

CORPORATE GOVERNANCE POLICY

CORPORATE GOVERNANCE STATEMENT

Atlantic is committed to building a diversified portfolio of resources assets that deliver superior returns to shareholders. Atlantic will seek to achieve this through strong relationships with our project partners, employees, customers, shareholders, local communities and other stakeholders, which are based on honesty, transparency and mutual value creation. These principles underpin our corporate governance policies and procedures.

The Board of Directors recognises that high standards of corporate governance are essential to achieving our objectives. The Company continues to review its corporate governance practices as the business develops.

This statement summarises the corporate governance policies and practices adopted by the Company and its controlled entities (collectively **the Group**) during the financial year.

Consistent with the spirit of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**CGC Recommendations**), the Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices follows a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" regime, where, after due consideration, the Company's corporate governance practices depart from a recommendation, the Board has offered full disclosure and an explanation for the adoption of its own practice.

ROLE OF THE BOARD

The Board is responsible to shareholders for developing and operating a successful business and maximising shareholder value.

The Board operates within the principles set out in the Board Charter, a copy of which is available on the Atlantic website (www.atlanticltd.com.au).

The Board is responsible for evaluating and setting the strategic direction for the Group, establishing goals for management and monitoring the achievement of those goals. The Managing Director is responsible to the Board for the day-to-day management of the Group's operations and implementation of the Company's strategic direction.

The Board has sole responsibility for the following:

- developing, reviewing and monitoring the Company's long-term business strategies;
- providing strategic direction to management;
- approving and monitoring budgets, major capital commitments, capital management, acquisitions and divestments;

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- ensuring that the Company has systems in place for risk management, internal compliance and control, codes of conduct and compliance with legislative requirements and ethical standards;
- reviewing and approving the Company's financial statements and other reporting obligations;
- appointing and removing the Managing Director and the Executive Director and approving their remuneration;
- appointing and removing the Chief Financial Officer and Company Secretary and approving their remuneration;
- establishing and maintaining corporate governance standards;
- establishing a culture within the Company which strives for and rewards best practice in all areas of the business;
- monitoring Board performance and whether the Board is appropriately skilled to meet the changing needs of the Company;
- measuring performance of management against approved strategies;
- reviewing and monitoring the adequacy of resources for management to properly carry out approved strategies and business plans;
- approving and monitoring financial and other reporting to regulatory bodies, shareholders and other organisations;
- determining that satisfactory arrangements are in place for auditing the Group's financial affairs; and
- ensuring that policies and compliance systems consistent with the Group's objectives and best practice are in place and that the Company and its officers act legally, ethically and responsibly on all matters.

Whilst at all times the Board retains full responsibility for guiding and monitoring the Company, in discharging its stewardship, the Board has during the financial year established specialist committees where necessary and or appropriate. These specialist committees are able to focus on a particular area of responsibility and provide informed feedback to the Board.

During the year, the Board operated the following committees:

- Audit; and
- Remuneration and Nomination.

MANAGEMENT FUNCTIONS

The Company has established the functions that are reserved for management. Management is responsible, on a shared basis with and subject to the approval of the Board, for developing corporate and operational strategy for the Group, and is directly responsible for implementing the Company's strategy. Management is also responsible for:

- safeguarding the Company's assets;
- managing the executive team responsible for the Group's operations;

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- assessing business opportunities which are of potential benefit to the Group;
- overseeing shareholder communications;
- reporting relevant matters to the Board; and
- maximising the utilisation of available resources.

DIVERSITY

The Company is an equal opportunity employer and believes in treating all people with respect and dignity. These core principles of equality, diversity and recruitment and promotion on the basis of merit are at the heart of everything that Atlantic does.

Atlantic believes that people are the key to its success and that a talented and diverse workforce is a key competitive advantage. Training and development is focused on developing employee's strengths.

The Company has global aspirations and values the contribution that people from a diverse range of backgrounds, cultures and communities can make. Our equal opportunity employment strategy supports the contribution from people with differences in ethnicity, gender, language, age, sexual orientation, religion, socio-economic status, physical and mental ability, thinking styles, experience and education.

