

Media Release

25 September 2018

IMPROVED CONDITIONAL INCREASE IN OFFER PRICE (LAST AND FINAL)

Redstone Corporation Pty Ltd (**Redstone**), a wholly-owned subsidiary of Hancock Prospecting Pty Ltd (**Hancock**), is pleased to announce that it will increase the Offer Price of its off-market takeover bid to acquire all of the ordinary shares in Atlas Iron Limited (**Atlas**), (**Offer**) from \$0.042 per Atlas Share to **\$0.046** per Atlas Share **conditional upon** Redstone's voting power in Atlas increasing to not less than **87%** before the close of the Offer.

Redstone's current voting power in Atlas, so far as Redstone knows, at the time of this media release is **77.06%**. Should Redstone's total voting power in Atlas increase to not less than 87% before the close of the Offer, then any Atlas Shareholder who accepts, or has already accepted, the Offer, will be entitled to the increased Offer Price. However, if Redstone's voting power in Atlas does not increase to 87% before the close of the Offer, the Offer Price will not be increased and any Atlas Shareholder who accepts, or has already accepted, the Offer will not receive any additional consideration. Redstone now confirms that it **will not increase the Offer Price except as proposed above**.

The conditional Offer Price of \$0.046 per Atlas Share would represent an increase of approximately **9.5%** per Atlas Share over the Offer Price of \$0.042 per Atlas Share.

In addition, Redstone has today extended the Offer such that it now remains open for acceptance until 5:00pm (Perth time) on Tuesday, **2 October 2018**.

If the Offer Price is increased during the last seven days of the Offer Period (by reason of Redstone achieving voting power in Atlas of not less than 87% during the last seven days), then the Offer Period will be automatically extended by 14 days.

In announcing the improved conditional increase in the Offer Price, Hancock's CEO, Mr Garry Korte, again thanked Atlas Shareholders for their support for the Offer and urged those remaining Atlas Shareholders to accept the Offer prior to it closing:

"The strength of acceptances to date has been pleasing, with Hancock's voting power in Atlas now exceeding 77%. Following today's announcement, should Hancock's voting power increase to not less than 87%, then all Atlas Shareholders who accept, or have already accepted, the Offer will benefit from the increased Offer Price of \$0.046 per Atlas Share.

"We believe that there are a number of Atlas Shareholders who have not yet accepted our offer that will see value in the increased conditional Offer Price of \$0.046 per Atlas Share. Redstone confirms that it will not increase the Offer Price except as outlined in Redstone's third supplementary bidder's statement dated 25 September 2018, and we encourage Atlas shareholders to accept the Offer as soon as possible to ensure they don't miss the close date."

Support from the remaining Atlas Shareholders will allow all Atlas Shareholders who have already accepted the Offer to benefit from a higher price."

To ensure that their acceptances are received prior to the revised offer closing date of 2 October 2018, Atlas Shareholders should immediately return their acceptances.

Contact

Atlas Shareholders should refer to Redstone's third supplementary bidder's statement dated 25 September 2018 for more information in relation to the improved conditional increase in the Offer Price. Atlas Shareholders are encouraged to use the following information line if they have any questions on the offer or require assistance to accept the offer:

For Australian callers: 1300 853 598

For international callers: +61 1300 853 598

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.

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.

Ends.