



20 October 2010

TWO DSO DISCOVERIES IN THE SOUTHEAST PILBARA

Atlas Iron Limited (ASX: AGO) is pleased to announce excellent results from first pass drilling programmes at its 100% owned Hickman and McCamey's North DSO Projects. The projects are located 40km north of Newman and 40km east of Newman respectively in the southeast Pilbara region of Western Australia. Better results include:

McComey's North

78 metres at 60.5% Fe from 16 metres in JMRC058
44 metres at 61.1% Fe from 18 metres in JMRC052
30 metres at 60.7% Fe from 14 metres in JMRC026
48 metres at 59.3% Fe from 38 metres in JMRC044
38 metres at 59.2% Fe from 28 metres in JMRC023

Hickman

34 metres at 59.8% Fe from 18 metres in HKRC005
22 metres at 59.8% Fe from 32 metres in HKRC006
32 metres at 58.4% Fe from 8 metres in HKRC002
36 metres at 58.4% Fe from 40 metres in HKRC009

These discoveries are the result of first-pass drilling at both projects. Further drilling will be conducted in the coming months to enable the Company to determine the significance of these exciting new discoveries.

"These results are from the first holes ever drilled on the projects and we are very pleased" commented David Flanagan, Atlas Iron Managing Director. "Clearly both projects have enormous potential. We've only just started scratching the surface and this further demonstrates the quality of our ground and the potential to discover and deliver new mining centres throughout the Pilbara".

McComey's North was acquired through the merger with Warwick Resources Limited in December 2010. Atlas' southeast Pilbara tenements are considered highly prospective for large high quality iron ore deposits.

BACKGROUND ATLAS IRON LIMITED

Atlas Iron Limited is operating two 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. Atlas is currently expanding its production rate following the recent commissioning of the Utah Point port facility on 17 September 2010. Atlas is currently targeting exports at an annualised rate of 6 million tonnes by December 2010, growing to 12Mtpa by December 2012.

