



Atomic Resources Limited

ABN 65 124 408 751

Level 2, 41-47 Colin Street, West Perth WA Australia 6005
PO Box 636 West Perth WA Australia 6872
Tel 61 8 9322 2033
61 8 9322 2055
Fax 61 8 9322 2100
www.atomicresources.com.au
info@atomicresources.com.au

30th July 2010

10-51
ASX Code: ATQ

Company Announcement Officer
Australian Securities Exchange

QUARTERLY REPORT - JUNE 2010

Atomic Resources Limited ("Atomic") is pleased to present its quarterly report for the period ended June 2010.

Highlights from the June 2010 Quarter

- *Atomic Managing Director spent 2 months in Tanzania managing outcomes for the operations*
- *Box cut and pit opened on number 3 seam*
- *Commencement of the Bulk Sample*
- *Progress with the Bankable Feasibility Study (BFS)*
- *Hydrological testing*
- *Geological library work*
- *Visit to India to negotiate the construction of a Power Station at Ngaka Coalfields*
- *Visit to Liweta, Ngaka and Mukuru coalfields.*

Key activities planned for the quarter ending September 2010 include:

- *Assess analysis reports and update JORC resource.*
- *Continue BFS and associated studies for the Ngaka coal mining project. Meet with potential contractors and suppliers, and collate within the BFS.*
- *Deliver Bulk Sample and assess customer satisfaction.*
- *Continue with the implementation of small scale mining for the Tanzanian market.*
- *Shango to design and program the next stage of drilling.*

OPERATIONS

Tanzania

Ngaka coal field: Tancoal Energy Limited ("Tancoal") (70% Pacific Corporation East Africa ("PCEA") 30% National Development Corporation of Tanzania ("NDC") [Note: PCEA is an 85% owned subsidiary of Atomic Resources Limited]

The BFS is progressing well and scheduled for presentation to the ATQ Board by the end of August 2010. Once the BFS is tabled, and after it has been scrutinised by the board, a decision will be taken to further develop the Ngaka Coal fields. Initially coal will be supplied to local markets within Tanzania, and the neighbouring countries, which have also expressed interest in coal take off agreements. Logistics feasibility studies are being assessed as part of the BFS. Further negotiations will be held with companies that can perform transport functions for Tancoal.

Hydrological testing was performed and delivered to WAVE Engineering for inclusion in the BFS.

Further negotiations have been held with Tanga Cement and Mbeya Cement. The bulk sample will be delivered to Tanga Cement in August, followed by the bulk sample will be delivered to Mbeya Cement. The local Member of Parliament made a site visit and expressed his delight in seeing the progress, and the manner in which Tancoal is operating.

A drilling plan is being developed for the new tenement (PL6285/2009). Shango, the geological consultants for this project, are expected to have this as well as other drill programmes available within weeks.

Work on the geological library pertaining to the Tancoal tenements has progressed well. Tancoal has deployed a very competent geologist to complete this work in its Dar es Salaam offices. This is being monitored by Shango.

Meetings were held with the new managing director of TANESCO and others regarding the supply of power from the envisaged 400Mw Power Station, to be built on the Ngaka Coal Fields. In addition, the MD of Atomic recently visited India to negotiate the EPCM (Engineering, Procure, Construct and Management) of the Power Station.

Tancoal is continuing its social programmes in the Ngaka area and is a pro-active supporter of improving health and education in the area with the support of the local population. Tancoal has found that all levels of the Tanzanian Government have been highly supportive of the project. Tancoal have employed a fully qualified nurse for the site, to hold the position of the Safety Co-ordinator. In her spare time she will be assisting at the local clinic. This has been very well accepted by the local community and is in line with the social spirit of Atomic and its subsidiaries. Tancoal is pursuing a potable water supply for the local villagers.

As at 30st June 2010 Atomic had cash reserves of \$830,514. This was increased by \$1,991,679 as the balance of the recent placement.

Tancoal currently has previously reported a combined JORC coal resource of over 212 million tonnes, in the Southern Ngaka Coalfields alone. This combined coal resource is expected to increase this next quarter as a result of recent drilling. This amount is only from The Southern Ngaka Coalfield and does not include coal from Mbabmba bay, Mukuru and Liweta coalfields.

