



Chairman's Address to 2015 Annual General Meeting

28 October 2015

Good afternoon shareholders and welcome to the 2015 Annual General Meeting of Atlas Iron.

My name is Cheryl Edwardes and I am the Chairman of your Company.

As many of you are aware, my previous career was in politics. During this this time I held the portfolios of WA Attorney General and Minister for the Environment, among others.

As you can imagine, these portfolios are not for the faint-hearted! But the rough and tumble nature of these jobs and the determination required to stay the course despite choppy waters make them an ideal training ground for a role such as this.

Just as when one signs up to political life, I did not agree to become Chairman of Atlas because I thought it was going to be easy. Instead, just as when one takes on a ministerial position, I am here because I believe in the objectives and the strategy for achieving them. I believe in the Company and I believe in its people.

As shareholders, you hardly need reminding that it has been a tough year. The unprecedented fall in the iron ore price left Atlas in a perilous position. It forced the Company to do something that no mining company ever wants to do: we suspended operations.

It was undoubtedly a hard decision. But equally, it was the right one. We had to protect our financial position and we had to reposition the company in accordance with the markedly different environment in which we found ourselves.

That was the bad news. The good news is that we succeeded. We succeeded in raising \$87 million in arguably the worst iron ore market Australia has seen. We struck the innovative contractor collaboration agreements which linked some of our key contractors directly to our performance, boosting our financial position in the process. And we slashed costs across the board.

A combination of original thought and sheer hard work from all involved resulted in what must be one of the great corporate turnaround stories.

The results of this multi-pronged strategy were demonstrated in Atlas' September Quarterly report released last week. The report showed Atlas is back up and running. Production has returned to our full rate of 14-15 million tonnes a year. We are cashflow positive and we have more than \$100 million cash in the bank.

The Board's confidence in the outlook is highlighted by our commitment to undertake a pre-feasibility study on the Corunna Downs project and the imminent start of lump ore production at Mt Webber.

But despite this strong progress, we have further to go. Atlas' cost cutting program is ongoing. And of course, we are studying options for restructuring our debt.

The key word here is options. The recent achievements mean we do have options in this respect and therefore the Board is confident that this issue will be resolved in a manner that delivers value for both shareholders and lenders alike.



Managing Director David Flanagan will provide some further insight into our outlook when he delivers his presentation shortly, so I will end my commentary here.

On behalf of the Board, I would like to say a huge thankyou to all our staff, contractors and management for the enormous effort and commitment you have made to the Atlas cause over the past year. They say good people do their best work in the toughest times. Thankfully, Atlas has outstanding people. I would also like to thank the individual members of the Board for their commitment in tough times.

Given what has been achieved in recent months, I have no doubt we can ensure Atlas continues to gain strength and create value for shareholders, lenders, staff, contractors and the communities in which we operate.

Hon. Cheryl Edwardes