



ATLAS IRON LIMITED

MAY 2016 INVESTOR PRESENTATION

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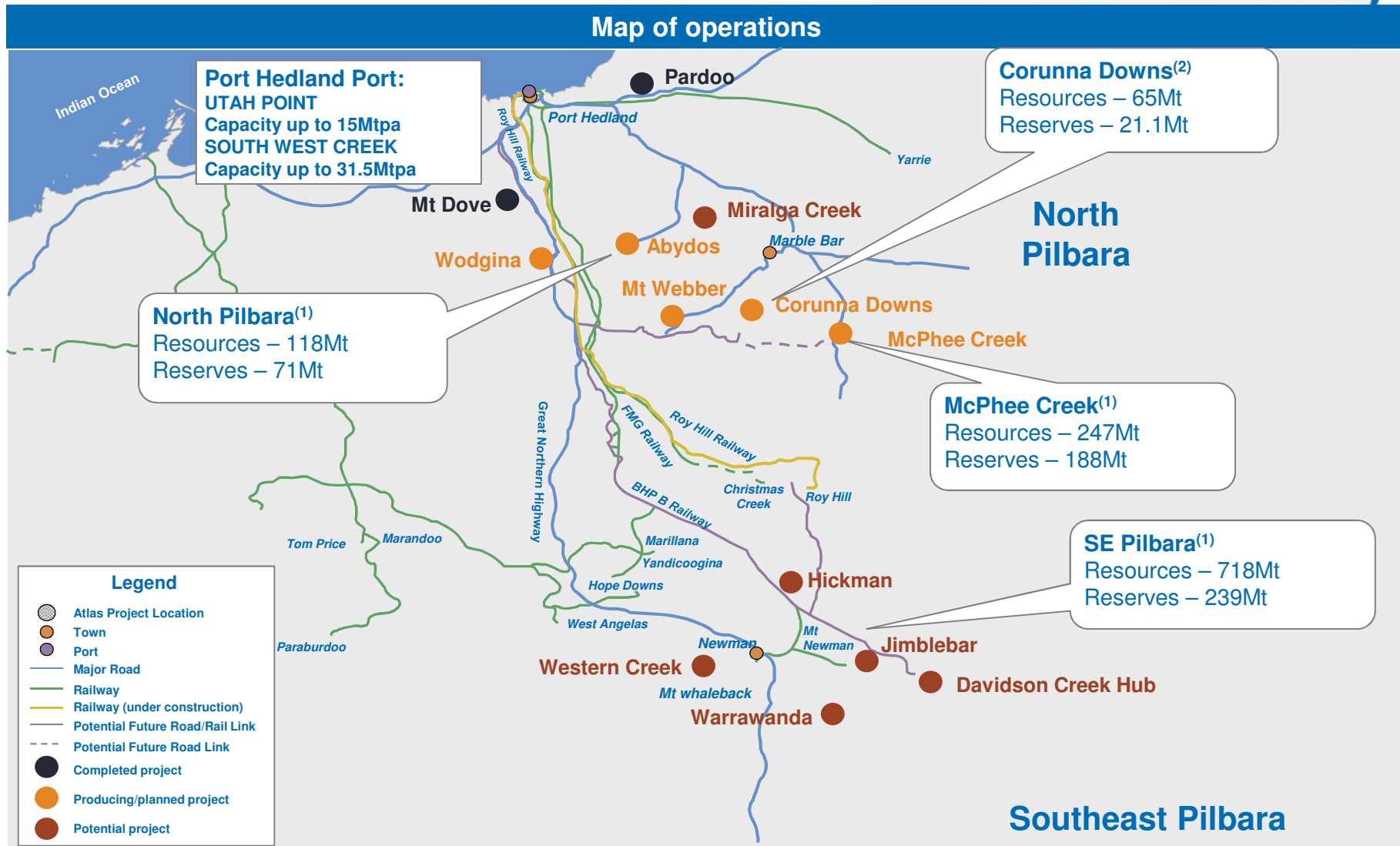
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Overview of operations



(1) Resources and Reserves as at 30 June 2015, please refer to the JORC compliance statements in the appendices to this presentation.

(2) Refer to ASX Announcement on 23 December 2015

Atlas: A New Beginning, A New Investment Opportunity



- **Successful restructure places Atlas in a far stronger financial position**
- **Debt has been halved to US\$135m; repayment extended until April 2021**
- **Annual interest expense cut by A\$20m to A\$10-A\$12m**
- **Lenders now hold 70% of Atlas, aligning them with other shareholders**
- **Costs slashed to just A\$49/t* from A\$66/t 18 months ago**
- **Production running at record rate of ~ 15Mtpa**
- **Potential for annualised ~A\$100m of net operating cash flow based on current iron ore prices and F/X rates**
- **Atlas shares trading at less than 2x net operating cash flow**
- **Significant scope to retire debt early through asset sales, JVs**
- **Experienced, entrepreneurial management with formula for developing and operating projects at extremely low cost**

* - Full cash costs – see definition in Disclaimer

Summary



- **Strategic Pillars**
- **March 2016 Quarter**
- **Post Debt Restructure Financial Position**
- **Last 24 months**
- **Growth Opportunities**
- **Next Steps**

