



7 January 2010

Company Announcements Office
ASX Limited
Exchange Plaza
2 The Esplanade
PERTH WA 6000
6 January 2011

Dear Sir/Madam

FOR IMMEDIATE RELEASE TO THE MARKET

**Atlas Iron Limited
Off-market takeover bid for Giralia Resources NL**

In accordance with item 5 of section 633(1) of the *Corporations Act 2001* (Cth), find **enclosed** a copy of the bidder's statement dated 7 January 2011 (**Bidder's Statement**) in respect of an off market takeover bid (**Offer**) by Atlas Iron Limited ABN 63 110 396 168, for all of the fully paid ordinary shares in Giralia Resources NL ABN 64 009 218 204 (**Giralia**).

A copy of the Bidder's Statement has been lodged with the Australian Securities and Investment Commission and served on Giralia earlier today.

Yours sincerely

Tony Walsh
Company Secretary
Atlas Iron Limited



BIDDER'S STATEMENT

ACCEPT RECOMMENDED OFFER

by

Atlas Iron Limited

ABN 63 110 396 168

to acquire all of your shares in

Giralia Resources NL

ABN 64 009 218 204

for

1.5 Atlas Shares

per Giralia Share

OR

1.33 Atlas Shares and

\$0.50 cash

per Giralia Share

GIRALIA'S DIRECTORS UNANIMOUSLY RECOMMEND YOU

ACCEPT THE OFFER

IN THE ABSENCE OF A SUPERIOR PROPOSAL AND SUBJECT TO THE INDEPENDENT EXPERT'S OPINION

This is an important document and requires your immediate attention. If you are in doubt as to how to deal with this document you should consult your financial, legal or other professional adviser immediately



Financial Adviser
Hartleys Limited

Blake Dawson

Legal Adviser
Blake Dawson

Important Information

Offer Information Line

For information regarding your Giralia Shares, the Offer or how to accept the Offer please read this Bidder's Statement. If you still need assistance please contact Atlas Offer Information Line between 9.00am and 5.00pm (AWST), Monday to Friday 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

Key Dates

Announcement of Offer	Tuesday, 21 December 2010
Bidder's Statement lodged with ASIC	Friday, 7 January 2011
Offer opens (date of Offer)	[■]
Offer closes*	[■]

*This date is indicative only and may be extended or withdrawn as permitted by the Corporations Act.

This Bidder's Statement is dated 7 January 2011.

This Bidder's Statement is given by Atlas Iron Limited ACN 110 396 168 (**Atlas**) to Giralia Resources NL ACN 009 218 204 (**Giralia**) under Part 6.5 of the Corporations Act. This Bidder's Statement includes an Offer dated [■] to acquire your Giralia Shares and also sets out certain disclosures required by the Corporations Act.

A copy of this Bidder's Statement was lodged with the Australian Securities and Investments Commission (**ASIC**) on 7 January 2011. ASIC takes no responsibility for the contents of this Bidder's Statement.

A number of defined terms are used in this Bidder's Statement. Unless a contrary intention appears or the context requires otherwise, these terms are defined in section 12.1 of this Bidder's Statement.

Important considerations

All references to future production and production targets and port access made in relation to Atlas or the Merged Entity in this Bidder's Statement are subject to the completion of all necessary feasibility studies, permitting, construction, financing arrangements, port access and execution of infrastructure-related agreements. Where such a reference is made, it should be read subject to this paragraph and in conjunction with section 2.6 of this Bidder's Statement (for further information about the Mineral Resources and Ore Reserves, as well as the Competent Persons' Statements).

All references to port access at South West Creek in this Bidder's Statement are subject to completion of the proposed North West Iron Ore Alliance (**NWIOA**) port facility in Port Hedland (with Atlas allocation of up to 19.5 Mtpa). Atlas is a foundation participant in the NWIOA, which was established with other junior iron ore companies to secure access to port infrastructure in the Pilbara region of Western Australia to transport and export iron ore products. The NWIOA is in the process of completing a definitive feasibility study on developing port and stockpiling facilities at South West Creek located in Port Hedland's inner harbour, with a projected annual throughput capacity of up to 50 Mtpa. The proposed site of the facilities is vested in the Port Hedland Port Authority (**PHPA**) and the project remains subject to the completion of feasibility studies, financing and execution of all necessary agreements with the PHPA (including a site lease) and with other parties. While Atlas is a 33% shareholder of NWIOA Ops. Pty Ltd, the NWIOA company which is responsible for managing the proposed NWIOA port facility, Atlas has contributed 39% of all project related expenses and has up to a 39% interest in berth capacity, which is yet to be finalised.

Investment decisions

This Bidder's Statement does not take into account the investment objectives, financial and tax situation or the particular needs of any person. Before deciding whether or not to accept the Offer you may wish to seek independent financial and taxation advice.

Forward looking statements

This Bidder's Statement contains forward looking statements including statements of current intentions, statements of opinion and predictions as to possible future events.

Forward looking statements are not based on historical facts, but are based on current expectations of future results or events. These forward looking statements are subject to known or unknown risks, uncertainties and assumptions which could cause actual results or events to differ materially from the expectations described in such forward looking statements. Those risks, uncertainties, assumptions and other important factors are not all within the control of Atlas and cannot be predicted by Atlas. While Atlas believes that the expectations reflected in the forward looking statements in this document are reasonable, no assurance can be given that such expectations will prove to be correct. The risk factors set out in section 7 of this Bidder's Statement, as well as other matters not yet known to Atlas or not currently considered material by Atlas, may cause actual results or events to be materially different from those expressed, implied or projected in any forward looking statements. Any forward looking statement contained in this document is qualified by this cautionary statement.

None of Atlas, its officers, any persons named in this document with their consent or any person involved in the preparation of this document makes any representation, assurance or guarantee as to the accuracy or likelihood of fulfilment of any forward looking statement or any outcomes expressed or implied in any forward looking statements. Any forward looking statement contained in this document is qualified by this cautionary statement.

Subject to any continuing obligations under law or the ASX Listing Rules, Atlas and its officers disclaim any obligation or undertaking to disseminate after the date of this document any updates or revisions to any forward looking statements to reflect any change in expectations in relation to any forward looking statements or any change in events, conditions or circumstances on which such statements are based.

Offers outside Australia and New Zealand

- (a) Shareholders should note that the consideration under the Offer includes Atlas Shares, which are shares in an Australian public company listed on ASX. The Offer is subject to disclosure requirements in Australia which are different from those applicable in other countries. Subject to paragraph (b) below, Giralia Shareholders whose address in Giralia's register of members is not in Australia or New Zealand will not be entitled to receive Atlas Shares on acceptance of the Offer (unless Atlas determines otherwise). Ineligible Foreign Shareholders who accept the Offer will receive a cash amount calculated in accordance with section 11.22 of this Bidder's Statement. This Bidder's Statement does not constitute an offer to issue or sell, or the soliciting of an offer to buy, any securities referred to in this Bidder's Statement in any jurisdiction in which the issue of such securities would be unlawful.

The contents of this Bidder's Statement have not been reviewed by any regulatory authority (in Australia or otherwise). You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this Bidder's Statement, you should obtain independent professional advice.

- (b) Giralia Shareholders whose address in Giralia's register of members is in the United Kingdom, Singapore, The Netherlands or Hong Kong may be entitled to receive Atlas Shares on acceptance of the Offer if they agree to and, where applicable, satisfy the requirements set out for their relevant jurisdiction below:

United Kingdom

This Bidder's Statement is only being distributed to and is only directed at persons in the United Kingdom who are qualified investors falling within Article 3(2) of the Prospectus Directive (2003/71/EC) or to fewer than 100 natural or legal persons in the United Kingdom who are not qualified investors. Persons to whom the foregoing does not apply should not rely on this document as the Offer is not being made to them.

Singapore

This Bidder's Statement will not be, and no other document relating to the Offer will be, registered as a prospectus with the Monetary Authority of Singapore in connection with the Offer. Accordingly, no document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Atlas Shares may be circulated or distributed, nor may the Atlas Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than pursuant to, and in accordance with, the conditions of an exemption under any provision of Subdivision (4) of Division 1 of Part XIII of the Securities and Futures Act, Chapter 289 of Singapore.

The Netherlands

In the Netherlands, the Atlas Shares may not be offered or sold, directly or indirectly, other than to (i) qualified investors (*gekwalificeerde beleggers*) within the meaning of Article 1:1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) and (ii) a maximum of 99 non-qualified investors (collectively, the "Eligible Offerees"). Accordingly, in the Netherlands, the Offer to receive Atlas Shares as (part of) the offer consideration is solely extended to holders of Giralia Shares that qualify as Eligible Offerees; all other holders of Giralia Shares will be taken to be an Ineligible Foreign Shareholder and will receive cash only. The tender offer rules (*regels voor openbare biedingen*) of, and promulgated under, the Dutch Act on Financial Supervision do not apply to the Offer. This Bidder's Statement has not been reviewed or approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*).

Hong Kong

This Bidder's Statement does not constitute an offer or sale in Hong Kong of any Atlas Shares and no person may offer or sell in Hong Kong, by means of this Bidder's Statement, any Atlas Shares other than (a) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance.

No person may issue or have in his possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Atlas Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Atlas Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

Privacy collection statement

Personal information relating to your shareholding in Giralia will be obtained by Atlas or its agents from Giralia in accordance with its rights under the Corporations Act. Atlas will share this information with its related bodies corporate, advisers and agents where necessary for the purposes of the Offer. Atlas, its related bodies corporate, advisers and agents will use this information solely for purposes relating to the Offer. If you would like details of your personal information held by Atlas or its agents please contact the Atlas Offer Information Line, details of which are provided below.

Enquiries

If you have any queries in relation to the Offer or this Bidder's Statement, please 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.

Further information relating to the Offer can be obtained from Atlas' website at www.atlasiron.com.au.

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Your Acceptance Form is enclosed with this Bidder's Statement.

Managing Director's letter



7 January 2011

Dear Giralia Shareholders

On 21 December 2010, Giralia and Atlas announced the friendly off-market takeover of Giralia by Atlas (**Recommended Takeover**) which both companies believe presents an attractive new opportunity for all Giralia Shareholders.

The rationale for the Recommended Takeover is to create wealth for shareholders of both Giralia and Atlas by establishing a very significant Pilbara focused iron ore producer, developer and explorer with a reduced risk profile and an enhanced growth potential.

The Offer is at a Significant Premium

On behalf of the Directors of Atlas, I am pleased to provide you with this Bidder's Statement detailing Atlas' Offer to acquire your Giralia Shares. For each of your Giralia Shares, Atlas is offering you either:

- 1.5 Atlas Shares; or
- 1.33 Atlas Shares and \$0.50 cash.

Based on the VWAP of Atlas Shares over the 5 trading days prior to the announcement of the Offer, Atlas' Offer represents a significant premium for your Giralia Shares of 52.9% to the closing price of Giralia Shares on the ASX on 20 December 2010 (the last trading day prior to the announcement of the Offer) and a premium of 53.5% to the VWAP of Giralia Shares over the month prior to the announcement of the Offer.

Your directors unanimously recommend the Offer

The Giralia Board unanimously recommend the Offer, in the absence of a Superior Proposal and subject to the Independent Expert concluding that the Offer is fair and reasonable to Giralia Shareholders. All of the Giralia Directors have entered into pre-bid agreements with Atlas in respect of all of the Giralia Shares that they own, representing approximately 7.5% of Giralia's issued share capital.¹

Mr Graham Riley, your Chairman stated on 21 December 2010 that:

"The Giralia Board believes the effective merger of the two companies, combining the Port Hedland precinct's largest independent DSO iron ore resources held by Giralia, with the resources and significant rights to port capacity held by Atlas, is forceful and compelling, unlocking significant latent value for both companies, and creating a combined entity with the critical mass and required infrastructure to be a significant power in the Pilbara iron ore sector. The Board of Giralia has full confidence in David Flanagan and the Atlas team to drive the projects forward and create significant value for shareholders and has agreed to execute Pre Bid Agreements with respect to their personal shareholdings in Giralia to satisfy a pre-condition to enable the Offer to be put to all shareholders."

Atlas has a Strong Track Record of Mine Development

Atlas is a listed public company (ASX code: AGO) with a market capitalisation of approximately \$1.6 billion (as at 5 January 2011). Atlas currently operates two iron ore projects; the Pardoo Project, 75 kilometres east of Port Hedland and the Wodgina iron ore project, 100 kilometres south of Port Hedland. Atlas is currently exporting DSO from its Pardoo and Wodgina DSO Projects at a combined rate of approximately 6 Mtpa.

Atlas is also working towards the development of its proposed Turner River Hub (TRH) facility, which comprises the Abydos and Mt Webber iron ore projects. Atlas expects to bring this facility into production by 2012. This is expected to grow Atlas' production to a total production rate of 12Mtpa by the end of 2012.²

Giralia Shareholders' Participation in the Atlas Production Growth Profile

By accepting the Offer, through your new holding in Atlas Shares, you will have the opportunity to participate in the ongoing benefits of the Merged Entity, which include:

- cost effective access to port infrastructure providing a path to market for its products;
- management with extensive mining and project execution expertise;
- being part of a financially well positioned company currently with approximately \$171 million in cash and no debt³, which is generating strong cash flows from production;
- a significant and growing production profile;
- a diversified portfolio of iron ore assets with a large resource inventory and exploration potential;
- a DSO production rate targeted at 12Mtpa by the end of 2012⁴;
- DSO iron ore production rate targeted at 22Mtpa by the end of 2015⁵, all from North Pilbara assets which are close to Port Hedland;
- DSO iron ore production from South East Pilbara assets targeted to add to the production from North Pilbara assets; and
- three magnetite projects, the Ridley Magnetite Project with Resources of 2 billion tonnes at 36.5% Fe, the Balla Balla Project with Resources of 456Mt at 45.0% Fe and the Yerecoin magnetite asset with Resources of 187Mt at 30.9% Fe.⁶

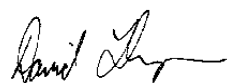
Furthermore, Giralia Shareholders may benefit from Atlas' potential inclusion in the S&P/ ASX 100 index, providing additional liquidity and broader investor interest in the Merged Entity.⁷

Accept the Offer

This Offer is currently scheduled to close at 5pm AWST on [.] unless extended or withdrawn. I urge you to read the Bidder's Statement carefully and accept the Offer. **To accept this Offer, please follow the instructions on the enclosed Acceptance Form.**

We look forward to welcoming you as a shareholder in Atlas, a rapidly growing, independent iron ore producer.

Yours sincerely



Mr David Flanagan
Managing Director
Atlas Iron Limited

¹ Subject to there being no Higher Third Party Offer before the date of acceptance which is not matched by Atlas.

² Atlas has Proved and Probable Ore Reserves for 4.0 years based on a production target of 1.8 Mtpa for the Pardoo DSO project, Proved and Probable Ore Reserves for 4.7 years based on a production target of 4.2 Mtpa for the Wodgina DSO project, and Probable Ore Reserves for 2.5 years based on a production target of 3 Mtpa for the Abydos DSO project. Atlas has Probable Ore Reserves for 6.4 years based on a production target of 3 Mtpa for the Mt Webber DSO project. There remains at present insufficient certainty with respect to whether economically mineable mineralisation beyond the Proved and Probable Reserves exists to reliably estimate future production for these projects. These production targets are also subject to the completion of all necessary feasibility studies, environmental permitting, port access, financing arrangements, execution of infrastructure related agreements and timely project construction. Refer to the Resources and Reserves tables in section 2.6 of this Bidder's Statement for a breakdown of this aggregate figure.

³ As at the date of this Bidder's Statement

⁴ Atlas has Proved and Probable Ore Reserves for 4.0 years based on a production target of 1.8 Mtpa for the Pardoo DSO project, Proved and Probable Ore Reserves for 4.7 years based on a production target of 4.2 Mtpa for the Wodgina DSO project, and Probable Ore Reserves for 2.5 years based on a production target of 3 Mtpa for the Abydos DSO project. Atlas has Probable Ore Reserves for 6.4 years based on a production target of 3 Mtpa for the Mt Webber DSO project. There remains at present insufficient certainty with respect to whether economically mineable mineralisation beyond the Proved and Probable Reserves exists to reliably estimate future production for these projects. These production targets are also subject to the completion of all necessary feasibility studies, environmental permitting, port access, financing arrangements, execution of infrastructure related agreements and timely project construction. Refer to the Resources and Reserves tables in section 2.6 of this Bidder's Statement for a breakdown of this aggregate figure.

⁵ While the Resources are adequate to support this production target, these Resources are not Reserves and therefore it is uncertain whether they can be mined in an economically viable manner in order to achieve those targets. There remains at present insufficient certainty with respect to whether economically mineable mineralisation beyond the Proved and Probable Reserves exists to reliably estimate future production rates. These production targets are also subject to the completion of all necessary feasibility studies, environmental permitting, port access, financing arrangements, execution of infrastructure-related agreements and timely project and port berth construction. Refer to the Resources and Reserves tables in section 2.6 of this Bidder's Statement for a breakdown of this aggregate figure.

⁶ Please refer to section 2.6 of this Bidder's Statement for further information about the Mineral Resources and Ore Reserves, together with the Competent Persons Statements.

⁷ Based on the pro forma market capitalisation of the Merged Entity as at 20 December 2010 (being the date immediately before the Announcement Date). The criteria for inclusion in the S&P/ASX 100 index include measures other than market capitalisation such as liquidity and there is no guarantee that the shares of the Merged Entity will be included in the S&P/ASX 100 after the completion of the Offer.



Reasons Why You Should Accept Atlas' Offer

1. The Offer represents an attractive premium to recent market prices for Giralia Shares.
2. The Directors of Giralia unanimously recommend the Offer, subject to the Independent Expert concluding that the Offer is fair and reasonable and in the absence of a Superior Proposal. Each of the Giralia Directors have also separately agreed to accept the Offer in respect of all the Giralia Shares which they own subject to there being no Higher Third Party Offer before the date of acceptance which is not matched by Atlas.
3. Atlas has the scale, financial strength and management expertise to develop and maximise the value of Giralia's assets.
4. If you accept the Offer, you will own shares in a company which is currently exporting DSO at an approximate annualised rate of 6Mtpa and generating strong cash flows in the current high price environment.
5. By receiving shares in Atlas, you will continue to receive the benefits of the accelerated development of Giralia assets.
6. Atlas' port infrastructure will provide Giralia's assets with a path to market.
7. If you accept the Offer, you will hold highly liquid shares in a company with an enhanced ASX market presence with representation in the S&P/ASX 200 index and potential inclusion in the S&P/ASX 100 index.
8. If you accept the Offer and Atlas acquires at least 80% of the voting shares in Giralia, you will likely have access to scrip for scrip rollover relief, in which case you will not incur capital gains tax as a result of this transaction if you choose to receive Atlas Shares for all your Giralia Shares.⁸

⁸ Subject to Atlas becoming the owner of 80% or more of the voting shares in Giralia. If you choose 1.33 Atlas Shares and \$0.50 cash for each of your Giralia Shares, the cash component of the consideration is not eligible for CGT rollover relief. For further information, please refer to Section 9 of this Bidder's Statement.

1 – The Offer is at an Attractive Premium

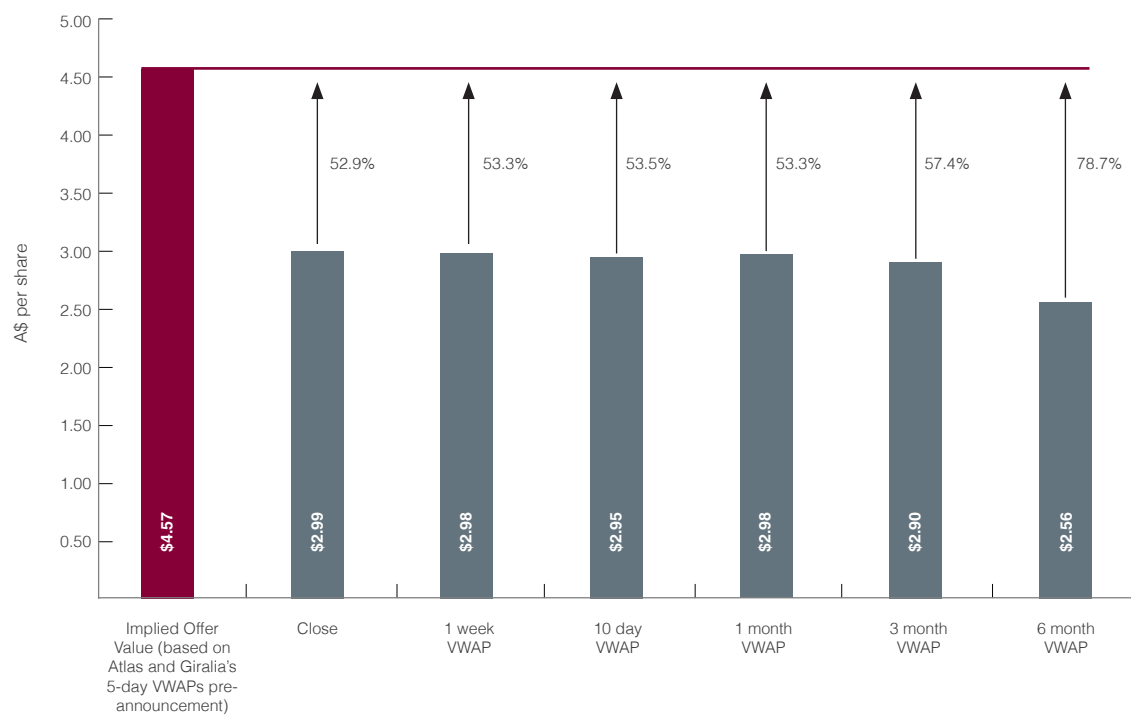
The Offer represents a significant premium to the trading levels of Giralia Shares prior to the announcement date.

The consideration for each of your Giralia Shares under the Offer comprises either:

- 1.5 Atlas Shares; or
- 1.33 Atlas Shares and \$0.50 cash.

Based on the VWAP of Atlas Shares over the 5 trading days prior to the Announcement Date, Atlas' Offer represents a significant premium for your Giralia Shares of 52.9% to the closing price of Giralia Shares on the ASX on 20 December 2010, the last trading day prior to the announcement of the Offer and a premium of 53.3% to the VWAP of Giralia Shares over the month ending on the date immediately prior to the Announcement Date.

The level that Atlas will pay represents a significant premium above recent VWAP based pricing levels, as indicated below:



Note: the VWAP of Giralia Shares included in the diagram above is calculated over the relevant period ending on and including 20 December 2010 (the date immediately prior to the Announcement Date). For example, the 1 week VWAP of \$2.98 is calculated over the period from 14 December 2010 to 20 December 2010 (inclusive), and the 3 month VWAP of \$2.90 is calculated over the period from 20 October 2010 to 20 December 2010 (inclusive).

2 – Unanimous Support from Giralia Board for the Offer

The Directors of Giralia unanimously support the Offer, and have entered into pre-bid acceptance arrangements with Atlas.

All of the Giralia Directors have agreed to accept the Offer with respect to the Giralia Shares that they own.⁹

In making the recommendation, Mr Graham Riley, Chairman of Giralia stated:

“The Giralia Board believes the effective merger of the two companies, combining Giralia’s large DSO iron ore resources with Atlas’ considerable DSO resources and reserves and significant rights to port capacity, is forceful and compelling, unlocking significant latent value for both companies, and creating a combined entity with the critical mass and required infrastructure to be a significant power in the Pilbara iron ore sector. The Board of Giralia has full confidence in David Flanagan and the Atlas team to drive the projects forward and create significant value for shareholders and has agreed to execute Pre Bid Agreements with respect to their personal shareholding in Giralia to satisfy a pre-condition to enable the Offer to be put to all shareholders.”

On 21 December 2010, Atlas and Giralia’s joint announcement stated:

“Giralia Directors unanimously recommend Giralia’s shareholders accept the offer, in the absence of a Superior Proposal and subject to the opinion of an independent expert, and have undertaken to support the offer through pre-bid agreements in relation to their shareholdings.”

“Atlas has entered into pre-bid acceptance agreements with all Board members of Giralia for all of the shares that they own, representing approximately 7.5% of the Giralia Shares on issue, contractually binding them to accept the Offer in respect of all their shares, subject to no Superior Proposal being received by Giralia which is not matched by Atlas.”

⁹ Subject to there being no Higher Third Party Offer made within 5 Business Days of the commencement of the Offer Period which is not matched by Atlas. For further details, please refer to Section 10.2 of this Bidder’s Statement.



3 – Atlas has the Capacity to Maximise the Value of Giralia’s Assets

Atlas has the scale, financial strength and board and management expertise to advance and maximise the value of Giralia’s assets.

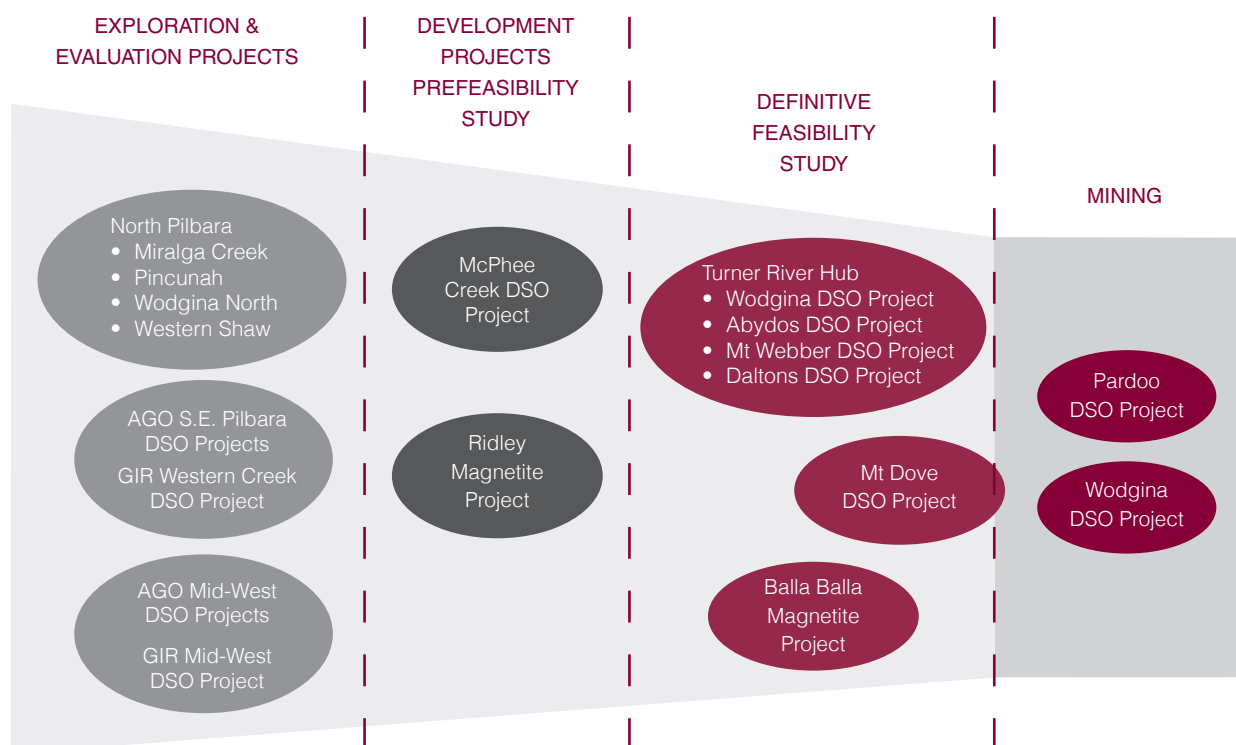
Atlas has progressed two projects from exploration through the feasibility, permitting and financing process into development, production and export. Following the successful commissioning of the Wodgina Project, Atlas has recently reached an approximate annualised DSO exporting rate of 6Mtpa. The Wodgina project moved from the discovery phase to mining in 18 months.

The management team of Atlas have successfully developed the Pardoo and Wodgina Projects and have a depth of experience in negotiating access arrangements and off-take agreements, project permitting, developing infrastructure solutions and managing mining operations. The skill and proven experience of Atlas’ board and management at developing mineral projects will further increase the likelihood of successfully developing Giralia’s iron ore Resources.

The combination of the two companies is anticipated to create an entity with significant scale and mine life with:

- 602Mt at 56.3% Fe of DSO Resources;
- additional exploration targets of 255Mt to 690Mt¹⁰ at 56% to 60% Fe;
- three magnetite projects;
- a highly prospective 26,000km² landholding; and
- the potential for a DSO production rate of 22Mtpa¹¹ from the North Pilbara by 2015, with additional DSO production targeted from the South East Pilbara assets.

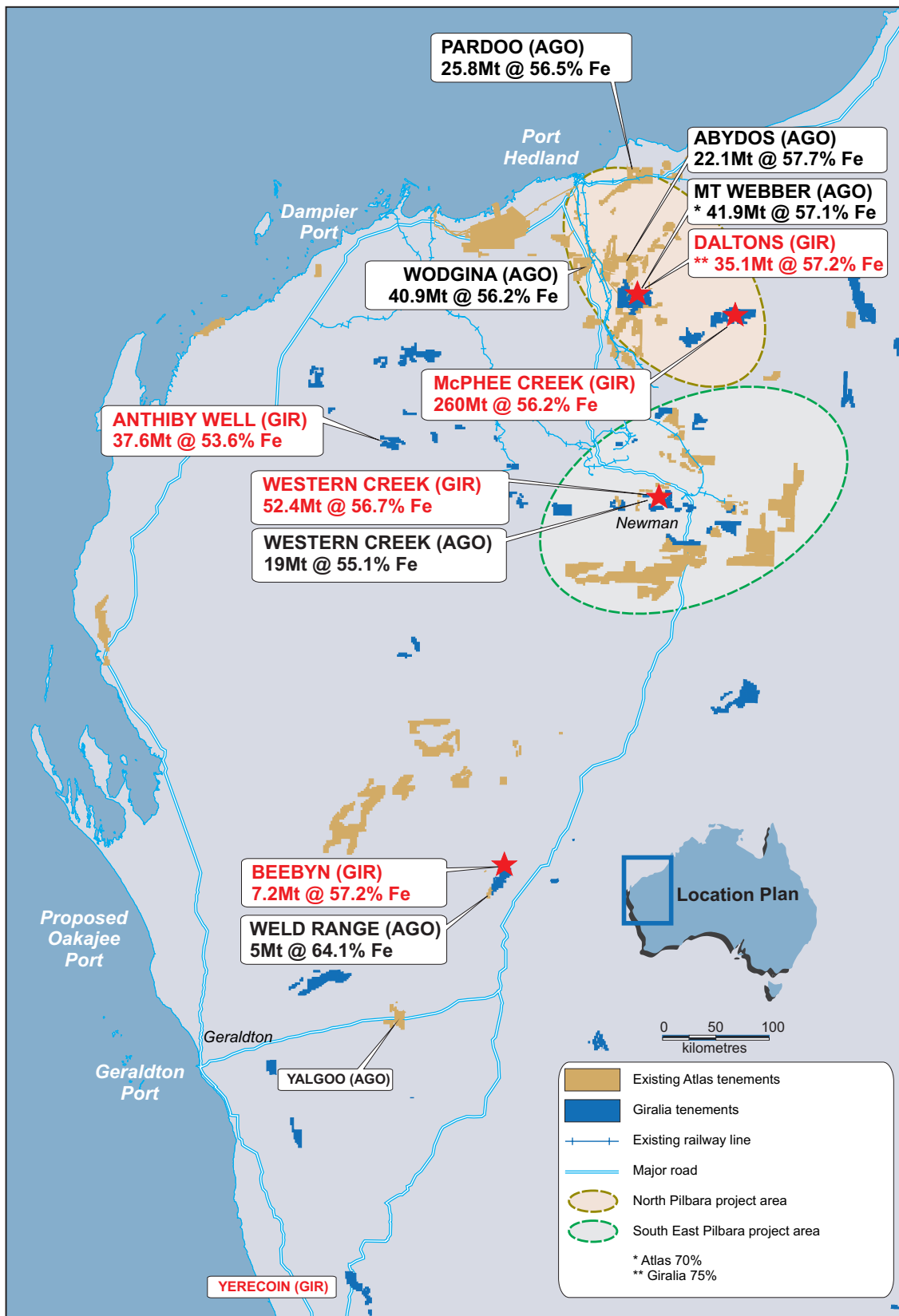
Atlas currently has no debt, a strong cash balance of approximately \$171 million and is generating significant cash flows from operations. Atlas has the financial capacity and human resources to progress the development of Giralia’s iron ore Resources.



Profile of the Merged Entity’s Project Pipeline

¹⁰ The potential quantity and grade of the exploration targets are conceptual in nature as there has been insufficient work completed to define them as a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

¹¹ While the Resources are adequate to support this production target, these Resources are not Reserves and therefore it is uncertain whether they can be mined in an economically viable manner in order to achieve those targets. There remains at present insufficient certainty with respect to whether economically minable mineralisation beyond the Proved and Probable Reserves exists to reliably estimate future production rates. These production targets are also subject to the completion of all necessary feasibility studies, environmental permitting, port access, financing arrangements, execution of infrastructure-related agreements and timely project and port berth construction. Refer to the Resources and Reserves tables in section 2.6 of this Bidder’s Statement for a breakdown of this aggregate figure.



