



21 January 2010

## ATLAS DOUBLES DSO RESOURCE INVENTORY TO 187Mt

Atlas Iron Limited [ASX Code: AGO] is pleased to announce that its resource inventory of Direct Shipping Ore has doubled to 186.6 million tonnes at 56.6% Fe, paving the way for the planned increases in production and sales revenue over the next three years.

### HIGHLIGHTS

- **97% INCREASE IN DSO RESOURCES IN LAST 6 MONTHS**
- **230% INCREASE IN DSO RESOURCES IN LAST 12 MONTHS**
- **SIGNIFICANT INFERRED RESOURCES CONVERTED TO MEASURED AND INDICATED**
- **EXPLORATION TARGET OF 430 TO 750Mt AT 57 TO 60% Fe**

The revised DSO resource estimate represents an increase of 97% from the figures published in July 2009 and a rise of 230% from this time last year.

“Atlas has worked extremely hard in the field to grow our resource base during 2009, with 100,000m drilled for the year. That’s been reflected in this result, with a 49% increase in resources on Atlas’ projects plus the additional 46 million tonnes coming from the recent merger with Warwick Resources” commented David Flanagan, Atlas’ Managing Director.

“This is an excellent result for a company of Atlas’ size during one of the worst economic downturns in the past 50 years.”

“This resource base sets up the Company to achieve its key goals of growing exports to an annual rate of 6 million tonnes this year, rising to 12 million tonnes in 2012.”

The Company’s Mineral Resources are outlined in the table below.

Atlas Iron Limited - Resource Inventory 31 December 2009									
Project Area	Resource Classification	Kt	Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	P (%)	S (%)	LOI (%)	CaFe (%)
Total	Measured	10,290	58.0	5.5	1.7	0.11	0.03	8.9	63.7
	Indicated	40,641	56.9	7.1	1.8	0.08	0.04	8.7	62.3
	Inferred	135,674	56.4	7.0	2.9	0.07	0.03	8.5	61.7
<b>Grand Total</b>		<b>186,605</b>	<b>56.6</b>	<b>6.9</b>	<b>2.6</b>	<b>0.07</b>	<b>0.03</b>	<b>8.5</b>	<b>61.9</b>

Table 1: Atlas Iron Limited resource summary table, 31/12/2009.

Note: CaFe% is calcined Fe calculated by Atlas using the following formula:  $(Fe\% / (100 - LOI\%)) * 100$ .

During the year, Atlas has delivered major increases to the resource inventory as a result of a combination of exploration success at Wodgina, Mt Webber, and Mt Dove; extensional drilling at Wodgina and Abydos; and the merger with Warwick Resources, which added a 45.5Mt of inferred resources in the Newman area. In late 2009, infill drilling at Wodgina has enabled the company to convert almost 25Mt of the inferred resource to measured and indicated category.

Based on work completed to date by Atlas and Warwick Resources, the Company now has a revised exploration target range for all its projects of 430 to 750 million tonnes at between 57 and 60% Fe. This target range is inclusive of the current resource figure quoted in table 1 above.

Atlas Iron Limited ACN 110 396 168

## Background Atlas Iron Limited

Atlas Iron Limited is mining and exporting from its 100%-owned Pardoo Iron Ore project, located 75km 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.

### For further information please contact

David Flanagan, Managing Director  
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Atlas Iron Limited - Resource Inventory 31 December 2009									
Project Area	Resource Classification	Kt	Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	P (%)	S (%)	LOI (%)	CaFe (%)
Pardoo	Measured	2,150	56.6	6.7	2.5	0.17	0.02	9.1	62.3
	Indicated	14,071	56.5	8.3	1.7	0.11	0.03	8.0	61.4
	Inferred	10,764	55.4	8.9	2.2	0.08	0.04	8.4	60.5
Abydos	Indicated	10,080	57.8	5.7	1.7	0.05	0.01	9.5	63.9
	Inferred	12,240	56.6	6.8	2.2	0.06	0.02	9.4	62.5
Wodgina	Measured	8,140	58.4	5.2	1.5	0.10	0.03	8.9	64.1
	Indicated	16,490	56.6	7.0	1.9	0.06	0.07	8.8	62.1
	Inferred	15,990	54.8	8.1	3.0	0.05	0.06	9.2	60.4
Mt Webber *	Inferred	43,690	57.4	6.3	2.1	0.09	0.03	8.7	62.8
Mt Dove	Inferred	2,470	58.5	6.1	1.8	0.11	0.03	7.9	63.5
Weld Range	Inferred	5,020	64.1	3.3	2.7	0.05	0.01	1.6	65.1
Western Creek	Inferred	19,100	55.1	6.6	4.1	0.06	0.00	9.3	60.7
Jimblebar Range	Inferred	12,600	57.5	7.0	2.0	0.06	0.04	7.9	62.4
Caramulla South	Inferred	13,800	53.9	8.6	5.4	0.04	0.03	8.1	58.7
Total	Measured	10,290	58.0	5.5	1.7	0.11	0.03	8.9	63.7
	Indicated	40,641	56.9	7.1	1.8	0.08	0.04	8.7	62.3
	Inferred	135,674	56.4	7.0	2.9	0.07	0.03	8.5	61.7
<b>Grand Total</b>		<b>186,605</b>	<b>56.6</b>	<b>6.9</b>	<b>2.6</b>	<b>0.07</b>	<b>0.03</b>	<b>8.5</b>	<b>61.9</b>

Table 2: Atlas resource summary by project area.

Note: Pardoo, Wodgina & Mt Webber resources quoted at >53% cut off grade. Abydos, Mt Dove, Weld Range, Western Creek, Jimblebar, Caramulla South resources and Connie Deposit quoted at >50% cut off grade.

