



# The Pilbara's Emerging Powerhouse

## 2011 Annual General Meeting Presentation

8 November 2011



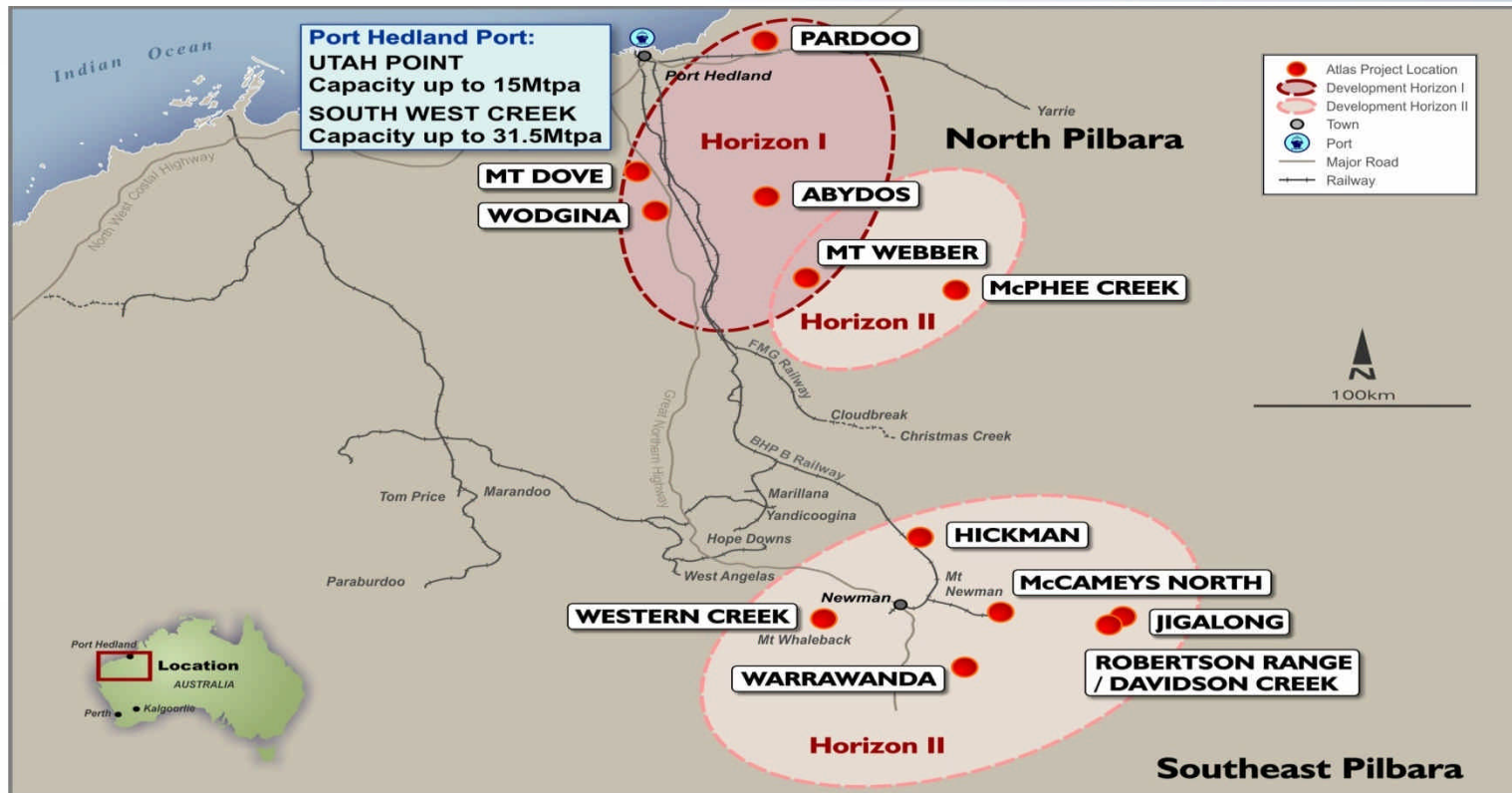
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# Pilbara – Horizon 1 and 2 Development



# Corporate Highlights



## Shareholding

IMC Group	7.5%
Blackrock	7.9%
Schroders	6.1%
Top 20	66.1%

## Capital Structure

Ordinary Shares	889m
Market Cap at \$3.25	A\$2,890m
Cash as at 30 June 2011	A\$366m
Debt	A\$0m
Enterprise Value	A\$2,254m
Options	21.6m

