

6 July 2010

Company Announcements Platform
Australian Stock Exchange
10th Floor, 20 Bond Street
Sydney NSW 2000

NOTICE OF EXTRAORDINARY GENERAL MEETING

Please find attached a Notice of Extraordinary General Meeting together with Explanatory Memorandum which deals with the Company's proposed change of strategic direction and related resolutions.

Yours sincerely



Stacey Apostolou
Company Secretary



ATLANTIC LTD

ACN 009 213 763

NOTICE OF EXTRAORDINARY GENERAL MEETING

AND

EXPLANATORY MEMORANDUM TO SHAREHOLDERS

FOR AN EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON 6 AUGUST 2010 AT THE QV1 CONFERENCE CENTRE, LEVEL 2, QV1 BUILDING, 250 ST GEORGE'S TERRACE, PERTH, WESTERN AUSTRALIA AT 10.00AM PERTH TIME

IMPORTANT INFORMATION

*This is an important document that should be read in its entirety.
If you do not understand it you should consult your professional advisers
without delay.*

Should you wish to discuss the matters in this Notice of Extraordinary General Meeting, please do not hesitate to contact the Company Secretary on (+61 8) 6141 7100.

You are encouraged to attend the meeting, but if you cannot, you are requested to complete and return the enclosed Proxy Form without delay to Security Transfer Registrars Pty Ltd, PO Box 535, Applecross WA, 6953, by facsimile on +61 9315 2233, or email at registrar@securitytransfer.com.au.

**ATLANTIC LTD
ACN 009 213 763**

**NOTICE OF EXTRAORDINARY GENERAL MEETING
TO SHAREHOLDERS**

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the members of Atlantic Ltd (**Atlantic or the Company**) will be held on the date and at the location and time specified below:

DATE: 6 August 2010
LOCATION: QV1 Conference Centre
Level 2, QV1 Building
250 St George's Terrace
Perth, Western Australia
TIME: 10.00am Perth time

BUSINESS

The business to be transacted at this Extraordinary General Meeting is Resolutions 1 to 4 as set out below.

RESOLUTION 1 ~ CHANGE IN NATURE AND SCALE OF ACTIVITIES

To consider and if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That, subject to the passing of Resolutions 2 and 3, for the purposes of Listing Rule 11.1 and for all other purposes, approval is given for the Company to make a significant change to the nature and scale of its activities as described in the Explanatory Memorandum accompanying this Notice."

Voting Exclusion Note

The Company will disregard any votes cast on Resolution 1 by any person who might obtain a benefit if Resolution 1 is passed (except a benefit solely in the capacity of a holder of ordinary shares) and by any associate of that person (or those persons).

Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Important Note

The passing of Resolution 1 is conditional upon, and subject to, Resolutions 2 and 3 being passed by Shareholders.

NOTICE OF EXTRAORDINARY GENERAL MEETING
TO SHAREHOLDERS

RESOLUTION 2 ~ CONSOLIDATION OF SHARE CAPITAL

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, subject to the passing of Resolutions 1 and 3, for the purposes of Section 254H of the Corporations Act, clause 10.1 of the Company's Constitution and for all other purposes, the issued capital of the Company be consolidated on the basis that:

- (a) every twenty five (25) Shares be consolidated into one (1) Share;*
- (b) every twenty five (25) Class B Performance Shares be consolidated into one (1) Class B Performance Share; and*
- (c) every twenty five (25) options each to acquire a Share be consolidated into one (1) option each to acquire a Share and the exercise price of each option be amended in inverse proportion to this ratio in accordance with ASX Listing Rule 7.22.1,*

with the consolidation taking effect on a date to be announced to the ASX in accordance with the requirements of the ASX Listing Rules, and where this consolidation results in a fraction of a Share, Class B Performance Share or option being held by a Shareholder, Class B Performance Share holder or option holder (as the case may be), the Directors of the Company be authorized to round that fraction up to the nearest whole Share, Class B Performance Share or option.”

Important Note

The passing of Resolution 2 is conditional upon, and subject to, Resolutions 1 and 3 being passed by Shareholders.

RESOLUTION 3 ~ APPROVAL FOR THE ISSUE OF SHARES

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, subject to the passing of Resolutions 1 and 2, for the purposes of ASX Listing Rule 7.1 and all other purposes, the Company approves the issue of 1,262,500,000 Shares at an issue price of 4.4 cents per Share, and otherwise on the terms described in the Explanatory Memorandum accompanying this Notice.”

Voting Exclusion Statement

In accordance with ASX Listing Rules 7.3.8 and 14.11.1, the Company will disregard any votes cast on Resolution 3 by:

- any person who may participate in the proposed issue of Shares or any associate of those persons; and
- a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons.

However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

NOTICE OF EXTRAORDINARY GENERAL MEETING
TO SHAREHOLDERS

Important Note

The passing of Resolution 3 is conditional upon, and subject to, Resolutions 1 and 2 being passed by Shareholders.

RESOLUTION 4 ~ APPROVAL FOR THE ISSUE OF BROKER OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That, subject to and conditional upon the passing of Resolution 3, for the purposes of ASX Listing Rule 7.1 and all other purposes, approval be and is hereby given, for the Directors to allot and issue 4,245,280 options to subscribe for Shares, on the terms described in the Explanatory Memorandum accompanying this Notice."

Voting Exclusion Statement

In accordance with ASX Listing Rules 7.3.8 and 14.11.1, the Company will disregard any votes cast on Resolution 4 by:

- any person who may participate in the proposed issue of options or any associate of those persons; and
- a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons.

However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Snapshot Date

The Company has determined under Corporations Regulation 7.11.37 that for the purposes of this Meeting, Shares will be taken to be held by those persons who are registered as holders of Shares at 5pm Perth time on 4 August 2010. Share transfers registered after that time will be disregarded in determining an entitlement to attend and vote at the Meeting.

DATED 5 July 2010



STACEY APOSTOLOU
COMPANY SECRETARY

**ATLANTIC LTD
ACN 009 213 763**

**NOTICE OF EXTRAORDINARY GENERAL MEETING
TO SHAREHOLDERS**

NOTES

A member entitled to vote at this Extraordinary General Meeting is entitled to appoint a proxy to attend and vote for the member at the Meeting. A proxy need not be a member. If the member is entitled to cast 2 or more votes at the Meeting, the member may appoint 2 proxies. If a member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, each proxy may exercise half of the votes. A proxy form is enclosed.

**ATLANTIC LTD
ACN 009 213 763**

**EXPLANATORY MEMORANDUM
TO SHAREHOLDERS**

This Explanatory Memorandum forms part of a notice convening an Extraordinary General Meeting of Shareholders of Atlantic Ltd (**Atlantic** or **the Company**) to be held at 10.00am Perth time on 6 August 2010. This Explanatory Memorandum is intended to assist Shareholders in understanding the background to and the legal and other implications of the Notice and the reasons for the Resolutions proposed.

PART 1 – INFORMATION ABOUT ATLANTIC AND ITS BUSINESS

1.1 Background

Atlantic was incorporated in January 1987 and listed on ASX in June 1987. From incorporation until entering into external administration in February 2007, the Company operated a number of diversified businesses including commercial property development, aquaculture, fishing and pearling operations.

Following the appointment of new directors and the effectuation of a deed of company arrangement in August 2007, Atlantic was reinstated to official quotation on ASX on 14 August 2007 as a pearl marketing business.

Following relisting, Atlantic carried out an internal study to investigate various avenues and opportunities to expand its pearl marketing business and also evaluated a number of new business opportunities with a view to creating long-term value for shareholders.