\* The Mt Webber resource is subject to a joint venture between Atlas and Altura Mining Limited in the ratio 70:30 AGO:AJM. The number quoted above is the unadjusted total resource.

Atlas Exploration Target Table - January 2010					
Project Area	Tonnage Range		Grade Range		Current Resource
	Mt	Mt	Fe %	Fe %	Mt
Northeast Pilbara	166	226	56	60	136
Southeast Pilbara	231	492	57	60	46
Mid-West WA	30	40	60	66	5
<b>Total</b>	<b>427</b>	<b>758</b>	<b>57</b>	<b>60</b>	<b>187</b>

Note: Exploration targets quoted above are inclusive of current resources.

Table 3: Atlas exploration target ranges, January 2010.



Figure 1: Atlas project location map.

## STATEMENTS ON EXPLORATION TARGETS

### *Atlas Iron Limited – Statement on Global Exploration Target*

Atlas has reported a total resource inventory of 186.6 million tonnes at 56.6% Fe consisting of resources at Pardoo, Abydos, Turner River, Mt Webber, Wodgina, Weld Range, Jimblebar Range, Western Creek and Caramulla South. While the Company intends to do further exploration on its tenements and remains optimistic it will report additional resources and reserves in the future, any discussion in relation to targets, resources, reserves or 'ore' over and above the resource of 186.6 million tonnes at 56.6% Fe is only conceptual in nature. There has been insufficient exploration to define a Mineral Resource over and above the resource of 186.6 million tonnes at 56.6% Fe, and it is uncertain if further exploration will result in the determination of a Mineral Resource over and above the resource of 186.6 million tonnes at 56.6% Fe.

## **COMPETENT PERSON STATEMENTS**

### ***Geological Data, Interpretation and Resource Estimation – Mt Webber***

The information in this report that relates to mineral resource results is based on information compiled by Mr Shane Tomlinson & Mr Chris Allen. Shane Tomlinson is a member of the Australian Institute of Geoscientists and Chris Allen is a member of the Australasian Institute of Mining and Metallurgy. Shane Tomlinson is a full time employee of Atlas Iron Limited and Chris Allen is a full time employee of CSA Global Pty Ltd. Shane Tomlinson & Chris Allen have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they have 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'. Shane Tomlinson and Chris Allen consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

### ***Geological Data, Interpretation and Resource Estimation – Alice, Clare, Hubert, Glenda, and Connie Resources***

The information in this report that relates to mineral resource results is based on information compiled by Mr Tony Cormack & Mr Richard Gaze who are members of the Australasian Institute of Mining and Metallurgy. Tony Cormack is a full time employee of Atlas Iron Limited and Richard Gaze is a full time employee of Golder Associates Pty Ltd. Tony Cormack & Richard Gaze have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they have 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'. Tony Cormack and Richard Gaze consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

### ***Geological Data, Interpretation and Resource Estimation – Bobby, Floyd, Emma, Olivia, Avalon Point, Mettams, Mullaloo, and Trigg Resources***

The information in this report that relates to mineral resource results is based on information compiled by Mr Tony Cormack & Mr David Williams who are members of the Australasian Institute of Mining and Metallurgy. Tony Cormack is a full time employee of Atlas Iron Limited and David Williams is a full time employee of CSA Global Pty Ltd. Tony Cormack & David Williams have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they have 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'. Tony Cormack and David Williams consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

### ***Geological Data, Interpretation and Resource Estimation – South Limb and Dean Resources***

The information in this report that relates to mineral resource results is based on information compiled by Mr Tony Cormack & Mr Malcolm Titley who are members of the Australasian Institute of Mining and Metallurgy. Tony Cormack is a full time employee of Atlas Iron Limited and Malcolm Titley is a full time employee of CSA Global Pty Ltd. Tony Cormack & Malcolm Titley have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they have 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'. Tony Cormack and Malcolm Titley consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

### ***Geological Data, Interpretation and Resource Estimation – Mt Dove and Wodgina***

The information in this report that relates to mineral resource results is based on information compiled by Mr Tony Cormack who is a member of the Australasian Institute of Mining and Metallurgy. Tony Cormack is a full time employee of Atlas Iron Limited. Tony Cormack 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'. Tony Cormack consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

### ***Geological Data, Interpretation and Resource Estimation – Alice Extension***

The information in this report that relates to mineral resource results is based on information compiled by Mr Simon Gobbett who is a member of the Australasian Institute of Mining and Metallurgy. Simon Gobbett is a full time employee of Atlas Iron Limited. Simon Gobbett 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'. Simon Gobbett consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

***Geological Data, Interpretation and Resource Estimation – Western Creek, Jimblebar Range and Caramulla South***

The information in this website that relates to mineral resource results for Western Creek, Jimblebar Range and Caramulla South is based on information compiled by Mr Bruce McQuitty and Mr Chris De-Vitry, who are both members of the Australasian Institute of Geoscientists. Mr McQuitty is a full-time employee of Warwick Resources Ltd and Mr De-Vitry is a full-time employee of Quantitative Group. Mr McQuitty and Mr De-Vitry have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they have undertaken to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr McQuitty and Mr De-Vitry consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

***Geological Data, Interpretation and Resource Estimation – Weld Range***

The information in this report that relates to mineral resource results is based on information compiled by Mr Shane Tomlinson, who is a member of the Australian Institute of Geoscientists. Shane Tomlinson is a full time employee of Atlas Iron Limited. Shane Tomlinson 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'. Shane Tomlinson consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.