

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

Atlas Iron Limited (Atlas)

ABN

63 110 396 168

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares and |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 102,249,491 fully paid ordinary shares. |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | The fully paid ordinary shares rank equally with the existing fully paid ordinary shares currently on issue. |

4	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>The fully paid ordinary shares rank equally with the existing fully paid ordinary shares currently on issue.</p>									
5	Issue price or consideration	<ol style="list-style-type: none"> 1. 1.056 cents per share 2. Zero issue price per terms of ESOP options 									
6	<p>Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<ol style="list-style-type: none"> 1. Issue of 94,670,301 ordinary shares to Gondwana Resources (GDA) pursuant to the Royalty Termination Agreement per Atlas' announcement on 22 October 2015. 2. Exercise of 7,579,190 Zero Priced Options that vested on 6 May 2016. 									
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<ol style="list-style-type: none"> 1. Issued under company's 15% capacity (see Annexure 2 for calculation). 2. ESOP Plan approved by shareholders on 28 October 2015 and ESOP Options issued on 16 Nov 2015. Issue of ordinary shares on exercise of ESOP Options pursuant to ASX exception in Listing Rule 7.2 									
	6b to 6i	Not applicable									
7	<p>Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<ol style="list-style-type: none"> 1. 1 August 2016 2. 28 & 29 July 2016. 									
8	<p>Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="708 1547 999 1581">Number</th> <th data-bbox="999 1547 1286 1581">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="708 1581 999 1648">9,137,152,984</td> <td data-bbox="999 1581 1286 1648">Fully paid ordinary shares.</td> </tr> <tr> <td data-bbox="708 1648 999 1715">1,744,762,043</td> <td data-bbox="999 1648 1286 1715">Options (AGOO)</td> </tr> <tr> <td data-bbox="708 1715 999 1816">4,513,986,260</td> <td data-bbox="999 1715 1286 1816">Options (AGOOA)</td> </tr> </tbody> </table>	Number	+Class	9,137,152,984	Fully paid ordinary shares.	1,744,762,043	Options (AGOO)	4,513,986,260	Options (AGOOA)	
Number	+Class										
9,137,152,984	Fully paid ordinary shares.										
1,744,762,043	Options (AGOO)										
4,513,986,260	Options (AGOOA)										
9	<p>Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)</p>	<p>See Annexure 1.</p>									

- 10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) N/A

Part 2 - Bonus issue or pro rata issue

Not applicable

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of ⁺securities
(tick one)

(a) ⁺Securities described in Part 1

(b) All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders **Not applicable**

36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories

1 - 1,000

1,001 - 5,000

5,001 - 10,000

10,001 - 100,000

100,001 and over

Not applicable

37 A copy of any trust deed for the additional ⁺securities **Not applicable**

Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

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39 +Class of +securities for which quotation is sought

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40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

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	Number	+Class
42	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: .

Date: 1 August 2016
Company Secretary

Print name: Tony Walsh

Annexure 1 – Unquoted securities

Number	Class
LONG TERM INCENTIVES	
2,193,771 5,199,712	Performance Rights under the LTIP vesting on 30 June 2016 Share Appreciation Rights under the LTIP vesting on 30 June 2016
UNLISTED OPTIONS	
43,789,367	Nil cash exercise unlisted ESOP options expiring 13/11/2020 - vested on 6 May 2016

Appendix 3B – Annexure 2

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ⁺ ordinary securities on issue 12 months before the ⁺ issue date or date of agreement to issue	2,664,237,662
<p>Add the following:</p> <ul style="list-style-type: none"> • Number of fully paid ⁺ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid ⁺ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid ⁺ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>138,481,465 shares issued on exercise of ESOP Options pursuant to ASX exception in Listing Rule 7.2 The ESOP Plan was approved by shareholders on 28 October 2015 and ESOP Options issued on 16 Nov 2015.</p> <p>6,229,503,087 issued on 06/05/2016 following shareholder approval.</p>
Subtract the number of fully paid ⁺ ordinary securities cancelled during that 12 month period	
“A”	9,032,222,214

Step 2: Calculate 15% of "A"	
"B"	0.15 <i>[Note: this value cannot be changed]</i>
Multiply "A" by 0.15	1,354,833,332
Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of ⁺equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>5,549,390 shares issued on 24/08/15</p> <p>94,670,301 shares issued on 01/08/2016</p>
"C"	100,219,691
Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1	
"A" x 0.15	399,635,649
<i>Note: number must be same as shown in Step 2</i>	
Subtract "C"	1,354,833,332
<i>Note: number must be same as shown in Step 3</i>	
Total ["A" x 0.15] – "C"	1,254,613,641.10 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	9,032,222,214
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	903,222,221
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of ⁺ equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Nil
“E”	Nil

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	903,222,221
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	Nil
Total [“A” x 0.10] – “E”	903,222,221 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.



1 August 2016

The Manager
Company Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

Notification under section 708A(5)(e) of the Corporations Act 2001 (Cth)

Atlas Iron Limited ABN 63 110 396 168 (ASX: AGO) (Atlas) has today announced the issue of 94,670,301 fully paid ordinary shares (Shares) to Gondwana Resources (Gondwana) pursuant to an agreement announced by Atlas on 22 October 2015.

In respect of the 94,670,301 Shares issued to Gondwana, Atlas gives notice under section 708A(5)(e) of the Corporations Act 2001 (Cth) (Corporations Act) that:

1. Atlas has today issued Shares to Gondwana, without disclosure to investors under Part 6D.2 of the Corporations Act.
2. As at the date of this notice, Atlas has complied with:
 - a. the provisions of Chapter 2M of the Corporations Act as they apply to Atlas; and
 - b. section 674 of the Corporations Act.
3. As at the date of this notice, there is no "excluded information" of the type referred to in sections 708A(7) and 708A(8) of the Corporations Act which is required to be disclosed under section 708A(6)(e) of the Corporations Act.

Yours sincerely

Tony Walsh
Company Secretary