In November 2008, Atlantic announced that it had signed an agreement to acquire an interest in a company that had applied for the exploration rights for the Bao Loc bauxite project in Vietnam for staged consideration linked to the achievement of milestones on the project. Preliminary exploration work at Bao Loc then commenced whilst formal approvals for the project were sought.

In September 2009, Mr Michael Minosora joined Atlantic as Managing Director. Mr Minosora is a highly talented executive and brings a wealth of experience to Atlantic. He was previously Chief Financial Officer of Fortescue Metals Group, Managing Director of Azure Capital and Managing Partner of Ernst & Young in Western Australia. Mr Minosora also has first class credentials as a financier and following his appointment arranged the placement of 140 million Shares at 3.5 cents each to raise \$4.9 million to strengthen Atlantic's balance sheet.

Following Mr Minosora's appointment and further analysis of the range of opportunities available to the Company, Atlantic announced in October 2009 that the Company would adopt a new strategic direction and would seek to become a successful resources company with a portfolio of world class assets.

At that time, Atlantic also announced that the Board was of the view that the potential benefits of continuing with pearl marketing did not provide adequate long term returns for Shareholders and that the Board did not intend to pursue further investment in its pearl marketing business. This view was reached after examination of the business opportunity, a series of delays with the pearl harvests in Myanmar and the unfavourable impact of the global financial crisis on pearl markets and prices generally.

1.2 Vision and Strategy

The strategic review completed in October 2009 resulted in the Board approving a new vision and strategy for the Company.

EXPLANATORY MEMORANDUM
TO SHAREHOLDERS

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

Atlantic intends to deliver on this vision by combining its strong financing capability with a highly disciplined and innovative approach to acquire resources projects that are low cost, long life and near production.

This evolution of strategy and direction has already begun with agreement being reached to acquire a majority interest in the Windimurra vanadium project (**Windimurra Project**) and the signing of a Memorandum of Understanding for the development of a major aluminium supply chain project in Vietnam. These major transactions are consistent with Atlantic's new vision and strategy.

1.3 Change of Activities

At the time that Atlantic announced its new strategic direction, the Company also announced that it would seek shareholder approval for a change in activities in accordance with ASX rules.

The Board considers that the Windimurra Project represents a world scale project opportunity for the Company and has decided to change activities to a resources company under ASX rules in conjunction with the completion of the acquisition of an interest in the Windimurra Project.

As part of this change in activities, Atlantic must comply with Chapters 1 and 2 of the ASX Listing Rules. Following lodgement of this Notice and prior to the Meeting, the Company will also lodge a prospectus disclosing detailed information in relation to the Company's activities.

Further information on the latest timetable to complete the change of activities and the acquisition of an interest in the Windimurra Project is set out in Part 1.8.

1.4 Windimurra Vanadium Project

On 8 April 2010, the Company announced it had signed an agreement with Mineral Resources Limited (**MRL**) to acquire and commission the Windimurra Project in Western Australia.

The Windimurra Project is a world scale resources project that, once operational at nameplate capacity, will produce approximately 7% of world vanadium supply in times of increasing prices for steel making commodities.

Atlantic and MRL have reached agreement with the secured lenders to Midwest Vanadium Pty Ltd (**MVPL**), the company that holds 100% of the Windimurra Project, whereby, subject to completion, MRL and Atlantic will acquire a 90% equity interest in a new entity established to own 100% of MVPL in return for procuring new project finance sufficient to complete construction and commissioning of the Windimurra Project.

Following completion of the transaction, Atlantic will hold 62.5% of the new entity owning 100% of MVPL, MRL will hold a limited free carried 27.5% shareholding and the secured lenders will be granted a 10% interest.

**EXPLANATORY MEMORANDUM
TO SHAREHOLDERS**

The transaction is subject to the satisfaction of certain conditions precedent, which include:

- Shareholder approval – if Shareholders approve the Resolutions proposed at this Meeting, this condition precedent will be satisfied;
- execution of various transaction documents including an intercreditor agreement, a syndicated facility agreement and a shareholders' agreement; and
- orders or consent under section 444GA of the Corporations Act permitting the deed administrators to transfer the whole of the existing shares in MVPL to Atlantic and MRL. These orders were given on 17 May 2010.

MRL is a highly credentialed and successful Australian mining services and processing company that will complete construction of the Windimurra plant and also operate the project crushing and processing plants longer-term.

Under the terms of the agreement reached with MRL, Atlantic will acquire its 62.5% equity interest in the Windimurra Project in return for procuring new project finance which is sufficient to complete construction and commissioning of the Windimurra Project.

Further information about the Windimurra Project is set out in Part 3.

1.5 Bao Loc Project

On 9 January 2009, Atlantic entered into a definitive agreement to acquire 100% of Azure Mining International Pty Ltd (**AMI**). The acquisition of AMI was completed on 21 May 2009. AMI is negotiating with the Vietnamese authorities in relation to the Bao Loc bauxite project that covers approximately 100 km² near Bao Loc, Lam Dong province, Vietnam.

Further information about the Bao Loc project and AMI is set out in Part 3.

1.6 Vietnam Aluminium Industry Supply Chain Project

As part of the proposed development of the Bao Loc 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 (**MOU**) with Vietnam Natural Resources and Environment Corporation (**T-MV**), a Vietnamese state owned corporation, for the potential development of a major rail and port infrastructure project in the Central Highlands of Vietnam.

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

Further information about the aluminium supply chain project is set out in Part 3.

EXPLANATORY MEMORANDUM
TO SHAREHOLDERS

1.7 Key Risks

If Resolutions 1, 2 and 3 are approved by Shareholders, the Company will be subject to the usual risks associated with operating in the resources sector. Among others, these risks include:

- time and budget risks associated with constructing and commissioning a mineral processing plant;
- operational risks and hazards beyond the control of the Company including:
 - the risk of cost overruns and the necessity to finance such additional costs;
 - technical issues associated with the operation of production plants leading to failure to achieve production forecasts;
 - higher than expected costs of production due to unanticipated market factors;
 - failure to achieve recovery rates from ore reserves and plant processes;
 - environmental hazards;
 - industrial accidents;
 - availability of a suitably qualified workforce;
 - labour disputes;
 - hazardous weather conditions;
 - fires, floods and explosions;
- ability to secure buyers for the Company's products on reasonable terms;
- occupational health and safety risks;
- obtaining and maintaining all necessary exploration and mining consents and approvals;
- commodity price and exchange rate risks;
- for resource exploration efforts, the risk of finding new and additional economic resources which can be commercially exploited;
- the risk of obtaining the requisite land use rights to complete Atlantic's proposed mining and infrastructure projects in Vietnam;
- other risks associated with economic and market conditions and the ability to obtain finance as required; and
- risks and uncertainties associated with operating in a foreign jurisdiction including unforeseen changes in government, political, sovereign and regulatory policy in the foreign jurisdiction.

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1.8 Indicative Timetable

An indicative timetable for the Meeting, the consolidation of capital and completion of the transaction for Atlantic to acquire a 62.5% equity interest in the Windimurra Project is set out below.

Dispatch of Notice of Meeting to Shareholders	6 July 2010
Issue of Prospectus by Atlantic	30 July 2010 ¹
Last day for trading in pre-organised securities (that is, pre-consolidation)	5 August 2010
Trading in securities suspended by ASX	6 August 2010
Shareholder Meeting	6 August 2010
Completion of transaction to acquire equity interest in Windimurra Project	9 August 2010
Trading would normally commence in reorganised securities on a deferred settlement basis	10 August 2010
Last day for Company to register transfers on a pre-reorganised basis	16 August 2010
First day for Company to register shares on a post reorganisation basis (that is, post consolidation). Shareholdings consolidated	17 August 2010
Dispatch of holding statements to Shareholders	23 August 2010
Trading in securities reinstated by ASX (subject to satisfaction of Chapters 1 and 2 of ASX Listing Rules) Normal T+3 trading on a post-consolidation basis commences	24 August 2010 ²

¹ The Company intends to issue the Prospectus prior to the Shareholder Meeting.

