

29 July, 2009

July 2009 – DSO Resource and Reserve Upgrade

Atlas Iron Limited [ASX Code: AGO] is pleased to report its upgraded Direct Shipping Ore (DSO) resource and reserve position as at July 2009.

HIGHLIGHTS

>65% INCREASE IN DSO RESOURCES TO 94.9MT AT 56.5% FE SINCE JAN 2009

>70% INCREASE IN DSO RESERVES TO 25.5MT AT 57.9% FE SINCE JULY 2008

>75% CONVERSION OF WODGINA INDICATED RESOURCES TO RESERVES

INITIAL DSO RESOURCE FOR THE TURNER RIVER PROJECT OF 2.5MT AT 58.5% FE

Following an aggressive exploration campaign during the first half of 2009, Atlas is now in a position to provide an updated resource and reserve summary for its projects. Since the last bi-annual resource update in January 2009, Atlas has:

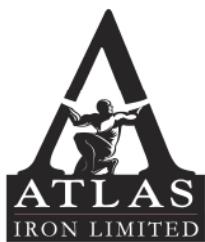
- completed new Indicated Resource estimates for the Anson Deposit and new Inferred Resource estimates for the Avro, Constellation, Dragon, Electra and Navajo deposits at the Wodgina Project;
- increased the Indicated Resource at the Trigg Deposit at Abydos following additional definition drilling;
- delineated a maiden Inferred Resource at the Mt Dove Deposit at the Turner River Project area;
- recorded a net increase in resources at Pardoo following the addition of the Alice Extension Deposit; and
- updated Pardoo and Abydos Ore Reserves and completed an initial Reserve for Anson at Wodgina.

Total DSO Resources are summarised below. A full breakdown of the resources can be found in Attachment 1.

Atlas Summary Resource Table - July 2009									
Project Area	Resource Classification	Kt	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	S (%)	LOI (%)	CaFe (%)
Total	Measured	2,150	56.6	6.7	2.5	0.17	0.02	9.1	62.3
	Indicated	36,838	57.2	6.8	1.7	0.09	0.02	8.8	62.7
	Inferred	55,952	56	7.4	2.3	0.07	0.05	9.0	61.5
Total	All Resources	94,940	56.5	7.2	2.1	0.08	0.04	8.9	62.0

Total DSO Reserves are summarised below. A full breakdown of the reserves can be found from page 4.

Atlas Summary Reserve Table - July 2009									
Project Area	Reserve Classification	Kt	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	S (%)	LOI (%)	CaFe (%)
Total	Proven	1,006	57.8	5.4	2.0	0.16	0.02	9.0	63.6
	Probable	24,459	57.9	5.9	1.6	0.09	0.02	8.7	63.5
Total	All Reserves	25,465	57.9	5.9	1.7	0.09	0.02	8.7	63.5



Pardoo DSO Resources

DSO resources for the Pardoo Project have increased from 27.9Mt to 28.0Mt. This increase is due to the addition of the Alice Deeps Deposit, offsetting depletion for mining at the Bobby and Alice pits.

All resources, with the exception of Connie, are reported at >53% Fe cut off grade.

Pardoo Project Summary Resource Table - July 2008 (> 53% Fe)									
Project Area	Resource Classification	Kt	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	S (%)	LOI (%)	café (%)
Pardoo	Measured	2,150	56.6	6.7	2.5	0.17	0.02	9.1	62.3
	Indicated	14,708	56.5	8.3	1.7	0.11	0.03	8.0	61.5
	Inferred	11,222	55.5	8.7	2.2	0.08	0.04	8.3	60.5
Total	All Resources	28,080	56.1	8.3	1.9	0.10	0.03	8.2	61.1

Note:

Connie CID resource quoted at >50% Fe cut off grade

CaFe% is calcined Fe calculated by Atlas using the following formula: (Fe%/(100-LOI%))*100

Abydos DSO Resources

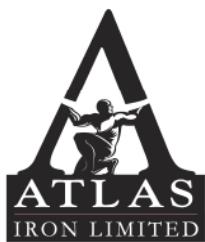
The Abydos resource base has grown from 20.2Mt to 22.3Mt following the completion of an updated resource estimate for the Trigg Deposit based on drilling completed in late 2008. No RC drilling was conducted at Abydos during the first half of 2009 following the decision to accelerate progress at Wodgina, and hence there have been no other additions to the Abydos resource inventory.

In the January 2009 resource update the initial Wodgina resource was included as a sub-section of Abydos. Wodgina has since been reported on a standalone basis.

Abydos Project Resource Table - May 2009 (>50% Fe COG)									
	Resource Classification	Kt	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	S (%)	LOI (%)	CaFe (%)
Total	Measured	-	-	-	-	-	-	-	-
	Indicated	10,080	57.8	5.7	1.7	0.05	0.01	9.5	63.9
	Inferred	12,240	56.6	6.8	2.2	0.06	0.02	9.4	62.5
Total	All Resources	22,320	57.1	6.3	1.9	0.06	0.02	9.4	63.1

Note:

CaFe% is calcined Fe calculated by Atlas using the following formula: (Fe%/(100-LOI%))*100



Wodgina DSO Resources

The Wodgina resource base has grown from 8.1Mt to 42.1Mt. Inaugural Inferred Mineral Resource estimates have been completed for the Avro, Constellation, Dragon, Electra and Navajo Deposits, as reported in May 2009. A Revised Mineral Resource estimate has been completed for Anson placing 72% of the Deposit into the Indicated category. Revised resources estimates are underway for the Dragon and Constellation Deposits following the completion of recent infill drilling.

