

HANCOCK PROSPECTING PTY LTD

Bidder's Statement

containing an Offer by

Hancock Prospecting Pty Ltd

ACN 008 676 417

through its wholly-owned subsidiary

Redstone Corporation Pty Ltd ACN 625 680 159

to purchase all of your shares in

Atlas Iron Limited

ACN 110 396 168

You will receive **\$0.042 cash** for each of your Atlas Shares

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 or other professional adviser

Legal adviser: Ashurst

Financial adviser: RFC Ambrian Limited

ashurst

 **RFC Ambrian**

Important Information

Redstone Offer Information Line

For information about the Offer or how to accept the Offer please read this Bidder's Statement. If you still need assistance please contact the Redstone Offer Information Line on:

For Australian callers: 1300 853 598

For international callers: +61 1300 853 598

Important dates	Date
Original Bidder's Statement lodged with ASIC	18 June 2018
First Supplementary Bidder's Statement lodged with ASIC	26 June 2018
Second Supplementary Bidder's Statement and Replacement Bidder's Statement lodged with ASIC	29 June 2018
Offer opens (date of Offer)	2 July 2018
Offer closes (unless extended or withdrawn)	5:00 pm (Perth time) 3 August 2018

This is a Replacement Bidder's Statement given by Redstone Corporation Pty Ltd ACN 625 680 159 (**Redstone**) to Atlas Iron Limited ACN 110 396 168 (**Atlas**) under Part 6.5 of the Corporations Act, as amended by ASIC Class Order 13/528. This Replacement Bidder's Statement is dated 29 June 2018 and replaces the Bidder's Statement dated 18 June 2018 (**Original Bidder's Statement**), as supplemented by the supplementary bidder's statement dated 26 June 2018 (**First Supplementary Bidder's Statement**). This Replacement Bidder's Statement includes an Offer dated 2 July 2018 to acquire your Atlas Shares and also sets out certain disclosures required by the Corporations Act. The Offer made under this Replacement Bidder's Statement is on the same terms as or no less favourable than the Offer set out in the Original Bidder's Statement.

A copy of this Replacement Bidder's Statement was lodged with the Australian Securities and Investments Commission (**ASIC**) on 29 June 2018. ASIC takes no responsibility for the contents of this Replacement Bidder's Statement.

A number of defined terms are used in this Replacement Bidder's Statement. These terms are defined in section 9.1. All subsequent references to the Bidder's Statement in this document are to this Replacement Bidder's Statement.

Investment decisions

This Bidder's Statement does not take into account the investment objectives, tax or financial situation and particular needs of any person. Before making any investment decision you should consider whether or not it is appropriate in the light of those factors. Accordingly, you may wish to seek independent financial and taxation advice, or legal advice, before deciding whether or not to accept the Offer.

Forward looking statements

This Bidder's Statement contains forward looking statements. 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 risks, uncertainties and assumptions which could cause actual results or events to differ materially from the expectations described in such forward looking statements. While Redstone 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. Matters as yet not known to Redstone or not currently considered material by Redstone, 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.

Privacy collection statement

Personal information relating to your shareholding in Atlas will be collected by Redstone or its agents from Atlas in accordance with its rights under the Corporations Act. Redstone will share this information with its related bodies corporate, advisers, agents and regulators (such as ASIC and the Australian Taxation Office) where necessary for the purposes of the Offer. Redstone, its related bodies corporate, advisers and agents will use this information solely for purposes relating to the Offer.

Internet

Atlas maintains an internet site at www.atlasiron.com.au. Information contained in, or otherwise accessible through, that internet site is not a part of this Bidder's Statement. All references in this Bidder's Statement to that internet site are inactive textual references to that site and are for your information only.

Notice to foreign shareholders

The Bidder's Statement has been prepared having regard to Australian disclosure requirements. These requirements may be different from those in other jurisdictions. The distribution of the Bidder's Statement may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of the Bidder's Statement should inform themselves of, and observe, those restrictions.

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Director's letter

29 June 2018

Dear Atlas Shareholder

On behalf of the directors of Redstone Corporation Pty Ltd (**Redstone**), a wholly-owned subsidiary of Hancock Prospecting Pty Ltd (**HPPL**), I am pleased to provide you with this all-cash Offer to acquire all of your Atlas Shares.

If you accept the Offer and the Offer becomes unconditional, you will receive \$0.042 cash (**Offer Price**) for each of your Atlas Shares.

On 9 April 2018, Atlas and Mineral Resources Limited (**MRL**) announced a proposed transaction whereby Atlas was to complete a scheme of arrangement which would see Atlas Shareholders receive one MRL share for every 571 Atlas Shares they held (**MRL Proposal**). The Atlas Directors unanimously recommended Atlas Shareholders vote in favour of that proposed scheme in the absence of a Superior Proposal and subject to the independent expert appointed by Atlas (**Independent Expert**) concluding (and continuing to conclude) that the MRL Proposal is in the best interests of Atlas Shareholders.

Based on the last closing price of MRL shares prior to that announcement, the MRL Proposal valued an Atlas Share at \$0.0302. Based on the closing price of MRL shares on 15 June 2018 (being the last closing price prior to the announcement of this Offer), the MRL Proposal valued an Atlas Share at \$0.0298.

The Offer represents a proposal which is superior in value to Atlas Shareholders than the MRL Proposal. Specifically, it presents a 41% premium to the assessed value of the MRL Proposal¹ and to the traded price of Atlas Shares on ASX leading up to the announcement of the MRL Proposal, namely:

- (a) 121% to the closing price of Atlas Shares on 4 April 2018, being the last day of trading in Atlas Shares prior to the announcement of the MRL Proposal;
- (b) 76% to the one-month VWAP of Atlas Shares on ASX up to and including 4 April 2018, being the last day of trading in Atlas Shares prior to the announcement of the MRL Proposal; and
- (c) 46% to the three-month VWAP of Atlas Shares on ASX up to and including 4 April 2018, being the last day of trading in Atlas Shares prior to the announcement of the MRL Proposal.

¹ Assessed based on the closing price of MRL shares on ASX on 15 June 2018, being the last day of trading prior to the Announcement Date.

In addition, the Offer represents a premium of 17% to the closing price of Atlas Shares on 15 June 2018, being the last day of trading in Atlas Shares prior to the date of the Original Bidder's Statement.

On 21 June 2018, a majority of the Atlas Board recommended that Atlas Shareholders accept the Offer, in the absence of a superior proposal and subject to the independent expert concluding (and continuing to conclude) that the Offer is fair and reasonable to Atlas Shareholders. On that same day, Atlas announced that MRL had terminated the MRL Scheme Implementation Deed and that Atlas was liable to pay to MRL a break fee of \$3.12 million.

As a result of the termination of the MRL Scheme Implementation Deed, the Offer is the only offer presently available to Atlas Shareholders.

On 29 June 2018, Atlas announced to ASX that the Atlas Board now unanimously recommends that Atlas Shareholders accept the Offer, in the absence of a superior proposal and subject to the independent expert concluding (and continuing to conclude) that the Offer is fair and reasonable to Atlas Shareholders.

The Offer is unconditional, other than in respect of "prescribed occurrences", details of which are set out in more detail in section 8.10 of this Bidder's Statement.

The all-cash Offer is a compelling opportunity for you to realise certain value for your Atlas Shares at a premium to the last closing price as of 15 June 2018 (being the last day of trading prior to the Announcement Date) and at a significant premium to the value offered under the MRL Proposal, without paying brokerage or incidental costs (except as otherwise detailed in section 8.18). This should be considered against the risks and uncertainties that you, as an Atlas Shareholder, are currently exposed to.

The Offer is open for acceptance until 5:00 pm Perth time on 3 August 2018 unless extended or withdrawn in accordance with the Corporations Act. To accept the Offer, please follow the instructions in section 8.3 of this Bidder's Statement.

Redstone is an Australian proprietary company limited by shares and a wholly-owned and funded subsidiary of HPPL. HPPL is a privately held Australian company that has a long and important association with the Pilbara and the iron ore industry. More information about Redstone and HPPL is provided in sections 1 and 2 of this Bidder's Statement.

The Redstone Board acknowledges the work done by the current and past management and employees of Atlas to accumulate a valuable suite of mining tenements and mineral resources. Following conclusion of the Offer, Redstone intends to conduct a strategic review of Atlas' business and assets to allow it to fully consider how to best integrate Atlas' business and assets with those of the HPPL Group and to leverage the HPPL Group's knowledge and experience to maximise the benefits from that integration. Please see sections 4 and 5 of the Bidder's Statement for details of Redstone's intentions.

On behalf of Redstone, we trust that you will see the benefits of the Offer and urge you to accept the Offer as soon as possible.

Yours sincerely

A handwritten signature in black ink, appearing to be 'JEN' or similar, written in a cursive style.

Mr Jay Eliot Newby

Director

Redstone Corporation

Reasons why you should accept the Offer

Redstone believes that there are compelling reasons for Atlas Shareholders to accept the Offer. These reasons are explained in this section.

1. **The Offer Price delivers a premium to Atlas Shareholders**

The all-cash Offer Price of \$0.042 per Atlas Share represents a compelling opportunity for Atlas Shareholders to realise value for their Atlas Shares, at a premium and with the certainty of a fixed cash price.

The Offer represents a proposal which is superior in value to Atlas Shareholders than the MRL Proposal. Specifically it presents a substantial 41% premium to the assessed value of the MRL Proposal² and to the traded price of Atlas Shares on ASX leading up to the announcement of the MRL Proposal recommended by the Atlas Directors, namely:

- (a) 121% to the closing price of Atlas Shares on 4 April 2018, being the last day of trading in Atlas Shares prior to the announcement of the MRL Proposal;
- (b) 76% to the one-month VWAP of Atlas Shares on ASX up to and including 4 April 2018, being the last day of trading in Atlas Shares prior to the announcement of the MRL Proposal; and
- (c) 46% to the three-month VWAP of Atlas Shares on ASX up to and including 4 April 2018, being the last day of trading in Atlas Shares prior to the announcement of the MRL Proposal.

In addition, the Offer represents a premium of 17% to the closing price of Atlas Shares on 15 June 2018, being the last day of trading in Atlas Shares prior to the Announcement Date.

2. **The Offer is unanimously recommended by the Atlas Board**

On 21 June 2018, a majority of the Atlas Board recommended that Atlas Shareholders accept the Offer, in the absence of a superior proposal and subject to the independent expert concluding (and continuing to conclude) that the Offer is fair and reasonable to Atlas Shareholders.

On 29 June 2018, Atlas announced to ASX that the Atlas Board now unanimously recommends that Atlas Shareholders accept the Offer, in the absence of a superior proposal and subject to the independent expert concluding (and continuing to conclude) that the Offer is fair and reasonable to Atlas Shareholders.

² Assessed based on the closing price of MRL shares on ASX on 15 June 2018, being the last day of trading prior to the Announcement Date.

3. **The Offer is the only offer presently available to you**

On 21 June 2018, Atlas announced that MRL had terminated the MRL Scheme Implementation Deed and that Atlas was liable to pay to MRL a break fee of \$3.12 million.

As a result of the termination of the MRL Scheme Implementation Deed, the Offer is the only offer presently available to Atlas Shareholders.

4. **The Offer is 100% cash, which will be paid to you promptly**

Redstone is offering an all-cash consideration for your Atlas Shares. This means that you will not need to undertake any additional transactions or incur any additional brokerage or other incidental costs to realise the cash proceeds from this Offer (except as otherwise detailed in section 8.18).

In addition, once the Offer becomes unconditional, Redstone has committed to paying for your Atlas Shares within seven days of receipt of an effective acceptance (see section 8.3 – "How to accept this Offer").

In summary, if you accept the Offer:

- (a) before the Unconditional Date, you will be paid within seven days after the Unconditional Date; and
- (b) after the Unconditional Date, you will be paid within seven days after you accept the Offer.

Redstone has undertaken to pay you for your Atlas Shares within the seven day periods referred to above. This is more prompt than the period required by the Corporations Act, but the timing for payment will still depend on the date on which the Offer becomes unconditional.

If you accept the Offer, and the Offer becomes unconditional, you will:

- (a) be paid \$0.042 for each of your Atlas Shares; and
- (b) not incur any brokerage fees (except as otherwise detailed in section 8.18).

The Offer therefore provides Atlas Shareholders with an opportunity to promptly realise certain cash value for all of their Atlas Shares in one transaction, without paying brokerage or incidental transaction costs (except as otherwise detailed in section 8.18).

5. **The Offer is only conditional on no "prescribed occurrences"**

The Offer is subject only to there being no "prescribed occurrences", as detailed in section 8.10. In summary, this condition will be satisfied unless Atlas is impacted by an event of insolvency, or the Atlas Board elects to undertake certain transactions, such as the sale of major assets or restructuring Atlas' share capital (eg issues new shares).

Importantly, there is no minimum acceptance condition pertaining to the Offer, meaning that if you accept into the Offer, but other Atlas Shareholders do not, you will still be paid following the satisfaction or waiver of the prescribed occurrences condition.

The low level of conditionality should provide Atlas Shareholders with a high level of certainty that they will be paid for their Atlas Shares following their acceptance of the Offer.

6. **You will receive certain value for your Atlas Shares, together with a high level of certainty that you will receive it**

The all-cash Offer of \$0.042 per Atlas Share represents compelling value for Atlas Shareholders to realise certain value for their Atlas Shares at a fixed cash price. Again, given the low level of conditionality attached to the Offer, there is also a high level of certainty that Atlas Shareholders who accept into the Offer will ultimately receive their cash consideration.

Because the Offer will be paid in cash, it is not subject to fluctuations in the value of any other listed securities, meaning the value being offered to you by Redstone (in Australian dollars) will not decrease. In contrast, if you accept an alternative offer which provides you with listed shares in consideration for your Atlas Shares, the value of that consideration is uncertain and subject to variability, reflecting both the risks and uncertainties of the issuing entity, which will be compounded by the risks associated with the existing Atlas business, and the acquirer's ability to successfully integrate and operate Atlas.

Further, if the alternative offer is in the form of a scheme of arrangement under Chapter 5 of the Corporations Act, the consideration which you would receive under that alternative offer will only be provided to you following an approving vote by the requisite majorities of Atlas Shareholders. The outcome of any such vote is also uncertain given the current composition of the Atlas share register.

The all-cash Offer provides Atlas Shareholders with complete flexibility as to how they deploy their net cash consideration, including the ability to reinvest all or part of it, in accordance with their own investment preferences and risk profile and subject to any tax consequences (see section 6 for a general summary of the likely Australian tax consequences of disposing of your Atlas Shares by accepting the Offer).

7. **Consequences of not accepting the Offer**

(a) **Uncertainty as to the ongoing viability of Atlas**

In contrast to the certain cash proceeds which you can receive by accepting the Offer, the ongoing viability of Atlas as a standalone company is uncertain. On 8 June 2018, Atlas announced that its credit rating had been downgraded to CCC by Standard & Poor's Rating Services, and that it had also been placed on credit watch lists by each of Standard & Poor's Rating Services and Moody's Investor Services. On 15 June 2018, Atlas announced that its credit rating had been downgraded to Caa2 by Moody's Investor Services.

