ANNUAL REPORT 2010

ATLANTIC LTD

CORPORATE INFORMATION

DIRECTORS

Ian McMaster (Chairman)
Michael Minosora (Managing Director)
Tony Veitch (Executive Director)
Alan Mulgrew (Non-Executive Director)
Jay Wacher (Non-Executive Director)

COMPANY SECRETARY

Yasmin Broughton

INDEPENDENT AUDITORS

HLB Mann Judd
Level 4
130 Stirling Street
PERTH WA 6000

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CHAIRMAN'S LETTER

25 October 2010

Dear Shareholders

On behalf of the Board of Atlantic Ltd (**Atlantic** or the **Company**), I am pleased to present this Annual Report for the year ended 30 June 2010.

The last year has seen the Company undertake a major transformation into an emerging resources group.

Atlantic's vision is to become a resources company with a diversified portfolio of world class resource projects. I am pleased to report that Atlantic has already made significant progress towards that vision.

In September 2010, Atlantic completed the acquisition of 100% of the Windimurra vanadium project (**Windimurra Project or the Project**) and an associated $55.5 million capital raising. This successful acquisition and capital raising was a strong endorsement of the Windimurra Project and provides the platform for Atlantic to pursue its vision in the resources sector. The Windimurra Project is located near Mount Magnet in Western Australia and once operational at nameplate capacity is expected to produce approximately 5,700 tonnes of vanadium in the form of ferrovanadium per annum and 1 million tonnes per annum of haematite fines.

In addition to the Windimurra acquisition, Atlantic achieved a number of significant milestones in relation to its Vietnam bauxite projects during the year. In late 2009, Atlantic signed a Memorandum of Understanding (**MOU**) with Vietnam state-owned T-MV to work towards the development of an integrated bauxite mine, rail and port project in the Highlands region of Vietnam. Since signing the MOU, Atlantic has progressed the joint venture agreement and sought approval for the separate Bao Loc project. Atlantic remains committed to pursuing both projects in partnership with the Vietnam Government.

The Board believes that the Windimurra Project and the Vietnam bauxite projects represent outstanding opportunities for the Company.

This is a very exciting time for the Company as we make significant progress towards achieving our vision in the resources sector.

On behalf of the Board, I would like to thank you for your continued support and we look forward to reporting Atlantic's progress to you in the future.

Yours sincerely

IAN MCMASTER
Chairman

MANAGING DIRECTOR'S REPORT

It is my pleasure to present my first Managing Director's Report to shareholders of Atlantic since joining the company late last year.

I am pleased to report that Atlantic has made significant progress towards achieving its vision in the resources sector during the last year. Key highlights for the period included:

- development of a new strategic direction for the Company;
- building a highly credentialed Board of Directors and senior management team;
- acquisition of 100% of the Windimurra Project;
- signing of a Memorandum of Understanding with Vietnam state-owned enterprise T-MV to develop a 25 million tonne per annum bauxite mine, rail and port project in Vietnam; and
- the successful raising of over $60 million to fund the Company's expanded operations.

VISION AND STRATEGY

One of the first tasks we undertook following my appointment as Managing Director in September 2009 was to lay out the new strategy for Atlantic.

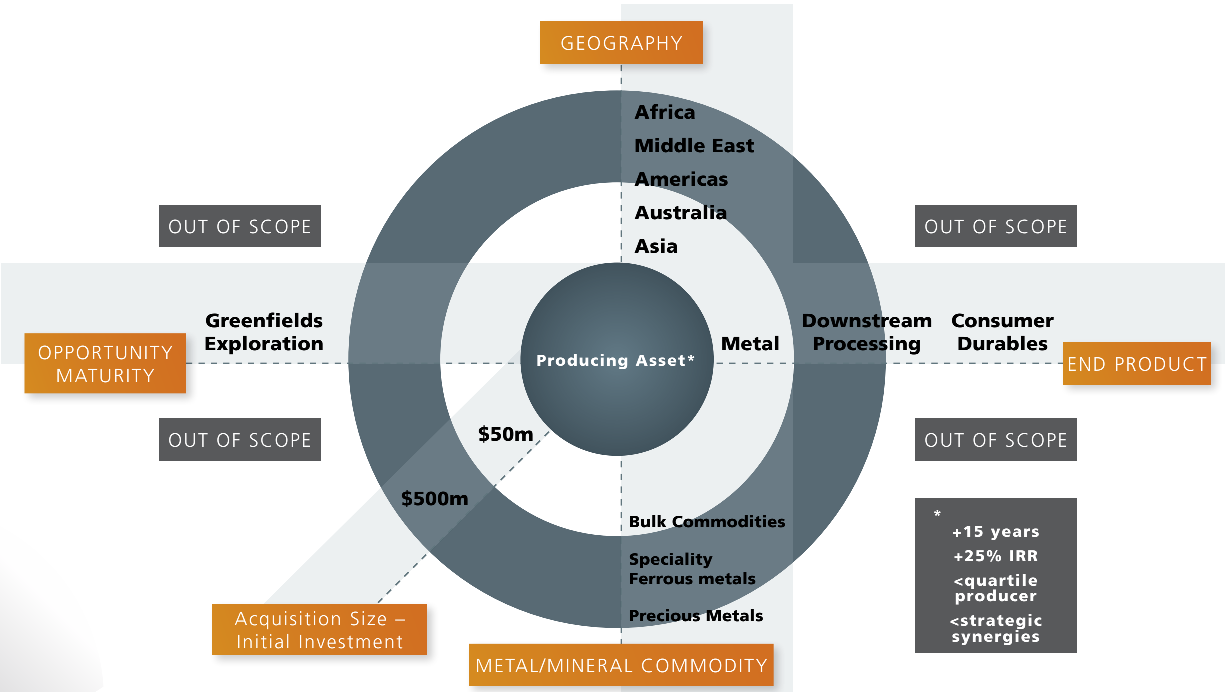
Atlantic's vision is to build a world class resources portfolio that will drive capital growth and deliver superior returns to shareholders.

Atlantic's strategy to achieve its vision is to combine its strong financing capability with a highly disciplined and innovative approach to acquire resources projects that are low cost, long life and near production.

The Board believes that the current global macro-economic environment provides a significant opportunity to deliver on the Company's vision. The Board believes that there are compelling opportunities arising as the global economy recovers from the global financial crisis against a backdrop of growing global demand for commodities due to the industrialisation of emerging economies. This environment has created exceptional value propositions that Atlantic intends to assess and pursue in a disciplined and structured manner.

The Company has strict acquisition filters when evaluating investment opportunities. Atlantic intends to primarily focus on regions and commodities where the Board and management can leverage their expertise and skills to add value.

The diagram below sets out the key geographical, asset maturity and potential commodity opportunities that Atlantic will pursue as part of its new strategic direction.



PEOPLE

Critical to our future success and ability to deliver on our vision is the quality of our people. This will be one of the key factors that Atlantic will not compromise on – **we will only recruit the highest quality people that are committed to our vision and strategy**.

I am particularly pleased that we have already been able to attract an outstanding team across a range of disciplines. This includes everyone from the Board of Directors to the operational and corporate team that we have assembled and will continue to supplement as our business grows in the future.

WINDIMURRA VANADIUM PROJECT

Windimurra Acquisition

Consistent with our new strategy, on 22 September 2010, Atlantic completed the acquisition of 100% of the Windimurra Project.

The Project represents a unique opportunity for the Company. The key elements that make it such a compelling opportunity for Atlantic include:

- high quality, long life mining inventory with significant expansion potential;
- globally significant vanadium project (7% of world vanadium production);
- expected lowest quartile of the global vanadium industry cost curve;
- near term production (commissioning targeted for mid 2011);
- competitive advantage from existing mine, plant and infrastructure;
- further competitive advantage from the valuable haematite fines stockpile at site as well as the targeted 1 million tonnes per annum haematite fines produced by the plant at nameplate production capacity; and
- robust vanadium market fundamentals.

MANAGING DIRECTOR'S REPORT

Project History

The Windimurra vanadium deposit was first discovered in the late 1960's. Exploration permits were obtained in 1985 by Precious Metals Australia Limited (**PMA**), and in 1998, PMA formed a joint venture with a subsidiary of Xstrata to develop and commission a mine and associated processing facility at Windimurra.

PMA and Xstrata invested approximately A$115 million in the Project, while the Western Australian State Government supported the investment with approximately A$70 million to develop key infrastructure, including a gas pipeline and roads to the area.

Production commenced at the end of 1999. Vanadium demand was weak in this period, driven by a slump in steel demand following the Asian financial crisis and the cancellation of aircraft orders following the September 2001 terrorist attacks. Further, the lower vanadium recoveries achieved from processing oxidised ore in the original plant designed by PMA and Xstrata prevented the plant from being able to operate at its design capacity. The operation was eventually closed in 2003 after processing approximately 7.2 million tonnes of ore and producing 13,000 tonnes of high quality vanadium pentoxide.

Following the closure of the operation in 2003, PMA asserted that the closure was not made in good faith, obtained a court injunction to halt the dismantling of the plant and commenced legal proceedings against Xstrata. These actions were settled in April 2005, with PMA regaining 100% ownership of the Project and receiving A$24.3 million in cash. PMA used A$4.0 million of these funds to acquire all the remaining plant and equipment on site from Xstrata, including the gas-fired rotary kiln, and assumed responsibility for the Project's rehabilitation obligations.

Ownership of the Project was transferred to Midwest Vanadium Pty Ltd (**MVPL**) in 2005, at the time a joint venture company with Noble Group Limited.

In December 2007, PMA was renamed Windimurra Vanadium Ltd (**WVL**). A total of A$171 million of equity and A$128 million in debt funding was raised in order to restart the Project and project development was recommenced. However, in February 2009, WVL and MVPL were placed in Voluntary Administration, due to having insufficient funds to complete construction of the Project and continue as a going concern as a result of the global financial crisis.

Since that time, the Project has been on care and maintenance. Following a negotiation process with the Receivers and Managers of MVPL, Atlantic acquired 100% of MVPL on 22 September 2010 pursuant to a restructuring of MVPL.

Location and Logistics

The Project is located approximately 600 kilometres north east of Perth in Western Australia, as outlined below. The Project enjoys road access to the Port of Geraldton to the west of the site, and to the major port of Fremantle, near Perth.

Key raw materials are delivered and product is exported via these two port options. The port of Fremantle has regular scheduled shipping services to key European, North American and Asian markets.

The Project is also serviced by commercial and charter air services (approximately 1.25 hours flight duration) from Perth to Mount Magnet, 80 kilometres by road from the mine site.

Reserves and Resources

MVPL holds tenements covering a 27 kilometre strike length of the Vanadiferous Magnetite Shephard Discordant Zone. Of this strike length, approximately 6 kilometres inclusive of the existing pit has been drill tested to date. The resource remains open both along strike and at depth.

The current JORC-compliant Mineral Resources and Ore Reserves at the Project are summarised below.

Mineral Resources

Classification	Tonnes (Mt)	Vanadium Pentoxide (%)	Vanadium (%)	Vanadium (Tonnes)
Measured	46.68	0.48	0.27	126,000
Indicated	70.73	0.47	0.26	183,900
Inferred	59.18	0.44	0.25	148,000
Total	176.59	0.46	0.26	457,900

The information in this report relating to exploration activities and mineral resources at the Project is based on information compiled by Colin J.S Arthur, who is a Chartered Geologist, Member of The Australasian Institute of Mining and Metallurgy and Fellow of the Geology Society of London. Mr Arthur is a full-time employee of Midwest Vanadium Pty Ltd in the capacity of Chief Mine Geologist. Mr Arthur has over twenty years experience in this style of mineralisation and the type of deposit under consideration and related mining method and project evaluation. He has sufficient experience which is relevant to the style of mineralisation and to the activity which he has undertaken. He is therefore qualified as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Arthur consents to the inclusion in this report of his resource statement in the form and context in which it appears.

Ore Reserves

Classification	Tonnes (Mt)	Vanadium Pentoxide (%)	Vanadium Pentoxide (Tonnes)
Probable	57.1	0.47	268,370
Proven	40.7	0.47	191,290
Total	97.8	0.47	459,660

The information in this report relating to Ore Reserves has been compiled under the guidance of Quinton de Klerk, Director and Principal Consultant at Cube Consulting Pty Ltd (CUBE). Mr de Klerk is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the activity which he is reporting on as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr de Klerk attended a visit to the Windimurra Mine site in September 2008. Mr de Klerk consents to the inclusion in this report of the matters based on the information compiled by him, in the form and context in which it appears.

MANAGING DIRECTOR'S REPORT

Mining

MVPL has developed a life of mine plan for the Project. This life of mine plan provides for the mining of oxidised and fresh magnetite-rich ore to a depth of 150 metres, with transitional and fresh ores to be bench mined for grade control.

Under the life of mine plan, it is proposed that mining will commence in the central pit and move to the north part of the ore body followed by the southern part of the ore body. Approvals are required under section 18 of the *Aboriginal Heritage Act 1972 (WA)* to access the central pit.

Blending

The mineralisation of the ore body is split into bands of softer, less magnetised oxide ore at the surface, a band of transitional ore and finally at depth, a band of fresh ore which is more magnetically susceptible.

Based on the current life of mine plan, it is planned that ore will be blended on the run of mine stockpile from separate stockpiles of ore, segregated on the basis of the degree of oxidation.

MVPL is currently assessing ways to optimise and update the current life of mine plan to increase the head grade reported to the beneficiation plant and deliver further cost and operational savings.

