



Broker to the SPP

18 June 2009

Dear Shareholder

**Atlas Share Purchase Plan**  
Closing Date – 5pm (Perth time) 6 July 2009

Following the announcement of a successful institutional placement of A\$105 million at an issue price of \$A1.39 per share (**Placement**), Atlas Iron Limited (**Atlas**) is pleased to announce the Atlas Share Purchase Plan (**Plan**) to provide an opportunity for all eligible shareholders to purchase up to \$5,000 worth of additional new fully paid shares in Atlas (**Shares**).

The offer price of each Share under the Plan is \$1.39, being the same price at which Shares are being issued to institutional investors under the Placement. Eligible shareholders can participate in the Plan irrespective of the size of their shareholding. No brokerage, commission, stamp duty or other transaction costs will be payable by shareholders when participating in the Plan.

The offer under the Plan is non-renounceable. This means that you cannot transfer your right to purchase Shares under the Plan to anyone else.

**Terms of the Plan**

This letter and the accompanying Application Form set out the terms and conditions of the offer under the Plan. By accepting the offer to purchase Shares under the Plan, you agree to be bound by these terms and conditions and the constitution of Atlas.

**Purpose of the Plan**

The Plan is designed to allow all eligible shareholders, particularly those whose holdings may constitute less than a marketable parcel, to build that shareholding. Additionally, the Plan gives eligible shareholders the opportunity to subscribe for additional Shares at the same price, and discount to Atlas' market price, as Shares issued under the Placement. Funds raised from the Plan will be directed towards progressing exploration and development of Atlas' iron ore projects and for additional working capital.

**Key Dates \***

Record date	12 June 2009
Documents mailed to Eligible Shareholders	18 June 2009
Offer opens	22 June 2009
Offer closes	6 July 2009
Allotment of Shares	20 July 2009
Despatch of holding statements	20 July 2009
Expected date of commencement of trading on ASX	22 July 2009

\* Atlas has the discretion to alter these Key Dates.

**Intentions of Directors**

Subject to obtaining prior shareholder approval, some of the Directors of Atlas intend to participate in the Placement. Therefore, none of the Directors intend to accept the offer of Shares under the Plan.



## Participation

***The offer will close at 5.00pm (Perth time) on Monday, 6 July 2009.***

You are eligible to participate in the Plan if you were a registered holder of Shares at close of business on 12 June 2009 (**Record Date**) with a registered address (as recorded in Atlas' register of members) in Australia or New Zealand (**Eligible Shareholders**). The Atlas Board has determined that because of foreign securities laws, it is not practical for shareholders with registered addresses in other countries to participate in the Plan.

Participation in the Plan is entirely at the discretion of Eligible Shareholders. Eligible Shareholders may select **only one** of the following offers to purchase Shares under the Plan:

	<b>Total amount payable at \$1.39 per Share</b>	<b>Number of Shares which may be purchased *</b>
Offer A	\$5,000	3,598 Shares
Offer B	\$2,500	1,799 Shares
Offer C	\$1,000	720 Shares

\*Fractions have been rounded up to the nearest whole Share.

## Pricing

As an incentive for Eligible Shareholders to participate in the Plan, the Shares are being offered at an issue price of \$1.39 per Share. This represents a discount of 17.39% to the weighted average market price of Atlas' shares over the last 5 trading days to Friday, 5 June 2009 and is the same issue price as for the shares issued under the Placement.

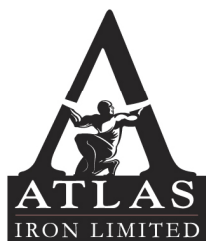
The market price of Shares may rise or fall between the date of this offer and the date on which Shares are allotted to you. This means that the issue price you pay for the Shares may be greater than or less than the market price of the Shares at the date of allotment of the Shares under the Plan. You should obtain your own financial advice in relation to participating in the Plan prior to lodging your Application Form.

## Limit on Participation

The offer under the Plan has been structured to comply with the conditions imposed by the Australian Securities and Investments Commission (**ASIC**). ASIC Class Order 02/831 provides that Eligible Shareholders may only buy a maximum of \$5,000 worth of Shares under shareholder share purchase plans in any 12 month period, taking into account all applications (including joint and other beneficial interests). Atlas has not conducted a share purchase plan in the preceding 12 months.

