

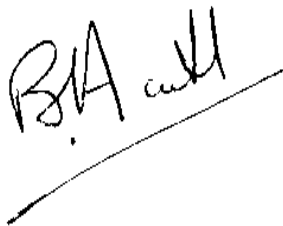
11 February 2011

ASX Operations
Announcement Office
Level 10, 20 Bond Street
SYDNEY NSW 2000

Dear Sir/Madam

Please find attached a copy of a letter to be sent to the shareholders of Giralia Resources NL, notifying them that Atlas Iron Limited's relevant interest exceeds 50% and explaining why Giralia's directors unanimously recommend that shareholders accept Atlas' takeover offer without delay.

Yours faithfully



Bruce Acutt
Company Secretary

Attach.

11 February 2011

Letter to Shareholders – Atlas’ Relevant Interest Exceeds 50%

Dear Shareholder,

As you are aware, on 21 December 2010 Giralia Resources NL (“Giralia”) and Atlas Iron Limited (“Atlas”) announced a recommended off-market takeover offer by Atlas for all of the outstanding shares in Giralia (“Offer”).

Giralia is pleased to announce that, as at 10 February 2011, Atlas has received acceptances to take its relevant interest in Giralia to **54.9%** of Giralia shares under the Offer.

If you have not already done so, **GIRALIA’S DIRECTORS UNANIMOUSLY RECOMMEND THAT YOU ACCEPT ATLAS’ TAKEOVER OFFER WITHOUT DELAY**, in the absence of a superior proposal.

Giralia confirms that:

- All of the Directors of Giralia have accepted the Offer in respect of the Giralia shares they own or control; and
- Atlas has advised ASX that its relevant interest in the ordinary shares in Giralia has increased to 54.9% as at 10 February 2011.

The key reasons why your Directors recommend you **ACCEPT** the Offer in the absence of a superior proposal are in the Target’s Statement despatched to Giralia shareholders on 25 January 2011.

The directors of Giralia also advise:

- The market price of Atlas shares has now increased materially from \$2.99 on the day prior to the announcement of the Offer to \$3.71 as at close of business on 10 February 2011. This values the consideration being paid by Atlas for your Giralia shares at \$5.565 per share (assuming the All Share consideration ratio of 1.5x);
- No other offer has been made to purchase your Giralia shares to this date and the Giralia directors are not aware of any other party intending to make an alternative offer for your Giralia shares. Given that Atlas has now passed the 50% milestone, it is unlikely that an alternative offer will emerge; and
- In the opinion of the Directors, Giralia’s share price may fall well below current levels if the Offer lapses.

The Offer is currently scheduled to close on Monday 28 February 2011 (unless extended or withdrawn).

If you have any queries in relation to the Offer, or require a replacement Acceptance Form, please don't hesitate to contact the Atlas Offer information line on Toll Free - 1800 600 409 (within Australia), Toll Free - 0800 540 007 (within New Zealand) or +61 2 8256 3378 (international) between 9.00am and 5.00pm (AWST), Monday to Friday.

Yours sincerely,



Stan Macdonald
Executive Director
Giralia Resources NL



Mike Joyce
Managing Director
Giralia Resources NL