Wodgina Project Resource Table - July 2009 >53% Fe									
	Resource Classification	Kt	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	S (%)	LOI (%)	CaFe (%)
Total	Measured	-	-	-	-	-	-	-	-
	Indicated	12,050	57.5	6.0	1.8	0.09	0.03	9.1	63.3
	Inferred	30,020	55.8	7.3	2.4	0.06	0.07	9.1	61.4
Total	All Resources	42,070	56.3	6.9	2.3	0.07	0.06	9.1	61.9

Note:

CaFe% is calcined Fe calculated by Atlas using the following formula: $(Fe\%(100-LOI\%)) * 100$

Wodgina will continue to be the focus of resource development activity for the second half of 2009. The Wodgina Project also has significant exploration upside potential, which will be investigated in the latter half of 2009 and early 2010.

Turner River DSO Resources

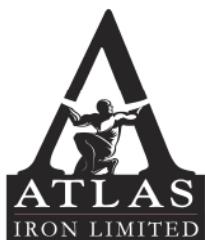
Recent exploration drilling has resulted in the estimation of a 2.5Mt Inferred Resource for the Mt Dove Deposit on the Turner River Project, located northwest of Wodgina approximately 70km south of Port Hedland.

Turner River Project Resource Table (50%Fe)									
	Resource Classification	Kt	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	S (%)	LOI (%)	CaFe (%)
Total	Measured	-	-	-	-	-	-	-	-
	Indicated	-	-	-	-	-	-	-	-
	Inferred	2,470	58.5	6.1	1.8	0.11	0.03	7.9	63.5
Total	All Resources	2,470	58.5	6.1	1.8	0.11	0.03	7.9	63.5

Note:

CaFe% is calcined Fe calculated by Atlas using the following formula $(Fe\%(100-LOI\%)) * 100$

The Mt Dove Deposit was the subject of an iron ore rights option agreement with De Grey Mining Ltd, the tenement owners. Following this exploration success and completion of the maiden resource estimate, Atlas has exercised the option with De Grey, as a result of which Atlas now owns 100% of the Mt Dove Fe rights.



DSO ORE RESERVES - PARDOO

Atlas Iron has updated the Ore Reserves for the Pardoo Project. The Reserve estimate is based on the Measured and Indicated Resources as defined by Golder Associates Pty Ltd and CSA Global Pty Ltd. Details of the Pardoo Proven and Probable Ore Reserve are outlined below.

Pardoo DSO Reserves Table (Proven and Probable) - July 2009										
Deposit	Ore Type	Reserve Classification	Kt	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	S (%)	LOI (%)	CaFe (%)
Floyd	Bedded Ore	Probable	1,689	56.7	6.2	2.3	0.11	0.01	9.5	62.7
Bobby	Bedded Ore	Probable	1,310	58.3	6.4	1.1	0.13	0.02	8.1	63.5
Glenda	Bedded Ore	Probable	161	58.5	5.1	1.0	0.17	0.01	9.4	64.6
Alice	Bedded Ore	Probable	752	59.0	6.8	1.2	0.17	0.01	6.6	63.2
Alice Extension	Bedded Ore	Probable	635	62.3	2.9	0.9	0.17	0.01	4.8	65.4
Olivia / Emma	Bedded Ore	Probable	2,099	55.5	10.9	1.7	0.03	0.08	6.3	59.3
South Limb	Bedded Ore	Proven	1,006	57.8	5.4	2.0	0.16	0.02	9.0	63.6
	Bedded Ore	Probable	274	57.4	6.2	2.1	0.16	0.03	8.5	62.7
Chloe	Bedded Ore	Probable	279	57.2	5.7	1.5	0.05	0.05	7.3	61.7
Connie	CID	Probable	215	54.2	7.1	3.5	0.02	0.01	11.1	61.0
Total	Proven	1,006	57.8	5.4	2.0	0.16	0.02	9.0	63.6	
	Probable	7,415	57.4	7.3	1.7	0.1	0.0	7.6	62.1	
Grand Total			8,421	57.4	7.1	1.7	0.11	0.03	7.8	62.3

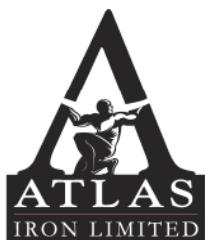
Note:

Bedded Ore Reserves estimated at cut-off grades in the range of 54-56% Fe.

Channel Iron Deposit, Connie (CID), estimated at a cut-off grade of 50% Fe.

Optimisation and design studies at Pardoo contributing to the July Reserve statement have resulted in strip ratios (waste: ore tonnes within the bedded ore pits) in the range of 2:1 to 5.9:1, for an average across the Reserve pits of 2.7:1. The Connie CID Reserve pit has a strip ratio (waste: ore tonnes) of 0.2:1.

Further background data to the generation of project reserves can be found in Attachment 3.



DSO ORE RESERVES - ABYDOS

Details of the Wodgina Probable Reserve are outlined below.

Abydos DSO Reserves Table (Proven and Probable) - July 2009										
Deposit	Ore Type	Reserve Classification	Kt	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	S (%)	LOI (%)	CaFe (%)
Trigg	Bedded Ore	Probable	7,549	58.2	5.2	1.6	0.06	0.01	9.5	64.2
Grand Total			7,549	58.2	5.2	1.6	0.06	0.01	9.5	64.2

Note:

Reserves estimated at a cut-off grade of 54% Fe.

Optimisation and design studies at Abydos contributing to the July Reserve statement have resulted in strip ratios (waste: ore tonnes) of 1.6:1.

Further background data to the generation of project reserves can be found in Attachment 3.

DSO ORE RESERVES – WODGINA

Atlas is pleased to announce its first Ore Reserve estimate at the Wodgina Project. The Reserve estimate is based on the Indicated Resources defined by CSA Global Pty Ltd. As such the Reserve is classified in the Probable category. Details of the Wodgina Probable Ore Reserve are outlined below.