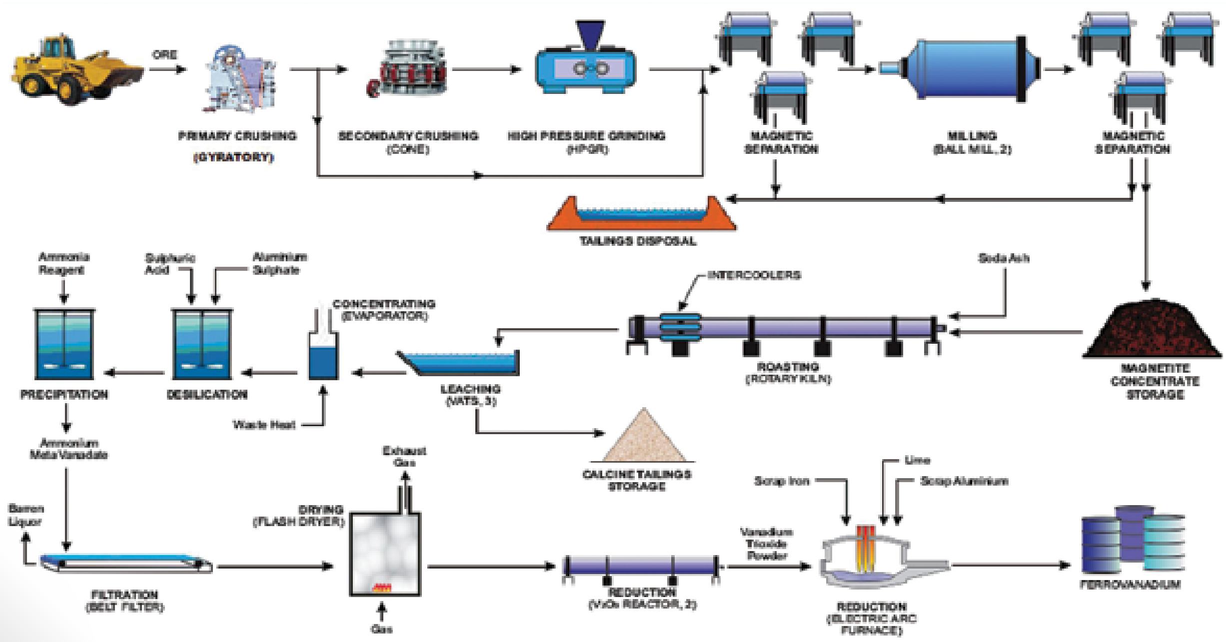
Processing

The process flow diagram below shows the conventional vanadium processing methods and technology planned to be used in the life of mine plan.

The production of Ferrovanadium (FeV) from vanadiferous magnetite involves:

- production of a magnetite concentrate via primary and secondary crushing, grinding and magnetic separation;
- roasting of this concentrate with sodium carbonate (a source of CO_2 and sodium) in a rotary kiln to convert the vanadium to water soluble sodium vanadate;
- leaching of the vanadium with water;
- desilification of the pregnant solution using sulphuric acid and aluminium sulphate;
- precipitation of ammonium metavanadate using ammonium sulphate; and
- conversion of ammonium metavanadate to vanadium trioxide (V_2O_3) to FeV.

The production of FeV in this process produces a haematite ore (as a fines product) that once removed from the leach vats is deposited in the calcine tailings storage area.



There is an existing stockpile of this haematite fines material on site which was produced when the plant was operational between 1999 and 2003. This material is currently covered with a layer of topsoil. Atlantic has now completed a drilling programme on this stockpile and is awaiting assay analysis of this stockpile to determine the quantity and grade of the material.

Completion and Commissioning

A substantial amount of the construction of the Project has already been completed with the main outstanding items being the vanadium refinery and the tailings dam. Once construction is complete, commissioning of the plant to nameplate capacity will then proceed.

Subject to completion of the debt funding package to complete the Project, production is expected to commence in mid 2011.

Current Status

Construction of some of the required infrastructure at the site has been undertaken and some of the required approvals to commence production of FeV have been secured. Atlantic is currently in the process of identifying and negotiating with suitable construction contractors to complete construction and commissioning of the plant and equipment.

Demand for Vanadium

Vanadium demand is directly linked to global steel consumption, with approximately 85% to 90% of global vanadium production consumed in the steel industry. Vanadium is primarily used as an alloy to steels in order to increase the strength and improve the high temperature performance of steels. Other key uses for vanadium include titanium alloys for the aerospace industry, catalysts and batteries (including vanadium redox flow batteries and vanadium lithium batteries).

There are three main methods for producing vanadium:

- Primary vanadium – involves the production of vanadium from vanadium ores. Primary production accounts for over 20% of global vanadium supplies with South Africa presently the main source. Russia and China also produce significant quantities;
- Vanadium slag – approximately 60% of global vanadium supplies are sourced from steel slag where vanadium is a by-product. Recovery of vanadium requires a pig iron production process where titaniferrous-vanadiferrous magnetite is used (a process typically used by steel mills in China, Russia and South Africa, but not typically in the West); and
- Secondary sources – includes production from power station fly ash, oil residues and spent refinery catalysts, and is concentrated in the United States, Japan and the European Union. There are strict environmental regulations for secondary producers. Secondary production accounts for approximately 20% of global vanadium supplies.

MANAGING DIRECTOR'S REPORT

Vanadium prices are not openly quoted on any exchange, however prices for FeV and vanadium pentoxide are regularly published in industry publications such as Metals Bulletin and Ryan's Notes.

Atlantic is optimistic about the prices for vanadium in the long term as steel production continues to grow and the intensity of use of vanadium in steel making increases in key emerging market economies.

Next Steps

We have recruited Mr Michael Marriott as Chief Executive Officer of MVPL. Michael has extensive experience in the resources industry and has held senior operational and executive management roles in Australasia and Africa where he has been responsible for the strategic development of a number of resources businesses.

Michael was most recently Chief Executive Officer and Chief Operating Officer of Consolidated Minerals, a manganese, nickel and chrome producer in Western Australia.

MVPL is in very capable hands with Michael.

I am delighted that since coming on board, Michael and the MVPL team have hit the ground running on a number of fronts, including:

- engaging construction contractors to complete the construction of the outstanding items of the plant;
- examining the opportunity to monetise the existing stockpile of haematite at site as well as the targeted one million tonnes per annum haematite fines produced by the plant at nameplate production capacity;
- executing new contracts for key supplies such as gas and reagents for the Project; and
- securing the additional debt facilities for MVPL to enable it to complete the construction and commissioning of the Project and fund the necessary payments required to complete the acquisition of the crushing and beneficiation plant.

VIETNAM BAUXITE PROJECTS

Background

Vietnam has the potential to develop a world class aluminium industry given the extensive gibbsite deposits found in the Central Highlands region of southern Vietnam and the country's proximity to major world demand centres.

Vietnam's Central Highlands are believed to host the world's third largest bauxite deposits. A key characteristic of the bauxites in the Central Highlands is that they are amenable to upgrading by simple washing and screening to recover an alumina-rich, silica-depleted concentrate suitable for export or for refining on-site.

Vietnamese evaluation of the deposits to date has been fairly basic and includes mapping, pitting, trenching, assaying and washing/concentration tests. The data was used to generate resource and reserve estimates under the Russian classification system, but the work is not of a sufficient quality to enable resource estimates according to Australian standards i.e. the JORC Code. There is however sufficient confidence in the Vietnamese work to state that any properly conducted evaluation is highly likely to confirm the estimated tonnages and grades and mineralogical and concentration characteristics of the deposits.

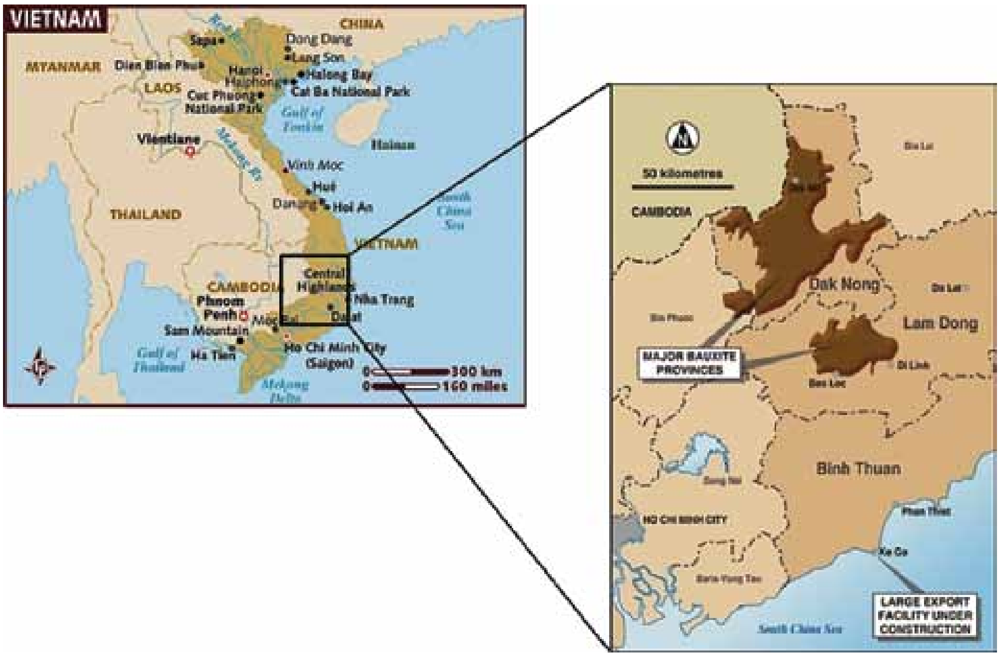
The figure opposite shows the location of the bauxite deposits of Lam Dong and Dak Nong provinces in Vietnam.

Bao Loc Project

During the year, Atlantic continued negotiations with the Vietnamese authorities in relation to the Bao Loc Project, which seeks to cover approximately 100 kilometres near Bao Loc, Lam Dong Province, Vietnam.

To date, Atlantic has not entered into a definitive agreement with the Vietnam authorities or the likely state-owned joint venture partner The Vietnam National Coal – Mineral Industries Group (**Vinacomin**) in relation to the Bao Loc Project.

The Bao Loc Project is located in Lam Dong Province, approximately 50 kilometres south of the much larger Dak Nong deposits (see figure on next page), and about 21 kilometres north of Bao Loc township. Bao Loc is about 190 kilometres east-northeast of Vietnam's major commercial and industrial centre, Ho Chi Minh City, the former Saigon.



Atlantic's consulting geologists have visited the site and observed numerous bauxite outcrops of indurated (hard) ferruginous laterites. These showed a high degree of weathering and lateritisation which is compatible with the formation of economic bauxite and confirmed the prospectivity of the project.

Atlantic is continuing discussions with the authorities in Vietnam to progress approval to conduct mineral exploration, exploitation and processing activities with respect to the Bao Loc Project. Atlantic remains committed to the Bao Loc Project and believes that its perseverance will be worthwhile.

In particular, Atlantic's demonstrated long-term commitment to Vietnam was rewarded during the year with the opening of discussions regarding a far more significant project that has the potential to become the platform for the development a major aluminium industry in Vietnam.

Proposed Aluminium Industry Supply Chain Project

On 21 December 2009, Atlantic announced that it had signed a Memorandum of Understanding (**MOU**) with T-MV for the development of a 25 million tonne per annum integrated bauxite mine, rail and port project in Vietnam.

T-MV is a state-owned enterprise that operates directly under the Vietnam Ministry of Natural Resources and Environment.

Pursuant to the terms of the MOU, the parties agreed to negotiate the terms of a binding joint venture agreement based on the terms of the MOU.

Whilst the completion of a definitive joint venture agreement based on the terms of the MOU with T-MV has taken longer than we would have hoped, the discussions to date have been most productive and we remain optimistic that we will achieve a successful outcome and that when we do it will be on terms that allow the Vietnam Government to support the project through the feasibility study and development stages that will deliver for Vietnam a world class aluminium industry for the benefit of all stakeholders in the country.

SUMMARY

The past year has been a most rewarding and satisfying one. We have set ourselves an ambitious agenda and made important first steps to achieving our vision.

In conclusion, I would like to take this opportunity to thank our Board members for their strategic counsel and guidance during the year. I would also like to acknowledge the immense work load that has been undertaken by the dedicated staff of Atlantic and MVPL during the past year and thank them for their tremendous efforts. Atlantic is in very good hands.

MICHAEL MINOSORA
Managing Director

DIRECTORS' REPORT

Your Directors have pleasure in submitting their report on the Consolidated Entity, being Atlantic Ltd (**Atlantic** or the **Company**) and its controlled entities, for the year ended 30 June 2010 (the **Group**).

The Directors' Report, Financial Statements, Directors' Declaration and Corporate Governance Statement have, to the extent possible, been prepared in accordance with the requirements in the *Corporations Act 2001* and the Listing Rules of the Australian Securities Exchange.

DIRECTORS

The Directors of the Company at the date of this report and their relevant background details are as follows:

MR IAN MCMASTER AM – CHAIRMAN

Appointed 11 April 2010
BE (Metallurgy), ME

Experience and Expertise
Ian McMaster is a former Chief Executive Officer of CSR Sugar, a position he held for seven years. Prior to this, Mr McMaster spent more than 30 years with BHP in a range of senior executive roles in the steel and minerals businesses in New South Wales, Victoria, Western Australia and China.

Other Current Listed Directorships
Non-Executive Director – Intrepid Mines Limited

Interests in Shares and Options
No ordinary shares in Atlantic
No options over ordinary shares in Atlantic

MR MICHAEL MINOSORA – MANAGING DIRECTOR

Appointed 25 September 2009
BBus, MBA, CA

Experience and Expertise
Mr Minosora is a qualified Chartered Accountant who has over 20 years experience in the corporate advisory arena, advising on significant corporate transactions both in Australia and South East Asia. Mr Minosora was previously Chief Financial Officer of Fortescue Metals Group, Managing Director with Azure Capital and Managing Partner of Ernst & Young in Western Australia.

