

17 February 2011

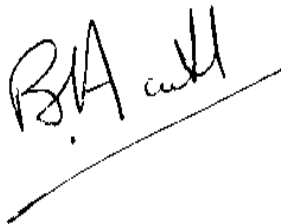
ASX Operations
Announcement Office
Level 10, 20 Bond Street
SYDNEY NSW 2000

Dear Sir/Madam

Please find attached a copy of a letter to be sent to the shareholders of Giralia Resources NL, notifying them that;

- (a) Atlas Iron Limited's off-market takeover offer ("Offer") for Giralia has now been declared wholly unconditional, and
- (b) Atlas has also announced that it will accelerate payment terms so that Giralia shareholders who accept the Offer will be sent their consideration within 3 business days of their acceptance being processed.

Yours faithfully



Bruce Acutt
Company Secretary

Attach.

17 February 2011

Atlas' Offer Unconditional and Payment Terms Accelerated

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 on 14 February 2011, Atlas declared the Offer free from all defeating conditions, having now reached a relevant interest in Giralia of **69.09%** on 16 February 2011. **This means that the Offer is now wholly unconditional.**

In addition, Atlas announced it will accelerate payment terms so that Giralia shareholders who accept the Offer will be sent their consideration **within 3 business days** of their acceptance being processed. Giralia shareholders who accepted the Offer before it was declared unconditional will be sent their consideration within 3 business days of 14 February 2011. Shareholders who do not accept the Offer before Atlas reaches the compulsory acquisition threshold of 90% will not have access to the accelerated payment terms, and will receive their consideration later than if they accept the Offer now.

GIRALIA'S DIRECTORS UNANIMOUSLY RECOMMEND THAT REMAINING SHAREHOLDERS ACCEPT ATLAS' TAKEOVER OFFER WITHOUT DELAY, in the absence of a superior proposal.

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

The directors of Giralia also reiterate that if you have not already accepted the Offer, and Atlas does not acquire a relevant interest of 90% in Giralia, you will remain a minority shareholder in Giralia. The possible implications of being a minority shareholder include:

- Atlas being in a position to control the composition of the Giralia Board and senior management, as well as the strategic direction of the Company;
- The liquidity of your Giralia shares may be significantly reduced, thereby exposing you to greater volatility, less institutional support and limited analyst coverage of Giralia;
- If the number of Giralia shareholders is less than that required by the ASX Listing Rules to maintain an ASX listing, then the ASX may suspend and/or de-list Giralia. If this occurs, you will not be able to sell your Giralia shares on market; and
- There may be a reduced likelihood of a subsequent takeover bid for Giralia from a party other than Atlas.

The Offer is currently scheduled to close on Monday 28 February 2011 unless extended, and with control of the Company now having effectively passed to Atlas, your Board has received a request from Atlas for Board representation. This has been accepted by the Company, and accordingly 3 Atlas nominees will formally be invited to join the Giralia Board.

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