

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Atlantic Ltd

ABN

60 009 213 763

Quarter ended ("current quarter")

30 June 2016

#### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	43
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	- - - (1,577)	- - - (4,188)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	39	126
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (Insurance proceeds)	15,837	15,837
<b>Net Operating Cash Flows</b>	<b>14,299</b>	<b>11,818</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - -	(250) - -
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (Refundable Deposit)	750	-
Other (Administration)	(25)	(25)
<b>Net investing cash flows</b>	<b>725</b>	<b>(275)</b>
1.13 Total operating and investing cash flows (carried forward)	15,024	11,543

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity and oil and gas exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	15,024	11,543
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	<b>15,024</b>	<b>11,543</b>
1.20	Cash at beginning of quarter/year to date	2,521	6,002
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>17,545</b>	<b>17,545</b>

**Payments to directors of the entity, associates of the directors, 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	71
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 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

During the quarter, Atlantic completed the acquisition of the Windimurra vanadium and iron ore project. The transaction resulted in Atlantic, through a wholly-owned subsidiary, acquiring all of the assets of the Windimurra project, including the mining leases, plant and equipment and related assets at the Windimurra site.

During the quarter, Atlantic announced that it had entered into a Scheme Implementation Deed with Droxford International Limited (**Droxford**) under which it is proposed that Droxford will acquire all of the Atlantic shares which it does not already own for cash consideration of \$0.003 per share. The Scheme Implementation Deed further extends the forbearance period in relation to Droxford's convertible bonds and promissory notes until the earlier of (i) the date on which the Scheme fails to become effective; (ii) the Independent Director of Atlantic recommending a competing proposal; and (iii) 30 business days after the Scheme becomes effective.

For further details on the Windimurra project and the Atlantic Scheme Implementation Deed refer to the Quarterly Report.

+ See chapter 19 for defined terms.

- 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

N/A

### **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	350,170	350,170
3.2 Credit standby arrangements	-	-

Loan facilities as at 30 June 2016 include:

1. A\$41.8m in Class A Bonds, with interest payable at 17.5% p.a. plus accrued interest of A\$17.3m
2. A\$67.7m in Class B Bonds, with interest payable at 22.5% p.a. plus accrued interest of A\$45.2m
3. A\$56.9m in Class C Bonds, with interest payable at 22.5% p.a. plus accrued interest of A\$36.5m
4. A\$29.9m in Class D Bonds, with interest payable at 22.5% p.a. plus accrued interest of A\$19.2m
5. A\$21.7m in Promissory Notes, with interest payable at 22.5% p.a. plus accrued interest of A\$13.9m

### **Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	300
4.2 Development	-
4.3 Production	-
4.4 Administration	1,601
<b>Total</b>	<b>1,901</b>

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**Appendix 5B**  
**Mining exploration entity and oil and gas exploration entity quarterly report**

**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	2,500	2,521
5.2 Deposits at call	15,045	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>17,545</b>	<b>2,521</b>

**Changes in interests in mining tenements and petroleum tenements**

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	N/A		
6.2	Interests in mining tenements and petroleum tenements acquired or increased	<u>Windimurra</u>		
	L58/27	Granted lease	-	100%
	L58/28	Granted lease	-	100%
	L58/29	Granted lease	-	100%
	L58/30	Granted lease	-	100%
	L58/32	Granted lease	-	100%
	L58/35	Granted lease	-	100%
	M58/178	Granted mining lease	-	100%
	M58/275	Granted mining lease	-	100%
	M58/276	Granted mining lease	-	100%
	M58/277	Granted mining lease	-	100%
	M58/278	Granted mining lease	-	100%
	M58/279	Granted mining lease	-	100%
	M58/280	Granted mining lease	-	100%
	M58/281	Granted mining lease	-	100%
	M58/282	Granted mining lease	-	100%

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**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 (see 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>	154,757,405	154,757,405		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
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				
7.7 <b>Options</b> <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				

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**Appendix 5B**  
**Mining exploration entity and oil and gas exploration entity quarterly report**

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7.12	<b>Unsecured notes</b> ( <i>totals only</i> )		
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**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 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



(Company Secretary)

Date: 1 August 2016

Print name: Tony Veitch

## 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 and petroleum 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 or petroleum 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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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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