Other Current Listed Directorships
None

Interests in Shares and Options
5,174,692 ordinary shares in Atlantic
No options over ordinary shares in Atlantic
8 Class B Performance Shares

MR TONY VEITCH – EXECUTIVE DIRECTOR

Appointed 4 July 2007
BCom, MBA

Experience and Expertise
Mr Veitch has a Bachelor of Commerce degree and a Master of Business Administration. Mr Veitch previously acted as a consultant to a wide range of private and public companies. Prior to that, Mr Veitch was the Manager of Corporate Projects for the London Stock Exchange and worked with the Australian Securities Exchange.

Other Current Listed Directorships
Non-Executive Director – Baraka Petroleum Limited

Interests in Shares and Options
1,320,000 ordinary shares in Atlantic
160,000 options over ordinary shares in Atlantic

MR ALAN MULGREW – NON-EXECUTIVE DIRECTOR

Appointed 11 April 2010
BA (Mgnt), Dip Corp Fin, GRAICD, JP

Experience and Expertise
Mr Mulgrew provides strategic advice to numerous major institutions in the aviation, construction, infrastructure and energy sectors. Mr Mulgrew spent more than 35 years as a senior aviation executive both within Australia and overseas, including managing responsibility for Perth and Sydney Airports. Mr Mulgrew has held a number of high profile directorships, including Chairman, with both private and public companies.

Other Current Listed Directorships
None

Interests in Shares and Options
200,000 ordinary shares in Atlantic
No options over ordinary shares in Atlantic

MR JAY WACHER – NON-EXECUTIVE DIRECTOR

Appointed 11 April 2010
BCom, LLB, ASAA

Experience and Expertise

Mr Wacher is currently Finance Director of PT Elang Mahkota Teknologi Tbk (Emtek Group), an Indonesian-based television and telecommunications services business. Prior to that, Mr Wacher was Managing Director of Finance of world class plantation company, PT London Sumatra Indonesia Tbk, which was acquired by an international investment consortium in 2004 in a debt restructuring.

Mr Wacher has 16 years experience in corporate finance and private equity investment and has had 10 years experience in business in South East Asia. Mr Wacher was previously a director of Carnegie, Wylie & Company, the Australian investment bank and private equity firm, and before that a Director of Arthur Anderson.

Other Current Listed Directorships

Pt Elang Mahkota Teknologi Tbk (Emtek Group)

Interests in Shares and Options

1,257,143 ordinary shares in Atlantic

No options over ordinary shares in Atlantic

MR JOHN HANNAFORD – EXECUTIVE DIRECTOR

Appointed 4 July 2007, Resigned 12 April 2010

MR JIM MALONE – NON-EXECUTIVE DIRECTOR

Appointed 4 July 2007, Resigned 27 November 2009

COMPANY SECRETARY

YASMIN BROUGHTON – GENERAL COUNSEL/COMPANY SECRETARY

Appointed 10 August 2010

BCom, Post Grad Dip Law, GAICD

Ms Broughton is General Counsel and Company Secretary of Atlantic. Prior to joining Atlantic, Ms Broughton was the General Counsel and Company Secretary of Jemena Limited and prior to that Acting General Counsel and Company Secretary of Alinta Limited. Prior to her in-house roles, Ms Broughton worked in top tier law firms advising clients on company law and governance, equity capital markets and mergers and acquisitions.

MORGAN BARRON – COMPANY SECRETARY

Appointed 10 August 2007, Resigned 31 March 2010

STACEY APOSTOLOU – COMPANY SECRETARY

Appointed 15 March 2010, Resigned 13 August 2010

PRINCIPAL ACTIVITIES OF THE COMPANY

During the year, Atlantic announced a major change in strategic direction to become a resources business. As a result of this change in strategy, the principal activities of the Group during the period were the application for and preliminary exploration of the Bao Loc Bauxite Project in Vietnam, evaluation of other bauxite opportunities in Vietnam and the evaluation of the Windimurra Project. Atlantic ceased investment in its pearl marketing business during the year.

DIVIDENDS

No dividends were paid during the year and no recommendation is made for the payment of a dividend.

REVIEW OF OPERATIONS

The Group recorded a net loss for the year of $7,781,467 (2009: $512,913). This increase in consolidated net loss was a result of increased employee benefit expenses of $845,575 (2009: $90,000), higher share based incentive payments of $1,716,924 (2009: $128,110) and business acquisition costs of $282,846 (2009: nil) as the Group increased staff numbers and activities in line with its new strategy to develop a resources business. In addition, the consolidated net loss for the period was impacted by a one-time impairment expense on exploration expenditure of $3,132,157 (net of related deferred income tax).

BACKGROUND TO CHANGE IN STRATEGIC DIRECTION

In September 2009, Mr Minosora joined Atlantic as Managing Director. Following Mr Minosora's appointment and further analysis of the range of opportunities available to the Company, the Board of Atlantic announced that the Company would adopt a new strategic direction.

Atlantic's vision is to build a diversified portfolio of world class resource projects that provide superior returns to shareholders.

Atlantic intends to deliver on this vision by applying a highly disciplined and innovative approach to the acquisition of resources projects that are low cost, long life and near production.

DIRECTORS' REPORT

BOARD AND MANAGEMENT RESTRUCTURE

In line with its new strategy, during the year the Company undertook a restructuring of its Board. In addition to the appointment of Mr Minosora as Managing Director, the Board was strengthened through the appointment of Mr Ian McMaster AM as Chairman and Mr Alan Mulgrew and Mr Jay Wacher as Non-Executive Directors.

During the year, Mr John Hannaford (Executive Chairman) and Mr Jim Malone (Non-Executive Director) resigned and Mr Tony Veitch became an Executive Director.

BAO LOC BAUXITE PROJECT

The Bao Loc Bauxite Project is held by Azure Mining International Pty Ltd (**AMI**), a 100%-owned subsidiary of the Company. AMI is negotiating with the Vietnamese authorities in relation to the Bao Loc Bauxite Project, which seeks to cover approximately 100 km^2 near Bao Loc, Lam Dong Province, Vietnam.

During the year, AMI conducted preliminary exploration of the Bao Loc Bauxite Project in Vietnam and continued discussions with the relevant authorities in Vietnam regarding the necessary approvals to develop the project.

As at the date of this report, AMI has not entered into a definitive agreement with the relevant authorities in Vietnam to conduct mineral exploration, exploitation and/or processing activities in relation to the Bao Loc Bauxite Project. Discussions are ongoing with the authorities in Vietnam and Atlantic remains committed to pursuing the project.

MEMORANDUM OF UNDERSTANDING

As part of the proposed development of the Bao Loc Bauxite Project, Atlantic entered into discussions with a number of parties in Vietnam. Those discussions were most constructive and in late 2009 led to the signing of a Memorandum of Understanding with T-MV, a Vietnamese state owned corporation, for the potential development of a major bauxite mine, rail and port project in the Central Highlands of Vietnam.

Following signing of the Memorandum of Understanding, the parties have held regular discussions, however at this stage no agreement has been reached to develop the project or to fund any of the potential project expenditure.

WINDIMURRA VANADIUM PROJECT

As part of Atlantic's new strategic direction, during the year the Company examined the opportunity to acquire an interest in the Windimurra Project in Western Australia.

The Windimurra Project is a world scale vanadium project that, once operational at nameplate capacity, is expected to produce approximately 5,700 tonnes of contained vanadium per annum and 1 million tonnes per annum of haematite fines.

In December 2009, Atlantic announced that it had entered into a heads of agreement with Mineral Resources Limited (**MRL**) to re-launch the Windimurra Project. Under the terms of the heads of agreement, Atlantic agreed to become a 25% equity holder in the project vehicle Midwest Vanadium Pty Ltd (**MVPL**) and arrange the new secured debt funding required to complete the commissioning of the Windimurra Project.

Subsequent to that announcement, in April 2010, Atlantic announced that it had signed a new agreement with MRL to acquire a 62.5% equity interest in a new entity established to own 100% of MVPL (**NewCo**). Atlantic was to earn its 62.5% interest in NewCo for procuring new project finance sufficient to complete construction and commissioning of the Windimurra Project. The remaining 37.5% of NewCo was to be held by MRL (27.5%) and the existing lenders to MVPL (10%). This agreement was subsequently restructured to allow the Company to acquire 100% of the Windimurra Project after year end.

CORPORATE

During the year, the Company completed a placement of 140,000,000 shares at 3.5 cents each (pre-consolidation) to raise $4,900,000 before costs.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

As outlined above, during the year, the Company announced a new strategic direction to become a resources company. The Company also announced that it did not intend to pursue further investment in pearl marketing.

Consistent with this stated change of strategic direction, the Company announced the signing of a Memorandum of Understanding with T-MV for the potential development of a major mine, rail and port project in Vietnam and agreements to acquire an interest in the Windimurra Project.

EVENTS SUBSEQUENT TO BALANCE DATE

Following the end of the financial year, the following significant events have occurred:

- On 5 July 2010, 25,000,000 shares (1,000,000 post-consolidation shares) were issued to Mr Veitch pursuant to the Executive Share Incentive Plan. This issue of shares was approved by shareholders at a meeting on 30 June 2010;
- On 5 August 2010, Atlantic announced a restructuring of the deal with MRL to acquire the Windimurra Project, whereby Atlantic would acquire MRL's proposed 27.5% equity interest in NewCo for $16,000,000. As part of this agreement, it was also agreed that MVPL would acquire the crushing and beneficiation plant at the Windimurra site from MRL for $60,000,000 on 1 April 2011;
- On 13 August 2010, Atlantic announced the signing of a new agreement with the existing lenders to MVPL which allowed Atlantic to acquire the remaining 10% of NewCo for the issue of 3,400,000 ordinary shares (post-consolidation), thereby delivering Atlantic 100% control of the Windimurra Project. As part of the agreement with the existing lenders, Atlantic also agreed to provide a new secured loan to MVPL at completion of $30,000,000 and a further loan of $20,000,000 on 24 December 2010;
- On 13 August 2010, shareholders of the Company approved a change in the nature and scale of the Group's activities to become a resources company. At the same meeting, shareholders also approved a 25 for 1 consolidation of share capital, the issue of 50,500,000 shares at $1.10 each (on a post-consolidation basis) and the issue of 169,811 broker options (also on a post-consolidation basis);
- On 16 September 2010, the Company lodged a prospectus for the issue of:
  - 50,500,000 ordinary shares at an issue price of $1.10 per share to raise $55,550,000 before issue costs; and
  - 3,400,000 ordinary shares as consideration for the acquisition of an effective 10% interest in MVPL.

  (the **Prospectus Offer**); and
- On 21 September 2010, the Company completed the $55,550,000 capital raising, issued the securities pursuant to the Prospectus Offer and completed the acquisition of 100% of the Windimurra Project.

Following completion of the acquisition of 100% of the Windimurra Project on 21 September 2010, NewCo and MVPL became part of the Group. The Group now intends to proceed to complete the construction and commissioning of the Windimurra Project as soon as practicable. The remainder of the funding necessary to complete construction and commissioning of the Windimurra Project and acquire the crushing and beneficiation plant from MRL will be sourced from new project finance facilities to be acquired in addition to the existing working capital available to the Group following the Prospectus Offer.

LIKELY DEVELOPMENTS

Information on likely developments in the operations of the Consolidated Entity and the expected results of these operations have not been included in the financial report because the Directors believe it would be likely to result in unreasonable prejudice to the Consolidated Entity.

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN THE SECURITIES OF THE COMPANY

As at the date of this report, the interests of the Directors in the securities of the Company are:

Directors	Shares	Listed Options	Unlisted Options	Class B Performance Shares
Ian McMaster	-	-	-	-
Michael Minosora	*5,174,692	-	-	8
Tony Veitch	**1,320,000	80,000	80,000	-
Alan Mulgrew	200,000	-	-	-
Jay Wacher	1,257,143	-	-	-

* 3,960,000 post consolidation shares have been issued to Mr Minosora pursuant to the Company's Executive Share Incentive Plan (ESIP), whereby the shares are secured by a limited recourse loan by the Company to Mr Minosora. Furthermore, the shares have vesting conditions and may only be sold should the Company's shares trade at greater than $1.25 for a 10 day period.

** 1,000,000 post consolidation shares have been issued to Mr Veitch pursuant to the Company's ESIP, whereby the shares are secured by a limited recourse loan by the Company to Mr Veitch. Furthermore, the shares have vesting conditions and may only be sold should the Company's shares trade at greater than $1.875 for a 10 day period.

DIRECTORS' MEETINGS

The attendance of Directors at meetings of the Company's Board of Directors during the year ended 30 June 2010 is set out below:

	Director Attendance	Eligible to Attend
Ian McMaster	2	2
Michael Minosora	6	6
Tony Veitch	8	8
Alan Mulgrew	2	2
Jay Wacher	1	2
John Hannaford	6	6
Jim Malone	3	4

RETIREMENT, ELECTION AND CONTINUATION IN OFFICE OF DIRECTORS

Mr A Veitch continued in office for the full financial year.

Mr M Minosora was appointed Managing Director on 25 September and Mr I McMaster, Mr A Mulgrew and Mr J Wacher were appointed to the Board of Directors on 11 April 2010.

Mr J Malone resigned as a Director on 27 November 2009 and Mr J Hannaford resigned as Director on 12 April 2010.

REMUNERATION REPORT

This report outlines the remuneration arrangements in place for the key management personnel of Atlantic for the financial year ended 30 June 2010. The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

The remuneration report details the remuneration arrangements for key management personnel (**KMP**) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any Director (whether executive or otherwise) of the parent company, and includes the executives in the Parent and the Group receiving the highest remuneration.

