



Building on our sustainable production and infrastructure platform to create shareholder value

Atlas Iron Limited

2017 Financial Year Presentation

Disclaimer



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Full cash cost includes C1 Cash Cost, royalties, freight, corporate and administration, exploration and evaluation, interest expense, contractor profit share and sustaining capital expenditure, but excludes depreciation and amortisation, one-off restructuring costs, suspension and ramp up costs of operating mine sites, and other non-cash expenses. C1 Cash Cost is inclusive of contractors and Atlas' costs including Contractor Rate Uplift. Full cash cost is derived from unaudited management accounts.

Disclaimer



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Highlights



Atlas posts strong turnaround as earnings climb and loan is reduced by \$79m

Revenue
\$871m



(FY2016: \$786m)

**Net Operating
Cashflow**
\$154m



(FY2016: \$31m)

Net Profit after Tax
\$48m



(FY2016: \$159m Loss)

Production
14.4mt



(FY2016: 14.5mt)

**Average Realised
Price**
\$61/wmt



(FY2016: \$55/wmt)

C1 Cash Costs
\$35/wmt



(FY2016: \$34/wmt)

Full Cash Costs
\$53/wmt



(FY2016: \$53/wmt)

**Term Loan B debt
reduced to**
A\$103m



(FY2016: A\$182m)