These announcements highlight the risks and uncertainties associated with owning Atlas Shares, whether directly (as Atlas Shareholders do currently) or indirectly.

(b) **The price of Atlas Shares may fall**

If you do not accept the Offer and no alternative superior proposal emerges, the trading price of Atlas Shares may fall given the Offer Price is above the trading price of Atlas Shares on ASX leading up to the announcement of the MRL Proposal and trading levels leading up to the Announcement Date.³

(c) **There are risks associated with remaining a minority shareholder of Atlas**

³ See "Reasons why you should accept the Offer": Reason 1 "The Offer Price delivers a premium to Atlas Shareholders".

If you do not accept the Offer and Redstone acquires more than 50% of all Atlas Shares, but does not achieve the threshold necessary for it to proceed with compulsory acquisition, you will be a minority shareholder in Atlas with limited influence on the running of the Atlas business.

In addition, if Redstone acquires a controlling interest in Atlas Shares, Redstone's control over the Atlas business may affect the liquidity of Atlas Shares, making it difficult for you (as a minority shareholder) to sell your Atlas Shares outside of the Offer at current trading prices.

As detailed in section 5, Redstone may procure that Atlas is removed from the official list of ASX if it achieves the required level of shareholding in Atlas.

Again, in contrast to these risks and uncertainties, by accepting the Offer you will receive certain value for your Atlas Shares, in the form of cash, which will be paid to you promptly and without brokerage costs for most Atlas Shareholders (except as otherwise detailed in section 8.18).

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.

Question	Answer	More information
1. What is the Offer?	Redstone is offering to buy your Atlas Shares by way of an off-market takeover offer under Chapter 6 of the Corporations Act. The Offer price is \$0.042 cash for each of your Atlas Shares.	
2. Who is making the Offer?	Redstone is making the Offer. Redstone is an Australian proprietary company limited by shares and is a wholly-owned subsidiary of HPPL.	See section 1 for more details.
3. What is the Bidder's Statement?	This Bidder's Statement sets out the terms of Redstone's Offer and information relating to the Offer and the Offer Consideration you will receive.	
4. How is Redstone funding the Offer?	Redstone has secured funding, by way of a committed loan from HPPL, for sufficient amounts to fund: (a) the amounts required to pay the aggregate Offer Consideration which Redstone can be required to pay in relation to the Offer; and (b) any additional amounts required by Redstone for an Approved Purpose including, without limitation, to enable Redstone to advance to Atlas the moneys Atlas requires to service the payment and repayment of the Term Loan B (should this be required and should Redstone and Atlas agree terms for the provision of such funding to Atlas). HPPL holds cash reserves of over \$3 billion.	See section 2 for more details about the funding of the Offer Consideration, including details in relation to the maximum amount that Redstone could be required to pay under the Offer. See section 4 for more details about Redstone's intentions regarding the Term Loan B and funding generally.
5. What are the conditions to the Offer?	The Offer is only conditional on there being no "prescribed occurrences".	The Defeating Conditions to the Offer are set out in full in section 8.10.
6. What interest does Redstone have in Atlas Shares?	As at the date of this Bidder's Statement, Redstone has a relevant interest in 19.96% of Atlas Shares.	See sections 3.6 to 3.8 for more details.

Question	Answer	More information
7. What choices do I have?	<p>As an Atlas Shareholder, you have the following choices:</p> <ul style="list-style-type: none"> (a) accept the Offer for all of your Atlas Shares and receive the all-cash Offer Consideration (see question 8 below); (b) sell your Atlas Shares on-market (unless you have previously accepted the Offer) (see question 14 below); or (c) do nothing (see question 10 below). 	
8. How do I accept the Offer?	<p>To accept the Offer you must follow the instructions set out in this Bidder's Statement.</p>	<p>For the details of how to accept the Offer, please see section 8.3.</p>
9. Can I accept the Offer for part of my holding?	<p>No, you can only accept for all of your holding. Your acceptance will be treated as being for all your Atlas Shares (including any additional Atlas Shares registered as held by you at the date your acceptance is processed).</p>	
10. What happens if I do not accept the Offer?	<p>Subject to what is stated below, you will remain the holder of your Atlas Shares if you do not accept the Offer.</p> <p>If Redstone becomes entitled to do so, it intends to proceed to compulsorily acquire your Atlas Shares. You will receive consideration for your Atlas Shares sooner if you accept the Offer.</p>	<p>See section 5.10 for more information relating to compulsory acquisition.</p>
11. When does the Offer close?	<p>The Offer is currently scheduled to close at 5:00pm (Perth time) on 3 August 2018, unless extended or withdrawn in accordance with the Corporations Act.</p> <p>You will be sent written notice of any extension, as required by the Corporations Act.</p>	
12. If I accept the Offer, when will I be paid?	<p>In summary, if you accept the Offer:</p> <ul style="list-style-type: none"> (a) before the Unconditional Date, you will be paid within seven days after the Unconditional Date; and (b) after the Unconditional Date, you will be paid within seven days after you accept the Offer. 	<p>Full details of when you will be paid are set out in section 8.16.</p>

Question	Answer	More information
13. Can I withdraw my acceptance?	Once you accept the Offer, you will be unable to revoke your acceptance except in the limited circumstances where a withdrawal right exists or arises under the Corporations Act.	See section 8.6 for further details.
14. Can I sell my Atlas Shares on-market?	<p>Yes, you may sell all, or some, of your Atlas Shares on-market during the Offer Period, but you may incur brokerage and other transaction costs if you do.</p> <p>However, if you accept the Offer, you agree not to sell your Atlas Shares to anyone else and you will not be able to sell your Atlas Shares on-market, except in the limited circumstances where you are entitled to and have withdrawn your acceptance in accordance with section 8.6.</p>	See sections 8.6 and 8.18 for further details.
15. Will I need to pay brokerage or stamp duty if I accept the Offer?	<p>No, you will not pay any stamp duty if you accept the Offer. Redstone will pay any stamp duty payable in connection with the Offer and the disposal of your Atlas Shares.</p> <p>If your Atlas Shares are registered in an Issuer Sponsored Holding in your name and you accept the Offer in the manner detailed in section 8.18, you will not incur any brokerage connected with you accepting the Offer.</p> <p>If your Atlas Shares are in a CHESS Holding or you hold your Atlas 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.</p>	See sections 6.5 and 8.18 for further details.
16. What are the tax consequences if I accept the Offer?	A general summary of the likely Australian tax consequences of disposing of your Atlas Shares by accepting the Offer is set out in section 6. The information in that section is general in nature and does not constitute tax advice. You should consult your professional adviser about the tax implications of accepting the Offer.	See section 6 for further details.
17. Is there a minimum acceptance condition?	No, there is no minimum acceptance condition. The Offer is only conditional on there being no "prescribed occurrences". This condition is set out in full in section 8.10 of this Bidder's Statement.	See section 8.10 for further details.

Question	Answer	More information
18. What happens if the conditions of the Offer are not satisfied or waived?	If the conditions of the Offer are not satisfied or waived the Offer will lapse and, in this case, any acceptance will have no effect in accordance with section 8.6. Redstone will make an announcement to ASX if the conditions of the Offer are satisfied or waived.	See sections 8.6 and 8.15 for further details.
19. When does the Offer become unconditional	<p>The Offer becomes unconditional when Redstone gives a notice to Atlas declaring the Offer to be free of the Defeating Conditions (meaning that no prescribed occurrences have occurred).</p> <p>Redstone may choose not to declare the Offer unconditional during the Offer Period and instead may wait for the Defeating Conditions to be fulfilled by reason of none of the "prescribed occurrences" events occurring by the end of the Offer Period.</p> <p>It is possible, therefore, that the Offer will become unconditional automatically without Redstone having to do anything at all (including waiving any of the Defeating Conditions or otherwise declaring the Offer unconditional) if none of the "prescribed occurrences" have occurred by the end of the Offer Period.</p>	See section 8.13 for further details.
20. What if I require more information?	<p>If you have any questions about this document, the Offer or how to accept the Offer, please contact the Redstone Offer Information Line on:</p> <p>For Australian callers: 1300 853 598</p> <p>For international callers: +61 1300 853 598</p>	

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 Atlas.
Step 3:	<p>If you need advice, consult your Broker or your legal, financial or other professional adviser.</p> <p>If you have any questions about this document, the Offer or how to accept the Offer, please contact the Redstone Offer Information Line on:</p> <p>For Australian callers: 1300 853 598</p> <p>For international callers: +61 1300 853 598</p>
Step 4:	If you wish to accept the Offer follow the instructions below.

How to accept the Offer

You should read section 8.3 for full details on how to accept the Offer.

CHESS Holding

If your Atlas Shares are in a CHESS Holding (holder identification number beginning with 'X'), to accept you must either:

- (a) instruct your Controlling Participant to accept the Offer on your behalf; or
- (b) complete, sign and return the enclosed Acceptance Form in accordance with the instructions on it.

Issuer Sponsored Holding

If your Atlas Shares are in an Issuer Sponsored Holding (securityholder reference number beginning with 'I') or if at the time of your acceptance you are entitled to be (but are not yet) registered as the holder of your Atlas Shares, to accept you must complete, sign and return the enclosed Acceptance Form in accordance with the instructions on it.

Participants

If you are a Participant (as defined in the ASX Settlement Operating 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 Operating Rules.

To be effective your acceptance must be received by Redstone before the Offer closes.

1. Information on Redstone and the HPPL Group

1.1 Overview

Redstone is an Australian proprietary company limited by shares and is a wholly-owned subsidiary of Hancock Prospecting Pty Ltd (**HPPL**).

Redstone was incorporated in Western Australia on 19 April 2018 for the principal purpose of making this Offer and acquiring and holding Atlas Shares (including the Offer Shares).

HPPL is a privately held Australian company that has a long and important association with the Pilbara and the iron ore sector, having been involved in the Australian iron ore industry since its inception in circa. 1955. HPPL also has a proud history in Australian agriculture with a significant and diversified portfolio of Australian agricultural assets.

The HPPL Group holds interests in major iron ore projects in the Pilbara. Specifically it holds a 50% interest in the 45 million tonnes per annum Hope Downs Project (in a joint venture with Rio Tinto) and a 70% interest in the Roy Hill Project, a substantial integrated iron ore mine, railway and port project, which has recently ramped up production to a rate of 55 million tonnes per annum of iron ore. In addition, the HPPL Group is conducting exploration activities on the Mulga Downs tenements which consist of three prospective iron ore project areas.

Within the HPPL Group there are several directors and senior managers who were responsible for various aspects of the exploration, studies, financing, construction, commissioning, ramp-up and steady-state operations of the \$10 billion Roy Hill Project. That project employs approximately 2,000 employees. The HPPL Group has a more than adequate team of managers to draw from to manage the standalone operation of Atlas' current mining operations, or the integration of the Atlas assets and business with those of the HPPL Group (or another third party) should this occur.

1.2 Directors of Redstone

The directors of Redstone at the date of this Bidder's Statement are:

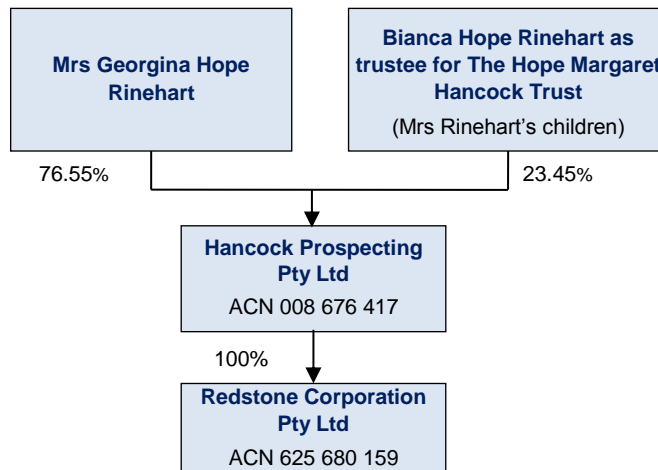
- (a) Tadeusz Jozef Watroba, Executive Director of HPPL with 40 years' total experience in mining; including mining operations, exploration, project evaluation and development, as well as corporate affairs and investments. Mr Watroba has more than 20 years' experience managing the affairs of the HPPL Group, including its mining operations.
- (b) Jay Eliot Newby, Executive Director of HPPL and a Chartered Accountant admitted to the Institute of Chartered Accountants in Australia in 1988. Mr Newby has broad experience in corporate finance, accounting and tax and commercial management and has more than 12 years' experience managing the affairs of the HPPL Group.

1.3 Ownership of HPPL

HPPL is owned by the following shareholders:

- (a) Mrs Georgina Hope Rinehart - 76.55%; and
- (b) Bianca Hope Rinehart, as trustee for The Hope Margaret Hancock Trust (of which Mrs Rinehart's four children are the beneficiaries of that trust) - 23.45%.

The diagram below sets out the ownership structure of Redstone.



2. Sources of cash consideration

2.1 Amount payable

The all-cash consideration offered for each of your Atlas Shares is \$0.042 per Atlas Share (**Offer Consideration**).

Based only on the number of Atlas Shares (in which Redstone or its associates do not already have a relevant interest) on issue as at the date of the Original Bidder's Statement, the maximum amount of cash payable under this Offer would be \$311,959,258 if Redstone acquires all of these Atlas Shares.

In addition, where:

- (a) Atlas Options on issue as at the date of the Original Bidder's Statement vest;
- (b) the holders exercise their rights in respect of those Atlas Options; and
- (c) the holders accept the Offer in respect of the Atlas Shares issued to them,

an additional \$14,253,300 will be payable by Redstone under the Offer.

Accordingly, the maximum amount that Redstone could be required to pay under the Offer is \$326,212,558, exclusive of transaction costs.

The Offer Consideration will be paid to accepting Atlas Shareholders at the time specified in section 8.16 of this Bidder's Statement.

2.2 Source of funds

To fund the maximum amount that Redstone could be required to pay under the Offer (plus all transaction costs), HPPL will provide 100% of the funds required by Redstone by way of loan funds.

The loan funds to be provided by HPPL will be sourced from HPPL's existing cash reserves. At the date of this Bidder's Statement, HPPL holds cash reserves of over \$3 billion, sufficient to fund the amounts required to pay the maximum amount that Redstone could be required to pay in relation to the Offer (as well as any additional amounts required by

Redstone for an "Approved Purpose" including, without limitation, to enable Redstone to advance to Atlas the moneys Atlas requires to service the payment and repayment of the Term Loan B (should this be required and should Redstone and Atlas agree terms for the provision of such funding to Atlas).

The terms on which HPPL has agreed to provide funds to Redstone are set out in the Funding Agreement.

Under the Funding Agreement, at any time after the Offer has become unconditional, HPPL must make available to Redstone the funds required to enable Redstone to meet its obligations under this Bidder's Statement to pay the Offer Consideration. Under the terms of the Funding Agreement, Redstone may serve one or multiple notices on HPPL to draw down amounts as may be necessary to:

- (a) meet its obligations under the Offer to fund the Offer Consideration to accepting Atlas Shareholders; and
- (b) pay any additional amounts required by Redstone for an Approved Purpose including, without limitation, to enable Redstone to advance to Atlas the moneys Atlas requires to service the payment and repayment of the Term Loan B (should this be required and should Redstone and Atlas agree terms for the provision of such funding to Atlas).

