

7 February 2011

## POSITIVE RESULTS FROM GRADE CONTROL DRILLING PROGRAMME

### Highlights

- **High grade vanadium zone at Windimurra extended to a depth of 150 metres from grade control drilling programme**
- **Results indicate zones of 11m @ 0.79% V<sub>2</sub>O<sub>5</sub> and 22m @ 0.69 V<sub>2</sub>O<sub>5</sub>**
- **Delineation of iron and titanium enriched zone in main vanadium ore body**

Atlantic Ltd (ASX: ATI, **Atlantic**) announces that the first results from a grade control drilling programme at its 100%-owned Windimurra vanadium project in Western Australia confirmed a down dip extension of the high grade vanadium mineralisation. Results also identified a distinct iron and titanium enriched zone in the main vanadium-bearing ore body.

The first stage of the current drill programme was designed to determine the continuity of the higher grade portions of the 80 metre true width vanadium ore body at depth.

Atlantic Managing Director Michael Minosora said the results confirmed the continuity of high grade vanadium mineralisation to a depth of 150 metres from the previously known 80 metres.

"These results confirm the depth extensions of the higher grade vanadium packages through the northern sections of the current Windimurra vanadium ore body," Mr Minosora said.

"We will now assess these results in detail to determine the potential for optimisations to our mine plan ahead of the commencement of mining."

"The objective of this next stage of work will look at whether we can implement a selective mining and high grading strategy in the first four years of production, targeting the extended high grade zones identified by this drilling programme," said Mr Minosora.

The results also identified an iron and titanium enriched zone in the hanging wall of the main vanadium bearing ore body.

This zone is approximately 10 metres wide bearing high iron, titanium and vanadium values.

The market potential of this zone, which is currently targeted as waste material in the current life of mine plan, will be assessed, including for use in Midwest Vanadium Pty Ltd's (MVPL) marketing strategy for both the steel and heavy aggregate markets.

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Atlantic's wholly-owned subsidiary MVPL, the 100% owner of the Windimurra vanadium project, also holds exploration tenements to the south of the existing vanadium resources and reserves.

These tenements have not been systematically explored to date.

With the completion of the current grade control drilling programme, drill rigs have now moved to the south of the current reserve base to complete a first pass drilling programme in lines across the most prospective areas identified via high resolution aeromagnetics. This drilling will evaluate underlying geological controls and regional prospectivity.

MVPL plans to systematically explore these zones to evaluate the potential for the development of high grade vanadium satellite pits and extend the project's JORC-compliant resource base of 176.59 million tonnes at 0.46% V<sub>2</sub>O<sub>5</sub>.

Drilling is expected to continue through until the end of the current calendar quarter.

Further details on the results from the current drilling programme are attached.

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**About Atlantic Ltd**

Atlantic is committed to building a diversified portfolio of world class resources projects that will provide superior returns to shareholders.

Atlantic combines its strong financing capability with a highly disciplined and innovative approach to acquire resources projects that are low cost, long life and near production.

Additional information on Atlantic can be found at [www.atlanticltd.com.au](http://www.atlanticltd.com.au).

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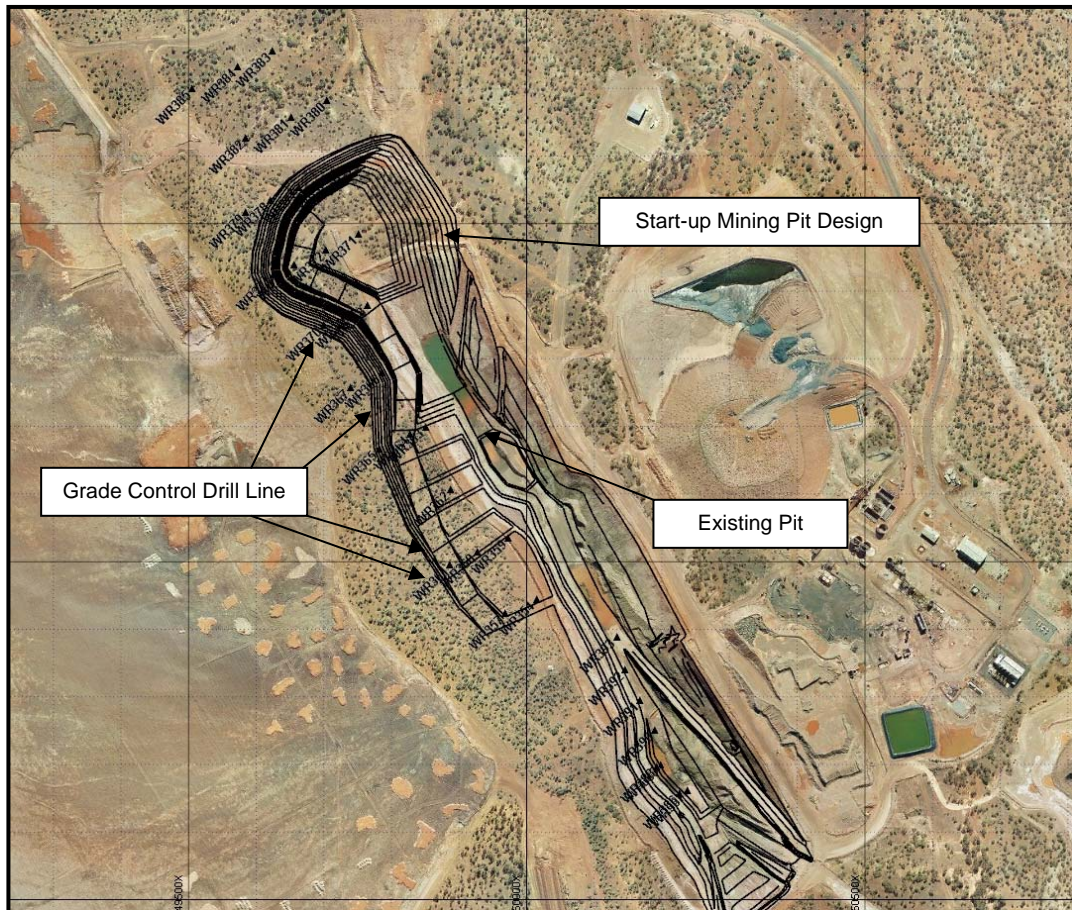
### Current Drilling Programme

