

August Production Figures

Stronger Margins; 14 -15Mtpa export rate achieved 4 months ahead of schedule

Highlights

- Full Cash costs for August of A\$56.52/WMT CFR (June 15 QTR: A\$66/WMT CFR)
- Average realised price for August of A\$61/WMT CFR (July \$A57WMT CFR)
- August shipped tonnes 1.18M WMT up 33% July 0.85M WMT

Atlas Iron (ASX:AGO) is pleased to advise that it recorded stronger margins in the month of August on the back of increased realised prices. Atlas also advises that it achieved its targeted production rate of 14-15Mtpa in August, four months ahead of schedule, and expects to sustain this production level.

Full cash costs of A\$56.52/WMT CFR in August (includes rate uplift but pre contractor collaboration margin share) from A\$66/WMT CFR in the June Quarter. Atlas' average realised sale price for August was A\$61/WMT CFR.

"Atlas is in an increasingly strong position with positive cashflow, improved costs and rising production," Managing Director David Flanagan said. "We completed a complicated production ramp up ahead of schedule while reducing costs. The team is doing an outstanding job."

Media Enquiries:

Read Corporate +61 8 9388 1474 Paul Armstrong +61 421 619 084

All-in cash costs includes C1 Cash Costs, royalties, freight, corporate and administration, expensed exploration and evaluation but excludes interest expense, capital expenditure, one-off restructuring costs, suspension and ramp up costs of operating mine sites, Contractor Collaboration Margin and other non-cash expenses. C1 Cash Costs are inclusive of contractors and Atlas' costs including any uplift in rates paid to collaborating contractors (see ASX Announcement dated 15 May 2015). All-in cash costs are derived from unaudited management accounts. This non-IFRS measure is unaudited.

Full cash costs includes All-in cash costs', capitalised exploration and evaluation, interest expense and sustaining capital expenditure, but excludes depreciation and amortisation, one-off restructuring costs, suspension and ramp up costs of operating mine sites, Contractor Collaboration Margin and other non-cash expenses. Full cash costs are derived from unaudited management accounts. This non-IFRS measure is unaudited.