For further information please contact

David Flanagan, Managing Director

Tel: (08) 9476 7900

Andrew Paterson, General Manager Geology

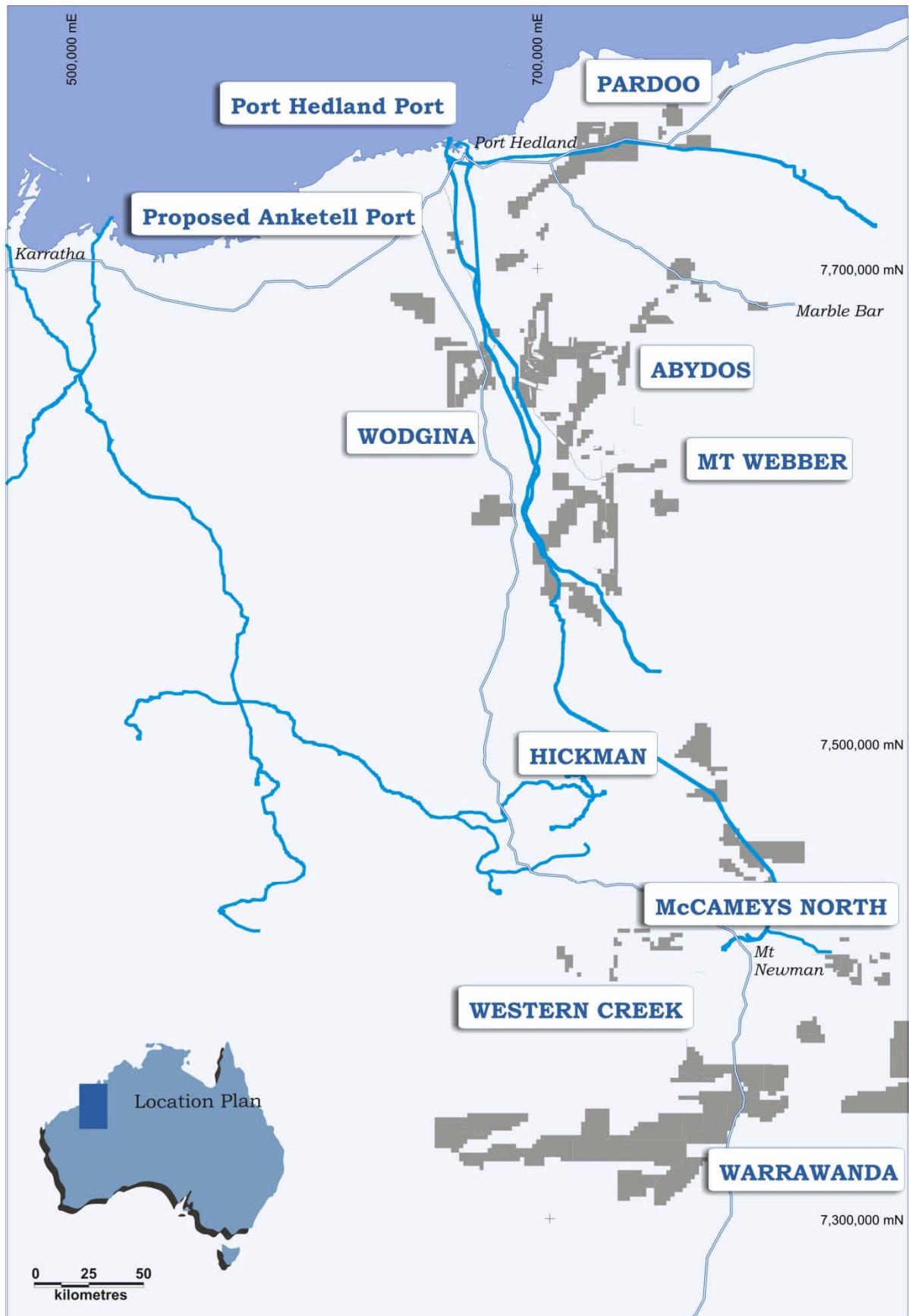


Figure 1: Atlas Iron Pilbara projects location plan.