Strategic Pillars



- **Margin growth**
- **Incremental development**
- **Debt reduction – targeting repayment by 2021**

Overview of core assets



Overview					
	1 Wodgina	2 Abydos	3 Mt Webber	4 Corunna	5 McPhee
Mining start	Jun-10	Apr-13	Jun-14	Dec-17 Qtr	2 nd Half of CY18
Production	5-6Mtpa	3-4.3Mtpa	6-7Mtpa	3-4Mtpa	3-4Mtpa (Stage 1 above the water table)
Transport model	Trucking	Trucking	Trucking	Trucking	Trucking
% Lump	N/A	66%	50%	50%	50%
Ore Reserves ⁽¹⁾⁽³⁾	5.9Mt (Standard Fines) 3.0Mt (Value Fines)	6.2Mt	52.2Mt	21.1Mt	188Mt
Mineral Resources ⁽²⁾	32.4Mt	19.1Mt	62.2Mt	65.0Mt	247Mt
Strip ratio	0.82:1	0.75:1	0.40:1	0.50:1	1.50:1
Other	Large "values fines" stockpiles can be sold stand alone, and/or blended into standard fines	Miralga Creek in close proximity which could access Abydos infrastructure	Production not currently within Collaboration Agreement –no uplift or profit share	Resource of scale with exploration potential	Resource of scale - opportunity to increase production in future to 10-15Mtpa

⁽¹⁾ Atlas Annual Report: As of 30 June 2015 less production to 30 September 2015

⁽²⁾ Atlas Annual Report: As of 30 June 2015

⁽³⁾ Corunna Downs - refer to ASX Announcement on 23 December 2015

March 2016 Quarter



- **Record 3.9M WMT shipped, up 7%**
- **Average realised price of A\$53/WMT CFR**
- **Full cash costs fell to A\$49/t CFR* in Mar16 Qtr, down from A\$54/t in Dec15 Qtr and A\$66/t in Dec14 Qtr**
- **Iron ore markets continued to be volatile**

March 2016 Quarter Metrics	Mar 16 Quarter	Dec 15 Quarter	Variance Quarter	YTD 31 Mar16	FY2016 Guidance**
Ore tonnes shipped (WMT)	3.9M	3.6M	7%	10.7M	14M – 15M
C1 cash costs (A\$/WMT FOB)	\$33	\$36	8%-	\$35	\$35 - \$38
Full cash cost (A\$/WMT CFR China)*	\$49	\$54	(9)%	\$53	\$55 - \$59
Development Capital (A\$)	-	\$7M	(100)%	\$10.3M	\$10M - \$15M
Depreciation & Amortisation (A\$/WMT)	\$6	\$7	(14)%	\$7	\$6 - \$7
Net AUD Atlas CFR Sale Price (A\$/WMT)	\$53	\$51	4%		No Guidance provided

* - Full cash costs – see definition in Disclaimer

** - Original FY2016 Guidance provided in the Oct16 Qtr Report – unchanged since then

Post Debt Restructure Financial Position



- **A\$72M in cash at end of April 2016**
- **US\$135M in TLB debt – repayable in April 2021**
- **Cash Interest of circa A\$10M - A\$12M pa**
- **Full cash costs reduced by circa A\$20M pa due to interest savings**

