

29 June 2018



Interim activities update

Atlas Iron Limited ("Atlas") (ASX: AGO) provides an update on recent performance and ongoing initiatives.

Operations

In June 2017, Atlas announced a decision to increase production at its Mt Webber mine from 7 to 9 mtpa, with the incremental production to be processed at the Company's recommissioned Mt Dove site (see ASX announcement dated 21 June 2017).

Tonnes processed at Mt Dove have a higher C1 Cash Cost than tonnes processed at Mt Webber due to higher haulage and rehandling costs. In light of challenging market conditions, Atlas will suspend iron ore processing at Mt Dove and reduce its mining rate at Mt Webber to ~7 mtpa with effect from late July 2018.

These changes will not affect existing lithium DSO processing activities underway at Mt Dove.

Atlas is constantly monitoring market conditions and will seek to ramp up iron ore production with a short lead-time if economics permit. FY2018 guidance remains as previously announced (see ASX announcement dated 17 May 2018). Atlas expects to issue production and cost guidance for FY2019 in late August 2018.

Financial

Atlas refers to its recent financial update (see ASX announcement dated 17 May 2018). Subsequent to that Atlas recorded an average realised sale price of A\$60/wmt and Full Cash Costs of A\$61/wmt on volume of 0.8 million wmt for the month of May 2018.

Atlas advises that it transferred all funds held in reserve to cash at hand prior to the reserve account expiry date of 30 June 2018.

Earlier this month, the Company's information technology systems were disrupted by a security breach causing some data corruption. Work on data recovery is ongoing. These system issues have had no impact on production activities.

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