KEY MANAGEMENT PERSONNEL

(i) Directors

Mr Ian McMaster (Chairman)
– Appointed 11 April 2010
Mr Michael Minosora (Managing Director)
– Appointed 25 September 2010
Mr Tony Veitch (Executive Director)
Mr Alan Mulgrew (Non-Executive Director)
– Appointed 11 April 2010
Mr Jay Wacher (Non-Executive Director)
– Appointed 11 April 2010
Mr John Hannaford (Executive Director)
– Resigned 12 April 2010
Mr Jim Malone (Non-Executive Director)
– Resigned 27 November 2010

(ii) Executives

Mr Thanh Nguyen (Managing Director Vietnam Operations)
Mr Jonathan Fisher (Business Development Manager)

REMUNERATION PHILOSOPHY

The performance of the Company depends upon the quality of the Directors and executives. The philosophy of the Company in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high calibre employees;
- link executive rewards to shareholder value creation; and
- establish appropriate, demanding performance hurdles for variable executive remuneration.

REMUNERATION COMMITTEE

The Remuneration Committee of the Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the Directors, the Managing Director and the executive team.

The Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of Directors and executives on a periodic basis by reference to relevant employment market conditions with an overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

REMUNERATION STRUCTURE

In accordance with best practice Corporate Governance, the structure of Non-Executive Director and executive remuneration is separate and distinct.

NON-EXECUTIVE DIRECTOR REMUNERATION

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by general meeting. The latest determination was at the Extraordinary General Meeting held on 30 June 2010 when shareholders approved an aggregate remuneration of $500,000 per year.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board considers advice from external shareholders as well as the fees paid to Non-Executive Directors of comparable companies when undertaking the annual review process.

Each Director receives a fee for being a Director of the Company. An additional fee is also paid for each Board committee on which a Director sits. The payment of additional fees for serving on a committee recognises the additional time commitment required by Directors who serve on one or more sub committees.

The remuneration of Non-Executive Directors for the period ended 30 June 2010 is detailed in Table 1 of this report.

SENIOR MANAGER AND EXECUTIVE DIRECTOR REMUNERATION

Remuneration consists of fixed remuneration and variable remuneration (comprising short-term and long-term incentive schemes).

Fixed Remuneration

Fixed remuneration is reviewed annually by the Remuneration Committee. The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. The Remuneration Committee has access to external, independent advice where necessary.

Senior executives are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Group.

The fixed remuneration component of the most highly remunerated Group and company executives is detailed in Table 1.

Variable Remuneration

The objective of the Atlantic ESIP is to link the achievement of the Group's operational targets with the remuneration received by the executives charged with meeting those targets. The total potential short term incentive available is set at a level so as to provide sufficient incentive to the senior manager to achieve the operational targets such that the cost to the Group is reasonable in the circumstances.

Actual ESIP shares granted to each senior manager depend on the extent to which specific operating targets set at the beginning of the financial year are met.

The aggregate of ESIP shares available for executives across the Group is subject to the approval of the Remuneration Committee and must not exceed 5% of the total number of shares on issue, except in certain permitted circumstances detailed in the key terms of the ESIP.

DIRECTORS' REPORT

TABLE 1: REMUNERATION OF DIRECTORS AND EXECUTIVES

		Short Term-Employment Benefits			Post-Employment Benefits	Equity	
		Salary & Fees $	Bonuses $	Non-Monetary Benefits $	Super-annuation $	ESIP $	Total $
DIRECTORS							
Ian McMaster Chairman	2010	25,229	-	-	2,270	-	27,499
	2009	-	-	-	-	-	-
Michael Minosora Managing Director	2010	188,779	-	-	16,990	1,680,646	1,886,415
	2009	-	-	-	-	-	-
Tony Veitch Executive Director	2010	72,339	-	-	5,160	-	77,499
	2009	30,000	-	-	-	-	30,000
Alan Mulgrew Non-Executive Director	2010	20,000	-	-	-	-	20,000
	2009	-	-	-	-	-	-
Jay Wacher Non-Executive Director	2010	20,000	-	-	-	-	20,000
	2009	-	-	-	-	-	-
John Hannaford Executive Chairman (Resigned 12 April 2010)	2010	93,803	-	-	-	-	93,803
	2009	77,500	-	-	-	-	77,500
Jim Malone Non-Executive Director (Resigned 27 November 2009)	2010	12,500	-	-	-	-	12,500
	2009	30,000	-	-	-	-	30,000
EXECUTIVES							
Thanh Nguyen Managing Director Vietnam Operations	2010	254,861	-	-	-	-	254,861
	2009	-	-	-	-	-	-
Jonathan Fisher Business Development Manager	2010	89,685	-	-	8,072	36,278	134,035
	2009	-	-	-	-	-	-

ATLANTIC EXECUTIVE SHARE INCENTIVE PLAN

The key features of the ESIP are set out below.

Participation

Any person who is employed by the Company, or a subsidiary of the Company, is eligible to participate in the Plan.

ESIP Limits

Under the ESIP, the Company must not offer shares under the ESIP (**Plan Shares**) if, at the time of offer, the total number of shares issued under the ESIP (including shares which are proposed to be issued pursuant to offers made under the ESIP) during the 5 year period up to and including the date of offer, exceeds 5% of the total number of shares on issue. For the purposes of calculating this 5% limit, offers made under a disclosure document or Product Disclosure Statement, or offers that do not otherwise require a disclosure document or Product Disclosure Statement, are excluded.

Special Conditions

The ESIP provides that the Board has the power to impose special conditions on the issue of Plan Shares under the ESIP (such as performance hurdles or retention periods).

Loan

The Board may, in its absolute discretion, grant a loan to a participant for the purposes of subscribing for Plan Shares. Loans granted under the ESIP will be non-recourse (other than against the Plan Shares held by the participant to which the loan relates) and interest free unless otherwise determined by the Board at the time of granting the loan. The loan will become immediately repayable upon the first to occur of:

- cessation of employment;
- the participant selling, transferring, mortgaging, charging or otherwise disposing of or dealing with an interest in the Plan Shares;
- the participant creating or attempting to create a third party interest in the Plan Shares; or
- the participant becoming bankrupt.

A participant may repay the loan at any time during the term of the loan.

Trustee Arrangements

Where the Board provides a loan to assist an eligible employee to participate in the ESIP, the Board may determine that the Plan Shares acquired be held by a trustee (appointed by the Board) on trust for the benefit of the participant. In such circumstances, and subject to any special conditions imposed on the offer of Plan Shares, the trustee may only transfer the Plan Shares to the participant after the loan has been repaid in full. If the participant fails to repay the loan when it becomes due and payable, then subject to any special conditions, the trustee may sell the relevant Plan Shares and apply the net proceeds against the outstanding amount of the loan. Any excess proceeds will be remitted to the participant.

Dividend and Voting Rights

The participant will be entitled to dividends and to vote at a general meeting of the Company. However, whilst any loan is still outstanding in relation to the acquisition of Plan Shares, dividends will be applied on the participant's behalf in repayment of the principal amount outstanding under the loan. Further, whilst Plan Shares are held by a trustee, voting rights will be exercised on the participant's behalf by proxy through the trustee.

Takeovers and Schemes of Arrangements

If a takeover bid is made for the Company, or an application is to be made to the Court under section 411 of the *Corporations Act* in respect of a proposed reconstruction or amalgamation relating to the Company, the Board has the discretion to waive any of the conditions restricting the participant from selling, transferring, mortgaging, charging or otherwise disposing or dealing with any interest in the Plan Shares.

Amendments to ESIP Rules

The Board may amend the ESIP rules from time to time.

SERVICE AGREEMENTS

Remuneration and other terms of employment for the Directors and senior executives are also formalised in service agreements. Major provisions of the agreements relating to remuneration are set out below:

Name	Base Pay $	Contract Duration	Notice Period Company	Notice Period Employee	Termination Provision
DIRECTORS					
Ian McMaster	110,000	No fixed term	1 month	1 month	No provision
Michael Minosora	300,000	No fixed term	6 months	6 months	Accrued leave entitlements
Tony Veitch	250,000	No fixed term	6 months	6 months	Accrued leave entitlements
Alan Mulgrew	80,000	No fixed term	1 month	1 month	No provision
Jay Wacher	80,000	No fixed term	1 month	1 month	No provision
EXECUTIVES					
Thanh Nguyen	US$240,000	No fixed term	1 month	1 month	No provision
Jonathan Fisher	250,000	No fixed term	1 month	1 month	Accrued leave entitlements

SHARES UNDER OPTION

As at the date of this report, and following the consolidation of share capital approved by shareholders on 13 August 2010, the Company has the following options over ordinary shares on issue:

Date Granted	Expiry Date	Exercise Price	Number of Shares under Option
8 August 2007	31 December 2010	$0.250	1,783,834
10 March 2009	31 December 2011	$0.200	9,321,823
22 September 2010	31 August 2012	$1.325	169,811

These options do not entitle the holders to participate in any share issue of the Company or any other body corporate. There were 125,487,888 ordinary shares (pre-consolidation) issued as a result of the exercise of options during the year ended 30 June 2010.

INDEMNIFICATION AND INSURANCE OF DIRECTORS, OFFICERS AND AUDITORS

The Company has paid a premium of $9,329 to insure all of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company is important.

Details of amounts paid or payable to the auditor for audit and non-audit services provided during the current period and the prior comparative period are set out below.

AUDIT SERVICES

	2010 $	2009 $
HLB Mann Judd		
- Audit and review of financial reports	20,000	13,500
Total remuneration for audit services	20,000	13,500

NON-AUDIT SERVICES

There were no non-audit services provided by the auditor for the years ended 30 June 2009 and 30 June 2010.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 28.

AUDITOR

HLB Mann Judd continues in office in accordance with section 327 of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Board of Atlantic.

TONY VEITCH
Executive Director
Dated this 30th day of September 2010

CORPORATE GOVERNANCE STATEMENT

Atlantic is committed to creating and building sustainable value for shareholders and protecting stakeholder interests. The Company recognises that high standards of corporate governance are essential to achieving that objective. The Company continues to develop and review its corporate governance practices. This statement summarises the Corporate Governance policies and practices adopted by the Company and its controlled entities (collectively the Group) at the date of this report.

ROLE OF THE BOARD

The Board represents shareholders' interests in maintaining a successful business, which seeks to optimise medium to long-term financial gains for shareholders. By not focusing on short-term gains for shareholders, the Board believes this will ultimately result in the interests of all stakeholders being appropriately addressed when making business decisions.

The Board is responsible for ensuring that the Group is managed in such a way to best achieve this desired result. Given the current size and operations of the business, the Board currently undertakes an active, not passive role.

The Board is responsible for evaluating and setting the strategic directions for the Group, establishing goals for management and monitoring the achievement of those goals. The Managing Director is responsible to the Board for the day-to-day management of the Group.

The Board has sole responsibility for the following:

- appointing and removing the Managing Director, the Executive Director and any other executives and approving their remuneration;
- appointing and removing the Chief Financial Officer and Company Secretary and approving their remuneration;
- determining the strategic direction of the Group and measuring performance of management against approved strategies;
- review of the adequacy of resources for management to properly carry out approved strategies and business plans;
- adopting operating and capital expenditure budgets at the commencement of each financial year and monitoring progress against both financial and non-financial key performance indicators;
- monitoring the Group's medium term capital and cash flow requirements;
- approving and monitoring financial and other reporting to regulatory bodies, shareholders and other organisations;
- determining that satisfactory arrangements are in place for auditing the Group's financial affairs;
- review and ratify systems of risk management and internal compliance and control, codes of conduct and compliance with legislative requirements; and
- ensuring that policies and compliance systems consistent with the Group's objectives and best practice are in place and that the Company and its officers act legally, ethically and responsibly on all matters.

The Board's role and the Group's corporate governance practices are being continually reviewed and improved as required.

Whilst at all times the Board retains full responsibility for guiding and monitoring the Company, in discharging its stewardship it makes use of sub-committees. Specialist committees are able to focus on a particular responsibility and provide informed feedback to the Board.

To this end, the Board has established the following committees:

- Audit; and
- Remuneration and Nomination.

The roles and responsibilities of these committees are discussed later within this Corporate Governance Statement.

The Board has also resolved to establish a Safety and Environment Committee comprising all Directors in the near future.

MANAGEMENT FUNCTIONS

The Company has established the functions that are reserved for management. Management is responsible, on a shared basis with and subject to the approval of the Board, for developing strategy, and is directly responsible for implementing the Company's strategy. Management is also responsible for safeguarding the Company's assets, maximising the utilisation of available resources and for creating wealth for Atlantic's shareholders.

COMPOSITION OF BOARD

The Board comprises five Directors, being two Executive Directors and three Non-Executive Directors. Two Non-Executive Directors are considered to be independent and one Non-Executive Director is considered not to be independent due to his role with a new substantial shareholder of the Company following the recent Prospectus Offer. The Board does not comprise a majority of independent Directors.

Director	Independent	Non-Executive	Term in Office
Ian McMaster	Yes	Yes	5 months
Michael Minosora	No – Managing Director	No	1 year
Tony Veitch	No – Executive Director	No	3 years, 2 months
Alan Mulgrew	Yes	Yes	5 months
Jay Wacher	No	Yes	5 months

EVALUATION OF THE BOARD, COMMITTEES AND SENIOR MANAGEMENT

The Board has adopted a self-evaluation process to measure its own performance and the performance of its committees during each financial year. Also, an annual review is undertaken in relation to the composition and skills mix of the Directors of the Company.

Arrangements put in place by the Board to monitor the performance of the Group's executives include:

- a review by the Board of the Group's financial performance; and
- annual performance appraisal meetings incorporating analysis of key performance indicators with each individual to ensure that the level of reward is aligned with respective responsibilities and individual contributions made to the success of the Company.

BOARD COMMITTEES

AUDIT COMMITTEE

The Board has established an Audit Committee which operates under a charter approved by the Board. It is the Board's responsibility to ensure that an effective internal control framework exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations. The Board has delegated responsibility for establishing and maintaining a framework of internal control and ethical standards to the Audit Committee.