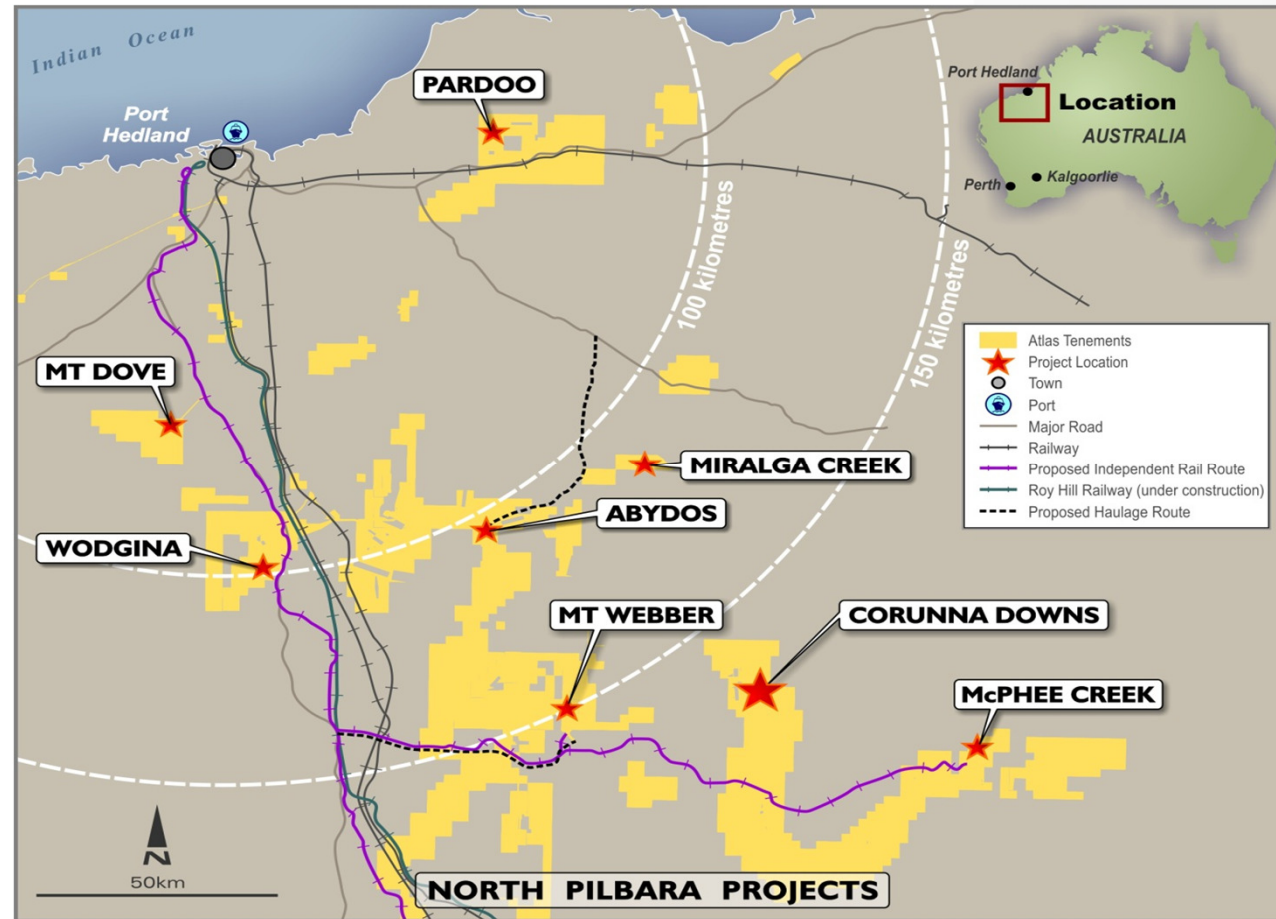
Key Pilbara Operations

Significant strategic foothold in WA's Pilbara region

Mining at Wodgina, Abydos and Mt Webber



- On road haulage to port, export through Utah Point, Port Hedland
- Abydos;
 - 2 to 3Mtpa,
 - 1 to 1 1/2 years mine life,
- Wodgina;
 - 5 to 6Mtpa,
 - 1 1/2 year mine life,
- Mt Webber;
 - 5.5 to 6.5Mtpa,
 - 7 to 8 year mine life,