Table 1 - Coal Resource Estimate March 2010

Seam	Category (Tonnes (Million))			Total
	Measured	Indicated	Inferred	
1	16.76	3.42	6.92	27.10
2	8.53	1.60	2.38	12.51
3	48.16	11.12	44.88	104.16
4	29.22	6.58	8.87	44.67
5	15.71	2.77	5.76	24.24
Total	118.39	25.49	68.82	212.70

Statistical analysis of coal qualities for each of the 5 seams indicate that the coal is a medium ash, low moisture, low sulphur high volatile, sub-bituminous coal. Calorific values are in the range 4,784 to 7,024 Kcal/kg with a resource weighted average of approximately 5,978 Kcal/kg. This is considered suitable for thermal coal, particularly for power generation and is also considered suitable for industrial use in cement manufacture and fertilizer manufacture; all growing industries within Tanzania in particular and Africa in general. Recent tests (done by an independent laboratory) that are yet to be confirmed by another independent laboratory have yielded calorific values of over 9,700.

Table 2 - Coal Quality

Coal Analysis									
Seam	Million tonnes	Inherent Moisture (%)	Ash (%)	Volatiles (%)	Fixed Carbon (%)	Sulphur (%)	Density g/cm ³	MJoules/Kg Calorific Value	Kcal/Kg Calorific Value
1	27.10	2.6	17.1	30.1	50.2	3.59	1.54	27.62	6,597
2	12.51	3	11.4	31.5	54.1	1.43	1.41	29.41	7,024
3	104.16	3.1	19.2	25.4	52.3	1.15	1.6	26.12	6,239
4	44.67	2.8	26.7	28	42.5	1.35	1.63	23.56	5,627
5	24.24	2	38.5	25.1	34.4	0.7	2.21	20.03	4,784
Total	212.70	2.8*	22.8*	27.1*	47.3*	1.5*	1.7*	25.1*	5,978*

*Totals shown for analyses are seam weighted averages
Analyses on an Air Dried Basis by WitBank Coal Laboratories, South Africa, an SGS credited Laboratory

The following criteria were used to define the resource classification.

- The resource was derived from a total cumulative drilling database comprising 27 holes and approximately 16,958 metres from drilling completed by the Colonial Development Corporation in 1955 together with 19 holes for approximately 2,940 metres from HQ3 diamond drilling completed by Atomic in December 2008.
- The 2008 - 2009 drilling focused on the Mbalawala block, Ngaka coal field with the express intention of verifying and validating the historical drill data. Two historical holes were purposefully twinned for confirmation and have demonstrated a high degree of continuity allowing the company to rely on the previous data as well as the current data.
- 340 samples were collected for detailed analysis from the recent drilling. Samples have been analysed for proximate analysis (including ash, sulphur, fixed carbon, volatiles, relative density and calorific value) coal attribute analyses (i.e. metallurgical characteristics) and a suite of trace

elements by ICP techniques. Both clean coal plies and inter burden splits have been analysed from most of the recent diamond drilling holes.

- Samples were also sent off to the lab in Ipswich for Spontaneous Combustion testing.
- Whilst some historical drill data has been used outside the existing concession boundary to aid the modelling process, the latest resource estimate is constrained to the existing concession boundaries.
- For the modelling process, surface mapping and each valid drill hole has been used to construct a complex wireframe for the five seams identified. Geological data digitised from outcrop mapping and all drill data has been used to construct a wireframe model with five seams currently identified.
- The classification of the resource estimate into measured, indicated and inferred categories is based upon drill-hole sampling distributions, availability and quality of analytical data for the holes and geophysical data for the holes.
- This distribution assumption has been incorporated in a block model of 20 metres by 20 metres by 2 metre block size. Each block has had a quality item attribute assigned based upon the distance from the data point and the confidence assigned to that data point determined by the factors above. The distance attribute was judged as up to 500 metres for measured, 800 metres for indicated and 1,600 metres for inferred. The summation of the confidence items generated for each block and for each seam has resulted in the resource estimation summary in Table 1.

The wireframes and block models used in the calculation of the estimate were generated by Ravensgate Geological Consultants using MED System Mine evaluation software under the direction of Mr Ed Riley, of Ravensgate.

Liweta and Mbamba Bay

The Tancoal CEO, Dr Pascal Semkiwa (Geological Survey of Tanzania) and the Atomic MD visited both Mukuru and Liweta Tenements. Both sites were found to be cleared and ready in the event they need to be worked. In addition samples were taken by Dr Pascal Semkiwa. Dr Semkiwa observed the outcrops and commented on the potential quality of the coal.