## Atlas' Share Price Performance



**AGO was included in the S&P/ASX 100 on 4 March 2011**



*Strong share price and liquidity*

# Board and Senior Management



## Board of Directors



Non Executive Chairman David Hannon



Managing Director David Flanagan



Non Executive Director Dave Smith



Non Executive Director Tai Sook Yee



Non-Executive Director Jeff Dowling



Company Secretary Tony Walsh

## Senior Management



Chief Commercial Officer Mark Hancock



Chief Development Officer Ken Brinsden



Chief Operating Officer Jeremy Sinclair



*Experience and depth to support ramp up and growth*

# September 2011 Quarter Highlights



- 1.465 Mt (WMT) shipped during the quarter.
- Average price per tonne ~ USD 152/t CFR (DMT)
- Cash operating costs (FOB, excl royalties) remain consistent with guidance of \$42-45/t range for FY 2012
- \$373 million cash on hand at 30 September 2011. \$390 million cash on hand at 21 October 2011 after payment of \$26.6 million in dividends post quarter end
- DSO Resources at quarter end of 1.035Bt at 56.3%Fe<sup>1</sup>
- Targeting 1.5Mt in the December 2011 quarter
- Wodgina expansion commenced & initial payments of \$23.1mil made
- \$18.7 million strategic investment in Centaurus completed
- Horizon 1 Strategy feasibility studies (incl. rail studies) expected to be completed by 31 March 2012

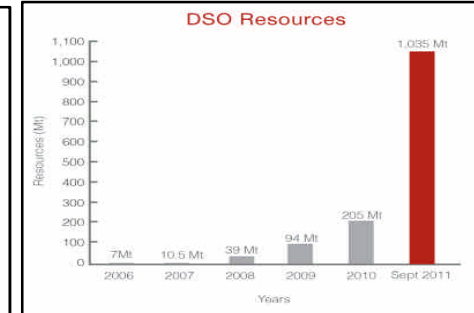
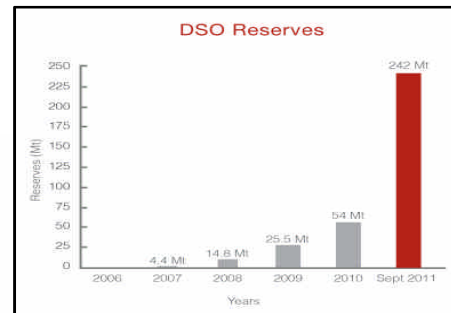
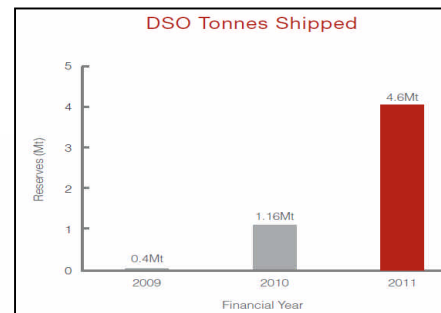
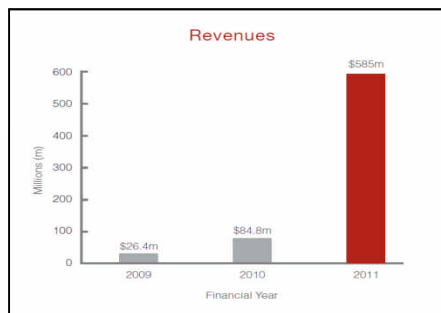


Note: 1. Refer to Appendices for Resource and Reserve Tables, and Competent Person statements

# Key Milestones of FY 2011



- "Safety performance - TRIFR significantly reduced from previous year"
- Wodgina DSO mine successfully commissioned and now producing at  $\approx 4$ Mtpa
- Achieved ramp up to Shipping rate of 6Mtpa through the new Utah Berth in Port Hedland
- Atlas is now member of S&P/ASX 100
- Cash costs of A\$40-A\$43 per tonne, within guidance
- Two major acquisitions completed; Giralia Resources NL added resources, Aurox Resources Limited added port capacity. FerrAus takeover completed post year end
- Resources increased to 643.8Mt<sup>1</sup> and reserves increased to 79.3Mt<sup>1</sup>
- Cash on hand of \$366m at 30 June 2011, no debt
- Number of Shipments up 600% from 8 per annum in 2010, to 50 per annum in 2011



Note: 1. Refer to Appendices for Resource and Reserve Tables, and Competent Person statements

# Existing Operations

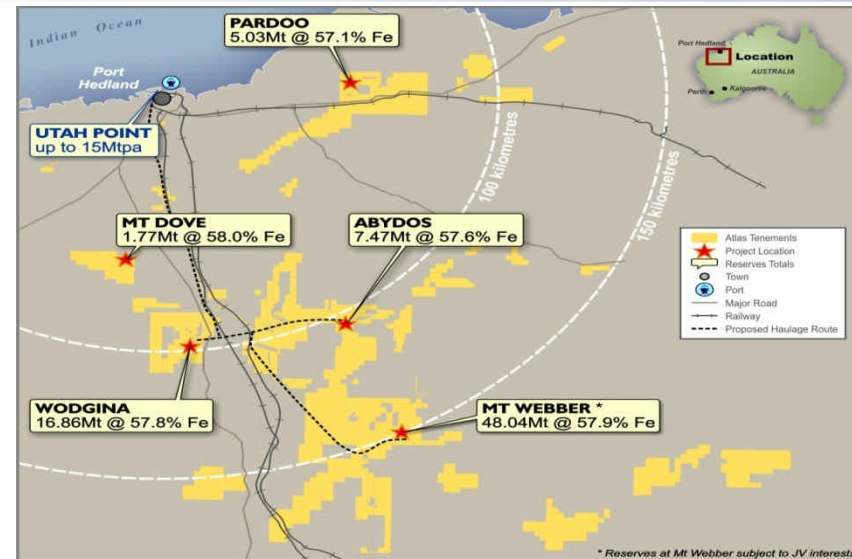


## ■ Mines

- Pardoo and Wodgina currently in operation
- 75km and 110km from port respectively
- Traditional open pit mining, strip ratio typically < 2.5:1
- DSO production – no beneficiation required

