



6 July 2010

MORE DSO SUCCESS AT HERCULES

Atlas is pleased to announce additional exploration success at the recently discovered Hercules deposit, adjacent to existing mining operations at the Wodgina project, 100 kilometres south of Port Hedland in the Pilbara of Western Australia. Better results include:

24 metres at 60.4% Fe from 36 metres in WDRC1507

32 metres at 58.5% Fe from surface in WDRC1537

22 metres at 58.2% Fe from 14 metres in WDRC1535

36 metres at 57.3% Fe from surface in WDRC1513

28 metres at 57.4% Fe from surface in WDRC1512

Exploration is ongoing at Hercules, with infilling drilling to a nominal 40 metre spacing to be completed across key areas in the next few months ahead of resource estimation for reporting later in the year.

Mining operations are well underway at Anson, with crushing plant commissioning due to commence in late July ahead of ore haulage to port starting in early August.

"It's one thing to find an iron ore deposit but clearly something special for it to be 100 kilometres from one of the world's great iron ore ports, adjacent to existing operations where we have installed all the required capital, resolved transport and port solutions and started mining" commented David Flanagan, Atlas' Managing Director. "The team are to be commended for a great job all round."

BACKGROUND ATLAS IRON LIMITED

Atlas Iron Limited is operating iron ore mines at its 100% owned operations at Wodgina and Pardoo, located 100 and 75 kilometres respectively by road from Port Hedland in the Pilbara region of Western Australia. Initially commencing at a rate of 1mtpa Atlas is working to further expand its production following commissioning of the Utah Point port facility from September 17, 2010. Atlas is currently targeting exports at an annualised rate of 6 million tonnes by December 2010.

