

REDSTONE CORPORATION PTY LTD

ACN 625 680 159

HPPL House
28-42 Ventnor Avenue
West Perth 6005
PO Locked Bag No 2
West Perth 6872
Western Australia

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28 September 2018

Company Announcements
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

BY FACSIMILE

Dear Madam/Sir

Off-market takeover bid by Redstone Corporation Pty Ltd for Atlas Iron Limited (ASX: AGO) – Notice of Variation of Offer – Increase in Offer Price and Automatic Extension of Offer Period

I refer to the off-market takeover bid by Hancock Prospecting Pty Ltd ACN 008 676 417, through its wholly-owned subsidiary, Redstone Corporation Pty Ltd ACN 625 680 159 (**Redstone**), for all of the ordinary shares in Atlas Iron Limited ACN 110 396 168 (**Atlas**) in which Redstone does not have a relevant interest (**Offer**).

I **attach** a notice varying the Offer under sections 624(2) and 650D of the *Corporations Act 2001* (Cth) (**Corporations Act**) by:

- increasing the Offer Price to \$0.046; and
- extending the period during which the Offer remains open for acceptance until 5:00pm (Perth time) on 12 October 2018,

(**Notice**).

In accordance with sections 650D(1)(b), 650D(1)(c)(i) and 650D(1)(c)(ii) of the Corporations Act (as modified by ASIC Class Order [CO 13/521]), the Notice:

- was lodged with the Australian Securities and Investments Commission (**ASIC**) today (ASIC takes no responsibility for the contents of the Notice);
- will be sent to Atlas; and
- will be sent to each person described in section 650D(1)(c)(ii) of the Corporations Act (as modified by ASIC Class Order [CO 13/521]).

Please contact me on (08) 9429 8222 if you have any queries.

Yours faithfully

Redstone Corporation Pty Ltd



Jabez Huang
Company Secretary

Att

REDSTONE CORPORATION PTY LTD

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28 September 2018

The Directors
Atlas Iron Limited
Raine Square
Level 17, 300 Murray Street
PERTH WA 6000
Attention: Ms Bronwyn Kerr, General Counsel and Company Secretary

Australian Securities and Investments Commission
GPO Box 9827
SYDNEY NSW 2001
Corporations.Lodgements@asic.gov.au

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20 Bridge Street
SYDNEY NSW 2000

Each person described in section 650D(1)(c)(ii) of the *Corporations Act 2001* (Cth) (**Corporations Act**) (as modified by ASIC Class Order [CO 13/521]) (**Atlas Shareholder**)

Dear Sirs/Mesdames

Off-market takeover bid by Redstone Corporation Pty Ltd for Atlas Iron Limited (ASX: AGO) – Notice of Variation of Offer – Increase in Offer Price and Automatic Extension of Offer Period

We refer to the replacement bidder's statement dated 29 June 2018 as varied on 3 August 2018, 17 August 2018, 31 August 2018, 13 September 2018, 21 September 2018 and 25 September 2018 (**Bidder's Statement**), which contains an offer by Hancock Prospecting Pty Ltd ACN 008 676 417 (**HPPL**), through its wholly-owned subsidiary, Redstone Corporation Pty Ltd ACN 625 680 159 (**Redstone**), for all of the ordinary shares in Atlas Iron Limited ACN 110 396 168 (**Atlas**) in which Redstone does not have a relevant interest (**Offer**).

1. NOTICE UNDER SECTION 650D OF THE CORPORATIONS ACT IMPROVEMENT IN OFFER PRICE

1.1 Variation of Offer Price

On 25 September 2018, Redstone announced that it would increase the Offer Price from \$0.042 per Atlas Share to \$0.046 per Atlas Share if Redstone's voting power in Atlas increased to not less than 87% before the close of the Offer.

Redstone's voting power in Atlas at the date of this Notice, so far as Redstone knows, is 88.25%.

As permitted by section 650B of the Corporations Act, and in accordance with section 650D of the Corporations Act, **BY THIS NOTICE** Redstone **VARIES** the Offer by increasing the Offer Price from \$0.042 per Atlas Share to \$0.046 per Atlas Share.