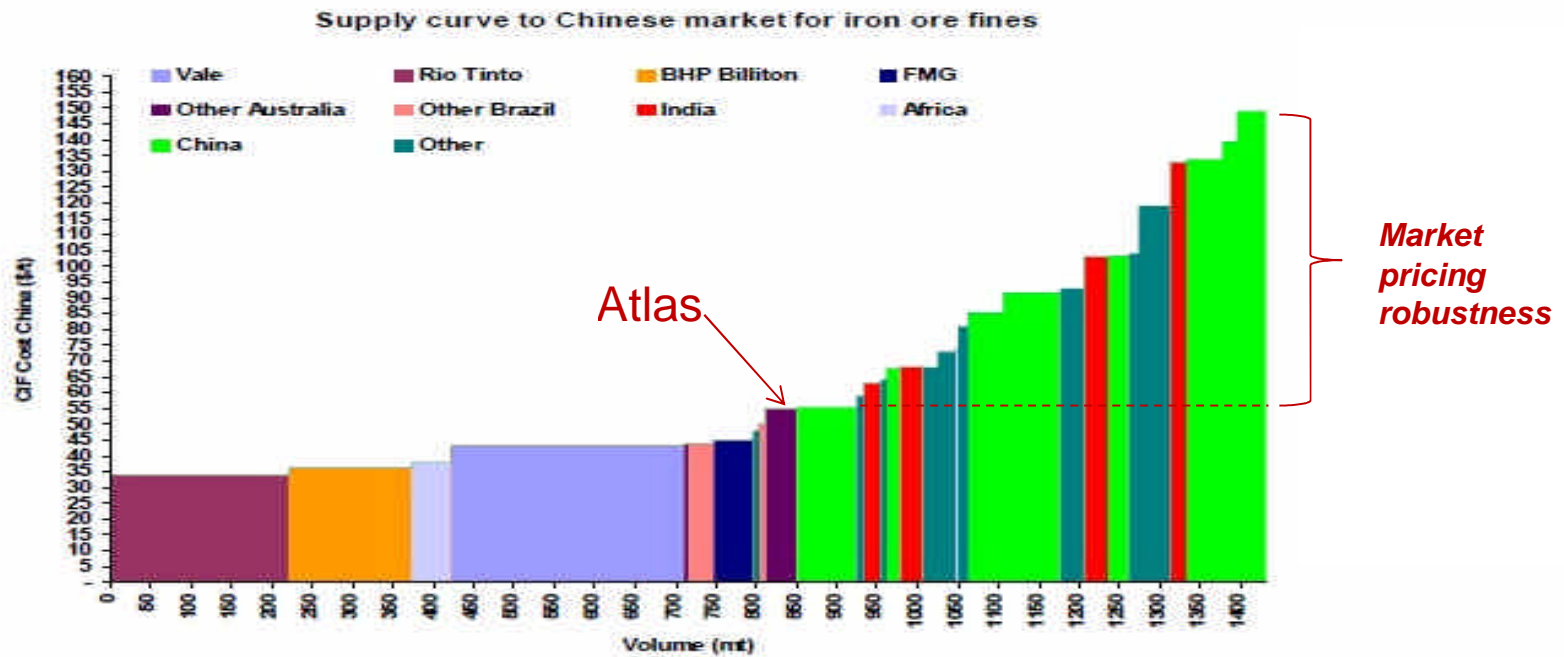
## ■ Logistics

- Current Export rate ~ 6Mtpa
- Haulage and shipping capability >500,000 t/month ~ 6Mtpa
- Road haulage ~ 115t concessional loads
- Port entitlements to facilitate growth





# Strong Operating Cash Flows



Source: Macquarie Bank – October 2011

*Globally Competitive*



# Atlas people and the community



# FY 2011 - Record Revenue and Earnings



Summary of Results	A\$	2011FY	2010FY
Revenue	\$M	585	85
Gross Profit from Operations <sup>1</sup>	\$M	270	(6)
NPBT	\$M	183	(41)
NPAT	\$M	169	(41)
Cash flow from operations	\$M	221	(25)
Dividend per share (unfranked)		3 cents	-

Note: Gross profit from operations includes all costs, royalties and depreciation and amortisation from operations but not exploration or administration costs