The Audit Committee also provides the Board with additional assurance regarding the reliability of financial information for inclusion in the financial reports.

The members of the Audit Committee are:

Mr Jay Wacher – Chairman
Mr Ian McMaster
Mr Alan Mulgrew

All members of the Audit Committee are Non-Executive Directors. A majority of the committee is independent.

A copy of the Audit Committee Charter is available on the Company's website.

REMUNERATION AND NOMINATION COMMITTEE

The role of the Remuneration and Nomination Committee is to assist the Board in establishing policies and practices which:

(a) enables the Company to attract and retain capable Directors and employees who achieve operational excellence and create value for shareholders;

(b) reward employees fairly and responsibly, taking into consideration the results of the Company, individual performance and industry remuneration conditions; and

(c) assist the Board to meet its oversight responsibilities in relation to Corporate Governance practices.

The members of the Remuneration and Nomination Committee are:

Mr Jay Wacher – Chairman
Mr Ian McMaster
Mr Alan Mulgrew

All members of the Remuneration and Nomination

CORPORATE GOVERNANCE STATEMENT

Committee are Non-Executive Directors. A majority of the Committee is independent.

A copy of the Remuneration Committee Charter is available on the Company's website.

INDEPENDENT PROFESSIONAL ADVICE AND ACCESS TO COMPANY INFORMATION

All Directors have the right of access to all relevant Company information, to the Company's executives and, subject to prior consultation with the Chairman, may seek independent professional advice concerning any aspect of the Company's operations or undertakings at the Company's expense.

CODE OF CONDUCT

The Board acknowledges the need for continued maintenance of the highest standard of corporate governance practice and ethical conduct by all Directors and employees of the Company.

The Board has adopted a Code of Conduct for Directors to promote ethical and responsible decision-making by the Directors. The code is based on a code of conduct for Directors prepared by the Australian Institute of Company Directors.

The principles of the code are:

- a Director must act honestly, in good faith and in the best interests of the Company as a whole;
- a Director has a duty to use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office;
- a Director must use the powers of office for a proper purpose, in the best interests of the Company as a whole;
- a Director must recognise that the primary responsibility is to the Company's shareholders as a whole but should, where appropriate, have regard for the interest of all stakeholders of the Company;
- a Director must not make improper use of information acquired as a Director;
- a Director must not take improper advantage of the position of Director;
- a Director must not allow personal interests, or the interests of any associated person, to conflict with the interests of the Company;
- a Director has an obligation to be independent in judgment and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken as a Board;
- confidential information received by a Director in the course of the exercise of directorial duties remains the property of the Company and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by the Company, or the person from whom the information is provided, or is required by law;
- a Director should not engage in conduct likely to bring discredit upon the Company; and
- a Director has an obligation at all times, to comply with the spirit, as well as the letter of the law and with the principles of the Code.

The principles are supported by guidelines as set out by the Australian Institute of Company Directors for their interpretation. Directors are also obliged to comply with the Company's Code of Ethics and Conduct, as outlined below.

CODE OF ETHICS AND CONDUCT

The Company has implemented a Code of Ethics and Conduct, which provides guidelines aimed at maintaining high ethical standards, corporate behaviour and accountability within the Company.

All Directors and employees are expected to:

- respect the law and act in accordance with it;
- respect confidentiality and not misuse Company information, assets or facilities;
- value and maintain professionalism;
- avoid real or perceived conflicts of interest;
- act in the best interests of shareholders;
- by their actions contribute to the Company's reputation as a good corporate citizen which seeks the respect of the community and environment in which it operates;
- perform their duties in ways that minimise environmental impacts and maximise workplace safety;
- exercise fairness, courtesy, respect, consideration and sensitivity in all dealings within their workplace and with customers, suppliers and the public generally; and
- act with honesty, integrity, decency and responsibility at all times.

An employee that breaches the Code of Ethics and Conduct may face disciplinary action. If an employee suspects that a breach of the Code of Ethics and Conduct has occurred or will occur, he or she must report that breach to management. No employee will be disadvantaged or prejudiced if he or she reports in good faith a suspected breach. All reports will be acted upon and kept confidential.

CONFLICTS OF INTEREST

In accordance with the *Corporations Act* and the Company's Constitution, Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. Where the Board believes that a significant conflict exists, the Director concerned does not receive the relevant Board papers and is not present at the meeting whilst the item is considered.

DEALINGS IN COMPANY SECURITIES

The Company's Share Trading Policy imposes basic trading restrictions on all employees of the Company with 'inside information', and additional trading restrictions on the Directors of the Company.

Inside information is information that:

- is not generally available; and
- if it were generally available, it would, or would be likely to influence investors in deciding whether to buy or sell the Company's securities.

If an employee possesses inside information, the person must not:

- trade in the Company's securities;
- advise others or procure others to trade in the Company's securities; or
- pass on the inside information to others – including colleagues, family or friends – knowing (or where the employee or Director should have reasonably known) that the other persons will use that information to trade in, or procure someone else to trade in, the Company's securities.

This prohibition applies regardless of how the employee or Director learns the information (e.g. even if the employee or Director overhears it or is told in a social setting). Directors and senior executives of Atlantic are required to notify the Company Secretary before dealing in the Company's securities.

In addition to the above, Directors must notify the Company Secretary as soon as practicable, but not later than 5 business days, after they have bought or sold the Company's securities or exercised options. In accordance with the provisions of the *Corporations Act* and the Listing Rules of the ASX, the Company on behalf of the Directors must advise the ASX of any transactions conducted by them in the securities of the Company.

Breaches of this policy will be subject to disciplinary action, which may include termination of employment.

A copy of the Company's Securities Dealing Policy is available on the Company's website.

CONTINUOUS DISCLOSURE

The Company is committed to providing relevant up-to-date information to its shareholders and the broader investment community in accordance with its continuous disclosure obligations under the ASX Listing Rules and the *Corporations Act*.

The Board has implemented a Continuous Disclosure Policy to ensure that information considered material by the Company is immediately reported to the ASX. Other information such as Company presentations are also disclosed to the ASX and are on the Company's website.

The Company's website provides access to all current and historical information, including ASX announcements, financial reports and other releases.

SHAREHOLDER COMMUNICATION

In adopting a Continuous Disclosure Policy, the Board ensures that shareholders are provided with up-to-date information.

Communication to shareholders is facilitated by the production of the annual report, quarterly and half yearly reports, public announcements and the posting of all ASX announcements and other information on the Company's website.

Shareholders are encouraged to attend and participate in the Annual General Meeting (AGM) of the Company. Shareholders may raise questions at the AGM and the external auditor is in attendance at such meetings to address any questions in relation to the conduct of the audit.

CORPORATE GOVERNANCE STATEMENT

RISK MANAGEMENT

The Board is responsible for the oversight of the Company's risk management and control framework. Responsibility for control and risk management is delegated to the appropriate level of management within the Company with the Managing Director and Executive Director having ultimate responsibility to the Board for the risk management and control framework.

Areas of significant business risk to the Company are highlighted in the Business Plan presented to the Board by the Managing Director each year.

Arrangements put in place by the Board to monitor risk management include regular reporting to the Board in respect of operations and the financial position of the Group.

ASX BEST PRACTICE RECOMMENDATIONS

The table below contains a list of each of the ASX Best Practice Recommendations and whether the Company was in compliance with the recommendations at the end of the year. Where the Company considers that it is divergent from these recommendations, or that it is not practical to comply, there is an explanation of the Company's reasons set out below the table.

	Principle/Recommendation	Complied
1	**Lay solid foundations for management and oversight**	
1.1	Establish and disclose the functions reserved to the Board and those delegated to management.	√
1.2	Disclose the process for evaluating the performance of senior executives.	√
2	**Structure the Board to add value**	
2.1	A majority of the Board should be independent directors.	See Note 1
2.2	The Chair should be an independent director.	√
2.3	The roles of Chair and Chief Executive Officer should not be exercised by the same individual.	√
2.4	The Board should establish a Nomination Committee.	√
2.5	Disclose the process for evaluating the performance of the Board, its committees and individual directors.	√
3	**Promote ethical and responsible decision making**	
3.1	Establish a Code of Conduct to guide the directors, the Chief Executive Officer (or equivalent), the Chief Financial Officer (or equivalent) and any other key executives as to: • the practices necessary to maintain confidence in the Company's integrity; • the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; and • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	√
3.2	Disclose the policy concerning trading in Company securities by directors, officers and employees.	√
4	**Safeguard integrity in financial reporting**	
4.1	The Board should establish an Audit Committee.	√
4.2	The Audit Committee should be structured so that it: • consists of only Non-Executive Directors; • consists of a majority of independent directors; • is chaired by an independent Chair, who is not Chair of the Board; • has at least three members.	See Note 2
4.3	The Audit Committee should have a formal charter.	√

	Principle/Recommendation	Complied
5	**Make timely and balanced disclosure**	
5.1	Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance.	√
6	**Respect the rights of shareholders**	
6.1	Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings.	√
7	**Recognise and manage risk**	
7.1	Establish policies for the oversight and management of material business risks and disclose a summary of those policies.	√
7.2	The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.	√
7.3	The Board should disclose whether it has received assurance from the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) that the declaration provided in accordance with section 295A of the *Corporations Act* is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	√
8	**Remunerate fairly and responsibly**	
8.1	The Board should establish a Remuneration Committee.	√
8.2	Clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	√

Note 1: For the financial year, a majority of the Board were independent directors. Mr Jay Wacher ceased to be an independent director on 22 September 2010 when a company of which he is a Director became a substantial shareholder of Atlantic. Mr Wacher does not have a relevant interest in the shares held by the substantial shareholder.

Note 2: Mr Wacher is Chairman of the Company's Audit Committee. Mr Wacher ceased to be an independent director on 22 September 2010 as disclosed in Note 1 above. The Board intends to review this situation in the context of the current Audit Committee Charter.

Various corporate governance practices are discussed within this statement. For further information on the Company's corporate governance practices and policies, please refer to the Company's website.

AUDITOR'S INDEPENDENCE DECLARATION

Accountants | Business and Financial Advisers

As lead auditor for the audit of the financial report of Atlantic Ltd for the year ended 30 June 2010, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Atlantic Ltd.

L DI GIALLONARDO
Partner, HLB Mann Judd

Perth, Western Australia
30 September 2010

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HLB Mann Judd (WA Partnership) is a member of HLB International, a worldwide organisation of accounting firms and business advisers.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2010

	Note	Consolidated 2010 $	Consolidated 2009 $
Revenue	3	-	21,000
Other income	3	173,874	45,115
Employee benefits expense		(845,575)	(90,000)
Share-based payments	20	(1,716,924)	(128,110)
Business acquisition costs		(282,846)	-
Financial & administration expense		(819,484)	(203,501)
Impairment expense	10	(3,132,157)	-
Indirect costs of acquisition		-	(44,527)
Depreciation	11	(2,670)	-
Interest		(107)	-
Other expenses		(1,155,578)	(112,890)
Loss before income tax		(7,781,467)	(512,913)
Income tax expense	4	-	-
Net loss for the year		(7,781,467)	(512,913)
Other comprehensive income		-	-
Total comprehensive loss for the year		(7,781,467)	(512,913)
Basic loss per share (cents per share)	7	(0.71)	(0.11)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes to the financial statements.

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2010

	Note	Consolidated 2010 $	Consolidated 2009 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	4,118,349	1,516,952
Trade and other receivables	9	116,613	18,291
TOTAL CURRENT ASSETS		4,234,962	1,535,243
NON-CURRENT ASSETS			
Exploration expenditure	10	-	3,228,777
Property, plant and equipment	11	22,798	-
TOTAL NON-CURRENT ASSETS		22,798	3,228,777
TOTAL ASSETS		4,257,760	4,764,020
CURRENT LIABILITIES			
Trade and other payables	12	544,278	150,296
TOTAL CURRENT LIABILITIES		544,278	150,296
NON-CURRENT LIABILITIES			
Deferred tax liability	10, 13	-	750,006
TOTAL NON-CURRENT LIABILITIES		-	750,006
TOTAL LIABILITIES		544,278	900,302
NET ASSETS		3,713,482	3,863,718
EQUITY			
Issued capital	14	24,093,101	18,178,794
Reserves	14	1,845,034	128,110
Accumulated losses		(22,224,653)	(14,443,186)
TOTAL EQUITY		3,713,482	3,863,718

The above Statement of Financial Position should be read in conjunction with the accompanying notes to the financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2010

		Issued Capital						
			Performance Shares					
Consolidated	Note	Ordinary $	Class A $	Class B $	Option Reserve $	Executive Share Incentive Plan Reserve $	Accumulated Losses $	Total $
Balance at 1 August 2008		14,882,114	-	-	-	-	(13,930,273)	951,841
Issue of shares	14	2,660,196	750,000	15	-	-	-	3,410,211
Issue costs	14	(113,531)	-	-	-	-	-	(113,531)
Loss attributable to members of parent entity		-	-	-	-	-	(512,913)	(512,913)
Issue of options	14	-	-	-	128,110	-	-	128,110
Balance at 30 June 2009		**17,428,779**	**750,000**	**15**	**128,110**	**-**	**(14,443,186)**	**3,863,718**
Issue (conversion) of shares	14	6,681,468	(750,000)	-	-	1,716,924	-	7,648,392
Issue costs	14	(17,161)	-	-	-	-	-	(17,161)
Loss attributable to members of parent entity		-	-	-	-	-	(7,781,467)	(7,781,467)
Balance at 30 June2010		**24,093,086**	**-**	**15**	**128,110**	**1,716,924**	**(22,224,653)**	**3,713,482**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes to the financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2010

	Note	Consolidated 2010 $	Consolidated 2009 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		-	60,619
Payments to suppliers and employees		(2,807,825)	(358,908)
Interest received		173,874	45,115
Interest paid		(107)	-
Net cash used in operating activities	8	(2,634,058)	(253,174)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration activities	10	(653,386)	(716,610)
Payments for property, plant and equipment		(25,467)	-
Payments for due diligence on acquisition		-	(44,527)
Net cash used in investing activities		(678,853)	(761,137)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		5,931,469	1,660,196
Capital raising costs		(17,161)	(113,531)
Net cash provided by financing activities		5,914,308	1,546,665
Net increase in cash and cash equivalents		2,601,397	532,354
Cash and cash equivalents at beginning of financial year	8	1,516,952	984,598
Cash and cash equivalents at end of financial year	8	4,118,349	1,516,952

The above Statement of Cash Flows should be read in conjunction with the accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Atlantic Ltd (the Company) is a listed public company domiciled in Australia. The consolidated financial report of the Company for the year ended 30 June 2010 comprises the Company and its subsidiaries (together referred to as the **Consolidated Entity** or **Group**).

