



ASX Release

29 October 2009

ATLANTIC LIMITED
Level 2, 16 Altona Street
West Perth WA 6005
Tel: +61 8 9482 0500
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Directors:
Michael Minosora
(Managing Director elect)

John Hannaford
(Executive Director)

Tony Veitch
(Non Executive)

Jim Malone
(Non Executive)

Issued Capital:
1,112,311,353 ordinary shares
1,500 B performance shares
303,314,409 listed options
64,570,555 unlisted options

ASX Codes:
ATI (ordinary shares)
ATIO (listed options)

QUARTERLY REPORT

Highlights

- 1. Discussions commence with the Vietnamese Government (Vinacomin) to expand the current joint venture agreement*
- 2. Appointment of new Managing Director*
- 3. Board approves new strategic direction*
- 4. Placement to raise \$4.9 million*

Atlantic Limited (ASX: ATI; "Atlantic" or the "Company") is pleased to present its quarterly report and cash flow statement for the quarter ended 30 September 2009.

Appointment of Managing Director

During the quarter, Atlantic appointed Michael Minosora as Managing Director. Mr Minosora was instrumental in identifying and securing the Bao Loc project and he brings to Atlantic a wealth of experience as a financier together with his familiarity with the Bao Loc project and the relevant Vietnamese authorities.

Mr Minosora comes to Atlantic after a period as Chief Financial Officer of Fortescue Metals Group and prior to that as Managing Director of Azure Capital.

Mr Minosora's appointment represents a significant milestone for Atlantic as it seeks to become a resource business with a portfolio of world class assets including the Bao Loc project.

New Vision and Strategy

Following the appointment of Mr Minosora as Managing Director elect, the Board completed a review of the Company's strategy.

This strategic review resulted in the Board approving a new vision and strategy for the Company.

Atlantic's vision is to become a company with a portfolio of 2 to 3 world class resource projects that provide superior returns to shareholders.

The approved strategy to achieve this vision is to:

1. Position Atlantic as the preferred bauxite development partner for the Vietnamese Government.

Atlantic is working with Vinacomin and the Vietnamese Government to develop the country's bauxite resources in the most economically efficient, sustainable and environmentally responsible manner for the benefit of Vietnam, the Lam Dong province, Vinacomin, the people of Vietnam and the shareholders of Atlantic. It is expected the development of these resources, beginning with the Bao Loc project, will add significant regional and national benefits.

2. Leverage Atlantic's financing capability to examine other low cost, long life production opportunities.

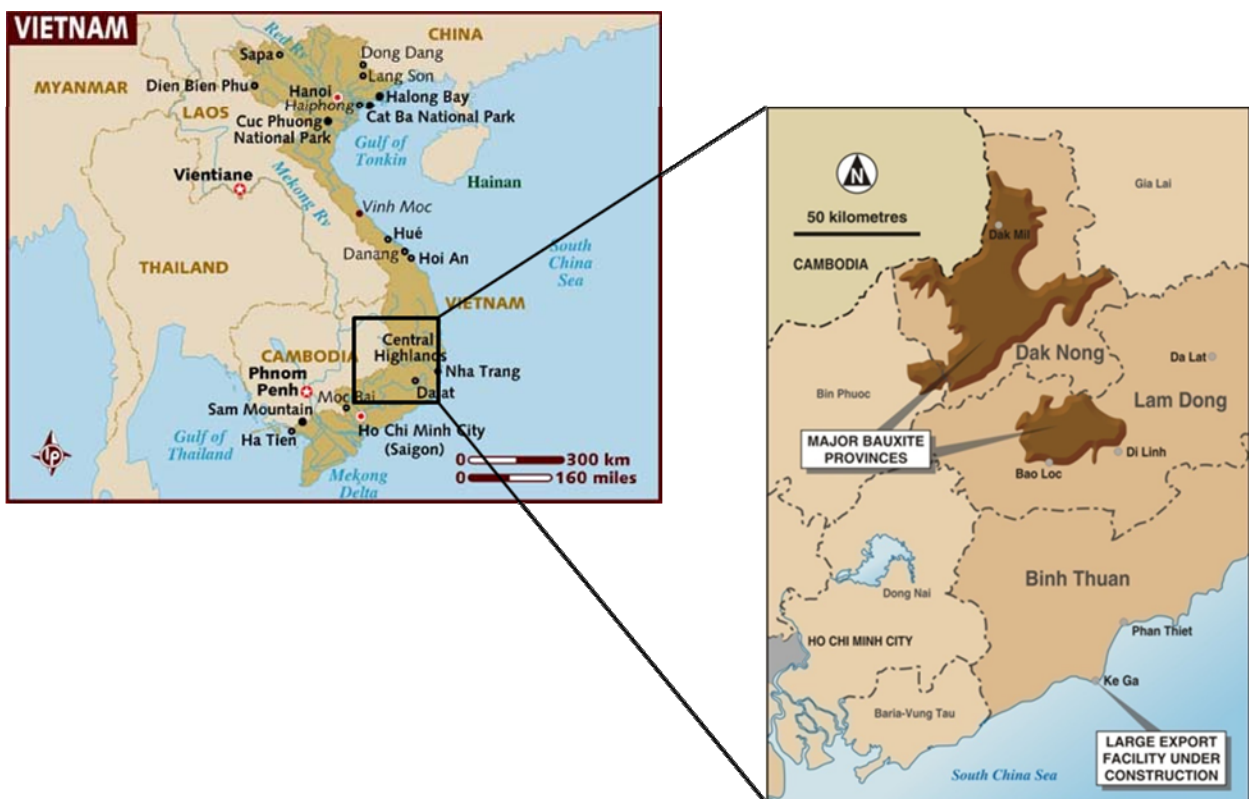
Atlantic is committed to building an outstanding Board and management team of talented and experienced people to execute the new strategy. This building process has already begun and the Board has received expressions of support from major financiers willing to support Atlantic's vision. This strong financing capability will allow Atlantic to pursue the acquisition, development and operation of a stable of world class, low cost, long life production assets, with an initial focus on bulk commodities.

