

29 July 2016

Atlantic Ltd (ASX: ATI; **Atlantic** or the **Company**) is pleased to present its activities report for the quarter ended 30 June 2016.

Windimurra Vanadium Project

On 27 May 2016, Atlantic announced that it had completed the acquisition of the Windimurra vanadium and iron ore project with the support of its major shareholder and creditor Droxford International Limited (**Droxford**).

Completion of the acquisition followed satisfaction of all the conditions precedent to the transaction, including receipt of the approval of the secured creditors of Midwest Vanadium Pty Ltd (Subject to Deed of Company Arrangement) (Receivers and Managers Appointed) (**MVPL**) and Atlantic Vanadium Holdings Pty Ltd (Subject to Deed of Company Arrangement) (Receivers and Managers Appointed) (**AVHPL**).

Pursuant to the transaction, Atlantic Vanadium Pty Ltd, a new wholly-owned subsidiary of Atlantic, acquired all the assets of the Windimurra project, including the mining leases, plant and equipment and related assets at the Windimurra site.

Certain excluded assets were retained by the Receivers and Managers of MVPL for distribution to certain secured creditors in due course.

Subsequent to the completion of the acquisition, Atlantic finalised its structured care and maintenance plan for the Windimurra project and all Windimurra based staff appointments were made.

The team at Windimurra is now implementing the care and maintenance plan for the Windimurra project.

In addition, an optimisation team made up of Atlantic staff and external specialists has now been put together to undertake an optimisation study for the Windimurra project with a view to preparing for the redevelopment of the project when market conditions allow.

The care and maintenance programme and the optimisation study are being funded by Atlantic's existing cash balances.

Following the completion of the acquisition late in the quarter, Atlantic conducted no exploration activities at Windimurra.

Proposed Scheme of Arrangement

During the quarter, Atlantic announced that it had entered into a Scheme Implementation Deed (**Implementation Deed**) with Droxford under which it is proposed that Droxford will acquire all of the Atlantic shares which it does not already own by way of a scheme of arrangement for cash consideration of \$0.003 per share (**Scheme**).

Droxford is the largest shareholder of Atlantic with 17.4% of Atlantic's issued capital. Droxford is also the largest creditor of Atlantic and as at 31 March 2016 is owed \$332.5 million under convertible bonds and promissory notes (including accrued interest) issued by Atlantic to Droxford.

Information relating to the Scheme, including the notice convening the Scheme meeting, is included in the Scheme booklet which has been sent to Atlantic shareholders following registration of the Scheme booklet with the Australian Securities and Investments Commission and lodgement with ASX.

If the Scheme is approved by Atlantic shareholders at the Scheme meeting and all conditions precedent are satisfied, Atlantic shareholders will receive a total cash payment of A\$0.003 per Atlantic share on the implementation date (which is currently expected to be on or about Tuesday 20 September 2016).

The Scheme meeting will be held at 11.30 am (AWST) on Wednesday 24 August 2016 at the QV1 Conference Centre, Level 2, QV1 Building, 250 St Georges Terrace, Perth.

The Independent Director engaged Deloitte Corporate Finance Pty Limited (**Independent Expert**) on behalf of Atlantic to prepare a report on whether the Scheme is in the best interests of Atlantic shareholders.

The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of Atlantic shareholders, in the absence of a superior proposal. The Independent Expert's full report is included in the Scheme booklet sent to Atlantic shareholders.

Atlantic's Independent Director has also recommended that Atlantic shareholders vote in favour of the Scheme, in the absence of a superior proposal.

Insurance Claim

On 19 April 2016, Atlantic announced that it had entered into a binding settlement deed with a group of insurers representing 77.5% of the insurance programme (**Majority Insurers**) covering the major fire in the beneficiation plant at Windimurra on 4 February 2014.

At the time of the fire, Atlantic controlled MVPL, and both Atlantic and MVPL were covered by a comprehensive industrial special risks policy that covered the material damage to the beneficiation plant owned by MVPL and the resulting business interruption for Atlantic and MVPL.

The settlement deed has also been entered into by the Receivers and Managers of MVPL.

Under the settlement deed with the Majority Insurers, Atlantic agreed to settle its business interruption claim with the Majority Insurers for approximately \$15.9 million. This amount was received during the quarter.

Atlantic, in consultation with the Receivers and Managers of MVPL, is currently considering all its options in relation to its outstanding business interruption insurance claim covered by the insurers representing the remaining 22.5% of the insurance programme.

Change of Registered Office

Shortly after quarter end, Atlantic changed its registered office to Level 24, Allendale Square, 77 St Georges Terrace, Perth, WA, 6000. The other contact details for the Company remain unchanged.

ASX Suspension

Atlantic believes that it is appropriate for the suspension in the trading of the Company's securities to remain in place pending the outcome of the Scheme meeting on 24 August 2016.

Cash Flow Statement

The Appendix 5B cash flow statement for the quarter ended 30 June 2016 will be released separately.

For further information please contact:

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