



15 January 2008

MAIDEN INFERRED RESOURCE AT WODGINA

Atlas Iron Limited (ASX Code: AGO) is pleased to announce a maiden JORC resource estimate for the newly-discovered Anson Deposit at Wodgina (Atlas 100% Fe rights), located only 100 kilometres south of Port Hedland in the Pilbara of Western Australia.

Anson Resource – January 2009									
Resource Classification	Mt	Fe (%)	Ca Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	S (%)	LOI (%)	Density (g/cm ³)
Inferred	8.1	57.5*	63.1	6.8	1.6	0.08	0.02	8.9	3.0
*Tonnage & grade estimated by ordinary kriging, reported at >50% Fe cut-off.									

The completion of this maiden resource estimate is an excellent achievement by the Atlas exploration team, coming just two months after the first hole was drilled at Wodgina. The Anson deposit remains open in a number of directions and there are several similar additional targets to be drill tested in the immediate vicinity. The deposit is located adjacent to existing road, rail, power and existing mine infrastructure, which should greatly assist in the development of Atlas' third mining centre.

"This is a good result but it is just the beginning for Wodgina, typically these deposits occur in clusters and we think we have a good chance of finding a lot more," said Atlas Managing Director David Flanagan. "The speed with which Atlas has progressed exploration at Wodgina demonstrates our commitment to building shareholder value by delivering on our core objectives."

"The exploration potential of the North Pilbara region is largely untapped. This region was overlooked by the majors and we can't wait to get in there and drill a few more holes."

RC exploration drilling is continuing on Atlas' other Wodgina prospects and the Company remains on track to report updated resources and reserves across all of its projects by the end of January 2009.

Atlas has previously estimated an Exploration Target for the Company's Greater Abydos tenements of between 100 and 140 Mt at between 57 and 60% Fe (see 2008 Annual Report). Wodgina alone is expected to make a significant contribution to achieving this target.



Background Atlas Iron Limited

Atlas recently commenced mining and shipping ore from its 100%-owned Pardoo Iron Ore Project in the Pilbara of Western Australia. Atlas is planning to export 1 million tonnes during its first 12 months of operations at the Pardoo Project, growing to 3 Mtpa for year 2. With additional export tonnages from Abydos, the Company is targeting exports of 6 Mtpa for 2010, growing to 12 Mtpa by 2012.

For further information please contact

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Resource Estimate

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

Resource Estimate Assumptions and Methodology

The mineral resource estimate for the Anson deposit is based on a number of factors and assumptions some of which are as follows:

- *A total of 18 drill holes were drilled on a 80m along strike and 40m across strike spacing.*
- *All of the drilling data for these 18 holes were used in the mineral resource estimate.*
- *Assays were obtained from Reverse circulation drill samples. None of the drill holes encountered water.*
- *The deposit was modelled based upon geological logging, all assay grades, and field mapping. One domain was modelled based on a cut-off grade of 50% Fe. This domain was then used flag the sample data for statistical analysis and estimation.*
- *Atlas QAQC program included company standards, blanks, and field duplicates. Examination of these QAQC results did not identify any discrepancies.*
- *An average dry bulk density of 3.0 t/m was assigned to the mineralized domain within the model.*
- *The Ordinary Kriging interpolation method was used for the resource estimation of Fe, SiO₂, Al₂O₃, P,S and LOI*

Resource estimate results are reported at >50% Fe. Differences may occur due to rounding errors.

References to Exploration/Production Targets and Potential

While the company remains optimistic it will report resources and reserves in the future from its Greater Abydos Region outside of the Abydos Project area, any discussion in relation to exploration targets, resource potential, reserves or 'ore' is only conceptual in nature, as there has been insufficient exploration to define a Mineral Resource at the company's Greater Abydos Region outside the Abydos Project area proper and it is uncertain if further exploration will result in the determination of a Mineral Resource.

