



26 March 2012

ATLAS TAKES ANOTHER STEP IN GROWTH STRATEGY WITH ACQUISITION OF REMAINING DALTONS IRON ORE RIGHTS AT MT WEBBER

Atlas Iron Limited (ASX: AGO) is pleased to advise that it has entered into a binding Heads of Agreement to acquire the remaining 25 per cent of the iron ore rights on the relevant Daltons Joint Venture tenements it does not already own from Haoma Mining.

The iron ore rights that Atlas has agreed to acquire are located on the northern part of Atlas' wider Mount Webber DSO project and specifically include mining lease M45/1197 and the underlying exploration tenure originally recorded as E45/2186. The other exploration tenements remain subject to the existing exploration joint venture between Atlas (formerly Giralia Resources Ltd) and Haoma. Haoma holds the rights to all non iron ore minerals across all the tenement groups

Daltons has a Probable Reserve of 22.8Mt at 58.3% Fe within an Indicated Resource of 23.1 Mt AT 58.3% Fe (see Reserve and Resource tables for further details).

The Mt Webber project will be brought into operation as part of Atlas' plan to increase its total production rate to 12 million tonnes a year by June 2013.

Mt Webber will also play a key role in Atlas' plan to begin transporting iron ore by rail, a move which will see the Company targeting production of 46 million tonnes a year by 2017.

The key terms of the agreement are:

- Atlas to acquire ownership of Haoma's 25 per cent interest in the underlying tenements and iron ore rights for consideration of \$33 million, payable on completion of formal documentation. No future royalties are payable by Atlas.
- The consideration is made up of \$10 million in cash and \$23 million in Atlas shares valued at 95% of the daily VWAP on the date of signing the Heads of Agreement, being \$2.88 per Atlas share.
- Atlas to make additional annual payments to Haoma on a pro-rata basis for any additional Reserves estimated on the Daltons joint venture tenements above 24MT, equivalent to \$5.50/t for Haoma's 25 per cent share.

"The acquisition of this remaining interest in the Daltons tenements is another important step along the path to developing Mt Webber," Atlas Managing Director Ken Brinsden said.

"Mt Webber is a crucial piece of the Atlas growth strategy, which will involve the construction of several new mines to increase our total production rate to 12 Mtpa by June 2013 and which will ultimately see the Company use rail transport for the first time as it targets increasing annual production to 46 million tonnes by 2017."

Further enquiries please contact

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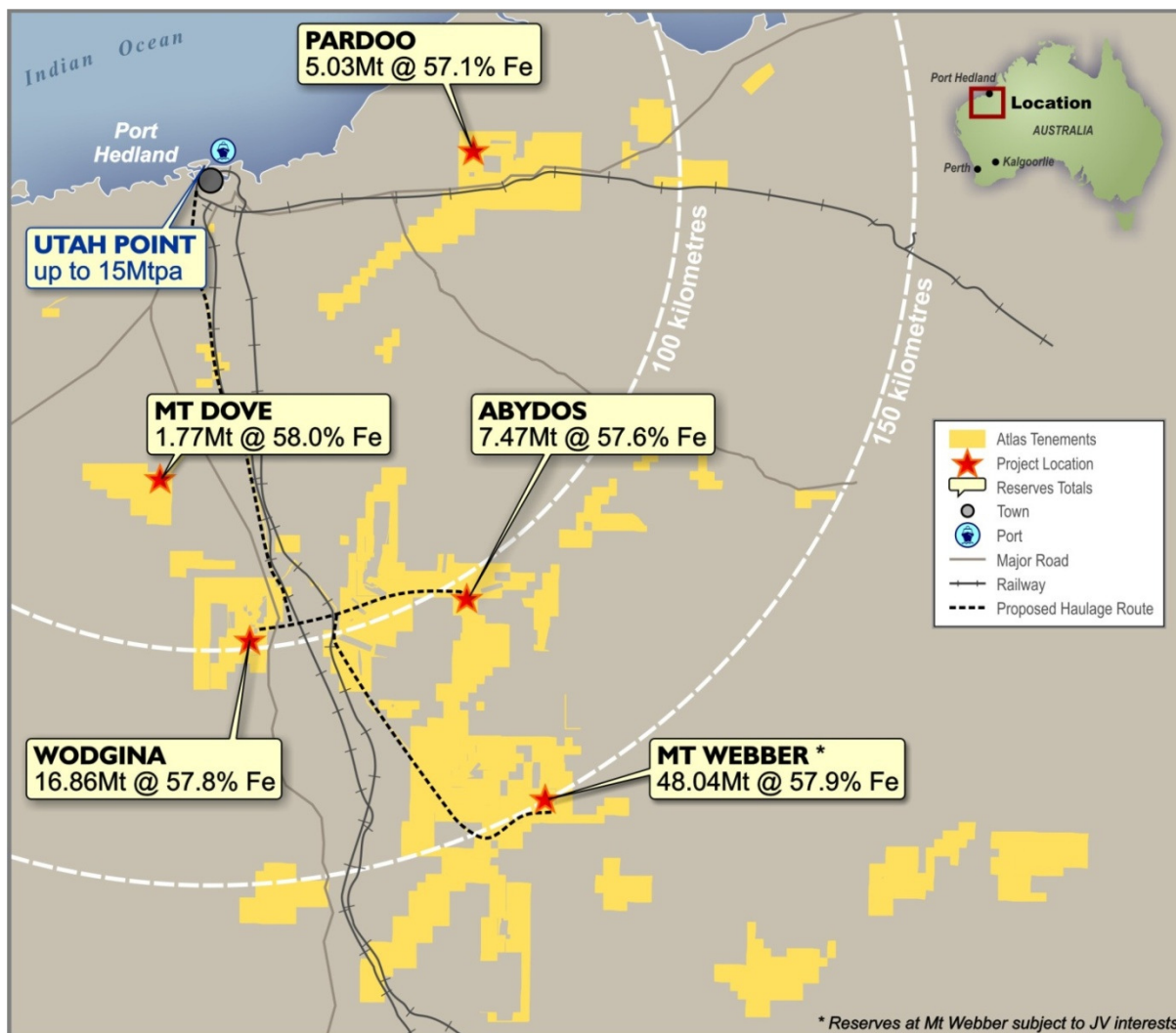


