

31 July 2015

Atlantic Ltd (ASX: ATI; **Atlantic** or the **Company**) is pleased to present its activities report for the quarter ended 30 June 2015.

Windimurra Vanadium Project

Atlantic owns 100% of the shares in Atlantic Vanadium Holdings Pty Ltd (Administrators Appointed)(Receivers and Managers Appointed) (**AVHPL**) that in turn holds all the shares in Midwest Vanadium Pty Ltd (Administrators Appointed)(Receivers and Managers Appointed) (**MVPL**). MVPL owns 100% of the Windimurra vanadium and iron ore project, located approximately 600 kilometres north of Perth in Western Australia.

Following the appointment of Norman Oehme, Keith Crawford and Matt Caddy of McGrathNicol as Receivers and Managers of AVHPL and MVPL in February 2015, both companies are now managed by the Receivers and Managers.

During the quarter, Atlantic provided corporate services to the Receivers and Managers of MVPL under a corporate services agreement. Fees received from provision of these services are included in Atlantic's cash flow report.

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Insurance

There was a major fire in the beneficiation plant at Windimurra on 4 February 2014.

Atlantic and MVPL hold comprehensive industrial special risks insurance that covers both the material damage to the beneficiation plant and the resulting business interruption for both entities.

The relevant insurers granted indemnity for the fire event in February 2014, and to date Atlantic and MVPL have received approximately \$93 million in total from insurers in relation to the claim.

During the quarter, Atlantic continued to progress its business interruption insurance claim, in conjunction with the Receivers and Managers of MVPL, as it is entitled to do under the insurance policy.

Atlantic believes that further material amounts are due and payable to it under the policy, however Atlantic received no insurance proceeds during the quarter.

Forbearance Agreement

In May 2015, Atlantic entered into a forbearance agreement with its largest shareholder and major creditor Droxford International Limited (**Droxford**).

Under the terms of the forbearance agreement, Droxford agreed that it will forbear and not take any action until 6 October 2015 to accelerate any of its convertible bond or promissory note debts that matured in March 2015, subject to certain conditions including that there are no further defaults by Atlantic under those finance documents.

In consideration for this forbearance, Atlantic agreed to pay a total of \$2.26 million to Droxford in part payment of outstanding convertible bond interest due for payment.

Atlantic also had on issue a \$2.5 million promissory note with a third party at that date, and the forbearance agreement contemplated that Atlantic would repay this amount plus accrued interest of \$0.72 million, leaving Droxford as the sole convertible bond and promissory note holder.

The repayments contemplated by the forbearance agreement were completed during the quarter.

Atlantic is now in discussions with Droxford regarding a solvent restructuring of Atlantic's balance sheet.

Further information on the proposed restructuring, that is expected to require shareholder approval, will be disclosed as soon as details are finalised.

Resignation of Chief Executive Officer

Late in June, Mr Daniel Harris resigned as Chief Executive Officer of Atlantic. Mr Harris remains as the Chief Executive Officer of MVPL.

ASX Suspension

Atlantic believes that it is appropriate for the suspension in the trading of the Company's securities to remain in place given that the Company is now in discussions regarding a restructuring of Atlantic's balance sheet.

Cash Flow Statement

The Appendix 5B cash flow statement for the quarter ended 30 June 2015 will be released separately.

For further information please contact:

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