FY2017 Performance against guidance

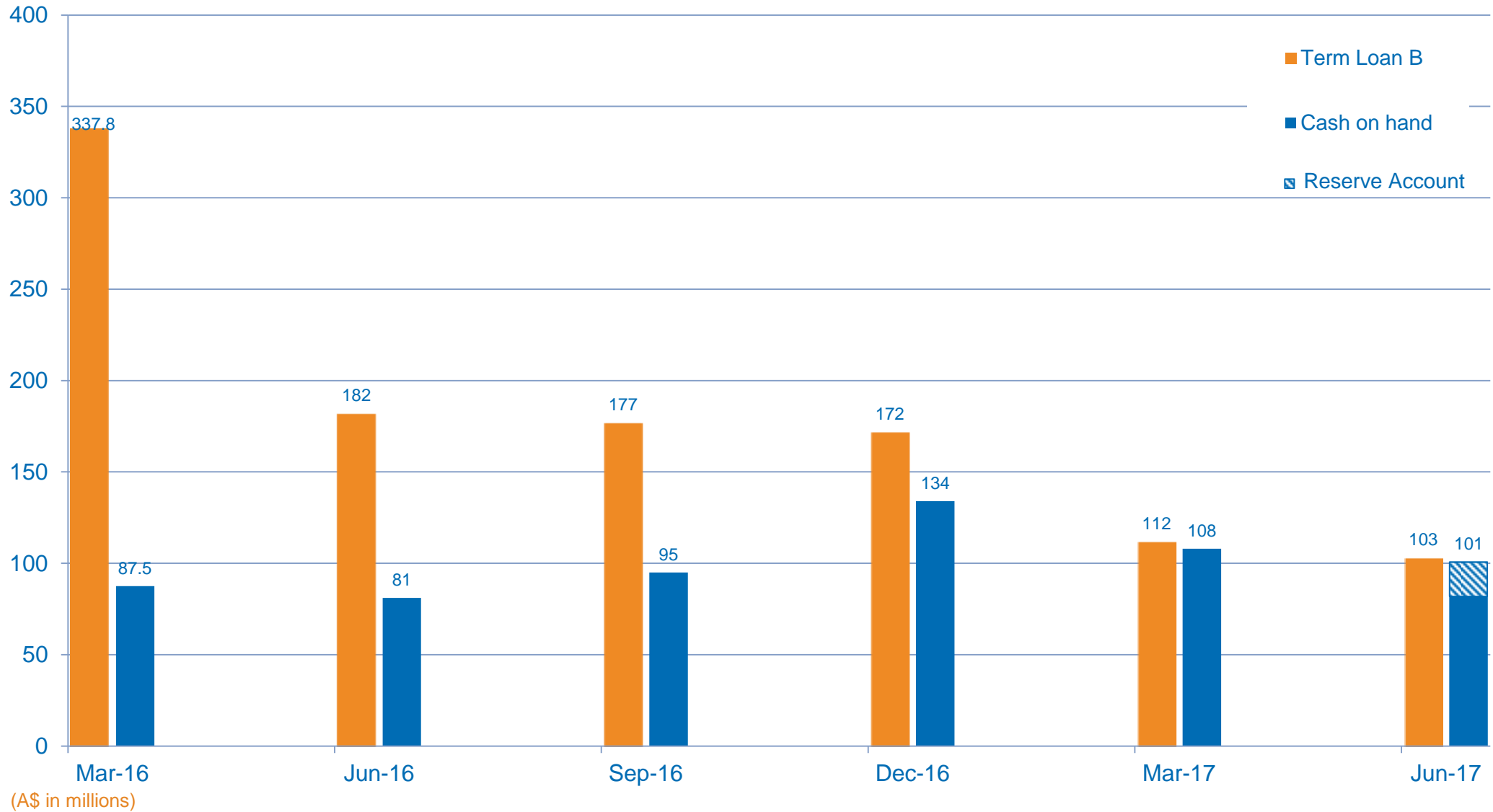


	FY2017 Actual	FY2017 Guidance	
Ore tonnes shipped (m wmt)	14.4	14 - 15	
C1 cash costs (A\$/wmt FOB)	34.8	34 - 36	
Full cash cost (A\$/wmt CFR China)	53.0	50 - 54	
Capital excluding Corunna Downs (A\$m)	7.9	8 - 10	
Capital – Corunna Downs (A\$m)	3.1	6 - 8	
Depreciation & Amortisation (A\$/wmt)	5.2	4 - 6	
Cash interest paid (A\$m)	9.2	9 - 11	



Delivering Significant Debt Reduction

Atlas has delivered a significant reduction in debt since the 2016 debt restructure



Full Year Results

Commentary



	Result	Comment
Revenue	\$871.1m	▲11% (2016: \$786m) due to rising iron ore price partly offset by higher product discount
Net Operating Cash Flow	\$153.8m	▲394.5% (2016: \$31.1m) generating positive cash flow from operations of \$122.9m
Term Loan B	\$103m	▼43% (2016: \$182m)
Earnings	Underlying* cash gross margin	\$152.7m ▲56% (2016: \$97.7m) due to increase in revenue and cost efficiencies
	Underlying* EBITDA	\$116.3m ▲56% (2016: \$74.5m) Includes \$22.7m loss on financial instruments (iron ore hedges) as a result of rising headline price during the period
	Underlying* Profit	\$30.8m ▲\$88.5m (2016: (\$57.7m)) Includes net finance expense of \$12.6m and realised foreign exchange gain of \$1.7m and depreciation and amortisation of \$74.4m
	Statutory Profit	\$48.0m ▲\$207m (2016: (\$159m)) Affected by gain on disposal of Wodgina of \$7.1m; lease recovery on onerous leases of \$6.8m and other one-off gains of \$3.3m
Iron Ore Shipments	14.4mt	▼0.7% (2016: 14.5mt) Strong operational performance in FY17 with sales volume maintained through additional production at Mt Webber replacing product from Wodgina that was closed during the year
C1 Cash Cost	\$35/wmt	▲2.9% (2016: \$34/wmt) Continued focus on cost reduction with a marginal increase in C1 costs due to increased haulage costs resulting from more tonnes hauled from Mt Webber

