

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/6/10.

Name of entity

Atlas Iron Limited

ACN

110 396 168

Quarter ended ("current quarter")

30 June 2010

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors	20,714	85,497
1.2	Payments for (a) exploration & evaluation	(8,345)	(23,644)
	(b) development	(19,970)	(45,817)
	(c) production	(12,601)	(72,229)
	(d) freight cost	(2,237)	(12,911)
	(e) administration	(2,026)	(7,956)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1,428	5,258
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	1,756	756
Net Operating Cash Flows		(21,281)	(71,046)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	(113)
	(b) equity investments	-	(4,413)
	(c) other fixed assets	(364)	(6,899)
1.9	Proceeds from sale of: (a) prospects	-	8,500
	(b) equity investments	-	-
	(c) other fixed assets	1	14
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
Net investing cash flows		(363)	(2,911)
1.13	Total operating and investing cash flows (carried forward)	(21,644)	(73,957)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(21,644)	(73,957)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	64,593	128,145
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other - capital raising costs (net GST Refund)	(2,603)	(9,431)
	Other – issue of loan to Aurox Resources Ltd.	-	(13,860)
	Net financing cash flows	61,990	104,854
	Net increase (decrease) in cash held	40,346	30,897
1.20	Cash at beginning of quarter/year to date	114,814	124,350
1.21	Exchange rate adjustments to item 1.20	50	(37)
1.22	Cash at end of quarter	155,210	155,210

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	305
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 includes aggregate amounts paid to directors and related entities including salary, directors' fees and superannuation.

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows.

Acquisition of tenement data via the issue of 131,530 Atlas shares to Witx Pty Ltd.

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	NIL
3.2	Credit standby arrangements	NIL

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	10,000
4.2 Development	18,000
4.3 Production	30,000
4.2 Administration	5,000
Total	63,000

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	5,210	14,814
5.2 Deposits at call	150,000	100,000
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	155,210	114,814

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	Nil			

6.2 Interests in mining tenements acquired or increased		<u>Acquisitions/ Applications</u>	Interest at beginning of quarter	Interest at end of quarter
	E45/2917	Withdrawn	100%	0%
	E52/1814	Surrendered	100%	0%
	E45/2568	Surrendered	100%	0%
	P45/2682	Expired	100%	0%

* Application made for 100%

** Fe rights only

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	473,673,816	473,673,816		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	26,321,530	26,321,530		
7.5 +Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	25,488,000	various classes of unlisted options – See attaching listing		
7.8 Issued during quarter			<i>Exercise Price</i>	<i>Expiry Date</i>
	15,000	-	\$ 2.25	31/03/2015
	15,000	-	\$ 2.55	31/03/2015
	40,000	-	\$ 2.75	31/03/2015
	40,000	-	\$ 3.10	31/03/2015
	25,000	-	\$ 2.25	31/03/2015
	25,000	-	\$ 2.55	31/03/2015
	15,000	-	\$ 2.65	31/03/2015
	15,000	-	\$ 3.00	31/03/2015
	25,000	-	\$ 2.25	31/03/2015
	25,000	-	\$ 2.55	31/03/2015
	15,000	-	\$ 2.45	31/03/2015
	15,000	-	\$ 2.75	31/03/2015
	25,000	-	\$ 2.05	31/03/2015
	25,000	-	\$ 2.30	31/03/2015
	40,000	-	\$ 2.45	31/03/2015

+ See chapter 19 for defined terms.

		40,000	-	\$ 2.75	31/03/2015
		25,000	-	\$ 2.80	31/03/2015
		25,000	-	\$ 3.15	31/03/2015
		30,000	-	\$ 2.70	31/03/2015
		30,000	-	\$ 2.33	31/03/2015
		75,000	-	\$ 2.33	31/03/2015
		75,000	-	\$ 3.05	31/03/2015
		30,000	-	\$ 2.80	31/03/2015
		30,000	-	\$ 3.20	31/03/2015
		25,000	-	\$ 2.65	31/03/2015
		25,000	-	\$ 3.00	31/03/2015
		15,000	-	\$ 2.65	31/03/2015
		15,000	-	\$ 3.00	31/03/2015
		75,000	-	\$ 2.70	31/03/2015
		75,000	-	\$ 3.05	31/03/2015
		75,000	-	\$ 2.70	31/03/2015
		75,000	-	\$ 3.05	31/03/2015
		250,000	-	\$ 2.10	31/12/2014
		250,000	-	\$ 2.35	31/12/2014
		50,000	-	\$ 2.10	31/12/2014
		50,000	-	\$ 2.35	31/12/2014
		50,000	-	\$ 2.25	31/12/2014
		50,000	-	\$ 2.55	31/12/2014
		30,000	-	\$ 2.25	31/12/2014
		30,000	-	\$ 2.55	31/12/2014
		30,000	-	\$ 2.25	31/12/2014
		30,000	-	\$ 2.55	31/12/2014
		15,000	-	\$ 2.45	31/12/2014
		15,000	-	\$ 2.80	31/12/2014
		50,000	-	\$ 2.70	31/12/2014
		50,000	-	\$ 3.05	31/03/2015
		15,000	-	\$ 2.15	31/03/2015
		15,000	-	\$ 2.45	31/03/2015
		75,000	-	\$ 2.15	31/03/2015
		75,000	-	\$ 2.40	31/03/2015
		30,000	-	\$ 2.10	31/03/2015
		30,000	-	\$ 2.40	31/03/2015
7.9	Exercised during quarter	50,000	-	60c	15/08/2011
		40,000	-	80c	31/12/2013
		200,000	-	\$2.00	30/09/2012
		100,000	-	\$2.25	30/09/2013
		250,000	-	50c	24/03/2011
		25,000	-	\$1.35	31/03/2014
		25,000	-	\$1.35	31/03/2014
7.10	Expired/Cancelled during quarter	-	-		
7.11	Debentures	-	-		
7.12	Unsecured notes	-	-		