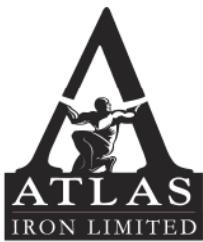
Wodgina DSO Reserves Table (Proven and Probable) - July 2009										
Deposit	Ore Type	Reserve Classification	Kt	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	S (%)	LOI (%)	CaFe (%)
Anson	Bedded Ore	Probable	9,495	58.2	5.3	1.6	0.10	0.03	9.0	64.0
Grand Total			9,495	58.2	5.3	1.6	0.10	0.03	9.0	64.0

Note:

Reserves estimated at a cut-off grade of 55% Fe.

Optimisation and design studies at Wodgina contributing to the July Ore Reserve statement have resulted in strip ratios (waste:ore tonnes) of 0.7:1.

Further background data to the generation of project reserves can be found in Attachment 3.



Background – Atlas Projects

Atlas Iron Limited is mining and exporting from 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.

COMPETENT PERSON STATEMENTS

Geological Data, Interpretation and Resource Estimation – Alice, Clare, Hubert, Glenda, and Connie Resources

The information in this report that relates to mineral resource results is based on information compiled by Mr Tony Cormack & Mr Richard Gaze who are members of the Australasian Institute of Mining and Metallurgy. Tony Cormack is a full time employee of Atlas Iron Limited and Richard Gaze is a full time employee of Golder Associates Pty Ltd. Tony Cormack & Richard Gaze have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they have undertaken to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Tony Cormack and Richard Gaze consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Geological Data, Interpretation and Resource Estimation – Bobby, Floyd, Emma, Olivia, Avalon Point, Mettams, Mullaloo, and Trigg Resources

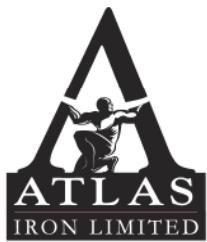
The information in this report that relates to mineral resource results is based on information compiled by Mr Tony Cormack & Mr David Williams who are members of the Australasian Institute of Mining and Metallurgy. Tony Cormack are full time employees of Atlas Iron Limited and David Williams is a full time employee of CSA Global Pty Ltd. Tony Cormack & David Williams have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they have undertaken to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Tony Cormack and David Williams consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Geological Data, Interpretation and Resource Estimation – South Limb and Dean Resources

The information in this report that relates to mineral resource results is based on information compiled by Mr Tony Cormack & Mr Malcolm Titley who are members of the Australasian Institute of Mining and Metallurgy. Tony Cormack is a full time employee of Atlas Iron Limited and Malcolm Titley is a full time employee of CSA Global Pty Ltd. Tony Cormack & Malcolm Titley have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they have undertaken to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Tony Cormack and Malcolm Titley consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Geological Data, Interpretation and Resource Estimation – Mt Dove

The information in this report that relates to mineral resource results is based on information compiled by Mr Tony Cormack who is a member of the Australasian Institute of Mining and Metallurgy. Tony Cormack is a full time employee of Atlas Iron Limited. Tony Cormack has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they have undertaken to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Tony Cormack consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.



Geological Data, Interpretation and Resource Estimation – Alice Extension

The information in this report that relates to mineral resource results is based on information compiled by Mr Simon Gobbett who is a member of the Australasian Institute of Mining and Metallurgy. Simon Gobbett is a full time employee of Atlas Iron Limited. Simon Gobbett has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they have undertaken to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Simon Gobbett consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Reserve Estimation

The information in this report that relates to reserve estimations is based on information compiled by Mr Ken Brinsden, who is a member of the Australasian Institute of Mining and Metallurgy. Ken Brinsden is a full time employee of Atlas Iron Limited. Ken Brinsden has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Ken Brinsden consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

