



ASX ANNOUNCEMENT

10 July 2014

ATLAS SHIPS A RECORD 10.9MT FOR FY2014, TO BEAT FULL-YEAR PRODUCTION GUIDANCE

HIGHLIGHTS

- A record 3.1Mt (WMT) shipped during the June 2014 Quarter
- 12Mtpa production target achieved ahead of time
- A record 10.9Mt (WMT) shipped for FY2014, up 47% on FY2013
- Result beats previous full-year production guidance of 10.2Mt to 10.7Mt shipped
- Annual result comprises 9.6Mt of Standard Fines and 1.3Mt of Value Fines
- 63% increase in Standard Fines from FY2013
- Total 30Mt (WMT) shipped since Atlas' production started

Atlas Iron (ASX: AGO) is pleased to announce that it has beaten its full-year production guidance after shipping a record 3.1Mt in the June 2014 Quarter.

The result took shipments to a record 10.9Mt for the year to 30 June 2014, a 47% increase on the previous corresponding period. Atlas has now shipped more than 30Mt since its operations started.

The full-year result includes 9.6Mt of Standard Fines and 1.3Mt of Value Fines, highlighting the strong production performance within Atlas' Standard Fines category during the second half and in particular during the June 2014 quarter. Atlas previously provided production guidance for FY2014 of 9 to 9.3Mt of Standard Fines and 1.2 to 1.4Mt of Value Fines.

The June 2014 Quarter result also means Atlas has achieved its target of hitting a production rate of 12Mtpa in FY2014.

"These strong quarterly and annual production results again demonstrate Atlas' ability to operate existing projects efficiently while at the same time developing new mines," Atlas Managing Director Ken Brinsden said.

"We believe the combination of our existing operations, our resource base and our outstanding pipeline of growth options puts us in an enviable position among our peer group."

Mr Brinsden said the iron ore market had softened as a result of the additional supply introduced by the major producers over a relatively short period. This, combined with current credit constraints in China, had led to lower headline prices for the benchmark 62% Fe product and increased discounts for product of Atlas' nature over the second half, and in particular the June 2014 quarter.

"We are confident that the supply and demand balance for iron ore and the 'value-in-use' differential between products of differing grades, means both price and product discounts have likely overshot their natural range. While it is good to see some stability emerge in iron ore markets in recent weeks, we will continue to focus on those matters we can control," he added.

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