Combined Projects in Western Australia

4 – Giralia Shareholders will Own Shares in a Growing Production Company

Giralia Shareholders will own shares in a company which is producing iron ore and receiving strong cash flows.

Following the successful commissioning of the Wodgina DSO project, Atlas has recently reached an approximate annualised DSO exporting rate of 6Mtpa.

Atlas is working towards the development of its TRH facility, which comprises the Abydos and Mt Webber DSO projects. Atlas expects to bring these projects into production by the end of 2012. This is expected to grow Atlas' production to a total production rate of 12Mtpa¹² by the end of 2012. The Giralia assets are complementary to the Atlas assets with the potential for Atlas' Mt Webber Project and Giralia's Daltons Project to be developed in parallel as one 80Mt deposit. In addition, Giralia's McPhee Creek has the potential to form part of an expanded 20Mtpa TRH facility which Atlas is currently studying. Both the Daltons and McPhee Creek Projects will receive the benefit of Atlas' port access.

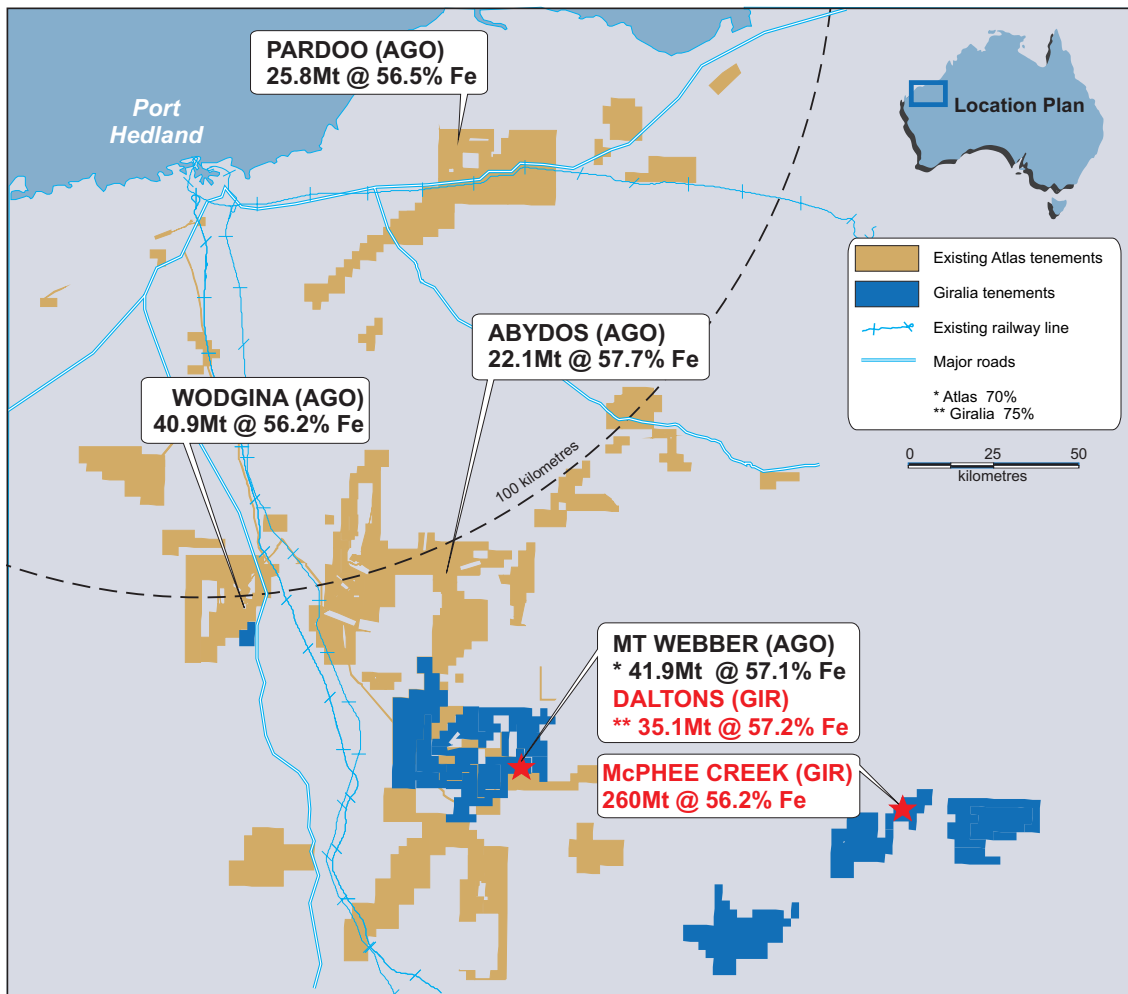
The Merged Entity expects to receive the benefit of economies of scale from increased production rates and extended mine lives. Atlas' experience in growing its exporting rate from 1Mtpa to 6Mtpa in 2010 is that the Merged Entity should receive economies of scale over longer mine lives as it meets its production targets such that the Merged Entity's fixed costs per tonne will be reduced as production grows.

The Merged Entity will have the capacity to increase DSO production rates from the Northern Pilbara to 22Mtpa¹³ by 2015, with additional DSO production targeted from the South East Pilbara assets.

¹² Atlas has Proved and Probable Ore Reserves for 4.0 years based on a production target of 1.8 Mtpa for the Pardoo DSO project, Proved and Probable Ore Reserves for 4.7 years based on a production target of 4.2 Mtpa for the Wodgina DSO project, and Probable Ore Reserves for 2.5 years based on a production target of 3 Mtpa for the Abydos DSO project. Atlas has Probable Ore Reserves for 6.4 years based on a production target of 3 Mtpa for the Mt Webber DSO project. There remains at present insufficient certainty with respect to whether economically mineable mineralisation beyond the Proved and Probable Reserves exists to reliably estimate future production for these projects. These production targets are also subject to the completion of all necessary feasibility studies, environmental permitting, port access, financing arrangements, execution of infrastructure related agreements and timely project construction. Refer to the Resources and Reserves tables in section 2.6 of this Bidder's Statement for a breakdown of this aggregate figure.

¹³ While the Resources are adequate to support this production target, these Resources are not Reserves and therefore it is uncertain whether they can be mined in an economically viable manner in order to achieve those targets. There remains at present insufficient certainty with respect to whether economically mineable mineralisation beyond the Proved and Probable Reserves exists to reliably estimate future production rates. These production targets are also subject to the completion of all necessary feasibility studies, environmental permitting, port access, financing arrangements, execution of infrastructure related agreements and timely project and port berth construction. Refer to the Resources and Reserves tables in section 2.6 of this Bidder's Statement for a breakdown of this aggregate figure.





Combined Projects in North Pilbara

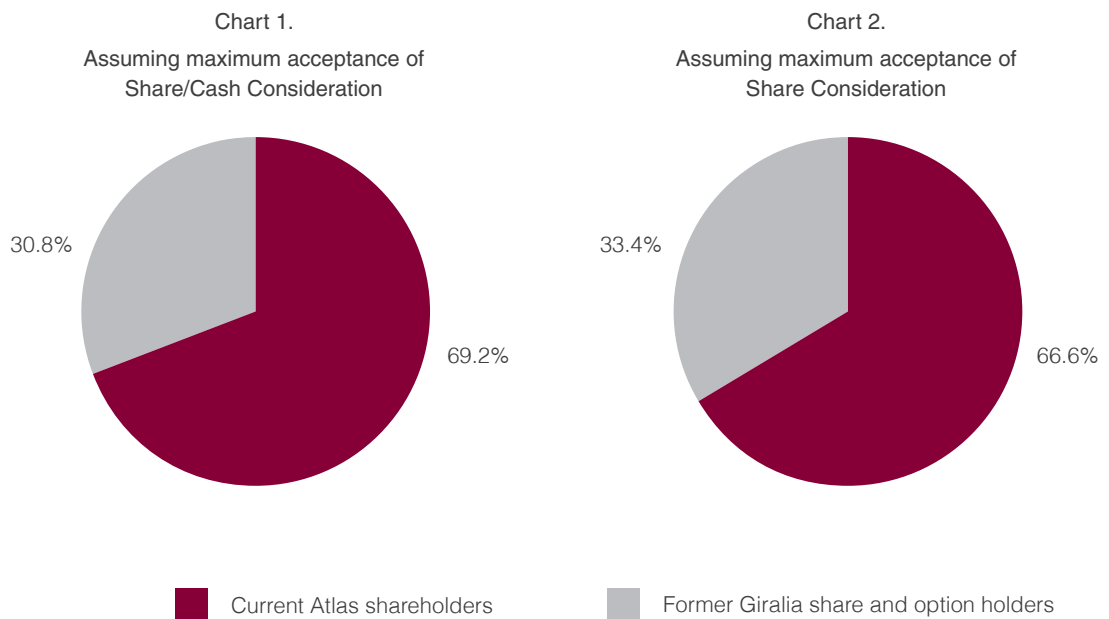


5 – Ongoing Exposure to the Development of Giralia’s Assets

By receiving shares in Atlas, Giralia Shareholders will continue to share in the benefits from the development of Giralia’s assets

Given that consideration for the sale of Giralia Shares will be either entirely Atlas Shares, or mostly Atlas Shares, Giralia Shareholders will retain a substantial exposure to the current Giralia assets over the course of their development.

The following chart demonstrates the level of holding that Giralia Share and Giralia Option holders will have in the Merged Entity:



6 – Infrastructure Solutions

Atlas' cost effective port infrastructure arrangements will provide Giralia's assets with a path to market.

Atlas has an established, cost effective path to market with access to the export market through its current 6Mtpa of allocated port capacity at the Utah Point facility increasing to 9Mtpa in 2012 and then up to 15Mtpa in 2015. The construction of the South West Creek port facility has the potential to add up to 19.5Mtpa of port capacity.

Atlas is also working towards the development of its TRH facility, which comprises the Abydos and Mt Webber DSO projects. Atlas expects to bring these projects into production by the end of 2012. This is expected to grow Atlas' production to a total production rate of 12Mtpa¹⁴ by the end of 2012. The establishment of the TRH facility will also assist Atlas initially with the cost effective development of Giralia's Daltons Project and possibly later with the development of Giralia's McPhee Creek Project.

In November 2010, Atlas announced that it had agreed to enter into good faith discussions with BHP Billiton Iron Ore concerning an integrated transport solution in Port Hedland. The two companies have agreed to an independent feasibility study examining a multi-purpose ore car and truck dumping hub on the eastern side of Goldsworthy junction and the construction of a conveyor to bulk stockyards at Utah Point in Port Hedland. This study will contemplate options not previously available to Atlas, with the potential to deliver significantly improved efficiencies in ore handling systems. Atlas and BHP Billiton Iron Ore have also agreed to consider point to point rail haulage on BHP Billiton's declared Goldsworthy line to the junction of BHP Billiton's Newman line. However, Atlas has not entered into any legally binding agreement with BHP Billiton Iron Ore with respect to any of the above matters, and there is no certainty that the parties will proceed to final agreement.

¹⁴ Atlas has Proved and Probable Ore Reserves for 4.0 years based on a production target of 1.8 Mtpa for the Pardoo DSO project, Proved and Probable Ore Reserves for 4.7 years based on a production target of 4.2 Mtpa for the Wodgina DSO project, and Probable Ore Reserves for 2.5 years based on a production target of 3 Mtpa for the Abydos DSO project. Atlas has Probable Ore Reserves for 6.4 years based on a production target of 3 Mtpa for the Mt Webber DSO project. There remains at present insufficient certainty with respect to whether economically mineable mineralisation beyond the Proved and Probable Reserves exists to reliably estimate future production for these projects. These production targets are also subject to the completion of all necessary feasibility studies, environmental permitting, port access, financing arrangements, execution of infrastructure related agreements, and timely project construction. Refer to the Resources and Reserves tables in section 2.6 of this Bidder's Statement for a breakdown of this aggregate figure.



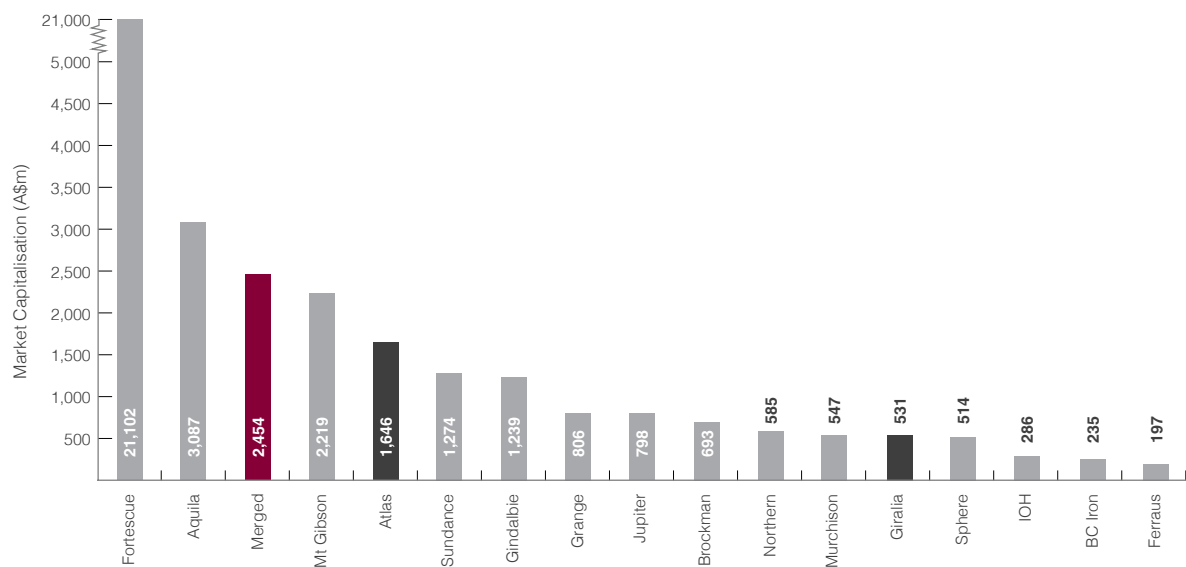
7 – Market Presence and Critical Mass

Giralia Shareholders will hold highly liquid shares in a company with an enhanced ASX market presence, substantial critical mass and representation in the S&P ASX200 index.

Atlas has a significant market presence, demonstrated by the fact that it is included in the key Australian benchmark S&P/ASX 200 index.

The aggregate pro forma market capitalisation of Atlas and Giralia at 21 December 2010 was approximately \$2.45 billion¹⁵. The Merged Entity's market capitalisation may be of sufficient size to be considered for potential inclusion within the S&P/ASX 100 index¹⁶.

The increased market capitalisation and liquidity is likely to attract the interest of further global institutional investors looking for exposure to iron ore production.



The relatively strong liquidity of Atlas Shares on the ASX relative to that of Giralia Shares is demonstrated by the fact that over the 20 Business Days prior to the announcement of the Recommended Takeover, 73.9 million Atlas Shares were traded on-market (13.5% of the current issued capital) as opposed to 4.2 million Giralia Shares (2.3% of the current issued capital) over the same period.

¹⁵ Based upon 100% take-up of the Share Consideration alternative, the market capitalisation of Giralia implied by the Offer and upon Atlas' market capitalisation derived from the closing price of Atlas Shares on the day prior to the announcement of the transaction.

¹⁶ Based on the pro forma market capitalisation of the Merged Entity as at 20 December 2010 (being the date immediately before the Announcement Date). The criteria for inclusion in the S&P/ASX 100 index include measures other than market capitalisation such as liquidity and there is no guarantee that the shares of the Merged Entity will be included in the S&P/ASX 100 after the completion of the Offer.

8 – Likely Access to CGT Relief

Giralia Shareholders will likely have access to scrip for scrip rollover relief, in which case they will not incur capital gains tax as a result of this transaction.

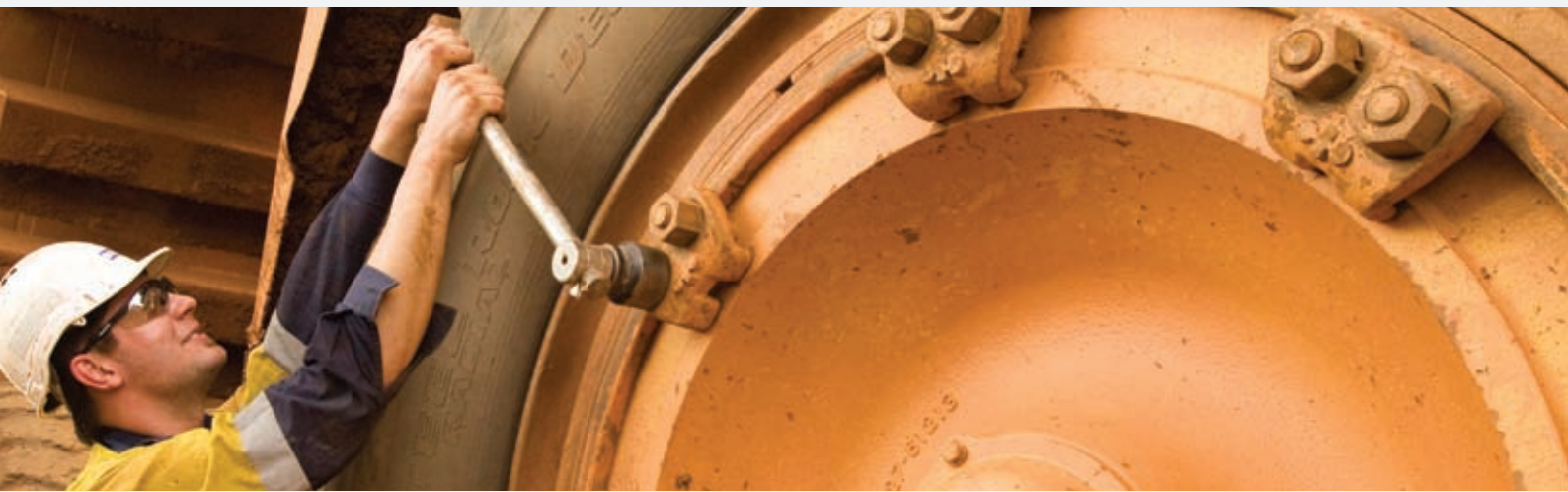
If, as a result of the Offer, Atlas becomes the holder of 80% or more of the voting shares in Giralia, Giralia Shareholders who would otherwise make a capital gain from the disposal of their Giralia Shares pursuant to the Offer may be able to choose to obtain full or partial scrip for scrip rollover relief.

If scrip for scrip rollover relief is available and is chosen by Giralia Shareholders who would otherwise have made a capital gain on the disposal of their Giralia Shares under the Offer, some or all of the capital gain from the disposal may be disregarded. The capital gains tax provisions would then only apply on a later taxable event (such as disposal) happening to the Atlas Shares received as consideration under the Offer.

If you choose to receive the Share/Cash Consideration, the scrip for scrip rollover relief would not be available for a capital gain attributable to any cash portion of the consideration you receive under the Offer.

Please refer to section 9 of this Bidder's Statement for further information.





Key questions



This section answers some key questions that you may have about the Offer and should only be read in conjunction with the entire Bidder's Statement.

1. What is the Bidder's Statement?

This Bidder's Statement sets out the terms of Atlas' Offer and information relating to the Offer and the consideration you will receive.

2. What is the Offer?

Atlas is offering to buy all of your Giralia Shares by way of an off-market takeover offer.

The Offer consideration is either:

- 1.5 Atlas Shares; or
- 1.33 Atlas Shares and \$0.50 cash

for each of your Giralia Shares.

3. What is the value of an Atlas Share?

The 5 day VWAP of Atlas Shares prior to announcement of the Offer was \$3.05. Based on this price, the implied value of the Offer is \$4.57 for each of your Giralia Shares.

The implied value of the Offer will change as a consequence of changes in the market price of Atlas Shares.

4. Do the Giralia Directors recommend the Offer?

The Giralia Directors unanimously recommend that all Giralia Shareholders accept the Offer in respect of all their Giralia Shares, subject to the Independent Expert concluding that the Offer is fair and reasonable and in the absence of a Superior Proposal.

5. What are the tax consequences if I accept the Offer?

Please consult your financial, tax or other professional adviser on the tax implications of accepting the Offer in light of your own particular circumstances. However, a general summary of the likely Australian tax consequences is set out in section 9.

6. What choices do I have?

As a Giralia Shareholder, you have the following choices:

- accept the Offer for all of your Giralia Shares;
- sell your Giralia Shares on ASX (unless you have already accepted the Offer and have not validly withdrawn your acceptance in respect of those Giralia Shares); or
- do nothing (please see Question 9 for further details).

7. How do I accept the Offer?

To accept the Offer you should follow the instructions set out in section 11.7.

8. Can I accept the Offer for part of my holding?

No, you can only accept for all of your holding. Your acceptance will be treated as being for all your Giralia Shares plus any additional Giralia Shares registered as held by you at the date your acceptance is processed.

9. What happens if I do not accept the Offer?

Subject to what is stated below, you will remain the holder of your Giralia Shares if you do not accept the Offer.

If Atlas acquires a relevant interest in at least 90% of the Giralia Shares (by number) on issue at any time during the Offer Period and the other conditions are satisfied or waived, Atlas intends to proceed to compulsorily acquire your Giralia Shares (see section 5.2). Compulsory acquisition will occur on a date after the close of the Offer and you will receive 1.5 Atlas Shares for each Giralia Share which is compulsorily acquired. You will receive consideration for your Giralia Shares sooner if you accept the Offer.

The Offer is subject to a minimum acceptance condition of 90%. If at the end of the Offer Period Atlas acquires a relevant interest in less than 90% of the Giralia Shares, and Atlas does not waive its minimum acceptance condition, then the Offer will expire and you will keep your Giralia Shares. If Atlas waives its minimum acceptance condition and subsequently acquires a relevant interest in less than 90% of the Giralia Shares, its intentions in that situation are further described in section 5.4 of this Bidder's Statement.

10. Can I elect to receive part of my consideration in cash?

Yes. Under the Acceptance Form you may choose to receive:

- (a) 1.5 Atlas Shares; or
- (b) 1.33 Atlas Shares and \$0.50 in cash,

for each of your Giralia shares.

For further information on how to accept the Offer, you should follow the instructions set out in section 11.7.

11. What happens if I accept the Offer but do not elect either consideration alternative?

If you accept the Offer but do not specify which of the alternative considerations you wish to receive, you will, subject to sections 11.22 and 11.23, be treated as choosing the Share Consideration for all of your Giralia Shares.

12. Can I withdraw my acceptance?

You have limited rights to withdraw your acceptance of the Offer. You cannot withdraw your acceptance unless a withdrawal right arises under the Corporations Act.

Such a withdrawal right will arise if, after you have accepted the Offer:

- (a) the Offer is still subject to an Offer Condition; and
- (b) Atlas varies the Offer in a way that postpones for more than one month the time when Atlas has to pay you (or meet its obligations) under the Offer (for example if Atlas extends the Offer for more than 1 month while the Offer remains conditional).

13. When does the Offer close?

The Offer is currently scheduled to close at 5pm AWST on [■], unless extended or withdrawn.

14. Can Atlas extend the Offer Period?

Yes, the Offer can be extended by Atlas or otherwise in accordance with the Corporations Act. You will receive written notice of any extension, as required by the Corporations Act.

15. Can I sell on the market the shares I receive from accepting the Offer?

Yes. You will be able to sell the Atlas Shares you receive on ASX.

16. What if I am a Foreign Shareholder?

Certain foreign holders of Giralia Shares will not be entitled to receive Atlas Shares on accepting the Offer. If you are such an Ineligible Foreign Shareholder and accept the Offer and you choose or are treated as choosing the Share Consideration, you will receive the net cash sale proceeds of Atlas Shares sold through a nominee which you would otherwise have received (see section 11.22). The Giralia Shareholders to which this applies are holders of Giralia Shares:

- (a) whose address as shown in the register of members of Giralia is in a jurisdiction other than Australia, its external territories or New Zealand; and
- (b) the law of that jurisdiction makes it, in the reasonable opinion of Atlas, unlawful or too onerous for Atlas to make the Offer to that person and to issue them with Atlas Shares.

If you are a Giralia Shareholder whose address as shown in the register of members of Giralia is in United Kingdom, Singapore, The Netherlands or Hong Kong, you will be entitled to receive Atlas Shares on accepting the Offer if you agree to and, where applicable, comply with the requirements set out in the Important Information section of this Bidder's Statement for your relevant jurisdiction.

Please 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 if you are still unsure whether you are entitled to receive Atlas Shares on accepting the Offer.

17. If I accept the Offer, when will I receive the consideration?

If you accept this Offer Atlas will, in the usual course, send you the consideration for your Giralia Shares to which Atlas acquires good title on or before the earlier of:

- (a) the day 1 month after you accept this Offer or, if this Offer is subject to an Offer Condition when accepted, 1 month after the contract resulting from your acceptance becomes unconditional; and
- (b) the day 21 days after the end of the Offer Period, provided that the Offer has become unconditional.

Full details of when you will receive the consideration are set out in section 11.19.

18. Will I need to pay brokerage or stamp duty if I accept the Offer?

You will not pay any stamp duty on accepting the Offer.

If your Giralia Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to Atlas, you will not incur any brokerage connected with you accepting the Offer.

If your Giralia Shares are in a CHESS Holding or you hold your Giralia Shares through a bank, custodian or other nominee, you should ask your Controlling Participant (usually, your Broker or the bank, custodian or other nominee) whether it will charge any transaction fees or service charges connected with you accepting the Offer.

If you are an Ineligible Foreign Holder of Giralia Shares, the cash proceeds that you will receive (following the sale by Atlas of the Atlas Shares that you would otherwise be entitled to receive under the Offer) will be net of transaction costs.

19. What are the conditions to the Offer?

The Offer Conditions are set out in full in section 11.12. These conditions include:

- that during or at the end of the Offer Period Atlas has a relevant interest in more than 90% of the Giralia Shares on issue;
- that no material adverse change to Giralia occurs during the period from 21 December 2010 to the end of the Offer Period;
- that no prescribed occurrence for Giralia occurs during the period from 21 December 2010 to the end of the Offer Period;
- a condition relating to decisions, actions and investigations by, and applications to, Public Authorities which may adversely affect the Offer;
- a condition relating to other regulatory approvals; and
- conditions relating to changes in the business, assets or liabilities of Giralia.

20. What happens if the conditions of the Offer are not satisfied or waived?

If the Offer Conditions are not satisfied or waived before the Offer closes, the Offer will lapse. Atlas will make an announcement to ASX if the Offer Conditions are satisfied or waived during the Offer Period.

If the Offer lapses, you will continue to hold your Giralia Shares and be free to deal with your Giralia Shares.

21. Are there any risks in accepting the Offer?

If you accept the Offer you will become a shareholder in Atlas. There are risks in holding Atlas Shares and these are set out in section 6.5. You are already exposed to several of these risks, to varying degrees, as a result of holding Giralia Shares.

22. What if I require further information

If you require additional assistance please contact 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.

Further information relating to the Offer can be obtained from Atlas' website at www.atlasiron.com.au.

The information in this section is a summary only and is qualified by the detailed information set out elsewhere in this Bidder's Statement. You should read the entire Bidder's Statement and the target's statement to be provided by Giralia before deciding whether to accept the Offer.

What you should do next

Step 1: Carefully read the entire Bidder's Statement and consider the information provided.

Step 2: Read the target's statement to be provided by Giralia.

Step 3: If you need advice, consult your Broker or your legal, financial or other professional adviser.

If you have any queries about this document, the Offer or how to accept the Offer, please contact the Atlas Offer Information Line between 9.00am and 5.00pm (AWST), Monday to Friday:

For Australian callers: Toll Free - 1800 600 409

For New Zealand callers: Toll Free - 0800 540 007

For international callers: +61 2 8256 3378

Step 4: If you wish to accept the Offer, follow the instructions below.

How to accept the Offer

You should read section 11.7 for full details on how to accept the Offer.

If your Giralia Shares are in a CHESS Holding, to accept you must either:

- instruct your Controlling Participant to accept the Offer on your behalf; or
- complete, sign and return the enclosed Acceptance Form in accordance with the instructions on it, in the process choosing which consideration alternative you prefer.

If you are a Participant (as defined in the ASX Settlement Rules) (typically, a stockbroker who is a participating organisation of ASX Settlement), the above does not apply. To accept the Offer you must initiate acceptance in accordance with the ASX Settlement Rules.

If your Giralia Shares are in an Issuer Sponsored Holding or if at the time of your acceptance you are entitled to be (but are not yet) registered as the holder of your Giralia Shares, to accept you must complete and indicate which Offer alternative you prefer, sign and return the Acceptance Form in accordance with the instructions on it.

If your SRN/HIN begins with an "I", this indicates that your Giralia Shares are in an Issuer Sponsored Holding.



1. Summary of the Offer



The Bidder	Atlas is the company making the Offer.
The Offer	Atlas offers to acquire all of your Giralia Shares. The Offer also extends to all Giralia Shares that are issued prior to the end of the Offer Period as a result of the exercise of Giralia Options.
Offer consideration	You are offered for each of your Giralia Shares: <ul style="list-style-type: none"> • 1.5 Atlas Shares; or • 1.33 Atlas Shares and \$0.50 cash.
Closing date	Unless withdrawn or extended the Offer is open until 5pm AWST on [■].
Payment date	If you accept this Offer Atlas will, in the usual case, pay you for your Giralia Shares to which Atlas acquires good title on or before the earlier of: <ol style="list-style-type: none"> (a) the day 1 month after you accept this Offer or, if this Offer is subject to an Offer Condition when accepted, 1 month after the contract resulting from your acceptance becomes unconditional; and (b) the day 21 days after the end of the Offer Period, provided that the Offer has become unconditional. <p>Full details on when you will be paid are set out in section 11.19.</p>
Conditions	The Offer is subject to the conditions set out in full in section 11.12 of this Bidder's Statement. These conditions include: <ul style="list-style-type: none"> • that at the end of the Offer Period Atlas has a relevant interest in more than 90% of the Giralia Shares on issue; • that no material adverse change occurs during the period from 21 December 2010 to the end of the Offer Period; • that no prescribed occurrence occurs during the period from 21 December 2010 to the end of the Offer Period; • a condition relating to decisions, actions and investigations by, and applications to, Public Authorities which may adversely affect the Offer; • a condition relating to other regulatory approvals; and • conditions relating to changes in the business, assets or liabilities of Giralia.
How to accept	<p>CHESSE Holdings</p> <p>You should read section 11.7 for full details on how to accept the Offer.</p> <p>If your Giralia Shares are in a CHESSE Holding, to accept you must either:</p> <ul style="list-style-type: none"> • instruct your Controlling Participant (usually your Broker) to accept the Offer for you; or • complete, sign and return the Acceptance Form. <p>Issuer Sponsored Holdings</p> <p>If your Giralia Shares are in an Issuer Sponsored Holding or if at the time of your acceptance you are entitled to be (but are not yet) registered as the holder of your Giralia Shares, to accept you must complete, sign and return the Acceptance Form.</p> <p>Signed Acceptance Forms must be sent to:</p> <p>Security Transfer Registrars Pty Limited 770 Canning Highway Applecross, WA 6153</p> <p>A self-addressed envelope is enclosed.</p>
No stamp duty	You will not pay any stamp duty on accepting the Offer.
Further information	For questions about your Giralia Shares, the Offer or how to accept the Offer please refer to the remainder of the Bidder's Statement. If you still need assistance, please call the Atlas Offer Information Line between 9.00am and 5.00pm (AWST), Monday to Friday on: <p>For Australian callers: Toll Free - 1800 600 409</p> <p>For New Zealand callers: Toll Free - 0800 540 007</p> <p>For international callers: +61 2 8256 3378</p>



2. Information on Atlas

- 2.1 Profile of Atlas
- 2.2 Shareholder Structure
- 2.3 Business Activities and Assets
- 2.4 Historical Financial Information of Atlas Group
- 2.5 Board and Senior Management
- 2.6 Resources and Reserves
- 2.7 Disclosure of interests and benefits



2.1 Profile of Atlas

Atlas is a dynamic iron ore producer, with an extensive portfolio of projects encompassing over 17,000km² in Western Australia, ranging from the established producing Pardoo DSO and Wodgina DSO Projects near Port Hedland, development projects at Abydos and Mt Webber through to TRH, magnetite deposits at Ridley and Balla Balla, to exploration licence applications in the Newman area and mining leases in the Mid-West.

Atlas is currently mining and exporting iron ore from its 100% owned Pardoo and Wodgina DSO Projects, both located in the Pilbara region of Western Australia. Atlas is currently producing DSO exports at an approximate annualised rate of 6Mtpa, which is targeted to grow to 12Mtpa¹⁷ by 2012. Atlas expects that the Merged Entity will be able to further increase its production subsequent to that to 22Mtpa¹⁸ from the North Pilbara by 2015, with additional DSO production targeted from the South East Pilbara assets.