² Trading in securities will only be reinstated by ASX after Atlantic has completed the acquisition of an interest in the Windimurra Project and the Company has complied with Chapters 1 and 2 of the ASX Listing Rules. Atlantic will endeavour to minimize the period of suspension as much as possible.

Please note that the above timetable is indicative only and may be varied in consultation with the ASX. Any changes will be released to the ASX.

Shareholders should note that ASX has indicated that the Company's securities will be suspended from trading on the day of the Meeting to consider the proposed change in activities and will be reinstated once the Company has satisfied all of the requirements of Chapters 1 and 2 of the ASX Listing Rules.

The Company has invested significant time in the assessment and acquisition of the Windimurra Project and the aluminium supply chain project in Vietnam and the Board believes both have the potential to deliver suitable returns for the risks of the projects to Shareholders over time.

The Board believes it has significant Shareholder support for the proposed change of direction to a resources company. Whilst the Board is confident that Shareholders will approve the proposed change in activities, if Shareholders do not approve Resolutions 1, 2 and 3, then the change in the nature and scale of Atlantic's activities will not proceed. If this is the case, Atlantic will not continue with the new vision and strategy or any of the above resources projects and will remain suspended from trading for an extended period until such time as Shareholders approve new business activities for Atlantic.

**EXPLANATORY MEMORANDUM
TO SHAREHOLDERS**

1.9 Capital Structure

The consolidation of capital set out in Resolution 2 is required to meet ASX Listing Rules requirements, and in particular ASX Listing Rule 1.1 condition 11 which states that where a company has options on issue, the option exercise price for each underlying security must be at least 20 cents in cash.

Atlantic currently has listed options on issue exercisable at 0.8 cents each. To comply with ASX Listing Rule 1.1 condition 11, Atlantic is required to complete a one (1) for twenty five (25) consolidation to ensure these options are exercisable at 20 cents each.

The Board understands that there may be some Shareholders that are concerned with the share consolidation ratio, however the Company is required to complete this consolidation to comply with ASX Listing Rules.

1.10 Resolutions

The Company is putting the Resolutions to Shareholders to seek approval for:

- a change of direction to become a resources company;
- a consolidation of capital;
- approval for the issue of Shares; and
- approval for the issue of Broker Options.

Resolutions 1, 2 and 3 are conditional on each other and cannot proceed without the other Resolutions being passed.

Resolution 4 is conditional upon the passing of Resolution 3.

EXPLANATORY MEMORANDUM
TO SHAREHOLDERS

PART 2 – FURTHER INFORMATION ABOUT THE RESOLUTIONS

Resolution 1 - Change in Nature and Scale of Activities

The Company is seeking to change the nature of its activities to become a resources company.

Assuming Shareholders approve Resolutions 1, 2 and 3, the Company must comply with Chapters 1 and 2 of the ASX Listing Rules.

In summary, Listing Rule 11.1 provides that a listed company that proposes to make a significant change to the nature or scale of its activities must provide full details to ASX as soon as practicable and comply with the following:

- provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;
- if ASX requires, obtain the approval of holders of its shares to the change; and
- if ASX requires, meet the requirements in Chapters 1 and 2 of the ASX Listing Rules as if the Company were applying for admission to the official list of ASX. ASX may also suspend quotation of the shares until the company has satisfied the requirements of Listing Rule 11.1.

ASX has informed the Company that the proposed change in the nature and scale of activities will require:

- Shareholder approval; and
- compliance with the requirements set out in Chapters 1 and 2 of the ASX Listing Rules.

The Company is preparing a prospectus, as required by the ASX Listing Rules, to provide information about the Company and its business, and this will be lodged before the Meeting as set out in the indicative timetable in Part 1.8.

If Resolution 1 is passed, the Company will have obtained, in compliance with Listing Rule 11.1, Shareholder approval to the change in the nature and scale of its activities to the extent described in this Explanatory Memorandum.

If Resolution 1 is not passed, the Company will not be permitted to change the nature and scale of its activities. This means that no further expenditure will be incurred by the Company in relation to its resources projects and the Company would remain suspended from trading until such time as Shareholders approve new business activities for Atlantic.

The passing of Resolution 1 is conditional upon, and subject to, Resolutions 2 and 3 being passed by Shareholders. Therefore, if you wish to vote in favour of Resolution 1, you should also vote in favour of Resolutions 2 and 3.

Board Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 1 and state that they intend to vote in favour of Resolution 1 in respect of their own shareholdings.

EXPLANATORY MEMORANDUM
TO SHAREHOLDERS

Resolution 2 – Consolidation of Capital

Resolution 2 seeks Shareholder approval to consolidate the number of Shares, Class B Performance Shares and options on issue on a one (1) for twenty five (25) basis to be effected immediately following the Meeting.

The consolidation will enable the Company to satisfy Chapters 1 and 2 of the ASX Listing Rules, and in particular ASX Listing Rule 1.1 condition 11.

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

Listing Rule 7.20 provides that a company that proposes to reorganise its capital must advise equity security holders in writing the following:

- the effect of the proposal on the number of securities and the amount unpaid (if any) on the securities;
- the proposed treatment of any fractional entitlements arising from the reorganisation; and
- the proposed treatment of any convertible securities on issue.

In addition:

- under Listing Rule 7.21, the capital of a company may only be reorganised if, in respect of convertible securities (such as the Class B Performance Shares currently on issue), the number of convertible securities or the conversion price, or both, is reorganised so that the holder of the convertible securities will not receive a benefit that holders of ordinary securities do not receive; and
- under Listing Rule 7.22.1, a company proposing to reorganise its capital must consolidate the number of options on issue in the same ratio as the ordinary securities and the exercise price must be amended in inverse proportion to the ratio.

The Notice of Extraordinary General Meeting and this Explanatory Memorandum provides notice to security holders and contains the information required by Listing Rule 7.20. The consolidation has been structured to satisfy Listing Rules 7.21 and 7.22.1.

Not all Shareholders will hold a number of Shares that can be evenly divided by twenty five (25). Where a fractional entitlement occurs, the Directors will round that fraction up to the nearest whole Share.

Not all option holders will hold a number of options that can be evenly divided by twenty five (25). Where a fractional entitlement occurs, the Directors will round that fraction up to the nearest whole option.

Not all Class B Performance Share holders will hold a number of Class B Performance Shares that can be evenly divided by twenty five (25). Where a fractional entitlement occurs, the Directors will round that fraction up to the nearest whole Class B Performance Share.

It is not considered that any taxation consequences will arise for Shareholders or option holders from the consolidation, however if a Shareholder, Class B Performance Share holder or option holder has any concerns in this regard, they should consult a tax advisor. Shareholders and option holders are however advised to seek their own tax advice on the effect of the consolidation and neither the Company, its Directors, employees or advisers accept any responsibility for the individual taxation consequences arising from the consolidation.

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EXPLANATORY MEMORANDUM
TO SHAREHOLDERS

As from the effective date of Resolution 2:

- all holding statements for Shares will cease to have any effect, except as evidence of entitlement to a certain number of post-consolidation Shares;
- all certificates for options (if any) will cease to have any effect, except as evidence of entitlement to a number of post-consolidation options; and
- all certificates for Class B Performance Shares (if any) will cease to have any effect, except as evidence of entitlement to a number of post-consolidation Class B Performance Shares.

After the consolidation becomes effective, the Company will arrange for new holding statements for Shares and, to the extent required, new option and new Class B Performance Share certificates, to be issued to holders.