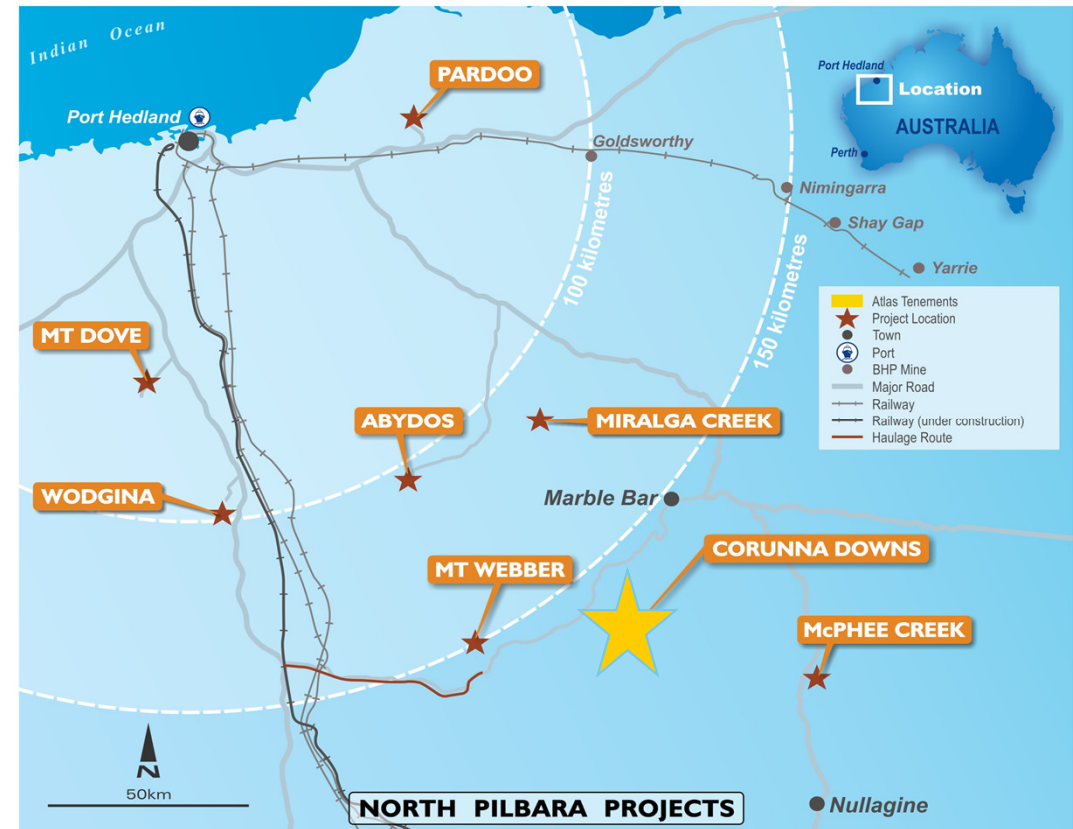


Low Cost Growth Opportunities

- Corunna Downs



- On road haulage to port
- Pardoo “basics” model
- Increased payload for road trains
- 65.4Mt @ 57.2% Fe Mineral Resource*
- 21.1Mt @ 57.0% Fe Ore Reserves*
- 241km from Port
- Targeting;
 - 3-4Mtpa,
 - 5-6yr mine life,
 - PFS: C1 cost of A\$37- 42/WMT
 - Targeting C1 cost A\$32- 35/WMT
 - Ultra-Low CAPEX total <A\$40M



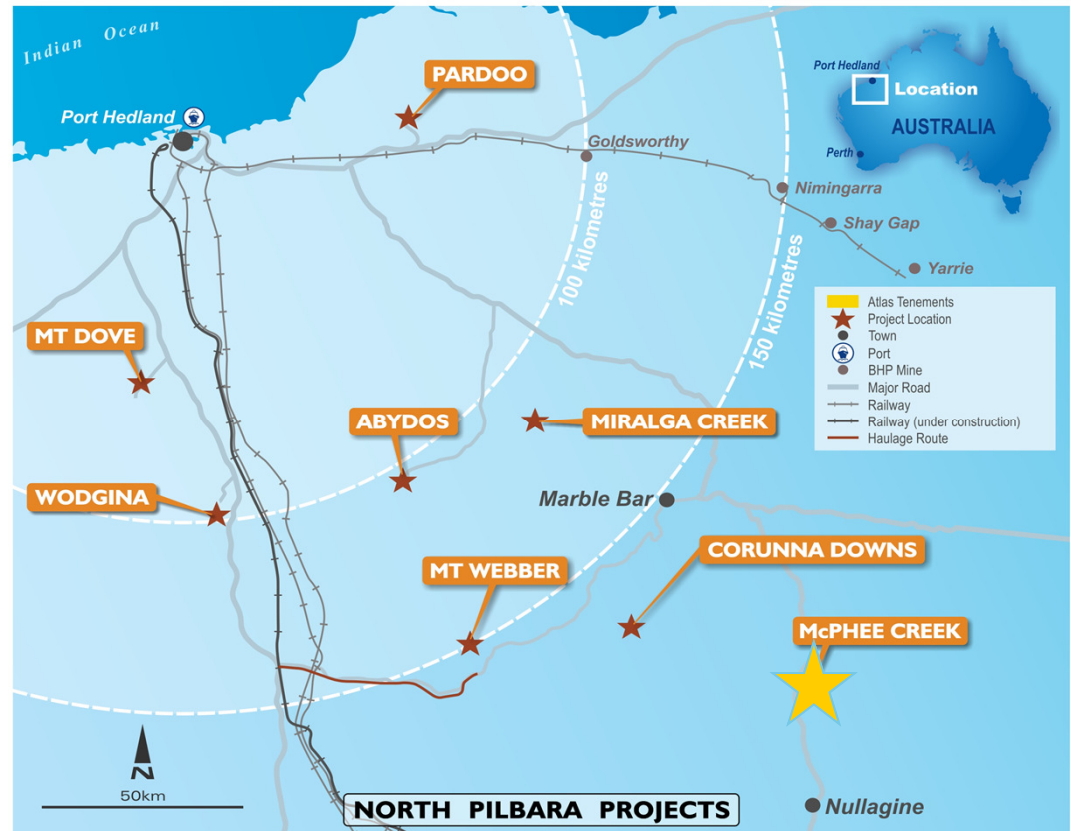
* Refer to ASX Announcement on 23 December 2015

Low Cost Growth Opportunities

- McPhee Creek



- Road haulage similar to Corunna Downs route
- Cost/budget of owner operator model for road trains
- 260 - 270km from Port
- 246.9Mt @ 56.3% Fe Mineral Resource*
- 188.2Mt @ 56.0% Fe Ore Reserves*
- Targeting;
 - 10Mtpa (potentially expandable)
 - 10yr mine life,
 - C1 costs target similar to Corunna
 - **Low CAPEX**



* Refer to 2015 Annual Report for McPhee Creek Mineral Resources and Ore Reserves at 30 June 2015