BASIS OF PREPARATION

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards and Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes also comply with International Financial Reporting Standards (IFRS).

The financial report was authorised for issue on 30 September 2010 by the Board of Directors.

The following is a summary of the material accounting policies adopted by the Consolidated Entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The financial report has been prepared on an accrual basis and is based on historical costs modified, where applicable, by the revaluation of selected non-current assets and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The Group has applied the revised AASB 101 Presentation of Financial Statements which became effective on 1 January 2009. The revised standard requires the separate presentation of a statement of comprehensive income and a statement of changes in equity. All non-owner changes in equity must now be presented in the statement of comprehensive income. As a consequence, the Group has had to change the presentation of its financial statements. Comparative information has been re-presented so that it is also in conformity with the revised standard.

A. INCOME TAX

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date.

Deferred tax is provided on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred income tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

B. FINANCIAL INSTRUMENTS

Financial instruments in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial instruments are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial instruments are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial instruments under contracts that require delivery of the instrument within the period established generally by regulation or convention in the marketplace.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139 Financial Instruments: Recognition and Measurement. Gains or losses on investments held for trading are recognised in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Held-to-maturity investments

These investments have fixed maturities, and it is the Company's intention to hold these investments to maturity. Any held-to-maturity investments held by the Company are stated at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

C. IMPAIRMENT OF ASSETS

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

D. PROVISIONS

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

E. CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, cash includes deposits at call with financial institutions and other highly liquid investments with original maturities of three months or less that are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

F. REVENUE

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

G. BORROWING COSTS

Borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

H. GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

I. COMPARATIVE FIGURES

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

J. ISSUED CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

K. EARNINGS PER SHARE

Basic earnings per share is calculated as net profit/loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares.

Diluted earnings per share is calculated as net profit/loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised

as expenses

- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares.

L. PAYABLES

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

M. PRINCIPLES OF CONSOLIDATION

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Atlantic as at 30 June 2010 and the results of all subsidiaries for the year then ended. Atlantic and its subsidiaries together are referred to in this financial report as the Group or the Consolidated Entity.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group (refer to note 1(Q)).

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are accounted for at cost in the individual financial statements of Atlantic.

N. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Impairment

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black and Scholes model, using the assumptions detailed in Note 20.

O. SHARE-BASED PAYMENTS

(i) Equity settled transactions

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using the Black and Scholes formula taking into account the terms and conditions upon which the instruments were granted (see Note 20).

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Atlantic (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see Note 7).

(ii) Executive Share Incentive Plan

The ESIP is accounted for as an "in-substance" option plan due to the limited recourse nature of the loan between the employees and the Company to finance the purchase of ordinary shares. The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share. Shares in the Company held under the ESIP are deducted from equity, and the grant date fair value of the options recognised at reporting date is credited to the Executive Share Incentive Plan Reserve with a corresponding charge to the statement of comprehensive income.

P. EXPLORATION AND EVALUATION

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

(i) the rights to tenure of the area of interest are current; and
(ii) at least one of the following conditions is also met:

(a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
(b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

As noted in Note 22, Atlantic acquired 100% of the issued share capital of Azure Mining International Ltd (AMI) on 25 May 2009. AMI has applied for a bauxite exploration project covering approximately 100 km^2 in the Bao Loc district of Lam Dong province in Vietnam.

Refer to Note 10 for further discussion on the carrying value of Exploration Expenditure.

Q. BUSINESS COMBINATIONS

The purchase method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange. Where equity instruments are issued in an acquisition, the fair value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity. Indirect costs relating to the acquisition are expensed in the period in which they occur.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the Group's share of the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the statement of comprehensive income, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

R. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Atlantic.

Change in accounting policy

The Group has adopted AASB 8 Operating Segments from 1 July 2009. AASB 8 replaces AASB 114 Segment Reporting. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. This has not resulted in a change in the number of reportable segments presented by the Group as operating segments are reported in a manner that is consistent with internal reporting provided to the chief operating decision maker.

NOTE 2: ADOPTION OF NEW AND REVISED STANDARDS

CHANGES IN ACCOUNTING POLICIES ON INITIAL APPLICATION OF ACCOUNTING STANDARDS

In the year ended 30 June 2010, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period.

During the year, certain accounting policies have changed as a result of new or revised accounting standards which became operative for the annual reporting period commencing on 1 July 2009.

The affected policies and standards are:

- Principles of consolidation – revised AASB 127 *Consolidated and Separate Financial Statements and changes made by AASB 2008-7 Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity* and *Associate*
- Business combinations – revised AASB 3 *Business Combinations*
- Segment reporting – new AASB 8 *Operating Segments*
- Financial Instruments – revised AASB 7 *Financial Instruments: Disclosures*
- Borrowing Costs – revised AASB 123 *Borrowing Costs*

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2010. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

NOTE 3: REVENUE

	Consolidated	
	2010 $	2009 $
Revenue - commissions received	-	21,000
Other Income:		
Interest	173,874	45,115
	173,874	66,115

NOTE 4: INCOME TAX EXPENSE

A. RECONCILIATION

The income tax expense (benefit) for the financial year differs from the amount calculated prima facie on the Profit/(Loss). The differences are reconciled as follows:

	Consolidated	
	2010 $	2009 $
Profit/(Loss) before income tax	(7,781,467)	(512,913)
Income tax expense/(benefit) calculated @ 30%	(2,334,440)	(153,874)
Tax effect of:		
Non-deductible provisions	32,127	9,644
Non-deductible expenses	1,460,574	-
Other	(212,821)	(235,446)
Income tax expense (benefit) adjusted for permanent differences	(1,054,560)	(379,676)
Tax losses not brought to account as future income tax benefits	1,054,560	379,676
Income tax attributable to operating loss	-	-

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable in Australia by corporate entities on taxable profits under Australian tax law. There has been no change in this tax rate since the previous reporting period.

B. DEFERRED TAX ASSETS NOT RECOGNISED

The consolidated entity has income tax losses of $4,761,397 (2009: $1,246,198) that are available to offset future assessable income as at 30 June 2010. The parent entity has income tax losses of $3,379,254 (2009: $517,441) that are available to offset future assessable income as at 30 June 2010.

The following deferred tax assets are not brought to account, as it is not considered probable that future assessable income is sufficient to enable the benefit from the deductions for the losses to be realised.

	Consolidated	
	2010 $	2009 $
Deferred tax assets in relation to:		
- Income tax losses	1,428,419	373,859

NOTE 5: AUDITORS' REMUNERATION

	Consolidated	
	2010 $	2009 $
Remuneration of the auditor of the parent entity for auditing or reviewing the financial report:		
HLB Mann Judd	20,000	13,500
	20,000	13,500

NOTE 6: DIVIDENDS

No dividends have been paid during the year. There is no dividend proposed.

NOTE 7: LOSS PER SHARE

	Consolidated	
	2010 $	2009 $
a. Loss used to calculate basic and diluted EPS	(7,781,467)	(512,913)
	No.	No.
b. Weighted average number of ordinary shares (pre consolidation) outstanding during the year used in calculating basic loss per share	1,099,404,439	450,411,450

c. Diluted loss per share has not been calculated as the result does not increase loss per share.

NOTE 8: CASH AND CASH EQUIVALENTS

	Consolidated	
	2010 $	2009 $
Cash at bank and in hand	4,118,349	1,516,952

NOTES TO THE FINANCIAL STATEMENTS

Reconciliation of loss for the year to net cash flows from operating activities:

	Consolidated	
	2010 $	2010 $
Loss after income tax	(7,781,467)	(512,913)
Non-cash flows in profit		
Share-based payments	1,716,924	128,110
Impairment expense	3,132,157	-
Depreciation	2,670	-
(Increase) in trade receivables	(98,324)	(10,717)
Due diligence costs in relation to acquisition	-	44,527
Increase in payables and accruals	393,982	97,819
Cash flows from operations	(2,634,058)	(253,174)

NOTE 9: TRADE AND OTHER RECEIVABLES

	Consolidated	
	2010 $	2010 $
CURRENT		
Other receivables	116,613	18,291
	116,613	18,291

NOTE 10: EXPLORATION EXPENDITURE

	Consolidated	
	2010 $	2009 $
Costs carried forward in respect of:		
Exploration and evaluation phase – at cost		
Balance at beginning of year	3,228,777	-
Acquired on acquisition of subsidiary	-	253,293
Expenditure incurred	653,386	475,464
Impairment expense	(3,882,163)	-
Fair value adjustment on consolidation	-	2,500,020
Total exploration expenditure	-	3,228,777

Atlantic is in discussions with the relevant authorities in Vietnam to progress the Bao Loc Bauxite Project. Those discussions are ongoing and Atlantic remains committed to pursuing the project. The Directors have decided to take a conservative approach and recognise an impairment charge on the carrying value of Exploration Expenditure as at 30 June 2010 given discussions have not resulted in the signing of a definitive joint venture or development agreement at balance date. The impairment charge of $3,132,157 in the statement of comprehensive income comprises a gross impairment charge of $3,882,163 offset by a reversal of a previously recognised deferred tax liability of $750,006 in respect of a fair value adjustment to deferred exploration expenditure in the previous year.

NOTE 11: PROPERTY PLANT AND EQUIPMENT

	Consolidated	
	2010 $	2009 $
Balance at beginning of year	-	-
Purchase of property, plant and equipment	25,468	-
Depreciation	(2,670)	-
Balance at the end of year	22,798	-

NOTE 12: TRADE AND OTHER PAYABLE

	Consolidated	
	2010 $	2009 $
Unsecured liabilities:		
Trade payables	320,776	118,150
Sundry payables and accrued expenses	223,502	32,146
	544,278	150,296

NOTE 13: DEFERRED TAX LIABILITIES

	Consolidated	
	2010 $	2009 $
Deferred tax liability – fair value adjustment on acquisition	-	750,006

NOTE 14: ISSUED CAPITAL AND RESERVES

ORDINARY SHARES

	Company 2010 $	Company 2009 $
1,292,644,941 (2009: 768,157,053) fully paid ordinary shares	24,093,086	17,428,779

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders' meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

	Company No.	Company $
Movements in ordinary shares on issue		
At 1 July 2008	336,117,790	14,882,114
Issue of shares @ $0.005 on 6 March 2009	59,213,502	296,068
Issue of shares @ $0.005 on 10 March 2009	52,825,761	264,128
Issue of shares @ $0.005 on 10 March 2009	220,000,000	1,100,000
Issue of shares @ $0.01 on 21 May 2009	100,000,000	1,000,000
Issue costs	-	(113,531)
At 30 June 2009	768,157,053	17,428,779
Conversion of Class A Performance Shares @ $0.005 on 18 September 2009	150,000,000	750,000
Issue of shares @ $0.035 on 22 October 2009	140,000,000	4,900,000
Executive Share Incentive Plan Issue on 24 December 2009	99,000,000	-
Executive Share Incentive Plan Issue on 15 March 2010	10,000,000	-
Exercise of Options during the year	125,487,888	1,031,468
Issue costs	-	(17,161)
At 30 June 2010		24,093,086

PERFORMANCE SHARES

Movements in Class A Performance Shares		
At 1 July 2008	-	-
Issue of shares on 21 May 2009	1,500	750,000
At 30 June 2009	1,500	750,000
Conversion to ordinary shares on 18 September 2009	(1,500)	(750,000)
At 30 June 2010	-	-

	Company	
	No.	$
Movements in Class B Performance Shares		
At 1 July 2008	-	-
Issue of shares on 21 May 2009	1,500	15
At 30 June 2009	1,500	15
At 30 June 2010	1,500	15

Class B Performance Shares do not participate in dividends and the proceeds on winding up of the parent entity. Class B Performance Shares hold no voting rights at shareholders' meetings when a poll is called, and are not eligible to participate in votes on a show of hands.

RESERVES

Movements in reserves		
Options Reserve:		
At 1 July 2008	-	-
Issue of options @ $0.0064 on 21 May 2009	20,000,000	128,110*
At 30 June 2009	20,000,000	128,110
At 30 June 2010	20,000,000	128,110

* Information on the valuation of these options is disclosed in Note 20.

The Options Reserve is used to recognise the fair value of all options on issue but not yet exercised.

Executive Share Incentive Plan Reserve:		
At 1 July 2009	-	-
Shares issued to executives during the year*	109,000,000	1,716,924
At 30 June 2010	109,000,000	1,716,924

* Information on the valuation of these shares is disclosed in Note 20.

The ESIP Reserve is used to record the fair value of shares issued under this plan at grant date. The ESIP is accounted for as an "in-substance" option plan due to the limited recourse nature of the loan between employees and the Company to finance the purchase of ordinary shares.

NOTE 15: SEGMENT REPORTING

Description of segments

The Consolidated Entity's reportable operating segments are as follows:

1. Bauxite Exploration Segment; and
2. All Other Segments, which includes the pearl marketing segment and the corporate and administration segment.