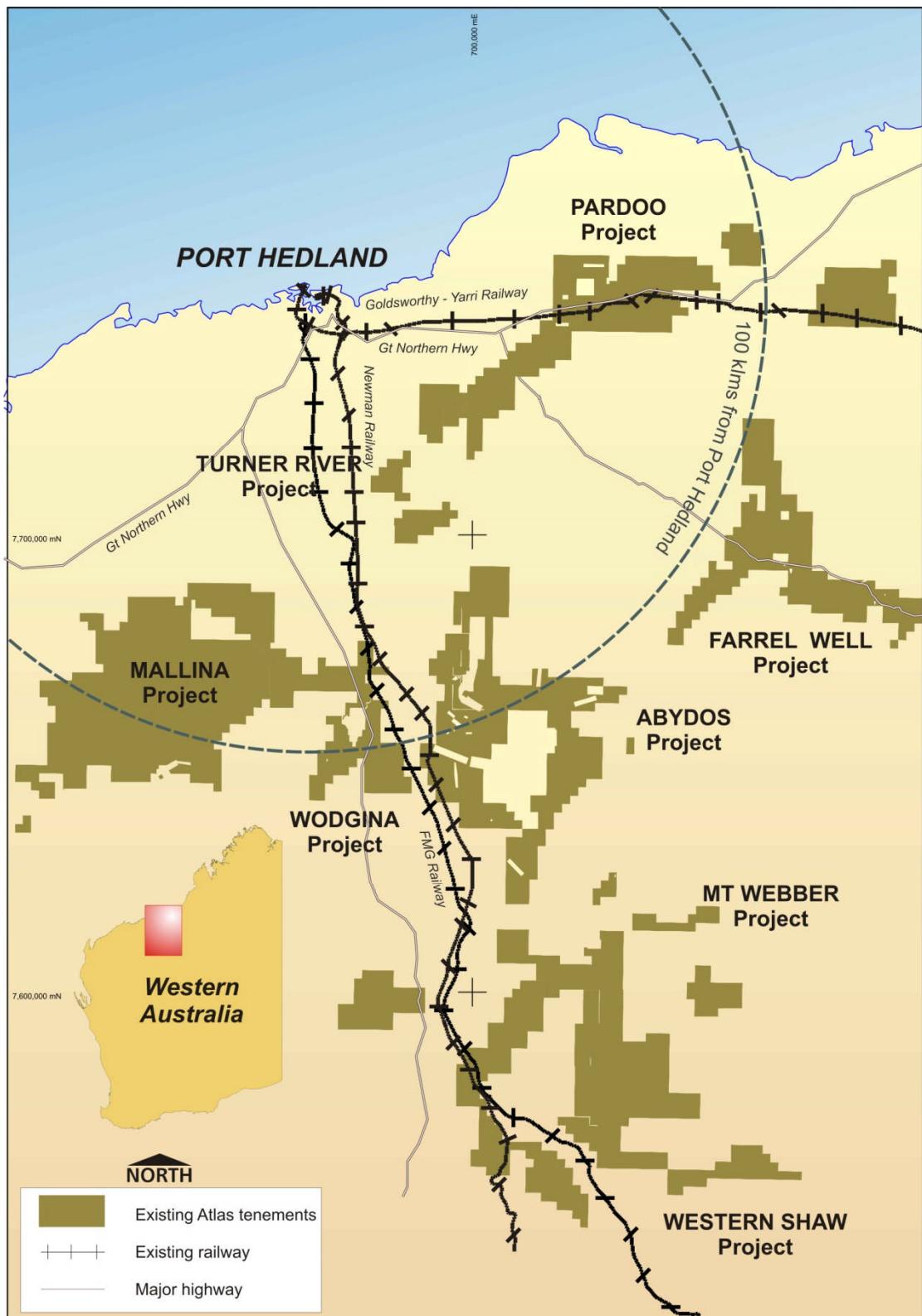


Figure 1 - Atlas Project Location Plan, Northern Pilbara

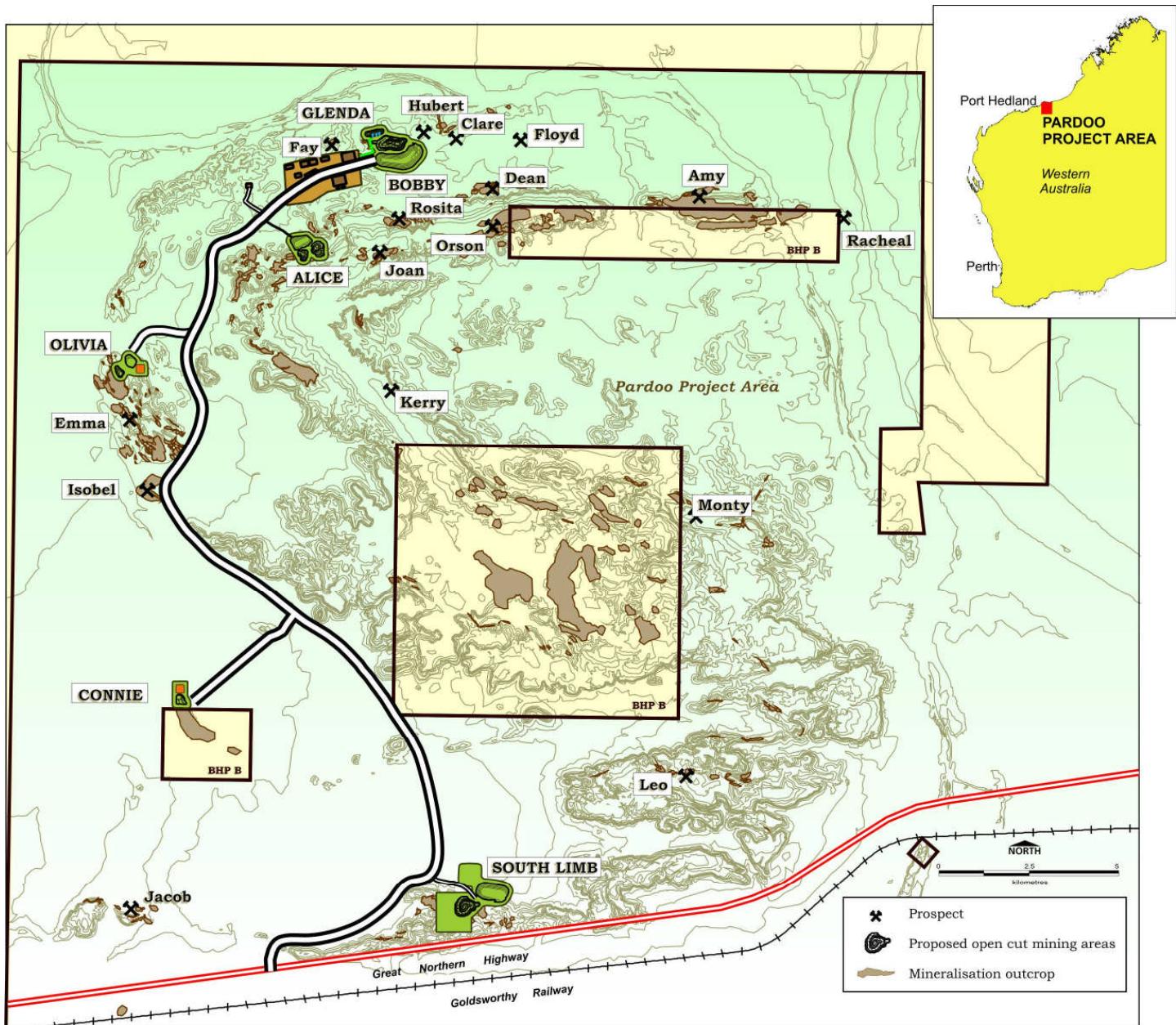


