

11 February 2015

**CESSATION OF RESTRUCTURING DISCUSSIONS
RELATING TO MIDWEST VANADIUM PTY LTD**

Atlantic Ltd (ASX: ATI) (**Atlantic** or the **Company**) announces that it has been informed by the financial advisers to a group of the holders of the senior secured notes (**Notes**) issued by its wholly-owned subsidiary Midwest Vanadium Pty Ltd (**MVPL**) and Atlantic's largest shareholder Droxford International Limited that discussions between them regarding a consensual restructure of MVPL have been terminated.

MVPL owns 100% of the Windimurra vanadium and iron ore project, located approximately 600 kilometres north of Perth in Western Australia.

Discussions between the Notes and Droxford regarding the additional funding required to implement MVPL's business plan as well as an appropriate longer term capital structure for the business have been ongoing for some time.

Atlantic understands that the parties have not been able to reach a mutually acceptable agreement and as a result have terminated the discussions.

As a result, the director of Atlantic's subsidiaries Atlantic Vanadium Holdings Pty Ltd (**AVHPL**) and MVPL has today appointed Darren Weaver, Martin Jones and Ben Johnson of Ferrier Hodgson as Joint and Several Administrators of AVHPL and MVPL as there is now no reasonable prospect of a consensual restructuring being agreed.

Atlantic understands that following this appointment, the Notes will appoint Norman Oehme, Keith Crawford and Matt Caddy of McGrathNicol as Receivers and Managers of AVHPL and MVPL.

As at 31 January 2015, parent entity Atlantic had approximately \$13.5 million in cash. As such, Atlantic continues to operate.

In particular, Atlantic has an entitlement to any further proceeds due to it under the business interruption insurance claim related to the fire in the beneficiation plant at Windimurra in February 2014.

Atlantic intends to continue to progress the insurance claim as it is entitled to do under the insurance policy.

To date, Atlantic and MVPL have received \$87 million from insurers in relation to the claim and Atlantic believes that further material amounts are due and payable under the policy.

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