19 June, 2009

CONTINUED NORTH PILBARA EXPLORATION SUCCESS

Atlas Iron Limited [**ASX Code: AGO**] is pleased to announce further exploration success from its north Pilbara exploration projects. The company continues to deliver high-grade direct shipping iron ore (DSO) results from ongoing aggressive exploration within its Mt Webber, Wodgina and Turner River projects, all located within a 150km radius of Port Hedland in the Pilbara of Western Australia.

Selected highlights from recent RC drilling at the three project areas are detailed below:

Mount Webber Project

42 metres at 60.9% Fe and 0.09% P from 16 metres in MWRC038;

38 metres at 61.4% Fe and 0.09% P from 10 metres in MWRC078;

34 metres at 60.2% Fe and 0.08% P from surface in MWRC053; and

42 metres at 59.2% Fe and 0.08% P from 6 metres in MWRC035.

Wodgina Project

62 metres at 59.2% Fe and 0.07% P from surface WDRC490;

46 metres at 60.2% Fe and 0.11% P from 12 metres in WDRC816;

60 metres at 57.8% Fe and 0.05% P from 4 metres in WDRC819; and

44 metres at 59.4% Fe and 0.03% P from 38 metres in WDRC705;

Turner River Project

50 metres at 59.2% Fe and 0.13% P from surface in TRRC020;

44 metres at 59.8% Fe and 0.10% P from surface in TRRC012;

36 metres at 60.9% Fe and 0.13% P from 16 metres in TRRC018; and

36 metres at 60.7% Fe and 0.13% P from 8 metres in TRRC016.

“All three of these projects have produced fantastic results” commented David Flanagan, Atlas Managing Director. “It reinforces the message that Atlas has quality ground, and that we will keep delivering for our shareholders by taking every opportunity we can to add value”.

First-pass drilling on the Ibanez prospect at Mt Webber has now been completed, and Atlas is confident of achieving an initial resource estimate later this year. Drilling is ongoing and we expect to report further results as they come to hand.

The drilling highlights at Wodgina are the result of additional definition drilling around the high-grade Dragon deposit, to the northeast of the Anson deposit, for which an inferred resource was announced in May 2009. The results are expected to increase both the size and grade of the Dragon deposit. Infill drilling at the Anson deposit is complete, and estimation of the updated resource is underway. Several large target areas remain to be tested to the north of Wodgina, and the area continues to hold significant growth potential.

The Mt Dove prospect is part of the Turner River Project strategically located just 65 km south of Port Hedland, 35 km northwest of Wodgina and only 15 km from the Great Northern Highway. Results indicate an

exploration target of 2 to 3 million tonnes of DSO at 57 to 60 % Fe within the target areas drilled to date. Several lower priority targets in the area still remain to be tested. Given its location and grade, the Mt Dove prospect is expected to provide blending opportunities for the Wodgina operation.

Details of the drilling and assay results from the above project areas are contained in the following attached figures and Appendix 1.

Background Atlas Iron Limited

Atlas is mining at its 100%-owned Pardoo Iron Ore Project, located 75 kilometres by road from Port Hedland, in the Pilbara region of Western Australia and completed its first shipment of Pardoo Direct Shipping Ore in early December 2008. Atlas is planning to export 1 million tonnes during its first 12 months of operations at the Pardoo Project, expanding following commissioning of the Utah Point port facility. When combined with additional export tonnages from its Abydos and Wodgina DSO Projects, the Company is targeting exports at an annualised rate of 6 million tonnes in 2010, growing to 12 million tonnes by 2012.

For further information please contact

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References to Exploration Targets and Potential

Any discussion in relation to exploration targets and potential are only conceptual in nature, as there has been insufficient exploration to define a Mineral Resource at the Company's Mt Dove prospect and it is uncertain if further exploration will result in the determination of a Mineral Resource at this prospect.

Competent Person Statement

The information in this report that relates to exploration results is based on information compiled by Mr. Mark Gunther and Tony Cormack who are members of the Australian Institute of Geoscientists and Australian Institute of Mining and Metallurgy and are employees of Atlas Iron Limited. Mark Gunther and Tony Cormack have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results'. Mark Gunther and Tony Cormack consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Land Tenure

Atlas has acquired the iron ore rights over the Mt Webber tenements with exercising of an option agreement with Haddington Resources Ltd (ASX 15th Jan08). Atlas hold an option agreement with De Grey Mining Ltd to acquire iron ore rights over the Mt Dove tenement E47/891 (ASX 15th April08).