# FY 2011 Maiden Dividend



- Maiden final dividend of 3 cents share (unfranked)
- Record date 26 September 2011. Payment 10 October 2011
- Dividend pay-out ratio of ~ 15% of post tax profits
- For future dividends, Atlas will strive to deliver stable and growing dividends
- Future dividends in the near term are expected to be unfranked



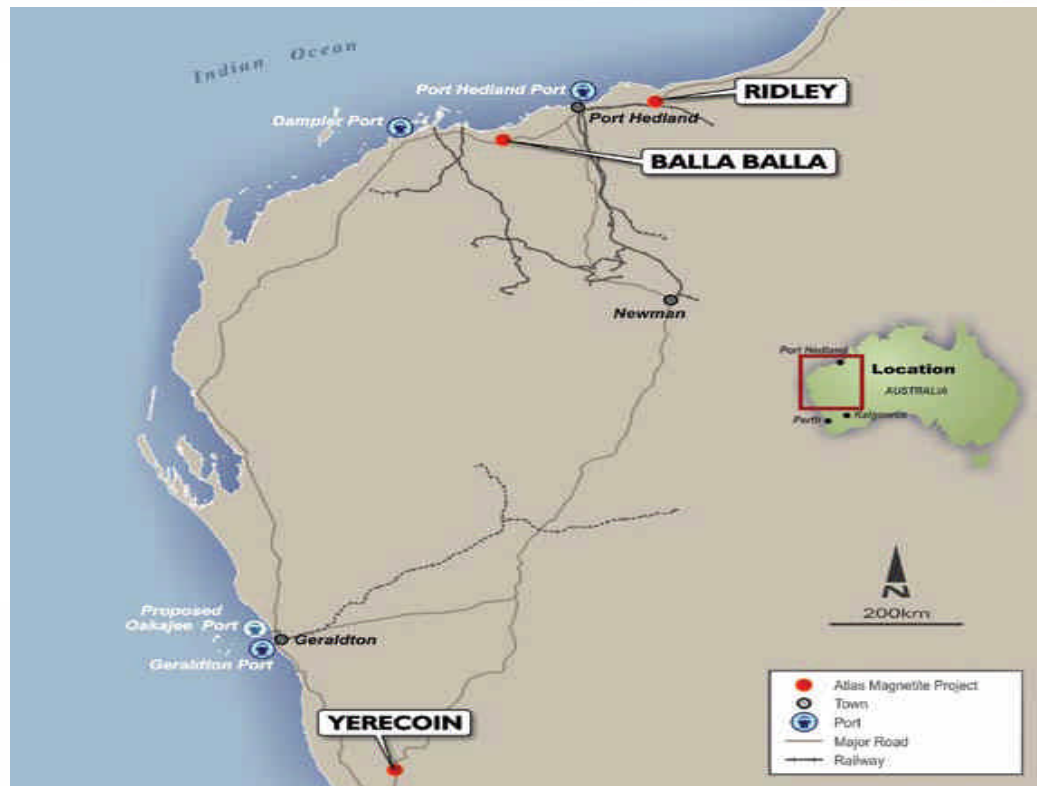
# FY 2011 Iron Ore Sales



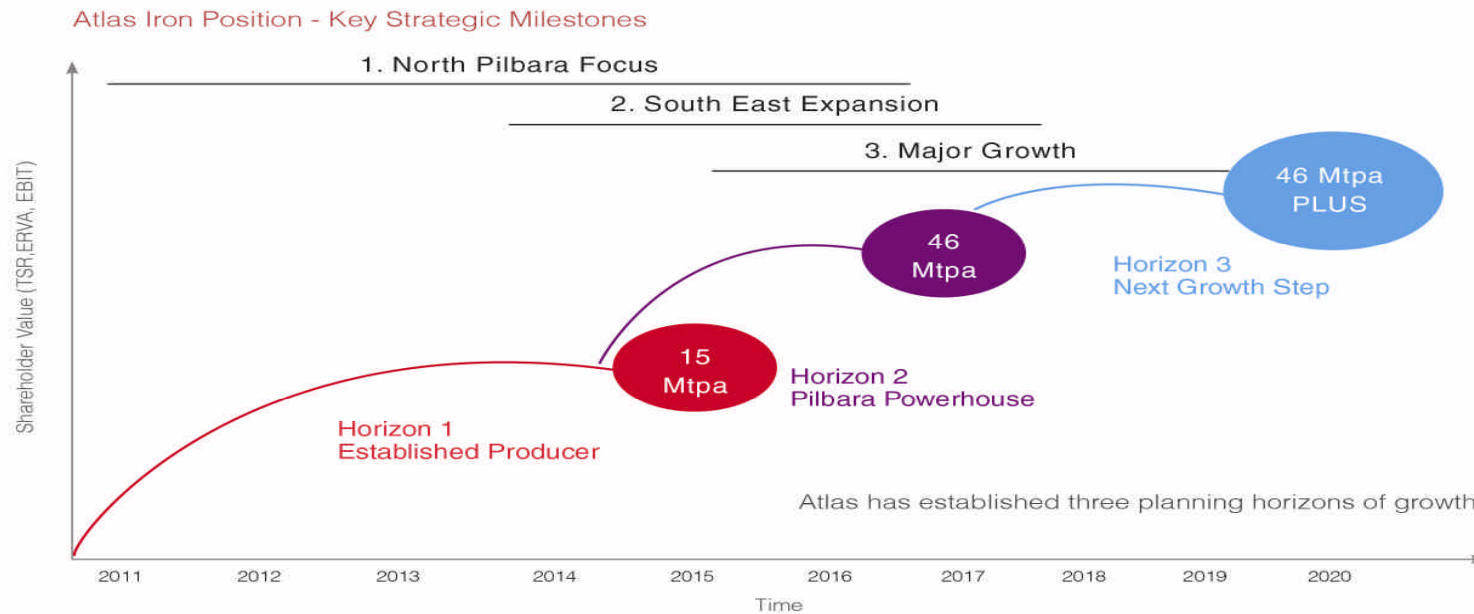
- **Volumes**
  - 4.589 million wet metric tonnes
  - 4.294 million dry metric tonnes
- **Customers**
  - 8 term contracts of varying durations totalling some 4.5MTpa
  - Broad base of customers positions Atlas well for delivery of expanded volumes
  - Contracts predominately based on quarterly pricing – envisage pricing reference period shortening as existing contracts commence expiring from 2012. This is starting to occur in current quarter.
  - Balance sold on spot basis
- **Revenue**
  - Ave sale price for financial year ~ USD138 per dry metric tonne CFR based on notional 57.5% product content. Q1 price averaged USD 152 CFR dmt
  - 2011 FY Achieved price represents ~ 96% of volume weighted, Fe adjusted 62% quarterly prices