2.2 Shareholder Structure

Based on publicly available information as at 4 January 2011, Atlas had received notifications from the following shareholders in accordance with section 671B of the Corporations Act:

Atlas Shareholder Name	Number of Atlas Shares	Percentage ¹⁹ Shareholding
IMC Resource Investments Pty Ltd	66,749,653	12.20%
UBS AG and related bodies corporate	31,616,527	5.78%
Blackrock Investment Management (Australia) Ltd	26,944,832	4.93%

As at 4 January 2011, the top 20 Shareholders held approximately 62.0% of Atlas Shares as indicated in the following table:

Atlas Shareholder Name	Number of Atlas Shares	Percentage Shareholding
National Nominees Ltd	81,225,024	14.85%
IMC Resource Investments Pty Ltd	66,749,653	12.20%
HSBC Custody Nominees Australia Ltd	43,862,298	8.02%
Citicorp Nominees Pty Ltd	30,188,080	5.52%
JP Morgan Nominees Australia Ltd	29,335,896	5.36%
Cogent Nominees Pty Ltd	14,483,651	2.65%
JP Morgan Nominees Australia Ltd	13,393,372	2.45%
RBC Dexia Investor Services Australia Nominees Pty Ltd	13,307,836	2.43%
CS Fourth Nominees Pty Ltd	7,578,221	1.39%
HR Equities Pty Ltd	6,401,334	1.17%
HSBC Custody Nominees Australia Ltd	5,580,069	1.02%
Brispot Nominees Pty Ltd	5,316,026	0.97%
Woodross Nominees Pty Ltd	5,171,170	0.95%
Cogent Nominees Pty Ltd	3,612,682	0.66%
HSBC Custody Nominees Australia Ltd	2,604,380	0.48%
AMP Life Ltd	2,407,224	0.44%
Warbont Nominees Pty Ltd	2,214,505	0.40%
UBS Nominees Pty Ltd	2,065,514	0.38%
Ecapital Nominees Pty Ltd	1,971,180	0.36%
Pan Australia Nominees Pty Ltd	1,614,040	0.30%
Total Top 20	339,082,152	62.00%

¹⁷ Atlas has Proved and Probable Ore Reserves for 4.0 years based on a production target of 1.8 Mtpa for the Pardoo DSO project, Proved and Probable Ore Reserves for 4.7 years based on a production target of 4.2 Mtpa for the Wodgina DSO project, and Probable Ore Reserves for 2.5 years based on a production target of 3 Mtpa for the Abydos DSO project. Atlas has Probable Ore Reserves for 6.4 years based on a production target of 3 Mtpa for the Mt Webber DSO project. There remains at present insufficient certainty with respect to whether economically mineable mineralisation beyond the Proved and Probable Reserves exists to reliably estimate future production for these projects. These production targets are also subject to the completion of all necessary feasibility studies, environmental permitting, port access, financing arrangements, execution of infrastructure-related agreements and timely project and port berth construction. Refer to the Resources and Reserves tables in section 2.6 of this Bidder's Statement for a breakdown of this aggregate figure.

¹⁸ While the Resources are adequate to support this production target, these Resources are not Reserves and therefore it is uncertain whether they can be mined in an economically viable manner in order to achieve those targets. There remains at present insufficient certainty with respect to whether economically mineable mineralisation beyond the Proved and Probable Reserves exists to reliably estimate future production rates. These production targets are also subject to the completion of all necessary feasibility studies, environmental permitting, port access, financing arrangements, execution of infrastructure-related agreements and timely project and port berth construction. Refer to the Resources and Reserves tables in section 2.6 of this Bidder's Statement for a breakdown of this aggregate figure.

¹⁹ The percentage shareholding is calculated using the number of Atlas Shares held by the relevant shareholder as disclosed in the latest substantial holder notice, divided by the number of Atlas Shares on issue as at the date of this Bidder's Statement, being 547,089,119 Atlas Shares.

2.3 Business Activities and Assets

The following is a brief overview of Atlas' assets. Detailed information about Atlas is available from its website, www.atlasiron.com.au, and on ASX's website, www.asx.com.au.

References to targeted production rates in this section 2.3 are subject to the completion of all necessary feasibility studies, environmental permitting, port access, financing arrangements, execution of infrastructure-related agreements, timely project construction and, in certain circumstances, port berth construction. Please refer to the Resources and Reserves tables in section 2.6 of this Bidder's Statement for further information.

Pardoo DSO Project

Atlas' Pardoo DSO Project is located 75 kilometres by road from the port of Port Hedland, in the Pilbara region of Western Australia. Atlas commenced production of iron ore from its Pardoo DSO Project in October 2008. Atlas exported 1Mt of DSO iron ore during 2009, and is currently exporting DSO from its Pardoo and Wodgina DSO Projects at a combined rate of approximately 6 Mtpa.

Atlas has entered into four off-take agreements with separate Chinese steel mills for the sale of 100% of product from its Pardoo DSO Project until 31 March 2012.

Wodgina DSO Project

The Wodgina DSO Project is located 100 kilometres south of Port Hedland immediately adjacent to the existing Wodgina Tantalum Mine. Mining commenced at the Anson pit at Wodgina during June 2010, within 18 months of the Company's first discovery of iron ore at the Project.

Wodgina commenced producing in August 2010 with first ore haulage to the port in early September 2010. Tonnes for export for the Utah Point commissioning in September 2010 came from the significant stockpiles that Atlas built in Port Hedland adjacent to the facility.

With the help of the infrastructure access agreement established with Global Advanced Metals (formerly Talison Tantalum), the owners of the Wodgina Tantalum mine, Atlas is currently exporting DSO from its Pardoo and Wodgina DSO Projects at a combined rate of approximately 6 Mtpa.

Abydos DSO Project

Located 130km south of Port Hedland, Abydos has Resources of 22.1Mt at 57.7% Fe and it holds Reserves of 7.6Mt @ 58.2% Fe, based on an optimised pit design on the Trigg Deposit (see section 2.6).

Abydos will be developed as a satellite mine delivering run-of-mine ore to the proposed TRH facility, targeting production at a rate of 3Mtpa by the end of 2012.

Mt Webber DSO Project

Atlas owns a 70% interest (Altura Mining Ltd – 30%) in the Mt Webber Project, which is located 150 kilometres south-southeast of Port Hedland. Atlas has a DSO Resource estimate of 41.9Mt at 57.1% Fe, and DSO Reserve of 19.1Mt at 57.6% Fe (see section 2.6). Exploration is ongoing over other prospects in the area.

Atlas is in the process of completing a Definitive Feasibility Study (DFS) as part of the TRH project DFS for a proposed 3Mtpa DSO operation at Mt Webber. As such, Mt Webber is another key component of Atlas' plans to increase DSO production from 6Mtpa to 12Mtpa²⁰ by the end of 2012.

Mt Webber will also be developed as a satellite mine delivering run-of-mine ore to the TRH central processing facility near Wodgina. Mt Webber is approximately 40 kilometres east of the Fortescue Metals Group's (FMG) railway line and immediately north of the Woodstock Road, which connects Marble Bar to the Great Northern Highway.

²⁰ Atlas has Proved and Probable Ore Reserves for 4.0 years based on a production target of 1.8 Mtpa for the Pardoo DSO project, Proved and Probable Ore Reserves for 4.7 years based on a production target of 4.2 Mtpa for the Wodgina DSO project, and Probable Ore Reserves for 2.5 years based on a production target of 3 Mtpa for the Abydos DSO project. Atlas has Probable Ore Reserves for 6.4 years based on a production target of 3 Mtpa for the Mt Webber DSO project. There remains at present insufficient certainty with respect to whether economically mineable mineralisation beyond the Proved and Probable Reserves exists to reliably estimate future production for these projects. These production targets are also subject to the completion of all necessary feasibility studies, environmental permitting, port access, financing arrangements, execution of infrastructure-related agreements and timely project and port berth construction. Refer to the Resources and Reserves tables in section 2.6 of this Bidder's Statement for a breakdown of this aggregate figure.



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Mt Dove DSO Project

Atlas' Mt Dove DSO Project is located 70 kilometres south of Port Hedland and is adjacent to the Great Northern Highway. Having completed a promising scoping study highlighting the low cost development potential of the Project, Atlas is progressing a DFS to move the Mt Dove DSO Project to development by the end of 2011.

The Mt Dove DSO Project is expected to be a stand-alone development that would transport product to the Utah Point Port Facility at Port Hedland by truck via the Great Northern Highway. It is expected that the project will deliver product into Atlas' Pilbara blend by the end of Q1 2012.

Ridley Magnetite Project at Pardoo

In April 2009, Atlas completed the PFS for its Ridley Magnetite Project. The Ridley Project has a 2 billion tonne magnetite Mineral Resource which includes a 970Mt Ore Reserve (see section 2.6). The PFS has indicated Ridley has the potential to produce 15Mtpa of furnace blast grade magnetite concentrate for over 30 years.

Atlas is now focused on attracting a suitable joint venture partner to take the Ridley Magnetite Project through to development, with negotiations underway with a number of large international companies.

Several of these parties have performed detailed due diligence but at this stage no binding agreement has been reached.

Utah Point Port Access

Atlas and Aurox Resources Ltd (**Aurox**) merged by way of scheme of arrangement in August 2010. As a result of this merger, Atlas acquired the rights of Aurox with respect to port capacity at Utah Point. Atlas' allocation grows to 9Mtpa in March 2012 and then up to 15Mtpa from September 2015.

Balla Balla Iron / Vanadium / Titanium Project

Balla Balla was also acquired in the merger with Aurox in August 2010. The Balla Balla Project is located only 15 kilometres from the West Australian coast, and 110 kilometres from Port Hedland. Aurox completed a DFS in 2009 and environmental approvals have been received. Atlas is presently reviewing the project and has commenced discussions with potential joint venture partners over the joint development of the project.

The Balla Balla Project has Reserves of 229Mt grading 45% Fe (see section 2.6), and it is envisioned that, if developed, it would have a 20+ year mine life at an eventual production rate of 10Mtpa.

Infrastructure MoU with BHP Billiton

On 18 November 2010, Atlas announced that it had agreed to enter into good faith discussions with BHP Billiton Iron Ore (**BHPB**) concerning an integrated transport solution in Port Hedland. More specifically, Atlas and BHPB have agreed to consider point to point rail haulage on BHPB's declared Goldsworthy line to the junction of BHPB's Newman rail line. Atlas and BHPB will commission an independent feasibility study to examine a multi-purpose ore car and truck dumping hub on the eastern side of the Goldsworthy junction and the construction of a conveyor to bulk stockyards at Utah Point in Port Hedland.

Atlas has not entered into any legally binding agreement with BHP Billiton Iron Ore with respect to any of the above matters, and there is no certainty that the parties will proceed to final agreement.

Shaw River Resources Limited

Atlas has a 45.2% interest in Shaw River Resources Limited (ASX Code: SRR), an ASX listed mineral exploration company. For further details, see Shaw River Resources Limited's website: www.shawriver.com.au and Shaw River Resources Limited's ASX announcements on www.asx.com.au.

Further financial information on Atlas may be found on ASX at www.asx.com.au.

2.4 Historical Financial Information of the Atlas Group

The historical financial information below relates to the Atlas Group and does not reflect any impact of the Offer. It is an extract only and the full financial accounts for the Atlas Group for the financial period described below, which includes notes to the accounts, can be found in Atlas' 2009 and 2010 Annual Reports (copies of which are available at www.atlasiron.com.au).

References to "Notes" in the Statement of Financial Position, Statement of Comprehensive Income and Statement of Cash Flows are references to Notes to those statements as set out in the 2010 Annual Report of the Atlas Group (a copy of which is available at www.atlasiron.com.au).

Statement of Financial Position

The Statement of Financial Position of the Atlas Group set out below has been extracted from the audited financial statements of the Atlas Group for the financial years ended 30 June 2009 and 30 June 2010, being the last two audited financial statements prior to the date of this Bidder's Statement.

AT 30 JUNE 2010	Notes	2010 \$'000	2009 \$'000
CURRENT ASSETS			
Cash and cash equivalents	24(b)	154,933	124,350
Trade and other receivables	12	24,423	5,032
Inventories	13	14,862	8,336
TOTAL CURRENT ASSETS		194,218	137,718
NON-CURRENT ASSETS			
Other financial assets	14	-	5,516
Other receivables	12	18,083	21,004
Investment accounted for using the equity method	15	2,312	1,541
Property, plant and equipment	16	15,164	10,279
Intangibles	17	197	217
Mine and port development costs	18	67,921	25,405
Mining tenements capitalised	19	90,746	25,113
TOTAL NON-CURRENT ASSETS		194,423	89,075
TOTAL ASSETS		388,641	226,793
CURRENT LIABILITIES			
Trade and other payables	20	20,862	22,723
Provisions	21	1,768	2,169
TOTAL CURRENT LIABILITIES		22,630	24,892
NON-CURRENT LIABILITIES			
Provisions	21	7,011	1,984
TOTAL NON-CURRENT LIABILITIES		7,011	1,984
TOTAL LIABILITIES		29,641	26,876
NET ASSETS		359,000	199,917
EQUITY			
Issued capital	22(a)	508,677	296,984
Shares to be issued	22(e)	-	12,913
Reserves	23(a)	17,036	15,887
Accumulated losses	23(b)	(166,713)	(125,867)
TOTAL EQUITY		359,000	199,917

The above Statement of Financial Position should be read in conjunction with the notes accompanying the 2010 Annual Report.

Statement of Comprehensive Income

YEAR ENDED 30 JUNE 2010	Notes	2010 \$'000	2009 \$'000
CONTINUING OPERATIONS			
Revenue	2	84,769	26,427
Cost of sales	3	(90,584)	(32,662)
GROSS PROFIT / (LOSS)		(5,815)	(6,235)
Gain on sale of mining properties	4	8,037	-
Loss on sale of plant, property and equipment		(41)	-
Recognised gain on investment transferred from reserves	5	10,659	-
Government grants		83	-
Other income		7	-
Depreciation and amortisation expenses	6	(702)	(783)
Exploration and evaluation expenses	6	(24,174)	(52,296)
Goodwill attributable to exploration assets written off	5	(18,330)	-
Share based payment expense	7	(2,436)	(5,639)
Share of loss of associate	15	(2,241)	(1,362)
Share of loss of joint venture	15	(1,703)	-
Subsidiary acquisition-related costs	5	(5,066)	-
Other expenses from ordinary activities	8	(6,084)	(3,493)
LOSS FROM OPERATING ACTIVITIES		(47,806)	(69,808)
Net finance revenue	9	5,753	6,836
Foreign exchange gain/(loss), net		1,207	(172)
NET FINANCIAL INCOME		6,960	6,664
LOSS BEFORE INCOME TAX		(40,846)	(63,144)
Income tax (expense)/benefit	10	-	-
LOSS FOR THE YEAR		(40,846)	(63,144)
Gain/(loss) on revaluation of investments		9,372	(4,504)
Realised gain on investment transferred out of reserves	5	(10,659)	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		(42,133)	(67,648)
LOSS FOR THE YEAR ATTRIBUTABLE TO MEMBERS OF THE PARENT		(40,846)	(63,144)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR ATTRIBUTABLE TO THE MEMBERS OF THE PARENT		(42,133)	(67,648)
Basic loss per share (cents per share)	28	(9.6)	(21.3)
Diluted loss per share (cents per share)	28	(9.6)	(21.3)

The above Statement of Comprehensive Income should be read in conjunction with the notes accompanying the 2010 Annual Report.

Statement of Cash Flows

The historical cash flow statements of the Atlas Group set out below have been extracted from the audited financial statements of the Atlas Group for the financial years ended 30 June 2009 and 30 June 2010, being the last two audited financial statements prior to the date of this Bidder's Statement.

YEAR ENDED 30 JUNE 2010	Notes	2010 \$'000	2009 \$'000
CASH FLOWS USED IN OPERATING ACTIVITIES			
Cash receipts from customers		85,496	25,354
Payments to suppliers and employees		(89,018)	(41,597)
Interest and grants received		5,341	6,996
Payment for security deposits		(2,009)	-
Expenditure on exploration and evaluation activities		(24,867)	(51,849)
Interest paid		-	(1)
Income tax paid		-	(5)
NET CASH FLOWS (USED IN) OPERATING ACTIVITIES	24(a)	(25,057)	(61,102)
CASH FLOWS USED IN INVESTING ACTIVITIES			
Proceeds from disposal of mining tenements		8,500	-
Proceeds from disposal of plant and equipment		14	-
Acquisition of property, plant and equipment and intangibles		(6,899)	(6,940)
Acquisition of tenements		(113)	(1,910)
Development of mineral tenements		(45,621)	(19,895)
Loan to other entities		(14,256)	-
Acquisition of shares in associated company		(4,413)	(2,177)
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES		(62,788)	(30,922)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of ordinary shares		127,895	72,385
Net share issue costs (paid)/refunded		(9,431)	418
NET CASH FLOWS FROM FINANCING ACTIVITIES		118,464	72,803
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		30,619	(19,221)
Add opening cash and cash equivalents brought forward		124,350	143,350
Effect of exchange rate changes on cash and cash equivalents		(36)	221
CLOSING CASH AND CASH EQUIVALENTS CARRIED FORWARD	24(b)	154,933	124,350

The above Statement of Cash Flows should be read in conjunction with the notes accompanying the 2010 Annual Report.



2.5 Board and Senior Management

Geoff Clifford B.Bus, FCPA, FCIS, AICD (Non-Executive Chairman)

Mr Clifford, a Non-Executive Director since 20 August 2007, was elected Non-Executive Chairman on 1 December 2008.

From August 2005 until February 2007, Mr Clifford was Non-Executive Director of, and consultant to, Aztec Resources Limited. Prior to this, Geoff was General Manager Administration and Company Secretary of Cliffs Natural Resources Pty Ltd (formally Portman Limited) for 8 years. Both of these companies are iron ore miners.

Mr Clifford holds a Bachelor of Business degree from Curtin University and undertook post graduate studies in Administrative and Secretarial Practice. He has more than 30 years experience in senior accounting, finance, administration and company secretarial roles in the mining, retail and wholesale industries.

Mr Clifford currently is a Non-Executive Director of ASX listed companies Fox Resources Limited and Centaurus Metals Limited. During the last 3 years Mr Clifford was a Non-Executive Director of RMA Energy Limited. Mr Clifford is currently a member of the West Australian State Council of Chartered Secretaries Australia.

Mr Clifford is Chairman of the Nomination Committee and a Member of the Audit and Risk Committee and Remuneration Committee.

David Flanagan B.Sc WASM, AICD, MAusIMM (Managing Director)

Mr Flanagan is a geologist with extensive experience in mining operations, exploration and project development in Western Australia, Indonesia and West Africa. Graduating in 1993 David joined Resource Service Group (RSG) in 1995 after working for Normandy at the Fimiston Open Pit Operations.

Whilst with RSG he was seconded to Gencor's Bogosu operation as Chief Exploration Geologist. Under his leadership at Bogosu the exploration team discovered and developed the Chujah deposits (0.5 million ounces of gold). Whilst at RSG David also worked in an auditing capacity providing independent geological verification for financial institutions. In 1999 David joined Gindalbie Metals Ltd, holding the position of Exploration Manager from 2001. At Minjar, Mr Flanagan managed several scoping and feasibility studies advancing the company's understanding of its iron ore potential. Mr Flanagan left Gindalbie Metals Ltd in 2004 to list and advance Atlas in the role of Managing Director.

Mr Flanagan was appointed a director of Aurox Resources Limited following its acquisition by the Company. During the last 3 years Mr Flanagan was a non-executive director of Shaw River Resources Limited, resigning on 19 February 2009.

Ms Tai Sook Yee CPA (Non-Executive Director)

Ms Tai was appointed 2 June 2010.

Ms Tai has over 25 years experience in corporate finance, operations and accounting, and is currently the Head of Group Strategies & Investments at the IMC Pan Asia Alliance Group. In this role, she is responsible for the alignment of Group strategies and investments, and oversees the functions of Finance, Treasury and Reporting. Prior to joining IMC in 2007, Ms Tai was the Country Director for Malaysia at CEMEX, a global leader in heavy building materials supplies, and was responsible for the operations of its ready mix, aggregates, asphalt and admixture businesses. Ms Tai has substantial financial and operational experience in a wide range of industries including property development, construction, building materials supply, maritime, plantations and resources. Ms Tai is a CPA from Malaysia.

Ms Tai is currently a director of LinQ Capital Limited.

David Hannon B.Ec (Non-Executive Director)

Mr Hannon commenced his commercial career as a stockbroker in 1985 working with several firms including Jackson Securities and BT Securities. He later became a joint partner of a private investment bank specialising in venture capital with a focus on the mining sector.

In 2001 Mr Hannon became a Director of PSG Afro Pacific Limited, a subsidiary of a listed South African bank which further concentrated on the mining sector. Since leaving PSG Afro Pacific Limited David has operated a private investment bank Chifley Investor Group Pty Limited. Mr Hannon has not held any other directorships in the last 3 years.

Mr Hannon is Chairman of the Audit and Risk Committee and Remuneration Committee and a Member of the Nomination Committee.

David Smith PhD.Sc, B.Sc Hons, FAICD, FAIM, FWLG (Non-Executive Director)

Dr Smith was appointed 6 November 2009.

With a career at Rio Tinto spanning 30 years, Dr Smith was until recently Managing Director and President of Rio Tinto's Simandou iron ore operations in Guinea, where he headed up the planned development of this major iron project. Prior to that role, Dr Smith was Managing Director of Rio Tinto's Pilbara Iron unit from 2004 to 2008, responsible for all Rio Tinto's operations in the Pilbara, and Managing Director of Hamersley Iron from 2001 to 2004. Dr Smith has served as President of the Chamber of Minerals and Energy of Western Australia (2005 to 2008), a councillor of the Australia Business Arts Foundation (2003 to 2008), Commissioner of Tourism WA (2004 to 2006), Director of the Australian Institute of Management (2001 to 2007), a founding Director of Leadership WA (2003 to 2006) and as Chairman of the Board of the National Skills Shortages Strategy working group (2006).

Dr Smith is currently Chairman of Bannerman Resources Limited and a director of Macmahon Holdings Limited.

Dr Smith is a member of the Audit and Risk Committee.

Anthony Walsh BComm, MBA, CA, FCIS (Company Secretary)

Mr Walsh was appointed on 1 July 2006. He has 20 years experience in dealing with listed companies, 14 years with the ASX where he recently held the role of Assistant Manager and acted as ASX liaison with the JORC committee and is currently a member of the West Australian State Council of Chartered Secretaries Australia. Prior to the role at ASX he worked with Ernst & Young for 5 years in an audit and compliance capacity.

Mr Walsh is currently Chairman of Shaw River Resources Limited.

Mark Hancock BBus, CA, FFin (Company Secretary)

Mr Hancock was appointed Joint Company Secretary on 4 July 2008. He has more than 20 years experience in senior financial roles across a number of leading Australian and international companies including Lend Lease Corporation Ltd, Woodside Petroleum Ltd and Premier Oil plc.

2.6 Resources and Reserves

Atlas DSO Resources

Atlas has reported a total DSO Resource of 204.7Mt at 56.7% Fe consisting of Resources at Pardoo, Abydos, Turner River, Mt Webber, Wodgina, Weld Range, Jimblebar Range, Western Creek and Caramulla South as follows:

Atlas Iron Limited – DSO Resource Estimate 30 June 2010

Project Area	Resource Classification	Kt	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	S (%)	LOI (%)	CaFe (%)
Pardoo	Measured	2,070	57.6	6.0	2.2	0.17	0.02	8.5	62.9
	Indicated	13,700	56.5	8.4	1.8	0.10	0.03	8.0	61.4
	Inferred	10,000	56.2	8.8	2.2	0.09	0.04	8.7	61.5
Abydos	Indicated	10,100	57.7	5.6	1.7	0.05	0.01	9.4	63.8
	Inferred	12,000	57.7	7.0	2.2	0.06	0.02	9.6	63.7
Wodgina	Measured	15,140	57.8	5.9	1.5	0.08	0.06	8.7	63.3
	Indicated	10,800	56.0	7.3	2.4	0.07	0.05	9.1	61.6
	Inferred	15,000	54.8	8.2	3.0	0.05	0.07	9.2	60.4
Mt Webber	Indicated	21,900	57.2	6.4	2.1	0.08	0.02	8.9	62.7
	Inferred	20,000	57.0	6.6	2.3	0.10	0.03	8.3	62.3
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
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	17,210	57.7	5.9	1.6	0.09	0.06	8.7	63.2
	Indicated	56,500	56.9	6.9	2.0	0.08	0.03	8.8	62.4
	Inferred	131,000	56.5	7.1	3.0	0.07	0.03	8.4	61.7
Grand Total		204,710	56.7	7.0	2.6	0.07	0.03	8.5	62.0

Note: Pardoo, Wodgina, Mt Webber, Warrawanda Resources quoted at >53% cut off grade.
Abydos, Mt Dove, Weld Range, Western Creek, Jimblebar, Caramulla South Resources and Connie Deposit quoted at >50% cut off grade.
CaFe% is calcined Fe calculated by Atlas using the formula $(Fe\% / (100 - LOI\%)) * 100$.
Measured, Indicated & Inferred resource tonnages are rounded to the nearest ten thousand, hundred thousand and million tonnes respectively.
Resources at Mt Webber are subject to Joint Venture interests in the ratio AGO 70%: AJM 30%.

Competent Persons Statement

The information in this Bidder's Statement that relates to Mineral Resource results on Atlas' DSO Projects is based on information compiled by Mr Tony Cormack who is a member of the Australasian Institute of Mining and Metallurgy. Tony Cormack is a full time employee of Atlas. Tony Cormack 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'. Tony Cormack consents to the inclusion in this Bidder's Statement of the matters based on his information in the form and context in which it appears.

Statement on Exploration Targets

Atlas has reported a total DSO Resource of 204.7Mt at 56.7% Fe consisting of Resources at Pardoo, Abydos, Turner River, Mt Webber, Wodgina, Weld Range, Jimblebar Range, Western Creek and Caramulla South. While Atlas intends to do further exploration on its tenements and remains optimistic it will report additional Resources and Reserves in the future, any discussion in relation to targets, Resources, Reserves or 'ore' over and above the resource of 204.7Mt at 56.7%Fe is only conceptual in nature. There has been insufficient exploration to define a Mineral Resource over and above the resource of 204.7Mt at 56.7% Fe, and it is uncertain if further exploration will result in the determination of a Mineral Resource over and above the resource of 204.7Mt at 56.7% Fe.

Atlas DSO Reserves

Atlas has undertaken pit optimisation studies at the various Indicated and/or Measured Resources at its northern Pilbara Projects. The ore reserve estimates determined for the Projects to date are based on the following input data;

- DSO Resources as defined by Atlas.
- Metallurgical test work conducted at Amdel under the supervision of Atlas and Paul Vermeulen (Vulcan Technologies).
- Cost data supplied by Atlas.
- Revenue data supplied by Atlas derived from CRU modelling.
- Geotechnical studies conducted by Golder Associates Pty Ltd.
- Allocations for planned and unplanned dilution.
- Pit optimisations conducted by Golder Associates for the Pardoo and Wodgina open pits.
- Pit optimisations conducted by Atlas for the Abydos and Mount Webber open pits.
- Ore reserves developed form part of scheduled and costed operating mine plans.
- Mining Reserve Estimates - Compliance with the JORC code assessment criteria.

This mining reserve statement has been compiled in accordance with the guidelines defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code -- 2004 Edition). The underlying resource classification was completed by Atlas geologists, based principally on data density and geological confidence criteria.

Atlas DSO Reserve Estimate announced on 1 September 2010*

Atlas Summary DSO Reserves Table - June 30th 2010

Project Area	Reserve Classification	Kt	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	S (%)	LOI (%)	CaFe (%)
Pardoo	Proven	1,712	58.2	5.6	2.0	0.15	0.02	8.2	63.4
	Probable	5,515	57.2	7.5	1.7	0.09	0.04	7.7	61.9
Wodgina	Proven	12,561	58.2	5.4	1.4	0.1	0.1	8.7	63.7
	Probable	7,177	56.7	6.8	2.0	0.1	0.1	9.0	62.3
Abydos	Probable	7,584	58.2	5.2	1.7	0.06	0.01	9.5	64.2
Mt Webber	Probable	19,141	57.6	5.9	2.0	0.08	0.02	8.9	63.3
Total	Proven	14,273	58.2	5.5	1.5	0.09	0.05	8.7	63.7
	Probable	39,418	57.5	6.2	1.9	0.08	0.03	8.9	63.1
Grand Total**	All Reserves	53,691	57.7	6.0	1.8	0.08	0.03	8.8	63.2

Note: Bedded Ore Reserves estimated at cut-off grades in the range of 54-56% Fe.

*August 2010 for Abydos and Mt Webber DSO Projects.

**Reserves at Mt Webber are subject to Joint Venture interests in the ratio AGO 70% : AJM 30%.

The Reserves have been estimated in compliance with the JORC Code.

Competent Person Statement

The information in this Bidder's Statement 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. 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 this Bidder's Statement of the matters based on his information in the form and context in which it appears.

Atlas Ridley Magnetite Mineral Resource

Atlas Ridley Magnetite Mineral Resource Estimate – November 2008

Resource Classification	Mt	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	S (%)	LOI (%)	Density (g/cm ³)
Indicated	1,100	36.6	39.4	0.08	0.09	0.05	3.9	3.5
Inferred	910	36.4	39.1	0.08	0.09	0.05	4.4	3.5
All Resources	2,010	36.5	39.3	0.08	0.09	0.05	4.1	3.5

Atlas Ridley Magnetite Resource, Davis Tube Concentrate Grades – November 2008

Resource Classification	Mt	Concentrate Mass Recovery (%)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	S (%)	LOI (%)
Indicated	1,100	37.0	68.9	4.1	0.03	0.01	0.01	-2.7
Inferred	910	37.5	68.9	4.1	0.02	0.01	0.1	-2.7
All Resources	2,010	37.2	68.9	4.1	0.03	0.01	0.01	-2.7

Competent Person Statement

The information in this Bidder's Statement that relates to the Ridley Mineral Resource results is based on information compiled by Mr Malcolm Titley who is a member of the Australasian Institute of Mining and Metallurgy. Malcolm Titley is a full time employee of CSA Global Pty Ltd. Malcolm Titley has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they have 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'. Malcolm Titley consents to the inclusion in this Bidder's Statement of the matters based on his information in the form and context in which it appears.

Atlas Ridley Magnetite Ore Reserve

Atlas Ridley Magnetite Ore Reserve Estimate – April 2009

Reserve Classification	Tonnes (Mt)	Fe (%)	Concentrate Product (Mt)	Fe in Concentrate (%)	SiO ₂ in Concentrate (%)
Probable	970	36.0	330	68.3	3.8
Total Reserve	970	36.0	330	68.3	3.8

Competent Person Statement

The sections in this Bidder's Statement that relate to the Ridley Ore Reserves are based on information compiled under the direction of Mr Bruce Gregory. Mr Gregory is a Member of the Australasian Institute of Mining and Metallurgy and is a full time employee of AMC Consultants Pty Ltd. Mr Gregory has sufficient experience relevant to the style of mineralisation and type of deposit under consideration 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'. Mr Gregory consents to the inclusion in this Bidder's Statement of the matters based on his information in the form and context in which it appears.

Atlas Balla Balla Magnetite Mineral Resource

Aurox Balla Balla Magnetite Mineral Resource Estimate – December 2009(1)

Resource Classification	Mt	Fe (%)	V ₂ O ₅ (%)	TiO ₂ (%)
Measured	219.0	45.1	0.64	14.0
Indicated	86.7	44.5	0.63	13.5
Inferred	150.2	44.3	0.64	13.4
All Resources	455.9	44.7	0.64	13.7

Note:

(1) Resource estimates for the Balla Balla Western, Central/Extension and East Block B deposits are sourced from Golder Associates report reference 087641039 001 L Rev2 dated 5 August 2009 and are contained within Domain 1 (main Fe zone modelled at 35% Fe cut-off) and Domain 7 (modelled at 0.85% V2O5 cut-off) combined. Resource estimates for the Balla Balla Far Western Area are sourced from Golder Associates report reference 087641039 007 L Rev1 dated 8 December 2008 and are contained within Domain 1.1 (lower main Fe zone) and Domain 1.2 (upper main Fe zone), both modelled at 35% Fe cut-off. For all deposits, tonnage estimations are reported at a cut-off grade of 0.001% Fe within the modelled domains. The Fe resource includes in-situ Fe-bearing minerals that are not amenable to magnetic recovery. Magnetic recovery factors or assumptions have not been applied to these Mineral Resources.

Competent Person Statement

In August 2009, Aurox reported an increase to Measured, Indicated and Inferred Resources of the Western and Central-East Pit areas of the Balla Balla magnetite deposit. In December 2008, Aurox upgraded the Balla Balla Far West area Resources from 100% Inferred to Measured, Indicated and Inferred Resources. The information in this Bidder's Statement that relates to Exploration and Minerals Resources is based on information compiled by Matt Chinn, Stephen Godfrey and Richard Gaze who are members of the Australasian Institute of Mining and Metallurgy. Matt Chinn is a full-time employee of Atlas. Stephen Godfrey and Richard Gaze are full time employees of Golder Associates. Matt Chinn, Stephen Godfrey and Richard Gaze have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Matt Chinn, Stephen Godfrey and Richard Gaze consent to the inclusion in this Bidder's Statement of matters based on this information in the form and context in which it appears.

