

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Atlantic Ltd

ABN

60 009 213 763

Quarter ended ("current quarter")

30 June 2011

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	- - - (1,464)	- - - (8,726)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	723	1,957
1.5 Interest and other costs of finance paid	(128)	(323)
1.6 Income taxes paid	-	-
1.7 Other - GST receivable	(2,414)	(12,606)
1.7 Other - Windimurra acquisition costs	283	(152)
	(3,000)	(19,850)
<b>Net Operating Cash Flows</b>		
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - (42,462)	- (16,000) (82,290)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other – cash acquired on acquisition of Midwest Vanadium	-	27,617
	(42,462)	(70,673)
<b>Net investing cash flows</b>		
1.13 Total operating and investing cash flows (carried forward)	(45,462)	(90,523)

+ See chapter 19 for defined terms.

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1.13	Total operating and investing cash flows (brought forward)	(45,462)	(90,523)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	162	56,982
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	722	334,554
1.17	Repayment of borrowings	(270)	(166,504)
1.18	Dividends paid	-	-
1.19	Other – Share issue costs	200	(470)
	Other – Debt facility establishment costs	(950)	(14,578)
	<b>Net financing cash flows</b>	(136)	209,984
	<b>Net increase (decrease) in cash held</b>	(45,598)	119,461
1.20	Cash at beginning of quarter/year to date	166,454	4,118
1.21	Exchange rate adjustments to item 1.20	(2,671)	(5,394)
1.22	<b>Cash at end of quarter</b>	118,185	118,185

Midwest Vanadium Pty Ltd's (a wholly owned subsidiary of Atlantic Ltd) GST receivable for the period 1 September 2010 to 31 May 2011, amounting to \$11.2m (included within the \$12.6m at Item 1.7) was fully received on 19 July 2011 after finalisation of Australian Tax Office audits with no adjustments.

As at 30 June 2011, the Windimurra Vanadium Project remained in the development and pre-commissioning phase. As such, all costs associated with the project are being capitalised in accordance with International Financial Reporting Standards.

Specifically, exploration expenditure is included within payments for purchases of other fixed assets (Item 1.8c) in accordance with International Financial Reporting Standards. Revenue received from the sale of 500 tonnes of iron ore fines during the quarter has been included within (as a credit against) payments for purchases of other fixed assets (Item 1.8c) in accordance with International Financial Reporting Standards.

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	600
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments to directors include fees, salary and related benefits.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None

+ See chapter 19 for defined terms.

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

None
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### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	311,947	311,947
3.2 Credit standby arrangements	-	-

Loan facilities as at 30 June 2011 relate entirely to Midwest Vanadium Pty Ltd's US\$335m Senior Secured Notes converted at \$1.0739 (being the exchange rate at balance date), due in February 2018, with interest payable at 11.5% pa. This note facility is fully drawn down. Initial proceeds were received on 17 February 2011 and converted to A\$333.8m at \$1.0035.

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	-
4.2 Development	50,400
4.3 Production	6,800
4.4 Administration	2,900
<b>Total</b>	<b>60,100</b>

First production from the Windimurra Vanadium Project is expected in the September 2011 quarter. Development cash out flows above include all estimated project cash out flows (Item 4.2) for the coming quarter until commercial levels of production have been achieved. Under International Financial Reporting Standards, production accounting will commence once commercial levels of production have been achieved. Production cash out flows above include estimated project cash out flows after this date (Item 4.3).

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	71,969	166,023
5.2 Deposits at call	46,216	431
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-

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<b>Total: cash at end of quarter</b> (item 1.22)	118,185	166,454
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Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	None		
6.2	Interests in mining tenements acquired or increased	None		

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	<b>Preference +securities</b> <i>(description)</i>			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	<b>+Ordinary securities</b>	113,601,916	113,601,916	
	66 Class B	-		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	811,635	811,635	
7.5	<b>+Convertible debt securities</b> <i>(description)</i>			

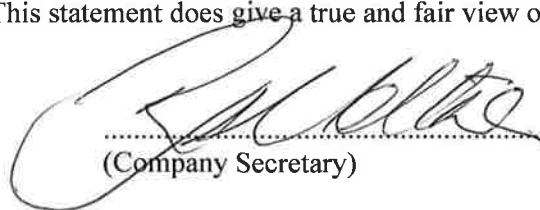
+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> <i>(description and conversion factor)</i>	5,266,083 169,811	Quoted Unquoted	<i>Exercise price</i> 20 cents \$1.325	<i>Expiry date</i> 31 December 2011 31 August 2012
7.8	Issued during quarter				
7.9	Exercised during quarter	9,750 1,200 14,000 32,600 41,750 269,698 20,000 31,250 317,417 67,200 6,770	Quoted Quoted Quoted Quoted Quoted Quoted Quoted Quoted Quoted Quoted Quoted	20 cents 20 cents 20 cents 20 cents 20 cents 20 cents 20 cents 20 cents 20 cents 20 cents 20 cents	
7.10	Expired during quarter	Nil	Unquoted	25 cents	
7.11	<b>Debentures</b> <i>(totals only)</i>				
7.12	<b>Unsecured notes</b> <i>(totals only)</i>				

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



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(Company Secretary)

Date: 25 July 2011

Print name: Richard Maltman

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities:** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* applies to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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