During the reporting period, the Company continued various strategies aimed at promoting and encouraging a diverse and talented workforce. By reasons of the uniqueness of the Company's vanadium project in both the Australian and global context, the Company has recruited highly talented operational personnel from various countries and with diverse cultural and operational backgrounds. The Company has flexible working arrangements, both generally and with specific employees, that are designed to encourage women to either remain in, or return to, the workforce and to allow all employees to accommodate work and family arrangements.

The Company has adopted a Diversity Policy as an extension of the Company's Equal Opportunity Employment Policy and makes provision for the Board to determine measurable objectives in line with the overall objectives of the policy.

As at 30 June 2013, the proportion of women employed across the Group, as a whole, at manager/supervisor level, at senior management level and at Board level were:

	Number of Employees	Number of Women	Percentage
Employees	168	16	10%
Managers/supervisors	34	2	6%
Senior management	5	0	0%
Board (including subsidiaries)	3	0	0%

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The Board has set an initial gender diversity target of 10% for the Group's employees as a whole and 20% for manager/supervisor level and above. These targets have not been achieved but the Company has continued to appoint women to positions across the organisation where practical to do so.

COMPOSITION OF BOARD AND DIRECTOR INDEPENDENCE

As at the date of this report, the Board comprises three Directors, being two Executive Directors (Tony Veitch and Michael Minosora) and one Non-Executive Director (Phiong Phillipus Darma). The Non-Executive Director is considered not to be independent due to his role with a substantial shareholder of the Company.

As at the date of this report the Board has no independent Directors. The Company continues to monitor the composition of the Board.

The non-independent Chairman of the Board is Michael Minosora. The Chairman is also the Managing Director of the Company and as such does not satisfy the test of independence in CGC Recommendation 2.2. The Board believes that Michael Minosora is the most appropriate person for the position as Chairman because of his business experience and knowledge. The Board continues to monitor for any conflicts of interest that may arise because of this situation and will seek to appoint an independent Chairman when the Company's business has developed to the stage where it is feasible.

Director	Independent	Non-Executive	Appointment Date
Michael Minosora	No – Managing Director	No	25 September 2009
Tony Veitch	No – Executive Director	No	4 July 2007
Phiong Phillipus Darma	No	Yes	18 November 2010

The skills, experience and expertise of each Director of the Company during the year are included in the Director's Report.

Atlantic's Constitution requires Directors (other than the Managing Director) to retire from office at the third Annual General Meeting of the Company after their election or re-election, provided that at least one Director (being the Director who has held office the longest since last being elected or re-elected) must retire from office at each Annual General Meeting. A retiring Director may stand for re-election at the Annual General Meeting.

EVALUATION OF THE BOARD, COMMITTEES AND SENIOR MANAGEMENT

The Board has adopted a self-evaluation process to measure its own performance and the performance of its committees on a regular basis.

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During the prior reporting period, an evaluation and review was conducted by an external party to assess the performance of the current Directors and the Board's contribution to the governance of the Company. The Board intends to arrange such external evaluations and reviews from time to time.

The Managing Director currently reviews the performance of all senior executives. This is conducted by a formal performance review process involving two way dialogue and interviews with the Managing Director to assess the performance of each executive.

BOARD COMMITTEES

Audit Committee

The Board has established an Audit Committee which operates under a charter approved by the Board. It is the Board's responsibility to ensure that an effective internal control framework exists within the Group. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information as well as non-financial considerations. The Board has delegated responsibility for establishing and maintaining a framework of internal control and ethical standards to the Audit Committee.

The Audit Committee also provides the Board with additional assurance regarding the reliability of financial information for inclusion in the financial reports.

The members of the Audit Committee are:

Mr Michael Minosora - Chairman
Mr Phiong Phillipus Darma
Mr Tony Veitch

A copy of the Audit Committee Charter is available on the Company's website.

The Audit Committee is not structured in compliance with CGC Recommendation 4.2 as it is not chaired by an independent Director, made up of a majority of independent Directors or made up of Non-Executive Directors. Given the composition of the Board, the formation of an Audit Committee in accordance with that recommendation is not possible. The Board considers this present structure is appropriate given its current circumstances until such time as it is able to appoint further independent Non-Executive Directors to the Board.

