ATLANTIC LTD

Building a world class resources group

Atlantic Ltd
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16 September 2010

ATLANTIC LODGES PROSPECTUS FOR $55.5 MILLION CAPITAL RAISING

Atlantic Ltd (ASX: ATI, **Atlantic**) is pleased to announce the lodgment of a prospectus in relation to its $55.5 million capital raising and compliance with the requirements for reinstatement to trading on the Australian Securities Exchange (**ASX**).

The capital raising is to be completed as part of the acquisition of 100% of the world scale Windimurra vanadium project.

Atlantic has today executed the final definitive agreements to acquire 100% of Midwest Vanadium Pty Ltd (**MVPL**), the company that owns 100% of the Windimurra vanadium project.

As part of the acquisition, Atlantic has committed to provide a new secured loan to MVPL of $50 million from the proceeds of the prospectus offer.

The project is targeting annual production of 5,700 tonnes of contained vanadium and 1 million tonnes of haematite iron ore fines at nameplate capacity.

The project hosts a large vanadium resource and existing processing plant that is substantially developed, with the main outstanding items to be completed prior to the commencement of production being the vanadium refinery and the tailings dam.

Shares in Atlantic have been suspended since 13 August 2010 pending compliance with the requisite ASX listing rule requirements.

Following receipt of funds from the capital raising and completion of the acquisition of MVPL, which is expected to be completed this month, Atlantic will immediately apply to the ASX for reinstatement of its shares.

The capital raising is a limited offer to strategic investors and to Australian and international institutional investors identified by the Directors of Atlantic.

Following completion of the acquisition, Atlantic will procure additional debt facilities for MVPL to allow it to complete construction and commissioning of the project, along with the acquisition of the existing crushing and beneficiation plant at site.

Negotiations are progressing with a number of potential debt funding partners for MVPL, as are discussions with potential off-take partners interested in securing vanadium and haematite fines from the project.

An indicative timetable for completion of the acquisition of MVPL and reinstatement of Atlantic's shares is set out below.

Prospectus lodged and offer opens	16 September 2010
Offer closing date*	21 September 2010
MVPL acquisition completed	21 September 2010
Reinstatement of trading on ASX**	28 September 2010

* The Directors may vary the closing date by giving notice to ASX prior to the closing date.

** Trading in securities will only be reinstated to official quotation by ASX after Atlantic has completed the acquisition of an interest in the Windimurra vanadium project and complied with Chapters 1 and 2 of the ASX Listing Rules. Atlantic will endeavour to minimise the period of suspension as much as possible.

A copy of the prospectus lodged with ASIC today is attached.

-ends-

For further details please contact:

Michael Minosora
Managing Director
Atlantic Ltd
Ph: + 61 8 6141 7100

John McGlue
FD Third Person
Ph: +61 8 9386 1233
Mob: + 61 417 926 915

About Atlantic Ltd

Atlantic Ltd is committed to building a diversified portfolio of world class resources projects that will provide superior returns to shareholders.

Atlantic combines its strong financing capability with a highly disciplined and innovative approach to acquire resources projects that are low cost, long life and near production.

Additional information on Atlantic can be found at www.atlanticltd.com.au.

ATLANTIC LTD

ACN 009 213 763

PROSPECTUS

For the offer to parties identified by the Directors of:

1. **50,500,000 New Shares at an issue price of $1.10 per New Share to raise $55,550,000; and**

2. **3,400,000 New Shares as consideration for the acquisition of an effective 10% interest in Midwest Vanadium Pty Ltd.**

Important Information

This is an important document that should be read in its entirety.
If you do not understand it you should consult your professional advisers without delay.
The Shares offered by this Prospectus are speculative.

TABLE OF CONTENTS

IMPORTANT NOTICE

This Prospectus is dated 16 September 2010 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which the Prospectus relates.

The expiry date of this Prospectus is at 5.00pm WST on that date which is 13 months after the date this Prospectus was lodged with the ASIC. Application will be made to ASX within seven (7) days after the date of this Prospectus for Official Quotation of the Shares the subject of this Prospectus.

Application for Shares offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the Application Form it was not provided together with the electronic Prospectus and any relevant supplementary or replacement Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. There are risks associated with an investment in the Company and the Shares offered under this Prospectus should be regarded as a speculative investment. The Shares offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Shares.

CHANGE OF ACTIVITIES

On 13 August 2010, Shareholders of the Company approved a change in the nature and scale of Atlantic's activities to become a resources company. Please refer to Section 5.6 of this Prospectus for full details of this change in activities and the implications for the Company.

As part of this change of activities, the Company must comply with ASX requirements to be reinstated to official quotation on ASX, which include re-complying with ASX Listing Rule Chapters 1 and 2.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

All statements regarding the Company's expected financial position, business strategy, plans and prospects are forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different to any future results, performance or achievements expressed or implied by such forward-looking statements. Given the risk and uncertainties that may cause the Company's actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements included in this Prospectus, undue reliance should not be placed on these statements. The Company does not warrant or represent that the actual results, performance or achievements will be as discussed in those statements.

EXPLORATION TARGETS

All statements regarding exploration targets of the Company are exploration targets that the Company has set to achieve through planned drilling and exploration programmes. The statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The potential quantity and grade included in any exploration targets set out in this Prospectus is conceptual in nature, 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.

PHOTOGRAPHS

Photographs used in the Prospectus which do not have a description are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company.

SECTION 1 CORPORATE DIRECTORY

Board of Directors	Ian McMaster (Chairman) Michael Minosora (Managing Director) Tony Veitch (Executive Director) Alan Mulgrew (Non-Executive Director) Jay Wacher (Non-Executive Director)
Company Secretary	Yasmin Broughton
Registered Office	Level 29, Bankwest Tower 108 St Georges Terrace Perth WA 6000
Legal Advisers	Johnson Winter and Slattery Level 1, 216 St Georges Terrace Perth WA 6000 Frasers Law Company Level 10, Saigon Centre 65 Le Loi Boulevard District 1, Ho Chi Minh City Vietnam
Independent Accountants	HLB Mann Judd Level 4 130 Stirling Street Perth WA 6000
Share Registry*	Security Transfer Registrars Pty Ltd PO Box 535 Applecross WA 6953
Auditors*	HLB Mann Judd Level 4 130 Stirling Street Perth WA 6000
Stock Exchange*	Australian Securities Exchange (Home Exchange: Perth, Western Australia) ASX Codes: ATI, ATIO
Geologist (Windimurra)	Colin Arthur Apartment 16 2 Plaistow Street Joondalup WA 6027
Mining Engineer (Windimurra)	Cube Consulting Pty Ltd Level 4 1111 Hay Street West Perth WA 6005
Geologist (Vietnam)	CSA Global Pty Ltd Level 2 3 Ord Street West Perth WA 6005

* These parties have been included for information purposes only. They have not been involved in the preparation of this Prospectus.

SECTION 2 LETTER FROM THE BOARD OF DIRECTORS

16 September 2010

Dear Investor

On behalf of the Board of Atlantic Ltd (**Atlantic** or the **Company**), I am pleased to present this Prospectus to you.

Atlantic's vision is to become a resources company with a diversified portfolio of world class resource projects.

Atlantic is making significant progress towards that goal. In August, Atlantic announced two transactions that together will result in Atlantic acquiring 100% of the Windimurra vanadium project (**Windimurra Project**).

The Windimurra Project is located near Mount Magnet in Western Australia and once operational at nameplate capacity is expected to produce approximately 5,700 tonnes of vanadium in the form of ferrovanadium per annum and 1 million tonnes per annum of haematite fines.

The Board believes that the Windimurra Project represents an outstanding opportunity for the Company that has the potential to deliver significant returns to shareholders.

As part of the acquisition of the Windimurra Project, Atlantic is proposing to complete the placement of 50,500,000 new ordinary shares to raise $55,550,000 pursuant to this Prospectus, subject to the completion of the acquisition of the Windimurra Project.

The funds raised will be used by Atlantic to make a secured loan to Midwest Vanadium Pty Ltd (**MVPL**) (Receivers and Managers Appointed) (Subject to Deed of Company Arrangement), the company that holds 100% of the Windimurra Project, to enable MVPL to move towards the completion of construction and commissioning of the project.

Further information regarding the Windimurra Project and Atlantic's proposed new activities in the resources sector is set out in this Prospectus.

This is a very exciting time for the Company as we move towards completion of the transaction that will secure the Windimurra Project for Atlantic and facilitate Atlantic's moves towards achieving its vision in the resources sector.

On behalf of the Board, I would like to thank you for your continued support and we look forward to reporting Atlantic's progress to you in the future.

Yours sincerely

IAN MCMASTER
Chairman

SECTION 3 TIMETABLE AND IMPORTANT DATES

INDICATIVE DATES

Lodgement of Prospectus with ASIC and ASX	16 September 2010
Opening Date of offers under this Prospectus	16 September 2010
Closing Date of offers under this Prospectus*	21 September 2010
Dispatch of holding statements for New Shares	22 September 2010
Trading in securities reinstated by ASX**	28 September 2010

The dates set out above are indicative only and may be subject to change.

* The Directors may vary the Closing Date by giving notice to ASX prior to the Closing Date. As such, the date the New Shares are expected to commence trading on ASX may vary.

** Trading in securities will only be reinstated to official quotation by ASX after Atlantic has completed the acquisition of an interest in the Windimurra Project and the Company has complied with Chapters 1 and 2 of the ASX Listing Rules. Atlantic will endeavour to minimise the period of suspension as much as possible.

SECTION 4 DETAILS OF THE OFFERS

4.1 Placement of New Shares and Grant of Broker Options

The Company invites investors identified by the Directors to apply for 50,500,000 New Shares offered by the Company for subscription at $1.10 each to raise $55.55 million (**Offer**). The Directors intend to invite strategic international investors to subscribe for New Shares to raise up to $45.55 million and Australian and international institutional investors to subscribe for New Shares to raise up to $10 million pursuant to the Offer.

The Company also invites those lenders to MVPL identified by the Directors as shareholders of NewCo to apply for 3,400,000 New Shares in return for the acquisition of their shares in NewCo as more fully described in Section 14 (**NewCo Offer**).

All New Shares issued under this Prospectus will rank equally with Shares on issue at the date of this Prospectus.

The Company has also agreed to issue 169,811 Broker Options for services to the Company in relation to the Offer. These options are not being offered or issued pursuant to this Prospectus. In accordance with the ASX Listing Rules, the Broker Options will be escrowed for a period of 24 months from the date of issue.

4.2 Conditional Offer

The issue of securities pursuant to the Offer and NewCo Offer are conditional on the completion of the acquisition by Atlantic of a 100% interest in NewCo, the company that will hold 100% of MVPL.

4.3 Objectives, Use of Funds and Working Capital

Following completion of the Offer, Atlantic's objectives are to:

- recruit the new MVPL management and operational team;
- engage a construction contractor to complete the construction of the outstanding items of the Windimurra Project;
- examine the opportunity to monetise the existing stockpile of haematite at Windimurra as well as the haematite fines produced by the plant;
- execute new contracts for key supplies such as gas and reagents for the Windimurra Project;
- secure additional funding facilities to complete the construction and commissioning of the Windimurra Project, fund the necessary payments required in order to complete the acquisition of the BOOT plant by MVPL and fund the payment by Atlantic of the final instalment of the total purchase price payable for the acquisition of MRL's shares in NewCo; and
- continue to pursue a definitive agreement to develop the Bao Loc bauxite project and the proposed bauxite mine, rail and port project in Vietnam.

SECTION 4 DETAILS OF THE OFFERS (CONTINUED)

The Company intends to use the funds raised from the Offer as follows:

	$
First payment to MRL for acquisition of 27.5% of NewCo	500,000
Second payment to MRL for acquisition of 27.5% of NewCo	2,500,000
First tranche secured project finance loan to MVPL	30,000,000
Second tranche secured project finance loan to MVPL	20,000,000
Expenses of the Offer	834,799
Working capital – including Vietnam ongoing expenses	1,715,201
Total	**55,550,000**

As set out above, the Company will make a secured project finance loan to MVPL of $30,000,000 at completion of the acquisition of 100% of NewCo and a further $20,000,000 secured project finance loan to MVPL on 24 December 2010. Atlantic intends to procure that MVPL uses these loan funds, together with the existing cash balances of MVPL, to progress the Windimurra Project as follows:

	$
Existing cash of MVPL (estimate immediately prior to completion)	26,000,000
Secured loans from Atlantic	50,000,000
Total Cash Available	**76,000,000**
Repay unsecured debts of MRL	19,110,000
Acquisition of Windimurra camp	5,700,000
First repayment to secured lenders	3,750,000
Working capital – including MVPL existing and new staff expenses, ongoing operational expenditure obligations, costs of securing a new construction contract and costs of procuring additional project finance facilities	47,440,000
Total	**76,000,000**

Following achievement of the objectives relating to the Windimurra Project set out above, Atlantic intends to procure MVPL to proceed to complete the construction and commissioning of the Windimurra Project as soon as practicable. The remainder of MVPL's funding necessary to complete construction and commissioning of the Windimurra Project and acquire the BOOT plant will be sourced from new project finance facilities in addition to the existing working capital available to MVPL.

Further funding will be required to meet all of the Company's and MVPL's obligations to acquire the BOOT plant, fund the payment by Atlantic of the final instalment of the total purchase price payable for the acquisition of MRL's shares in NewCo and complete the construction and commissioning of the project. There can be no assurance such funding will be available at the time required for payment either on commercially satisfactory terms or at all.

There will be no funds raised from the NewCo Offer.

Upon completion of the Offer and the NewCo Offer, the Directors believe that the Company and its subsidiaries will have enough working capital to carry out its stated objectives.

SECTION 4 DETAILS OF THE OFFERS (CONTINUED)

4.4 Opening and Closing Dates of the Offers

The Opening Date of the Offer and the NewCo Offer will be 16 September 2010.

The Closing Date of the Offer and the NewCo Offer will be 21 September 2010. The Directors reserve the right to close the Offer and the NewCo Offer early or extend the Closing Date (as the case may be), should it be considered by them necessary to do so.

4.5 Minimum Subscription

The minimum subscription to the Offer is 50,500,000 New Shares at an issue price of $1.10 per Share to raise $55.55 million.

The minimum subscription to the NewCo Offer is 3,400,000 New Shares in consideration for the acquisition of a 10% shareholding in NewCo.

4.6 Oversubscriptions

The Company will not accept any oversubscriptions pursuant to the Offer or the NewCo Offer.

4.7 Issue Price

The Offer issue price is $1.10 for each New Share (post-consolidation), payable in full in Australian currency on the acceptance of the Offer as follows:

- Cheque drawn on and payable at any Australian bank;
- money order; or
- Bank draft drawn on and payable at any Australian bank.

The NewCo Offer is made in consideration for the acquisition of shares in NewCo from certain lenders to MVPL.

4.8 Application for Shares

Applications for New Shares under the Offer must be made by investors identified by the Directors and must be made using the Application Form accompanying this Prospectus.

Completed Application Forms and accompanying cheques must be mailed or delivered to:

Atlantic Ltd
PO Box Z5431
St Georges Terrace WA 6831

Cheques and drafts should be made payable to "**Atlantic Ltd**" and crossed "**Not Negotiable**". Completed Application Forms must reach the address set out above by no later than the Closing Date.

The Company intends to pay fees of 5% (plus GST) of the amount raised to financial intermediaries for their assistance in completing the Australian and international institutional investor component of the Offer.

SECTION 4 DETAILS OF THE OFFERS (CONTINUED)

4.9 Underwriting

The offers under this Prospectus are not underwritten.

4.10 Allotment

The New Shares offered under the Prospectus will be allotted and issued contemporaneously with completion of the Company's acquisition of a 100% interest in the Windimurra Project. Where the number of New Shares issued is less than the number applied for, or where no allotment is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date.

Holding statements for the New Shares will be mailed as soon as possible after the Closing Date. Pending the allotment and issue of Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

No New Shares will be allotted and issued on the basis of this Prospectus later than thirteen (13) months after the date of this Prospectus.

4.11 ASX Quotation

Application for Official Quotation of the New Shares will be made by the Company within seven (7) days after the date of this Prospectus. If approval is not obtained from ASX before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any New Shares and will repay all application monies for the New Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares now offered for subscription.

4.12 Overseas Shareholders

The offers under this Prospectus do not, and are not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

No action has been taken to lodge this Prospectus in any jurisdiction outside of Australia or to otherwise permit a public offering of New Shares in any jurisdiction outside Australia.

It is the responsibility of any Applicant to ensure compliance with any laws of a country relevant to their Application. Return of a duly completed Application Form will be taken by the Company as a representation that there has been no breach of such laws.

SECTION 4 DETAILS OF THE OFFERS (CONTINUED)

4.13 Clearing House Electronic Sub-Register System ("CHESS") and Issuer Sponsorship

The Company will not be issuing Share certificates. The Company will apply to ASX to participate in CHESS, for those Shareholders who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

4.14 Privacy

If you complete an Application Form for New Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your Application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to:

- persons inspecting the register;
- bidders for your securities in the context of takeovers;
- regulatory bodies, including the Australian Taxation Office;
- authorised securities brokers;
- print service providers and mail houses for the purpose of preparation and distribution of statements and handling mail;
- investor relations and market research consultants or firms for the purpose of analysing the Company's Shareholder base and for project development and planning; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising, on the Shares and for associated actions.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASTC Settlement Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your Application Form.

4.15 Dividend Policy

The Directors do not expect to declare any dividends during the one year period following the issue of this Prospectus and are unable, at this point in time, to indicate when a dividend may be declared.

SECTION 4 DETAILS OF THE OFFERS (CONTINUED)

4.16 Enquiries

If you have any questions, please contact the Company on telephone (08) 6141 7100, facsimile (08) 6141 7101 or contact your professional adviser.

SECTION 5 BACKGROUND AND COMPANY OVERVIEW

5.1 Background and Corporate Overview

Atlantic was incorporated in January 1987 and listed on ASX in June 1987. From incorporation, until entering into external administration in February 2007, the Company operated a number of diversified businesses including commercial property development, aquaculture, fishing and pearling operations.

Following the appointment of new directors and the effectuation of a deed of company arrangement in August 2007, Atlantic was reinstated to Official Quotation on the ASX on 14 August 2007 as a pearl marketing business.

Following relisting, Atlantic carried out an internal study to investigate various avenues and opportunities to expand its pearl marketing business and also evaluated a number of new business opportunities with a view to creating long-term value for shareholders.

In November 2008, Atlantic announced that it had signed an agreement to acquire a company that had applied for rights with respect to the Bao Loc Project for staged consideration linked to the achievement of milestones on the project.

In September 2009, Mr Michael Minosora joined Atlantic as Managing Director. Mr Minosora brings a wealth of experience to Atlantic. He was previously Chief Financial Officer of Fortescue Metals Group, Managing Director of Azure Capital and Managing Partner of Ernst & Young in Western Australia. Mr Minosora also has very strong credentials as a financier and following his appointment arranged the placement of 140 million Shares at 3.5 cents each to raise $4.9 million to strengthen Atlantic’s balance sheet.

Following Mr Minosora’s appointment and further analysis of the range of opportunities available to the Company, Atlantic announced in October 2009 that the Company would adopt a new strategic direction and would seek to become a resources business with a portfolio of world class assets.

At that time, Atlantic also announced that the Board did not intend to pursue further investment in its pearl marketing business. This view was reached after examination of the business opportunity, a series of delays with the pearl harvests in Myanmar and the unfavourable impact of the global financial crisis on pearl markets and prices generally.

5.2 Corporate Vision

Atlantic’s vision is to build a diversified portfolio of world class resource projects that provide superior returns to shareholders.

Atlantic intends to deliver on this vision by applying a highly disciplined and innovative approach to the acquisition of resources projects that are low cost, long life and near production.

SECTION 5 BACKGROUND AND COMPANY OVERVIEW (CONTINUED)

5.3 Windimurra Project

The Company has announced agreements that allow Atlantic to consolidate 100% control of the Windimurra Project.

The Windimurra Project is a world scale vanadium project that, once operational at nameplate capacity, is expected to produce approximately 5,700 tonnes of vanadium per annum.

The Company announced in April 2010 that it had signed an agreement with Mineral Resources Limited (**MRL**) to acquire a 90% equity interest in a new entity established to own 100% of MVPL (**NewCo**) in return for procuring new project finance sufficient to complete construction and commissioning of the Windimurra Project.

On 5 August 2010, Atlantic announced a restructuring of the deal with MRL, whereby Atlantic would acquire MRL's initially proposed 27.5% equity interest in NewCo for $16,000,000. As part of this agreement, it was also agreed that MVPL would acquire the MRL owned crushing and beneficiation plant on site (**BOOT plant**) for $60,000,000 on 1 April 2011. Total payments due to MRL to acquire the BOOT plant and MRL's interest in NewCo is expected to be $101,907,000, assuming an acquisition date of 1 April 2011.

This announcement was followed on 13 August 2010 by the announcement of the signing of a new agreement with the existing lenders to MVPL which allows Atlantic to acquire the remaining 10% of NewCo for the issue of 3,400,000 ordinary shares, thereby delivering Atlantic 100% control of the Windimurra Project at financial close.

Under the terms of the agreement with the lenders, the existing secured lenders to MVPL will hold $90,000,000 of debt following financial close. Of this debt, an amount equal to the cash balance of MVPL at completion will be first ranking secured debt and the balance will be second ranking secured debt. This $90,000,000 outstanding debt will be payable in accordance with the terms of the Syndicated Facility Agreement described in Section 14 with interest being payable in the event of default. The Syndicated Facility Agreement includes provisions for the early repayment of the debt in certain circumstances, including not less than $3,750,000 on 31 March 2011 and certain other amounts related to haematite proceeds and a cash sweep arrangement in future periods where earnings before interest and tax exceeds certain thresholds. The balance of this debt is repayable 48 months after completion.

As part of the agreement with the existing lenders, Atlantic has agreed to provide a new secured loan to MVPL at completion of $30,000,000 and a further $20,000,000 on 24 December 2010. Following completion of the transaction, the receivers and managers and the deed administrators of MVPL will cease to act, control of MVPL will be returned to the new directors, all shares in NewCo will be held by Atlantic and all shares in MVPL will be held by NewCo.

Following completion, Atlantic intends to procure a funding package for MVPL which is sufficient to complete construction and commissioning of the Windimurra Project and to make the payments required to complete the acquisition of the BOOT plant. If this new funding package is not put in place by 1 April 2011, MVPL will not be in a position to complete the acquisition of the BOOT plant and proceed to complete construction and commissioning of the Windimurra Project. Any inability to obtain funding for the purchase of the BOOT plant and to complete the construction and commissioning of the Windimurra Project by the time required for payment will adversely affect the business and financial condition of the Company and MVPL. Further details about the funding risks are set out in Section 12.

Completion of the transaction is subject to the satisfaction of certain conditions precedent. Further details about the agreements are set out in Section 14.

Further information about the Windimurra Project is set out in Section 6.

5.4 Bao Loc Project

On 9 January 2009, Atlantic entered into a definitive agreement to acquire 100% of AMI. The acquisition of AMI was completed on 21 May 2009. AMI is negotiating with the Vietnamese authorities in relation to the Bao Loc Project, which seeks to cover approximately 100km^2 near Bao Loc, Lam Dong Province, Vietnam.

Further information about Vietnam and the Bao Loc Project is set out in Section 6.

5.5 Vietnam Aluminium Industry Supply Chain Project

As part of the proposed development of the Bao Loc Project, Atlantic entered into discussions with a number of parties in Vietnam. Those discussions were most constructive and in late 2009 led to the signing of a memorandum of understanding with T-MV, a Vietnamese state owned corporation, for the potential development of a major mine, rail and port project in the Central Highlands of Vietnam.

Following signing of the memorandum of understanding, the parties have held regular discussions, however at this stage no agreement has been reached to develop the aluminium supply chain project or to fund any of the potential project expenditure.

Further information about Vietnam and the bauxite deposits in the Central Highlands of Vietnam is set out in Section 6.

5.6 Change of Activities

At the time that Atlantic announced its new strategic direction, the Company also announced that it would seek Shareholder approval for a change of activities in accordance with ASX rules. As part of this change in activities, Atlantic must comply with Chapters 1 and 2 of the ASX Listing Rules.

The Board considers that the Windimurra Project represents a world scale vanadium project opportunity for the Company and has decided to change activities to a resources company under ASX rules in conjunction with the completion of the acquisition of a 100% interest in the Windimurra Project.

SECTION 5 BACKGROUND AND COMPANY OVERVIEW (CONTINUED)

The Company held an adjourned Extraordinary General Meeting of Shareholders on 13 August 2010. At that meeting, Shareholders approved the Company's proposed change of activities, a share consolidation and resolutions to approve the issue of Shares pursuant to the Offer.

5.7 Current Capital Structure

The existing capital structure of the Company (following the share consolidation approved by Shareholders) as at the date of this Prospectus is set out below:

Security	Number
Fully paid ordinary Shares	53,461,848
Class B Performance Shares	66
Listed options (31 December 2011)	9,322,317
Unlisted options (31 December 2010)	1,783,834

The Company has received the following substantial shareholding notices in relation to voting power in the Company:

Entity	Number of Securities
Michael Minosora	5,174,692

All ordinary Shares on issue have one voting right per Share.

Full terms and conditions of Shares, the Class B Performance Shares and the Company's options are disclosed in Section 11 of this Prospectus.

5.8 Capital Structure

Following the issue of Shares pursuant to this Prospectus and the Broker Options, the capital structure of the Company will change as set out below (assuming no further options are exercised):

Security	Current	Issue	Post Issue
Fully paid ordinary Shares	53,461,848	53,900,000	107,361,848
Class B Performance Shares	66	Nil	66
Listed options (31 December 2011)	9,322,317	Nil	9,322,317
Unlisted options (31 December 2010)	1,783,834	Nil	1,783,834
Broker Options	Nil	169,811	169,811

SECTION 6 PROJECTS

6.1. Windimurra Project

Project History

The Windimurra Vanadium deposit was first discovered in the late 1960's. Exploration permits were obtained in 1985 by Precious Metals Australia Limited (**PMA**). In 1998, PMA formed a joint venture with a subsidiary of Xstrata to develop and commission a mine and associated processing facilities.

The parties invested approximately $115 million in the project, while third parties and the Western Australian state government invested approximately $70 million to develop key infrastructure, including a gas pipeline and roads to the area.

Production commenced at the end of 1999 and the operation was closed in 2003 after processing approximately 7.2 million tonnes of ore and producing 13,000 tonnes of high quality vanadium pentoxide.

Following the closure of the operation in 2003, PMA commenced legal proceedings seeking damages and an injunction requiring Xstrata to reopen the mine. These actions were settled in April 2005, with PMA regaining 100% ownership of the project and receiving $24.3 million in cash. PMA used $4 million to acquire from Xstrata all the remaining plant and equipment on site, including the gas-fired rotary kiln, and assumed responsibility for the rehabilitation obligations.

Ownership was transferred to MVPL in 2005, at the time a joint venture company with Noble Group Limited.

In December 2007, PMA was renamed Windimurra Vanadium Ltd (**WVL**). A total of $80 million of equity and $127.5 million in debt funding was raised in the first quarter of 2008 in order to restart the project and project development was recommenced.

In February 2009, WVL went into Voluntary Administration, due to having insufficient funds to complete construction of the project and being unable to raise further funding as a result of the global financial crisis.

Since that time, the Windimurra Project has been on care and maintenance.

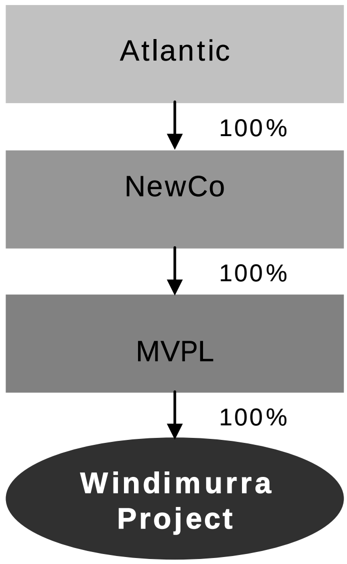
Following a negotiation process with the Receiver and Manager of MVPL, Atlantic and MRL initially signed an agreement to acquire an effective 90% equity interest in NewCo in a consortium. Following further discussions, Atlantic and MRL agreed to restructure the agreement whereby Atlantic would acquire this 90% interest in NewCo. Subsequent to the revised agreement with MRL, Atlantic also consolidated 100% ownership of NewCo by agreeing to acquire the residual 10% interest in NewCo.

The acquisition of the Windimurra Project is consistent with Atlantic's new strategy to seek to become a resources company with a diversified portfolio of world class resources projects.

SECTION 6 PROJECTS (CONTINUED)

Proposed Ownership Structure

The proposed share ownership structure following completion of the acquisition of MVPL by NewCo is outlined below.



MVPL is the entity that holds 100% of the Windimurra Project and owns the project tenements as described below. NewCo was established by Atlantic and MRL to effect the transaction whereby Atlantic will now acquire an effective 100% interest in MVPL.

MVPL currently has 5 employees and Atlantic is in the process of building the team to complete the remaining construction works and commence operations.

Location

The Windimurra Project is located approximately 600 kilometres north east of Perth in Western Australia, as outlined below. The Windimurra Project enjoys road access to the Port of Geraldton to the west of the site, and to the major port of Fremantle, near Perth.

Key raw materials are delivered and product is exported via these two port options. The port of Fremantle has regular scheduled shipping services to key European, North American and Asian markets.

SECTION 6 PROJECTS (CONTINUED)

The Windimurra Project is also serviced by commercial and charter air services (approximately 1.25 hours flight duration) from Perth to Mount Magnet, 80 kilometres by road from the mine site.

Tenements

MVPL is the registered holder of three exploration licences, six miscellaneous licences and three mining leases granted under the *Mining Act 1978* (WA), as detailed in the table below.

Tenement	Grant date	Expiry date	Area	2010 expenditure conditions	2010 expenditure exemption applications
Exploration					
E58/113-I	08-03-91	Until applications for M58/275, M58/276, M58/277 M58/278 determined	35.81 km2	$100,000 Condition not met.	Exemption application lodged 10 June 2010 and not yet decided.
E58/117-I	19-01-92	Until application for M58/282 determined	2 Blocks	$50,000 Condition not met.	Exemption application lodged 12 March 2010 and not yet decided.
E58/198	18-04-97	Until application for M58/281 determined	1 Block	$20,000 Condition not met.	Exemption application lodged 16 June 2010 and not yet decided.

SECTION 6 PROJECTS (CONTINUED)

Tenement	Grant date	Expiry date	Area	2010 expenditure conditions	2010 expenditure exemption applications
Miscellaneous					
L58/27	23-06-98	22-06-13	1,675 HA	N/A	N/A
L58/28	23-06-98	22-06-13	790 HA	N/A	N/A
L58/29	12-11-98	11-11-13	46.25 HA	N/A	N/A
L58/30	12-11-98	11-11-13	2,275.7 HA	N/A	N/A
L58/32	03-07-01	02-07-22	202 HA	N/A	N/A
L58/35	12-06-09	11-06-30	670 HA	N/A	N/A
Mining					
M58/279-I	04-06-99	03-06-20	835.9 HA	$83,600 Condition not met.	Exemption application lodged 4 August 2010 and not yet decided.
M58/280	04-06-99	03-06-20	534.6 HA	$53,500 Condition not met.	Exemption application lodged 4 August 2010 and not yet decided.
M58/178-I	12-07-91	11-07-12	966.9 HA	$96,700 Condition not met.	Exemption application lodged 27 August 2010 and not yet decided.

Titleholders must comply with expenditure conditions unless a total or partial exemption has been granted. An exemption application must be made within 60 days after the end of the year to which the proposed exemption relates. The exemption applications in relation to E58/113-I, E58/198, M58/279 and M58/280 were not lodged within this timeframe. Extension of time for lodgement of the exemption applications was granted in relation to M58/279 and M58/280 on 3 August 2010.

Failure to comply with expenditure conditions without an exemption renders a title liable to forfeiture. Any person may make an application for forfeiture during the relevant expenditure year or within 8 months after. The matter is heard by the warden and the warden may recommend the forfeiture of the title, impose a penalty not exceeding $10,000 or dismiss the forfeiture application. Forfeiture cannot be recommended unless the warden is satisfied that the non-compliance is, in the circumstances, of sufficient gravity to justify forfeiture. Atlantic is confident that these applications for exemption from minimum expenditure commitments will be granted based on previous experience.

SECTION 6 PROJECTS (CONTINUED)

MVPL Mining Lease Applications

On 5 March 1998, MVPL made six mining lease applications. These applications are still pending and are detailed in the table below.

Application	Application date	Area	Expenditure conditions
M58/275	Application received 05-03-98	990.01640 HA	N/A
M58/276	Application received 05-03-98	996.61940 HA	N/A
M58/277	Application received 05-03-98	905.19550 HA	N/A
M58/278	Application received 05-03-98	970.92720 HA	N/A
M58/281	Application received 05-03-98	157.300070 HA	N/A
M58/282	Application received 05-03-98	71.79680 HA	N/A

Reserves and Resources

MVPL holds tenements covering a 27 kilometre strike length of the Vanadiferous Magnetite Shephard Discordant Zone. Of this strike length, approximately 6 kilometres inclusive of the existing pit has been drill tested to date. The resource remains open both along strike and at depth.

The current JORC-compliant Mineral Resource and Ore Reserve statement is set out in more detail in Section 7 and is summarised below.

Mineral Resources

Classification	Tonnes (Mt)	Vanadium Pentoxide (%)	Vanadium (%)	Vanadium (tonnes)
Measured	46.68	0.48	0.27	126,000
Indicated	70.73	0.47	0.26	183,900
Inferred	59.18	0.44	0.25	148,000
Total	176.59	0.46	0.26	457,900

Ore Reserves

Classification	Tonnes (Mt)	Vanadium Pentoxide (%)	Vanadium Pentoxide (tonnes)
Probable	57.1	0.47	268,370
Proven	40.7	0.47	191,290
Total	97.8	0.47	459,660

Mining

MVPL has previously developed a life of mine plan for the Windimurra Project. This life of mine plan provides for the mining of oxidised and fresh magnetite-rich ore to a depth of 150 metres, with transitional and fresh ores to be bench mined for grade control.

SECTION 6 PROJECTS (CONTINUED)

Under the life of mine plan, it is proposed that mining will commence in the central pit and move to the north part of the orebody followed by the southern part of the orebody. Approvals are required under s18 of the *Aboriginal Heritage Act 1972* (WA) to access the central pit.

Blending

The mineralisation of the ore body is split into bands of softer, less magnetised oxide ore at the surface, a band of transitional ore and finally at depth, a band of fresh ore which is more magnetically susceptible.

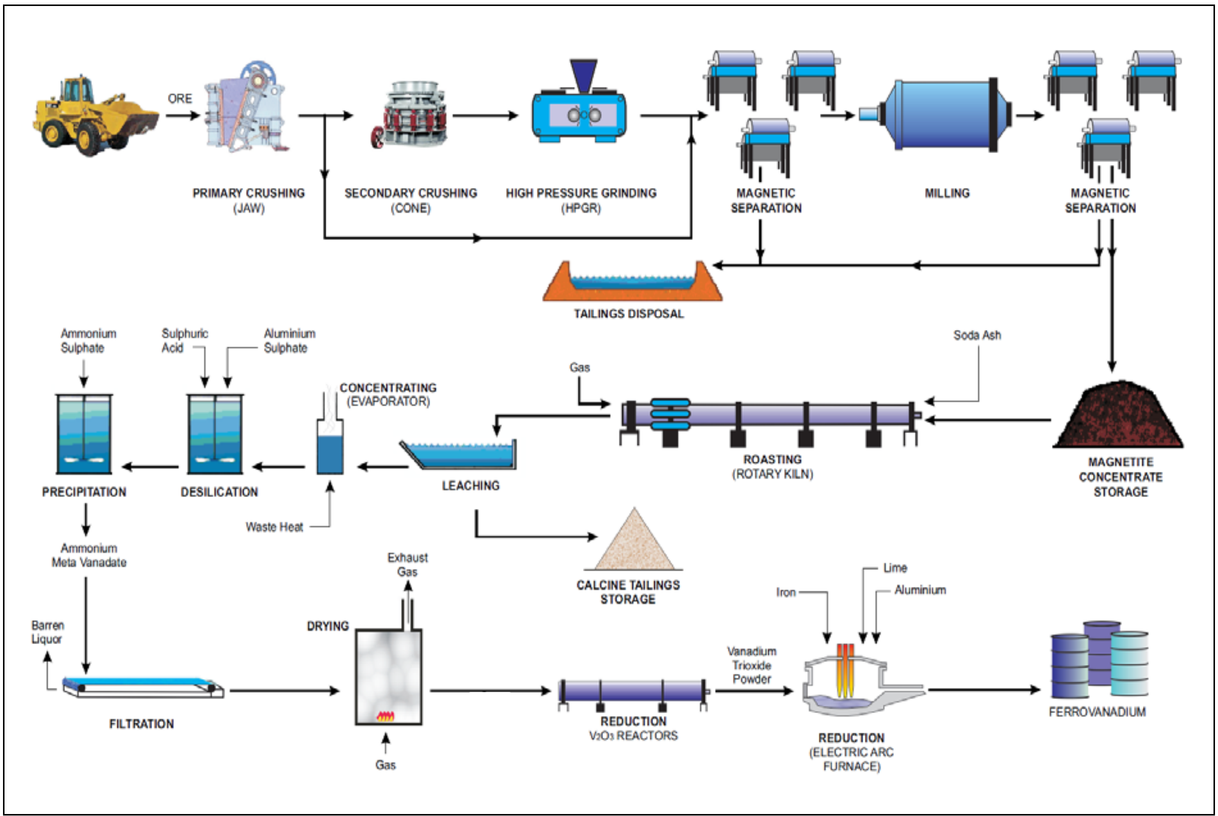
Based on the current life of mine plan, it is planned that ore will be blended on the run of mine stockpile from separate stockpiles of ore, segregated on the basis of the degree of oxidation.

Processing

The layout of the Windimurra Project site is set out below.

SECTION 6 PROJECTS (CONTINUED)

The process flow diagram below shows the conventional vanadium processing methods and technology planned to be used in the life of mine plan.



The production of FeV from vanadiferous magnetite involves:

- Production of a magnetite concentrate via primary and secondary crushing, grinding and magnetic separation;
- Roasting of this concentrate with sodium carbonate (a source of CO_2 and sodium) in a rotary kiln to convert the vanadium to water soluble sodium vanadate;
- Leaching of the vanadium with water;
- Desilification of the pregnant solution using sulphuric acid and aluminium sulphate;
- Precipitation of ammonium metavanadate using ammonium sulphate; and
- Conversion of ammonium metavanadate to vanadium trioxide (V_2O_3) to FeV.

