



## Response to Fortescue media release

Atlas Iron Limited (“Atlas”) (ASX: AGO) refers to the media release issued by Fortescue Metals Group Limited (ASX: FMG) on 27 June 2018.

*Fortescue Metals Group (Fortescue) notes the statement by Atlas Iron Limited (Atlas) on 14 June 2018 regarding notice received from the office of the Minister for Transport, Planning and Lands, which Atlas said implies that North West Infrastructure (NWI) does not have a priority right to develop the Stanley Point Berths 3 and 4 at South West Creek in the Port of Port Hedland.*

*At the time of that announcement, Atlas advised shareholders that it was considering its position with respect to this notice.*

*In common with other Atlas shareholders, Fortescue believes that further clarity is needed on the position of Atlas in relation to these assets and we continue to assess our strategic options regarding our shareholding in Atlas.*

Atlas refers to its announcement dated 14 June 2018 entitled “North West Infrastructure update”. Atlas issued the announcement in response to speculation by local and national media about rights held by NWI in respect of Stanley Point Berths 3 and 4 at South West Creek.

Atlas notes that it advised the market in its 2015 Prospectus that the berth allocation at South West Creek was not yet the subject of a firm lease agreement with the Pilbara Ports Authority, with progression of lease negotiations interrelated to demonstrating a product delivery solution. There was no specific deadline to concluding lease arrangements but there was a general requirement to demonstrate continued progress.

The independent valuation report released to the market at the time of Atlas’ 2016 Creditors’ Scheme attributed no value to Atlas’ interest in NWI in addition to noting that the Company’s balance sheet also attributed no value to Atlas’ interest in NWI.

On 13 June 2018, Atlas received a letter sent to NWI by the office of the Minister for Transport, Planning and Lands, which was date stamped 12 June 2018. The letter noted that the State Government’s policy decision remains that Stanley Point Berths 3 and 4 are set aside for junior miners. Further to that decision, the allocation of berth capacity remains the function of the Pilbara Ports Authority (PPA) as the responsible entity for the Port of Port Hedland, pursuant to the Port Authorities Act 1999. If there is a material change in the circumstances of NWI in the future, the Minister advised that NWI may make an application in accordance with PPA’s standard port development processes. Any application from NWI will be dealt with on its merits.

Atlas notes subsequent statements by the Minister in the Western Australian Legislative Assembly on 14 June 2018 that “exclusivity has been taken away” from NWI in respect of the development of Stanley Point Berths 3 and 4. The Minister declined to clarify the meaning of “junior miner” in parliament.

However, Atlas notes media comments attributed to the Western Australian Premier Mark McGowan indicate that the State Government has not ruled out a compromise on its “junior miner” policy if an iron ore major emerges as an owner of Atlas.

Atlas notes that in any event, the shareholders of NWI remain in aggregate the owners of the largest undeveloped Pilbara resources, other than existing major producers.

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