The Consolidated Entity's operating segments have been determined with reference to the information used by the chief operating decision maker to make decisions regarding the Group's operations and the allocation of the Consolidated Entity's working capital. It has been determined that the chief operating decision maker of Atlantic is the Board of Directors.

The segments disclosed in the table below have been identified as operating segments that meet any of the following thresholds:

- Segment loss greater than 10% of the combined loss of all loss making operating segments; and
- Segment assets greater than 10% of combined assets of all operating segments.

As each of Atlantic's operating segments operates in the one geographical location, it is therefore not necessary to disclose individual country segments.

Once reportable segments have been identified, all remaining segments that do not satisfy the thresholds are to be aggregated together to form an "All Other Segments" reporting segment. In accordance with AASB 8 *Segment Reporting*, corporate and administration activities are to be included in the "All Other Segments" reporting segment.

Segment Information

The following table presents the revenue and profit/loss information regarding the segment information provided to the chief operating decision maker (being the Board of Atlantic) for the year ended 30 June 2010.

	Bauxite Exploration $	All Other Segments $	Consolidated $
30 June 2010			
Segment revenue	-	173,874	173,874
Segment result	(3,289,953)	(4,491,514)	(7,781,467)
Unallocated expenses			-
Results from operating activities			(7,781,467)
Less: discontinued operation			-
Results from continuing operations			(7,781,467)
Included within segment result:			
Depreciation	-	2,670	2,670
Interest revenue	-	173,874	173,874
Segment assets	-	4,257,760	4,257,760
Segment liabilities	3,740	540,538	544,278

	Bauxite Exploration $	All Other Segments $	Consolidated $
30 June 2009			
Segment revenue	-	66,115	66,115
Segment result	(44,527)	(468,386)	(512,913)
Unallocated expenses			-
Results from operating activities			(512,913)
Less: discontinued operation			-
Results from continuing operations			(512,913)
Included within segment result:			
Interest revenue	-	45,115	45,115
Segment assets	3,228,777	1,535,243	4,764,020
Segment liabilities	838,728	61,574	900,302

NOTE 16: CONTROLLED ENTITIES

		% Equity Interest		Investment	
Name	Country of Incorporation	2010	2009	2010 ($)	2009 ($)
Azure Mining International Pty Ltd	Australia	100%	100%	2,003,307	2,003,307
Atlantic Cambodia Pty Ltd	Australia	100%	-	1	-
Atlantic Incentive Plan Pty Ltd	Australia	100%	-	1	-
				2,003,309	2,003,307

NOTE 17: RELATED PARTY TRANSACTIONS

A. SUBSIDIARIES

Atlantic is the ultimate Australian parent entity and ultimate parent of the Group. The subsidiaries of Atlantic are disclosed in Note 16.

Loans to Subsidiary

Loans to subsidiary were made during the year as follows:

	Company 2010 $	Company 2009 $
Beginning of the year	475,464	-
Loans advanced	811,182	475,464
Impairment expense	(1,286,646)	-
End of year	-	475,464

Terms and Conditions of loans

Loans between entities in the wholly owned Group are not interest bearing, unsecured and are payable upon reasonable notice having regard to the financial situation of the Company.

B. DIRECTORS

The names of persons who were directors of Atlantic at any time during the financial year are as follows:

- John Hannaford (resigned 12 April 2010)
- Jim Malone (resigned 27 November 2009)
- Tony Veitch
- Michael Minosora (appointed 25 September 2009)
- Ian McMaster (appointed 11 April 2010)
- Alan Mulgrew (appointed 11 April 2010)
- Jay Wacher (appointed 11 April 2010)

C. REMUNERATION AND RETIREMENT BENEFITS

Information on remuneration and retirement benefits of Directors are disclosed in the Remuneration Report section of the Directors' Report.

D. TRANSACTIONS WITH DIRECTOR AND DIRECTOR RELATED ENTITIES

Transactions were undertaken between the Company and the following related parties during the year ended 30 June 2010:

- Riverview Corporation Pty Ltd, a company in which Mr John Hannaford has a beneficial interest, was paid director's fees of $22,500. At 30 June 2010, no amount was owed to Riverview Corporation Pty Ltd;

- Kilkenny Enterprises Pty Ltd, a company in which Mr Jim Malone has a beneficial interest, was paid directors' fees of $12,500. At 30 June 2010, no amount was owed to Kilkenny Enterprises Pty Ltd;

- Ardath Investments Pty Ltd, a company in which Mr Tony Veitch has a beneficial interest, was paid directors' fees of $15,000. At 30 June 2010, no amount was owed to Ardath Investments Pty Ltd;

- Citadel Capital Pty Ltd, a company in which Mr Tony Veitch has a beneficial interest, was paid project consulting fees of $124,500. At 30 June 2010, no amount was owed to Citadel Capital Pty Ltd;

- Strategic Solutions (WA) Pty Ltd, a company in which Mr Alan Mulgrew has a beneficial interest, was paid directors' fees of $20,000 and project consulting fees of $97,301. At 30 June 2010, an amount of $40,057 GST exclusive was owed to Strategic Solutions (WA) Pty Ltd;

- During the year, and prior to Mr Alan Mulgrew joining the Board, Strategic Solutions (WA) Pty Ltd entered into an agreement to be entitled to be issued 200,000 fully paid ordinary shares in the capital of Atlantic (post-consolidation) on the signing of a binding agreement with the Vietnam Government or similar body on terms acceptable to Atlantic to allow it to proceed with the mining and export of bauxite from Vietnam and to examine the development of a rail line to service the bauxite industry in Vietnam; and

- Ventnor Capital Pty Ltd, a company in which Mr John Hannaford has a beneficial interest, was paid for executive directors fees, bookkeeping, financial administration, serviced office charges and project consulting during the period, as set out as follows:

Type of Transaction

	Consolidated	
	2010 $	2009 $
Executive directors' fees	71,303	47,500
Bookkeeping and financial administration	36,312	42,405
Serviced office charges (exclusive of GST)	36,364	54,516
Project consulting	38,814	18,097
TOTAL	182,793	162,518

At 30 June 2010, no amount was owed to Ventnor Capital Pty Ltd (2009: $11,793).

All transactions with related parties are on normal commercial terms and conditions unless otherwise stated.

NOTE 18: KEY MANAGEMENT PERSONNEL

A. SHAREHOLDINGS

Number of Shares held by Directors and Key Management Personnel

Year Ended 30 June 2010

	Balance 1 July 2009	Received as Remuneration	Options Exercised	Net Change Other	Balance 30 June 2010
John Hannaford	26,969,733	-	-	(26,969,733)**	-
Jim Malone	4,000,000	-	-	(4,000,000)**	-
Tony Veitch	8,000,000	-	-	-	8,000,000
Michael Minosora	-	99,000,000*	-	30,367,300	129,367,300
Alan Mulgrew	-	-	-	5,000,000	5,000,000
Jay Wacher	-	-	-	31,428,572	31,428,572
Jonathan Fisher	-	10,000,000*	-	-	10,000,000
TOTAL	38,969,733	109,000,000	-	35,826,139	183,795,872

* shares issued pursuant to ESIP in December 2009 and March 2010 respectively

** net change due to resignation of Directors

Year Ended 30 June 2009

	Balance 1 July 2008	Received as Remuneration	Options Exercised	Net Change Other	Balance 30 June 2009
John Hannaford	20,227,300	-	-	6,742,433*	26,969,733
Jim Malone	3,000,000	-	-	1,000,000*	4,000,000
Tony Veitch	6,000,000	-	-	2,000,000*	8,000,000
TOTAL	29,227,300	-	-	9,742,433	38,969,733

* shares issued on participation in non renounceable entitlements issue in March 2009

B. OPTION HOLDINGS

Number of Options held by Directors and key management personnel

Year Ended 30 June 2010

	Balance 1 July 2009	Received as Remuneration	Options Exercised	Net Change Other	Balance 30 June 2010
John Hannaford	18,363,933	-	-	(18,363,933)*	-
Jim Malone	2,000,000	-	-	(2,000,000)*	-
Tony Veitch	4,000,000	-	-	-	4,000,000
Other Directors	-	-	-	-	-
TOTAL	24,363,933	-	-	(20,363,933)	4,000,000

* net change due to resignation of Directors

Year Ended 30 June 2009

	Balance 1 July 2008	Received as Remuneration	Options Exercised	Net Change Other	Balance 30 June 2009
John Hannaford	11,621,500	-	-	6,742,433*	18,363,933
Jim Malone	1,000,000	-	-	1,000,000*	2,000,000
Tony Veitch	2,000,000	-	-	2,000,000*	4,000,000
TOTAL	14,621,500	-	-	9,742,433	24,363,933

* options issued on participation in non renounceable entitlements issue in March 2009

C. REMUNERATION

The remuneration of Directors and key management personnel is disclosed in the Remuneration Report section of the Directors' Report and is not duplicated in this note.

D. RETIREMENT BENEFITS OF DIRECTORS

There were no amounts paid during the year in respect of the retirement of Directors.

NOTE 19: FINANCIAL INSTRUMENTS

CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall capital management strategy remains unchanged from 2009.

The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

None of the Group's entities are subject to externally imposed capital requirements.

Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax, employee expenses and general administrative outgoings.

	Consolidated	
	2010 $	2009 $
Categories of financial instruments		
Financial assets		
Derivative financial instruments	-	-
Loans and receivables	116,613	18,291
Cash and cash equivalents	4,118,349	1,516,952
Available-for-sale financial assets	-	-
Other financial assets	-	-
Financial liabilities		
Derivative financial instruments	-	-
Trade and other payables	544,278	150,296
Other financial liabilities	-	-

FINANCIAL RISK MANAGEMENT OBJECTIVES

The Group's financial instruments consist mainly of deposits with its bank, accounts receivable and payable, and loans to subsidiaries.

The Group is exposed to liquidity risk, credit risk and market risk (including currency risk and interest rate risk).

The main purpose of non-derivative financial instruments is to raise finance for Company operations. The Company does not speculate in the trading of derivative instruments.

(i) Interest Rate Risk

The Company and Group's exposures to interest rate movements on financial assets and liabilities are detailed in the liquidity risk management section of this note.

(ii) Credit Risk

The maximum exposure to credit risk at balance date is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The Group does not have any material credit risk exposure to any single receivable or group of receivables.

(iii) Market Risk

Currency Risk

The Group operates internationally and is exposed to foreign exchange risk arising from currency exposures to the US dollar and Vietnamese Dong.

Foreign currency risk refers to the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. Atlantic is exposed to foreign exchange currency risk primarily through undertaking certain transactions denominated in foreign currency. Risks are managed at Board level but there are currently no formal measures in place. Atlantic is exposed to foreign currency denominated in US dollars and Vietnamese Dong through its bauxite projects in Vietnam, however, at 30 June 2010 the Group had no financial assets or liabilities that were denominated in US dollars or Vietnamese Dong.

Liquidity Risk

The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate facilities are maintained and adequate funds available to meet all liabilities as and when they fall due. The following table details the Company's and the Group's expected maturity for its non-derivative financial liabilities.

Consolidated 2010	Less Than 1 Month $	1-3 Months $	3 Months – 1 Year $	1-5 Years $	5+ Years $
Non-interest bearing	544,278	-	-	-	-
Finance lease liabilities	-	-	-	-	-
Variable interest rate instruments	-	-	-	-	-
Fixed interest rate instruments	-	-	-	-	-
	544,278	-	-	-	-
2009					
Non-interest bearing	150,296	-	-	-	-
Finance lease liabilities	-	-	-	-	-
Variable interest rate instruments	-	-	-	-	-
Fixed interest rate instruments	-	-	-	-	-
	150,296	-	-	-	-

INTEREST RATE RISK SENSITIVITY ANALYSIS

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the balance date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the change in interest rates.

At balance date, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's net loss would reduce by $20,592 and increase by $20,592 (2009: $7,585). This is mainly attributable to the Group's exposure to interest rates on its variable rate cash deposits.

The Group's sensitivity to interest rates has increased during the current period mainly due to the increase in variable rate cash deposits.

NOTE 20: SHARE-BASED PAYMENTS

EXPENSES ARISING FROM SHARE-BASED PAYMENT TRANSACTIONS

Total expenses arising from share-based payment transactions recognised during the year were as follows:

	Consolidated 2010 $	Consolidated 2009 $
Share-based payments:		
Options issued in consideration for services (i)	-	128,110
Shares issued in consideration for services (under the Company's ESIP)	1,716,924	-
	1,716,924	128,110

(i) Options issued

These options are detailed below:

CONSOLIDATED & COMPANY
2010

Date Granted	Expiry Date	Exercise Price $	Number at Beginning of Year	Movement During the Year	Exercised	Expired	Number at End of Year
20 May 2009	31 December 2011	0.008	20,000,000	-	-	-	20,000,000
			20,000,000				20,000,000

No options were issued in consideration for services in the year ended 30 June 2010.

The weighted average remaining contractual life of all share options outstanding at the end of the financial year is 1.50 years.

On 21 May 2009, the Company issued 20,000,000 options to Trident Capital Pty Ltd or its nominee as an introduction fee for the Azure Mining International Ltd transaction. The issue was approved by shareholders at the Extraordinary General Meeting held on 25 February 2009. There are no voting rights attached to the options, the options are transferable by instrument in the form commonly used for the transfer of options and they may be exercised at any time until 31 December 2011.

FAIR VALUE OF OPTIONS GRANTED

The fair value of options issued to Trident Capital Pty Ltd at grant date is determined using a Black and Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The table below summarises the model inputs for options granted during the year ended 30 June 2009:

Options granted for no consideration	20,000,000
Exercise price (cents)	0.8
Issue date	21 May 2009
Expiry date	31 December 2011
Underlying security spot price at grant date (cents)	1
Expected price volatility of the Company's shares	98%
Expected dividend yield	0%
Risk-free interest rate	4.13%
Black and Scholes Valuation per option	0.0064

The expected price volatility is based on the historic volatility of the Company's share price in the market.