Atlas Balla Balla Magnetite Ore Reserve

Aurox Balla Balla Magnetite Ore Reserve Estimate – June 2010

Reserve Classification	Mt	Fe (%)	V ₂ O ₅ (%)	TiO ₂ (%)
Proved	185.1	45.1	0.62	13.8
Probable	43.9	44.3	0.60	13.6
Total Reserve	229.0	45.0	0.62	13.8

Notes:

- (1) Balla Balla Reserves defined at a 35% Fe cut-off grade.
- (2) The figures in this table refer to fresh ore only, no oxide material is included.

Competent Person Statement

The Balla Balla Ore Reserves in this Bidder's Statement were estimated by Mr Steve Craig, a member of the Australian Institute of Mining and Metallurgy and a full-time employee of Orelogy Pty Ltd, who has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Steve Craig consents to the inclusion in this Bidder's Statement of the above Resource information in the form and context in which it appears.

2.7 Disclosure of interests and benefits

Director Interests

Director	Number of Atlas Shares held	Number of Unlisted Equity Options held
Mr Geoffrey Clifford	50,000	1,500,000
Mr David Flanagan	2,710,000	5,000,000
Mr David Hannon	2,054,668	2,000,000
Dr David Smith	-	1,000,000
Ms Tai Sook Yee	-	500,000

Interested Person

For the purposes of this section 2.7 an Interested Person is:

- (i) a director or proposed director of Atlas;
- (ii) a person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with preparing or distributing this Bidder's Statement;
- (iii) a promoter of Atlas; or
- (iv) a broker or underwriter to the issue of Atlas Shares.

Interests

Except as disclosed below or elsewhere in this Bidder's Statement no Interested Person holds or held at any time during the 2 years before the date of this Bidder's Statement any interest in:

- (i) forming or promoting Atlas;
- (ii) property acquired or proposed to be acquired by Atlas in connection with:
 - (A) forming or promoting Atlas; or
 - (B) the offer of Atlas Shares; or
- (iii) the offer of Atlas Shares.

Hartleys Limited has acted as financial adviser to Atlas in relation to the Offer and is entitled to receive professional fees for these services.

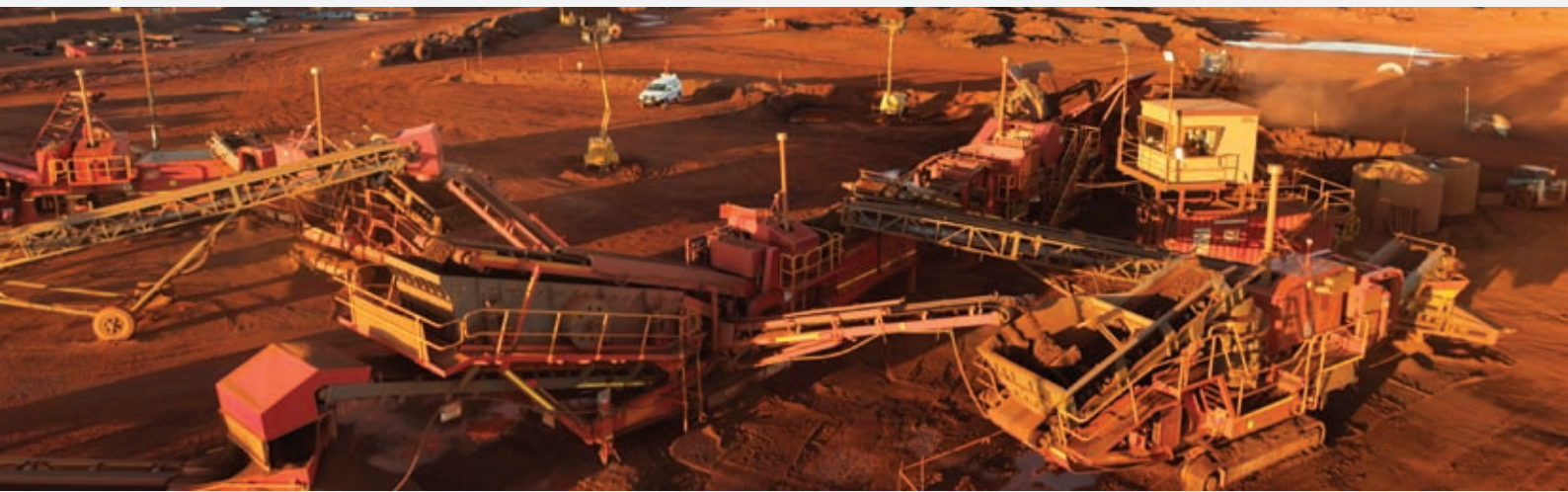
Blake Dawson has acted as legal adviser to Atlas in connection with the Offer and is entitled to professional fees in accordance with their normal time-based charges.

Security Transfer Registrars Pty Limited is Atlas' share registry and has been engaged by Atlas to assist with certain aspects of the Offer, including facilitating the despatch of this Bidder's Statement. Security Transfer Registrars Pty Limited will be entitled to receive fees for these services as well as fees for its services as Atlas' share registry.

Benefits

Except as disclosed in this Bidder's Statement no one has paid or agreed to pay fees or given or agreed to give any benefit to:

- (i) a director or proposed director of Atlas to induce that person to become or qualify as a director of Atlas; or
- (ii) any Interested Person for services provided by that person in connection with:
 - (A) forming or promoting Atlas; or
 - (B) the offer of Atlas Shares under the Offer.



3. Information About Atlas Securities

- 3.1 Atlas issued securities
- 3.2 Recent trading of Atlas Shares
- 3.3 Rights attaching to Atlas Shares
- 3.4 Unlisted Equity Options of Atlas



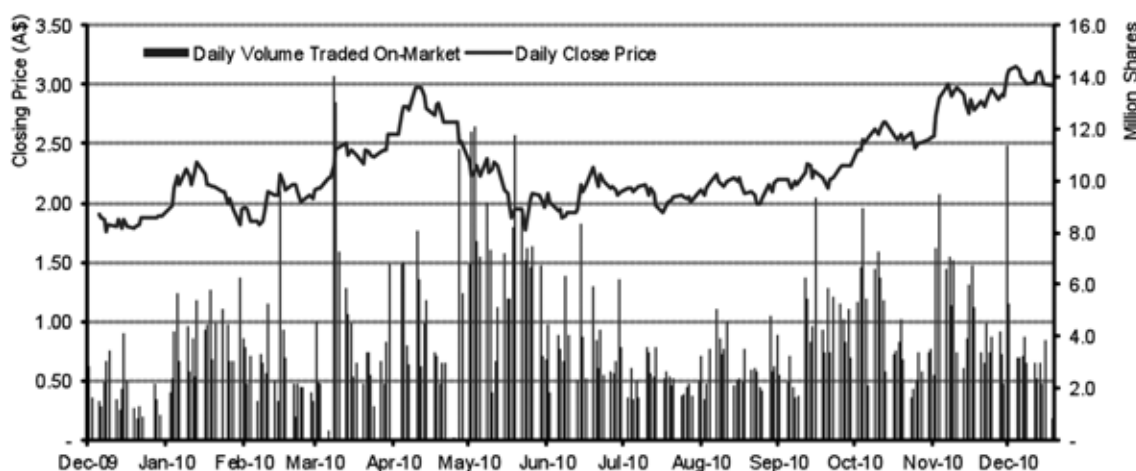
3.1 Atlas issued securities

As at the date of this Bidder's Statement Atlas had the following securities on issue:

Security	Number on Issue
Atlas Shares	547,089,119
Unlisted Equity Options (various types)	28,833,000

3.2 Recent trading of Atlas Shares

Recent trading of Atlas Shares on the ASX in the 12 months prior to the Announcement Date is shown in the graph below:



Source: IRESS

3.3 Rights attaching to Atlas Shares

(a) Ranking of Atlas Shares

The only class of shares in Atlas are the fully paid ordinary shares that are currently listed on the ASX.

The Atlas Shares to be issued under the Offer will be issued fully paid and will rank equally for dividends and other rights with existing Atlas shareholders.

(b) The constitution of Atlas

Under section 140(1) of the Corporations Act, the constitution of Atlas has effect as a contract between Atlas and each member and between a member of Atlas and each other member. Accordingly, if you accept the Offer you will, as a result, become liable to comply with the constitution of Atlas. However, since the Atlas Shares issued as consideration under the Offer will be issued credited as fully paid, no monetary liability attaches to them.

The constitution of Atlas also sets out the principal rights attaching to Atlas Shares. This section 3.3(b) provides a summary of these rights and the liabilities attaching to Atlas Shares. It does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of shareholders of Atlas. Such rights and liabilities involve complex questions of law arising from the interaction of the constitution and statutory and common law requirements. Shareholders should seek their own advice when trying to establish their rights and liabilities in specific circumstances.

The rights and liabilities attaching to the Shares are as set out in the constitution of Atlas, and, in certain circumstances, are regulated by the Corporations Act, the ASX Listing Rules and general law. The following is a summary of the principal rights and liabilities of Atlas shareholders. It is not exhaustive and is qualified by the full terms of Atlas' constitution.

General meeting and notice

- (i) Subject to the law and the ASX Listing Rules, each member (whether or not the member is entitled to vote at the meeting) is entitled to receive at least 28 days' written notice of a meeting of members.
- (ii) If a share is held jointly, Atlas need only give notice of a meeting of members (or of its cancellation or postponement) to the joint holder who is named first in the register of members.

Voting rights

Subject to the constitution, the Corporations Act, the ASX Listing Rules and the terms on which shares are issued, at general meetings of members:

- (i) Each member may act and present at a meeting of members in person or by appointment of proxy, attorney or representative.
- (ii) To decide, for the purposes of a particular meeting, who are members of Atlas and how many shares they hold, Atlas must refer only to the register of members in accordance with the requirement of the Corporations Act and the ASX Settlement Rules.
- (iii) On a show of hands:
 - (A) if a member has appointed two proxies, neither of those proxies may vote;
 - (B) a member who is present and entitled to vote and is also a proxy, attorney or representative of another member has one vote; and
 - (C) subject to the two paragraphs immediately above, every individual present who is a member, or a proxy, attorney or representative of a member, entitled to vote has one vote.
- (iv) On a poll, every member entitled to vote who is present in person or by proxy, attorney or representative has one vote for every fully paid share held.
- (v) In the event of an equal number of votes for and against a resolution at a meeting of shareholders:
 - (A) if the chairman of the meeting is not entitled to vote, the matter is decided in the negative;
 - (B) otherwise, the chairman has a casting vote whether or not the chairman is a member.
- (vi) Subject to the constitution, if there are joint holders of a share:
 - (A) any one of them may vote at a meeting of members, in person, or by proxy, attorney or representative, as if that holder were the sole owner of the share;
 - (B) but when more than one joint holder is voting at a meeting of members, only the member who is named first in the register of members can vote.

Issue of further shares

- (i) The board may, on behalf of Atlas and in accordance with the restrictions imposed by the constitution, the ASX Listing Rules and the Corporations Act, issue, grant options over or otherwise dispose of unissued shares to any person on the terms, with the rights and at the times that the Board decides.
- (ii) Atlas may issue preference shares (including preference shares that are liable to be redeemed). The rights attached to preference shares must, unless other rights have been approved by special resolution of the Company, be in accordance with the constitution.
- (iii) The board may accept a surrender of shares:
 - (A) to compromise a question as to whether those shares have been validly issued; or
 - (B) if surrender is otherwise within Atlas' powers.

Atlas may sell or re issue surrendered shares in the same way as forfeited shares.

Variation of rights

- (i) If Atlas issues different classes of shares, or divides issued shares into different classes, the rights attached to shares in any class may (subject to sections 246C and 246D of the Corporations Act) be varied or cancelled only:
 - (A) with the written consent of the holders of 75% of the issued shares of the affected class;
or
 - (B) by special resolution passed at a separate meeting of the holders of the issued shares of the affected class.

Subject to the terms of issue of shares, the rights attached to a class of shares are not treated as varied by the issue of further shares of that class.

Multiple certificates and joint holders

- (i) Subject to the Listing Rules and the ASX Settlement Rules, and where there is a current certificate for particular securities:
 - (A) if a member requests Atlas to issue several certificates each for a part of the shares registered in the member's name, Atlas must do so. For this purpose, joint holders of shares are a single member; and
 - (B) Atlas may issue only one certificate that relates to each share registered in the names of two or more joint holders and may deliver the certificate to any of those joint holders.

Dividends

Subject to the Corporations Act, the ASX Listing Rules and the terms on which shares are issued:

- (i) before paying any dividend to members, the board may:
 - (A) set aside out of profits of Atlas reserves to be applied, in the board's discretion, for any purpose it decides and use any sum so set aside in the business of Atlas or invest it in investments selected by the board and vary and deal with those investments as it decides; or
 - (B) carry forward any amount out of profits which the board decides not to distribute without transferring that amount to a reserve; or
 - (C) do both.
- (ii) No dividend shall be payable except out of profits of Atlas. The decision to pay a dividend may be revoked by the board at any time before the time fixed for payment arrives.
- (iii) The board may resolve to pay any dividend it thinks appropriate and fix the time for payment.
- (iv) Atlas may pay a dividend on one class of shares to the exclusion of another class.
- (v) The board may resolve to pay a dividend (either generally or to specific members) in cash or satisfy it by distribution of specific assets (including shares or securities of any other corporation), the issue of shares or the grant of options. If the board satisfies a dividend by distribution of specific assets, the board may:
 - (A) fix the value of any asset distributed;
 - (B) make cash payments to members on the basis of the value fixed so as to adjust the rights of members between themselves; and
 - (C) vest an asset in trustees.
- (vi) The board may resolve to pay a dividend to some members out of a particular reserve or out of profit derived from a particular source and pay the same dividend to other members entitled to it out of other reserves or profits.
- (vii) No dividend shall carry interest as against Atlas.

Share plans

- (i) Subject to the election of the members, security holders or the person entitled to any dividend or other cash payment, the board may adopt and implement one or more of the following plans on such terms as it thinks appropriate:
 - (A) a re-investment plan under which any dividend or other cash payment in respect of a share or convertible security may be retained by Atlas and applied in payment for fully paid shares issued under the plan;

- (B) any other plan under which dividends or other cash payments in respect of shares or other securities:
 - (I) be satisfied by the issue of shares or other securities of Atlas or a related body corporate be made in place of dividends or other cash payments; or
 - (II) be paid out of a particular reserve or out of profits derived from a particular source; or
 - (III) be forgone in consideration of another form of distribution from Atlas, another body corporate or a trust; or
- (C) a plan under which shares or other securities of Atlas or a related body corporate may be issued or otherwise provided for the benefit of employees or directors of Atlas or any of its related bodies corporate.
- (ii) The board has all powers necessary or desirable to implement and carry out a share plan, and may vary the rules governing, or suspend or terminate the operation of such share plan as it thinks appropriate.

Transfer of shares

- (i) Subject to the constitution, the Corporations Act and general law, a member may transfer a share by any means.
- (ii) Except in the case of a transfer under the ASX Settlement Rules, a document of transfer must be:
 - (A) delivered to the registered office of Atlas or the address of the share register last notified to members by Atlas;
 - (B) accompanied by the certificate (if any) for the shares to be transferred or evidence satisfactory to the board of its loss or destruction; and
 - (C) marked with payment of any stamp duty payable.

Property in and title to a document of transfer that is delivered to Atlas (but not the shares to which it relates) passes to Atlas on delivery.

- (iii) By giving the lodging party notice of and reason for refusal, the board:
 - (A) may refuse to register a transfer of shares only if that refusal would not contravene the ASX Listing Rules or the ASX Settlement Rules;
 - (B) without limiting paragraph (A) immediately above, but subject to the Corporations Act, the ASX Listing Rules and the ASX Settlement Rules, may refuse to register a transfer of shares where the registration of the transfer would create a new holding of an Unmarketable Parcel;
 - (C) subject to section 259C of the Corporations Act, must not register a transfer to a subsidiary of Atlas; and
 - (D) must not register a transfer if the Corporations Act, the ASX Listing Rules or the ASX Settlement Rules forbid registration.
- (iv) The transferor of a share remains the holder of it:
 - (A) if the transfer is under the ASX Settlement Rules, until the time those rules specify as the time that the transfer takes effect; and
 - (B) otherwise, until the transfer is registered and the name of the transferee is entered in the share register as the holder of the share.

Unmarketable parcels

- (i) Once in any 12 month period, the board can give written notice to the shareholder who holds an Unmarketable Parcel stating the board's intention to sell the Unmarketable Parcel. The shareholder has 6 weeks after the notice is given (or lesser period permitted by the Corporations Act or the ASX Listing Rules) at which time, unless the shareholder notifies Atlas that their shares are not to be sold, Atlas may sell the Unmarketable Parcel.
- (ii) This power to sell lapses if a takeover is announced after the board gives notice and before the board enters into an agreement to sell the shares.
- (iii) A sale of Atlas Shares includes all dividends payable and other rights attaching to them. The board may decide on the manner, time and terms of the sale and will pay for all the costs associated with the sale.

Alteration of share capital

- (i) Atlas may capitalise profits, reserves or other amounts available for distribution to members.
- (ii) Subject to the constitution, members are entitled to participate in a capital distribution in the same proportions in which they are entitled to participate in dividends.
- (iii) The board may settle any difficulty that arises in regard to a capitalisation of profits as it thinks appropriate and necessary to adjust the rights of members among themselves including:
 - (A) fix the value of specific assets;
 - (B) make cash payments to members on the basis of the value fixed for assets or in place of fractional entitlements so as to adjust the rights of members between themselves;
 - (C) disregard fractional entitlements; and
 - (D) vest cash or specific assets in trustees.
- (iv) Subject to the constitution, the Corporations Act and the ASX Listing Rules, Atlas may convert:
 - (A) an ordinary share into a preference share;
 - (B) a preference share into an ordinary share; or
 - (C) all or any of its shares into a larger or smaller number of shares by ordinary resolution.
- (v) The board may do anything it thinks appropriate and necessary to give effect to a resolution converting shares.
- (vi) Subject to the ASX Listing Rules, the Atlas may reduce its share capital:
 - (A) in accordance with the Corporation Act, by reduction of capital or share buyback; or
 - (B) in the ways permitted by sections 258E and 258F of the Corporations Act; or
 - (C) in any other way for the time being permitted by the Corporations Act.

Rights on winding up

- (i) Subject to the terms of issue of shares and the winding up rule in the constitution, the surplus assets of Atlas remaining after payment of its debts are divisible among the members in proportion to the number of fully paid shares held by them.
- (ii) If Atlas is wound up, the liquidator may, with the sanction of a special resolution:
 - (A) divide the assets of Atlas among the members in kind;
 - (B) for that purpose fix the value of assets and decide how the division is to be carried out as between the members and different classes of members; and
 - (C) vest assets of Atlas in trustees on any trusts for the benefit of the members as the liquidator thinks appropriate.

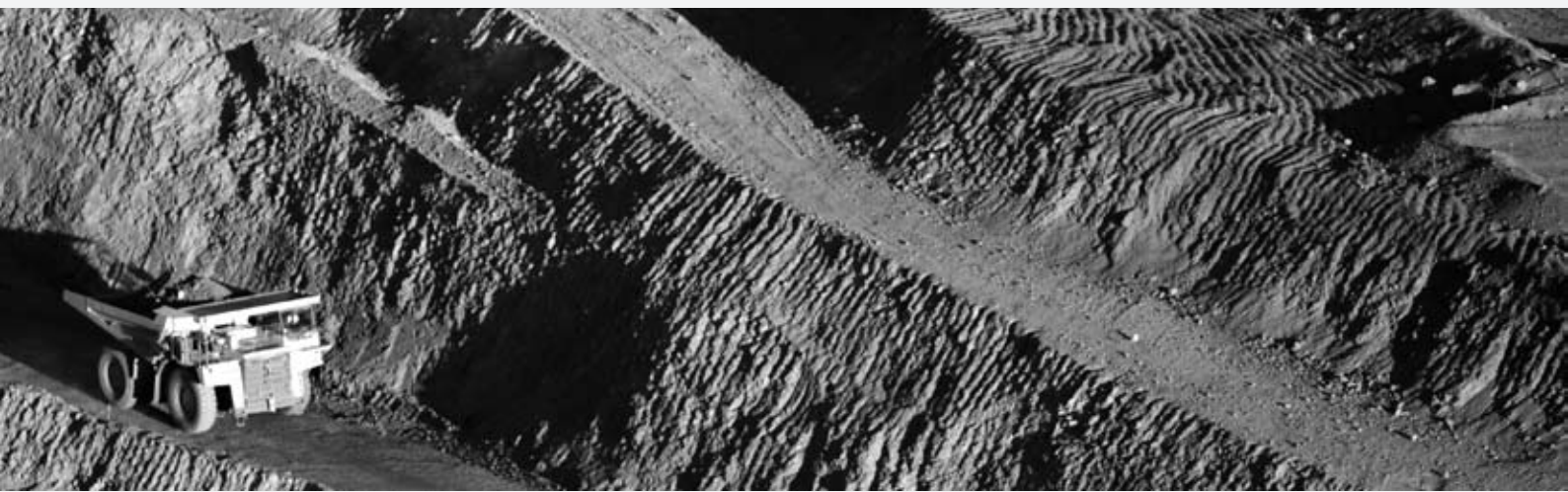
3.4 Unlisted Equity Options of Atlas

Atlas provides benefits to employees (including directors) and contractors in the form of share-based payment transactions, whereby options to acquire ordinary Atlas Shares are issued as an incentive to improve employee and shareholder goal congruence. The exercise price of the options granted range from \$0.40 to \$5.00 per Unlisted Equity Option. The Unlisted Equity Options granted to employees and contractors have expiry dates ranging from 24 March 2011 to 30 June 2015.

Unlisted Equity Options granted carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary Atlas Share with full dividend and voting rights.

As at the date of this Bidder's Statement, 28,833,000 Unlisted Equity Options have been granted and remain outstanding. The particulars of the outstanding Unlisted Equity Options granted as at the date of this Bidder's Statement are outlined in Schedule 1.

Further information about the Unlisted Equity Options and Atlas' remuneration policies and plans can be found in the 2010 Annual Report of Atlas (copies of which are available on the Atlas website at www.atlasiron.com.au).



4. Information On Giralia And Giralia Shares

- 4.1 Disclaimer
- 4.2 Overview of Giralia
- 4.3 Giralia Resource Summary tables
- 4.4 Giralia Competent Person Statements
- 4.5 Directors
- 4.6 Publicly available information
- 4.7 Giralia Options
- 4.8 Effect of the Offer on the Giralia Options
- 4.9 Capital Structure of Giralia
- 4.10 Atlas relevant interest in Giralia securities
- 4.11 Atlas' voting power in Giralia
- 4.12 Acquisition by Atlas of Giralia Shares during previous 4 months
- 4.13 Inducing benefits given by Atlas during previous 4 months

4.1 Disclaimer

Unless otherwise provided in this Bidder's Statement, the information in this section concerning Giralia has been prepared by Atlas using primarily publicly available information and has not been independently verified. Accordingly Atlas does not make any representation or warranty, express or implied, as to the accuracy or completeness of this information, other than as required by the Corporations Act.

The information on Giralia should not be considered comprehensive. Further information relating to Giralia may be included in Giralia's target statement which will be sent to you by Giralia.

4.2 Overview of Giralia

Giralia is an iron ore exploration company based in Perth, Western Australia. Giralia's main areas of focus are the Daltons and McPhee Creek DSO Projects located in the North Pilbara.

The McPhee Creek Project is 100% owned by Giralia with total DSO Mineral Resources of 265 Mt at 56.2% Fe (reported to ASX on 3 December 2010, comprising Indicated Resources of 65.3Mt at 56.3%Fe, and Inferred Resources of 194.7Mt at 56.2%Fe on the main range, and an additional Inferred Resource of 5.17Mt at 53.6%Fe at a nearby CID deposit). McPhee Creek is located approximately 220 kilometres south east of Port Hedland. A scoping study has recently been completed, with preliminary results indicating a base case scenario involving a production rate of 2Mtpa involving public road haulage to Port Hedland. A number of other scenarios were investigated including a 10Mtpa model based on rail delivery. The scoping study indicated first production may be achievable by September 2012.

The Daltons Joint Venture is 75% held by Giralia and 25% held by Haoma Mining NL (**Haoma**), and covers a group of 4 tenements located approximately 150 kilometres south of Port Hedland. Haoma retains rights to gold/silver and tin/tantalum mineralisation.

A PFS is currently underway at the Daltons-Mt Webber deposit, which has DSO Mineral Resources totalling 35.1Mt at 57.2%Fe (reported to ASX on 8 September 2010, comprising an Indicated Resource of 28.9Mt at 57.9% Fe, and Inferred Resources of 6.2 Mt at 54.1% Fe), directly adjoining Atlas' Mt Webber DSO deposit. The PFS, targeting the production of DSO by late 2011, initially at a rate of 2Mtpa by open pit mining and public road haulage to Port Hedland. This newly discovered zone of hematite is only 150 kilometres south of Port Hedland, and 40 kilometres from FMG's and BHPB's railway lines.

Giralia also holds a number of other iron ore assets, containing DSO, channel iron deposits (**CID**) and magnetite. Western Creek is a 100% owned hematite deposit located 15 kilometres from rail infrastructure at Newman in the Southeast Pilbara. It contains Marra Mamba iron ore, occurring as direct extensions to BHPB's Silver Knight deposit. Giralia reported an Inferred Mineral Resource of 52.4Mt at 56.7% Fe to ASX on 11 March 2009.

Anthiby Well is a 100% owned CID deposit located approximately 100 kilometres west of Paraburdoo in the West Pilbara. Giralia reported an initial Inferred Mineral Resource of 37.6Mt at 53.6% Fe to ASX on 27 March 2009.

Furthermore, Giralia holds a 100% interest in the Beebyn hematite asset in the Midwest (Inferred Resource of 7.2Mt at 57.2% Fe reported to the ASX on 13 December 2007), and the Yerecoin magnetite asset which is located 150 kilometres from Perth (Inferred Resource of 186.8Mt at 30.9% Fe reported on 7 July 2010). A promising scoping study has been completed at Yerecoin assuming a 2.5Mtpa scenario including rail haulage to Kwinana.

Giralia also has significant other commodity interests, including the Lake Frome Joint Venture around the operating Beverley uranium mine in South Australia, and the 100% owned Snake Well gold project in Western Australia.

In addition to its exploration assets, Giralia also holds stakes in several listed companies, which are held largely as a result of the spin-off of independently managed and funded companies over the last several years. These include:

Company	Ticker	Giralia Stake	Commodity
U3O8 Ltd	UTO:ASX	15.0%	Uranium
Zinc Co Australia Ltd	ZNC:ASX	10.8%	Zinc, Iron
Carpentaria Exploration Ltd	CAP:ASX	9.1%	Iron, Coal, Gold
Gascoyne Resources Ltd	GCY:ASX	5.9%	Gold
Hazelwood Resources Ltd	HAZ:ASX	1.7%	Nickel, Tungsten
Peninsula Energy Ltd	PEN:ASX	1.2%	Uranium
Entrée Gold Ltd	ETG:TSX	1.0%	Copper

4.3 Giralia Resource Summary tables

Giralia DSO Resource Summary Table

Region	Resource Classification	Mt	Fe (%)	SiO ₂ (%) ²	Al ₂ O ₃ (%) ³	P (%)	LOI (%)	CaFe (%)
North Pilbara*	Indicated	94.2	56.8	6.3	2.3	0.11	9.2	62.5
	Inferred	206.0	56.1	7.1	2.3	0.13	9.4	61.9
South East Pilbara	Inferred	52.0	56.7	6.2	3.6	0.06	8.9	62.2
West Pilbara	Inferred	38.0	53.6	7.5	4.8	0.04	9.3	59.1
Midwest	Inferred	7.0	57.2	8.4	3.0	0.07	5.2	60.4
Total	Indicated	94.2	56.8	6.4	2.3	0.11	9.2	62.5
	Inferred	303.00	55.9	7.0	2.8	0.10	9.2	61.6
Grand Total	Total	397.50	56.1	6.8	2.7	0.10	9.2	61.8

* Note: North Pilbara resource combines McPhee Creek and Daltons-Mt Webber deposit resource estimates.

Note: Measured, Indicated and Inferred mineral resources are rounded to the nearest ten kilotonnes 100 kilotonnes and million tonnes respectively. Rounding errors may occur.

Giralia Magnetite Resource Summary Table

Region	Resource Classification	Mt	Fe (%)	Wt Rec (%)	DTR Fe (%)	DTR SiO ₂ (%)	DTR Al ₂ O ₃ (%)	DTR P
Yerecoin	Inferred	187.00	30.9	32.8%	70.1%	2.1%	0.4%	0.04%

Grade at >20% Fe head assay, >15% weight recovery.

4.4 Giralia Competent Person Statements

The following Competent Person Statements have been extracted from the Giralia 2010 Annual Report dated 11 October 2010 lodged with ASIC and the ASX. Under the terms of ASIC Class Order 01/1543, the parties making those statements are not required to consent to, and have not consented to, those statements being included in this Bidder's Statement. If you would like to receive a copy of the Giralia 2010 Annual Report please contact Atlas Offer Information Line on 1800 600 409 (within Australia), 0800 540 007 (within New Zealand) or +61 2 8256 3378 (international) between 9.00am and 5.00pm (AWST), Monday to Friday and you will be sent copies free of charge.

Western Creek, McPhee Creek main range, Yerecoin and Anthiby Well Resources

The information in the report that relates to in-situ Mineral Resources at Western Creek, Yerecoin, McPhee Creek main range and Anthiby Well is based on information compiled by Mr Grant Louw of CSA Global. He is a Member of the Australian Institute of Geoscientists and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2004 Edition).

Beebyn and McPhee Creek CID Resources

The information in this Report that relates to in-situ Mineral Resources at Beebyn and McPhee Creek CID is based on information compiled by Malcolm Titley of CSA Global. He is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2004 Edition).

Daltons-Mt Webber Resource

The information in the report that relates to in-situ Mineral Resources at Mt Webber is based on information compiled by Mr Chris Allen of CSA Global. He is a Member of the Australian Institute of Geoscientists and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2004 Edition).

4.5 Directors

As at the date of this Bidder's Statement, the directors of Giralia are:

- Graham Douglas Riley, independent non-executive chairman;
- Rodney Michael Joyce, managing director/CEO; and
- Stanley Allan MacDonald, executive director.

4.6 Publicly available information

Giralia is a company listed on ASX and is subject to the periodic and continuous disclosure requirements of the Corporations Act and ASX Listing Rules. For information concerning the financial position and affairs of Giralia, you should refer to the information that has been disclosed by Giralia in accordance with these obligations.

Since 30 June 2010 (being the end of the last financial period for which audited financial statements of Giralia were prepared), Giralia has made the following public announcements and media releases which Atlas considers may be material to the financial position of Giralia:

- 7 July 2010; Maiden JORC Inferred Mineral resource of 186.8Mt announced for the Yerecoin magnetite deposit.
- 24 August 2010; Strong DSO drilling intersections were reported from drilling at the Homestead prospect 10km north of the Western Creek resource, including 58Mt at 57.9%Fe.
- 8 September 2010; Upgrade in resource category for Daltons-Mt Webber deposit. Over 80% of the Daltons-Mt Webber Resource was upgraded to the Indicated Resource category after an infill drilling program.
- 25 November 2010; Positive Scoping Study for McPhee Creek. The base case scenario found that at current iron ore prices it would be viable to establish a fully owned and operated mining, crushing, screening and public road haulage operation. The study noted that access to port facilities is crucial for the project to proceed.
- 3 December 2010; Further increase in the Resource at McPhee Creek. Independent geological consultants CSA Global Pty Ltd completed a Resource upgrade at the main range deposit at McPhee Creek. The new Indicated and Inferred Mineral Resource at McPhee Creek main range is 260Mt at 56.2% Fe. This represents a 24% increase over the previous estimate of 210Mt.

A copy of each of these announcements can be obtained from ASX. In addition copies of the announcements made by Giralia after 30 June 2010 can be obtained from Giralia's website www.giralia.com.au.

4.7 Giralia Options

According to documents provided by Giralia to ASX, options over unissued shares have been issued by Giralia to employees and directors of Giralia and its subsidiaries as approved by the Giralia board.

Each Giralia Option entitles the holder to one ordinary Giralia Share upon Giralia receiving a properly executed notice of exercise and application monies. Giralia will apply for official quotation of all shares issued and allotted pursuant to the exercise of the Giralia Options. Giralia Shares issued on exercise of Giralia Options will rank equally in all respects with other ordinary shares of Giralia.

A Giralia Option may only be exercised after it has vested and any other conditions imposed by the Giralia board on exercise have been satisfied. As at the date of this Bidder's Statement, all of the Giralia Options have been vested and may be exercised at any time prior to the relevant expiry date.

