

21 June 2018



## Atlas withdraws MinRes Scheme recommendation

Atlas Iron Limited (“Atlas”) (ASX: AGO) refers to its announcement dated 19 June 2018 advising that it had commenced the matching rights process under the Mineral Resources Limited (“MinRes”) Scheme Implementation Deed (“MinRes SID”), giving MinRes the opportunity to make a counter proposal to the takeover bid from Redstone Corporation Pty Ltd (“Redstone”), a wholly-owned subsidiary of Hancock Prospecting Pty Ltd, to acquire 100% of the shares in Atlas for cash consideration of 4.2 cents per Atlas share ( the “Hancock Offer”).

MinRes announced that it will not make a counter proposal to the Hancock Offer.

### Recommend Hancock Offer

A majority of the Atlas Board has determined that the Hancock Offer is superior to the MinRes scheme of arrangement.

Accordingly, a majority of the Atlas Board has now withdrawn its recommendation of the MinRes scheme, and recommends that Atlas shareholders accept the Hancock Offer, in the absence of a superior proposal and subject to an independent expert concluding (and continuing to conclude) that the Hancock Offer is fair and reasonable to Atlas shareholders.

Atlas is liable to pay MinRes a break fee of \$3.12 million under the MinRes SID as a result of this change in recommendation.

### Timetable

Redstone lodged its bidder’s statement with ASX and ASIC on Monday, 18 June 2018 and the Hancock Offer will open in approximately two weeks’ time.

Atlas will prepare and lodge its target’s statement with ASX and ASIC in the coming weeks. The target’s statement will set out the Atlas Board’s formal response to the Hancock Offer and will include a report from an independent expert stating whether the Hancock Offer is fair and reasonable to Atlas shareholders.

The Atlas Board advises shareholders to **TAKE NO ACTION** in relation to the Hancock Offer until they have received the target’s statement. Shareholders will then have ample time to accept or reject the Hancock Offer before it closes.

The Hancock Offer is subject only to the condition that no ‘prescribed occurrences’ (being the occurrences listed in section 652C of the Corporations Act) occur in relation to Atlas or its subsidiaries on or prior to the date that is 3 business days after the end of the Hancock Offer period. The Hancock Offer is not conditional on due diligence, financing, regulatory approval or further internal approvals.

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