

16 November 2011

ATLAS ACQUIRES NORTH PILBARA DSO EXPLORATION PROJECT

Atlas Iron Limited [ASX Code: AGO] is pleased to announce that it has entered into an agreement to acquire a 90% interest in the Corunna Downs DSO Project in the North Pilbara from Gondwana Resources Limited [ASX Code: GDA] for \$2.1mil in cash, paid in three tranches. The agreement is in the form of a staged 12-month exploration option for 100% of Gondwana's interest in the project. Corunna Downs is located approximately halfway between Atlas' Mt Webber and McPhee Creek DSO Projects in the North Pilbara region.

"We continue to look for DSO opportunities in the Pilbara" commented David Flanagan, Atlas Managing Director. "This project fits perfectly into our Horizon 2 expansion plans, with the potential to add DSO tonnes to the Mt Webber / McPhee Creek area".

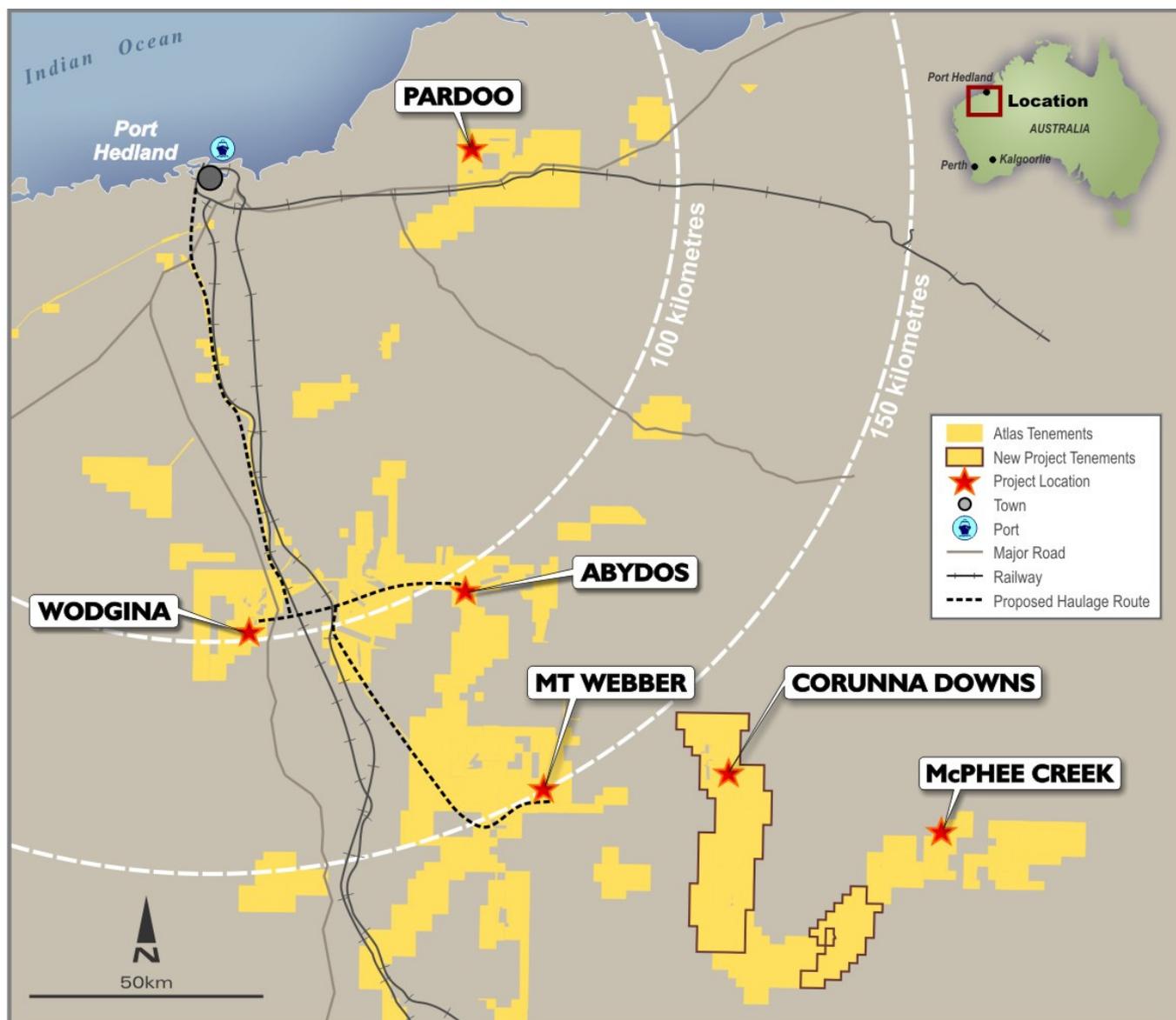


Figure 1: Atlas' North Pilbara DSO assets

Atlas Iron Limited ABN 63 110 396 168



The principal terms of the agreement are as follows:

- Total consideration of \$2.1mil in cash paid in three tranches (\$350,000 on signing, \$350,000 six months after signing and \$1.4mil on exercise of the option and transfer of the tenements to Atlas);
- Gondwana to retain a royalty of \$1.13 per tonne for all iron ore mined; and
- Atlas to retain a right to buy back the GDA royalty for \$0.20 per ore reserve tonne.

For further information please contact

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