As soon as possible, and in any event within two Business Days after receipt of a request by Redstone to make payment, HPPL must fund the amount specified in the notice by paying the amount requested by Redstone.

See section 4 for details about Redstone's intentions regarding the Term Loan B and funding generally.

3. Information on Atlas and Atlas Shares

3.1 Disclaimer

The information in this section about Atlas has been prepared by Redstone using publicly available information and this information has not been independently verified. Accordingly, Redstone 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.

This information about Atlas should not be considered comprehensive. Further information relating to Atlas may be included in Atlas' Target Statement which will be sent to you by Atlas.

3.2 Overview of Atlas

Atlas is an independent Australian iron ore company, mining and exporting Direct Shipping Ore (**DSO**) from its operations in the Northern Pilbara region of Western Australia.

Since listing on ASX in late 2004, Atlas has grown into a mid-sized iron ore mining and exploration company. During the financial year ended 30 June 2017, Atlas delivered 139 shipments representing 14.4 million wet metric tonnes of iron ore to its customers, predominately located in China. In Atlas' March 2018 Quarterly Report, Atlas reported: "2 million wet metric tonnes (**wmt**) shipped in the March Quarter".

Atlas' large Pilbara landholding is also prospective for other minerals including lithium, copper and gold.

3.3 **Directors of Atlas**

As at the date of this Bidder's Statement, Atlas has five directors:

- (a) Eugene Davis (Non-Executive Chairman);
- (b) Mark Clifford Lawrenson (Managing Director);
- (c) Alan Carr (Non-Executive Director);
- (d) Cheryl Lynn Edwards (Non-Executive Director); and
- (e) Daniel Harris (Non-Executive Director).

3.4 **Publicly available information**

Atlas 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 Atlas, you should refer to the information that has been disclosed by Atlas in accordance with these obligations, including information available on its website www.atlasiron.com.au, announcements made to ASX by Atlas (which may be available at www.asx.com.au) and the target's statement that Atlas is required to provide you under the Corporations Act.

3.5 **Capital Structure of Atlas**

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

- (a) 9,279,607,773 Atlas Shares; and
- (b) 339,364,291 Atlas Options.

3.6 **Redstone's relevant interest in Atlas securities**

The number of Atlas Shares in which Redstone had a relevant interest (as at the dates specified) is shown below:

Relevant interest	At date of the Bidder's Statement	At date first Offer is sent
Atlas Shares	1,852,006,394	1,852,006,394

3.7 **Redstone's voting power in Atlas**

Redstone's voting power in Atlas (as at the date specified) is shown below:

Voting power	At date of this Bidder's Statement
Atlas Shares	19.96%

3.8 **Acquisition by Redstone or its associates of Atlas Shares during previous four months**

During the period beginning four months before the date on which the Original Bidder's Statement was lodged with ASIC and ending the day before the date of the Offer, neither Redstone nor any associate of Redstone has provided, or agreed to provide, consideration for an Atlas Share, except as shown below.

Redstone (which has been funded by HPPL) has provided consideration for the purchase of 1,852,006,394 Atlas Shares. Particulars are:

Date	No. of Atlas Shares	Total consideration⁴
8 June 2018	846,801,813	\$28,641,172.37
12 June 2018	542,152,153	\$21,038,986.86
14 June 2018	463,052,428	\$16,669,887.41

Redstone first acquired a relevant interest in Atlas Shares on 8 June 2018.⁵

The minimum price per share paid by Redstone or any associate of Redstone for any Atlas Share in the four months prior to the date of the Original Bidder's Statement was \$0.028, which purchase occurred on 8 June 2018.

The maximum price per share paid by Redstone or any associate of Redstone for any Atlas Share was \$0.042, which occurred on 12 June 2018.

The table below sets out a summary of the prices paid in intraday transactions under which Redstone acquired Atlas Shares in the four months prior to the date of the Original Bidder's Statement. The "total costs" set out in the table comprise the aggregate consideration paid by Redstone for these Atlas Shares excluding transaction costs.

Price per share	Total number of shares			
	8 June	12 June	14 June	Total
\$0.0280	3,370,000			3,370,000
\$0.0285	6,526,664			6,526,664
\$0.0290	104,103,779			104,103,779
\$0.0300	105,600,871			105,600,871
\$0.0305	21,843,306			21,843,306
\$0.0310	30,421,980			30,421,980
\$0.0315	52,933,210			52,933,210
\$0.0320	83,318,437			83,318,437
\$0.0325	1,565,991			1,565,991
\$0.0330	64,543,068			64,543,068

⁴ These amounts include transaction costs.

⁵ The Form 603 - Notice of initial substantial holder dated 12 June 2018 disclosed that Redstone also had an economic interest in a notional 4.99% of Atlas Shares through a cash settled equity swap. The cash settled equity swap was terminated on 14 June 2018, as noted in the cover letter to that Form 604 - Notice of change of interests of substantial holder.

Price per share	Total number of shares			
	8 June	12 June	14 June	Total
\$0.0335	10,627,497			10,627,497
\$0.0340	32,552,772			32,552,772
\$0.0345	2,550,000			2,550,000
\$0.0350	50,000,000	2,200,000		52,200,000
\$0.0355	9,980,049	8,706,556		18,686,605
\$0.0360	34,993,207	49,560,976	463,052,428	547,606,611
\$0.0365		13,190,339		13,190,339
\$0.0370	47,754,157	55,366,849		103,121,006
\$0.0375	2,045,000	44,879,783		46,924,783
\$0.0380	32,955,000	110,187,764		143,142,764
\$0.0385		5,082,256		5,082,256
\$0.0390		44,049,999		44,049,999
\$0.0395		7,285,951		7,285,951
\$0.0400	149,116,825	118,791,813		267,908,638
\$0.0405				-
\$0.0410		20,000,000		20,000,000
\$0.0415				-
\$0.0420		62,849,867		62,849,867
Total Volume	846,801,813	542,152,153	463,052,428	1,852,006,394
Volume weighted average price	0.0337	0.0387	0.0360	0.0358
Total cost	\$28,562,625	\$20,981,288	\$16,669,887	\$66,213,801

3.9 No inducing benefits given by Redstone during previous four months

Neither Redstone nor any of its associates has, during the period of four months ending on the day immediately before the date of the Offer, given, offered or agreed to give, a benefit to another person which was likely to induce the other person, or an associate of the other person, to accept the Offer or dispose of Atlas Shares, and which benefit is not being offered to all Atlas Shareholders under the Offer.

4. Redstone's intentions regarding the Term Loan B and funding generally

4.1 Term Loan B

Redstone understands that a change of control of Atlas (which may occur if Redstone's voting power exceeds 50%) may trigger an acceleration in Atlas' repayment obligation under the Term Loan B. Redstone confirms that should Redstone's voting power in Atlas exceed 50%, if Atlas requires funding support to repay the Term Loan B, Redstone will offer to make available to Atlas (by way of a loan facility) such amount as may be necessary to enable Atlas to meet its repayment obligation in relation to the Term Loan B, or will offer to step-in to the Term Loan B (by way of acquiring that debt from the Term Loan B holders). Any such offer of funding required by Atlas from Redstone will be on terms similar to those of the Term Loan B.

If the Term Loan B becomes repayable for whatever reason before Redstone's voting power exceeds 50%, and Atlas is unable to repay or refinance it, then this may trigger a Defeating Condition and, unless Redstone has waived that Defeating Condition, Redstone may decide to rely on that to exercise its rights under section 8.15 of this Bidder's Statement in which case your acceptance or the contract resulting from your acceptance of the Offer would be void.

4.2 **On-going funding**

Should Atlas require any funding support, in addition to that required to meet its repayment obligation under the Term Loan B, Redstone would consider any request for funding by Atlas on a case by case basis (whether it is partly owned or wholly-owned by Redstone). Any such funding that may be provided would be offered by Redstone on arm's length terms, and the provision of such funding would remain subject to Redstone and Atlas agreeing those terms.

5. **Redstone's intentions generally**

5.1 **Overview**

This section 5 sets out the intentions of Redstone for Atlas on the basis of facts and public information concerning Atlas which are known to Redstone at the date of this Bidder's Statement. The statements set out in these sections are statements of current intention only and may vary as new information becomes available or circumstances change.

References to the intentions of Redstone include the intentions of the HPPL Group.

The following apply in relation to all of Redstone's statements of intention:

- (a) Redstone is aware of certain speculation surrounding the rationale for its Offer and the possible motivations for why any party might seek to acquire an interest in Atlas. Redstone's intentions are accurately summarised in this Bidder's Statement. To the extent that any of the intentions set out in this Bidder's Statement change materially before the close of the Offer as a result of new information coming to the attention of Redstone, Redstone will make supplementary disclosure about such material change.
- (b) Redstone has only conducted limited due diligence in relation to Atlas. Accordingly, the strategic review referred to in this section 5 of this Bidder's Statement will be an important step in informing and determining Redstone's approach to its investment in Atlas, including the potential integration of Atlas' business and mining assets into the HPPL Group's operations. Having said that, should Redstone be in a position to control Atlas and the best interests of Atlas and all Atlas Shareholders require certain actions to be taken before the strategic review has been completed, Redstone will seek to ensure that those actions are taken without delay.
- (c) As there is no minimum acceptance condition to the Offer, Redstone will not know the extent of its ultimate shareholding in Atlas until the close of the Offer. This means that Redstone's ultimate voting power in Atlas could be anywhere between 19.96% and 100% at the close of the Offer. This means that the precise circumstances surrounding Redstone's ability to pursue the outcomes of the strategic review may not necessarily be known until the close of the Offer, and are difficult to predict or pre-empt with any certainty at this stage.
- (d) As noted in section 5.23 of this Bidder's Statement, the implementation of Redstone's intentions in the event that Redstone has a relevant interest in less

than 100% of Atlas Shares will be subject to the Corporations Act (including, without limitation, those provisions intended for the protection of minority shareholders), the ASX Listing Rules, Atlas' constitution and the statutory and fiduciary obligations of the Atlas Directors at that time to act in the best interests of Atlas and all Atlas Shareholders (together, the **Shareholder Protections**), as well as the extent of Redstone's shareholding at the relevant time. The extent of Redstone's ultimate shareholding in Atlas (at the close of the Offer) will determine the regulatory requirements for, and other practical matters associated with, implementing Redstone's intentions. By way of illustration:

- (i) if Redstone acquires 50% or less of Atlas Shares, it may not be in a position to determine alone the outcome of ordinary resolutions (in respect of which it is entitled to vote) and so, for example, it may not be in a position to control the composition of the Atlas Board. This means that Redstone's ability to undertake the strategic review may be limited, and (assuming it is able to undertake the strategic review) its ability to realise the proposed outcomes of that strategic review may be similarly constrained;
- (ii) if Redstone acquires more than 50% of Atlas Shares (but less than 90%), it will be able to determine alone the outcome of ordinary resolutions (in respect of which it is entitled to vote) and will be in a position to control the composition of the Atlas Board. However, in these circumstances, the Shareholder Protections will continue to apply and again may constrain Redstone's ability to realise the proposed outcomes of the strategic review;
- (iii) if Redstone acquires at least 75% of Atlas Shares (but again less than 90%), it will also be able to determine alone the outcome of special resolutions (in respect of which it is entitled to vote). Such special resolutions could involve amendments to the Atlas constitution or a change to company type. However, again, the Shareholder Protections will continue to apply; and
- (iv) if during, or at the end of, the Offer Period:
 - (A) Redstone and its associates together have relevant interests in at least 90% (by number) of all the Atlas Shares; and
 - (B) Redstone and its associates have acquired at least 75% (by number) of the Atlas Shares for which the Offers are made under the Offer (whether the acquisition happened under the Offer or otherwise),

Redstone will be entitled to compulsory acquire all outstanding Atlas Shares and presently intends to do so. Following completion of such compulsory acquisition process, Atlas would be a wholly-owned subsidiary of Redstone and Redstone would be entitled to exercise its rights as the sole shareholder of Atlas. However, in circumstances where an Atlas Shareholder or Atlas Shareholders held more than 10% in aggregate of all the Atlas Shares, that compulsory acquisition would not be possible. As at the date of this Bidder's Statement, there is at least one other Atlas Shareholder who controls more than 10% of all the Atlas Shares in their own right, and that Atlas Shareholder is therefore capable of blocking compulsory acquisition if it chooses not to accept the Offer.

- (e) Redstone's ability, therefore, to achieve some of its intentions, including the potential integration of Atlas' business and mining assets into the HPPL Group's operations, might not be able to be realised, either at all or without the approval of Atlas Shareholders in general meeting. For example, to the extent that Redstone has a relevant interest in more than 50% but less than 100% of Atlas Shares and a transaction is proposed between Redstone (or other HPPL Group entities) and

Atlas, then because Redstone (or that other HPPL Group entity) will be a "related party" of Atlas at that time, the transaction may be required to be subject to the prior approval of Atlas Shareholders in general meeting (with Redstone and its associates precluded from voting on the relevant resolution, and other regulatory requirements to be complied with).

- (f) As indicated above, as a result of the Shareholder Protections, Redstone and its associates may also be excluded from voting on certain resolutions in general meeting, and Redstone's nominee directors may potentially be precluded from voting at Atlas Board meetings, to the extent of any conflict of interest or material personal interest. Further, in circumstances where a minority shareholder maintains a "blocking stake" or other substantial holding in Atlas which provides them with a significant proportion of the Atlas shares which are not held by Redstone, then that shareholder's ability to determine the outcome of any such resolutions put to Atlas Shareholders in general meeting may be disproportionate to its holding (for example, where that shareholder's holding in Atlas is such that they alone could determine whether a resolution is passed or not, in circumstances where Redstone and its associates are excluded from voting on that resolution).
- (g) If the circumstances outlined in section 5.1(f) eventuate, it may become possible that none of the potential joint development or integration benefits outlined in section 5.5 of this Bidder's Statement is supported by enough Atlas Shareholders (other than Redstone) to enable them to be implemented. This could heighten any existing risks associated with the longer term viability of Atlas' operations or assets on a standalone basis and, accordingly, the potential risks for minority Atlas Shareholders in remaining exposed to those operations and assets. This potential outcome could apply for so long as any Atlas Shareholder (other than Redstone) maintains a "blocking stake" or other substantial shareholding in Atlas. In any event, it is very difficult for Redstone to predict what the sentiments of minority Atlas Shareholders may be in any given scenario.

5.2 Intentions of Redstone generally

Sections 5.3 to 5.8 (inclusive) set out Redstone's general intentions under the Offer in relation to Atlas.