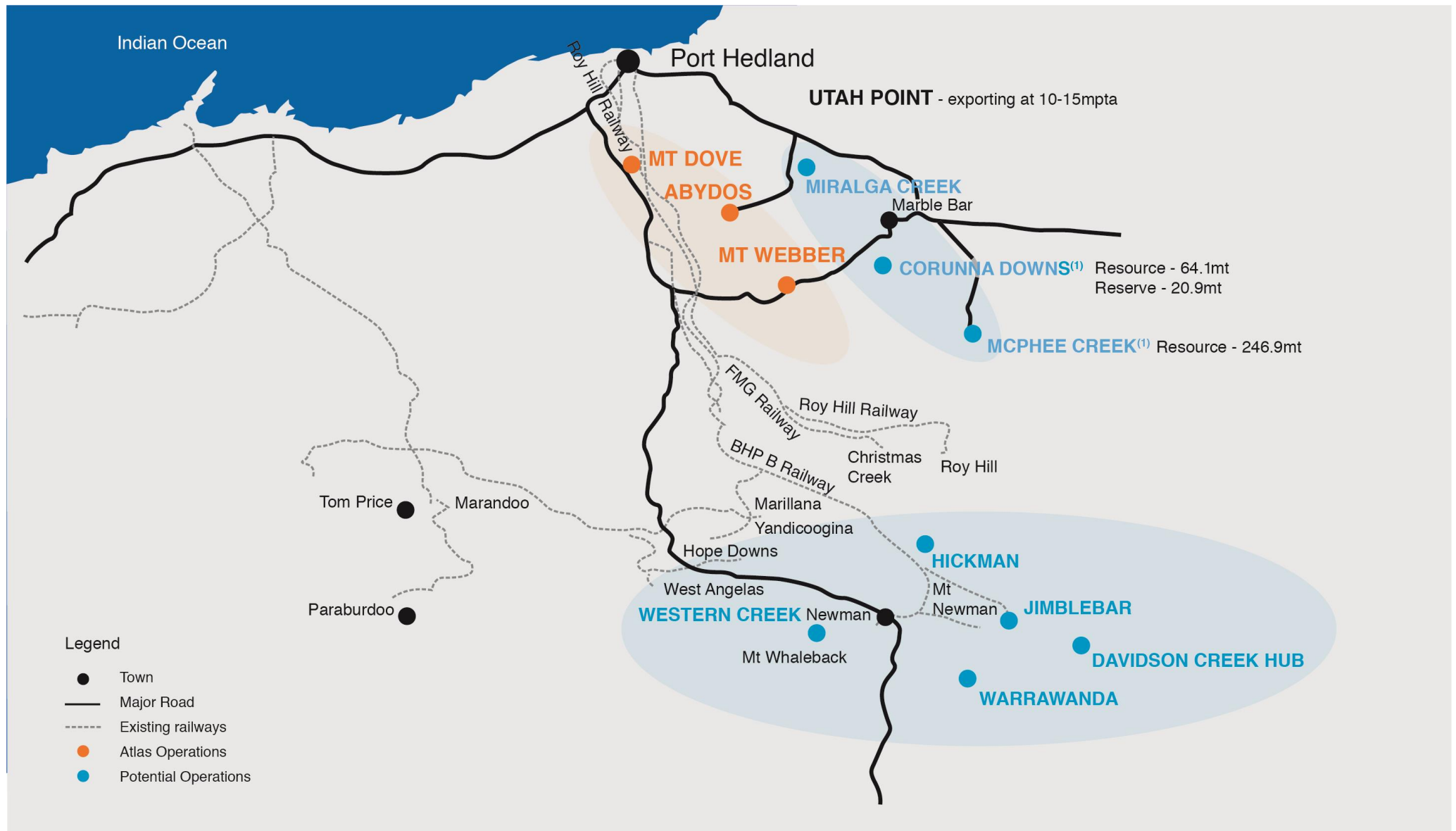
* The underlying basis is a non-IFRS measure that in the opinion of Atlas' directors provides useful information to assess the underlying financial performance of the Company. These are non-IFRS measures and are unaudited.