# Atlas' magnetite projects



# Atlas Strategic Planning Horizons

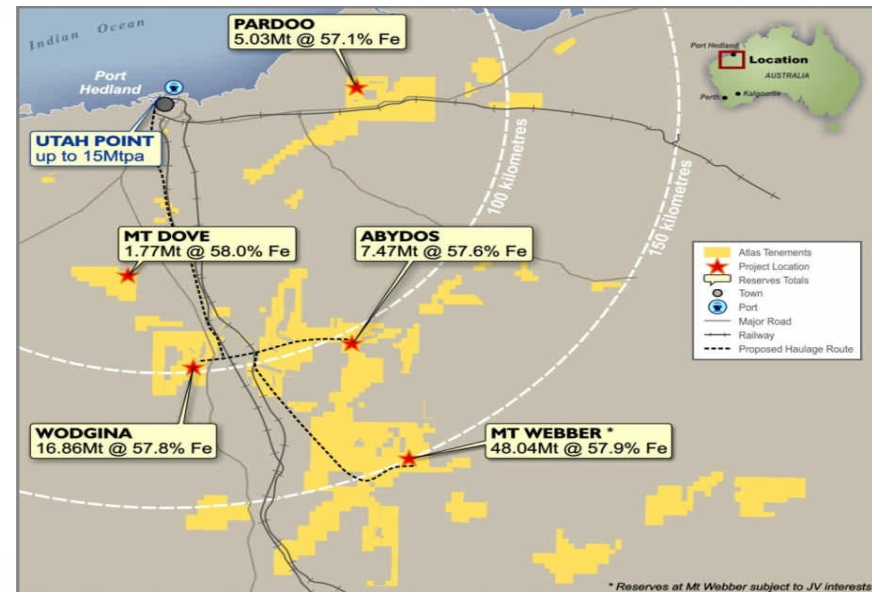


# Abydos & Mt Webber



- Expansion at Wodgina, new mines at; Abydos, Mt Dove & Mt Webber<sup>1</sup>/Daltons<sup>2</sup>, will increase production to 12Mtpa in FY2013
- Combined Mt Webber/Daltons resource now 62.5Mt at 57.7 Fe<sup>3</sup>
- Size and low strip ratio at Mt Webber/Daltons with Expansion opportunities
- Simple application of the existing mining and haulage model

1. 70% Atlas, 30% Altura Mining
2. 75% Atlas, 25% Haoma
3. Refer to Appendices for Resource and Reserve Tables, and Competent Person statements





