

Form 604
Corporations Act 2001
Section 671B

Notice of change of interests of substantial holder

To Company Name/Scheme Giralia Resources N.L.

ACN/ARSN 009 218 204

This notice is given by Atlas Iron Limited on behalf of itself and each of its controlled bodies corporate (**Atlas Associates**) named in the list of 1 page annexed to this notice and marked "A".

1. Details of substantial holder (1)

Name Atlas Iron Limited
ACN/ARSN (if applicable) 110 396 168

There was a change in the interests of the substantial holder on

07/01/2011

The previous notice was given to the company on

22/12/2010

The previous notice was dated

22/12/2010

2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Fully paid ordinary shares	13,588,472	7.5%	16,395,078	9.05%

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
23/12/2010	Atlas Iron Limited	Power to control disposal pursuant to the two Acceptance Deeds dated 23 December 2010, a copy of each accompanies this notice and is marked "B" and "C" respectively.	See Annexures B and C	805,606	805,606
23/12/2010	Atlas Associates	Each of the Atlas Associates is an associate under section 12(2)(a) of the Corporations Act and has a relevant interest in the shares in which Atlas Iron Limited has a relevant interest pursuant to the Acceptance Deeds accompanying this notice and which are marked "B" and "C".	See Annexures B and C	805,606	805,606
6/1/2011	Atlas Iron Limited	Power to control disposal pursuant to an Acceptance Deed dated 6 January 2011, a copy of which accompanies this notices and is marked "D".	See Annexure D	2,000,000	2,000,000
6/1/2011	Atlas Associates	Each of the Atlas Associates is an associate under section 12(2)(a) of the Corporations Act and has a relevant interest in the shares in which Atlas Iron Limited has a relevant interest pursuant to the above Acceptance Deed accompanying this notice and which is marked "D".	See Annexure D	2,000,000	2,000,000

4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
Atlas Iron Limited and Atlas Associates	B R Acutt Pty Ltd	B R Acutt Pty Ltd	Power to control disposal of the securities pursuant to the Acceptance Deed accompanying this notice and which is marked "B".	734,000 ordinary shares	734,000
Atlas Iron Limited and Atlas Associates	Adelaide Prospecting Pty Ltd	Adelaide Prospecting Pty Ltd	Power to control disposal of the securities pursuant to the Acceptance Deed accompanying this notice and which is marked "C".	71,606 ordinary shares	71,606
Atlas Iron Limited and Atlas Associates	Yandal Investments Pty Ltd	Yandal Investments Pty Ltd	Power to control disposal of the securities pursuant to the Acceptance Deed accompanying this notice and which is marked "D".	2,000,000 ordinary shares	2,000,000
Atlas Iron Limited and Atlas Associates	Stanley Allan MacDonald	Stanley Allan MacDonald	Power to control disposal of the securities pursuant to the Acceptance and Option Deeds dated 21 December 2010, a copy of which was annexed to the Form 603 given by the substantial holder on 22 December 2010 as Annexure B.	6,159,520 ordinary shares	6,159,520
Atlas Iron Limited and Atlas Associates	Graham Douglas Riley and Anne Marie Riley	Graham Douglas Riley and Anne Marie Riley	Power to control disposal of the securities pursuant to the Acceptance and Option Deeds dated 21 December 2010, a copy of which was annexed to the Form 603 given by the substantial holder on 22 December 2010 as Annexure C.	3,388,952 ordinary shares	3,388,952
Atlas Iron Limited and Atlas Associates	Nada Granich	Nada Granich	Power to control disposal of the securities pursuant to the Acceptance and Option Deeds dated 21 December 2010, a copy of which was annexed to the Form 603 given by the substantial holder on 22 December 2010 as Annexure D.	3,830,000 ordinary shares	3,830,000
Atlas Iron Limited and Atlas Associates	Creekwood Nominees Pty Ltd	Creekwood Nominees Pty Ltd	Power to control disposal of the securities pursuant to the Acceptance and Option Deeds dated 21 December 2010, a copy of which was annexed to the Form 603 given by the substantial holder on 22 December 2010 as Annexure E.	210,000 ordinary shares	210,000

