



4 February 2011

Company Announcements Office
ASX Limited
Level 8, Exchange Plaza
2 The Esplanade
Perth, WA 6000

**Atlas Iron Limited (Atlas, ASX: AGO) –
Off-market takeover bid for Giralia Resources NL (Giralia, ASX: GIR)**

We attach, by way of service, in accordance with subsection 647(3)(b) of the *Corporations Act 2001* (Cth), a copy of a supplementary bidder's statement dated 4 February 2011 in relation to the off-market takeover bid by Atlas for the fully paid ordinary shares in Giralia.

A copy of the supplementary bidder's statement has been lodged with ASIC and sent to Giralia today.

The supplementary bidder's statement includes Atlas's announcement dated 3 February 2011 where the resource tables have been updated from the original to clarify tonnes and grade rounding by project area.

Yours faithfully

**On behalf of
ATLAS IRON LIMITED**

Tony Walsh
Company Secretary

**SUPPLEMENTARY BIDDER'S STATEMENT
BY ATLAS IRON LIMITED ABN 63 110 396 168**

This statement is the supplementary bidder's statement (**Supplementary Bidder's Statement**) to the bidder's statement (**Original Bidder's Statement**) of Atlas Iron Limited ABN 63 110 396 168 (**Atlas**) dated 7 January 2011 given in connection with the off-market takeover bid by Atlas for the fully paid ordinary shares in Giralia Resources NL ABN 64 009 218 204 (**Giralia**).

This Supplementary Bidder's Statement must be read together with the Original Bidder's Statement.

A copy of this Supplementary Bidder's Statement was lodged with the Australian Securities and Investments Commission (**ASIC**) on 4 February 2011. Neither ASIC nor its officers takes any responsibility for the contents of this Supplementary Bidder's Statement.

Defined terms

Unless the context requires otherwise, terms not defined in this Supplementary Bidder's Statement have the same meaning given to them in the Original Bidder's Statement.

Offer Information Line

For information regarding your Giralia Shares, the Offer or how to accept the Offer please read the Original Bidder's Statement and this Supplementary Bidder's Statement. If you still need assistance, please contact the Offer Information Line on:

For Australian callers: Toll Free - 1800 600 409

For New Zealand callers: Toll Free - 0800 540 007

For international callers: +61 2 8256 3378

24% INCREASE IN ATLAS' DSO MINERAL RESOURCES

On 3 February 2011 Atlas announced a 24% increase in its DSO Mineral Resources to 254.4Mt at 56.7%Fe. The updated resources now include the McCamey's North and Hercules deposits, located 45km east of Newman and 100km south of Port Hedland in the Pilbara, respectively. Atlas' announcement dated 3 February 2011 is attached as Annexure A to this Supplementary Bidder's Statement.

EXTENSION OF OFFER PERIOD

Further to the notice of variation dated 4 February 2011 under section 650D(1) of the Corporations Act, the Offer is now scheduled to close at **5pm AWST on Monday, 28 February 2011**, unless extended or withdrawn.

DATED 4 February 2011

SIGNED on behalf of Atlas Iron Limited by David Flanagan who is authorised to so sign by a unanimous resolution passed at a meeting of the directors of Atlas Iron Limited.



Managing Director

ANNEXURE A

**Atlas Iron Limited Announcement
dated 3 February 2011**



3 February 2011

24% INCREASE IN ATLAS' DSO RESOURCES

Atlas Iron Limited (ASX Code: AGO) is pleased to report a 24% increase in its Direct Shipping Ore (DSO) Mineral Resources to 254.4Mt at 56.8%Fe. The updated Resources now include the McCamey's North and Hercules deposits (100% AGO), located 45km east of Newman and 100km south of Port Hedland in the Pilbara respectively.

Atlas Iron Limited – DSO Mineral Resources, 1 st January 2011									
Project Area	Resource Classification	Kt	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	S (%)	LOI (%)	CaFe (%)
Total*	Measured	15,430	57.8	5.9	1.5	0.08	0.06	8.7	63.3
	Indicated	54,000	56.7	7.1	2.0	0.08	0.03	8.8	62.2
	Inferred	185,000	56.7	6.7	3.3	0.09	0.03	8.0	61.6
Grand Total		254,430	56.8	6.7	2.9	0.09	0.03	8.2	61.8

Table 1: Atlas Iron DSO resource table as at 1 January 2011.

This resource statement includes updates for Pardoo and Wodgina, and initial resources for the new discoveries at McCamey's North and Hercules, being 39Mt at 58%Fe and 14Mt at 56.1%Fe respectively.

Resources at Wodgina have increased by over 30%, highlighting the potential for a significant extension to the mine life there with the new discovery Hercules being only 2km from the crusher.

Both resources have significant upside potential and Atlas will continue to develop them in the year ahead. Pilbara exploration and evaluation drilling is continuing, with five rigs currently active at four projects and an accelerated program mapped out for the remainder of 2011.