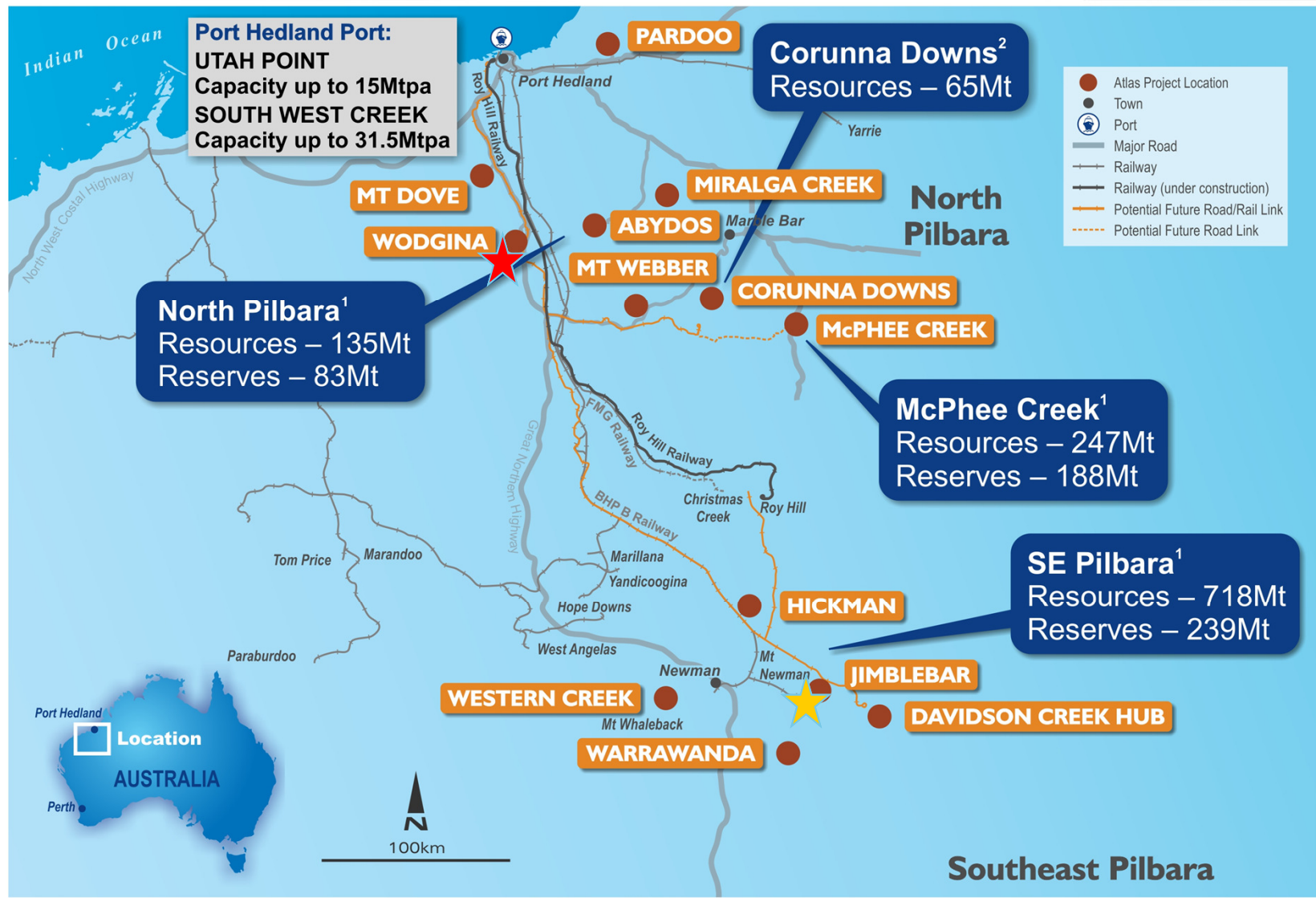
Growth Opportunities

- Non Core Exploration and JV Opportunities

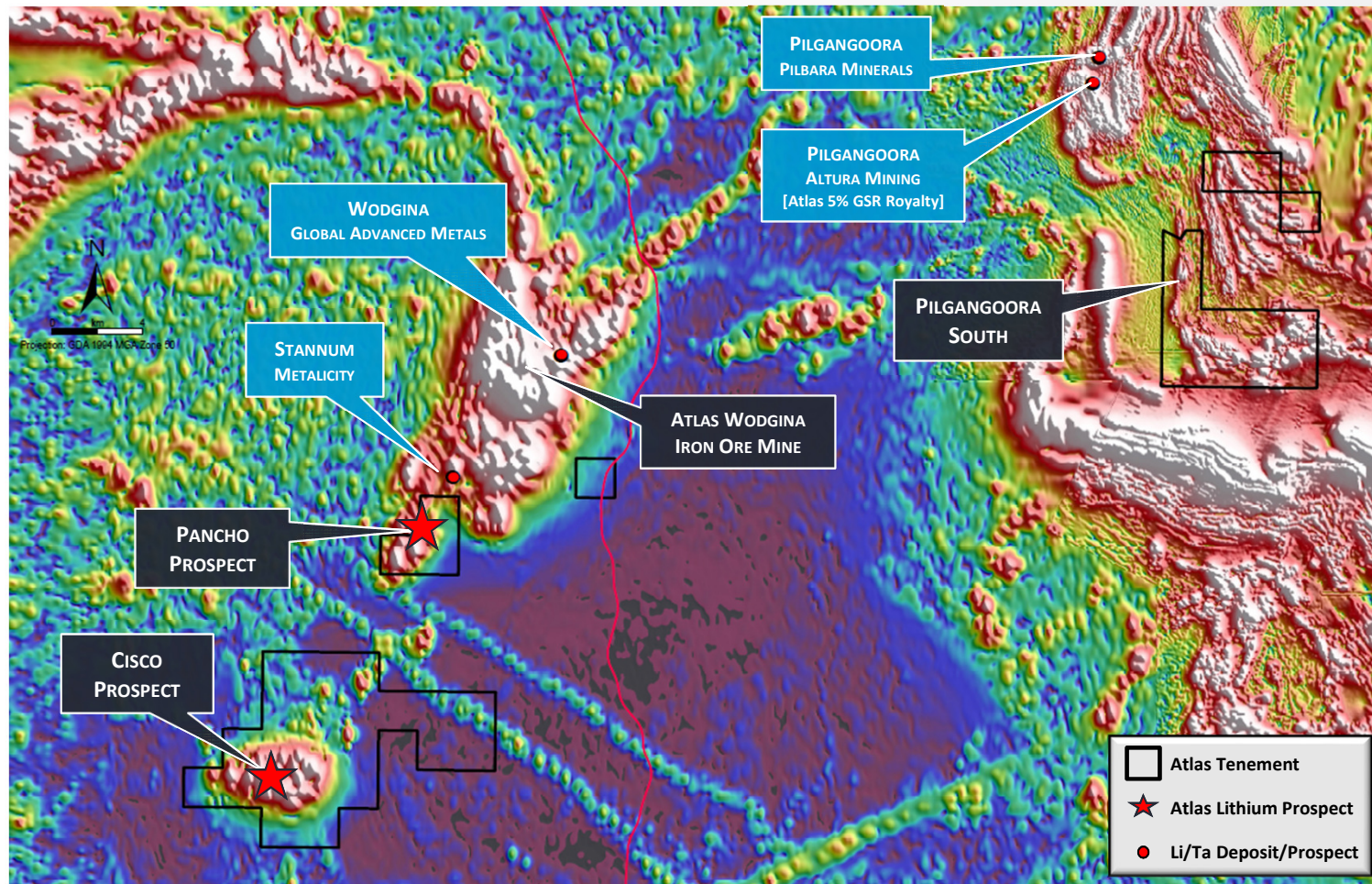


- Lithium –
- ★ - Cisco

- Copper
- ★ - Copper Range



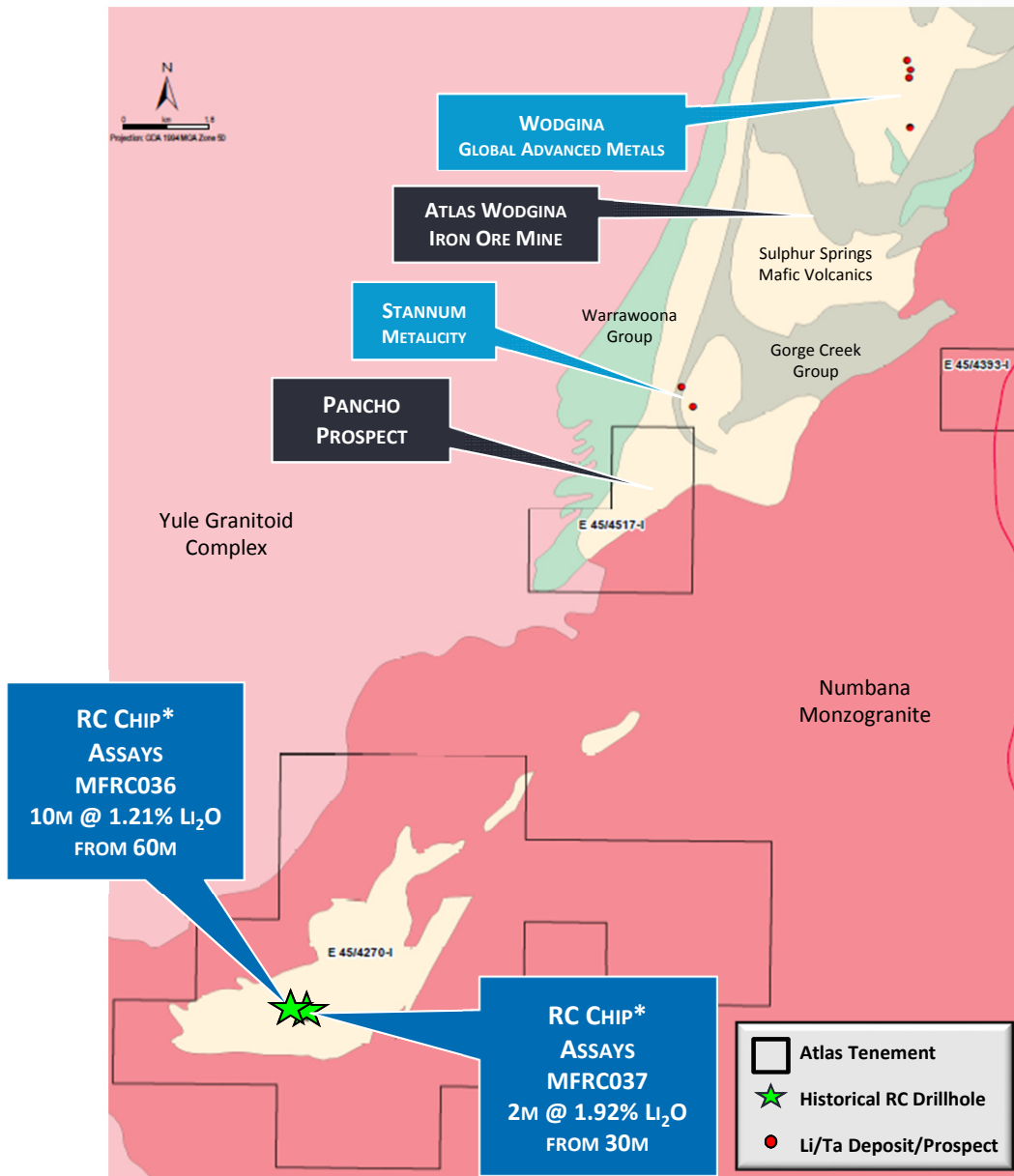
Lithium Exploration



- Atlas holds prospective tenure in zones of known world class Li-Ta deposits
- Early stage exploration targeting has identified prospects for further work
- Mapped pegmatites with existing tantalum deposit at the Cisco Prospect*

* Cisco Prospect previous called Mt Francisco by Talison/Global Advanced Metals

Lithium Exploration



- Wodgina and Cisco area previously explored exclusively for Tantalum-Tin with no historical Lithium exploration
- Historic RC Drilling by Talison/Global Advanced Metals across Cisco generated a Ta-Sn Mineral Resource (pre-JORC 2012)
- No historic Lithium assays so Atlas has commenced a program of re-assay of historical RC chips
- Further targeting on the Cisco and Pancho Prospects has commenced using existing geophysical data including detailed hyperspectral mapping

* Lithium analysis completed on material collected from retained historical RC drilling chips originally taken from drill spoil piles and stored in plastic chip trays. Samples collected were 2m composite from original 1m chip retentions.

Next Steps



Margin growth

