

Form 604
Corporations Act 2001
Section 671B

Notice of change of interests of substantial holder

To Company Name/Scheme Atlas Iron Limited (Atlas)

ACN/ARSN 110 396 168

1. Details of substantial holder (1)

Name Legg Mason, Inc (Legg Mason), Western Asset Management Company (WAMCO) and the entities listed in Annexure A (Associates) (together the Substantial Holders).

ACN/ARSN (if applicable) Not applicable.

There was a change in the interests of the substantial holder on 20/04/2017
The previous notice was given to the company on 16/03/2017
The previous notice was dated 16/03/2017

2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

| Class of securities (4) | Previous notice | | Present notice | |
|-------------------------|-----------------|------------------|----------------|------------------|
| | Person's votes | Voting power (5) | Person's votes | Voting power (5) |
| Ordinary shares | 1,189,461,604 | 13.00% | 1,060,965,413 | 11.59% |

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

| Date of change | Person whose relevant interest changed | Nature of change (6) | Consideration given in relation to change (7) | Class and number of securities affected | Person's votes affected |
|----------------|--|-----------------------------|---|---|-------------------------|
| 19/04/2017 | WAMCO, Legg Mason and the Associates | Disposal of ordinary shares | \$0.015 per share | 68,496,191 ordinary shares | 68,496,191 |
| 19/04/2017 | John Hancock Fund II Floating Rate Income Fund | Disposal of ordinary shares | \$0.015 per share | 30,000,000 ordinary shares | 30,000,000 |
| 19/04/2017 | Western Asset Corporate Loan Fund Inc. | Disposal of ordinary shares | \$0.015 per share | 7,126,499 ordinary shares | 7,126,499 |
| 19/04/2017 | Western Asset US Bank Loan (Multi-Currency) Fund | Disposal of ordinary shares | \$0.015 per share | 5,237,720 ordinary shares | 5,237,720 |
| 19/04/2017 | Mountain Hawk I CLO, Ltd | Disposal of ordinary shares | \$0.015 per share | 20,131,972 ordinary shares | 20,131,972 |

| | | | | | |
|------------|--|-----------------------------|-------------------|----------------------------|------------|
| 19/04/2017 | Mountain Hawk III CLO, Ltd | Disposal of ordinary shares | \$0.015 per share | 6,000,000 ordinary shares | 6,000,000 |
| 20/04/2017 | WAMCO, Legg Mason and the Associates | Disposal of ordinary shares | \$0.015 per share | 60,000,000 ordinary shares | 60,000,000 |
| 20/04/2017 | John Hancock Fund II Floating Rate Income Fund | Disposal of ordinary shares | \$0.015 per share | 15,357,335 ordinary shares | 15,357,335 |
| 20/04/2017 | Western Asset Corporate Loan Fund Inc. | Disposal of ordinary shares | \$0.015 per share | 1,950,244 ordinary shares | 1,950,244 |
| 20/04/2017 | Western Asset US Bank Loan (Multi-Currency) Fund | Disposal of ordinary shares | \$0.015 per share | 3,441,824 ordinary shares | 3,441,824 |
| 20/04/2017 | Mountain Hawk I CLO, Ltd | Disposal of ordinary shares | \$0.015 per share | 36,182,306 ordinary shares | 36,182,306 |
| 20/04/2017 | Mountain Hawk III CLO, Ltd | Disposal of ordinary shares | \$0.015 per share | 3,068,291 ordinary shares | 3,068,291 |

4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

| Holder of relevant interest | Registered holder of securities | Person entitled to be registered as holder (8) | Nature of relevant interest (6) | Class and number of securities | Person's votes |
|-----------------------------|---------------------------------|--|---|--------------------------------|-----------------|
| WAMCO and Legg Mason | The Managed Entities | The Managed Entities | Relevant interest under sections 608(1)(a), (b) and (c) of the <i>Corporations Act 2001</i> (Cth) (Corporations Act) in the ordinary shares held by or on behalf of the funds listed in Annexure B of this form (Managed Entities). | 1,060,965,413 ordinary shares | 1,060,965,413 |
| The Managed Entities | See Annexure B | See Annexure B. | Relevant interest under sections 608(1)(a), (b) and (c) of the <i>Corporations Act</i> . | See Annexure B. | See Annexure B. |

