



ASX Release

31 July 2009

ATLANTIC LIMITED

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WEBSITE:

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Directors:

John Hannaford (Director)
Tony Veitch (Non Executive)
Jim Malone (Non Executive)

Issued Capital:

768,157,054	Ordinary Shares
352,039,263	Listed Options
70,000,000	Unlisted options

ASX Code:

ATI (Fully paid Ordinary Shares)
ATIO (Listed Options)

QUARTERLY REPORT & APPENDIX 4C CASHFLOW

Highlights:

- ❖ *Assay results at Bao Loc bauxite project show high grade low impurity bauxite*
- ❖ *Test results from washing & screening demonstrate high recoveries, of 69.58% for +1.18mm material*
- ❖ *Drilling program to commence in Q3*

Atlantic Limited ("Atlantic" or "the Company") is pleased to present its quarterly update and cashflow statement for the quarter ended June 30, 2009.

Pearl Marketing Activities

The Company effected a sale of pearl stock during the June quarter, reflecting its first commissions from the sale. Demand for pearls continues to be affected by the global financial crisis with consequential reduced prices. The Company continues to evaluate pearl marketing opportunities in the context of these difficult market conditions.

Bao Loc Bauxite Exploration Project, Vietnam

During the quarter, Atlantic completed its acquisition of 100% of Azure Mining International Limited ("AMI"). AMI has a bauxite exploration project covering approximately 100 km² near Bao Loc, Lam Dong province of Vietnam.

Sample results

On 5 May 2009, the Company announced assay results from bulk samples collected from separate locations at Bao Loc during a field reconnaissance trip to confirm the extent and depth of the bauxite horizon. A composite bauxite sample made up from these samples was washed and screened. Mined bauxite is typically upgraded at the mine site with a simple wash and screen process producing a higher grade product. The test work undertaken 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;
 1.04% Reactive Silica.

The results demonstrate that the sample material tested would respond favourably to a washing and screening process, with upgrades to quality and grade.

X-Ray Diffraction analysis of the samples demonstrated the Bauxite ore type is Gibbsite which is the preferred feedstock for aluminium refineries.

	<i>Total Al₂O₃</i>	<i>Avail Al₂O₃</i>	<i>Reactive SiO₂</i>
Average grade of four samples	43.95%	41.1%	1.5%
Washed & screened grade (+ 1.18mm)	47.9%	46.15%	1.04%

Previous Exploration Data

Towards the end of the quarter, the Company received extensive data from previous exploration carried out by Vinacomin, the state-owned bauxite mining company, over the western half of the Bao Loc project area. Previous exploration by Vinacomin, carried out in 2005 – 06, included field mapping, trenching and shaft excavation and extensive sampling.

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

Summary of the Sampling by Vinacomin:

	<i>Hole Depth</i>	<i>Soil cover (m)</i>	<i>Bauxite thickness</i>
Average	5.5	0.4	4.3

Summary of Vinacomin's analytical results for the 64 washed and screened bauxite samples:

	<i>Analytical Results %</i>						
	<i>SiO₂</i>	<i>TiO₂</i>	<i>Al₂O₃</i>	<i>Fe₂O₃</i>	<i>FeO</i>	<i>Moisture</i>	<i>Total</i>
Minimum	0.8	1.6	36.4	11.6	0.1	21.2	97.3
Maximum	10.1	4.0	54.4	35.7	0.8	27.8	100.0
Average	3.05	2.80	48.40	19.16	0.45	25.30	99.16

The sample results are detailed in the Appendices and 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. To date there has been insufficient exploration activity to define a Mineral Resource as defined by The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code).

Atlantic is currently in discussions with Vinacomin to structure a joint venture for exploration and cooperation in the area with the objective of progressing exploration at Bao Loc as well as additional bauxite areas.

Exploration Program and Scoping Study

Following the assessment of the data supplied by Vinacomin, Atlantic's technical team has formulated an exploration program including drilling and shaft sinking to confirm previous results and to provide more extensive data. The exploration program is planned to commence shortly once regulatory approvals have been received.

The bauxite mineralisation is flat lying and near surface (~1m depth) extending to a depth of between 5-8 metres. As such both drilling and shaft exploration methods are simple to carry out and can be done quickly and at a modest cost. Hole spacing of 500m x 500m is envisaged for the initial exploration phase.