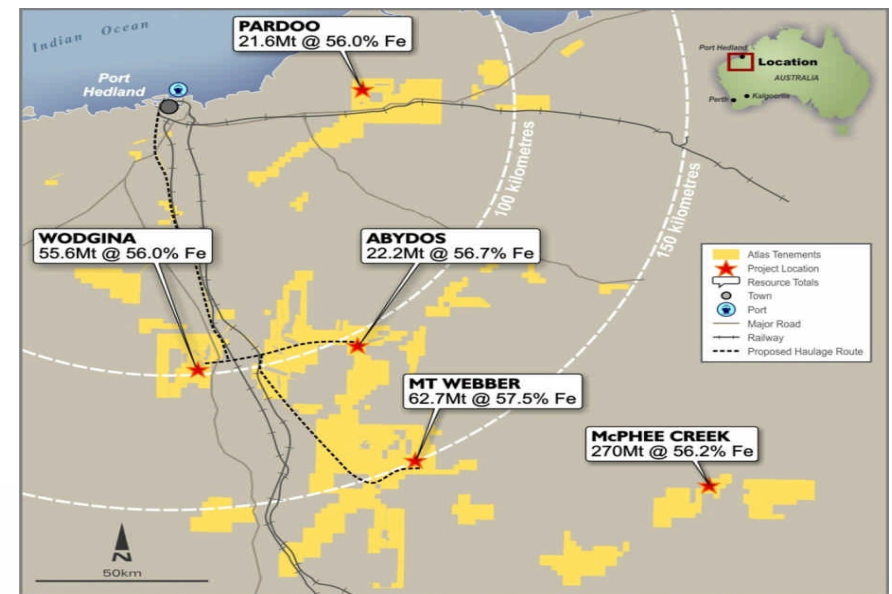
# McPhee Creek



- McPhee Creek - step change for Atlas opening up Horizon 2
  - 270Mt at 56.2 Fe<sup>3</sup> resource
  - Potential production at circa 10Mtpa
  - Rail options being assessed
    - Nth Pilbara Rail
    - Benefits SE Pilbara Development

*McPhee Creek is a potential business transforming step for Atlas*

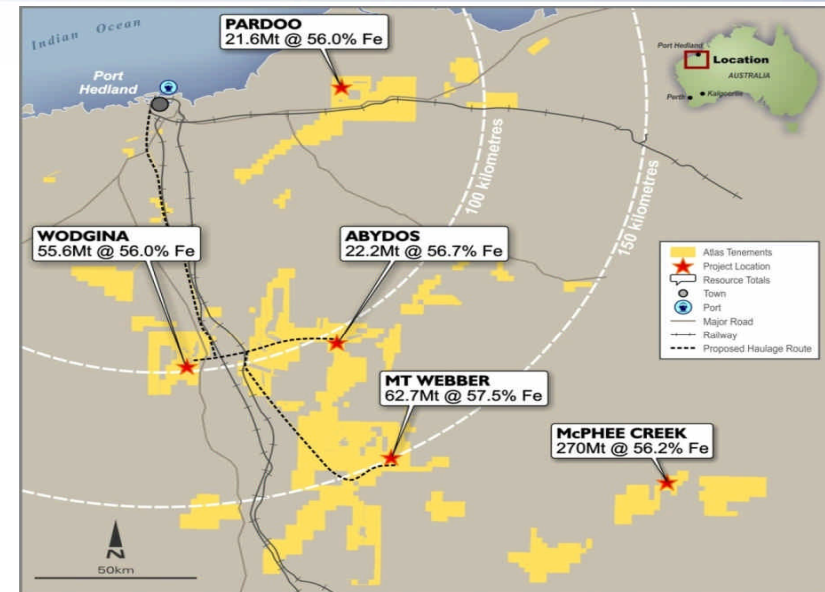
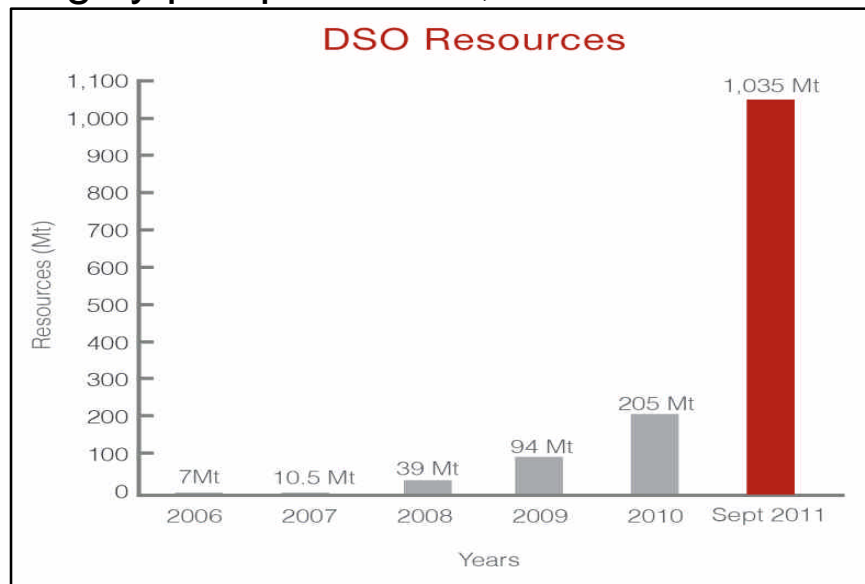
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# Resource Development



- Total resources of 1,035Mt<sup>1</sup>
- 436Mt of North Pilbara DSO resources<sup>1</sup>
- Highly prospective 18,000km<sup>2</sup> landholding

