

4 August, 2009

## Maiden Resource for Mt Webber DSO Project

Atlas Iron Limited [ASX Code: AGO] is pleased to announce an initial resource estimation for its Mt Webber DSO Project. Mt Webber (Atlas 100% Fe rights) is located 150km southeast of Port Hedland in the Pilbara region of Western Australia.

Mt Webber DSO Resource – August 2009									
Prospect	Resource Classification	Kt	Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	P (%)	S (%)	LOI (%)	CaFe (%)
Ibanez	Inferred	24,710	57.3	6.2	2.0	0.08	0.02	9.0	63.0
Fender	Inferred	7,910	57.1	6.6	2.7	0.10	0.03	8.4	62.3
<b>Total</b>	<b>All Resources</b>	<b>32,620</b>	<b>57.3</b>	<b>6.3</b>	<b>2.2</b>	<b>0.08</b>	<b>0.02</b>	<b>8.8</b>	<b>62.8</b>

Table 1: Mt Webber resource summary.

**Note:** Resource quoted at >53% Fe cut off grade

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

This resource estimation follows the receipt of results from first-pass RC drilling, comprising 192 holes over 4 of the 6 initial prospect locations at Mt Webber between May and June this year. The two remaining prospects will be tested when the rig returns in August.

"This is a great result for our first resource at Mt Webber, exceeding our initial expectations." commented David Flanagan, Atlas' Managing Director. "The combination of good Fe grades with low contaminants has the potential to make Mt Webber a source of premium quality direct shipping ore. With another two prospects yet to be drilled we expect additional tonnes before the end of the year, confirming Mt Webber as a key component of our expansion plans."

Atlas is fully funded and has zero debt. Atlas is on track to bring its second DSO iron ore mine into production at Wodgina in early 2010.

### 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.

### For further information please contact

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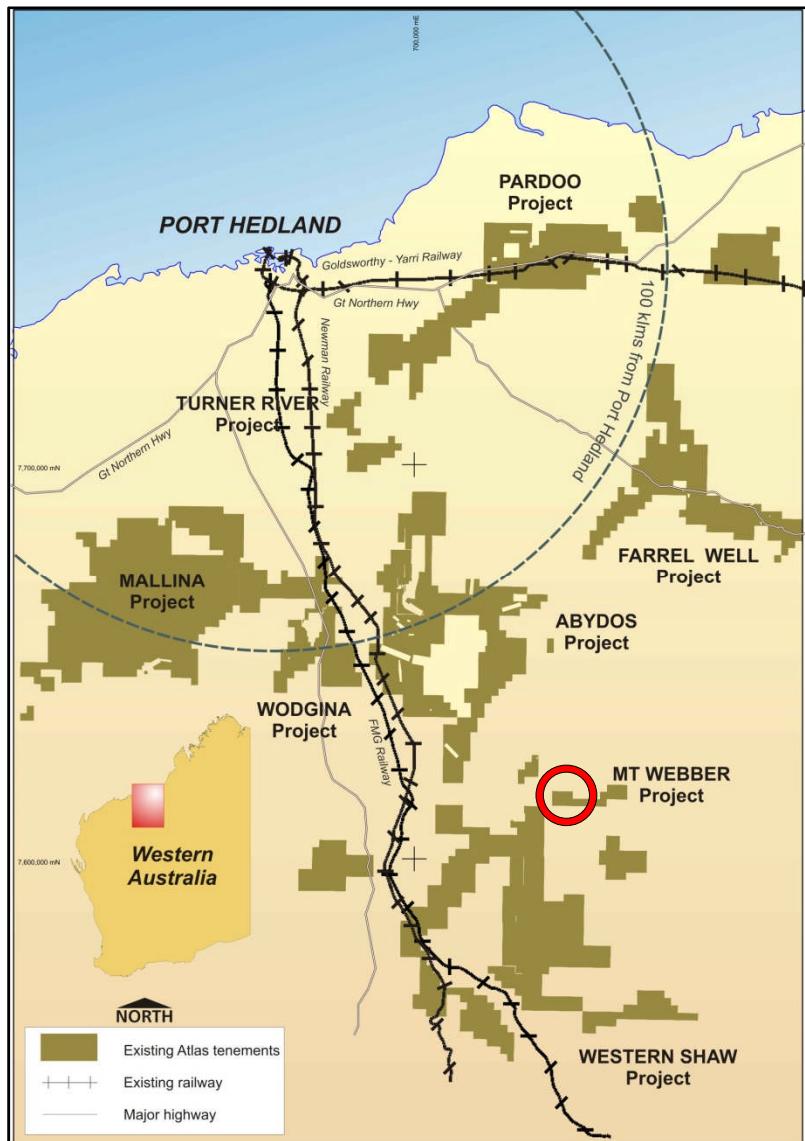


Figure 1: Atlas' Pilbara projects location plan.