5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association

6. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Atlas Iron Limited	Ground Floor, 10 Richardson Street, WEST PERTH WA 6005
Atlas Associates	See Annexure A

Signature

print name Anthony M. Walsh capacity Company Secretary

sign here

Anthony Walsh

date 7/1/2011

DIRECTIONS

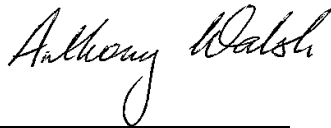
- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (6) Include details of:
 - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included on any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

**Atlas Iron Limited ACN 110 396 168
Annexure A**

Atlas Associates

This is the annexure of 1 pages marked "A" referred to in the Form 604, Notice of change of interest of substantial holder signed by me and dated 7 January 2011.



Anthony M. Walsh – Company Secretary

Name	ACN/ARSN	Address
Atlas Operations Pty Ltd	ACN 122 835 947	Ground Floor, 10 Richardson Street, WEST PERTH WA 6005
St George Magnetite Pty Ltd	ACN 122 999 044	Ground Floor, 10 Richardson Street, WEST PERTH WA 6005
Mt Gould Minerals Pty Ltd	ACN 118 341 147	Ground Floor, 10 Richardson Street, WEST PERTH WA 6005
Weld Range Iron Ore Pty Ltd	ACN 118 340 686	Ground Floor, 10 Richardson Street, WEST PERTH WA 6005
Tiziflower Investment Inc	N/A	8th Floor, Capital Plaza Building, Roberto Motta Ave& Costa del Este Ave, Panama City, Panama, Republic of Panama, Panama
Jakkitower Enterprises SA	N/A	8th Floor, Capital Plaza Building, Roberto Motta Ave& Costa del Este Ave, Panama City, Panama, Republic of Panama, Panama
Warwick Resources Pty Ltd	ACN 063 506 963	Ground Floor, 10 Richardson Street, WEST PERTH WA 6005
Aurox Resources Ltd	ACN 106 793 560	Ground Floor, 10 Richardson Street, WEST PERTH WA 6005
Ferro Metals Australia Pty Ltd	ACN 113 996 106	Ground Floor, 10 Richardson Street, WEST PERTH WA 6005

**Atlas Iron Limited ACN 110 396 168
Annexure B**

Acceptance Deed with B R Acutt Pty Ltd

This is the annexure of 4 pages marked "B" referred to in the Form 604, Notice of change of interest of substantial holder signed by me and dated 7 January 2011.

A handwritten signature in black ink that reads "Anthony Walsh". The signature is written in a cursive style with a large, looped 'A' and 'W'.

Anthony M. Walsh – Company Secretary



23 December 2010

B R ACUTT PTY LTD
B R ACUTT SUPER FUND A/C
3 SAMBELL CLOSE
CHURCHLANDS WA 6018

SUBJECT: Acceptance Deed – Giralia Resources N.L. (Giralia)

Atlas Iron Limited (**Atlas**) has announced on 21 December 2010 an off-market takeover bid under Chapter 6 of the Corporations Act to acquire all of the shares in Giralia (**Announcement**).

B R ACUTT PTY LTD is the registered holder of 734,000 Giralia Shares. For the avoidance of doubt, this letter only relates to the Sale Shares.

By signing this letter, each party agrees to the following terms and conditions:

1. ACCEPTANCE OF OFFER

1.1 The Shareholder undertakes to:

- (a) irrevocably accept the Offer in respect of the Sale Shares by no later than 5.00pm on the Acceptance Date; and
- (b) do everything (including executing any document and making any election) that Atlas reasonably requires, to give full effect to the Shareholder's obligations to accept the Offer in respect of the Sale Shares.

1.2 The Shareholder covenants not to exercise any rights it may have to withdraw its acceptance of the Offer in respect of the Sale Shares, including under section 650E of the Corporations Act.

