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10 May 2016

By mail

To Company Announcements Platform
Australian Securities Exchange

Notice of initial substantial holder

Dear Sir/Madam

On behalf of Legg Mason, Inc, we enclose a Form 603 (*Notice of initial substantial holder*) in respect of Atlas Iron Limited ACN 110 396 168 (ASX:AGO) pursuant to section 671B of the *Corporations Act 2001* (Cth).

Yours faithfully
Gilbert + Tobin

David Clee
Partner
T +61 2 9263 4368
dclee@gtlaw.com.au

Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme Atlas Iron Limited

ACN/ARSN 110 396 168

1. Details of substantial holder (1)

Name Legg Mason, Inc (Legg Mason), Western Asset Management Company (WAMCO) and the entities listed in Annexure A (Associates) (together the Substantial Holders).

ACN/ARSN (if applicable) Not applicable.

The holders became a substantial holder on 6 May 2016

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a

relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary shares	1,391,242,768	1,391,242,768	15.63%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
WAMCO	Relevant interest under sections 608(1)(b) and (c) of the <i>Corporations Act 2001</i> (Cth) (<i>Corporations Act</i>) in the ordinary shares held by or on behalf of the funds listed in Annexure A of this form (<i>Managed Entities</i>).	1,391,242,768 ordinary shares
Legg Mason	Relevant interest under section 608(3)(b) of the <i>Corporations Act</i> as a result of controlling WAMCO.	1,391,242,768 ordinary shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number
See Annexure B.			

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)	Class and number
WAMCO and the Managed Entities	6 May 2016	The Managed Entities acquired their relevant interests in consideration for the compromise and extinguishment of a proportion of their claims in respect of certain secured debt owed by Atlas. WAMCO did not provide any further consideration in respect of the acquisition of the relevant interests.	1,391,242,768 ordinary shares
Legg Mason	6 May 2016	Nil.	1,391,242,768 ordinary shares

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Legg Mason	The persons named in paragraph 3 and the Associates are associates of each other because they are controlled by Legg Mason (section 12(2)(a) of the Corporations Act)

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
WAMCO	385 East Colorado Blvd, Pasadena, CA 91101
Legg Mason	c/o Legg Mason, 100 International Drive, Baltimore, MD 21202
Managed Entities	c/o Western Asset Management Company, 385 East Colorado Blvd, Pasadena, CA 91101
Associates	See Annexure A

Signature

Legg Mason, Inc

print name Justin Lau

capacity Authorized Signatory

sign here

date May 06, 2016

Annexure "A"

This is Annexure "A" referred to in the Form 603 "Notice of initial substantial holder"

Name of Associate	Address
Legg Mason & Co., LLC.	100 International Drive, Baltimore, MD 21202, USA
Legg Mason Asset Management Australia Limited	Level 47, 120 Collins Street, Melbourne, Victoria 3000 Australia
Legg Mason Asset Management Hong Kong Limited	12 Floor York House The Landmark 15 Queen's Road Central
Legg Mason Asset Management (Japan) Co., Limited	Shin Marunouchi Building, 36 th Floor, Marunouchi 1-5-1, Chiyoda-ku, Tokyo 100-6536, Japan
Legg Mason Asset Management Singapore Pte. Limited	1 George Street, #23-02, Singapore 049145
Brandywine Global Investment Management (Canada), ULC	220 Bay Street, Toronto, Ontario M5J 2W4, Canada
Legg Mason Charitable Foundation, Inc.	100 International Drive, Baltimore, MD 21202, USA
Legg Mason International Equities (Hong Kong) Limited	12 F York House, The Landmark, 15 Queens Road, Central, Hong Kong
Legg Mason International Equities Limited	9 th Floor, 10 Exchange Square, Primrose Street, London EC2A 2EN
Legg Mason Investment Funds Limited	201 Bishopsgate London EC2M 3AB United Kingdom
Legg Mason Investments (Europe) Limited	201 Bishopsgate London EC2M 3AB United Kingdom
Legg Mason Investments (Ireland) Limited	30 Herbert Street, Dublin 2, Ireland
Legg Mason Investments (Luxembourg) S.A.	145 Rue de Kiem, 1 st Floor, Straussen, Luxembourg, L8030
Legg Mason Investments (Luxembourg) S.A.	145 Rue de Kiem, 1 st Floor, Straussen, Luxembourg, L8030
Legg Mason Investments (Taiwan) Limited	Suite E, 55F, Taipei 101 Tower, 7, Xin Yi Road, Section 5, Taipei, 110 Taiwan, R.O.C.
Legg Mason Political Action Committee ("PAC")	100 International Drive, Baltimore, MD 21202, USA
Legg Mason Towarzystwo Funduszy Inwestycyjnych Spolka Akcyjna	Senator Building, 12 Bielanska Str. 00-085 Warsaw, Poland
The Baltimore Company	100 International Drive, Baltimore, MD 21202, USA
Legg Mason & Co (UK) Limited	201 Bishopsgate, London EC2M 3AB United Kingdom
Legg Mason Canada Holdings Ltd	44 Chipman Hill, 10 th Floor, St John, New Brunswick E2L 4S6, Canada
Legg Mason Commercial Real Estate Services, Inc.	100 International Drive, Baltimore, MD 21202, USA
Legg Mason Funding Ltd	Walkers Corporate Services Limited, Walker House, 87 Mary Street, George Town, Grand Cayman, KY-9002, Cayman Islands
Legg Mason Global Holdings Ltd	Walkers Corporate Services Limited, Walker House, 87 Mary Street, George Town, Grand Cayman, KY-9002, Cayman Islands

