



# Haoma Mining NL

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July 28, 2011

Company Announcements Office  
Australian Stock Exchange  
Level 45, South Tower, Rialto  
525 Collins Street  
**MELBOURNE, VIC 3000**

Dear Sir,

## **Daltons Joint Venture – Mt Webber Development Strategy**

Haoma Mining has a 25% interest in the Daltons Iron Ore Joint Venture at Mt Webber with Atlas Iron Limited's wholly owned subsidiary, Giralia Resources NL 75%.

Haoma shareholders are advised that the Atlas Iron Limited June 2011 Quarterly Activities Report released July 27, 2011 includes an update on Atlas' Mt Webber (Daltons) development strategy and includes the following comments:

*“Processing for the proposed Mt Webber mine is now expected to be at Mt Webber, with consideration for additional interim capacity over time as the McPhee Creek deposit is developed (see Figure 2)”*

*“Atlas is now actively considering the further development options that the recent Giralia takeover brings to the North Pilbara development portfolio, with a Scoping Study underway for the McPhee Creek deposit, and Daltons being considered as part of Atlas' current Mt Webber development strategy (a subset of the Turner River Hub Expansion program of works). Preliminary discussions are underway with Dalton's JV partner Haoma Mining NL on how best to achieve this.”*

*“Atlas expects to release a Resource and Reserve update (for Mt. Webber) in August 2011.”*

A copy of the Atlas Iron Limited release with relevant sections highlighted is attached.

Yours sincerely,

Gary C Morgan,  
**CHAIRMAN**

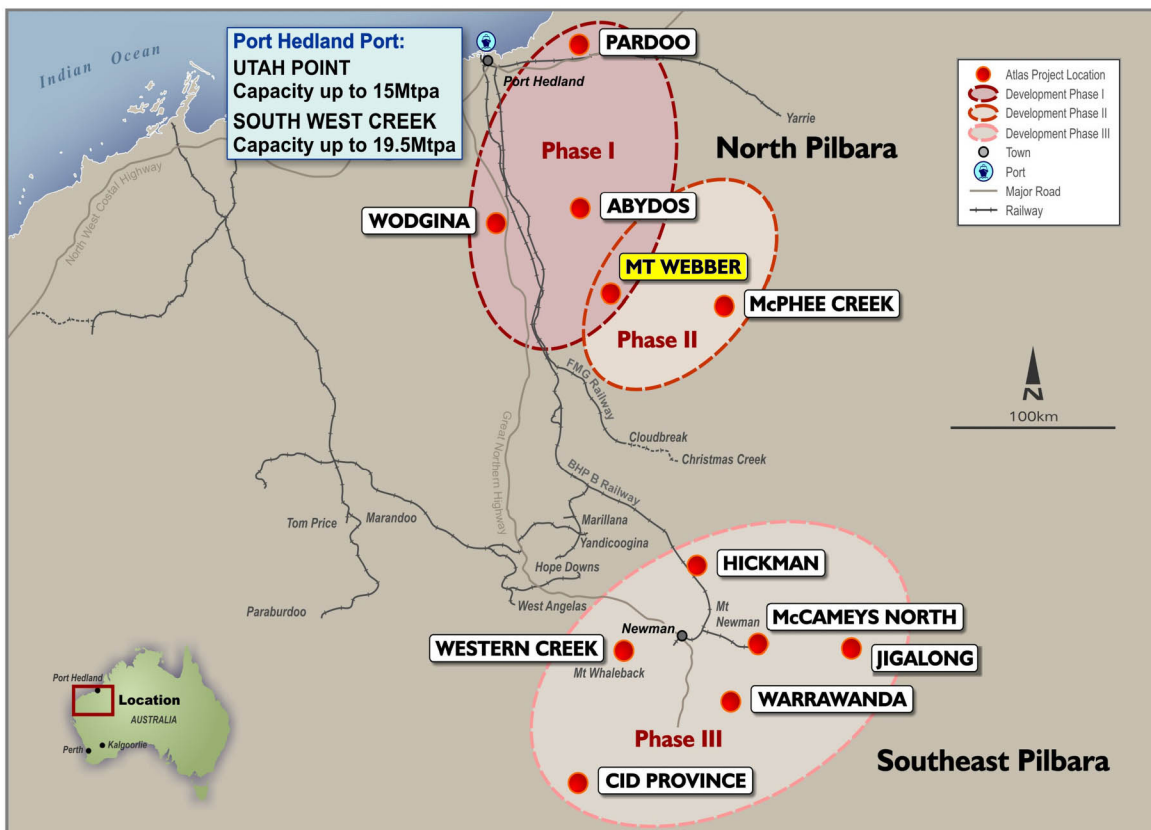
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**HIGHLIGHTS FOR THE JUNE 2011 QUARTER**