The production of FeV in this process produces a haematite ore (as a fines product) that once removed from the leach vats is deposited in the calcine tailings storage area. There is an existing stockpile of this haematite fines material on site which was produced when the plant was operational between 1999 and 2003. This material is currently covered with a layer of topsoil. Atlantic intends to complete a drilling programme and assay analysis of this stockpile to determine the quantity and grade of the material.

SECTION 6 PROJECTS (CONTINUED)

Completion and Commissioning

A substantial amount of the construction of the Windimurra Project has already been completed with the main outstanding items being the vanadium refinery and the tailings dam.

Subject to completion of the transaction to recapitalise MVPL, the Windimurra Project is expected to be in production in 2011. Once construction is complete, commissioning of the plant to nameplate capacity will then proceed, subject to the risks outlined in Section 12.

Current Status

Construction of some of the required infrastructure at the site has been undertaken and some of the required approvals to commence production of FeV have been secured. Construction has been on hold since February 2009 when MVPL entered Voluntary Administration and Receivers and Managers were appointed, and since that time the site has been on care and maintenance.

Windimurra Processing Facilities

SECTION 6 PROJECTS (CONTINUED)

Environment

MVPL received approval for its Mining Proposal (stage 1) from the Department of Mines and Petroleum on 17 October 2008. The approval states "approval is hereby given to commence development and operation of the project in accordance with the tenement conditions…".

The Department of Environment and Conservation has approved:

- Works Approval One in relation to the construction of the plant and village; and

- Works Approval Two in relation to the calcine waste disposal facility and rehabilitation.

MVPL is required to obtain a compliance report relating to Works Approval Two prior to commencing beneficiation, recovery and refining.

Suspected contaminated sites were reported to the Department of Environment and Conservation in May 2007 from the previous operation of the Windimurra Project. The sites relate to the spill of sodium oxalate in solution during previous operations. The sites have been covered with the typical total depth of cover being at least 2 metres. Remediation options such as 'leave as is', bioremediation, monitoring of the site and recovery and disposal have been considered. Monitoring of the sites and the groundwater is required to determine the preferred remediation option.

Native Title

The tenements and tenement applications overlap the Badimia Native Title claim, which was accepted for registration in 1999.

Exploration Licenses E58/113-I and E58/117-I and mining lease M58/178-I were granted prior to 1 January 1994 and, as such, are "past acts" validated under the Native Title Act.

A number of native title agreements have been entered into in relation to the Windimurra Project. The Badimia People consented to the grant of mining leases M58/279-I and M58/280 in a 1999 agreement with WVL and the State. As mentioned above, the third and final mining lease, M58/178-I, was validated under the Native Title Act. In 1998, the Badimia People also entered into an agreement with WVL consenting to the grant of miscellaneous licenses L58/29 and L58/30. WVL may assign or transfer its rights under the deed with the written consent of the Native Title parties, which must not be unreasonably withheld.

MVPL's remaining five tenements (E58/198, L58/27, L58/28, L58/32 and L58/35) have complied with the "Future Act" provisions of the Native Title Act and have been validly granted for the purposes of Native Title.

Aboriginal Heritage

Two listed heritage sites exist within the current expanded mine design. These heritage sites had been approved for removal by the previous operators of the mine. The heritage sites impact some reserves but do not affect the current mine schedule for at least four years. Whilst the previous approval no longer applies, it provides some guidance on how a new application by MVPL may be treated by the authorities.

SECTION 6 PROJECTS (CONTINUED)

Demand for Vanadium including FeV

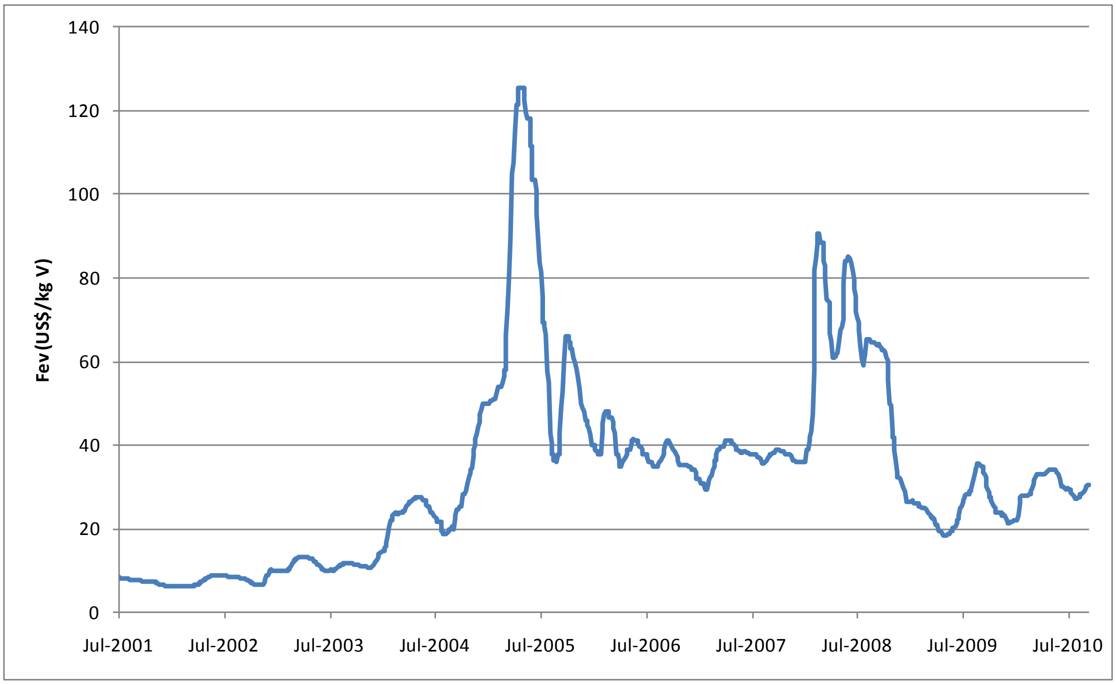
Vanadium demand is directly linked to global steel consumption, with approximately 85% to 90% of global vanadium production consumed in the steel industry. Vanadium is primarily used as an alloy to steels in order to increase the strength and improve the high temperature performance of steels. Other key uses for vanadium include titanium alloys for the aerospace industry, catalysts and batteries (including vanadium redox flow batteries and vanadium lithium batteries).

There are three main methods for producing vanadium:

- Primary vanadium – involves the production of vanadium from vanadium ores. Primary production accounts for over 20% of global vanadium supplies with South Africa presently the main source. Russia and China also produce significant quantities;
- Vanadium slag – approximately 60% of global vanadium supplies are sourced from steel slag where vanadium is a by-product. Recovery of vanadium requires a pig iron production process where titaniferrous-vanadiferrous magnetite is used (a process typically used by steel mills in China, Russia, and South Africa, but not typically in the West); and
- Secondary sources – includes production from power station fly ash, oil residues and spent refinery catalysts, and is concentrated in the United States, Japan and the European Union. There are strict environmental regulations for secondary producers. Secondary production accounts for approximately 20% of global vanadium supplies.

Vanadium prices are not openly quoted on any exchange, however prices for FeV and vanadium pentoxide are regularly published in industry publications such as Metals Bulletin and Ryan's Notes.

Historic FeV prices are shown in the figure below.



SECTION 6 PROJECTS (CONTINUED)

Prices for vanadium (as FeV) collapsed from mid-October 2008, dropping from prices over US$60/kg to below US$30/kg. Vanadium traded above US$34/kg in August 2009 and reached similar levels in April 2010 and May 2010, but fell back again over the European summer. The average vanadium price for the month of August 2010 was US$28/kg and the vanadium price as at 10 September 2010 was US$30.50/kg.

Next Steps

Following completion of the acquisition of 100% of NewCo, Atlantic intends to work with MVPL to:

- recruit the new MVPL management and operational team;
- engage a construction contractor to complete the construction of the outstanding items of the plant;
- examine the opportunity to monetise the existing stockpile of haematite at site as well as the targeted 1 million tonnes per annum haematite fines produced by the plant at nameplate production capacity;
- execute new contracts for key supplies such as gas and reagents for the Windimurra Project; and
- secure additional debt facilities for MVPL to enable it to complete the construction and commissioning of the Windimurra Project and fund the necessary payments required to complete the acquisition of the BOOT plant.

SECTION 6 PROJECTS (CONTINUED)

6.2. Bao Loc Project Background

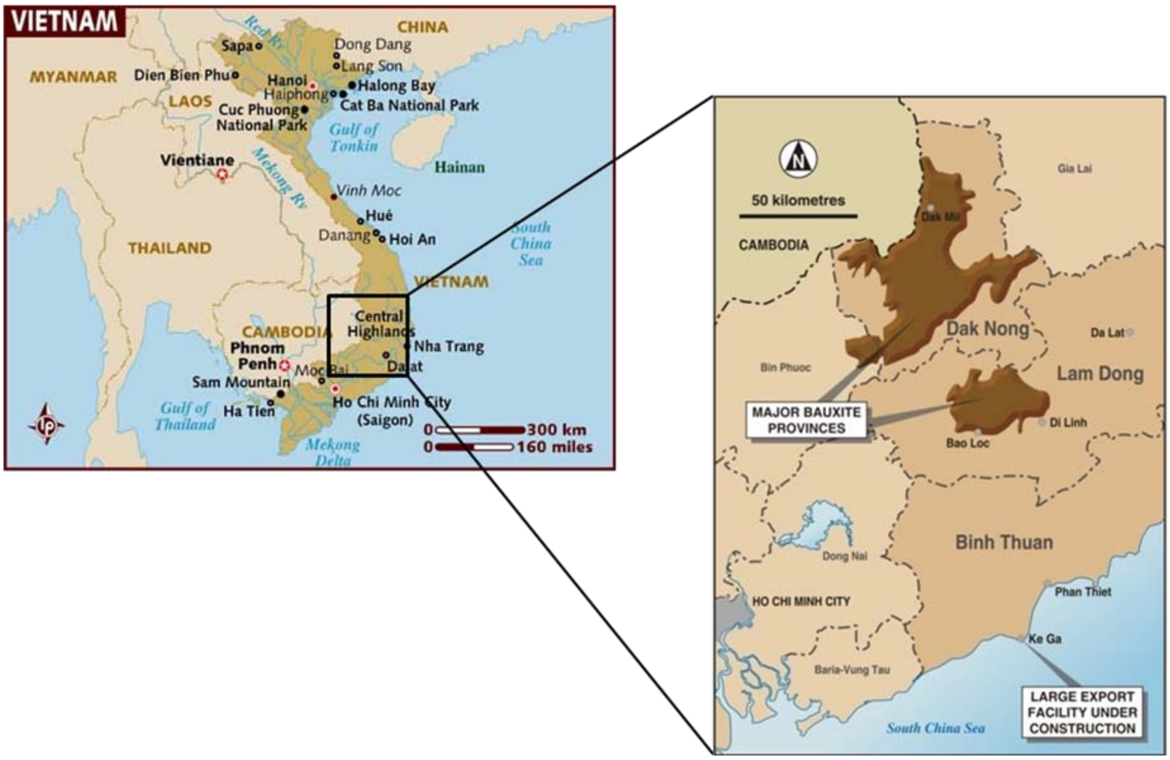
Vietnam should have a competitive advantage in the aluminium industry supply chain given the extensive gibbsite deposits typically found in the Central Highlands region and the country's proximity to major world demand centres.

Vietnam's Central Highlands are believed to host the world's third largest bauxite deposits. These have developed as a result of prolonged tropical weathering of Quaternary flood basalts that inundated an area of about 21,000 square kilometres (km^2) during the Pliocene-Pleistocene, and now form an area of extensive dissected plateaux 100 to 1,000 metres above sea level (see figure below).

A key characteristic of the bauxites in the Central Highlands is that they are amenable to upgrading by simple washing and screening to recover an alumina-rich, silica-depleted concentrate suitable for export or for refining on-site.

Vietnamese evaluation of the deposits to date has been fairly basic and includes mapping, pitting, trenching, assaying and washing/concentration tests. The data was used to generate resource and reserve estimates under the Russian classification system, but the work is not of a sufficient quality to enable resource estimates according to Australian standards i.e. the JORC Code. There is however sufficient confidence in the Vietnamese work to state that any properly conducted evaluation is highly likely to confirm the estimated tonnages and grades, and mineralogical and concentration characteristics of the deposits.

The figure below shows the location of the bauxite deposits of Lam Dong and Dak Nong provinces in Vietnam.



SECTION 6 PROJECTS (CONTINUED)

More information about Vietnam and the bauxite deposits of Lam Dong and Dak Nong provinces is set out in Section 8.

6.3. Bao Loc Project

On 21 May 2009, Atlantic completed the acquisition of AMI.

AMI is negotiating with the Vietnamese authorities in relation to the Bao Loc Project, which seeks to cover approximately 100 km^2 near Bao Loc, Lam Dong Province, Vietnam.

AMI was incorporated on 1 July 2008 as a special purpose vehicle for the sole purpose of applying for and acquiring a permit to explore the Bao Loc Project. It has no other assets or business activities.

Under an official letter dated 5 January 2009, the Lam Dong People's Committee (**LDPC**) confirmed that it had requested The Vietnam National Coal – Mineral Industries Group (**Vinacomin**) to work with the LDPC and AMI in relation to AMI's application for the exploration, exploitation and processing of bauxite deposits.

This official letter from the LDPC to AMI does not specifically or exclusively grant AMI a right (or the right) to explore, exploit or process any minerals that may be extracted from the Bao Loc Project. In practice, such letter reflects that the LDPC has, in principle, considered AMI's application for the Bao Loc Project and seeks consultation and agreement for the project to proceed to the next phase (subject to, amongst other things, execution of a definitive agreement with Vinacomin, receipt of government approvals and the approval of an agreeable feasibility study).

To date, AMI has not entered into a definitive agreement with Vinacomin (and no licence to conduct mineral exploration, exploitation and/or processing activities has been obtained by AMI) in relation to the Bao Loc Project.

The Bao Loc Project is located in Lam Dong Province, approximately 50 kilometres south of the much larger Dak Nong deposits (see figure above), and about 21 kilometres north of Bao Loc township. Bao Loc is about 190 kilometres east-northeast of Vietnam's major commercial and industrial centre, Ho Chi Minh City, the former Saigon (see figure below).

AMI's consulting geologists have visited the site and observed numerous bauxite outcrops of indurated (hard) ferruginous laterites. These showed a high degree of weathering and lateritisation which is compatible with the formation of economic bauxite.

The Bao Loc area is accessible by roads and tracks, established for agriculture and pine forests.

On 5 May 2009, Atlantic announced assay results from four samples collected from separate locations on the Bao Loc Project during a field reconnaissance trip to confirm the extent and depth of the bauxite horizon. A composite bauxite sample made up from these four samples was washed and screened.

SECTION 6 PROJECTS (CONTINUED)

Mined bauxite is typically upgraded with a simple wash and screen process producing a higher grade product. The test work undertaken by Atlantic was designed to simulate the full scale processing option. The screening results showed the plus 1.18mm fraction material demonstrated a washing recovery at 69.58%.

The results demonstrate that the sample material tested would respond favourably to a washing and screening process, with upgrades to quality and grade. X-ray diffraction analysis of the samples demonstrated the bauxite ore type is gibbsite which is the preferred feedstock for alumina refineries.

Atlantic has also received data relating to previous exploration over the western half of the Bao Loc Project area. Previous exploration, carried out in 2005 and 2006, included field mapping, trenching, shaft excavation and extensive sampling.

A total of 8 shafts totalling 58 metres were sunk, from which 18 samples were taken. Seven trenches were dug with a total volume of 50.4m^3 from which 46 samples were taken. The mapping and sampling indicate a consistent near surface bauxite layer capping hills in the area.

The sample results are largely consistent with Atlantic's limited sampling conducted over the same project area and provides added evidence of the consistent high quality and low impurity levels of the bauxite mineralization over the Bao Loc Project area.

The data included an estimate of the extent of the bauxite mineralisation based on area and average thickness to suggest a conceptual target in the order of 50 to 100 million tonnes at an average grade of 48% Al_2O_3.

The potential quantity and grade is conceptual in nature. There has been insufficient exploration to define a Mineral Resource, as defined by The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Atlantic is continuing discussions with the authorities in Vietnam to progress approval to conduct mineral exploration, exploitation and processing activities with respect to the Bao Loc Project. At the date of this Prospectus, the Company is not in a position to provide Shareholders with any further information on the progress of AMI's application.

Further information about the Bao Loc Project is contained in Section 8.

The information in this Section 6.3 that relates to exploration results, mineral resources or ore reserves at the Bao Loc site is based on information compiled by Mr Robert McLean. Mr McLean is a Consultant of the Company and is a member of the Australasian Institute of Mining and Metallurgy. Mr McLean 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'. Mr McLean consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

SECTION 6 PROJECTS (CONTINUED)

6.4. Proposed Aluminium Industry Supply Chain Project

On 21 December 2009, Atlantic announced that it had signed a memorandum of understanding with T-MV for the development of an integrated rail, mine and port project in Vietnam (**MOU**). T-MV is a recently-created state-owned enterprise that operates directly under the Vietnam Ministry of Natural Resources and Environment.

Pursuant to the terms of the MOU, the parties agreed to negotiate the terms of a binding joint venture agreement within 90 days from the date of execution of the MOU.

Atlantic and T-MV have been in negotiation on the terms of a binding joint venture agreement, however as at the date of this Prospectus, no definitive joint venture agreement has been signed to develop the aluminium supply chain project or to fund any of the potential project expenditure.

Further information about bauxite in Vietnam is contained in Section 8.

SECTION 7 WINDIMURRA COMPETENT PERSONS' STATEMENT

7.1 Mineral Resources

The current Mineral Resources of the Windimurra Project are:

Grades reported to a lower cut-off of 0.275% V_2O_5

Category	Tonnes (Mt)	V_2O_5(%)	V(%)	V (1,000kgs)
Measured	46.68	0.48	0.27	126,000
Indicated	70.73	0.47	0.26	183,900
Inferred	59.18	0.44	0.25	148,000
Total	176.59	0.46	0.26	457,900

Notes:

- *For reporting purposes, tonnages and grades have been rounded to the nearest 10,000 tonnes and 1,000 kilogrammes contained vanadium.*
- *Based on the 2008 Annual Mineral Resource Report issued by Windimurra Vanadium Limited for technical support and justification.*
- *Since the issue of the 2008 mineral resource report, an internal review by Colin Arthur for the purposes of this Prospectus has identified an increase in the indicated mineral resources base by 6.29 million tonnes (3%) with a subsequent reduction by the same tonnage to the inferred mineral resources. The total mineral resources have not changed. The review identified a justifiable increase in sample support to the indicated proportion, which required a minor adjustment to the basal location of the indicated to inferred boundary.*

No additional geological work has been undertaken on the Windimurra vanadium deposit since the end of 2008, and with no ore mined or processed, apart from commissioning ore that was crushed but not treated, the above Mineral Resource estimate holds true and valid.

The above mineral resource statement was derived from a succession of infill drilling programmes undertaken by MVPL during 2008 to further improve the inherited mineral resource position and to improve the understanding of the geological controls and metallurgical responses of the deposit.

Drilling was undertaken to evaluate the down dip depth extensions of the deposit, to improve geological confidence and to undertake an economic cost benefit analysis on the viability of mining the deeper fresh rock resources to improve overall beneficiation recoveries. Historic mining of the deposit targeted the top 30 metre highly oxidised ores which restricted productivity of the existing plant. Improved vanadium recoveries had been indicated from previous test work from the deeper fresh magnetite ore horizons.

SECTION 7 WINDIMURRA COMPETENT PERSONS' STATEMENT (CONTINUED)

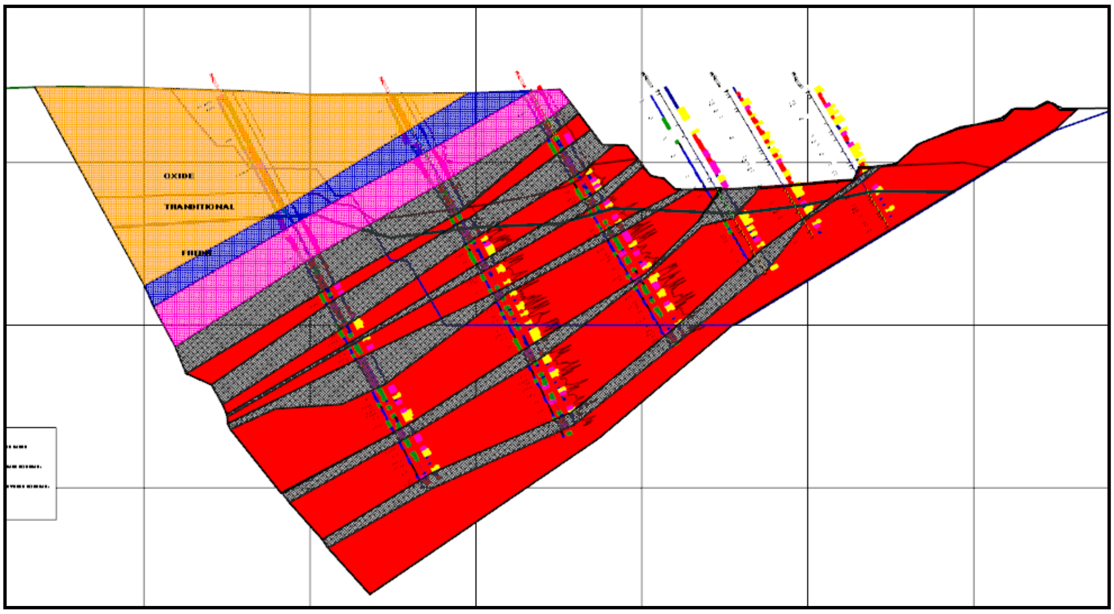
The following drill programmes were undertaken:

Type	Holes	Metres	Date	Reason
RC	42	4,959	Feb 2008	Infill and depth extensions – central core
Diamond	4	673	July 2008	Geotechnical and metallurgical testing
RC	7	977	Nov 2008	Infill and depth extensions – northern core
Total	**53**	**6,609**		

A combination of geological logging, geophysical density and magnetic susceptibility down-hole probing and metallurgical test work in conjunction with these drill programmes has resulted in a greatly improved definition and confidence of the resource base and the ability to quantify the economic upside to blending the near surface oxide resources with targeted deeper fresh ores. The use of the above techniques led to the following improvements:-

- Definition of continuous high silica and plagioclase waste bands within the main ore zone that are of a dimension to allow selective removal during mining. This had upgraded the vanadium grade of the resource to be mined within the main zone.

- Upgrade in the definition of the oxidation profiles. Historically, the zones were considered to incrementally improve from oxide to fresh material in regular vertical steps of 10 metres. The use of a combination of geological logging, down-hole magnetic susceptibility and down-hole density readings has allowed modelling of detailed profiles not solely based on weathering state, but also the boundaries in the magnetic profiles. This will improve the controls and blending of product feed through the beneficiation process to optimise magnetic recovery of the vanadium into concentrate.



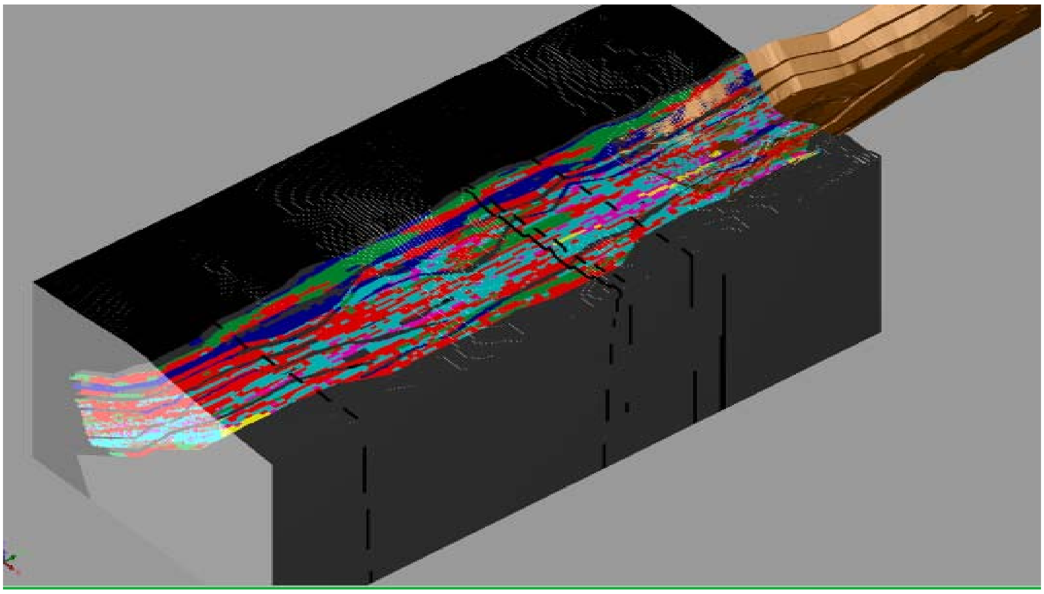
Example Section – Revised Geological Interpretation

SECTION 7 WINDIMURRA COMPETENT PERSONS' STATEMENT (CONTINUED)

- Upgrade in the specific gravity (**SG**; in-situ density) database based on geological domaining. An extra 4,200 1 metre down-hole derived SG's were obtained. Previous programmes had produced a limited number of samples from the deeper fresher resources. With this programme, MVPL developed a significantly more robust quantification of the SG of the fresher materials, which increases the SG of the fresh material on average from 3.0 to 3.6.

- Increased ability to interpret local changes in the geological domain boundaries, for instance the definition of the Barren Marker bed associated with the top of the main ore zone flow.

- With the increase in the spatial sample density, local scale trends in higher grade portions of the main lode have been able to be interpolated. This resulted in the ability to identify and separately extract higher grade feed packages that can then be blended on the run-of-mine (**ROM**) pad to reduce grade spiking and improve steady state operations of the plant.



Example 3D Model – Improved grade distribution definition with barren marker beds included

- Inclusion of the upper package of elevated vanadium and titanium. Improved geological definition and grade distributions, together with metallurgical test work, have allowed inclusion of this unit into the mineral resource base.

The diamond core drilling programme undertaken in 2008 was primarily used to obtain a detailed geological and metallurgical understanding of the various weathering states of the ores when treated with the proposed plant configuration.

SECTION 7 WINDIMURRA COMPETENT PERSONS' STATEMENT (CONTINUED)

Oxide

Transitional

Fresh

Drill cores – examples of weathering/oxidation states

This work updated the key beneficiation parameters, and confirmed the economic benefit of blending oxide, transitional and the higher recovery benefit from the fresh ores to obtain an optimal life of mine schedule and recovery of vanadium:

Zone	Head V_2O_5 %	Head SiO_2 %	Yield % V_2O_5	Mass Recovery %	Con Grade V_2O_5 %	Con Grade SiO_2 %
Oxide	0.47	24.4	41.1	15.2	1.14	2.3
Trans	0.48	25.1	59.1	21.6	1.17	2.5
Fresh	0.46	28.9	80.1	25.3	1.31	2.5

2008 beneficiation parameters by ore type

- The validity of this test work is confirmed by reconciliations to the historic production associated with the Windimurra operations in 1999 to 2002.

- The test work also allowed correlation between recoveries and geophysical magnetic susceptibility. As such, the grade control procedure in the pit will be focused on using a vehicle mounted magnetic susceptibility probe system, which is calibrated to the above parameters via linear regression. This will allow the geologist to mark out ore blocks based on their beneficiation response. ROM blending into the crusher will thus be controlled on their responses. The system has been tested, commissioned and confirmed to be a highly cost effective and definitive solution, as no grade control sampling will be required, thus reducing unit mining costs.

SECTION 7 WINDIMURRA COMPETENT PERSONS' STATEMENT (CONTINUED)

Grade Control using geophysical probing

Competent Person Statement

The information in this Prospectus issued by Atlantic relating to exploration activities and mineral resources at the Windimurra Project is based on information compiled by Colin J.S Arthur, who is a Chartered Geologist, Member of The Australasian Institute of Mining and Metallurgy and Fellow of the Geology Society of London. Mr Arthur is currently acting as an independent consultant to Atlantic and was previously a full-time employee of Midwest Vanadium Pty Ltd in the capacity of Chief Mine Geologist in 2008 and 2009. Mr Arthur has over twenty years experience in this style of mineralisation and the type of deposit under consideration and related mining method and project evaluation. He has sufficient experience which is relevant to the style of mineralisation and to the activity which he has undertaken. He is therefore qualified as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Mr Arthur consents to the inclusion in the Prospectus of this report in the form and context in which it appears.

Colin J.S Arthur
Bsc.Msc.CGeol.FGS.MAusIMM

15 September 2010

SECTION 7 WINDIMURRA COMPETENT PERSONS' STATEMENT (CONTINUED)

7.2 Ore Reserves

Cube Consulting Pty Ltd has been engaged by Atlantic to provide a JORC compliant Ore Reserve estimate for the Windimurra Project, using:

1. the Mineral Resources for the Windimurra Project stated in the report by Colin J.S Arthur dated on or about 15 September 2010; and

2. the previous Ore Reserve statement of 2008.

The Ore Reserve estimate is to be included in a prospectus to be issued by Atlantic on or about 16 September 2010.

Cube Consulting Pty Ltd has concluded that, as at the date of this report, the JORC compliant global mineral reserve estimate for the Windimurra Project is unchanged from the previously stated Ore Reserves of 2008 as follows:

	Reserves (Mt)	**V_20_5%**
Proven	40.7	0.47%
Probable	57.1	0.47%
Total	97.8	0.47%

Waste (Mt)	**Strip Ratio**
58.4	0.60

Mined ore grade lower cut-off of 0.275% V_20_5%

While the engineering aspects of these stated reserves have not changed from the work completed for the 2008 Ore Reserves Statement, confirmation of the economic viability of these Ore Reserves were obtained by review of a financial model as compiled by Atlantic using the physical results of the 2008 Life of Mine plan discussed below and updated financial assumptions.

An updated ore reserve study was undertaken in late 2008 to encompass the improved 2008 mineral resource position, particularly in light of the depth extensions, improved mineral resource confidence position and the verified improved metallurgical beneficiation recovery position with regard to the weathering states of the resources.

The study included the following steps:-

- Drilling of 4 diamond core holes along the potential high-wall of a larger pit to gain geotechnical information on the deeper rock properties.

- Review of the geotechnical data by an independent geotechnical professional, whom supplied recommended wall slope profiles for a deeper pit.

- Updating project operating cost forecasts in July 2008.

- Undertaking an optimisation study to determine the optimal pit shell design.

- Pit design encompassing the recommended geotechnical parameters and the results of the optimal pit shell.

- Life of mine annualised production schedules for the proposed mine.

- Validation of the above work and the issue of revised ore reserve statement.

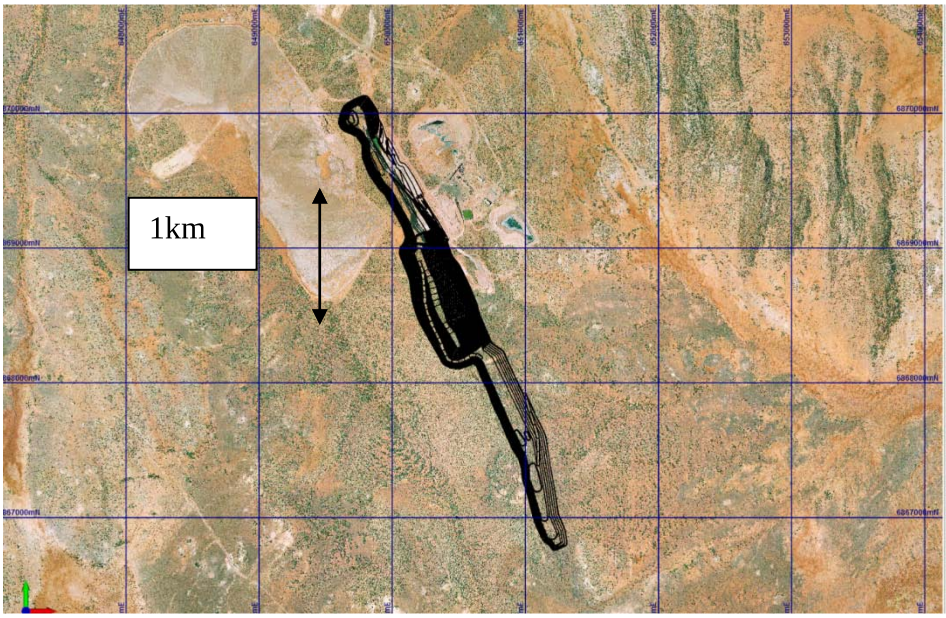
Based on the above work, it was shown that it is viable to extend the depth of the proposed start-up Central Area pit down from 80 metres to 155 metres, extracting all available measured and indicated resources.

Based on a processing rate of **4 million tonnes/annum**, the life of mine has increased to **24.5 years**, as per the global Ore Reserve statement stated above.

Ore Reserves Statement and pit design

The Ore Reserves are based on a three (3) stage pit design over a strike length of 3.67 kilometres. The mine schedule allows flexible mining of the three pits at any stage (Northern, Central and Southern) via autonomous ramp access. The Central pit extends to a depth of 155 metres, whilst the Northern and Southern sections have a current designed depth of 80 metres. With further resource development drilling, it is expected that these stages would increase to a final depth of 155 metres as well.

The resultant pit design is as follows:

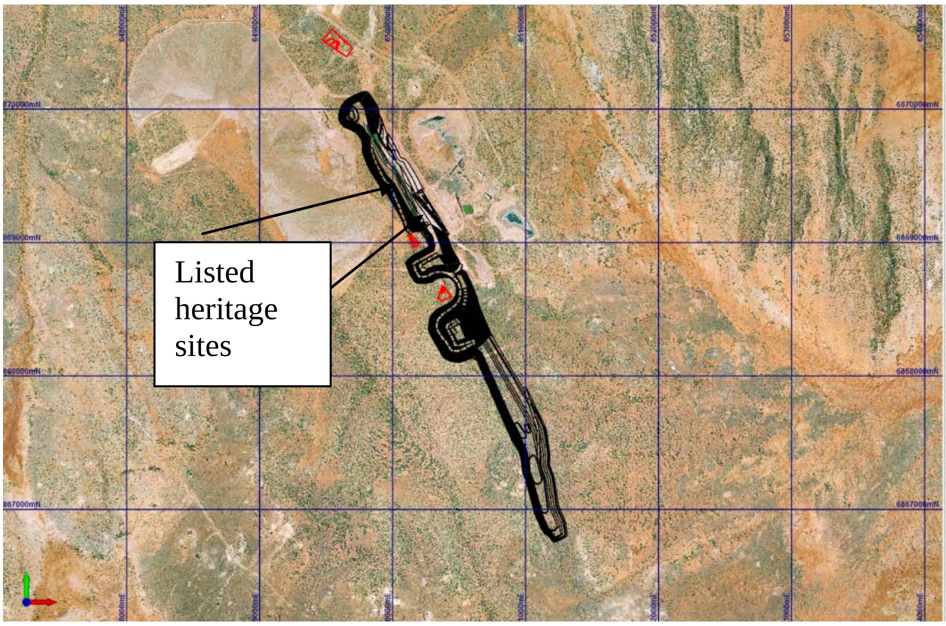


Global pit design, inclusive of deep Central Area Pit

SECTION 7 WINDIMURRA COMPETENT PERSONS' STATEMENT (CONTINUED)

There are two listed heritage sites within the pit designs. The 2 sites were authorised for removal during the mining of the project under previous ownership. Before removal of these sites can occur, MVPL is required to reapply for permission to do so via negotiating a native title agreement with the local Badimia indigenous peoples.

The life of mine schedule for the pit designs indicates that these heritage sites will not be required to be removed until year 4 of the project. If agreement is not reached, a revised mine design is available, which will not impact on the projects operation, with an interim reduction of 33 million tonnes from the above global ore reserves whilst negotiations continue.



Global pit design, with protection of listed heritage sites

The life of mine schedule based on the mine design unconstrained by the heritage sites has the following key points:

- Ore supply of 4 million tonnes per annum.
- Ore blend of 10% oxide ores, with the majority of material made up of transitional and fresh ores. Average blend is 10% oxide, 25% transitional and 65% fresh ores.
- Life of project is 24.5 years.
- 97.8 million tonnes ore mined at 0.47% V_20_5 at a stripping ratio of 0.6 tonnes waste to 1 tonne of ore.
- Mining commences in the northern cutback, for years 1 through 4 down to bottom depth of 80 metres. 655,000 tonnes of fresh ores are gained from the base of the existing pit during the plant commissioning phase.
- The first stage pre-strip of the central pit commences in the middle of year 3, mining to a depth of 80 metres until year 8.

SECTION 7 WINDIMURRA COMPETENT PERSONS' STATEMENT (CONTINUED)

- The second stage cutback of the central pit commences in year 7 and continues until the end of the life of the project (Year 24).

- The southern pit extension commences in year 12 and is worked in conjunction with the central pit to ensure the optimal blend of a maximum of 10% oxide ore is maintained until year 24.

Competent Person Statement

The information in this Prospectus, issued by Atlantic, relating to Ore Reserves has been compiled under the guidance of Quinton de Klerk, Director and Principal Consultant at Cube Consulting Pty Ltd (CUBE). Mr de Klerk is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the activity which he is reporting on as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr de Klerk attended a visit to the Windimurra Mine site in September 2008.

Mr de Klerk consents to the inclusion in the Prospectus of the matters based on the information compiled by him, in the form and context in which it appears.

Quinton de Klerk

NHD.MausIMM

15 September 2010

SECTION 8 CSA GLOBAL REPORT

CSA Global Pty Ltd

Geological, Mining & Management Consultants to the Global Resource Industry

CSA

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Date: 15 September 2010
Report No: R100.2010

Independent Technical Assessment

ATLANTIC LTD

Bao Loc and Vietnam Bauxite Projects

Socialist Republic of Vietnam

By
Ray Cary
BSc, FAusIMM (CP), FAIG

For:

Atlantic Ltd
Level 29
108 St Georges Terrace
Perth WA 6000

Approved:

____

Jeff Elliott
Managing Director

Executive Summary

Vietnam's Central Highlands are host to the world's third largest bauxite deposits, containing an estimated 5.4 billion tonnes (Bt) of in situ bauxite. The deposits have developed as a result of prolonged tropical weathering of Quaternary flood basalts that inundated an area of about 21,000 square kilometres (km^2) during the Pliocene-Pleistocene, and now form an extensive area of dissected plateaux up to 1,000m above sea level (See Figure 1). The basalts and associated bauxites extend eastward into neighbouring Cambodia where they occupy an area of about 4,500km^2. Although large tonnage, the bauxites are relatively poor quality, with low alumina and high silica according to accepted criteria. The alumina however occurs entirely as the mineral gibbsite ($Al(OH)_3$), which is the preferred feedstock for alumina refining.