210,000 mE

212,000 mE

214,000 mE

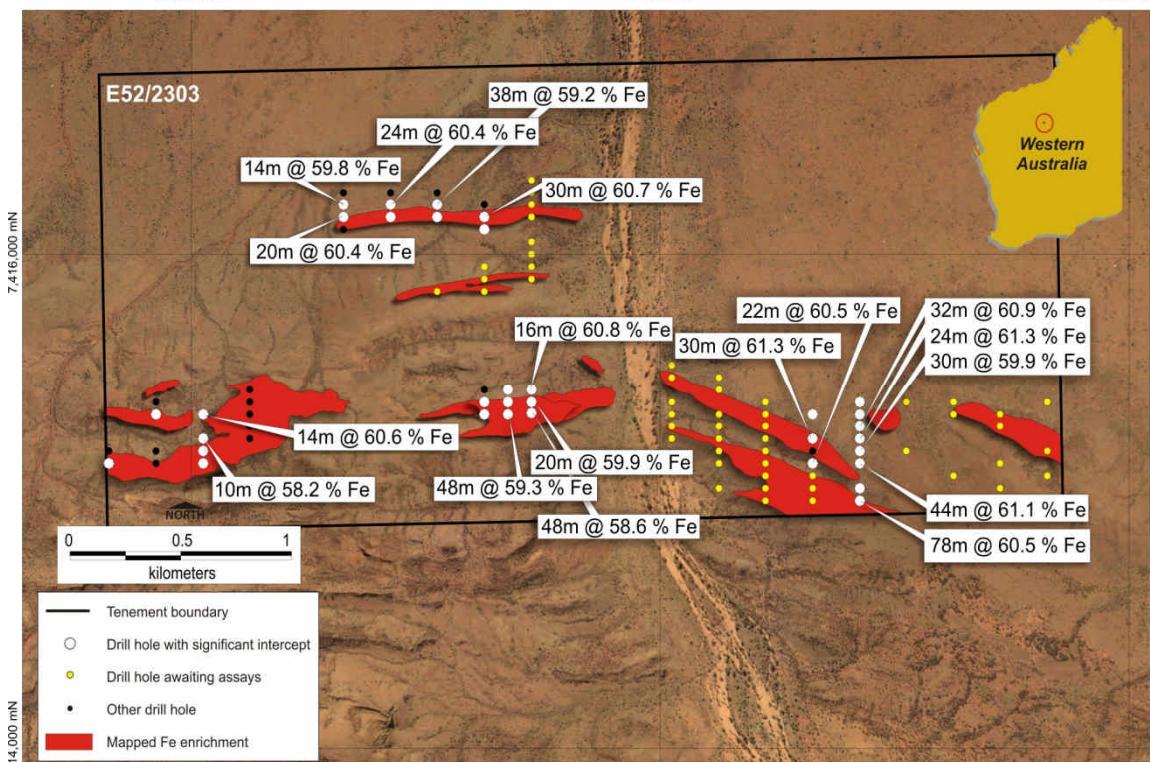


Figure 2: McCamey's North drill results over mapped iron enrichment.

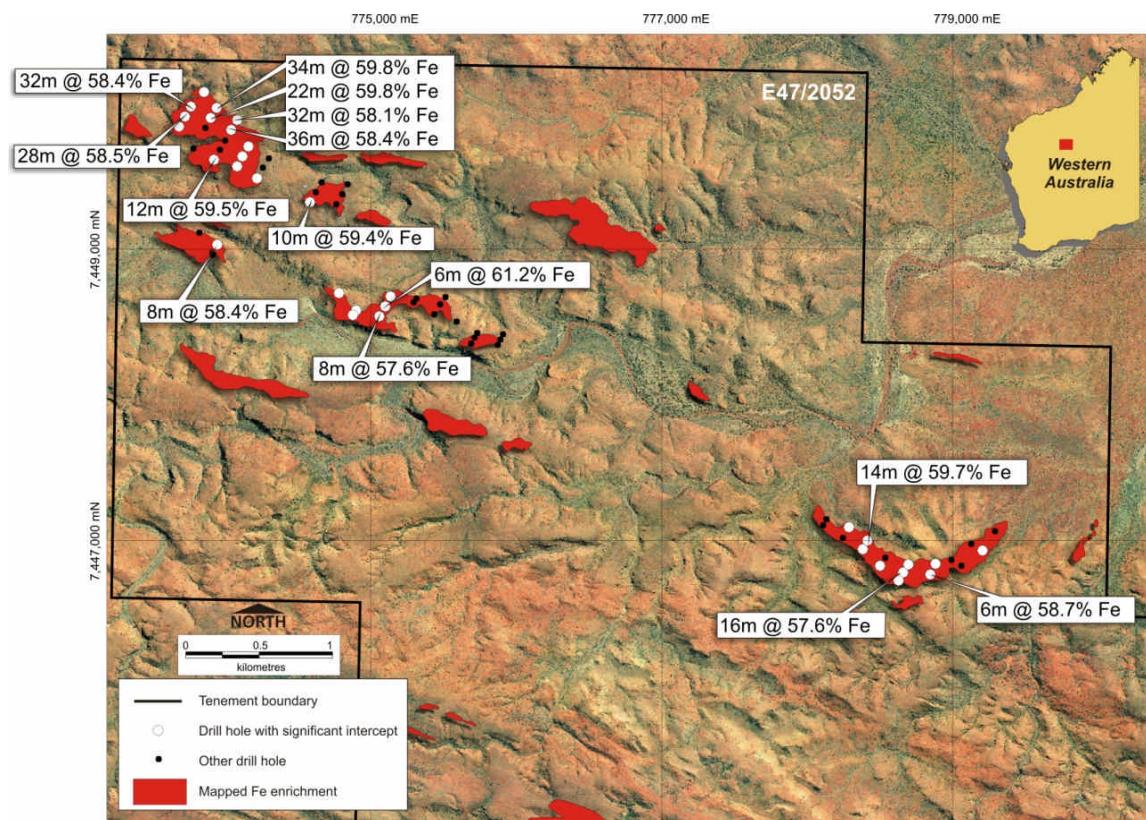


Figure 3: Hickman: prospects drilled to date showing significant intercepts and mapped iron enrichment.