1.3 To secure the performance of the Shareholder's obligations under this paragraph 1.1, the Shareholder irrevocably appoints any director for the time being of Atlas to be its attorney in its name and on its behalf to execute any acceptance forms and to do such other acts and things as may be necessary to accept (or procure the acceptance) of a Offer in respect of the Sale Shares in accordance with and as contemplated by the terms of this letter. This appointment will only take effect if the Shareholder fails to comply with its obligations under this paragraph 1.1.

2. WARRANTIES & NON-DISPOSAL

2.1 The Shareholder represents and warrants to Atlas that each of the following statements is true and correct and will be true and correct on the date of acceptance of a Offer under paragraph 1.1:

- (a) Shareholder is the legal and beneficial owner of the Sale Shares; and
- (b) on acceptance of a Offer under paragraph 1.1, the Sale Shares will be free from Encumbrances.

2.2 Shareholder covenants not to dispose of, transfer, encumber or otherwise deal with any of the Sale Shares or any interests in the Sale Shares, except to Atlas in accordance with this letter.

3. NON-SOLICITATION

Shareholder agrees that, from the date of this letter until the end of the Offer Period, it and each of its associates, officers and advisors will not approach, solicit or encourage inquiries from, or initiate or encourage discussions with, any person (excluding Atlas and its associates, officers and advisors) in relation to a proposal for the acquisition of an interest in any or all of the Sale Shares.



4. TERMINATION

- 4.1 Subject to paragraph 4.2, this letter will terminate and the Shareholder will be released from its obligations on the earlier of:
- (a) the date the Shareholder accepts the Offer in respect of the Sale Shares;
 - (b) if, at any time before the Acceptance Date, a Third Party Offer is made at a Third Party Offer Price which exceeds the Offer Price, and Atlas has not within 5 Business Days of the Third Party Offer having been made, made an offer or announced an intention to make an offer which matches or exceeds that Third Party Offer Price (**Matching Offer**); or
 - (c) the Offer becomes incapable of acceptance.
- 4.2 The termination of this letter pursuant to paragraph 4.1 does not affect any rights or obligations between the parties accrued before the date of the termination, or any rights or obligations under paragraphs 2, 6 and 7.

5. VALUATION OF A SCRIP OFFER

- 5.1 In the event that the Offer or the Third Party Offer Price is a consideration which consists wholly or partly of a security which is in a class which is quoted on a public stock exchange (**Listed Security**), the value of the securities shall be calculated using the volume weighted average sale price of that security over the preceding 5 days on which that security was publicly traded.
- 5.2 In the event that the Third Party Offer Price comprises wholly or partly of consideration that is neither cash, Listed Security or a combination of both (such portion of the Third Party Offer Price being the **Unquoted Security**), the value of the Unquoted Security shall be agreed between the parties, and failing agreement within 3 Business Days, as determined by an independent expert.

6. GENERAL

This letter is executed as a deed, and is governed by the laws of Western Australia.

Neither party may assign or otherwise transfer any of its rights arising under this letter without the prior written consent of the other party.

7. DEFINITIONS

The following definitions apply in this letter.

Acceptance Date means the date that is the later of:

- (a) 5 Business Days after receipt of the Offer by the Shareholder; or
- (b) if a Matching Offer has been made pursuant to paragraph 4.1(b), 2 Business Days after the date of announcement of the Matching Offer.

ASX means the Australian Securities Exchange operated by ASX Limited (ABN 98 008 624 691).

Atlas Share means a fully paid ordinary share in Atlas.

Business Day means a day on which:

- (a) banks are open for general banking business in Western Australia, excluding Saturdays and Sundays; and
- (b) ASX is open for trading in securities.

Corporations Act means the *Corporations Act 2001* (Cth).

Encumbrance means any:

- (a) mortgage, lien, charge, pledge, claim or other encumbrance; or



(b) option or other third party right.

