

ATLAS MINING CLASS ACTION SETTLEMENT
FREQUENTLY ASKED QUESTIONS

BASIC INFORMATION:

1. Why did I get a notice package?

If you or someone in your family purchased and/or acquired Atlas common stock between January 19, 2005 and October 8, 2007, you are included in the Class. The Notice will tell you about the lawsuit, and the proposed Settlement. It will also tell you about your rights and how to request money, if eligible, before the Court decides whether to approve the proposed Settlement of this lawsuit.

2. What is this lawsuit about?

Lead Plaintiffs allege that Defendants violated the federal securities laws by making false and misleading statements during the Class Period regarding Atlas's business and prospects in publicly disseminated press releases and SEC filings regarding the extent of a deposit of valuable halloysite clay on Atlas property, the availability and quality of halloysite for sale, and claimed sales of halloysite. Lead Plaintiffs also contend that, on October 9, 2007, Atlas announced that its financial statements for the fiscal years ended December 31, 2004, 2005 and 2006 were materially false and misleading and had to be restated. Similarly, Lead Plaintiffs allege that Atlas admitted that restatements were necessary because Atlas had wrongfully inflated its revenues and under-reported net losses and long-term liabilities by improperly recognizing as revenues speculative sales of halloysite. Finally, Lead Plaintiffs allege that when Defendants disclosed the truth about the actual financial results, Class Members suffered damages as a result of the decline in the price of Atlas stock.

Defendants deny all of Lead Plaintiffs' allegations and further deny that they did anything wrong. Defendants also deny that Lead Plaintiffs or the Class suffered damages or that the price of Atlas common stock was artificially inflated by reasons of alleged misrepresentations, non-disclosures or otherwise.

3. Why is this Litigation a class action?

In a class action lawsuit, one or more persons or entities called "class representatives" (in this case James O'Hern and John O'Hern) sue on behalf of others who have similar claims. The class representatives and the persons or entities they represent are the "class members." One judge decides the issues for all class members, except for those who exclude themselves.

4. Why is there a settlement?

The Court did not decide in favor of Lead Plaintiffs or Defendants. Instead, the parties negotiated a settlement, with the assistance of a mediator, Jed Melnick, Esq. The proposed Settlement allows both sides to avoid the risks and cost of lengthy and uncertain litigation, and permits Class Members to be compensated without delay. The Lead Plaintiffs and their attorneys think the proposed Settlement is best for the Class.

WHO GETS MONEY FROM THE SETTLEMENT:

To see if you will get money from the proposed Settlement, you have to find out if you are a Class Member.

5. How do I know if I am in the Class?

If you purchased and/or acquired Atlas common stock between January 19, 2005 and October 8, 2007, inclusive, you are in the Class.

6. Are there exceptions to being included in the Class?

Yes. Settling Defendants, members of the immediate families of the Individual Defendants and the legal representatives, heirs, successors, or assigns of any such excluded person or entity are excluded. Also excluded from the Class are those Persons who timely and validly request exclusion from the Class. Certain Atlas

shareholders are Class Members but have executed a Forbearance Agreement agreeing to forego their claims for payment from the Settlement. These shareholders are: David Taft (Atlas Board Member), IBS Capital, Andre Zeitoun (Atlas Chief Executive Officer), Chris Carney (Atlas Chief Financial Officer), and Eric Basroon.

7. I'm still not sure if I am included.

If you are still not sure whether you are included, call 1-877-434-3064.

THE SETTLEMENT BENEFITS – WHAT YOU GET:

8. What does the settlement provide?

Atlas has agreed to pay \$1.25 million in cash to settle this case (the "Settlement Fund"). This \$1.25 million will be placed into a bank account that will earn interest. The Settlement Fund, plus interest, minus costs, fees and expenses (the "Net Settlement Fund"), will be divided among all eligible Class Members who send in valid Proof of Claim forms ("Claim Form"). Costs, fees and expenses include Court-approved attorneys' fees and expenses, and the costs of claims administration. Atlas has agreed to pay an additional \$75,000 to pay for the costs of notifying Class Members, including the costs of printing and mailing the Notice and publishing newspaper notice.

9. How much will my payment be?

Your share of the Net Settlement Fund will depend on the number of Class Members who submit a valid Claim Form and the number of shares of stock you purchased and/or acquired during the Class Period (January 19, 2005 and October 8, 2007, inclusive) and when you sold them.

Also, the amount you get will be based on the number of people who make claims. If every Class Member makes a claim, your share will be less than if only a few Class Members make a claim.