Guidance FY2018



	FY2018 Guidance	Comment
Ore tonnes shipped (m wmt)	9 - 10	Atlas fines 5.5 – 6.2m wmt Atlas lump 3.5 – 3.8m wmt
C1 cash costs (A\$/wmt FOB)	37 - 39	End of collaboration arrangements drives slight increase in C1 Cash Costs but relieves Atlas of obligation to pay margin and premium to contractors in periods of strong iron ore pricing.
Full cash cost (A\$/wmt CFR China)	54 - 58	Expected increase driven by longer road haulage distances, higher sea freight and reduced export volumes.
Rehabilitation (A\$m)	3 - 4	Rehabilitation work at Abydos post closure
Depreciation & Amortisation (A\$/wmt)	6 - 8	
Development Capital excluding Corunna Downs (A\$m)	8 - 9	

Operations, Resources and Port Allocation



(1) Mineral Resource and Ore Reserve as at 30 June 2017, refer to ASX Announcement dated {29 August} 2017. See Glossary of Terms for definition of abbreviations



North Pilbara Operations

Current Operations



Mt. Webber Operations



- 9mtpa production rate (including Mt Dove processing hub)
- Life of mine strip ratio 0.25:1
- 5 year mine life (at 9mtpa)

Abydos Operations



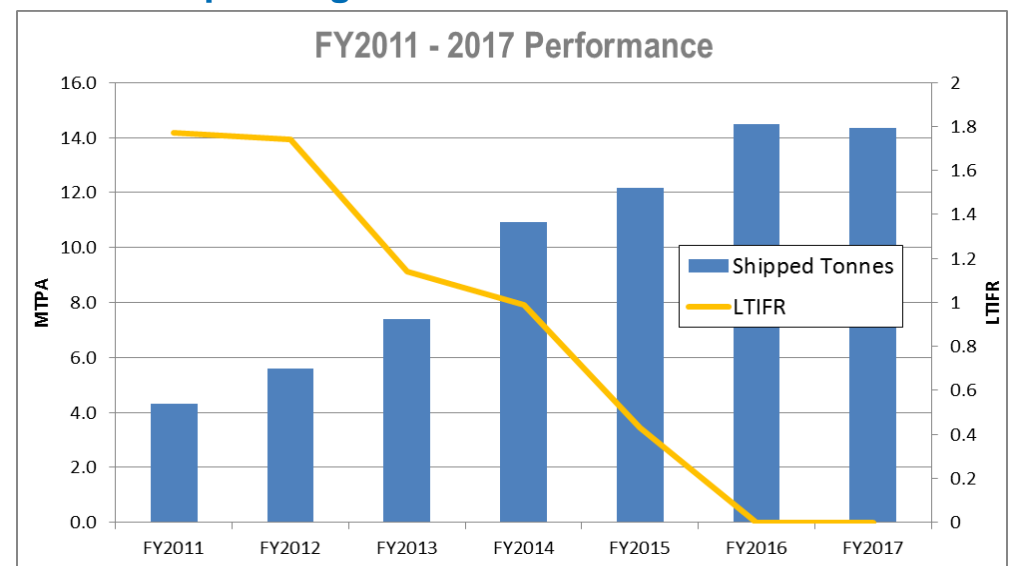
- 3mtpa production rate
- Abydos pits complete in Q2 FY18

Utah Point Operations



- Up to 13mtpa allocation at Utah Point
- Multiple footprints enabling product blending and export of multiple commodities
- Low capex opportunities for expansion of Yard 2 footprint