Figure 2 - Prospect Location Plan, Pardoo

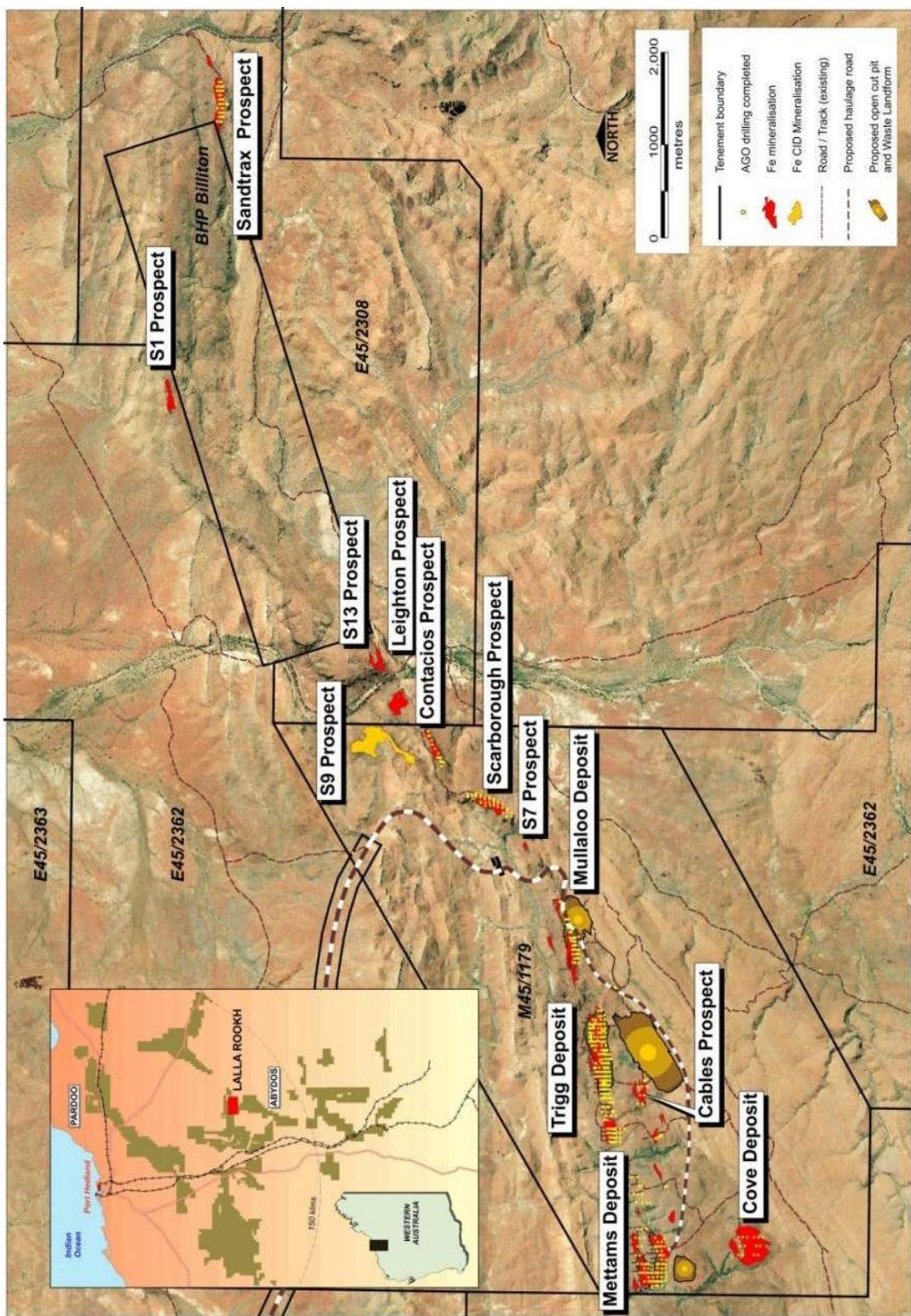


Figure 3 - Prospect Location Plan, Abydos

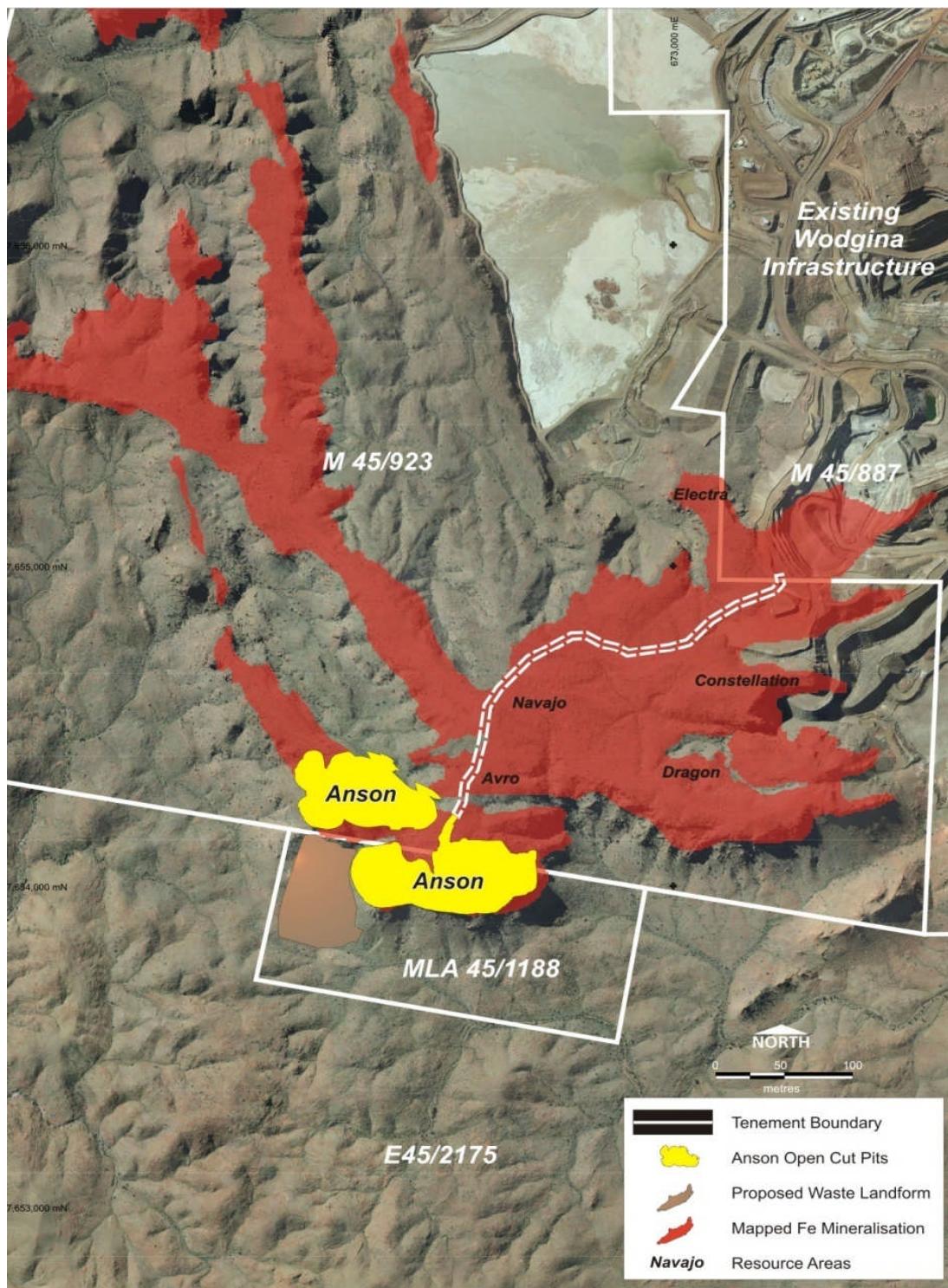


