

**OFFER TO ACQUIRE SHARES IN ATLAS IRON LIMITED**

Redstone Corporation Pty Ltd (**Redstone**), a wholly-owned subsidiary of Hancock Prospecting Pty Ltd (**Hancock**), is pleased to announce an all-cash offer to acquire all of the ordinary shares in Atlas Iron Limited (**Atlas**) in which Redstone does not already have a relevant interest, at a price of **\$0.042** per share (**Offer**).

The Offer represents a superior value proposal for Atlas shareholders relative to the previously announced proposal from Mineral Resources Limited (**MRL Proposal**). Specifically, the Redstone offer represents a 41% premium to the implied value of that MRL Proposal as at close of trading on 15 June 2018<sup>1</sup>.

As the Offer is all cash, it is not subject to variations in the price of any other listed securities and therefore provides Atlas shareholders with certainty regarding the value of the consideration which they are being offered.

The Offer is unconditional other than for the usual “prescribed occurrences”, as detailed in the Bidder’s Statement released today. As such, Atlas shareholders should have a high degree of certainty that they will receive the Offer consideration for their Atlas shares, should they choose to accept the Offer.

Importantly, the Offer is not subject to any minimum acceptance condition.

The directors of Redstone consider that the all-cash Offer, with its premium pricing and low conditionality, represents a significantly superior proposition to the MRL Proposal and that the Offer should therefore be viewed as a compelling opportunity for Atlas shareholders.

Tad Watroba, Executive Director of Hancock, said that the Atlas’ assets have long-term synergies with other assets in Hancock’s portfolio.

*“We see long term synergies between the Atlas assets and the other iron ore interests within the Hancock Group. There is potential to unlock value through the future development of Atlas resources as part of our wider system of operations. If we obtain control of Atlas, we intend to conduct a strategic review to better understand the most appropriate time and means to develop and integrate Atlas into the existing operations of the Hancock Group. The Hancock Group iron ore interests produce iron ore products that are priced off the 62% index. Some of the Atlas deposits contain elements that have complementary characteristics providing optionality and opportunity to improve the non-iron elements of ore quality further. The remainder of the Atlas resources could serve to extend the life of existing Hancock iron ore interests.”*

A copy of the Bidder's Statement containing the Offer is expected to be sent to Atlas shareholders in approximately two weeks' time and the Offer will then be open for acceptance by Atlas shareholders for at least one month, unless the Offer is extended or withdrawn by Redstone in accordance with the Corporations Act.

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<sup>1</sup> Based on the closing price of MRL shares on 15 June 2018 (being the last closing price prior to the announcement of the Offer), the MRL Proposal valued an Atlas share at \$0.0298.

### **The Hancock Group**

Hancock is a privately held Australian company that has a long and important association with the Pilbara region of West Australia and with the iron ore sector.

The Hancock Group holds a 50% interest in the 45mtpa Hope Downs Project (in a joint venture with Rio Tinto) and a 70% interest in the Roy Hill Project, a substantial integrated iron ore mine, railway and port project, which recently ramped up its production and shipments of iron ore to a rate of 55 million tonnes per annum. Hancock also has various iron ore exploration prospects in the Pilbara, including its Mulga Downs project.

In 2016, Hancock expanded off-shore, through a commitment to make a cornerstone investment in Sirius Minerals Plc's circa US\$3 billion York Potash Project in the United Kingdom.

The Hancock Group also holds various other mining interests and tenements in Australia and recently abroad.

Redstone is an Australian proprietary company limited by shares and is a wholly owned subsidiary of Hancock. Redstone was incorporated in West Australia on 19 April 2018 for the principal purpose of making the Offer and acquiring and holding Atlas shares.

### **Contact**

Atlas shareholders are encouraged to use the following information line if they have any questions on the Offer:

For Australian callers: 1300 853 598

For international callers: +61 1300 853 598

**Ends.**