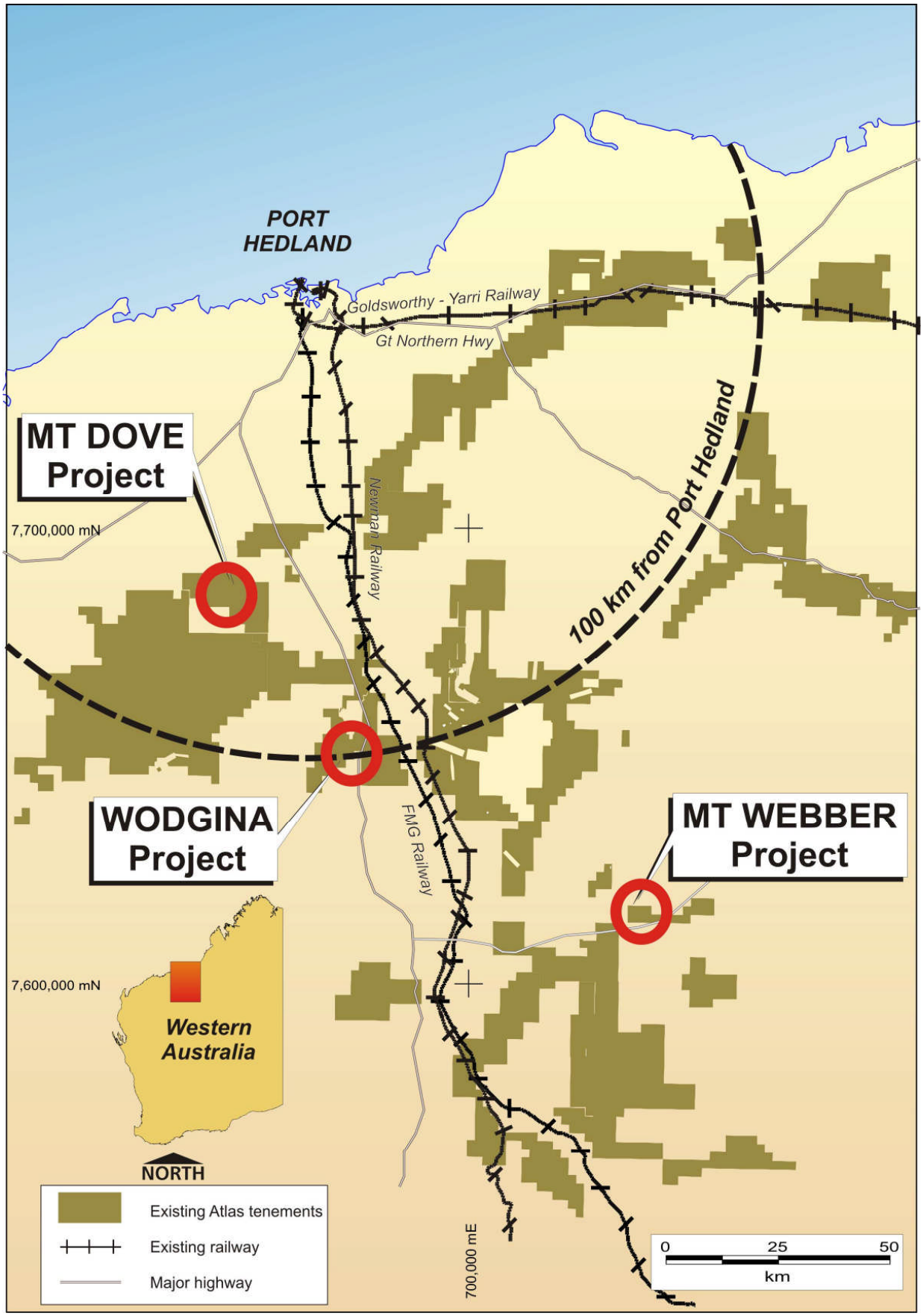

Figure 1: Atlas Pilbara Projects location plan.