THE OPTIONS AVAILABLE TO CLASS MEMBERS UNDER THIS SETTLEMENT:

10. How do I remain in the Class?

If you are a Class Member, you are included in this proposed Settlement unless you ask to be excluded. As a Class Member, you will be represented by Lead Plaintiffs and Class Counsel. However, you may have your own attorney appear on your behalf at your expense. You can also file a claim to get money from the proposed Settlement. Even if you do not file a claim, you will still be bound by the proposed Settlement.

11. How do I get money from the Proposed Settlement?

If you received the Notice by mail, you have also received a Claim Form. You must complete this Claim Form to see if you qualify to get money from the proposed Settlement. If you are reviewing the Notice online, or saw a copy in the newspaper, you may download a Claim Form from the link on the homepage or request one by calling the Atlas Settlement Claims Administrator toll-free at 1-877-434-3064.

Even if you object to the proposed Settlement, you should complete a Claim Form to qualify to get money if the proposed Settlement is approved. Completed Claim Forms **must be postmarked no later than May 6, 2010**. Claim Forms must be mailed to:

Atlas Mining Securities Litigation,
c/o Rust Consulting, Inc.
P.O. Box 2249, Faribault
MN 55021-1649

If your Claim Form is late, you may not get any money from the proposed Settlement.

The Claims Administrator will determine if you are eligible to get money from the proposed Settlement following the terms explained in Question 9 above. You will be notified by mail if your Claim is accepted or rejected.

12. When would I get my payment?

The Court will hold a hearing on **January 19, 2010, at 9:30 a.m.**, to decide whether to approve the proposed Settlement. If the judge approves the proposed Settlement, there may be appeals. Appeals are always uncertain, and resolving them can take time, perhaps more than a year. It also takes time for all the Claim Forms to be processed. If there are no appeals, depending on the number of claims filed, the Net Settlement Fund could be distributed as early as nine months after the Fairness Hearing. Please be patient.

13. How do I Exclude myself from the Class?

To exclude yourself from the Class, you must mail a written request stating:

- Your name, address, and telephone number;
- The name and number of the lawsuit: *In re Atlas Mining Securities Litigation*, No. C-07-428;
- Your purchases and sales of Atlas stock during the Class Period including the dates, the number of shares and price paid for each purchase of Atlas stock; and
- A statement that you want to be excluded from the Class.

All exclusion letters must be sent by first class mail (although registered mail is preferred). You cannot exclude yourself from the Class by phone or email. Exclusions must be postmarked no later than **December 22, 2009**, to:

Jennifer Sarnelli, Esq.
Lite DePalma Greenberg & Rivas, LLC
Two Gateway Center, 12th Floor
Newark, NJ 07102

14. What happens if I Exclude myself from the Class, or if instead, I remain in the Class?

If you exclude yourself from the Class, you will not get any money from the proposed Settlement. You will no longer be part of the Class, and nothing that happens in the lawsuit will affect you. You will not be bound by the proposed Settlement and can sue Atlas on your own.

If you do not exclude yourself, you will be bound by the proposed Settlement if the Court grants final approval. This means that you cannot sue Atlas for any of the claims in this lawsuit.

15. Can I remain in the class and Object to the Settlement?

You can object to the proposed Settlement if you wish, but you do not have to. You can also hire your own lawyer to speak for you at your own expense. This is called making an appearance (See Question 16). You can still share in any benefits the Class might receive from the proposed Settlement if you appear in the case. You can only object if you do not exclude yourself from the Class.

Any objection, to be heard at the Fairness Hearing, must be in writing and postmarked on or before December 22, 2009. Any such objection must include the following information:

- Your name, address, telephone number and, if applicable, e-mail address;
- A statement that you purchased Atlas stock between January 19, 2005 and October 8, 2007;
- A detailed statement of the basis of your objections to the Settlement; and
- Any supporting papers, including all documents and writings you want the Court to consider.
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The objection must be mailed to Class Counsel at:

Jennifer Sarnelli, Esq.
Lite DePalma Greenberg & Rivas, LLC
Two Gateway Center, 12th Floor
Newark, NJ 07102

If you object to the proposed Settlement or otherwise request to be heard at the Fairness Hearing, you are submitting to the jurisdiction of the Court. In the event that the Court overrules your objection, you should complete a Claim Form so that you can obtain a share of the proposed Settlement Fund if you are eligible.

If you do not object to any part of the proposed Settlement, you will have waived your right to object. You will forever be barred from objecting to the proposed Settlement, or from otherwise being heard in this or any other proceeding.