For further information please contact

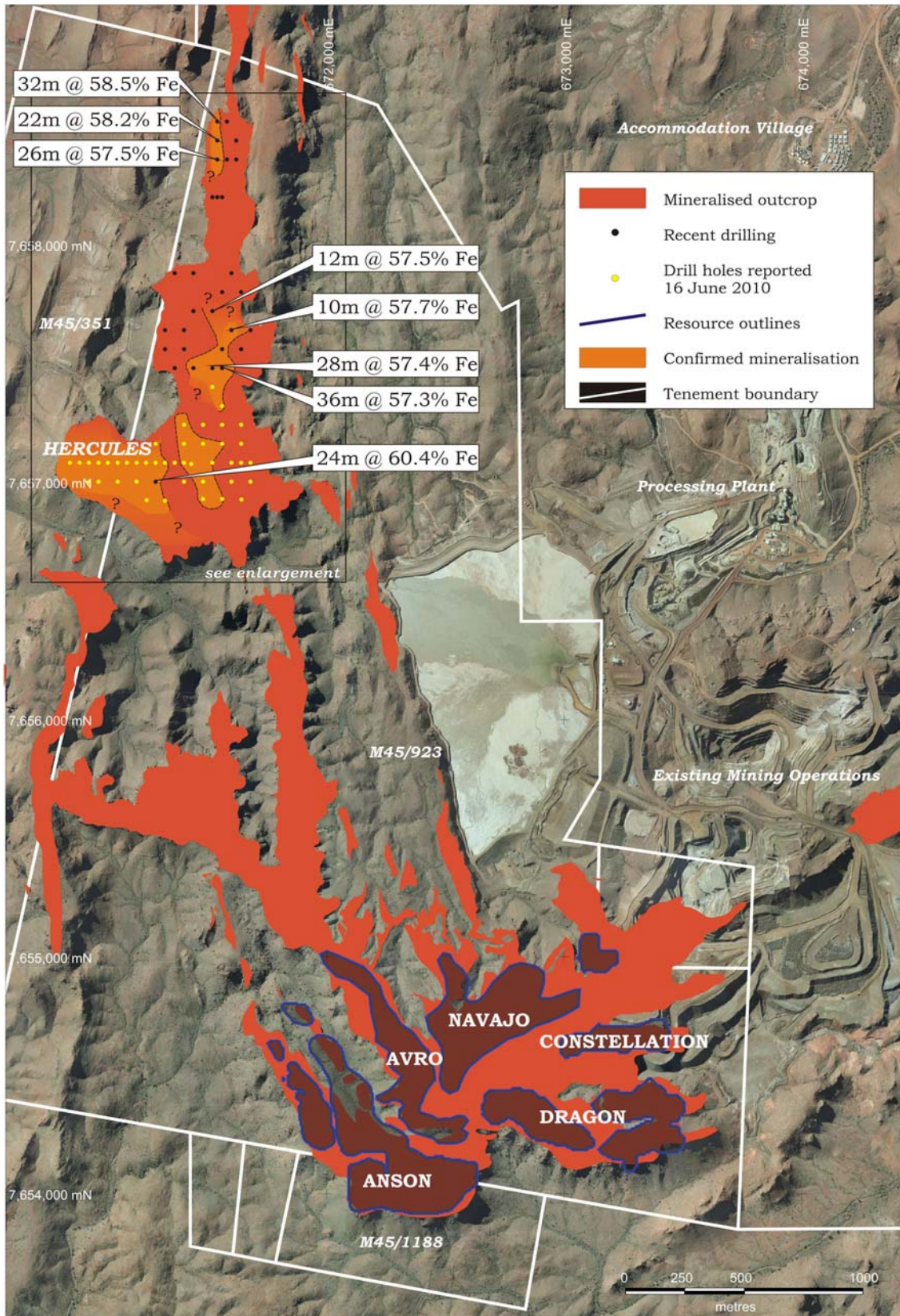
David Flanagan, Managing Director

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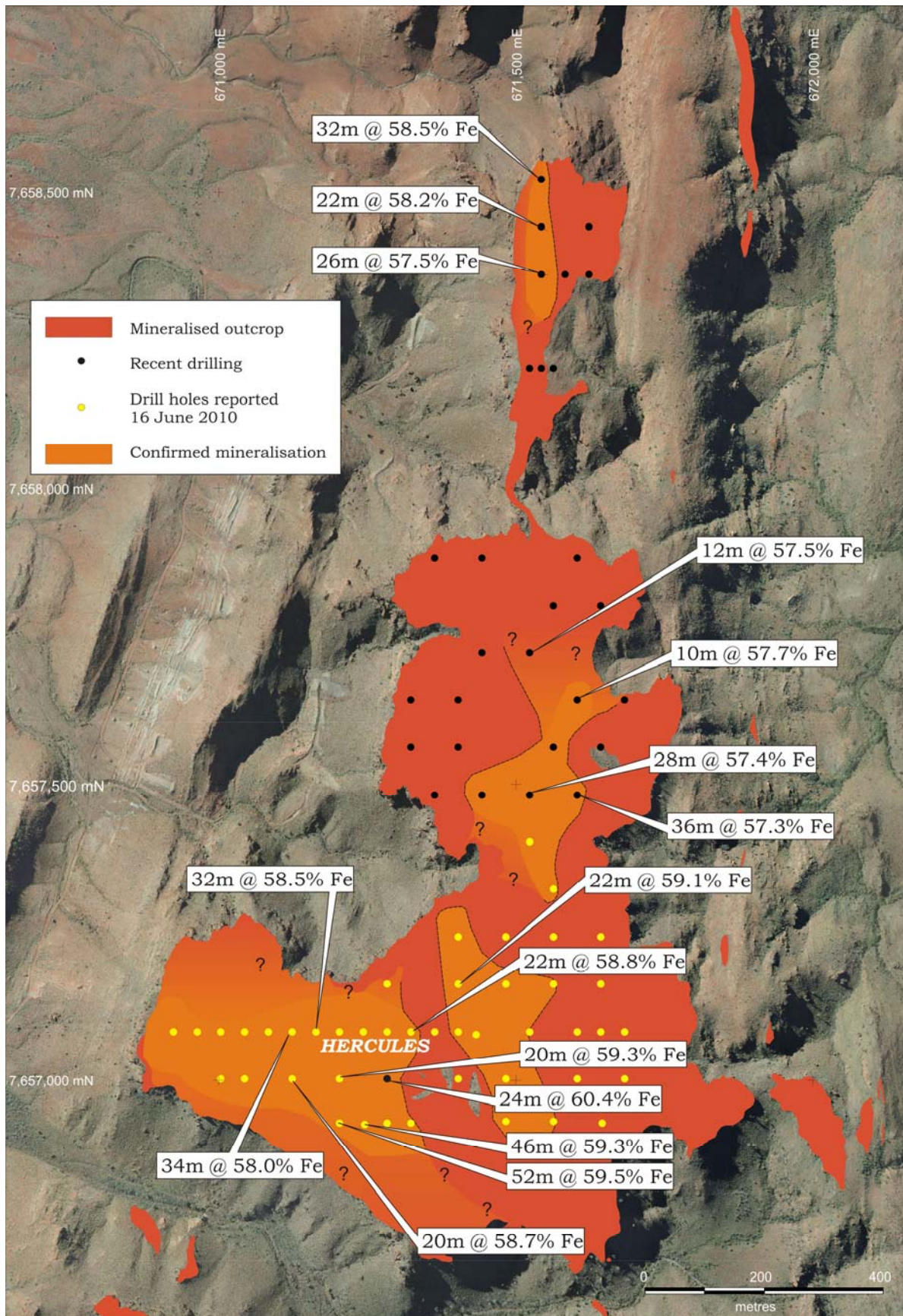
Andrew Paterson, General Manager Geology