(ii) Shares issued under the Executive Share Incentive Plan (ESIP)

On 24 December 2009, 99,000,000 ordinary shares (pre-consolidation) were issued to Mr Michael Minosora. On 15 March 2010, 10,000,000 ordinary shares (pre-consolidation) were issued to a key management employee Mr Jonathan Fisher.

FAIR VALUE OF SHARES GRANTED

Shares granted under the ESIP are accounted for as "in-substance" options due to the limited recourse nature of the loan between the employees and the Company to finance the purchase of ordinary shares. The fair value at grant date for the various tranches of shares issued under the ESIP is determined using a Black and Scholes option pricing model using the following model inputs:

- Expected price volatility of the Company's shares 80%
- Expected dividend yield 0%
- Risk-free interest rate 4.72%

NOTE 21: OPTIONS OVER ORDINARY SHARES

During the year, 125,487,888 options (pre-consolidation) were exercised to take up ordinary shares.

As at the year end, the Company had a total of 221,551,375 (pre-consolidation) unissued ordinary shares on which options are outstanding with exercise prices ranging from 0.8 cents to 1 cent (pre-consolidation).

NOTE 22: BUSINESS COMBINATIONS

SUMMARY OF ACQUISITION

On 21 May 2009, Atlantic acquired 100% of the issued share capital of Azure Mining International Ltd. The acquired business has applied for a mineral exploration permit in Vietnam.

Details of the fair value of the assets and liabilities acquired are as follows:

	$
Purchase consideration (refer to below):	
Cash paid	253,292
Ordinary shares issued	1,000,000
Class A Performance shares issued	750,000
Class B Performance shares issued	15
Total purchase consideration	2,003,307
Fair value of net identifiable assets acquired (refer to page overleaf)	2,003,307

PURCHASE CONSIDERATION

Performance shares are valued using Atlantic's trading price on the Australian Securities Exchange on the date of acquisition discounted by probability factors set by management as the best estimate of successful completion of the individual performance hurdles.

ASSETS AND LIABILITIES ACQUIRED

The assets and liabilities arising from the acquisition are as follows:

	Acquiree's Carrying Amount $	Fair Value $
Assets		
Exploration assets	531,281	3,031,301
Liabilities		
Loans	277,988	277,988
Deferred tax liabilities	-	750,006
Net assets	253,293	2,003,307

From the date of acquisition, Azure Mining International Ltd has contributed $1,539,939 to the net loss of the Group.

On 17 November 2009, Atlantic acquired 100% of the issued share capital of Atlantic Cambodia Pty Ltd for $1. On 8 December 2009, Atlantic acquired 100% of the issued share capital of Atlantic Incentive Plan Pty Ltd for $1.

NOTE 23: OPERATING LEASES

	Consolidated	
	2010 $	2009 $
Non cancellable operating lease expense commitments:		
Not longer than 1 year	104,271	-
Longer than 1 year and not longer than 5 years	855,021	-
Longer than 5 years	-	-
	959,292	-

NOTE 24: CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Other than as disclosed elsewhere in this report, the Directors are not aware of any contingent liabilities or contingent assets as at 30 June 2010.

NOTE 25: PARENT ENTITY DISCLOSURES

FINANCIAL POSITION

	2010 $	2009 $
Assets		
Current assets	4,234,962	1,535,243
Non-current assets	22,800	2,478,771
Total assets	4,257,962	4,014,014
Liabilities		
Current liabilities	544,280	150,296
Non-current liabilities	-	-
Total liabilities	544,280	150,296
Equity		
Issued capital	24,093,101	18,178,794
Accumulated losses	(22,224,653)	(14,443,186)
Option reserve	128,110	128,110
Executive share incentive plan reserve	1,716,924	-
Total equity	3,713,482	3,863,718

FINANCIAL PERFORMANCE

	2010 $	2009 $
Loss for the year	(7,781,467)	(512,913)
Other comprehensive income	-	-
Total comprehensive loss for the year	(7,781,467)	(512,913)

NOTE 26: EVENTS AFTER BALANCE DATE

Following the end of the financial year, the following significant events have arisen:

- On 5 July 2010, 25,000,000 shares (1,000,000 post-consolidation shares) were issued to Mr Veitch pursuant to the ESIP. This issue of shares was approved by shareholders at a meeting on 30 June 2010;
- On 5 August 2010, Atlantic announced a restructuring of the deal with MRL to acquire the Windimurra Project, whereby Atlantic would acquire MRL's proposed 27.5% equity interest in NewCo for $16,000,000. As part of this agreement, it was also agreed that MVPL would acquire the crushing and beneficiation plant at the Windimurra site from MRL for $60,000,000 on 1 April 2011;
- On 13 August 2010, Atlantic announced the signing of a new agreement with the existing lenders to MVPL which allowed Atlantic to acquire the remaining 10% of NewCo for the issue of 3,400,000 ordinary shares (post consolidation), thereby delivering Atlantic 100% control of the Windimurra Project. As part of the agreement with the existing lenders, Atlantic also agreed to provide a new secured loan to MVPL at completion of $30,000,000 and a further loan of $20,000,000 on 24 December 2010;

- On 13 August 2010, shareholders of the Company approved a change in the nature and scale of the Group's activities to become a resources company. At the same meeting, shareholders also approved a 25 for 1 consolidation of share capital, the issue of 50,500,000 shares at $1.10 each (on a post-consolidation basis) and the issue of 169,811 broker options (also on a post-consolidation basis);

- On 16 September 2010, the Company lodged a prospectus for the issue of:

  - 50,500,000 ordinary shares at an issue price of $1.10 per share to raise $55,550,000; and
  - 3,400,000 ordinary shares as consideration for the acquisition of an effective 10% interest in MVPL.

  (the **Prospectus Offer**); and

- On 21 September 2010, the Company completed the $55,550,000 capital raising, issued the securities pursuant to the Prospectus Offer and completed the acquisition of 100% of the Windimurra Project.

Following completion of the acquisition of 100% of the Windimurra Project on 21 September 2010, MVPL became part of the Group. The Group now intends to proceed to complete the construction and commissioning of the Windimurra Project as soon as practicable. The remainder of the funding necessary to complete construction and commissioning of the Windimurra Project and acquire the crushing and benefication plant from MRL will be sourced from new project finance facilities in addition to the existing working capital available to the Group following the Prospectus Offer.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent financial years.

NOTE 27: COMPANY DETAILS

The registered office and principal place of business of the Company is:

Level 29
108 St Georges Terrace
Perth WA 6000

DIRECTORS' DECLARATION

In the Directors' opinion:

1. the financial statements and notes, as set out on pages 29 to 57 are in accordance with the *Corporations Act 2001*, including:

    a. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

    b. giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2010 and of its performance for the year ended on that date;

2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

3. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer (or their equivalents) required by section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2010.

Signed in accordance with a resolution of the Board of Atlantic Ltd.

TONY VEITCH
Executive Director

Dated this 30th day of September 2010

INDEPENDENT AUDITOR'S REPORT

HLB Mann Judd

Accountants | Business and Financial Advisers

To the members of
ATLANTIC LTD

REPORT ON THE FINANCIAL REPORT

We have audited the accompanying financial report of Atlantic Ltd ("the company"), which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 29 to 58.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the consolidated financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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INDEPENDENT AUDITOR'S REPORT

HLB Mann Judd

Accountants | Business and Financial Advisers

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion:

(a) the financial report of Atlantic Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

(b) the consolidated financial statements also comply with International Financial Reporting Standards as disclosed in Note 1.

REPORT ON THE REMUNERATION REPORT

We have audited the Remuneration Report included in pages 16 to 20 of the Directors' Report for the year ended 30 June 2010. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Atlantic Ltd for the year ended 30 June 2010 complies with section 300A of the *Corporations Act 2001*.

HLB Mann Judd

HLB MANN JUDD
Chartered Accountants

L DI GIALLONARDO
Partner

Perth, Western Australia
30 September 2010

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HLB Mann Judd (WA Partnership) is a member of HLB International, a worldwide organisation of accounting firms and business advisers.

ASX SHAREHOLDER INFORMATION

Additional information as at 13 October 2010 required by the Australian Securities Exchange Listing Rules not shown elsewhere in this report is as follows:

SHARE DISTRIBUTION SCHEDULE

ATLANTIC LTD ORDINARY FULLY PAID

Spread of Holdings	Holders	Units	% of Issued Capital
1 - 1,000	483	160,797	0.15 %
1,001 -5,000	455	1,343,222	1.25 %
5,001 - 10,000	268	2,003,792	1.87 %
10,001 - 100,000	373	12,023,250	11.20 %
100,001 -	65	91,831,281	85.53 %
Total on Register	1644	107,362,342	100.00 %
Total Overseas Holders	51	38,549,528	35.91 %

TOP 20 LISTING

ATLANTIC LTD ORDINARY FULLY PAID SHARES

Holder Name		Units	% Of Issued
1	Droxford International Ltd	20,500,000	19.09%
2	Citicorp Nominees Pty Ltd	13,279,583	12.37%
3	Prosperous Global Assets	10,454,547	9.74%
4	ANZ Nominees Ltd	6,437,510	6.00%
5	Atlantic Incentive Plan	5,360,000	4.99%
6	National Nominees Ltd	4,927,197	4.59%
7	HSBC Custody Nominees Aust Limited	2,409,671	2.24%
8	HSBC Custody Nominees Aust Ltd	2,389,026	2.23%
9	Dwellers Nominees Pty Ltd	1,919,432	1.79%
10	M F Custodians Ltd	1,651,343	1.54%
11	Cassim Salim	1,600,000	1.49%
12	Ambrosia Empire Ltd	1,546,250	1.44%
13	UBS AG	1,360,000	1.27%
14	Minosora Wendy	1,214,692	1.13%
15	Mulloway Pty Ltd	1,058,492	.99%
16	Cogent Nominees Pty Ltd	989,886	.92%
17	Zap Nominees Pty Ltd	965,360	.90%
18	ICE EM Special Situations	906,780	.84%
19	Peterson Jason and Lisa	890,000	.83%
20	Baring Nominees Pty Ltd	841,092	.78%
Top 20 Total		80,700,861	75.17%

OPTION DISTRIBUTION SCHEDULE

ATLANTIC LTD OPTIONS EXPIRING 31 DECEMBER 2011 $0.20

Spread of Holdings	Holders	Units	% of Issued Capital
1 - 1,000	36	8,554	0.09 %
1,001 - 5,000	38	101,475	1.09 %
5,001 - 100,000	46	339,855	3.65 %
10,001 - 100,000	71	2,822,868	30.28 %
100,001 -	18	6,049,071	64.89 %
Total On Register	209	9,321,823	100.00 %
Total Overseas Holders	8	1,169,287	12.54 %

TOP 20 OPTIONHOLDERS

ATLANTIC LTD OPTIONS EXPIRING 31 DECEMBER 2011 $0.20

	Holder Name	Units	% of Issued
1	Kuridale Nominees Pty Ltd	1,056,642	11.34%
2	Ramsa Pty Ltd	800,000	8.58%
3	Ambrosia Empire Ltd	800,000	8.58%
4	Dwellers Nominees Pty Ltd	400,000	4.29%
5	Cassim Salim	320,000	3.43%
6	Celtic Cap Pty Ltd	280,000	3.00%
7	Greatcity Corp Pty Ltd	273,334	2.93%
8	Taurus Corp Svcs Pty Ltd	271,631	2.91%
9	Riverview Pty Ltd	269,698	2.89%
10	Sammut Sam and Lynette R	234,600	2.52%
11	Kuridale Nominees Pty Ltd	219,349	2.35%
12	C M C Ryan Pty Ltd	200,000	2.15%
13	Slade Technologies Pty Ltd	196,840	2.11%
14	Lazarou Jim	182,667	1.96%
15	ANZ Nominees Ltd	164,000	1.76%
16	Karam Anthony Charles	140,310	1.51%
17	Varcoe Karalee Maree	120,000	1.29%
18	ACP Investments Pty Ltd	120,000	1.29%
19	Goldie Ian Niven	100,000	1.07%
20	Bessarlie Pty Ltd	100,000	1.07%
Top 20 Total		6,249,071	67.03%

SCHEDULE OF TENEMENTS

Tenement	Grant Date	Expiry Date	Area	Project	MVPL Interest Held	Note
Exploration						
E58/113-I	8 March 1991	Until applications for M58/275, M58/276, M58/277, M58/278 determined	35.81 km^2	Windimurra	100%	1
E58/117-I	19 January 1992	Until application for M58/282 determined	2 Blocks	Windimurra	100%	1
E58/198	18 April 1997	Until application for M58/281 determined	1 Block	Windimurra	100%	1
Miscellaneous						
L58/27	23 June 1998	22 June 2013	1,675 HA	Windimurra	100%	
L58/28	23 June 1998	22 June 2013	790 HA	Windimurra	100%	
L58/29	12 November 1998	11 November 2013	46.25 HA	Windimurra	100%	
L58/30	12 November 1998	11 November 2013	2,275.7 HA	Windimurra	100%	
L58/32	3 July 2001	2 July 2022	202 HA	Windimurra	100%	
L58/35	12 June 2009	11 June 2030	670 HA	Windimurra	100%	
Mining						
M58/279-I	4 June 1999	3 June 2020	835.9 HA	Windimurra	100%	1
M58/280	4 June 1999	3 June 2020	534.6 HA	Windimurra	100%	1
M58/178-I	12 July 1991	11 July 2012	966.9 HA	Windimurra	100%	1

Notes

1 Expenditure conditions not met on these tenements due to a Receiver and Manager being appointed to MVPL. Exemption applications have been lodged however have not yet been decided. MVPL is confident that these applications for exemption from minimum expenditure commitments will be granted based on previous experience.

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