Figure 4 - Prospect Location Plan, Wodgina

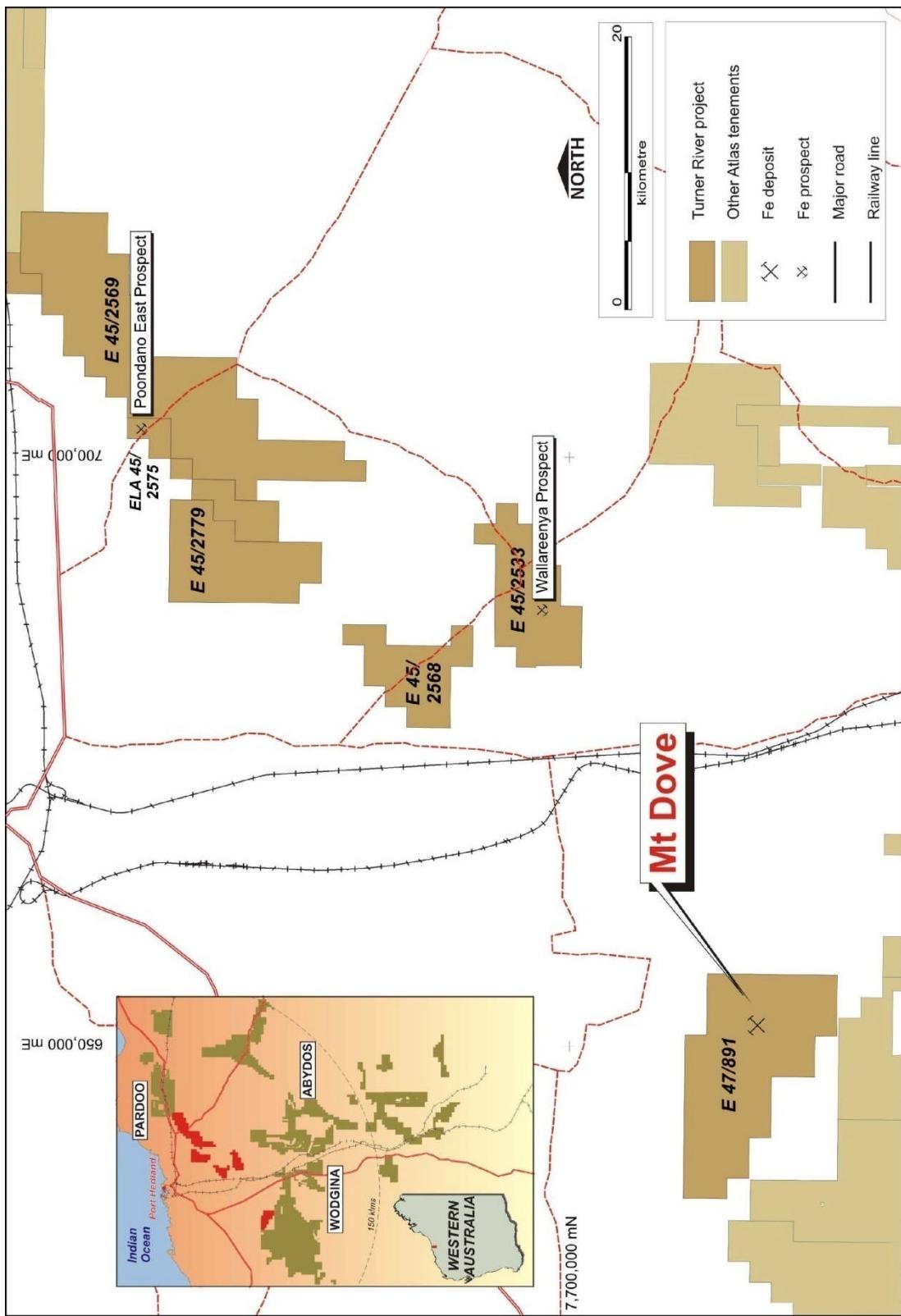
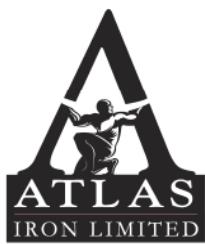