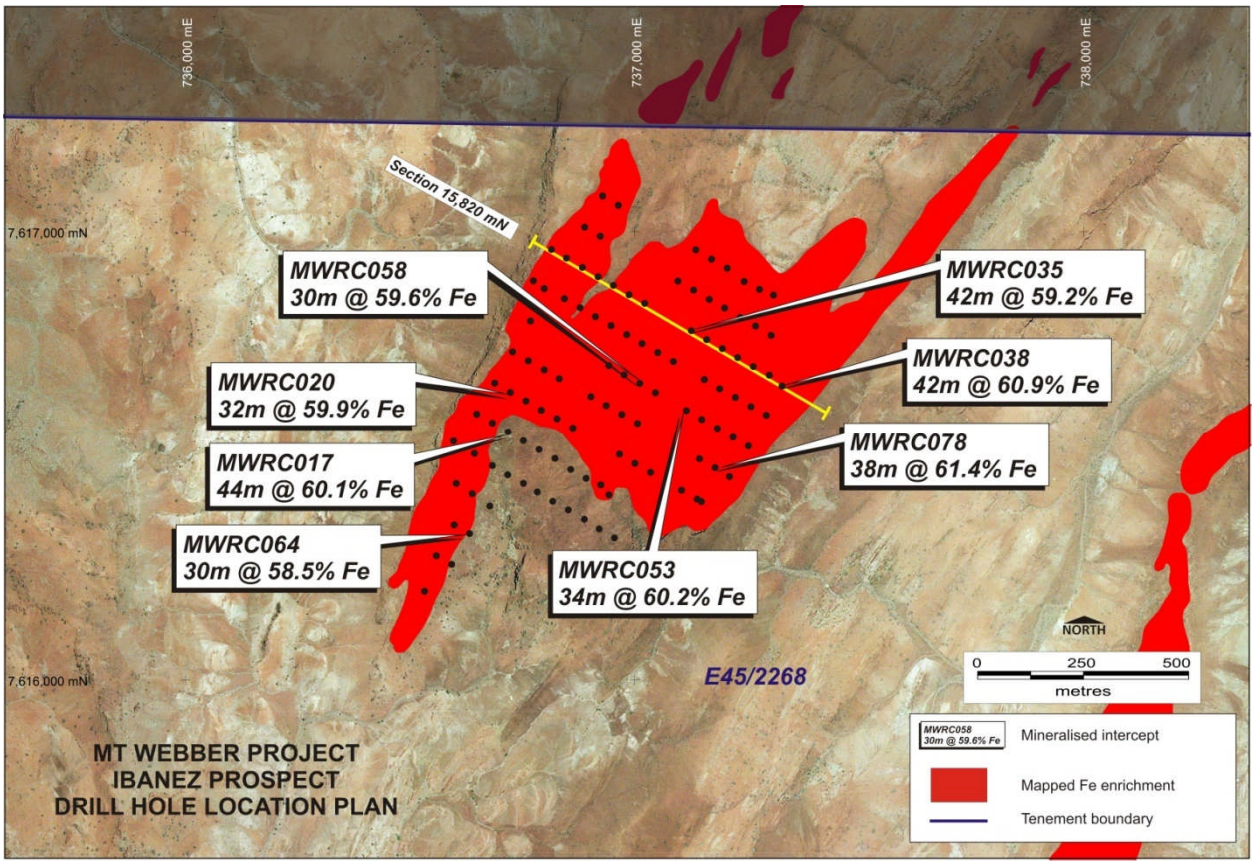

Figure 2: Mt Webber drill hole location plan. Note that MWRC017 and MWRC020 were reported to the market 21 May 2009.

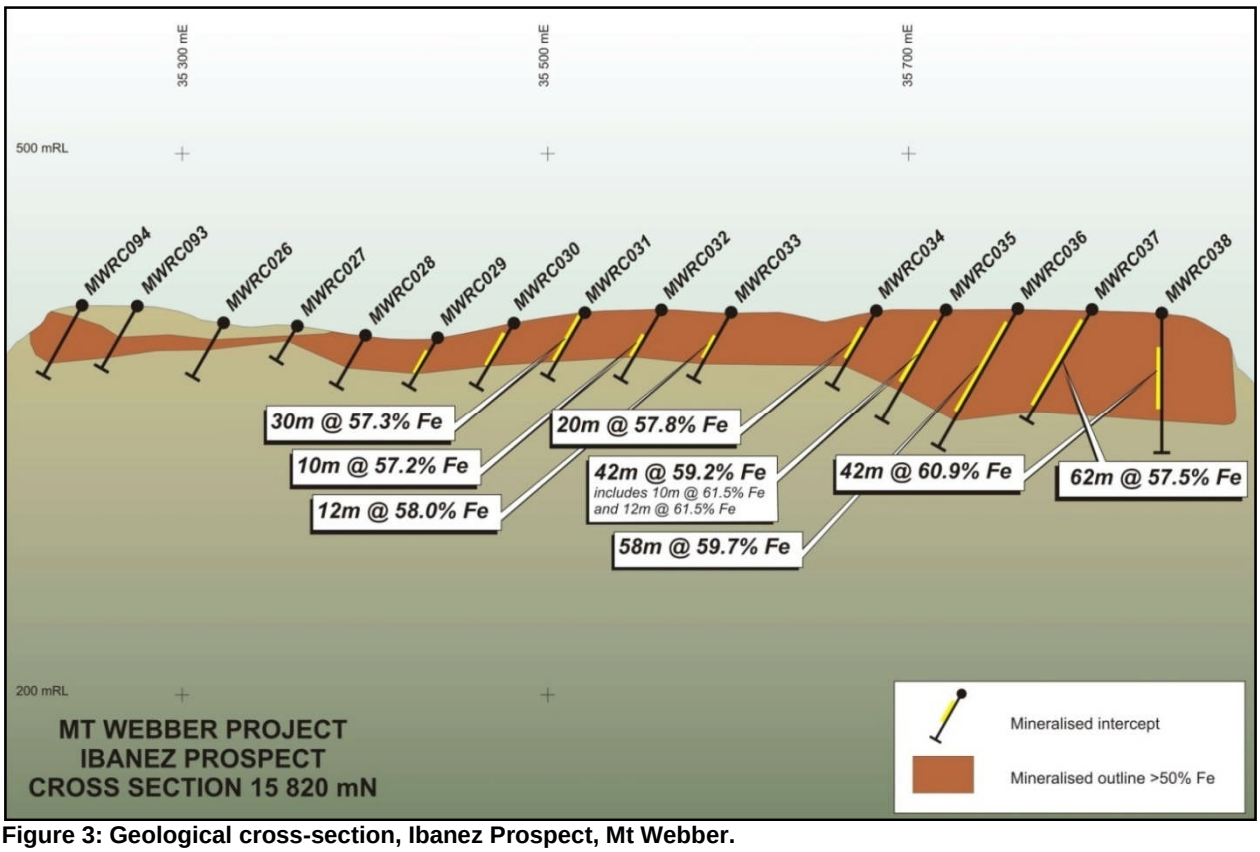

Figure 3: Geological cross-section, Ibanez Prospect, Mt Webber.

