



Atlas increases low capex production and defers Corunna Downs

Key Points:

- **Mt Webber production rate increased from 7mtpa to 9mtpa (wmt)**
- **Production increase achieved for low capex of \$1 million**
- **Corunna Downs development deferred**
- **Atlas' FY18 production guidance remains at 9-10mt (wmt)**

Atlas Iron Limited (ASX: AGO) is pleased to announce that the annual production rate at its Mt Webber project will increase from 7mtpa to 9mtpa (wmt) with the incremental production being processed at the Company's recommissioned Mt Dove site. Recommissioning the Mt Dove crushing plant and modifying the Mt Webber stockyards to facilitate transport of "run of mine" ore has been completed at a capital cost of \$1 million.

Corunna Downs has been deferred primarily due to prevailing market conditions and also approval processes taking longer than expected. The deferral will allow the Company to further de-risk Corunna Downs in anticipation of improved market conditions. The Mt Webber upgrade is a low-cost option for the Company that retains productive capacity without major capital expenditure.

Atlas Managing Director Cliff Lawrenson said the recommissioning of the Mt Dove plant and expanding Mt Webber's production would deliver a range of economic and production benefits.

"Utilising the Mt Dove crusher will enable Atlas to add 2mtpa of production at very low capital intensity in a short period of time," Mr Lawrenson said. "This enables us to achieve operating cost benefits and to maintain our 2017/18 production at levels that we would have expected prior to deferring Corunna Downs. Corunna Downs remains an important project for the Company to sustain its production base and we will proceed with its development when market conditions improve".

With mining at Abydos scheduled to end in October 2017 and the additional production at Mt Webber set to ramp up by August 2017, Atlas' production guidance for FY18 is 9-10mt (wmt).

Investor Enquiries:

Atlas Iron Limited

Company Secretary +61 8 6228 8000

Media Enquiries:

Read Corporate +61 8 9388 1474

Paul Armstrong +61 421 619 084

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