At Mbamba Bay, previous work in the region by Harkness (1953) and others identified coal at surface. Initial proximate analysis completed on surface samples collected during the field work in the 1950's show:

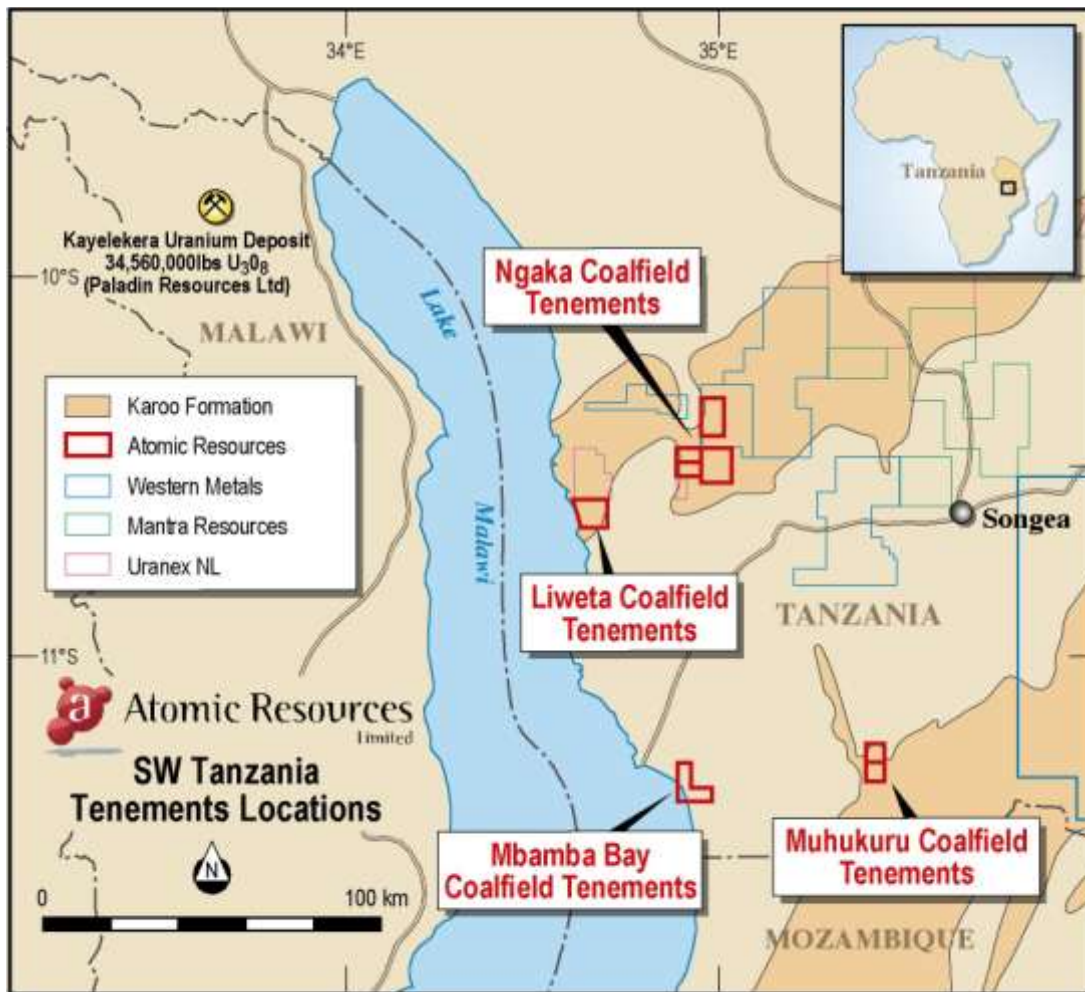
MBAMBA BAY BLOCK

Ash%	moisture %	Vol matter%	Sulphur%	Calorific Value
13-27%	0.8-13%	21.3-30.1%	0.31-0.39%	6,043- 7,810 Kcal/kg

Based upon the main seam thickness of approximately 2 metres seen in outcrop and dip determined from the outcrop sampled combined with the aerial extent of the basin, the Company anticipates that a target potential tonnage of between 20 -30 million tonnes of moderate ash, low sulphur thermal coal with a calorific value exceeding 6,000Kcal/Kg lies within the offered concessions. These estimates cannot be categorized as resources, in strict accordance with section 18 of the JORC Code, as the potential quality is conceptual in nature. There has been insufficient exploration to define a mineral resource and it is uncertain at this time if further exploration will result in the determination of a mineral resource.

Further work is also required to determine if the coal seams contain any specialty coal such as metallurgical or coking quality.

Geologically the coal is within outliers of Karoo sediments within the main Mchuchuma Formation, the coal bearing formation at Ngaka and Mchuchuma coal fields.



LIWETA

The Liweta concession is located 10 kilometers north of the lake port of Mbamba. The primary coal bearing formation is estimated from work on the exposed coal field up dip from the optioned concessions to be approximately 50 metres thick with up to 6 contained seams up to a maximum individual seam thickness seen in outcrop of 1.5m. Like Mbamba Bay, further exploration is required including drilling to allow a JORC compliant resource to be calculated.

