

24 April 2018



Atlas implements Unmarketable Parcel share sale facility

Key points

- **Significantly reduces the cost to Atlas of Scheme documentation**
- **Holders of Unmarketable Parcels can sell their shares without incurring brokerage**
- **Holders of Unmarketable Parcels can elect not to participate and retain their shares**

Atlas Iron Limited (ASX: AGO) advises that it has established an Unmarketable Parcel sale facility.

An "Unmarketable Parcel" is defined by the ASX Listing Rules as a shareholding with a market value of less than \$500. Atlas is providing the facility to enable holders of Unmarketable Parcels to sell their shares without incurring brokerage and handling costs which could otherwise make the sale uneconomic or impractical. Shareholders with Unmarketable Parcels are not obliged to sell their shares. However, they will need to opt out of the facility or their shares will be automatically sold for them.

As at market close on 20 April 2018, (**Record Date**), an Unmarketable Parcel of shares in the Company is any shareholding of 16,666 shares or less, based on the closing price of \$0.03 per share. This represents 66,495,481 ordinary shares in the Company, held by 16,944 shareholders (representing approximately 0.7% of total issued capital).

By facilitating the sale of Unmarketable Parcels, Atlas will significantly reduce the costs associated with maintaining a large number of small holdings. In particular, Atlas expects to reduce the substantial costs associated with printing and mailing documentation to shareholders, including in connection with the proposed Scheme (see ASX announcement dated 9 April 2018 for further information about the proposed Scheme). For example, for around 5,000 shareholdings of less than 1,000 Atlas shares, the cost of printing and mailing Scheme documentation will exceed the value of the shareholding.

Patersons Securities Limited has been appointed as the broker for shares sold under the facility. Sales proceeds will be forwarded to participating shareholders as soon as practicable following settlement. All associated costs and brokerage fees will be paid by Atlas, excluding any tax consequences, which will remain the shareholder's responsibility.

Atlas will complete the Unmarketable Parcel sale process before 30 June 2018.

KEY DATES

Unmarketable Parcels Record Date	20 April 2018
Letters sent to shareholders holding Unmarketable Parcels	24 April 2018
Unmarketable Parcels Announcement to ASX	24 April 2018
Closing Date for receipt of Notice of Retention form	5 June 2018

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A copy of the letter which will be sent to eligible shareholders is attached.

Shareholders with queries regarding the operation of the facility may contact Computershare on 1300 850 505.

Investor Enquiries:

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Media Enquiries:

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24 April 2018

Dear Shareholder,

Unmarketable Parcels of Shares in Atlas Iron Limited

Atlas is implementing an Unmarketable Parcel Sale Facility. The ASX Listing Rules define an “Unmarketable Parcel” of shares as one with a market value of less than \$500.

The Unmarketable Parcel Sale Facility will apply to parcels of shares in the Company with a market value of less than \$500 as at close of trade on 20 April 2018 (**Record Date**). Shareholders with an Unmarketable Parcel are not obliged to sell their shares. However, those who wish to retain an Unmarketable Parcel will need to opt out of the Facility otherwise the parcel will be sold and the relevant proceeds sent to them (see details below).

Shareholders whose shares are sold under the Facility, which is offered in accordance with the ASX Listing Rules and the Company’s Constitution, will not have to act through a broker or pay brokerage or handling fees. The Company will pay all costs associated with the sale and transfer (excluding any tax, which will be the Shareholder’s responsibility).

By facilitating the sale of Unmarketable Parcels, Atlas will significantly reduce the administrative costs associated with maintaining a large number of small holdings. In particular, Atlas expects to reduce the substantial costs associated with printing and mailing documentation to shareholders, including in connection with the proposed Scheme (see ASX announcement dated 9 April 2018 for further information about the proposed Scheme).

However, if on the Closing Date the value of your shares has increased such that you no longer hold an Unmarketable Parcel (eg due to an increase in the Company’s share price or the number of shares you hold), your shares will NOT be sold.

Key Dates

EVENT	DATE
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Please also note that the Company will not sell your shares in the event that a third party announces a takeover offer for the Company. In accordance with its continuous disclosure obligations, the Company may release information to the ASX which may affect your decision as to whether you wish to sell or retain your shares. If such information is released, it will be published on the ASX website (www.asx.com.au, ASX code:AGO) and on the Company's website (www.atlasiron.com.au).

WHAT DO I NEED TO DO?

As a holder of an Unmarketable Parcel, your options are described below:

1. Sell your Unmarketable Parcel

If you wish to sell your shares through the Facility, you do NOT need to take any action. By refraining from taking any action, you will be deemed to have irrevocably appointed the Company as your agent:

- (a) to sell all of your shares at a price to be determined by when and how the shares are sold, without any costs being incurred by you; and
- (b) to deal with the proceeds of the sale as set out in this letter.

If you have more than one holding on the Company's share register, you may wish to consider contacting the share registry to amalgamate your holdings. This may result in your holding no longer being classified as an Unmarketable Parcel.

The Company has appointed Patersons Securities Limited to sell the unmarketable parcels. Payment will be forwarded to you as soon as practicable, following settlement of the sale.

Please note that the Company will not sell your shares in the event a third party announces a takeover offer of the Company.