APPENDIX 1: McCAMEY'S NORTH 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 %
JMRC015	210850	7416200	-60	180	130	26	50	24	60.4	4.0	3.3	0.17	0.01	5.4
JMRC019	210650	7416150	-60	180	88	8	28	20	60.4	3.7	4.4	0.14	0.02	4.8
JMRC020	210650	7416200	-60	180	76	42	56	14	59.8	5.8	4.0	0.11	0.00	4.3
JMRC022	211050	7416150	-60	180	94	4	16	12	57.9	4.4	4.2	0.20	0.01	7.3
JMRC023	211050	7416200	-60	180	100	28	66	38	59.2	5.1	3.7	0.20	0.01	5.7
JMRC026	211250	7416150	-60	180	94	14	44	30	60.7	4.4	2.9	0.13	0.01	5.4
JMRC028	210050	7415150	-60	180	106	10	30	20	56.6	8.6	5.2	0.07	0.03	4.7
JMRC030	210050	7415250	-60	180	94	12	22	10	58.2	6.3	4.3	0.08	0.02	5.6
JMRC040	210050	7415350	-60	180	94	2	16	14	60.6	5.6	3.0	0.09	0.05	3.9
JMRC041	209850	7415350	-60	180	118	8	24	16	57.4	6.0	4.9	0.13	0.04	5.7
JMRC043	211250	7415350	-60	180	118	6	22	16	57.2	6.6	3.7	0.15	0.02	6.7
JMRC044	211350	7415350	-60	180	94	38	86	48	59.3	3.0	3.5	0.21	0.01	7.7
JMRC045	211450	7415355	-60	180	94	8	56	48	58.6	4.4	4.0	0.20	0.02	6.9
						60	66	6	57.9	3.8	3.1	0.29	0.01	9.2
JMRC046	211250	7415400	-60	180	94	4	18	14	57.5	7.4	3.0	0.18	0.01	6.5
JMRC048	211350	7415400	-60	180	94	2	26	24	56.8	6.9	3.8	0.12	0.03	6.9
JMRC050	211450	7415400	-60	180	94	10	30	20	59.9	4.1	3.8	0.12	0.02	5.3
JMRC051	211450	7415450	-60	180	118	28	44	16	60.8	3.7	3.3	0.14	0.01	5.3
JMRC052	212850	7415150	-60	180	118	18	62	44	61.1	2.7	3.8	0.16	0.01	5.2
JMRC053	212850	7415200	-60	180	118	34	44	10	57.0	1.8	6.8	0.26	0.02	8.8
						58	88	30	59.9	2.9	4.3	0.19	0.01	5.9
JMRC054	212850	7415250	-60	180	118	56	68	12	58.1	3.7	5.5	0.19	0.00	6.7
						82	106	24	61.3	3.0	3.2	0.15	0.00	5.3
JMRC055	212850	7415300	-60	180	118	18	30	12	57.6	4.4	4.2	0.22	0.01	7.9
						76	108	32	60.9	4.2	3.8	0.12	0.00	4.1
JMRC056	212850	7415350	-60	180	106	22	32	10	61.4	4.8	2.9	0.14	0.01	3.9
JMRC057	212850	7415400	-60	180	118	26	36	10	57.9	7.3	2.8	0.20	0.01	6.2
JMRC058	212850	7415000	-60	180	94	16	94	78	60.5	2.3	4.5	0.18	0.01	5.7
JMRC060	212650	7415250	-60	180	76	12	42	30	61.3	3.4	3.8	0.13	0.01	4.3
						46	56	10	57.5	3.7	5.7	0.25	0.01	7.3
JMRC063	212650	7415150	-60	180	130	44	66	22	60.5	3.9	3.8	0.15	0.01	4.9

Table 1: McCamey's North significant intercepts, filtered for results greater than 6m and 57% Fe, calculated at a 55% Fe lower cutoff.