The geological logging, geophysical probing and assay results from the infill grade control drilling programme now completed have confirmed that there exists up to three separate and mineable high grade vanadium zones within the current ore reserves.

The drilling has in-filled the existing drilling density to a 50 metre by 100 metre grid and has extended the known down-dip resources from the current 80 metre depth to 150 metres.

An updated global mineral resource estimate will now be completed and is expected to be released in the second calendar quarter of 2011.

### Start-up Mine Pit Design



The high grade intercepts have been calculated based on a minimum mineable width of 5 metres per zone to allow for practical mining using a mid-sized mining fleet configuration.

Not all holes targeted the main ore zone, with some holes targeting a hanging wall high iron unit.

The interim assay results from the infill grade control drilling programme are tabulated below:

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### High Grade Vanadium Package Results

Hole (No.)	Width (m)	True Width (m)	V <sub>2</sub> O <sub>5</sub> (%)	Zones (No.)
WR354	17	15	0.64	3
WR357	20	18	0.59	3
WR359	27	25	0.57	3
WR360	10	8	0.60	1
WR362	19	17	0.58	2
WR363	20	18	0.54	2
WR364	22	20	0.58	2
WR365	8	6	0.61	1
WR366	13	11	0.61	1
WR367	16	14	0.58	2
WR368	22	20	0.58	2
WR369	25	23	0.62	3
WR371	28	26	0.61	2
WR372	17	15	0.63	2
WR373	19	17	0.57	2
WR374	12	10	0.59	2
WR375	13	11	0.79	1
WR376	25	23	0.61	3
WR377	24	22	0.69	3
WR378	17	15	0.58	2
WR379	11	9	0.59	2
WR380	9	7	0.58	1
WR381	18	16	0.63	1
WR382	33	31	0.57	3

The current global reserves at Windimurra are based on an average grade of 0.47% V<sub>2</sub>O<sub>5</sub>. The average higher grades identified above will now be assessed in the context of the current Windimurra reserves and mine plan.

A revised detailed mine design and schedule will now be developed to determine the impact of the above positive results on the potential to implement a high grade selective mining strategy in time for the commencement of mining at the project.

#### High Iron, Titanium and Vanadium Zone

The current drilling programme also targeted a previously identified iron and titanium enriched zone in the hanging wall of the main vanadium bearing ore body. The drilling confirmed the existence of an approximate 10 metre wide zone bearing high iron, titanium and vanadium values. In particular, the following intercepts were recorded (Note: not all holes targeted this high titanium, high iron zone):

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**Titanium, Iron and Vanadium Enriched Package**

Hole (No.)	True Width (m)	TiO <sub>2</sub> (%)	Fe (%)	V <sub>2</sub> O <sub>5</sub> (%)
WR357	12	21.2	41.5	0.38
WR360	12	22.2	40.6	0.38
WR361	8	20.2	39.0	0.40
WR362	10	21.0	42.0	0.45
WR364	8	19.9	42.6	0.43
WR365	9	20.8	42.5	0.43
WR366	11	20.3	42.1	0.42
WR367	10	20.2	41.4	0.39
WR369	13	19.3	44.2	0.39
WR370	13	21.6	42.5	0.41
WR373	8	22.3	40.3	0.40
WR374	6	23.2	40.0	0.34
WR379	6	20.3	41.5	0.37

The market potential of this high titanium and iron unit will now be analysed, including for use in MVPL's marketing strategy for both the steel and heavy aggregate markets.

**Competent Person Statement**

The information in this report relating to exploration activities and mineral resources is based on information compiled by Colin J.S Arthur, who is a Chartered Geologist, Member of The Australasian Institute of Mining and Metallurgy and Fellow of the Geology Society of London. Mr Arthur is a full-time employee of Midwest Vanadium Pty Ltd in the capacity of Chief Geologist.

Mr Arthur has over twenty years experience in this style of mineralisation and the type of deposit under consideration and related mining method and project evaluation. He has sufficient experience which is relevant to the style of mineralisation and to the activity which he has undertaken. He is therefore qualified 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 Arthur consents to the inclusion of this report in the form and context in which it appears.

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