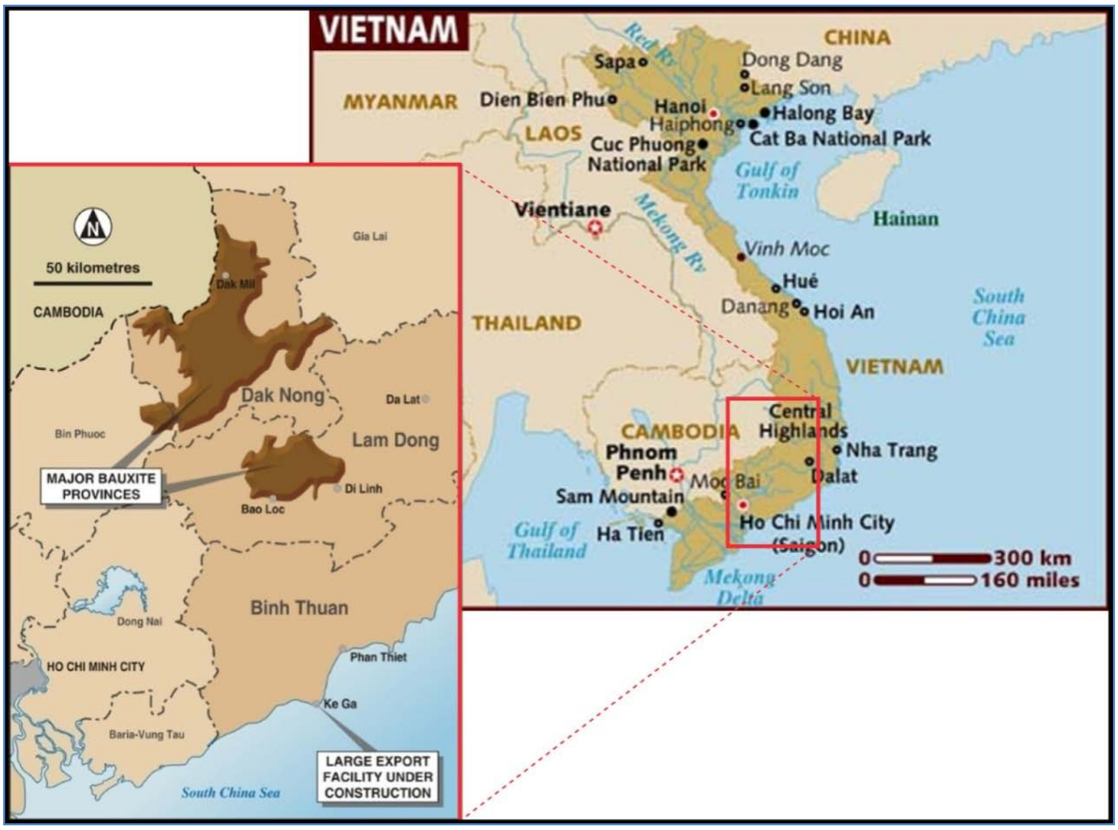

Figure 1. Major Bauxite Provinces of Vietnam's Central Highlands

The Socialist Republic of Vietnam extends over about 1,650km from its northern border with China at about 23°N, southward to about 9°N along the western shore of the South China Sea (See Figure 1). Its eastern border is shared with Cambodia in the south, and Laos in the north. Its proximity to China and other Asian markets will provide a considerable freight advantage for export of any of bauxite, alumina or aluminium over established producers such as Australia, Brazil, Guinea and Jamaica. Much of the bauxite mined in neighbouring China is sourced from high cost underground mines, and is of a mineral composition that is expensive to refine to alumina.

Vietnam is a single-party State under the rule of the Communist Party of Vietnam. Although the Constitution allows for a private sector, and the country is committed to economic integration with the global community through participation in APEC, the ASEAN Free Trade Area and the WTO, with private domestic and foreign companies becoming increasingly important, the mining industry is still dominated by State Owned Enterprises (SOEs).

The Vietnamese evaluation of the Central Highlands bauxite deposits has been fairly basic, and includes mapping, pitting, trenching, assaying and washing/concentration tests. The data was used to generate resource and reserve estimates under the Russian classification system, but the work is not of a sufficient quality to enable resource estimates according to Australian mandated standards i.e. the JORC Code. There is however sufficient confidence in the Vietnamese work to state that any properly conducted evaluation is highly likely to confirm the estimated tonnages and grades and mineralogical and concentration characteristics of the deposits. For this reason, the Vietnamese estimates of tonnage and grade for the various deposits are referred to as “exploration targets”.

A key characteristic of the bauxites is that they are amenable to upgrading by simple washing and screening to recover an alumina-rich, silica-depleted concentrate suitable for export or for refining on-site. The deposits were discovered in the late 1970s, with little exploration conducted until more recent times as efforts have been concentrated on finding a means to develop them. The combination of lack of transport, power and other industrial infrastructure in the region, and the high capital associated with its provision in the rugged terrain, have so far precluded commercial-scale development. The deposits are all owned by the State, and any development will most likely have to proceed in joint venture with a SOE.

The Bao Loc project is located in Lam Dong Province, approximately 50km south of the much larger Dak Nong deposits (See Figure 1), and is centred about 21 km north of Bao Loc township. Bao Loc is about 190km east-northeast of Vietnam’s major commercial and industrial centre, Ho Chi Minh City, the former Saigon (See Figure 1). On 21 May 2009, Atlantic Limited (Atlantic) completed the acquisition of an Australian company that is the applicant for a permit to enable exploration covering about 100km^2 with a local SOE. Sampling, assaying and bench-scale beneficiation testwork by Atlantic confirmed Vietnamese estimates of bauxite thicknesses and grades and its amenability to beneficiation. X-Ray diffraction (XRD) analysis confirmed that the alumina is present in the form of gibbsite.

Late in December 2009, Atlantic entered into a Memorandum of Understanding (MOU) with the Vietnam state-owned enterprise Vietnam Natural Resources and Environment Corporation (T-MV) for the development of an integrated bauxite mine and associated rail and port infrastructure project. The parties have also agreed to undertake the downstream processing of bauxite in Vietnam, including alumina refining and aluminium smelting opportunities, subject to the completion of a positive feasibility study. Under the terms of the MOU, T-MV and Atlantic will partner exclusively for the development of the project and jointly apply for the rights to mutually agreed, available bauxite concessions within the Lam Dong and Dak Nong provinces. T-MV will also assist with the application process for relevant government approvals in Vietnam.

T-MV and Atlantic intend to proceed with the project on signing of the definitive joint venture agreements and the receipt of necessary approvals from the Vietnamese Government. The joint venture interests of T-MV and Atlantic will reflect the contributions of the parties. If definitive agreements are executed, Atlantic intends to undertake the exploration of the relevant sites and provide the funding for the project.

The Directors of Atlantic have requested that CSA Global Pty Ltd (CSA) prepare an Independent Technical Assessment of the Bao Loc project (Report) for inclusion in a prospectus (the Prospectus) to be issued to shareholders. As the Prospectus is required under the Listing Rules of the Australian Securities Exchange (ASX), and this Report is to be included in the Prospectus and has been prepared by a member of the Australasian Institute of Mining and Metallurgy and of the Australian Institute of Geoscientists, it has been prepared according to the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports (VALMIN Code), which is binding upon members of those professional bodies when preparing reports of the nature of this Report.

All references to dollars ($) throughout this Report are to dollars of the United States (US$).

CONTENTS

Figures

Tables

1. Introduction

This Independent Technical Assessment of Atlantic's Bao Loc bauxite project in Lam Dong Province in the Socialist Republic of Vietnam has been prepared at the request of the Directors of Atlantic for inclusion in the Prospectus that is to be dated on or about 16 September 2010. The Prospectus is to be issued in relation to a proposed change in Atlantic's principal business to that of an exploration and mining company.

CSA has been asked not to investigate or comment upon the legal status of Atlantic's access to bauxite deposits or the MOU with T-MV and has not done so. CSA has only visited and examined data from the Bao Loc deposits in the west of the application area which forms the basis for this Report. CSA has been advised that the deposits in the east of the application area have been subject to only minimal investigation and at this stage represent an exploration target. No data relating to these deposits, or the other areas to which Atlantic has been introduced, has been reviewed by CSA.

1.1 Reporting Standards

The Australasian Institute of Mining and Metallurgy (AusIMM) developed the Code and Guidelines for Assessment and Valuation of Mineral Assets and Mineral Securities for Independent Expert Reports over several years, and adopted it on 17 February 1995. There has since been a number of revised editions, the latest of which was issued in mid-2005 under the title "Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports". The VALMIN Code is binding upon members of the AusIMM and the Australian Institute of Geoscientists (AIG) when involved in the preparation of public Independent Expert Reports that are required under the Australian Corporations Act 2001, or by the listing rules of the ASX or of other recognised Stock Exchanges. It is endorsed and/or supported by ASX, the Australian Securities and Investments Commission, the Mineral Industry Consultants Association, the Minerals Council of Australia and the Securities Institute of Australia as indicative of industry best practice. This Report has been prepared to conform with the VALMIN Code as nearly as practically possible, and has also been prepared having due regard to the former Australian Securities Commission Practice Note 42 (Independence). The four main themes of the VALMIN Code are Transparency, Independence, Competence and Materiality.

1.2 Basis for Report

This Report has been prepared to include information available up to and including 15 September 2010. The opinions expressed in this report are based upon information provided to CSA by Atlantic or sourced from the public domain. CSA has found no reason to doubt the reliability of any of the information, or to believe that information has been withheld or is incomplete. Whilst the information has not been independently verified, CSA has exercised all due care in reviewing the information available to it. No audit been conducted of Atlantic and/or any of its subsidiaries or associated entities.

The VALMIN Code stipulates that where inspection of a material asset or tenement is likely to reveal information or data that is material to a report, the Expert or Specialist preparing the report must inspect it, providing it is practicable to do so. In this regard, the author of this Report visited the Bao Loc district in Vietnam over the period 14 to 16 January 2010.

The statements and opinions included in this Report are given in good faith and in the belief that they are not false, misleading or incomplete. Copies of successive drafts of the Report were provided to Atlantic with a written request for comment as to errors of fact or interpretation, material omissions, or substantive disagreement as to the conclusions reached herein. The opinions and conclusions presented in the Report are believed to be appropriate on the basis of the information available at date. These may however change over time with changes in metal prices, exchange rates, capital and operating costs, government policies and other factors that may affect the conclusions reached.

1.3 Author of Report

This Report has been prepared by CSA Global Pty Ltd. CSA is a Perth, Western Australia based minerals industry consultancy that has provided geological consulting services to the exploration and mining industries in Australia, Asia, Europe, Africa, and North America. These services include estimation, assessment and evaluation of a wide range of both metallic and non-metallic deposits, and it has advised upon, designed and performed exploration programmes, carried out valuations, due diligence studies, and mine development studies and produced independent reports on mining and exploration properties.

The author of this Report is Mr Ray Cary. Mr Cary is an Associate Consultant with CSA and the Director and Principal of Northwind Resources Pty Ltd (NRPL) of Perth, Western Australia. Mr Cary graduated from the University of Western Australia in 1970 with a Bachelor of Science, majoring in Geology and Physical Chemistry. Prior to forming NRPL at the end of 1994, he held a number of positions including Exploration Geologist, Chief Geologist, Group Mine Development Geologist and Business Development Manager with various companies. He also worked in resource banking for a period. Mr Cary is a Fellow of the AusIMM wherein he is accredited with Chartered Professional status in Management. He is also a Fellow of the AIG. His experience includes exploration, resource evaluation, feasibility studies, project development, mining operations, corporate and asset acquisitions, project financing and company directorships.

Mr Cary has prepared numerous public and private evaluations of companies, mining operations and exploration projects, and has extensive experience in financial modelling for operations involving a variety of commodities including gold, nickel, base metals and iron ore. The geographic spread of his activities includes Australia, the United States and Canada, Mexico, Central America, France, New Zealand, Fiji, Indonesia, Papua New Guinea, Vietnam, West and Central Africa, Kazakhstan, Scandinavia, China and Mongolia. Mr Cary has the appropriate qualifications and experience, and the independence, to qualify him as an “Expert” as defined in the VALMIN Code.

Mr Cary has more than five years relevant experience in the assessment and evaluation of the types of mineral exploration and development properties discussed in this Report.

1.4 Independence

CSA has completed numerous studies of the mineral potential of South East Asia, including reviews of the bauxite potential of Vietnam. Mr Cary was not involved in the preparation of those reviews, however, one of CSA’s former associates, Mr Robert McLean, is presently providing consulting services to Atlantic. Much background data on Vietnam and its bauxite potential has been sourced from CSA archives. Wherever possible, factual data has been checked and updated.

None of CSA, NRPL or any of their affiliates, associates or subsidiaries, or Mr Cary, have any association with Atlantic, or any of its directors, affiliates, associates or subsidiaries that could reasonably be construed as affecting their independence in the preparation of this Report. None of CSA, NRPL or any of their affiliates, associates or subsidiaries, or Mr Cary have any interest or entitlement, direct or indirect, in the securities and assets of Atlantic, or its subsidiaries, principal shareholders, or any other company believed to be associated with Atlantic.

No member, employee or Associate of CSA or NRPL is, or is intended to be a director, officer or other direct employee of Atlantic. No member, employee or Associate of CSA or NRPL has, or has had, any shareholding, or the right (whether enforceable or not) to subscribe for securities, or the right (whether legally enforceable or not) to nominate persons to subscribe for securities in Atlantic. CSA has not previously provided geological services to Atlantic, and there is no agreement or understanding between CSA and/or NRPL and Atlantic as to CSA and/or NRPL performing further work for Atlantic.

CSA is to receive a fee for the preparation of this Report based upon normal commercial terms for this type of work. This fee is payable regardless of the findings of the Report.

1.5 Declarations and Limitations

This Report has been prepared by CSA Global Pty Ltd at the request of, and for the sole benefit of Atlantic. Its purpose is to provide an Independent Technical Assessment of the Bao Loc bauxite project for inclusion in the Prospectus. It is not intended to serve any purpose beyond that stated and should not be relied upon for any other purpose.

The terms of CSA's appointment include the provision of an indemnity whereby Atlantic will indemnify and compensate CSA in respect of preparing the Report against any and all losses, claims, damages and liabilities to which CSA or its Associates may become subject under any applicable law or otherwise arising from the preparation of the Report to the extent that such loss, claim, damage or liability is a direct result of Atlantic or any of its directors or officers knowingly providing CSA with any false or misleading information, or Atlantic, or its directors or officers knowingly withholding material information. This indemnity does not absolve CSA from critically reviewing all available information.

Neither the whole nor any part of this Report, nor any reference to it, may be included in or with, or attached to any other documents, circular, resolution, letter or statement without the prior written consent of CSA as to the form and context in which it is to appear.

2. Vietnam Background

2.1 Geography & Demographics

The Socialist Republic of Vietnam has a land area of 310,070km^2 and extends over 1,650km north-south from latitude 23°N to 9°N along the western shore of the South China Sea (Figure 2). It is only 50km across at its narrowest point and 600km at the widest. It is bordered by China to the north, Laos to the west and Cambodia to the southwest. The capital is Hanoi, located in the north, and its major commercial centre, Ho Chi Minh City (formerly Saigon) is in the south. There are large delta regions at either end of the country, the Red River in the north and the Mekong in the south, that are separated by a long narrow coastal strip of rugged hills and small river valleys and estuaries. The extensive Truong Son Mountains dominate the northwest and extend northwest into the Yunnan Plateau in China. The highest point is Fan Si Pan at 3,144m. Vietnam has substantial territorial claims in the South China Sea and occupies a number of reefs and islands.

Vietnam's climate is generally hot and humid. In central and southern Vietnam, seasonal temperature variations are slight, whereas the north has distinct seasons. Average daily temperatures in Hanoi range from 13°C to 20°C in January and from 25°C to 33°C in July. Rainfall is plentiful throughout the country. The Mekong and Red River deltas both have summer wet seasons lasting from May to October whereas central Vietnam receives heavy precipitation from September to December. The average annual rainfall is about 1,680mm in the Red River Delta, 1,650mm along the central coast, and 1,980mm in the Mekong Delta. Typhoons periodically strike the central coast.

Around 17% of the land mass is under cultivation, with the remainder either mountainous or forested. The Mekong and Red River deltas are among the world's greatest rice-growing regions and Vietnam is the world's second biggest rice exporter. Peanuts, corn, sweet potatoes and beans are secondary food crops, and cotton, jute, coffee, tea, sugarcane and rubber are among other cash crops produced. Fishing and aquaculture comprise an increasingly important export industry.

Approximately 86% of the population of 87 million (2009 estimate) are ethnic Vietnamese (Kinh), with the remainder comprising ethnic minority groups. Approximately 25% of the population is younger than 15 years of age. Buddhism is the dominant religion, with religious minorities enjoying complete religious freedom.

The unit of currency is the Vietnamese dong (VND).

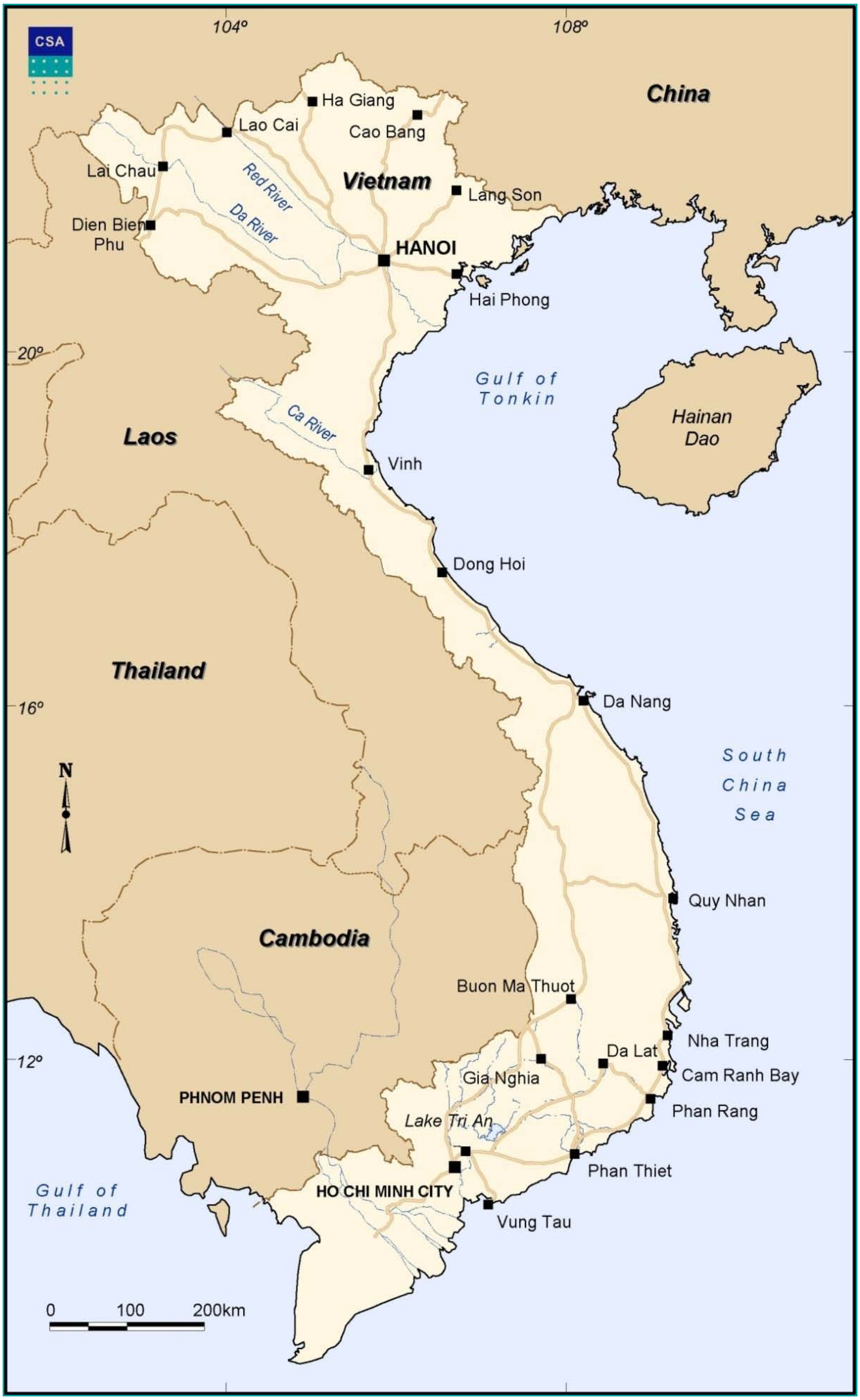

Figure 2. Vietnam Location Map

2.2 Historical Background

The history of the Vietnamese people proper began in the Red River Basin in the pre-Christian period. It is characterised by ongoing resistance to China which has occupied the country on a number of occasions, including continuously from 111 to 938 AD. In 1802, the present Vietnam was united under a single ruler, however, increasing French intervention from the 1850s culminated in France occupying all of Vietnam by 1884. The early 20th century saw the rise of a number of independence and nationalist movements including the Revolutionary League for the Independence of Vietnam (Viet Minh) which was formed under the leadership of Ho Chi Minh in 1941. During World War II, Japan occupied Vietnam, and following the Japanese surrender, the Viet Minh took effective control of the north. Ho Chi Minh declared independence and the founding of the Democratic Republic of Vietnam in Hanoi on 2 September 1945.

Following the War, Vietnam was divided at the 16th parallel for administration by British forces in the south and Chinese forces in the north. France regained control over the south by the end of 1945 and negotiated the withdrawal of Chinese troops from the north in March 1946. Ho Chi Minh's forces withdrew from the cities, but continued their resistance to French rule in the countryside, culminating in a decisive defeat of French forces in northwest Vietnam in 1954. A subsequent cease-fire agreement provided for a single Vietnam divided at the 17th parallel, with the north to be administered from Hanoi, and the south to be governed by the French from Saigon.

US economic and military aid to South Vietnam grew substantially through the 1960s in an attempt to bolster the South Vietnamese government against a communist uprising. Ground troops from the US and its allies were deployed into combat operations in South Vietnam in 1965 and this led to a protracted war with the North Vietnamese. Following the signing of the Paris Peace Accords in 1973, the last US troops were withdrawn, but fighting between the troops of the north and the south continued until 1975 when the country was again unified.

In 1976, Vietnam became the first socialist country to join the International Monetary Fund (IMF), and in 1978 joined the Soviet trading block COMECON and signed a friendship agreement with the USSR. A combination of changing global circumstances and internal economic conditions during the mid-1980s resulted in Vietnam taking its first steps towards political and economic reform. In 1994, the US lifted its economic embargo, and in 1995, Vietnam became the seventh member of ASEAN and the US and Vietnam established full diplomatic relations. The two countries signed an agreement to normalise trading relations in July 2000.

Vietnam is a member, inter alia, of the UN, ASEAN, ARF, ASEM, APEC, the IMF, WTO and the Non-Aligned Movement.

2.3 Political System & Government

Vietnam is a one-party state, with ultimate political power held by the Communist Party of Vietnam (CPV). The Head of State is the President who is elected by the National Assembly from among its members for a five-year term. He is supported by Vice Presidents, a Prime Minister, three Deputy Prime Ministers and a number of Ministers. All must be members of the National Assembly.

The unicameral National Assembly (or Quoc-Hoi) comprises 498 members elected by popular vote to serve five-year terms. Its constitutional role is to act as the supreme legislative and representative body that is responsible for adopting legislation and supervising its implementation. At provincial and district levels there are elected assemblies (Peoples Councils) which elect executives (Peoples Committees with Chairmen, Department Chiefs etc.) from amongst their members.

Decision making is consensual and is shared by national and provincial governments, various government agencies and the CPV.

2.4 Legal System

The Vietnamese legal system is based on communist legal theory and French civil law. The country operates under the 1992 constitution which allows for a private sector. The highest court is the Supreme People's Court where the Chief Justice is elected for a five year term by the National Assembly on the recommendation of the President. Below this are Provincial and District Peoples Courts as well as economic courts. Vietnam has not accepted compulsory jurisdiction by the International Court of Justice.

2.5 Taxation Regime

The corporate tax rate for both foreign and domestic entities is presently 28%. There are no withholding taxes on dividends. There is a VAT tax with two rates; either 5% or 10%, with exemptions for many items. There are also import and export duties, and a royalty on mineral products.

2.6 Land Access

Vietnamese property is owned collectively, with land distributed through a system known as Land Use Rights. This allocates land to residents who can live on it in perpetuity after paying a set Land Use Right Fee, or demonstrating historical occupation/ownership. This is in effect freehold ownership. Most businesses can only lease Land Use Rights, normally for a maximum of 50 years. The law recognises Land Use Rights holders' rights to convert, transfer, lease, inherit and donate Land Use Rights as well as use them for collateral or guarantees. Provinces maintain cadastral land maps and are responsible for Land Use Rights allocations, land leases and fees.

In most Joint Ventures, the Vietnamese partner's contribution to the project's Investment Capital will include the project's Land Use Rights. In practice, the government has often subsidised State-owned companies by allocating the Land Use Rights at a low price which are then contributed to the Joint Venture at market prices.

2.7 Economy

The effects of wars, the rigidities of a centrally planned economy, unsuccessful collectivisation programs, the loss of financial support from the old Soviet Bloc and economic sanctions by the US led to an economic crisis in the mid 1980's. In response, the Government embarked upon a program of market-based economic reforms, called doi moi (renovation), aimed at creating a "market economy with socialist orientation". A private sector was permitted, but initially only to a limited extent. There was some decentralisation of economic planning as well as a greater acceptance of market forces as the determinant of prices and production. Foreign investment was encouraged and agriculture deregulated to allow individual family farms. As a result, living standards rose appreciably, particularly in urban areas. The reform process is continuing.

Substantial progress was achieved from 1986 to 1996, albeit from an extremely low starting point. Growth averaged around 9% per annum from 1993 to 1997. The 1997 Asian financial crisis was less disastrous for Vietnam than for some other ASEAN countries, but Gross Domestic Product (GDP) growth of 8.5% in 1997 fell to 6% in 1998 and to 5% in 1999. Foreign investment levels also dropped substantially. Growth then rose to 6% in 2000/02 against a background of global recession. The US-Vietnam Bilateral Trade Agreement came into force near the end of 2001 and led to a significant increase in Vietnam's exports to the US. GDP growth in 2003 and 2004 was approximately 7- 8%, rising to 8.5% in 2007, before declining to an estimated 6.2% in 2008 in the face of the Global Financial Crisis.

Vietnam is committed to economic integration with the global economy through participation in APEC, the ASEAN Free Trade Area and the WTO. The provisions of the US-Vietnam Bilateral Trade Agreement cover market access, intellectual property, services, investment and transparency. Since joining ASEAN in 1995, Vietnam's exports to ASEAN countries have grown an average 23-25% per annum. The State sector still plays a major role in the economy, although many SOEs are being equitised.

The main exports are crude oil, garments, fisheries products, footwear, rice, coffee, rubber and tea. Imports include petroleum products, machinery and equipment, steel products, foodstuffs, fertilizer, cotton, textiles and sugar. Tourism is an increasingly important industry. Although adversely affected by SARS and the Avian Influenza epidemic, the industry bounced back in 2004 when arrivals rose 20% to more than 2.9 million and the industry earned US$1.6 billion.

2.8 Infrastructure

Vietnam's rapid urbanisation and industrialisation over the last 15 years has placed pressure on infrastructure such as roads, bridges, railroads, airports, power generation, sewage, water, shipping, seaports, telecommunications, schools and hospitals. Infrastructure is the principal development priority attracting foreign aid.

The bauxite deposits in the Lam Dong and Dak Nong Provinces are relatively close to power, the coast, and a large population and industrial centre at Ho Chi Minh City. However, the infrastructure is poorly developed and its improvement will be a considerable cost in any development plan. Roads in the area are poorly developed and would struggle to cope with high tonnage traffic. The Ho Chi Minh City-Hanoi rail link follows the coast. There has been talk of developing a link between Ho Chi Minh City and Phnom Penh, the capital of Cambodia, which, depending on the route chosen, would pass within 120-170km of the main deposits in Dak Nong Province. A railway to the coast would have to be built in very inhospitable topography.

The port of Vung Tau is well established and services the oil industry. Additional ports at Phu My and Go Dau in the nearby estuary cater for medium sized shipping servicing the adjacent industrial zones. The port and harbour at Cam Ranh Bay some 200km east of the deposits is world class, but operated by the military. It is uncertain if the military or government will look to its commercial use and development. Other coastal cities such as Na Trang, Phan Ran and Phan Thiet have small fishing ports located in small estuaries or in the lee of headlands and are currently incapable of supporting large scale shipping.

Vietnam has a shortage of power and any large scale development of the bauxite deposits would necessitate development of dedicated power generating facilities. The highlands however offer the potential to generate hydroelectricity. There are several small hydropower stations including a 420 MegaWatt (MW) facility at Lake Tri An (See Figure 2), 70km northeast of Ho Chi Minh City, a 167MW facility near Da Lat and a smaller facility near Bao Loc. Utilising grid power from the latter was included in an early feasibility study for the development of the Bao Loc deposit

Vietnam has considerable offshore oil and gas reserves which are brought onshore at Ba Ria, 200km to the south of the bauxite deposits. The gas is piped 370km from the Nam Con basin through a pipeline owned by a consortium including PetroVietnam, Conoco Phillips and BP, which is the operator. Additional fields can be connected to the existing pipeline and there are plans to build additional pipelines to meet future demand. Gas generated power is becoming increasingly important in southern Vietnam with gas powered stations at Ba Ria and the adjacent Phu My Industrial Zone.

3. Foreign Investment in Vietnam

Since the 1980's, Vietnam has implemented economic reforms to gradually shift to a market economy. An important aspect of this policy has been the reduction of barriers to trade and the encouragement of foreign investment. Since 1 July 2006, both foreign and domestic investment laws were unified and are now regulated by the Law on Investment and the Law on Enterprises. The Law on Enterprises and the Law on Investment apply to all enterprises and investment, both domestic and foreign, covering both direct and indirect sources.

There are three types of investment licensing and permits processes in Vietnam. These are:

- Business registration (only): domestic investment projects with invested capital from VND15 billion (excluding conditional projects)

- Investment registration/certification: domestic investment projects with invested capital from VND15 billion to VND300 billion; and foreign invested projects with invested capital below VND 3,000 billion (excluding conditional projects)

- Investment evaluation/certification: conditional projects with invested capital greater than VND300 billion

According to the Law on Enterprises, there are several options for establishing a foreign-invested enterprise:

- A one member limited liability;

- A limited liability enterprise with two members or more;

- A joint-stock company; or

- A partnership.

The Law on Investment allows for three basic forms of direct investment:

- Joint ventures;

- 100% foreign-owned enterprises; and

- Business cooperation contracts (BCC).

Businesses with foreign-invested capital and BCCs are allowed to restructure their investment by way of division, separation, merger or consolidation. Foreign investors may convert their investment to a different legal form and can transfer their interests to other entities.

In accordance with commercial law, foreign investors can also set up a resident Representative Office or a Branch in Vietnam.

4. Vietnamese Mining Industry

Mining was conducted by Bronze Age cultures in the area of the Red River delta in the second millennium BC. In the early 19th century under the Nguyen Dynasty there were 139 reported mining operations including anthracite which was first mined in present day Quang Ninh Province in the 1820's. Chinese, Japanese and French invaders also conducted small scale mining operations. The French mined coal, gold, zinc and lead and conducted the first systematic geological investigations culminating in the formation of the Geological Survey of Indochina in 1898.

The North Vietnamese continued geological surveys and identification of mineral inventories after the French were expelled in 1954 and expanded this to the entire country after reunification in 1975. With assistance from the former Soviet Union, all of Vietnam has been geologically, geochemically and geophysically mapped at a variety of scales from 1:500,000 to 1:50.000. In 1996, a new Mining Law was enacted and the Geological Survey of Vietnam and the State Department for Management of Mineral Resources were merged to form the Department of Geology and Minerals of Vietnam (DGMV) under the Ministry of Industry. The DGMV was moved to the Ministry of Natural Resources and Environment (MNRE) in 2002. The DGMV now has over 4,500 employees of whom more than 1,000 are graduates or have post graduate degrees. The Mineral Titles Department is responsible for registering, monitoring and reviewing all geological and mining activities within the country. The DGMV has a number of regional geological survey branches as well as divisions dedicated to mapping, hydrology, geophysics, geochemistry, archives, geotechnical studies, marine geology and topographic surveys. There is a drilling division and geochemical laboratories.

During the time of the command economy, exploration and mining was directed at strategic commodities required by the State rather than commodities which could earn export income. With the instigation of economic reforms and the opening of the economy during the 1990s, the Government encouraged foreign investment as a means to develop the country. Some sectors, particularly construction, manufacturing and telecommunications developed rapidly, but progress has been slow in mining as some aspects of the command economy are still apparent in what is regarded as a strategic industry.

In the early 1990s, there was a ”mini–rush” of junior miners to Vietnam who became involved in previously identified projects including Bong Mieu and Phu Yen (Au), Ban Phuc (Ni), Sin Quyen (Cu), Ha Tinh (mineral sands), Lao Cai (graphite), Nui Phao (W) and Cho Don (Zn). Foreign Investment Licences granted at Bong Mieu, Nui Phao and Ban Phuc are still current although only Bong Mieu is in production.

Although private domestic and foreign companies are becoming increasingly important, the mining industry is still dominated by state-owned companies. These include:

- Vietnam Oil and Gas Corp (PetroVietnam) which has extensive interests in oil and gas and is directly responsible to the Prime Minister (Office of Government).
- National Chemical Corp (VinaChemco) mines apatite and produces superphosphate fertilizer.
- Vietnam National Cement Corp (VNCC), Vietnam National Gem and Gold Corp (VIGEGO), Vietnam National Salt Corp (VNSC) and Vietnam Steel Corp (VSC) are involved in projects self-evident from their names.

- Vietnam National Minerals Corp (VIMICO) is responsible for approximately 60 subsidiary companies which conduct a variety of small-scale mining operations. Production includes alluvial chromite, alluvial gold, copper, zinc, lead, rare earths, tin, barite, fluorspar, ilmenite, phosphate, silica, zircon, gemstones (predominantly ruby) and construction materials. Pyrite is mined to produce sulphuric acid for fertilizer production.

- Vietnam National Coal Mineral Industries Group (Vinacomin) is a State-owned holding company formed in 2005 by the amalgamation of VinaCoal (responsible for coal mining) and VIMICO (responsible for non-ferrous mineral exploration and mining, including bauxite), which are both now wholly-owned subsidiaries of Vinacomin. Vinacomin is also known by the acronym TKV. Vinacomin has been authorised by the Government to oversee the development of bauxite mining in the Central Highlands, however, all new bauxite licences are under review.

- Vietnam Natural Resources and Environment Corp (T-MV) is administered by the Ministry of Natural Resources and Environment. T-MV is a new SOE that has been given authority for all natural resources, including bauxite.

Today, the mining industry plays a very important role in Vietnam’s economy, with minerals accounting for a large share of exports. In 2008, the output of the mining industry, not including natural gas, was estimated at VND 23.54 trillion, accounting for 3.61% of GDP. Major mineral commodity exports in 2008 were crude oil (US$10.45B) and coal (US$1.44B). These accounted for 16.61% and 2.3% respectively of total exports of US$61.91B. The major mineral commodity imports were petroleum products (US$10.89 billion) and steel (US$6.57B).

Major raw mineral exports include barite, chromite, coal, ilmenite, limestone, crude oil, phosphate rock, tin and zinc. The major processed minerals are cement, refined copper, fertilizer materials (ammonia, phosphate and urea), rolled steel, refined tin and zinc.

5. Bauxite, Alumina & Aluminium

The raw material for virtually all primary aluminium production is bauxite. Bauxite is first refined to pure alumina (aluminium oxide – Al_2O_3) before being electrolytically reduced (smelted) to aluminium metal. The principal cost component for smelting is electricity, hence smelters are generally located in close proximity to a source of cheap power. The lowest cost smelters are those located close to bauxite mines/refineries, thereby minimising freight costs for raw materials, however, quite often alumina is shipped in from refineries located close to bauxite deposits, such as those in Western Australia's Darling Ranges.

5.1 Bauxite Geology & Mineralogy

The principal sources of bauxite are tropical laterite deposits which include those located in Australia, Brazil, Guinea, Venezuela, Jamaica and Indonesia. Laterites are surface residual deposits that have formed as a result of prolonged chemical weathering of underlying silicate rocks such as granite, gneiss, basalt and sediments under hot, wet, humid conditions. Percolating rain water causes chemical breakdown of the primary rock minerals and leaching of the more readily soluble elements including sodium, potassium, calcium, magnesium and silicon. This results in residual concentration of the more insoluble elements such as aluminium and iron which form new minerals that are stable in the weathering environment. Laterites may be iron-rich, which are an important source of iron ore, or aluminium-rich, when they are termed bauxites.

A typical laterite profile consists of a surface layer of pisolitic iron-aluminium enrichment, which is generally underlain by a highly leached clay zone or saprolite above highly weathered bedrock transitioning to unweathered bedrock. The profile may vary greatly in thickness, chemistry and mineralogy, although the surface layer is generally only a few metres thick. Bauxites result from more intense weathering conditions, and very good drainage, which enables the dissolution and removal of the clay mineral kaolinite and the precipitation of hydrated aluminium oxides (aluminium hydroxides). Bauxite generally consists mainly of gibbsite, goethite, hematite and kaolinite, with small amounts of anatase (TiO_2). Other aluminium minerals are boehmite and diaspore. Quartz may also be present as a stable relic from the parent rock. The hydrated iron oxides goethite and hematite impart the typical red-brown colour of laterites. Zones with the highest aluminium content are frequently located below a surface ferruginous layer.

Due to the nature of its occurrence, lateritic bauxite is mined by strip mining methods from shallow, but areally extensive open pits.

5.2 Bauxite Characteristics for Alumina Production

The main value of bauxite lies in its aluminium content, with silica (SiO_2) an undesirable impurity. For direct shipping bauxite, a system of bonus payments/penalties based on alumina and silica levels is common in the trade, although the terms of these are difficult to establish from the public domain. For direct shipping bauxites, the Al_2O_3 content is typically 50% to 60%, silica 2% to 5% and Fe_2O_3 10% to 20%.