5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

| Name and ACN/ARSN (if applicable) | Nature of association |
|---|---------------------------|
| The current list of Substantial Holders, being Legg Mason and its controlled entities, set out in Annexure A. | No change in association. |

6. Addresses

The addresses of persons named in this form are as follows:

| Name | Address |
|------------------|--|
| WAMCO | 385 East Colorado Blvd, Pasadena, CA 91101 |
| Legg Mason | c/o Legg Mason, 100 International Drive, Baltimore, MD 21202 |
| Managed Entities | c/o Western Asset Management Company, 385 East Colorado Blvd, Pasadena, CA 91101 |
| Associates | c/o Legg Mason, 100 International Drive, Baltimore, MD 21202 |

Signature

Western Asset Management Company

Adam Wright
 Manager, U.S. Legal Affairs
capacity

print name

ADAM WRIGHT

sign here

Adam Wright

date 21/04/2017

Annexure "A"

This is Annexure "A" referred to in the Form 604 "Notice of change of interests of substantial holder"

| Name of Undertaking | Nature of Close Link |
|---|----------------------------------|
| Legg Mason, Inc. | Parent Undertaking |
| Legg Mason & Co., LLC | Subsidiary of Parent Undertaking |
| Legg Mason Asset Management Australia Limited | Subsidiary of Parent Undertaking |
| Legg Mason Asset Management Hong Kong Limited | Subsidiary of Parent Undertaking |
| Legg Mason Asset Management (Japan) Co., Ltd. | Subsidiary of Parent Undertaking |
| Legg Mason Asset Management Singapore Pte. Limited | Subsidiary of Parent Undertaking |
| Legg Mason Charitable Foundation, Inc. | Subsidiary of Parent Undertaking |
| Legg Mason International Equities Limited | Subsidiary of Parent Undertaking |
| Legg Mason Investment Funds Limited | Subsidiary of Parent Undertaking |
| Legg Mason Investments (Europe) Limited | Subsidiary of Parent Undertaking |
| Legg Mason Investments (Ireland) Limited | Subsidiary of Parent Undertaking |
| Legg Mason Investments (Taiwan) Limited | Subsidiary of Parent Undertaking |
| Legg Mason Investments (Switzerland) GmbH | Subsidiary of Parent Undertaking |
| Legg Mason Holding (Switzerland) GmbH | Subsidiary of Parent Undertaking |
| Legg Mason Political Action Committee ("PAC") | Subsidiary of Parent Undertaking |
| Brandywine (UK) Holdings Limited | |
| The Baltimore Company | Subsidiary of Parent Undertaking |
| Legg Mason & Co (UK) Limited | Subsidiary of Parent Undertaking |
| Legg Mason Canada Holdings Ltd | Subsidiary of Parent Undertaking |
| Legg Mason Commercial Real Estate Services, Inc. | Subsidiary of Parent Undertaking |
| Legg Mason Funding Ltd | Subsidiary of Parent Undertaking |
| Legg Mason Global Holdings Ltd | Subsidiary of Parent Undertaking |
| Legg Mason Holdings, LLC | Subsidiary of Parent Undertaking |
| Legg Mason International Holdings, LLC | Subsidiary of Parent Undertaking |
