

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

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

ABN

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 | Ordinary shares fully paid |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 5,697,750 ordinary shares fully paid issued pursuant to the Atlas Dividend Reinvestment Plan |
| 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) | Ordinary shares fully paid ranking equally with ordinary shares fully paid on issue |

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

Yes

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

5 Issue price or consideration

\$0.8511 pursuant to a 2.5% discount to the daily VWAP for the 5 trading days from Monday, 9 September 2013 to Friday 13 September 2013

+ See chapter 19 for defined terms.

6 Purpose of the issue
(If issued as consideration for
the acquisition of assets, clearly
identify those assets)

Shares issued pursuant to the Atlas
Dividend Reinvestment Plan

Please note the following options have
lapsed unexercised (expired):

- 40,000 options exercisable at \$2.45
and expiring on 31/03/13
- 40,000 options exercisable at \$2.75
and expiring on 31/03/13
- 15,000 options exercisable at \$2.10
and expiring 31/03/13
- 15,000 options exercisable at \$2.40
and expiring 31/03/13
- 50,000 options exercisable at \$2.15
and expiring 31/03/13
- 50,000 options exercisable at \$2.45
and expiring 31/03/13
- 50,000 options exercisable at \$2.65
and expiring 31/03/13
- 50,000 options exercisable at \$3.00
and expiring 31/03/13
- 25,000 options exercisable at \$4.35
and expiring 30/06/13
- 25,000 options exercisable at \$4.95
and expiring 30/06/13
- 90,000 options exercisable at \$4.45
and expiring 30/06/13
- 40,000 options exercisable at \$5.00
and expiring 30/06/13
- 40,000 options exercisable at \$4.25
and expiring 30/06/13
- 40,000 options exercisable at \$4.80
and expiring 30/06/13
- 125,000 options exercisable at \$4.08
and expiring 30/06/13
- 125,000 options exercisable at \$4.62
and expiring 30/06/13

Please note the following options lapsed
upon employees leaving employment before
the options vested:

- 15,000 options exercisable at \$2.55
and expiring 31/03/15
- 25,000 options exercisable at \$2.25
options and expiring 31/03/15

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<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>N/A Issued under Rule 7.2, Exception 7</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>N/A</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>N/A</p>
<p>6d Number of +securities issued with security holder approval under rule 7.1A</p>	<p>N/A</p>
<p>6e Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)</p>	<p>N/A</p>
<p>6f Number of securities issued under an exception in rule 7.2</p>	<p>5,697,750 shares issued pursuant to the Atlas Dividend Reinvestment Plan</p>
<p>6g If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.</p>	<p>N/A</p>
<p>6h If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements</p>	<p>N/A</p>
<p>6i Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A</p>	<p>N/A</p>

+ See chapter 19 for defined terms.

7	Dates of entering ⁺ securities into uncertificated holdings or despatch of certificates	20 September 2013	
8	Number and ⁺ class of all ⁺ securities quoted on ASX (<i>including</i> the securities in section 2 if applicable)	Number	⁺ Class
		915,416,159	Ordinary shares
9	Number and ⁺ class of all ⁺ securities not quoted on ASX (<i>including</i> the securities in section 2 if applicable)	Number	⁺ Class
		See Annexure 2- Unlisted Options	
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

11	Is security holder approval required?	N/A	
12	Is the issue renounceable or non-renounceable?	N/A	
13	Ratio in which the ⁺ securities will be offered	N/A	
14	⁺ Class of ⁺ securities to which the offer relates	N/A	
15	⁺ Record date to determine entitlements	N/A	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A	

⁺ See chapter 19 for defined terms.

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17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	N/A
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if	N/A

+ See chapter 19 for defined terms.

	applicable)	<input type="text"/>
29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Despatch date	N/A

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
- 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

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- 1,001 - 5,000
- 5,001 - 10,000
- 10,001 - 100,000
- 100,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought N/A

39 Class of +securities for which quotation is sought N/A

40 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:

- 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

N/A

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)

N/A

Number	+Class
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+ See chapter 19 for defined terms.

42 Number and ⁺ class of all ⁺ securities quoted on ASX (including the securities in clause 38)	N/A	N/A
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⁺ See chapter 19 for defined terms.

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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: 24 September 2013
Company Secretary

Print name: Mark Hancock

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

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

Introduced 01/08/12

N/A

+ See chapter 19 for defined terms.

