



16 June 2010

NEW DSO DISCOVERY AT WODGINA

Atlas Iron Limited (ASX Code: AGO) is pleased to report the discovery of "Hercules", a new direct shipping grade iron ore (DSO) prospect, at its Wodgina DSO operation, 110 kilometres south of Port Hedland in Western Australia.

Hercules, located 3 kilometres from the mine infrastructure, has now been drilled on an 80 metre by 80 metre grid pattern and better results include (See attached table of drill results for further detail):

Hercules

52 metres at 59.5% Fe from surface in WDRC1446

46 metres at 59.3% Fe from 2 metres in WDRC1506

32 metres at 58.5% Fe from surface in WDRC1421

34 metres at 58.0% Fe from 16 metres in WDRC1422

"Clearly there is an opportunity to generate significant value and mine life from these types of discoveries," commented David Flanagan, Atlas' Managing Director. "As the team continues to find new deposits, the Wodgina project is becoming the company maker we always thought it could be."

As part of ongoing resource development the Company is also following up on extensions to discoveries at Avro and Anson reported during 2009. New areas of mineralisation have been identified and it is likely they will provide material contributions to the Wodgina resources and reserves later in the year. Better results include (See attached table of drill results for further detail):

Dragon

70 metres at 59.7% Fe from surface in WDRC1221

64 metres at 59.2% Fe from surface in WDRC1215

56 metres at 59.4% Fe from 10 metres in WDRC1230

52 metres at 59.6% Fe from 36 metres in WDRC1296.

Avro

38 metres at 59.9% Fe from 34 metres in WDRC1451

26 metres at 58.9% Fe from 36 metres in WDRC1315

32 metres at 58.3% Fe from 30 metres in WDRC1262

38 metres at 58.1% Fe from 10 metres in WDRC1455.

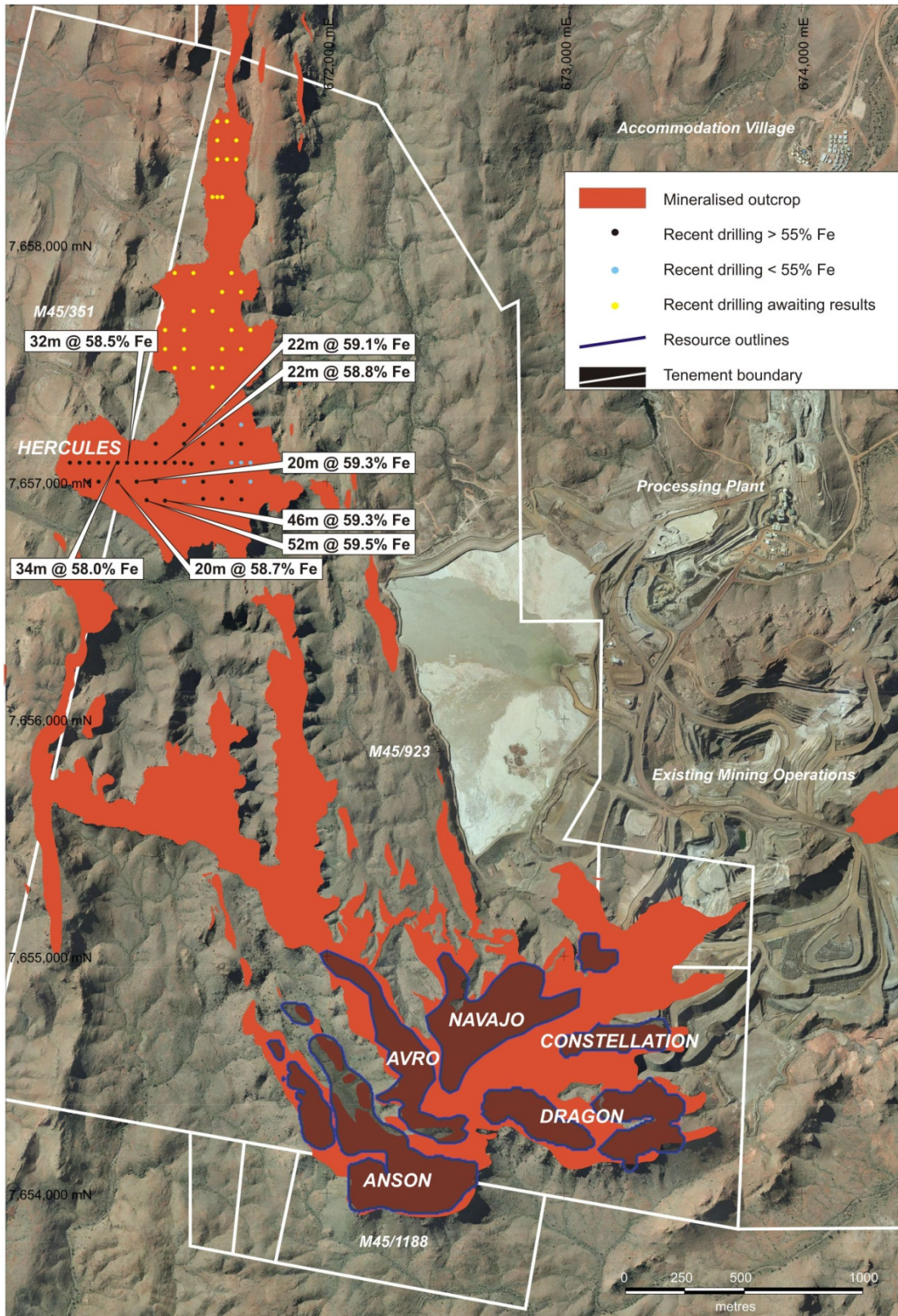
Atlas remains on track to achieve iron ore exports at a combined rate of 6 million tonnes per annum from its Pardoo and Wodgina operations by December 2010.