In conjunction with this exploration program, Atlantic has already commenced a scoping study on the development of a first stage washed bauxite mining operation at Bao Loc.

Bao Loc Strategy

The Company believes that the Bao Loc Project represents an outstanding opportunity to develop a bauxite export operation targeting the huge and growing East Asian markets.

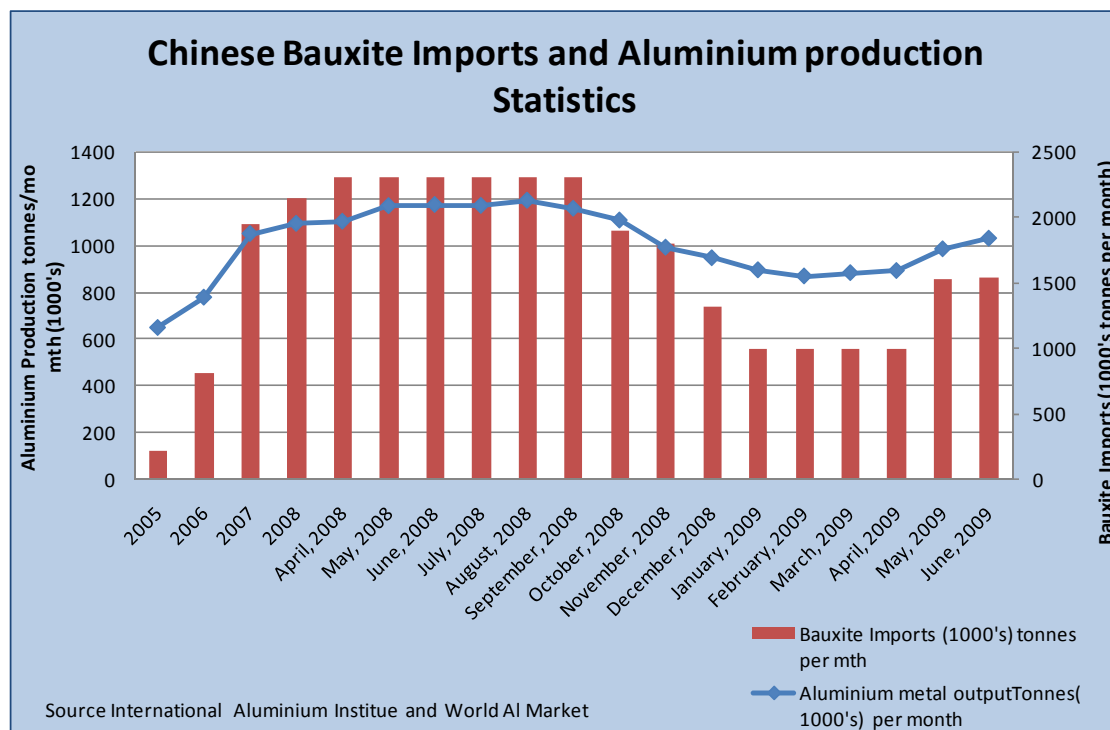
Demand for bauxite for aluminium production has grown dramatically over the last few years as China's mass urbanisation has fuelled demand. This strong growth is predicted to continue as per capita aluminium consumption in China moves towards the levels of more developed economies.

The Bao Loc bauxite is of particularly high quality with three main features:

- ❖ high grade of ~47% available Al_2O_3 after washing;
- ❖ low reactive silica; and
- ❖ a predominance of gibbsite material (~98%) which is attractive to the newer low-temperature refineries in Asia due to the lower refining temperature.

Bauxite Pricing Information

Latest indications are that Chinese bauxite imports and aluminium metal output have increased from the lows of early 2009. The Company has also received anecdotal evidence of a recovery in bauxite import prices.



Cashflow Statement

At the end of the quarter, Atlantic had approximately \$1.5 million in cash on hand.

Please find below the Appendix 4C for Atlantic Ltd for the quarter ended 30 June 2009.

For more information please contact:

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The information in this report that relates to exploration results, mineral resources or ore reserves 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.