Giralia Share means a fully paid ordinary share in Giralia.

Higher Third Party Offer means a Third Party Offer under which the Third Party Offer Price exceeds the Offer Price.

Matching Offer has the meaning given in paragraph 4.1(b).

Offer means the offer from Atlas to acquire all of the shares of Giralia by way of an off-market takeover bid, as announced to the ASX on 21 December 2010.

Offer Price means:

- (a) the price per Share offered under the Offer, being 1.5 Atlas Shares, or 1.33 Atlas Shares and \$0.50 cash; and
- (b) includes any variation thereof.

Offer Period means the period of time during which offers under a Offer remain open for acceptance.

Rights means all accretions, rights or benefits of whatever kind attaching to or arising from the Shares including, without limitation, all dividends or other distributions and all rights to receive any dividends or other distributions.

Sale Shares means 734,000 Shares held by the Shareholder at the time of this letter, plus any additional Shares acquired by the Shareholder between the date of this letter and date on which the Shareholder irrevocably accepts the Offer pursuant to paragraph 1.1(a).

Third Party Offer means an offer or proposal made by a third party to acquire more than 50% of the Shares, by way of a takeover bid, a scheme of arrangement or otherwise where:

- (a) if the Third Party Offer is a takeover offer, the offers are capable of acceptance; and are not subject to any condition substantially more onerous than the conditions of the Offer; or
- (b) in any other case, a binding agreement has been entered into between Giralia and the third party in respect of the Third Party Offer.

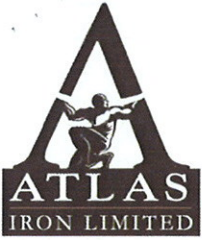
Third Party Offer Price means the highest price or value per Share offered under a Third Party Offer (as determined in accordance with paragraph 5 where the consideration consists in whole or part of a non-cash component) allowing for the value of Rights that are retained by Company shareholders under the terms of the Third Party Offer and not passed onto the person making the Third Party Offer, calculated per Share.

We would be grateful if you would indicate your acceptance of these terms by signing this letter where provided for below.

Yours sincerely

David Flanagan

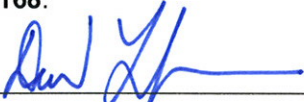
Atlas Iron Limited



EXECUTED as a deed

Dated: 06/01/2011

EXECUTED by ATLAS IRON LIMITED ABN 63 110 396 168:



Signature of director

David Flanagan

Name



Signature of director/secretary

A M WALSH

Name

EXECUTED by B R ACUTT PTY LTD



Signature of director

BRUCE ACUTT

Name

Signature of director/secretary

Name

**Atlas Iron Limited ACN 110 396 168
Annexure C**

Acceptance Deed with Adelaide Prospecting Pty Ltd

This is the annexure of 4 pages marked "C" referred to in the Form 604, Notice of change of interest of substantial holder signed by me and dated 7 January 2011.

A handwritten signature in cursive script that reads "Anthony Walsh". The signature is written in black ink and is positioned above a horizontal line.

Anthony M. Walsh – Company Secretary



23 December 2010

ADELAIDE PROSPECTING PTY LTD
132 BROOME STREET
COTTESLOE WA 6011

SUBJECT: Acceptance Deed – Giralia Resources N.L. (Giralia)

Atlas Iron Limited (Atlas) has announced on 21 December 2010 an off-market takeover bid under Chapter 6 of the Corporations Act to acquire all of the shares in Giralia (Announcement).

Adelaide Prospecting PTY LTD is the registered holder of 71,606 Giralia Shares. For the avoidance of doubt, this letter only relates to the Sale Shares.

By signing this letter, each party agrees to the following terms and conditions:

1. ACCEPTANCE OF OFFER

1.1 The Shareholder undertakes to:

- (a) irrevocably accept the Offer in respect of the Sale Shares by no later than 5.00pm on the Acceptance Date; and
- (b) do everything (including executing any document and making any election) that Atlas reasonably requires, to give full effect to the Shareholder's obligations to accept the Offer in respect of the Sale Shares.

