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## Warwick stocks leap as Atlas grabs stake

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**SHARES in iron ore hopeful Warwick Resources skyrocketed 36% on the back of a new strategic alliance with Atlas Iron.**

Warwick stocks leapt 9c from Friday's close price of 25c a share, to reach 34c in morning trading. Shares later cooled to 30c a share.

The price rise follows an agreement that will see Atlas take a 19.9% stake in Warwick through a share placement and the acquisition of existing shares at 23c a share.



When completed, the deal will leave Warwick with more than \$A10 million in cash reserves, which the company will commit to exploration and development of its iron ore projects in the Newman region and for working capital purposes.

Around 75% of the placement shares will be issued immediately under Warwick's 15% placement capacity, with the remaining shares subject to shareholder approval.

The two companies have agreed on an "area of influence" to work together to consolidate and grow their combine iron ore interests.

In addition, Atlas will have the first right of refusal to participate in all future capital raisings by Warwick.

Atlas has also been granted first refusal over the divestment of any of Warwick's iron ore projects – as long as it holds 10% or more of Warwick's issued share capital.

Welcoming Atlas as a cornerstone investor, Warwick chairman Will Burbury said the transaction underlined the potential of Warwick's Newman area iron ore projects.

Atlas managing director David Flanagan said the transaction would give Atlas shareholders "great leverage to a land position in the Pilbara that is highly prospective for iron ore".

He added the company intended to retain its 19.9% stake in Warwick "for the foreseeable future".

Atlas company secretary Tony Walsh will join the Warwick board as a non-executive director.

Morning trading saw Warwick shares skyrocket 36% to 34c, before dropping down to 30c a share. Shares in Atlas rose 7.1% to \$2.27 before slipping to \$2.21.

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