## COMPETENT PERSON STATEMENTS

### **Geological Data, Interpretation and Resource Estimation – Mt Webber Resources**

The information in this report that relates to mineral resource results is based on information compiled by Mr Shane Tomlinson & Mr Chris Allen who are members of the Australasian Institute of Mining and Metallurgy. Shane Tomlinson is a full time employee of Atlas Iron Limited and Chris Allen is a full time employee of CSA Global Pty Ltd. Shane Tomlinson & Chris Allen 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'. Shane Tomlinson and Chris Allen consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

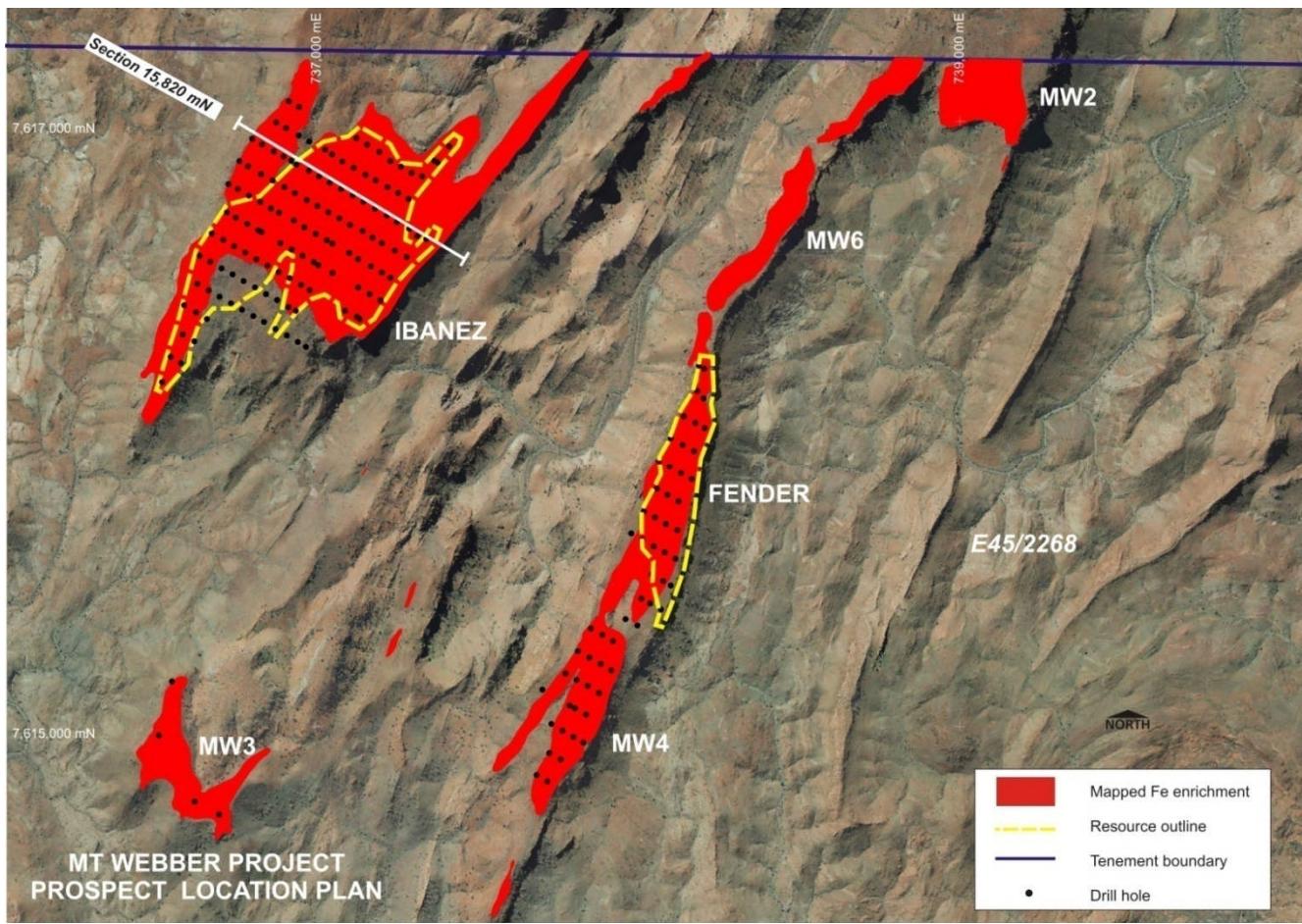


Figure 2: Mt Webber prospect location plan.