- Continue cost improvement strategies
- Continued focus on cash and cash flow
- Maximise value - Low Grade Fines, Lump and customer strategies
- Continue hedging as risk management strategy

Debt reduction

- Implement strategies to pay out debt early

Incremental developments

- Partnering on incremental project developments
- Partner/Divest non core projects/non-core minerals

Other

- Values & culture



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Information Relating to the Reporting of Exploration Activities, Mineral Resources and Ore Reserves



Competent Person's Statement

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Lithium Results and Competent Person's Statement



RC Chip Assay Results Table

Hole ID *	Collar Location (MGA94 Zone 50)			Sample ID	Depth From	Depth To	Li2O ppm	Ta ppm
	Easting	Northing	RL					
MFRC036	661267	7636188	310	MFA178	52	54	418	4
MFRC036	661267	7636188	310	MFA179	54	56	515	90
MFRC036	661267	7636188	310	MFA180	56	58	3,853	86
MFRC036	661267	7636188	310	MFA181	58	60	227	20
MFRC036	661267	7636188	310	MFA182	60	62	10,057	32
MFRC036	661267	7636188	310	MFA183	62	64	15,513	40
MFRC036	661267	7636188	310	MFA184	64	66	16,761	61
MFRC036	661267	7636188	310	MFA185	66	68	7,155	55
MFRC036	661267	7636188	310	MFA186	68	70	11,237	26
MFRC036	661267	7636188	310	MFA187	70	72	625	15
MFRC036	661267	7636188	310	MFA188	72	74	303	25