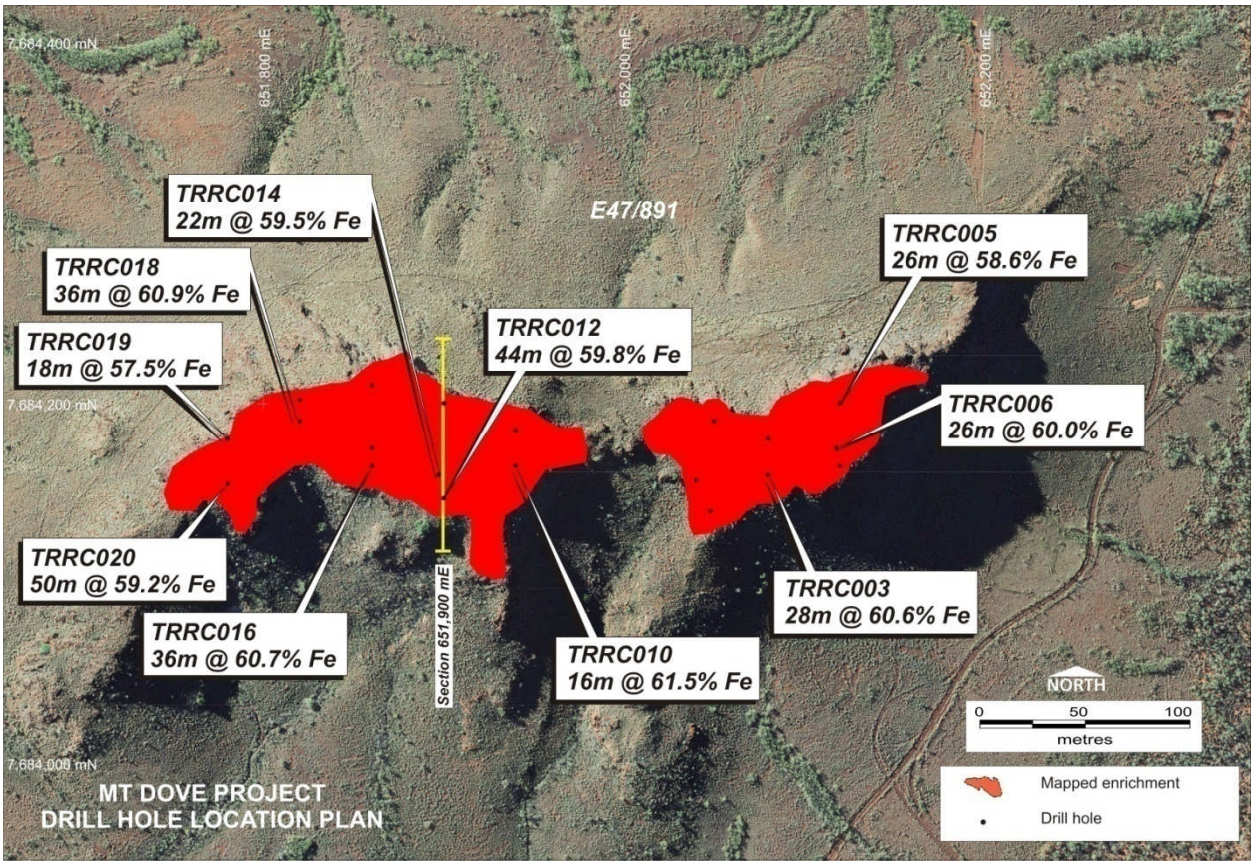

Figure 4: Mt Dove drill hole location plan.