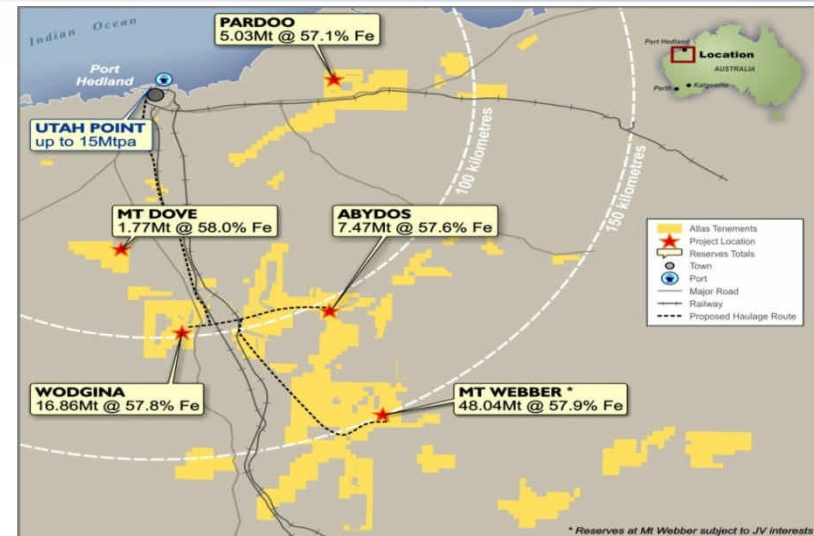
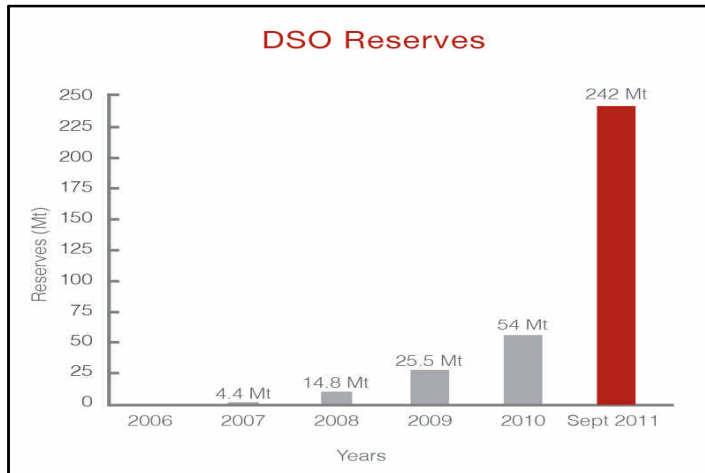


1. Refer to Appendices for Resource and Reserve Tables, and Competent Person statements

# Reserve Growth



- Reserves of 79.3Mt at 57.8%Fe<sup>1</sup> in North Pilbara DSO projects
- Reserves of 163Mt at 57.4%Fe<sup>1</sup> in SE Pilbara projects
- Focus on further North Pilbara Resource conversion (Wodgina, Abydos, Mt Webber, McPhee Creek), and SE Pilbara Resource conversion



1. Refer to Appendices for Resource and Reserve Tables, and Competent Person statements



# Port Capacity



- Atlas targeting
  - 12 Mtpa DSO production rate in FY2013
  - Targeting 22 Mtpa DSO by 2015
- Atlas has a strategic advantage in relation to its port capacity options
- Atlas has current or future entitlements to:
  - Up to 15 Mtpa capacity at Utah Point.
  - Additional allocation up to 31.5 Mtpa allocation through the proposed South West Creek Port (NWI) in Port Hedland.
  - Indicative allocation of up to 10 Mtpa through the proposed Anketell port.

*Strategic position for port export capacity enhances growth opportunities*



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# Utah Point Port & Stockyards



Photograph copyright James Lauritz Photography

# Strong financial position, growing rapidly



- **Significantly Increasing Production**
  - Exports expected to climb to 6Mt for 2012 financial year
  - Targeting an annualised production rate of 12Mtpa in 2013FY
  - Targeting production of 22 Mtpa from North Pilbara by 2015
- **Financial Strength Underpinning Growth**
  - Robust iron ore market
  - Expecting strong net operating cash flows in 2012FY
  - Cash costs expected to be in the range of \$42 to \$45 per tonne in 2012FY
- **Infrastructure in Place**
  - Large footprint in an operating port
  - Port entitlements to facilitate growth
  - Developing infrastructure solutions to drive production to 22Mtpa and beyond
- **Sustainable development**
  - Growing resources and reserves
  - Large exploration targets and landholding



# Atlas' current investments



## **Strategic Investments**

45.4% of Shaw River Resources (SRR) – Manganese Explorer/Developer

19.85% of Centaurus (CTM)) – Brazilian iron ore Explorer/Developer

## **Other investments**

15.0% of U3O8 Ltd (UTO) - Uranium explorer

10.8% of Zenith Minerals (ZNC) – Au and Base Metals Explorer

9.1% of Carpentaria Exploration Ltd (CAP) – Multi-commodity Explorer

6.0% of Lawson Gold (LSN) – Gold explorer

3.5% of Gascoyne Resources – Gold Explorer



# Pilbara's Emerging Powerhouse



- Low cost producer, globally competitive
- Current export rate of 6 Mtpa of DSO and growing
- Multiple DSO mines in production and coming into development
- Targeting production rate of 12Mtpa of DSO in FY2013
- Strong and growing operating cash flows, cash on hand<sup>1</sup> of \$390M, no debt
- Targeting production rate of 22Mtpa of DSO from N.Pilbara by 2015
- Management experienced in discovery, development and operations of mines
- Further DSO production of ~ 20Mtpa targeted from S.E. Pilbara Projects
- DSO Resources of 1.035Bt at 56.3%Fe<sup>2</sup>
- Three Magnetite projects
- Corporate development opportunities:
  - FerrAus Transaction, completed in October 2011
  - Centaurus Strategic Alliance, completed in September 2011