- 1.465 Mt ore tonnes shipped during the June 2011 quarter, up from 1.390 Mt in the March 2011 quarter
- A record 1.515 Mt hauled to port during the June 2011 quarter
- A record 598,880 tonnes processed in the month of April 2011
- Unaudited notional cash operating costs (FOB, excluding royalties) within stated \$40-43/t range for the financial year
- \$365 million cash on hand at 30 June 2011. \$397.5 million cash on hand at 27 July 2011
- Wodgina Infrastructure Agreement expanded and extended for up to 12 years
- Atlas and FerrAus announce the consolidation of their respective South East Pilbara assets to further generate critical mass for the future development of these projects.
- Atlas announces a proposed off-market takeover of FerrAus
- Atlas is on target to continue to ship approx 1.5Mt in the September 2011 quarter (6Mtpa)



**FIGURE 1: Atlas Iron Limited Pilbara DSO Projects' Locations**

## INTRODUCTION

Atlas commenced exporting direct shipping grade iron ore from the Pilbara of Western Australia in December 2008. Following the commencement of mining at Wodgina in June 2010, Atlas has now ramped up iron ore exports from 1Mtpa to approximately 6Mtpa. As a consequence, the Company is now generating significant cash flows with further growth to come, as the Company continues to pursue the development of its North Pilbara and South East Pilbara assets. The Company is targeting exports at a rate of 12Mtpa by the end of 2012.

Atlas is working to become a globally significant supplier of steel making raw materials through the discovery and development of low capital cost iron ore projects close to port. With these incremental steps the Company will then develop larger scale, low cost, long life operations. This should deliver significant important strategic options for the company, further value for shareholders and great outcomes for the communities where we operate.

The people who work in our business continue to deliver outstanding results and their efforts are greatly appreciated. With our people, iron ore deposits, infrastructure assets and growth model, Atlas is well positioned to continue its rapid expansion.

## OPERATIONS

### MINE PRODUCTION

Table 1: Production				
	June Quarter '11 (t)	March Quarter '11 (t)	Variance Quarter (t)	Variance Quarter (%)
Ore Tonnes Mined	1,464,502	1,368,952	95,550	7%
Ore Tonnes Processed	1,467,056	1,184,340	282,716	24%
Haulage to Port	1,514,822	1,320,592	194,230	15%

**Note 1:** See Appendix 1 for detail of mine production at Pardoo and Wodgina

Table 2: Inventory				
	June Quarter '11 (t)	March Quarter '11 (t)	Variance Quarter (t)	Variance Quarter (%)
Run of Mine Ore Stocks	331,948	416,302	-84,354	-20%
Final Product Stocks - Site	82,654	111,696	-29,042	-26%
Final Product Stocks - Port	85,029	32,729	52,300	160%

Ore tonnes mined, ore tonnes processed and product haulage to port have all recovered to the Company's expected levels following the high rainfall encountered in the Pilbara during the March 2011 quarter. With further dry weather the Company has also been able to further expand port haulage, with a record 1.515 million tonnes hauled during the June 2011 quarter.

Wodgina processing was marginally impacted by a planned shutdown to upgrade the crushing and screening facilities during May/June 2011, however additional tonnes crushed at Wodgina during April and at Pardoo during May/June 2011 having largely made up for the shortfall. The planned shutdown provided for the installation of an upgraded primary feeder and HPGR (rolls secondary crusher), to improve plant productivities in Iron Ore and Tantalum respectively, given the shared nature of the facilities at the Wodgina mine.

The upgrade of the existing crusher is the first of the site facility upgrades anticipated as part of the expanded and extended Wodgina Infrastructure agreement, for which key terms were agreed with Global Advance Metals (GAM) during May 2011. This agreement provides for Atlas' continued access to the existing crusher, with additional facilities being installed over the next 9 months to further upgrade the sites capacity to handle both expanded Iron Ore and Tantalum production. By March 2012 Atlas expects to have access to 7 million tonnes per annum of iron ore crushing and screening capacity, as part of its next expansion to approximately 12 million tonnes per annum by December 2012.

