

29 January 2016

Atlantic Ltd (ASX: ATI; **Atlantic** or the **Company**) is pleased to present its activities report for the quarter ended 31 December 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 (the **Receivers**) in February 2015, AVHPL and MVPL are now managed by the Receivers.

During the quarter, Atlantic continued to work with the Receivers in relation to matters impacting both Atlantic and MVPL.

Insurance Claim

Atlantic and the Receivers continued dialogue with insurers during the quarter with a view to settling the insurance claim of Atlantic and MVPL in relation to the major fire in the beneficiation plant at Windimurra on 4 February 2014.

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The fire event was covered by a comprehensive industrial special risks insurance policy held by Atlantic and MVPL. The policy covers both the material damage to the beneficiation plant owned by MVPL and the resulting business interruption for both entities.

Atlantic believes that further material amounts are due and payable to it under the policy.

Atlantic received no insurance proceeds during the period, however the dialogue with insurers during the quarter was productive.

Forbearance Agreement

Earlier in the December quarter, Atlantic entered into a further forbearance agreement with its largest shareholder and major creditor Droxford International Limited (**Droxford**).

Under the terms of the new forbearance agreement, the existing forbearance arrangements agreed in May 2015 were extended until 6 April 2016.

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

Following the signing of this new forbearance agreement, Atlantic continued to work with Droxford to agree and implement a solvent restructuring of Atlantic. Those discussions have progressed well and are expected to be concluded in the current quarter.

Further information on any proposed restructuring (that is likely to require shareholder approval) will be disclosed as soon as those discussions with Droxford are concluded.

Resignation of Chairman

In October, Mr Gary Lewis resigned as Non-Executive Chairman of Atlantic.

Annual Financial Accounts and Annual General Meeting

Atlantic is currently finalising its financial statements for the year ended 30 June 2015 with its auditors and expects to release those shortly. The Company will then despatch the annual report to shareholders and call its annual general meeting of shareholders as soon as possible.

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 continuing discussions regarding a restructuring of Atlantic's balance sheet.

Cash Flow Statement

The Appendix 5B cash flow statement for the quarter ended 31 December 2015 will be released separately.

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