Appendix 1 - Vinacomin sample details

No	Site	North	East	Depth	Over burden	Ore thickness	No of Samples
1	LLG1	1298817	807038	7.0	0.2	6.0	6
2	LLG2	1298134	805684	7.0	0.2	6.0	6
3	BLG 1	1303081	807053	9.0	0.4	7.6	8
4	BLG 2	1301695	807793	6.2	1.0	4.2	4
5	BLG 3	1300250	806641	6.4	0.3	5.1	5
6	BLG 4	1299019	808276	7.6	0.4	6.2	6
7	BLG 5	1300913	809812	7.2	1.4	4.8	5
8	BLG 6	1294518	806537	7.6	0.9	5.7	6
9	BLH 1	1295889	807196	3.7	0.2	3.0	3
10	BLH 2	1300497	808898	4.0	0.3	3.0	3
11	BLH 3	1299297	807366	4.5	0.2	4.0	4
12	BLH 4	1301776	805152	2.8	0.3	1.5	1
13	BLH 5	1300010	806186	3.4	0.4	2.0	2
14	BLH 6	1303015	805901	3.0	0.3	2.2	2
15	BLH 7	1297213	804668	3.8	0.0	3.2	3

Coordinates shown are WGS 84

Appendix 2 – Vinacomin shaft and trench assay values.

No	Sample No	Length m	SiO ₂	TiO ₂	Al ₂ O ₃	Fe ₂ O ₃	FeO
1	LLG1/1	1	1.50	2.66	49.29	18.94	0.58
2	LLG1/2	1	1.58	2.92	49.26	19.73	0.77
3	LLG1/3	1	1.76	4.03	44.34	25.70	0.77
4	LLG1/4	1	2.56	2.57	48.21	20.20	0.29
5	LLG1/5	1	5.48	2.47	49.42	16.68	0.48
6	LLG1/6	1	6.06	2.58	48.70	17.87	0.71
7	LLG2/1	1	1.84	3.35	46.32	22.63	0.29
8	LLG2/2	1	1.62	3.54	46.45	23.64	0.42
9	LLG2/3	1	1.50	3.77	45.32	23.18	0.58
10	LLG2/4	1	2.60	3.29	47.43	20.59	0.58
11	LLG2/5	1	6.08	2.53	49.79	14.14	0.65
12	LLG2/6	1	6.68	2.08	52.61	11.63	0.58

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No	Sample No	length m	SiO ₂	TiO ₂	Al ₂ O ₃	Fe ₂ O ₃	FeO
13	BLG 1/3	1	2.46	3.06	50.14	17.03	0.65
14	BLG 1/4	1	1.52	3.20	50.63	17.41	0.31
15	BLG 1/5	1	2.04	2.87	51.58	16.28	0.51
16	BLG 1/6	1	2.42	2.82	50.71	15.79	0.68
17	BLG 1/7	1	3.06	2.44	47.59	18.73	0.41
18	BLG 1/8	0.6	4.78	2.46	51.92	13.25	0.31
19	BLG 2/1	1	2.36	3.28	42.45	27.60	0.51
20	BLG 2/2	1	3.18	2.75	48.95	18.54	0.37
21	BLG 2/3	1	2.66	3.14	49.93	18.8	0.14
22	BLG 2/4	1.2	3.08	3.44	49.62	19.26	0.34
23	BLG 3/1	1	1.02	2.99	49.62	19.79	0.41
24	BLG 3/2	1	1.74	3.45	48.67	20.01	0.34
25	BLG 3/3	1	2.68	3.02	47.15	20.65	0.31
26	BLG 3/4	1	5.04	2.97	48.97	17.03	0.37
27	BLG 3/5	1.1	6.52	2.83	48.65	15.52	0.37
28	BLG 4/1	1	4.82	1.64	50.79	14.33	0.31
29	BLG 4/2	1	3.94	1.73	47.14	20.20	0.31
30	BLG 4/3	1	3.42	2.15	36.37	35.65	0.41
31	BLG 4/4	1	1.80	2.75	52.07	15.32	0.44
32	BLG 4/5	1	1.60	3.53	49.93	18.73	0.48
33	BLG 4/6	1.2	1.44	3.05	48.26	19.18	0.48
34	BLG 5/2	1	5.28	2.65	44.53	21.52	0.27
35	BLG 5/3	1	3.28	2.84	48.08	18.66	0.75
36	BLG 5/4	1	3.04	3.09	44.00	25.00	0.27
37	BLG 5/5	0.8	3.68	3.25	44.23	22.58	0.54
38	BLG 6/1	1	1.46	3.20	46.86	22.73	0.34
39	BLG 6/2	1	1.14	3.00	50.41	17.85	0.34
40	BLG 6/3	1	1.54	3.01	51.24	16.84	0.34
41	BLG 6/4	1	1.46	2.61	51.74	17.41	0.31
42	BLG 6/5	1	2.58	2.56	50.86	15.79	0.41
43	BLG 6/6	0.7	5.46	2.06	50.67	16.58	0.51
44	BLH 1/1	1	10.10	1.59	41.45	22.58	0.61
45	BLH 1/2	1	9.64	2.00	47.29	15.26	0.34
46	BLH 1/3	1	3.10	2.72	49.42	17.00	0.61
47	BLH 2/1	1	3.06	2.40	52.38	14.35	0.27
48	BLH 2/2	1	1.98	2.48	50.99	15.29	0.31
49	BLH 2/3	1	2.08	2.29	54.37	13.03	0.31
50	BLH 3/1	1	2.62	2.38	48.55	18.39	0.51
51	BLH 3/2	1	1.60	3.22	46.11	22.74	0.68

