



14 February 2011

## ATLAS DECLARES GIRALIA TAKEOVER OFFER UNCONDITIONAL AND ACCELERATES PAYMENT TERMS

*Giralia shareholders will now receive their consideration within three days of accepting*

### Highlights

- Atlas has declared wholly unconditional its recommended off-market takeover offer for all of the shares in Giralia
- Atlas is offering accelerated payment terms of 3 business days following processing of a valid acceptance
- The offer is scheduled to close on 28 February 2011
- Atlas has a relevant interest of 55.73% in Giralia, as at 11 February 2011
- The offer is unanimously recommended by the Giralia Board in the absence of a superior proposal
- Following successful completion of the offer, a Giralia Director will be invited to join the Atlas Board

Atlas Iron Limited ("Atlas") [ASX: AGO] has today declared its recommended off market takeover offer ("Recommended Offer") for all of the fully paid ordinary shares in Giralia Resources Limited ("Giralia") [ASX: GIR] free from all defeating conditions, including the 90% minimum acceptance condition. This means that the Recommended Offer is now wholly unconditional.

Atlas will also accelerate payment terms so that Giralia shareholders who accept the Recommended Offer will be sent their consideration within 3 business days of their acceptance being processed. Giralia shareholders who accepted the Recommended Offer before it was declared unconditional will be sent their consideration within 3 business days of today's date.

Atlas is offering one of its shares for every 1.5 Giralia shares. Based on Atlas' closing price on Friday of \$3.76, this values each Giralia share at \$5.64. Atlas is also offering an alternative consideration of 1.33 Atlas shares plus 50 cents cash.

If Atlas acquires a relevant interest in at least 90% of Giralia shares and becomes entitled to compulsorily acquire outstanding Giralia shares under Chapter 6A of the Corporations Act, Atlas intends to proceed with compulsory acquisition of those Giralia shares. Giralia shareholders whose shares are acquired compulsorily under Chapter 6A of the Corporations Act will NOT be eligible for the accelerated payment terms.

Giralia Directors have unanimously recommended all Giralia shareholders accept Atlas' Recommended Offer without delay.

A notice under section 650F(3)(a) of the Corporations Act declaring the Recommended Offer free from all defeating conditions is **attached**.

As at 5.00pm (AWST) on 14 February 2011, Atlas had received acceptances for 55.73% of Giralia's shares.

Atlas reminds Giralia shareholders that the Recommended Offer is **scheduled to close on 5.00pm (AWST) Monday, 28 February 2011**. Atlas urges all Giralia shareholders who have not yet accepted the offer to **ACCEPT WITHOUT DELAY** and take advantage of the accelerated payment terms to become an Atlas shareholder.

Atlas Managing Director David Flanagan urged Giralia shareholders to accept the offer to be part of a rapidly growing iron ore producer and take advantage of the rapid payment terms now on offer.

*"We are delighted by the prospect of bringing these two companies together and welcoming all Giralia shareholders as new shareholders of Atlas" Mr Flanagan said. "Atlas enjoys growing production and very strong cashflows that will enable it to start new mines and create significant value for shareholders and the wider community."*



### **Background of Atlas**

Atlas is currently mining and exporting at an annualised rate of 6Mtpa from its 100%-owned Pardoo and Wodgina Iron Ore Projects, located 75 and 100 kilometres by road from Port Hedland in the Pilbara region of Western Australia. In addition, Atlas is progressing development at its Mt Webber and Abydos DSO Projects. When combined with additional export tonnages from its existing Pardoo and Wodgina DSO mines, Atlas is targeting DSO exports at an annualised rate of 12Mt by 2012.

Atlas' corporate adviser is Hartleys Limited and its legal advisor is Blake Dawson.

### **For further information please contact:**

David Flanagan

Managing Director

Mark Hancock, Chief Commercial Officer

Tony Walsh, Company Secretary

Atlas Iron Limited

Tel: (08) 9476 7900

### **Giralia Shareholder Information Line**

1800 207 622 – [Monday - Friday 9.00am – 5.00pm WST]

**Notice under Section 650F  
of the Corporations Act 2001 (Cth)**

TO: ASX Limited

Giralia Resources NL ACN 009 218 204 (**Giralia**)

**BY THIS NOTICE**, Atlas Iron Limited ABN 63 110 396 168 (**Atlas**) **DECLARES** the offers dated 7 January 2011 made by it under an off-market takeover bid for the fully paid ordinary shares in Giralia (**Offers**) and the contracts (if any) formed by the acceptance of any of those Offers free from the conditions set out in section 11.12 of the bidder's statement dated 7 January 2011 issued by Atlas (**Conditions**).

The Offers are now free of the Conditions.

Atlas's voting power in Giralia at the time of giving this notice is 55.73%.

**DATED** 14 February 2011

**On behalf of  
ATLAS IRON LIMITED**



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**David Flanagan**  
Director