1.2 The Shareholder covenants not to exercise any rights it may have to withdraw its acceptance of the Offer in respect of the Sale Shares, including under section 650E of the Corporations Act.

1.3 To secure the performance of the Shareholder's obligations under this paragraph 1.1, the Shareholder irrevocably appoints any director for the time being of Atlas to be its attorney in its name and on its behalf to execute any acceptance forms and to do such other acts and things as may be necessary to accept (or procure the acceptance) of a Offer in respect of the Sale Shares in accordance with and as contemplated by the terms of this letter. This appointment will only take effect if the Shareholder fails to comply with its obligations under this paragraph 1.1.

2. WARRANTIES & NON-DISPOSAL

2.1 The Shareholder represents and warrants to Atlas that each of the following statements is true and correct and will be true and correct on the date of acceptance of a Offer under paragraph 1.1:

- (a) Shareholder is the legal and beneficial owner of the Sale Shares; and
- (b) on acceptance of a Offer under paragraph 1.1, the Sale Shares will be free from Encumbrances.

2.2 Shareholder covenants not to dispose of, transfer, encumber or otherwise deal with any of the Sale Shares or any interests in the Sale Shares, except to Atlas in accordance with this letter.

3. NON-SOLICITATION

Shareholder agrees that, from the date of this letter until the end of the Offer Period, it and each of its associates, officers and advisors will not approach, solicit or encourage inquiries from, or initiate or encourage discussions with, any person (excluding Atlas and its associates, officers and advisors) in relation to a proposal for the acquisition of an interest in any or all of the Sale Shares.

Atlas Iron Limited ACN 110 396 166

10 Richardson St, West Perth WA 6005 PO Box 223, West Perth WA 6072 T: +61(0)8 9476 7900 F: +61(0)8 9476 7988 W: www.atlasiron.com.au

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Page 1 of 1



4. TERMINATION

- 4.1 Subject to paragraph 4.2, this letter will terminate and the Shareholder will be released from its obligations on the earlier of:
- (a) the date the Shareholder accepts the Offer in respect of the Sale Shares;
 - (b) if, at any time before the Acceptance Date, a Third Party Offer is made at a Third Party Offer Price which exceeds the Offer Price, and Atlas has not within 5 Business Days of the Third Party Offer having been made, made an offer or announced an intention to make an offer which matches or exceeds that Third Party Offer Price (**Matching Offer**); or
 - (c) the Offer becomes incapable of acceptance.
- 4.2 The termination of this letter pursuant to paragraph 4.1 does not affect any rights or obligations between the parties accrued before the date of the termination, or any rights or obligations under paragraphs 2, 6 and 7.

5. VALUATION OF A SCRIP OFFER

- 5.1 In the event that the Offer or the Third Party Offer Price is a consideration which consists wholly or partly of a security which is in a class which is quoted on a public stock exchange (**Listed Security**), the value of the securities shall be calculated using the volume weighted average sale price of that security over the preceding 5 days on which that security was publicly traded.
- 5.2 In the event that the Third Party Offer Price comprises wholly or partly of consideration that is neither cash, Listed Security or a combination of both (such portion of the Third Party Offer Price being the **Unquoted Security**), the value of the Unquoted Security shall be agreed between the parties, and failing agreement within 3 Business Days, as determined by an independent expert.

6. GENERAL

This letter is executed as a deed, and is governed by the laws of Western Australia.

Neither party may assign or otherwise transfer any of its rights arising under this letter without the prior written consent of the other party.

7. DEFINITIONS

The following definitions apply in this letter.

Acceptance Date means the date that is the later of:

- (a) 5 Business Days after receipt of the Offer by the Shareholder; or
- (b) if a Matching Offer has been made pursuant to paragraph 4.1(b), 2 Business Days after the date of announcement of the Matching Offer.

ASX means the Australian Securities Exchange operated by ASX Limited (ABN 98 008 624 691).