Based on information provided by Giralia to Atlas, the Giralia Options will lapse upon the first to occur of:

- (a) the Expiry Date specified in the Giralia Option;
- (b) the Giralia Board determining that the holder has acted fraudulently, dishonestly or in breach of its obligations to Giralia or an associated body corporate;
- (c) in certain circumstances upon the holder ceasing to be employed by Giralia or an associated body corporate;
- (d) the day which is 30 days after any person having relevant interest in not less than 90% of Giralia; or
- (e) the day which is 10 days following the issue of a Giralia shareholder's meeting to implement a scheme of arrangement which would result in a person having relevant interest in not less than 90% of Giralia.

The information relating to the termination rights of the Giralia Options contained in this Bidder's Statement is based on materials provided by Giralia to Atlas and has not been independently verified. Accordingly Atlas does not make any representation or warranty, express or implied, as to the accuracy or completeness of this information.

So far as is known to Atlas, the exercise prices and expiry dates for the Giralia Options on issue as at the date of this Bidder's Statement are as follows:

Number	Exercise Price	Expiry Date
325,000	\$0.666	30/06/2011
550,000	\$0.987	30/06/2011
550,000	\$0.738	30/06/2012
500,000	\$1.438	31/12/2012

Giralia Options may not be transferred other than to an Associate of the holder.

4.8 Effect of the Offer on the Giralia Options

The Offer extends to Giralia Shares that are issued as a result of the exercise of Giralia Options prior to the end of the Offer Period.

Under the terms of the Bid Implementation Agreement, Atlas is required to make an offer to the holders of Giralia Options to acquire or cancel the Giralia Options for an issue of Atlas Shares not less than the amount prescribed under the Bid Implementation Agreement (calculated based on Black-Scholes option valuations at the date of the Offer), subject to the Offer becoming or being declared unconditional.

If Atlas and its Associates have relevant interests in at least 90% of the Giralia Shares at the end of the Offer Period, Giralia will give a notice of compulsory acquisition to holders of all outstanding Giralia Options in accordance with requirements under section 663A of the *Corporations Act*.

In addition, based on information provided by Giralia, if Atlas acquires relevant interests in at least 90% of the Giralia Shares during, or at the end of the Offer Period, then all outstanding Giralia Options which are not sold to Atlas under the compulsory acquisition arrangements will automatically expire on the day which is 30 days after Atlas acquiring 90% relevant interest in Giralia.

4.9 Capital Structure of Giralia

According to documents lodged by Giralia with ASX as at the date of this Bidder's Statement is lodged with ASIC, the total number of securities in Giralia is as follows:

- (a) 181,160,170 Giralia Shares; and
- (b) 1,925,000 unlisted employee options.

4.10 Atlas relevant interest in Giralia Shares

The number of securities of each class that Atlas had a relevant interest in (as at the dates specified) is shown below:

	At date of this Bidder's Statement	At date first Offer is sent
Giralia Shares	16,395,078	[■]

4.11 Atlas' voting power in Giralia

Atlas' voting power in Giralia (as at the dates specified) is shown below:

	At date of this Bidder's Statement	At date first Offer is sent
Voting power in Giralia	9.05%	[■]

4.12 Acquisition by Atlas of Giralia Shares during previous 4 months

During the period beginning 4 months before the date on which this Bidder's Statement is lodged with ASIC and ending the day before 7 January 2011, neither Atlas nor any Associate of Atlas has provided, or agreed to provide, consideration for a Giralia Share.

4.13 Inducing benefits given by Atlas during previous 4 months

Except as set out in this Bidder's Statement, during the period beginning 4 months before the date of this Bidder's Statement and ending the day before 7 January 2011, neither Atlas nor any Associate of Atlas, gave, or offered to give or agreed to give a benefit to another person that is not available under the Offer and was likely to induce the other person, or an Associate of the other person, to:

- (a) accept an Offer; or
- (b) dispose of Giralia Shares.



5. Atlas' Intentions

5.1 Overview

5.2 Compulsory acquisition

5.3 Synergies and other cost savings

5.4 Intentions for Giralia as a wholly owned subsidiary

5.5 Intentions for Giralia if it is controlled by Atlas

5.6 Other intentions



5.1 Overview

In formulating the Offer, Atlas has considered and evaluated Giralia's assets, based on the information which was in the public domain and available to it, documents which were provided to Atlas by Giralia pursuant to a due diligence request and the general business environment.

Set out in this section 5 are Atlas' intentions for Giralia. These intentions are based on the information concerning Giralia which is known to Atlas and the existing circumstances affecting the business of Giralia, at the date of this Bidder's Statement. The statements set out in this section 5 are statements of current intention only and may vary as new information becomes available or circumstances change.

5.2 Compulsory acquisition

(a) Compulsory Acquisition of Giralia Shares

If, as a result of the Offer, Atlas becomes entitled to compulsorily acquire outstanding Giralia Shares under Part 6A.1 of the Corporations Act, Atlas presently intends to proceed with compulsory acquisition of those Giralia Shares and any fully paid ordinary shares in Giralia which come into existence within the period of 6 weeks after Atlas gives the compulsory acquisition notice (referred to in section 661B(1) of the Corporations Act) due to the conversion of, or exercise of, Convertible Securities. Atlas then intends to procure that Giralia is removed from the official list of ASX.

If, as a result of the Offer, Atlas becomes entitled to compulsorily acquire any fully paid ordinary shares in Giralia which come into existence after the period of 6 weeks after Atlas gives the compulsory acquisition notice due to the conversion of, or exercise of, Giralia Options under Part 6A.2 of the Corporations Act, Atlas presently intends to proceed with the compulsory acquisition of those shares.

(b) Compulsory Acquisition of Convertible Securities

If, as a result of the Offer, Atlas becomes entitled to compulsorily acquire outstanding Giralia Options under Part 6A.2 of the Corporations Act, Atlas presently intends to proceed with the compulsory acquisition of those Convertible Securities.

5.3 Synergies and other cost savings

The Merged Entity is expected to realise significant value through the realisation of synergies arising from the proximity of Atlas' and Giralia's assets.

The two predominant examples of this are Atlas' Mt Webber project (AGO - 70%) and Giralia's Dalton's Project (Giralia - 75%), which have the potential to be developed in parallel as one 80Mt deposit, and Giralia's McPhee Creek Project, which has the potential to form part of an expanded 20Mtpa TRH facility.

With these potential combined benefits, there is the possibility that substantial construction and development cost savings would be made under joint ownership rather than on a stand-alone basis.

Atlas expects that the Giralia assets will allow increased rates of production in the merged entity, which economy of scale is anticipated to drive downward pressure on operating costs. Atlas' operating costs have recently benefited from the economies of scale driven by increased production, as Atlas' production has grown from an export rate of 1Mtpa to approximately 6Mtpa by the end of 2010. Cost savings may also be made in port, and in shipping.

Until Atlas conducts a more detailed study of the Merged Entity's operations and assets, it is not possible for Atlas to attribute a value to the potential cost savings that may be made (as any value attributed at this stage would be speculative and potentially misleading for Giralia shareholders). The realisation of cost savings due to potential synergies is also subject to a number of risks, including as set out in section 7 of this Bidder's Statement.

The Merged Entity expects to receive economies of scale from increased production rates. Atlas' experience in growing its production rate from 1Mtpa to 6Mtpa in 2010 is that increased production means that the Merged Entity should receive economies of scale as it meets its production targets such that the Merged Entity's fixed costs per tonne will be reduced as production grows.

5.4 Intentions for Giralia as a wholly owned subsidiary

The intentions of Atlas if Giralia becomes a wholly owned subsidiary of Atlas are set out in this section 5.3.

In the event that Atlas is successful in attaining a level of acceptance equal to or greater than 90%, then Atlas will invoke its Compulsory Acquisition rights and acquire 100% of Giralia and proceed to delist Giralia from the ASX.

The Giralia business will be integrated with that of Atlas and will no longer exist in its own right. This will be the catalyst for a review of the relative prospectivity of assets within the expanded asset portfolio of Atlas; the intent of which will be to determine the company's ideal development timeline.

This may incorporate a rationalisation of non-core assets, re-prioritising the development of certain assets and redeployment of the fixed assets of Giralia.

There are presently only 8 non-director employees of Giralia, all of whom will be retained and redeployed to support the expanded Atlas team as is most appropriate. It is considered that the skill sets of the existing Giralia employees and that of the present Atlas employees are complementary in many respects and that therefore, Atlas anticipates having no difficulties integrating the two work forces. In accordance with the Bid Implementation Agreement between Atlas and Giralia, Atlas has undertaken to continue the employment of the existing non-director employees of Giralia on terms no less favourable than their existing terms of employment. Atlas has also agreed not to take any action to:

- (a) terminate the existing employment agreement of any Giralia non-director employee as at the Announcement Date (except as permitted for cause under the terms of employment for such employee);
- (b) make any position held by a non-director employee of Giralia at the Announcement Date redundant; or
- (c) reduce or adversely vary the terms and conditions of employment of any non-director employee as at the Announcement Date (except in respect of job title of such employee).

Conditional upon Atlas declaring the Offer to be free from all Offer Conditions and Atlas having a Relevant Interest in at least 90% of the share capital of Giralia, Atlas has agreed to invite one member of the Giralia Board to be appointed as a director of the Merged Entity.

5.5 Intentions for Giralia if it is controlled by Atlas

Atlas has no current intention to waive the 90% minimum acceptance Offer Condition (but it reserves the right to do so). The description of Atlas' intentions in this section 5.4 is not to suggest that Atlas intends to declare the Offer free from the Offer Condition referred to in section 11.12(a) if Atlas does not acquire at least 90% of the Giralia Shares.

If however, following the close of the Offer:

- (a) Atlas has not reached 90% and elects to declare the Offer unconditional; and
- (b) Giralia becomes a controlled entity, but not a wholly owned subsidiary of Atlas,

Atlas presently intends to begin to rationalise the assets of the two companies. Atlas will apply its management experience in accelerating the development of Giralia's iron ore assets, and investigate a range of other similar measures to unlock the synergies that exist between the two highly complementary asset portfolios.

Atlas will seek, subject to the Corporations Act and the constitution of Giralia, to nominate and appoint additional directors to the Giralia Board such that the majority of the Giralia Board will consist of directors nominated by Atlas. Through the Giralia Board, Atlas intends to, to the extent possible, implement the intentions detailed in section 5.3 where they are consistent with Giralia being a controlled entity of (but not wholly owned by) Atlas and are considered to be in the best interests of Giralia Shareholders as a whole, including the rights of minority shareholders. For the avoidance of doubt, in the event Atlas acquires control of Giralia, it intends to continue the employment of the existing non-director employees of Giralia on same terms as set out in section 5.3 above.

Subject to maintaining a sufficient spread of Giralia Shareholders, Atlas will maintain Giralia's listing on ASX, while it continues to meet ASX listing requirements. Giralia Shareholders should be aware that in this circumstance the liquidity of Giralia Shares may be materially decreased.

It is possible that, even if Atlas is not entitled to proceed to compulsory acquisition of minority holdings after the end of the Offer Period under Part 6A.1 of the Corporations Act, it may subsequently become entitled to exercise rights of general compulsory acquisition under Part 6D.2 of the Corporations Act (for example, as a result of acquisitions of Giralia Shares in reliance on the '3% creep' exception in item 9 of Section 611 of the Corporations Act). If so, it intends to exercise those rights.

The extent to which Atlas will be able to implement these intentions will be subject to:

- (i) the law and the ASX Listing Rules, in particular in relation to related party transactions and conflicts of interests;
- (ii) the legal obligation of the directors of Giralia to act for proper purposes and in the best interests of Giralia Shareholders as a whole; and
- (iii) the level of control that Atlas will eventually be able to exert over the operations and strategy of Giralia.

5.6 Other intentions

Subject to the above it is the present intention of Atlas, on the basis of the information concerning Giralia which is known to it and the existing circumstances affecting the business of Giralia as at the date of this Bidder's Statement, that:

- (a) the business of Giralia will otherwise be continued in substantially the same manner as it is presently being conducted;
- (b) no other major changes will be made to the business of Giralia;
- (c) there will not be any other redeployment of the fixed assets of Giralia; and
- (d) the present non-director employees of Giralia will otherwise continue to be employed by Giralia.



6. Profile of the Merged Entity

6.1 Merged Entity Snapshot

6.2 Rationale for the Offer

6.3 Pro forma financial information for the Merged Entity

6.4 Pro forma combined DSO Summary and Exploration Targets Summary Tables

6.5 Prospective financial information of the Merged Entity



6.1 Merged Entity Snapshot

Following completion of the Offer, the Merged Entity will have the following key features:

Company	Giralia	Atlas	Merged Entity (Max. Cash)	Merged Entity (Max. Scrip)
Ticker	GIR	AGO	AGO	AGO
Shares on Issue (million) ²¹	181.2	547.0	798.4	829.0
Share price (A\$) ²²	2.99	2.96	2.96	2.96
Options on Issue (million) ²³	1.9	28.8	28.8	28.8
Market Capitalisation (A\$m) ²⁴	541.7	1,619.0	2,363.2	2,453.9
Cash (A\$m) ²⁵	57.8	171.0	88.5	178.5
Debt (A\$m)	-	-	-	-
Enterprise Value (A\$m)	483.9	1,448.0	2,274.7	2,275.4
Current Annualised Export Rate (Mtpa)	-	6.0	6.0	6.0
Estimated Annualised Production Rate in 2012 (Mtpa) ²⁶	-	12.0	12.0	12.0
Landholding (km ²)	9,000	17,000	26,000	26,000
DSO Reserves (Mt) ²⁷	-	53.7	53.7	53.7
DSO Resources (Mt)	397.5	204.7	602.2	602.2
Magnetite Reserves (Mt)	-	1,199.0	1,199.0	1,199.0
Magnetite Resources (Mt)	186.8	2,466.0	2,652.8	2,652.8
Port Access (Mtpa) ²⁸	-	34.5	34.5	34.5

²¹ Calculated as at 20 December 2010 (the day prior to the Announcement Date).

²² Calculated as at 20 December 2010 (the day prior to the Announcement Date).

²³ Assumes that all Giralia options on issue as at 20 December 2010 (1.925m) are cancelled by agreement with the Giralia option holders for issue of Atlas Shares in accordance with the Bid Implementation Agreement.

²⁴ Based upon the proforma number of shares on issue multiplied by the price of Atlas or Giralia Shares (as applicable) as at 20 December 2010.

²⁵ Giralia's cash balance last reported as at 30 September 2010, Atlas' estimated cash balance at the date of this Bidder's Statement. Merged Entity cash is per pro forma financial information in section 6.3 as at 30 November 2010.

²⁶ Atlas has Proved and Probable Ore Reserves for 4.0 years based on a production target of 1.8 Mtpa for the Pardoo DSO project, Proved and Probable Ore Reserves for 4.7 years based on a production target of 4.2 Mtpa for the Wodgina DSO project, and Probable Ore Reserves for 2.5 years based on a production target of 3 Mtpa for the Abydos DSO project. Atlas has Probable Ore Reserves for 6.4 years based on a production target of 3 Mtpa for the Mt Webber DSO project. There remains at present insufficient certainty with respect to whether economically mineable mineralisation beyond the Proved and Probable Reserves exists to reliably estimate future production for these projects.

²⁷ See Resource and Reserve tables in section 2.6 and 4.3 for a breakdown of this aggregate figure.

²⁸ Estimated capacity by 2015, combining up to 15Mtpa through Utah Point and up to 19.5Mtpa through South West Creek.

6.2 Rationale for the Offer

Atlas believes that the proposed acquisition of Giralia will deliver strategic and financial advantages to shareholders of both companies. Those advantages include:

- (a) Management Expertise – Atlas' management team have a demonstrated track record of successfully and cost effectively developing and operating iron ore assets in the Pilbara. Utilising this expertise, it is possible to fast-track the development of assets within the Giralia asset portfolio.
- (b) Immediate Cash Flow – The Merged Entity will give Giralia Shareholders exposure to cash flow from Atlas' existing iron ore production and a rapidly growing production profile from a number of DSO development projects, including the Abydos DSO Project, Mt Webber DSO Project and Mt Dove DSO Project.
- (c) Port Infrastructure Solution – This transaction provides an immediate port infrastructure solution to Giralia's promising asset portfolio. Atlas' allocated port capacity of up to 34.5Mtpa at Port Hedland by 2015 (up to 15Mtpa through the Utah Point facility and up to 19.5Mtpa through the proposed South West Creek facility) is an important strategic asset.
- (d) Complementary Assets – Atlas' Mt Webber project (AGO – 70%) and Giralia's Daltons Project (Giralia – 75%) have the potential to be developed in parallel as one 80Mt deposit. In addition, Giralia's McPhee Creek Project has the potential to form part of an expanded 20Mtpa TRH facility that Atlas is currently studying. Both the Daltons and McPhee Creek Projects will receive the benefit of Atlas' port access.
- (e) Scale of Production – This transaction provides an immediate increase to Atlas' DSO resource inventory to total over 600Mt. Atlas believes that development of the Giralia assets from the North Pilbara has the potential to increase the overall production rates of the Merged Entity from the North Pilbara to 22Mtpa²⁹ by 2015, with additional DSO production targeted from the South East Pilbara assets. This is expected to substantially increase overall life of operations.
- (f) Reduced Costs – The combination of the two asset portfolios provides the capacity to substantially reduce overall capital and operating costs. In addition, the Merged Entity would have increased access to funds, enabling it to more readily fund the business in a cost effective manner.
- (g) Economies of Scale – The Merged Entity expects to receive economies of scale from increased production rates. Atlas' experience in growing its exporting rate from 1Mtpa to 6Mtpa in 2010 is that increased production means that the Merged Entity should receive economies of scale as it meets in production targets such that the Merged Entity's fixed costs per tonne will be reduced as production grows.

6.3 Pro forma financial information for the Merged Entity

It is not possible to predict the exact level of acceptance of the Offer by Giralia Shareholders. Nor is it possible to predict how acceptances will be distributed between the alternative considerations.

The unaudited pro forma consolidated financial information provided in this section 6.3 has been prepared in accordance with recognition and measurement requirements of Australian Accounting Standards, and indicates the financial impact on Atlas of Atlas acquiring Giralia Shares under the two alternative consideration structures. The financial information is provided for illustrative purposes only. In considering the information Giralia Shareholders must take into account the following matters:

- Carrying value of the Giralia assets is not subject to impairment losses;
- The Offer price is as stated under the terms of this Offer; and
- 100% control is achieved under this Offer and hence the accounts of both companies may be fully consolidated on a line-by-line basis.

²⁹ While the Resources are adequate to support this production target, these Resources are not Reserves and therefore it is uncertain whether they can be mined in an economically viable manner in order to achieve those targets. There remains at present insufficient certainty with respect to whether economically mineable mineralisation beyond the Proved and Probable Reserves exists to reliably estimate future production rates. These production targets are also subject to the completion of all necessary feasibility studies, environmental permitting, financing arrangements, execution of infrastructure related agreements and timely project and port berth construction. Refer to the Resources and Reserves tables in section 2.6 of this Bidder's Statement for a breakdown of this aggregate figure.

Unaudited pro forma consolidated balance sheet of the Merged Entity

The unaudited pro forma balance sheet for the Merged Entity for the year ended 30 June 2010 (reflecting both if 100% control is achieved by the provision (1) Share Consideration only, or (2) Share/ Cash Consideration) is set out in the table below for illustrative purposes as a guide to assist Giralia Shareholders in considering the effect of completion of the Offer on Atlas. By its nature, pro forma financial information is only illustrative of the types of impacts which a particular set of assumed transactions can have on underlying financial information.

The unaudited pro forma balance sheet has been prepared to give effect to the pro forma adjustments resulting from the transaction as if the transaction had occurred on 30 November 2010.

Pro forma Balance Sheet - 100% Share Issue

30 November 2010	Atlas Iron Group Unaudited 30 Nov 2010 \$'000	Giralia Resources Group Unaudited 30 Nov 2010 \$'000	Adjustments Unaudited 30 Nov 2010 \$'000	Merged Entity Unaudited Proforma 30 Nov 2010 \$'000
CURRENT ASSETS				
Cash and cash equivalents	123,254	55,310	-	178,564
Trade and other receivables	72,456	4,767	-	77,223
Inventories	14,721	-	-	14,721
TOTAL CURRENT ASSETS	210,431	60,077	-	270,508
NON-CURRENT ASSETS				
Other financial assets	-	14,380	-	14,380
Other receivables and prepayments	33,749	-	-	33,749
Investment accounted for using the equity method	4,585	-	-	4,585
Property, plant and equipment	16,263	259	-	16,522
Intangibles	197	-	-	197
Port Access Rights	71,484	-	-	71,484
Mine and port development costs	156,545	-	-	156,545
Mining tenements capitalised	100,946	25,349	734,091	860,386
TOTAL NON-CURRENT ASSETS	383,769	39,988	734,091	1,157,848
TOTAL ASSETS	594,200	100,065	734,091	1,428,356
CURRENT LIABILITIES				
Trade and other payables	48,102	2,546	-	50,648
Provisions	1,950	-	48,000	49,950
TOTAL CURRENT LIABILITIES	50,052	2,546	48,000	100,598
NON-CURRENT LIABILITIES				
Provisions	13,526	182	-	13,708
Deferred Tax Liabilities	-	7,310	-	7,310
TOTAL NON-CURRENT LIABILITIES	13,526	7,492	-	21,018
TOTAL LIABILITIES	63,578	10,038	48,000	121,616
NET ASSETS	530,622	90,027	686,091	1,306,740
EQUITY				
Issued capital	654,233	28,730	795,388	1,478,351
Reserves	28,457	2,720	(2,720)	28,457
Accumulated gain (loss)	(165,213)	58,577	(58,577)	(165,213)
Accumulated gain (loss) - current	13,145	-	(48,000)	(34,855)
TOTAL EQUITY	530,622	90,027	686,091	1,306,740

Pro forma Balance Sheet - 100% Cash/Share Consideration

30 November 2010	Atlas Iron Group Unaudited 30 Nov 2010 \$'000	Giralia Resources Group Unaudited 30 Nov 2010 \$'000	Adjustments Unaudited 30 Nov 2010 \$'000	Merged Entity Unaudited Proforma 30 Nov 2010 \$'000
CURRENT ASSETS				
Cash and cash equivalents	123,254	55,310	(90,068)	88,496
Trade and other receivables	72,456	4,767	-	77,223
Inventories	14,721	-	-	14,721
TOTAL CURRENT ASSETS	210,431	60,077	(90,068)	180,440
NON-CURRENT ASSETS				
Other financial assets	-	14,380	-	14,380
Other receivables and prepayments	33,749	-	-	33,749
Investment accounted for using the equity method	4,585	-	-	4,585
Property, plant and equipment	16,263	259	-	16,522
Intangibles	197	-	-	197
Port Access Rights	71,484	-	-	71,484
Mine and port development costs	156,545	-	-	156,545
Mining tenements capitalised	100,946	25,349	730,759	857,054
TOTAL NON-CURRENT ASSETS	383,769	39,988	730,759	1,154,516
TOTAL ASSETS	594,200	100,065	640,691	1,334,956
CURRENT LIABILITIES				
Trade and other payables	48,102	2,546	-	50,648
Provisions	1,950	-	48,000	49,950
TOTAL CURRENT LIABILITIES	50,052	2,546	48,000	100,598
NON-CURRENT LIABILITIES				
Provisions	13,526	182	-	13,708
Deferred Tax Liabilities	-	7,310	-	7,310
TOTAL NON-CURRENT LIABILITIES	13,526	7,492	-	21,018
TOTAL LIABILITIES	63,578	10,038	48,000	121,616
NET ASSETS	530,622	90,027	592,691	1,213,340
EQUITY				
Issued capital	654,233	28,730	701,989	1,384,951
Reserves	28,457	2,720	(2,720)	28,457
Accumulated gain (loss)	(165,213)	58,577	(58,578)	(165,213)
Accumulated gain (loss) - current	13,145	-	(48,000)	(34,855)
TOTAL EQUITY	530,622	90,027	592,691	1,213,340

Unaudited pro forma consolidated income statement of the Merged Group

The pro forma income statement for the Merged Group for the year ended 30 June 2010 is set out in the table below for illustrative purposes as a guide to assist Giralia Shareholders in considering the effect of completion of the Offer on Atlas. By its nature, pro forma financial information is only illustrative of the types of impacts which a particular set of assumed transactions can have on underlying financial information.

Pro forma Income Statement

30 November 2010	Atlas Iron Group Unaudited Results to 30 Nov 2010 \$'000	Giralia Resources Group Unaudited Results to 30 Nov 2010 \$'000	Transaction Costs Unaudited 30 Nov 2010 \$'000	Merged Entity Unaudited Proforma Results to 30 Nov 2010 \$'000
CONTINUING OPERATIONS				
Revenue (FOB equivalent)	131,377			131,377
Cost of sales	(80,518)			(80,518)
GROSS PROFIT / (LOSS)	50,859	-	-	50,859
Other income	2			2
Corporate and administration	(8,102)			(8,102)
Giralia transaction costs			(48,000)	(48,000)
Aurox transactions costs	(4,940)			(4,940)
Share based payments	(11,421)			(11,421)
Exploration, evaluation & approvals	(10,245)			(10,245)
Currency gain (loss)	(1,695)			(1,695)
Share of loss in investments	(4,287)			(4,287)
GAIN (LOSS) FROM OPERATING ACTIVITIES	10,171	-	(48,000)	(37,829)
Net finance revenue	2,974			2,974
NET FINANCIAL INCOME	2,974	-	-	2,974
GAIN (LOSS) BEFORE INCOME TAX	13,145		(48,000)	(34,855)
Income tax (expense)/benefit				-
GAIN (LOSS) FOR THE YEAR	13,145	-	(48,000)	(34,855)
Gain/(loss) on revaluation of investments	-			-
Realised gain on investment transferred out of reserves	-		-	
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	13,145	-	(48,000)	(34,855)

Notes to the pro forma financial statements

The Proforma Balance Sheets and Income Statement were prepared based on the audited results of Atlas Iron Limited and Giralia Resources NL at 30 June 2010. Material adjustments were included to provide a result to 30 November 2010.

Giralia Resources NL Income Statement movements since 30 June 2010 have been treated as pre acquisition earnings in the pro forma Balance Sheet.

Atlas Iron Limited

Material movements for the period 1 July 2010 to 30 November 2010 are listed below:

1. Aurox

Atlas obtained control of Aurox Resource Limited on 20 August 2010. The provisional accounting, excluding the tax effect, for the acquisition has been consolidated in accordance with Australian Accounting Standard AASB 27 Consolidated and Separate Financial Statements. The provisional balance sheet is shown below:

Aurox Resources Ltd
Unaudited Acquisition
Balance Sheet
\$'000

Cash and cash equivalents	3,048
Trade and other receivables	717
Port facility prepayment	12,895
Property, plant and equipment	1,368
Mine and port development costs	72,856
Mining tenements capitalised	10,200
Port Access Rights	71,484
LIABILITIES	
Trade and other payables	(8,216)
Loans - Atlas Iron Ltd	(20,687)
Provisions	(597)
Total consideration	143,068
Consideration	
Equity consideration	143,068
Cash and cash equivalents acquired	(3,048)
Acquisition of subsidiary, net of cash acquired	140,020

2. Increase in Trade and Other Receivables (Current)

Trade and Other Receivables increased by \$48 million over the period. The increase was primarily a result of the \$28 million increase on trade debtors and \$20 million accrued revenue for a part loaded ship at 30 November.

3. Increase in Mine and Port Development Costs

Mine and Port Development Costs increased by \$88 million over the period. Of this increase, \$73 million related to Port Access Rights acquired in the Aurox transaction. The balance relates to development at the Atlas mine and port operations.

4. Increase in Trade and Other Receivables (Non Current)

Trade and Other Receivables (Non Current) increased by \$16 million for the period ending 30 November 2010. The increase was primarily a result of the increase in the Port Facility Prepayment: \$13 million taken up with the Aurox transaction and \$2 million increase with Atlas.

5. Port Access Rights

The balance at 30 November 2010 (\$71 million) relates to the value ascribed to the port access acquired with the Aurox transaction.

6. Increase to Mining Tenements Capitalised

The increase of \$10 million relates to the value ascribed to mining tenements acquired with the Aurox transaction.

7. Increase to Trade and Other Payables (Current)

The increase of \$27 million is a direct consequence of the ramp up in operations at the mine and port.

8. Equity Increase

The net increase is as a result of the Aurox transaction (\$143 million) in addition to share and option issues of \$14 million for the period ending 30 November 2010.

Giralia Resources NL

The movement in Cash and Cash Equivalents was adjusted for the closing balance at 30 November 2010. Interest and expenses were allocated based on the estimated allocation in the 30 September Quarterly Report.

Movements in share capital were adjusted for movements in the period.

Equity investments held by Giralia were revalued at 30 November 2010 and the mark-to-market gain was booked directly to the Retained Earnings (as pre acquisition).

Assumptions:

AGO acquires 100% of the Giralia Shares and Giralia is consolidated in accordance with the Australian equivalent of International Financial Reporting Standards.

Purchase consideration consists of:	\$'000
1.5 new AGO shares issued in exchange for each GIR share*	824,118
1.33 new AGO shares and cash of \$0.50 issued in exchange for each GIR share*	820,786

* Based on market value of AGO shares at 30 November 2010 of \$3.05 per share.

The excess of the purchase consideration of Giralia's assets and liabilities has been allocated to the book value of mineral tenements as an approximation of fair value at acquisition.

Stamp duty and other transaction costs have been estimated at \$48 million and have been expensed in accordance with Australian Accounting Standard AASB 3 Business Combinations.

At the last reporting date, 30 June 2010, Atlas has tax losses in Australia of \$238 million not recognised on balance sheet, that are available for offset against future taxable profits of the companies in which the losses arose. The availability of these losses is subject to the company continuing to meet the legislative requirements for the utilisation of the losses.

The tax effect of the acquisition has not been estimated.

6.4 Pro forma Combined DSO Resource Summary and Exploration Targets Summary Tables

The pro forma combined DSO Resource and Exploration target tables for the Merged Group compiled based on the latest announcements made to the ASX by Atlas and Giralia are set out below for illustrative purposes as a guide to assist Giralia Shareholders in considering the effect of completion of the Offer on Atlas.

Merged Entity DSO Resource

Region	Resource Classification	Mt	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)	CaFe (%)
North Pilbara	Measured	17.2	57.7	5.9	1.6	0.09	8.7	63.2
	Indicated	150.7	56.8	6.5	2.2	0.10	9.1	62.5
	Inferred	265.0	56.2	7.2	2.3	0.12	9.3	61.9
Southeast Pilbara	Inferred	119.0	56.3	6.7	3.5	0.06	8.7	61.6
West Pilbara	Inferred	38.0	53.6	7.5	4.8	0.04	9.3	59.1
Midwest	Inferred	12.0	60.1	6.3	2.9	0.06	3.7	62.4
Total	Measured	17.2	57.7	5.9	1.6	0.09	8.7	63.2
	Indicated	150.7	56.8	6.5	2.2	0.10	9.1	62.5
	Inferred	434.0	56.1	7.0	2.9	0.09	9.0	61.6
Grand Total		602.3	56.3	6.9	2.7	0.09	9.0	61.9

Note: Measured, Indicated and Inferred Mineral Resources are rounded to the nearest ten kilotonnes, 100 kilotonnes and million tonnes respectively. Rounding errors may occur. These Mineral Resources are based on 100% of all projects. Atlas owns 70% of the Mt Webber Project and Giralia owns 75% of the Daltons Project.