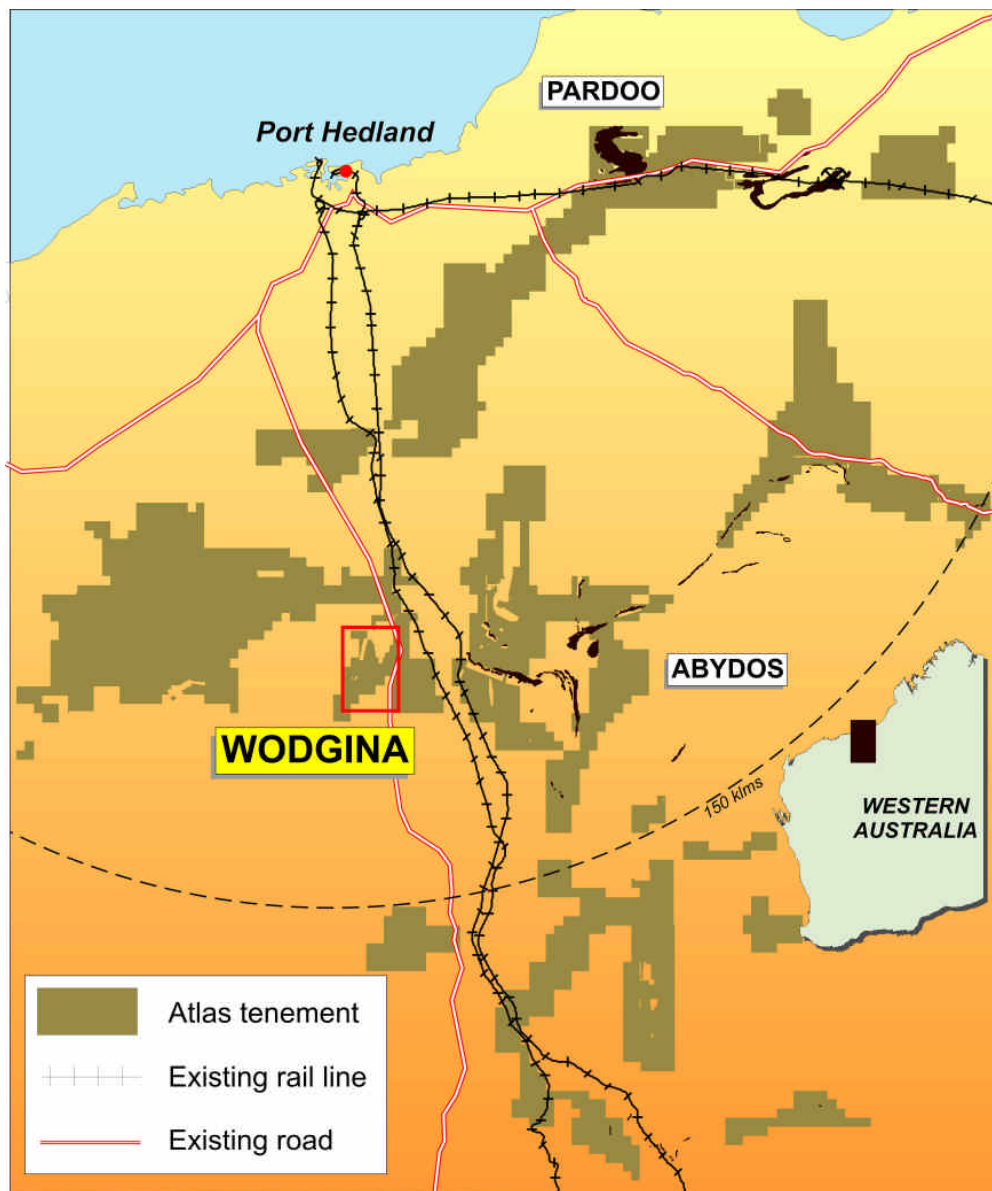


Figure 1: Wodgina Location Plan