The consolidation will take effect in accordance with a timetable released by the Company to the ASX.

Holders of Atlantic options who wish to exercise their options and receive Atlantic Shares prior to the consolidation taking effect are advised to lodge their exercise notice with the Company by no later than 5pm Perth time on 23 July 2010. Option exercise notices which are received after this deadline will be processed after the consolidation has taken effect on a post consolidation basis.

If Resolution 2 is passed, the capital structure of the Company will change as set out below (assuming no options are exercised before the date of consolidation):

Security	Current	Post Consolidation
Shares	1,317,644,941	52,705,798
Class B performance shares	1,500	60
Listed options (expiring 31 December 2011)	240,334,071	9,613,363
Unlisted options (expiring 31 December 2010)	56,217,304	2,248,692

The passing of Resolution 2 is conditional upon, and subject to Resolutions 1 and 3 being passed by Shareholders. Therefore if you wish to vote in favour of Resolution 2, you should also vote in favour of Resolutions 1 and 3.

Board Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 2 and state that they intend to vote in favour of Resolution 2 in respect of their own shareholdings.

Resolution 3 – Approval of Issue of Shares

Further to the information regarding the Windimurra Project contained in section 1.4, Atlantic has now completed a process to assess the financing alternatives for the Windimurra Project.

The new project finance facilities for MVPL that, subject to completion, are expected to be put in place include a mining fleet finance facility, a new equity leverage lease over the existing plant and equipment at Windimurra held by MVPL, a prepayment working capital facility and a new first ranking secured project finance facility from Atlantic to MVPL in an amount up to a maximum of \$55 million.

**EXPLANATORY MEMORANDUM
TO SHAREHOLDERS**

To facilitate the new secured project finance facility from Atlantic to MVPL, the Board recently announced the proposed placement of 1,262,500,000 Shares at 4.4 cents per Share to raise \$55.55 million before costs to a small group of strategic international investors and clients of Mirabaud Securities LLP (**Mirabaud**) and RBS Morgans Limited (**RBS Morgans**).

The funds raised will be used to make a first ranking secured project finance loan to MVPL to enable it to complete construction and commissioning of the Windimurra Project. The first ranking secured project finance loan to MVPL is expected to accrue interest at a market rate over a term of no less than 48 months.

Following the completion of the transaction, Atlantic will hold an effective 62.5% equity interest in MVPL and will also be the largest first ranking secured lender to MVPL.

The issue of Shares will be made to a small group of strategic international investors and clients of Mirabaud and RBS Morgans who are sophisticated or professional investors. Approval from Shareholders for this issue of Shares is now sought to enable the completion of the transaction to acquire a majority 62.5% equity interest in the Windimurra Project.

Resolution 2 to be considered at the Meeting deals with a consolidation of capital. If the resolution to approve the consolidation of Shares is passed at this Meeting and the consolidation becomes effective prior to the issue of Shares, the number of Shares proposed to be issued and the issue price of those Shares contemplated by Resolution 3 will be amended accordingly.

Approval under ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that the prior approval of Shareholders is required for an issue of equity securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period.

The following disclosure is required under ASX Listing Rule 7.3.

The maximum number of Shares the Company may issue is 1,262,500,000 Shares, or if the issue is made after the effective date of the Share consolidation proposed at this Meeting, the maximum number of Shares the Company may issue will be 50,500,000 Shares.

The Shares will be issued by a date which is no later than 3 months after the date of the Meeting.

The issue price of the Shares will be 4.4 cents per Share, or if the issue is made after the effective date of the Share consolidation proposed at this Meeting, the issue price of the Shares will be \$1.10 per Share.

The allottees will be restricted to a small group of strategic international investors and sophisticated and professional investor clients of Mirabaud and RBS Morgans.

The Shares to be issued pursuant to this placement are fully paid ordinary shares which will rank equally with all other existing Shares from the date of issue.

The Shares will be allotted on the same date as they are issued.

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The intended use of the funds raised is to make a first ranking secured project finance loan to MVPL in an amount to be determined but up to a maximum of \$55 million to enable MVPL to complete construction and commissioning of the Windimurra Project and otherwise to enable completion of the transaction for Atlantic to acquire an effective 62.5% equity interest in the Windimurra Project.

Impact on Company's Issued Capital

The impact on the Company's issued capital, assuming the following events, is set out in the table below:

1. consolidation of capital proposed at this Meeting; and
2. issue of the maximum number of Shares pursuant to this Resolution.

	Number	%
Existing Shares	52,705,798	51.1%
New Shares	50,500,000	48.9%
Total Shares	103,205,798	100%

The passing of Resolution 3 is conditional upon, and subject to Resolutions 1 and 2 being passed by Shareholders. Therefore if you wish to vote in favour of Resolution 3, you should also vote in favour of Resolutions 1 and 2.

Board Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 3 and state that they intend to vote in favour of Resolution 3 in respect of their own shareholdings.

Resolution 4 – Approval for the Issue of Broker Options

As outlined above, the Company engaged Mirabaud and RBS Morgans to assist with the capital raising set out in Resolution 3.

In accordance with the terms of the engagement letter entered into between the parties, in addition to the fee payable for the placing, the Company has also agreed to issue RBS Morgans with 4,245,280 Broker Options exercisable at 5.3 cents each on or before 31 August 2012, or if the issue of Broker Options is made after the effective date of the Share consolidation proposed at this Meeting, the number of Broker Options to be issued will be 169,811 options with an exercise price of \$1.325.

In accordance with ASX Listing Rules, the Broker Options proposed to be issued to RBS Morgans will be escrowed for a period of 24 months from the date of issue.

Approval under ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that the prior approval of Shareholders is required for an issue of equity securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period.

The following disclosure is required under ASX Listing Rule 7.3.

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The maximum number of Broker Options to be issued is 4,245,280 options exercisable at 5.3 cents each on or before 31 August 2012. If the Broker Option issue is made after the effective date of the Share consolidation proposed at this Meeting, the maximum number of Broker Options the Company may issue will be 169,811 options exercisable at \$1.325 each on or before 31 August 2012.

The Broker Options are to be issued to RBS Morgans (or its nominee) who is not a related party of the Company.

The Broker Options will be issued and allotted upon completion of the issue of Shares proposed by Resolution 3, but will be issued by a date which is no later than 3 months after the date of the Meeting.

The Broker Options will be allotted on the same date as they are issued.

The Broker Options are being issued in part consideration for the services provided by RBS Morgans for its role in the capital raising set out in Resolution 3 above. The options are being issued for nil cash consideration.

The terms and conditions of the options are set out in Schedule 1.

Resolution 4 is subject to Resolution 3 being passed.

Board Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 4 and state that they intend to vote in favour of Resolution 4 in respect of their own shareholdings.

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PART 3 – FURTHER INFORMATION ABOUT ATLANTIC’S PROJECTS

3.1 Windimurra Vanadium Project

The Windimurra Project in Western Australia is a world scale ferrovanadium operation with the planned capacity to produce approximately 5,700 tonnes per annum of contained vanadium with an initial mine life of 19 years.

When in full operation, the Windimurra Project is forecast to account for approximately 7% of the world’s vanadium production. The Windimurra Project is currently 100% owned by Midwest Vanadium Pty Ltd (**MVPL**) (Receiver and Manager Appointed).

Location and Geology

The Windimurra Project is located approximately 600 kilometres north of Perth and 80 kilometres by road from Mount Magnet in Western Australia.

The Windimurra vanadium deposit lies within the eastern flank of the large Windimurra intruded layered gabbro complex, which is part of the regional Murchison granite-greenstone province. The vanadium deposits lie within the lower 200 metres of a 600 metre wide structurally discordant section of the layered intrusive, known as the Shephard’s Discordant Zone.