The Audit Committee held two meetings during the reporting period. Details of the Directors who were or are members of the Audit Committee and their attendance are set out in the Directors' Report.

The Company has established procedures for the selection, appointment and rotation of its external auditor. The Board is responsible for the initial appointment of the external auditor

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and the appointment of a new external auditor when any vacancy arises, as recommended by the Audit Committee. Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Audit Committee and any recommendations are made to the Board.

Remuneration and Nomination Committee

The role of the Remuneration and Nomination Committee is to assist the Board in establishing policies and practices which:

- enables the Company to attract and retain capable Directors and employees who achieve operational excellence and create value for shareholders;
- reward employees fairly and responsibly, taking into consideration the results of the Company, individual performance and industry remuneration conditions;
- assist the Board to meet its oversight responsibilities in relation to corporate governance practices; and
- prohibits executives from entering into transactions or arrangements which limit the economic risk of participating in unvested Company share entitlements.

The members of the Remuneration and Nomination Committee are:

Mr Michael Minosora - Chairman
Mr Phiong Phillipus Darma
Mr Tony Veitch

The Remuneration and Nomination Committee is not structured in compliance with CGC Recommendation 8.2 as it is not made up of a majority of independent Directors or chaired by an independent Director. Given the composition of the Board, the formation of a Remuneration and Nomination Committee in accordance with that recommendation is not possible. The Board considers this present structure is appropriate given its current circumstances until such time as it is able to appoint further independent Non-Executive Directors to the Board.

A copy of the Remuneration Nomination Committee Charter is available on the Company's website.

The Remuneration and Nomination Committee held one meeting during the reporting period, which all members attended. Details of remuneration are contained in the Remuneration Report which forms part of the Directors' Report.

Non-Executive Directors are remunerated at a fixed fee for time, commitment and responsibilities. Remuneration for Non-Executive Directors is not directly linked to individual performance and therefore the Board considers that Non-Executive Directors should not be

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entitled to participate in the Company's Share Incentive Plan or other equity-based remuneration schemes. There are no termination or retirement benefits for Non-Executive Directors (other than for statutory superannuation).

Pay and rewards for Executive Directors and senior executives consists of a base salary and performance incentives. Fixed annual remuneration for executives is based on competitive market rates and reviewed annually. Short-term incentives can, at the discretion of the Remuneration and Nomination Committee, include annual bonuses based on performance against pre-determined performance indicators.

Long-term performance incentives can include participation in the Company's Employee Loyalty & Alignment Plan (**ELAS**) at the discretion of the Board and subject to obtaining any relevant approvals.

INDEPENDENT PROFESSIONAL ADVICE AND ACCESS TO COMPANY INFORMATION

All Directors have the right of access to all relevant Company information, to the Company's executives and, subject to prior consultation with the Chairman, may seek independent professional advice concerning any aspect of the Company's operations or undertakings at the Company's expense.

CODE OF CONDUCT

The Board acknowledges the need for continued maintenance of the highest standard of corporate governance and ethical conduct by all Directors and employees of the Company.

The Board has adopted a Code of Conduct for Directors to promote ethical and responsible decision-making by the Directors. The code is based on a Code of Conduct for Directors prepared by the Australian Institute of Company Directors.

The principles of the Code of Conduct for Directors are:

- a Director must act honestly, in good faith and in the best interests of the Company as a whole;
- a Director has a duty to use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office;
- a Director must use the powers of office for a proper purpose, in the best interests of the Company as a whole;
- a Director must recognise that the primary responsibility is to the Company's shareholders as a whole but should, where appropriate, have regard for the interests of all stakeholders of the Company;
- a Director must not make improper use of information acquired as a Director;
- a Director must not take improper advantage of the position of Director;
- a Director must not allow personal interests, or the interests of any associated person, to conflict with the interests of the Company;

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- a Director has an obligation to be independent in judgment and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken as a Board;
- confidential information received by a Director in the course of the exercise of Directorial duties remains the property of the Company and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by the Company, or the person from whom the information is provided, or is required by law;
- a Director should not engage in conduct likely to bring discredit upon the Company; and
- a Director has an obligation, at all times, to comply with the spirit, as well as the letter of the law and with the principles of the Code of Conduct.