Annexure 2- Unlisted Options

Number	Class
ZERO	31/03/13 \$2.45 options all vested CHANGE
ZERO	31/03/13 \$2.75 options all vested CHANGE
ZERO	31/03/13 \$2.10 options all vested CHANGE
ZERO	31/03/13 \$2.40 options all vested CHANGE
ZERO	31/03/13 \$2.15 options all vested CHANGE
ZERO	31/03/13 \$2.45 options all vested CHANGE
ZERO	31/03/13 \$2.65 options all vested CHANGE
ZERO	31/03/13 \$3.00 options all vested CHANGE
ZERO	30/06/13 \$4.35 options all vested CHANGE
ZERO	30/06/13 \$4.95 options all vested CHANGE
ZERO	30/06/13 \$4.45 options all vested CHANGE
ZERO	30/06/13 \$5.00 options all vested CHANGE
ZERO	30/06/13 \$4.25 options all vested CHANGE
ZERO	30/06/13 \$4.80 options all vested CHANGE
ZERO	30/06/13 \$4.08 options all vested CHANGE
ZERO	30/06/13 \$4.62 options all vested CHANGE
50,000	30/09/13 \$2.35 options all vested
25,000	30/09/13 \$2.30 options all vested
25,000	30/09/13 \$2.60 options all vested
350,000	30/09/13 \$1.65 options all vested
350,000	30/09/13 \$1.85 options all vested
15,000	30/09/13 \$2.00 options all vested
25,000	30/12/13 \$1.20 options all vested
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 all vested
15,000	30/12/13 \$1.50 options all vested
15,000	30/12/13 \$1.70 options all vested
200,000	30/06/14 \$2.30 options all vested
200,000	30/06/14 \$2.60 options all vested
50,000	31/12/14 \$2.50 options all vested
50,000	31/12/14 \$2.80 options all vested
15,000	31/03/15 \$2.25 options all vested
ZERO	31/03/15 \$2.55 options vesting 24/05/12 CHANGE
40,000	31/03/15 \$3.10 options all vested CHANGE
25,000	31/03/15 \$2.25 options all vested
25,000	31/03/15 \$2.55 options all vested CHANGE
15,000	31/03/15 \$2.65 options all vested
15,000	31/03/15 \$3.00 options all vested CHANGE
25,000	31/03/15 \$2.25 options all vested
25,000	31/03/15 \$2.05 options all vested
40,000	31/03/15 \$2.45 options all vested
40,000	31/03/15 \$2.75 options all vested CHANGE
25,000	31/03/15 \$2.80 options all vested
30,000	31/03/15 \$2.70 options all vested
30,000	31/03/15 \$3.05 options all vested CHANGE
30,000	31/03/15 \$2.80 options all vested
25,000	31/03/15 \$2.65 options all vested
25,000	31/03/15 \$3.00 options all vested CHANGE
75,000	31/03/15 \$2.70 options all vested
75,000	31/03/15 \$3.05 options all vested CHANGE
75,000	31/03/15 \$2.70 options all vested
75,000	31/03/15 \$3.05 options all vested CHANGE
250,000	31/12/14 \$2.10 options all vested
250,000	31/12/14 \$2.35 options all vested
50,000	31/12/14 \$2.10 options all vested
50,000	31/12/14 \$2.25 options all vested
50,000	31/12/14 \$2.55 options all vested
30,000	31/12/14 \$2.25 options all vested
30,000	31/12/14 \$2.55 options all vested
15,000	31/12/14 \$2.45 options all vested
15,000	31/12/14 \$2.80 options all vested
50,000	31/12/14 \$2.70 options all vested
50,000	31/12/14 \$3.05 options all vested
75,000	30/09/14 \$2.40 options all vested
30,000	30/09/14 \$2.10 options all vested

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Number	Class
30,000	30/09/14 \$2.40 options all vested
4,500,000	30/06/15 \$2.873 options all vested
4,250,000	30/06/15 \$2.80 options all vested
50,000	30/09/14 \$2.25 options all vested
25,000	30/09/14 \$2.20 options all vested
25,000	30/09/14 \$2.50 options all vested
50,000	30/09/14 \$2.20 options all vested
50,000	30/09/14 \$2.45 options all vested
25,000	31/12/14 \$2.25 options all vested
30,000	31/12/14 \$2.85 options all vested
30,000	31/12/14 \$3.20 options all vested CHANGE
40,000	31/12/14 \$2.30 options all vested
40,000	31/12/14 \$2.65 options all vested CHANGE
25,000	31/03/15 \$3.25 options all vested
25,000	31/03/15 \$3.70 options all vested CHANGE
25,000	31/03/15 \$2.80 options all vested
25,000	31/03/15 \$3.15 options all vested CHANGE
30,000	31/03/15 \$2.60 options all vested
30,000	31/03/15 \$2.95 options all vested CHANGE
ZERO	31/03/15 \$2.25 options vesting 14/06/11 CHANGE
25,000	31/03/15 \$2.55 options all vested CHANGE
25,000	31/03/15 \$2.35 options all vested
25,000	31/03/15 \$2.65 options all vested CHANGE
40,000	31/03/15 \$3.15 options all vested
40,000	31/03/15 \$3.60 options all vested CHANGE
25,000	30/06/15 \$2.35 options all vested
25,000	30/06/15 \$2.70 options all vested CHANGE
50,000	30/06/15 \$2.55 options all vested
30,000	30/06/15 \$2.45 options all vested
30,000	30/06/15 \$2.80 options all vested CHANGE
100,000	31/12/15 \$4.20 options all vested
25,000	31/03/15 \$3.40 options all vested
25,000	31/03/15 \$3.85 options all vested
30,000	31/03/15 \$2.80 options all vested
30,000	31/03/15 \$3.20 options all vested CHANGE
40,000	31/12/14 \$2.35 options all vested
40,000	31/12/14 \$2.70 options all vested CHANGE

+ See chapter 19 for defined terms.