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does ~~does not~~* (*delete one*) give a true and fair view of the matters disclosed.

Anthony Walsh

Sign here:
Anthony Walsh - Company Secretary

Date: **28 July 2010**

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==

+ See chapter 19 for defined terms.

UNLISTED OPTIONS	
Number	Class
1,000,000	16/11/10 20 cent options
23,000	16/11/10 25 cent options
3,000,000	24/03/11 30 cent options
3,000,000	24/03/11 40 cent options all vested
450,000	22/05/11 50 cent options all vested
350,000	15/08/11 60 cent options all vested
650,000	15/08/11 70 cent options all vested
500,000	24/03/11 60 cent options all vested
300,000	31/01/12 50 cent options all vested
150,000	31/01/12 60 cent options all vested
200,000	31/01/12 70 cent options all vested
25,000	05/03/12 60 cent options all vested
75,000	05/03/12 70 cent options all vested
75,000	21/03/12 70 cent options all vested
2,500,000	31/03/12 72 cent performance options all vested
1,800,000	28/02/12 70 cent unlisted options all vested
1,500,000	31/05/12 60 cent performance options all vested
50,000	16/07/12 \$1.06 options all vested
75,000	30/09/12 \$2.20 options all vested
75,000	30/09/12 \$2.50 options all vested
50,000	30/09/12 \$1.60 options all vested
25,000	30/09/12 \$1.40 options all vested
25,000	30/09/12 \$1.50 options all vested
400,000	30/09/12 \$1.50 options all vested
150,000	30/09/12 \$3.00 options all vested
150,000	30/09/12 \$3.35 options all vested
125,000	30/09/12 \$2.50 options all vested
125,000	30/09/12 \$2.85 options all vested
120,000	30/09/12 \$2.50 performance options all vested
65,000	30/09/12 \$2.55 options all vested
55,000	30/09/12 \$2.85 options all vested
500,000	20/08/12 \$2.46 options all vested
50,000	30/09/12 \$2.25 options all vested
25,000	30/09/12 \$2.55 options all vested
75,000	30/09/12 \$1.90 options all vested
75,000	30/09/12 \$2.15 options all vested
100,000	30/09/12 \$1.90 performance options all vested
135,000	30/09/12 \$2.45 options all vested
135,000	30/09/12 \$2.75 options all vested
75,000	30/09/12 \$2.45 performance options all vested.
25,000	30/09/12 \$2.50 options all vested
25,000	30/09/12 \$2.85 options all vested
35,000	30/09/12 \$2.30 options all vested
35,000	30/09/12 \$2.65 options all vested
40,000	31/03/13 \$2.45 options all vested
40,000	31/03/13 \$2.75 options all vested
15,000	31/03/13 \$2.10 options all vested
15,000	31/03/13 \$2.40 options all vested
50,000	31/03/13 \$2.15 options all vested
50,000	31/03/13 \$2.45 options all vested
50,000	31/03/13 \$2.65 options all vested
50,000	31/03/13 \$3.00 options all vested
2,300,000	01/05/11 \$4.50 options all vested
25,000	30/06/13 \$4.35 options all vested
25,000	30/06/13 \$4.95 options all vested
90,000	30/06/13 \$4.45 options all vested
90,000	30/06/13 \$5.00 options all vested
40,000	30/06/13 \$4.25 options all vested
40,000	30/06/13 \$4.80 options vesting 23/06/10
125,000	30/06/13 \$4.08 options all vested
125,000	30/06/13 \$4.62 options vesting 01/07/10
30,000	30/09/12 \$2.55 options all vested
30,000	30/09/12 \$2.85 options all vested