"The growth at Wodgina is continuing, and we're still drilling Hercules with an expectation that it will deliver more tonnes." commented David Flanagan, Atlas Iron's Managing Director. "Atlas' near-term growth strategy remains focused on the North Pilbara which is delivering shareholders very strong cashflows and rapidly increasing resources. We will still work at growing our resource base around Newman. It is a world class proven iron ore field and we are optimistic we will have more success over time."

BACKGROUND ATLAS IRON LIMITED

Atlas Iron Limited is mining and exporting from its two iron mines at Pardoo and Wodgina in the North Pilbara region of Western Australia. Atlas is currently exporting at a rate of approximately 6Mtpa and is targeting exports at an annualised rate of 12Mtpa by the end of 2012.

On 21 December 2010 Atlas announced a recommended takeover offer for Giralda Resources NL valued at approximately \$828 million, that if successfully completed will create a merged group with a pro-forma market capitalisation of approximately \$2.5 billion as at 20 December 2010 and over \$2.8 billion at the close of trade on 2 February 2011. See announcement dated 21 December 2010 for full details of the recommended takeover offer for Giralda Resources NL.

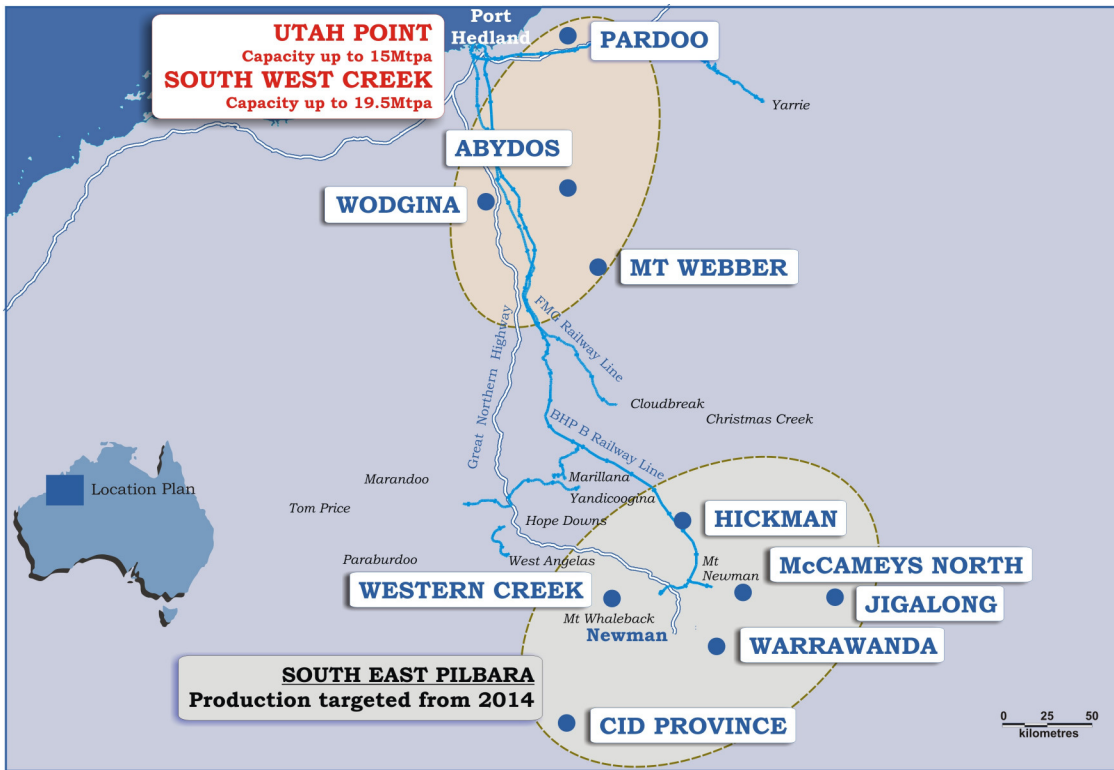
For further information please contact

David Flanagan, Managing Director

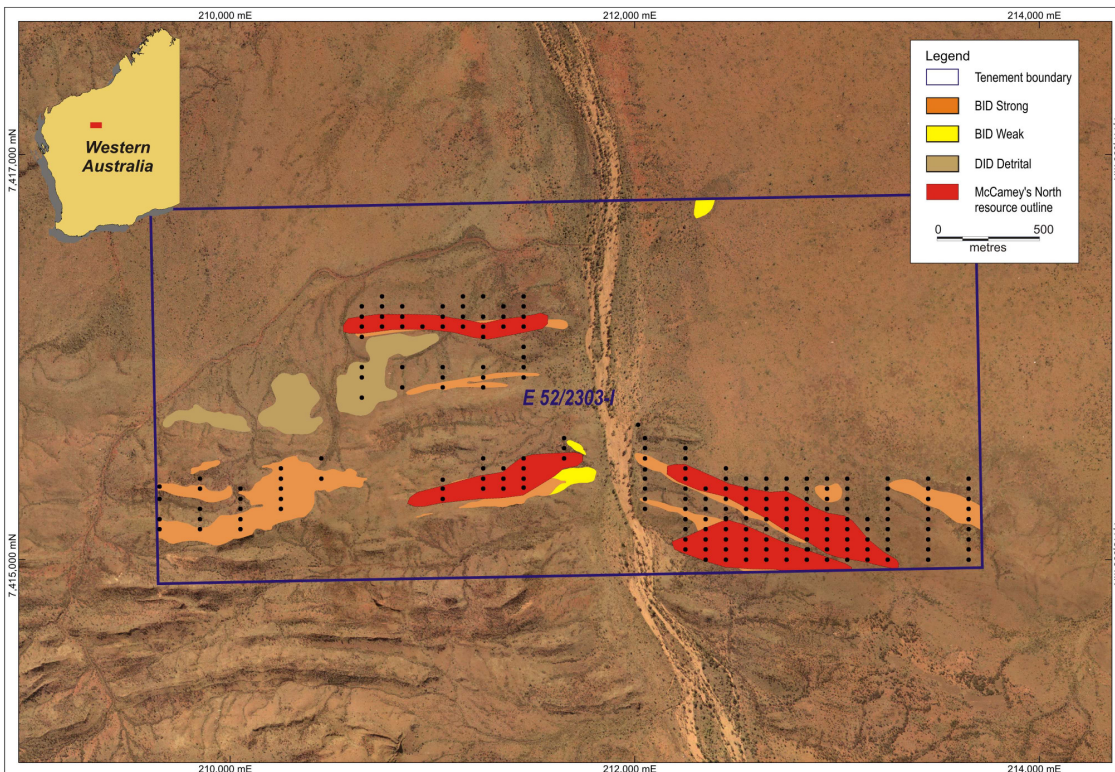
Tel: (08) 9476 7900

Andrew Paterson, General Manager Geology

Atlas Iron Limited ACN 110 396 168



Atlas Iron Limited - Pilbara Project Location Plan



McCamey's North Resource Location / Mapped Iron Enrichment Plan



Atlas Iron Limited – DSO Resource Inventory, 1st January 2011

Project Area	Resource Classification	Kt	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	S (%)	LOI (%)	CaFe (%)
Pardoo	Measured	730	58.7	5.1	1.8	0.17	0.02	8.3	64.0