Atlas Share means a fully paid ordinary share in Atlas.

Business Day means a day on which:

- (a) banks are open for general banking business in Western Australia, excluding Saturdays and Sundays; and

ASX is open for trading in securities.

Corporations Act means the *Corporations Act 2001* (Cth).

Encumbrance means any:

- (a) mortgage, lien, charge, pledge, claim or other encumbrance; or



(b) option or other third party right.

Giralia Share means a fully paid ordinary share in Giralia.

Higher Third Party Offer means a Third Party Offer under which the Third Party Offer Price exceeds the Offer Price.

Matching Offer has the meaning given in paragraph 4.1(b).

Offer means the offer from Atlas to acquire all of the shares of Giralia by way of an off-market takeover bid, as announced to the ASX on 21 December 2010.

Offer Price means:

- (a) the price per Share offered under the Offer, being 1.5 Atlas Shares, or 1.33 Atlas Shares and \$0.50 cash; and
- (b) includes any variation thereof.

Offer Period means the period of time during which offers under a Offer remain open for acceptance.

Rights means all accretions, rights or benefits of whatever kind attaching to or arising from the Shares including, without limitation, all dividends or other distributions and all rights to receive any dividends or other distributions.

Sale Shares means ^{71,606 ASX Shares} ~~545,000~~ Shares held by the Shareholder at the time of this letter, plus any additional Shares acquired by the Shareholder between the date of this letter and date on which the Shareholder irrevocably accepts the Offer pursuant to paragraph 1.1(a).

Third Party Offer means an offer or proposal made by a third party to acquire more than 50% of the Shares, by way of a takeover bid, a scheme of arrangement or otherwise where:

- (a) if the Third Party Offer is a takeover offer, the offers are capable of acceptance; and are not subject to any condition substantially more onerous than the conditions of the Offer; or
- (b) in any other case, a binding agreement has been entered into between Giralia and the third party in respect of the Third Party Offer.

Third Party Offer Price means the highest price or value per Share offered under a Third Party Offer (as determined in accordance with paragraph 5 where the consideration consists in whole or part of a non-cash component) allowing for the value of Rights that are retained by Company shareholders under the terms of the Third Party Offer and not passed onto the person making the Third Party Offer, calculated per Share.

We would be grateful if you would indicate your acceptance of these terms by signing this letter where provided for below.

Yours sincerely

David Flanagan

Atlas Iron Limited

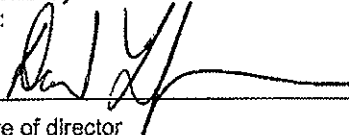
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EXECUTED as a deed

Dated: 6 January 2011

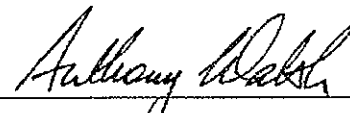
EXECUTED by ATLAS IRON LIMITED ABN 63 110 396 168:



Signature of director

David Flanagan

Name

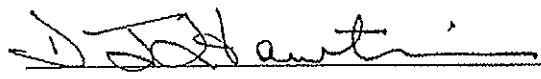


Signature of director/secretary

Anthony Walsh

Name

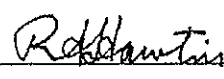
EXECUTED by ADELAIDE PROSPECTING PTY LTD



Signature of director

R. A. HAWTIN

Name



Signature of director/secretary

R. A. HAWTIN

Name

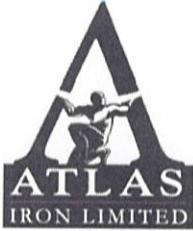
**Atlas Iron Limited ACN 110 396 168
Annexure D**

Acceptance Deed with Yandal Investments Pty Ltd

This is the annexure of 4 pages marked "D" referred to in the Form 604, Notice of change of interest of substantial holder signed by me and dated 7 January 2011.

A handwritten signature in cursive script that reads "Anthony Walsh". The signature is written in black ink and is positioned above a horizontal line.