Figure 5 - Prospect Location Plan, Turner River Project



ATTACHMENT 1: RESOURCE TABLES BY PROJECT AREA

Pardoo Resource Table - July 2009 (>53% Fe)									
	Resource Classification	Kt	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	S (%)	LOI (%)	CaFe (%)
Alice-Amy Trend									
Alice	Indicated	1,137	58.7	7.2	1.2	0.16	0.01	6.6	62.8
Alice Deep	Indicated	836	62.3	3.7	1.0	0.17	0.01	4.9	65.5
Bobby Trend									
Bobby	Indicated	3,020	57.1	8.1	1	0.13	0.01	8.2	62.2
	Inferred	-	-	-	-	-	-	-	-
Chloe	Inferred	520	56.9	6.0	1.5	0.06	0.05	7.3	61.4
Clare	Inferred	360	54.7	9.7	1.3	0.12	0.01	10.1	60.8
Dean	Inferred	490	54.7	7.7	3.3	0.21	0.01	9.2	60.2
Fay	Inferred	61	56.4	9.7	0.7	0.13	0.01	7.9	61.2
Floyd	Indicated	4,290	55.7	7.7	2.3	0.11	0.01	9.4	61.5
	Inferred	5,440	55.7	7.0	2.7	0.10	0.01	9.8	61.8
Glenda	Indicated	684	58.5	5.3	0.8	0.17	0.01	9.3	64.5
Hubert	Inferred	254	56.7	7.6	1.5	0.12	0.06	7.1	61.0
Isobel	Inferred	970	54.9	11.3	1.3	0.08	0.05	7.4	59.3
Willy	Inferred	2190	55.3	11.6	1.4	0.02	0.10	5.8	58.7
Channel Iron (CID)									
Connie	Indicated	302	54.6	6.7	3.4	0.02	0.01	11.1	61.4
	Inferred	157	54.6	6.6	3.7	0.02	0.01	10.7	61.1
Olivia Trend									
Emma	Indicated	2,940	55.0	11.6	1.7	0.03	0.07	6.3	58.7
	Inferred	780	54.8	12.3	1.6	0.02	0.11	5.7	58.1
Olivia	Indicated	403	55.2	10.0	1.9	0.06	0.09	7.8	59.9
	Inferred	-	-	-	-	-	-	-	-
South Limb Trend									
South Limb	Measured	2,150	56.6	6.7	2.5	0.17	0.02	9.1	62.3
	Indicated	1,096	55.7	8.2	2.4	0.19	0.03	8.5	60.9
	Inferred	-	-	-	-	-	-	-	-
Total Measured Resources		2,150	56.6	6.7	2.5	0.17	0.02	9.1	62.3
Total Indicated Resources		14,708	56.5	8.3	1.7	0.1	0.0	8.0	61.5
Total Inferred Resources		11,222	55.5	8.7	2.2	0.08	0.04	8.3	60.5
Total Resources - Pardoo		28,080	56.1	8.3	1.9	0.10	0.03	8.2	61.1

Note:

CaFe% is calcined Fe calculated by Atlas using the following formula (Fe%*(100-LOI%))*100

Abydos Resource Table - July 2009 >50% Fe

	Resource Classification	Kt	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	S (%)	LOI (%)	CaFe (%)
Lalla Rookh Trend									
Leighton	Inferred	1,980	58.1	5.1	2.0	0.05	0.02	9.1	63.9
Mettams	Inferred	2,030	55.4	7.4	3.0	0.04	0.03	9.7	61.4
Mullaloo	Inferred	1,480	56.7	7.6	1.5	0.05	0.02	9.3	62.5
SandTrax	Inferred	1,050	55.9	7.4	2.2	0.03	0.02	10.0	62.1
Scarborough	Inferred	2,590	56.3	6.7	2.2	0.07	0.01	9.8	62.4
Trigg	Indicated	10,080	57.8	5.7	1.7	0.05	0.01	9.5	63.9
	Inferred	1,710	56.9	7.4	1.6	0.06	0.01	9.3	62.7
Pincunah Trend									
Avalon Point	Inferred	1,400	56.6	6.6	2.5	0.10	0.02	8.7	62.0
Total Measured Resources		-	-	-	-	-	-	-	-
Total Indicated Resources		10,080	57.8	5.7	1.7	0.05	0.01	9.5	63.9
Total Inferred Resources		12,240	56.6	6.8	2.2	0.06	0.02	9.4	62.5
Total Resources - Abydos		22,320	57.1	6.3	1.9	0.06	0.02	9.4	63.1

Note:

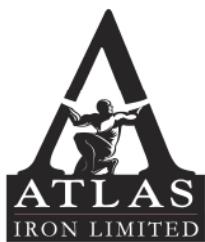
CaFe% is calcined Fe calculated by Atlas using the following formula (Fe%*(100-LOI%))*100

Wodgina Resource Table - July 2009 >53% Fe

	Resource Classification	Kt	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	S (%)	LOI (%)	CaFe (%)
Anson	Indicated	12,050	57.5	6	1.8	0.09	0.03	9.1	63.3
	Inferred	4,770	56.9	6.8	1.7	0.09	0.04	8.9	62.5
Avro	Inferred	2,040	56.8	8.7	0.9	0.03	0.05	7.8	61.6
Constellation	Inferred	2,430	56.1	6.3	2.3	0.02	0.13	9.6	62.0
Dragon	Inferred	8,680	56.8	6.7	1.7	0.06	0.07	8.8	62.3
Electra	Inferred	1,050	55.2	5.9	3.5	0.07	0.05	10.6	61.8
Navajo	Inferred	11,050	54.3	8.1	3.5	0.05	0.07	9.5	59.9
Total Measured Resources		-	-	-	-	-	-	-	-
Total Indicated Resources		12,050	57.5	6	1.8	0.09	0.03	9.1	63.3
Total Inferred Resources		30,020	55.8	7.3	2.4	0.06	0.07	9.1	61.4
Total Resources - Wodgina		42,070	56.3	6.9	2.3	0.07	0.06	9.1	61.9