Figure 1: NORTHERN PILBARA PROJECT LOCATIONS / PROJECT RESERVES 30 June 2011

Mt Webber DSO Reserves Table (Probable) - As at 30 June 2011

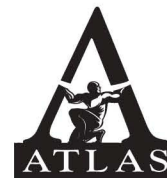
Location	Ore Type	Reserve Classification	Kt	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	S (%)	LOI (%)	CaFe (%)
Mt Webber JV	Bedded	Probable	25,233	57.5	6.3	2.0	0.08	0.03	8.8	63.0
Daltons JV	Bedded	Probable	22,809	58.3	5.9	1.6	0.09	0.02	8.2	63.6
Total**			48,042	57.9	6.1	1.8	0.09	0.02	8.5	63.3

Note: Ore Reserves defined at a 50-54% Fe cut-off grade.

**Reserves are subject to Joint Venture interests in the ratio AGO 70% : AJM 30% for the Mt Webber JV

Reserve Estimation

The information in this report that relates to Reserve estimations is based on information compiled by Mr Ken Brinsden, who is a member of the Australasian Institute of Mining and Metallurgy. Ken Brinsden is a full time employee of Atlas Iron Limited. Ken Brinsden 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, Mineral Resources and Ore Reserves'. Ken Brinsden consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



Reserves – Background Data

Atlas Iron Limited (Atlas) has undertaken pit optimisation studies at the various Indicated and/or Measured Resources at its North Pilbara Projects (pls see Figure 1).

The ore reserve estimates determined for the Projects to date are based on the following input data;

- DSO resources as defined by Atlas Iron Limited,
- Metallurgical testwork conducted at SGS laboratories under the supervision of Atlas Iron Limited,
- Cost data supplied by Atlas Iron Limited,
- Revenue data supplied by Atlas Iron Limited, derived from CRU modelling,
- Geotechnical studies conducted by Golder Associates Pty Ltd,
- Allocations for planned and unplanned dilution,
- Pit optimisations conducted by Golder Associates Pty Ltd

Ore reserves developed form part of scheduled and costed operating mine plans.

Mining Reserve Estimates - Compliance with the JORC code assessment criteria

This mining reserve statement has been compiled in accordance with the guidelines defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code -- 2004 Edition). The underlying resource classification was completed by Atlas Iron Limited geologists, based principally on data density and geological confidence criteria.

