



28 February 2011

ATLAS REACHES 97.09% INTEREST IN GIRALIA AND INTENDS TO COMMENCE COMPULSORY ACQUISITION

Atlas Iron Limited (Atlas) [ASX: AGO] is pleased to announce that it has now received 97.09% in acceptances for its off-market takeover of Giralia Resources NL (Giralia) [ASX: GIR].

Following the close of the offer at 5:00pm (AWST) Monday, 28 February 2011 (Offer Close Date), Atlas will now proceed with compulsory acquisition of all outstanding shares in order to complete the full takeover of Giralia.

Atlas Managing Director, David Flanagan, said that exceeding 90% acceptances is a significant milestone for Atlas and Giralia shareholders. "This is a company transforming milestone for Atlas as we target a production rate of 22mtpa by 2015. We would like to thank the Giralia Board and all the advisors to the transaction for their assistance over the last 2½ months."

Compulsory Acquisition Consideration

Shareholders whose acceptances were not received by the Offer Close Date will have their holdings compulsorily acquired and (unless they elect for the Scrip/Cash alternative) will receive the All Scrip consideration alternative which provides 1.5 Atlas shares in consideration for each Giralia share. The consideration will be provided between 4 and 6 weeks after the Offer Close Date.

Giralia Board Appointments

With Atlas reaching a 97.09% interest in Giralia and the offer being unconditional, Atlas has put forward three nominees for appointment to the Giralia Board. Upon these appointments becoming effective, it is expected that the existing Giralia directors will resign.

Advisors

Atlas' financial advisor in respect of the transaction is Hartleys Limited and its legal advisor is Blake Dawson.

Atlas Iron Limited

Ken Brinsden, Chief Operating Officer

Mark Hancock, Chief Commercial Officer

Tony Walsh, Company Secretary

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