

30 December 2011

## WINDIMURRA VANADIUM PROJECT UPDATE

### Highlights

- *First vanadium production set to occur during January 2012*
- *Vanadium refinery process commissioning underway*
- *Iron ore logistics chain arrangements confirmed*
- *First iron ore shipment anticipated for January 2012*

Atlantic Ltd (ASX:ATI) (**Atlantic** or the **Company**) advises that process commissioning at its Windimurra vanadium project is continuing, with first production of ferrovandium and the first iron ore shipment, both previously anticipated in the last calendar quarter of 2011, now expected to occur during January 2012.

To date, Atlantic's operations team, as part of the process commissioning phase, has pushed vanadium product through the front end of the ferrovandium plant.

This has included process commissioning of the crushing, milling and beneficiation (**CMB**) plant, roasting of magnetite concentrate in the rotary kiln and leaching of roasted ore in the leach vats to concentration levels allowing vanadium in solution to be fed into the back end of the plant, the vanadium refinery stage.

In recent weeks, vanadium solution from the leach vats has been fed to the desilication and precipitation circuits where ammonium metavanadate (**AMV**) has been produced. The production of AMV is a critical interim step in the process of producing ferrovandium.

The remaining stages of process commissioning for first ferrovandium to be produced comprise flash drying, reduction and electric arc smelting.

The electric arc furnace has already been successfully tested with a surrogate material.

This week, the flash dryer and reduction kilns underwent final gas licensing, a safety and regulatory requirement. Following this licensing, the operations team has now commenced process commissioning of the vanadium refinery, which is the final process in first ferrovandium production.

Atlantic Managing Director Michael Minosora said Atlantic expects to produce its first ferrovandium shortly.

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“In the normal course of operations, pushing product through the flash dryer and refinery takes only a number of days, however, the process commissioning phase is tasked to iron out any bugs in the vanadium refinery as well as produce first ferrovanadium and our guidance on timing of first production is therefore allowing us flexibility to complete this task during January,” Mr Minosora said.

“Commissioning issues in the CMB plant have delayed commissioning of the downstream process.”

“The plant is a complex, multistage process and as is always the case, some unexpected issues have arisen during commissioning. However we now understand the process issues much better, and are well placed to progressively remove the production bottlenecks during the ramp-up phase.”

Atlantic continues to engage the services of a specialist engineering company to assist in the resolution of the remaining commissioning work in the CMB plant which will require modifications to improve its performance.

Atlantic is also pleased to report that it has confirmed arrangements for an iron ore logistics chain that will enable sale and delivery of iron ore fines.

Site preparations for iron ore screening, loading and transport are complete and all approvals have been received for the iron ore business.

To date, 30,000 tonnes of existing iron ore fines have been screened to specification. This tonnage is sufficient to meet the needs of Atlantic's first shipment.

Loading of iron ore utilising a container-based solution was successfully trialled for other clients at Geraldton Port in mid-December achieving acceptable load rates.

A date of first iron ore shipment awaits confirmation of volume and timing from our first customer, however is anticipated during January, 2012.

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**About Atlantic**

Atlantic is committed to building a diversified portfolio of world class resources assets 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.

Atlantic subsidiary Midwest Vanadium Pty Ltd owns 100% of the Windimurra vanadium project, located approximately 600 kilometres north of Perth in Western Australia. Windimurra hosts one of the largest proven vanadium reserves in the world.

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