16. How do I appear in the Lawsuit?

If you want to speak, or have another lawyer instead of Class Counsel speak for you in the lawsuit (at your own cost), you must give the Court a paper called a Notice of Appearance. Class Counsel cannot speak for any objector. The Notice of Appearance must include: the name and number of the lawsuit (*In re Atlas Mining Securities Litigation*, No. C-07-428), your name and the name of the lawyer who will appear. A Notice of Appearance must be filed with the Court on or before January 4, 2010. The Notice of Appearance must be filed with the Clerk of Court, United States District Court for the District of Idaho, 550 W. Fort Street, Room 400, Boise, ID 83724.

IF YOU DO NOTHING:

17. What happens if I don't do anything at all?

If you do nothing, you will get no money from this proposed Settlement. But, unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against the Defendants about the same issues in this case.

THE COURTS FAIRNESS HEARING:

18. When and where will the Court decide whether to approve the Settlement?

The Court will hold a hearing on **January 19, 2010, at 9:30 a.m.**, at the United States District Court for the District of Idaho, 550 W. Fort Street, Boise, ID 83724. At this hearing, the Court will consider whether the proposed Settlement is fair, reasonable and adequate. If there are objections, the Court will consider them. The Court will listen to people who have asked to speak at the hearing. The Court will also decide whether to approve the payment of fees and expenses to Class Counsel, including the awards to Lead Plaintiffs and the Plan of Allocation. We do not know how long the hearing will take or whether the Court will make its decision on the day of the hearing or sometime later. The Court may change the hearing date. Please check the Web site for updated information. You will not get another mailing about this case or the hearing date.

19. Do I have to come to the Hearing?

No. Class Counsel will answer questions the Judge may have. But, you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but you are not required to do so.

THE LAWYERS REPRESENTING CLASS MEMBERS:

20. Do I have a Lawyer in this Lawsuit?

Yes. The Court has appointed the following law firms to represent the Class:

Joseph J. DePalma
Jennifer Sarnelli
Katrina Carroll
Lite DePalma Greenberg & Rivas, LLC
Two Gateway Center, 12th Floor
Newark, NJ 07102

Lead Counsel for the Class

B. Newal Squyres
Ted C. Murdock
Holland & Hart LLP
101 S. Capitol Blvd., Suite 1400
Boise, ID 83701

Liaison Counsel for the Class

These lawyers are called Class Counsel. You won't be charged personally for these lawyers, but they will ask the Court to award them a fee and for reimbursement of their expenses to be paid out of the Settlement Fund.

21. How will the Lawyers be paid?

Class Counsel will ask the Court for reimbursement for their fees and expenses based on the money they have obtained from Atlas on behalf of the Class. You won't have to pay any of these fees and expenses. If the Court grants Class Counsel's request, the fees and expenses would be deducted from the money paid by Atlas.

Class Counsel will request 30% of the Settlement Fund as fees and up to \$55,000 in expenses. Atlas has agreed not to object to this request. These fees and expenses are to compensate Class Counsel for the time and money they have spent on this case. The Court will determine if this request is fair, reasonable and adequate. Class Counsel will also ask the Court to approve awards of \$3,750 for each of the Lead Plaintiffs for their representation of the Class. If the above amounts are approved by the Court, the average cost per share will be \$0.04.

GETTING MORE INFORMATION:

22. Are more details and information available?

More details are in the Complaint filed by Class Counsel and the other legal documents that have been filed with the Court in this lawsuit. Anyone can look at and copy these legal documents at any time during regular office hours at the Office of the Clerk of Court, United States District Court for the District of Idaho, 550 W. Fort Street, Room 400, Boise, ID 83724. Copies of some of the important documents, like the Complaint, are also available at the "Court Document" link on the left of the homepage.

In addition, if you have any questions about the lawsuit or the Notice, you may:

- Call toll-free: 1-877-434-3064
- Write the Claims Administrator:
Atlas Mining Securities Litigation,
c/o Rust Consulting, Inc.
P.O. Box 2249
Faribault, MN 55021-1649
- Email: info@AtlasMiningSettlement.com

SPECIAL NOTICE NOMINEES

If you hold any Atlas common stock purchased between January 19, 2005 and October 8, 2007, inclusive, as a nominee for a beneficial owner, then, within ten (10) days after you receive the Notice, you must either: (1) send a copy of the Notice by first class mail to all such Persons; or (2) provide a list of the names and addresses of such Persons to the Claims Administrator at the address listed in Question 23. If you choose to mail the Notice and Proof of Claim yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you require.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for or advancement of *reasonable* administrative costs actually incurred or expected to be incurred in connection with forwarding the Notice and would not have been incurred but for the obligation to forward the Notice, upon submission of appropriate documentation to the Claims Administrator.

Please do not contact the Court.