For further information please contact

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Wodgina DSO Project – Hercules drill results in relation to current resource outlines.



Drill results from Wodgina

Hole ID	Easting (GDA94)	Northing (GDA94)	Dip°	Azimuth (GDA94)	Hole Depth	From	To	Int Width	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	S %	LOI %
Hercules														
WDRC1420	671200	7657080	-60	270	106	0	18	18	57.5	6.6	1.9	0.08	0.03	8.47
WDRC1421	671160	7657080	-60	270	106	0	32	32	58.5	5.9	1.3	0.09	0.03	8.24
<i>Includes</i>						0	4	4	60.8	2.4	1.2	0.12	0.05	8.78
<i>Includes</i>						10	14	4	63.6	1.7	0.7	0.06	0.03	6.10
<i>And</i>						38	46	8	57.7	5.6	2.1	0.12	0.02	9.09
WDRC1422	671120	7657080	-60	270	106	0	4	4	57.3	5.0	2.0	0.07	0.08	10.39
<i>And</i>						16	50	34	58.0	5.5	1.3	0.08	0.10	9.39
<i>Includes</i>						44	48	4	60.3	2.5	0.9	0.03	0.24	9.35
WDRC1423	671080	7657080	-60	270	106	0	8	8	58.5	4.6	1.5	0.04	0.06	9.78
WDRC1424	671040	7657080	-60	270	106	0	26	26	57.0	5.8	2.0	0.11	0.05	10.00
WDRC1425	671000	7657000	-60	270	106	16	26	10	57.7	6.1	1.1	0.07	0.03	9.82
WDRC1426	671040	7657000	-60	270	105	0	4	4	57.4	4.9	1.4	0.04	0.04	10.73
WDRC1430	671120	7657000	-60	270	94	12	32	20	58.7	4.4	1.3	0.07	0.02	9.35
WDRC1431	671200	7657000	-60	270	82	18	38	20	59.3	4.1	1.0	0.12	0.02	9.46
<i>Includes</i>						28	36	8	61.4	1.9	0.9	0.12	0.02	9.00
<i>And</i>						52	56	4	58.5	5.9	0.7	0.04	0.12	9.05
WDRC1433	671280	7657080	-60	270	88	22	32	10	57.0	9.7	2.4	0.02	0.15	5.67
<i>And</i>						36	40	4	59.6	7.3	0.5	0.02	0.06	5.53
<i>And</i>						44	50	6	58.2	9.6	0.5	0.02	0.07	5.72
WDRC1434	671320	7657080	-60	270	88	22	44	22	58.8	8.6	1.2	0.02	0.18	5.28
WDRC1436	671400	7657080	-60	270	106	10	18	8	57.3	8.3	1.3	0.07	0.02	7.93
WDRC1437	671430	7657075	-90	360	100	2	8	6	60.0	2.3	1.4	0.11	0.03	10.04
<i>Includes</i>						4	8	4	60.8	1.9	0.9	0.12	0.02	9.94
WDRC1445	671480	7657000	-60	270	100	42	48	6	59.3	6.4	0.8	0.03	0.21	6.88
WDRC1446	671242	7656923	-60	270	100	0	52	52	59.5	1.7	2.1	0.12	0.02	10.34
<i>Includes</i>						24	30	6	59.9	1.2	1.4	0.12	0.01	10.89
<i>Includes</i>						34	50	16	61.6	0.9	0.8	0.12	0.01	9.77
WDRC1502	671480	7657160	-60	270	124	14	30	16	58.8	3.3	1.8	0.07	0.02	10.13
<i>And</i>						34	54	20	57.3	5.5	2.2	0.12	0.02	9.47
WDRC1503	671400	7657160	-60	270	98	0	4	4	59.5	3.4	1.2	0.06	0.05	9.86
<i>And</i>						14	36	22	59.1	4.1	1.7	0.08	0.02	8.97
<i>Includes</i>						20	32	12	60.6	2.1	1.4	0.08	0.02	9.27
WDRC1506	671320	7656925	-60	270	70	2	48	46	59.3	6.0	0.8	0.08	0.03	7.94
<i>Includes</i>						18	42	24	61.4	3.4	0.6	0.08	0.02	7.83