**SHIPPING**

<b>Table 3: Shipping</b>				
	<b>Jun Quarter '11 (t)</b>	<b>Mar Quarter '11 (t)</b>	<b>Variance Quarter (t)</b>	<b>Variance Quarter (%)</b>
Ore Tonnes Shipped (Wet)	1,464,823	1,389,989	74,834	5%
Ore Tonnes Shipped (Dry)	1,364,771	1,303,757	61,014	5%

Atlas exported 1.465 Mt (wet) during the June 2011 quarter, up from 1.390 Mt in the March 2011 quarter.

Overall Utah Point port is largely working in line with the Company's expectations, with the facility having now generally demonstrated its interim capacity through the existing Yard 1 stockpile facilities. Atlas is now active in its planning and engineering works for the development of its land allocation within the Utah 'Yard 2' stockpile area at Utah Point.

Atlas remains on target to continue to ship approximately 1.5Mt (wet) of DSO in the September 2011 quarter (an annualised export rate of 6Mtpa).

FOB notional cash operating costs for the June 2011 quarter were consistent with the Company's long stated target band of A\$40-43/tonne. Unaudited notional cash costs for the 2011 financial year were within the Company's long standing target range of A\$40-43/tonne.

**MARKETING**

Iron ore sales for the June 2011 quarter were 1.465 Mt WMT (1.36Mt DMT), up from the March 2011 quarter (1.39 Mt WMT / 1.30Mt DMT), reflecting improved weather conditions when compared to the March 2011 quarter.

All sales proceeds were received in cash within the June 2011 quarter other than the last vessel of quarter (110,000 WMT). Proceeds of approximately 110,000 WMT of March 2011 sales were received during the June 2011 quarter.

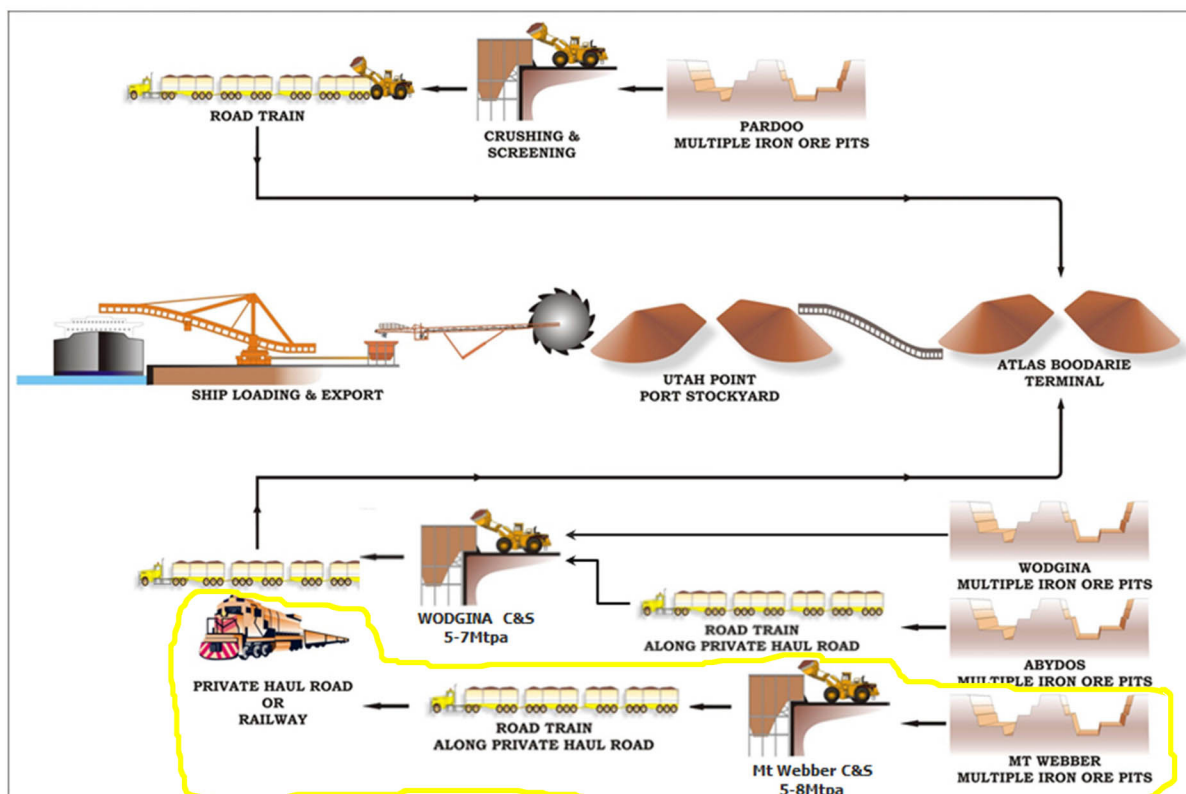
Achieved pricing outcomes in the June 2011 quarter were comparable with the March 2011 quarter, with a small increase in benchmark pricing for the quarter offset by lower realised prices on spot sales. The strong Australian dollar continues to impact on net sales with all contracts denominated in US dollars.