5.3 Focus of the strategic review

Should Redstone acquire control of Atlas, it intends to undertake a strategic review of Atlas' business and mining assets so as to determine how best to integrate its business and mining assets into HPPL Group's operations. The strategic review would be undertaken by HPPL Group's management team in collaboration with Atlas' management team. The conclusions and outcomes reached in the strategic review will inform Redstone's preferred approach to developing, operating and retaining or divesting the assets within the Atlas portfolio. The outcome of the strategic review will be provided to the Atlas Board, and any Redstone nominee on the Atlas Board will act in accordance with the duties and obligations mentioned in section 5.7(b) of this Bidder's Statement (and the other Shareholder Protections).

(a) Current operations and potential future standalone operations

The strategic review will consider the viability of the Atlas business and operations on a standalone basis, including the current Mt Webber mining operations and its logistics (trucking and port) arrangements.

Such evaluation will have regard to the current iron ore price discounts being incurred by the relatively low grade Atlas resources and the outlook for those discounts. In the context of those discounts and outlook, the review will also

extend to considering the viability of developing other Atlas iron ore resources on a standalone basis, at different production levels. The relatively small Atlas resource base in any one area, and its low iron ore grade, will be key considerations of alternative infrastructure solutions, having regard to the short operating life which would result from any development and the ability to achieve required returns on necessary capital investments. Should the existing standalone operations not be economic at any point including because of changes to the iron ore price and discounts then their closure will be considered.

The current Utah Point port arrangements, including the term and volume of Atlas' rights with respect to throughput using that berth, will also be considered.

See section 5.6 of this Bidder's Statement for further detail about Atlas' access and development rights at Port Hedland.

(b) Current Operations – Mt Webber

With respect to the short term planning, as a first priority the strategic review, Redstone will consider the standalone viability of the current Atlas operations, particularly those which are being conducted from the Mt Webber mine site. Should the strategic review indicate that those operations are not viable in their current form, then consideration will be given to alternative measures which could achieve such viability, as well as the potential costs associated with the suspension or closure of those activities. A final decision will only be made by Redstone following completion of that review and analysis.

(c) Development of other Atlas iron ore resources

The HPPL Group has various other iron ore interests in the Pilbara region of Western Australia and considers that there may be potential benefits by combining the Atlas assets into that broader suite, including to facilitate in the long term the development of Atlas' iron ore resources on a standalone basis and/or under the trucking based logistics model employed by Atlas.

The HPPL Group iron ore interests produce iron ore products that are priced relative to 62% Fe standard industry benchmarks.

Redstone's strategic review will consider those potential benefits, in order to recommend to the HPPL Group the conceptual manner (in the first instance) in which the Atlas assets (along with the other interests) could be developed and operated over time. That strategic review will give consideration to the order in which the various iron ore deposits may be developed under any such integrated development plan, including having regard to the relative size, grade, proximity to existing and/or proposed infrastructure and development and operating costs associated with each resource area.

The strategic review of long-term development options may involve joint development with other stakeholders in the HPPL Group's other iron ore interests.

(d) **Atlas' current iron ore resources**

On the basis of its review of publicly available information, Redstone understands that Atlas' principal iron ore assets are as detailed below, including the indicative distance by road transportation to the Utah Point port:

	Northern			Southern			
Atlas actuals/ estimates	Mt Webber	Corunna	McPhee Creek	Davidson Creek	Jimblebar	Warrawanda	Hickman
Reserves (Mt) ⁶	39.8	20.9	-	-	-	-	-
Resources (Mt) ¹	47.5	64.1	246.9	476.3	69.1	24.0	70.0
Resource Grade (% Fe)	57.1	57.2	56.3	56.0	57.1	56.8	55.4
Indicative road distance to port (km)	230	250	265	535	505	560	500

The strategic review will consider the feasibility of continuing the operation of Mt Webber or developing on a standalone or integrated basis, each of these iron ore resources.

(e) **Potential for current or future integrated operations**

The strategic review will consider potential operational configurations for the Atlas assets, and the limitations, practicalities and benefits of such alternatives.

Potential alternatives for the current and future development of assets may include the possibility of integrating those assets into other iron ore interests in the HPPL Group (including the Roy Hill Project) or developing on a collaborative basis with other third party resource owners and/or infrastructure operators in the Pilbara region.

Redstone naturally expects that the Atlas mining assets which are closest to existing rail, processing and port infrastructure have the greatest potential for economic integration into the HPPL Group's mining operations (or into third party infrastructure systems). However, the viability and achievability of any such integration is also dependent upon the preparedness of each of the owners of the alternative resources, assets and infrastructure systems to integrate with Atlas, the available capacity on those alternative systems and the cost and benefits of enacting such integration. Redstone will engage with the other owners of the alternative iron ore systems (including HPPL's partners in the Roy Hill Project) as part of the strategic review. Redstone is not able to predict or quantify the likelihood or benefits from potential integration until such engagement has been completed and the terms of potential access or integration are known and the requisite approvals processes completed with owners and other relevant stakeholders.

5.4 **Strategic review of non-iron ore assets**

The strategic review will also give consideration to the non-iron ore assets within the Atlas portfolio, including Atlas' interests in lithium, manganese and any other commodities, including rights in relation to exploration prospects. These assets will be reviewed for the purpose of determining their strategic fit within Atlas' asset portfolio and their potential to contribute to shareholder value.

⁶ Refer to Atlas Annual Report (2017), pages 15 and 16.

5.5 **Potential integration of Atlas assets into the HPPL Group iron ore system or another system**

As detailed in section 1.1 of this Bidder's Statement, the HPPL Group holds a 50% interest in the 45 million tonnes per annum (**mtpa**) Hope Downs Project (in a joint venture with Rio Tinto), which is operated by the Rio Tinto Group as part of its integrated Pilbara iron ore operations.

The HPPL Group also owns a 70% interest in the Roy Hill Project. The Roy Hill Project is a standalone integrated iron ore mine, railway and port project, which recently ramped up its production and shipments of iron ore to a rate of 55 mtpa. HPPL Group led the exploration, resource delineation, development studies and development of the Roy Hill Project, and is integrally involved in the project's operation. The success of this \$10 billion project development, including its ramp-up to full capacity within two years following the commencement of operations, demonstrates the HPPL Group's capability and expertise in the development and operation of iron ore projects and assets.

The HPPL Group also has various iron ore exploration prospects in the Pilbara, including its Mulga Downs project.

Redstone considers that there are potential long term benefits to both Atlas and the HPPL Group from combining the development and/or operation of the Atlas assets with other iron ore interests within the HPPL Group. Any such integration, combination or transaction would need to be undertaken having regard to the matters noted in section 5.1 of this Bidder's Statement, including regarding "related party transactions".

The strategic review will consider the benefits which might be available through integration with existing HPPL Group interests (or with those of other third party infrastructure owners), including by way of:

(a) **Potential joint development of resources as part of the wider system of HPPL Group iron ore operations (or in collaboration with other third party infrastructure owners), or as a new joint development**

The most profitable iron ore producers in the Pilbara region of Western Australia produce and transport iron ore using high volume, low cost infrastructure (rail and port) systems. Historically, Atlas has not had access to such a system, causing it to rely on higher cost and lower volume trucking operations. Redstone's intention will be to seek to establish, through the strategic review, the viability of integrating Atlas' iron ore resources and/or operations with the HPPL Group's existing infrastructure (for example, with the Roy Hill rail and port system, or another third party infrastructure system), to reduce the costs of Atlas' iron ore operations or new development of the Atlas resources. The viability of such integration or joint development will be subject to being able to negotiate acceptable terms for any such arrangement with the owners of the relevant system.

The Atlas Board (as constituted at the relevant time) may ultimately determine that it is not feasible to pursue development or integration of the kind contemplated above for a variety of reasons, including because any requisite approvals or agreements cannot be obtained, or because the relatively small size and lower grades of the Atlas resources do not support the expenditures which would be required for development and integration. The potential and available capacity of the systems, and the capital expenditures required to expand such capacity, may also restrict such integration. By way of example, parts of the Roy Hill system are currently operating close to full capacity, and substantial expenditures would be required to increase that capacity sustainably. If integration is not achievable, feasible or accessible, this may result in no new development of Atlas' current iron ore resources.

(b) **Blending of Atlas iron ore with ores from HPPL Group iron ore operations (or other third party iron ore products)**

In addition to iron ore content, the realised price which any iron ore producer receives for their iron ore product reflects not only its iron content, but also the levels of other value adding characteristics (such as iron ore lump content) against deductions for any deleterious elements (including phosphorous, silica and alumina).

The strategic review will consider the potential for improving the viability of the low grade Atlas ores by blending them with ores from other parts of the HPPL Group's iron ore interests (or with ores produced by other iron ore miners).

(c) **End of life resources**

If the strategic review concludes that some or all of the Atlas resources are unviable on a standalone development basis, and should an integrated development solution not be identified which is economic and for which the requisite approvals can be obtained, then the Atlas resources may not be able to be developed unless and until circumstances change. In this case, consideration will be given to whether or not the value of those Atlas resources can be unlocked in the future by way of their sale to the owners of, or joint development with those owners through the use of, existing iron ore infrastructure systems which have exhausted their own captive iron ore resources, subject to obtaining any requisite approvals from Atlas Shareholders and reaching agreement with the infrastructure owners at that future point in time.

5.6 **Atlas' access and development rights at Port Hedland**

Redstone is aware of recent media speculation regarding Redstone's assumptions and intentions with respect to Atlas' port access rights.

There is an agreement in place for the current Atlas operations which export ore through Utah Point and it is Redstone's expectation that, should the existing operations continue on a standalone basis, this arrangement will remain in place.

On 14 June 2018, Atlas announced an update in relation to North West Infrastructure (**NWI**). Among other things, that update acknowledged receipt of notice from the office of the Minister for Transport, Planning and Lands implying that NWI holds no priority rights to develop the Stanley Point berth locations, and the Minister's position that any development proposal from NWI would be assessed on its merits in accordance with the Pilbara Ports Authority's standard port development processes. The strategic review will determine the need for the development of any further port capacity, including having regard to the relatively limited and low grade of the Atlas iron ore resources and the iron ore price environment and outlook. Should a business case be proven and funding be available then Redstone would be supportive of the Atlas Board pursuing discussions with the Government and other relevant stakeholders to seek approval for a port development proposal. Redstone notes that this has not been able to be achieved by Atlas to date.

5.7 **Employees and directors of Atlas**

(a) **Employees**

As a result of implementing Redstone's intentions (as set out in this section 5, and dependent on Redstone's shareholding in Atlas at the time), it is possible that some employees, including those in senior management positions may have their roles made redundant or the need for change in personnel identified, and that this may be determined and actioned before completion of the strategic review. It would be

premature for Redstone to seek to identify any such roles or personnel at this time. Any Atlas employees impacted by the actions implemented by Redstone will be treated in accordance with their contractual and other legal rights, including under Australian employment laws.

Furthermore, the strategic review may highlight the need to supplement the existing management team of Atlas with additional management capability and expertise, including as a result of the resignation of key managers or other employees. The pursuit of new initiatives may require skills not represented within the current Atlas management team. Should Redstone gain control of Atlas, it will consider the engagement of suitably qualified personnel both from the market and from within the HPPL Group to provide any such supplementary skills.

As detailed in section 1.1 of this Bidder's Statement, the HPPL Group has a more than adequate team of managers to draw from to manage the standalone operation of Atlas' current mining operations, or the integration of the Atlas assets and business with those of the HPPL Group (or another third party) should this occur. However, Redstone will also consider the engagement of suitably qualified personnel from the market (and outside of the HPPL Group) should that be considered appropriate at the relevant time.

(b) Atlas' Board

If any of Redstone's nominees are appointed to the Atlas Board, as detailed in sections 5.11, 5.15 and 5.21 of this Bidder's Statement, Redstone will use its reasonable endeavours to ensure that its nominees to the Atlas Board comply with their obligations and duties under the Corporations Act, the ASX Listing Rules and Atlas' constitution, including the duties of the Atlas Directors to act in the best interests of Atlas and all Atlas Shareholders (including minority Atlas Shareholders). Consistent with these obligations and duties, Redstone's nominee directors may be potentially precluded from voting on resolutions before the Atlas Board to the extent of any conflict of interest or material personal interest that arises in respect of the subject matter of those resolutions.

As indicated in section 5.15 of this Bidder's Statement, in a scenario where Redstone controls Atlas, but holds less than 100%, it would seek representation on the Atlas Board so that the proportion of Redstone nominees is broadly in line with its shareholding in Atlas. Necessarily, that objective may involve the replacement of some or all of the existing Atlas Directors. The identity of any such existing Atlas Directors would be determined at the relevant time.

As indicated in section 5.11 of this Bidder's Statement the identity of the Redstone nominees has not yet been determined but (consistent with HPPL's usual practice), it is expected that they will predominantly be drawn from the current directors and management of the HPPL Group. Redstone will seek to ensure that the composition of the Atlas Board meets the requirements of the Corporations Act and, to the extent applicable, the ASX Listing Rules.

5.8 Continuation of Atlas' business

Redstone intends that:

- (a) in the short-term, pending completion of the strategic review, Atlas would continue to operate in a manner consistent with how business operations have been conducted by Atlas over the 12-month period prior to the Offer;
- (b) as part of the strategic review, to consider the disposal of assets which are not considered to be of long-term strategic value to the HPPL Group; and

- (c) Atlas will remain incorporated in Australia and be headquartered in Perth, Western Australia.

5.9 Intentions if Redstone acquires a relevant interest in 90% of more of Atlas Shares

Sections 5.10 to 5.12 (inclusive) set out Redstone's intentions in relation to matters including the following:

- (a) the continuation of Atlas' business in the short-term and, subject to completion of its strategic review, the probable integration of Atlas' business into the HPPL Group's own mining business and operations; and
- (b) the future employment of the present employees of Atlas,

if Redstone acquires a relevant interest in 90% or more of Atlas Shares.

5.10 Compulsory Acquisition of Atlas Shares or Convertible Securities and removal from official list

If, as a result of the Offer, Redstone becomes entitled to compulsorily acquire outstanding Atlas Shares or Convertible Securities under Part 6A.1 or Part 6A.2 of the Corporations Act, Redstone presently intends to proceed with compulsory acquisition of those securities.

In circumstances where Redstone becomes entitled to compulsorily acquire outstanding Atlas Shares, Redstone intends to procure that Atlas is removed from the official list of ASX.

5.11 Atlas' Board

Redstone intends to replace all members of the Atlas Board with its own nominees. The identity of such nominee directors has not yet been finally determined, but it is expected they will be predominantly drawn from the current directors and management of HPPL.

5.12 Future employment of Atlas' current employees

In the short-term, pending the outcome of the strategic review and except as specified otherwise in this section 5, Redstone intends to retain the Atlas employees who will continue to be responsible for the day-to-day management and operations of Atlas.

While Redstone intends to maintain the workforce in the short-term, as part of its strategic review, Redstone will assess the on-going operational needs of Atlas. This may lead to the maintenance of the current workforce or a need for greater or fewer numbers of employees within the existing Atlas business. Should the strategic review result in the need for fewer Atlas employees, the HPPL Group will seek to redeploy those Atlas employees into other parts of the HPPL Group's business, where practicable.

