



5 July 2010

MAIDEN RESOURCE AT WARRAWANDA

Atlas Iron Limited (ASX Code: AGO) is pleased to report a maiden Inferred resource on the Wishbone deposit at the Warrawanda Project (100% AGO), located 50 kilometres southeast of Newman.

Wishbone Resource Summary									
Resource Classification	Mt	Fe (%)	CaFe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	S (%)	LOI (%)	Density (g/cm ³)
Inferred	20.8	57.1	62.4	6.6	2.6	0.07	0.03	8.5	2.8
Note: Resources quoted at >53% Fe cut-off grade. CaFe is calcined Fe calculated by Atlas using the formula $(Fe\% / (100 - LOI)) * 100$									

The resource estimation for Wishbone is based upon RC exploration drilling commenced by Warwick Resources in 2009, with additional drilling completed by Atlas in May 2010. Mineralisation remains open to the north, and the next round of drilling will focus on opportunities for extensions as well as first-pass exploration on other regional targets within the project area.

"This is a fantastic start in a region known for its world class orebodies, and with a number of high quality targets in front of us ready for drilling, we are hopeful of more and larger discoveries in the second half of 2010." commented David Flanagan, Atlas' Managing Director. "The exploration team are now gearing up for a big exploration programme around Newman and we look forward to reporting results as they come to hand."

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 targeting exports at an annualised rate of 6 million tonnes by December 2010.

For further information please contact

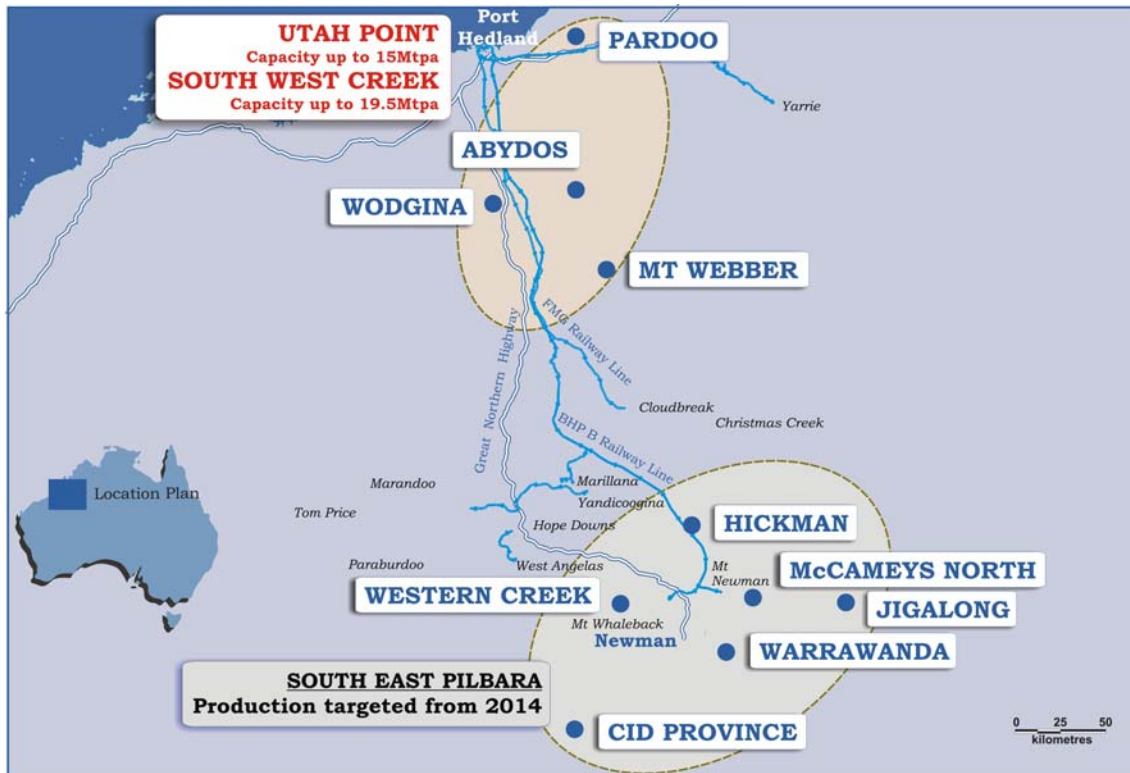
David Flanagan, Managing Director

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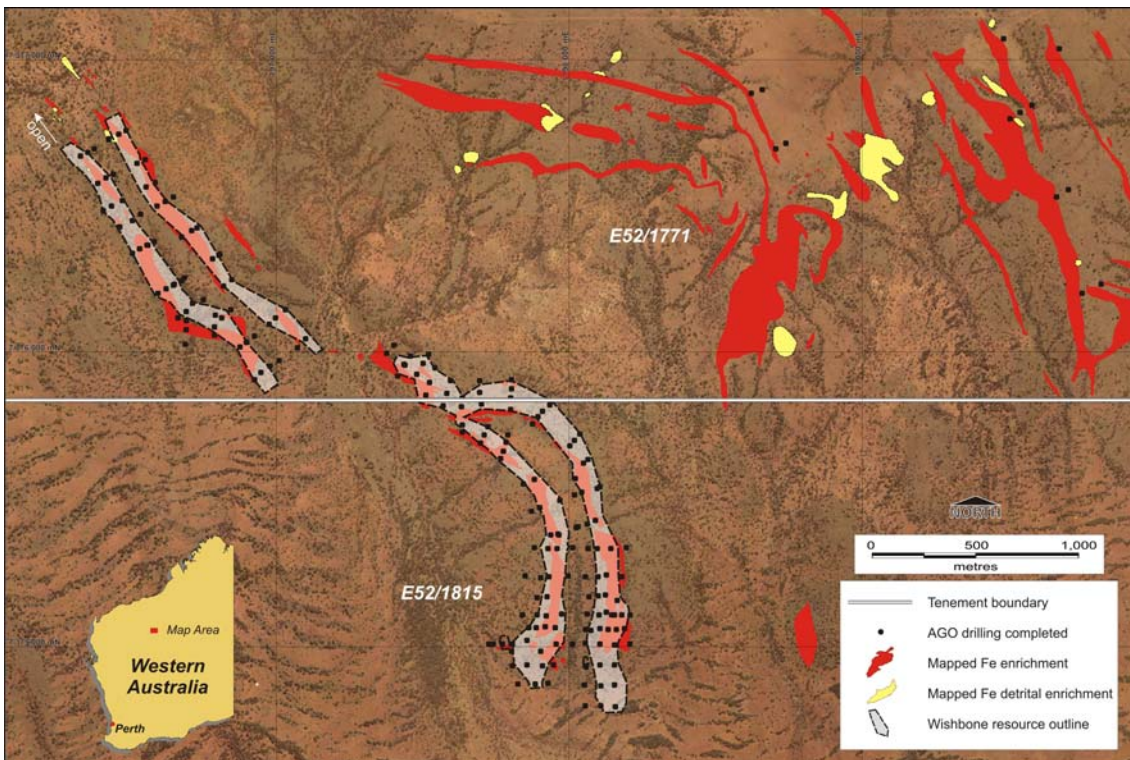
Andrew Paterson, General Manager Geology

Geological Data, Interpretation and Resource Estimation – Wishbone Resource

The information in this report that relates to mineral resource results is based on information compiled by Mr Steve Warner who is a member of the Australasian Institute of Mining and Metallurgy. Steve Warner is a full time employee of BM Geological Services. Steve Warner has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has 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'. Steve Warner consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



Pilbara project location plan



Wishbone resource location and mapped iron enrichment plan