



1 March 2011

Company Announcements Office
ASX Limited
Level 8, Exchange Plaza
2 The Esplanade
Perth, WA 6000

**Atlas Iron Limited (Atlas, ASX: AGO) –
off-market takeover bid for Giralia Resources NL (Giralia, ASX: GIR)**

Dear Sir/Madam

We refer to Atlas' recommended off-market takeover offer for all of the outstanding shares in Giralia (**Offer**).

The Offer closed at 5.00pm AWST on Monday 28 February 2011. As at the close of the Offer, Atlas had a relevant interest in 97.09% of the ordinary shares in Giralia. Atlas is therefore entitled to proceed with compulsory acquisition of the remaining shares in Giralia pursuant to section 661A of the Corporations Act 2001 (Cth) (**Corporations Act**).

Accordingly, we enclose a copy of ASIC form 6021 (Notice of compulsory acquisition following takeover bid) (**Compulsory Acquisition Notice**) and the accompanying covering letter (**Letter**) to be sent to remaining Giralia shareholders in accordance with section 661B(1)(d) of the Corporations Act.

The Compulsory Acquisition Notice was lodged with the Australian Securities and Investments Commission today in accordance with section 661B(1)(b) of the Corporations Act. The Compulsory Acquisition Notice, the Letter and a form of election will be sent to remaining Giralia shareholders by no later than close of business, 2 March 2011.

Yours faithfully

**On behalf of
ATLAS IRON LIMITED**

Tony Walsh
Company Secretary



Notice of compulsory acquisition following takeover bid

If there is insufficient space in any section of the form, you may attach an annexure and submit as part of this lodgement

Lodgement details

Who should ASIC contact if there is a query about this form?

Name

Murray Wheeler

ASIC registered agent number (if applicable)

139

Company/entity name

Blake Dawson

ACN/ABN/ARBN/ARSN

Telephone number

(02) 9258 6744

Postal address

Level 35, Grosvenor Place

225 George Street, Sydney NSW 2000

Email address (optional)

murray.wheater@blakedawson.com

Notice

Name and address of holder.

To:

Name

The person whose name and address details are set out in the accompanying letter

ACN (if applicable)

At the office of, C/- (if applicable)

Office, unit, level

Street number and Street name

Suburb/City

State/Territory

Postcode

Country (if not Australia)

Name of target company or body

Securities of:

Name ('the Company')

Giralia Resources NL (Giralia)

ACN

009 218 204

Continued... Notice

| | | | | |
|---|--|--|--|---|
| Tick one box | <p>1. Under an</p> <p><input checked="" type="checkbox"/> Off Market Bid</p> <p><input type="checkbox"/> Market Bid</p> <p>offers were made by</p> <p>Atlas Iron Limited ACN (110 396 168) (Atlas)</p> <p>in respect of the acquisition of</p> <p>Giralia ordinary shares</p> <p>In the Company.</p> <p>The offers</p> <p><input checked="" type="checkbox"/> closed</p> <p><input type="checkbox"/> are scheduled to close</p> <p>on</p> <p>Date</p> <p><input type="text" value="2"/> <input type="text" value="8"/> / <input type="text" value="0"/> <input type="text" value="2"/> / <input type="text" value="1"/> <input type="text" value="1"/></p> <p>[D] [D] [M] [M] [Y] [Y]</p> | | | |
| Name of bidder. | | | | |
| Insert description of class of securities to which the bid related | | | | |
| Tick one box | | | | |
| Insert date offers closed or are scheduled to close | | | | |
| Insert paragraph 5 only where alternative terms are included in the offer | <p>2. You are, or are entitled to be, registered as the holder of securities in respect of which an offer was made, but have not accepted the takeover offer.</p> <p>3. The bidder hereby gives you notice under subsection 661B(1) of the Corporations Act 2001 ("the Act") that the bidder has become entitled pursuant to subsection *661A(1)/661A(3) of the Act to compulsorily acquire your securities and desires to acquire those securities.</p> <p>4. Under section 661D of the Act, you have the right, by notice in writing given to the bidder within one month after this notice is lodged with ASIC, to ask the bidder for a written statement of the names and addresses of everyone else the bidder has given this notice to.</p> <p>5. You are entitled, within one month after being given this notice, or within 14 days after being given a statement requested under section 661D of the Act (as referred to in paragraph 4 of this notice), whichever is the later, by notice in writing to the bidder, to elect which of the following forms of consideration will apply to the acquisition of your securities:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">1.5 Atlas shares for each Giralia share you hold (Share Consideration);</td> </tr> <tr> <td style="padding: 2px;">1.33 Atlas shares plus \$0.50 cash for each Giralia share you hold (Share/Cash Consideration); or</td> </tr> <tr> <td style="padding: 2px;">You may choose to receive the Share Consideration or Share/Cash Consideration for all your Giralia shares, or alternatively the Share/Cash Consideration for some of your Giralia shares and the Share Consideration for the rest of your Giralia Shares.</td> </tr> </table> <p>If you do not elect which of the alternative forms of consideration will apply to the acquisition of your securities, the form of consideration that will apply will be:</p> | 1.5 Atlas shares for each Giralia share you hold (Share Consideration); | 1.33 Atlas shares plus \$0.50 cash for each Giralia share you hold (Share/Cash Consideration); or | You may choose to receive the Share Consideration or Share/Cash Consideration for all your Giralia shares, or alternatively the Share/Cash Consideration for some of your Giralia shares and the Share Consideration for the rest of your Giralia Shares. |
| 1.5 Atlas shares for each Giralia share you hold (Share Consideration); | | | | |
| 1.33 Atlas shares plus \$0.50 cash for each Giralia share you hold (Share/Cash Consideration); or | | | | |
| You may choose to receive the Share Consideration or Share/Cash Consideration for all your Giralia shares, or alternatively the Share/Cash Consideration for some of your Giralia shares and the Share Consideration for the rest of your Giralia Shares. | | | | |
| Insert details of alternative terms. | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">1.5 Atlas shares for each Giralia share you hold.</td> </tr> </table> | 1.5 Atlas shares for each Giralia share you hold. | | |
| 1.5 Atlas shares for each Giralia share you hold. | | | | |
| Set out the terms that will apply | | | | |
| Tick one box | <p>6. Under section 661E of the Act, you have the right, within one month after being given this notice or within 14 days after being given a statement requested under section 661D of the Act (as referred to in paragraph 4 of this notice), whichever is the later, to apply to the Court for an order that the securities not be compulsorily acquired.</p> <p>7. The bidder is entitled and bound to acquire the securities on the terms that applied under the takeover bid immediately before</p> <p><input type="checkbox"/> this notice was given.</p> <p><input checked="" type="checkbox"/> the end of the offer period.</p> <p>8. Unless on application made by you under section 661E within one month after being given this notice (as referred to in paragraph 6 of the notice) or within 14 days after being given a statement under section 661D of the Act (as referred to in paragraph 4 of this notice), whichever is the later, the Court otherwise orders, the bidder must comply with paragraph 7 of this notice.</p> | | | |