Note: Hercules significant intercepts are filtered on a minimum intercept width of 4m and a grade of >57% Fe.



Avro														
Hole ID	Easting (GDA94)	Northing (GDA94)	Dip°	Azimuth (GDA94)	Hole Depth	From	To	Int Width	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	S %	LOI %
WDRC1260	672304	7654439	-60	270	66	32	56	24	57.2	4.8	3.4	0.04	0.11	8.7
WDRC1262	672339	7654439	-60	269	72	30	62	32	58.3	5.0	3.4	0.03	0.12	7.2
WDRC1314	672502	7654300	-60	180	99	34	62	28	57.4	7.3	0.8	0.02	0.08	8.6
WDRC1315	672519	7654315	-60	180	94	36	62	26	58.9	6.3	0.4	0.02	0.05	7.7
WDRC1320	672481	7654208	-90	345	55	24	46	22	58.6	5.4	0.9	0.03	0.06	8.3
<i>Includes</i>						28	40	12	60.9	2.3	0.8	0.03	0.07	7.9
WDRC1450	672319	7654402	-60	270	78	52	78	26	58.1	5.2	2.1	0.02	0.15	8.0
WDRC1451	672337	7654420	-60	270	78	34	72	38	59.9	4.1	2.0	0.03	0.11	6.9
WDRC1452	672358	7654420	-60	270	72	8	42	34	57.1	4.3	4.0	0.05	0.06	9.4
WDRC1455	672339	7654460	-60	270	72	18	56	38	58.1	5.2	2.8	0.04	0.08	7.9
Dragon														
WDRC1215	673340	7654388	-70	175	76	0	64	64	59.2	5.1	1.2	0.08	0.04	7.9
<i>Includes</i>						32	62	30	61.7	2.9	0.5	0.05	0.04	7.0
WDRC1216	673340	7654395	-90	180	76	4	58	54	58.7	4.5	1.6	0.08	0.05	9.0
<i>Includes</i>						24	46	22	61.1	2.2	0.9	0.08	0.06	8.5
WDRC1217	673340	7654397	-61	357	87	0	36	36	58.5	3.2	2.7	0.11	0.03	9.7
<i>And</i>						60	82	22	61.9	3.3	0.5	0.02	0.07	6.2
WDRC1218	673341	7654379	-59	174	88	10	40	30	57.0	6.5	2.5	0.11	0.03	8.5
WDRC1221	673379	7654403	-59	7	85	0	70	70	59.7	3.8	1.3	0.11	0.04	8.7
<i>Includes</i>						32	70	38	61.4	2.4	0.9	0.09	0.05	8.1
WDRC1222	673378	7654395	-71	184	70	18	60	42	58.9	5.2	1.5	0.10	0.03	8.2
WDRC1223	673377	7654379	-60	177	82	12	32	20	58.7	4.3	1.9	0.13	0.03	8.6
WDRC1225	673417	7654374	-90	180	58	4	24	20	58.2	4.8	2.0	0.12	0.02	9.1
<i>And</i>						28	48	20	58.9	4.2	1.2	0.05	0.07	8.5
WDRC1226	673417	7654376	-60	4	70	4	36	32	58.6	4.9	1.5	0.12	0.03	8.9
<i>And</i>						40	62	22	58.1	5.1	2.0	0.03	0.12	8.2
WDRC1228	673436	7654371	-60	7	70	2	28	26	58.3	4.7	1.7	0.13	0.02	9.0
<i>And</i>						34	56	22	59.9	3.6	1.6	0.04	0.21	7.3
WDRC1230	673299	7654384	-90	180	82	10	66	56	59.4	3.9	1.3	0.06	0.07	8.8
<i>Includes</i>						40	60	20	62.0	1.8	0.4	0.02	0.06	7.8
WDRC1231	673299	7654387	-60	3	82	16	66	50	57.4	5.2	1.9	0.04	0.09	9.6
WDRC1232	673298	7654378	-61	185	88	48	76	28	60.2	4.8	1.5	0.04	0.05	6.2
<i>Includes</i>						56	76	20	61.6	2.6	0.7	0.03	0.07	6.9
WDRC1233	673299	7654361	-60	180	58	16	42	26	57.7	5.5	1.6	0.16	0.02	9.5
WDRC1235	673260	7654379	-60	180	94	42	76	34	60.9	3.7	0.7	0.03	0.08	6.9
<i>Includes</i>						42	60	18	61.3	3.2	0.8	0.03	0.08	6.8
WDRC1236	673257	7654387	-90	0	76	36	58	22	60.3	4.0	0.6	0.03	0.09	7.4
WDRC1239	673219	7654399	-60	180	88	28	72	44	59.3	4.7	1.1	0.02	0.12	7.6
WDRC1245	673217	7654215	-60	180	70	24	70	46	58.6	4.8	0.6	0.04	0.10	8.9
<i>Includes</i>						36	52	16	60.7	1.7	0.5	0.04	0.10	9.3
WDRC1246	673215	7654198	-60	180	88	40	80	40	59.0	5.4	0.8	0.04	0.15	7.5
WDRC1249	673259	7654218	-60	180	82	26	68	42	59.1	4.2	1.3	0.05	0.15	8.1
<i>Includes</i>						40	58	18	60.4	3.0	1.1	0.04	0.15	7.7
WDRC1250	673261	7654202	-60	180	76	38	68	30	57.9	6.6	0.7	0.05	0.11	8.3
WDRC1252	673300	7654240	-60	180	76	20	68	48	58.5	5.6	1.1	0.05	0.12	8.3
WDRC1253	673300	7654223	-60	180	58	32	56	24	57.4	6.3	1.2	0.08	0.13	8.8