Since first exploration in 1972, the deposit has undergone extensive geological definition, including drilling, aerial geophysics, ground trenching and mapping. This, together with an extensive geological database from the mining of the deposit between 1999 and 2003, and the relatively simplistic geological framework, provides high confidence in the geological understanding of the deposit.

The vanadium is hosted within a 200 metre footwall sequence of magnetite rich bands within the gabbro sequence. Vanadium mineralisation is elevated within the bands and also occurs in economic concentrations in the interstitial gabbro material. The layered package dips 35 degrees to the west, with a clearly defined footwall into un-mineralised gabbros. Apart from minor rolling and warping of the layered units, local scaled structural shearing/slumping and emplacement of barren anorthosite rich bands, the package is continuous along the strike length of the existing pit and has been tracked along strike, via drilling, both south and north for a further 5 kilometres.

Infill drilling has allowed detailed modelling of vanadium distribution within the 200 metre footwall gabbro package. The majority of vanadium mineralisation lies within the main zone, which averages 70 metres in true thickness. Other minor ore zones are located in the upper packages.

The weathering profile, as confirmed by infill drilling and pit exposures, is both regular and also transitional with distinct decreases in weathering down to fresh material below 40 metres. During the weathering and oxidation processes, the vanadium is immobile and thus the concentrations are unaffected, however the magnetite does vary due to oxidation to various levels of hematite and martite. These changes can be clearly defined by use of magnetic susceptibility probing, resulting in a well defined weathering model.

The level of oxidation directly affects the proportion of magnetite in the ore and thus the recovery of vanadium bearing magnetite to concentrate. Metallurgical test work and experience in the previous operations at Windimurra have indicated that recovery to concentrate increases from 40% near surface to 84% at the 40 metre fresh ore interface.

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Resource and Reserve Estimates

Successive mineral resource estimates have been undertaken for the Windimurra Project, culminating in a December 2008 estimate for Mineral Resources and Ore Reserves in accordance with the JORC Code.

The following Mineral Resources and Ore Reserves estimate was released by Windimurra Vanadium Limited (Receiver and Manager Appointed) for the Windimurra Project to the ASX on 30 January 2009:

Table 1: Mineral Resource, December 2008				
Classification	Tonnes (mt)	V ₂ O ₅ (%)	V (%)	V (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	457,000

Source: Windimurra Vanadium Ltd - 30 January 2009

Table 2: Ore Reserve, December 2008					
Classification	Unit	Central Pit	North Pit	South Pit	Combined
Probable					
Ore	mt	11.3	16.6	29.2	57.1
V ₂ O ₅	%	0.47	0.47	0.48	0.47
Proven					
Ore	mt	36.2	2.8	1.7	40.7
V ₂ O ₅	%	0.48	0.44	0.49	0.47
Total					
Ore	mt	47.5	19.4	30.9	97.8
V ₂ O ₅	%	0.47	0.46	0.48	0.47

Source: Windimurra Vanadium Ltd - 30 January 2009

Note: Mineral resources and ore reserves reported utilise a lower cut-off grade of 0.275% V₂O₅

Mining

The planned development of the Windimurra Project involves 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.

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.

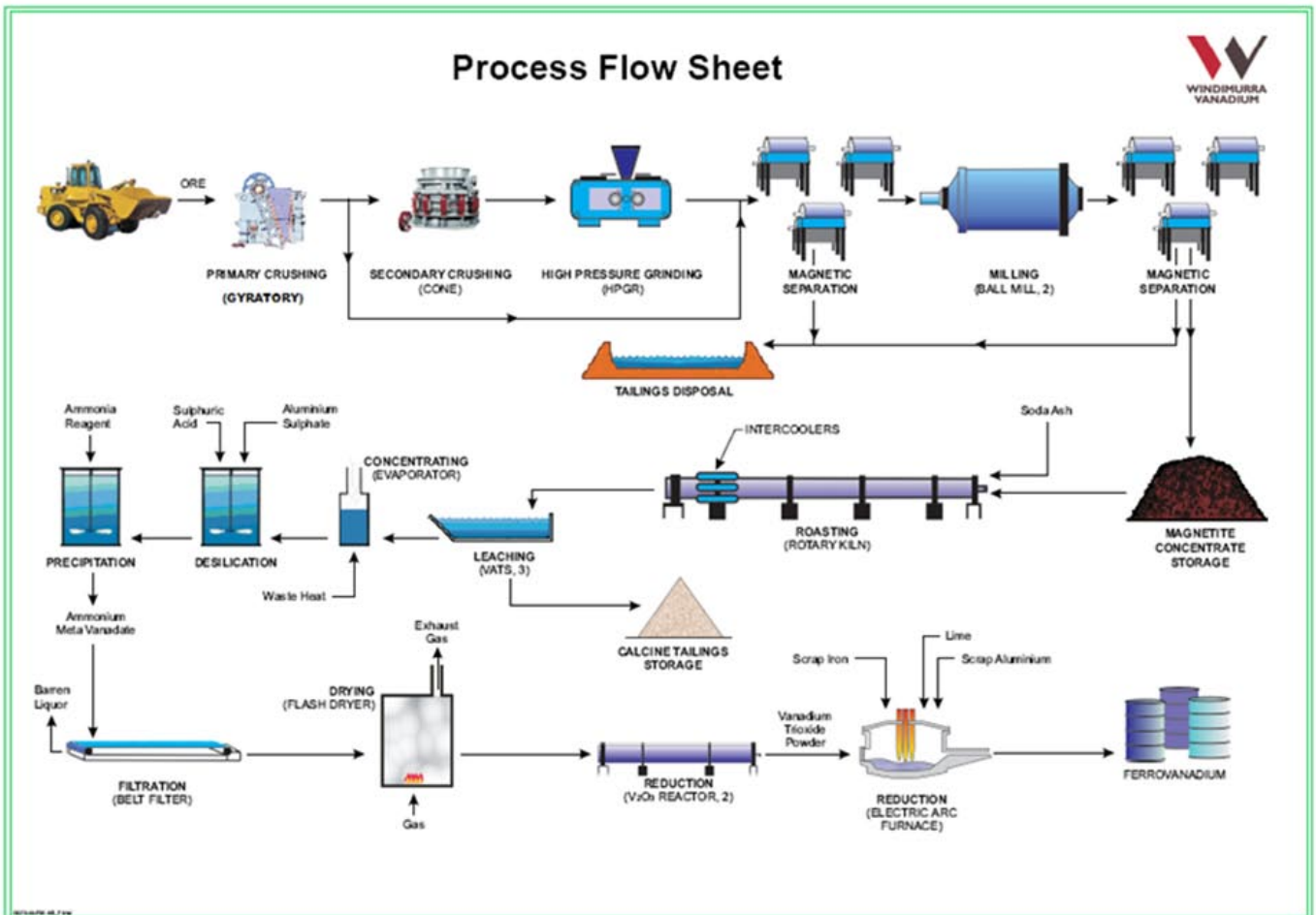
Based on the proposed mining method, the ore will be blended on the run of mine stockpile from separate stockpiles of ore, segregated on the basis of the degree of

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oxidation. The mine production schedule is considered to be within the capabilities of the proposed equipment fleet and the total mining requirements are relatively modest.

Processing

The process flow diagram below shows the conventional vanadium processing methods and technology to be utilised at the Windimurra Project.



Source: MVPL

The production of vanadium 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 CO₂ 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 (**AMV**) using ammonium sulphate; and
- conversion of AMV to vanadium trioxide (V₂O₃) to ferrovanadium (**FeV**).

Completion and Commissioning

A substantial amount of the construction of the Windimurra Project has already been completed with the main outstanding items being the vanadium refinery and the tailings dam (see recent site photo below).