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.



APPENDIX 2: HICKMAN 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 %		
HK01																
HKRC002	773763.307	7449975.2	-60	30	64	8	40	32	58.4	6.3	4.1	0.14	0.01	5.3		
						Includes		22	30	8	61.8	3.2	3.2	0.16	0.01	4.5
HKRC003	773722.787	7449904.77	-60	30	70	34	62	28	58.5	5.6	4.9	0.15	0.01	5.2		
HKRC005	773943.654	7449965.63	-60	30	52	18	52	34	59.8	4.7	3.9	0.19	0.01	5.2		
						Includes		18	26	8	60.8	5.6	3.4	0.15	0.01	3.6
						and		30	38	8	61.2	3.4	3.1	0.21	0.01	5.4
HKRC006	773903.161	7449895.78	-60	30	118	6	20	14	56.5	6.6	5.4	0.13	0.03	6.6		
						Includes		32	54	22	59.8	5.4	4.2	0.20	0.01	4.3
						Includes		32	40	8	62.2	3.5	3.0	0.18	0.01	3.9
						Includes		66	84	18	57.3	5.9	5.0	0.24	0.01	6.2
HKRC008	774081.982	7449884.15	-60	30	76	40	72	32	58.1	5.3	4.3	0.15	0.02	6.6		
HKRC009	774042.311	7449815.93	-60	30	88	8	18	10	57.7	5.1	4.8	0.15	0.01	7.0		
						Includes		30	36	6	58.4	6.0	4.8	0.14	0.00	5.0
						Includes		40	76	36	58.4	6.3	4.8	0.16	0.01	4.7
						Includes		46	54	8	59.3	6.3	4.5	0.14	0.01	3.8
HKRC012	773924.849	7449611.08	-60	30	58	12	24	12	59.5	5.5	2.7	0.19	0.01	6.1		
						Includes		12	18	6	59.9	5.0	2.3	0.17	0.01	6.5
HKRC016	774081.513	7449565.49	-60	30	70	12	18	6	57.1	6.4	4.2	0.11	0.02	7.0		
HKRC019	774221.865	7449485.69	-60	30	52	16	22	6	56.4	9.4	3.4	0.12	0.02	6.0		
HK03																
HKRC027	773946.991	7449027.89	-60	30	58	10	18	8	58.4	6.4	3.1	0.13	0.04	6.3		
						Includes		12	16	4	60.7	4.6	2.5	0.11	0.03	5.5
HK04																
HKRC022	774585.51	7449318.74	-60	30	46	6	16	10	59.4	7.5	2.1	0.07	0.02	4.9		
HK07																
HKRC032	775059.163	7448536.87	-60	30	52	6	14	8	57.6	8.1	3.9	0.11	0.12	4.9		
HKRC034	775099.114	7448606.78	-60	30	40	14	20	6	61.2	3.4	2.8	0.17	0.03	5.4		
HK11																
HKRC047	778843.633	7446769.04	-60	30	52	0	6	6	58.7	6.2	2.9	0.10	0.07	6.0		
HKRC051	778693.622	7446832.97	-60	210	52	12	22	10	57.4	7.4	3.9	0.11	0.06	6.0		
						Includes		26	42	16	57.6	5.3	4.8	0.15	0.07	6.6
HKRC056	778384.474	7446939.15	-60	210	70	6	12	6	57.3	7.9	2.7	0.09	0.05	6.7		
HKRC057	778415.343	7446996.8	-60	210	64	16	30	14	59.7	5.5	2.7	0.12	0.03	5.9		

Table 2: Hickman 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. 8m at 61.8% Fe in HKRC002).