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

UNLISTED OPTIONS	(CONTINUED)
Number	Class
50,000	30/06/13 \$2.35 options all vested
50,000	30/06/13 \$2.65 options vesting 18/08/10
25,000	30/06/13 \$2.30 options all vested
25,000	30/06/13 \$2.60 options vesting 25/08/10
350,000	30/09/13 \$1.65 options all vested
350,000	30/09/13 \$1.85 options vesting 06/10/10
25,000	30/09/13 \$1.15 options vesting 20/10/10
25,000	30/09/13 \$1.10 options all vested
25,000	30/09/13 \$1.25 options vesting 03/11/10
15,000	30/09/13 \$2.00 options all vested
15,000	30/09/13 \$2.25 options vesting 15/09/10
10,000	30/12/13 \$0.60 options vesting 17/11/10
40,000	30/12/13 \$0.90 options vesting 17/11/10
25,000	30/12/13 \$1.05 options all vested
25,000	30/12/13 \$1.20 options vesting 04/11/10
100,000	30/12/13 \$1.30 options all vested
50,000	30/12/13 \$1.35 options all vested
50,000	30/12/13 \$1.50 options vesting 05/01/11
15,000	30/12/13 \$1.50 options all vested
15,000	30/12/13 \$1.70 options vesting 12/01/11
25,000	31/03/14 \$1.50 options vesting 01/04/11
ZERO	31/03/14 \$1.35 options all vested – CHANGE and exercise price corrected
25,000	31/03/14 \$1.50 options vesting 06/04/11 - exercise price corrected
50,000	31/03/14 \$1.65 options all vested
50,000	31/03/14 \$1.85 options vesting 09/04/11
200,000	30/06/14 \$2.30 options vesting 03/08/10
200,000	30/06/14 \$2.60 options vesting 03/08/11
50,000	31/12/14 \$2.50 options vesting 19/01/11
50,000	31/12/14 \$2.80 options vesting 19/01/12
NEW ESOP OPTIONS	
15,000	31/03/15 \$2.25 options vesting 24/05/11
15,000	31/03/15 \$2.55 options vesting 24/05/12
40,000	31/03/15 \$2.75 options vesting 10/05/11
40,000	31/03/15 \$3.10 options vesting 10/05/12
25,000	31/03/15 \$2.25 options vesting 8/06/11
25,000	31/03/15 \$2.55 options vesting 8/06/12
15,000	31/03/15 \$2.65 options vesting 21/06/11
15,000	31/03/15 \$3.00 options vesting 21/06/12
25,000	31/03/15 \$2.25 options vesting 14/06/11
25,000	31/03/15 \$2.55 options vesting 14/06/12
15,000	31/03/15 \$2.45 options vesting 17/05/11
15,000	31/03/15 \$2.75 options vesting 17/05/12
25,000	31/03/15 \$2.05 options vesting 25/05/11
25,000	31/03/15 \$2.30 options vesting 25/05/12
40,000	31/03/15 \$2.45 options vesting 17/05/11
40,000	31/03/15 \$2.75 options vesting 17/05/12
25,000	31/03/15 \$2.80 options vesting 29/03/11
25,000	31/03/15 \$3.15 options vesting 29/03/12
30,000	31/03/15 \$2.70 options vesting 22/03/11
30,000	31/03/15 \$3.05 options vesting 22/03/12
75,000	31/03/15 \$2.70 options vesting 22/03/11
75,000	31/03/15 \$3.05 options vesting 22/03/12
30,000	31/03/15 \$2.80 options vesting 23/03/11
30,000	31/03/15 \$3.20 options vesting 23/03/12
25,000	31/03/15 \$2.65 options vesting 9/03/11
25,000	31/03/15 \$3.00 options vesting 9/03/12
15,000	31/03/15 \$2.65 options vesting 8/03/11
15,000	31/03/15 \$3.00 options vesting 8/03/12
75,000	31/03/15 \$2.70 options vesting 3/05/11
75,000	31/03/15 \$3.05 options vesting 3/05/12
75,000	31/03/15 \$2.70 options vesting 3/05/11
75,000	31/03/15 \$3.05 options vesting 3/05/12
250,000	31/12/14 \$2.10 options vesting 1/02/11
250,000	31/12/14 \$2.35 options vesting 1/02/12

+ See chapter 19 for defined terms.

UNLISTED OPTIONS	(CONTINUED)
Number	Class
50,000	31/12/14 \$2.10 options vesting 1/02/11
50,000	31/12/14 \$2.35 options vesting 1/02/12
50,000	31/12/14 \$2.25 options vesting 4/01/11
50,000	31/12/14 \$2.55 options vesting 4/01/12
30,000	31/12/14 \$2.25 options vesting 4/01/11
30,000	31/12/14 \$2.55 options vesting 4/01/12
30,000	31/12/14 \$2.25 options vesting 5/01/11
30,000	31/12/14 \$2.55 options vesting 5/01/12
15,000	31/12/14 \$2.45 options vesting 20/01/11
15,000	31/12/14 \$2.80 options vesting 20/01/12
50,000	31/12/14 \$2.70 options vesting 15/01/11
50,000	31/12/14 \$3.05 options vesting 15/01/12
15,000	30/09/14 \$2.15 options vesting 16/11/10
15,000	30/09/14 \$2.45 options vesting 16/11/11
75,000	30/09/14 \$2.15 options vesting 26/10/10
75,000	30/09/14 \$2.40 options vesting 26/10/11
30,000	30/09/14 \$2.10 options vesting 19/10/10
30,000	30/09/14 \$2.40 options vesting 19/10/11

+ See chapter 19 for defined terms.