| Legg Mason International Holdings (Cayman) Limited | Subsidiary of Parent Undertaking |
| Legg Mason (Chile) Inversiones Holding Limitada | Subsidiary of Parent Undertaking |
| Legg Mason Investments Holdings Limited | Subsidiary of Parent Undertaking |
| Legg Mason Investments Nominees Limited | Subsidiary of Parent Undertaking |
| Legg Mason Real Estate Securities Advisors, Inc. | Subsidiary of Parent Undertaking |
| Legg Mason Realty Group, Inc. | Subsidiary of Parent Undertaking |
| Legg Mason Realty Partners, Inc. | Subsidiary of Parent Undertaking |
| Legg Mason Tower, Inc. | Subsidiary of Parent Undertaking |
| LM BAM, Inc. | Subsidiary of Parent Undertaking |
| LM (BV) Limited | Subsidiary of Parent Undertaking |
| LM Capital Support V, LLC | Subsidiary of Parent Undertaking |
| LM Holdings Limited | Subsidiary of Parent Undertaking |
| LM Holdings 2 Limited | Subsidiary of Parent Undertaking |
| LM International Holding LP | Subsidiary of Parent Undertaking |
| LM Tower, LLC | Subsidiary of Parent Undertaking |
| LMI Nominees Limited | Subsidiary of Parent Undertaking |
| Nova Scotia Company | Subsidiary of Parent Undertaking |
| Barrett Associates, Inc. | |
| Brandywine Global Investment Management, LLC | Subsidiary of Parent Undertaking |
| Brandywine Global Investment Management (Canada), ULC | Subsidiary of Parent Undertaking |
| Brandywine Global Investment Management (Europe) Limited | Subsidiary of Parent Undertaking |
| Brandywine Global Investment Management (Asia) Pte. Limited | Subsidiary of Parent Undertaking |
| ClearBridge, LLC | Subsidiary of Parent Undertaking |
| ClearBridge Investments, LLC | Subsidiary of Parent Undertaking |
| ClearBridge Management Holdings LLC | Subsidiary of Parent Undertaking |
| Clarion Partners Holdings LLC | Subsidiary of Parent Undertaking |
| CP Intermediate Holdco, Inc. | Subsidiary of Parent Undertaking |
| Clarion Partners, LLC | Subsidiary of Parent Undertaking |
| Clarion Partners Europe, Ltd. | Subsidiary of Parent Undertaking |
| Clarion REIM South America Holdings, LLC | Subsidiary of Parent Undertaking |
| Clarion REIM South America Inverimentos Imobiliarios LTDA | Subsidiary of Parent Undertaking |
| LM/Clarion I, LLC | Subsidiary of Parent Undertaking |
| LM/Clarion II, LLC | Subsidiary of Parent Undertaking |
| Legg Mason ClearBridge Holdings LLC | Subsidiary of Parent Undertaking |
| Legg Mason Fund Asset Management, Inc. | Subsidiary of Parent Undertaking |
| Legg Mason Investor Services, LLC | Subsidiary of Parent Undertaking |
| Legg Mason Partners Fund Advisor, LLC | Subsidiary of Parent Undertaking |
| Legg Mason Private Portfolio Group, LLC | Subsidiary of Parent Undertaking |
| LM Pelican Holdings, L.P. | Subsidiary of Parent Undertaking |
| LMM, LLC | Subsidiary of Parent Undertaking |
| LMOBC, Inc. | Subsidiary of Parent Undertaking |
| LMP Select, LLC | Subsidiary of Parent Undertaking |