Merged Entity DSO Exploration Targets

Combined Atlas – Giralia DSO Exploration Targets - January 2011

Project Area	Tonnage Range		Grade Range	
	Mt	Mt	Fe %	Fe %
Northeast Pilbara	60	222	56	60
Southeast Pilbara	137	370	56	60
Mid-West WA	58	98	56	66
Total	255	690	56	60

Notes:

- (1) DSO Exploration targets quoted above are not inclusive of current Resources.
- (2) The potential quantity and grade of these targets is conceptual in nature. There has been insufficient exploration completed on these projects to define a Mineral Resource and it is uncertain whether further exploration will result in the determination of a Mineral Resource.
- (3) Atlas has arrived at the aggregate exploration target ranges shown in this table on a project-by-project basis according to the information available in each area. Individual project target ranges are based upon:
 - (a) Pardoo: Prospect-scale mapping, geophysics, metallurgical test work, RC and diamond drilling & extrapolation of existing results;
 - (b) Abydos: Prospect-scale mapping, geophysics, metallurgical test work, RC and diamond drilling & extrapolation of existing results;
 - (c) Mt Webber and Daltons: RC drilling, diamond drilling, metallurgical test work, down-hole geophysics & prospect-scale mapping;
 - (d) Wodgina: RC drilling, diamond drilling, metallurgical test work, down-hole geophysics & prospect-scale mapping;
 - (e) McPhee Creek: RC drilling, diamond drilling, metallurgical test work & prospect-scale mapping;
 - (f) Farrel Well: Rock chip sampling, geophysics, regional mapping;
 - (g) Other North Pilbara prospects: Rock chip sampling, geophysics, regional mapping;
 - (h) Weld Range & Mt Gould: Rock chip sampling, RC drilling, previous production history, prospect scale mapping;
 - (i) Beebyn: Rock chip sampling, RC drilling, prospect scale mapping, analysis of open file remote sensing data;
 - (j) Hickman: RC drilling, down-hole geophysics, rock chip sampling, prospect-scale mapping;
 - (k) Warrawanda: Rock chip sampling, prospect-scale mapping, RC drilling, geophysics;
 - (l) McCamey's North: RC drilling, down-hole geophysics, rock chip sampling, prospect-scale mapping;
 - (m) Western Creek: Prospect-scale mapping, geophysics, RC drilling & extrapolation of existing results;
 - (n) Jigalong: RC drilling, geophysics, extrapolation from strike extensions to nearby deposits;
 - (o) Jimblebar: Prospect-scale mapping, geophysics, RC drilling & extrapolation of existing results;
 - (p) Caramulla South: Prospect-scale mapping, geophysics, RC drilling & extrapolation of existing results;
 - (q) McCamey's South: Prospect-scale mapping, geophysics, RC drilling & extrapolation of existing results
 - (r) Ironstone Bore: Regional mapping, geophysics, rock chip sampling; and
 - (s) CID province: Remote sensing & reconnaissance sampling.
- (4) The regional subtotals are comprised of the following individual projects:
 - (a) North Pilbara Projects: Pardoo, Abydos, Mt Webber/Daltons, Wodgina, McPhee Creek and Farrel Well;
 - (b) Southeast Pilbara Projects: Hickman, Warrawanda, McCamey's North, McCamey's South, Western Creek (Atlas' Western Creek project plus Giralia's project adjacent of the same name), Jigalong, Jimblebar, Caramulla South, Ironstone Bore and the CID Province;
 - (c) Mid-West Projects: Weld Range, Mt Gould and Beebyn.

6.5 Prospective financial information of the Merged Entity

Atlas has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information in relation to the Merged Entity. The Atlas Board has concluded that forecast financial information would be misleading to provide, as a reasonable basis does not exist for producing forecasts that would be sufficiently meaningful and reliable, particularly considering the large effect that variations in key variable inputs most of which are outside the control of Atlas may have on the future financial position of the Merged Entity. Key variable inputs include prevailing foreign exchange rates, the timing and level of exploration, production and costs related to development and operating activities.



7. Risk Factors

7.1 Overview

7.2 Risks relating to the Offer and the Merged Entity

7.3 General risks

7.4 Not exhaustive



7.1 Overview

Giralia Shareholders who accept the Offer will become shareholders in Atlas. The financial performance and operations of Atlas' businesses, the price of Atlas Shares and the amount and timing of any dividends that Atlas pays will be influenced by a range of factors. Some of these factors can be mitigated by the use of safeguards and appropriate commercial action. However, many of these factors are beyond the control of Atlas and the Atlas Board. Many of these factors also affect the businesses of other companies operating in the same industry.

This section 7 describes certain risk factors associated with an investment in Atlas. Giralia Shareholders should consider carefully these risk factors and the other information contained in this Bidder's Statement and their personal circumstances. If necessary, Giralia Shareholders should consult their legal, financial or other professional adviser before deciding whether to accept the Offer.

7.2 Risks relating to the Offer and the Merged Entity

Exploration success

Some of the Merged Entity's tenements are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of the Merged Entity's tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Merged Entity may be affected by a range of factors, including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations, and many other factors beyond the control of the Merged Entity.

The success of the Merged Entity will also depend upon it having access to sufficient development capital, being able to maintain title to its tenements and obtaining all required approvals for its activities. Interests in tenements in Australia are governed by the respective State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Merged Entity could lose title to, or its interest in, tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments. If the exploration programs prove to be unsuccessful, this could lead to a diminution in the value of the Merged Entity's tenements.

In order to further enhance Atlas' production profile over time, Atlas continues to pursue strategic, complementary and value-adding acquisitions, predominantly in the Pilbara region of Western Australia. However, there are always risks that the benefits, synergies or efficiencies expected from such investments or growth may take longer than expected to be achieved or may not be achieved at all. Any investments pursued could have a material adverse effect on the Merged Entity.

Operating risks

The Merged Entity's operations may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes, and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

Resource and Reserves estimates

Resource and Reserves estimates are expressions of judgements based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Merged Entity's operations. Further, unforeseen economic, financial, technical, geological and geographical difficulties may be encountered when mining the Resources and Reserves. This could cause a loss of revenue due to lower production than expected, higher operation and maintenance costs, and on-going unplanned capital expenditure in order to meet iron ore production targets.

Additional requirements for capital

The Merged Entity's capital requirements depend on numerous factors. Depending on its ability to generate income from its operations, the Merged Entity may require further financing in the form of debt or equity. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Merged Entity is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration, development and production programs, as the case may be.

Reliance on key employees

The Merged Entity will rely on a number of key employees. The Merged Entity will have in place employment contracts with key employees and will have the objective of providing attractive employment conditions in general to assist in retaining key employees. However, there can be no guarantee that the Merged Entity can retain its key employees. If the Merged Entity cannot attract and retain suitable human resources, especially at the management and technical level, the Merged Entity's business and future growth may be adversely affected.

The success of the Merged Entity also depends, in part, on its ability to identify, attract, motivate and retain additional suitably qualified management and sales personnel. Competition for qualified staff is strong. The inability to access and retain the services of a sufficient number of qualified staff could be disruptive to the Merged Entity's development efforts or business development and could materially adversely affect its operating results.

Infrastructure

The development of iron ore projects requires access to significant infrastructure, including ore transport and port facilities. The development of some of these projects will require an infrastructure solution that allows third party rail access to transport iron ore to port for the export market. While the Merged Entity's projects are located near existing railway infrastructure, there is no guarantee that the Merged Entity will be entitled to access the railway, whether by commercial negotiation, third party access or other regulatory outcome.

Furthermore, there are risks associated with the availability of adequate port facilities in Port Hedland. As set out in the Important Information section of this document, all references to port access at South West Creek in this Bidder's Statement are subject to completion of the proposed North West Iron Ore Alliance (NWIOA) port facility in Port Hedland (with Atlas allocation of up to 19.5 Mtpa). Atlas is a foundation participant in the NWIOA, which was established with other junior iron ore companies to secure access to port infrastructure in the Pilbara region of Western Australia to transport and export iron ore products. The NWIOA is in the process of completing a definitive feasibility study on developing port and stockpiling facilities at South West Creek located in Port Hedland's inner harbour, with a projected annual throughput capacity of up to 50 Mtpa. The proposed site of the facilities is vested in the Port Hedland Port Authority (PHPA) and the project remains subject to the completion of feasibility studies, financing and execution of all necessary agreements with the PHPA (including a site lease) and with other parties.

Environmental, approval and project risks

Iron ore exploration and production can affect the environment and can give rise to substantial costs for environmental risk management, rehabilitation and damage control. Further, environmental conditions can be attached to mining tenements, and a failure to comply with these conditions could lead to forfeiture of tenements.

Before commencing mining and production, each of the Merged Entity's projects need environmental and project approval from the Western Australian government. The timing of environmental and ministerial approvals can adversely affect development of the Merged Entity's projects. Environmental and project approval conditions and timing of these approvals can adversely impact on the Merged Entity's revenues and profits.

Iron ore demand and price movements

The price the Merged Entity will receive for its DSO is subject to off-take agreements and various published quarterly and monthly price indices. Iron ore demand and prices have varied significantly over recent years and are affected by numerous factors outside of Atlas' control. While a large portion of iron ore pricing is settled at the prices referred to in quarterly and monthly price indices, there remains significant trading on spot markets. Competitor behaviour or the behaviour of new entrants may also influence iron ore demand and price negotiation outcomes. Accordingly, it is difficult to predict accurately the future demand and price movements and such movements may adversely impact on the Merged Entity's profit margins, future development and planned future production, which may in turn adversely impact the price of its shares.

Native title and Aboriginal heritage

It is possible that, in relation to tenements in which the Merged Entity has an interest or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Merged Entity to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be affected.

The effect of the present laws in respect of native title that apply in Australia is that mining tenement applications and existing tenements may be affected by native title claims or procedures. This may preclude or delay granting of exploration and mining tenements and considerable expenses may be incurred negotiating and resolving issues.

If any known (or currently unknown but later discovered) Aboriginal heritage sites cannot be avoided on tenements held by the Merged Entity, the consent of the responsible Minister would need to be obtained under section 18 of the *Aboriginal Heritage Act 1972 (WA)* before any exploration or mining activity could lawfully proceed. The Minister has discretion whether to grant that consent and may do so on conditions. There is a risk that the presence of these Aboriginal heritage sites may limit or preclude exploration or mining activity within the sphere of influence of those sites and delays and expenses may be experienced in obtaining clearances.

Regulatory risks

While Atlas' iron ore production assets and general business activities are highly regulated, it is possible that new specific laws will be introduced in Australia or overseas which may have a material adverse effect on the Merged Entity's current and future business. For example, laws may be established to address concerns relating to the use, mining and transport of iron ore or the remediation of mines, or tax laws or environmental conservation laws may change.

Insurance risks

Although insurance is maintained for the construction and operation of Atlas' projects within ranges of coverage consistent with industry practice, no assurance can be given that such insurance will be available in the future on commercially reasonable terms or that any cover will be adequate and available to cover any or all claims. If the Merged Entity incurs uninsured losses or liabilities, its assets, profits and prospects may be adversely affected.

Tax

Changes to income tax (including capital gains tax), GST, duty or other revenue legislation, case law, rulings or determinations issued by the Commissioner of Taxation or other practices of tax authorities may change following the date of this Bidder's Statement or adversely affect the Merged Entity's profitability, net assets and cash flow. In particular, both the level and basis of taxation may change.

Notably, the Federal Government proposes to introduce a Minerals Resource Rent Tax (**MRRT**) on iron ore and coal projects, which (broadly) taxes MRRT assessable profits at a rate of 30%. At this stage, the Federal Government has not released exposure draft legislation for the implementation of the MRRT. Accordingly, the final form of the legislation and the manner in which it will operate is not yet known. Further, the Federal Government has agreed to hold a national public "tax summit" by 30 June 2011, although the extent to which the summit will consider the MRRT is unclear. It is possible that the introduction of the MRRT may adversely impact on the Merged Group's profitability, net assets and cash flow.

In addition, an investment in Atlas Shares involves tax considerations which may differ for each Giralia Shareholder. Each Giralia Shareholder is encouraged to seek professional tax advice in connection with any investment in Atlas Shares.

Disputes and litigation risks

In the course of its operations, the Merged Entity may be involved in disputes and litigation. The extent of such disputes and litigation cannot be ascertained as at the date of this Bidder's Statement, but there is a risk that material or costly disputes or litigation could affect the financial performance of the Merged Entity and the price or value of Atlas Shares.

Integration risks

There are integration risks associated with the transaction.

The acquisition of Giralia by Atlas to form the Merged Entity involves the integration of businesses and operations that have previously operated as independent entities. While Atlas expects that value can be added through the transaction, there is a risk that implementation of the transaction may involve:

- (a) unexpected delays, liabilities and costs in relation, but not limited, to integrating operating and management systems;
- (b) the loss of key employees or suppliers of Giralia; and
- (c) the termination of contractual arrangements as a result of the change in control of Giralia.

If the integration is not achieved in an orderly fashion and within a reasonable time period, the full benefits, cost savings and other expected synergies may be achieved only in part, or not at all, and this could adversely impact the Merged Entity's financial performance.

7.3 General risks

There are also a number of general risks, including general business risks not specific to the Offer that may affect the performance of Atlas and the price and value of Atlas Shares, regardless of Atlas' actual operating performance. The factors raised below are not an exhaustive list, and there may be other matters which cannot now be foreseen that may, in the future, affect the performance of Atlas and the price and value of Atlas Shares.

The Merged Entity's operating and financial performance, and the market price of Atlas Shares, may be determined by a range of factors, including:

- (a) changes to domestic and international stock markets;
- (b) inflation;
- (c) changes in interest rates;
- (d) changes in exchange rates;
- (e) general economic conditions;
- (f) ability to access funding;
- (g) global geo-political events and hostilities;
- (h) investor perceptions;
- (i) changes in governmental, fiscal, monetary and regulatory policies; and
- (j) employment levels.

One or more of these factors may cause Atlas Shares to trade below current prices and may adversely affect the operating and financial performance of the Merged Entity. In addition, changes in the price or value of Atlas Shares may be unrelated or disproportionate to the actual operating performance of the Merged Entity.

Investment risk

Giralia Shareholders should be aware that there are risks associated with investment in financial products quoted on a stock exchange. Share price movements could affect the value of consideration paid under the Offer and the value of any investment in Atlas. The value of Atlas Shares can be expected to fluctuate depending on various factors including general worldwide economic conditions, changes in government policies, investor perceptions, movements in interest rates and stock markets, prices of Atlas' products, variations in the operating costs and costs of capital replacement which Atlas may in the future require.

Pricing pressure

Atlas may not be able to compete successfully against current or future competitors where aggressive pricing policies are employed to capture market share. That competition could result in price reductions, reduced gross margins and loss of market share, any of which could materially adversely affect Atlas' operating results.

Profitability

Future operating results depend to a large extent on management's ability to manage expansion and growth successfully. This necessarily requires rapid expansion of all aspects of the business operations, such as revenue forecasting, addressing new markets, controlling expenses, implementing infrastructure and systems and managing assets. Inability to control the costs and organisational impacts of business growth or an unpredicted decline in the growth rate of revenues without a corresponding and timely reduction in expense growth could materially adversely affect Atlas' operating results.

War and terrorist attacks

War or terrorist attacks anywhere in the world could result in a decline in economic conditions worldwide or in a particular region. There could also be a resultant material adverse effect on the business, financial condition and financial performance of Atlas.

Foreign currency exchange rate fluctuations

Atlas derives substantial amount of its sales revenue in US dollars. As such, Atlas is exposed to foreign exchange rate risk, which could impact Atlas' financial condition and is outside the control of Atlas. The Australian dollar earnings generated by Atlas would be adversely impacted by a strengthening of the Australian dollar relative to the US dollar.

7.4 Not exhaustive

The risks set out in this section 7 are not exhaustive of all the risks faced or that may be faced by Giralia Shareholders. Accordingly, no assurances or guarantees of future performance or profitability are given by Atlas, its subsidiaries or any of their respective officers and employees.



8. Sources of Cash Consideration



If the Offer is accepted in respect of all the Giralia Shares (including all Giralia Shares issued on exercise of the Giralia Options), and all former Giralia Shareholders choose to receive the Share/Cash Consideration, the maximum amount of cash payable under the Offer is approximately \$90.6 million.

The necessary funds required to pay the consideration for the acquisition of Giralia Shares will be provided from Atlas' cash reserves. At the date of this Bidder's Statement, Atlas has a cash reserve of approximately \$171 million. While Atlas has not specifically set aside any cash amounts in its own funds to satisfy the consideration under the Offer, it has sufficient uncommitted funds available for that purpose.



9. Taxation Considerations

9.1 Australian income tax and capital gains tax implications for Giralia Shareholders

9.2 Shareholders who are Australian residents

9.3 Shareholders who are not Australian residents

9.4 Scrip for scrip rollover relief

9.5 GST

9.6 Stamp Duty



The following is a general description of the Australian income tax, capital gains tax, GST and stamp duty consequences for Giralia Shareholders on disposing of their Giralia Shares, in return for either cash and Atlas Shares or Atlas Shares only.

This information is based upon taxation law and practice in effect at the date of this Bidder's Statement. It is not intended to be an authoritative or comprehensive analysis of the taxation laws of Australia. The summary does not consider any specific facts or circumstances that may apply to particular shareholders. Further, it does not deal with the taxation consequences of disposing of shares issued under an employee share scheme, which may be subject to specific tax provisions.

This information does not cover holders of Giralia Options who have their Giralia Options cancelled and receive Atlas Shares as consideration (refer to section 4.8 of this Bidder's Statement).

In general, if Atlas becomes the holder of 80% or more of the voting shares in Giralia as a result of the Offer, Giralia Shareholders who would otherwise make a capital gain from the disposal of their Giralia Shares pursuant to the Offer may be able to choose to obtain full or partial scrip for scrip rollover relief. However, if you choose to receive the Share/Cash Consideration, the scrip for scrip rollover relief would not be available for a capital gain attributable to any cash portion of the consideration you receive under the Offer.

You are advised to seek independent professional advice regarding the Australian tax consequences of disposing of your Giralia Shares according to your own particular circumstances.

9.1 Australian income tax and capital gains tax implications for Giralia Shareholders

The Australian income tax and capital gains tax consequences of disposing of your Giralia Shares will depend on a number of factors including:

- (a) whether you are an Australian resident or non-resident for tax purposes;
- (b) whether you hold your Giralia Shares on capital or revenue account or as trading stock;
- (c) when you acquired your Giralia Shares for tax purposes;
- (d) whether you are an individual, a company or a trustee of a complying superannuation entity; and
- (e) whether scrip for scrip roll-over relief is available – see section 9.4.

9.2 Shareholders who are Australian residents

(a) Disposal of shares held as trading stock

If you hold your Giralia Shares as trading stock (e.g. as a share trader) you will be required to include the money value of the consideration from the disposal of your Giralia Shares (i.e. the market value of the Atlas Shares and any cash received) in your assessable income.

(b) Disposal of shares held on revenue account

If you acquired your Giralia Shares with the main purpose of reselling them at a profit (e.g. this may include banks and insurance companies) you may be considered to hold your Giralia Shares on revenue account for tax purposes. You will then be required to treat any gain or loss arising on the disposal of your Giralia Shares as either assessable income or an allowable deduction.

The gain or loss will be broadly calculated as the difference between:

- (i) the value of the consideration (the market value of the Atlas Shares and any cash received); and
- (ii) the cost of acquiring your Giralia Shares.

(c) Disposal of shares held on capital account

If you hold your Giralia Shares as a passive investment with a view to generating dividend income and long term capital growth, you may be considered to hold your Giralia Shares on capital account for tax purposes.

The disposal of Giralia Shares which were acquired or deemed to have been acquired on or after 20 September 1985 and which are held on capital account, will generally have Australian capital gains tax (CGT) implications. The disposal of such Giralia Shares pursuant to acceptance of the Offer will constitute a CGT event for CGT purposes.

The CGT implications of a disposal of your Giralia Shares will depend upon a number of factors, including:

- the date your Giralia Shares were acquired;
- your taxpayer status;
- the length of time you have held your Giralia Shares; and
- whether or not you are entitled to scrip for scrip rollover relief – see section 9.4.

If the minimum acceptance condition in section 11.12 of this Bidder's Statement is satisfied, Atlas will have the right to give notice of its intention to compulsorily acquire outstanding Giralia Shares. The capital gains tax consequences of compulsory acquisition of Giralia Shares may differ from the consequences of accepting Atlas Shares as consideration under the Offer. You should consult your own tax adviser about the tax consequences of compulsory acquisition of your Giralia Shares.

(i) Shares acquired on or before 11.45 am on 21 September 1999

If your Giralia Shares were acquired on or after 20 September 1985, and if scrip for scrip rollover relief is not available (see section 9.4 of this Bidder's Statement), a capital gain or loss from accepting the Offer will arise depending on the difference between:

- (A) the value of the capital proceeds (the value of the Atlas Shares and any cash received); and
- (B) the cost base or the reduced cost base of the Giralia Shares disposed of (which would generally include the amount paid to acquire the shares plus any incidental costs of acquisition, e.g. brokerage fees and stamp duty).

You will make a capital gain if the capital proceeds from the disposal of your Giralia Shares exceed the cost base of your Giralia Shares, or a capital loss if the capital proceeds is less than the reduced cost base of your Giralia Shares.

The value of the Atlas Shares received for the disposal of your Giralia Shares will be the market value of the Atlas Shares on the date when the contract for the disposal of your Giralia Shares is entered into (which is the date your acceptance of the Offer is processed by Atlas).

If your Giralia Shares were acquired on or before 11.45 am by legal time in the Australian Capital Territory (**ACT time**) on 21 September 1999, for the purpose of calculating a capital gain (but not a capital loss), you may choose that the cost base of those shares be indexed for inflation to 30 September 1999 (which would only be of any practical effect if the shares were acquired prior to 1 July 1999).

Alternatively, provided you have held your Giralia Shares for at least one year, and do not choose to apply indexation, the discount capital gain provisions may apply. Under the discount capital gain provisions:

- (A) if you are an individual or trust, only one-half of the capital gain (without any allowance for indexation for inflation in the cost base of the shares) will be taxable;
- (B) if you are a complying superannuation fund, only two-thirds of the capital gain (without any allowance for indexation for inflation in the cost base of the shares) will be taxable; or
- (C) if you are the trustee of a trust, the discount capital gains provisions may also apply to a distribution of the capital gain to beneficiaries in the trust (other than beneficiaries that are companies).

The discount capital gain provisions do not apply to shareholders and trust beneficiaries that are companies.

The "choice" to apply indexation rather than the discount capital gain provisions must be made by you on or before the day you lodge your income tax return for the income year in which the disposal occurs.

A capital loss may be used to offset capital gains derived in the same or subsequent years of income (subject to satisfying certain conditions) but cannot be offset against ordinary income, nor carried back to offset net capital gains arising in earlier income years.

If you choose to use the discount capital gain method, any available capital loss will be applied to reduce the realised nominal capital gain before discounting the resulting net amount by either one-half or one-third (as applicable) to calculate the discounted capital gain that is assessable. Alternatively, if you choose the indexation option, capital losses are applied after calculating the capital gain using the indexed cost base.

(ii) Shares acquired after 11.45 am on 21 September 1999

If you acquired your Giralia Shares after 11.45 am (ACT time) on 21 September 1999 you will not be entitled to choose indexation of the cost base when calculating any capital gain on disposal.

If you are an individual, trust or complying superannuation fund that has held your Giralia Shares for 12 months or longer at the time your acceptance of the Offer is processed, the discount capital gain provisions described above will automatically apply in calculating any capital gain on disposal of your Giralia Shares under the Offer.

As explained above, any available capital loss will be applied to reduce the realised nominal capital gain before discounting the resulting net amount by one-half or one-third (as applicable) to calculate the discounted capital gain that is assessable.

If your Giralia Shares have been held for less than 12 months or you are another category of shareholder that cannot apply the discount capital gain provisions (for example, a company), the discount capital gain method is not available. A capital gain on the shares, being any excess of the value of the capital proceeds over the unindexed cost base of the shares, will be assessable in full.

9.3 Shareholders who are not Australian residents

(a) Disposal of shares held as trading stock or on revenue account

If you are a non-resident of Australia for tax purposes and your Giralia Shares were acquired as trading stock or otherwise on revenue account you should seek your own professional advice as to the tax consequence of accepting the Offer. The Australian tax treatment of accepting the Offer will depend on the source of any gain and whether a double tax agreement exists between your country of residence and Australia.

(b) Disposal of shares held on capital account

If you are a non-resident of Australia for tax purposes and hold your Giralia Shares on capital account you will generally not be subject to CGT on the disposal of your Giralia Shares unless:

- (i) you (along, or together with your Associates) owned at least 10% of Giralia either at the time you sold your Giralia Shares or for at least 12 months during the 24 months before you sold your Giralia Shares; and
- (ii) more than 50% of the value of Giralia is directly or indirectly represented by real property in Australia.

Any capital gain on the disposal of your Giralia Shares may also be taxable if you used your Giralia Shares in carrying on a business through a permanent establishment in Australia.

9.4 Scrip for scrip rollover relief

Scrip for scrip rollover relief enables a shareholder to elect to disregard the capital gain they would have made from exchanging shares in one company for shares in another company (e.g. as part of a corporate takeover or merger), but only to the extent that the shareholder receives replacement shares (and not to the extent that they receive cash for the disposal of shares).

You may be entitled to scrip for scrip rollover relief if to the extent that:

- (a) your Giralia Shares were acquired after 19 September 1985 for tax purposes;
- (b) you accept the Offer and receive Atlas Shares as consideration;
- (c) you would otherwise make a capital gain; and
- (d) Atlas obtains a holding of at least 80% of the voting shares in Giralia.

If you choose to claim rollover relief, some or all of the capital gain that would otherwise arise from the disposal of your Giralia Shares will be disregarded. The CGT provisions will apply on the happening of a later CGT event in relation to your Atlas Shares (such as disposal of those shares in the future).

The Offer is subject to a condition that at the end of the Offer Period Atlas has a relevant interest in more than 90% of the Giralia Shares on issue. If that condition is satisfied, Atlas will have obtained a holding of at least 80% of the voting shares in Giralia, and this condition for scrip for scrip rollover relief should be satisfied. However, if the 90% condition is waived by Atlas, Atlas may not acquire 80% or more of the voting shares in Giralia. In the event that Atlas does not acquire at least 80% of the voting shares in Giralia as a result of the Offer, scrip for scrip rollover relief will not be available to you.

The availability of rollover relief will also depend on your individual circumstances (for example, it is not available if your Giralia Shares are trading stock). You should consult your own tax adviser to clarify whether or not the relief will be available to you.

(a) Capital gain from cash proceeds not disregarded

If you choose to receive cash and Atlas Shares for the disposal of your Giralia Shares and you choose to claim rollover relief, only partial scrip for scrip rollover applies to you. The capital gain attributable to the cash portion of the consideration you receive for the disposal of your Giralia Shares is not disregarded for CGT purposes.

The capital gain or capital loss from the cash portion of the consideration you receive for the disposal of your Giralia Shares is determined by comparing the cash portion of the consideration received with the cost base (or reduced cost base) reasonably attributable to the cash portion of the consideration. The cost base (or reduced cost base) of your Giralia Shares reasonably attributable to the cash portion of the consideration should be calculated as follows:

$$= \text{Cost base (or reduced cost base) of your Giralia Shares} \times \frac{\text{Cash consideration}}{\text{Market value of Atlas Shares plus cash consideration}}$$

For the purposes of this calculation, the cost base (or reduced cost base) of your Giralia Shares and the market value of the Atlas Shares you receive should be determined as at the date the contract for the disposal of your Giralia Shares is entered into (which is the date your acceptance of the Offer is processed by Atlas).

You will make a capital gain from the cash portion of the consideration to the extent that the cash portion of the consideration exceeds the reasonably attributed cost base from your Giralia Shares worked out according to the calculation above. You will make a capital loss to the extent the cash proceeds is less than the reasonably attributable reduced cost base cost base of the Giralia Shares disposed of. The tax treatment of such a capital gain or capital loss is discussed at sections 9.1 and 9.3(b) of this Bidder's Statement.

(b) Cost base of your Atlas Shares

The cost base (or reduced cost base) of the Atlas Shares you receive as consideration for the disposal of your Giralia Shares under the Offer is worked out by attributing, on a reasonable basis, the cost base (or reduced cost base) of the original Giralia Shares that were exchanged for Atlas Shares, worked out by the following formula:

$$= \text{Cost base (or reduced cost base) of your Giralia Shares} \times \frac{\text{Market value of Atlas Shares received}}{\text{Market value of Atlas Shares plus cash consideration received}}$$

For the purposes of this calculation, the cost base (or reduced cost base) of your Giralia Shares and the market value of the Atlas Shares you receive should be determined as at the date the contract for the disposal of your Giralia Shares is entered into (which is the date your acceptance of the Offer is processed by Atlas).

For the purposes of determining whether the discount capital gain provisions will apply when a later CGT event happens to your Atlas Shares (such as disposal of those shares), your Atlas Shares will be treated as being acquired on the date your original Giralia Shares were acquired for tax purposes. For other tax purposes, your Atlas Shares will be treated as being acquired on the date your acceptance of the Offer is processed by Atlas.

9.5 GST

No GST should be payable on the transfer of your Giralia Shares. However, GST may be payable on any brokerage charged by your Controlling Participant for carrying out your instructions, or in respect of other costs which you may incur in connection with acceptance of the Offer.

Depending on your circumstances no, or only reduced, input tax credits may be available for GST which you incur on acquisitions to the extent to which they relate to the transfer of your Giralia Shares.

9.6 Stamp Duty

On the basis that Giralia is a listed company registered in Western Australia, it is not expected that you will have any liability to duty on the transfer of your Giralia Shares. As a term of the Offer, Atlas has agreed to pay any stamp duty payable on the transfer of your Giralia Shares.

If, by accepting the Offer, you are issued Atlas Shares, no stamp duty will apply to the issue on the basis that Atlas is a listed company registered in **Western Australia** and the Offer will not involve a 90% or greater change in interests in Atlas.



10. Other Material Information

- 10.1 Summary of the Bid Implementation Agreement
- 10.2 Pre-bid arrangements between Atlas and Giralia Directors
- 10.3 Post-announcement arrangements between Atlas and Giralia Shareholders
- 10.4 Due diligence
- 10.5 Date for determining holders of Giralia Shares
- 10.6 Consents
- 10.7 Atlas is a disclosing entity
- 10.8 No other material information



10.1 Summary of the Bid Implementation Agreement

Atlas and Giralia entered into a Bid Implementation Agreement on 21 December 2010 whereby Atlas and Giralia have agreed to co-operate with each other in relation to the Bid. A summary of certain key terms of the Bid Implementation Agreement is set out below. This summary does not purport to be exhaustive or constitute a definitive statement of the rights and liabilities of each of Atlas and Giralia under the Bid Implementation Agreement. The full terms of the Bid Implementation Agreement can be viewed in the announcement made by Atlas and Giralia in connection with the Bid on the Announcement Date.

(a) The Bid and recommendation

Under the Bid Implementation Agreement:

- (i) Atlas has agreed to make the Offer to all Giralia Shareholders in respect of all of their Giralia Shares.
- (ii) Giralia represented and warranted to Atlas that:
 - (A) the Giralia Board will unanimously recommend that, in the absence of a Superior Proposal, Giralia Shareholders accept the Offer, subject to the Independent Expert opining, and continuing to opine, that the Offer is fair and reasonable; and
 - (B) each member of the Giralia Board will accept, or procure the acceptance of, each Offer in respect of all the Giralia Shares that they hold or in which they otherwise have a Relevant Interest pursuant and subject to the terms of the Acceptance and Option Deeds.

Giralia also consents to Atlas despatching the Bidder's Statement and accompanying documents to Giralia Shareholders earlier than the date for despatch under item 6 of section 633(1) of the Corporations Act.

(b) Offer Conditions

The Bid Implementation Agreement sets out the conditions to the Offer (being the Offer Conditions). These Offer Conditions are set out in section 11.12 of this Bidder's Statement.

(c) Exclusivity

- (i) During the Exclusivity Period, Giralia has agreed not to solicit, invite, facilitate, encourage or initiate any enquiries, negotiations or discussions with a view to obtaining any expression of interest, offer or proposal from any other person in relation to a Competing Proposal.
- (ii) Subject to the legal or fiduciary duties of the Giralia Directors, during the Exclusivity Period, Giralia must ensure that it does not negotiate or enter into discussions, or continuing or participating in discussions, with any person regarding a Competing Proposal, even if the Competing Proposal was not directly or indirectly solicited, initiated or encouraged by Giralia or the other person has publicly announced its Competing Proposal.
- (iii) During the Exclusivity Period, Giralia must promptly notify Atlas in writing of any approach, inquiry or proposal made to, and any attempt to initiate negotiations or discussions with Giralia with respect to any bona fide Competing Proposal (whether unsolicited or otherwise) or any request for information relating to Giralia, which Giralia has reasonable grounds to suspect may relate to a current or future Competing Proposal.
- (iv) If, during the Exclusivity Period, Giralia receives a proposal in relation to a bona fide Superior Proposal, Giralia must notify Atlas with details of the proposal and agrees that it will not, until the end of the third Business Day following receipt of such notice by Atlas, enter into any legally binding agreement with respect to the Superior Proposal, subject to any fiduciary or statutory duties of the Giralia directors. Atlas will have the right to offer to amend the terms of the Bid or propose any other transaction, which the Giralia must review in good faith, subject to its fiduciary duties.

(d) Compensating amount

- (i) Giralia has agreed to pay Atlas a compensating amount of \$8,000,000 (plus the amount of any GST payable) if:
 - (A) Giralia accepts or enters into or offers to accept or enter into, any agreement, arrangement or understanding regarding a Competing Proposal;
 - (B) any Giralia Director does not recommend the Bid or withdraws or adversely modifies an earlier recommendation (unless the Independent Expert opines at any time that the Offer is other than fair and reasonable) or approves or recommends or makes an announcement in support of a Competing Proposal or announces an intention to do any of these acts;
 - (C) Giralia or any of its directors does (or omits to do) anything which results in any of the Offer Conditions being breached and Atlas does not declare the Offer free of the breached condition (which Atlas is under no obligation to do); or
 - (D) Giralia breaches certain provisions of the Bid Implementation Agreement.
- (ii) Atlas has agreed to pay Giralia a compensating amount of \$8,000,000 (plus the amount of any GST payable) if it fails to proceed with the Bid, except as a result of:
 - (A) the occurrence of an event or circumstance which would entitle Atlas to the payment of the compensating amount (plus the amount of any GST payable) by Giralia under the terms of the Bid Implementation Agreement; or
 - (B) the termination of the Bid Implementation Agreement by Atlas in accordance with clause 11 of the Bid Implementation Agreement (as described in paragraph (g) below).
- (iii) The undertaking to pay a compensating amount by either Giralia or Atlas described in this sub-paragraph does not apply where Giralia or Atlas is required to do or refrain from doing anything where doing or refraining from doing that thing would or is reasonably likely to, in the reasonable opinion of the Giralia or Atlas Board (as applicable), involve a breach of their directors duties.