Proven Operating Platform

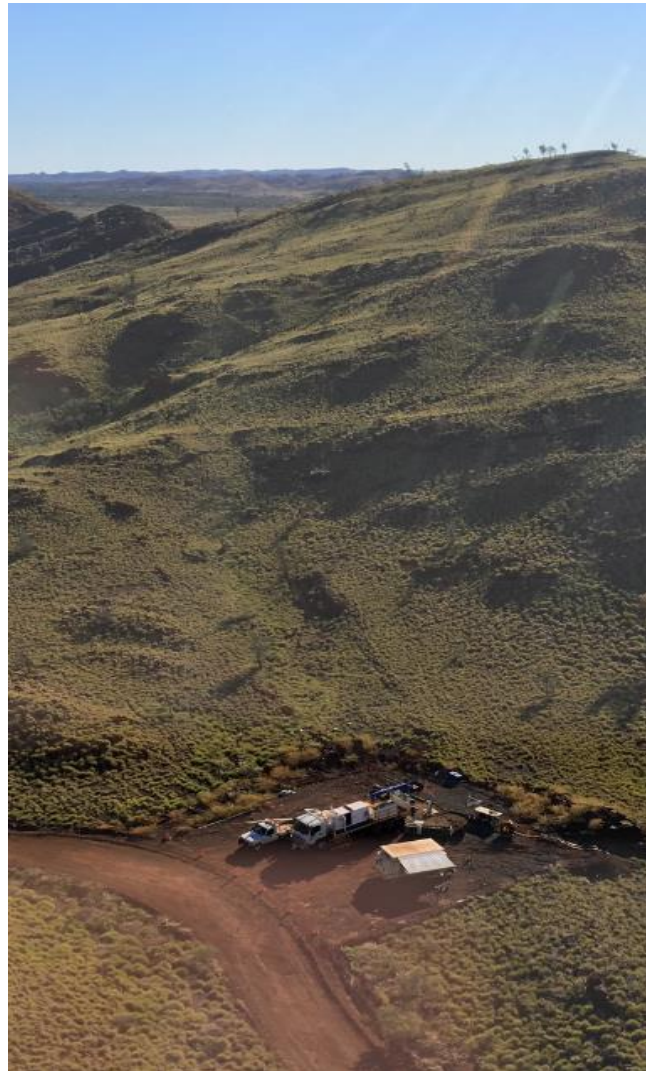


North Pilbara Production Opportunities



Corunna Downs

- DFS complete in December 2016
- 64.1mt @ 57.2% Fe Mineral Resource
- 21.0mt @ 57.0% Fe Ore Reserve
- Life of Mine strip ratio 0.6 : 1.0
- 5-6 year mine life
- 237km from port – road haulage
- ~4mtpa of lump and fines
- All project tenure granted
- Low capex of \$47 - 53m
- C1 cash cost of \$37 - 43/wmt



McPhee Creek

Key Elements

- 246.9mt @ 56.3% Fe Mineral Resource
- ~270km from Port Hedland by road
- Road haulage similar to Corunna Downs

Targeting

- ~4 - 8mtpa
- >10 year mine life
- Low capex potential
- C1 Cash Cost similar to Corunna Downs

Refer to Corunna Downs Ore Reserve and Mineral Resource in Reserve and Resource Update dated 29 August 2017
Refer to Corunna Downs DFS released to ASX on 21 December 2016
See Glossary of Terms for definition of abbreviations

Refer to McPhee Creek Mineral Resource at 30 June 2016 in ASX announcement dated 22 September 2016 which stated that "Atlas is continuing to investigate a trucking based infrastructure solution for its McPhee Creek project based on a similar model to its existing projects and the Corunna Downs project DFS. Should such a trucking based infrastructure solution for its McPhee Creek project be feasible, Atlas may again be able to report an Ore Reserve for its McPhee Creek project."

Options for Growth



Future Opportunities – Iron Ore

Large Scale DSO

- Davidson Creek Hub**
- 500mt Resource¹

Large Scale Magnetite

- Ridley Project**
- 57km to Port

Small Scale DSO

- Miralga Creek**
- 4mt Resource¹
 - Higher grade opportunity
 - 140kms to Port

Future Opportunities – Other

Lithium

- Pilbara Minerals Cisco JV
- Pancho Prospect to be explored
- MOU for DSO Spodumene logistics services

Copper/Gold

- Drilling at Copper Range near Jimblebar
- Large tenement holding in emerging Pilbara gold province

Royalties

- 5% royalty over M45/1231 which forms part of Altura's Pilgangoora Project
- Other potential royalty streams across gold, uranium, iron and base metals, including 4% royalty over Balla Balla project.