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|--|----------------------------------|
| Martin Currie Investment Management Limited | Subsidiary of Parent Undertaking |
| Martin Currie Fund Management Limited | Subsidiary of Parent Undertaking |
| Martin Currie Asia PTE Limited | Subsidiary of Parent Undertaking |
| Martin Currie Inc. | Subsidiary of Parent Undertaking |
| Permal Group Ltd | Subsidiary of Parent Undertaking |
| Permal Group LLC | Subsidiary of Parent Undertaking |
| Permal Group Holdings LLC | Subsidiary of Parent Undertaking |
| Permal Capital Holdings LLC | Subsidiary of Parent Undertaking |
| Glouston Capital Partners | Subsidiary of Parent Undertaking |
| Permal UK Limited | Subsidiary of Parent Undertaking |
| Permal Cayman International LP | Subsidiary of Parent Undertaking |
| Permal MEP Cayman LP | Subsidiary of Parent Undertaking |
| EnTrustPermal Group Holdings LLC | Subsidiary of Parent Undertaking |
| EnTrustPermal LLC | Subsidiary of Parent Undertaking |
| QS Batterymarch Financial Management, Inc. | Subsidiary of Parent Undertaking |
| QS Investors Fund Management, LLC | Subsidiary of Parent Undertaking |
| QS Investors Holdings, LLC | Subsidiary of Parent Undertaking |
| QS Investors, LLC | Subsidiary of Parent Undertaking |
| RARE Infrastructure Limited | Subsidiary of Parent Undertaking |
| RARE Infrastructure Finance Pty Limited | Subsidiary of Parent Undertaking |
| RARE Infrastructure (Sovereign Enterprise No. 1) Pty Limited | Subsidiary of Parent Undertaking |
| RARE Infrastructure (Europe) Pty Limited | Subsidiary of Parent Undertaking |
| RARE Infrastructure (North America) Pty Limited | Subsidiary of Parent Undertaking |
| RARE Holdings Pty Limited | Subsidiary of Parent Undertaking |
| RARE Infrastructure (UK) Limited | Subsidiary of Parent Undertaking |
| RARE Infrastructure USA, Inc. | Subsidiary of Parent Undertaking |
| Treasury RARE Holdings Pty Limited | Subsidiary of Parent Undertaking |
| RARE IP Trust | Subsidiary of Parent Undertaking |
| Legg Mason Australia Holdings Pty Limited | Subsidiary of Parent Undertaking |
| Legg Mason Royce Holdings, LLC | Subsidiary of Parent Undertaking |
| Royce & Associates, LP | Subsidiary of Parent Undertaking |
| Royce & Associates GP, LLC | Subsidiary of Parent Undertaking |
| Royce Fund Services, Inc. | Subsidiary of Parent Undertaking |
| Royce Management Company, LLC | Subsidiary of Parent Undertaking |
| Western Asset Management Company | Subsidiary of Parent Undertaking |
| Western Asset Management Company Ltd- Japan | Subsidiary of Parent Undertaking |
| Western Asset Management Company Limited- UK | Subsidiary of Parent Undertaking |
| Western Asset Management Company Pty Ltd- Australia | Subsidiary of Parent Undertaking |
| Western Asset Management Company Distribuidora de Titulos E Valores Mobiliarios Limitada | Subsidiary of Parent Undertaking |
| Western Asset Management Company Pte. Ltd.- Singapore | Subsidiary of Parent Undertaking |
| Batterymarch Asia GP, LTD | Subsidiary of Parent Undertaking |
| BGIM Capital Management, LLC | Subsidiary of Parent Undertaking |
| BMML, Inc. | Subsidiary of Parent Undertaking |
| Gray Seifert & Company, LLC | Subsidiary of Parent Undertaking |
| LM Asset Services, LLC | Subsidiary of Parent Undertaking |
| Martin Currie (Holdings) Limited | Subsidiary of Parent Undertaking |
| Martin Currie Limited | Subsidiary of Parent Undertaking |
| Martin Currie (Bermuda) Limited | Subsidiary of Parent Undertaking |
| China Healthcare GP Limited | Subsidiary of Parent Undertaking |
| China Development Capital GP Limited | Subsidiary of Parent Undertaking |
| Martin Currie Absolute Return Fund GP Limited | Subsidiary of Parent Undertaking |
| Moorgate Investment Management Limited (Dormant) | Subsidiary of Parent Undertaking |
| Martin Currie Trustees Limited (Dormant) | Subsidiary of Parent Undertaking |
| Pelican Holdings I, LLC | Subsidiary of Parent Undertaking |
| Pelican Holdings II, LLC | Subsidiary of Parent Undertaking |
| Permal Group Holdings Ltd. | Subsidiary of Parent Undertaking |
| LM Cayco Ltd | Subsidiary of Parent Undertaking |
| Permal (Hong Kong) Ltd. | Subsidiary of Parent Undertaking |
| Permal Pte. Ltd. | Subsidiary of Parent Undertaking |
| Permal (Isle of Man) Ltd. | Subsidiary of Parent Undertaking |
| Permal Business Consulting (Shanghai) Ltd. | Subsidiary of Parent Undertaking |
| Permal Business Consulting (Beijing) Co., Ltd. | Subsidiary of Parent Undertaking |
| The St. James Bank & Trust Co. Ltd. | Subsidiary of Parent Undertaking |
| SJBTC Ltd. | Subsidiary of Parent Undertaking |
| W & P Fund Services Ltd. | Subsidiary of Parent Undertaking |
| Saintco Ltd. | Subsidiary of Parent Undertaking |
| EnTrustPermal Group LLC | Subsidiary of Parent Undertaking |
| Permal Asset Management LLC | Subsidiary of Parent Undertaking |
| Permal GP, LLC | Subsidiary of Parent Undertaking |
| Precidian Investments, LLC | Subsidiary of Parent Undertaking |
| Western Asset Holdings (Australia) Pty Ltd. | Subsidiary of Parent Undertaking |
| Western Asset Management (Cayman) Holdings Limited | Subsidiary of Parent Undertaking |
| Western Asset Management (UK) Holdings Limited | Subsidiary of Parent Undertaking |
| Western Asset Management (Brazil) Holdings Limitada | Subsidiary of Parent Undertaking |
| EnTrustPermal Partners Holdings LLC | Subsidiary of Parent Undertaking |
| EnTrustPermal Partners LLC | Subsidiary of Parent Undertaking |
| EnTrust Permal FOF Management GP LLC | Subsidiary of Parent Undertaking |