**PROJECTS**

**TURNER RIVER HUB EXPANSION, PROGRAM OF WORKS**

The Turner River Hub (TRH) projects Definitive Feasibility Study (DFS) was expected to be completed by the end of June 2011. However, following the change in scope arising from the revised Wodgina Infrastructure agreement, the Company is continuing to work through the revisions required to the project delivery strategy, with consideration for the additional assets purchased through the acquisition of Giralia.

The proposed TRH processing facility envisaged a centralised blending and processing hub for Atlas' Wodgina, Abydos and Mt Webber projects, in preparation for transport to the Utah Point port facility in Port Hedland approximately 95 kilometres away. The original TRH processing plant proposed an annual capacity of approximately 10Mt. With 7Mtpa installed processing capacity at Wodgina, processing for the Wodgina mine and proposed Abydos mine is now expected to be done at Wodgina itself. **Processing for the proposed Mt Webber mine is now expected to be at Mt Webber, with consideration for additional interim capacity over time as the McPhee Creek deposit is developed (see Figure 2).**

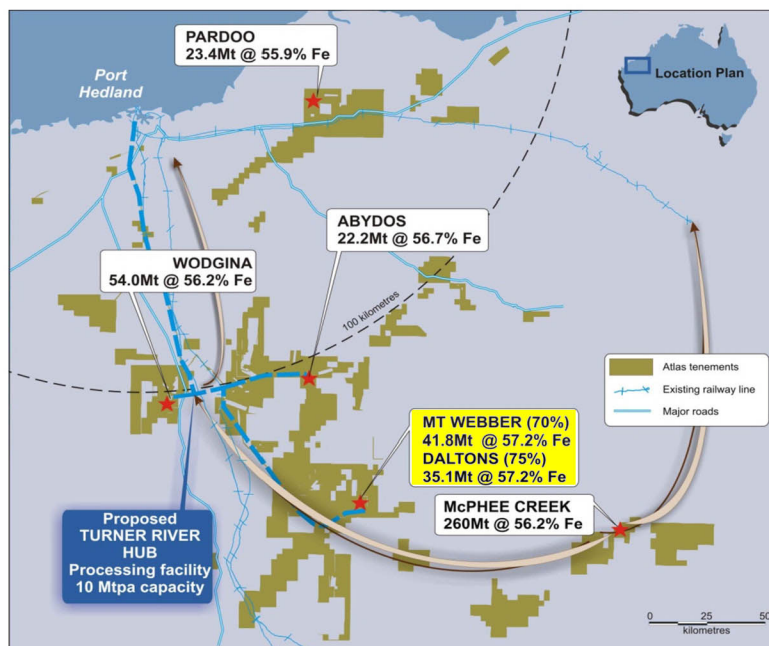


**FIGURE 2: Northern Pilbara Projects, 12Mtpa Production Revised Process Flow Schematic**

Revised feasibility outcomes, taking into account the modified project strategy, are expected to be released during the September 2011 quarter.

Ore from Atlas' Pardoo mine will not be processed at the TRH and will continue to be hauled direct to Utah Point and account for between 1.0 and 2Mtpa of production pending the required blend across the minesites.

Atlas is now actively considering the further development options that the recent Giralia takeover brings to the North Pilbara development portfolio, with a Scoping Study underway for the McPhee Creek deposit, and Daltons being considered as part of Atlas' current Mt Webber development strategy (a subset of the Turner River Hub Expansion program of works). Preliminary discussions are underway with Dalton's JV partner Haoma Mining NL on how best to achieve this.



**FIGURE 3: Projects Contributing to the Turner River Hub Strategy**

**ATLAS / BHPB MEMORANDUM OF UNDERSTANDING**

BHP Billiton Iron Ore and Atlas Iron are continuing a range of commercial discussions.