This means that each Eligible Shareholder can only apply for a maximum amount of \$5,000 (irrespective of the size of their holding). This applies even if you receive more than one offer from Atlas (for example, because you are a joint holder or because you hold more than one shareholding under separate share accounts).

To the extent that you hold shares on behalf of another person resident outside Australia or New Zealand, it is your responsibility to ensure that any application complies with all applicable foreign laws.



### Limit on Plan Subscriptions

Atlas will issue up to \$11,700,000 worth of Shares under the Plan. To the extent applications are received in excess of this amount, applications will be scaled back. If applications are scaled back, each applicant will be treated equally and scaled back on a pro rata basis, based on the number of Shares applied for.

If there is a scale back, you will receive less than the parcel of Shares for which you applied. If a scale back produces a fractional number when applied to your parcel, the number of Shares you will be allocated will be rounded to the nearest whole number. The difference between the application monies received and the number of Shares allocated to you, multiplied by the issue price of the Shares, will be refunded to you by cheque as soon as possible, without interest.

Atlas intends to issue the Shares under the Plan no later than 20 July 2009. Shares allotted under the Plan will rank equally in all respects with all other fully paid ordinary shares in Atlas on the date of their issue. Atlas will, promptly after allotment of Shares under the Plan, apply for the Shares to be quoted on the official list of ASX.

### Lodgement instructions

If you would like to apply for Shares under the Plan, you can either:

- complete the enclosed Application Form and send it together with your payment by cheque made payable to "Atlas Iron Limited – Share Purchase Plan Account" and drawn in Australian currency for the correct amount, to Atlas' share register, Security Transfer Registrars Pty Ltd, at

PO Box 535  
Applecross WA 6953

OR

770 Canning Highway  
Applecross WA 6153

so that it is received by **Monday, 6 July 2009**; or

- make a BPay<sup>®</sup> payment from your cheque or savings account by using the Biller Code and Reference Number shown on your Application Form which is required to identify your holding. If you make your payment using BPay<sup>®</sup> you do not need to return your Application Form. New Zealand holders will not be able to make a payment using BPay<sup>®</sup>.

Application Forms and payments made via BPay<sup>®</sup> received after **5.00pm (Perth time) on Monday, 6 July 2009** will not be accepted.

Do not forward cash. Direct bank transfer is not permitted.

Once an application has been made it cannot be revoked. All valid applications shall be deemed accepted if received before the offer closes at 5.00pm (Perth time) on 6 July 2009.

If the exact amount of money is not tendered with your application, Atlas reserves the right to either:

- (i) return your Application Form and/or payment and not allot any Shares to you; or
- (ii) allot to you the number of Shares that would have been allotted had you applied for the highest designated amount that is less than the amount of your payment and refund the excess application money to you by cheque as soon as possible, without interest.



### **Risk Factors**

While your directors have confidence in the future of Atlas and the attractiveness of the Shares offered under this Plan it should be noted that owning shares in a mineral producing, developing and exploration company, like Atlas, is considered a speculative form of investment and that the future price of Atlas' shares may rise and fall depending upon production, development and exploration success and fluctuations in the stock market and iron ore prices generally.

Finally, shareholders should note that the offer is not made under a prospectus, or any other disclosure document. Shareholders must rely on their own knowledge of Atlas and previous disclosures made by Atlas on ASX. If necessary, consult your professional advisor prior to deciding to participate in the Plan.

### **Additional Information**

The Plan will be administered by the Atlas Board, which will have an absolute discretion to:

- determine appropriate procedures for administration of the Plan;
- amend, withdraw, suspend or terminate the Plan at any time before allotment of the new Shares. If Atlas does this, it will notify ASX. The omission to give notice of the amendment, withdrawal or termination of the Plan or non-receipt of the notice does not invalidate the amendment, withdrawal or termination;
- resolve conclusively any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Plan whether generally in relation to any participating Eligible Shareholder, or application for Shares, and any such resolution will be binding on all Eligible Shareholders and other persons to whom the resolution relates; and
- refuse an application if it considers that the applicant is not an Eligible Shareholder or has not otherwise complied with the terms of the Plan or for any other reason. If an application is refused, any application monies received will be refunded, without interest.

