



5<sup>th</sup> May 2009

## **ATLAS EXERCISES OPTION TO ACQUIRE IRON ORE RIGHTS TO PILBARA TENEMENTS FROM HADDINGTON RESOURCES**

Atlas Iron Limited (ASX: AGO) is pleased to announce that, pursuant its option agreement with Haddington Resources Limited (ASX: HDN) announced on 15 January 2008, it has given Haddington notice of its intention to exercise its option to acquire the iron ore rights to 6 Pilbara tenements from Haddington.

Atlas will issue Haddington 485,437 Atlas shares, being \$1,000,000 in Atlas shares at an issue price of \$2.06 (the 5 day VWAP prior to the option agreement being signed on 15 January 2008) by no later than 13 May 2009.

These tenements, which form part of Atlas' Mt Webber DSO Project, are between 75 and 160 kilometres from Port Hedland, less than 60 kilometres from the FMG and BHPB railways and less than 60 kilometres from the Great Northern highway. Some of these tenements adjoin the company's Abydos project.

Mt Webber forms another important link in the Company's objective of growing a substantial production base from the 'Greater Abydos Project' area south of Port Hedland. As mentioned in the March 2009 Quarterly Report, the Company has commenced drilling at Mt Webber. Additional close-spaced mapping at Mt Webber has reinforced the Company's opinion that the project will provide a major increase to the resource inventory in the coming year.

ASX has granted Atlas a waiver from listing rule 14.7 in relation to shares being issued to Haddington on the terms set out below:

1. *Based solely on the information provided, ASX Limited ("ASX") grants Atlas Iron Limited (the "Company") a waiver from listing rule 14.7 to the extent necessary to permit the Company to issue 485,327 shares (the "Shares") to Haddington Resources Limited as approved by shareholders of the Company in the annual general meeting on 21 November 2008, on the following conditions:*
  - 1.1 *The Shares are issued by no later than 13 May 2009 and otherwise on the same conditions as approved by shareholders on 21 November 2008.*
  - 1.2 *The Company immediately releases the terms of the waiver to the market.*
2. *ASX has considered listing rules 14.7 only and makes no statement as to the Company's compliance with other listing rules.*

### **For further information please contact**

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