(1) Mineral Resource and Ore Reserve as at 30 June 2017, refer to ASX Announcement dated {29 August} 2017. See Glossary of Terms for definition of abbreviations

Atlas Strategy



Debt Reduction

- Focussed on continued debt reduction and capital structure flexibility

Grow Existing Iron Ore Business

- Atlas has long-term contracted capacity of up to 13mtpa at Utah Point for 10+ years
- This provides a secure infrastructure solution for Atlas to develop existing Northern Pilbara iron ore resources including Corunna Downs and McPhee Creek

Explore diversification beyond Iron Ore

Atlas may pursue other commodities in the medium and long-term from within its existing portfolio as well as new opportunities

Atlas Offers



- ✓ Existing Australian operating platform
- ✓ Improving financial strength and defensive balance sheet
- ✓ Demonstrated ability to generate strong cash flow
- ✓ Proven low capex model with operational flexibility
- ✓ Strong development capabilities
- ✓ Opportunities for growth in iron ore and other commodities

Corporate Profile



Quoted Securities

Ordinary shares on issue	9.26bn
Market capitalisation at 1.9cps	\$176m
Percentage of shares held by Top 20	35.6%

Non-Executive Directors

Eugene I Davis – Chairman
Alan Carr
Hon. Cheryl Edwardes AM
Daniel Harris

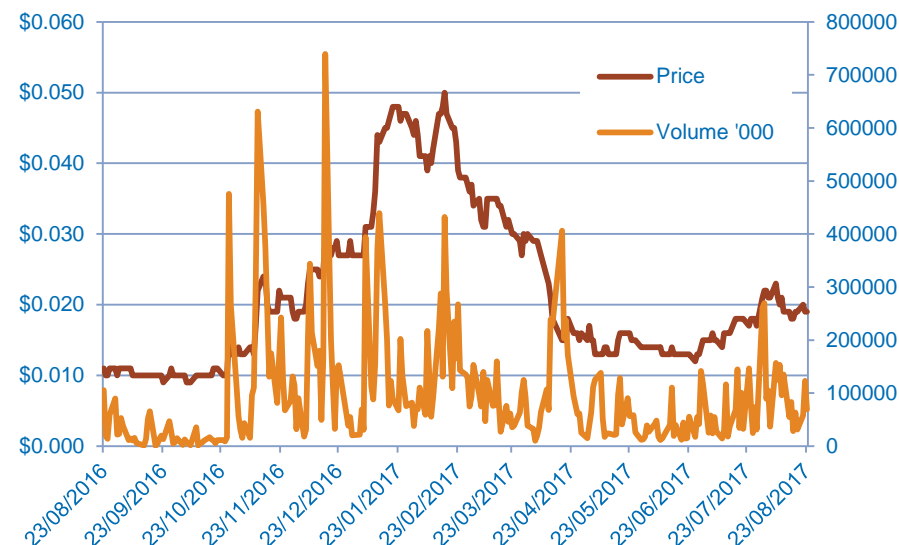
Executive Management

Cliff Lawrenson, Managing Director
Chris Els, Chief Financial Officer
Mark Hancock, Chief Commercial Officer
Jeremy Sinclair, Chief Operating Officer

Company Secretary

Bronwyn Kerr, General Counsel

Share Price vs Volume



Research





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Cliff Lawrenson
Managing Director