(e) Board appointments

Conditional upon Atlas declaring the Bid to be free from all Offer Conditions and Atlas having a Relevant Interest in at least 90% of the issued share capital of Giralia, Atlas will have the right to nominate any person or persons to be appointed as a director of the Giralia Board and Atlas will invite a member of the Giralia Board to be appointed as a director of the Atlas Board.

(f) Termination

- (i) Either party to the Bid Implementation Agreement may terminate that agreement:
 - (A) if the other party is in material breach of this document and that breach is not remedied by that other party within 10 Business Days;
 - (B) if a court or other Public Authority issues a final and non-appealable order or ruling or takes an action which permanently restrains or prohibits the Offer; or
 - (C) if Atlas withdraws the Bid for any reason including a non-satisfaction of an Offer Condition.
- (ii) Atlas may terminate the Bid Implementation Agreement if a Superior Proposal is made or publicly announced for Giralia by a third party or any member of the Giralia Board does not recommend the Bid be accepted by Giralia Shareholders or having recommended the Bid changes his recommendation in relation to the Bid.
- (iii) Giralia may terminate the Bid Implementation Agreement if, subject to certain consultation obligations, the Independent Expert at any time opines other than that the Offer is fair and reasonable or an Atlas Prescribed Occurrence occurs.

(g) Representations and warranties

Each of Atlas and Giralia gives warranties to the other, including as to their legal capacity and certain due diligence information provided by each party to the other.

10.2 Pre-bid arrangements between Atlas and Giralia Directors

On or about 21 December 2010, Atlas entered into a pre-bid Acceptance and Option Deed with each of the persons with respect to the Giralia Shares held by them (**Sale Shares**):

- (a) Stanley Allan MacDonald;
- (b) Graham Douglas Riley and Anne Marie Riley;
- (c) Nada Granich; and
- (d) Creekwood Nominees Pty Ltd,

(each an **Accepting Party**).

Stanley Allan MacDonald and Graham Douglas Riley are both directors of Giralia. Creekwood Nominees Pty Ltd is a nominee company controlled by Stanley Allan MacDonald. Nada Granich is the spouse of Rodney Michael Joyce who is also a director of Giralia.

A summary of certain key terms of the Acceptance and Option Deeds is set out below. This summary does not purport to be exhaustive or constitute a definitive statement of the rights and liabilities of Atlas and each Accepting Party under the Acceptance and Option Deeds. The full terms of the Acceptance and Option Deeds are annexed to the Form 603 lodged by Atlas with the ASX on 22 December 2010. The key terms of the Acceptance and Option Deeds include:

- (a) the Accepting Party undertakes to irrevocably accept the Offer within five Business Days after the commencement of the Offer Period, subject to there being no Higher Third Party Offer made before the date of acceptance;
- (b) the Accepting Party may, at any time prior to it accepting the Offer under the Acceptance and Option Deed, terminate the obligations to accept the Offer by written notice to Atlas if there is a Higher Third Party Offer and Atlas has not within five Business Days of the Higher Third Party Offer having been made, made an offer or announced an intention to make an offer which matches or exceeds that Higher Third Party Offer;
- (c) if:
 - (i) the obligation to accept the Offer by the Accepting Party under the Acceptance and Option Deed is terminated by reason of a Higher Third Party Offer or the Offer lapsing or expiring because an Offer Condition has not been fulfilled at the end of the Offer Period; and
 - (ii) at the time of the expiry or lapse of the Offer there exists one or more Higher Third Party Offer(s),

then without any further action required by either party, the Accepting Party irrevocably grants to Atlas (or its Associate as Atlas may direct) a call option to acquire the Giralia Shares held by that Accepting Party in accordance with the terms and conditions of the Acceptance and Option Deed.

- (d) the call option allows Atlas to require the Accepting Party to transfer the Sale Shares to Atlas, and may be exercised within the period commencing on (and including) the date on which the Offer lapses or expires and ending two Business Days after that date; and
- (e) on the settlement of the call option, Atlas must issue to the Accepting Party such number of Atlas Shares equal in value to the number of Sale Shares multiplied by the price per Giralia Share offered under the most recent Higher Third Party Offer, where the value of the Atlas Shares is determined using the volume weighted average sale price over the 5 days on which the Atlas Shares were traded ending on the exercise date of the call option.

10.3 Post-announcement arrangements between Atlas and Giralia Shareholders

As at the date of this Bidder's Statement, Atlas entered into acceptance deeds with three Giralia Shareholders with respect to certain Giralia Shares held by them:

- (a) B R Acutt Pty Ltd;
- (b) Yandal Investments Pty Ltd; and
- (c) Adelaide Prospecting Pty Ltd,

(each an **Accepting Party**).

A summary of certain key terms of the acceptance deeds are set out below. This summary does not purport to be exhaustive or constitute a definitive statement of the rights and liabilities of Atlas and each Accepting Party under the acceptance deeds. The full terms of the acceptance deeds are annexed to the Form 604 lodged by Atlas with the ASX on 7 January 2011. The key terms of the acceptance deeds include:

- (a) the Accepting Party undertakes to irrevocably accept the Offer within five Business Days after the commencement of the Offer Period, subject to there being no Higher Third Party Offer made before the date of acceptance; and
- (b) the Accepting Party may, at any time prior to it accepting the Offer under the acceptance deed, terminate the obligations to accept the Offer by written notice to Atlas if there is a Higher Third Party Offer and Atlas has not within five Business Days of the Higher Third Party Offer having been made, made an offer or announced an intention to make an offer which matches or exceeds that Higher Third Party Offer.

10.4 Due diligence

For the purpose of confirming its assessment whether or not to acquire all of the Giralia Shares, Atlas was given access by Giralia to certain information concerning Giralia which has not been disclosed generally to Giralia Shareholders. None of the information to which Atlas was given access is, in the opinion of Atlas, of such a nature and quality which, if the information were generally available, a reasonable person would expect to have a material effect on the price or value of Giralia Shares or, in the opinion of Atlas and except as disclosed in this Bidder's Statement, would otherwise be material to a decision by an Giralia Shareholder whether or not to accept an Offer. However, the fact that Atlas' decision to make the Offer was confirmed by its review of the information to which it had access may itself be regarded as information material to the decision of an Giralia Shareholder whether or not to accept an Offer.

10.5 Date for determining holders of Giralia Shares

For the purposes of section 633 of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of section 633(1) of the Corporations Act is the Register Date.

10.6 Consents

This Bidder's Statement contains statements made by, or statements said to be based on statements made by:

- (a) Hartleys Limited as financial adviser to Atlas;
- (b) Blake Dawson as legal adviser to Atlas;
- (c) Security Transfers Registrar Pty Limited as Atlas Share Registry; and
- (d) Messrs Ken Brinsden, Tony Cormack, Malcolm Tittle, Bruce Gregory, Matt Chinn, Stephen Godfrey, Richard Gaze and Steve Craig as the Competent Persons referred to in section 2.6 of this Bidder's Statement.

(the Consenting Parties)

Each of the Consenting Parties has consented to the inclusion of their name, or each statement it has made in the form and context in which that statement appears, and has not withdrawn that consent as at the date of this Bidder's Statement. To the maximum extent permitted by law, each Consenting Party expressly disclaims and takes no responsibility for any part of this Bidder's Statement nor its issue, other than any statement or information which has been included in this Bidder's Statement with the consent of that party.

This Bidder's Statement also includes or is accompanied by statements which are made in or based on statements made in documents lodged with ASIC or on the company announcement platform of ASX. Under the terms of ASIC Class Order 01/1543, the parties making those statements are not required to consent to, and have not consented to, those statements being included in this Bidder's Statement. If you would like to receive a copy of any of these documents please contact Atlas Offer Information Line on 1800 600 409 (within Australia), 0800 540 007 (within New Zealand) or +61 2 8256 3378 (international) between 9.00am and 5.00pm (AWST), Monday to Friday and you will be sent copies free of charge.

As permitted by ASIC Class Order 03/635, this Bidder's Statement may include or be accompanied by certain statements:

- (a) fairly representing a statement by an official person; or
- (b) from a public official document or a published book, journal or comparable publication.

In addition, as permitted by ASIC Class Order 07/429, this Bidder's Statement contains share price trading data sourced from IRESS without its consent.

10.7 Atlas is a disclosing entity

Due to the fact that Atlas is offering Atlas Shares as consideration for the acquisition of Giralia Shares, the Corporations Act requires that this Bidder's Statement must include all information that would be required for a prospectus for an offer of Atlas Securities under sections 710 to 713 of the Corporations Act. Atlas does not need to issue a prospectus for the Offer of the Atlas Shares as the Offer is occurring under a takeover bid.

Atlas is a disclosing entity (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, Atlas is required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of Atlas Shares.

Atlas was admitted to the ASX Official List on 14 December 2004 and its shares started trading on 17 December 2004. As Atlas Shares have been quoted on the ASX in the three months prior to the date of this Bidder's Statement, Atlas is only required to disclose information that would usually be required where its shares have been continuously quoted securities.

In general terms, where Atlas Shares are continuously quoted securities, the Bidder's Statement is only required to contain information in relation to the effect of the Offer on Atlas and the rights and liabilities attaching to the Atlas Shares. It is not necessary to include general information in relation to all of the assets and liabilities, financial position and performance, profits and losses or prospects of Atlas unless such information has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules and it is information:

- (a) that investors and their professional advisers would reasonably require for the purposes of making an informed assessment of Atlas' assets and liabilities, financial position, performance, profits and losses or prospects; and
- (b) the information relates to the rights and liabilities attaching to the Atlas Shares.

Information that is already in the public domain has not been reported in this Bidder's Statement other than that information which is considered necessary to make this Bidder's Statement complete.

Atlas, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to Atlas (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, an ASIC office; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request during the Offer Period:
 - (i) the most recent annual financial statement lodged by Atlas to ASIC for the year ending 30 June 2010;
 - (ii) any half-year financial report lodged with ASIC; and
 - (iii) all continuous disclosure notices given by Atlas after the lodgement of the most recent annual financial report with ASIC and before the lodgement of this Bidder's Statement with ASIC.

Requests for free copies of these documents may be made by contacting Atlas Offer Information Line on 1800 600 409 (within Australia), 0800 540 007 (within New Zealand) or +61 2 8256 3378 (outside Australia and New Zealand) between 9.00am and 5.00pm (AWST), Monday to Friday.

Copies of all documents lodged with ASIC in relation to Atlas can be inspected at the registered office of Atlas during normal office hours. Atlas also has a website, www.atlasiron.com.au which includes a wide range of information on Atlas. A list of announcements made by Atlas since 30 September 2010 and the date of this Bidder's Statement appears in Schedule 2.

10.8 No other material information

Except as set out in this Bidder's Statement, there is no information material to the making of a decision by an offeree whether or not to accept the Offer, being information that is known to Atlas and has not previously been disclosed to Giralia Shareholders.



11. The Offer Terms

11.1	The Offer	11.16	Notice declaring Offer free of Offer Conditions
11.2	Ineligible Foreign Shareholders	11.17	Notice of status of Offer Conditions
11.3	Rounding of Atlas Shares	11.18	Contract void if Offer Conditions not fulfilled
11.4	Ranking of Atlas Shares	11.19	Payment of consideration
11.5	ASX listing of Atlas Shares	11.20	Return of documents
11.6	Offer Period	11.21	Rights
11.7	How to accept this Offer	11.22	Acceptance by Ineligible Foreign Shareholders
11.8	Effect of Acceptance Form	11.23	Unmarketable parcels of Atlas Shares
11.9	Your agreement	11.24	Clearances for offshore residents and others
11.10	Powers of attorney	11.25	Costs and stamp duty
11.11	Validation of otherwise ineffective acceptances	11.26	Offerees
11.12	Conditions to the Offer	11.27	Variation and withdrawal of Offer
11.13	Separate Offer Conditions for benefit of Atlas	11.28	Governing law
11.14	Nature of Offer Conditions		
11.15	Offer Conditions apply to multiple events		

11.1 The Offer

(a) Offer for your Giralia Shares

Atlas offers to acquire all of your Giralia Shares subject to the terms and conditions set out in this section 11 of this Bidder's Statement.

This Offer extends to all Giralia Shares that are issued during the period from the Register Date to the end of the Offer Period due to the exercise of Giralia Options.

(b) Offer includes Rights

If Atlas acquires your Giralia Shares under this Offer, Atlas is also entitled to any Rights attached to those Giralia Shares.

(c) Consideration

Atlas offers for each of your Giralia Shares, one or a combination of the following alternatives (as elected by you):

- (i) 1.5 Atlas Shares (**Share Consideration**); or
- (ii) 1.33 Atlas Shares and \$0.50 in cash (**Share/Cash Consideration**).

You may choose to receive the Share Consideration or Share/Cash Consideration for all your Giralia Shares, or alternatively the Share/Cash Consideration for some of your Giralia Shares and the Share Consideration for the rest of your Giralia Shares.

If you accept the Offer but do not specify which of the alternative considerations you wish to receive, you will, subject to sections 11.22 and 11.23 be treated as choosing the Share Consideration for all your Giralia Shares.

11.2 Ineligible Foreign Shareholders

If you are an Ineligible Foreign Shareholder, you will not receive any Atlas Shares. Instead, you will receive in respect of any Giralia Shares a cash amount calculated under section 11.22.

This Offer is not registered in any jurisdiction outside Australia and New Zealand (unless an applicable Foreign Law treats it as registered as a result of the Bidder's Statement being lodged with ASIC). It is your sole responsibility to satisfy yourself that you are permitted by any Foreign Law applicable to you to accept this Offer.

If you are a Giralia Shareholder whose address as shown in the register of members of Giralia is in the United Kingdom, Singapore, The Netherlands or Hong Kong, you will be entitled to receive Atlas Shares on accepting the Offer if you agree to and, where applicable, comply with the requirements set out in the Important Information section of this Bidder's Statement for your relevant jurisdiction.

Please contact the Atlas Offer Information Line on 1800 600 409 (within Australia), 0800 540 007 (within New Zealand) or +61 2 8256 3378 (international) between 9.00am and 5.00pm (AWST), Monday to Friday if you are still unsure whether you are entitled to receive Atlas Shares on accepting the Offer.

11.3 Rounding of Atlas Shares

If the aggregate consideration payable to you would include a fraction of an Atlas Share under this Offer, the number of Atlas Shares you are entitled to will be rounded down to the nearest whole number.

11.4 Ranking of Atlas Shares

The Atlas Shares issued under the Offer will be issued fully paid and will rank equally for dividends and other rights with existing Atlas Shares.

11.5 ASX listing of Atlas Shares

Atlas will apply for official quotation of the Atlas Shares on ASX. Quotation will not be automatic but will depend on ASX exercising its discretion. Atlas has already been admitted to the official list of ASX and shares in Atlas of the same class as those to be issued under this Offer are already quoted. However, Atlas cannot guarantee, and does not represent or imply, that the Atlas Shares will be listed.

11.6 Offer Period

Unless withdrawn, this Offer is open during the period that begins on the date of this Offer and ends at 5:00 pm AWST on the later of:

- (a) [■]; or
- (b) any date to which the period of this Offer is extended under section 11 or as required by the Corporations Act.

11.7 How to accept this Offer

(a) Accept for all your Giralia Shares

You can only accept this Offer during the Offer Period for all your Giralia Shares. You will be taken to have accepted the Offer for all your Giralia Shares plus any additional Giralia Shares registered as held by you at the date your acceptance is processed (despite any difference between that number and the number of Giralia Shares specified when you accept this Offer).

(b) CHESS Holdings

If your Giralia Shares are in a CHESS Holding, you must comply with the ASX Settlement Rules. To accept this Offer in accordance with those rules, you must:

- (i) **instruct** your Controlling Participant to initiate acceptance of this Offer under rule 14.14 of the ASX Settlement Rules; or
- (ii) if you are a Broker, yourself initiate acceptance under that rule; or
- (iii) if you are not a Broker:
 - (A) **complete and sign** the Acceptance Form in accordance with the instructions on it; and
 - (B) **return** the Acceptance Form together with all other documents required by the instructions on it to the address specified on the form. This will authorise Atlas to instruct your Controlling Participant to initiate acceptance of this Offer on your behalf. For return of the Acceptance Form to be an effective acceptance of the Offer, you must ensure it is received by Atlas in time for Atlas to give instructions to your Controlling Participant, and your Controlling Participant to carry out those instructions, before the end of the Offer Period.

If you wish to be the holder of an Unmarketable Parcel of Atlas Shares you must sign and return the Acceptance Form and state this fact clearly on it. See section 11.23 below.

(c) Issuer Sponsored Holdings and other holdings

If your Giralia Shares are held on Giralia's issuer sponsored subregister, or if at the time of your acceptance you are entitled to be (but are not yet) registered as the holder of, or are otherwise able to give good title to, your Giralia Shares, to accept this Offer you must:

- (i) **complete and sign** the Acceptance Form in accordance with the instructions on it; and
- (ii) **return** the Acceptance Form together with all other documents required by the instructions on it to the address specified on the form in the addressed envelope provided so that they are received before the end of the Offer Period.

If you wish to be the holder of an Unmarketable Parcel of Atlas Shares you must sign and return the Acceptance Form and state this fact clearly on it. See section 11.23 below.

11.8 Effect of Acceptance Form

By completing, signing and returning the Acceptance Form in accordance with section 11.7(b) or section 11.7(c) as applicable, you:

- (a) authorise Atlas and each of its officers and agents to correct any errors in, or omissions from, the Acceptance Form necessary to:
 - (i) make it an effective acceptance of this Offer for your Giralia Shares which are not in a CHESS Holding; and
 - (ii) enable the transfer of your Giralia Shares to Atlas; and
- (b) if any of your Giralia Shares are in a CHESS Holding, authorise Atlas and each of its officers and agents to:
 - (i) instruct your Controlling Participant to effect your acceptance of this Offer for those Giralia Shares under rule 14.14 of the ASX Settlement Rules; and
 - (ii) give to your Controlling Participant on your behalf any other instructions in relation to those Giralia Shares which are contemplated by the sponsorship agreement between you and your Controlling Participant and are necessary or appropriate to facilitate your acceptance of this Offer.

11.9 Your agreement

By carrying out the instructions in section 11.7 on how to accept this Offer:

- (a) you accept this Offer;
- (b) you represent and warrant to Atlas that all your Giralia Shares will at the time of your acceptance of this Offer and of transfer to Atlas be fully paid up and that Atlas will acquire good title to and beneficial ownership of them free from Encumbrances;
- (c) you represent and warrant that you are not an Ineligible Foreign Shareholder, unless otherwise indicated on the Acceptance Form, and acknowledge and agree that if you are an Ineligible Foreign Shareholder, or Atlas believes you are an Ineligible Foreign Shareholder, section 11.22 applies to you;
- (d) you transfer, or consent to the transfer in accordance with the ASX Settlement Rules of, your Giralia Shares to Atlas subject to the conditions of the constitution of Giralia on which they were held immediately before your acceptance of this Offer (and Atlas agrees to take those Giralia Shares subject to those conditions);
- (e) if and when the contract resulting from your acceptance of this Offer becomes unconditional (even though Atlas has not yet paid or provided the consideration due to you), you irrevocably appoint Atlas and each director of, and any nominee of, Atlas as your attorney to:
 - (i) attend and vote in respect of your Giralia Shares at all general meetings of Giralia; and
 - (ii) execute all forms, notices, documents (including a document appointing a director of Atlas as a proxy for any of your Giralia Shares) and resolutions relating to your Giralia Shares and generally to exercise all powers and rights which you have as the registered holder of your Giralia Shares;
- (f) you agree that in exercising the powers conferred by the power of attorney in section 11.9(e), Atlas and each of its directors and its nominee is entitled to act in the interest of Atlas;
- (g) if and when the contract resulting from your acceptance of this Offer becomes unconditional (even though Atlas has not yet paid or provided the consideration due to you), you agree not to attend or vote in person at any general meeting of Giralia or to exercise, or to purport to exercise, (in person, by proxy or otherwise) any of the powers conferred on the directors of Atlas by section 11.9(e);
- (h) if and when the contract resulting from your acceptance of this Offer becomes unconditional (even though Atlas has not yet paid or provided the consideration due to you), you authorise Atlas to transmit a message to ASX Settlement in accordance with rule 14.17.1 of the ASX Settlement Rules so as to enter those of your Giralia Shares which are in a CHESS Holding into Atlas' Takeover Transferee Holding; and

- (i) if you choose (or are treated as choosing) either of the Share Consideration or the Share/Cash Consideration (unless section 11.22 or section 11.23 applies to you), you:
 - (i) agree to accept the Atlas Shares to which you become entitled by accepting this Offer subject to the constitution of Atlas and authorise Atlas to place your name on its share register for those Atlas Shares; and
 - (ii) instruct Atlas to issue the Atlas Shares to which you become entitled by accepting this Offer, if your Giralia Shares are in a CHESS Holding, with the same holder identification number as affects your Giralia Shares; and if your Giralia Shares are held on Giralia's issuer sponsored sub-register, on Atlas' issuer sponsored sub-register.

11.10 Powers of attorney

If the Acceptance Form is signed under power of attorney, the attorney declares that the attorney has no notice of revocation of the power and is empowered to delegate powers under the power of attorney under section 11.8 and paragraphs (e) and (h) of section 11.9.

11.11 Validation of otherwise ineffective acceptances

Except for Giralia Shares in a CHESS Holding, Atlas may treat the receipt by it of a signed Acceptance Form as a valid acceptance of this Offer even though it does not receive the other documents required by the instructions on the Acceptance Form or there is not compliance with any one or more of the other requirements for acceptance. If Atlas does treat such an Acceptance Form as valid, subject to section 11.19, Atlas will not be obliged to give the consideration to you until Atlas receives all those documents and all of the requirements for acceptance referred to in section 11.7 and in the Acceptance Form have been met.

11.12 Conditions to the Offer

This Offer and the contract resulting from acceptance of this Offer are subject to the fulfilment of the following Offer Conditions:

(a) Minimum acceptance condition

During, or at the end of, the Offer Period the number of Giralia Shares in which Atlas and its Associates together have Relevant Interests (disregarding any Relevant Interest that Atlas has merely because of the operation of section 608(3) of the Corporations Act) is at least 90% of all the Giralia Shares.

(b) No prescribed occurrences

None of the following events happens during the period beginning on the date the bidder's statement is given to Giralia and ending at the end of the Offer Period:

- (i) Giralia converts all or any of its shares into a larger or smaller number of shares;
- (ii) Giralia or a subsidiary of Giralia resolves to reduce its share capital in any way;
- (iii) Giralia or a subsidiary of Giralia:
 - (A) enters into a buy-back agreement; or
 - (B) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (iv) Giralia or a subsidiary of Giralia issues shares (other than Giralia Shares upon the exercise of Giralia Options) or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (v) Giralia or a subsidiary of Giralia issues, or agrees to issue, convertible notes;
- (vi) Giralia or a subsidiary of Giralia disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (vii) other than in connection with respect to debt funding arranged in accordance with condition (j)(v), Giralia or a subsidiary of Giralia charges, or agrees to charge, the whole, or a substantial part, of its business or property;

- (viii) Giralia or a subsidiary of Giralia resolves to be wound up;
- (ix) the appointment of a liquidator or provisional liquidator of Giralia or of a subsidiary of Giralia;
- (x) a court makes an order for the winding up of Giralia or of a subsidiary of Giralia;
- (xi) an administrator of Giralia, or of a subsidiary of Giralia, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) Giralia or a subsidiary of Giralia executes a deed of company arrangement; or
- (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Giralia or of a subsidiary of Giralia.

provided that it will not include any occurrence:

- (xiv) fairly disclosed to Atlas on or before the date of the Bid Implementation Agreement (including as a result of disclosures made to ASX);
- (xv) occurring as a result of any matter, event or circumstance required by this document, the Bid or the transactions contemplated by them; or
- (xvi) approved in writing by Atlas.

(c) No prescribed occurrences between Announcement Date and service

None of the events listed in sub-sections (i) to (xiii) of section 11.12(b) happens during the period beginning on the Announcement Date and ending at the end of the day before the bidder's statement is given to Giralia.

(d) No action by Public Authority adversely affecting the Bid

During the Condition Period:

- (i) there is not in effect any preliminary or final decision, order or decree issued by a Public Authority;
- (ii) no action or investigation is instituted, or threatened by any Public Authority with respect to Giralia or any subsidiary of Giralia; or
- (iii) no application is made to any Public Authority (other than an application by Atlas or any company within the Atlas Group, an application under section 657G of the Corporations Act, or an application commenced by a person specified in section 659B(1) of the Corporations Act in relation to the Bid),

in consequence of, or in connection with, the Bid, which restrains or prohibits or threatens to restrain or prohibit, or may otherwise materially adversely impact upon, the making of the Bid or the completion of any transaction contemplated by the bidder's statement or seeks to require the divestiture by Atlas of any Giralia Shares, or the divestiture of any assets by Giralia or by any subsidiary of Giralia or by any company within the Atlas Group.

(e) Approvals by Public Authorities

During the Condition Period, Atlas receives all Approvals which are required by law or by any Public Authority:

- (i) to permit the Offers to be made to and accepted by Giralia Shareholders; or
- (ii) as a result of the Offers or the successful acquisition of the Giralia Shares and which are necessary for the continued operation of the business of Giralia and its subsidiaries or of Atlas and its subsidiaries,

and those Approvals are on an unconditional basis and remain in force in all respects and there is no notice or indication of intention to revoke, suspend, restrict, modify or not renew those Approvals.

(f) No material acquisitions, disposals, etc.

Except for any proposed transaction publicly announced by Giralia before the Announcement Date, none of the following events occur during the period from that date to the end of the Offer Period without the written consent of Atlas (not to be unreasonably withheld or delayed), provided that such consent shall not be required for any event specified in the FY11 Budget:

- (i) Giralia, or any subsidiary of Giralia, acquires, offers to acquire or agrees to acquire one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$1,000,000 or makes an announcement about such an acquisition;
- (ii) Giralia, or any subsidiary of Giralia, disposes, offers to dispose or agrees to dispose of, or creates, or offers to create an equity interest in one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$1,000,000 or makes an announcement about such a disposal;
- (iii) Giralia, or any subsidiary of Giralia, enters into, offers to enter into or announces that it proposes to enter into any joint venture or partnership or dual listed company structure, or makes an announcement about such a commitment;
- (iv) Giralia, or any subsidiary of Giralia, incurs or commits to, or grants to another person a right the exercise of which would involve Giralia or any subsidiary of Giralia incurring or committing to any capital expenditure or liability for one or more related items of greater than \$1,000,000 or makes an announcement about such a commitment.

provided that in the case of conditions (f)(i), (ii) and (iv) from the expiry of the 6 month period commencing on the Announcement Date to the end of the Offer Period, the aggregate amount of each threshold will increase to \$3,000,000.

(g) No material failings in filings

Atlas does not become aware, during the Condition Period, that any document filed by or on behalf of Giralia with ASX or ASIC contains a statement which is incorrect or misleading in any material particular or from which there is a material omission (in such circumstance, materiality being determined by reference to the business and assets of Giralia taken as a whole).

(h) No break fees

- (i) Subject to section (h)(ii), during the Condition Period none of Giralia, and any body corporate which is or becomes a subsidiary of Giralia, pays or provides or agrees (whether conditionally or contingently) to pay or provide any benefit to any person, or foregoes or otherwise reduces any payment or benefit or agrees to forgo or reduce any payment or benefit to which it would otherwise be entitled, in connection with any person making or agreeing to participate in, or enter into negotiations concerning:
 - (A) a takeover offer for Giralia or any body corporate which is or becomes a subsidiary of Giralia; or
 - (B) any other proposal to acquire any interest (whether equitable, legal, beneficial or economic) in shares in, or assets of, Giralia or any body corporate which is or becomes a subsidiary of Giralia, or to operate Giralia as a single economic entity with another body corporate.
- (ii) Section (h)(i) does not apply to a payment, benefit or agreement:
 - (A) for providing professional advisory services to Giralia;
 - (B) which is approved in writing by Atlas;
 - (C) which is approved by a resolution passed at a general meeting of Giralia; or
 - (D) which is made to, provided to, owed by or made with Atlas.

(i) Non-existence of certain rights

No person has any right (whether subject to conditions or not) as a result of Atlas acquiring Giralia Shares to:

- (i) acquire, or require Giralia or a subsidiary of Giralia to dispose of, or offer to dispose of, any material asset of Giralia or a subsidiary of Giralia;
- (ii) terminate or vary any material agreement with Giralia or a subsidiary of Giralia; or

- (iii) accelerate or adversely modify the performance of any obligations of Giralia or any of its subsidiaries in a material respect under any material agreements, contracts or other legal arrangements.

(j) **Conduct of Giralia's business**

During the Condition Period, none of Giralia, or any body corporate which is or becomes a subsidiary of Giralia, without the written consent of Atlas:

- (i) declares, or distributes any dividend, bonus or other share of its profits or assets;
- (ii) issues or grants options over, or agrees to issue or grant options over, or otherwise makes any commitments regarding any shares or other securities, or alters its capital structure or the rights attached to any of its shares or other securities, or issues or agrees to issue any convertible notes, other than the issue of Giralia Shares upon the exercise of Giralia Options;
- (iii) makes any changes in its constitution or passes any special resolution;
- (iv) gives or agrees to give any Encumbrance over any of its assets otherwise than in the ordinary course of business;
- (v) borrows or agrees to borrow any money (except for temporary borrowing from its bankers in the ordinary course of business), provided that from the expiry of the 6 month period commencing on the Announcement Date to the end of the Condition Period, Giralia may do so but only after first providing Atlas the opportunity to lend those monies to Giralia;
- (vi) releases, discharges or modifies any substantial obligation to it of any person, firm or corporation or agrees to do so;
- (vii) has appointed any additional director to its board of directors whether to fill a casual vacancy or otherwise;
- (viii) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or other employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on the Announcement Date);
- (ix) conducts its business otherwise than in the ordinary course;
- (x) has threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager); or
- (xi) executes a deed of company arrangement or passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to investigation under the *Australian Securities and Investments Commission Act 2001* (Cth) or any corresponding legislation.

(k) **No force majeure event**

During the Condition Period, no outbreak of hostilities (whether war is declared or not) or terrorism, mobilisation of armed forces, civil or political unrest or labour disturbance, fire or natural disaster, material increase in the intensity of any of the above events or other event beyond the control of Giralia or the relevant subsidiary occurs which materially affects or is likely to materially affect the assets, liabilities, financial position, performance, profitability or prospects of Giralia or any of its subsidiaries.

(l) **No material adverse change to Giralia**

During the Condition Period, no change occurs, is discovered or becomes public which has or could reasonably be expected to have a materially adverse effect on the:

- (i) assets, liabilities, financial position, performance, profitability or prospects of Giralia and its subsidiaries taken as a whole or of any of them; or
- (ii) status or terms of (or rights attaching to) any material Approvals from Public Authorities applicable to Giralia or any of its subsidiaries,

including without limitation:

- (iii) any creditor demanding repayment of a debt of \$5,000,000 or more; and
- (iv) any person accelerating or adversely modifying the performance of any obligations of Giralia or any of its subsidiaries under any material agreements, contracts or other legal arrangements.

but does not include any change:

- (v) fairly disclosed to Atlas on or before the date of the Bid Implementation Agreement (including as a result of disclosures made to ASX);
- (vi) occurring as a result of any matter, event or circumstance required by this document, the Bid or the transactions contemplated by them; or
- (vii) approved in writing by Atlas.

(m) **Giralia Options**

During the Condition Period, either:

- (i) all Giralia Options have been exercised, cancelled or transferred to Atlas or agreement has been reached between Atlas, Giralia and the holders of the Giralia Options to do so; or
- (ii) Atlas is entitled to compulsorily acquire all outstanding Giralia Options in accordance with Chapter 6A of the Corporations Act.

11.13 Separate Offer Conditions for benefit of Atlas

Each of the Offer Conditions set out in

- (a) each of the sub-paragraphs (i) to (xiii) in paragraph (b) of section 11.12;
- (b) each of the sub-paragraphs (i)(A) and (i)(B) in paragraph (h) of section 11.12;
- (c) each of the sub-paragraphs (i) to (iv) in paragraph (l) of section 11.12,

and each of the Offer Conditions in each other paragraph and each sub-paragraph of each other paragraph of section 11.12:

- (d) is and must be construed as a separate condition; and
- (e) subject to the Corporations Act, operates only for the benefit of Atlas and any breach or non-fulfilment of such condition may be relied upon only by Atlas which may waive (generally or in respect of a particular event) the breach or non-fulfilment of that condition.