Any Atlas employees impacted by the actions implemented following the strategic review will be treated in accordance with their contractual and other legal rights, including under Australian employment laws.

5.13 Intentions for Atlas as a part-owned controlled entity

If Redstone acquires more than 50% of all Atlas Shares, it will have a controlling interest in Atlas.

Sections 5.14 to 5.19 (inclusive) set out Redstone's current intentions if, at the end of the Offer Period, Redstone has a relevant interest of more than 50%, but less than 90%, of all of the Atlas Shares.

5.14 **Removal from official list**

Redstone intends to procure that Atlas is removed from the official list of ASX (if it becomes entitled to do so).

ASX guidance indicates that ASX would not usually require Redstone to obtain shareholder approval for Atlas' removal from the official list of ASX in the context of a successful takeover where the usual conditions are satisfied, which include that (among other things):

- (a) Redstone and its related bodies corporate own or control at least 75% of Atlas Shares; and
- (b) there are fewer than 150 holders of Atlas Shares having holdings with a value of at least \$500, excluding Redstone and its related bodies corporate.

If the conditions contemplated above are satisfied, Redstone may send a notice to all remaining holders of Atlas Shares advising them of the nominated time and date at which Atlas would be removed from the official list of ASX, being a date not earlier than three months after the date the notice was given (**Removal Date**). This notice to remaining holders of Atlas Shares would also state that:

- (a) if the remaining holders of Atlas Shares wish to sell their Atlas Shares on ASX, they must do so before the Removal Date; and
- (b) if the remaining holders of Atlas Shares do not sell their Atlas Shares on ASX before the Removal Date, they will only be able to sell their Atlas Shares off-market from that time.

Those remaining Atlas Shareholders who do not sell their Atlas Shares on ASX before the Removal Date, should this occur, would face risks associated with the potential reduced liquidity of an unlisted share, but would be given the notice period referred to above within which to determine how to deal with their investment (having regard to their own investment objectives).

If the conditions contemplated above are not met, Redstone may still request that ASX remove Atlas from the official list of ASX. ASX's guidance indicates that ASX's decision to act on Redstone's request may be subject to the satisfaction of certain conditions directed to ensuring that the interests of remaining Atlas Shareholders are not unduly prejudiced by the removal and that trading in Atlas Shares takes place in an orderly manner up to the date of its removal.

ASX's guidance also indicates that (in some cases) these conditions may include the approval of Atlas Shareholders to the removal by way of an ordinary resolution. If Atlas Shareholder approval is sought within 12 months after the end of the Offer Period, Redstone and its associates may be excluded from voting on the resolution approving the removal.

5.15 **Atlas' Board**

Redstone intends to (subject to the formal requirements of the Corporations Act and of the Atlas constitution) procure the appointment of a majority of Redstone nominees to the Atlas Board.

The identity of such nominee directors has not yet been finally determined, but it is expected that they will be predominantly drawn from the current directors and management of HPPL.

5.16 Majority Atlas Shareholder

If Redstone acquires a majority shareholding in Atlas Shares, it will have a controlling interest in Atlas and will be actively involved in influencing the strategic direction of the business of Atlas to the greatest extent that it is permitted by law.

If Redstone receives acceptances under the Offer that bring its shareholding to 75% or more of Atlas Shares, it may be in a position to cast the votes required to determine the outcome of a "special resolution" at a meeting of Atlas Shareholders. This would enable it to pass resolutions, for example, to amend the Atlas constitution.

5.17 Operations, assets and employees

Redstone will seek to procure that Atlas' new board of directors implements the strategies and goals outlined in sections 5.9 to 5.12 (inclusive), to the extent possible and appropriate in the circumstances.

5.18 Dividends

Redstone will review (through their nominees on the Atlas Board) the dividend policy of Atlas having regard to the profitability and viability of the business, the level of surplus capital relative to capital expenditure funding and ongoing operational requirements of Atlas (including working capital needs) on the one hand, and the appropriateness of paying dividends to Atlas Shareholders on the other.

5.19 Further acquisition of Atlas Shares by Redstone

Any future purchases of Atlas Shares by Redstone will depend upon the level of acceptances achieved under the Offer and all other relevant circumstances at the time. Redstone reserves its rights to, but makes no commitment to, further acquisitions of Atlas Shares following completion of the Offer in any manner permitted by the Corporations Act, including by making creeping acquisitions (as permitted under section 611, item 9 of the Corporations Act).

5.20 Intentions if Redstone acquires a relevant interest in less than 50% of Atlas Shares

If Redstone acquires less than 50% of all Atlas Shares, it will not have a controlling interest in Atlas.

Sections 5.21 to 5.22 (inclusive) set out Redstone's current intentions if, at the end of the Offer Period, Redstone has a relevant interest in less than 50% of all Atlas Shares.

5.21 Atlas' Board

Redstone intends to (subject to the formal requirements of the Corporations Act and of the Atlas constitution) seek representation on the Atlas Board so that the proportion of Redstone nominees is broadly in line with its voting power in Atlas.

The identity of such nominee directors has not yet been finally determined, but it is expected that they will be predominantly drawn from the current directors and management of HPPL.

5.22 **Active minority Atlas Shareholder**

Redstone intends to remain actively involved as a shareholder, including by way of influencing the strategic direction of the business of Atlas, to the greatest extent that it is permitted by law.

5.23 **Limitations in giving effect to intentions**

The implementation of Redstone's intentions in the event that Redstone has a relevant interest in less than 100% of Atlas Shares will be subject to the Corporations Act, the ASX Listing Rules, Atlas' constitution and the obligations of the Atlas Directors at that time to act in the best interests of Atlas and all Atlas Shareholders, and the extent of Redstone's shareholding at the relevant time.

6. **Taxation considerations**

6.1 **Australian tax implications for Atlas Shareholders**

The following is a general description of the Australian income tax, goods and services tax (**GST**) and stamp duty consequences for Atlas Shareholders on disposing of their Atlas Shares, in return for cash, under the Offer.

This summary only applies to Atlas Shareholders who hold their Atlas Shares on capital account for Australian income tax purposes. In particular, it does not apply to Atlas Shareholders who buy and sell shares in the ordinary course of business or who otherwise hold their Atlas Shares on revenue account or as trading stock for Australian tax purposes.

In addition, this summary does not apply to:

- (a) Atlas Shareholders who acquired their Atlas Shares under an employee share or option scheme;
- (b) Atlas Shareholders who are subject to special taxation rules (for example, insurance companies and tax exempt organisations);
- (c) Atlas Shareholders whose Atlas Shares are subject to the "taxation of financial arrangements" rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth); and
- (d) non-Australian resident Atlas Shareholders who have held their shares at any time in carrying on business at or through a permanent establishment in Australia.

This summary does not address the tax consequences of the Offer under the laws of any jurisdiction other than Australia. Atlas Shareholders who are tax residents of a country other than Australia should obtain professional advice in relation to the taxation consequences of accepting the Offer in their country of residence.

The information in this summary is based upon Australian 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.

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

6.2 **Atlas Shareholders who are Australian residents for tax purposes**

This section applies to Atlas Shareholders who are residents of Australia for Australian income tax purposes and hold their Atlas Shares on capital account.

(a) **CGT consequences of accepting the Offer**

If you are an Australian resident for Australian income tax purposes, the disposal of your Atlas Shares pursuant to the Offer will constitute a capital gains tax (**CGT**) event.

The time of the CGT event is when you dispose of the Atlas Shares for CGT purposes. You should be taken to have disposed of your Atlas Shares for CGT purposes when the contract to sell your Atlas Shares is formed. This should be the date when you accept the Offer to dispose of your Atlas Shares. However, if you do not ultimately dispose of your Atlas Shares (eg if the Defeating Conditions are not fulfilled) then no CGT event should happen to your Atlas Shares.

(b) **CGT consequences of compulsory acquisition**

If you do not dispose of your Atlas Shares under the Offer and your Atlas Shares are compulsorily acquired in accordance with Part 6A.1 of the Corporations Act, you will also be treated as having disposed of your Atlas Shares for CGT purposes. The date of the CGT event should be the date when you cease to be the owner of the Atlas Shares.

(c) **Calculation of the capital gain or loss**

If you acquired (for CGT purposes) your Atlas Shares before 20 September 1985, then in general, no CGT consequences should arise on a disposal of those Atlas Shares.

If you acquired (for CGT purposes) your Atlas Shares on or after 20 September 1985, the disposal of your Atlas Shares should give rise to a capital gain or loss equal to the difference between:

- (i) the capital proceeds received for the disposal of your Atlas Shares (ie the Offer Consideration); and
- (ii) the cost base (or, in the case of a capital loss, the reduced cost base) of your Atlas Shares (which would generally include the amount paid to acquire the Atlas Shares plus any non-deductible incidental costs of acquisition, eg brokerage fees and stamp duty).

If your Atlas Shares were acquired at or before 11.45am on 21 September 1999, and you are an individual, complying superannuation entity or the trustee of a trust, you may choose to adjust the cost base (but not the reduced cost base) of the Atlas Shares, to the extent it includes expenditure incurred at or before that time, to include indexation by reference to changes in the consumer price index from (generally) the calendar quarter in which the expenditure was incurred until the quarter ended 30 September 1999. If you make this choice, you are not entitled to discount the amount of the capital gain as described below. If you are a company, the cost base will include that indexation adjustment until the quarter ended 30 September 1999.

Each Atlas Share constitutes a separate asset for CGT purposes. You will need to separately consider the consequences of the disposal of your Atlas Shares which were acquired in different parcels at different times.

Your net capital gain for the income year is included in your assessable income for the income year. Broadly, your net capital gain for an income year is the total of all the capital gains made during the income year less capital losses made in the income year and available net capital losses made in previous income years. That amount may be reduced further by other concessions, particularly under the discount capital gains tax rules discussed below.

If you make a capital loss from the disposal of your Atlas Shares, the capital loss may be used to offset capital gains made in the same or subsequent years of income (subject to satisfying any applicable carry forward loss conditions) but cannot be offset against ordinary income, nor carried back to offset net capital gains made in earlier income years.

(d) **Discount capital gains**

If you are an individual, or hold your Atlas Shares as a trustee of a trust or a complying superannuation fund, and have held your Atlas Shares for at least 12 months before disposal, the discount capital gain provisions may apply as follows:

- (i) If you are an individual, one half of the capital gain (after offsetting any applicable capital losses) will be included in your assessable income.
- (ii) If you are a trustee of a trust (but not a superannuation fund) one-half of the capital gain (after offsetting any applicable capital losses) will be included in the "net income" of the trust. The discount capital gains provisions may also apply to capital gains to which beneficiaries in the trust (other than individuals that are companies) are entitled. The CGT provisions applying to trustees and beneficiaries of trusts are complex and you should seek advice from your professional tax adviser in this regard.
- (iii) If you are a trustee of a complying superannuation fund, two-thirds of the capital gain (after offsetting applicable capital losses) will be included in the fund's assessable income.

The discount capital gain provisions do not apply to companies.

Where the discount capital gain provisions apply, any available capital losses will be applied to reduce the nominal capital gain before discounting the resulting net amount by either one-half or one-third (as applicable) to calculate the net capital gain that is included in assessable income.

6.3 **Atlas Shareholders who are not Australian residents for tax purposes**

This section applies to Atlas Shareholders who are not Australian residents for tax purposes and hold their Atlas Shares on capital account. It does not apply to Atlas Shareholders who have held their Atlas Shares at any time in carrying on a business at or through a permanent establishment in Australia.

If you are not a resident of Australia for Australian income tax purposes, you will generally not be subject to CGT on the disposal of your Atlas Shares unless your Atlas Shares are an "indirect Australian real property interest" at the time you dispose of your Atlas Shares for CGT purposes.

Broadly, your Atlas Shares should not be an indirect Australian real property interest as at that time unless the following conditions are satisfied:

- (a) you and your associates (as defined for tax purposes) together have held at least 10% of the issued shares in Atlas at the time that you dispose of your Atlas Shares for CGT purposes or for at least 12 months during the 24 months before you disposed of your Atlas Shares for CGT purposes (the "non-portfolio interest test"); and
- (b) the aggregate market value of Atlas' assets which are Australian taxable property (being direct and indirect interests in real property, including leases of land situated in Australia, and mining, quarrying or prospecting rights in respect of minerals, petroleum or quarrying materials situated in Australia) exceeds the aggregate market value of Atlas' assets which are not taxable Australian real property (the "principal asset test").

If you are a non-resident of Australia for tax purposes and hold (either alone or together with your associates) at least 10% of the total number of Atlas Shares on issue, or have so held for any continuous 12 month period within the two years preceding the disposal, you should seek professional advice with respect to the CGT consequences of disposing of your Atlas Shares.

6.4 Foreign resident CGT withholding

Broadly, a person who acquires certain assets from a foreign resident, including indirect Australian real property interests described above, may be required to withhold 12.5% of the purchase price and pay the amount withheld to the Commissioner of Taxation.

If Redstone:

- (a) knows, or reasonably believes, that an Atlas Shareholder is a foreign resident for tax purposes; or
- (b) does not reasonably believe that an Atlas Shareholder is an Australian resident for tax purposes, and:
 - (i) the holder has an address outside Australia; or
 - (ii) Redstone is authorised to pay the shareholder's entitlement to Offer Consideration to a place outside Australia (whether to the shareholder or anyone else),

then a liability to foreign resident CGT withholding (payable by Redstone to the Commissioner of Taxation) will arise if the Atlas Shares are indirect Australian real property interests (ie both the non-portfolio interest test and principal asset test described above are met in relation to the shares).

Where an Atlas Shareholder provides a declaration to Redstone that the shareholder is an Australian resident or their Atlas Shares are not indirect Australian real property interests, there is no requirement for Redstone to withhold under the rules unless Redstone knows the declaration to be false.

If Redstone reasonably believes that an obligation to withhold may arise in respect of the acquisition of Atlas Shares from an Atlas Shareholder, Redstone will withhold an amount from the payment of that shareholder's Offer Consideration and pay the amount withheld to the Commissioner of Taxation.

An Atlas Shareholder who believes the disposal of their Atlas Shares to Redstone may trigger a withholding obligation on the part of Redstone should seek their own professional advice and consider contacting Redstone.

6.5 GST

No liability to GST should arise for Atlas Shareholders in respect of a disposal of their Atlas Shares to Redstone. Atlas Shareholders may be charged GST on costs they incur which relate to the disposal (eg legal, financial and tax advisor fees). Atlas Shareholders may not be entitled to claim input tax credits, or may only be entitled to reduced input tax credits, in relation to the GST amount incurred on these costs. Atlas Shareholders should seek independent GST advice in relation to their individual circumstances.

6.6 Stamp duty

No liability to stamp duty should arise for Atlas Shareholders in any State or Territory of Australia in respect of a disposal of their Atlas Shares. Redstone will pay any stamp duty payable in connection with the Offer and the disposal of Atlas Shares by Atlas Shareholders.

7. Other material information

7.1 On-market purchases by Redstone

Redstone confirms that, where permitted to do so by the Corporations Act, it may purchase Atlas Shares on-market during the Bid Period for prices at or below the Offer Price.