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Subject to Shareholder approval and completion of the transaction to recapitalise MVPL, the Windimurra Project is expected to be in production in early 2011.



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 vanadium redox flow batteries.

The acquisition of an interest in the Windimurra Project is consistent with Atlantic's new strategy to build a diversified portfolio of large scale resources projects.

Deal Terms

The overall transaction has two elements:

- 1) The MRL and Atlantic consortium has reached agreement with the Receiver and Manager of MVPL, whereby MRL and Atlantic will acquire an effective 90% equity interest in MVPL in return for procuring new project finance to commission the Project, arrange for completion of construction and commissioning of the plant and establish an effective management and operating structure; and
- 2) In addition, MRL and Atlantic have reached agreement whereby Atlantic will hold an effective 62.5% equity interest in MVPL and MRL will hold an effective 27.5% equity interest in MVPL following completion.

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It is proposed that to give effect to the overall transaction, a new entity owned by Atlantic (62.5%), MRL (27.5%) and the existing secured lenders to MVPL (10%) will acquire all the shares of MVPL and approximately \$260 million of the existing MVPL debt for a nominal sum.

The existing secured lenders to MVPL will hold \$90 million of secured debt following financial close. Of this debt, an amount equal to the cash balance of MVPL at completion will be first ranking secured debt and the balance will be second ranking secured debt. This debt will be interest free, with \$4.7 million of this debt repayable 32 months after completion and the remaining \$85.3 million repayable 48 months after completion.

In addition, \$4.7 million of unsecured debt currently payable to MRL will be elevated to first ranking secured debt at completion and a further \$4.7 million of unsecured debt currently payable to MRL will be elevated to first ranking secured status only after wet commissioning of the Windimurra plant. Of these amounts, \$4.7 million shall be repayable 32 months after completion and the remaining \$4.7 million shall be repayable 48 months after completion.

Atlantic will also procure new project finance for MVPL which is sufficient to provide the necessary funding to complete commissioning and working capital throughout ramp up.

This new debt will be equal first ranking secured debt of MVPL and interest will be payable by MVPL on this new debt facility.

Under the agreements, MRL will continue to operate the crushing and processing plants already on site at the Windimurra Project under the existing contract entered into with MVPL and will also enter into a contract with MVPL to complete construction of the Windimurra Project plant on a cost only basis.

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3.2 Vietnam Project Background

Atlantic believes that there is a strong business opportunity in the resources sector in Vietnam. Its experience to date in dealing with various interested groups in Vietnam has been particularly positive and the Company looks forward to building closer relationships in the country in the future.

Vietnam has a competitive advantage in the aluminium industry supply chain given the extensive and high quality gibbsite bearing bauxite deposits typically found in the Central Highlands region and the country's proximity to major world demand centres.

Vietnam's Central Highlands is host to the world's third largest bauxite deposits, containing an estimated 5.4 billion tonnes. These have developed as a result of prolonged tropical weathering of Quaternary flood basalts that were erupted over an area of about 21,000 square kilometres (km²) during the Pliocene-Pleistocene, and now cap an extensive dissected plateau approximately 1,000 metres above sea level (Figure 1).

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. The deposits were discovered in the late 1970s, with little exploration conducted since then as efforts have been concentrated on finding a means to develop them. The combination of lack of transport and other industrial infrastructure in the region, and the high capital associated with its provision in the rugged terrain, have so far precluded commercial-scale development.

The Vietnamese evaluation of the deposits to date 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 indicate that any properly conducted evaluation is likely to confirm the estimated tonnages and grades, and mineralogical and concentration characteristics of the deposits.

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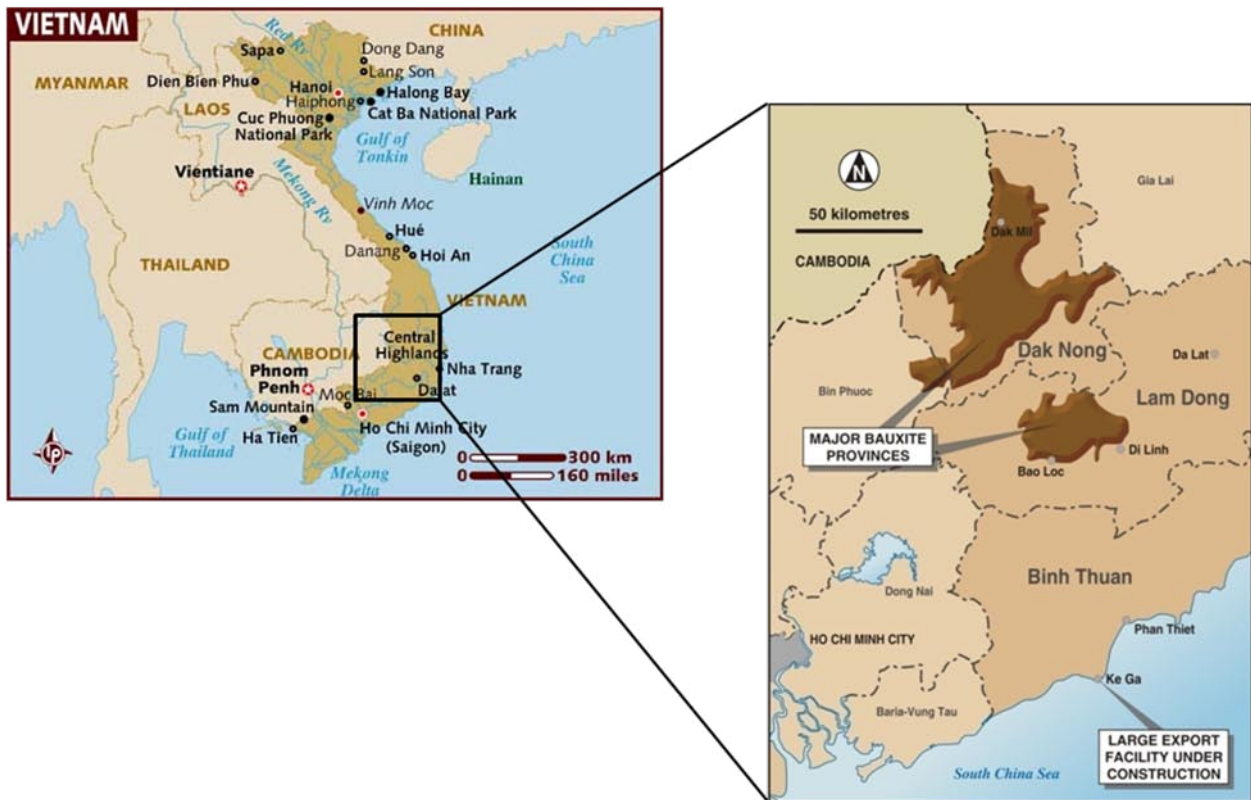


Figure 1 – Location of bauxite deposits in Lam Dong and Dak Nong provinces

3.3 Background on Vietnam

The Socialist Republic of Vietnam has a land area of 310,070km² and extends over 1,650 kilometres north-south from latitude 23°N to 9°N along the western shore of the South China Sea. It is only 50 kilometres across at its narrowest point and 600 kilometres at the widest. It is bordered by China to the north, Laos to the west and Cambodia to the southwest. The capital is Hanoi, located in the north, and its major commercial centre, Ho Chi Minh City (formerly Saigon) is in the south. There are 58 provinces (tinh) and 5 municipalities (thanh ho). There are large delta regions at either end of the country, the Red River in the north and the Mekong in the south, that are separated by a long narrow coastal strip of rugged hills and small river valleys and estuaries. The extensive Truong Son Mountains dominate the northwest and extend northwest into the Yunnan Plateau in China.