In an alumina refinery, bauxite is digested in hot caustic soda (Bayer process) which dissolves the alumina, leaving the iron and titanium oxides and other insoluble impurities to be disposed of as red mud. The alumina is recovered by cooling and precipitation, with the caustic solution recycled. Insoluble silicates discarded with the red mud take caustic soda and alumina with them, thus increasing reagent consumption and reducing process recoveries. The amount of caustic soda lost is generally proportional to the amount of "reactive" or soluble silica present, and whilst there is generally no upper silica limit, about 6% SiO_2

represents a practical upper limit for traded bauxite, and 50% Al_2O_3 a lower limit for alumina.

Typically, tropical bauxites contain most of their alumina as gibbsite, which can be dissolved by low temperature digestion at about 150°C. These include bauxites from Jamaica, Brazil, Western Australia, the Northern Territory and Vietnam/Cambodia. Bauxites which contain significant boehmite require a digestion temperature of 230°C to 250°C, and include those from Weipa in Queensland and Guinea. Diaspore is a hard rock form of boehmite, with essentially the same chemical formula, however, it is very hard to dissolve, requiring digestion temperatures in excess of 260°C with substantial lime additions. Diasporic bauxite is mined extensively in China, with about 65% mined from underground. It is likely that imported tropical bauxites will eventually supplant its use.

Silica minerals are principally kaolinite and quartz. Essentially all kaolinite dissolves at either high or low temperature, whilst only a proportion of quartz dissolves in a high temperature refinery, and almost none in a low temperature plant. Hence, whilst the Darling Range deposits are relatively low grade and high in silica, containing 35% Al_2O_3 and 20% to 25% SiO_2, most of the alumina is gibbsite and most of the silica quartz. As a consequence, these bauxites are relatively inexpensive to process in local refineries at low (150°C) temperatures and with very low caustic losses. They are however, too low grade to transport over any distance.

Other issues of economic importance in bauxite refining include:

- Disposal of red mud. High iron bauxites produce higher quantities of red mud.
- Handling characteristics and dustiness.
- Crushing characteristics.
- Rate of dissolution of alumina.

Not all bauxite is destined for aluminium production, with about 5% of alumina consumed for water treatment, chemicals production, manufacture of refractories and abrasives and for fluxes in steel making.

5.3 Bauxite Characterisation

In order to assess the likely performance of a bauxite in the refinery process, it is usually necessary to undertake digestion testwork in a laboratory autoclave to determine various properties. Although terminologies may vary between companies, the following are fairly universal in Australia and North America.

- TCA (Total Chemical Alumina) is the total alumina in a bauxite and is determined by wet chemical analysis or X-Ray Fluorescence.
- TAA (Total Available Alumina) refers to the alumina extractable by high temperature autoclave digestion. The temperature is not specified by standards, but is usually over 200°C. TAA allows for losses to red mud, which is dependent upon the amount of reactive silica present.
- THA (Trihydrate Alumina) is the alumina extractible in a low temperature (140°C to 150°C) autoclave digestion, including allowances for losses to red mud. The THA value before losses generally corresponds with the amount of gibbsite in the bauxite.

- MHA (Monohydrate Alumina) is obtained as the difference between TAA and THA.

Whilst the above are useful descriptive terminologies for expected plant performance, those working in the industry generally prefer to use direct mineralogical descriptions such as gibbsite (THA) and boehmite (MHA).

5.4 Global Bauxite Production

Global bauxite production in 2007 was about 202 million tonnes (Mt), from reserves of about 27Bt (See Table 1). Australia accounted for almost one third of production, followed by China, Brazil, Guinea and Jamaica. Although aluminium demand is rapidly increasing, known reserves are in excess of 130 times current annual production. Aluminium recycling has the advantage of lowering the energy cost of production, and for this reason is likely to continue to increase, thus extending the life of reserves. Table 1 shows actual production for 2007 and estimated production for 2008, together with reserves and resources including reserves by country, ranked by reserves.0

Table 1. World Bauxite Production, Reserves & Resources

	Mine Production	Mine Production	Reserves	Resources
Country	2007 Mt (actual)	2008 Mt (est.)	Mt	Mt
Guinea	18	18	7,400	8,600
Australia	62.4	63	5,800	7,900
Vietnam	0.03	0.03	2,100	5,400
Jamaica	14.6	15	2,000	2,500
Brazil	24.8	25	1,900	2,500
India	19.2	20	770	1,400
Guyana	1.6	1.6	700	900
China	30	32	700	2,300
Greece	2.2	2.2	600	650
Suriname	4.9	4.5	580	600
Kazakhstan	4.8	4.8	360	450
Venezuela	5.9	5.9	320	350
Russia	6.4	6.4	200	250
United States	NA	NA	20	40
Rest of world	7.2	6.8	3,200	3,800
World total (rounded)	202	205	27,000	38,000

Source: U.S. Geological Survey, Mineral Commodities Summaries, January 2009.

6. History of Evaluation of Vietnamese Bauxite Deposits

There has been little historical mining of bauxite in Vietnam. Between 1937 and 1943, approximately 36,000t was mined at Lo Son (near Hai Phong) and 160t in Ban Long in the Lang Son area. Lateritic bauxite is being mined in very small quantities near Bao Loc for domestic consumption.

Systematic exploration for bauxite began in 1959 and resulted in the discovery of a number of relatively small Permian deposits in the north. Exploration in the south began soon after reunification in 1975, and from 1976 to 1980, a comprehensive survey covering the whole of southern Vietnam defined a number of large lateritic deposits developed over Cenozoic basalts (See Figure 3). Exploration in the north ceased in 1979, with the lateritic deposits the focus of all exploration since then. The main areas where follow up exploration was conducted were the An Khe and Van Hoa areas near Qui Nhon in central Vietnam and the Dak Nong, Bao Loc and Bu Dang areas in the Central Highlands northeast of Ho Chi Minh City. The work was conducted by a variety of institutions and the results compiled in a number of unpublished and uncoordinated reports in the late 1980s and early 1990s. The best deposits are located near the Dak Nong Provincial capital of Gia Nghia, and in the adjacent province of Lam Dong to the north of the city of Bao Loc. These deposits have been estimated to contain about 5.5Bt of low grade bauxite that will be amenable to upgrading.

The deposits are largely in poorly developed and relatively sparsely populated areas at an elevation of 600m to 900m above sea level. The population comprises mostly ethnic minorities. Vegetation is predominantly forest and savannah grass land, however, there are numerous tea, coffee and rubber plantations. Infrastructure is poor and significant expenditure will be required to provide the necessary support infrastructure for development.

There has been little exploration activity over the past 15 years or so as efforts have concentrated on finding a means to develop the deposits. VIMICO was given the responsibility of developing a “master plan” for development of the bauxite industry, with responsibility passing to Vinacomin following the VIMICO-VinaCoal merger. Both VIMICO and Vinacomin have previously entered into negotiations with potential foreign investors, and Vinacomin is currently constructing a 650,000 tpa alumina refinery at Tan Rai, a few kilometres south of Atlantic’s permit application.

6.1 Vietnam Regional Geology

Vietnam comprises a series of terranes accreted to two Archaean-Lower Proterozoic micro-continental blocks which, together with a variety of subsequent platform and continental sediments, rift zones and volcanic and magmatic rocks, comprise the South China and Indochina plates. The two are separated by the 130km wide northwest trending Da River Mobile Belt (DRMB). The DRMB is truncated to the northwest by the strike extension of the Pak Lay fold belt in Laos which is an inter-plate boundary between the Shan Thai and Indochina blocks. This boundary has subsequently acted as a dextral strike-slip fault and is currently active. All northwest trending structures in northern and central Vietnam were reactivated as sinistral strike faults during the Cenozoic Himalayan orogeny, leading to the “extrusion” of Indochina along the faults.

In southern Vietnam, tholeiitic flood basalts were erupted over an area of about 21,000km^2 during the Pliocene and Pleistocene, and now form extensive dissected plateaux up to 1,200m above sea level (ASL) (Figure 3). Younger, and less extensive olivine basalts of Pleistocene-Holocene age occur in valleys within the plateaux. The Pliocene-Pleistocene basalts are divided into two extrusive phases separated by lacustrine sediments in places. These sediments are commonly 6m to

12m thick, and although widespread, are not continuous. They comprise a yellow-coloured, weakly cemented siltstone containing approximately 10% quartz sand grains 0.5 to 1mm in size. The lateritic bauxite deposits developed over the tholeiitic basalts as a consequence of Quaternary weathering.

The identification of the two extrusive phases is based on stratigraphy, however, the boundary is not easily identifiable where the interflow sediments are absent. There is little difference between the two in terms of chemistry and petrology, and it is difficult to determine whether one or both are precursors to the bauxitic laterites. The basalts and associated bauxites extend into neighbouring Cambodia where they occur over an area of about 4,500km^2 on the Haut Chhlong plateau, an irregular highland rising above the central plain of Cambodia to heights of 500m to 1,000m.

There are also bauxite deposits in northern Vietnam and extending into China that formed in northwest trending depressions over limestone during a late Permian marine transgression. The main economic minerals are diaspore and boehmite. The ore is very hard due to the predominance of diaspore. Evaluation of these deposits ceased in 1979 with the discovery of the lateritic deposits in the south.

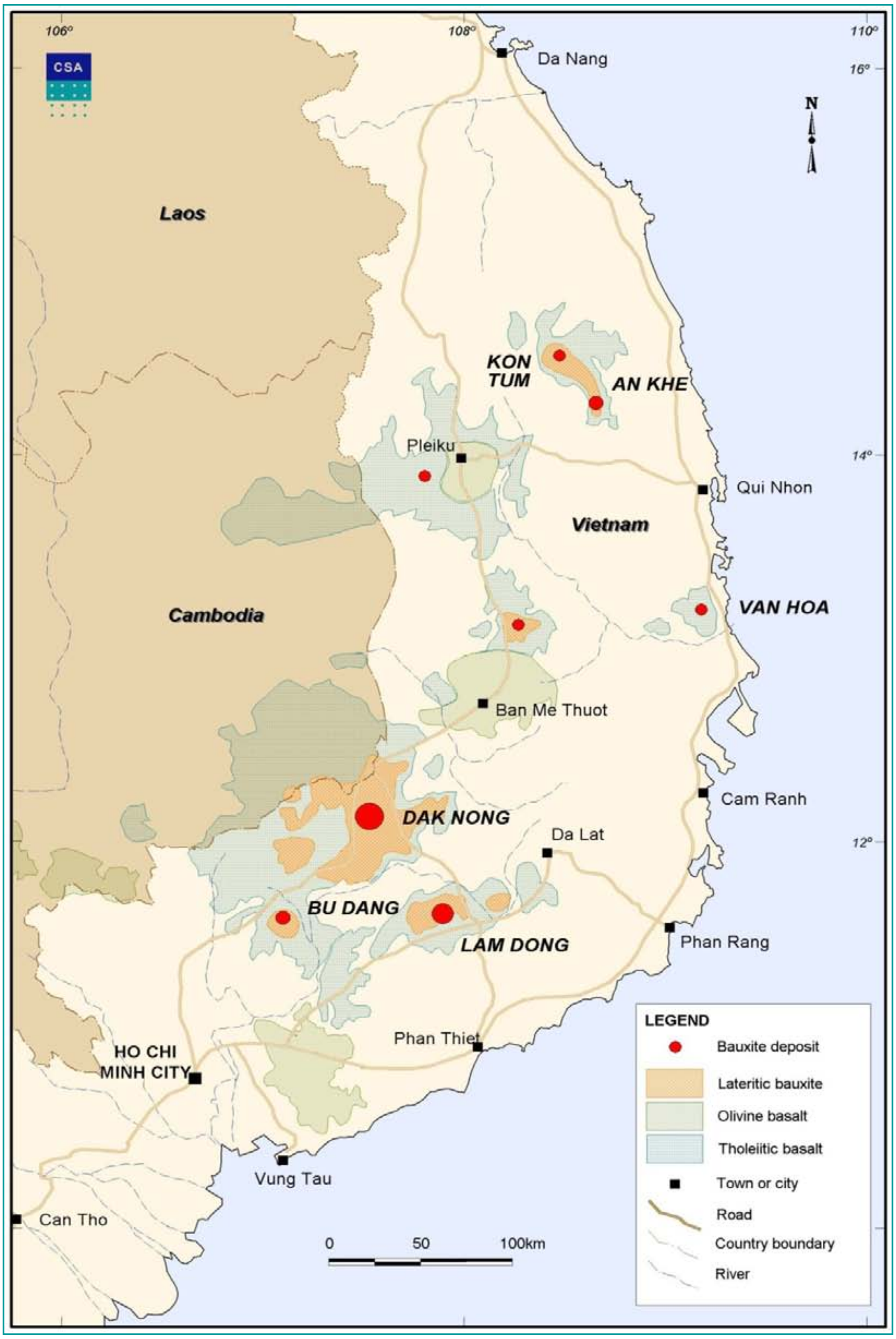

Figure 3. Location of Vietnamese Quaternary Bauxite Deposits

7. Geology of Quaternary Bauxite Deposits

The Quaternary basalt-derived bauxite deposits in southern and central Vietnam are located principally in Dak Nong and Lam Dong Provinces, about 250km northeast of Ho Chi Minh City (See Figure 3 and 4). The Dak Nong deposits have been the subject of more extensive evaluation than the Lam Dong deposits. As a result, much of the material below has been drawn from literature describing the Dak Nong deposits, however, other than size, there appear to be no essential geological differences between these and the Lam Dong deposits.

Weathering of the basalts formed a lateritic crust containing bauxite deposits composed of hard fragments, boulders, concretions and clots in a matrix of soft and loose clays. Subsequently the area was eroded and dissected leaving discrete bauxite deposits of a variety of irregular shapes and sizes which occupy the higher parts of the area and are located 10m to 40m above the present water table. Their area varies from less than 1km^2 to 40km^2, whilst their length ranges up to 10km and their width up to 4km. The maximum thickness may reach 13m. Some parts of the deposits may be of detrital origin where bauxite has been eroded after formation leading to the development of deposits with both detrital and eluvial components. This is more common on the larger and more extensive relict hills. In profile, the orebodies have extended bell-like shapes occurring within the upper part of the basaltic weathering profile. Their thickness is greatest in the centre and upper parts of the hills, and they thin out toward their peripheries.

7.1 Bauxite Profile

The typical basalt weathering profile can be divided into five zones as outlined below and shown in Figure 5.

Lateritic soil zone: In places the bauxite-bearing lateritic zone is covered by a thin (<2m) zone of lateritic soil consisting of loose, fine grained clayey sands, lateritic breccia, pebbles and organic matter. In places, this has relatively high alumina and iron oxide contents with Al_2O_3 over 30% and an alumina to silica ratio >2. The presence of this layer has historically caused some difficulties in definition and calculation of deposit sizes.

Bauxite-bearing lateritic zone: This consists of hard, variably shaped clots and concretions within clays, with the proportion and size of concretions increasing from the bottom of the zone upward. Based on mineral composition, this zone can be divided into two subzones with a transitional boundary; a lower zone consisting of kaolinite, goethite, hematite and lesser gibbsite, and an upper zone consisting of gibbsite and goethite and lesser kaolinite. In the upper part of the zone, large accumulations of solid concretion may form a layer between a few centimetres and a few metres in thickness. The bauxite-bearing lateritic zone has a maximum thickness ranging from 10m to 13m, rarely 15m, and forms the bulk of the bauxite deposits.

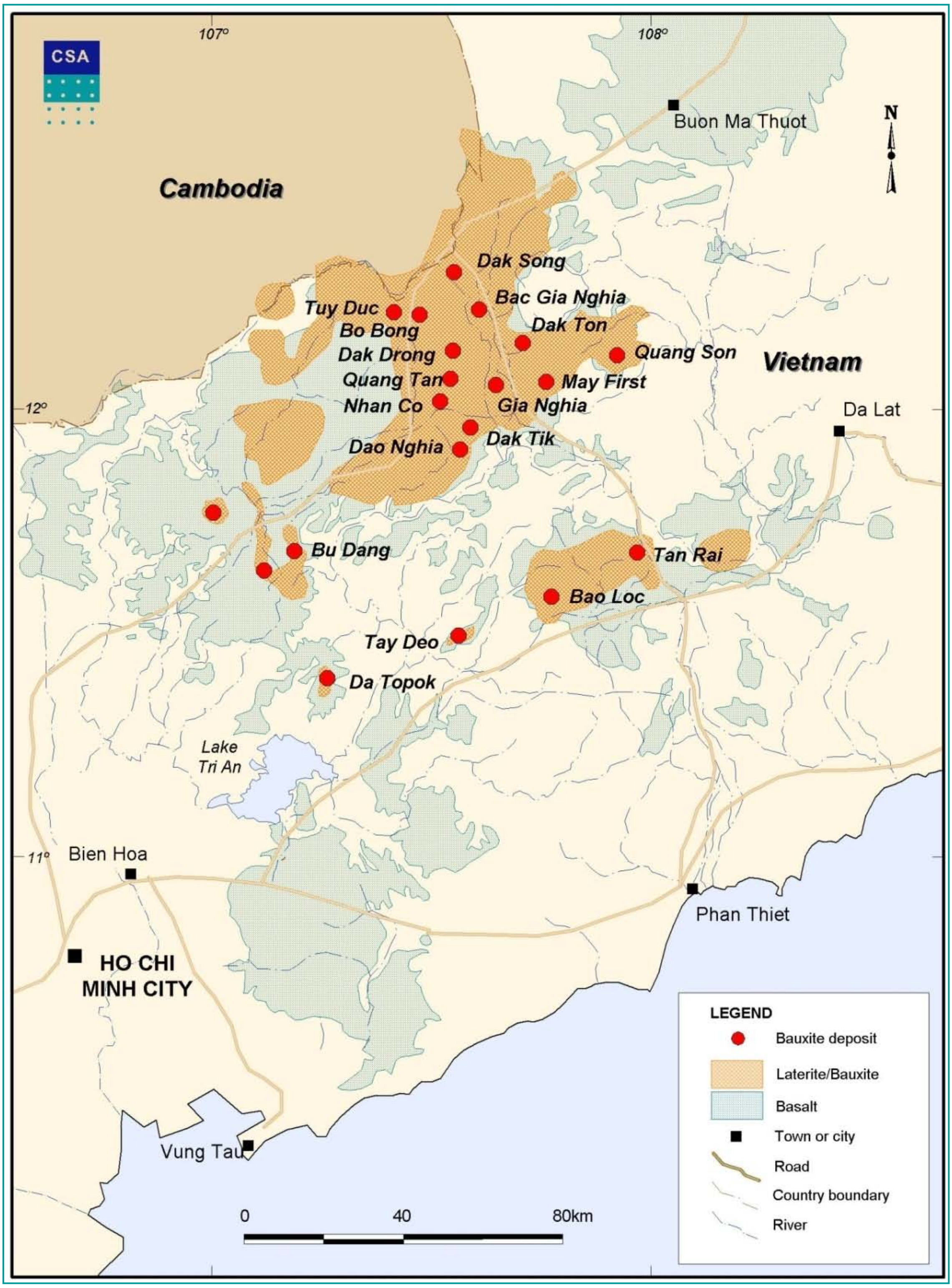

Figure 4. Location of Bauxite Deposits in Vietnam's South Central Highlands

STRATI-GRAPHY	LITHOLOGY	CONTENT OF OXIDES %				
		Al_2O_3	SiO_2	Fe_2O_3	TiO_2	CaO-MgO
	LATERITIC SOIL ZONE; yellow brown loose soils, clays, sand and pebbles	31.03	12.53	34.49	5.79	0.64
	BAUXITE ZONE ; variably shaped and sized concretions within clays. Concretions include boulders, slag, fragmental, clot and spheroidal types. Minerals predominantly gibbsite, kaolinite, goethite and hematite. Maximum thickness 10 – 15 metres.	39.34	11.74	24.14	2.69	0.46
	CLAY ZONE ; variably coloured clays. Minerals predominantly kaolinite, halloysite, gibbsite and hematite with lesser magnetite, ilmenite and zircon. May be up to 30 metres in thickness.	28.51	25.81	28.30	4.32	0.81
	SAPROLITE ZONE ; weathered basalt and green-grey-brown clays with residual basalt texture. Minerals predominantly halloysite and kaolinite with lesser goethite, limonite and ilmenite.	26.14	34.71	22.20	2.60	0.96
	PARTLY WEATHERED BASALT ; zone of fractured and partly weathered basalt. Clays, iron oxides, silica and carbonates occupy fractures. Bulk chemical composition similar to basalt.	15.12	51.52	12.90	5.79	14.04

Figure 5. Typical Bauxite Weathering Profile

Note: Geochemical data is from Dak Nang deposits.

Clay zone: This is composed of irregularly distributed clays of various colours. Its mineral composition includes kaolinite, halloysite, gibbsite and hematite. Crystals of gibbsite grow intertwined with kaolinite. Hematite and goethite pseudomorph melanocratic minerals, with magnetite, ilmenite and zircon also present. The maximum thickness of this zone may reach 30m.

Saprolite zone: This comprises basalt that has been variably altered to produce clays of grey-green and brown-grey colour. The clays retain residual basalt textures and often contain spheroidal masses with the outer part being basalt weathered to variably coloured clays, and the inner part relatively fresh basalt with white clays replacing plagioclase. Minerals in this zone are mainly clay minerals, including halloysite, metahalloysite and kaolinite, with lesser amounts of goethite, limonite and ilmenite.

Zone of fractured and partly weathered basalts: This lies immediately above fresh basalt and consists of partly weathered basalt that has been fractured and broken into distinct masses, whilst remaining compact. The action of water and oxidation has led to the formation of clay minerals such as kaolinite and halloysite. In places iron oxides form thin layers along with opal and carbonate in fractures and pores. The thickness of this zone is generally from 4m to 10m.

7.2 Bauxite Types

Material types in the bauxite profile include hard to moderately hard fragments, boulders, concretions and clots occurring in a matrix of soft and loose clays. The harder material may comprise 70% of the profile at the surface, decreasing to zero at depth. The size of the harder fragments may be 0.5m to 1m near the surface, but size also decreases with depth. Due to the nature of the bauxitic zone, a significant upgrading may be achieved by wet screening to remove the smaller (-1mm) size fraction, which is predominantly clay. This produces a beneficiated product with considerably higher alumina, and much lower silica contents than the in situ mineralisation.

Although the fragment sizes and shapes are transitional, a number of morphological types have been distinguished:

Consolidated boulder type: This is very hard and compact, and is found in the upper parts of the deposits where it forms a crust that protects the underlying profile from erosion. Thickness varies from 0.5m to 3.0m. It occurs mainly on the tops of hills, and less commonly on the slopes, where it may be eroded or fractured and covered by a thin layer of detrital ore. The recovery to washed product is about 60%, with an upgrading from about 41% Al_2O_3 and 3.7% SiO_2 to about 48% Al_2O_3 and 1.5% SiO_2.

Slag and fragmental type: This is common beneath the consolidated boulder type and is often found mixed with the spheroidal type (below). It consists of hard, 5cm to 40cm fragments within clays, with the fragments showing rough surfaces containing many hollows. Where the consolidated boulder type is absent due to erosion, the slag and fragmental type is frequently exposed on the surface or overlain by a thin layer of detrital ore. In the higher parts of hills, thickness may attain 5m, but is more generally in the range 2m to 4m. Towards the periphery of a deposit the thickness gradually reduces and is replaced by small clot and concretion types (below). The recovery to washed concentrate is about 51%. Al_2O_3 is generally upgraded from about 40% to about 48%, and SiO_2 reduced from 6-7% to about 2.2%.

Spheroidal type: This is erratically distributed in the centre of the deposits, or in the higher parts of hills where it usually occurs with slag and fragmental types. It is characterised by spheroidal masses 40cm to 60cm in diameter which have retained the shape of the weathered basaltic masses. The skin or shell fragments are from 1cm to 4cm thick, and surround a core of clay. The matrix between the spheroidal masses is usually occupied by slag and fragmental material with clays. The spheroidal type does not appear to thin towards the edges of the deposits, and may even thicken. It often occurs on the surface and in places forms two layers separated by a layer of slag or clot type ore. The ratio between concretionary material and clay varies from 20% to 60%, the former usually accounting for more than 50% of the layer. In places concretions may be absent, leaving only clay. The thickness of this type may reach 2m. There is no chemical or beneficiation data available for this material type as it has not been practical to separate it from other material types.

Clot type: This occurs near the base of the bauxite bodies at the transition to the clay zone of the laterite profile. It is thicker in the higher, central parts of the deposits where it commonly forms 3m to 5m thick layers. It consists of hard masses of irregular tube or worm-like shapes within variegated clays. Clot size varies from a few millimetres to 3cm, and clots are grey and white-grey in colour with porous and fine-grained textures. Wash recovery is only about 30%, with Al_2O_3 upgraded from about 36.5% to 49%, and SiO_2 reduced from about 10% down to about 4.5%.

Boulder and gravel deposits of detrital origin: Other than the in situ mineralisation types described above, there are boulder and gravel deposits of detrital origin. These occur on the sides of eroded hills and in places represent considerable accumulations of bauxite. Thickness is usually in the range of 1m to 2m, and varies independently of the weathering profile. Thicknesses increase down-slope. The detritus consists of hard masses of very uneven size, ranging from 3cm to 40cm, occurring in both consolidated and loose soils. Most masses possess a certain degree of roundness and the material type may be difficult to distinguish from in situ consolidated boulder type. Recovery to washed concentrate is about 53%, whereby Al_2O_3 is generally upgraded from about 39% to 48%, and SiO_2 reduced from 7% to about 2.4%.

7.3 Evaluation of Deposits

The historical evaluation of the Dak Nong and Lam Dong deposits has been fairly basic in nature, comprising mapping traverses completed on a 1km square grid, with two detailed sample points in each 1km square to map the lateritic profile and collect samples. Sample points were pits on the highest parts of hills to enable the entire bauxite profile to be sampled, and trenches in the lower parts and on the peripheries of deposits. Vertical channel samples 5cm x 10cm x 100cm were collected for geochemical analysis. Larger channel samples 10cm x 15cm x 100cm were collected for washing test work.

Deposit boundaries were defined by sample pits and trenches, and geomorphological interpretation utilising small scale aerial photographs. The area of individual deposits was calculated by counting the number of squares on a 1:12,500 scale plan and then estimating the area in square metres.

7.4 Bauxite Composition & Geochemical Trends

Samples from the Dak Nong deposits have been subjected to differential thermal and XRD analyses. The results indicate that the deposits consist mainly of gibbsite, goethite, kaolinite and ilmenite. There are lesser quantities of hematite, rutile, anatase and quartz.

Gibbsite is the principal component of the bauxites, and the principal mineral containing free alumina. It has the chemical formula $Al(OH)_3$, and in its pure form, contains 65.4% Al_2O_3. Water is driven off at temperatures of 310°C to 330°C, reporting as loss-on-ignition (LOI). Goethite is the main iron-bearing mineral, and kaolinite ($Al_2(Si_2O_5)OH$) the principal silica-bearing mineral. Ilmenite is the main titanium-bearing mineral. Analyses indicate the kaolinite contains 38.71% Al_2O_3 and 45.62% SiO_2, as well as minor TiO_2 and Fe_2O_3.

The bauxites are relatively low grade with 35% to 40% Al_2O_3, and high SiO_2 (25% to 30%), Fe_2O_3 (25% to 30%) and TiO_2 (4% to 5%). Silica generally increases with depth whereas alumina generally decreases with depth. The TiO_2 content remains relatively constant with depth. Fe_2O_3 in general decreases with depth but there is an enriched zone in the middle of some deposits which may be related to modern perched water tables. Elements such as Ca, Na, K and Si have been strongly depleted and elements such as Mg, Mn and Zn are only weakly depleted. The elements V, Ga, Cr, Cu and Ni show little variation through the profile.

7.5 Beneficiation Testwork

Wet screening to remove the -1mm size fraction produces a beneficiated product with a considerably higher alumina content (45% to 52% Al_2O_3), and much lower silica than the raw bauxite feed. The Al_2O_3:SiO_2 ratio (Si-modulus or M Si) also increases from 4-7 to 14-28. The beneficiated product is referred to as "concentrate" or "washed ore" and typically comprises 45% to 50% of the in situ bauxite which is termed "crude ore". These are local terms, and are in no way meant to imply economic viability or "Ore" as defined by the JORC Code.

As described above, the various bauxite types contain variably sized and shaped concretions within a matrix of soft, loose clays. The size of the concretions and their proportion decreases with depth. The critical feature is that the concretions, fragments and hard masses have a much higher alumina content and lower silica content compared to the interstitial clays. Although differing in morphology, the concretions all have similar compositions, hence the grade of the crude ore is dependent on the percentage of concretions that it contains. Thus the percentage of concretions and the expected recovery is a simplistic method for assessing any particular sample. Although the chemical composition may vary from deposit to deposit, the quality of washed concentrate is very similar.

The boundary of the deposits has been generally defined by a cut-off grade of 30% Al_2O_3 and a Si-modulus >2. The composition of a typical crude ore at this cut-off is shown below:

Table 2. Chemical Composition of Typical Crude Ore

	Al_2O_3	SiO_2	Fe_2O_3	TiO_2	LOI	M Si
Average	37.7%	7.8%	26.0%	4.1%	20.3%	4.9

Such bauxite would normally be considered low grade and poor quality. Whilst there are layers with Al_2O_3 ranging from 40% to 50% and Si-modulus =>7, these are thin and discontinuous and would be impossible to mine selectively. The higher grades are due to the presence of a higher proportion of hard fragments and concretions. The relationship between Al_2O_3 content and percentage of hard ore fragments and masses is directly linear. This feature, particularly in fragmental and clot bauxites, makes it possible to use wet screening to obtain a bauxite concentrate of much higher quality which is suitable for processing.

Testwork at a number of deposits indicated that screening at 1mm gave the best concentrate results. In only one deposit (Bao Loc) was the washed concentrate not a +1mm fraction. The testwork results are summarised in the tables below:

Table 3. Results from Washing 200 Bulk Samples

	Al_2O_3	SiO_2	Fe_2O_3	TiO_2	LOI	M Si	Recovery
+ 3mm	47.67%	2.87%	19.67%	3.22%	24.89%	16.61%	35.52%
-3mm, +1mm	43.43%	4.81%	23.34%	2.89%	23.11%	9.20%	13.70%
-1mm, +0.25mm	40.44%	4.11%	27.43%	3.33%	22.32%	9.83%	1.02%
-0.25mm	26.24%	9.58%	38.77%	6.49%	15.25%	2.73%	Remainder

Table 4. Chemical Analyses of Concentrate

Component	Maximum	Minimum	Mean	Variation
Al_2O_3	53.22%	40.07%	48.45%	±6.62%
SiO_2	5.82%	0.69%	2.48%	±58.83%
Fe_2O_3	30.33%	12.41%	18.85%	±23.55%
TiO_2	3.92%	2.14%	3.21%	±26.47%

The average compositions of crude and washed bauxite for the various bauxite types are summarised below:

Table 5. Summary of Compositions for Crude Ore and Concentrate by Bauxite Type

	Al_2O_3	SiO_2	Fe_2O_3	TiO_2	LOI	M Si
Detrital						
Crude	38.96%	7.07%	25.45%	3.85%	21.11%	
Washed	48.44%	2.41%	19.28%	2.33%	25.19%	52.86
Consolidated						
Crude	40.93%	3.68%	27.14%	3.71%	22.96%	
Washed	47.62%	1.49%	20.74%	2.85%	25.26%	59.30
Slag/Frag						
Crude	40.18%	6.70%	26.08%	4.20%	21.83%	
Washed	48.51%	2.17%	19.01%	2.61%	25.06%	50.64
Clot						
Crude	36.56%	9.93%	25.93%	4.25%	19.60%	
Washed	49.04%	4.41%	17.51%	2.31%	25.45%	30.49

The composition of the washed bauxites does not vary greatly. Alumina is consistently in the range 47% to 52%, however SiO_2 and TiO_2 are moderately variable. The accompanying oxides are MgO, MnO, Na_2O and K_2O, all of which are less than 0.5%. Other elements determined were Ga (0.002%), V_2O_5 (0.02%-0.04%) and Ni (0.001%-0.003%). Deleterious components such as CaO, P_2O_5, CO_2 and SO_3 are present in negligible amounts.

The Atlas of Mineral Resources of the ESCAP Region, 1993, Vol 10, Cambodia describes the results of similar work and notes that “there are indications that if more sophisticated beneficiation is applied, much better results can be obtained. Testwork conducted by a private laboratory on +10 mesh (+1.7mm) material achieved a concentrate with an alumina grade of 65% and a silica content of less than 2% with a 65% recovery in bench-scale testing". The report infers that the testwork utilised bauxite from Vietnam, but it is unclear where or by whom the work was done, and it has not been reported in any Vietnamese reports reviewed by CSA. There is the possibility that further testwork may lead to improved concentrate recoveries and grades.

The testwork indicated that wet washing with a rotary barrel (trommel) rotating at 50 to 60rpm is the most efficient method of concentration. One main conclusion derived from the tests is the dependence of the washing coefficient (N) on the composition, quantity and porosity of the hard ore materials as well as on the structure and plasticity of the clay materials.

If the washing coefficient N is defined as:

N = Washing time of the sample to be studied

Washing time of the standard sample and the washing time of the standard sample is assumed to be 30 seconds, the washing tests show:

Bauxites of detrital origin have a washing coefficient 1 to 3.

Consolidated types have a coefficient from 1 to 6.

Slag, fragmental and spheroidal types have a coefficient from 2 to 9.

Clot types have a coefficient from 9 to 22.

Furthermore, with decreasing natural moisture, N will increase from 7-10 to 20-40, and the recovery rate for the -3mm, +0.25mm fraction will increase.

The washing testwork indicated a highly variable water consumption for the different bauxite types, ranging from $1m^3$/tonne for consolidated block bauxite to $7m^3$/tonne for clot bauxite. On average, 4-$5m^3$ of water is required for washing one tonne of bauxite. Hydrological studies of local streams indicated there is more than sufficient surface water for washing requirements. Chemical analyses of the water show it to be very fresh and soft (0.05–0.06 g/l TDS) with a pH of 6.3 to 6.9.

7.6 Digestion Testwork

Twenty five composite samples having Al_2O_3 greater than 40% and a Si-modulus greater than 7 were taken from the concentrates for preliminary digestion test work. The samples were predominantly gibbsite and goethite. The results of the digestion test work are summarised below.

Table 6. Parameters and Results of Preliminary Digestion Testwork

Digestion Conditions	
Solution Temperature	1800C
Concentration of Caustic soda	180 g/l
Digestion time	60 minutes
Average grain size	0.16mm
Digestion Results	
Consumption of flour/tonne red mud	3kg
Settlement rate (tonnes/m^2/hour)	0.87–2.01
Concentrate consumed/tonne alumina	2.05–2.6
Consumption of caustic soda kg/tonne concentrate	23-76
Digestible alumina	87.24%–91.79%

7.7 Vietnamese Resource Estimates

The Vietnamese ore reserve classification system follows the Russian system, i.e. A, B, C etc. In broad terms, these may be compared to Measured, Indicated and Inferred Mineral Resources under the JORC Code in terms of level of confidence in the estimates. The estimated tonnages and grades for the Central Highlands bauxite deposits were predominantly classed as C2, based on sampling on an 800m x 800m grid in larger zones and on a two sample/km^2 density within the smaller, irregularly shaped zones. In some places sampling was on 400m x 400m and 200m x 200m grids, leading to higher confidence C1 and B classifications. In some zones where the area of the deposit was defined by geological and geomorphological mapping and the thickness determined by averaging the thickness of the adjacent deposits, the estimate was designated P1 which is a lower confidence category.

The initial criteria for defining crude ore were:

Table 7. Vietnamese Criteria for Definition of Bauxite Deposits

Criterion	Cut-off
Minimum Al_2O_3 content:	30%
Minimum Si-modulus:	2
Minimum thickness of bauxite:	1m
Maximum thickness of included barren interval:	1m

The thickness of a deposit was determined by taking the arithmetic mean of the thickness recorded in pits and the thickness at the margins. The reason for this very simplified method is that almost all pits were sunk in the higher parts of a deposit where maximum thickness is attained. An average bulk density of $1.9t/m^3$ was calculated as the mean of 40 samples taken from throughout the area. After determining the crude ore tonnage, the concentrate tonnage was calculated based on the recovery at a number of “wash pits” in the various deposits. Washed ore or concentrate was only included if it had:

- Recovery >20%
- Al_2O_3 >40%
- Si-modulus 7 or more.

“Reserves” classifications of B, C1, C2 and P were only assigned to estimates of crude ore. Whilst the recovery to concentrate introduces another uncertainty, there is a very close linear relationship between crude ore grade, percentage recovery and concentrate grade such that the crude ore grade provides an excellent guide to the expected tonnes of concentrate. The concentrate grade is very consistent.

Over 5.5 billion tonnes of crude bauxite was estimated in 16 deposits in the adjacent provinces of Dak Nong and Lam Dong, equating to approximately 2.5 billion tonnes of concentrate containing approximately 48% alumina. As the sampling density is low (i.e. the samples are widespaced), topographic control is likely to be limited, the quality of sampling and assaying unknown, and numerous other factors unknown, CSA is of the view that the estimates should be described as exploration targets, with no inference that they in any way satisfy the criteria for classification under the JORC Code.

8. Bao Loc Project

The Bao Loc project is located in Lam Dong Province, approximately 50km to the southeast of the Dak Nong deposits (See Figure 4), and is centred about 21km north of Bao Loc city (Figure 6). The Ho Chi Minh Highway linking the mountain resort of Da lat and Ho Chi Minh City passes about 20km to the south. The area is closer to both the coast and Ho Chi Minh City and has better infrastructure than at Dak Nong. The deposits are accessible by all-weather sealed and unsealed roads from Bao Loc, and from Dzi Linh on the Ho Chi Minh Highway. These towns are 190km and 230km respectively from Ho Chi Minh City.

Bauxite has been mined on the outskirts of Bao Loc on a small scale since 1976 for the VinaChemco chemical enterprise in Ho Chi Minh City which produces aluminium sulphate. The operation mines 18,000 tonnes per month to produce approximately 8,000t of +1mm washed concentrate at a recovery of approximately 45%. The concentrate is said to grade 50% Al_2O_3. Mining is centred on a number of small hills approximately 5km from Bao Loc town.