No	Sample No	length m	SiO ₂	TiO ₂	Al ₂ O ₃	Fe ₂ O ₃	FeO
52	BLH 3/3	1	0.80	3.28	46.30	22.73	0.48
53	BLH 3/4	1	0.90	3.23	46.25	23.49	0.48
54	BLH 4/1	1.5	2.54	3.90	45.74	22.58	0.14
55	BLH 5/1	1	1.68	2.80	51.12	17.00	0.48
56	BLH 5/2	1	3.70	2.67	51.15	15.11	0.48
57	BLH 6/1	1	3.00	2.49	48.78	16.16	0.41
58	BLH 6/2	1.2	3.20	2.81	50.30	17.45	0.20
59	BLH 7/1	1	2.02	2.21	44.78	26.13	0.41
60	BLH 7/2	1	2.12	2.18	46.68	22.21	0.68
61	BLH 7/3	1.2	2.02	2.49	50.10	18.54	0.58

Notes to tables: Samples were taken by Vinacomin under supervision of the regional geologist (Vietnamese National). Shafts were typically 0.9 x 1.0 m in size, trenches were 0.8 m wide. The samples were logged on site. No cut off grade or high cuts were applied.

Samples correspond to matching shaft or trench in Appendix 1

The information in this report that relates to exploration results, mineral resources or ore reserves 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.

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

Atlantic Limited

ABN

60 009 213 763

Quarter ended ("current quarter")

30 June 2009

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 customers	21	21
1.2 Payments for		
(a) staff costs	(22)	(90)
(b) advertising and marketing		
(c) research and development		
(d) leased assets		
(e) other working capital	(287)	(829)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	28	85
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net operating cash flows	(260)	(813)

Appendix 4C

	Current quarter \$A'000	Year to date (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	(260)	(813)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.10 Proceeds from disposal of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.11 Loans to other entities		
1.12 Loans repaid by other entities		
1.13 Other (provide details if material)		
- Costs associated with exploration permit	-	(222)
Net investing cash flows	-	(222)
1.14 Total operating and investing cash flows	(260)	(1,035)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	1,660
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings		
1.18 Repayment of borrowings		
1.19 Dividends paid		
1.20 Other (provide details if material)		
- Payment arising under DOCA		
- Capital raising costs	-	(114)
Net financing cash flows	-	1,546
Net increase (decrease) in cash held	(260)	511
1.21 Cash at beginning of quarter/year to date	1,756	985
1.22 Exchange rate adjustments to item 1.20		
1.23 Cash at end of quarter	1,496	1,496

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
1.24	Aggregate amount of payments to the parties included in item 1.2	58
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

The amount above includes payments to directors and to a company associated with Mr John Hannaford. The payments relate to the provision of consulting fees, company secretarial services, accounting and bookkeeping, secretarial services and the provision of office accommodation on normal commercial terms.

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

--

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

--

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

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

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
4.1	Cash on hand and at bank	1,496	1,756
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)		1,496	1,756

Appendix 4C

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	Azure Mining International Ltd	
5.2 Place of incorporation or registration	Australia	
5.3 Consideration for acquisition or disposal	100,000,000 Ordinary shares 1,500 Class A Performance Shares 1,500 Class B Performance Shares	
5.4 Total net assets	\$253,292	
5.5 Nature of business	Mineral Exploration	

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does ~~not~~ give a true and fair view of the matters disclosed.

Sign here:



(Company secretary)

Date: 31 July 2009

Print name: **Morgan Barron**

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 definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **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.