Notes:

1. 30 June 2011

2. Refer to Appendices for Resource and Reserve Tables, and Competent Person statements





# APPENDICES



# Atlas DSO Resources & Reserves



## Competent Persons Statements

### **Geological Data, Interpretation and Resource Estimation – DSO Mineral Resources**

*The information in this report that relates to mineral resource results is based on information compiled by Mr Steve Warner who is a member of the Australasian Institute of Mining and Metallurgy and a full time employee of Atlas Iron Limited. Steve Warner has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Steve Warner consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

### **Reserve Estimation**

*The information in this report that relates to Reserve estimations is based on information compiled by Mr Ken Brinsden, who is a member of the Australasian Institute of Mining and Metallurgy. Ken Brinsden is a full time employee of Atlas Iron Limited. Ken Brinsden has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Ken Brinsden consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*



# Atlas DSO Resources – October 2011



## Atlas Iron Limited - Resource Inventory October 2011

Region	Resource Classification	Kt	Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	P (%)	S (%)	LOI (%)	CaFe (%)
North Pilbara*	Measured	15,330	57.5	6.0	1.6	0.07	0.07	8.7	63.0
	Indicated	149,000	56.8	6.5	2.2	0.10	0.01	9.1	62.5
	Inferred	272,000	56.0	7.1	2.4	0.11	0.01	9.4	61.9
Southeast Pilbara	Measured	37,400	58.4	4.8	2.8	0.10		8.1	63.6
	Indicated	341,800	56.6	6.3	3.6	0.10		8.3	61.7
	Inferred	169,000	55.7	7.1	3.9	0.07		8.7	60.9
West Pilbara	Inferred	38,000	53.6	7.5	4.8	0.04	0.00	9.3	59.1
Midwest	Inferred	12,000	60.0	6.3	2.9	0.06	0.00	3.7	62.3
Total	Measured	52,730	58.2	5.2	2.4	0.09	0.02	8.3	63.4
	Indicated	490,800	56.7	6.3	3.2	0.10	0.01	8.5	61.9
	Inferred	491,000	55.8	7.1	3.1	0.09	0.01	9.0	61.3
<b>Grand Total</b>		<b>1,034,530</b>	<b>56.3</b>	<b>6.6</b>	<b>3.1</b>	<b>0.10</b>	<b>0.01</b>	<b>8.7</b>	<b>61.7</b>

CaFe% is calcined Fe calculated by Atlas using the formula  $(Fe\% / (100 - LOI\%)) * 100$ .

\* Mt Webber Resources in the North Pilbara are subject to Joint Venture interests in the ratio AGO 70% : AJM 30% for the Mt Webber Joint Venture with Altura Mining and in the ratio AGO 75%: HAO 25% for the Daltons Joint Venture with Haoma Mining. (See Atlas' announcement dated 19 August 2011 for details on the Mt Webber and Daltons resource estimates)



# Atlas DSO Reserves



Atlas DSO Reserves Table								
Region	Reserve Classification	Mt	Fe(%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	P%	LOI%	CaFe%
North Pilbara	Proven	12.42	58	5.6	1.5	0.08	8.7	63.5
	Probable	66.8	57.7	6.3	1.8	0.08	8.5	63.1
Southeast Pilbara	Probable	163	57.4	5.2	3	0.09	8.6	62.8
<b>Sub Total</b>	Proven	12.4	58.0	5.6	1.5	0.08	8.7	63.5
<b>Sub Total</b>	Probable	230	57.5	5.5	2.7	0.09	8.5	62.8
<b>Grand Total</b>	<b>All Reserves</b>	<b>242</b>	<b>57.5</b>	<b>5.5</b>	<b>2.6</b>	<b>0.09</b>	<b>8.6</b>	<b>62.9</b>

**Note:**

*This summary table includes DSO reserves calculated by Atlas as at 30 June 2010, and by Ferraus as at May 2011  
 Bedded ore reserves estimates at cut-off grades in the range of 50-56% Fe  
 Reserves at Mt Webber are subject to Joint Venture interests in the ratio AGO 70% : AJM 30%  
 Reserves at Daltons are subject to Joint Venture interests in the ratio AGO 75% : HAO25%  
 (See Atlas' announcement dated 19 August 2011 for details on the Mt Webber and Daltons reserve estimates)*



# Port Hedland Port Layout UPD >450Mtpa

