

16 December 2016



Anjuli Sinniah
Adviser, Listings Compliance (Perth)
ASX Compliance Pty Limited
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000

By Email: anjuli.sinniah@asx.com.au

Dear Ms Sinniah

Atlas Iron Limited ("Atlas") - REPLY TO PRICE AND VOLUME QUERY

Atlas refers to ASX Compliance Pty Limited's ("ASX") letter dated 16 December 2016 on the above subject.

Atlas notes that at the time of replying to your letter there has been a change in the price of Atlas' shares from a close of 2.5 cents per share on 15 December 2016 to an intra-day high of 3.15 cents today, 16 December 2016 on volume of over 600 million Atlas shares.

Atlas responds separately to each of ASX's questions in the order asked as follows:

1. Is Atlas aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
No
2. If the answer to question 1 is "yes":
Not applicable
3. If the answer to question 1 is "no", is there any other explanation that Atlas may have for the recent trading in its securities?
Atlas is aware that the iron ore price has improved slightly overnight. This has the potential to improve Atlas' margins on the iron ore product it exports from Port Hedland in Western Australia.
Atlas flagged in its Annual General Meeting presentation (released to ASX on 21 November 2016) that it expects to complete its Corunna Downs DFS by the end of the December 2016 and release an ASX announcement on this.
4. Please confirm that Atlas is in compliance with the Listing Rules and, in particular, ASX Listing Rule 3.1.
Atlas confirms it is in compliance with the ASX Listing Rules and, in particular, ASX Listing Rule 3.1.
5. Please confirm that the Company's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Company with delegated authority from the board to respond to ASX on disclosure matters.

I confirm that Atlas' responses to ASX's questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Company with delegated authority from the board to respond to ASX on disclosure matters.

Should you have any questions on this letter, please contact Atlas Company Secretary and Director, Tony Walsh on (08) 6228 8000.

Yours sincerely

Tony Walsh
Company Secretary and Director

Atlas Iron Limited

ABN 63 110 396 168

Raine Square, Level 18
300 Murray Street Perth WA 6000

PO Box 7071
Cloisters Square Perth WA 6850

T/ +61 (0) 8 6228 8000
F/ +61 (0) 8 6228 8999

E/ atlas@atlasiron.com.au
W/ atlasiron.com.au



16 December 2016

Mr Tony Walsh
Company Secretary
Level 18, Raine Square,
300 Murray Street
PERTH WA 6000

By email: tony.walsh@atlasiron.com.au

Dear Mr Walsh

ATLAS IRON LIMITED ("AGO"): PRICE AND VOLUME QUERY

We note the change in the price of AGO's securities from a close of \$0.025 on 15 December 2016 to an intraday high of \$0.0315 at the time of writing today Friday 16 December 2016.

We also note the significant increase in the volume of AGO's securities traded today.

In light of this, ASX asks AGO to respond separately to each of the following questions and requests for information:

1. Is AGO aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is "yes":
 - a) Is AGO relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Please note that the recent trading in AGO's securities would suggest to ASX that such information may have ceased to be confidential and therefore AGO may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
 - b) Can an announcement be made immediately?

Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
 - c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is "no", is there any other explanation that AGO may have for the recent trading in its securities?
4. Please confirm that AGO is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

5. Please confirm that AGO's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of AGO with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than **11.30 am WST on Friday 16 December 2016**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in AGO's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, AGO's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at anjuli.sinniah@asx.com.au and tradinghaltspert@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to AGO's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that AGO's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in AGO's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Anjuli Sinniah

Adviser, Listings Compliance (Perth)