These principles are supported by guidelines as set out by the Australian Institute of Company Directors for their interpretation. Directors are also obliged to comply with the Company's Code of Conduct, as outlined below.

The Company's Code of Conduct, which is available on the Atlantic website, provides guidelines aimed at maintaining high ethical standards, corporate behaviour and accountability within the Company.

All Directors and employees are expected to:

- uphold high moral and ethical standards in conducting the Company's business;
- comply with all relevant laws and regulations;
- avoid real or perceived conflicts of interest;
- respect confidentiality and not misuse Company information, assets or facilities;
- value and maintain professionalism when dealing with others both internally and externally;
- act in the best interests of shareholders;
- by their actions contribute to the Company's reputation as a good corporate citizen which seeks the respect of the community and environment in which it operates;
- perform their duties in ways that minimise environmental impacts and maximise workplace safety;
- exercise fairness, courtesy, respect, consideration and sensitivity in all dealings within their workplace and with customers, suppliers and the public generally; and
- act with honesty, integrity, decency and responsibility at all times.

CONFLICTS OF INTEREST

In accordance with the *Corporations Act 2001* and the Company's Constitution, Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. Where the Board believes that a significant conflict exists, the Director concerned does not receive the relevant Board papers and is not present at the meeting whilst the item is considered.

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DEALINGS IN COMPANY SECURITIES

The Company's Securities Dealing Policy imposes trading restrictions on all Directors, employees, contractors, consultants and advisers of the Company who are in possession of unpublished price-sensitive information in relation to the securities of the Company. This Policy also restricts Directors and senior executives from trading during defined blackout periods.

If an employee possesses inside information, the person must not:

- trade in the Company's securities;
- advise others or procure others to trade in the Company's securities; or
- pass on the inside information to others – including colleagues, family or friends – knowing (or where the employee or Director should have reasonably known) that the other persons will use that information to trade in, or procure someone else to trade in, the Company's securities.

This prohibition applies regardless of how the employee or Director learns the information. Directors and senior executives of Atlantic are required to notify the Company Secretary before dealing in the Company's securities.

In addition to the above, Directors and senior executives must notify the Company Secretary as soon as practicable, but not later than three business days, after they have bought or sold the Company's securities or exercised options. In accordance with the provisions of the *Corporations Act 2001* and the ASX Listing Rules, the Company must notify ASX within five business days of any transactions conducted by Directors in the securities of the Company.

Breaches of this policy will be subject to disciplinary action, which may include termination of employment.

A copy of the Securities Dealing Policy is available on the Company's website.

CONTINUOUS DISCLOSURE

The Company is committed to providing relevant up-to-date information to its shareholders and the broader investment community in accordance with its continuous disclosure obligations under the ASX Listing Rules and the *Corporations Act 2001*.

The Board has implemented a Continuous Disclosure Policy to ensure that information considered material by the Company is immediately reported to the ASX. Other information such as Company presentations are also disclosed to the ASX and are on the Company's website.

The Company also has a Market Communications Policy regulating the manner in which information is released to the market. The Company's website provides access to all current

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and historical information, including ASX announcements, financial reports and other releases.

SHAREHOLDER COMMUNICATION

In adopting a Continuous Disclosure Policy, the Board ensures that shareholders are provided with up-to-date information.

Communication to shareholders is facilitated by the production of the annual report, quarterly and half yearly reports, public announcements and the posting of all ASX announcements and other information on the Company's website.

Shareholders are encouraged to attend and participate in the Annual General Meeting of the Company. Shareholders may raise questions at shareholder meetings and the external auditor is in attendance at the Annual General Meeting to address any questions in relation to the conduct of the audit.

RISK MANAGEMENT

The Board is responsible for the oversight of the Company's risk management and control framework. Responsibility for control and risk management is delegated to the appropriate level of management within the Company, with the Managing Director and Executive Director having ultimate responsibility to the Board for the risk management and control framework.