Atlantic is currently reviewing further a number of mining opportunities.

Atlantic's change of direction to a mining focused entity is subject to shareholder approval.

Bao Loc Project, Vietnam

The Bao Loc project is located in the Central Highlands of southern Vietnam approximately 15 kilometres north of the Bao Loc town ship in Lam Dong province.



During the quarter, Atlantic engaged local contractor Geosimco to undertake the initial exploration program at the Bao Lam concession. The exploration program, which will include a combination of boreholes and shafts to a depth of 7 to 10 metres, will endeavour to delineate an initial inferred resource on the Bao Loc project. A total of approximately 85 drill holes and 50 shafts are planned, with the program anticipated to be completed within a month of commencement.

Previous sampling by Atlantic assayed 47.9% Al_2O_3 (washed and screened), 46.15% available Al_2O_3 and 1.04% reactive silica. These results were consistent with previous exploration data from trenching and shafts. The exploration program at Bao Lam is planned to commence in early November.

Atlantic also continued its ongoing joint venture discussions with Vinacomin, the Vietnamese state owned bauxite and coal mining company. These discussions focused on securing a larger scale project, associated rail and port infrastructure development and mining and export approvals.

This expansion of the nature and scale of the proposed joint venture relationship will mean a longer time frame for completion of discussions, but with a potentially much larger project development opportunity for Atlantic. The discussions have been very productive to date, however it is still unclear exactly when they will be successfully concluded.

Atlantic is attracted to the Bao Loc project opportunity for three primary reasons:

1. **Location** – the project is ideally located close to the major customers of North Asia which provides a key competitive advantage for the project (see graphic below).



2. **Mineralisation Quality** – the samples taken at the Bao Loc project represent a high grade, low impurity gibbsite that can be used for low temperature and pressure refining.
3. **Potential to Expand** – the major bauxite resources in the Central Highlands are undeveloped. The potential exists to significantly expand the scale of the project through the development of regional infrastructure and also the scope of the project by adding downstream refining capabilities.

Placement

Subsequent to the end of the quarter, Atlantic announced the placement of 140 million ordinary shares at 3.5 cents each to raise a total of \$4.9 million. The shares were issued to Asian private investment companies with substantial investments in South East Asia.

Performance Share Conversion

During the quarter, Atlantic approved the conversion of 1,500 Class A Performance Shares into 150,000,000 ordinary shares in the Company in accordance with the terms of the Share Purchase Agreement for the acquisition of Azure Mining International Pty Ltd ("AMI"). These performance shares represent the second tranche of consideration for the acquisition of AMI, the holder of the Bao Loc project.

Cashflow Statement

At the end of the quarter, Atlantic had approximately \$1.6 million in cash on hand. This balance excludes the placement of 140 million shares at 3.5 cents each to raise \$4.9 million completed after period end. As at the date of this report, the Company had approximately \$6.5 million cash on hand.

Please find attached the Appendix 4C for the quarter ended 30 September 2009.

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For further information please contact:

Michael Minosora

Managing Director

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Morgan Barron

Company Secretary

Telephone: +618 9482 0500

The information in this announcement that relates to Atlantic's exploration results, mineral resources or ore reserves is based on information compiled by Mr Robert McLean. Mr McLean is a consultant to Atlantic 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 September 2009

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter (3 months) \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) staff costs	(20)	(20)
(b) advertising and marketing	-	-
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(146)	(146)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	21	21
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other - Payments in relation to the Bauxite Exploration project	(84)	(84)
Net operating cash flows	(229)	(229)

Appendix 4C

	Current quarter \$A'000	Year to date (3 months) \$A'000
1.8 Net operating cash flows (carried forward)	(229)	(229)
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)	-	-
Net investing cash flows	-	-
1.14 Total operating and investing cash flows	(229)	(229)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	371	371
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)	-	-
- Capital raising costs	-	-
Net financing cash flows	371	371
Net increase (decrease) in cash held	142	142
1.21 Cash at beginning of quarter/year to date	1,496	1,496
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	1,638	1,638

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	75
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

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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

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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	1,638	1,496
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)		1,638	1,496

Appendix 4C

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	
5.2	Place of incorporation or registration	
5.3	Consideration for acquisition or disposal	
5.4	Total net assets	
5.5	Nature of business	

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 ~~does not~~ give a true and fair view of the matters disclosed.

Sign here:



(Company secretary)

Date: 29 October 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.