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## CLARIFICATION ON PRESS ARTICLE

Atlas is currently exporting ore from its Pardoo iron ore Project, located 75 kilometres east of Port Hedland in the Pilbara of Western Australia. Atlas is also rapidly advancing the development of a second iron ore mine at Wodgina 100 kilometres south of Port Hedland and working to complete the process of engaging a strategic partner for the development of the 2Bt Ridley Magnetite Deposit located at Pardoo.

Following a request made by ASX to Atlas in response to an article in the media today, Atlas advises that:

- In relation to the Wodgina DSO Project development, which Atlas is currently working to bring into production, Atlas has received strong interest from steel mills seeking to acquire off take to this iron ore. While these discussions are advancing well, they are not complete; and
- In relation to engaging the development partner for the Ridley Magnetite Deposit, Atlas has received strong interest from capable organisations. While these discussions are advancing well, they are not complete.

Atlas notes that the market for iron ore is very strong, reflected in the spot price, and that the strength of demand is reflected in Atlas' discussions.

### 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. In 2009 Atlas shipped its target of 1 million tonnes during its first 12 months of operations. When combined with additional export tonnages from its Abydos and Wodgina DSO Projects, the Company is targeting total exports at an annualised rate of 6 million tonnes in 2010, growing to 12 million tonnes in 2012.

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