Areas of significant business risk to the Company are highlighted in the budget and plans presented to the Board by the Managing Director each year.

Arrangements put in place by the Board to monitor risk management include regular reporting to the Board in respect of operations and the financial position of the Group.

The Managing Director and Chief Financial Officer have provided a declaration to the Board in accordance with Section 295A of the *Corporations Act 2001* and have assured the Board that such declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risk. A summary of the Company's Risk Management Policy is available on the Company's website.

ASX CORPORATE GOVERNANCE COUNCIL RECOMMENDATIONS

The table below contains a list of each of the ASX Corporate Governance Council Recommendations and whether the Company was in compliance with the recommendations throughout the year ended 30 June 2013. Where the Company considers that it does not meet these recommendations, or that it is not practical to comply, there is an explanation of the Company's reasons set out in this Statement.

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	Principle/Recommendation	Complied
1	Lay solid foundations for management and oversight	
1.1	Establish and disclose the functions reserved to the Board and those delegated to management.	√
1.2	Disclose the process for evaluating the performance of senior executives.	√
2	Structure the Board to add value	
2.1	A majority of the Board should be independent Directors.	See above section "Composition of Board and Director Independence"
2.2	The Chair should be an independent Director.	See above section "Composition of Board and Director Independence"
2.3	The roles of Chair and Chief Executive Officer should not be exercised by the same individual.	See above section "Composition of Board and Director Independence"
2.4	The Board should establish a Nomination Committee.	√
2.5	Disclose the process for evaluating the performance of the Board, its committees and individual Directors.	√
3	Promote ethical and responsible decision making	
3.1	Establish a Code of Conduct and disclose a code, or a summary of the code, as to: <ul style="list-style-type: none"> the practices necessary to maintain confidence in the Company's integrity; the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices. 	√
3.2	Establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them.	√
3.3	Disclose in each annual report the measurable objectives for achieving gender diversity set by the Board in accordance with the Diversity Policy	√

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	Principle/Recommendation	Complied
	and progress towards achieving them.	
3.4	Disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board.	√
4	Safeguard integrity in financial reporting	
4.1	The Board should establish an Audit Committee.	√
4.2	The Audit Committee should be structured so that it: <ul style="list-style-type: none"> • consists only of Non-Executive Directors; • consists of a majority of independent Directors; • is chaired by an independent Chair, who is not Chair of the Board; and • has at least three members. 	See above section on "Audit Committee"
4.3	The Audit Committee should have a formal charter.	√
5	Make timely and balanced disclosure	
5.1	Establish and disclose written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance.	√
6	Respect the rights of shareholders	
6.1	Design and disclose a Communications Policy for promoting effective communication with shareholders and encouraging their participation at General Meetings.	√
7	Recognise and manage risk	
7.1	Establish policies for the oversight and management of material business risks and disclose a summary of those policies.	√
7.2	The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.	√
7.3	The Board should disclose whether it has received assurance from the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) that the declaration provided in accordance with Section 295A of the <i>Corporations Act 2001</i> is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	√

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	Principle/Recommendation	Complied
8	Remunerate fairly and responsibly	
8.1	The Board should establish a Remuneration Committee	√
8.2	The Remuneration Committee should be structured so that it: <ul style="list-style-type: none"> • consists of a majority of independent Directors; • is chaired by an independent Chair; • has at least three members. 	See above section on "Remuneration and Nomination Committee"
8.3	Clearly distinguish the structure of Non-Executive Directors' remuneration from that of Executive Directors and senior executives.	√

POLICIES ON THE COMPANY'S WEBSITE

The following policies and charters are contained in the Our Commitment/Corporate Governance Policies section of the Company's website: www.atlanticltd.com.au.

- Audit Committee Charter
- Board Charter
- Code of Conduct
- Constitution
- Continuous Disclosure Policy
- Diversity Policy
- Market Communications Policy
- Remuneration Nomination Committee Charter
- Risk Management Policy
- Securities Dealing Policy