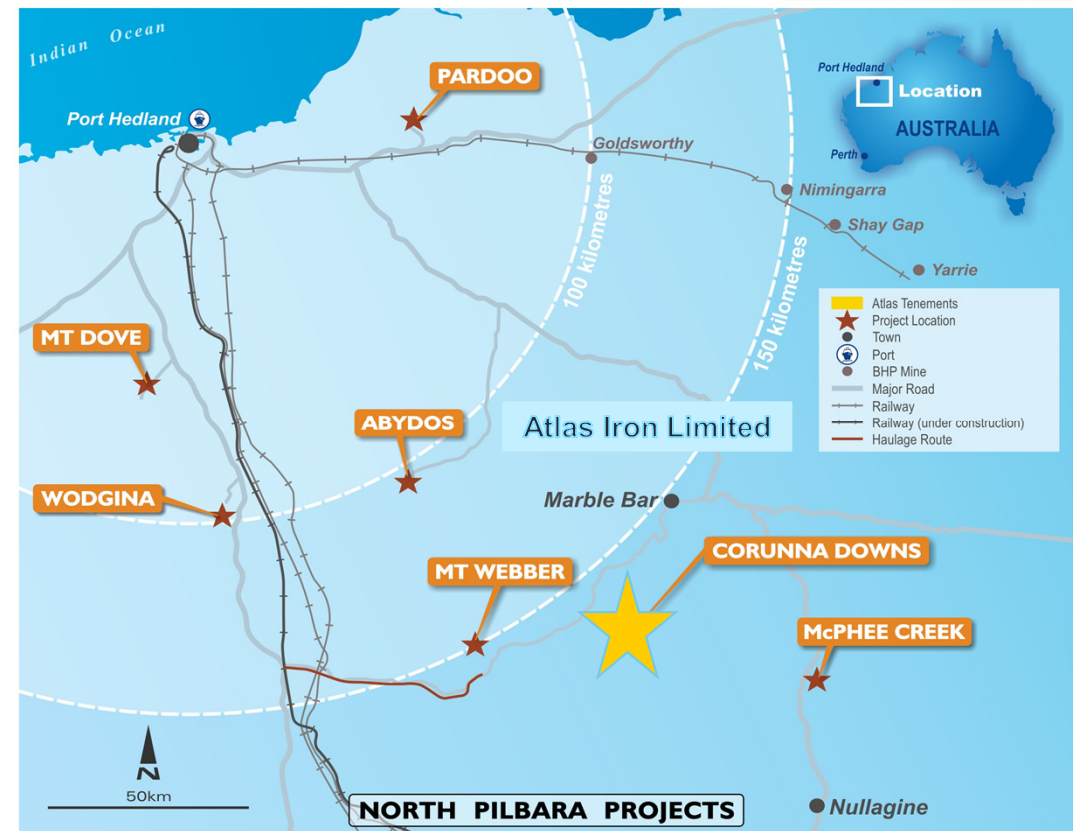
* - Refer to Mt Webber Ore Reserves and Mineral Resources at 30 June 2016 in ASX announcement dated 22 September 2016

Sustaining Production Capacity

2. Corunna Downs project



- DFS* expected to be completed in December 2016
- Board decision on development expected by March 2017 Quarter
- 65.4Mt @ 57.2% Fe Mineral Resource** and 21.1Mt @ 57.0% Fe Ore Reserves**
- 241km from Port - Road haulage
- All project tenure now granted
- Targeting;
 - Circa 4Mtpa,
 - 5 to 6 year mine life based on current Ore Reserves,
 - PFS: C1 cost of A\$37- 42/WMT ***
 - Low CAPEX total A\$40 to \$50M



* - means Definitive Feasibility Study

** - Refer to Corunna Downs Ore Reserves and Mineral Resources at 30 June 2016 in ASX announcement dated 22 September 2016

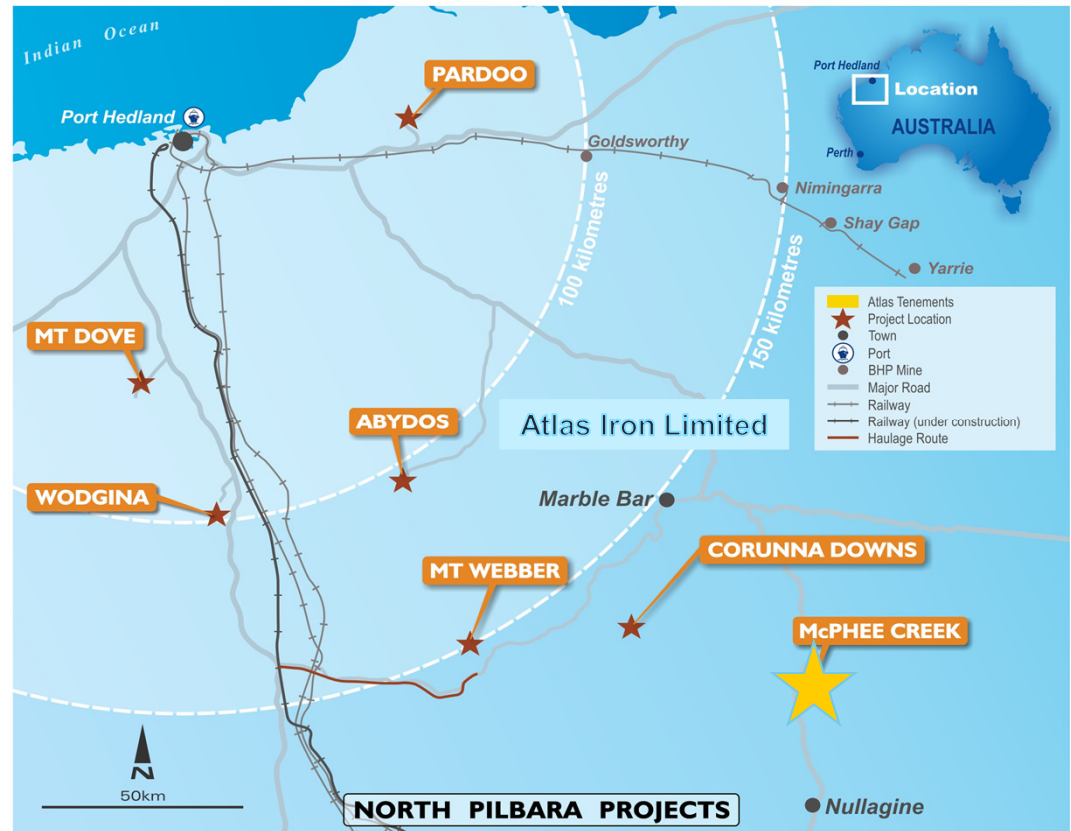
*** - See Corunna Downs PFS released to ASX on 23 December 2015

Future Production Capacity

3. McPhee Creek project



- Investigating a road haulage model similar to Corunna Downs route
- Cost/budget similar to Corunna Downs route plus extra road haulage
- ~270km from Port Hedland
- 246.9Mt@ 56.3%Fe Mineral Resource*
- Targeting
 - ~4 - 8Mtpa (expandable to ~8Mtpa)
 - >10yr mine life,
 - C1 costs target similar to Corunna
 - Targeting Low CAPEX (potential to expand to 8Mtpa paid from cash flow)



* Refer to McPhee Creek Mineral Resources at 30 June 2016 in ASX announcement dated 22 September 2016 which stated that "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."



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