The main Bao Loc deposits extend well beyond the limits of Atlantic's bauxite exploration permit application, covering an area of about 165km^2 north of Tan Ray, which is about 13km north of Bao Loc town. The Bao Lam deposits lie largely within Atlantic's application and are a part of the larger Bao Loc deposits. The nature and extent of any deposits outside the area applied for is not known. The deposits occur in an area of rolling topography not dissimilar to that where the Darling Range deposits in Western Australia are being mined. The general elevation of the area is 800-900m above sea level. Access throughout the area of the Bao Lam deposits is good, with numerous roads and tracks established for agriculture and pine forestry. Many of the slopes are covered with tea and coffee plantations, however, much of the higher areas have remnant pine plantations and scrubby undergrowth.

Vinacomin has commenced construction of an alumina refinery with an initial capacity of 650,000tpa alumina rising to 1.2Mtpa, immediately to the north of Tan Rai townsite (See Figure 6) on a concession adjacent to Atlantic's application.

8.1 History of Atlantic's Involvement in Vietnam

On 9 January 2009, Atlantic entered into a definitive agreement to acquire 100% of Azure Mining International Limited (AMIL), whose sole asset was an application for the Bao Lam bauxite exploration permit covering approximately 100km^2 near Bao Loc (See Figure 6). Atlantic's acquisition of AMIL was completed on 21 May 2009.

In late December 2009, Atlantic entered into a Memorandum of Understanding with the Vietnamese Government-owned Vietnam Natural Resources and Environment Corp which sits beneath the Ministry of Natural Resources and Environment. Under the MOU, Atlantic is to carry out the exploration required to outline a 1.5 billion tonne in situ ore reserve that can be beneficiated to at least 45% Al_2O_3. This would form the basis for a 25Mtpa mine, rail and port project. The MOU also anticipates the partners agreeing to complete feasibility studies into down-stream processing including an alumina refinery and aluminium smelter. As well as funding and completing the necessary exploration, Atlantic is to fund a final feasibility study and arrange project finance for the mine/rail/port project.

Under the terms of the MOU, T-MV and Atlantic will partner exclusively for the development of the project and jointly apply for the rights to mutually agreed, available bauxite concessions within the Lam Dong and Dak Nong provinces. T-MV will also assist with the application process for relevant government approvals in Vietnam.

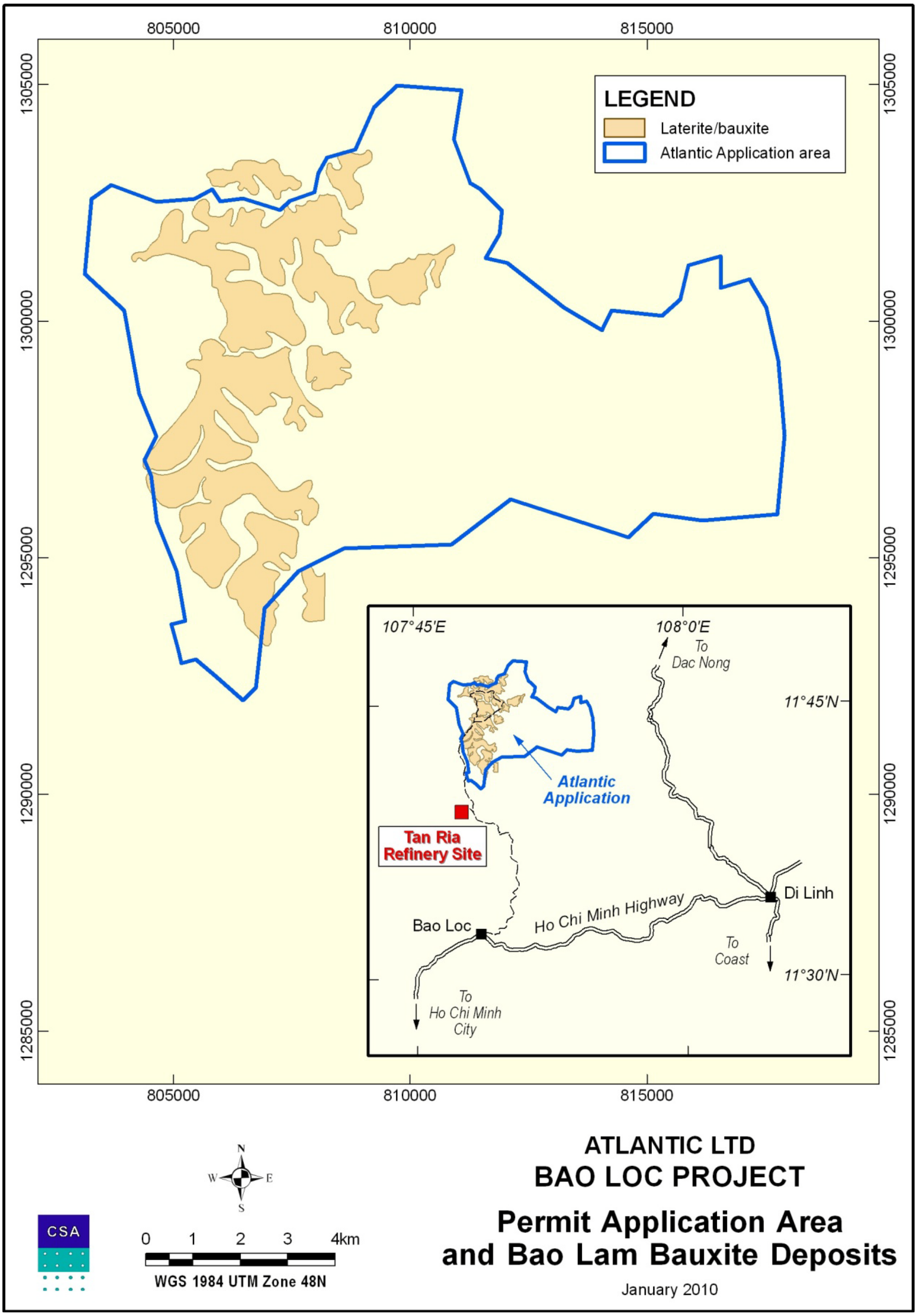

Figure 6. Location of Atlantic Bauxite Exploration Permit Application and Bao Lam Deposits

T-MV and Atlantic intend to proceed with the project on signing of the definitive joint venture agreements and the receipt of necessary approvals from the Vietnamese Government. The joint venture interests of T-MV and Atlantic will reflect the contributions of the parties. If definitive agreements are executed

Atlantic intends to undertake the exploration of the relevant sites and provide the funding for the project.

8.2 Geology & Mineralisation

The late Neogene-Early Quaternary tholeiitic basalts cover an area of 1,000km^2 in the Bao Loc area and are up to 70m thick. Bauxite is developed over an area of 390km^2 in the laterite weathering crust above the basalts. The principal deposits are Bao Loc and Tan Rai, which are of similar quality. The bauxite layer is 1m to 12m thick, increasing from the lowest elevation to maximum thickness at the highest elevation. Vinacomin's website *http: // w w w.vinacomin.vn* quotes a "Projected Bauxite Resource" for "Primary Ore" of 378Mt for the Bao Loc area, which at a recovery of 36.1% would yield 136Mt of +3mm concentrate. The crude and washed ore compositions as determined by that work are shown below:

Table 8. Composition of Crude and Washed ore from Bao Loc Deposits

	Al_2O_3	SiO_2	Fe_2O_3	TiO_2	LOI	M Si
Crude	36.3%	6.3%	29.7%	4.5%	19.8%	5.7
Washed	44.7%	2.2%	23.4%	3.1%	24.3%	20.5

8.3 Atlantic Land Access

AMIL, now wholly owned by Atlantic, applied for a bauxite exploration permit covering approximately 100km^2 (See Figure 6) in an area outside that covered by Vinacomin's mine plan for its Tan Rai refinery. Vinacomin has provided Atlantic with data from its initial work at Bao Lam within the area applied for in the application, and from other areas in Lam Dong in which Atlantic may be able to invest.

In essence, there are two projects, the Bao Loc project which involves a cooperative arrangement with Vinacomin, and the MOU with T-MV. The MOU envisages a far broader scale project than the Bao Loc project alone, involving possibly, transport and port infrastructure.

CSA has only visited and examined data from the Bao Lam deposits in the west of the application area (See Figure 6) which forms the basis for this Report. CSA has been advised that the deposits in the east of the application area have been subject to only minimal investigation and at this stage represent an exploration target. No data relating to these deposits, or the other areas to which Atlantic has been introduced, has been reviewed by CSA.

8.4 Testwork and Evaluation

Atlantic has been provided access to historical data relating to work conducted over the Bao Lam deposits during 2005-06. The previous work included field mapping, trenching, shallow shaft sinking and extensive sampling. In all, eight shafts totaling 58m were sunk from which 18 samples were taken, and seven trenches excavated with a total volume of 50.4m^3 from which 46 samples were taken. The mapping and sampling indicated a consistent, near surface bauxite layer capping hills in the area (See Figure 7). The samples were washed and screened, and the resulting concentrates assayed. Averaged results for the 64 samples are summarised in Table 9.

Table 9. Summary of Assay Results for Vinacomin Washed Samples from Bao Lam

	Al_2O_3	SiO_2	Fe_2O_3	TiO_2	LOI
Minimum	36.4%	0.8%	11.6%	1.6%	21.2%
Maximum	54.4%	10.1%	35.7%	4.0%	27.8%
Average	48.4%	3.05%	19.16%	2.8%	25.3%

The average depth of excavations was 5.5m, with an average of 4.3m of bauxite recorded beneath an average soil cover of 0.4m. The data also included an estimate of the extent of bauxite mineralisation, based on the area of bauxite mapped and an average thickness. This suggested a conceptual exploration target in the order of 50 to 100Mt of in situ mineralisation within Atlantic's permit application.

Prior to completion of the acquisition of AMI, a reconnaissance field trip was completed to confirm the extent and depth of the bauxite horizon, during which, 6 bulk samples weighing approximately 100kg were collected for analysis and washing testwork. The samples were collected over a large area in the west of the application area, with four samples taken from the bauxite horizon in four separate locations, and two from the underlying saprolite zone to test its grade. Assaying of the crude bauxite zone samples, i.e. before washing and screening, returned the following results:

Table 10. Summary of Assay Results for Atlantic Bulk Samples from Bao Loc

Sample	Al_2O_3	Available Al_2O_3	Reactive SiO_2
B1	44.9%	41.7%	0.9%
B2	43.8%	41.4%	1.4%
B5	41.6%	37.8%	1.9%
B6	46.4%	43.5%	1.6%
Average	43.95%	41.1%	1.5%

A composite sample was prepared and washed and screened to emulate full scale processing to produce a concentrate. Screening showed a washing recovery of 69.58% to a +1.18mm concentrate which contained 46.15% available alumina and 1.04% reactive silica. XRD analysis confirmed that the alumina was all present as gibbsite. The results of this work are largely consistent with the results of the earlier Vinacomin sampling.

In the second half of 2009, a scoping study was completed for the development of a first stage bauxite mining and washing operation. This demonstrated the likelihood of a viable project producing approximately 1-2Mtpa washed bauxite. An exploration program was also formulated including drilling and shaft sinking to confirm previous results and provide more extensive data to enable the estimation of JORC Code compliant resources. The scale and extent of the proposed program will be reviewed once the discussions with Vinacomin have been concluded.

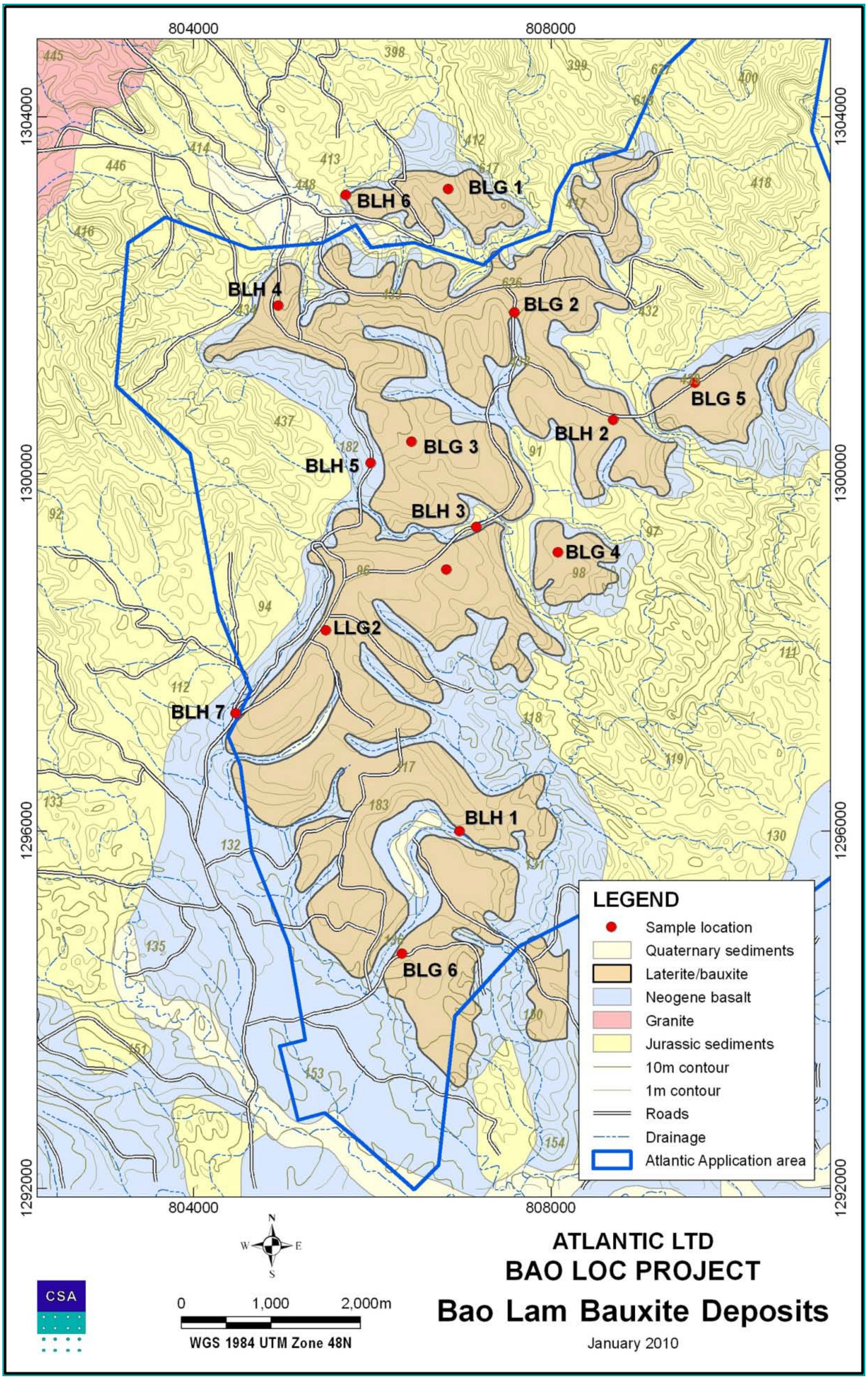

Figure 7. Generalised Geology, Bao Lam Bauxite Deposits

8.5 Potential Market

As noted in Section 5.2, diasporic bauxite is mined extensively in China, with about 65% sourced from high cost underground mines. Diaspore is the most “refractory” of the bauxite minerals, requiring relatively high digestion temperatures and reagent additions. It is expected that imported lateritic bauxites will progressively displace local diasporic ores as the source material for Chinese-produced alumina.

China is the world’s largest alumina consumer and aluminium producer. Domestic alumina refining capacity has grown aggressively over the last few years, resulting in an unprecedented demand for imported bauxite. Bauxite imports have grown from 1Mtpa to 25Mtpa in four years, with Shandong Province in the northeast of the country (See Figure 8) totally reliant on imports. In 2008, Shandong imported 24Mt of bauxite to supply five major refineries. In six years, China’s aluminium output has quadrupled to about 12Mtpa, and in 2006, China became the world’s largest aluminium producer and consumer. Over the same period, alumina imports grew by about 3.3Mtpa to 5Mtpa. In 2007, the 25Mt of bauxite imported into China provided about one third of raw material requirements for alumina/aluminium production. Market forecasters are predicting that by 2017, China’s bauxite import requirements will have increased by about 130Mtpa.

Vietnam shares its northern border with China (See Figure 8), which is a logical market for any exports of bauxite, alumina and/or aluminium metal. A direct rail link into China’s southern provinces of Yunnan and Guangxi may well be equally as feasible as establishing rail and export shipping facilities within Vietnam.

Figure 8. Map Showing Chinese Provinces and Neighbouring Countries

9. Principal Sources of Information

The principal sources of information used in the preparation of this Report were:

- Atlantic Ltd website http: //atlanticltd.com.au for various ASX announcements, press releases, presentations and background information.
- Cape Alumina Ltd. Presentation to Resources Investment Expo 2009, 2-3 October 2009. w w w. capealumina.com.au
- Central Intelligence Agency, Publications, The World Factbook. Vietnam. https: //w w w.cia.gov/library/publications/the-world-factbook/geos/vm.html
- CSA Archives. Various reports and reviews on South East Asian mineral potential, including the bauxite potential of Vietnam.
- Grant Thornton - Doing Business in Vietnam 2010: http: //w w w.gt.com.vn/
- Milne, D. and Rickleman, N., 1993. Bauxite, in Cost estimation Handbook for the Australian Mining Industry (Eds: Noakes, M. and Lanz, T.), pp 332-334. (The Australasian Institute of Mining and Metallurgy: Melbourne).
- Lonely Planet. http: //w w w.lonelyplanet.com/vietnam/history
- Vinacomin website. http: //w w w.vinacomin.vn
- Wikipedia, the free encyclopaedia. http: //wikipedia.org/wiki/Bauxite

10. Glossary of Technical Terms

alumina	Al_2O_3, the product of refining bauxite.
anatase	A titanium mineral, TiO_2.
anthracite	Hard, black lustrous coal.
Archaean	Meaning ancient, is applied to the oldest rocks in the Precambrian, generally considered within Australia to be older than 2,500 million years.
autoclave	High pressure and temperature vessel for carrying out chemical processing.
basalt	A fine grained, dark coloured, extrusive mafic igneous rock comprised primarily of calcic plagioclase and pyroxene minerals.
bauxite	A surficial rock composed of one or more aluminium hydroxide minerals, with impurities consisting of silica, clay, silt and iron oxides. The principal ore of aluminium.
boehmite	An aluminium mineral, monohydrate alumina $Al_2O_3.H_2O$.
carbonate	Mineral containing CO_3, most commonly calcite or dolomite; rocks composed principally of carbonates.
caustic soda	Sodium hydroxide NaOH.
Cenozoic	The youngest of the four eras into which geologic time is divided. Includes the Tertiary and Quaternary (US) or Palaeogene and Neogene (Eur).
concretion	Nodular or irregular concentration developed by the localised deposition of material from solution.
detritus	Material produced by disintegration and weathering of rocks that has been moved from its site of origin.
dextral fault	A nearly vertical fault with predominantly strike slip movement in a dextral (right handed) sense.
diaspore	An aluminium mineral, hard rock form of boehmite, monohydrate alumina $Al_2O_3.H_2O$.
eluvial	Formed by the in situ disintegration of rock.
geochemistry	The chemistry of rocks and soils; generally focussed on the relative abundances and distribution of key elements and their various isotopes.
geological mapping	Process of identifying and recording the surface distribution of rock types, their age relationships and the structures affecting their distribution.
geophysical survey	Survey in which the physical characteristics of the earth, including magnetic field, gravitational field, conductivity and density are systematically measured over an area of interest.
geotechnical	Pertaining to the strength and structure, and hence the stability of a rock mass, usually in connection with excavations therein.
gibbsite	An aluminium mineral, trihydrate alumina, $Al(OH)_3$ or $Al_2O_3.3H_2O$.
gneiss	A coarse grained rock with alternating bands of granular minerals and schistose minerals.
goethite	An iron mineral, FeO(OH).

granite	Deep seated intrusive igneous rock consisting principally of alkali feldspar and quartz, with lesser micaceous minerals.
gravel	Accumulation of rounded pebbles >2mm in diameter.
halloysite	A clay mineral with the same composition as kaolinite, $Al_2(Si_2O_5)OH$.
hematite	A mineral that is the principal ore of iron – Fe_2O_3.
Holocene	Recent geological time period (epoch) since the last ice age.
hydrology	Study of surface and groundwater.
ilmenite	A mineral, the principal ore of titanium, $FeTiO_2$.
JORC Code	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2004 Edition. Prior editions (original 1989, 1992, 1996 and 1999) were also known as the JORC Code. The JORC Code sets out minimum standards, recommendations and guidelines for the public reporting within Australasia of Exploration Results, Mineral Resources and Ore Reserves wherein these terms are rigidly defined. The JORC Code is binding upon members of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists, and is included in the listing rules of the Australian and New Zealand Stock Exchanges.
kaolin/kaolinite	A common clay mineral, $Al_2(Si_2O_5)OH$.
lacustrine	Relating to, or formed in a lake.
laterite	Surface induration of re-precipitated iron and aluminium oxides derived from tropical climate weathering of underlying bedrock.
lime	Calcium oxide, CaO.
limestone	A sedimentary rock consisting principally of calcium carbonate $CaCO_3$.
magmatic rock	Rock formed molten rock or magma from beneath the earth's surface.
magnetite	Magnetic iron ore, an oxide of iron, Fe_3O_4.
melanocratic	Descriptive of dark coloured rocks, especially igneous rocks containing >60% dark minerals.
mobile zone or belt	Portion of the earth's crust, many tens of kilometres wide, that is more mobile than the adjoining stable crustal blocks. Characterised by extensive faulting and folding.
morphology	Form or shape.
opal	Amorphous silica, often used as a gem.
Permian	The last of six periods of the Palaeozoic Era, covering the period 235 to 290 million years ago.
petrology	Study of the origin, occurrence, structure and history of rocks, especially igneous rocks and metamorphic rocks.
pH	Numerical measure of the degree of acidity or alkalinity (basicity) of solutions.
pisolite	Spheroidal accretionary body >2mm in diameter.
Pleistocene	The earlier of the two epochs comprising the Quaternary. Sometimes used synonymously with Quaternary.
Proterozoic	The younger of the two Precambrian eras, generally considered older than about 570 million years ago to about 2,500 million years ago within Australia.

pseudomorph	A crystal which retains the shape and form of another mineral species which has been replaced by substitution or chemical alteration.
quartz	A common rock forming mineral, SiO_2; often occurs as discrete veins or veinlets occupying fractures or openings within rocks and shears. Quartz veins are common hosts for gold mineralisation.
Quaternary	Post-Tertiary era from about 1.8 million years ago to the present.
rift fault/zone	A large strike-slip fault/fault zone parallel to the regional structure.
rutile	A titanium mineral, TiO_2.
saprolite	Clay-rich, totally decomposed rock formed in situ by chemical weathering of igneous or metamorphic rock in tropical or sub-tropical climates.
sediment	Rocks formed by the deposition of solids from water.
siltstone	Very fine grained, compacted sedimentary rock.
sinistral displacement	Movement on a fault in which the opposite block has been displaced to the left.
strike-slip	Horizontal component of movement on a fault.
TDS	Total dissolved solids.
tholeiite	A mafic rock of volcanic origin containing a higher proportion of silica than a normal basalt.
topography	Physical features of the land surface, particularly the relief and contours.
X-Ray diffraction (XRD)	Examination of materials using diffraction of X-Rays to determine the internal structure.
zircon	The principal ore of zirconium, $ZrSiO_4$. A very hard mineral used as a refractory and as s gemstone.

SECTION 9 INDEPENDENT ACCOUNTANT'S REPORT

HLB Mann Judd
Accountants | Business and Financial Advisers

15 September 2010

The Directors
Atlantic Ltd
Level 29, Bankwest Tower
108 St Georges Terrace
PERTH WA 6000

Dear Sirs

INDEPENDENT ACCOUNTANT'S REPORT

Introduction

This Independent Accountant's Report ("Report") has been prepared for inclusion in a prospectus to be dated on or about 16 September 2010 ("Prospectus") for the offer by Atlantic Ltd ("Atlantic" or the "Company") of up to 50,500,000 shares at an issue price of $1.10 each to raise $55,550,000, before issue costs ("Offer").

This Prospectus also contemplates the issue to the current 10% shareholders of NewCo (defined in Section 17 of the Prospectus as the company which has been formed to own 100% of the issued capital of Midwest Vanadium Pty Ltd ("MVPL") (Receivers and Managers Appointed) (Subject to Deed of Company Arrangement), the company which owns 100% of the Windimurra vanadium project), who have been identified as lenders to NewCo of 3,400,000 shares in Atlantic as consideration for the acquisition of their shares in NewCo ("NewCo Offer").

The Offer and NewCo Offer are conditional on the completion of the acquisition by Atlantic of a 100% interest in NewCo.

This Report has been included in the Prospectus to assist potential investors and their financial advisers to make an assessment of the financial position of Atlantic.

Structure of Report

This Report has been divided into the following sections:

1. Background information;
2. Scope of Report;
3. Financial information;
4. Acquisition of MVPL;
5. Subsequent events;
6. Statements; and
7. Declaration.

1. Background information

Atlantic was incorporated on 15 January 1987 and listed on Australian Securities Exchange Limited ("ASX") on 11 June 1987. From incorporation, until entering into external administration in February 2007, the Company operated a number of diversified businesses including commercial property development, aquaculture, fishing and pearling operations.

Following the appointment of new directors and the effectuation of a deed of company arrangement in August 2007, Atlantic was reinstated to Official Quotation on ASX on 14 August 2007 as a pearl marketing business.

Following relisting, Atlantic carried out an internal study to investigate various avenues and opportunities to expand its pearl marketing business and also evaluated a number of new business opportunities with a view to creating long-term value for shareholders.

In November 2008, Atlantic announced that it had signed an agreement to acquire a company that had applied for the rights to the Bao Loc Project for staged consideration linked to the achievement of milestones on the project.

In September 2009, Mr Michael Minosora joined Atlantic as Managing Director and on 22 October 2009, Atlantic completed the placement of 140,000,000 shares at 3.5 cents each to raise $4.9 million before issue costs.

Atlantic subsequently announced that it would adopt a new strategic direction and would seek to become a successful resources company with a portfolio of world class assets. At that time, Atlantic also announced that the Board did not intend to pursue further investment in its pearl marketing business.

On 12 April 2010, Atlantic announced a significant strengthening of its Board with the appointment of Mr Ian McMaster AM as Chairman and Mr Alan Mulgrew and Mr Jay Wacher as Non-Executive Directors, to join Mr Minosora and Executive Director Mr Tony Veitch.

On 13 August 2010, the Company announced it had entered into agreements that allows Atlantic to consolidate 100% control of the Windimurra Project in Western Australia via the acquisition of 100% of the shares in MVPL. The Windimurra Project is a world scale vanadium project that, once operational at nameplate capacity, is expected to produce approximately 5,700 tonnes of contained vanadium as ferro-vanadium per annum.

The Company announced in April 2010 that it had signed an agreement with Mineral Resources Limited ("MRL") to acquire a 90% equity interest in NewCo, a new entity established to own 100% of MVPL in return for procuring new project finance sufficient to complete construction and commissioning of the Windimurra Project. This agreement proposed that the shares in NewCo would be held by Atlantic (62.5%), MRL (27.5%) and the secured lenders to MVPL (10%). NewCo's acquisition of MVPL had been transacted with the Receivers and Managers of MVPL as fully set out in Section 4 of this Report.

On 5 August 2010, Atlantic announced a restructuring of the deal with MRL, whereby Atlantic would acquire MRL's initially proposed 27.5% equity interest for $16 million, as well as purchasing the MRL owned crushing and beneficiation plant on site ("BOOT plant"). This was followed by the signing of a new agreement with the existing lenders to MVPL, announced on 13 August 2010, which allows Atlantic to acquire the remaining 10% of MVPL, thereby delivering Atlantic 100% control of the Windimurra Project at financial close.

NewCo will acquire all the shares of MVPL and be assigned approximately $290 million of the existing debt owed by MVPL for a nominal sum. Following completion of the transaction, all shares in NewCo will be held by Atlantic.

Completion of the transaction is subject to the satisfaction of certain conditions precedent, which include:

a) Atlantic shareholder approval – a meeting of Shareholders was held on 13 August 2010 and approved a change of activities under ASX rules, a consolidation of capital and the issue of new shares under this Prospectus to enable completion of the transaction for the purposes of this condition precedent;

b) execution of various transaction documents including an inter-creditor agreement, a syndicated facility agreement and the BOOT plant acquisition agreement; and

c) orders or consent under section 444GA of the Corporations Act permitting the deed administrators to transfer the whole of the existing shares in MVPL to Atlantic and MRL. These orders were given on 2 September 2010 in relation to Noble Group Limited as holder of 10% of the MVPL shares. Consent of Windimurra Vanadium Ltd ("WVL") as holder of 90% of the MVPL shares was obtained on 20 April 2010.

Following completion, Atlantic will procure a funding package for MVPL which is sufficient to complete construction and commissioning of the Windimurra Project and to complete the acquisition of the BOOT plant from MRL. As stated in Section 4.3 of this Prospectus, the funds raised from the Offer will be used by the Company to make a secured project finance loan to MVPL to provide part of the necessary funding. MVPL will source the remainder of the necessary funding from new project debt finance facilities and potential further equity raisings.

Under the agreements, on or before 1 April 2011, MVPL will acquire the crushing and beneficiation plant on site at Windimurra under an existing Build, Own, Operate and Transfer contract ("BOOT Contract") between MVPL and MRL.

As at the date of this Prospectus, the capital structure of the Company is as follows:

Security	**Number**
Fully paid ordinary shares	53,461,848
Class B performance shares	66
Listed options (31 December 2011)	9,322,317
Unlisted options (31 December 2010)	1,783,834

2. Scope of Report

You have requested HLB Mann Judd ("HLB") to prepare this Report presenting the following information:

d) the historical financial position of the Company as at 30 June 2010 as set out in Appendix 1 to this Report; and

e) the proforma financial information for the Company, comprising the proforma Statement of Financial Position as at 30 June 2010.

The Directors have prepared and are responsible for the historical and proforma information. We disclaim any responsibility for any reliance on this Report or on the financial information to which it relates for any purposes other than that for which it was prepared. This Report should be read in conjunction with the full Prospectus.

The historical financial information as set out in Appendix 1 has been extracted from the reviewed financial statements of Atlantic for the year ended 30 June 2010.

We performed a review of the historical financial information and the proforma financial information of Atlantic as at 30 June 2010 (including the financial position of MVPL) in order to ensure consistency in the application of applicable Accounting Standards and other mandatory professional reporting requirements. Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements.

Our review of the historical financial information and the proforma information of Atlantic, for the purposes of this Report (including the financial position of MVPL/NewCo as at 30 June 2010), was carried out in accordance with Australian Auditing Standard ASRE 2410 "Review of an Interim Financial Report performed by the Independent Auditor of the Entity" and included such enquiries and procedures which we considered necessary for the purposes of this Report. The review procedures undertaken by HLB in our role as Independent Accountants, for the purposes of this Report, were substantially less in scope than that of an audit examination conducted in accordance with generally accepted auditing standards. Our review was limited primarily to an examination of the historical financial information and the proforma information, analytical review procedures and discussions with senior management. A review of this nature provides less assurance than an audit and, accordingly, this Report itself does not express an audit opinion on the historical financial information and proforma information included in this Report or elsewhere in the Prospectus.

In relation to the information presented in this Report:

a) support by another person, corporation or an unrelated entity has not been assumed;

b) the amounts shown in respect of assets do not purport to be the amounts that would have been realised if the assets were sold at the date of this Report; and

c) the going concern basis of accounting has been adopted.

3. Financial Information

Set out in Appendix 1 (attached) is:

a) The Statement of Financial Position of Atlantic as at 30 June 2010; and

b) The proforma Statement of Financial Position of Atlantic as at 30 June 2010 as it would appear after incorporating the following significant events and proposed transactions by the Company subsequent to 30 June 2010:

i) the offer of 50,500,000 ordinary shares with an issue price of $1.10 each totalling $55,550,000;

ii) the write off to the issued capital account of the costs of the Prospectus being an estimated $834,799 as detailed below:

	Total ($)
ASIC fees	2,068
ASX fees	104,799
Broker Commissions	500,000
Legal Fees	140,000
Independent Geologist's Fees	52,932
Independent Accountant's Fees	25,000
Printing	10,000
	834,799

iii) the acquisition of 100% of MVPL and NewCo (details are included in Section 4 below);

iv) various adjustments resulting from the DOCA (details are included in Section 4 below);

v) the issue to Mr Veitch on 5 July 2010 of 25,000,000 Executive Incentive Shares at 7 cents per share under the Company's Executive Incentive Share Plan ("ESIP"). On a post-consolidation basis, these shares are consolidated into 1,000,000 shares at $1.75 per share. These shares cannot be disposed of by Mr Veitch until the shares have traded above $1.875 (post-consolidation) for more than 10 consecutive trading days. In accordance with the ESIP, Atlantic made a limited recourse loan to Mr Veitch, which will be secured by the shares, and with any proceeds from sale being applied to repay the loan;

vi) the consolidation of the Company's issued capital on the basis of the following:

- every 25 fully paid ordinary shares be consolidated into 1 share;
- every 25 Class B performance shares be consolidated into 1 Class B performance share; and
- every 25 options to acquire a share be consolidated into 1 option to acquire a share and the exercise price of each option be amended in inverse proportion to this ratio;

vii) the issue of 169,811 broker options (post-consolidation) to acquire shares in Atlantic at $1.325 per share on or before 31 August 2012, in relation to services provided to the Company in relation to the Offer. These shares have been valued using a Black & Scholes option pricing model at 45 cents per option. The resulting value of $75,945 has been credited to an Option Reserve and included as part of issue costs of the Offer;

viii) the proceeds from the exercise of 7,277,000 listed options at 0.8 cents each and 11,621,500 unlisted options at 1 cent each between 1 July 2010 and the date of this Prospectus (pre-consolidation), raising $174,431;

ix) the payment of transaction costs relating to the acquisition of MVPL/NewCo of an estimated $1,500,000, written off to profit and loss;

Proforma adjustments relating to MVPL:

x) the payment of $9,400,000 to MRL in accordance with the BOOT contract;

xi) the payment of $9,710,000 to MRL in relation to deferred CRI payment obligations; and

xii) the payment of $5,700,000 for the acquisition of the Windimurra accommodation camp assets from Commonwealth Bank of Australia; and

c) Notes to the historical financial information and proforma information.

4. Acquisition of MVPL/Newco

a) History of the Windimurra Project

The Windimurra Vanadium deposit was first discovered in the late 1960's. Exploration permits were obtained in 1985 by Precious Metals Australia Limited ("PMA"). In 1998, PMA formed a joint venture with a subsidiary of Xstrata to develop and commission a mine and associated processing facilities. The parties invested approximately $115 million in the project, while third parties and the Western Australian state government invested approximately $70 million to develop key infrastructure, including a gas pipeline and roads to the area.

Production commenced at the end of 1999 and the operation was closed in 2003 after processing approximately 7.2 million tonnes of ore and producing 13,000 tonnes of high quality vanadium pentoxide. Following this closure, PMA obtained a court injunction to halt Xstrata dismantling the plant and commenced legal proceedings against Xstrata. These actions were settled in April 2005, with PMA regaining 100% ownership of the project and receiving $24.3 million in cash. PMA used $4 million to acquire from Xstrata all the remaining plant and equipment on site, including the gas-fired rotary kiln, and assumed responsibility for the rehabilitation obligations.

Ownership was transferred to MVPL in 2005, at that time a joint venture company with Noble Group Limited ("Noble"). In December 2007, PMA was renamed Windimurra Vanadium Ltd ("WVL"). A total of $171 million of equity and $128 million in debt funding was raised in order to restart the project and project development was recommenced.

In February 2009, WVL went into Voluntary Administration, due to having insufficient funds available to complete construction of the project and being unable to raise further funding at the time as a result of the global financial crisis. On 18 February 2009, MVPL also went into Voluntary Administration, with the company's creditors appointing Messrs Darren Weaver, Andrew Saker and Martin Jones as administrators at a creditors' meeting on that date. On 18 February 2009, Messrs Martin Madden and Brian McMaster of KordaMentha were appointed Joint and Several Receivers and Managers over all the assets and undertakings of MVPL.

On 12 February 2010, a second meeting of MVPL creditors was held. At that meeting the creditors resolved that MVPL execute a deed of company arrangement and on 24 February 2010, Messrs Weaver, Saker and Jones executed the deed of company arrangement. On 20 April 2010, at a reconvened meeting of MVPL's creditors, the creditors resolved to vary that deed of company arrangement, so that it is substantially in the form of the varied deed of company arrangement dated 12 May 2010, details of which are set out in Section 14 of this Prospectus.

Since February 2009, the Windimurra Project has been on care and maintenance.

b) Acquisition of MVPL/NewCo

Following a negotiation process with the Receiver and Manager of MVPL, Atlantic and MRL initially signed an agreement to acquire an effective 90% equity interest in NewCo, with Atlantic representing a 62.5% holding and MRL representing a 27.5% holding. Following further discussions, Atlantic and MRL agreed to restructure the agreement whereby Atlantic will acquire the entire 90% effective interest in the Project. Subsequent to reaching this the revised agreement with MRL, Atlantic also consolidated 100% ownership of NewCo by agreeing to acquire the existing lenders' residual 10% interest in NewCo.

As set out in the Material Contracts section of this Prospectus (Section 14), the following agreements have been executed to complete the acquisition by Atlantic of MVPL:

i) Varied Deed of Company Arrangement (DOCA) dated 12 May 2010 between MVPL and the deed administrators, and the Amending Deed to Varied Deed of Company Arrangement dated 10 September 2010;

ii) Coordination Deed dated 8 September 2010 between Atlantic, NewCo and several other parties;

iii) the Syndicated Facility Agreement between Atlantic, MVPL and several other parties;

iv) the Atlantic Facility Agreement between Atlantic, MVPL and several other parties;

v) the Intercreditor and Security Trust Deed between Atlantic, MVPL and several other parties;

vi) the Deed of Sale of Chattel Asset between Atlantic and Commonwealth bank of Australia;

vii) the BOOT Plant Sale Agreement between Atlantic, MVPL and MRL;

viii) the Share Sale Agreement between Atlantic and MRL;

ix) the Shareholders Agreement between Atlantic, MVPL, NewCo and MRL;

x) the Deed of Assignment of Debt between Newco and Windimurra Vanadium Ltd (receivers and managers appointed); and

xi) the Deed of Termination and Release between Atlantic, MVPL, MRL and several other parties.