LIWETA BLOCK

Ash%	moisture %	Vol matter%	Sulphur%	Calorific Value
28%	unknown	31%	0.7%	8,080 Kcal/kg

Atomic estimates Liweta has a target potential tonnage of between 20 – 30 million tonnes of moderate ash, low sulphur thermal coal with a high calorific value exceeding 8,000 Kcal/kg. These estimates cannot be categorized as resources, in strict accordance with section 18 of the JORC Code. The potential quality is conceptual in nature as there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the determination of a mineral resource. Geologically the coal is within outliers of Karoo sediments within the main Mchuchuma Formation, the coal bearing formation at Ngaka and Mchuchuma coal fields.

Atomic is embarking upon verification and validation of the historical resource estimate, including confirmation of outcrop mapping for the region with an exploration drilling programme which commenced in October 2009.

Muhukuru coal field

Only minor work has been undertaken on this project as PCEA focuses on the BFS for the Mbalawala Block in the Ngaka Basin and development of JORC compliant resources at Mbuyura and Mkapa.

Upendo – Atomic JV - Rukwa

No work has been undertaken on this project. Work will only be undertaken once substantial progress has been made in the Ngaka basin. It is felt that more coal would have to be owned by Atomic before progressing with this tenement. In this regard negotiations will be held in due course to acquire more coal tenements in this region.

Western Australia Exploration

Uaroo Uranium Project E50/1494 and E59/1495

Atomic Resources Uaroo Uranium Project comprises two granted exploration licences, E08/1494 and E08/1495, located 110 km south of Onslow in the coastal Pilbara region of Western Australia.

The licenses cover prospective sediments of the Carnarvon Basin and are highly prospective for sandstone hosted roll front uranium mineralisation, within palaeochannels, similar to the Manyingee (Paladin Resources Ltd ASX: PDN) and the Bennet Well Deposits (Cauldron Energy Ltd ASX: CXU) located approximately 30 kilometres north of the Uaroo Project.

The Manyingee deposit contains an indicated and inferred JORC compliant resource of 8,100 tonnes U_3O_8 at an average grade of 1,000 ppm U_3O_8 (indicated) and 2,800 tonnes U_3O_8 at an average grade of 500 ppm U_3O_8 (inferred) with a cut off grade of 300 ppm and the Bennet Well deposit contains an inferred JORC compliant resource of 4.8 million pounds (2,200 tonnes) eU_3O_8 at an average grade of 300 ppm with a 150 ppm cut off grade.

The Uaroo Project licences cover a number of palaeochannels that are highly prospective for uranium mineralisation, including the North and South Ballard Channels and the Barradale Channel, which is 4km wide and up to 8km long within the licence area. Broadly spaced exploration drilling conducted by CRA Exploration during the 1970s identified a 70 kilometre long regional redox front, extending north to Manyingee and returned a number of significant results from these channels including 1.3m at 580 ppm eU_3O_8 , 2.0m at 700 ppm eU_3O_8 and 1.7m at 290 ppm eU_3O_8 .

During August 2008 the Company entered into a Joint Venture and Farm-in agreement with Cauldron Energy Ltd for the Uaroo project. Under the terms of the agreement Cauldron will spend a minimum of \$500,000 over three years to earn 70% of the uranium rights within the Uaroo Project licences.

Work undertaken by Cauldron since the commencement of the JV Agreement has included completion of a 375 line kilometre heliborne Electromagnetic survey (ReptEM) covering the Uaroo project. The survey, flown on one kilometre line spacing's during mid 2009, defined the accurate location of the channels and provided further information on the channel morphology and potential uranium target areas. Further Geological and geophysical Interpretation by Cauldron has identified a number of uranium targets areas within the project area, which will be the focus of upcoming Aircore drilling programs, to be completed during 2010.

Mountain Creek Bore E80/1660 - Resource Search Pty Ltd (a wholly owned subsidiary of Atomic)

No further work has been completed on the concession this quarter.

Other projects – Western Australia

No Further work performed on these tenements in the last quarter.

COMPETENT PERSON STATEMENT

The information in this report that relates to mineral resources is based on information compiled by Dr Pascal Semkiwa, who is a member of a Recognised Overseas Professional Organisation (ROPO) included in a list promulgated by the ASX from time to time (The Geological Society of South Africa). Dr Semkiwa is employed by the Geological Survey of Tanzania.

Dr Semkiwa 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. Dr Semkiwa is a member of the ICCP (International Committee of Coal Petrology). Dr Semkiwa consents to the inclusion in the report of the matters based on his information in the form and context in which it appears".

For further information contact:

Shareholder Enquiries

Clinton Cain
Atomic Resources
Ph: (08) 9322 2033
www.atomicresources.com.au

Media Enquiries

Tony Dawe
Dawe Media Group
Mob: 041 3322 110
tony.dawe@bigpond.com