1.2 Maximum consideration payable

According to documents lodged by Atlas with ASX as at the date of this Notice, the total number of securities in Atlas is 9,618,972,064 Atlas Shares. As at the date of this Notice, Redstone's voting power in Atlas, as far as Redstone knows, is 88.25% (i.e. 8,488,889,790 Atlas Shares, of which 5,195,836,084 Atlas Shares have been acquired by Redstone pursuant to acceptances of the Offer).

As a result of the increase in the Offer Price outlined above, and assuming Redstone receives acceptances under the Offer for all of the remaining Atlas Shares in which Redstone or its associates do not already have a relevant interest at the date of this Notice, Redstone would be required to pay an additional \$4,520,329 for those remaining shares (being an additional \$0.004 per Atlas Share in respect of all the 1,130,082,274 Atlas Shares in which Redstone does not already have a relevant interest and that have not already been accepted under the Offer).

In addition, based on those Atlas Shareholders who have already accepted the Offer as at the date of this Notice, Redstone would be required to pay an additional \$20,783,344 to Atlas Shareholders who have already accepted the Offer (being an additional \$0.004 per Atlas Share in respect of the 5,195,836,084 Atlas Shares that have already been acquired by Redstone pursuant to acceptances of the Offer).

As such, the maximum additional consideration that would be payable by Redstone is \$25,303,673 in aggregate, exclusive of transaction costs.

1.3 Source of funds

Redstone's access to funding remains as described in section 2 of the Bidder's Statement.

To fund the maximum amount that Redstone could be required to pay under the Offer (including as a result of the increase in the Offer Price), HPPL will provide 100% of the funds required by Redstone by way of loan funds.

The loan funds to be provided by HPPL will be sourced from HPPL's existing cash reserves. At the date of this Notice, HPPL holds cash reserves of over \$3 billion, sufficient to fund the amounts required to pay the maximum amount that Redstone could be required to pay in relation to the Offer (as well as any additional amounts required by Redstone for an "Approved Purpose").

See section 2 of the Bidder's Statement for more information about Redstone's funding arrangements with HPPL.

1.4 Amendment to Bidder's Statement

The Bidder's Statement is amended by substituting "\$0.042" with "\$0.046" on the cover page, section 8.1(c) and in all other sections of the Bidder's Statement where the amount "\$0.042" appears.

**2. NOTICE UNDER SECTION 624(2) OF THE CORPORATIONS ACT
EXTENSION OF OFFER PERIOD**

2.1 Automatic extension

In accordance with section 624(2)(a) of the Corporations Act (as modified by ASIC Class Order [CO 13/521]), Redstone **GIVES NOTICE** that:

- (a) on 28 September 2018, Redstone varied the Offer by increasing the Offer Price from \$0.042 per Atlas Share to \$0.046 per Atlas Share; and
- (b) as a result of:
 - (i) the occurrence of the event referred to in paragraph (a) within the last seven days of the Offer Period; and
 - (ii) the operation of section 624(2)(a) of the Corporations Act (as modified by ASIC Class Order [CO 13/521]),

the Offer Period has been automatically extended so that it ends 14 days after the event referred to in paragraph (a). Accordingly, the Offer now remains open for acceptance until **5.00pm (Perth time) on 12 October 2018** (unless further extended).

2.2 Amendment to Bidder's Statement

As a result of the above, the Offer is varied by substituting the date "12 October 2018" for the date "2 October 2018" in section 8.2 of the Bidder's Statement and in all other sections of the Bidder's Statement where the date "2 October 2018" appears.

In accordance with section 624(2) of the Corporations Act (as modified by ASIC Class Order [CO 13/521]), a copy of this Notice will be sent to Atlas and each Atlas Shareholder.

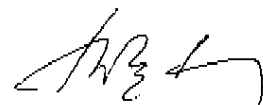
A copy of this Notice was lodged with ASIC on 28 September 2018. ASIC takes no responsibility for the contents of this Notice.

SIGNED on behalf of Redstone by Jay Newby and Tadeusz Watroba being two directors of Redstone who are authorised to so sign by a resolution passed at a meeting of the directors of Redstone.

Yours faithfully
Redstone Corporation Pty Ltd



Jay Newby
Director



Tadeusz Watroba
Director