### **Any Queries**

If you have any queries concerning the Plan, please contact the Company Secretary, Mr Tony Walsh, by telephone 08 9476 7900 or email [info@atlasiron.com.au](mailto:info@atlasiron.com.au).

Yours sincerely

**Geoff Clifford**  
Chairman

*The new Shares referred to in this letter and the Application Form have not and will not be registered under the United States Securities Act of 1933, as amended, (**Securities Act**) and may not be offered or sold in the United States or to or for the account or benefit of U.S. persons (as defined in Regulation S under the Securities Act), in the absence of registration or an available exemption from registration. This document has been prepared for publication in Australia and New Zealand only and may not be released elsewhere.*



## PAYMENT INSTRUCTIONS



Biller Code: 798595

**BPAY®** this payment via internet or phone banking.  
**BPAY View TM** - View and pay this offer using internet banking.  
**BPAY View Registration No.** - Your reference number as quoted on the front of this form.

Applicants should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight). It is the Applicant's responsibility to ensure funds are submitted correctly by the closing date and time.

**You do not need to return this form if you have made payment via BPAY. Your BPAY reference number will match your payment to your entitlement electronically.**

### CERTIFICATION

By making payment of the relevant application monies, I/we hereby:

1. acknowledge that I/we have read and understood the terms of the Plan;
2. agree to be bound by the terms of the Constitution of the Company and the Plan;
3. agree to accept any lesser number of new Shares than the number of Shares applied for; and
4. certify that the amount of Shares subscribed for by me/us pursuant to the Plan (being a maximum of \$5,000 worth of Shares) does not exceed \$5,000, taking into account the Shares the subject of this application and any other Shares applied for by me/us under the Plan or any other similar arrangement with the Company within the 12 months prior to this application including joint and other beneficial interests.

### LIMIT ON PARTICIPATION

The maximum subscription limitation of \$5,000 will apply even if an eligible shareholder has received more than one form (whether in respect of a joint holding or because the eligible shareholder has more than one holding under separate accounts).

### COMPLETION OF FORM

If the amount owed is a different amount to the actual amount paid, the Company reserves the right to reject your application or accept it in respect of the lesser of your stated subscription amount or your actual payment total.

Receipts for payment will not be issued.

Please complete all relevant sections of the form using BLOCK



### CHEQUE/MONEY ORDER

All cheques (expressed in Australian currency) are to be made payable to **ATLAS IRON LIMITED - SHARE PURCHASE PLAN** and crossed "Not Negotiable".

Do not forward cash as receipts will not be issued.

Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured.

Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid.

### PLEASE NOTE

Cash payments will not be accepted via the mail or at Security Transfer Registrars Pty Ltd. Direct bank transfer is not permitted.

The Company may reject any application submitted for this offer, in its absolute discretion, or if this form is not completed in accordance with this offer, or is incomplete, or if the correct amount payable is not tendered with this form or has not been paid electronically using BPay.

Receipt of this form duly completed, together with the full subscription amount, will constitute irrevocable acceptance in accordance with the terms and conditions of the Plan and the Constitution of the Company by the shareholder named on this form. A signature on this form is not required.

### HOW TO LODGE YOUR APPLICATION

**PAYMENT VIA BPAY:** You do not need return this form if you have made payment via BPAY. Your BPAY reference number will match your payment to your entitlement electronically.

**PAYMENT VIA CHEQUE:** When completed, this form together with the appropriate payment should be forwarded to our share registry:

Security Transfer Registrars Pty Ltd  
PO Box 535, APPLECROSS WA 6953.

Applications must be received by Security Transfer Registrars Pty Ltd no later than 5.00pm Perth time on 6 July 2009.

### ENQUIRIES

All enquiries about this form should be directed to the Company's share registry:

**Security Transfer Registrars Pty Ltd**  
PO Box 535, Applecross WA 6953

770 Canning Highway, Applecross WA 6153

Telephone (61-8) 9315 2333

Facsimile (61-8) 9315 2233