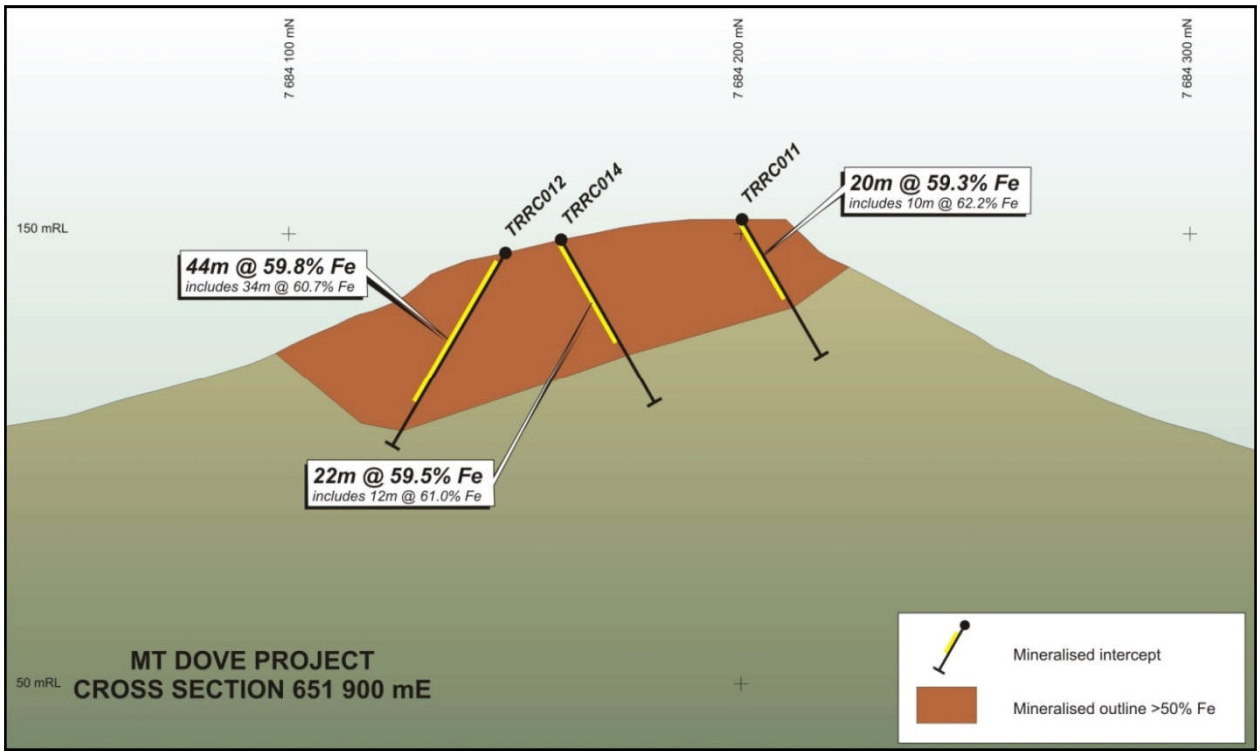

Figure 5: Geological cross-section through Mt Dove.

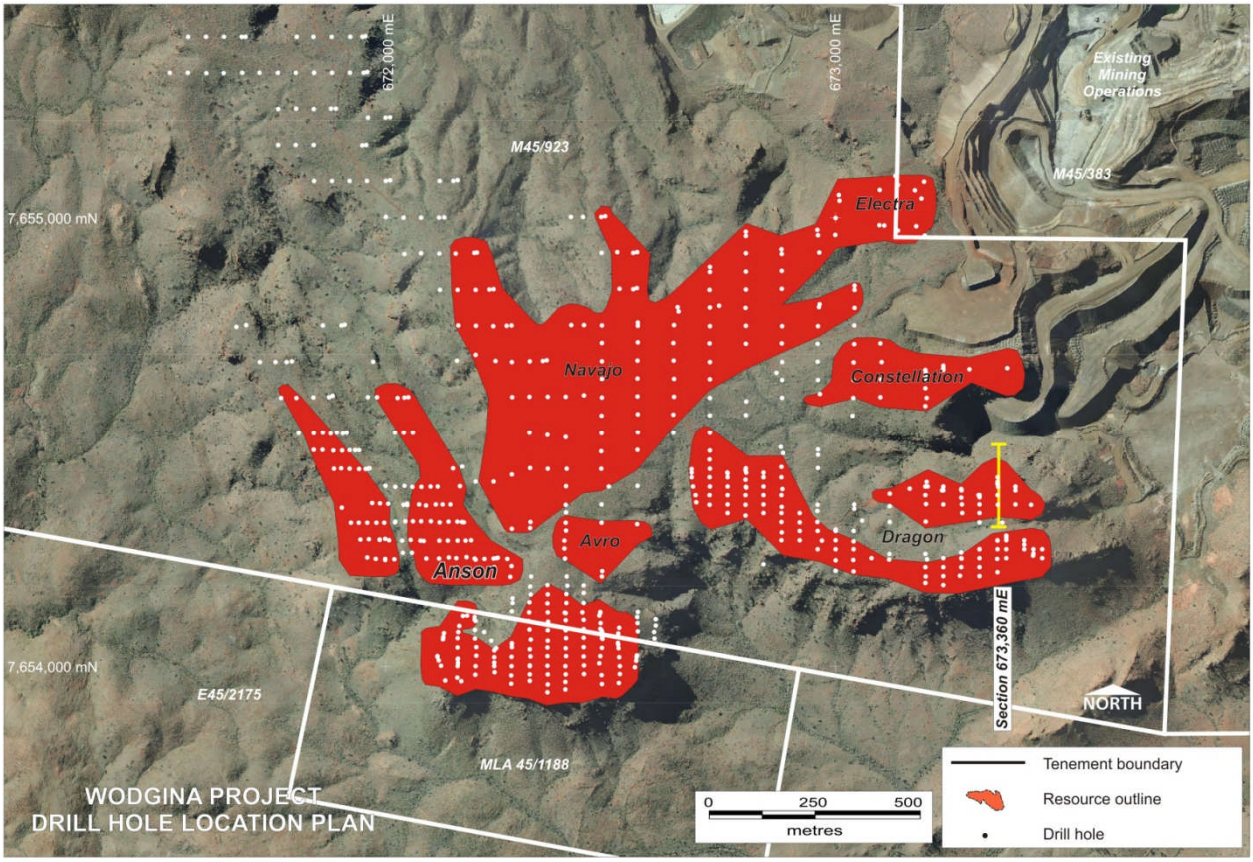

Figure 6: Wodgina drill hole location plan, showing Dragon outline in relation to Anson.