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| EnTrust Capital Management LP | Subsidiary of Parent Undertaking |
| EnTrust Securities LLC | Subsidiary of Parent Undertaking |
| EnTrust Partners Offshore LLC | Subsidiary of Parent Undertaking |
| EnTrust Partners Offshore LP | Subsidiary of Parent Undertaking |
| EnTrust Focus Partners LP | Subsidiary of Parent Undertaking |
| EnTrust Investment Management Pte. Ltd. | Subsidiary of Parent Undertaking |
| EnTrust Capital (UK) LLP | Subsidiary of Parent Undertaking |
| EnTrust Middle East Ltd. | Subsidiary of Parent Undertaking |
| EnTrustPermal Group SAS | Subsidiary of Parent Undertaking |

Signature

Western Asset Management Company

Adam Wright
 Manager, U.S. Legal Affairs

print name
 sign here

ADAM WRIGHT
AW

capacity
 date

21/04/2017

Annexure "B"

This is Annexure "B" referred to in the Form 604 "Notice of change of interests of substantial holder"

| Holder of relevant interest | Registered holder of securities | Person entitled to be registered as holder (8) | Class and number of securities |
|-----------------------------|---|---|--------------------------------|
| WAMCO and Legg Mason | 1199 SEIU Health Care Employees Pension Fund | 1199 SEIU Health Care Employees Pension Fund | 11,440,776 ordinary shares |
| WAMCO and Legg Mason | California State Teachers' Retirement System | California State Teachers' Retirement System | 16,932,349 ordinary shares |
| WAMCO and Legg Mason | Employees' Retirement System of the State of Rhode Island | Employees' Retirement System of the State of Rhode Island | 28,244,096 ordinary shares |
| WAMCO and Legg Mason | John Hancock Fund II Floating Rate Income Fund | John Hancock Fund II Floating Rate Income Fund | 402,233,461 ordinary shares |
| WAMCO and Legg Mason | Mountain Hawk I CLO, Ltd | Mountain Hawk I CLO, LTD | 96,804,608 ordinary shares |
| WAMCO and Legg Mason | Mountain Hawk II CLO, Ltd | Mountain Hawk II CLO, LTD | 79,527,908 ordinary shares |
| WAMCO and Legg Mason | Mountain Hawk III CLO, Ltd | Mountain Hawk III CLO, LTD | 114,804,912 ordinary shares |
| WAMCO and Legg Mason | MultiMix Wholesale Diversified Fixed Interest Trust | MultiMix Wholesale Diversified Fixed Interest Trust | 6,750,058 ordinary shares |
| WAMCO and Legg Mason | Western Asset Corporate Loan Fund Inc. | Western Asset Corporate Loan Fund Inc. | 36,314,396 ordinary shares |
| WAMCO and Legg Mason | Western Asset Floating Rate High Income Fund, LLC | Western Asset Floating Rate High Income Fund, LLC | 242,642,533 ordinary shares |
| WAMCO and Legg Mason | Western Asset US Bank Loan (Multi-Currency) Fund | Western Asset US Bank Loan (Multi-Currency) Fund | 25,270,316 ordinary shares |

Signature

Western Asset Management Company

Adam Wright
Manager, U.S. Legal Affairs

print name
 sign here

ADAM WRIGHT
AWright

capacity
 date

21/04/2017