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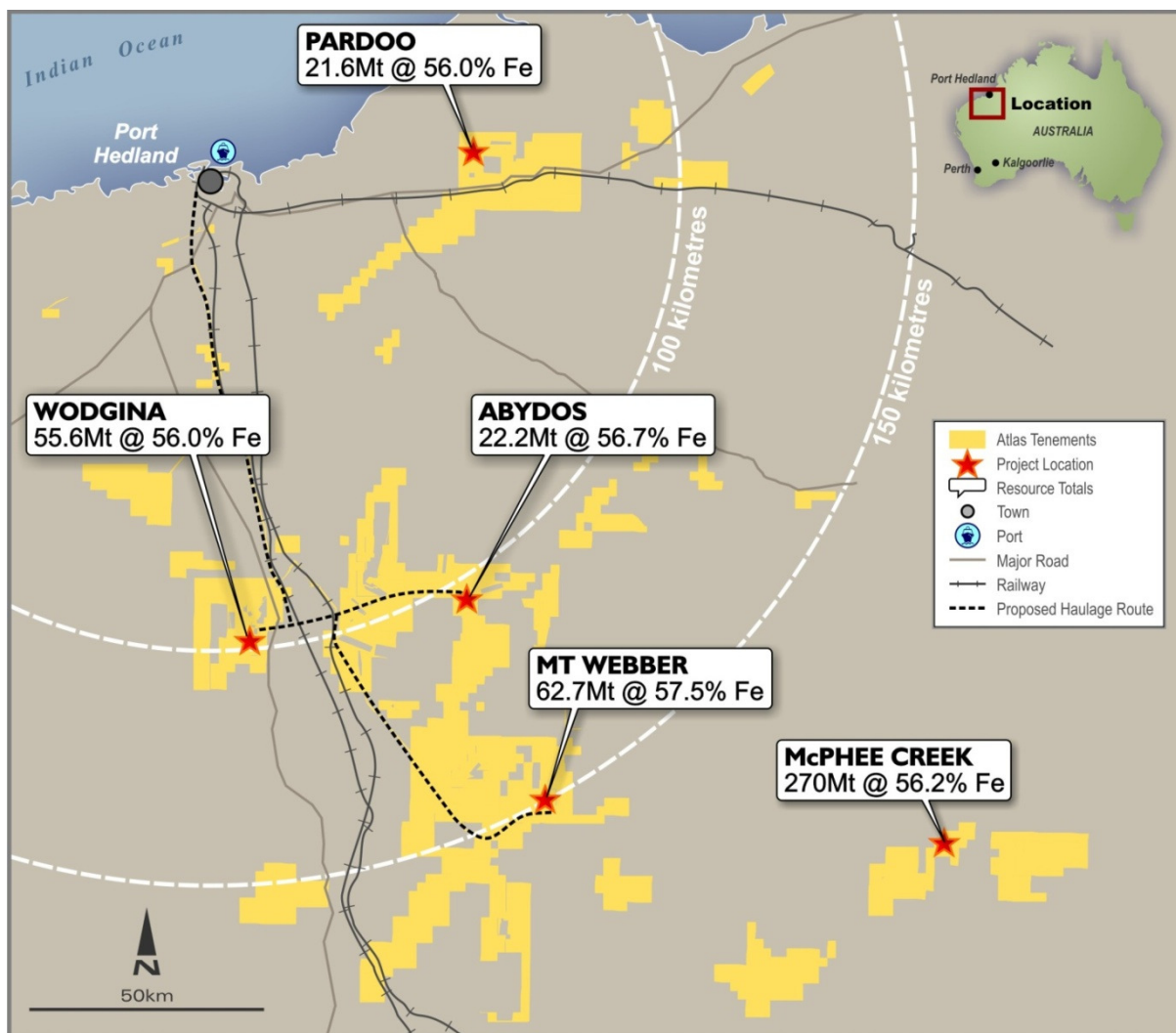


Figure 2: NORTHERN PILBARA PROJECT LOCATIONS / PROJECT RESOURCES May 2011

Note: Resources at Mt Webber are subject to joint venture interests

Atlas Iron Limited - DSO Resource Summary May 2011									
	Resource Classification	Kt	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	S (%)	LOI (%)	CaFe (%)
Mt Webber: Mt Webber JV	Indicated	27,900	57.2	6.5	2.1	0.08	0.03	8.8	62.7
	Inferred	12,000	55.8	6.7	2.6	0.10	0.02	8.4	61.0
Mt Webber: Daltons JV	Indicated	23,100	58.3	5.8	1.6	0.09	0.02	8.2	63.5

Notes: Mt Webber resources quoted at >53% cut off grade. CaFe% is calcined Fe calculated by Atlas using the formula $(Fe\% / (100 - LOI\%)) * 100$. Measured, Indicated & Inferred resource tonnages are rounded to the nearest ten thousand, hundred thousand and million tonnes respectively. Resources at Mt Webber are subject to a Joint Venture with Altura Mining (AJM) on the Mt Webber JV in the ratio AGO 70% : AJM 30% .

Geological Data, Interpretation and Resource Estimation – DSO Projects

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

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