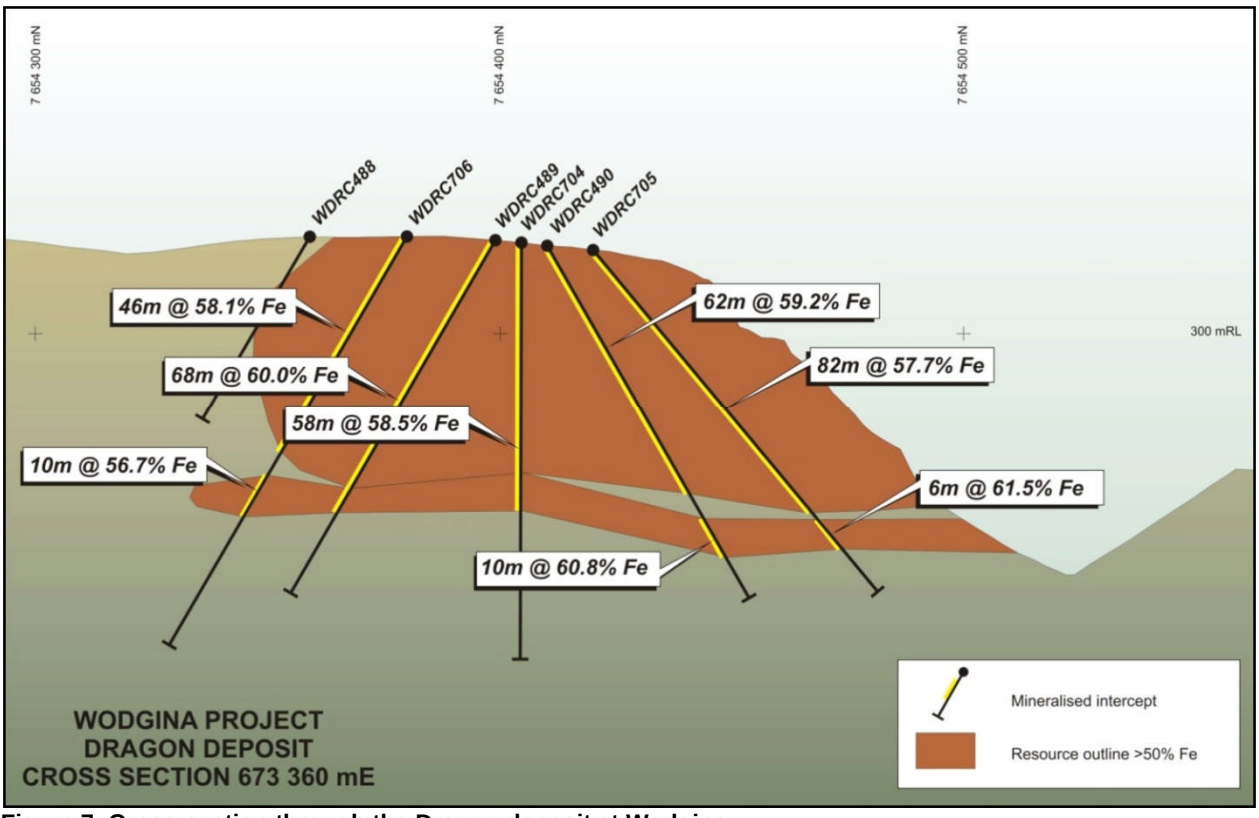

Figure 7: Cross-section through the Dragon deposit at Wodgina.