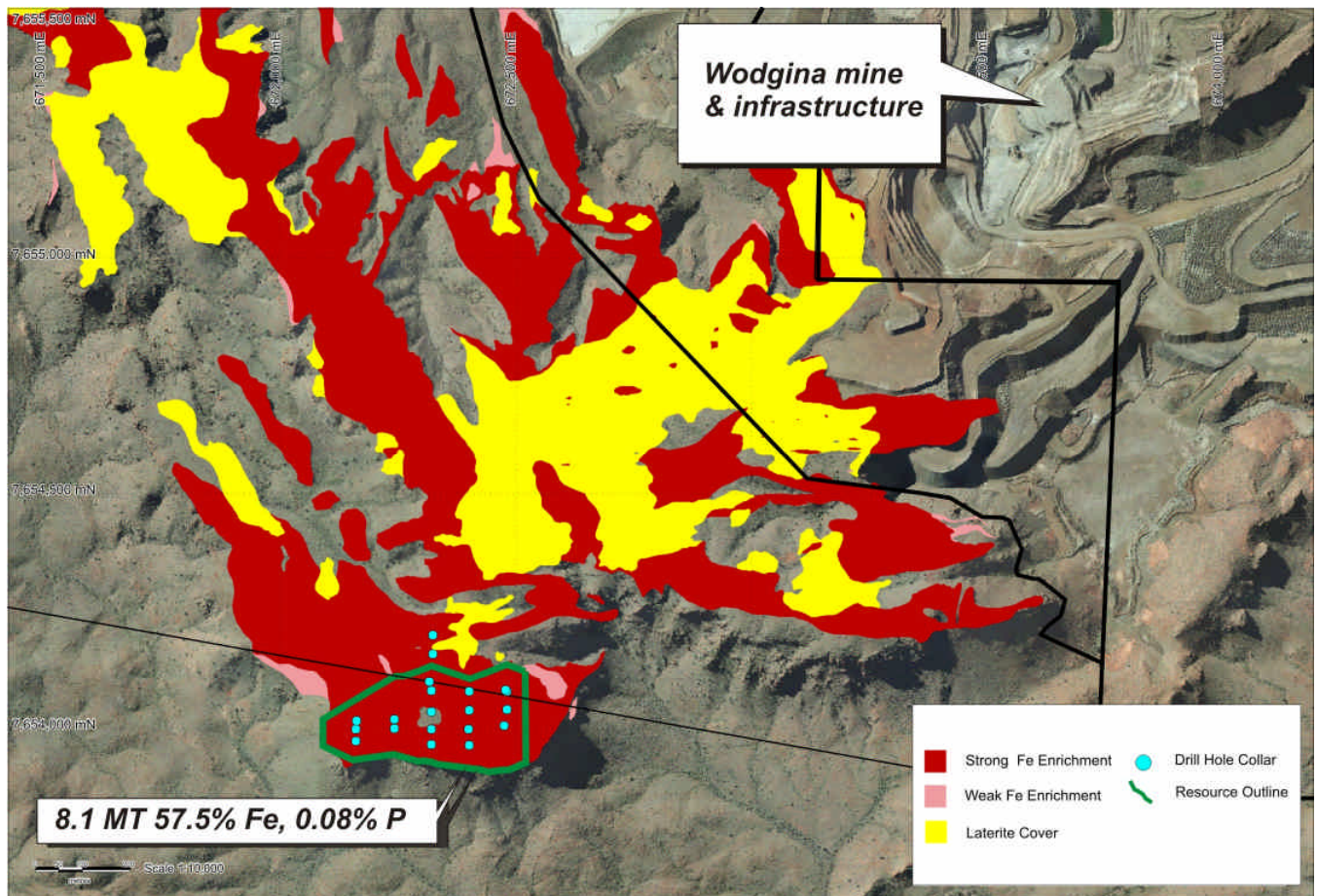


Figure 2: Wodgina Resource Location Plan and surface enrichment