Note:

CaFe% is calcined Fe calculated by Atlas using the following formula (Fe%*(100-LOI%))*100

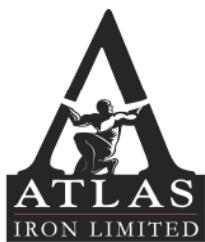


Turner River Project Resource Table July 2009 >50%Fe

	Resource Classification	Kt	Fe	SiO ₂	Al ₂ O ₃	P	S	LOI	CaFe
			(%)	(%)	(%)	(%)	(%)	(%)	(%)
Mt Dove	Measured	-	-	-	-	-	-	-	-
	Indicated	-	-	-	-	-	-	-	-
	Inferred	2,470	58.5	6.1	1.8	0.11	0.03	7.9	63.5
Total Measured Resources		-	-	-	-	-	-	-	-
Total Indicated Resources		-	-	-	-	-	-	-	-
Total Inferred Resources		2,470	58.5	6.1	1.8	0.11	0.03	7.9	63.5
Total Resources – Turner River Project		2,470	58.5	6.1	1.8	0.11	0.03	7.9	63.5

Note:

CaFe% is calcined Fe calculated by Atlas using the following formula (Fe%*(100-LOI%))*100



ATTACHMENT 2

DSO Resources – Background Data

Atlas Iron Limited (Atlas) commissioned CSA Global to generate a new resource models for the Isobel, Chloe and Anson Deposits. Tony Cormack of Atlas Iron Limited generated the resource models for Avro, Constellation, Dragon, Electra, Navajo and Trigg. Matthew Ramsden generated the resource model for Alice Deep.

All resource estimates are based on drill hole data and mineralised envelopes constructed by Atlas in 2009. QAQC for all projects has been carried out on the sampling and assaying. Field duplicates and inter-laboratory check samples submitted demonstrated good reconciliation with the original samples.

CSA Global or Golder Associates Pty Ltd have not inspected the Pardoo or Abydos Projects and are relying on Atlas Iron to have accurate drill hole locations and downhole surveys. A minor number of the RC drill holes at Pardoo were drilled in wet conditions.

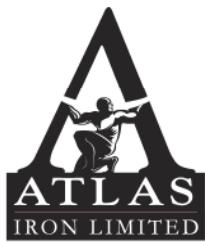
Modelling Process

Drill hole data for each deposit supplied by Atlas Iron was validated for errors and inconsistencies by CSA Global, which was found to be in good order. The mineralisation was delineated on each drill hole section at a >50% iron cut-off grade to create mineralisation outlines for each section. Solid models were created from the section outlines to delineate the mineralised domains in each resource model. Where identified geological and hard cap domains were also identified.

Sample data was composited to 2m and flagged by the geological domains representing zones of iron mineralisation. Variographic analysis was carried out for all deposits to model the spatial continuity in the mineralised zones and to derive parameters for the grade estimation process. Grade estimation was carried out for iron (Fe), phosphorus (P), silica (SiO₂), alumina (Al₂O₃), LOI and sulphur (S) grades. The method of grade estimation was Ordinary Kriging. Some deposits have limited sample data to allow meaningful variographic analysis. The grade estimates were validated using visual drill hole and statistical checks to ensure the grade estimates appropriately reflected the drill-hole data in each mineralised zone. Specific gravity has been determined via diamond core and has applied been applied to the deposit where available.

Mineral Resources - Compliance with the JORC code assessment criteria

This mineral resource statement has been compiled in accordance with the guidelines defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code -- 2004 Edition). Classification of the resources was completed by CSA in conjunction with Atlas geologists, based principally on data density and geological confidence criteria.



ATTACHMENT 3

Reserves – Background Data

Atlas Iron Limited (Atlas) commissioned Golder Associates Pty Ltd (Perth) to undertake pit optimisation studies at the various Indicated and/or Measured Resources at its Pardoo Project, located approximately 75km east Port Hedland in Western Australia. Atlas Iron Limited conducted optimisation and design studies at the various Indicated Resources at its Abydos and Wodgina Projects, located 120km south – south east and 100km south of Port Hedland respectively.

The ore reserve estimates determined for the Projects to date are based on the following data;

- DSO resources as defined by Golder Associates Pty Ltd and CSA Global Pty Ltd,
- Metallurgical testwork conducted at Amdel under the supervision of Atlas Iron Limited and Paul Vermeulen (Vulcan Technologies),
- Cost data supplied by Atlas Iron Limited,
- Revenue data supplied by Atlas Iron Limited derived from CRU,
- Geotechnical studies conducted by AMC Consultants and Golder Associated Pty Ltd,
- Allocations for planned and unplanned dilution, and
- Pit optimisations conducted by Golder Associates Pty Ltd and Atlas Iron Limited.

Ore reserves developed form part of scheduled and costed operating mine plans for the Pardoo, Abydos and Wodgina Projects respectively. No Proven Reserves have been defined at the Abydos or Wodgina Projects to date.

Mining Reserve Estimates - Compliance with the JORC code assessment criteria

This mining reserve statement has been compiled in accordance with the guidelines defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code -- 2004 Edition). The underlying resource classification was completed by Golder Associates Pty Ltd and CSA Global in conjunction with Atlas geologists, based principally on data density and geological confidence criteria.

For further information please contact

David Flanagan, Managing Director
Andrew Paterson, Geology Manager
Ken Brinsden, Operations Manager
Tel (08) 9476 7900