MFRC036	661267	7636188	310	MFA189	74	76	176	51
MFRC036	661267	7636188	310	MFA190	76	78	733	47
MFRC036	661267	7636188	310	MFA191	78	80	1,277	80
MFRC036	661267	7636188	310	MFA192	80	82	371	87
MFRC036	661267	7636188	310	MFA193	82	84	283	168
MFRC037	661178	7636202	308	MFA194	4	6	96	66
MFRC037	661178	7636202	308	MFA195	6	8	243	16
MFRC037	661178	7636202	308	MFA196	8	10	234	18
MFRC037	661178	7636202	308	MFA197	10	12	207	33
MFRC037	661178	7636202	308	MFA198	12	14	195	41
MFRC037	661178	7636202	308	MFA199	14	16	147	7
MFRC037	661178	7636202	308	MFA200	16	18	570	10
MFRC037	661178	7636202	308	MFA201	18	20	284	24
MFRC037	661178	7636202	308	MFA202	20	22	392	29
MFRC037	661178	7636202	308	MFA203	22	24	785	20
MFRC037	661178	7636202	308	MFA204	24	26	596	29
MFRC037	661178	7636202	308	MFA205	26	28	1,544	37
MFRC037	661178	7636202	308	MFA206	28	30	1,711	16
MFRC037	661178	7636202	308	MFA207	30	32	19,197	103
MFRC037	661178	7636202	308	MFA208	32	34	2,527	21
MFRC037	661178	7636202	308	MFA209	34	36	1,356	8
MFRC037	661178	7636202	308	MFA210	36	38	1,234	7
MFRC037	661178	7636202	308	MFA211	38	40	219	13
MFRC037	661178	7636202	308	MFA212	40	42	620	83
MFRC037	661178	7636202	308	MFA213	42	44	344	82

* Hole MFRC036 was drilled with a dip of -53 degrees to an azimuth of 018 degrees and MFRC037 was drilled with a dip of -54 degrees to an azimuth of 004.