The acquisition of 100% of NewCo and thereby the securing of 100% of MVPL will be finalised as follows:

1. Atlantic's initial 62.5% interest in NewCo was acquired on incorporation for a nominal sum.

2. Atlantic's acquisition of MRL's 27.5% interest in NewCo will be finalised via the payment to MRL of $16,000,000. This amount is payable as follows:

- Immediate payment of a non-refundable deposit of $500,000;
- A further non-refundable deposit of $2,500,000 on or before 24 December 2010; and
- The balance of $13,000,000 on 1 April 2011, or such earlier date as Atlantic may nominate.

In the event that Atlantic does not make payment of the second non-refundable deposit of $2,500,000 noted above or the final payment of $13,000,000, Atlantic will transfer its 27.5% interest in NewCo back to MRL for $1.

3. Atlantic's final 10% interest will be acquired via the issue of 3,400,000 shares in Atlantic to those shareholders of NewCo who own that interest, being the existing lenders of MVPL.

4. An amount of $800,000 has also been paid by MVPL into a creditors' trust pursuant to the DOCA.

Under the DOCA, the following significant adjustments are to be made to the financial statements of MVPL:

i) Write off to profit and loss of $7,755,000 in capitalised intangible marketing costs;

ii) Write off to profit and loss of $18,120,175 in capitalised borrowing costs;

iii) The assignment of a creditor of $171,313,706 owing to WVL (Receivers and Managers Appointed) (Subject to Deed of Company Arrangement) to NewCo;

iv) The assignment of existing creditors totalling $52,600,000 to NewCo;

v) The assignment of a debt of $12,178,782 owing to Noble Group Limited to NewCo;

vi) The reduction in total amounts owing in respect of the Senior Debt to an amount of $90,000,000. Senior Debt relates to amounts owing to Senior Finance Parties (as set out in Section 14.4 of this Prospectus). A portion of this debt (not less than $3,750,000) is repayable on 31 March 2011. The balance of $86,250,000 is repayable 48 months from the date of financial close. This debt will be interest free and as a result, in accordance with Australian Accounting Standard 139, the debt is required to be discounted to present values. The present value of the debt of $86,250,000 is calculated to be $63,400,000; and

vii) The assignment of Mezzanine Debt of $59,479,362 to NewCo. Mezzanine Debt relates to amounts owing to Mezzanine Finance Parties (as set out in Section 14.4 of this Prospectus).

The Statement of Financial Position of MVPL/NewCo as at 30 June 2010, after incorporating the above adjustments resulting from the DOCA and the proforma adjustments noted in Section 3(b) above relating to MVPL, is as follows:

	Proforma MVPL / NewCo $ '000
CURRENT ASSETS	
Cash and cash equivalents	7,351
Trade and other receivables	5,258
Inventories	2,032
TOTAL CURRENT ASSETS	14,641
NON CURRENT ASSETS	
Cash and cash equivalents	8,709
Property plant and equipment	314,100
TOTAL NON-CURRENT ASSETS	322,809
TOTAL ASSETS	337,450
CURRENT LIABILITIES	
Trade and other creditors	22
Employee benefits	215
Loans and borrowings	5,429
TOTAL CURRENT LIABILITIES	5,666
NON CURRENT LIABILITIES	
Employee benefits	17
Provision for rehabilitation	20,387
Loans and borrowings	68,398
TOTAL NON CURRENT LIABILITIES	88,802
TOTAL LIABILITIES	94,468
NET ASSETS	242,982
EQUITY	
Issued capital	27,029
Retained profits	215,953
TOTAL EQUITY	242,982

5. Subsequent Events

In our opinion, there have been no material items, transactions or events subsequent to 30 June 2010 not otherwise disclosed in the Prospectus that have come to our attention during the course of our review that would require comment in, or adjustment to, the content of this Report or which would cause such information included in this Report to be misleading.

6. Statements

Based on our review, which was not an audit, we have not become aware of any matter that causes us to believe that:

a) the historical financial information of Atlantic as at 30 June 2010 as set out in Appendix 1 of this Report, does not present fairly the financial position of Atlantic as at that date in accordance with the measurement and recognition requirements (but not all of the disclosure requirements) of applicable Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and Australian Accounting Interpretations for the presentation of financial information for inclusion in this Prospectus; and

b) the proforma financial information of Atlantic as at 30 June 2010 as set out in Appendix 1 of this Report, does not present fairly the financial position of Atlantic as at that date in accordance with the measurement and recognition requirements (but not all of the disclosure requirements) of applicable Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and Australian Accounting Interpretations for the presentation of financial information for inclusion in this Prospectus, as if the transactions referred to in Section 3 (b) of this Report had occurred during that period.

7. Declaration

a) HLB will be paid its usual professional fees based on time involvement, for the preparation of this Report and review of the financial information, at our normal professional rates (expected to be in the range of $25,000 to $30,000, plus GST).

b) Apart from the aforementioned fee, neither HLB, nor any of its associates will receive any other benefits, either directly or indirectly, for or in connection with the preparation of this Report.

c) Neither HLB, nor any of its employees or associated persons has any interest in Atlantic or the promotion of the Company.

d) Unless specifically referred to in this Report, or elsewhere in the Prospectus, HLB was not involved in the preparation of any other part of the Prospectus and did not cause the issue of any other part of the Prospectus. Accordingly, HLB makes no representations or warranties as to the completeness or accuracy of the information contained in any other part of the Prospectus.

e) HLB has consented to the inclusion of this Report in the Prospectus in the form and context in which it appears. The inclusion of this Report should not be taken as an endorsement of the Company or a recommendation by HLB of any participation in the Company by an intending subscriber.

Yours faithfully
HLB MANN JUDD

L DI GIALLONARDO
Partner

ATLANTIC LTD
ACN 009 213 763

- APPENDIX 1 -

ATLANTIC LTD
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010

	Notes	Reviewed Atlantic Ltd $ '000	Reviewed MVPL/NewCo $ '000	Proforma & other adjustments $ '000	Proforma Atlantic Ltd $ '000
CURRENT ASSETS					
Cash and cash equivalents	2	4,118	7,351	36,589	48,058
Trade and other receivables	3	117	5,258	-	5,375
Inventories	4	-	2,032	-	2,032
TOTAL CURRENT ASSETS		4,235	14,641	36,589	55,465
NON CURRENT ASSETS					
Restricted cash	2	-	8,709	-	8,709
Property plant and equipment	5	23	314,100	-	314,123
Exploration and evaluation expenditure	6	-	-	-	-
TOTAL NON-CURRENT ASSETS		23	322,809	-	322,832
TOTAL ASSETS		4,258	337,450	36,589	378,297
CURRENT LIABILITIES					
Trade and other creditors	7	545	22	-	567
Employee benefits	8	-	215	-	215
Loans and borrowings	9	-	5,429	-	5,429
TOTAL CURRENT LIABILITIES		545	5,666	-	6,211
NON CURRENT LIABILITIES					
Employee benefits	8	-	17	-	17
Provision for rehabilitation	10	-	20,387	-	20,387
Loans and borrowings	9	-	68,398	-	68,398
TOTAL NON CURRENT LIABILITIES		-	88,802	-	88,802
TOTAL LIABILITIES		545	94,468	-	95,013
NET ASSETS		3,713	242,982	36,589	283,284
EQUITY					
Issued capital	11	24,093	27,029	31,525	82,647
Reserves	12	1,845	-	75	1,920
Retained profits/(accumulated losses)	13	(22,225)	215,953	4,989	198,717
TOTAL EQUITY		3,713	242,982	36,589	283,284

This statement should be read in conjunction with the accompanying notes.

ATLANTIC LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of the historical and proforma financial information reported under Australian Equivalents to International Financial Reporting Standards ("AIFRS") are shown below.

(a) Basis of preparation

The financial statements have been prepared in accordance with the measurement and recognition requirements (but not all of the disclosure requirements) of the Corporations Act 2001, applicable Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and Australian Accounting Interpretations for the presentation of financial information for inclusion in this Prospectus, using the accrual basis of accounting.

Compliance with IFRS

The financial information complies with Australian equivalents to International Financial Reporting Standards ("AIFRS"). Compliance with AIFRS ensures that the financial information, comprising the financial statements and notes thereto, comply with the measurement and recognition requirements (but not all of the disclosure requirements) of International Financial Reporting Standards.

Historical cost convention

These financial statements have been prepared under the historical cost convention.

(b) Critical accounting judgements and key sources of estimation uncertainty

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Impairment:

The Directors evaluate estimates and judgments incorporated into the historical and proforma financial information based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Rights to tenure of exploration and evaluation assets:

As disclosed in Note 1(t), the directors of Atlantic have decided to take a conservative approach and recognise an impairment charge on the carrying value of exploration expenditure as at 30 June 2010 relating the Bao Loc project given discussions with the relevant authorities in Vietnam to progress the project have not resulted in the signing of a definitive joint venture or development agreement at 30 June 2010.

ATLANTIC LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Principles of consolidation

(i) Subsidiaries

The historical financial information incorporates the assets and liabilities of all subsidiaries of Atlantic as at 30 June 2010 and the results of all subsidiaries for the year then ended. The proforma financial information is based on the historical financial information adjusted for the proforma transactions included in Note 1(v). Atlantic and its subsidiaries together are referred to as the Group or the Consolidated Entity.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group (refer to note 1(u)).

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are accounted for at cost in the individual financial statements of Atlantic.

(d) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the consolidated entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

(ii) Rendering of services

Revenue from the rendering of services is recognised by reference to the stage of completion of the contract.

(iii) Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

All revenue is stated net of the amount of goods and services tax (GST).

ATLANTIC LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Cash and cash equivalents
Cash includes deposits at call with financial institutions and other highly liquid investments with original maturities of three months or less that are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

(f) Trade and other receivables
Trade receivables are measured on initial recognition at fair value. Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group.

The amount of the impairment loss is recognised in the Statement of Comprehensive Income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the Statement of Comprehensive Income.

(g) Financial instruments
Financial instruments in the scope of *AASB 139 Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial instruments are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial instruments are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial instruments under contracts that require delivery of the instrument within the period established generally by regulation or convention in the marketplace.

<u>Financial assets at fair value through profit and loss</u>
A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139. Gains or losses on investments held for trading are recognised in profit or loss.

ATLANTIC LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Held-to-maturity investments
These investments have fixed maturities, and it is the Group's intention to hold these investments to maturity. Any held-to-maturity investments held by the Group are stated at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

Available-for-sale financial assets
Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities
Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment
At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the Statement of Comprehensive Income.

(h) Income tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date.

Deferred tax is provided for on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred income tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Statement of Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

ATLANTIC LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(i) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

(j) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing items and restoring the site on which they are located.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying value or property, plant and equipment.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

The estimated useful lives of items of property, plant and equipment to be acquired via the acquisition of MVPL will be assessed on completion of the acquisition.

Depreciation methods, useful lives and residual values are reassessed at each reporting date.

ATLANTIC LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Mine development
Once a development decision has been taken, expenditure for the establishment of access to mineral reserves, together with capitalised exploration, evaluation and commissioning expenditure, including an appropriate portion of related overhead expenditure directly attributable to the development property are capitalised and classified under non-current assets as “Mine development”.

No amortisation is provided in respect of development properties until commercial production is declared by the consolidated entity (for new operations), or in which mining of a mineral resource has commenced, and mine development expenditure is reclassified as “Mine properties”.
Mine properties
Mine properties represent the accumulation of all development expenditure in relation to areas of interest. When further development expenditure is incurred in respect of a mine property after the commencement of production, such expenditure is carried forward as part of the mine property only when substantial future economic benefits are thereby established, otherwise such expenditure is classified as part of the cost of production in the Statement of Comprehensive Income.

Amortisation of costs is provided on the unit-of-production basis which results in an amortisation charge proportional to the depletion of the economically recoverable mineral reserves within the proven and probable category.

(k) Leased assets
Leases in terms of which the consolidated entity assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases.

Operating lease payments
Payments made under operating leases are recognised in the Statement of Comprehensive Income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the Statement of Comprehensive Income as an integral part of the total lease expense and spread over the lease term.

(l) Inventories
Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in-first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

ATLANTIC LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Impairment of assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing of items of property, plant and equipment to be acquired via the acquisition of MVPL will be assessed on completion of the acquisition.

(n) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(o) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation, as a result of a past event, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Site restoration

In accordance with applicable legal requirements, a provision for site restoration (or rehabilitation) in respect of mine projects is recognised where the mining or exploration activity undertaken, requires rehabilitation in the future, usually upon final and permanent closure of the relevant mine.

The provision is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date, based on current legal requirements and technology. Future restoration costs are reviewed annually and any changes are reflected in the present value of the restoration provision at the end of the reporting period.

The amount of the provision for future restoration costs is capitalised and is depreciated in accordance with the policy set out in Note 1(j). The unwinding of the effect of discounting on the provision is recognised as a finance cost.

ATLANTIC LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Employee benefits

Wages, salaries, annual leave and sick leave
Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the consolidated entity expects to pay as at reporting date including related on-costs, such as workers' compensation insurance and payroll tax.

(q) Share-based payment transactions

(i) *Equity settled transactions:*

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black & Scholes valuation methodology taking into account the terms and conditions upon which the instruments were granted.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Atlantic Ltd (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

The Statement of Comprehensive Income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

ATLANTIC LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

(ii) *Executive Incentive Share Plan*

The Executive Incentive Share Plan ("EISP") is accounted for as an "in-substance" option plan due to the limited recourse nature of the loan between the employees and the Company to finance the purchase of ordinary shares. The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share. Shares in the Company held under the ESIP are deducted from equity, and the grant date fair value of the options recognised at reporting date is credited to the Share Incentive Plan Reserve with a corresponding charge to the Statement of Comprehensive Income.

(r) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(s) Borrowing costs

Borrowing costs are recognised in the Statement of Comprehensive Income in the period in which they are incurred.

(t) Exploration and evaluation

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

(i) the rights to tenure of the area of interest are current; and

(ii) at least one of the following conditions is also met:

a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or

b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

ATLANTIC LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

Atlantic acquired 100% of the issued share capital of Azure Mining International Ltd ("AMI") on 25 May 2009. AMI has made an application for a bauxite exploration project covering approximately 100 km^2 in the Bao Loc district of Lam Dong province in Vietnam. The Company is currently in discussions with the relevant authorities in Vietnam to progress the Bao Loc project. The directors of Atlantic have decided to take a conservative approach and recognise an impairment charge on the carrying value of exploration expenditure relating to the Bao Loc project as at 30 June 2010 given discussions with the relevant authorities in Vietnam have not resulted in the signing of a definitive joint venture or development agreement at 30 June 2010.

(u) Business combinations

The purchase method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange. Where equity instruments are issued in an acquisition, the fair value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity. Indirect costs relating to the acquisition are expensed in the period in which they occur.

ATLANTIC LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the Group's share of the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the Statement of Comprehensive Income, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(v) Proforma transactions

The proforma Statement of Financial Position has been derived from the historical financial information as at 30 June 2010 adjusted to give effect to the following actual or proposed significant events and transactions by the Company subsequent to 30 June 2010:

i) the offer of 50,500,000 ordinary shares with an issue price of $1.10 each totalling $55,550,000;

ii) the write off to the issued capital account of the costs of the Prospectus being an estimated $834,799 as detailed below:

	Total ($)
ASIC fees	2,068
ASX fees	104,799
Broker Commissions	500,000
Legal Fees	140,000
Independent Geologist's Fees	52,932
Independent Accountant's Fees	25,000
Printing	10,000
	834,799

iii) the acquisition of 100% of MVPL and NewCo (details are included in Section 4 of our Report);

iv) various adjustments resulting from the DOCA (details are included in Section 4 of our Report);

ATLANTIC LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

v) the issue to Mr Veitch on 5 July 2010 of 25,000,000 Executive Incentive Shares at 7 cents per share under the Company's Executive Incentive Share Plan ("ESIP"). On a post-consolidation basis, these shares are consolidated into 1,000,000 shares at $1.75 per share. These shares cannot be disposed of by Mr Veitch until the shares have traded above $1.875 (post-consolidation) for more than 10 consecutive trading days. In accordance with the ESIP, Atlantic made a limited recourse loan to Mr Veitch, which will be secured by the shares and with any proceeds from sale being applied to repay the loan;

vi) the consolidation of the Company's issued capital on the basis of the following:

- every 25 fully paid ordinary shares be consolidated into 1 share;
- every 25 Class B performance shares be consolidated into 1 Class B performance share; and
- every 25 options to acquire a share be consolidated into 1 option to acquire a share and the exercise price of each option be amended in inverse proportion to this ratio;

vii) the issue of 169,811 broker options (post-consolidation) to acquire shares in Atlantic at $1.325 per share on or before 31 August 2012, in relation to services provided to the Company in relation to the Offer. These shares have been valued using a Black & Scholes options pricing model at 45 cents per option. The resulting value of $75,945 has been credited to an Option Reserve and included as part of issue costs of the Offer;

viii) the proceeds from the exercise of 7,277,000 listed options at 0.8 cents each and 11,621,500 unlisted options at 1 cent each between 1 July 2010 and the date of this Prospectus (pre-consolidation), raising $174,431;

ix) the payment of transaction costs relating to the acquisition of MVPL/NewCo of an estimated $1,500,000, written off to profit and loss;

Proforma adjustments relating to MVPL:

x) the payment of $9,400,000 to MRL in accordance with the BOOT contract;

xi) the payment of $9,710,000 to MRL in relation to deferred CRI payment obligations; and

xii) the payment of $5,700,000 for the acquisition of the Camp assets from CBA.

ATLANTIC LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

	Atlantic Ltd	Proforma Atlantic Ltd
	$ '000	$ '000
2. CASH AND CASH EQUIVALENTS		
Current:		
Balance at 30 June 2010	4,118	4,118
Cash balance assumed on acquisition of MVPL	-	32,161
Payment to MRL in accordance with the BOOT contract	-	(9,400)
Payment to MRL in relation to deferred CRI payment obligations	-	(9,710)
Payment for the acquisition of Camp assets from CBA	-	(5,700)
Shares issued pursuant to this Prospectus	-	55,550
Share issue costs	-	(835)
Proceeds from exercise of options	-	174
Payments to MRL on acquisition of 27.5% of NewCo	-	(16,000)
Contribution to creditors trust arising from the DOCA	-	(800)
Transaction costs relating to the acquisition of MVPL/NewCo	-	(1,500)
	4,118	48,058
Non-current:		
Restricted cash on deposit (on acquisition of MVPL)	-	8,709
	-	8,709

Restricted cash on deposit relates to environmental bonds, guaranteed by a financial institution, and cash backed bank guarantees for the operation of corporate credit cards, and other facilities.

The financial institution has taken security, by way of right of offset, against the term deposit of $8.7 million. Refer to Note 14.

ATLANTIC LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

	Atlantic Ltd $'000	Proforma Atlantic Ltd $'000
3. TRADE AND OTHER RECEIVABLES		
Balance at 30 June 2010	117	117
Receivables assumed on acquisition of MVPL	-	5,258
	117	5,375
4. INVENTORIES		
Inventories assumed on acquisition of MVPL	-	2,032
	-	2,032
5. PROPERTY, PLANT & EQUIPMENT		
Balance at 30 June 2010	23	23
Property, plant and equipment assumed on acquisition of MVPL	-	308,400
Acquisition of camp assets	-	5,700
	23	314,123
6. EXPLORATION AND EVALUATION EXPENDITURE		
Balance as at 30 June 2010	3,882	3,882
Less: Impairment	(3,882)	(3,882)
	-	-
7. PAYABLES		
Balance at 30 June 2010	545	545
Payables assumed on acquisition of MVPL	-	9,422
Payment of amount owing to MRL in accordance with the BOOT contract	-	(9,400)
	545	567
8. EMPLOYEE BENEFITS		
Current:		
Balance at 30 June 2010	-	-
Employee benefits assumed on acquisition of MVPL	-	215
	-	215
Non-current:		
Balance at 30 June 2010	-	-
Employee benefits assumed on acquisition of MVPL	-	17
	-	17

ATLANTIC LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

	Atlantic Ltd $'000	Proforma Atlantic Ltd $'000
9. LOANS AND BORROWINGS		
Current:		
Balance at 30 June 2010	-	-
Loans and borrowings assumed on acquisition of MVPL	-	2,895
Finance lease liabilities assumed on acquisition of MVPL	-	2,534
	-	5,429
Non-current:		
Balance at 30 June 2010	-	-
Loans and borrowings assumed on acquisition of MVPL	-	60,505
Finance lease liabilities assumed on acquisition of MVPL	-	7,893
	-	68,398
10. PROVISION FOR REHABILITATION		
Balance at 30 June 2010	-	-
Provision for rehabilitation assumed on acquisition of MVPL	-	20,387
	-	20,387
11. ISSUED CAPITAL		
Issued and paid up share capital		
Balance at 30 June 2010 (1,292,644,941 ordinary shares)	24,093	24,093
Issue of 25,000,000 incentive shares to A Veitch	-	-
Issue of 18,898,500 shares on exercise of options	-	174
Sub-total (1,336,543,441 ordinary shares)	24,093	24,267
Capital consolidation to reduce the number of ordinary shares by a factor of 25:1 (post-consolidation balance is 53,461,848 ordinary shares)	-	-
Issue of 3,400,000 ordinary shares to acquire remaining 10% of NewCo	-	3,740
Issue of 50,500,000 ordinary shares under this Prospectus	-	55,550
Shares issue costs	-	(835)
Share issue costs (value of broker options issued)	-	(75)
Balance at end of period (107,361,848 ordinary shares)	24,093	82,647

ATLANTIC LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

	Proforma – Atlantic Ltd	
	Number	$
Movements in number of fully paid ordinary shares since 30 June 2010:		
Shares on issue at 30 June 2010	1,292,644,941	24,093,086
Proforma adjustments:		
Issue of incentive shares to Mr Veitch	25,000,000	-
Issue of shares on exercise of options	18,898,500	174,431
Sub-total	1,336,543,441	24,267,517
Capital consolidation to reduce the number of ordinary shares by a factor of 25:1	(1,283,081,593)	-
Post-consolidation sub-total	53,461,848	24,267,517
Issue of ordinary shares to acquire remaining 10% of NewCo	3,400,000	3,740,000
Issue of ordinary shares under this Prospectus at $1.10 each	50,500,000	55,550,000
Share issue costs	-	(834,799)
Share issue costs (value of broker options issued)	-	(75,945)
Proforma total	107,361,848	82,646,773

	Atlantic Ltd	Proforma Atlantic Ltd
	$ '000	$ '000
12. RESERVES		
Option reserve		
Balance at 30 June 2010	128	128
Issue of 169,811 broker options (share issue costs)	-	75
	128	203
Share incentive plan reserve		
Balance at 30 June 2010	1,717	1,717
Issue of 25,000,000 executive incentive shares to Mr Veitch (these are yet to be valued)	-	-
	1,717	1,717
Total reserves	1,845	1,920
13. RETAINED PROFITS / (ACCUMULATED LOSSES)		
Balance at 30 June 2010	(22,225)	(22,225)
Bargain purchase gain on acquisition of MVPL	-	222,442
Transaction costs relating to the acquisition of MVPL/NewCo	-	(1,500)
	(22,225)	198,717

ATLANTIC LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

14. Contingencies and Commitments

The consolidated entity has contingent liabilities in respect of the following:

(a) Through the acquisition of MVPL, the consolidated entity has provided unconditional performance bonds, guaranteed by a financial institution, amounting to $8.2 million to the Department of Industry and Resources in respect of compliance with environmental conditions in relation to certain tenements. The financial institution has taken security, by way of right of offset, against the term deposit of $8.7 million invested with it – refer to Note 2. A provision for minesite rehabilitation has been established based on future values should the Windimurra mine site be rehabilitated from its current state, as set out in Note 10.

The consolidated entity has the following commitments:

Finance lease commitments

	Proforma Atlantic Ltd $ '000
Minimum lease payments payable:	
Not later than 12 months	2,634
Between 12 months and 5 years	9,284
Later than 5 years	-
Minimum lease payments	11,918
Less: Future finance charges	(1,491)
	10,427

Commitments under the BOOT Contract

Under the terms of the BOOT Contract, on or before 1 April 2011, MVPL has contracted to acquire the crushing and beneficiation plants on site at Windimurra from MRL for an amount of $60,000,000. This is to be financed on a basis to be determined by the directors of Atlantic and MVPL as part of the procuring of the additional debt facilities noted in Section 14 of this Prospectus.

15. RELATED PARTY TRANSACTIONS

Details of Directors' interests in the Company's issued capital and transactions with the Company are included in Section 13 of this Prospectus.

SECTION 10 BOARD OF DIRECTORS

10.1. Directors

The Board of Directors of the Company has a wide range of experience in the mining, infrastructure and finance industries. Directors (excluding the Managing Director) hold office for 3 years and upon the third annual general meeting following appointment must retire and submit themselves for re-election by Shareholders.

The Directors of the Company at the date of this report and their relevant background details are as follows:

Mr Ian McMaster AM – Chairman
Appointed 11 April 2010
BE (Metallurgy), ME

Ian McMaster is a former Chief Executive Officer of CSR Sugar, a position he held for seven years. Prior to this, Mr McMaster spent more than 30 years with BHP in a range of senior executive roles in the steel and minerals businesses in New South Wales, Victoria, Western Australia and China.

Mr McMaster is currently a Non-Executive Director of Intrepid Mines Limited.

Mr Michael Minosora – Managing Director
Appointed 25 September 2009
BBus, MBA, CA

Mr Minosora is a qualified Chartered Accountant who has over 20 years experience in the corporate advisory arena, advising on significant corporate transactions both in Australia and South East Asia.

Mr Minosora was previously Chief Financial Officer of Fortescue Metals Group, Managing Director with Azure Capital and Managing Partner of Ernst & Young in Western Australia.

Mr Minosora is not a director of any other ASX listed companies.

Mr Tony Veitch – Executive Director
Appointed 4 July 2007
BCom, MBA

Mr Veitch has previously acted as a consultant to a wide range of private and public companies. Prior to that, Mr Veitch was the Manager of Corporate Projects for the London Stock Exchange and worked with the Australian Securities Exchange, where he worked on numerous ASX listings and other transactions in the Australian capital markets.

Mr Veitch is currently a Non-Executive Director of Baraka Petroleum Limited.

SECTION 10 BOARD OF DIRECTORS (CONTINUED)

Mr Alan Mulgrew – Non-Executive Director
Appointed 11 April 2010
BA (Mgnt), Dip Corp Fin, GRAICD, JP

Mr Mulgrew provides strategic advice to numerous major institutions in the aviation, construction, infrastructure and energy sectors. Prior to this role, Mr Mulgrew spent more than 35 years as a senior aviation executive both within Australia and overseas, including managing responsibility for Perth and Sydney Airports. Mr Mulgrew has held a number of high profile directorships, including Chairman, with both private and public companies. He is currently a Non-Executive Director of Doric Group Holdings Pty Ltd, Adelaide Airport Limited and Tesla Corporation Pty Ltd.

Mr Mulgrew is not a director of any other ASX listed companies.

Mr Jay Wacher – Non-Executive Director
Appointed 11 April 2010
BCom, LLB, A.S.A.A

Mr Wacher is currently Finance Director of PT Elang Mahkota Teknologi Tbk (Emtek Group), an Indonesian-based television and telecommunications services business. Prior to that, Mr Wacher was Managing Director of Finance of world class plantation company, PT London Sumatra Indonesia Tbk, which was acquired by an international investment consortium in 2004 in a debt restructuring.

Mr Wacher has 16 years experience in corporate finance and private equity investment and has had 10 years experience in business in South East Asia. Mr Wacher was previously a director of Carnegie, Wylie & Company, the Australian investment bank and private equity firm, and before that a Director of Arthur Anderson. He has performed strategic, M&A and advisory assignments for the Commonwealth Government as well as many Australian listed and private companies.

Mr Wacher is not a director of any other ASX listed companies.

10.2. Material Contracts with Directors

On appointment to the Board, all non-executive directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation, relevant to the office of director. The term of each contract is ongoing and subject to annual review. Further details of the contracts are as follows:

- **I McMaster (Chairman)** - Base fees $80,000 as a director (inclusive of superannuation) and $30,000 as Chairman (inclusive of superannuation).

- **M Minosora (Managing Director)** - Salary of $300,000 per annum (inclusive of superannuation) reviewed annually by the Board and 3,960,000 post consolidation (99,000,000 pre-consolidation) Shares under the ESIP that vest on satisfaction of particular share price and service performance hurdles as set out in Section 11.6.

SECTION 10 BOARD OF DIRECTORS (CONTINUED)

- **T Veitch (Executive Director) -** Salary of $250,000 per annum (inclusive of superannuation) reviewed annually by the Board and 1,000,000 post consolidation (25,000,000 pre-consolidation) Shares under the ESIP that vest on satisfaction of particular share price performance hurdles as set out in Section 11.6.

- **A Mulgrew (Non-Executive Director)** - Base fees $80,000 (inclusive of superannuation).

- **J Wacher (Non-Executive Director)** - Base fees $80,000 (inclusive of superannuation.

Base fees are reviewed annually by the Board. Directors are also entitled to additional fees where they are appointed to a Board committee.

10.3. Board Committees

The Board has established the following committees:

- Audit Committee – Mr Wacher (Chairman), Mr McMaster and Mr Mulgrew; and

- Remuneration and Nomination Committee – Mr Wacher (Chairman), Mr McMaster and Mr Mulgrew.

The Board has also resolved to establish a Safety and Environment Committee comprising all Directors with Mr Mulgrew as Chairman as soon as the acquisition of the Windimurra Project is completed.

Non-Executive Directors are entitled to receive a further $15,000 per annum (inclusive of superannuation entitlements) when appointed as a member of a committee.

SECTION 11 TERMS AND CONDITION OF SECURITIES

11.1. Rights attaching to New Shares

Details of the rights attaching to Shares (including New Shares) are set out in the Company's Constitution, a copy of which can be inspected, free of charge, at the Company's registered office during normal business hours.

The following is a broad summary of the rights, privileges and restrictions attaching to all Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders.

Ranking of Shares

All New Shares will, from the time they are issued, rank pari passu with all the Company's existing Shares.

General Meetings

Each Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be furnished to Shareholders under the Company's Constitution, the Corporations Act and the Listing Rules.

Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares (at present there are none), at meetings of Shareholders:

- each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares, shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name which the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited).

Rights on Winding Up

Subject to the rights of holders of Shares with special rights in a winding up (at present there are none), on a winding up of the Company all assets that may be legally distributed among members will be distributed in proportion to the number of fully paid Shares held by them (and a partly paid share is counted as a fraction of a fully paid share equal to the amount paid on it, divided by the total issue price of the share).

If the Company is wound up, the liquidator may, with the sanction of a special resolution divide among the Shareholders the whole or any part of the Company's property and decide how the division is to be carried out between the Shareholders.

SECTION 11 TERMS AND CONDITION OF SECURITIES (CONTINUED)

Subject to any special rights (at present there are none), any surplus assets on a winding up are to be distributed to Shareholders in proportion to the number of Shares held by them irrespective of the amounts paid or credited as paid.

Transfer of Shares

Shareholders may transfer Shares by market transfer in accordance with a computerised or electronic system established or recognised by the Listing Rules or the Corporations Act for the purpose of facilitating dealings in Shares including a transfer that may be effected pursuant to the ASX Market Rules or by an instrument in writing in a form approved by the ASX, or in any other usual form or in any form approved by the Directors and as otherwise permitted by the Corporations Act.

The Directors may refuse to register any transfer of Shares other than a market transfer where permitted or required by the Listing Rules or ASX Market Rules. The Company must not prevent, delay or interfere with a proper market transfer or the registration of a paper based transfer in registrable form in a manner contrary to the Listing Rules or ASX Market Rules.

Future Increases in Capital

The allotment and issue of any Shares is under the control of the Directors. Subject to any restrictions on the allotment of Shares to Directors or their associates under the ASX Listing Rules, the Constitution of the Company and the Corporations Act, the Directors may allot or otherwise dispose of Shares on such terms and conditions as they see fit.

Variation of Rights

Under the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of the issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

Dividend Rights

Subject to the rights of holders of shares issued with special, preferential or qualified rights (at present there are none), the profits of the Company which the Directors determine to distribute by way of dividend are divisible among the Shareholders in proportion to the number of Shares held by them.

Unmarketable Parcels

The Company's Constitution provides for the sale of unmarketable parcels subject to any applicable law and provided a notice is given to the minority Shareholders stating that the Company intends to sell their relevant Shares unless an exemption notice is received by a specified date.

SECTION 11 TERMS AND CONDITION OF SECURITIES (CONTINUED)

11.2. Terms and Conditions of Class B Performance Shares

The Class B Performance Shares issued by Atlantic were issued on the following terms and conditions:

Consideration and Class

Each Class B Performance Share was issued for nil cash consideration, as part of the Purchase Price for the acquisition of all of the issued capital of AMI.

The Class B Performance Shares are a separate class of shares in the capital of the Company that will be convertible into fully paid ordinary shares in the capital of the Company. They do not carry any voting rights in the Company or rights to participate in new issues (whether bonus or rights) in the Company.

Conversion

Each Class B Performance Share will convert into fully paid ordinary shares in the capital of the Company, subject to the Company:

- obtaining an independently verified and JORC compliant inferred mineral resource estimate of not less than 30 million tonnes of a bauxite resource of not less than 35% Al_2O_3, in respect of the Bao Loc Project within 3 years from the date of issue of the mineral exploration permit in relation to the Bao Loc Project (**Permit**) or such later date as agreed by the parties to the Share Sale Agreement, or at the earlier election of the Company in accordance with the Share Sale Agreement; and

- receiving a conversion notice from the Vendors in accordance with the Share Sale Agreement (together the **Conversion Conditions**).

The Class B Performance Shares convert into a total of 6,000,000 Shares in the capital of the Company (post-consolidation) if the Conversion Conditions are satisfied.

End Date

If each of the Conversion Conditions is not satisfied within 3 years from the date on which the Permit is validly issued to the Company or such later date determined in accordance with the Share Sale Agreement, each Class B Performance Share will convert into one fully paid ordinary share (post-consolidation) in the capital of the Company (**End Date**).

Transfer

The Class B Performance Shares are not transferable.

Reconstruction

In the event of any reconstruction (including consolidation, subdivision, reduction, cancellation or return) of the issued capital of the Company before the expiry of the Class B Performance Shares, all rights of the Class B Performance Shareholder will be reconstructed (as appropriate) to comply with the Listing Rules applicable to reorganisation of capital at the time of the reorganisation.

SECTION 11 TERMS AND CONDITION OF SECURITIES (CONTINUED)

Participation in New Issues

Class B Performance Shareholders are not entitled to participate in new issues of securities offered to holders of shares in the Company. Class B Performance Shares can participate in new issues of securities offered to holders of shares in the Company if the Class B Performance Shares are converted before the relevant record date for that new issue.

Ranking of Shares

Shares allotted pursuant to a conversion of the Class B Performance Shares will rank equally with the then issued fully paid ordinary shares in the capital of the Company.

Quotation

The Class B Performance Shares will not be quoted on the ASX and the Company will not make such an application for quotation. However, upon conversion of the Class B Performance Shares into fully paid ordinary shares in the capital of the Company upon the Conversion Conditions being satisfied or the End Date occurring (whichever occurs first), the Company must within seven (7) days after the conversion apply for the official quotation of the shares arising from the conversion on the ASX, subject always to the requirements of the Listing Rules including those relating to restricted securities.

Rights

The Class B Performance Shares shall confer on the holder the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to Shareholders. Holders of Class B Performance Shares have the right to attend general meetings of shareholders of the Company.

The Class B Performance Shares do not:

- entitle the holder to vote on any resolutions proposed at a general meeting of Shareholders of the Company;
- entitle the holder to any dividends; or
- confer any right to participate in the surplus profits or assets of the Company upon winding up of the Company.

The Class B Performance Shares give the holder no rights other than those expressly provided by the Class B Performance Shares terms and those provided at law where such rights at law cannot be excluded by the Class B Performance Shares terms.

SECTION 11 TERMS AND CONDITION OF SECURITIES (CONTINUED)

11.3. Terms and Conditions of Listed Options

Entitlement and Exercise

Each Option entitles the holder to acquire one fully paid ordinary Share in the Company. The Options may be exercised at any time until 31 December 2011. Each Option may be exercised by forwarding to the Company at its principal office the exercise notice, duly completed together with payment of the sum of 20 cents per Option exercised (post consolidation).

Transfer

The Options shall not be transferable.

Participating Rights

There are no participating rights or entitlements inherent in the Options and Option holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 10 Business Days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

Issue of Shares

Shares issued on the exercise of Options will be issued not more than fourteen (14) days after receipt of a properly executed exercise notice and application monies. Shares allotted pursuant to the exercise of a Option will rank equally with the then issued ordinary Shares of the Company in all respects.

Reconstruction

In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Option holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital at the time of the reconstruction.

Bonus Issue

If there is a bonus issue to Shareholders, the number of Shares over which the Option is exercisable may be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.

Pro Rata Issue

In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the Options may be reduced in accordance with Listing Rule 6.22.

SECTION 11 TERMS AND CONDITION OF SECURITIES (CONTINUED)

11.4. Terms and Conditions of Unlisted Options

Entitlement and Exercise

Each Option will lapse if not exercised on or before 31 December 2010. Each Option shall entitle the holder to subscribe for and to be allotted one Share in the capital of the Company upon exercise of the Option and payment to the Company of 25 cents per exercised option (post consolidation).

An Option may be exercised by the Optionholder at any time prior to the expiry date by sending a completed and signed notice of exercise, together with the payment of the Exercise Price and the statement for the Option, to the Company's Share Registry. If the Optionholder holds more than one Option, the Options may be exercised in whole or in part. A notice of exercise is only effective when the Company has received the full amount of the Exercise Price in cash or cleared funds.

Subject to any restrictions in the ASX Listing Rules, within 14 days of receipt of a properly executed notice of exercise and the required Exercise Price, the number of Shares specified in the notice will be allotted.

Each statement will bear a suitable form of notice of exercise of the Options, endorsed on the back of the statement, for completion by the Optionholder (if required). If the Options comprised in any such statement are exercised in part only, before the expiry date, the Company will issue the option holder with a fresh statement for the balance of the Options held and not yet exercised.

The period during which the Options may be exercised will not be extended.

Participating Rights

The Optionholder is not entitled to participate in new issues of securities offered to Shareholders. The Optionholder can participate in new issues of securities offered to Shareholders if the Option is exercised before the relevant record date for that new issue.