Hole ID	Easting (GDA94)	Northing (GDA94)	Dip°	Azimuth (GDA94)	Hole Depth	From	To	Int Width	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	S %	LOI %
WDRC1261	673404	7654278	-90	0	66	12	36	24	57.6	4.4	2.9	0.06	0.03	9.4
WDRC1273	673182	7654200	-60	180	90	24	70	46	58.2	5.5	1.0	0.05	0.13	8.7
WDRC1274	673182	7654182	-60	180	88	20	50	30	57.2	6.3	1.2	0.06	0.13	9.3
WDRC1275	673181	7654218	-60	180	94	20	48	28	59.3	3.5	0.6	0.05	0.14	9.4
WDRC1277	673158	7654198	-60	180	76	40	64	24	59.9	4.2	0.9	0.04	0.15	7.8
WDRC1279	673159	7654240	-60	180	70	24	54	30	59.1	5.1	0.6	0.03	0.09	7.9
<i>Includes</i>						38	54	16	60.6	3.7	0.6	0.03	0.09	7.2
WDRC1282	673138	7654235	-60	180	64	20	52	32	58.9	4.9	0.7	0.02	0.10	8.3
WDRC1288	672980	7654300	-60	180	68	28	58	30	59.6	5.1	0.8	0.04	0.09	7.5
<i>Includes</i>						36	50	14	61.1	2.8	0.9	0.05	0.11	7.6
WDRC1292	672941	7654320	-60	180	88	42	66	24	57.5	7.8	0.7	0.04	0.07	7.7
WDRC1293	672899	7654302	-60	180	88	60	82	22	59.2	5.4	1.0	0.02	0.12	6.8
<i>Includes</i>						62	74	12	60.9	4.4	1.1	0.02	0.15	6.2
WDRC1294	672899	7654319	-60	180	94	48	80	32	57.3	6.9	0.6	0.03	0.10	8.1
WDRC1296	672860	7654318	-60	180	94	36	88	52	59.6	4.9	0.9	0.05	0.10	7.3
<i>Includes</i>						60	82	22	61.1	4.7	0.9	0.02	0.14	5.8
WDRC1297	672861	7654340	-60	180	94	42	84	42	58.3	6.7	0.6	0.03	0.09	7.8
WDRC1299	672861	7654380	-60	180	82	48	68	20	57.1	7.6	0.7	0.03	0.09	8.2
WDRC1305	672821	7654381	-60	180	94	44	68	24	57.2	5.5	2.4	0.03	0.18	8.9
WDRC1307	672820	7654400	-60	180	82	40	62	22	58.1	4.7	2.7	0.03	0.14	7.8
WDRC1311	672822	7654341	-60	180	106	54	92	38	59.7	4.5	1.0	0.03	0.11	6.9
<i>Includes</i>						66	82	16	62.5	2.5	0.9	0.02	0.14	5.3
WDRC1327	673238	7654208	-60	180	88	16	44	28	58.8	4.0	0.7	0.12	0.08	9.7
WDRC1331	673098	7654241	-60	180	64	16	44	28	57.1	7.5	0.6	0.03	0.05	8.9
WDRC1339	672780	7654380	-60	180	94	44	76	32	58.9	4.8	2.6	0.02	0.14	6.7
WDRC1350	672700	7654420	-60	180	84	24	48	24	59.1	4.2	1.1	0.03	0.08	8.5
WDRC1358	672739	7654462	-60	180	72	4	46	42	57.0	4.8	2.1	0.03	0.10	10.4
WDRC1376	672943	7654274	-60	180	90	30	64	34	57.4	7.0	0.9	0.05	0.13	8.5
<i>Includes</i>						44	56	12	61.0	2.6	0.6	0.04	0.16	8.3
WDRC1377	672981	7654244	-60	180	90	18	54	36	57.9	6.0	0.5	0.06	0.08	8.8

Note: Avro & Dragon infill drilling significant intercepts are filtered on a minimum intercept width of 20m and a grade of >57% Fe.

Exploration Results

The information in this report that relates to exploration results is based on information compiled by Mr. Andrew Paterson who is a member of the Australian Institute of Mining and Metallurgy and is an employee of Atlas Iron Limited. Andrew Paterson 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'. Andrew Paterson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

BACKGROUND ATLAS IRON LIMITED

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 9 million tonnes by the end of 2011.