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28th November 2006

# ATLAS EXPANDS PILBARA LANDHOLDING

Atlas Iron Limited [**AGO**] announced today that it had reached agreement with Berkeley Resources Limited (BKL) to acquire tenements totaling 723 square kilometres, located 90km south of the public access Port of Port Hedland, Western Australia. The tenements adjoin the Company's existing landholding at the Abydos Project and are highly prospective for iron ore mineralisation (figure attached).

As is the case at the Company's Pardoo Iron Ore Project, 75km east of Port Hedland, the tenements are prospective for strike extensions to mineralisation (Lalla Rookh, Iron Mount and Strelley Gorge iron ore deposits) held by BHP Billiton on adjoining tenements.

Government mapping indicates further iron enrichment at the Strelley 1 and Strelley 2 and Tank Pool East prospects located entirely on the acquired tenements. In conjunction with mapped extensions to mineralisation on BHPB tenements they present immediate resource targets.

The Abydos Project, 90km south of Port Hedland is traversed by the Great Northern Highway, the Newman Railway, the pending FMG Railway, the proposed Hope Downs Railway and numerous gazetted unsealed roads. Like Pardoo, Abydos is within trucking distance to Port Hedland.

"As at Pardoo we will work to discover and define and ultimately mine resources along strike from existing undeveloped BHPB iron ore deposits. The ground has the right geology, it's close to port, road and rail" commented David Flanagan, Atlas' Managing Director. "With the recently completed $20 million placement Atlas is well funded to explore this expanded landholding" he added.

The key terms of the agreement with BKL are:

- AGO pay BKL $350,000 cash and 1,300,000 shares in Atlas to acquire (the shares issued to BKL are subject to a 12 month escrow period).

- The tenements covered by this agreement are E45/2899, 2363, 2404, 2471, 2496 and 2362

The tenements also contain extensions to geological formations which host the Sulphur Springs VMS deposits currently under development, the operating Wodgina tantalum mine and the historical gold operation at Lynas Find.

***Background Atlas Iron Limited***

Atlas also owns 100% of the iron ore rights to the Pardoo Project, located 75 kilometres from the Public access port of Port Hedland. The company is on target for the commencement of exporting iron ore by March 2008, shipping at a rate of 1 million tonnes per annum in its first year. Atlas is working to increase the underlying resource base sufficient to achieve a production rate of 3 million tonnes per annum by 2010.

For further enquiries, please contact:


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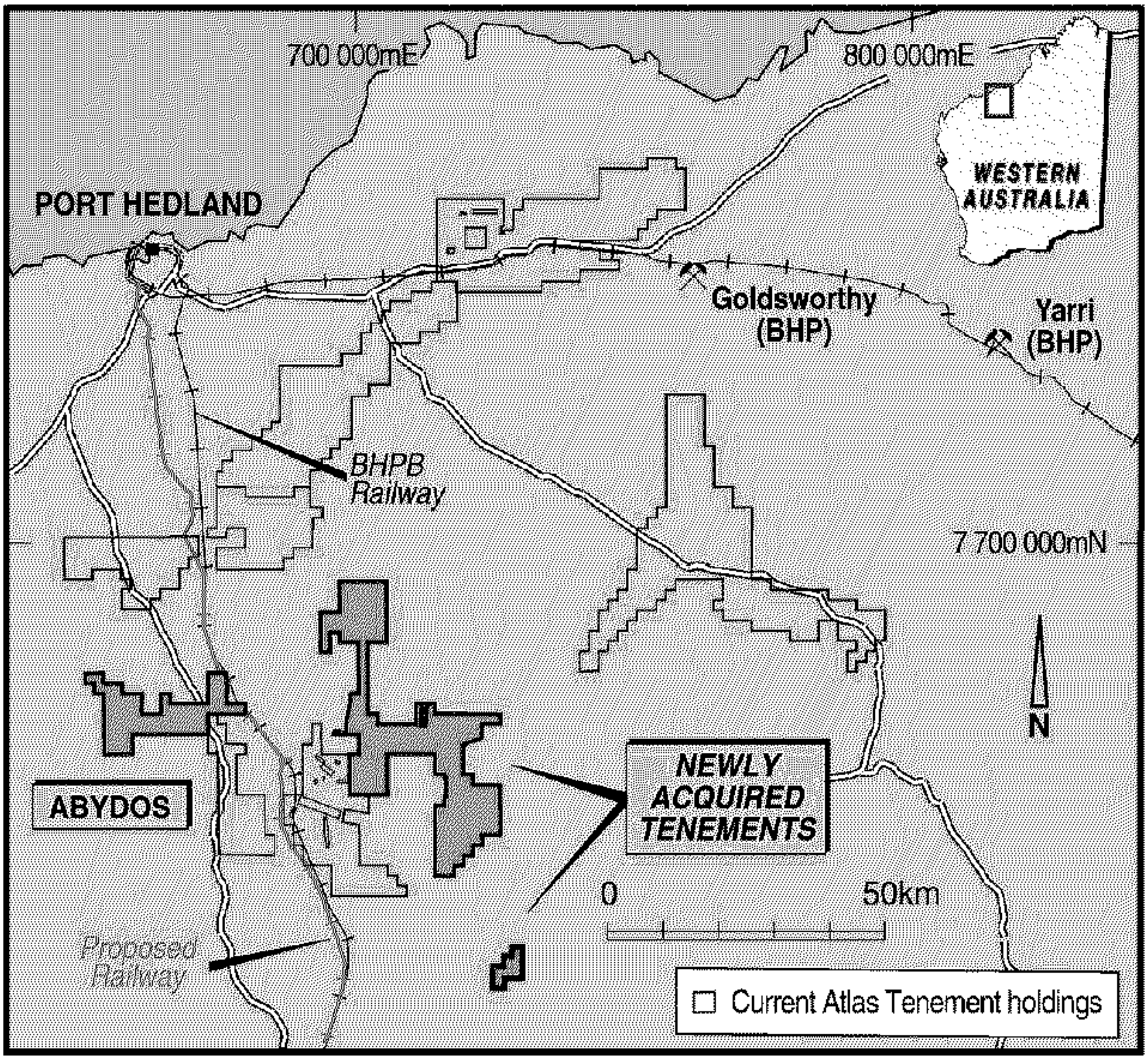
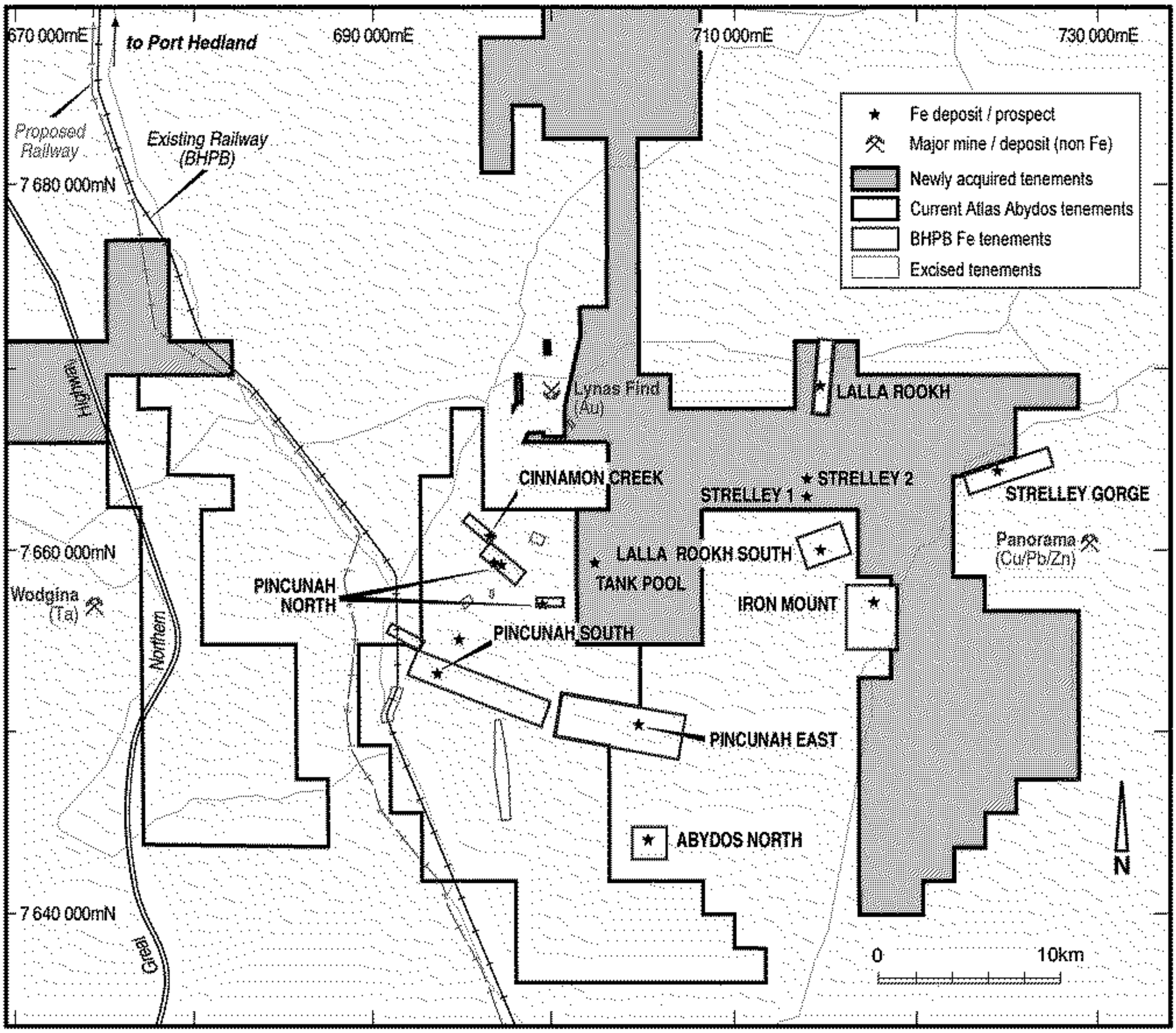



PROJECT LOCATION PLAN




PROSPECT LOCATION PLAN

*The information in this report that relates to exploration results is based on information compiled by Mr David Flanagan who is a member of the Australian Institute of Mining and Metallurgy and is a full time employee of Atlas Iron Limited. David Flanagan 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. David Flanagan consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*