Bonus Issue

If from time to time before the expiry of the Options the Company makes an issue of Shares to Shareholders by way of capitalisation of profits or reserves (a "bonus issue"), other than in lieu of a dividend payment, then upon exercise of an Option the option holder will be entitled to have issued to it, in addition to the Shares which it is otherwise entitled to have issued to it upon such exercise, additional Shares in the Company. The number of additional Shares is the number of Shares which would have been issued to it under that bonus issue ("bonus shares") if on the date on which entitlements were calculated it had been registered as the holder of the number of Shares which it would have been registered as holder if immediately before that date it had exercised its Options.

The bonus shares will be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in relation to the bonus issue and upon issue will rank equally in all respects with the other Shares allotted upon exercise of the Options.

SECTION 11 TERMS AND CONDITION OF SECURITIES (CONTINUED)

Reconstruction

In the event of any reconstruction (including consolidation, subdivision, reduction, cancellation or return) of the issued capital of the Company before the expiry of any Options, all rights of the option holder will be reconstructed (as appropriate) in accordance with the Listing Rules applying to a re-organisation of capital at the time of the re-organisation.

Ranking and Quotation

Shares allotted pursuant to the exercise of the Options will rank equally with the then issued Shares of the Company.

The Company undertakes to apply for official quotation by ASX of all Shares allotted pursuant to the exercise of any Options within 10 business days of the date of allotment of those Shares.

Other Rights

Other than as referred to above, the Options do not confer the right to a change in Exercise Price, or a change to the number of underlying securities over which it can be exercised.

11.5. Terms and Conditions of the ESIP

The key features of the ESIP are set out below.

Participation

Any person who is employed by the Company, or a subsidiary of the Company, is eligible to participate in the Plan.

ESIP limits

Under the ESIP, the Company must not offer Shares under the ESIP (**Plan Shares**) if, at the time of offer, the total number of shares issued under the ESIP (including Shares which are proposed to be issued pursuant to offers made under the ESIP) during the 5 year period up to and including the date of offer, exceeds 5% of the total number of Shares on issue. For the purposes of calculating this 5% limit, offers made under a disclosure document or Product Disclosure Statement, or offers that do not otherwise require a disclosure document or Product Disclosure Statement, are excluded.

Special Conditions

The ESIP provides that the Board has the power to impose special conditions on the issue of Plan Shares under the ESIP (such as performance hurdles or retention periods).

SECTION 11 TERMS AND CONDITION OF SECURITIES (CONTINUED)

Loan

The Board may, in its absolute discretion, grant a loan to a participant for the purposes of subscribing for Plan Shares. Loans granted under the Plan will be non-recourse (other than against the Plan Shares held by the participant to which the loan relates) and interest free unless otherwise determined by the Board at the time of granting the loan. The loan will become immediately repayable upon the first to occur of:

- cessation of employment;
- the participant selling, transferring, mortgaging, charging or otherwise disposing of or dealing with an interest in the Plan Shares;
- the participant creating or attempting to create a third party interest in the Plan Shares; or
- the participant becoming bankrupt.

A participant may repay the loan at any time during the term of the loan.

Trustee Arrangements

Where the Board provides a loan to assist an eligible employee to participate in the ESIP, the Board may determine that the Plan Shares acquired be held by a trustee (appointed by the Board) on trust for the benefit of the participant. In such circumstances, and subject to any special conditions imposed on the offer of Plan Shares, the trustee may only transfer the Plan Shares to the participant after the loan has been repaid in full. If the participant fails to repay the loan when it becomes due and payable, then subject to any special conditions, the trustee may sell the relevant Plan Shares and apply the net proceeds against the outstanding amount of the loan. Any excess proceeds will be remitted to the participant.

Dividend and Voting Rights

The participant will be entitled to dividends and to vote at a general meeting of the Company. However, whilst any loan is still outstanding in relation to the acquisition of Plan Shares, dividends will be applied on the participant's behalf in repayment of the principal amount outstanding under the loan. Further, whilst Plan Shares are held by a trustee, voting rights will be exercised on the participant's behalf by proxy through the trustee.

Takeovers and Schemes of Arrangements

If a takeover bid is made for the Company, or an application is to be made to the Court under section 411 of the Corporations Act in respect of a proposed reconstruction or amalgamation relating to the Company, the Board has the discretion to waive any of the conditions restricting the participant from selling, transferring, mortgaging, charging or otherwise disposing or dealing with any interest in the Plan Shares.

Amendments to ESIP rules

The Board may amend the ESIP rules from time to time.

SECTION 11 TERMS AND CONDITION OF SECURITIES (CONTINUED)

11.6. Terms and Conditions of Shares Issued to Mr Minosora and Mr Veitch

On 24 December 2009, the Company granted a total of 3,960,000 Shares (post-consolidation) to Mr Minosora pursuant to the ESIP (1,320,000 Shares at $0.825 per Share which vest after 6 months, 1,320,000 Shares at $1.00 per Share which vest after 12 months and 1,320,000 Shares at $1.25 per Share which vest after 18 months). None of Mr Minosora's Shares will be tradeable until the Shares vest, and then only if the Company's Shares have traded above $1.25 (post-consolidation) for more than 10 consecutive trading days. Otherwise, the Shares will be quoted on the ASX and will rank equally with all other Shares from the date of issue in all respects, including in respect of all reconstructions, rights issues, bonus share issues and dividends.

On 5 July 2010, the Company granted a total of 1,000,000 Shares to Mr Veitch pursuant to the ESIP at $1.75 per Share (post-consolidation). None of Mr Veitch's Shares will be tradeable until the Shares vest, and then only if the Company's Shares have traded above $1.875 for more than 10 consecutive trading days (post-consolidation). Otherwise, the Shares will be quoted on the ASX and will rank equally with all other Shares from the date of issue in all respects, including in respect of all reconstructions, rights issues, bonus share issues and dividends.

11.7. Terms of Broker Options

A summary of the proposed terms and conditions of the Broker Options is as follows:

Entitlement and Exercise

Each Broker Option entitles the holder to acquire one fully paid ordinary share in the Company at an exercise price of $1.325 (post consolidation).

The Broker Options may be exercised at any time on or before 31 August 2012. Each Broker Option may be exercised by forwarding to the Company at its principal office the exercise notice, duly completed together with payment of the sum of the exercise price per Broker Option exercised.

Transfer

The Broker Options shall not be transferable.

Rights

There are no participating rights or entitlements inherent in the Broker Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Broker Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 10 Business Days after the issue is announced. This will give Broker Option holders the opportunity to exercise their Broker Options prior to the date for determining entitlements to participate in any such issue.

SECTION 11 TERMS AND CONDITION OF SECURITIES (CONTINUED)

Shares issued on the exercise of Broker Options will be issued not more than fourteen (14) days after receipt of a properly executed exercise notice and application monies. Shares allotted pursuant to the exercise of a Broker Option will rank equally with the then issued ordinary shares of the Company in all respects. The Company will not apply for quotation of the Broker Options on ASX, however, it will, pursuant to the exercise of a Broker Option, apply to ASX for quotation of the Shares issued as a result of the exercise, in accordance with the Corporations Act and the ASX Listing Rules.

Reconstruction

In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Broker Option holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital at the time of the reconstruction.

Bonus Issue and Pro Rata Issue

If there is a bonus issue to Shareholders, the number of shares over which the Broker Option is exercisable may be increased by the number of shares which the holder of the Broker Option would have received if the Broker Option had been exercised before the record date for the bonus issue.

In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the Broker Options may be reduced in accordance with Listing Rule 6.22.

SECTION 12 RISK FACTORS

There are numerous risks associated with investing in any form of business and with investing in the share market generally. There are also a range of specific risks associated with the Company's business.

This section identifies areas the Directors regard as major risks associated with an investment in the Company. Investors should be aware that an investment in the Company involves many risks, which may be higher than the risks associated with an investment in other companies. Intending applicants should read the whole of this Prospectus in order to fully appreciate such matters and the manner in which the Company intends to operate before any decision is made to subscribe for Shares pursuant to this Prospectus.

Applicants should be aware that there are risks associated with any share investment. The prices at which the Shares trade may be above or below the issue price under this Prospectus. The Shares allotted under this Prospectus carry no guarantee in respect of profitability, dividends, return of capital or the price at which they may trade on ASX.

The Shares offered under this Prospectus should be regarded as speculative. Investors should consider whether the Shares offered under this Prospectus are a suitable investment having regard to their own individual investment objectives, financial circumstances and the risk factors set out below. This list is not exhaustive and investors should consult their professional advisers before deciding whether to apply for securities pursuant to this Prospectus.

12.1. General Risks

Share Market

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Investors should be aware that the market price of the Company's quoted securities may be volatile and may increase or decrease and investors may therefore be unable to recover their original investment. Share market conditions are affected by many factors including but not limited to the following:

- the general economic outlook;
- interest rates and inflation rates;
- currency fluctuations;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital;
- terrorism or other hostilities; and
- other factors beyond the control of the Company.

SECTION 12 RISK FACTORS (CONTINUED)

Liquidity Risk

There is no guarantee that an active trading market for the Company's quoted securities will be maintained on the stock exchange or marketplace. Investors may not be able to sell their Shares quickly or at the latest market price if trading in Shares is not active or sufficiently voluminous.

Economic and Government Risk

The future viability of the Company is also dependent on a number of other factors which may affect the performance of all industries, including, but not limited to, the following:

- general economic conditions in Australia, Vietnam and their major trading partners;
- changes in Government policies, taxation and other laws in Australia and Vietnam;
- the strength of the equity and share markets in Australia and throughout the world;
- movement in, or outlook on, interest rates and inflation rates; and
- natural disasters, social upheaval or war in Australia or overseas.

Future Capital Needs

Further funding will be required by the Company and its subsidiaries to support its ongoing activities and operations. There can be no assurance that such funding will be available at the time required for payment, either on commercially satisfactory terms or at all. If the Company raises funds by issuing additional equity securities, especially at prices lower than the Issue Price, such financing will dilute the equity interests of its current shareholders, including purchasers who acquire securities pursuant to this Prospectus. If the Company or a subsidiary is required to raise funds by borrowing, it will incur the cost of interest payments on the funds borrowed and may also be required to provide security over assets of the Company or its subsidiaries to debt providers. Any failure to obtain further funding may have a materially adverse effect on the Company's and its subsidiaries' business and prospects.

No Revenues

To date, the Company has not recorded any revenues from operations nor has the Company commenced commercial production on any property. There can be no assurance that significant losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years as consultants, personnel and equipment associated with advancing exploration, development and commercial production of the Windimurra Project or other properties in which the Company has an interest are required. The Company expects to continue to incur losses unless and until such time as it enters into commercial production and generates sufficient revenues to fund its continuing operations. There can be no assurance that the Company will generate any revenues or achieve profitability in the future.

SECTION 12 RISK FACTORS (CONTINUED)

Contractual Risk

The Company is reliant to a certain extent on the cooperation and compliance of parties to the agreements to which it is a party. See Section 14 for a summary of the material contracts to which the Company is a party.

Reliance on Key Management

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on the Board, senior management and its key personnel. There can be no assurance that there will be no detrimental impact on the Company if one or more of these Directors or employees cease their employment with the Company.

Skilled Workforce

The successful operation of the Company's business requires it to recruit, train and retain a skilled workforce. Western Australia and other jurisdictions have experienced a shortage of skilled labour and upward pressures on labour costs at times in recent years. There will be a detrimental impact on the operating performance of the Company and its subsidiaries if it cannot recruit the number of skilled employees required at commercially acceptable cost.

Litigation Risk

All industries, including the mining industry, are subject to legal claims from time to time. The Company may be involved from time to time in legal proceedings, which could include labour matters such as unfair termination claims, contractual damages claims, supplier disputes and property issues incidental to its business. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding could have a material effect on the financial position and operations of the Company and its subsidiaries.

Conflicts of Interest

Certain of the Directors and officers of the Company also serve as Directors and/or officers of other companies and consequently there exists the possibility for such Directors and officers to be in a position of conflict. Any decision made by any of such Directors and officers involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders.

Taxation Risk

Changes to taxation laws and the introduction of new taxes by Government could impact the Company's financial performance in the future. In addition, the interpretation of taxation law could change, leading to a change in the taxation treatment of investments or operating activities of the Company and its subsidiaries in the future.

SECTION 12 RISK FACTORS (CONTINUED)

The Federal Government has announced its intention to introduce a Mineral Resource Rent Tax (**MRRT**) on coal and iron ore projects with effect from 1 July 2012. The Government has not yet released draft legislation or detailed implementation rules with respect to the MRRT. Whilst Atlantic believes based on current Federal Government announcements that the MRRT will not materially affect the Windimurra Project, in the absence of draft legislation or implementation details, it is not possible for the Company to provide reliable information to Shareholders on how the proposal could impact the Company's operations or corporate activities.

12.2. Resources Operating Risks

Operating Risks

The operations of the Company in the resources sector may be affected by various factors, including a failure to identify commercially viable mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in exploration and mining, difficulties in constructing, commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs and rates, adverse weather conditions, industrial and environmental accidents, industrial disputes, and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

The Company does not have any operating history in the resources industry. No assurances can be given that the Company will achieve commercial viability through exploration and/or mining. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

Resource and Reserve Estimates

Resource and reserve estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource and reserve estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

Commodity Price Volatility and Exchange Rate Risks

If the Company commences mineral production, the revenue it will derive through the sale of commodities exposes any potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations, technological advancements, forward selling activities and other macroeconomic factors.

SECTION 12 RISK FACTORS (CONTINUED)

Furthermore, international prices of various commodities are often denominated in United States dollars, whereas the income and expenditure of the Company and its subsidiaries will be taken into account in Australian dollars. In addition, the majority of the Company and its subsidiaries' expenditure will be in Australian dollars and in Vietnamese dong. This exposes the Company and its subsidiaries to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar and Vietnamese dong as determined in international markets.

Environmental Risks

The operations and proposed activities of the Company and its subsidiaries are subject to environmental laws and regulations in Australia and Vietnam. Existing and possible future environmental legislation, regulations and actions could cause additional expense, higher capital expenditures, restrictions and delays in the activities of the Company and its subsidiaries, the extent of which cannot be predicted. Before exploration and production activity can commence on any property, the Company or its subsidiaries must obtain regulatory approvals and there is no assurance that such approvals will be obtained. Although the Company believes the activities of the Company and its subsidiaries are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration, production or development.

Management

The success of the Company and its subsidiaries is largely dependent on the performance of its Directors and key management. The loss of the services of some or all of these persons may have a materially adverse effect on the Company and its subsidiaries' business and prospects. There is no assurance the Company and its subsidiaries can retain the services of its Directors, key management and staff or other qualified personnel required to operate its business on acceptable terms and conditions or at all. Failure to do so could have a material adverse effect on the Company and its prospects. Difficulties may also be experienced in certain jurisdictions and locations in identifying, employing and retaining qualified personnel who are willing to work in such jurisdictions and locations.

Valuations

Neither the Company nor its Directors and officers make any representation in this Prospectus with regards to the valuation of any of the permits, licenses, project interests, plant and equipment or other assets held by the Company and its subsidiaries. In particular, the asset valuations shown for MVPL in the pro forma balance sheet set out in Section 9 are based on the unaudited accounts of MVPL as at 30 June 2010, and whilst the Company has no reason to believe the values for those assets is overstated, no fair value assessment and audit of the accounts of MVPL has been completed. Intending investors and their advisers should make their own assessment as to the value of the Company's and its subsidiaries' assets.

SECTION 12 RISK FACTORS (CONTINUED)

12.3. Risks Associated with the Company's Proposed Bauxite Operations

Bao Loc Concession Application

The Bao Loc project application, as described in this Prospectus, is for approval to conduct mineral exploration, exploitation and processing activities. Potential investors should understand that, as at the date of this Prospectus, no licence has been granted to AMI to conduct mineral exploration, exploitation and/or processing activities and no indication has been given to the Company or AMI that any such licence will be issued.

While AMI was issued with an official letter by the LDPC on 5 January 2009 (as discussed in Section 6.3), that official letter does not specifically or exclusively grant AMI (or Atlantic) a right (or the right) to explore or exploit the Bao Loc project or process any materials extracted.

In practice, such letter merely reflects that the LDPC has, in principle, considered AMI's Bao Loc project licence application and seeks from Vinacomin and other government authorities consultation and agreement for the project to proceed to the next phase (subject to, amongst other things, approval of an agreeable feasibility study and the execution of a definitive joint venture agreement between AMI and Vinacomin).

To date, no definitive joint venture agreement has been entered into between AMI and Vinacomin and no indication has been given by Vinacomin that it has any intention to enter into such agreement with AMI. If such agreement is executed, the joint venture company will then need to obtain a mineral exploration, exploitation and processing licence from the Ministry of Natural Resources and Environment (**MONRE**). There can be no assurance that AMI will enter into a definitive joint venture agreement with Vinacomin or that the resultant joint venture company will be granted the required licences.

Potential investors should understand that mineral exploration, exploitation and processing are high-risk undertakings.

If the required mineral exploration, exploitation and processing licence is granted by MONRE (for which there is no certainty), there can be no assurance that exploration will result in the discovery of an economic bauxite deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited or that any minerals can be exported (given that government authorities retain sole discretion over such decisions).

Country Risk

The Bao Loc project application and the proposed aluminium supply chain project are located in Vietnam. Should there be any material change to the political, legal, social or economic environment in Vietnam, the Company, the Bao Loc project and the proposed aluminium supply chain project may be adversely affected.

Vietnam specific risks include, but are not limited to, fluctuations in currency exchange rates and high rates of inflation. Changes in resource development or investment policies or shifts in political attitudes in Vietnam may also prevent or hinder the Company's and its subsidiaries' proposed activities and prevent or impede any proposed mineral exploration, exploitation or processing.

If the required licences and government approvals are granted and the proposed projects are funded and become operational (for which there is no certainty), future operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, royalties and duties, taxes, expropriation of property, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. In addition, the laws on foreign investment and mining are still evolving in Vietnam and remain highly uncertain. The effect of these factors cannot be accurately predicted.

Title Risks

As noted above, the Bao Loc project licence application is at the application stage only. There can be no assurance that the application will be validly granted by the relevant authorities in Vietnam.

If a concession is granted (for which there is no certainty), there can be no assurance that it will be granted in its entirety. Some of the tenement area applied for may be excluded.

Interests in concessions in Vietnam are governed by Vietnamese legislation and are evidenced by the granting of licences. Each licence is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company and its subsidiaries could lose title to a concession or its interest in concession if licence conditions are not met or if insufficient funds are available to meet expenditure commitments. In addition, the introduction of new legislation, taxation laws or amendments to existing legislation could adversely impact on the concessions and operations of the Company and its subsidiaries.

Vietnam does not have a comprehensive system for filing mining claims and it is, therefore, not possible to check whether there are any competing claims on the proposed sites for which a mineral exploration, exploitation or processing licence is sought. No register of companies or other official system of registration exists in Vietnam, whereby details of the parties in the Bao Loc project and other corporate information may be independently obtained for legal verification purposes.

If a licence is granted, there is no guarantee that title to concessions will not be challenged or impugned. In Vietnam, the system for recording title to the rights to explore, develop and mine natural resources is such that a title opinion provides only minimal comfort that the holder has title. In Vietnam, mining laws are in a state of flux, continuously being reviewed and updated, and the system is new and as yet untested. If title to concessions is granted and then subsequently challenged or impugned, the Company and its subsidiaries may not be able to explore, develop or operate its concessions as licensed or enforce its rights with respect to its licences.

MOU

The proposed aluminium supply chain project is at the memorandum of understanding stage only and there can be no assurance that a formal joint venture agreement will be executed. Even if a binding agreement is executed, the joint venture company will still require various licences, consents and approvals to conduct the intended mining and infrastructure development activities and may also require Prime Ministerial approval to conduct any related bauxite mineral activities. The granting of such licences, consents and approvals is discretionary and there can be no assurance that such licences, consents and approvals will be forthcoming.

Legal Risks

Vietnam has a less developed legal system than more established economies, which may result in risks such as: (i) potential difficulties in obtaining effective legal redress in the courts, whether with respect to a breach of law or regulation or in an ownership dispute; (ii) a higher degree of discretion on the part of governmental authorities and the courts, with the courts holding broad powers to imply fairness terms into contractual obligations; (iii) the lack of judicial or administrative guidance on interpreting applicable laws and regulations, giving rise to broad interpretation and contrasting views that are subject to change without notice; (iv) the lack of reliable public registers where records of corporate, land and/or mining claims information can be accessed publicly and verified; (v) inconsistencies or conflicts between and within various laws, regulations, decrees, circulars, orders, decisions, directions and resolutions; or (vi) relative inexperience of the judiciary and courts in such matters. In particular, the commitment of local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements is more uncertain than more established economies, creating particular concerns with respect to licences and agreements for business. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed.

12.4. Risks Associated with the Windimurra Project

Commodity Price

The market price of vanadium is volatile and cannot be controlled. If the price of vanadium falls significantly and remains depressed, the economic prospects of the Windimurra Project could be significantly impacted or rendered uneconomic. There is no assurance that the Windimurra Project will be profitable and factors beyond the control of the Company and its subsidiaries may affect the marketability and price of any vanadium produced from the project, including government regulations, tariffs and import and export quotas in some markets and surplus production by other producers (including secondary producers of vanadium).

The Company and MVPL intend to assess the opportunity to market the haematite fines stockpile at Windimurra as well as the haematite fines produced once the Windimurra Project plant is operational. The market price of iron ore, and haematite fines in particular, is subject to a range of influences and cannot be controlled. There is no assurance that the haematite fines stockpile or any haematite produced at the Windimurra Project will be able to be marketed economically. In addition to the normal factors affecting commodity prices mentioned elsewhere in this Prospectus, factors beyond the control of the

SECTION 12 RISK FACTORS (CONTINUED)

Company and its subsidiaries may affect the price of any haematite from the project, including grade, ore composition and infrastructure access.

Funding Requirement

Further funding will be required to meet all of the Company's and MVPL's obligations to acquire the BOOT plant for $60,000,000 from MRL, fund the payment of the final instalment of the total purchase price payable for the acquisition of MRL's shares in NewCo and complete the construction and commissioning of the project. There can be no assurance that such funding will be available to MVPL at the time required for payment, either on commercially satisfactory terms or at all. Any inability to obtain funding for the purchase of the BOOT plant by the time required for payment, to fund the payment of the final instalment of the total purchase price payable for the acquisition of MRL's shares in NewCo by the time required for payment, or to complete the construction and commissioning of the project will adversely affect the business and financial condition of the Company and MVPL and could ultimately result in the Company and MVPL not being able to continue as a going concern.

Construction Completion Risks

The operations of the Company and MVPL may be affected by difficulties in constructing and commissioning the Windimurra mine and plant which could lead to greater than anticipated costs and time delays in the commencement of production and achievement of nameplate production capacity. There is no assurance that actual development and commissioning costs will be within budget and on time and there is no assurance that the Company or MVPL will be able to finance any time and cost overruns.

Operating Risks

The operations of the Windimurra vanadium mine and plant may be affected by various factors, including failure to achieve predicted grades in mining, unanticipated metallurgical problems which may affect extraction costs, recovery rates and feed consistency issues, operational and technical difficulties encountered in mining and processing, difficulties in operating items of plant and equipment (including possible equipment failures resulting from the plant having been idle for a lengthy period), mechanical failure or plant breakdown, power system issues (including power plant failure and trips), adverse weather conditions, industrial and environmental accidents, difficulties in recruiting appropriately qualified personnel, occupational health and safety incidents, industrial disputes, and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

Competition

There is competition within the vanadium industry from existing and potential new vanadium producers. Any aggressive moves by new producers to increase vanadium supply in the future or by existing vanadium producers to expand production or reduce its sales price to maintain or increase market share could have a material adverse effect on the Windimurra Project through lower vanadium prices or a loss of market share for MVPL.

SECTION 12 RISK FACTORS (CONTINUED)

Foreign Exchange Risk

MVPL's potential future vanadium revenue (if any) will be denominated in overseas currencies, exposing the Company to the fluctuations and volatility of the rate of exchange between the Australian dollar and overseas currencies as determined in international markets. Any movements in the Australian dollar

relative to foreign currencies may have an adverse effect on MVPL, the operating performance of the Windimurra Project and MVPL's ability to fund the project.

Costs of Production

MVPL's costs are susceptible to market forces which may be different from the market forces that determine vanadium prices. Any increase in the cost of production that is not offset by a similar increase in the market price of vanadium will adversely affect MVPL's operating margins.

Legal Risks

As owner of the Windimurra Project, MVPL has previously entered into certain contractual arrangements that have terminated or expired. Whilst the Company is not aware of any existing or planned legal disputes involving MVPL, there can be no assurance that no legal actions or disputes will arise in the future in relation to terminated contracts.

The Company's knowledge of the Windimurra Project prior to its acquisition is limited to information which is publicly available and information which has been made available by MVPL. If material information about the Windimurra Project is not publicly available or has not been made available or represented to Atlantic, there is a risk that Atlantic will only become aware of all relevant information about the Windimurra Project following completion of the acquisition.

Regulatory Approvals

MVPL is required to secure and maintain environmental, mining and other regulatory approvals to complete and commence production at the Windimurra Project. Delays or failure to obtain the necessary approvals could cause delays to the completion of the project and lead to cost overruns that could have an adverse effect on MVPL and the operation and financial performance of the project.

Uninsured Risks

The Company and its subsidiaries may become subject to liabilities against which it cannot insure or against which it may elect not to insure because of high premium costs or other reasons. The payment of such liabilities would reduce the funds available for production and other operational and development activities.

Vanadium Demand Risks

The global steel industry has historically been subject to fluctuations based on a variety of factors, including general economic conditions and interest rates. Fluctuations in the overall demand for steel can lead to similar fluctuations in vanadium demand given that a large percentage of vanadium supply is used in the steel industry. A decrease in economic growth rates could lead to a reduction in demand for vanadium. In addition, a decrease in steel consumption could have an adverse effect on the demand for vanadium.

SECTION 12 RISK FACTORS (CONTINUED)

Native Title and Aboriginal Heritage Risks

As summarised in Section 6, the Windimurra tenements and tenement applications are subject to a Native Title claim.

The Native Title Act 1993 (Cth) (**NTA**):

- recognises Native Title rights and sets down some basic principles;
- provides for the validation of 'past acts', including the grant of mining tenements and ancillary titles prior to 1 January 1994 (that might otherwise be invalid due to the existence of Native Title);
- provides for the protection of Native Title in the doing of 'future acts', which include the grant of titles post 31 December 1993; and
- provides procedures for claiming Native Title, determining whether Native Title exists, registration of the rights and compensation in relation to extinguishment and impairment of Native Title rights.

If the Company or its subsidiaries needs to undertake an act that may affect Native Title rights, it must comply with the 'Future Act' requirements for the act to be valid. Such an 'act' includes the grant or renewal of a tenement. These processes take time and the terms of any agreements reached may include protection arrangements and compensation. If such 'acts' occur, then the Company and its subsidiaries expects that compensation will be payable in relation to those acts, however it is not currently possible to assess the quantum of such compensation.

If a new, additional native title claim was made in relation to the tenements, this may also result in compensation being payable by MVPL.

Furthermore, as summarised in Section 6, the Windimurra tenements and tenement applications are the location to two known Aboriginal heritage sites. MVPL will seek approval for the removal of the two sites, such approval having been granted previously but now expired. There is a risk that if such approval is not obtained, then the area of MVPL's reserves affected by the heritage site would remain unexploited.

If new, additional Aboriginal heritage sites were discovered on the tenements, this may also result in reserves remaining unexploited.

Remediation Risks

A spill of sodium oxalate at the Windimurra site under the management of the previous owners of the project, summarised in Section 6, will have to be monitored by MVPL. Presently, the spill has been reported, covered and is being monitored. As at the date of this Prospectus, MVPL has not been requested to remove the soil, however should MVPL be legally required to remove the contaminated soil or remediate the site in other ways in the future, it is likely that it will be responsible for organising and paying for this remediation.

SECTION 12 RISK FACTORS (CONTINUED)

Windimurra Tenement Risks

MVPL has applied for exemptions from the minimum expenditure obligations in relation to various tenements forming part of the Windimurra Project as set out in Section 6.1, including obligations which have not been met as at the date of this Prospectus. Failure to meet obligations renders the tenements subject to forfeiture unless exemptions are granted. Whilst Atlantic is confident that these applications for exemption from minimum expenditure commitments will be granted based on previous experience, these applications have not yet been processed and if an application for an exemption was to be refused for some reason, there is a risk that the tenement would be forfeited.

Construction Contractor Risk

It will be necessary for MVPL to appoint a construction contractor to complete and commission the Windimurra plant.

There is a risk that MVPL will be unable to secure a suitable construction contractor with appropriate skills and qualifications, or that MVPL will be unable to secure a construction contractor on terms which MVPL believes are commercially acceptable or within the expected budget and timetable for construction at the date of this Prospectus.

SECTION 13 ADDITIONAL INFORMATION

13.1. Market Prices of Ordinary Shares

The highest and lowest recorded market sale prices of the Company's Shares quoted on ASX during the 4 months preceding the date of this Prospectus were 5.0 cents on 17 May 2010 and 3.7 cents on 10 August 2010 respectively. The last market sale price of the Company's Shares on ASX on the last day that trading took place in Shares prior to the date of this Prospectus was 4.0 cents on 12 August 2010. These market sale prices are all pre-consolidation of Shares approved by Shareholders on 13 August 2010.

13.2. Taxation

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them by consulting their own professional tax advisers. Taxation consequences will depend on particular circumstances. Neither Atlantic nor any of its officers accept any liability or responsibility in respect of the taxation consequences of the matters referred to above or any other taxation consequences connected with an investment in Atlantic.

13.3. Legal Proceedings

There is no litigation, arbitration or proceedings pending against or involving the Company as at the date of this Prospectus.

13.4. Interests of Directors

The interests of the Directors in the securities of the Company either directly or indirectly as at the date of this Prospectus (post consolidation) are as follows:

Directors	Shares #	Listed Options	Unlisted Options	Class B Performance Shares
Michael Minosora	*5,174,692	0	0	8 (registered in the name of Mr Minosora's spouse)
Ian McMaster	0	0	0	0
Anthony Veitch	** 1,320,000	80,000	80,000	0
Alan Mulgrew	200,000	0	0	0
Jay Wacher	1,257,143	0	0	0

* 3,960,000 post consolidation (99,000,000 pre-consolidation) of these Shares have been issued to Mr Minosora pursuant to the Company's ESIP, whereby the Shares are secured by a limited recourse loan by the Company to Mr Minosora. Furthermore, the Shares have vesting conditions and may only be sold should the Company's shares trade at greater than $1.25 for a 10 day period.

** 1,000,000 post consolidation (25,000,000 pre-consolidation) of these Shares have been issued to Mr Veitch pursuant to the Company's ESIP, whereby the Shares are secured by a limited recourse loan by the Company to Mr Veitch. Furthermore, the Shares have vesting conditions and may only be sold should the Company's shares trade at greater than $1.875 for a 10 day period.

A more detailed summary of the terms and conditions of Executive Incentive Shares is set out in section 11.6.

SECTION 13 ADDITIONAL INFORMATION (CONTINUED)

The Directors are not being issued Shares in relation to the Offer or the NewCo Offer described in this Prospectus.

13.5. Expenses of the Offer

The total expenses of the offers under this Prospectus are estimated to be approximately $835,000 comprising ASIC fees, legal and due diligence costs and printing and other administrative expenses, including ASX quotation fees.

The estimated expenses of the offers if fully subscribed are:

	$
Legal expenses	140,000
Geologists – Windimurra Project	9,582
Geologist - Vietnam	43,350
Independent Accountants Report	25,000
Brokerage	500,000
ASX fees	104,799
ASIC fees	2,068
Printing costs	10,000
Total Estimated Costs	**834,799**

13.6. Electronic Prospectus

Pursuant to Class Order 00/044, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and an electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the relevant Application Forms. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic version of the form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

SECTION 14 MATERIAL CONTRACTS

Set out below is a summary of the material contracts to which the Company is a party that may be material in terms of the offers under this Prospectus for the operation of the business of the Company or otherwise may be relevant to a potential investor in the Company (**Material Contacts**).

The whole of the provisions of the agreements are not repeated in this Prospectus.

Varied Deed of Company Arrangement (Varied DOCA)

between MVPL and Darren Weaver, Andrew Saker and Martin Jones as deed administrators dated 12 May 2010 as subsequently amended.

Background

On 18 February 2009, Messrs Weaver, Saker and Jones were appointed as Administrators to MVPL. On 12 February 2010, a second meeting of MVPL creditors was held. At that meeting, the creditors resolved that MVPL execute a deed of company arrangement and on 24 February 2010 Messrs Weaver, Saker and Jones executed the deed of company arrangement.

On 20 April 2010, at a reconvened meeting of MVPL's creditors, the creditors resolved to vary that deed of company arrangement, so that it is substantially in the form of the Varied DOCA.

On 10 September 2010, at a further meeting of MVPL's creditors, the creditors resolved to amend the Varied DOCA to give effect to the transaction whereby NewCo will acquire 100% of MVPL (**Transaction**).

Key Terms

The Varied DOCA binds all deed creditors and also binds MVPL, its officers and members, in accordance with the terms of the document.

Upon completion of the Transaction, including Atlantic's acquisition of an interest in the Windimurra Project, each deed creditor's claim against MVPL will be extinguished and in return they will participate in a creditors fund to be set up and managed for their benefit. A contribution sum of $800,000 was paid into the fund. Each deed creditor accepts an entitlement to a distribution of the fund in full satisfaction and complete discharge of their claims against MVPL.

The extinguishment of debts owed by MVPL does not apply to **Excluded Claims** or to the **Trade Debt**, which are summarised below.

The Excluded Claims are the following claims:

- a claim by a Senior Finance Party in respect of its proportion of that part of the Senior Debt (owed to a Senior Finance Party) and Hedging Debt (owed to Merrill Lynch International Bank Limited, London Branch (the **Hedging Bank**)) which is reduced to the "**Reduced Amount**" of $90 million. The balance of the Senior Debt and Hedging Debt above the Reduced Amount is extinguished. The terms on which the Reduced Amount is owed to a Senior Finance Party will be governed by a new senior facility agreement;

SECTION 14 MATERIAL CONTRACTS (CONTINUED)

- a claim by the Hedging Bank in respect of its proportion of that part of the Senior Debt and Hedging Debt which is reduced to the "Reduced Amount" of $90 million;

- a claim by a Mezzanine Finance Party in respect of the Mezzanine Debt (at at 15 September 2010 approximately US$50.4 million) owing under the Mezzanine Facility Agreement dated 14 January 2008;

- a claim by Mineral Resources Limited (**MRL**) in respect of the MRL Debt, being the amount of $9.4 million payable by MVPL to MRL under the BOOT Contract on account of variations undertaken by MRL to the BOOT plant; and

- WVL in respect of the Related Party Debt, being a total amount of $171 million owed by MVPL to WVL.

The Reduced Amount of the Senior Debt and Hedging Debt are preserved debt, as are the Mezzanine Debt, the MRL Debt of $9.4 million and the Related Party Debt of approximately $171 million.

All of the rights, title and interest of the Related Party Debt will be transferred and assigned from WVL to NewCo pursuant to a separate deed of assignment.

All of the rights, title and interest of the Trade Creditors (as set out in the Varied DOCA) in the Trade Debts (totalling approximately $50.2 million as per the Varied DOCA) is transferred and assigned to Newco. From the time of assignment, MPVL has no further liability whatsoever to any Trade Creditor in relation to Trade Debts.

The existing shareholders agreement dated 14 October 2006 between WVL, MVPL, Noble Group Ltd and Noble Resources Ltd will cease to have effect once all of the MVPL shares are transferred to NewCo.

The Varied DOCA terminates afters its terms have been fulfilled and the deed administrators give notice to ASIC that the Varied DOCA has been fully effectuated. The Varied DOCA will be fully effectuated if completion of the Transaction occurs and the contribution sum is paid into the fund (this amount was paid on 10 August 2010). Upon termination of the deed, the day to day management of MVPL will revert to the MVPL directors, the deed administrators will retire and MVPL will cease to be subject to the Varied DOCA.

SECTION 14 MATERIAL CONTRACTS (CONTINUED)

Coordination Deed

between MVPL, the Receivers, NewCo, Atlantic, the **Senior Finance Parties** (being AXIS Specialty Limited, Merrill Lynch Credit Products, LLC, PMA Credit Opportunities Fund, PMA Template Fund, GLG Market Neutral Fund, UBS AG, Singapore, ICE 1: EM CLO Ltd and ICE EM Special Situations), the **Mezzanine Finance Parties** (being Merrill Lynch Credit Products, LLC, PMA Credit Opportunities Fund, PMA Template Fund, UBS AG, Singapore, ICE EM Special Situations and CVI GVF (Lux) Master S.a.r.l.), Citicorp International Limited (**Agent**), the Hedging Bank and Citibank N.A., London Branch (**Outgoing Security Trustee**) dated 16 September 2010.

Background

The Coordination Deed sets out the framework of, and process which will be taken, to give effect to the Transaction.

Timing and Requirements

Atlantic must obtain shareholder approval to give effect to the Transaction by 13 August 2010. Atlantic obtained shareholder approval as required by the Coordination Deed on 13 August 2010. Various listed Transaction documents are required to be executed by 17 September 2010.

The Transaction is conditional on execution of the Syndicated Facility Agreement, the Intercreditor and Security Trust Deed, each Security Document, the BOOT Plant Sale Agreement, the Share Sale Agreement, the Deed of Termination and Release, the Deeds of Release and any other Finance Documents.

The completion meeting to effect completion of the Transaction is to take place on 17 September 2010 (or such other time as agreed by Atlantic and the Receivers) (**Financial Close**).

MVPL must provide the Agent with certain listed items including various executed Transaction documents, evidence that 100% of the MVPL shares are held by NewCo and 100% of NewCo shares are held by Atlantic, that $50,000,000 is in the possession of Atlantic and that the first tranche of $30,000,000 has been advanced by Atlantic to MVPL under the Atlantic Facility Agreement (see below).

Financial Close

Financial Close requirements include:

- NewCo being the registered holder of 100% of MVPL shares;
- Atlantic issuing 3,400,000 Shares to the entities set out in the Coordination Deed (being Senior Finance Parties or entities related to the Senior Finance Parties);
- nominees of Atlantic being appointed as directors and secretary of MVPL in place of the resigning or removed directors; and
- the Receivers resigning as receivers and managers of MVPL and the Deed Administrators resigning as deed administrators of MVPL.

SECTION 14 MATERIAL CONTRACTS (CONTINUED)

In addition, MVPL must make the following payments (plus GST) at Financial Close:

- $9,400,000 to MRL in repayment of the MRL Debt;
- $9,710,000 to MRL for outstanding CRI payments; and
- $5,700,000 to the Commonwealth Bank of Australia for the camp assets under the Deed of Sale of Chattel Asset (see below).