Signature

Name of person signing

Tony Walsh

Capacity

Company Secretary

Signature

Anthony Walsh

Date signed

/ /
[D] [D] [M] [M] [Y] [Y]

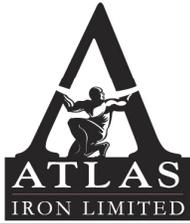
Lodgement

Send completed and signed forms to:
Australian Securities and Investments Commission,
PO Box 9827 in your capital city.

Or lodge the form in person at an ASIC Service Centre
(see www.asic.gov.au/servicecentres)

For more information

Web www.asic.gov.au
Need help? www.asic.gov.au/question
Telephone 1300 300 630



1 March 2011

Dear Giralia Shareholder,

As you are aware, on 21 December 2010 Giralia Resources NL (**Giralia**) and Atlas Iron Limited (**Atlas**) announced a recommended off-market takeover offer by Atlas for all of the outstanding shares in Giralia (**Offer**). The terms of the Offer are contained in the bidder's statement dated 7 January 2011 as varied by the first supplementary bidder's statement dated 4 February 2011 and the second supplementary bidder's statement dated 14 February 2011 (**Bidder's Statement**). Please note that capitalised terms used in this letter have the same meaning as in the Bidder's Statement unless otherwise defined.

The Offer closed at 5:00pm AWST on Monday, 28 February 2011. Our records indicate that Atlas has not received a valid acceptance of the Offer from you.

As Atlas has acquired a relevant interest in more than 90% of the Giralia Shares on issue, Atlas proposes to acquire your Giralia Shares under the compulsory acquisition provisions of the Corporations Act 2001 (Cth) (**Corporations Act**).

We **enclose** an ASIC Form 6021 (Notice of compulsory acquisition following takeover bid) which Atlas is required to give you under section 661B(1)(c)(ii) of the Corporations Act to exercise its right to compulsorily acquire outstanding Giralia Shares. **Please read this form carefully.**

The compulsory acquisition will be on the same terms that applied to the acquisition of Giralia Shares pursuant to the Offer. This means that you may elect to receive:

- A. 1.5 ATLAS SHARES FOR EACH GIRALIA SHARE YOU HOLD (SHARE CONSIDERATION); OR**
- B. 1.33 ATLAS SHARES PLUS \$0.50 CASH FOR EACH GIRALIA SHARE YOU HOLD (SHARE/CASH CONSIDERATION).**

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

Please follow the instructions on the **enclosed form of election** to indicate your election.

If you do not make a valid election, you will receive the Share Consideration for your Giralia Shares, unless you are an Ineligible Foreign Shareholder.



If you are an Ineligible Foreign Shareholder, you will not be entitled to receive Atlas Shares as a component of either the Share Consideration or Share/Cash Consideration. Instead, the Atlas Shares component of your Share Consideration or Share/Cash Consideration will be sold by a nominee approved by ASIC and you will receive the net proceeds of this sale. For further information on the treatment of Ineligible Foreign Shareholders please see section 11.22 of the Bidder's Statement.

If your Giralia Shares are compulsorily acquired, you will receive the consideration for your Giralia Shares upon completion of the compulsory acquisition process. The compulsory acquisition process, which is subject to the Corporations Act, is likely to take approximately 4 to 6 weeks but may take longer in some circumstances.

[If you have any questions regarding the compulsory acquisition of your Giralia Shares, please call our offer information line on Toll Free - 1800 600 409 (within Australia), Toll Free – 0800 540 007 (within New Zealand) or +61 2 8256 3378 (international) between 9.00am and 5.00pm (AWST), Monday to Friday.]

Yours sincerely

**On behalf of
ATLAS IRON LIMITED**

Tony Walsh
Company Secretary