BHP Billiton Iron Ore and Atlas Iron have been collaborating since November 2010 to conduct a joint feasibility study to establish an integrated haulage concept from the Goldsworthy Junction to the Utah Point public access berth in Port Hedland. During the June 2011 quarter Atlas and BHP Billiton Iron Ore continued project work and discussions pursuant to the Memorandum of Understanding. Subsequent to the end of the June 2011 quarter the joint study was completed with both parties concluding that the project is not feasible at this stage given cost and timing impediments. The companies have agreed to conclude the study in its current phase and discontinue further joint feasibility works.

**EXPLORATION AND RESOURCE DEVELOPMENT**

During the June 2011 quarter Atlas drilled 759 RC holes and 27 diamond holes for 48,451 metres across its Pilbara projects. These included Pardoo, Wodgina, Mt Webber and McPhee Creek in the North Pilbara, and McCamey's North, Warrawanda, Watershed, Hickman and Tunnel Creek in the Southeast Pilbara. Atlas expects to release a Resource and Reserve update in August 2011.

**CORPORATE*****Off-Market Takeover for Giralia (GIR)***

The compulsory acquisition process for Giralia was completed during the June 2011 quarter and Giralia is now a wholly owned subsidiary of Atlas.

***Asset Purchase, Placement and Off-Market Takeover for FerrAus Ltd (FRS)***

On 27 June 2011, Atlas and FerrAus Limited ("FerrAus") announced that they had entered into agreements under which:

1. Atlas agreed to subscribe for 37,439,785 FerrAus shares at an issue price of \$0.65 per FerrAus share ("Subscription");
2. FerrAus agreed to buy certain iron ore tenements in the South East Pilbara from Warwick Resources Pty Ltd and Giralia Resources Pty Ltd, both of which are wholly owned subsidiaries of Atlas, in consideration for the issue of 121,846,154 FerrAus shares with a deemed issue price of \$0.65 per FerrAus share to Atlas ("Iron Ore Assets Acquisition"); and
3. Atlas agreed to make an off-market takeover bid for 100% of the FerrAus shares on issue on the basis of 1 Atlas ordinary share for every 4 FerrAus shares ("Takeover Offer").

The Subscription and Iron Ore Assets Acquisition are subject to FerrAus' shareholder approval. The Notice of Meeting and Explanatory Memorandum in relation to the Subscription and Iron Ore Assets Acquisition will be despatched to FerrAus Shareholders on 28 July 2011.

Each FerrAus Director has recommended that FerrAus Shareholders VOTE IN FAVOUR of both the Subscription and the Iron Ore Assets Acquisition and intends to VOTE IN FAVOUR of both transactions for any FerrAus shares they hold or in which they have a relevant interest. In addition, the Independent Expert has concluded that together the Subscription and Iron Ore Assets Acquisition are fair and reasonable.

The indicative timetable for the Subscription, Iron Ore Assets Acquisition and the Takeover Offer is set out below:

28 July 2011	Notice of Meeting and Independent Expert's Report despatched
29 August 2011	General Meeting of FerrAus shareholders
30 August 2011	Allotment of FerrAus shares to Atlas
5 September 2011*	Atlas lodges Bidder's Statement with ASIC and ASX, and FerrAus lodges its Target Statement with ASIC and ASX
5 September 2011*	Atlas despatches Bidder's Statement to FerrAus shareholders, and FerrAus despatches its Target's Statement to FerrAus shareholders
5 September 2011*	Atlas Offer opens
4 October 2011	Atlas Offer closes (unless extended)

On 25 July 2011 Atlas announced that, following discussions with FerrAus, the Takeover Offer will no longer be subject to defeating conditions in relation to FerrAus shareholder approval for, and completion of, the Subscription or the Iron Ore Assets Acquisition. This increases the certainty of the Takeover Offer for FerrAus shareholders and will allow FerrAus shareholders to consider the Subscription and Iron Ore Assets Acquisition independently of the Takeover Offer.

***Strategic investment in Centaurus Metals***

On 27 July 2011 Atlas announced that it had entered a strategic alliance with Centaurus Metals Limited (ASX code: CTM) ("Centaurus"), an emerging Brazilian iron ore explorer and developer. Under the terms of the alliance it is envisaged Atlas will acquire, via placement in two tranches, a strategic 19.9% equity stake in Centaurus for \$18.7 million. The second tranche of the placement is subject to Centaurus shareholder approval.

***North West Infrastructure***

Atlas Iron is a founding member of North West Iron Ore Alliance (now trading as North West Infrastructure - NWI), a group of independent iron ore companies progressing projects in the Pilbara of Western Australia. NWI is advancing the development of its South West Creek port and stock handling facility, with definitive feasibility studies nearing completion.

