

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 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date \$A'000
1.1 Receipts from product sales and related debtors	335	16,753
1.2 Payments for (a) exploration & evaluation	(146)	(146)
(b) development	-	-
(c) production	(32,301)	(114,818)
(d) administration	(3,208)	(10,653)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	17	85
1.5 Interest and other costs of finance paid	-	(21,903)
1.6 Income taxes paid	-	-
1.7 Other (Insurance Proceeds)	7,800	26,250
	(27,503)	(104,432)
Net Operating Cash Flows		
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	(861)
(b) equity investments	-	-
(c) other fixed assets	(1,076)	(3,881)
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 - Research and Development claim	-	29,546
Other - Environmental bonds released	-	8,495
	(1,076)	33,299
Net investing cash flows		
1.13 Total operating and investing cash flows (carried forward)	(28,579)	(71,133)

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1.13	Total operating and investing cash flows (brought forward)	(28,579)	(71,133)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	29,567	98,115
1.17	Repayment of borrowings	(767)	(21,343)
1.18	Dividends paid	-	-
1.19	Other – advances for product sales	-	-
	Net financing cash flows	28,800	76,772
	Net increase (decrease) in cash held	221	5,639
1.20	Cash at beginning of quarter/year to date	5823	75
1.21	Exchange rate adjustments to item 1.20	(10)	320
1.22	Cash at end of quarter	6,034	6,034

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	121
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 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

The Company's wholly owned subsidiary Midwest Vanadium Pty Ltd (MVPL) was required to deposit US\$5 million into its interest reserve account (IRA) on 3 February 2014 and pay the US\$19.26 million half yearly interest payment on its senior secured notes on 15 February 2014. MVPL did not make the IRA deposit or the half yearly interest payment. The majority of the holders of its senior secured notes have agreed to forbear MVPL's default for failure to deposit US\$5 million in the IRA and MVPL's failure to pay the February interest payment until 15 August 2014.

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

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	628,141	628,141
3.2 Credit standby arrangements	-	-

Loan facilities as at 30 June 2014 include:

1. US\$335.0m in senior secured notes converted at USD 0.942 (being the exchange rate at 30 June 2014), due February 2018, with interest payable at 12.25% p.a. plus accrued interest of US\$19.3m.
2. A\$41.8m in Class A convertible bonds, due March 2015, with interest payable at 17.5% pa;
3. A\$67.7m in Class B convertible bonds, due March 2015, with interest payable at 22.5% pa;
4. A\$56.9m in Class C bonds, due March 2015, with interest payable at 22.5% pa;
5. A\$29.9m in Class D bonds, due March 2015, with interest payable at 22.5% pa;
6. A\$24.2m in other unsecured debt, due March 2015, with interest payable at 22.5% pa; and
7. A\$29.7m in secured loan from Droxford International limited, due August 2014, with interest payable at 17.0% pa.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	-
4.2 Development	17,563
4.3 Production	0
4.4 Administration	3,742
Total	21,305

The above analysis includes estimated operating and capital cash outflows for the next quarter.

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	6,034	5,823
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	6,034	5,823

+ See chapter 19 for defined terms.

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Changes in interests in mining tenements

	Tenement reference	Nature of interest	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	Preference +securities <i>(description)</i>			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	+Ordinary securities	154,757,339	154,757,339	
	66 Class B	-		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs			
7.5	+Convertible debt securities <i>(description)</i>	416,986,960*	Nil	\$0.2625
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted			

+ See chapter 19 for defined terms.

7.7	Options <i>(description and conversion factor)</i>	Nil		<i>Exercise price</i>	<i>Expiry date</i>
7.8	Issued during quarter	Nil			
7.9	Exercised during quarter	Nil			
7.10	Expired during quarter	Nil			
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

*The convertible debt securities shown at 7.5 above relate to:

1. A\$41.8m in Class A convertible bonds convertible at 26.25 cents each on or before 6 March 2015; and
2. A\$67.7m in Class B convertible bonds convertible at 26.25 cents each on or before 6 March 2015.

These convertible debt securities are included in financing facilities in 3.1 above.

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:



Date: 31 July 2014

Company Secretary

Print name: Tony Veitch

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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