2. Retain your Unmarketable Parcel

If you do not wish to sell your Unmarketable Parcel, you must opt out of the Facility by completing and returning the enclosed Notice of Retention form to the address on the form so that it is received before the Closing Date.

If our share registry has not received your Notice of Retention form by the Closing Date, your shareholding will be sold under the Facility.

I have enclosed an Information Sheet about the Unmarketable Parcel Sale Facility. However, the Company does not provide any recommendation or advice on whether you should sell or retain your shares. If you are unsure, you should seek independent financial, legal or taxation advice prior to making a decision as to whether you wish to participate in the Facility.

Yours sincerely



Bronwyn Kerr
Company Secretary

INFORMATION SHEET - UNMARKETABLE PARCEL SALE FACILITY

1. What is an Unmarketable Parcel?

An Unmarketable Parcel is a holding of shares in Atlas Iron Limited (**Company**) valued at less than \$500. Based on the closing share price the Company's Shares as at the Record Date of 20 April 2018, this is equivalent to a holding of 16,666 shares or less.

2. What was the closing price at the Record Date?

The closing price of a share in the Company at the Record Date was \$0.03 per share.

3. Why is the Facility being offered?

The Company is providing the Facility to enable you to sell your Unmarketable Parcel without incurring brokerage or handling costs that could otherwise make a sale of your Unmarketable Parcel uneconomic or difficult. The Facility will assist the Company to reduce administrative costs associated with maintaining a number of relatively small holdings of shares. In the context of the proposed Scheme specifically, the Company expects that the Facility will reduce the substantial costs associated with the printing and mailing of Scheme documentation.

4. What do I need to do to sell my shares?

Nothing. Your Unmarketable Parcel will be sold through the Facility unless you return a Notice of Retention form by the Closing Date.

5. How will my shares be sold under the Facility?

Your shares will be sold by the appointed broker, Patersons Securities Limited, on the Australian Stock Exchange (ASX).

6. What price will I receive for shares sold through the Facility?

The shares will be sold at the market price of the Company's shares on the ASX (ASX code: AGO), at or around the Closing Date. If at the Closing Date the value of your shares have increased so that you no longer have an Unmarketable Parcel (eg due to an increase in the share price or in the number of shares you hold) your shares will NOT be sold.

You will not have control over the time at which your shares are sold, and the price you receive may differ from the price appearing in the media or quoted by the ASX on any day and may not be the best price on the day your shares are sold.

7. Do I need to pay anything if I participate in the Facility?

The Company will pay all costs and expenses arising in connection with the Facility. Any tax consequences from the sale will be your responsibility.

8. When will I receive the proceeds for the shares sold?

Payment will be forwarded to you following settlement of all shares sold under the Facility, or otherwise as soon as it is practicable. If your direct credit details or address require updating, you can amend your details online through Computershare's Investor Centre website at <http://www.computershare.com.au/investor>. Payment will be made in Australian Dollars.

INFORMATION SHEET - UNMARKETABLE PARCEL SALE FACILITY

9. What are the advantages and disadvantages of participating in the Facility?

Advantages include:

- receiving a cash payment from the sale of your Unmarketable Parcel;
- avoiding any brokerage or related selling expenses;
- utilising a cost effective way of disposing of an Unmarketable Parcel; and
- the sale price being determined by reference to market price.

Disadvantages include:

- no longer holding any shares in the Company (unless you subsequently buy more);
- possible capital gains tax being payable; and
- the price of the Company's shares may subsequently rise.

10. What if I do not wish to sell my Unmarketable Parcel?

If you do not wish to sell your Unmarketable Parcel, you **must** complete the Notice of Retention form and ensure that it is returned so that it is received by our share registry before **5 June 2018**. If our share registry has not received your Notice of Retention form by this date, your shareholding will be sold under the Facility.

11. If I buy more shares in the Company, will I retain my holding?

The Company will not sell your shares if you increase your holding to a marketable parcel, being a holding of shares with a market value of at least \$500.00 based on the ASX closing price of shares in the Company as at the Closing Date. Any additional shares acquired must be registered by the Closing Date, under the same name and address and with the same holder number (SRN or HIN) as set out in the accompanying Notice of Retention form.

12. What if I hold multiple Unmarketable Parcels of shares?

If you hold multiple Unmarketable Parcels of shares in the Company, you must complete and return a Notice of Retention form for each separate Unmarketable Parcel you wish to retain.

13. What if my holding of shares in the Company is a CHESS Holding?

If your shares remain in a CHESS Holding, the Company may move those shares to an Issued Sponsored Holding and the shares will then be sold under the Facility.

14. Where can I obtain further information?

If you have any queries regarding the practical operation of the Facility, please contact Computershare on 1300 850 505.

15. Important Notes

If you are in doubt about what to do, you should consult a financial, legal or taxation adviser. This Information Sheet does not constitute advice, nor is it a recommendation to sell, buy or hold shares in the Company.

The Company reserves its right to change any of the dates referred to in the accompanying letter, this Information Sheet or the Notice of Retention form by written notice to the ASX.

Before a sale is effected under the Facility, the Company may elect to suspend or terminate the Facility either generally, or in specific cases.