Name of Associate	Address
Legg Mason International Holdings, LLC	100 International Drive, Baltimore, MD 21202, USA
Legg Mason (Chile) Inversiones Holding Limitada	Avenida Andres Bello 2687, oficina 301, Las Condes, Santiago Chile, avenida Andres Bello 2687, oficina 301, Las Condes, Santiago Chile
Legg Mason Investments Holdings Limited	201 Bishopsgate, London EC2M 3AB United Kingdom
Legg Mason Investments Nominees Limited	201 Bishopsgate London EC2M 3AB United Kingdom
Legg Mason (UK) Holdings Limited	201 Bishopsgate London EC2M 3AB United Kingdom
Legg Mason Real Estate Securities Advisors, Inc.	100 International Drive, Baltimore, MD 21202, USA
Legg Mason Realty Group, Inc.	100 International Drive, Baltimore, MD 21202, USA
Legg Mason realty Partners, Inc.	100 International Drive, Baltimore, MD 21202, USA
Legg Mason Tower, Inc.	100 International Drive, Baltimore, MD 21202, USA
LM BAM, Inc.	46 Public Square, Suite 700, Wilkies Barre, PA 18701 USA
LM (BVI) Limited	PO Box 173, Kingston Chambers Road, Town British, Virgin Islands
LM Capital Support V, LLC	100 International Drive, Baltimore, MD 21202, USA
LM Holdings Limited	201 Bishopsgate London EC2M 3AB United Kingdom
LM Holdings 2 Limited	201 Bishopsgate London EC2M 3AB United Kingdom
LM International Holding LP	Walker House, Mary Street, PO Box 908GT
LM Tower, LLC	100 International Drive, Baltimore, MD 21202, USA
Nova Scotia Company	1959 Upper Water St. Ste 800, Halifax, Nova Scotia B3J 2X2, Canada
Barrett Associates, Inc.	90 Park Avenue, New York NY 10016-1301, USA
Batterymarch Financial, Management, Inc.	200 Clarendon Street, Boston, MA 02116, USA
Brandywine Global Investment Management, LLC	2929 Arch Street, 8 th Floor, Philadelphia, Pennsylvania 19104, USA
Brandywine Global Investment Management (Europe) Limited	Level 17, Heron Tower, 110 Bishopsgate, EC2N 4AY
Brandywine Global Investment Management (Asia) Pte. Ltd.	6 Battery Road, #15-01A Singapore, 049909
Clearbridge Investments, LLC	620 8 th Avenue, 48 th Floor, New York, NY 10018 USA
Clearbridge, LLC	100 International Drive, Baltimore, MD 21202, USA
Legg Mason Fund Asset Management, Inc.	620 8 th Avenue, 48 th Floor, New York, NY 10018 USA
Legg Mason Global Asset Allocation, LLC	620 8 th Avenue, 48 th Floor, New York, NY 10018 USA
Legg Mason Investment Counsel, LLC	100 International Drive, Baltimore, MD 21202, USA
Legg Mason Investment Counsel & Trust Company, N.A.	100 International Drive, Baltimore, MD 21202, USA
Legg Mason Investor Services, LLC	100 International Drive, Baltimore, MD 21202, USA