APPENDIX 1: SIGNIFICANT RC DRILL HOLE INTERCEPTS

Mt Webber Project

Hole ID	Easting (GDA94)	Northing (GDA94)	Dip°	Azimuth (GDA94)	Hole Depth	From	To	Int Width	Fe %	SiO_2 %	Al_2O_3 %	P %	S %	LOI %
MW01														
MWRC031	737012	7616748	-60	300	40	0	30	30	57.3	5.2	1.7	0.04	0.03	10.6
						16	26	10	57.2	6.1	1.0	0.03	0.04	10.6
MWRC033	737080	7616710	-60	300	40	14	26	12	58.0	5.1	1.0	0.03	0.04	10.2
MWRC034	737152	7616670	-60	300	46	10	30	20	57.8	4.6	1.7	0.07	0.03	10.6
MWRC035	737183	7616650	-60	300	70	6	48	42	59.2	5.8	1.8	0.08	0.03	7.2
					includes	20	30	10	61.5	3.4	1.7	0.02	0.03	6.5
					and	34	46	12	61.5	1.8	1.4	0.17	0.01	8.2
MWRC036	737213	7616632	-60	300	88	10	68	58	59.7	3.8	1.4	0.10	0.02	8.8
					includes	32	66	34	62.1	1.4	1.0	0.11	0.01	8.2
MWRC037	737253	7616610	-60	300	70	0	62	62	57.5	5.3	2.4	0.09	0.03	9.2
MWRC038	737290	7616589	-90	0	76	16	58	42	60.9	4.1	1.2	0.09	0.02	6.8
					includes	20	54	34	61.9	2.8	1.1	0.09	0.02	6.8
MWRC044	737264	7616789	-60	300	40	14	28	14	59.0	3.9	2.0	0.06	0.04	9.2
MWRC045	737296	7616770	-90	300	52	12	46	34	57.1	5.0	2.8	0.13	0.02	9.4
MWRC052	737305	7616852	-60	300	46	8	34	26	58.5	4.0	2.0	0.09	0.05	9.6
MWRC053	737111	7616601	-60	300	46	0	34	34	60.2	5.3	1.4	0.08	0.02	6.9
					includes	18	32	14	61.0	3.2	1.1	0.11	0.02	7.9
MWRC054	737139	7616582	-60	300	58	4	54	50	59.7	4.1	1.5	0.10	0.02	8.5
					includes	30	54	24	61.6	2.8	1.2	0.12	0.01	7.5
MWRC055	737144	7616396	-60	120	52	6	20	14	57.1	8.2	0.6	0.09	0.01	9.1
						32	42	10	57.8	4.6	1.6	0.13	0.02	10.6
MWRC056	736937	7616703	-60	300	46	24	34	10	59.6	4.2	1.0	0.05	0.01	9.1
MWRC058	737006	7616662	-60	300	40	0	30	30	59.6	3.2	1.0	0.04	0.02	10.2
					includes	6	18	12	60.6	2.0	0.7	0.03	0.03	10.3
MWRC064	736633	7616416	-60	300	58	0	30	30	58.5	5.8	1.9	0.09	0.01	7.7
						34	44	10	57.6	6.6	1.0	0.16	0.01	9.2
MWRC067	736554	7616276	-60	300	34	6	20	14	58.4	6.2	1.8	0.10	0.01	7.7
MWRC069	736638	7616505	-60	300	64	14	26	12	58.1	4.2	1.9	0.07	0.01	10.3
MWRC070	736672	7616484	-60	300	58	14	26	12	57.5	8.3	1.9	0.06	0.01	7.1
MWRC077	737139	7616493	-60	300	76	58	74	16	59.7	3.9	0.9	0.13	0.01	9.2
					includes	58	70	12	60.7	2.6	0.9	0.13	0.01	9.2
MWRC078	737174	7616473	-60	300	58	10	48	38	61.4	5.0	1.0	0.09	0.02	5.6
					includes	12	42	30	62.5	3.8	1.0	0.09	0.02	5.4
MWRC079	737209	7616453	-60	120	76	24	60	36	58.1	4.4	1.6	0.12	0.03	10.2
MWRC081	736718	7616642	-60	300	34	18	30	12	57.8	6.3	1.8	0.05	0.03	8.7
MWRC082	736752	7616623	-60	300	40	4	36	32	58.4	4.4	1.2	0.06	0.02	10.2
MWRC083	736787	7616603	-60	300	28	8	22	14	58.4	4.9	1.8	0.07	0.02	9.4
MWRC090	737017	7616840	-60	300	58	14	46	32	57.3	4.28	3.1	0.04	0.03	10.2

Wodgina Project

Hole ID	Easting (GDA94)	Northing (GDA94)	Dip°	Azimuth (GDA94)	Hole Depth	From	To	Int Width	Fe %	SiO_2 %	Al_2O_3 %	P %	S %	LOI %
Dragon														
WDRC490	673360	7654410	-60	360	88	0	62	62	59.2	4.2	1.4	0.07	0.03	8.9
					includes	48	60	12	61.6	1.7	0.5	0.03	0.03	8.9
						68	78	10	60.8	3.3	0.7	0.02	0.08	7.2
WDRC491	673435	7654359	-90	180	82	42	56	14	58.9	4.0	1.3	0.02	0.11	8.2
WDRC494	673280	7654390	-60	180	82	16	28	12	58.3	4.7	2.0	0.12	0.01	8.8
						32	48	16	59.8	4.6	1.0	0.04	0.05	7.0
						52	74	22	58.3	8.0	0.6	0.03	0.05	6.2
WDRC497	673205	7654400	-60	180	88	32	76	44	59.6	3.2	0.9	0.03	0.13	8.7
					includes	50	76	26	60.4	2.5	0.5	0.03	0.12	8.4
WDRC632	672970	7654279	-60	180	65	48	60	12	58.9	4.6	0.7	0.04	0.08	8.5
WDRC704	673360	7654405	-90	0	90	0	58	58	58.5	4.5	1.5	0.10	0.04	9.4
					includes	26	40	14	60.7	1.9	0.9	0.14	0.03	9.7
WDRC705	673360	7654420	-50	360	96	0	30	30	58.8	3.7	1.9	0.10	0.03	9.4
					includes	6	16	10	59.5	3.3	1.8	0.09	0.02	8.9
						38	82	44	59.4	4.3	0.8	0.03	0.09	8.7
WDRC706	673360	7654380	-60	180	102	8	54	46	58.1	4.8	1.8	0.12	0.04	8.6
					includes	38	52	14	60.7	2.1	0.8	0.05	0.07	7.7
WDRC708	673360	7654209	-50	180	60	14	28	14	58.1	5.1	1.6	0.18	0.03	9.5
WDRC805	673320	7654380	-50	360	82	14	52	38	58.0	4.0	2.4	0.07	0.06	9.5
						56	80	24	57.5	6.1	1.6	0.04	0.09	8.6
WDRC806	673320	7654376	-90	0	76	28	68	40	61.5	2.9	0.8	0.04	0.08	7.2
					includes	32	68	36	62.0	2.5	0.7	0.04	0.09	7.1
WDRC807	673318	7654380	-60	180	70	44	62	18	59.6	4.8	1.2	0.03	0.11	7.1
WDRC813	673240	7654390	-60	180	106	46	82	36	60.3	3.5	0.6	0.02	0.10	7.7
					includes	50	76	26	61.1	2.8	0.5	0.02	0.09	7.7
WDRC816	673400	7654400	-50	360	70	12	58	46	60.2	3.5	1.0	0.11	0.06	8.4
					includes	24	56	32	61.3	2.6	1.0	0.10	0.04	8.0
WDRC817	673400	7654398	-90	360	64	14	36	22	58.9	4.0	1.3	0.15	0.02	9.7
WDRC818	673280	7654392	-90	360	70	18	36	18	59.5	4.1	1.6	0.03	0.07	7.9
						40	54	14	59.2	5.5	0.4	0.03	0.03	7.8
WDRC819	673280	7654394	-60	360	82	4	64	60	57.8	5.3	1.7	0.05	0.06	8.6
					includes	30	42	12	61.7	2.4	0.6	0.02	0.05	7.2
WDRC820	673200	7654400	-90	360	64	34	52	18	58.8	4.2	1.2	0.03	0.12	8.8
WDRC821	673400	7654390	-60	180	70	8	20	12	58.0	5.3	1.6	0.11	0.02	9.5
						48	60	12	59.5	3.7	0.9	0.04	0.04	8.6
WDRC823	673380	7654280	-60	180	88	30	64	34	58.4	5.2	1.5	0.16	0.07	8.6
					includes	44	56	12	59.8	3.9	1.0	0.11	0.12	8.1
WDRC828	673420	7654270	-90	0	70	40	60	20	58.2	5.3	1.2	0.07	0.08	9.1
WDRC833	673320	7654240	-60	180	76	34	70	36	57.5	6.8	0.9	0.06	0.11	8.7
WDRC836	673320	7654260	-60	180	70	26	58	32	59.4	4.7	0.7	0.05	0.10	8.2