Glossary of Terms



\$ or A\$ or AUD	Australian Dollar	dmtu	Dry metric tonne per percentage unit	Lump	Atlas Lump product targets a grade of approximately 58% Fe and a size of generally in the range of >6.3mm and <40mm
All-in Cash Cost	Includes C1 Cash Cost, royalties, freight, corporate and administration, expensed exploration and evaluation but excludes interest expense, capital expenditure, depreciation and amortisation, one-off restructuring costs and other non-cash costs	DSO	Direct shipping grade iron ore	Mineral Resource	Has the meaning given to it in the JORC Code; that is, mineral inventory that has been classified to meet the JORC Code standard
ASIC	Australian Securities and Investments Commission	Fe unit	A measure of the iron grade in the iron ore that is equivalent to 1% iron grade in one metric ton of iron ore	mtpa	Millions of tonnes per annum
ASX	ASX Limited or the financial market conducted by it (the Australian Securities Exchange), as the context requires	FOB	Free on board. Purchaser pays for shipping, insurance and all the other costs associated with transportation of the goods to their destination	m	Million
ASX Listing Rules	The official listing rules of ASX, as waived or modified by ASX in respect of the Company or the issues of equity securities contemplated by the Capital Raising Proposal, in any particular case	Full Cash Cost	Includes All-in Cash Cost, interest expense and sustaining capital expenditure. Excludes depreciation and amortisation, one-off restructuring costs and other non-cash expenses	Official Quotation Option	Has the same meaning as in the ASX Listing Rules An option issued which entitles the Option Holder to subscribe for one Share
Australia	Commonwealth of Australia	FY16	The financial year ended 30 June 2016	Option Holder	A holder of an Option
bn	Billion	FY17	The financial year ending 30 June 2017	Ore	Material that contains one or more minerals which can be recovered economically
Board or Board of Directors	The board of directors of the Company	FY18	The financial year ending 30 June 2018	Ore Reserve	Has the meaning given to it in the JORC Code; that is, an ore reserve that has been classified to meet the JORC Code standard
C1 Cash Cost	Costs of mining, processing, road haulage and port and other direct costs incurred to the point of a wet metric tonne passing the ships rail. C1 Cash Cost is inclusive of both contractors and Atlas' costs	Grade	The proportion of metal or mineral present in ore or any other host material	Q1 FY18	First quarter of financial year 2018
CFR	Cost and freight. All costs related to the transportation of goods up to a named port of destination will be paid by the seller of the goods	Group	The Company and its subsidiaries	Q2 FY18	Second quarter of financial year 2018
Constitution	The Company's Constitution	H1 FY18	First half of financial year 2018	Q3 FY18	Third quarter of financial year 2018
Corporations Act	The Australian Corporations Act 2001 (Cth)	H2 FY18	Second half of financial year 2018	Q4 FY18	Fourth quarter of financial year 2018
Director	A director of the Company	IODEX 62% Fe	Platts Iron Ore Index, or IODEX, is a benchmark assessment of the spot price of physical iron ore. Assessment is based on a standard specification of iron ore fines with 62% iron	Share	A fully paid ordinary Share in the capital of the Company
dmt	Dry metric tonne	JORC	Joint Ore Reserves Committee (of the Australian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and the Minerals Council of Australia)	Share Registry	Computershare Investor Services Pty Limited
		JORC Code	The 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, a code developed by the Australian Joint Ore Reserves Committee which sets minimum standards for public reporting of exploration results, mineral resources and ore reserves	Shareholder	A registered holder of a Share
				US\$ or USD	United States Dollar
				Value Fines	Atlas Value Fines are a lower grade product than Standard Fines, typically 54% Fe and a size of generally <6.3mm
				wmt	Wet metric tonne

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



Competent Person's Statement

All references to future production and production & shipping targets and port access made in relation to Atlas are subject to the completion of all necessary feasibility studies, permit applications, construction, financing arrangements, port access and execution of infrastructure-related agreements. Where such a reference is made, it should be read subject to this paragraph and in conjunction with further information about the Mineral Resources and Ore Reserves, as well as the relevant competent persons' statements.

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