Name of Associate	Address
Legg Mason Partners Fund Advisor, LLC	620 8 th Avenue, 48 th Floor, New York, NY 10018 USA
Legg Mason Private Portfolio Group, LLC	300 First Stamford Place, Stamford, CT 06902, USA
LMM LLC	100 International Drive, Baltimore, MD 21202, USA
LMOBC, Inc.	600 Vine Street, Suite 2100, Cincinnati, OH 45202, USA
LMP Select, LLC	100 International Drive, Baltimore, MD 21202, USA
Permal Asset Management LLC	900 Third Avenue, 28 th Floor, New York, NY 10022
Permal Capital Management, LLC	The Prudential Tower, 800 Boylston Street, Suite 1325, Boston MA 02199
Permal (PGI) LLC	900 Third Avenue, 28 th Floor, New York, NY 10022
Permal Group Limited	12 St James's Square, London SW1Y 4LB
Permal (Hong Kong) Limited	Suite 1008-101, Level 10, Two Pacific Place, 88 Queensway, Admiralty Hong Kong
Permal Investment Management Services Limited	Dubai International Financial Centre, The Gate Building, 8 th Floor West, P.O.Box 506520, Dubai – U.A.E.
Permal (Isle of Man) Limited	60 Circular Road, Douglas Isle of Man IM1 1SA
Permal (Japan) K.K.	1-1-7, Uchisaiwaicho, Chiyoda-ku, Tokyo, Japan
Permal (Singapore) Pte. Limited	3 Church Street #15-03, Samsung Hub, Singapore 049483
LM Pelican Holdings, L.P.	100 International Drive, Baltimore, MD 21202, USA
Royce & Associates, LLC	745 Fifth Avenue, New York, NY 10019, USA
Royce Fund Services, Inc.	745 Fifth Avenue, New York, NY 10019, USA
Royce Management Company, LLC	745 Fifth Avenue, New York, NY 10019, USA
The Saint James Bank and Trust Company Ltd	Campbell Maritime Ctr, 4 th Floor West Bay Street, P.O. Box N-218 Nassau, Bahamas
Western Asset Management Company Ltd	Shin Marunouchi Building, 36 th Floor, Marunouchi Building 5-1 Marunouchi 1-Chome Chiyodaku, Tokyo 100-6536, Japan
Western Asset Management Company Limited	10 Exchange Square, 10 th Floor, Primrose Street, London EC2A 2EN United Kingdom
Western Asset Management Company Pty Ltd	Level 48, 120 Collins Street, Melbourne Victoria 3000 Australia
Western Asset Management Company distribuidora De Titulos E Valores Mobiliarios Limitada	Avenida Engenheiro Luis Carlos Berrini, 716, 4 th and 5 th Floors-part, 04571-928, Sao Paulo, SP, Brazil
Western Asset Management Company Pte Ltd	1 George Street #23-02, Singapore 049145
Batterymarch Asia GP, Ltd	200 Clarendon Street, Boston, MA 02116, USA
BGIM Capital Management, LLC	2929 Arch Street, 8 th Floor, Philadelphia, Pennsylvania 19104, USA
BMML, Inc.	100 International Drive, Baltimore, MD 21202, USA
Fauchier General Partner Limited	PO Box 44, Dorey Court, Admiral Park, St Peter Port, Guemsey, GY1 3BG
Fauchier Partners Asset Management Limited	Suite A1, Hirzel Court, Hirzel Street, St Peter Port, Guernsey, GY1 2NN