7.2 Modifications to and exemptions from the Corporations Act

Redstone has not obtained from ASIC any modifications of, or exemptions from, the Corporations Act in relation to the Offer, other than the below.

Redstone is relying on section 633A of the Corporations Act as inserted by ASIC Class Order [CO 13/528] and as modified by the specific relief from ASIC referred to below, to send Atlas Shareholders this Bidder's Statement and the Offer contained in it (in the form of this document).

Redstone has sought and obtained from ASIC specific relief in respect of a modification to item 6(b) of section 633(1) of the Corporations Act (as notionally modified by ASIC Class Order [CO 13/528]) and subsection 633A(3) (as notionally inserted by ASIC Class Order [CO 13/528]), as follows:

- (a) in item 6 of the table in subsection 633(1) (as notionally modified by ASIC Class Order [CO 13/528]), omit "item 2" and insert: *"item 2, unless the bidder is eligible to rely on section 633A and the offers are made on terms set out in a replacement bidder's statement that differ from the lodgement terms solely in accordance with a permitted variation."*
- (b) in subsection 633A(3) (as notionally inserted by ASIC Class Order [CO 13/528]), after "subsection 633(1):" insert: *"lodgement terms"* means the terms of the offer set out in the original bidder's statement and offer document lodged with ASIC under item 2 of the table in subsection 633(1); and *"permitted variation"* means a difference arising from an amendment to the Defeating Conditions to the effect that the Defeating Conditions will be satisfied if no event or circumstance of the kind listed in paragraphs 652C(1)(a) – (h) or 652C(2)(a) – (e) occurs prior to the close of the Offer Period (rather than within three Business Days after the close of the Offer), and omit paragraph (d) of the definition of "replacement bidder's statement" and replace with *"(d) sets out or reflects offers under the bid that are on the same terms as the lodgement terms, or terms that differ from the lodgement terms solely in accordance with a permitted variation"*.

ASIC has also published various instruments providing for modifications and exemptions that apply generally to all persons, including Redstone.

7.3 **Consents**

Ashurst and RFC Ambrian Limited have given and have not, before lodgement of this Bidder's Statement with ASIC, withdraw their consent:

- (a) to be named in this Bidder's Statement in the form and context in which they are named; and
- (b) if applicable, to the inclusion of each statement it has made (if any) in the form and context in which the statement appears in this Bidder's Statement.

Each person named in this section 7.3 as having given their consent to the inclusion of a statement or being named in this Bidder's Statement:

- (a) has not authorised or caused the issue of this Bidder's Statement;
- (b) does not make, or purport to make, any statements in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based other than those statements which have been included in this Bidder's Statement with the consent of that person; and
- (c) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Bidder's Statement, other than a reference to their name and any statements or report which have been included in this Bidder's Statement with the consent of that party (if any).

ASIC has published various Class Orders and Legislative Instruments that modify, or exempt parties from compliance with the operation of various provisions of Chapter 6 of the Corporations Act. Redstone has relied on that ASIC Class Order and Legislative Instrument relief.

As permitted by ASIC Class Order 13/521, this Bidder's Statement includes or is accompanied by statements which are made, or based on statements made, in documents lodged with ASIC or given to ASX. Pursuant to this ASIC Class Order, the consent of the person to whom such statements are attributed is not required for the inclusion of these statements in this Bidder's Statement. Any Atlas Shareholder who would like to receive a copy of any of these documents may obtain a copy free of charge (within two Business Days of the request) during the Offer Period by contacting the Redstone Offer Information Line on 1300 853 598 (within Australia) or +61 1300 853 598 (from outside Australia).

As permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72, this Bidder's Statement may include or be accompanied by certain statements:

- (a) fairly representing a statement by an official person;
- (b) that are a correct and fair copy of, or extract from, what purports to be a public official document; or
- (c) that are a correct and fair copy of, or extract from, a statement which has already been published in a book, journal or comparable publication,

provided the statement was not made, or published, in connection with the Offer or Redstone or Atlas or any business, property or person the subject of this Bidder's Statement.

In addition, as permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72, this Bidder's Statement contains share price trading data sourced from IRESS, Bloomberg and ASX without consent.

7.4 **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 Redstone and has not previously been disclosed to the holders of Atlas Shares.

8. **The Offer terms**

8.1 **The Offer**

(a) **Offer for your Atlas Shares**

- (i) Redstone offers to acquire all of your Atlas Shares on the terms set out in this Offer.
- (ii) For the purposes of section 633(2) of the Corporations Act, the date for determining the persons to whom information is to be sent in items 6 and 12 of section 633(1) of the Corporations Act is the Register Date.
- (iii) This Offer extends to all of the Offer Shares, as permitted by section 617(2) of the Corporations Act (as amended by ASIC Class Order 13/521).

(b) **Offer includes Rights**

If Redstone acquires your Atlas Shares under this Offer, Redstone will be entitled to all Rights (including dividends) declared, paid, made or which arise or accrue after the Announcement Date in respect of those Atlas Shares, except to the extent that Redstone elects to waive any such Rights in respect of Atlas Shares.

(c) **Consideration**

Redstone offers \$0.042 cash for each of your Atlas Shares.

(d) **Offer Date**

This Offer is dated 2 July 2018.

8.2 **Offer Period**

- (a) Unless withdrawn, this Offer is open during the period that begins on the date of this Offer and ends at 5:00 pm (Perth time) on the later of:
 - (i) 3 August 2018; or
 - (ii) any date to which the period of this Offer is extended, whether or not in accordance with section 8.2(b) or as required by the Corporations Act.
- (b) Redstone reserves the right, exercisable in its sole discretion, to extend the Offer Period in accordance with the Corporations Act.
- (c) If, within the last seven days of the Offer Period, either of the following events occur:

- (i) the Offer is varied to improve the Offer Consideration; or
- (ii) Redstone's voting power in Atlas increases to more than 50%,

then the Offer Period will be automatically extended so that it ends 14 days after the relevant event in accordance with section 624(2) of the Corporations Act.

8.3 How to accept this Offer

(a) General

Subject to section 8.19, you may only accept this Offer during the Offer Period for all (and not part of) your Atlas Shares.

(b) CHESS Holdings

If your Atlas Shares are in a CHESS Holding (in which case your holder identification number will commence with 'X'), to accept this Offer you must either:

- (i) **complete and sign** the Acceptance Form in accordance with the instructions on it. Once completed and signed, you need to **return** the Acceptance Form together with all other documents required by the instructions on it to the address specified on the form (using the addressed envelope provided, if you wish). This will authorise Redstone to instruct your Controlling Participant (usually your Broker) 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 Redstone in time to give instructions to your Controlling Participant, and for your Controlling Participant to carry out those instructions, before the end of the Offer Period; or
- (ii) **instruct** your Controlling Participant (usually your Broker) to initiate acceptance of this Offer under rule 14.14 of the ASX Settlement Operating Rules, so as to be effective before the end of the Offer Period,

and you must comply with any other applicable ASX Settlement Operating Rules.

(c) Issuer Sponsored Holdings and other holdings

If your Atlas Shares are held on Atlas' issuer sponsored sub-register (in which case your securityholder reference number will commence with 'I'), 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 (using the addressed envelope provided, if you wish) so that they are received by Redstone before the end of the Offer Period.

(d) Participant Acceptance

If you are a Controlling Participant, you must yourself initiate acceptance under rule 14.14 of the ASX Settlement Operating Rules so as to be effective before the end of the Offer Period.

(e) **Risk in Acceptance**

The transmission of an Acceptance Form and any documents that accompany that form to Redstone is at your risk. Neither Redstone, nor anyone on its behalf, will acknowledge receipt of those documents to you.

8.4 **Effect of Acceptance Form**

By completing, signing and returning the Acceptance Form in the manner required by this Offer and that Acceptance Form you:

- (a) authorise Redstone 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 Atlas Shares which are not in a CHESS Holding; and
 - (ii) enable the transfer of your Atlas Shares to Redstone; and
- (b) if any of your Atlas Shares are in a CHESS Holding, authorise Redstone and each of its officers and agents to:
 - (i) instruct your Controlling Participant to effect your acceptance of this Offer for those Atlas Shares under rule 14.14 of the ASX Settlement Operating Rules; and
 - (ii) give to your Controlling Participant on your behalf any other instructions in relation to those Atlas 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 in respect of those Atlas Shares.

8.5 **Your agreement**

By carrying out the instructions in section 8.3 about how to accept this Offer:

- (a) you accept this Offer in respect of all your Atlas Shares despite any difference between that number and the number of Atlas Shares specified in the Acceptance Form;
- (b) you represent and warrant to Redstone as a fundamental condition going to the root of the contract resulting from your acceptance of this Offer that, at the time of your acceptance of this Offer and at the time of transfer of your Atlas Shares to Redstone:
 - (i) all your Atlas Shares are and will upon registration be fully paid up;
 - (ii) Redstone will acquire good title to and beneficial ownership of your Atlas Shares, free from Encumbrances or restrictions on transfer of any kind; and
 - (iii) you have full power and capacity to sell and transfer your Atlas Shares (including any associated Rights) and that you have paid all amounts which at the time of acceptance have fallen due for payment in respect of your Atlas Shares (including any Rights);
- (c) you transfer, or consent to the transfer in accordance with the ASX Settlement Operating Rules of, your Atlas Shares to Redstone in accordance with this Offer and subject to the conditions of the constitution of Atlas (on which they were held

immediately before your acceptance of this Offer) and Redstone agrees to take those Atlas Shares subject to those conditions;

- (d) if and when the contract resulting from your acceptance of this Offer becomes unconditional (even though Redstone has not yet paid or provided the Offer Consideration due to you), you irrevocably appoint Redstone and each director of, and any nominee of, Redstone jointly and each of them severally as your attorney to exercise all powers and rights which you could lawfully exercise as the registered holder of your Atlas Shares or in exercise of any right derived from the holding of your Atlas Shares, including, without limiting the generality of the foregoing:
 - (i) requesting Atlas to register your Atlas Shares in the name of Redstone;
 - (ii) attending and voting in respect of your Atlas Shares at all general and class meetings of Atlas, demanding a poll for any vote taken at or proposing or seconding any resolutions to be considered at any general or class meeting of Atlas and requisitioning any general or class meeting of Atlas;
 - (iii) executing all forms, notices, documents (including a document appointing a director of Redstone as a proxy for any of your Atlas Shares) and resolutions relating to your Atlas Shares; and
 - (iv) doing all things incidental or ancillary to any of the foregoing;
- (e) you will have or will be deemed to have, acknowledged and agreed that in exercising such powers the attorney may act in the interests of Redstone as the intended registered holder of those Atlas Shares. This appointment, being given for valuable consideration to secure the interest acquired in your Atlas Shares is irrevocable and terminates upon registration of a transfer to Redstone of your Atlas Shares;
- (f) you agree that in exercising the powers conferred by the power of attorney in section 8.5(d), Redstone and each of its directors and its nominee are entitled to act in the interest of Redstone;
- (g) if and when the contract resulting from your acceptance of this Offer becomes unconditional (even though Redstone has not yet paid or provided the Offer Consideration due to you), you agree not to attend or vote in person at any general meeting of Atlas or to exercise, or to purport to exercise, (in person, by proxy or otherwise) any of the powers conferred on Redstone and any director or nominee of Redstone by or under section 8.5(d);
- (h) if and when the contract resulting from your acceptance of this Offer becomes unconditional (even though Redstone has not yet paid or provided the Offer Consideration due to you), you authorise Redstone to transmit a message to ASX Settlement in accordance with rule 14.17.1 of the ASX Settlement Operating Rules so as to enter those of your Atlas Shares which are in a CHESS Holding into Redstone's Takeover Transferee Holding;
- (i) you agree to do all such acts, matters and things that Redstone may require to give effect to the matters the subject of this section 8.5 (including the execution of a written form of proxy to the same effect as this section 8.5 which complies in all respects with the requirements of Atlas) if requested by Redstone;
- (j) you agree to indemnify Redstone and each of its agents and nominees in respect of any claim or action against it or any loss, damage or liability incurred by it as a result of you not producing your holder identification number or securityholder reference number or in consequence of the transfer of your Atlas Shares being

registered by Atlas without production of your holder identification number or securityholder reference number;

- (k) you irrevocably authorise and direct Atlas (on receipt of a written request from Redstone) to pay to Redstone or to account to Redstone for all Rights, except to the extent that Redstone elects to waive its entitlement to those Rights. This is subject to any such Rights received by Redstone being accounted for by Redstone to you, in the event that this Offer is withdrawn or avoided;
- (l) except where Rights have been paid or accounted for under section 8.5(k), or Redstone has waived its entitlement as permitted by section 8.1(b), you irrevocably authorise Redstone to deduct from the Offer Consideration payable in respect of your Atlas Shares, the value of any Rights paid to you in respect of your Atlas Shares which, where the Rights take a non-cash form, will be the value of those Rights as reasonably assessed by Redstone; and
- (m) you have represented and warranted to Redstone that, if you are the legal owner but not the beneficial owner of your Atlas Shares:
 - (i) the beneficial holder has not sent a separate acceptance of the Offer in respect of the Atlas Shares;
 - (ii) the number of Atlas Shares you have specified as being the entire holding of Atlas Shares you hold on behalf of a particular beneficial holder is in fact the entire holding; and
 - (iii) that you are irrevocably and unconditionally entitled to transfer your Atlas Shares, and to assign all of the beneficial interest therein, to Redstone.

8.6 Revocation of acceptance

Once you have accepted this Offer the contract resulting from your acceptance will be binding on you, and you will be unable to withdraw or revoke your acceptance or to withdraw your Atlas Shares from the Offer or otherwise dispose of your Atlas Shares, except as follows:

- (a) if, by the relevant time specified in section 8.13, the conditions in section 8.10 have not all been fulfilled or freed, this Offer will automatically terminate; and
- (b) if the Offer Period is extended for more than one month and the obligations of Redstone to pay the Offer Consideration are postponed for more than one month and, at the time, this Offer is subject to one or more of the conditions in section 8.10, you may be able to withdraw your acceptance as permitted by section 650E of the Corporations Act. A notice will be sent to you at the time explaining your rights in this regard.

8.7 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 sections 8.4, 8.5(a) and 8.5(h).

8.8 Validation of otherwise ineffective acceptances

- (a) Redstone may in its sole discretion 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 including, without limitation, because you have accepted the Offer in respect of

only some of your Atlas Shares. If Redstone does treat such an Acceptance Form as valid, subject to section 8.16, Redstone will not be obliged to give the Offer Consideration to you until Redstone receives all those documents and all of the requirements for acceptance referred to in section 8.3 and in the Acceptance Form have been met.

- (b) Redstone will determine, in its sole discretion, all questions as to the form of the Acceptance Form or other documents, your eligibility to accept the Offer and the time of receipt of your acceptance of the Offer. The determination by Redstone is final and binding on all parties.