	Indicated	12,500	56.2	8.5	1.8	0.10	0.03	8.0	61.1
	Inferred	10,000	55.5	8.7	2.2	0.09	0.04	8.6	60.7
Abydos	Indicated	9,700	57.1	7.0	1.6	0.05	0.01	9.4	63.0
	Inferred	13,000	56.4	6.9	2.3	0.06	0.02	9.4	62.3
Wodgina	Measured	14,700	57.7	5.9	1.5	0.08	0.06	8.7	63.2
	Indicated	9,900	56.0	7.2	2.4	0.07	0.06	9.1	61.6
	Inferred	29,000	55.4	7.9	2.6	0.06	0.05	9.2	61.0
Mt Webber*	Indicated	21,900	57.2	6.4	2.1	0.08	0.03	8.9	62.8
	Inferred	20,000	57.2	6.6	2.3	0.10	0.03	8.4	62.5
Mt Dove	Inferred	2,000	58.5	6.1	1.8	0.11	0.03	7.9	63.5
Weld Range	Inferred	5,000	64.1	3.3	2.7	0.05	0.01	1.6	65.1
McCamey's North	Inferred	39,000	58.0	4.9	4.8	0.17	0.01	6.3	61.8
Western Creek	Inferred	19,000	55.1	6.6	4.1	0.06	0.03	9.3	60.7
Jimblebar Range	Inferred	13,000	57.5	7.0	2.0	0.06	0.04	7.9	62.4
Caramulla South	Inferred	14,000	53.9	8.6	5.4	0.04	0.03	8.1	58.7
Warrawanda	Inferred	21,000	57.1	6.6	2.6	0.07	0.03	8.5	62.4
Total	Measured	15,430	57.8	5.9	1.5	0.08	0.06	8.7	63.3
	Indicated	54,000	56.7	7.1	2.0	0.08	0.03	8.8	62.2
	Inferred	185,000	56.7	6.7	3.3	0.09	0.03	8.0	61.6
Grand Total		254,430	56.8	6.7	2.9	0.09	0.03	8.2	61.8

Explanatory notes relevant to the resource table

- Abydos, Mt Dove, Weld Range, Western Creek, Jimblebar, Caramulla South resources and Connie Deposit are quoted at >50% cut off grade.
- Pardoo, Wodgina (excluding Hercules), Mt Webber and Warrawanda resources are quoted at >53% cut off grade.
- Hercules resource is quoted at >54% Fe cut-off grade.
- Pardoo and Wodgina resources are depleted for mining as at 31/12/2010.
- CaFe% is calcined iron calculated by Atlas using the following formula $(Fe\% / (100 - LOI\%)) * 100$.
- Measured, Indicated and Inferred tones are rounded to the nearest 10kt, 100kt and 1Mt respectively.

*Note – Mt Webber project subject to a Joint Venture Agreement Atlas 70% / Altura 30%

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.