***Magnetite Projects***

Commercial negotiations have continued during the June 2011 quarter with potential investors or partners in the Ridley, Balla Balla and Yerecoin projects. Indicative proposals have been received on each of the deposits and these are being worked through in conjunction with the relevant counterparties.

Ongoing fiscal instability in Australia, most recently via the proposed introduction of the carbon tax is proving to be a concern for the potential foreign investors in these large scale projects.

***Personnel***

During the June 2011 quarter the Company's Chairman Mr Geoff Clifford retired as Chairman and announced his intention to step down from the Board with effect from 31 July 2011. Mr David Hannon has been appointed as interim Chairman.

An organisational review was completed in the June 2011 quarter to ensure the Company is appropriately structured to deliver on its growth plans. This resulted in the creation of the new executive role of Chief Development Officer, which is to be filled by Ken Brinsden, the Company's former Chief Operating Officer. Jeremy Sinclair has been promoted to the role of Chief Operating Officer. Mr Sinclair was formerly the Company's Head of Pilbara Operations.

***Shaw River Resources Limited***

As Shaw River's major shareholder, Atlas is continuing to support Shaw River's initiatives to build a significant manganese exploration and development portfolio. Works are continuing on Shaw River's 'Otjo' Manganese project in Namibia with Shaw River expecting to be in production by mid-2012 (see Shaw River's website: [shawriver.com.au](http://shawriver.com.au) for further details).



**CORPORATE PROFILE****Directors**

David Flanagan, Managing Director  
David Hannon, Non-Executive Director and Acting Chairman  
Dave Smith, Non-Executive Director  
Tai Sook Yee, Non-Executive Director  
Geoff Clifford, Non-Executive Director (retiring at 31 July 2011)

**Company Secretary**

Tony Walsh

**Executive Management**

Ken Brinsden, Chief Development Officer  
Mark Hancock, Chief Commercial Officer  
Jeremy Sinclair, Chief Operating Officer

**Registered Office and Head Office**

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Tel: +61 8 9476 7900  
Fax: +61 8 9476 7988  
Website: atlasiron.com.au

**Share Details as at 30 June 2011**

825,966,142 ordinary shares

**Unlisted Options as at 30 June 2011**

23,565,000 Unlisted Options

**Substantial Shareholders as at 30 June 2011**

IMC Group: 66.75 mil shares  
Blackrock Investment Management: 48.98 mil shares  
UBS Nominees: 44.05 mil shares (ceased as a substantial shareholder on 4 July 2011)  
Schroder Investment Management Australia - 41.94 mil shares

**Reporting Calendar**

FY 30 June 2011 Annual Accounts: 25 August 2011  
Turner River Hub Definitive Feasibility Study results: during September 2011 quarter  
September 2011 Quarterly Report: 26 October 2011  
Atlas Annual General Meeting: 8 November 2011

**COMPETENT PERSONS AND JORC COMPLIANCE STATEMENT**

**Exploration Results**

The information in this report that relates to exploration results is based on information compiled by Mr Andrew Paterson who is a member of the Australian Institute of Mining and Metallurgy and an employee of Atlas Iron Limited. Andrew Paterson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results'. Andrew Paterson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

**Geological Data, Interpretation and Resource Estimation – DSO Mineral Resources**

The information in this report that relates to mineral resource results is based on information compiled by Mr Steve Warner who is a member of the Australasian Institute of Mining and Metallurgy and a full time employee of Atlas Iron Limited. Steve Warner has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Steve Warner consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

**Dollars**

Means Australian dollars.

**Appendix 1 – Mine Production at Pardoo and Wodgina**

<b>Table A: Mine Production – Pardoo</b>				
	<b>Jun Quarter '11 (t)</b>	<b>Mar Quarter '11 (t)</b>	<b>Variance Quarter (t)</b>	<b>Variance Quarter (%)</b>
Ore Tonnes Mined	426,587	405,130	21,457	5%
Ore Tonnes Processed	483,524	321,130	162,394	51%
Haulage to Port	502,169	380,797	121,372	32%

<b>Table B: Mine Production – Wodgina</b>				
	<b>Jun Quarter '11 (t)</b>	<b>Mar Quarter '11 (t)</b>	<b>Variance Quarter (t)</b>	<b>Variance Quarter (%)</b>
Ore Tonnes Mined	1,037,915	963,822	74,093	8%
Ore Tonnes Processed	983,532	863,210	120,322	14%
Haulage to Port	1,012,653	939,795	72,858	8%