8.9 Dividends and other entitlements

If any Rights are declared, paid, made or arise or accrue in cash after the Announcement Date in respect of Atlas Shares to the holders of Atlas Shares, Redstone will (provided the same has not been paid to Redstone in respect of those Atlas Shares) be entitled to reduce the Offer Consideration specified in section 8.1(c) and payable to it by the holders of the Atlas Shares by an amount equal to the value of such Rights and, where such Rights are non-cash Rights, Redstone will be able to reasonably assess the value of those Rights. If Redstone does not, or cannot, make such a reduction and you receive the Rights, then you must pay the amount of those Rights to Redstone.

8.10 Defeating Conditions

This Offer and the contract resulting from acceptance of this Offer is subject to the fulfilment or waiver of the following Defeating Conditions:

No prescribed occurrences

During the period beginning on the date the Original Bidder's Statement is given to Atlas and ending at the end of the Offer Period, none of the following events occur:

- (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 issues shares, other than Atlas Shares issued as a result of exercise of the Atlas Options, or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (e) Atlas or a subsidiary of Atlas issues, or agrees to issue, convertible notes;
- (f) Atlas or a subsidiary of Atlas disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (g) Atlas or a subsidiary of Atlas grants, or agrees to grant, a security interest over the whole, or a substantial part, of its business or property;
- (h) Atlas or a subsidiary of Atlas resolves to be wound up;
- (i) a liquidator or provisional liquidator of Atlas or of a subsidiary of Atlas is appointed;

- (j) a court makes an order for the winding up of Atlas or of a subsidiary of Atlas;
- (k) an administrator of Atlas or of a subsidiary of Atlas, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) Atlas or a subsidiary of Atlas executes a deed of company arrangement; or
- (m) 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.

8.11 Separate Defeating Conditions for the benefit of Redstone

Each Defeating Condition:

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

8.12 Nature of Defeating Conditions

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

- (a) a breach of any of the Defeating Conditions entitles Redstone to rescind that contract by notice to you; and
- (b) the non-fulfilment of any of the Defeating Conditions at the end of the Offer Period will have the consequences set out in section 8.15.

8.13 Notice declaring Offer free of Defeating Conditions

Subject to the Corporations Act, Redstone may declare this Offer and any contract resulting from acceptance of this Offer free from any of the Defeating Conditions by giving written notice to Atlas not later than three Business Days after the end of the Offer Period.

8.14 Notice of status of Defeating Conditions

The date for giving the notice on the status of the Defeating Conditions as required by section 630(1) of the Corporations Act is 27 July 2018 (subject to extension in accordance with the Corporations Act if the Offer Period is extended).

8.15 Contract void if Defeating Conditions not fulfilled

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 Defeating Conditions are not fulfilled; and
- (b) Redstone has not declared this Offer and any contract resulting from the acceptance of it free of that Defeating Condition in accordance with section 8.13.

8.16 Payment of Offer Consideration

(a) When will Redstone pay you?

Subject to this section 8.16 and the Corporations Act, if you accept this Offer and, where applicable, Redstone is given the necessary transfer documents with the

Acceptance Form (being the documents referred to in section 8.3 and in the Acceptance Form), Redstone will pay you your Offer Consideration on or before the earlier of:

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

In summary, if you accept the Offer:

- (iii) before the Unconditional Date, you will be paid within seven days after the Unconditional Date; and
- (iv) after the Unconditional Date, you will be paid within seven days after you accept the Offer.

Redstone has undertaken to pay you for your Atlas Shares within the seven day periods referred to above. This is more prompt than the period required by the Corporations Act, but the timing for payment will still depend on the date on which the Offer becomes unconditional.

Redstone may choose not to declare the Offer unconditional during the Offer Period and instead may wait for the Defeating Conditions to be fulfilled by reason of none of the "prescribed occurrences" events occurring by the end of the Offer Period (see section 8.10 for full details regarding the "prescribed occurrences"). It is possible, therefore, that the Offer will become unconditional automatically without Redstone having to do anything at all (including waiving any of the Defeating Conditions or otherwise declaring the Offer unconditional) if none of the "prescribed occurrences" have occurred.

As set out in section 8.2 of this Bidder's Statement, Redstone reserves the right, exercisable in its sole discretion, to extend the Offer Period in accordance with the Corporations Act.⁷ If the Offer Period is extended before the Unconditional Date by a period of more than one month, you may be able to withdraw your acceptance as permitted by section 650E of the Corporations Act (see section 8.6(b) of this Bidder's Statement for full details).

(b) Acceptance Form requires additional documents

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

- (i) if the documents are given with your acceptance, Redstone will pay you in accordance with section 8.16(a);
- (ii) if the documents are given after your acceptance and before the end of the Offer Period while the Offer is subject to a Defeating Condition, Redstone will pay you the Offer Consideration by the end of whichever of the following periods ends first:

⁷ Section 624(1) of the Corporations Act provides that the offers under a takeover bid must remain open for at least one month after the date the first offer under the bid is made, and that the Offer Period must last for not more than 12 months.

- (A) seven days after the contract resulting from your acceptance becomes unconditional; and
 - (B) seven days after the end of the Offer Period; or
 - (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 a Defeating Condition, Redstone will pay you the Offer Consideration by the end of whichever of the following periods ends first:
 - (A) seven days after Redstone is given the documents; and
 - (B) seven days after the end of the Offer Period; or
 - (iv) if those documents are given to Redstone after the end of the Offer Period, Redstone will pay you the Offer Consideration within seven days after those documents are given. However, if, at the time those documents are given to Redstone, the contract resulting from your acceptance of this Offer is still subject to a Defeating Condition in section 8.10, Redstone will pay you the Offer Consideration due to you within seven days after the contract becomes, or is declared, unconditional.
- (c) **Delivery of Offer Consideration**
- Subject to the Corporations Act, Redstone will send cheques for the 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. Payment will be deemed to have been made at the time the cheque is delivered to Australia Post for delivery or placed in an Australia Post postal box.
- (d) **Foreign Atlas Shareholders**
- If, at the time of acceptance of this Offer, any authority or clearance of a Public Authority is required for you to receive the Offer Consideration due to you or you are a resident in or a resident of a place, or you are a person to whom any law (including regulations) of Australia that would make it unlawful for Redstone to provide the Offer Consideration for your Atlas Shares (for example, the *Banking (Foreign Exchange) Regulations 1959* (Cth), and Part 4 of the *Charter of the United Nations Act 1945* (Cth) and any regulations under that act), then acceptance of this Offer will not create or transfer to you any right (contractual or contingent) to receive the Offer Consideration due to you unless and until all requisite authorities or clearances have been obtained by Redstone.
- (e) **Withholding required by law**
- If any amount (**withholding amount**) is determined by Redstone as being required, or reasonably likely to be required, under any law to be:
- (i) withheld from any Offer Consideration otherwise payable to you under this Offer and paid to a Public Authority (including for the avoidance of doubt where Redstone is required, or reasonably likely to be required, to pay an amount to the Commissioner of Taxation under subdivision 14-D of Schedule 1 to the *Taxation Administration Act 1953* (Cth) in connection with the disposal of your Atlas Shares to Redstone); or
 - (ii) retained by Redstone out of any Offer Consideration otherwise payable to you under this Offer,

Redstone may withhold or retain the withholding amount and the withholding or retention by Redstone of the withholding amount (as applicable) will constitute full discharge of Redstone's obligation to pay the Offer Consideration payable to you to the extent of the withholding amount.

8.17 Return of documents

If this Offer does not become unconditional or any contract arising from this Offer is rescinded by Redstone on the grounds of a breach of a condition of that contract, Redstone 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 ASX of this.

8.18 Costs and stamp duty

- (a) Redstone will pay all costs and expenses of the preparation and circulation of the Offer and any stamp duty payable on the transfer of any Atlas Shares to Redstone.
- (b) If your Atlas Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to Redstone you will not incur any brokerage in connection with your acceptance of this Offer.
- (c) If your Atlas Shares are in a CHESS Holding or you hold your Atlas 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.

8.19 Offerees

(a) Transferees

This Offer extends to any person who is able during the Offer Period to give good title to a parcel of your Atlas Shares and has not accepted an offer in the form of this Offer for those Atlas Shares. That person may accept as if an Offer on terms identical to this Offer had been made to that person in respect of those Atlas Shares.

(b) Trustees and nominees

If during the Offer Period and before you accept the Offer your Atlas Shares consist of one or more separate parcels within the meaning of section 653B of the Corporations Act (for example, because you hold your Atlas Shares as trustee or nominee for, or otherwise on account of, another person), section 653B of the Corporations Act will apply so that:

- (i) Redstone is taken to have made a separate Offer to you for each separate parcel of Atlas Shares; and
- (ii) acceptance by you of the Offer for any distinct parcel of Atlas Shares is ineffective unless:
 - (A) you give Redstone notice in accordance with section 8.19(c) stating that your Atlas Shares consist of separate parcels; and
 - (B) your acceptance specifies the number of Atlas Shares in each separate parcel to which the acceptance relates.

(c) **Notices by trustees and nominees**

The notice required under section 8.19(b)(ii)(A):

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

(d) **Atlas Shares subject to Atlas transfer restrictions**

If at any time during the Offer Period some of your Atlas Shares are subject to transfer restrictions imposed by Atlas (for example, because you hold some of your Atlas Shares under an employee incentive plan), then you may accept as if a separate offer in the form of this Offer had been made in relation to the balance of your Atlas Shares. Acceptance for the balance of your Atlas Shares is ineffective unless you give Redstone notice stating the number of your Atlas Shares that are subject to a transfer restriction and explaining the nature of the restriction, and your acceptance specifies the balance of your Atlas Shares.

8.20 Variation and withdrawal of Offer

(a) **Variation**

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

(b) **Withdrawal**

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

8.21 Notices

- (a) Any notices to be given by Redstone to Atlas under the Offer may be given to Atlas by leaving them at, or sending them by pre-paid post to, the registered office of Atlas or by sending them by facsimile transaction to Atlas at its registered office.
- (b) Any notices to be given to Redstone by you or by Atlas under the Offer may be given to Redstone by leaving them at, or sending them by pre-paid post to, Redstone at the address specified on the Acceptance Form.
- (c) Any notices to be given by Redstone to you under the Offer may be given to you by sending them by pre-paid ordinary post or courier, or if your address is outside Australia, by pre-paid airmail or courier, to your address as shown in the share register of Atlas.

8.22 Additional copies of Offer documents

If, for the purposes of accepting the Offer, you require additional copies of this Bidder's Statement and the Acceptance Form, please call the Redstone Offer Information Line on 1300 853 598 (from within Australia) or +61 1300 853 598 (from outside Australia) to request these copies.

8.23 Governing law

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

9. Definitions and interpretation

9.1 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:

Expression	Meaning
\$ or AUD	the lawful currency of Australia.
ACCC	the Australian Competition and Consumer Commission.
Acceptance Form	the form with that title that accompanies the Bidder's Statement and which forms part of the Offer.
Announcement Date	18 June 2018.
Approved Purpose	the meaning given to that term in the Funding Agreement, and includes the purposes described in section 2.2 of this Bidder's Statement.
ASIC	the Australian Securities and Investments Commission.
associate	has the meaning given to that term in the Corporations Act.
ASX	ASX Limited (ABN 98 008 624 691) or, as the context requires, the financial market operated by it.
ASX Listing Rules	the listing rules of ASX.
ASX Settlement	ASX Settlement Pty Limited (ABN 49 008 504 532).
ASX Settlement Operating Rules	the operating rules of ASX Settlement.
Atlas	Atlas Iron Limited (ACN 110 396 168).
Atlas Board	the board of directors of Atlas.
Atlas Directors	the directors of Atlas (as at the date of this Bidder's Statement or otherwise, where the context requires).
Atlas Group	Atlas and its related bodies corporate.
Atlas Options	options over Atlas Shares.
Atlas Shareholder	each person who is recorded in the Atlas share register as the holder of one or more Atlas Shares and, as the context requires, includes and means an Offer Shareholder .
Atlas Share	fully paid ordinary share in Atlas and, as the context requires, includes and means an Offer Share .
Bid Period	the period beginning on the Announcement Date and ending at the end of the Offer Period (each inclusive).

Bidder's Statement	This Replacement Bidder's Statement made by Redstone under Part 6.5 Division 2 of the Corporations Act relating to the Offer, as amended by ASIC Class Order 13/528.
Broker	a person who is a share broker and participant in CHESS.
Business Day	a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Perth, Western Australia.
CHESS	the Clearing House Electronic Subregister System operated by ASX Settlement, which provides for the electronic transfer, settlement and registration of securities.
CHESS Holding	a holding of shares on the CHESS Subregister of Atlas.
CHESS Subregister	has the meaning set out in the ASX Settlement Operating Rules.
Competing Proposal	<p>any offer, proposal or expression of interest, transaction or arrangement (including by way of takeover bid or scheme of arrangement) under which, if entered into or completed substantially in accordance with its terms, a person or two or more persons who are associates, other than Redstone or its related bodies corporate, would directly or indirectly:</p> <ul style="list-style-type: none"> (a) acquire a relevant interest in or become the holder of 20% or more of the Atlas Shares; (b) acquire, obtain a right to acquire, receive or become the holder of, or otherwise obtain, a legal, beneficial or economic interest in: <ul style="list-style-type: none"> (i) 20% or more of the Atlas Shares or the shares of any material subsidiary of Atlas; or (ii) all or a substantial part or material part of the business or property of the Atlas Group; (c) acquire Control of Atlas or any material related body corporate of Atlas; or (d) otherwise acquire or merge with Atlas or any of its Controlled entities, <p>whether by takeover bid, scheme of arrangement, shareholder approved acquisition, capital reduction, share buy-back or repurchase or exchange, sale or purchase of assets or businesses, joint venture, reverse takeover, dual-listed company structure, recapitalisation, establishment of a new holding entity for Atlas, sale or issue of shares or other synthetic merger or any other transaction or arrangement.</p>
Control	has the meaning given to that term in section 50AA the Corporations Act. Controlled has the equivalent meaning.
Controlling Participant	has the meaning set out in the ASX Settlement Operating Rules.
Convertible Securities	the Atlas Options, as well as any other securities exercisable or convertible for Atlas Shares, on issue at the Register Date.

Corporations Act	the <i>Corporations Act 2001</i> (Cth) as modified by any relevant exemption or declaration by ASIC.
Defeating Condition	each condition or part thereof (as applicable) as set out in section 8.10.
Encumbrance	<ul style="list-style-type: none"> (a) a PPS Security Interest; (b) an easement, restrictive covenant, caveat or similar restriction over property; (c) any other interest or arrangement of any kind that in substance secures the payment of money or the performance of an obligation, or that gives a creditor priority over unsecured creditors in relation to any property (including a right to set off or withhold payment of a deposit or other money); (d) a right of any person to purchase, occupy or use an asset (including under an option, agreement to purchase, licence, lease or hire purchase); (e) 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 (f) an agreement to create anything referred to above or to allow any of them to exist.
First Supplementary Bidder's Statement	the supplementary bidder's statement dated 26 June 2018 and lodged with ASIC on that date.
Foreign Law	a law of a jurisdiction other than an Australian jurisdiction.
Funding Agreement	<p>the funding agreement dated 18 June 2018 between HPPL and Redstone setting out the terms on which HPPL has agreed to advance to Redstone:</p> <ul style="list-style-type: none"> (a) the maximum amount that Redstone could be required to pay under the Offer (plus all transaction costs); and (b) any additional amounts required by Redstone for an Approved Purpose including, without limitation, to enable Redstone to advance to Atlas the moneys Atlas requires to service the payment and repayment of the Term Loan B (should this be required and should Redstone and Atlas agree terms for the provision of such funding to Atlas).
GST	the same meaning as in the GST Law.
GST Law	the same meaning as in the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).
HPPL	Hancock Prospecting Pty Ltd (ACN 008 676 417).
HPPL Group	HPPL and its related bodies corporate.