After Financial Close, Atlantic must use its best endeavours to procure that MVPL issues tenders for a new construction contract by 15 October 2010. Atlantic also undertakes to the financiers that by no later than 24 December 2010 an additional $20,000,000 will be advanced to MVPL under the Atlantic Facility and that by no later than 31 March 2011, MVPL procures the Additional Debt Facilities up to a limit of $120,000,000.

Once legal and beneficial title to the BOOT Plant is transferred to MVPL, MVPL must grant security over the BOOT Plant to the Security Trustee for the purposes of the Intercreditor and Security Trust Deed.

SECTION 14 MATERIAL CONTRACTS (CONTINUED)

Deed of Sale of Chattel Asset

between the Commonwealth Bank of Australia and MVPL dated 16 September 2010.

Background

The Commonwealth Bank of Australia (**CBA**) is the owner of accommodation units, office building demountables, recreational facilities, service facilities and site infrastructure located on Mining Lease 58/178 (other than fixtures), as further defined in the deed (**Workers Camp**).

Sale and purchase

The sale is conditional on completion of the Transaction. CBA may terminate the deed if the condition is not satisfied or waived by 22 September 2010 or such later date as agreed by the parties.

CBA agrees to sell and MVPL agrees to purchase the Workers Camp for $5,700,000 plus GST.

CBA agrees to surrender and relinquish its rights in fixtures on Mining Lease 58/178 to the State of Western Australia as the owner of the land on which the fixtures are located.

SECTION 14 MATERIAL CONTRACTS (CONTINUED)

Atlantic Facility Agreement

between MVPL and Atlantic dated 16 September 2010.

Background

Atlantic grants MVPL a cash advance facility in Australian dollars up to a limit of $50,000,000 (**Atlantic Facility**).

The agreement is conditional on the Effective Time as defined in the Coordination Deed dated 16 September 2010 being the time at which the Transaction is completed (**Effective Time**) occurring.

Key Terms

MVPL may only draw down the Atlantic Facility at or after the Effective Time. The Atlantic Facility may be drawn down in multiple drawings with the first being $30,000,000 on the date of the Effective Time and from 24 December 2010 multiple drawings as and when required by MVPL up to a maximum of a further $20,000,000. Interest is not payable on the outstanding principal, except default interest after an event of default has occurred.

MVPL must repay the outstanding principal on the date that falls 48 months after the date on which the Effective Time occurs.

Atlantic's security in relation to the debt owed by MVPL to it under the Atlantic Facility is set out in the terms of the Intercreditor and Security Trust Deed (see below). Atlantic is a financier for the purposes of, and a Beneficiary under, the Intercreditor and Security Trust Deed.

MVPL must promptly take such action as Atlantic requires to perfect or protect Atlantic's rights under the security intended to be created or evidenced by any of the **Security Documents**, being the Facility Agreement, the Intercreditor and Security Trust Deed dated 16 September 2010 and each security granted by MVPL in favour of the Security Trustee (Citibank N.A., London Branch) to secure the Facility.

SECTION 14 MATERIAL CONTRACTS (CONTINUED)

Syndicated Facility Agreement

between MVPL, the Senior Finance Parties, the Mezzanine Finance Parties, the Agent, the Hedging Bank, Citibank N.A., London Branch (**New Security Trustee**) and the Outgoing Security Trustee dated 16 September 2010.

Condition Precedent

The deed is conditional on the Transaction being completed (the **Effective Time**).

Background

From the Effective Time, the **Continuing Debt** (A$90,000,000) is to be governed by the terms of the agreement and not the Senior Facility Agreement dated 14 January 2008 or the ISDA Agreement dated 29 January 2008 between MVPL and the Hedging Bank and the priorities as to payment between the **Financiers** in respect of the **Principal Amount** (A$90,000,000) are as set out in the agreement.

The terms of the Intercreditor and Security Trust Deed prevail over the agreement to the extent of any inconsistency. The agreement is executed as a deed.

Assignment and Ranking of Debt

MVPL agrees with the Financiers that, as from the Effective Time and pursuant to the terms of the Varied DOCA, it is indebted to the Financiers in the sum of the Principal Amount, amounts payable to each Financier are as specified in the agreement, the Principal Amount is secured by the Security Documents and is to be governed by the agreement.

MVPL agrees that from the Effective Time it is indebted to the Financiers in the sum of $90,000,000 divided into the **First Ranking Debt** (being the amount in the Receiver's accounts at the Effective Time (as certified in the First Ranking Debt Certificate), plus any amounts paid into the Receivers' Accounts after the Effective time, less the receivership expenses being the remuneration, costs and expenses of the Receivers in respect of the receivership of MVPL and any debt payable by, and claims against or liabilities of, the Receivers, whether present or future) and the **Second Ranking Debt** (being the balance). The First Ranking Debt and the Second Ranking Debt are secured by the Security Documents.

Interest is not payable on the Principal Amount except after an event of default has occurred, such interest to accrue daily and be compounded.

MVPL Payment of Principal Amount and Maturity Date

MVPL agrees to repay the Principal Amount as follows:

- On 29 March 2011, the greater of $3,750,000 or 60% of the Haematite Proceeds (defined as the net proceeds of sale received by MVPL from the sale of haematite fines after deducting all costs of handling, transport and sale) arising from the date of the agreement to 29 March 2011, to be applied to the outstanding Second Ranking Debt;

SECTION 14 MATERIAL CONTRACTS (CONTINUED)

- then a sum equal to 60% of the Haematite Proceeds during each succeeding quarter in arrears, to be applied first to the outstanding Second Ranking Debt owing to the Initial Financiers, then the outstanding First Ranking Debt owing to the Initial Financiers and finally to the Security Trustee for distribution in accordance with the Intercreditor and Security Trust Deed;

- then in accordance with the **EBIT Cash Sweep** under the Intercreditor and Security Trust Deed (see below); and

- any balance of the Principal Amount remaining after the payments above, no later than 2 business days before the **Maturity Date** (being the date 48 months after the Effective Time).

MVPL's ability to prepay the Principal Amount is limited under the terms of the agreement.

Effective Time

At the Effective Time, the Outgoing Security Trustee must cause the Receivers to retire as receivers and managers of MVPL and release any security it holds in respect of debt under the Senior Facility Agreement, the ISDA Agreement and the Mezzanine Facility Agreement dated 14 January 2008.

Information and Financial Reports

MVPL agrees to provide certain financial reports and statements to the Agent. MVPL must also provide the Agent with certain information promptly on it becoming available, including information on material disputes, claims, damage or destruction of the project and reports dealing with reserves or resources of the project.

Restrictions on MVPL

MVPL agrees to various additional obligations including to:

- not create or permit to subsist any security over any of its material assets or assets necessary for the normal operation of the Windimurra Project (other than a Permitted Security to allow MVPL to procure the Additional Debt Facilities);

- not deal with its interest in the Windimurra Project (other than as a permitted disposal);

- take out and maintain the insurances set out in the agreement;

- not enter into transaction that is not on arms length terms (unless it is a permitted transaction);

- not pay any principal, interest or other amount in respect of the Atlantic Facility, any Additional Debt Facility or the Assigned Mezzanine Debt, except as expressly permitted by the Intercreditor and Security Trust Deed;

SECTION 14 MATERIAL CONTRACTS (CONTINUED)

- not terminate, rescind or discharge any material contract unless a replacement contract is entered into;
- not enter into any treasury transaction other than a permitted hedging transaction; and
- ensure the day to day operation of the project is managed by a general manager and employees of MVPL and develop with Atlantic an organisational structure and development plan.

Default

The agreement sets out specific events of default including the following:

- non-payment (with a cure period of 3 business days) and non-compliance with any provision of a Finance Document (with a 15 business day cure period);
- insolvency and repudiation of a Finance Document;
- termination or expiry and non-renewal of a **Material Licence** or amendment or renewal of a Material Licence such that it has a material adverse effect;
- a reduction of MVPL capital;
- failure of any party to comply with the Intercreditor and Security Trust Deed and where any representation or statement in the Intercreditor and Security Trust Deed is or proves to be incorrect or misleading;
- any Security Document is not in full force and effect; and
- a default or termination right under any additional debt facility agreement.

Key Events of Default include non-payment of amounts due under a Finance Document, the Atlantic Facility Agreement, any Additional Debt Facility Agreement or the Mezzanine Facility Agreement, insolvency, any Security Document not being in full force and effect and any breach of the agreement's provisions relating to insurance, creation or subsistence of securities or entry into any transaction by MVPL, failure to pay the BOOT Purchase Price on the BOOT Completion Date, and financial indebtedness (other than that permitted by the agreement) being incurred or allowed to remain outstanding

If a Key Event of Default is continuing, the Agent may declare that any amount owing under any Finance Document is either payable on demand or immediately due for payment.

SECTION 14 MATERIAL CONTRACTS (CONTINUED)

Intercreditor and Security Trust Deed

between MVPL, Atlantic, NewCo, the Security Trustee, the Agent, Citibank N.A, Hong Kong Branch (**Account Bank**), the **Initial Finance Parties** (being AXIS Specialty Limited, Merrill Lynch Credit Products, LLC, PMA Credit Opportunities Fund, PMA Temple Fund, GLG Market Neutral Fund, UBS AG, Singapore, ICE 1: EM CLO Ltd, ICE EM Special Situations and CVI GVF (Lux) Master S.a.r.l), the Hedging Bank and Australian Executor Trustees Limited (**Mezzanine Assignee**) dated 16 September 2010.

Background

The deed sets out the priorities of various secured monies, provides for the subordination of the Mezzanine Debt and sets out various rights and obligations including those of the Security Trustee, MVPL, the Mezzanine Assignee and the other Beneficiaries under the deed. The deed prevails to the extent of any inconsistency with the:

- Syndicated Facility Agreement;
- $50,000,000 Atlantic Facility Agreement;
- Mezzanine Facility Agreement dated 14 January 2008;
- Security Documents (being the deed, the deed of security between MVPL and the Security Trustee, the account charge between MVPL and the Security Trustee, any designation notice, each Security Trustee fee letter, any other document or encumbrance collateral to any of them or securing MVPL's obligations under a Transaction documents and any other document which MVPL and the Security Trustee acknowledge is a Security Document and Transaction document);
- the Varied DOCA; and
- other transaction documents.

The Mezzanine Assignee holds the Mezzanine Debt on trust for NewCo pursuant to a separate trust deed.

Priorities and Secured Amounts

The parties agree various priorities including the ranking of the various types of secured money.

In relation to the Atlantic Finance Agreement, Atlantic is a financier for the purposes of, and a Beneficiary under, the Intercreditor and Security Trust Deed.

The first ranking debt will be:

- the amount of cash held by MVPL at completion; together with
- the debt owed to Atlantic under the Atlantic Finance Agreement (see above) and any debt owed under any additional debt facility (on terms acceptable to the Majority Finance Parties) from the date of the deed until and including 31 March 2011.

SECTION 14 MATERIAL CONTRACTS (CONTINUED)

The second ranking debt will be:

- the reduced amount of $90,000,000, minus the amount of cash held by MVPL at completion; together with
- The debt owed to Atlantic under the Atlantic Finance Agreement (see above) and any debt owed under any additional debt facility (on terms acceptable to the Majority Finance Parties) on and after 1 April 2011.

The third ranking debt will be the monies owing by MVPL in connection with the Mezzanine Debt.

Atlantic agrees for the benefit of each other Beneficiary that the maximum amount, in aggregate, secured in connection with the Atlantic Facility Agreement will not exceed $50,000,000 (less any repayment, prepayment or reduction from time to time) and the maximum amount of principal recoverable by Atlantic, in aggregate, will not exceed $50,000,000.

Mezzanine Debt

The Mezzanine Assignee agrees for the benefit of each other Beneficiary that the maximum amount, in aggregate, secured in connection with the Mezzanine Facility Limit is US$37,500,000 less any repayment, prepayment or reduction from time to time and that the maximum amount of principal recoverable by the Mezzanine Assignee will not exceed US$37,500,000.

The Mezzanine Assignee agrees to various obligations, including that it will not to demand or receive certain payments and not to apply money or property towards discharge of the Mezzanine Debt until after the repayment of debt ranking in priority to the Mezzanine Debt. Particular provisions apply to the Mezzanine Debt in the context of insolvency of MVPL.

Proceeds

MVPL must maintain the **Proceeds Account** (being the MVPL proceeds account with the Account Bank) and deposits and withdrawals from that account may only be made in accordance with the deed and as the Security Trustee otherwise agrees. MVPL undertakes to pay (or cause to be paid) into the Proceeds Account:

- the balance of the Receiver’s Account;
- the proceeds of all drawings under the Atlantic Facility Agreement;
- all **Proceeds** (being money received from the sale of contained vanadium or in relation to any hedge contract, any liquidated damages or other amounts under project documents received by MVPL, any money received by MVPL under any insurance policy and any other money or receipts received by MVPL from the project or any project assets); and
- all interest and other earnings on the money in the Proceeds Account.

MVPL undertakes to provide the Security Trustee with the necessary authority to notify the Account Bank of a default and to prevent further drawings from the Proceeds Account.

SECTION 14 MATERIAL CONTRACTS (CONTINUED)

EBIT Cash Sweep

Within 90 business day of the end of each financial year beginning in the financial year ending 30 June 2011, MVPL must pay to the Security Trustee a sum equal to its EBIT for that financial year less $30,000,000. Any Haematite Proceeds already paid in respect of that period will be credited against this cash payment (if any). The Security Trustee is to distribute such sums to the Initial Finance Parties, the Hedging Bank, Atlantic and any additional debt facility lenders towards repayment pro rata of interest, principal and any other moneys owing in respect of first ranking secured debt, and thereafter in respect of the second ranking debt.

Information

MVPL must provide the Security Trustee with copies of its audited financial report for each financial year and financial reports for each financial half year. MVPL must also provide the Security Trustee with the information required by the Security Trustee in relation to the EBIT Cash Sweep and an annual budget for each financial year.

Enforcement

Enforcement action is permitted where an event of default is continuing.

In enforcing a Security Document in relation to the first or second ranking debt, the interests of the first and second ranking beneficiaries may be treated as paramount.

Payments

MVPL agrees to make payments under each Transaction document on the due date, in Australian dollars in immediately payable funds, without set-off or counterclaim in accordance with the deed.

The Security Trustee agrees to distribute amounts paid to or recovered by it (which are available for distribution under a Security Document) in accordance with the deed. However, certain payments under the Syndicated Facility Agreement are to be made by MVPL to the Agent for distribution to the Finance Parties.

Indemnities

MVPL indemnifies each Beneficiary against amounts paid or payable to the Security Trustee for liability incurred in connection with its role as security trustee.

MVPL indemnifies the Security Trustee in relation to liability in connection with the Security Trustee acting on MVPL's or its authorised officers' instructions, events of default and other breaches of Transaction Documents by or on behalf of MVPL, exercise of rights under a Security Document and the Secured Property.

Restrictions on Dealings

MVPL may not deal with its rights under any Transaction document without the Security Trustee's consent. MVPL may not consent to any purported assignment, the creation of any Security or other dealing with the Mezzanine Debt without the consent of the Agent. Beneficiaries must deal with rights under the Security Documents in accordance with the terms of the deed.

SECTION 14 MATERIAL CONTRACTS (CONTINUED)

Restrictions are placed on the ability of the parties to the Atlantic Facility Agreement and Mezzanine Facility Agreement to vary those agreements or waive any rights under them without the consent of the Agent. A similar restriction applies to the Syndicated Facility Agreement, with variations requiring Atlantic's consent.

NewCo Board

The Majority Finance Parties (being one or more financiers who have at least 66.67% of the Principal Amount at that time) are entitled to nominate not less than 33.33% (and no less than 1) of the directors of NewCo until the Second Ranking Debt is repaid in full.

Interest

Interest is not payable on the Principal Amount except upon the occurrence of an Event of Default, with interest accruing daily and being compounded.

SECTION 14 MATERIAL CONTRACTS (CONTINUED)

Deed of Assignment of Debt

between NewCo and Windimurra Vanadium Ltd (receivers and managers appointed) (subject to a deed of company arrangement) (**WVL**) dated 14 September 2010.

Condition Precedent

The deed is conditional on the occurrence of Financial Close.

Background

MVPL owes the **Debt** comprised of:

- $85,500,948.81 pursuant to Shareholder Loan Agreement dated 10 January 2008;
- $53,970,176 pursuant to the WVL Loan Agreement dated 10 January 2010;
- $24,087,198 pursuant to the Windimurra Shareholders Agreement dated 4 October 2006; and
- $7,530,948 as a result of the Intercompany Loan made in December 2008,

to WVL.

Transfer and Assignment

WVL transfers and assigns to NewCo all of WVL's right, title and interest in the loan agreements and the Debt and NewCo accepts the transfer and assignment.

NewCo agrees to assume WVL's right, title and interest in the loan agreements noted above and the Debt.

SECTION 14 MATERIAL CONTRACTS (CONTINUED)

Sale of Shares in NewCo

between MRL and Atlantic dated 16 September 2010.

Commencement

The agreement is conditional on Financial Close occurring. If the condition precedent is not satisfied by 22 September 2010 or such later date agreed by the parties, either party may terminate the agreement.

Sale and Purchase

MRL sells and Atlantic purchases the number of ordinary fully paid shares in NewCo representing 27.5% of the issued capital of NewCo for $16,000,000 to be paid:

- $500,000 non-refundable deposit on the date of Financial Close;
- $2,500,000 non refundable deposit on 24 December 2010; and
- $13,000,000 on 1 April 2011 or an earlier date nominated by Atlantic by not less than 21 days notice.

MRL Re-Acquiring Shares

If Atlantic fails to make the second payment by 24 December 2010 or the third payment by 1 April 2011 (or such extended date as agreed):

- MRL is deemed to have bought back the NewCo sale shares for the price of $1.00; and
- All dividends and other payments payable on the NewCo sale shares between Financial Close and 1 April 2011 are the property of MRL and are to be paid to MRL by Atlantic on demand.

Restrictions on Sale Shares

Until the third payment above is made, Atlantic is restricted in how it may deal with the NewCo sale shares without the consent of MRL. For example, Atlantic cannot dispose of or encumber the shares. MRL acknowledges that the assets of NewCo and of NewCo's subsidiary will be encumbered to secure debt and other finance for NewCo or NewCo's subsidiary in connection with the Windimurra Project development.

SECTION 14 MATERIAL CONTRACTS (CONTINUED)

Shareholders Agreement

between NewCo, MVPL, MRL and Atlantic dated 16 September 2010.

Commencement

The agreement commences on the date (if any) that MRL re-acquires the MRL Shares (being the number of shares representing 27.5% of the issued share capital of NewCo) under the terms of the Share Sale Agreement (if at all).

NewCo Board

Each shareholder with:

- less than 30.1% of NewCo shares may appoint 1 director;
- 30.1 to 60% of NewCo shares may appoint 2 directors; and
- 60.1% or more, may appoint 3 directors.

At the commencement date, MRL is entitled to appoint 1 director and Atlantic is entitled to appoint 3 nominee directors. Atlantic is also entitled to appoint those directors as nominated by the financiers of Atlantic, NewCo or MVPL. Chairperson must be an Atlantic nominee director whilst Atlantic holds greater than 50% of the shares.

The quorum for a director's meeting is at least 3 directors (including at least one director appointed by each shareholder or other party entitled to appoint a director).

Unanimous Board approval is required in respect of certain matters including dividends to be paid in respect of NewCo shares, a proposal for a material disposal of NewCo's property or business, a proposal to wind up NewCo, a proposal for NewCo to conduct an IPO and a proposal for the material disposal of MVPL's property. These unanimous approval requirements cease to apply where MRL holds less than 10% of NewCo shares or NewCo is a public company.

The MVPL Board will be the same as the Board of NewCo.

Shareholder Meetings

The quorum for a meeting of shareholders is attendance by representatives from both MRL and Atlantic.

Pre-emptive Rights

If MRL holds 27.5% or more of the NewCo shares and Atlantic proposes to transfer any shares in NewCo, MRL has the option to acquire those shares. Atlantic also has the option to acquire NewCo shares that MRL proposes to transfer.

MRL also has tag along rights in relation to the sale of NewCo shares should Atlantic dispose of NewCo shares to a third party.

SECTION 14 MATERIAL CONTRACTS (CONTINUED)

Deed of Termination and Release

between MVPL, the Receivers, NewCo, Atlantic, MRL, each Senior Finance Parties, each Mezzanine Finance Parties, the Agent, Hedging Bank and Outgoing Security Trustee dated 16 September 2010.

Commencement

The deed takes effect from the date of execution.

Expiry of Revised Offer and Termination of Transaction Documents

Atlantic, MRL and the Receivers agree that the offer to recapitalise MVPL dated 31 March 2010 has expired and is of no force or effect.

Each party agrees that those of the Transaction documents (being the Co-Ordination Deed, Syndicated Facility Agreement, Shareholders Agreement and any other document executed by the parties to give effect to the Transaction as defined in the offer dated 31 March 2010, excluding the Consortium Agreement) to which it is a party have been terminated and each party is relived from further performance of obligations under the those documents.

Survival of Varied DOCA

Each party agrees that the Varied DOCA survives the expiry of the offer dated 31 March 2010 and termination of the relevant documents.

Mutual Release

Each of Atlantic, MRL and NewCo release and discharge MVPL, the Receivers, the Senior Finance Parties, the Mezzanine Finance Parties, the Agent, the Hedging Bank and the Outgoing Security Trustee from claims Atlantic, MRL and NewCo may have in connection with the relevant agreements and all communications between the parties up to the commencement date.

Each of MVPL, the Receivers, the Senior Finance Parties, the Mezzanine Finance Parties, the Agent, the Hedging Bank and the Outgoing Security Trustee similarly release and discharge Atlantic, MRL and NewCo.

SECTION 14 MATERIAL CONTRACTS (CONTINUED)

BOOT Acquisition Agreement

between MVPL, MRL and Atlantic dated 16 September 2010.

Conditions Precedent

The agreement is conditional on Citibank N.A. London Branch and National Australia Bank consent to termination of the BOOT Contract dated 3 October 2007 as varied on 16 December 2008 and the BOOT Tripartite Deed dated 14 January 2008 and Financial Close. Either party may terminate the agreement if a condition has not been satisfied or waived by 22 September 2010.

Sale and Purchase – Financial Close

MRL agrees to sell the crushing and processing circuits and other specified plant and equipment (**BOOT Plant**) to MVPL and Atlantic must cause MVPL to buy, and MVPL agrees to buy, the BOOT Plant for $60,000,000. MVPL also agrees to buy production rollers and spare hexadur liners to fit the production rollers.

At Financial Close, Atlantic will cause MVPL to pay and MVPL will pay $9,400,000 to repay the MRL Debt and the **Outstanding CRI Payments** (being $971,000 each month commencing 1 December 2009 up to and including the month in which Financial Close occurs) to MRL. MVPL must pay to MRL a deposit of $1 million for the production rollers.

Sale and Purchase - Completion

On 1 April 2011, or such earlier date nominated by MVPL or later date determined under the agreement (**Completion**), Atlantic will cause MVPL to pay and MVPL will pay the **Deferred CRI Payments** (being $971,000 each month commencing the month after the month in which Financial Close occurs and ending on and including the month in which Completion occurs). Completion is conditional on MRL having been paid the MRL Debt of $9,400,000, the Outstanding CRI Payments and the Deferred CRI Payments. MVPL must pay to MRL the balance of the production rollers consideration (being $893,500 plus 50% of the substantiated value of components of the production rollers) and a payment for the spare hexadur liners. MRL retains possession of both legal and beneficial title to the production rollers until the consideration has been paid to MRL in full.

MVPL may extend the date for Completion with the prior written consent of the Majority Lenders and on paying:

- the Deferred CRI payments on or before 1 April 2011;
- a non-refundable deposit of not less than $10,000,000 on or before 1 April 2011; and
- a fee of $27,000 for every day which the Completion Date is extended beyond 1 April 2011, the aggregate of which is to be paid at Completion along with the balance of the purchase price, being $50,000,000.

At Completion, Atlantic must cause MVPL to pay $60,000,000 to MRL and possession of and title to the BOOT Plant will be given by MRL and taken by MVPL.

SECTION 14 MATERIAL CONTRACTS (CONTINUED)

MRL retains the legal and beneficial title to the BOOT Plant until Completion occurs. MVPL agrees to various obligations in relation to maintenance and care of the BOOT Plant and insurance. MVPL indemnifies MRL (from Financial Close until Completion) against liability in respect of loss or damage to the BOOT Plant arising out of MVPL's activities.

On payment of each amount in accordance with the agreement, each party releases and discharges the other from any claims.

SECTION 14 MATERIAL CONTRACTS (CONTINUED)

Michael Minosora Employment Contract

between Michael Minosora (**MM**) and Atlantic dated 2 November 2009.

Remuneration

MM will receive a salary of $300,000 per year (inclusive of superannuation), plus reimbursement of any expenses reasonably incurred in the performance of his duties. The remuneration package is reviewed on 1 October each year, during which the Company may elect to pay MM a bonus based on the achievement of Company objectives, the achievement of any key performance indictors agreed with MM prior to the relevant year, MM's performance for the previous year and the Company's normal remuneration policies and practices.

Executive Incentive Shares (Incentive Shares)

After obtaining Shareholder approval, Atlantic issued to MM the following Incentive Shares (all post-consolidation) (a) 1,320,000 Incentive Shares (at $0.825 each); (b) 1,320,000 Incentive Shares (at $1.00 each); and (c) 1,320,000 Incentive Shares (at $1.25 each). The Shares cannot be traded until the Shares have traded above $1.25 for more than 10 consecutive trading days. Atlantic will make a limited recourse loan to MM for the total amount of the Incentive Shares that MM subscribes to. The loan will be secured by the Incentive Shares and have a 5 year term commencing on the date of issue

Termination

MM's employment may be terminated by:

- Atlantic at any time and without notice, if MM engages in serious misconduct; is seriously negligent in the performance of his duties; commits a serious or persistent breach of the agreement; commits an act (at work or otherwise) which brings the Company into disrepute; or is convicted of an offence punishable by imprisonment;

- Atlantic by three or more months' notice, if MM: becomes incapacitated by illness or accident for an accumulated period of more than 3 months in any 12 month period; or is advised by an independent medical officer that his health has deteriorated to a degree that it is advisable for him to leave the Company; or

- either of MM or Atlantic at any time on 6 months' notice.

If MM's employment ends, MM must resign as a director of the Company and any other related body corporate of the Company. MM is restricted from soliciting any director, manager or employee of Atlantic or its related bodies corporate or a customer of Atlantic or its related bodies corporate to terminate their employment or to cease doing business with, or reduce the amount of business with, Atlantic (as applicable), for a 12 month period following the end of his employment.

MM is not entitled to any severance pay and acknowledges that he does not have any further claims against the Company in the event that the Company ends his employment.

Leave

MM is entitled to 5 weeks' annual leave, 10 days' paid personal leave (sick leave or carers leave) and 2 days' compassionate leave per year.

SECTION 14 MATERIAL CONTRACTS (CONTINUED)

Anthony Veitch Employment Contract

between Tony Veitch (**TV**) and Atlantic dated 31 March 2010.

Remuneration

TV will receive a salary of $250,000 per year (inclusive of superannuation), plus reimbursement of any expenses reasonably incurred in the performance of his duties. The remuneration package is reviewed on 30 June each year, during which the Company may elect to pay TV a bonus based on TV's performance for the year and the Company's normal remuneration policies and practices.

Executive Incentive Shares

After obtaining Shareholder approval, Atlantic issued to TV 1,000,000 Incentive Shares at $1.75 per Share (post-consolidation). The Shares cannot be traded until the Shares have traded above $1.875 for more than 10 consecutive trading days. Atlantic will make a limited recourse loan to TV for the Incentive Shares. The loan will be secured by the Incentive Shares and with any proceeds from sale being applied to repayment of the loan.

Termination

TV's employment may be terminated by:

- Atlantic at any time and without notice, if TV engages in serious misconduct; is seriously negligent in the performance of his duties; commits a serious or persistent breach of the agreement; commits an act (at work or otherwise) which brings the Company into disrepute or is convicted of an offence punishable by imprisonment;

- Atlantic by three or more months' notice, if TV becomes incapacitated by illness or accident for an accumulated period of more than 3 months in any 12 month period; or is advised by an independent medical officer that his health has deteriorated to a degree that it is advisable for him to leave the Company; or

- either of TV or Atlantic at any time on 6 months' notice.

If TV's employment ends, TV must resign as a director of the Company and any other related body corporate of the Company. TV is restricted from soliciting any director, manager or employee of Atlantic or its related bodies corporate or a customer of Atlantic or its related bodies corporate to terminate their employment or to cease doing business with, or reduce the amount of business with, Atlantic (as applicable), for a 12 month period following the end of his employment.

TV is not entitled to any severance pay and acknowledges that he does not have any further claims against the Company in the event that the Company ends his employment.

Leave

TV is entitled to 4 weeks' annual leave, 10 days' paid personal leave (sick leave or carers leave) and 2 days' compassionate leave per year.

SECTION 14 MATERIAL CONTRACTS (CONTINUED)

Verenna Contract re Vietnam

between Verenna Pty Ltd (**Verenna**) and Atlantic dated 27 May 2010.

Background

Atlantic has engaged Verenna to provide advice in securing a definitive joint venture agreement for its Vietnam aluminium supply chain joint venture.

Engagement

Atlantic engages Verenna to advise the company in the development of a joint venture agreement for the Vietnam supply chain project. Verenna will advise the company on development partners, Vietnam national policy in respect of bauxite as well as developmental issues as they relate to the railway component of the project.

Consideration

Verenna will be engaged on a fee for service basis. Its expenses will be borne by Atlantic. Upon the event of Atlantic signing a definitive joint venture agreement, Verenna or its nominee will (within 7 days of signing) be issued Shares in Atlantic equal to 2% of the issued capital of the Company. If the value of the Shares is less than $1,500,000 at the date of issue, Atlantic undertakes to increase the number of Shares issued to provide a total value of $1,500,000.

Term and Termination

Verenna is engaged for a period of two years. Either party may terminate the engagement on three months written notice. If Atlantic terminates the engagement and a definitive joint venture agreement is entered into within the following 12 months, Verenna will be entitled to the Share issue outlined above.

SECTION 14 MATERIAL CONTRACTS (CONTINUED)

Strategic Solutions Consulting Contract

between Strategic Solutions (WA) Pty Ltd (**Strategic**) and Atlantic dated 10 November 2009 and amended by letter dated 4 January 2010.

Engagement

Atlantic engages Strategic to provide assistance with the development and implementation of Atlantic's strategy. This includes (among other things) assisting with the preparation of submissions to the Vietnam Government, attendance at senior level meetings in Australia and Vietnam as required and ongoing strategic advice and assistance to Atlantic's businesses. These services are to be carried out for Strategic by Mr Alan Mulgrew.

Consideration

Atlantic agrees to pay Strategic $1,500 (before GST) for each day of 8 hours completed on Atlantic business. Atlantic also agrees to reimburse Strategic for all reasonable out-of-pocket expenses on Atlantic business.

A success fee of 200,000 fully paid ordinary paid shares in the capital of Atlantic (post-consolidation) will be issued to Strategic on the signing of a binding agreement with the Vietnam Government or similar body on terms acceptable to Atlantic to allow it to proceed with the mining and export of bauxite from Vietnam and to examine the development of a rail line to service the bauxite industry in Vietnam.

Term and Termination

The agreement commenced on 1 October 2009 and continues until terminated. Either party may terminate the agreement on 30 days' notice.

SECTION 15 CONSENTS AND INTERESTS OF PARTIES

Persons who make statements in this Prospectus need to provide their written consent for such use. The following parties have given (and have not withdrawn prior to the date of this document) their consent to be named in this document (or as incorporated into this document by reference) in the form and context in which they are named:

Security Transfer Registrars Pty Ltd has given its written consent to be named in this Prospectus as the share register of the Company.

Johnson Winter and Slattery has given its written consent to be named in this Prospectus as Legal Advisers to the Company in Australia.

Frasers Law Company has given its written consent to be named in this Prospectus as Legal Advisers to the Company in Vietnam.

HLB Mann Judd has given its written consent to be named in this Prospectus as Auditor to the Company and as Independent Accountant and to the inclusion of the Independent Accountants Report in Section 9 of this Prospectus.

Colin J.S Arthur has given his written consent to be named in this Prospectus as Geologist (Windimurra) and to the inclusion of the Resources section of the Competent Persons Statement on the Windimurra Project at Section 7.1 of this Prospectus.

Cube Consulting Pty Ltd has given its written consent to be named in this Prospectus as Mining Geologist (Windimurra) and to the inclusion of the Reserves Section of the Competent Persons Statement on the Windimurra Project at Section 7.2 of this Prospectus.

Robert McLean has given his written consent to be named in this Prospectus and to the inclusion of the matters in section 6.3 of the Prospectus based on his information in the form and context in which it appears.

CSA Global Pty Ltd has given its written consent to be named in this Prospectus as Geologist (Vietnam) to the Company and to the inclusion of the CSA Global Report on the Bao Loc Project at Section 8 of this Prospectus.

Each of the parties referred to in this Section 15:

- has not authorised or caused the issue of this Prospectus;
- does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- was not involved in the preparation of the Prospectus or any part of it except where expressly attributed to that person.

None of the entities referred to in this Section 15 have authorised or caused the issue of this Prospectus and do not accept any liability to any persons in respect of any false or misleading statement in, or omission from, any part of this Prospectus.

SECTION 15 CONSENTS AND INTERESTS OF PARTIES (CONTINUED)

No expert, nor any firm in which such expert is a partner, has or had in the past two years any interest in the promotion or formation of the Company nor have any amounts been paid or agreed to be paid (whether in cash, shares or otherwise) to an expert or to a firm in which an expert is a partner for services rendered by the expert in connection with the promotion of the Company other than set out below:

- HLB Mann Judd has been paid approximately $25,000 plus GST in fees for services to the Company in the previous 2 years; and
- Johnson Winter and Slattery will be paid approximately $140,000 plus GST for advice and assistance in relation to preparation of the Prospectus. Johnson Winter and Slattery has been (or is entitled to be) paid approximately $162,820 plus GST in other fees for services to the Company in the previous 2 years.

SECTION 16 AUTHORITY OF DIRECTORS

The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive and that in respect to any other statements made in this Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with the ASIC, or to the Directors knowledge, before any issue of Shares pursuant to this Prospectus.

This Prospectus is prepared on the basis that certain matters may reasonably be expected to be known to likely investors or their professional advisors.

Each of the Directors of Atlantic Ltd has consented to the lodgement of this Prospectus in accordance with Section 720 of the Corporations Act and has not withdrawn that consent.

This Prospectus is issued by Atlantic Ltd. Its issue was authorised by a resolution of the Directors and is signed on behalf of all Directors.

Dated 16 September 2010.

Signed for and on behalf of

ATLANTIC LTD
by Tony Veitch (Director)

SECTION 17 DEFINITIONS

AMI means Azure Mining International Pty Ltd (ACN 131 978 937).

Application Form means the acceptance form enclosed with this Prospectus.

Applicant means a person who submits an Application.

Application means a valid application to subscribe for New Shares.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691).

ASX Market Rules means the market rules of the ASX.

Atlantic means Atlantic Ltd (ABN 60 009 213 763).

Auditors means HLB Mann Judd.

Bao Loc Project means the proposed bauxite project located in the Lam Dong Province, Vietnam.

Board means the board of Directors unless the context indicates otherwise.

Broker Options means 169,811 options exercisable at $1.325 each on or before 31 August 2010.

Business Day means a day other than a Saturday or Sunday on which banks are open for business in Perth, Western Australia.

CHESS means Clearing House Electronic Subregister System.

Closing Date means the date on which the offers under this Prospectus close.

Company means Atlantic Ltd (ABN 60 009 213 763).

Corporations Act means the Corporations Act 2001 (Cth).

Deed of Company Arrangement or **DOCA** means the varied Deed of Company Arrangement dated 12 May 2010 between MVPL and Darren Weaver, Andrew Saker and Martin Jones as deed administrators as amended from time to time.

Directors mean the directors of the Company from time to time.

Dollars or $ means Australian dollars unless otherwise stated.

ESIP means the Atlantic Executive Share Incentive Plan.

FeV means ferro-vanadium.

JORC means Joint Ore Reserve Committee.

Listing Rules or ASX Listing Rules means the official Listing Rules of ASX.

SECTION 17 DEFINITIONS (CONTINUED)

MRL means Mineral Resources Ltd (ACN 118 549 910).

MVPL means Midwest Vanadium Pty Ltd (ACN 113 874 712) (Receivers and Managers Appointed) (Subject to Deed of Company Arrangement), the entity that holds 100% of the Windimurra Project.

New Share means one (1) Share in Atlantic to be offered and issued on the terms and conditions set out in this Prospectus.

NewCo means the proprietary company named "ACN 143 559 880 Pty Ltd" which, following completion, will own 100% of the shares in MVPL and will be owned by the Company.

NewCo Offer means the offer to investors identified by the Directors pursuant to this Prospectus of 3,400,000 New Shares as consideration for the acquisition of an effective 10% interest in MVPL.

Offer means the offer to investors identified by the Directors pursuant to this Prospectus of 50,500,000 New Shares at $1.10 each to raise $55.55 million.

Offer Period means the period commencing on the Opening Date and ending on the Closing Date.

Official List means the Official List of ASX.

Opening Date means the date on which the offers under this Prospectus open.

Option means an option to subscribe for Shares.

Option Holders means those parties holding Options.

Professional Investor has the meaning given by section 708(11) of the Corporations Act.

Prospectus means this prospectus dated 16 September 2010.

Quotation and Official Quotation means official quotation on ASX.

Securities means Shares and Options in the capital of the Company.

Share means one (1) fully paid ordinary share in the Company.

Shareholder means a holder of Shares.

Sophisticated Investor means a person to whom an offer of securities is made that satisfies the requirements of section 708(8) of the Corporations Act.

SECTION 17 DEFINITIONS (CONTINUED)

T-MV means Vietnam Natural Resources and Environment Corporation.

Windimurra Project means the Windimurra vanadium project located approximately 600 kilometres north east of Perth, Western Australia, further details of which are set out in Section 6.

WVL means Windimurra Vanadium Ltd (ACN 009 131 533) (Receivers and Managers appointed) (Subject to Deed of Company Arrangement), which owns 90% of MVPL shares (with the remaining 10% of MVPL shares being held by Noble Group Ltd, a company incorporated in Bermuda under the Companies Act 1981 (Bermuda).

Vinacomin means The Vietnam National Coal – Mineral Industries Group.