



29 April 2009

ATLAS TO RAISE \$63.5 MILLION TO CAPITALISE ON STRONG IRON ORE PRICES

Atlas Iron Limited (ASX: AGO) ("Atlas") is pleased to announce that it will raise up to \$63.5 million to fund a substantial increase in production and shipments in the second half of this calendar year.

The proceeds will enable Atlas to accumulate a significant ore stockpile in the lead-up to the start of exports from the Utah Point port facility in Port Hedland, allowing Atlas to maximise the number of shipments of iron ore in what is anticipated to be a period of very strong iron ore prices.

The ore to be stockpiled will come from the Company's expanding Pardoo operations and the start of production at Atlas' second mine, Wodgina, both of which are in the Pilbara.

The funds will be raised through a \$63.5 million placement to international and domestic institutional shareholders ("Placement"). The Placement is being managed by Hartleys Limited.

Atlas Managing Director David Flanagan said the Company was delighted with the support it had received for the raising.

"The success of this capital raising, which was heavily oversubscribed, will assist Atlas in fast-tracking exports through the Utah Point in the second half of 2010," he said.

The details of the capital raising are:

- shares under the Placement will be issued at \$2.49 per share, representing an 7.4% discount to the closing price of Atlas' shares on Friday 23 April 2010;
- the Placement is expected to be completed on 7 May 2010; and
- 25.5 million shares will be issued under the Placement.

Background on Atlas

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. Atlas shipped over 1 million tonnes of Pardoo Direct Shipping Ore (DSO) in its first year of operation. Atlas is working to further expand its production following commissioning of the Utah Point port facility expected in late Q3 2010. When combined with additional export tonnages from its Wodgina DSO Project, the Company is targeting exports at an annualised rate of 6 million tonnes by the end of 2010, growing to 12 million tonnes by 2012.

For further details, please contact

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