Mount Dove Prospect

Hole ID	Easting (GDA94)	Northing (GDA94)	Dip°	Azimuth (GDA94)	Hole Depth	From	To	Int Width	Fe %	SiO_2 %	Al_2O_3 %	P %	S %	LOI %
Mt Dove														
TRRC002	652040	7684157	-60	360	36	0	10	10	58.1	6.1	1.2	0.11	0.02	9.0
TRRC003	652080	7684160	-60	180	36	0	28	28	60.7	3.9	1.5	0.13	0.02	7.5
					includes	4	28	24	60.9	3.8	1.3	0.13	0.02	7.3
TRRC005	652120	7684200	-60	360	36	0	26	26	58.6	5.6	1.5	0.09	0.03	8.6
TRRC006	652118	7684175	-60	360	30	0	26	26	60.0	5.6	1.4	0.10	0.01	6.9
					includes	0	18	18	62.2	2.9	1.2	0.10	0.01	6.6
TRRC009	651940	7684185	-60	360	36	0	20	20	59.2	5.9	1.3	0.11	0.02	7.7
TRRC010	651940	7684165	-60	180	36	0	14	14	58.8	5.1	2.6	0.09	0.02	7.5
						20	36	16	61.5	5.1	0.7	0.12	0.01	5.9
					Includes	22	36	14	62.3	4.2	0.6	0.12	0.01	5.7
TRRC011	651900	7684200	-60	360	36	2	22	20	59.3	6.1	1.1	0.11	0.03	7.3
					Includes	8	18	10	62.2	4.5	0.7	0.11	0.02	5.4
TRRC012	651900	7684147	-60	180	48	0	44	44	59.8	5.4	1.5	0.10	0.02	7.0
					Includes	6	40	34	60.7	4.6	1.2	0.09	0.02	6.9
TRRC013	651860	7684210	-60	360	48	10	34	24	60.3	4.7	1.1	0.14	0.02	7.6
					And	24	34	10	62.1	2.4	0.9	0.13	0.02	7.6
TRRC014	651697	7684160	-60	360	42	4	26	22	59.5	5.9	1.0	0.15	0.03	7.5
					Includes	14	26	12	61.0	5.1	0.5	0.16	0.02	6.5
TRRC015	651860	7684175	-60	360	48	22	42	20	58.5	4.5	2.2	0.14	0.03	9.2
TRRC016	651860	7684165	-60	180	54	8	44	36	60.7	3.9	1.1	0.13	0.03	7.8
					Includes	12	38	26	61.8	2.8	0.8	0.11	0.02	7.5
TRRC017	651820	7684202	-60	360	54	20	48	28	58.3	4.0	3.0	0.09	0.04	9.1
TRRC018	651820	7684190	-60	180	60	16	52	36	60.9	3.8	1.3	0.13	0.02	7.3
					Includes	16	32	16	61.4	3.3	1.3	0.13	0.02	6.8
					And	36	48	12	61.4	3.3	1.2	0.12	0.02	7.1
TRRC019	651780	7684180	-60	360	42	14	32	18	57.5	4.8	2.7	0.08	0.04	9.8
TRRC020	651780	7684155	-90	360	54	0	50	50	59.2	5.3	1.4	0.13	0.03	8.1
					Includes	32	46	14	61.5	3.9	0.9	0.09	0.02	6.9

Note: 2m composite samples, predominantly cone split and subordinate riffle split sampling, 55% Fe lower cut, no upper cut, maximum internal waste of 2m. Only intercepts greater than 10m and 57% Fe chosen for inclusion in this report. Analysis by X-Ray Fluorescence Spectrometry Method with Loss on Ignition (LOI) determined using Thermo-Gravimetric Analyses.