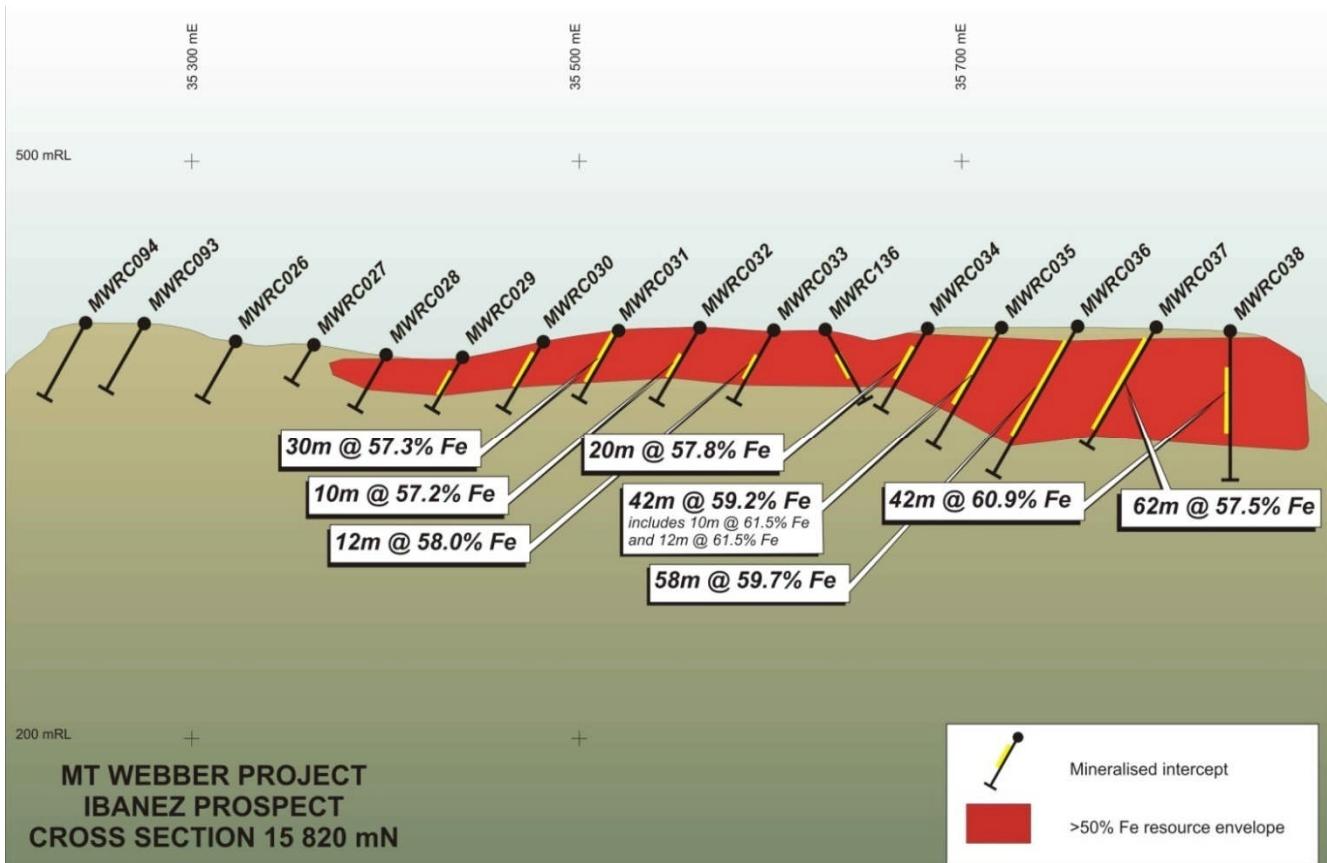


Figure 3: Cross-section 15,820 mN.