Anthony M. Walsh – Company Secretary



6 January 2011

YANDAL INVESTMENTS PTY LTD
PO BOX 1492
WEST PERTH WA 6872

SUBJECT: Acceptance Deed – Giralia Resources N.L. (Giralia)

Atlas Iron Limited (**Atlas**) has announced on 21 December 2010 an off-market takeover bid under Chapter 6 of the Corporations Act to acquire all of the shares in Giralia (**Announcement**).

YANDAL INVESTMENTS PTY LTD is the registered holder of at least 2,000,000 Giralia Shares. For the avoidance of doubt, this letter only relates to the Sale Shares.

By signing this letter, each party agrees to the following terms and conditions:

1. ACCEPTANCE OF OFFER

1.1 The Shareholder undertakes to:

- (a) irrevocably accept the Offer in respect of the Sale Shares by no later than 5.00pm on the Acceptance Date; and
- (b) do everything (including executing any document and making any election) that Atlas reasonably requires, to give full effect to the Shareholder's obligations to accept the Offer in respect of the Sale Shares.

1.2 The Shareholder covenants not to exercise any rights it may have to withdraw its acceptance of the Offer in respect of the Sale Shares, including under section 650E of the Corporations Act.

1.3 To secure the performance of the Shareholder's obligations under this paragraph 1.1, the Shareholder irrevocably appoints any director for the time being of Atlas to be its attorney in its name and on its behalf to execute any acceptance forms and to do such other acts and things as may be necessary to accept (or procure the acceptance) of a Offer in respect of the Sale Shares in accordance with and as contemplated by the terms of this letter. This appointment will only take effect if the Shareholder fails to comply with its obligations under this paragraph 1.1.

2. WARRANTIES & NON-DISPOSAL

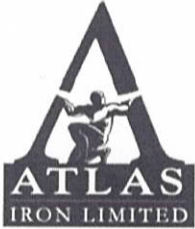
2.1 The Shareholder represents and warrants to Atlas that each of the following statements is true and correct and will be true and correct on the date of acceptance of a Offer under paragraph 1.1:

- (a) Shareholder is the legal and beneficial owner of the Sale Shares; and
- (b) on acceptance of a Offer under paragraph 1.1, the Sale Shares will be free from Encumbrances.

2.2 Shareholder covenants not to dispose of, transfer, encumber or otherwise deal with any of the Sale Shares or any interests in the Sale Shares, except to Atlas in accordance with this letter.

3. NON-SOLICITATION

Shareholder agrees that, from the date of this letter until the end of the Offer Period, it and each of its associates, officers and advisors will not approach, solicit or encourage inquiries from, or initiate or encourage discussions with, any person (excluding Atlas and its associates, officers and advisors) in relation to a proposal for the acquisition of an interest in any or all of the Sale Shares.



4. TERMINATION

- 4.1 Subject to paragraph 4.2, this letter will terminate and the Shareholder will be released from its obligations on the earlier of:
- (a) the date the Shareholder accepts the Offer in respect of the Sale Shares;
 - (b) if, at any time before the Acceptance Date, a Third Party Offer is made at a Third Party Offer Price which exceeds the Offer Price, and Atlas has not within 5 Business Days of the Third Party Offer having been made, made an offer or announced an intention to make an offer which matches or exceeds that Third Party Offer Price (**Matching Offer**); or
 - (c) the Offer becomes incapable of acceptance.
- 4.2 The termination of this letter pursuant to paragraph 4.1 does not affect any rights or obligations between the parties accrued before the date of the termination, or any rights or obligations under paragraphs 2, 6 and 7.

5. VALUATION OF A SCRIP OFFER

- 5.1 In the event that the Offer or the Third Party Offer Price is a consideration which consists wholly or partly of a security which is in a class which is quoted on a public stock exchange (**Listed Security**), the value of the securities shall be calculated using the volume weighted average sale price of that security over the preceding 5 days on which that security was publicly traded.
- 5.2 In the event that the Third Party Offer Price comprises wholly or partly of consideration that is neither cash, Listed Security or a combination of both (such portion of the Third Party Offer Price being the **Unquoted Security**), the value of the Unquoted Security shall be agreed between the parties, and failing agreement within 3 Business Days, as determined by an independent expert.

