



FY2023 Results for Atlas Iron Pty Ltd

- **Production target of 10 million wmt for FY2024**
- **\$180 million cash generated from operations**
- **Sales of 8.9 million wmt**
- **Revenue decreased 9% to \$1,200 million**
- **State royalty payments on iron ore sales of \$85 million during the year**

Atlas Iron Pty Ltd (**Atlas**) is pleased to report its audited results for the financial year ended 30 June 2023 (**FY23**), highlighting continued stability with a focus on achieving approvals for growth projects.

During the past financial year, Atlas safely produced consistent product quality from its Mt Webber, Sanjiv Ridge and Miralga mines at 10million wmt rate, whilst shipping 8.9 million wmt.

Despite meeting its annual mine production target of 10 million wmt, shipping outcomes for FY23 fell short of expectations due to port constraints which limited berth access at the Utah multi-user facility.

Favourable discounts for Atlas 58% Fe products helped to buffer the impact of lower headline iron ore prices and shipments, resulting in earnings before tax of \$427 million (FY22: \$467 million) and subsequent reduction in cash generated from operations to \$180 million.

Atlas made State royalty payments of \$85 million this year, funding that will support delivery of government services and projects in WA. This is in addition to taxation revenue gained via income tax of staff, consultants and contractors, plus licence fees and stamp duty tax.

Further to the State royalty payments, Atlas paid \$50 million (FY22: \$47 million) in port charges to the Pilbara Ports Authority.

Exploration activities have primarily concentrated on advancing significant capital drilling programs at Ridley and Mt Bevan, and execution of a metallurgical program for the McPhee project plus ongoing approvals. Optimisation studies are underway to ascertain the potential extension of existing operations.

Substantial progress was made progressing the circa \$700 million strategic growth plan announced in FY22.

Although the McPhee Creek approvals are delayed and are now forecast for December 2023, work progressed to enable construction to commence as soon as approvals are granted. All major operational contracts have been awarded and the Heavy Mobile Equipment (HME) fleet procured, all subject to approvals.

The Ridley Magnetite feasibility study and the upgrade of Stock Yard 2 at Utah Point are expected to be completed in Q4 CY23.

Commenting on the FY23 results, Hancock Prospecting Executive Chairman, Mrs Gina Rinehart AO, said, "Unfortunately, due to significant increases in Government processing times and multi layers of red tape, we have seen further delays to the McPhee project.

"This is a project that would deliver an additional \$2 billion in additional tax and royalty payments to Government, as well as delivering hundreds more high paying jobs."

"The Government needs to do more to reduce red tape and streamline approvals, if it wishes to help raise living standards.

"Shackling industry with more uncertainty via time consuming regulation and duplicated compliance is only damaging Australia as a predictable and reasonable place to invest. Investment being essential to enable living standards to rise."

Mrs Rinehart added, "All staff across Atlas's operations had performed exceptionally well to deliver a solid result.'

CEO Gerhard Veldsman stated, "There were some external challenges outside our control, such as shipping constraints at the Utah Point multi-user facility that impacted us, but we were flexible in responding to those challenges and importantly, we improved productivity and safety. As Mrs Rinehart has already stated, the delay in approvals is delaying future revenue and tax delivering projects."

Non-Executive Director Sanjiv Manchanda said, "We urgently need the Government to address processing times for approvals of new projects and look for more opportunities to streamline processes.

"The current policy environment, duplication of processes, overreach from all departments and massive delays for approvals, threatens further mining investment and hence revenue, at a time when Australia is in record debt, needs more hospitals, defence, police and to look after our increasing elderly and deserving veterans. In short, when we need it most."

About Atlas

Atlas is an Australian iron ore company which mines and exports direct-shipped iron ore from its Mt Webber, Sanjiv Ridge (named after previous Atlas CEO Sanjiv Manchanda) and Miralga mines in the northern Pilbara region of West Australia. Atlas has a portfolio of exploration and development projects which now includes two magnetite projects. Atlas was acquired by Hancock Prospecting in 2018 when Atlas was facing financial problems and without an input of additional capital, may have needed to close its operations.

Further Information:

Please contact media@royhill.com.au

Glossary

\$ all dollar amounts are quoted in Australian dollars unless otherwise stated.
wmt means wet metric tonnes.