Vietnam's climate is generally hot and humid. In central and southern Vietnam, seasonal temperature variations are slight, whereas the north has distinct seasons. Average daily temperatures in Hanoi range from 13°C to 20°C in January and from 25°C to 33°C in July. Rainfall is plentiful throughout the country. The Mekong and Red River deltas both have summer wet seasons lasting from May to October whereas central Vietnam receives heavy precipitation from September to December. The average annual rainfall is about 1,680mm in the Red River Delta, 1,650mm along the central coast, and 1,980mm in the Mekong Delta. Typhoons periodically strike the central coast.

Around 17% of the land mass is under cultivation, with the remainder either mountainous or forested. The Mekong and Red River deltas are among the world's greatest rice-growing regions and Vietnam is the world's second biggest rice exporter. Peanuts, corn, sweet potatoes, and beans are secondary food crops, and cotton, jute, coffee, tea, sugarcane and rubber are among other cash crops produced. Fishing and aquaculture comprise an increasingly important export industry.

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Historical Background

In the mid 1980s, Vietnam made its first tentative steps towards political and economic reform. In 1994, the US lifted its economic embargo, and in 1995, Vietnam became the seventh member of ASEAN and the US and Vietnam established full diplomatic relations. The two countries signed an agreement to normalise trading relations in July 2000.

Vietnam is a member, inter alia, of the UN, ASEAN, ARF, ASEM, APEC, the IMF and the Non-Aligned Movement. It is also a participant in the WTO.

Political System and Government

Vietnam is a one-party state, with ultimate political power held by the Communist Party of Vietnam (CPV). The CPV is led by the Secretary General, and its main organ, the fifteen-member Politburo, holds authority over the implementation of social, economic, labour, defence, security and foreign policy. The Politburo is elected by the Party's 150 member Central Committee. A Party Congress is held every five years to ratify major policy changes, and between Congresses, Central Committee Plenary Sessions are convened three or four times per year to decide on important policy issues.

The unicameral National Assembly (or Quoc-Hoi) comprises 498 members elected by popular vote to serve five-year terms. Its constitutional role is to act as the supreme legislative and representative body that is responsible for adopting legislation and supervising its implementation. In recent years, question time has been introduced to scrutinise Ministers, State budgets have been published since 1999 and meetings have been held with other parliaments and with constituents to gauge public opinion. At provincial and district levels, there are elected assemblies (Peoples Councils) which elect executives (Peoples Committees with Chairmen, Department Chiefs etc.) from amongst their members. Decision making is consensual and is shared by national and provincial governments, various government agencies and the CPV.

Legal System

The Vietnamese legal system is based on communist legal theory and French civil law. The country operates under the 1992 constitution which differs from the previous constitutions of 1959 and 1980 in allowing for a private sector. The highest court is the Supreme People's Court where the Chief Justice is elected for a five year term by the National Assembly on the recommendation of the President. Below this are Provincial and District Peoples Courts as well as economic courts. Vietnam has not accepted compulsory jurisdiction by the International Court of Justice.

Taxation Regime

The corporate tax rate for both foreign and domestic entities is presently 28%. There are no withholding taxes on dividends. There is a VAT tax with two rates; either 5% or 10%, with exemptions for many items. There are also import and export duties.

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Land Access

Vietnamese property is owned collectively, with land distributed through a system known as Land Use Rights. This allocates land to residents who can live on it in perpetuity after paying a set Land Use Right Fee, or demonstrating historical occupation/ownership. This is in effect freehold ownership. Most businesses can only lease Land Use Rights, normally for a maximum of 50 years. The law recognises Land Use Rights holders' rights to convert, transfer, lease, inherit and donate Land Use Rights as well as use them for collateral or guarantees. Increasingly, the requirements and procedures for the implementation of these Land Use Rights are being reduced. Provinces maintain cadastral land maps and are responsible for Land Use Rights allocations, land leases and fees.

In most Joint Ventures, the Vietnamese partner's contribution to the project's investment capital will include the project's Land Use Rights. In practice, the Government has often subsidised state-owned companies by allocating the Land Use Rights at a low price which are then contributed to the Joint Venture at market prices.

Economy

The effects of wars, the rigidities of a centrally planned economy, unsuccessful collectivisation programs, the loss of financial support from the old Soviet Bloc and economic sanctions by the US led to an economic crisis in the mid 1980's. In response, the Government embarked upon a program of market-based economic reforms, called doi moi (renovation), aimed at creating a "market economy with socialist orientation". A private sector was permitted, but initially only to a limited extent. There was some decentralisation of economic planning as well as a greater acceptance of market forces as the determinant of prices and production. Foreign investment was encouraged and agriculture deregulated to allow individual family farms. As a result, living standards rose appreciably, particularly in urban areas. The reform process is continuing.

Substantial progress was achieved from 1986 to 1996, albeit from an extremely low starting point. Growth averaged around 9% per annum from 1993 to 1997. The 1997 Asian financial crisis was less disastrous for Vietnam than for some other ASEAN countries but GDP growth of 8.5% in 1997 fell to 6% in 1998 and 5% in 1999. Foreign investment levels also dropped substantially. Growth then rose to 6% in 2000/02 against a background of global recession. The US-Vietnam Bilateral Trade Agreement came into force near the end of 2001 and led to a significant increase in Vietnam's exports to the US. GDP growth in 2003 and 2004 was approximately 7-8%, rising to 8.5% in 2007, before declining to an estimated 6.2% in 2008 in the face of the Global Financial Crisis.

Vietnam is committed to economic integration with the global economy through participation in APEC, the ASEAN Free Trade Area and the WTO. The provisions of the US-Vietnam Bilateral Trade Agreement cover market access, intellectual property, services, investment and transparency. Since joining ASEAN in 1995, Vietnam's exports to ASEAN countries have grown an average 23-25% per annum. The state sector still plays a major role in the economy, although many state owned enterprises are being equitised.

The main exports are crude oil, garments, fisheries products, footwear, rice, coffee, rubber and tea. Imports include petroleum products, machinery and equipment, steel products, foodstuffs, fertilizer, cotton, textiles and sugar. Tourism is an increasingly important industry. Although adversely affected by SARS and the Avian Influenza epidemic, the industry bounced back in 2004 when arrivals rose 20% to more than 2.9 million and the industry earned US\$1.6 billion.

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Infrastructure

Vietnam's rapid urbanisation and industrialisation over the last 15 years has placed pressure on infrastructure such as roads, bridges, railroads, airports, power generation, sewage, water, shipping, seaports, telecommunications, schools and hospitals. Infrastructure is the principal development priority attracting aid from bilateral and multilateral donors. The bauxite deposits in the Lam Dong and Dak Nong Provinces are relatively close to power, the coast and a large population and industrial centre at Ho Chi Minh City. A railway to the coast would have to be built in very inhospitable topography. Alternate routes for a railway line to a possible export facility at the port of Ke Ga are shown in Figure 2.



Figure 2 – Proposed Highlands Rail Infrastructure

3.4 Bao Loc Project

On 21 May 2009, Atlantic completed the acquisition of AMI. AMI is negotiating with the Vietnamese authorities in relation to the Bao Loc bauxite project covering approximately 100 km² near Bao Loc, Lam Dong province, Vietnam.

AMI was incorporated on 1 July 2008 as a special purpose vehicle for the sole purpose of applying for and acquiring a permit to explore the Bao Loc permit. It has no other assets or business activities.

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Under official letter dated 5 January 2009, the Lam Dong People's Committee (**LDPC**) stated that it shall support and create the most favourable conditions for AMI to implement the Bao Loc project. In the official letter, the LDPC requested Vinacomin to work with the LDPC and AMI to proceed with the exploration and evaluation of the bauxite deposit.