Competent Person's Statement

The information in this report that relates to Geology and Exploration Results is based on, and fairly represents, information and supporting documentation compiled by Leigh Slomp who is a member of the Australasian Institute of Mining and Metallurgy. Leigh Slomp is a full time employee and shareholder of Atlas Iron Ltd and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Leigh Slomp consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

JORC 2012 Table 1



JORC 2012 TABLE 1	
CHECKLIST OF ASSESSMENT AND REPORTING CRITERIA	
CRITERIA	EXPLANATION
SECTION 1 – SAMPLING TECHNIQUES AND DATA	
Sampling techniques	<ul style="list-style-type: none"> Material was collected from retained historical RC drilling chips that had been originally taken from drill spoil piles for geological logging. Chips were subsequently stored in plastic chip trays. Samples collected were 2m composite from original 1m chip retentions, providing approximately 50g per composite sample.
Drilling techniques	<ul style="list-style-type: none"> Samples considered equivalent to Rock Chip Samples however original drilling technique to obtain chips was RC.
Drill sample recovery	<ul style="list-style-type: none"> Not Applicable - samples considered equivalent to Rock Chip Samples.
Logging	<ul style="list-style-type: none"> Original geological logs completed by Talison/Global Advanced Metals were obtained from WAMEX and reviewed. Atlas Exploration personnel subsequently logged the retained RC chips for significant intervals of potential Lithium bearing minerals.
Sub-sample techniques	<ul style="list-style-type: none"> No sub-sampling was conducted on the samples
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> All samples submitted to Intertek Genalysis Laboratory in Perth by sodium peroxide fusion and ICP-MS. Assay results for Lithium (Li) have been converted to Li₂O by using a multiplication factor deemed to be industry standard. Laboratory procedures are in line with industry standards and are appropriate for Lithium analysis.
Verification of sampling and assaying	<ul style="list-style-type: none"> No previous Lithium assays are available for the tenement.
Location of data points	<ul style="list-style-type: none"> All collar locations were obtained from open source data originally provided to the DMP by Talison/GAM. Elevation values are in AHD RL. The grid system for the Cisco Prospect* is MGA_GDA94_Z50.
Data spacing and distribution	<ul style="list-style-type: none"> Sampling points were selected based on a geological assessment of the original RC drill logging obtained from open source data. Logged zones of pegmatite were sampled to provide an indication of Lithium content. Original RC chip retentions were at 1m intervals. Due to the small amount of material available composites of 2m were sampled.
Sample Security	<ul style="list-style-type: none"> Chain of custody is managed by Atlas. Samples are delivered to a dispatch point in Port Hedland by Atlas Staff and a consignment number issued by the transport company. Samples are transported to the relevant laboratory by the transport company and once received at the laboratory, the consignment of samples is receipted against the sample dispatch documents. Samples are stored in a secure yard at the lab until analysis.

* Cisco Prospect previous called Mt Francisco by Talison/Global Advanced Metals

JORC 2012 Table 1 (cont)



CRITERIA	EXPLANATION
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Sampling to date has only included a small proportion of the total RC drill chips obtained and no geological interpretation has been completed.
Audits or reviews	<ul style="list-style-type: none"> No audits or reviews have been undertaken.
SECTION 2 – REPORTING OF EXPLORATION RESULTS	
Mineral tenement and land tenure status	<ul style="list-style-type: none"> The Cisco Prospect is located wholly within Exploration Lease E45/4270. The tenement is 100% Atlas owned. Native Title agreements exist across the area. At the time of reporting, there are no known impediments to obtaining a licence to operate in the area and the tenement is in good standing.
Exploration done by other parties	<ul style="list-style-type: none"> 114 RC drill holes completed by Talison/Global Advanced Metals targeting Ta-Sn mineralisation. Rock chip sampling, geological mapping and geophysical surveys were also completed by Talison/Global Advanced Metals however this work was focussed on the identification of Ta-Sn mineralisation and no Lithium exploration was completed.
Geology	<ul style="list-style-type: none"> The Cisco Project is a pegmatite district within the Mt Francisco Greenstone Belt, along the regional lineament defined as the Wodgina Belt axial plane shear zone. The greenstone belt and its associated pegmatites sit within the Numbana Monzogranite, a post orogenic granite pluton within the Yule Granitoid Belt. Rare metal pegmatites have been mapped in the prospect area however these have not previously been explored for Lithium.
Data aggregation methods	<ul style="list-style-type: none"> All reported assays have been length weighted; no top cuts have been applied. A nominal 7,000ppm Li₂O lower cut-off has been applied to the reported results.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> Reported results represent downhole length only, true width is not known.
Balanced Reporting	<ul style="list-style-type: none"> Entire assayed intervals containing significant results have been reported in the table 'RC Chip Assay Results Table'
Other substantive exploration data	<ul style="list-style-type: none"> Not Applicable.
Further work	<ul style="list-style-type: none"> Geological interpretation of all results is still to be completed. Further on the ground exploration is planned to assess targets generated through the review of existing geophysical data.