

## Appendix 5B

### Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Atlantic Ltd

ABN

60 009 213 763

Quarter ended ("current quarter")

31 March 2012

#### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) administration	(1,014)	(10,939)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	194	961
1.5 Interest and other costs of finance paid	(18,113)	(36,630)
1.6 Income taxes paid	-	-
1.7 Other - GST receivable	-	11,235
	(18,933)	(35,373)
<b>Net Operating Cash Flows</b>		
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(29,882)	(99,586)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	2,653	2,653
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other – cash acquired on acquisition of Midwest Vanadium	-	-
	(27,229)	(96,933)
<b>Net investing cash flows</b>		
1.13 Total operating and investing cash flows (carried forward)	(46,162)	(132,306)

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1.13	Total operating and investing cash flows (brought forward)	(46,162)	(132,306)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	7,841	27,011
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	30,526	33,596
1.17	Repayment of borrowings	(1,372)	(1,388)
1.18	Dividends paid	-	-
1.19	Other	-	-
	<b>Net financing cash flows</b>	36,995	59,219
	<b>Net increase (decrease) in cash held</b>	(9,167)	(73,087)
1.20	Cash at beginning of quarter/year to date	57,534	118,185
1.21	Exchange rate adjustments to item 1.20	(1,600)	1,669
1.22	<b>Cash at end of quarter</b>	46,767	46,767

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	433
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments to directors include fees, salary and related benefits.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None

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

None

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### Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	352,053	352,053
3.2 Credit standby arrangements	-	-

Loan facilities as at 31 March 2012 relate to Midwest Vanadium Pty Ltd's US\$335m Senior Secured Notes converted at \$1.0402 (being the exchange rate at balance date), due in February 2018, with interest payable at 11.5% pa. In addition, during the quarter, Atlantic Ltd issued A\$30m face value in convertible bonds, due in March 2015, with interest payable at 17.5% pa. Conversion of the convertible bonds is subject to shareholder approval and foreign investment approval.

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	-
4.2 Development	37,098
4.3 Production	-
4.4 Administration	2,898
<b>Total</b>	<b>39,996</b>

The above analysis excludes revenues from sales of ferrovandium and iron ore. It relates only to cash outflows for the next quarter.

Development cash out flows above include all estimated Windimurra operations cash out flows (Item 4.2) for the coming quarter. These cash out flows are currently all capitalised to the Balance Sheet.

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	23,441	14,678
5.2 Deposits at call	23,326	42,856
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>46,767</b>	<b>57,534</b>

Of the cash available at the end of the quarter, US\$19.2m (A\$18.5m) is restricted to the next interest payment on the Midwest Vanadium Pty Ltd Senior Secured Notes and US\$5m (A\$4.8m) is the minimum balance required to be maintained under the Midwest Vanadium Pty Ltd Senior Secured Notes.

The cash balance at the end of the quarter does not include the conditional share placement to raise a further A\$10m announced on 6 March 2012. This share placement was approved by shareholders at an Extraordinary General Meeting held on 27 April 2012.

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**Changes in interests in mining tenements**

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	None		
6.2	Interests in mining tenements acquired or increased	None		

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	<b>Preference securities</b> <i>(description)</i>			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	<b>+Ordinary securities</b> 66 Class B	141,308,752 -		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	1,798,406 5,678,333 1,931,818	1,798,406 5,678,333 1,931,818	20 cents \$1.20 88 cents
7.5	<b>+Convertible debt securities</b> <i>(description)</i>			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted			

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7.7	<b>Options</b> <i>(description and conversion factor)</i>	169,811	Unquoted	<i>Exercise price</i> \$1.325	<i>Expiry date</i> 31 August 2012
7.8	Issued during quarter	Nil	Quoted		
7.9	Exercised during quarter	1,798,406	Unquoted	20 cents	
7.10	Expired during quarter	Nil			
7.11	<b>Debentures</b> <i>(totals only)</i>				
7.12	<b>Unsecured notes</b> <i>(totals only)</i>				

During the quarter, Atlantic Ltd issued \$30m face value convertible bonds due in March 2015 with interest payable at 17.5% pa. Subject to Atlantic Ltd shareholder approval and foreign investment approval, the convertible bonds are convertible into Atlantic Ltd ordinary shares at 97 cents per share.

### Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Date: 27 April 2012

(Company Secretary)

Print name:

Tony Veitch

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## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities:** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* applies to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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