Name of Associate	Address
Fauchier Partners International Limited	6 Front Street, Hamilton, Bermuda
Fauchier Partners Limited	72, Welbeck Street, Longon, W1G OAY, United Kingdom
Fauchier Partners Management Company Limited	72, Welbeck Street, Longon, W1G OAY, United Kingdom
Gray Seifert & Company, LLC	100 International Drive, Baltimore, MD 21202, USA
Jubilee Advisers LLP	72, Welbeck Street, Longon, W1G OAY, United Kingdom
Jubilee Asset Management Limited	Suite A1, Hirzel Court, Hirzel Street, St Peter Port, Guernsey, GY1 2NN
LM Asset Services, LLC	620 8 th Avenue, New York, NY 10018, USA
LMIC Services Company, LLC	100 International Drive, Baltimore, MD 21202, USA
Pelican Holdings I, LLC	100 International Drive, Baltimore, MD 21202, USA
Pelican Holdings II, LLC	100 International Drive, Baltimore, MD 21202, USA
Permal Business Consulting (Beijing) Company Limited	Unit 1903, The Excel Center, No. 6 Wudinghou Road, Xincheng District, Beijing, People's Republic of China
Permal Capital Holdings LLC	The Prudential Tower, 800 Boylston Street, Suite 1325, Boston MA 02199, USA
Permal France SAS	83 Avenue Mareau, Paris 75116, France
Permal France SAS	83 Avenue Mareau, Paris 75116, France
Permal Group LLC	900 Third Avenue, 28 th Floor, New York, NY 10022
Permal Group Holdings, LLC	900 Third Avenue, 28 th Floor, New York, NY 10022
Permal Group Holdings Ltd	900 Third Avenue, 28 th Floor, New York, NY 10022
Permal Group SAS	64, rue Pergolese, 75115 Paris, France
Permal Investment Consulting (Shanghai) Limited	Unit D, 9 th Floor, Mirae Asset Tower, No. 166 Liujiazui Ring Road, Pudong New Area, Shanghai, 200120
Permal UK Ltd	12 St James's Square, London SW1Y 4LB
Saintco Ltd	Campbell Maritime Ctr, 4 th Floor West Bay Street P.O. Box N-218 Nassau, Bahamas
SJBTC Ltd	Campbell Maritime Ctr, 4 th Floor West Bay Street P.O. Box N-218 Nassau, Bahamas 4836
W & P Fund Services	Campbell Maritime Ctr, 4 th Floor West Bay Street P.O. Box N-218 Nassau, Bahamas
Western Asset Holdings (Australia) Pty Ltd	Level 48, 120 Collins Street, Melbourne Victoria 3000 Australia
Western Asset Management (UK) Holdings Limited	10 Exchange Square, 10 th Floor, Primrose Street, London EC2A 2EN United Kingdom
Western Asset Management (Brazil) Holdings Limitada	Avenida Engenheiro Luis Carlos Berrini, 716, 4 th and 5 th Floors-part, 04571-926, Sai Paulo, SP, Brazil

This is Annexure "A" referred to in the Form 603 "Notice of initial substantial holder"

Signature

Legg Mason, Inc

print name
sign here

Justin Lau

capacity **Authorized Signatory**
date **May 06, 2016**

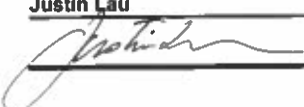


Annexure "B"

This is Annexure "B" referred to in the Form 603 "Notice of initial substantial holder"

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
WAMCO and Legg Mason	1199 SEIU Health Care Employees Pension Fund	1199 SEIU Health Care Employees Pension Fund	11,440,776 ordinary shares
WAMCO and Legg Mason	Allegheny Technologies Incorporated Master Pension Trust	Allegheny Technologies Incorporated Master Pension Trust	28,386,890 ordinary shares
WAMCO and Legg Mason	California State Teachers' Retirement System	California State Teachers' Retirement System	16,932,349 ordinary shares
WAMCO and Legg Mason	Employees' Retirement System of the State of Rhode Island	Employees' Retirement System of the State of Rhode Island	28,244,096 ordinary shares
WAMCO and Legg Mason	John Hancock Fund II Floating Rate Income Fund	John Hancock Fund II Floating Rate Income Fund	447,590,796 ordinary shares
WAMCO and Legg Mason	Legg Mason Western Asset Senior Loans Fund	Legg Mason Western Asset Senior Loans Fund	23,756,113 ordinary shares
WAMCO and Legg Mason	LMP Corporate Loan Fund, Inc	LMP Corporate Loan Fund, Inc	45,391,139 ordinary shares
WAMCO and Legg Mason	Mountain Hawk I CLO, LTD	Mountain Hawk I CLO, LTD	153,118,886 ordinary shares
WAMCO and Legg Mason	Mountain Hawk II CLO, LTD	Mountain Hawk II CLO, LTD	154,527,908 ordinary shares
WAMCO and Legg Mason	Mountain Hawk III CLO, LTD	Mountain Hawk III CLO, LTD	123,873,203 ordinary shares
WAMCO and Legg Mason	MultiMix Wholesale Diversified Fixed Interest Trust	MultiMix Wholesale Diversified Fixed Interest Trust	6,750,058 ordinary shares
WAMCO and Legg Mason	Western Asset Floating Rate High Income Fund, LLC	Western Asset Floating Rate High Income Fund, LLC	242,642,533 ordinary shares
WAMCO and Legg Mason	Western Asset Bank Loan (Multi Currency) Master Fund	Western Asset Bank Loan (Multi Currency) Master Fund	33,949,860 ordinary shares
WAMCO and Legg Mason	Western Asset Bank Loan (Offshore) Fund	Western Asset Bank Loan (Offshore) Fund	74,638,161 ordinary shares

This is Annexure "B" referred to in the Form 603 "Notice of initial substantial holder"

 Signature Legg Mason, Inc
 print name **Justin Lau**
 sign here 
capacity **Authorized Signatory**
date **May 06, 2016**