6. GENERAL

This letter is executed as a deed, and is governed by the laws of Western Australia.

Neither party may assign or otherwise transfer any of its rights arising under this letter without the prior written consent of the other party.

7. DEFINITIONS

The following definitions apply in this letter.

Acceptance Date means the date that is the later of:

- (a) 5 Business Days after receipt of the Offer by the Shareholder; or
- (b) if a Matching Offer has been made pursuant to paragraph 4.1(b), 2 Business Days after the date of announcement of the Matching Offer.

ASX means the Australian Securities Exchange operated by ASX Limited (ABN 98 008 624 691).

Atlas Share means a fully paid ordinary share in Atlas.

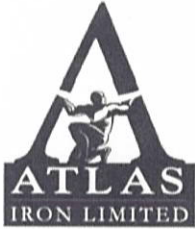
Business Day means a day on which:

- (a) banks are open for general banking business in Western Australia, excluding Saturdays and Sundays; and
- (b) ASX is open for trading in securities.

Corporations Act means the *Corporations Act 2001* (Cth).

Encumbrance means any:

- (a) mortgage, lien, charge, pledge, claim or other encumbrance; or



(b) option or other third party right.

Giralia Share means a fully paid ordinary share in Giralia.

Higher Third Party Offer means a Third Party Offer under which the Third Party Offer Price exceeds the Offer Price.

Matching Offer has the meaning given in paragraph 4.1(b).

Offer means the offer from Atlas to acquire all of the shares of Giralia by way of an off-market takeover bid, as announced to the ASX on 21 December 2010.

Offer Price means:

- (a) the price per Share offered under the Offer, being 1.5 Atlas Shares, or 1.33 Atlas Shares and \$0.50 cash; and
- (b) includes any variation thereof.

Offer Period means the period of time during which offers under a Offer remain open for acceptance.

Rights means all accretions, rights or benefits of whatever kind attaching to or arising from the Shares including, without limitation, all dividends or other distributions and all rights to receive any dividends or other distributions.

Sale Shares means **2,000,000** Shares only held by the Shareholder at the time of this letter, but not any additional Shares acquired by the Shareholder between the date of this letter and date on which the Shareholder irrevocably accepts the Offer pursuant to paragraph 1.1(a).

Third Party Offer means an offer or proposal made by a third party to acquire more than 50% of the Shares, by way of a takeover bid, a scheme of arrangement or otherwise where:

- (a) if the Third Party Offer is a takeover offer, the offers are capable of acceptance; and are not subject to any condition substantially more onerous than the conditions of the Offer; or
- (b) in any other case, a binding agreement has been entered into between Giralia and the third party in respect of the Third Party Offer.

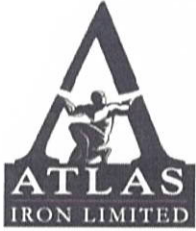
Third Party Offer Price means the highest price or value per Share offered under a Third Party Offer (as determined in accordance with paragraph 5 where the consideration consists in whole or part of a non-cash component) allowing for the value of Rights that are retained by Company shareholders under the terms of the Third Party Offer and not passed onto the person making the Third Party Offer, calculated per Share.

We would be grateful if you would indicate your acceptance of these terms by signing this letter where provided for below.

Yours sincerely

David Flanagan

Atlas Iron Limited



EXECUTED as a deed

Dated: 6 January 2011

EXECUTED by ATLAS IRON LIMITED ABN 63 110 396 168:

Signature of director

David Flanagan

Name

Signature of director/secretary

A.M. Walsh

Name

EXECUTED by YANDAL INVESTMENTS PTY LTD

Signature of director

Name

Signature of director/secretary

MARK GRAHAM CREAM

Name