

ASX Release

5 August 2010

ATLANTIC LTD

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Directors:

Ian McMaster
(Chairman)

Michael Minosora
(Managing Director)

Tony Veitch
(Executive Director)

Alan Mulgrew
(Non-Executive)

Jay Wachter
(Non-Executive)

Issued Capital:

1,323,496,941 ordinary shares
1,500 class B performance shares
234,482,071 listed options
56,217,304 unlisted options

ASX Codes:

ATI (ordinary shares)
ATIO (listed options)

Atlantic Ltd (ASX: ATI; "Atlantic" or the "Company") is pleased to present its quarterly report and cash flow statement for the quarter ended 30 June 2010.

Vietnam Bauxite Projects

In recent weeks, representatives from Atlantic completed a visit to Hanoi to meet with senior Vietnam government officials to progress Atlantic's planned integrated mine, rail and port project in the Highlands region.

Atlantic has previously announced the signing of a memorandum of understanding for the development of this project that will be the foundation of the development of Vietnam's aluminium supply chain.

The meetings were extremely productive and Atlantic remains firmly committed to pursuing this major project in partnership with the Vietnam Government.

During the quarter, Atlantic also examined further bauxite opportunities in Vietnam that have the potential to complement its existing Bao Loc bauxite project in the country.

Windimurra Vanadium Project

Earlier today, Atlantic announced the signing of a binding term sheet to restructure the transaction with Mineral Resources Limited ("MRL") to acquire the Windimurra vanadium project ("Project").

Under the terms of the revised agreement, Atlantic will acquire MRL's initially proposed 27.5% equity interest in the project vehicle that will hold 100% of the issued capital of Midwest Vanadium Pty Ltd ("MVPL"), the company that holds 100% of the Project, for \$16,000,000.

Atlantic will pay a non-refundable deposit of \$500,000 to MRL at completion of the transaction to acquire the 90% effective interest in MVPL, and then make a further non-refundable payment of \$2,500,000 on or before 24 December 2010 and pay the balance on or before 1 April 2011.

Under the agreement, MVPL will also acquire the existing beneficiation plant at Windimurra owned by MRL on or before 1 April 2011.

As part of the acquisition of MRL's effective interest in MVPL, MVPL will pay MRL's outstanding unsecured debt of \$9,400,000 and all payments outstanding under the BOOT contract up to the date of completion.

Further payments by MVPL to MRL under the existing BOOT contract after completion will be deferred until 1 April 2011.

MRL will also no longer be responsible for the completion of the construction of the Project.

Atlantic believes that this revised agreement brings a number of significant improvements to the Project economics for the benefit of MVPL and delivers an improved outcome for Atlantic shareholders.

The key benefits of the transaction are as follows:

- Streamlines the management of MVPL under the control of one group;
- Simplifies the shareholding structure of MVPL;
- Enhances the attractiveness of the Project to financiers; and
- Improves the operation of the Project by bringing the beneficiation circuit back under the management of MVPL, thereby releasing expected long-term cost savings.

In addition to the above, Atlantic is of the view that there is an opportunity to further improve the economics of the Project by monetising the existing stockpile of haematite at Windimurra and the approximately 1 million tonnes per annum of haematite produced by the Project once it is operational. This opportunity will be fully assessed by MVPL following completion.

Atlantic believes that the Windimurra vanadium project is a great opportunity for Atlantic shareholders.

Board Restructure

In early April, Atlantic announced changes to the Board as part of a strategic restructure to take the Company through the next phase of its growth.

The Board made the following appointments:

- Mr Ian McMaster AM, as Non-Executive Chairman;
- Mr Alan Mulgrew, as Non-Executive Director; and
- Mr Jay Wachter, as Non-Executive Director.

As part of the Board restructure, Mr John Hannaford stepped down as a Director and Mr Tony Veitch became an Executive Director of the Company.

These appointments deliver an experienced Board with an outstanding track record of success in the resources and infrastructure sectors.

Exercise of Options

During the quarter, approximately \$340,000 was raised through the exercise of listed and unlisted options.

Cashflow Statement

At the end of the quarter, Atlantic had approximately \$4.1 million in cash. The Appendix 4C for the quarter ended 30 June 2010 is attached.

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For further information please contact:

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Managing Director
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Executive Director
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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

Atlantic Ltd

ABN

60 009 213 763

Quarter ended ("current quarter")

30 June 2010

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter	Year to date
		(3 months)	(12 months)
		\$A'000	\$A'000
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) staff costs	(443)	(846)
	(b) advertising and marketing	(9)	(73)
	(c) research and development	-	-
	(d) leased assets	-	-
	(e) other working capital	(933)	(1,562)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	76	174
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other:		
	- Payments in relation to the Bao Loc Bauxite Project	(131)	(653)
	- Other project generation	(262)	(306)
Net operating cash flows		(1,701)	(3,266)

	Current quarter (3 months) \$A'000	Year to date (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	(1,701)	(3,266)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(11)	(26)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
Net investing cash flows	(11)	(26)
1.14 Total operating and investing cash flows	(1,712)	(3,292)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	340	5,931
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
- Capital raising costs	-	(17)
Net financing cash flows	340	5,914
Net increase (decrease) in cash held	(1,372)	2,622
1.21 Cash at beginning of quarter/year to date	5,490	1,496
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	4,118	4,118

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
1.24 Aggregate amount of payments to the parties included in item 1.2	282
1.25 Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

The amount above includes directors fees, salaries and payments to companies associated with Mr Tony Veitch, Mr John Hannaford and Mr Alan Mulgrew. The payments relate to the provision of consulting services, company secretarial services, accounting and administration services and the provision of office accommodation on normal commercial terms.

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

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

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Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

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

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
4.1 Cash on hand and at bank	341	1,443
4.2 Deposits at call	3,777	4,047
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	4,118	5,490

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	
5.2	Place of incorporation or registration	
5.3	Consideration for acquisition or disposal	
5.4	Total net assets	
5.5	Nature of business	

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does ~~not~~ give a true and fair view of the matters disclosed.



Sign here:

Date: 5 August 2010

(Company secretary)

Print name: **Stacey Apostolou**

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 definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **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.

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