This letter from the LDPC to AMI does not specifically nor exclusively grant AMI a right or the right to explore the Bao Loc project, however in practice, such a letter reflects that the LDPC has, in principle, considered AMI's application for the Bao Loc project and seeks consultation and agreement for the project to proceed. To date, no licence to conduct mineral activities in relation to the Bao Loc project has been obtained by AMI.

The Bao Loc project is located in Lam Dong Province, approximately 50 kilometres south of the much larger Dak Nong deposits (Figure 1), and about 15 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 (Figure 2).

AMI's consulting geologists have visited the site and documented an extensive plateau of bauxite bearing laterite. These showed a high degree of weathering and lateritisation which is compatible with the formation of economic bauxite.

The site has good infrastructure in terms of roads, power and water due to the proximity to local plantations of tea, pine forests and coffee.

On 5 May 2009, Atlantic announced assay results from four samples collected from separate locations on the Bao Loc project during a field reconnaissance trip to confirm the extent and depth of the bauxite horizon. A composite bauxite sample made up from these four samples was washed and screened.

Mined bauxite is typically upgraded with a simple wash and screen process producing a higher grade product. The test work undertaken by Atlantic was designed to simulate the full scale processing option. The screening results showed the plus 1.18mm fraction material demonstrated a washing recovery at 69.58%. The washed product had the following metallurgical properties:

- 46.15% available Alumina; and
- 1.04% reactive Silica.

The results demonstrate that the sample material tested would respond favourably to a washing and screening process to upgrade the bauxite. X-ray diffraction analysis of the samples confirmed the bauxite ore mineral is gibbsite which is the preferred feedstock for alumina refineries.

Atlantic has received data relating to previous exploration over the western half of the Bao Loc project area. Previous exploration, carried out in 2005 and 2006, included field mapping, trenching, shaft excavation and extensive sampling.

A total of 8 shafts totalling 58 metres were sunk, from which 18 samples were taken. Seven trenches were dug with a total volume of 50.4m³ from which 46 samples were taken. The mapping and sampling indicate a consistent near surface bauxite layer capping hills in the area. The chemical analyses of the 64 samples after washing are reported in the table below.

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	<i>Analytical Results (%)</i>				
	<i>SiO₂</i>	<i>TiO₂</i>	<i>Al₂O₃</i>	<i>Fe₂O₃</i>	<i>Moisture</i>
Minimum	0.8	1.6	36.4	11.6	21.2
Maximum	10.1	4.0	54.4	35.7	27.8
Average	3.05	2.80	48.40	19.16	25.30

The sample results are largely consistent with Atlantic's limited sampling conducted over the same project area and provides added evidence of the consistent high quality and low impurity levels of the bauxite mineralization over the Bao Loc project area.

The data included an estimate of the extent of the bauxite mineralisation based on area and average thickness to suggest a conceptual target in the order of 50 to 100 million tonnes at an average grade of 48.40% Al₂O₃.

The potential quantity and grade is conceptual in nature. There has been insufficient exploration to define a Mineral Resource, as defined by The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Atlantic is continuing discussions with the authorities in Vietnam to progress approval for exploration at the Bao Loc bauxite project, however at this stage the Company is not in a position to provide Shareholders with any further information on the expected timing of approval.

3.5 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 an integrated rail, mine and port project in Vietnam (**Project**).

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

Under the terms of the MOU, T-MV and Atlantic agreed to work together exclusively for the development of the Project and jointly apply for the rights to mutually agreed and available bauxite concessions in the world class bauxite areas within the Lam Dong and Dak Nong provinces.

Following signing of the MOU, the parties have held regular discussions to progress the Project, however at this stage, no agreement has been reached to develop the aluminium supply chain project or to fund any of the potential project expenditure.

The information in this report that relates to exploration results, mineral resources or ore reserves at the Bao Loc site is based on information compiled by Mr Robert McLean. Mr McLean is a Consultant of the Company and is a member of the Australasian Institute of Mining and Metallurgy. Mr McLean has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify 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 McLean consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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PART 4 – GLOSSARY

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Broker Options means the proposed issue of options to RBS Morgans as contemplated by Resolution 4.

Business Day means a day that is not a Saturday, Sunday or public holiday in Western Australia.

Company and **Atlantic** means Atlantic Ltd (ACN 009 213 763).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

Meeting means the extraordinary general meeting convened by the Notice.

MRL means Mineral Resources Limited (ACN 118 549 910).

MVPL means Midwest Vanadium Pty Ltd (ACN 113 874 712) (Receiver and Manager Appointed).

Notice means this notice of Extraordinary General Meeting and the attached Explanatory Memorandum.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Share means an ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

T-MV is defined in Part 1.6 of this Explanatory Memorandum.

Windimurra Project is defined in Part 1.2 of this Explanatory Memorandum.

SCHEDULE 1 – TERMS AND CONDITIONS OF THE PROPOSED BROKER OPTIONS

A summary of the proposed terms and conditions of the Broker Options is as follows:

- Each Broker Option entitles the holder to acquire one fully paid ordinary share in the Company.
- The Broker Options may be exercised at any time on or before 31 August 2012. Each Broker Option may be exercised by forwarding to the Company at its principal office the exercise notice, duly completed together with payment of the sum of the exercise price per Broker Option exercised.
- The Broker Options shall not be transferable.
- There are no participating rights or entitlements inherent in the Broker Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Broker Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 10 Business Days after the issue is announced. This will give Broker Option holders the opportunity to exercise their Broker Options prior to the date for determining entitlements to participate in any such issue.
- Shares issued on the exercise of Broker Options will be issued not more than fourteen (14) days after receipt of a properly executed exercise notice and application monies. Shares allotted pursuant to the exercise of a Broker Option will rank equally with the then issued ordinary shares of the Company in all respects. The Company will not apply for quotation of the Broker Options on ASX, however, it will, pursuant to the exercise of a Broker Option, apply to ASX for quotation of the Shares issued as a result of the exercise, in accordance with the Corporations Act and the ASX Listing Rules.
- In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Broker Option holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital at the time of the reconstruction.
- If there is a bonus issue to shareholders, the number of shares over which the Broker Option is exercisable may be increased by the number of shares which the holder of the Broker Option would have received if the Broker Option had been exercised before the record date for the bonus issue.
- In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the Broker Options may be reduced in accordance with Listing Rule 6.22.

My/Our contact details in case of enquiries are:

NAME

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TELEPHONE NUMBER

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NOTES

1. Name and Address

This is the name and address on the Share Register of ATLANTIC LIMITED. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. Appointment of a Proxy

If you wish to appoint the Chairperson of the Meeting as your Proxy please mark "X" in the box in Section A. Please also refer to Section B of this proxy form and ensure you mark the box in that section if you wish to appoint the Chairperson as your Proxy.

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a Shareholder of ATLANTIC LIMITED.

3. Directing your Proxy how to vote

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

4. Appointment of a Second Proxy

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by telephoning the Company's share registry +61 8 9315 2333 or you may photocopy this form.

To appoint a second Proxy you must:

- On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- Return both forms in the same envelope.

5. Signing Instructions

Individual: where the holding is in one name, the Shareholder must sign.

Joint Holding: where the holding is in more than one name, all of the Shareholders must sign.

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

6. Lodgement of Proxy

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Registrars Pty Ltd no later than 10.00am (WST) on Wednesday 4 August 2010, being 48 hours before the time for holding the meeting. Any Proxy form received after that time will not be valid for the scheduled meeting.

Security Transfer Registrars Pty Ltd
PO BOX 535
Applecross, Western Australia 6953

Street Address:
Alexandra House, Suite 1
770 Canning Highway
Applecross, Western Australia 6153

Telephone +61 8 9315 2333

Facsimile +61 8 9315 2233

Email registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.