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 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.



Wodgina Deposit Location Plan



Hercules: Drill hole location plan showing all significant intercepts



APPENDIX 1: HERCULES SIGNIFICANT INTERCEPTS

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 %
WDRC1507	671280	7657000	-60	270	88	36	60	24	60.4	5.5	0.6	0.02	0.12	6.5
<i>Includes</i>						38	48	10	61.2	4.1	0.5	0.02	0.11	6.8
<i>And</i>						52	56	4	63.1	2.7	0.4	0.02	0.17	5.7
WDRC1510	671360	7657480	-60	270	88	0	6	6	59.5	5.2	1.6	0.07	0.02	7.4
WDRC1512	671520	7657480	-60	270	76	0	28	28	57.4	4.6	4.2	0.08	0.03	8.2
<i>Includes</i>						6	10	4	62.3	2.8	1.9	0.08	0.03	5.2
WDRC1513	671600	7657480	-60	270	70	0	36	36	57.3	5.5	2.5	0.08	0.03	9.4
WDRC1520	671600	7657640	-60	270	82	14	24	10	57.7	5.0	2.1	0.14	0.03	9.5
WDRC1522	671520	7657720	-60	270	80	0	12	12	57.5	4.5	2.2	0.21	0.02	10.2
WDRC1533	671540	7658360	-60	270	76	14	40	26	57.5	5.3	2.0	0.08	0.04	9.9
WDRC1535	671540	7658440	-60	270	76	0	10	10	57.5	3.4	3.1	0.04	0.02	10.5
<i>And</i>						14	36	22	58.2	5.1	1.2	0.10	0.03	9.6
<i>Includes</i>						30	34	4	61.2	2.4	1.0	0.10	0.03	8.6
WDRC1537	671540	7658520	-60	270	76	0	32	32	58.5	5.0	1.3	0.11	0.03	9.4
<i>Includes</i>						28	32	4	60.1	2.6	1.2	0.11	0.04	9.8
WDRC1543	671760	7659880	-60	270	88	0	18	18	58.0	4.5	1.6	0.15	0.02	10.4
WDRC1546	671760	7659960	-60	270	82	0	8	8	58.8	3.3	1.4	0.18	0.02	10.7

Table 1: Hercules significant intercepts, filtered for results greater than 6m and 57% Fe, calculated at a 55% Fe lower cutoff. Contiguous samples in excess of 4m at 60% Fe have been included as additional information (e.g. 10m at 61.2% Fe).