Independent Expert	the independent expert appointed by Atlas in the context of the MRL Proposal.
Issuer Sponsored Holding	a holding of Atlas Shares on Atlas' issuer sponsored sub-register.
MRL	Mineral Resources Limited (ACN 118 549 910).
MRL Proposal	the proposed scheme of arrangement announced on 9 April 2018, which, if implemented, would result in all of the Atlas Shares being acquired by MRL in exchange for shares in MRL.
MRL Scheme	the scheme of arrangement contemplated under the MRL Scheme Implementation Deed.
MRL Scheme Implementation Deed	the scheme implementation deed dated 8 April 2018 between Atlas and MRL, as announced on 9 April 2018.
MRL Scheme Meeting	a meeting of Atlas shareholders, ordered by a court of competent jurisdiction under the Corporations Act, to be convened under section 411(1) of the Corporations Act to consider and vote on the MRL Scheme, and includes any meeting convened following any adjournment or postponement of that meeting.
mtpa	million tonnes per annum.
Offer	the offer as set out in section 8 of this Bidder's Statement (or, if the context so requires, section 8 of this Bidder's Statement itself) and includes a reference to that offer as varied in accordance with the Corporations Act.
Offer Consideration	the consideration offered for your Atlas Shares under the Offer, as set out in section 2.
Offer Period	the period during which the Offer will remain open for acceptance.
Offer Price	\$0.042 per Atlas Share.
Offer Share	<p>means an Atlas Share:</p> <ul style="list-style-type: none"> (a) that is on issue at the Register Date; or (b) in respect of which a person becomes registered or becomes entitled to be registered as the holder prior to the end of the Offer Period as a result of either the conversion of, or the exercise of rights attached to, any Convertible Securities that are on issue at the Register Date, <p>but does not include any Atlas Share in respect of which Redstone or any of its associates already have a relevant interest.</p>
Offer Shareholder	<p>each person who is:</p> <ul style="list-style-type: none"> (a) a registered holder of an Offer Share at the Register Date; or (b) registered, or becomes entitled to be registered, as a holder of an Offer Share prior to the end of the Offer Period.

Original Bidder's Statement	the Bidder's Statement dated 18 June 2018 and lodged with ASIC on that date.
PPS Security Interest	a security interest that is subject to the <i>Personal Property Securities Act 2009</i> (Cth).
Public Authority	any government or any governmental, semi-governmental, statutory or judicial entity or 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 Offer). It also includes any self-regulatory organisation established under statute and any stock exchange.
Redstone	Redstone Corporation Pty Ltd (ACN 625 680 159).
Redstone Group	Redstone and its related bodies corporate.
Register Date	5:00pm (Perth time) on 22 June 2018.
related body corporate	has the meaning given to that term in the Corporations Act.
Removal Date	has the meaning given in section 5.14 of this Bidder's Statement.
Rights	all accretions, rights or benefits of any kind attaching to or arising from Atlas Shares at or after the Announcement Date (including all rights to receive dividends and other distributions declared or paid and to receive or subscribe for shares, notes, options, bonds or other securities to be issued by Atlas or any of its subsidiaries). Rights do not include any franking credits attached to any dividend.
Second Supplementary Bidder's Statement	the supplementary bidder's statement dated 29 June 2018 and lodged with ASIC on that date.
Shareholder Protections	has the meaning given in section 5.1(d) of this Bidder's Statement.
subsidiary	has the meaning given to that term in the Corporations Act.
Superior Proposal	a bona fide Competing Proposal which is not subject to conditions relating to due diligence or financing, and which the Atlas Directors determines, acting on good faith, and, having taken legal and financial advice, in order to satisfy what the Atlas Board reasonably considers to be its fiduciary or statutory duties, would, if completed substantially in accordance with its terms, be likely to result in a transaction materially more favourable to Atlas Shareholders than the MRL Proposal having regard to matters including consideration, conditionality, funding, certainty and timing.
Takeover Transferee Holding	the CHESS Holding to which Atlas Shares are to be transferred after acceptance of the Offer.
Term Loan B	the facility provided under the Term Loan B Documentation.

Term Loan B Documentation	the restated syndicated facility agreement dated 6 May 2016 between among others, Atlas, Credit Suisse AG (Cayman Islands branch) and Credit Suisse AG (Sydney branch), as varied, amended and supplemented from time to time since that date.
Unconditional Date	the date that the Offer is declared free from the Defeating Conditions.
US\$	the lawful currency of the United States of America.
VWAP	volume weighted average price.
your Atlas Shares	<p>means, subject to section 8.19, the Atlas Shares:</p> <ul style="list-style-type: none"> (a) in respect of which you are registered or entitled to be registered as the holder in the register of members of Atlas at the Register Date; (b) any new Atlas Shares in respect of which you are registered or entitled to be registered as the holder on the register of members of Atlas from the Register Date to the end of the Offer Period as a result of the conversion of, or exercise of rights attached to, Convertible Securities; and (c) any other Atlas Shares to which you are able to give good title at the time you accept this Offer during the Offer Period.

9.2 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) Words defined in the ASX Settlement Operating Rules have the same meaning where used in section 8, unless the context requires otherwise.
- (c) Words defined in the GST Law have the same meaning where used in section 5, unless the context requires otherwise.
- (d) Headings are for convenience only and do not affect interpretation.
- (e) 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 reference to legislation or a legislative provision includes any statutory modification or substitution of that legislation or legislative provision and any subordinate legislation issued under that legislation or legislative provision;
 - (ii) a singular word includes the plural, and vice versa;
 - (iii) a word which suggests one gender includes the other genders;
 - (iv) if a word is defined, another part of speech has a corresponding meaning;

- (v) 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;
- (vi) a reference to a person includes a natural person, corporation, statutory corporation, partnership, the Crown or any other organisation or legal entity;
- (vii) a reference to a corporation includes its successors and permitted assigns; and
- (viii) including and includes are not words of limitation;
- (ix) a reference to time is to that time in Perth, Western Australia; and
- (x) appendices to this Bidder's Statement form part of it.

Dated 29 June 2018

This Bidder's Statement has been approved by a resolution of the directors of Redstone.

Signed on behalf of Redstone Corporation Pty Ltd.



Jay Eliot Newby
Director

Need help?

Contact The Redstone Offer Information Line
Phone 1300 853 598 (from within Australia)
Phone +61 1300 853 598 (from outside Australia)

A Your name

SAMPLE NAME 1
SAMPLE NAME 2
<SAMPLE A/C>
SAMPLE ADDRESS 1
SAMPLE ADDRESS 2

Your holding

Holder Identification Number: X12345678910

Atlas Shares held as at
Register Date 99,999,999

If your holding has changed between record date and time of acceptance, then write your current holding here.

This is an important document. If you are in doubt as to how to complete this form, please consult your financial or other professional adviser immediately.

CONTROLLING PARTICIPANT'S NAME

Broker's Name printed here

Transfer and Acceptance Form – CHESS Subregister

This is a personalised form for the sole use of the holder and holding recorded above.

B You must give your instructions to your controlling participant to accept the Offer

If you correctly sign and return this form you will be deemed to have accepted the Offer in respect of **ALL** of your Atlas Shares.

Offer Consideration – Hancock Prospecting Pty Ltd (through its wholly-owned subsidiary Redstone Corporation Pty Ltd) is offering to acquire all of your Atlas Shares for the cash price of AUD \$0.042 per share and on the terms and conditions of the Offer as set out in the Replacement Bidder's Statement dated 29 June 2018.

To accept the Offer you may either:

- directly instruct your Controlling Participant to accept the Offer on your behalf; or
- sign and return this Acceptance Form to the address shown overleaf so that Redstone can contact your Controlling Participant on your behalf and relay your instructions.

If your Controlling Participant acts on your instruction CHESS will send you a confirmation notice.

C Contact details

Please provide your contact name and telephone number in case we need to speak to you about this Acceptance Form.

Telephone Number where you can be contacted during business hours

Contact Name (PRINT)

D You must sign this form for your instructions in this Acceptance Form to be executed

I/We, the person(s) named above, accept the Offer in respect of all my/our Atlas Shares and hereby agree to transfer to Redstone Corporation Pty Ltd all my/our Atlas Shares for the consideration specified in the Offer, and on the terms and conditions of the Offer as set out in the Replacement Bidder's Statement dated 29 June 2018.

Shareholder 1 (Individual)

Sole Director & Sole Company Secretary

Shareholder 2 (Individual)

Secretary/Director (delete one)

Shareholder 3 (Individual)

Director

Please refer overleaf for further important instructions

REGISTRY USE ONLY



HIN



Broker PID



Holding

AGOT TKO002



Further Important Instructions

If your Atlas Shares are in a CHESS Holding, you do not need to complete and return this Acceptance Form to the registry to accept the Offer. You can instead contact your Controlling Participant and instruct them to accept the Offer on your behalf in sufficient time before the end of the Offer Period to enable your Controlling Participant to give effect to your acceptance of the Offer on CHESS during business hours. If you decide to use this Acceptance Form to authorise us to contact your Controlling Participant on your behalf, follow the instructions below. You should allow Link Market Services Limited ("Link") sufficient time for the delivery of the Acceptance Form to your Controlling Participant on your behalf. Neither Redstone Corporation Pty Ltd, nor Link will be responsible for any delays incurred by this process.

Please refer to the Replacement Bidder's Statement dated 29 June 2018 which accompanies this Acceptance Form. Terms defined in the Bidder's Statement have the same meaning in this Acceptance Form.

Completion instructions

- A** • **Please check the front page** to ensure that your name and address are correct. If incorrect, please write your correct details and initial the amendments. Amendments to your name or address can only be processed by your Controlling Participant.
- **Please note** your consideration will be issued in the names as they appear on the Atlas share register.
- D** • **Please sign this Acceptance Form** in the places for signature(s) set out on the front page and in accordance with the following instructions:
- **Joint Shareholders:** If your Atlas Shares are held in the names of more than one person, all of those persons must sign this Acceptance Form.
 - **Corporations:** This Acceptance Form must be signed by either two directors or a director and a company secretary. Alternatively, where the company has a sole director and, pursuant to the Corporations Act, there is no company secretary, or where the sole director is also the sole company secretary, that director may sign alone. Alternatively, a duly appointed attorney may sign.
 - **Powers of attorney:** If this Acceptance Form is signed under a power of attorney, please attach a certified copy of the power of attorney to this Acceptance Form when you return it. If this Acceptance Form is signed under Power of Attorney, the attorney declares that he/she has no notice of revocation of the Power of Attorney.
 - **Deceased Estates:** All the executors and administrators must sign this Acceptance Form. When you return this Acceptance Form, please attach it to a certified copy of probate, letters of administration or certificate of grant accompanied (where required by law for the purpose of transfer) by a certificate of payment of death or succession duties and (if necessary) a statement in terms of Section 1071B(9)(b)(iii) of the Corporations Act.

Personal Information Collection Notification Statement: Personal information about you is held on the public register in accordance with Chapter 2C of the *Corporations Act 2001* (Cth). For details about Link Group's personal information handling practices including collection, use and disclosure, how you may access and correct your personal information and raise privacy concerns, visit our website at www.linkmarketservices.com.au for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 9am–5pm (Sydney time) Monday to Friday (excluding public holidays) to request a copy of our complete privacy policy.

Lodgement instructions

- Mail or deliver completed Acceptance Form(s) and any other documents required by the above instructions to:

Mailing Address

Link Market Services Limited
Atlas Iron Limited Takeover
Locked Bag A14
SYDNEY SOUTH NSW 1235

or

Hand Delivery

Link Market Services Limited
Atlas Iron Limited Takeover
1A Homebush Bay Drive
RHODES NSW 2138

- A reply paid envelope is enclosed for use within Australia.

Your acceptance must be received by no later than the end of the Offer Period, which is 7:00pm (AEST) on the last day of the Offer Period.

If you have any questions about the terms of the Offer or how to accept, please call the Redstone Corporation Pty Ltd Offer Information Line on the following numbers:

within Australia: 1300 853 598
outside Australia: +61 1300 853 598

Need help?

Contact The Redstone Offer Information Line
Phone 1300 853 598 (from within Australia)
Phone +61 1300 853 598 (from outside Australia)

A Your name

SAMPLE NAME 1
SAMPLE NAME 2
<SAMPLE A/C>
SAMPLE ADDRESS 1
SAMPLE ADDRESS 2

Your holding

Securityholder Reference Number: I12345678910

Atlas Shares held as at
Register Date 99,999,999

If your holding has changed between record date and time of acceptance, then write your current holding here. Your acceptance will be granted over your updated holding.

This is an important document. If you are in doubt as to how to complete this form, please consult your financial or other professional adviser immediately.

Transfer and Acceptance Form – Issuer Sponsored Subregister

This is a personalised form for the sole use of the holder and holding recorded above.

B You must give your instructions to accept the Offer

If you correctly sign and return this form you will be deemed to have accepted the Offer in respect of **ALL** of your Atlas Shares. Your form must be received before the end of the Offer Period.

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Telephone Number where you can be contacted during business hours

Contact Name (PRINT)

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Shareholder 1 (Individual)

Sole Director & Sole Company Secretary

Shareholder 2 (Individual)

Secretary/Director (delete one)

Shareholder 3 (Individual)

Director

Please refer overleaf for further important instructions

REGISTRY USE ONLY



SRN



Holding

AGOT TKO001



Further Important Instructions

Your Atlas Iron Limited Shares are in an Issuer Sponsored Holding. To accept the Offer, you must complete and return this Acceptance Form in accordance with the instructions below.

Please refer to the Replacement Bidder's Statement dated 29 June 2018 which accompanies this Acceptance Form. Terms defined in the Bidder's Statement have the same meaning in this Acceptance Form.

Completion instructions

- A** • **Please check the front page** to ensure that your name and address are correct. If incorrect, please write your correct details and initial the amendments. Amendments to your name can only be processed by your Atlas Registry.
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 - **Powers of attorney:** If this Acceptance Form is signed under a power of attorney, please attach a certified copy of the power of attorney to this Acceptance Form when you return it. If this Acceptance Form is signed under Power of Attorney, the attorney declares that he/she has no notice of revocation of the Power of Attorney.
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Atlas Iron Limited Takeover		Atlas Iron Limited Takeover
Locked Bag A14		1A Homebush Bay Drive
SYDNEY SOUTH NSW 1235		RHODES NSW 2138

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