11.14 Nature of Offer Conditions

None of the Offer Conditions prevents a contract to sell your Giralia Shares resulting from your acceptance of this Offer but:

- (a) the Offer Condition in section 11.12 is a condition precedent to the provisions of that contract relating to Atlas acquiring an interest in your Giralia Shares becoming binding;
- (b) breach of any of the Offer Conditions entitles Atlas to rescind that contract by notice to you; and
- (c) non fulfilment of any of the Offer Conditions at the end of the Offer Period will have the consequences set out in section 11.18.

11.15 Offer Conditions apply to multiple events

Where an event occurs that would mean at the time the event occurs an Offer Condition to which this Offer or the contract resulting from your acceptance of this Offer is then subject would not be fulfilled, each Offer Condition affected by that event becomes two separate Offer Conditions on identical terms except that:

- (a) one of them relates solely to that event; and
- (b) the other specifically excludes that event.

Atlas may declare the Offer free under section 11.16 from either of those Offer Conditions without declaring it free from the other and may do so at different times. This section may apply any number of times to a particular Offer Condition (including an Offer Condition arising from a previous operation of this section).

11.16 Notice declaring Offer free of Offer Conditions

Subject to the Corporations Act, Atlas may declare this Offer and any contract resulting from acceptance of this Offer free from any of the Offer Conditions by giving written notice to Giralia:

- (a) in the case of the Offer Conditions in section 11.12, not later than 3 Business Days after the end of the Offer Period; and
- (b) in the case of all other Offer Conditions, not less than 7 days before the last day of the Offer Period.

11.17 Notice of status of Offer Conditions

The date for giving the notice on the status of the Offer Conditions as required by section 630(1) of the Corporations Act is [■] (subject to extension in accordance with the Corporations Act if the Offer Period is extended).

11.18 Contract void if Offer Conditions not fulfilled

Subject to the Corporations Act, your acceptance or the contract resulting from your acceptance of this Offer is void if:

- (a) at the end of the Offer Period any of the Offer Conditions in section 11.12(b) is not fulfilled; and
- (b) Atlas has not declared this Offer and any contract resulting from the acceptance of it free of that Offer Condition in accordance with section 11.16.

11.19 Payment of consideration

(a) When you will receive payment

Subject to this section 11.19 and the Corporations Act, if you accept this Offer Atlas will pay you the consideration for your Giralia Shares to which Atlas acquires good title on or before the earlier of:

- (i) the day 1 month after you accept this Offer or, if this Offer is subject to an Offer Condition when accepted, 1 month after the contract resulting from your acceptance becomes unconditional; and
- (ii) the day 21 days after the end of the Offer Period.

(b) Acceptance Form requires additional documents

Where documents are required to be given to Atlas with your acceptance to enable Atlas to become the holder of your Giralia Shares (such as a power of attorney):

- (i) if the documents are given with your acceptance, Atlas will pay you in accordance with section 11.19(a);
- (ii) if the documents are given after your acceptance and before the end of the Offer Period while the Offer is subject to an Offer Condition, Atlas will pay you the consideration by the end of whichever of the following periods ends first:
 - (A) 1 month after the contract resulting from your acceptance becomes unconditional; and
 - (B) 21 days after the end of the Offer Period;
- (iii) if the documents are given after your acceptance and before the end of the Offer Period while the Offer is no longer subject to an Offer Condition, Atlas will pay you the consideration by the end of whichever of the following periods ends first:
 - (A) 1 month after Atlas is given the documents; and
 - (B) 21 days after the end of the Offer Period; or

- (iv) if the documents are given after the end of the Offer Period, Atlas will pay you the consideration within 21 days after the documents are given. However, if at the time Atlas is given the documents the contract resulting from acceptance of the Offer is still subject to an Offer Condition in section 11.12, Atlas will pay you the consideration within 21 days after the contract becomes unconditional.

(c) **Delivery of consideration**

Subject to the Corporations Act, Atlas will send a holding statement for any Atlas Shares and/or a cheque for any cash payment due to you (at your risk) by pre-paid ordinary mail, or in the case of an address outside Australia by airmail, to the address shown in the Acceptance Form.

(d) **Registration of Atlas Shares**

Atlas has established share registers in Perth, Australia. Unless you request otherwise the Atlas Shares issued to you will:

- (i) if you already hold Atlas Shares, be placed on the same register as the last Atlas Shares registered in your name;
- (ii) if you do not hold Atlas Shares but reside in a country where Atlas has established a register, be placed on the register in your country of residence; or
- (iii) in all other cases, be placed on the Australian register.

11.20 Return of documents

If this Offer does not become unconditional or any contract arising from this Offer is rescinded by Atlas on the grounds of a breach of a condition of that contract, Atlas will, at its election, either return by post to you at the address shown on the Acceptance Form any Acceptance Form and any other documents sent with it by you, or destroy those documents and notify the ASX of this.

11.21 Rights

If Atlas becomes entitled to any Rights as a result of your acceptance of this Offer, it may require you to give to Atlas all documents necessary to vest title to those Rights in Atlas. If you do not give those documents to Atlas, or if you have received or are entitled to receive (or any previous holder of your Giralia Shares has received or is entitled to receive) the benefit of those Rights, Atlas may deduct the amount (or value as reasonably assessed by Atlas) of such Rights from any consideration otherwise payable to you. If Atlas does not, or cannot make such a deduction, you must pay that amount to Atlas.

11.22 Acceptance by Ineligible Foreign Shareholders

If you are a person whose address as shown in the register of members of Giralia is:

- (a) in the United Kingdom, Singapore, The Netherlands or Hong Kong, and you do not agree or, where applicable, comply with the requirements set out in the Important Information section of this Bidder's Statement for your relevant jurisdiction; or
- (b) in a jurisdiction other than Australia, its external territories or New Zealand and the law of that jurisdiction makes it, in the reasonable opinion of Atlas, unlawful or too onerous for Atlas to make the Offer to you and to issue you with Atlas Shares,

then you will be taken to be an Ineligible Foreign Shareholder.

As an Ineligible Foreign Shareholder, you will not be entitled to receive Atlas Shares as consideration for your Giralia Shares. Instead Atlas will:

- (a) arrange for the issue to a nominee approved by ASIC of the number of Atlas Shares to which you and all other Ineligible Foreign Shareholders would have been entitled but for this section;
- (b) cause those Atlas Shares to be offered for sale on ASX as soon as practicable after the end of the Offer Period and otherwise in such manner, at such price and on such terms as are determined by the nominee; and

(c) cause the amount ascertained in accordance with the formula below to be paid to you:

$$\text{net proceeds of sale} \quad \times \quad \frac{\text{your Atlas Shares}}{\text{total Atlas Shares}}$$

net proceeds of sale is the amount remaining after deducting the expenses of sale and of appointing the nominee from the total proceeds of sale of the Atlas Shares issued to the nominee under this section;

your Atlas Shares is the number of Atlas Shares which would, but for this section, have been issued to you; and

total Atlas Shares is the total number of Atlas Shares issued to the nominee under this section.

You will be paid by cheque in Australian currency. The cheque will be sent at your risk by pre-paid airmail to the address shown in the Acceptance Form.

Please contact the Atlas Offer Information Line on 1800 600 409 (within Australia), 0800 540 007 (within New Zealand) or +61 2 8256 3378 (international) between 9.00am and 5.00pm (AWST), Monday to Friday if you are still unsure whether you are entitled to receive Atlas Shares on accepting the Offer.

11.23 Unmarketable parcels of Atlas Shares

If the total number of Atlas Shares you are entitled to receive as consideration under this Offer is an Unmarketable Parcel and you do not sign and return the Acceptance Form and state clearly on it you wish to be the holder of an Unmarketable Parcel, you are offered and will receive a cash amount for your Giralia Shares calculated under section 11.22 as if you were an Ineligible Foreign Shareholder.

11.24 Clearances for offshore residents and others

If at the time you accept this Offer or at the time the consideration is provided under it:

- (a) any authority or clearance of the Reserve Bank of Australia or the Australian Tax Office is required for you to receive any consideration under this Offer; or
- (b) you are resident in or a resident of a place to which, or you are a person to whom any of the following applies:
 - (i) the Banking (Foreign Exchange) Regulations 1959 (Cth);
 - (ii) the Charter of the United Nations (Terrorism and Dealing with Assets) Regulations 2002 (Cth);
 - (iii) the Charter of the United Nations (Sanctions – Afghanistan) Regulations 2001 (Cth);
 - (iv) the Iraq (Reconstruction and Repeal Sanctions) Regulations 2003 (Cth); or
 - (v) any other law of Australia or elsewhere that would make it unlawful for Atlas to provide consideration for your Giralia Shares,

then your acceptance of this Offer does not create or transfer to you any right (contractual or contingent) to receive the consideration specified in this Offer unless and until you obtain all requisite authorities or clearances.

11.25 Costs and stamp duty

Atlas will pay all costs and expenses of the preparation and circulation of the Offer and any stamp duty payable on the transfer of any Giralia Shares to Atlas.

11.26 Offerees

(a) Registered holders

Atlas is making an offer in the form of this Offer to:

- (i) each holder of Giralia Shares registered in the register of members of Giralia at the Register Date; and
- (ii) each holder of Giralia Shares issued on exercise of the Giralia Options existing at the Register Date.

(b) Transferees

This Offer extends to any person who is able during the Offer Period to give good title to a parcel of your Giralia Shares. That person may accept as if an Offer on terms identical to this Offer had been made to them for those Giralia Shares.

(c) Trustees and nominees

If during the Offer Period and before you accept this Offer your Giralia Shares consist of 2 or more separate parcels within the meaning of section 653B of the Corporations Act (for example, because you are a trustee or nominee for several distinct beneficial owners), section 653B of the Corporations Act will apply so that:

- (i) Atlas is taken to have made a separate Offer to you for each separate parcel of Giralia Shares; and
- (ii) acceptance by you of the Offer for any distinct parcel of Giralia Shares is ineffective unless:
 - (A) you give Atlas notice in accordance with section 11.26(d) stating that your Giralia Shares consist of separate parcels; and
 - (B) your acceptance specifies the number of Giralia Shares in each separate parcel to which the acceptance relates.

(d) Notices by Trustees and Nominees

The notice required under section 11.26(c)(ii)(A):

- (i) if it relates to Giralia Shares not in a CHESS Holding, must be in writing; or
- (ii) if it relates to Giralia Shares in a CHESS Holding, must be in an electronic form approved under the ASX Settlement Rules for the purposes of Part 6.8 of the Corporations Act.

11.27 Variation and withdrawal of Offer

(a) Variation

Atlas may vary this Offer in accordance with the Corporations Act.

(b) Withdrawal

In accordance with section 652B of the Corporations Act, Atlas may withdraw this Offer with the written consent of ASIC and subject to the conditions (if any) which apply to that consent.

11.28 Governing law

This Offer and any contract resulting from acceptance of it are governed by the law in force in Western Australia.



12. Definitions and Interpretation

12.1 Definitions

12.2 Interpretation



12.1 Definitions

The following definitions apply in interpreting this Bidder's Statement and the Acceptance Form, except where the context makes it clear that a definition is not intended to apply:

Acceptance and Option Deed means the pre-bid acceptance and option deed entered into on the Announcement Date between Atlas and each of:

- (a) Stanley Allan MacDonald;
- (b) Graham Douglas Riley and Anne Marie Riley;
- (c) Nada Granich; and
- (d) Creekwood Nominees Pty Ltd.

Acceptance Form means the form with that title that accompanies this Bidder's Statement.

Accepting Party has the meaning given in sections 10.2 and 10.3.

Announcement Date means the date on which the offer was announced jointly to ASX by Atlas and Giralia being 21 December 2010.

Approval means a licence, authority, consent, approval, order, exemption, waiver, ruling or decision.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given in section 12(2) of the Corporations Act.

ASX means ASX Limited or the Australian Securities Exchange as appropriate.

ASX Listing Rules means the listing rules of ASX.

ASX Market Rules means the market rules that form part of the operating rules of the ASX (as amended from time to time).

ASX Settlement means ASX Settlement Pty Limited ABN 49 008 504 532.

ASX Settlement Rules means the operating rules of ASX Settlement and, to the extent that they are applicable, the operating rules of each of ASX and ASX Clear Pty Limited (ABN 48 001 314 504).

Atlas means Atlas Iron Limited ABN 63 110 396 168.

Atlas Directors means the directors of Atlas from time to time.

Atlas Group means Atlas and its related bodies corporate (as defined in the Corporations Act).

Atlas Prescribed Occurrence means any of the following:

- (a) Atlas converts all or any of its shares into a larger or smaller number of shares;
- (b) Atlas or a subsidiary of Atlas resolves to reduce its share capital in any way;
- (c) Atlas or a subsidiary of Atlas:
 - (i) enters into a buy-back agreement; or
 - (ii) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (d) Atlas or a subsidiary of Atlas resolves to be wound up;
- (e) the appointment of a liquidator or provisional liquidator of Atlas or of a subsidiary of Atlas;
- (f) a court makes an order for the winding up of Atlas or of a subsidiary of Atlas;
- (g) an administrator of Atlas, or of a subsidiary of Atlas, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (h) Atlas or a subsidiary of Atlas executes a deed of company arrangement; or
- (i) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Atlas or of a subsidiary of Atlas,

provided that an Atlas Prescribed Occurrence will not include any matter:

- (j) fairly disclosed to Giralia on or before the Announcement Date (including as a result of disclosures made to ASX);
- (k) occurring as a result of any matter, event or circumstance required by this document, the Bid or the transactions contemplated by them; or
- (l) approved in writing by Giralia.

Atlas Share means a fully paid ordinary share in Atlas.

AWST means Australian Western Standard Time.

Aurox means Aurox Resources Limited ABN 32 106 793 560.

BHPB means BHP Billiton Iron Ore Pty Ltd ACN 008 694 782.

Bid means the off-market takeover bid by Atlas to all Giralia Shareholders to be implemented in accordance with Chapters 6 to 6C of the Corporations Act.

Bidder's Statement means this document, being the statement made by Atlas under Part 6.5 Division 2 of the Corporations Act relating to the Bid.

Bid Implementation Agreement means the bid implementation agreement entered into by Atlas and Giralia on the Announcement Date.

Broker means a person who is a share broker and participant in CHESS.

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.

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement, which provides for the electronic transfer, settlement and registration of securities.

CHESS Holding means a holding of shares on the CHESS Subregister of Giralia.

CHESS Subregister has the meaning set out in the ASX Settlement Rules.

CID means channel iron deposits.

Competing Proposal means any proposal (including a scheme of arrangement) or offer that would if completed substantially in accordance with its terms, result in:

- (a) any person or persons other than Atlas or one of Atlas' Associates acquiring:
 - (i) an interest in all or a substantial part of the assets of Giralia;
 - (ii) a Relevant Interest in more than 20% of the voting shares of Giralia; or
 - (iii) control of Giralia within the meaning of section 50AA of the Corporations Act; or
- (b) Giralia and another person or persons (other than Atlas or one of Atlas' Associates) operating under a dual listed company, or similar structure.

Condition Period means the period beginning on the Announcement Date and ending at the end of the Offer Period.

Consenting Parties has the meaning given in section 10.5.

Controlling Participant has the meaning set out in the ASX Settlement Rules.

Corporations Act means the *Corporations Act 2001* (Cth) as modified by any relevant exemption or declaration by ASIC.

DFS means definitive feasibility study.

DSO means direct shipping grade hematite iron ore.

Encumbrance means:

- (a) a mortgage, charge, pledge, lien, hypothecation or a title retention arrangement;
- (b) a notice under section 255 of the *Income Tax Assessment Act 1936* (Cth), subdivision 260 A in schedule 1 to the *Taxation Administration Act 1953* (Cth) or any similar legislation;
- (c) any other interest in or right over property (including a right to set off or withhold payment of a deposit or other money);
- (d) any other thing that prevents, restricts or delays the exercise of a right over property, the use of property or the registration of an interest in or dealing with property; or
- (e) an agreement to create anything referred to above or to allow any of them to exist.

Exclusivity Period means the period commencing from the date of the Bid Implementation Agreement to expiry of the Offer Period or the date that the Bid Implementation Agreement is terminated (whichever is the earlier).

FMG means Fortescue Metals Group Limited ACN 002 594 872.

Foreign Law means a law of a jurisdiction other than an Australian jurisdiction.

Foreign Shareholder means a person whose address as shown in the register of members of Giralia is in a jurisdiction other than Australia, its external territories or New Zealand.

FY11 Budget means the budget agreed between Giralia and Atlas in respect of the Giralia business for the 6 month period commencing on the date of the Bid Implementation Agreement.

Giralia means Giralia Resources NL ABN 64 009 218 204.

Giralia Board means the board of directors of Giralia from time to time.

Giralia Directors means the directors of Giralia from time to time.

Giralia Options means the 1,925,000 unlisted call options over Giralia Shares on issue at the Register Date.

Giralia Share means a fully paid ordinary share in Giralia.

Giralia Shareholder means holder of Giralia Shares.

GST has the same meaning as in *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Haoma means Haoma Mining NL ABN 12 008 676 177.

Higher Third Party Offer means offer or proposal made by a third party to acquire more than 50% of the Giralia Shares, by way of a takeover bid pursuant to Chapter 6 of the Corporations Act, a scheme of arrangement pursuant to Chapter 5 of the Corporations Act, a selective capital reduction, or otherwise, where the value of the consideration under the Higher Third Party Offer per Giralia Share exceeds the consideration under the Offer.

Independent Expert means the independent expert to be appointed by Giralia to opine on whether the Offer is fair and reasonable to the Giralia shareholders.

Ineligible Foreign Shareholder has the meaning given in section 11.22 of this Bidder's Statement.

Issuer Sponsored Holding means a holding of Giralia Shares on Giralia's issuer sponsored subregister.

JORC Code means the Australian Code for Reporting of Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia, as amended or replaced from time to time.

Merged Entity means Atlas following the acquisition by Atlas of not less than 90% of Giralia under the Offer.

MRRT means the Australian Federal Government's proposed Mineral Resources Rent Tax

Mt means million tonnes

Mtpa means million tonnes per annum

NWIOA means North West Iron Ore Alliance.

Offer means the offer as set out in section 11 of this Bidder's Statement and includes a reference to that offer as varied in accordance with the Corporations Act.

Offer Condition means each condition set out in section 11.12.

Offer Period means the period referred to in section 11.5.

Offer Date means the date on which the offer was first made to Giralia Shareholders, namely [■].

Offer means the Offer and each of the other offers made in the same terms for Giralia Shares and includes a reference to those offers as varied in accordance with the Corporations Act.

PFS means pre-feasibility study.

PHPA means Port Hedland Port Authority.

Public Authority means any government or any governmental, semi-governmental, administrative, statutory or judicial entity, authority or agency, whether in Australia or elsewhere, including the ACCC (but excluding the Takeovers Panel, ASIC and any court that hears or determines proceedings under section 657G or proceedings commenced by a person specified in section 659B(1) of the Corporations Act in relation to the Takeover Bid). It also includes any self-regulatory organisation established under statute or any stock exchange.

Register Date means 10 p.m. AWST on [■] January 2011, being the date set by Atlas under section 633(2) of the Corporations Act.

Recommended Takeover means the friendly off-market takeover offer for all of the securities in Giralia which has been made by Atlas.

Relevant Interest has the same meaning as given in sections 608 and 609 of the Corporations Act.

Reserve or Ore Reserve has the meaning given to Ore Reserve in the JORC Code.

Resource or Mineral Resource has the meaning given to Mineral Resource in the JORC Code.

Rights means all accretions and rights attaching to Giralia Shares after the Register Date (including all rights to receive dividends and other distributions declared or paid and to receive or subscribe for shares, notes or options issued by Giralia).

RSG means Resource Service Group

Share Consideration is defined in section 11.1(c).

Share/Cash Consideration is defined in section 11.1(c).

Superior Proposal means a Competing Proposal that in the determination of the Giralia Board acting in good faith:

- (c) is reasonably capable of being valued and completed, taking into account both the nature of the Competing Proposal and the person or persons making it; and
- (d) is more favourable to Giralia Shareholders than the Bid, taking into account all terms and conditions of the Competing Proposal,

provided that a financial adviser, independent of the Giralia Board, has provided a written opinion to the Giralia Board which supports the determination of the matters in paragraphs (a) and (b) above.

Takeover Bid means the takeover bid constituted by the Offer.

Takeover Transferee Holdings means the CHES Holding to which Giralia Shares] are to be transferred after acceptance of the Offer.

TRH means Atlas' Turner River Hub facility, which will comprise of the Wodgina, Abydos and Mt Webber DSO projects.

Unlisted Equity Options means the options granted by Atlas to its employees (including directors) and contractors to acquire ordinary Atlas Shares as described in section 3.4 of this Bidder's Statement.

Unmarketable Parcel means a number of Atlas Shares which is less than a marketable parcel under the market rules of ASX.

VWAP means, in respect of a share, the daily volume-weighted average market prices of all shares sold on ASX's trading platform including this closing single price auction, but excluding all off-market trades including but not limited to transactions defined in the ASX Market Rules as special crossings, crossings prior to the commencement of the open session state, portfolio special crossings, equity combinations, crossings during overnight trading, overseas trades, trades pursuant to the exercise of options over Shares and any other trades that the Atlas Directors determine should be excluded on the basis that the trades are not fairly reflective of supply and demand.

your Giralia Shares means, subject to section 11.26, the Giralia Shares:

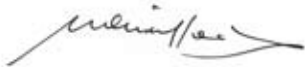
- (a) of which you are registered or entitled to be registered as the holder in the register of members of Giralia at the Register Date and any new Giralia Shares of which you are registered or entitled to be registered as the holder on the register of members of Giralia from the Register Date to the end of the Offer Period as a result of the exercise of the Giralia Options; and
- (b) any other Giralia Shares, to which you are able to give good title at the time you accept this Offer during the Offer Period.

12.2 Interpretation

- (a) Words and phrases which are defined by the Corporations Act have the same meaning in this Bidder's Statement and the Acceptance Form and, if a special meaning is given for the purposes of Chapter 6 or 6A or a provision of Chapter 6 or 6A of the Corporations Act, have that special meaning.
- (b) Headings are for convenience only, and do not affect interpretation.
- (c) The following rules also apply in interpreting this Bidder's Statement and the Acceptance Form, except where the context makes it clear that a rule is not intended to apply:
 - (i) a singular word includes the plural, and vice versa;
 - (ii) a word which suggests 1 gender includes the other genders;
 - (iii) if a word is defined, another part of speech has a corresponding meaning;
 - (iv) unless otherwise stated references in this Bidder's Statement to sections, paragraphs and sub-paragraphs are to sections, paragraphs and sub-paragraphs of this Bidder's Statement;
 - (v) a reference to a person includes a body corporate;
 - (vi) a reference to \$ is to the lawful currency in Australia unless otherwise stated; and
 - (vii) appendices to this Bidder's Statement form part of it.

Dated 7 January 2011

Signed on behalf of Atlas Iron Limited by Geoff Clifford and David Smith, being 2 directors of Atlas Iron Limited who are authorised to sign by a resolution unanimously passed at a meeting of the directors of Atlas Iron Limited.



Director



Director



Schedules

Schedule 1 Unlisted Equity Options of Atlas

Schedule 2 ASX Announcements since 30 September 2010



Schedule 1 Unlisted Equity Options of Atlas

Class	Number	Class	Number
24/03/11 30 cent options all vested	500,000	31/03/13 \$2.75 options all vested	40,000
24/03/11 40 cent options all vested	500,000	31/03/13 \$2.10 options all vested	15,000
22/05/11 50 cent options all vested	300,000	31/03/13 \$2.40 options all vested	15,000
15/08/11 60 cent options all vested	275,000	31/03/13 \$2.15 options all vested	50,000
15/08/11 70 cent options all vested	500,000	31/03/13 \$2.45 options all vested	50,000
24/03/11 60 cent options all vested	500,000	31/03/13 \$2.65 options all vested	50,000
31/01/12 50 cent options all vested	300,000	31/03/13 \$3.00 options all vested	50,000
31/01/12 60 cent options all vested	100,000	01/05/11 \$4.50 options all vested	2,250,000
31/01/12 70 cent options all vested	150,000	30/06/13 \$4.35 options all vested	25,000
05/03/12 70 cent options all vested	75,000	30/06/13 \$4.95 options all vested	25,000
21/03/12 70 cent options all vested	75,000	30/06/13 \$4.45 options all vested	90,000
31/03/12 72 cent performance options all vested	2,500,000	30/06/13 \$5.00 options all vested	40,000
28/02/12 70 cent unlisted options all vested	1,800,000	30/06/13 \$4.25 options all vested	40,000
31/05/12 60 cent performance options all vested	1,458,000	30/06/13 \$4.80 options all vested	40,000
16/07/12 \$1.06 options all vested	25,000	30/06/13 \$4.08 options all vested	125,000
30/09/12 \$2.20 options all vested	75,000	30/06/13 \$4.62 options all vested	125,000
30/09/12 \$2.50 options all vested	75,000	30/09/12 \$2.55 options all vested	30,000
30/09/12 \$1.60 options all vested	50,000	30/09/12 \$2.85 options all vested	30,000
30/09/12 \$1.40 options all vested	25,000	30/06/13 \$2.35 options all vested	50,000
30/09/12 \$1.50 options all vested	25,000	30/06/13 \$2.30 options all vested	25,000
30/09/12 \$1.50 options all vested	400,000	30/06/13 \$2.60 options all vested	25,000
30/09/12 \$3.00 options all vested	150,000	30/09/13 \$1.65 options all vested	350,000
30/09/12 \$3.35 options all vested	150,000	30/09/13 \$1.85 options all vested	350,000
30/09/12 \$2.50 options all vested	125,000	30/09/13 \$1.10 options all vested	25,000
30/09/12 \$2.85 options all vested	125,000	30/09/13 \$2.00 options all vested	15,000
30/09/12 \$2.50 performance options all vested	120,000	30/12/13 \$1.20 options all vested	25,000
30/09/12 \$2.55 options all vested	25,000	30/12/13 \$1.30 options all vested	100,000
30/09/12 \$2.85 options all vested	55,000	30/12/13 \$1.35 options all vested	50,000
20/08/12 \$2.46 options all vested	500,000	30/12/13 \$1.50 options all vested	50,000
30/09/12 \$2.25 options all vested	50,000	30/12/13 \$1.50 options all vested	15,000
30/09/12 \$2.55 options all vested	25,000	30/12/13 \$1.70 options vesting 12/01/11	15,000
30/09/12 \$1.90 options all vested	75,000	30/06/14 \$2.30 options all vested	200,000
30/09/12 \$2.15 options all vested	75,000	30/06/14 \$2.60 options vesting 03/08/11	200,000
30/09/12 \$1.90 performance options all vested	100,000	31/12/14 \$2.50 options vesting 19/01/11	50,000
30/09/12 \$2.45 options all vested	135,000	31/12/14 \$2.80 options vesting 19/01/12	50,000
30/09/12 \$2.75 options all vested	135,000	31/03/15 \$2.25 options vesting 24/05/11	15,000
30/09/12 \$2.45 performance options all vested.	75,000	31/03/15 \$2.55 options vesting 24/05/12	15,000
30/09/12 \$2.50 options all vested	25,000	31/03/15 \$2.75 options vesting 10/05/11	40,000
30/09/12 \$2.85 options all vested	25,000	31/03/15 \$3.10 options vesting 10/05/12	40,000
30/09/12 \$2.30 options all vested	35,000	31/03/15 \$2.25 options vesting 8/06/11	25,000
30/09/12 \$2.65 options all vested	35,000	31/03/15 \$2.55 options vesting 8/06/12	25,000
31/03/13 \$2.45 options all vested	40,000	31/03/15 \$2.65 options vesting 21/06/11	15,000

Class	Number
31/03/15 \$3.00 options vesting 21/06/12	15,000
31/03/15 \$2.25 options vesting 14/06/11	25,000
31/03/15 \$2.55 options vesting 14/06/12	25,000
31/03/15 \$2.05 options vesting 25/05/11	25,000
31/03/15 \$2.30 options vesting 25/05/12	25,000
31/03/15 \$2.45 options vesting 17/05/11	40,000
31/03/15 \$2.75 options vesting 17/05/12	40,000
31/03/15 \$2.80 options vesting 29/03/11	25,000
31/03/15 \$3.15 options vesting 29/03/12	25,000
31/03/15 \$2.70 options vesting 22/03/11	30,000
31/03/15 \$3.05 options vesting 22/03/12	30,000
31/03/15 \$2.80 options vesting 23/03/11	30,000
31/03/15 \$3.20 options vesting 23/03/12	30,000
31/03/15 \$2.65 options vesting 9/03/11	25,000
31/03/15 \$3.00 options vesting 9/03/12	25,000
31/03/15 \$2.65 options vesting 8/03/11	15,000
31/03/15 \$3.00 options vesting 8/03/12	15,000
31/03/15 \$2.70 options vesting 3/05/11	75,000
31/03/15 \$3.05 options vesting 3/05/12	75,000
31/03/15 \$2.70 options vesting 3/05/11	75,000
31/03/15 \$3.05 options vesting 3/05/12	75,000
31/12/14 \$2.10 options vesting 1/02/11	250,000
31/12/14 \$2.35 options vesting 1/02/12	250,000
31/12/14 \$2.10 options vesting 1/02/11	50,000
31/12/14 \$2.35 options vesting 1/02/12	50,000
31/12/14 \$2.25 options all vested	50,000
31/12/14 \$2.55 options vesting 4/01/12	50,000
31/12/14 \$2.25 options all vested	30,000
31/12/14 \$2.55 options vesting 4/01/12	30,000
31/12/14 \$2.25 options all vested	30,000
31/12/14 \$2.55 options vesting 5/01/12	30,000
31/12/14 \$2.45 options vesting 20/01/11	15,000
31/12/14 \$2.80 options vesting 20/01/12	15,000
31/12/14 \$2.70 options vesting 15/01/11	50,000
31/12/14 \$3.05 options vesting 15/01/12	50,000
30/09/14 \$2.15 options vesting 16/11/10	15,000
30/09/14 \$2.45 options vesting 16/11/11	15,000
30/09/14 \$2.15 options all vested	75,000
30/09/14 \$2.40 options vesting 26/10/11	75,000
30/09/14 \$2.10 options all vested	30,000
30/09/14 \$2.40 options vesting 19/10/11	30,000
30/06/15 \$2.873 options all vested	5,500,000
30/06/15 \$2.80 options all vested	4,750,000
TOTAL	28,833,000

Schedule 2 ASX Announcements since 30 September 2010

Date	Announcement Headline
07/01/2011	Atlas Iron change in substantial holding of Giralia
07/01/2011	Change in substantial holding from UBS
06/01/2011	Pilbara Operations Update
04/01/2011	Appendix 3B
22/12/2010	Atlas Iron Becoming a substantial holder of Giralia
22/12/2010	Atlas Iron Trading Policy
21/12/2010	Investor Presentation Re Recommended Takeover Offer
21/12/2010	Recommended Takeover offer for Giralia by Atlas
08/12/2010	Appendix 3B
25/11/2010	National winner in 2010 Entrepreneur of the Year Awards
22/11/2010	Appendix 3B
18/11/2010	Atlas enters into infrastructure MOU
15/11/2010	Appendix 3B
11/11/2010	Appendix 3B
11/11/2010	Appendix 3Y
05/11/2010	Appendix 3B
03/11/2010	Change in substantial holding
01/11/2010	Atlas hits 6Mtpa export rate 2 months ahead of schedule
29/10/2010	Atlas Iron 2010 Annual General Meeting Presentation
29/10/2010	Results of Atlas Iron 2010 Annual General Meeting
28/10/2010	SRR: Shaw River to raise up to \$5 million
27/10/2010	Change in substantial holding
27/10/2010	Atlas Iron September 2010 Quarterly Cashflow Report
27/10/2010	Atlas Iron September 2010 Quarterly Activities Report
21/10/2010	Atlas presentation at ASX Hong Kong conference
20/10/2010	Two DSO Discoveries in the South East Pilbara
13/10/2010	Appendix 3B

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Corporate Information

Directors

Geoff Clifford (Non Executive Chairman)
David Flanagan (Managing Director)
David Hannon (Non Executive Director)
David Smith (Non Executive Director)
Tai Sook Yee (Non Executive Director)

Company Secretaries

Anthony Walsh
Mark Hancock

Registered Office

Ground Floor, 10 Richardson Street
West Perth WA 6005
+61 (0) 8 9476 7900

Solicitors

Blake Dawson
2 The Esplanade
Perth WA 6000

Bankers

National Australia Bank Limited
100 St. Georges Terrace
Perth WA 6000

Share Register

Security Transfer Registrars Pty Ltd
Alexandrea House
Suite 1, 770 Canning Highway
Applecross WA 6153
Tel: +61(0) 8 9315 2333
www.securitytransfer.com.au

Auditors

KPMG
235 St. Georges Terrace
Perth WA 6000

Internet Address

www.atlasiron.com.au

ASX Code

Shares AGO

ABN 63 110 396 168



