

22 March 2012

ATLANTIC FUNDING AND PROJECT UPDATE

Atlantic Ltd (ASX: ATI) (**Atlantic** or the **Company**) is pleased to provide the following funding and project update.

Funding Update

On 6 March 2012, Atlantic announced the signing of agreements to secure a \$41.7 million funding package.

Atlantic has already received \$21.7 million of this funding package, with the remaining funds expected to be received as follows:

- \$10 million under the final draw down of Droxford International convertible bonds to be received on or around 30 March 2012; and
- \$10 million in funds from a new issue of shares to Chairman and Managing Director Michael Minosora following shareholder approval at an Extraordinary General Meeting to be held in late April 2012.

At the same time as announcement of the \$41.7 million funding package, Atlantic also announced that it would complement the funding package with a Share Purchase Plan (**SPP**) offer to existing shareholders whereby eligible shareholders would be entitled to apply for up to \$15,000 of new shares.

Due to recent movements in the share price of Atlantic and rules relating to the pricing of SPPs, if Atlantic proceeds with the SPP at this time, the offer price for the SPP would be at a significant discount to the recently announced capital raising.

On this basis, Atlantic has decided that it is not in the best interests of shareholders as a whole to proceed with the SPP offer at current share price levels.

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Project Update

The Windimurra project is at an advanced stage of development, with construction at the project completed in 2011 and, following commissioning over recent months, production of commercial quantities of saleable ferrovanadium to begin this month.

Once fully operational, Windimurra will produce 6,300 tonnes of contained vanadium per annum which at current spot Ryan's Notes prices in North America equates to annual revenues of approximately US\$215 million. In addition, the Company will produce in excess of 1 million tonnes of iron fines and high titanium iron ore by- and co-products.

Key project highlights to date:

- First production of ferrovanadium achieved in January representing a significant de-risking for the project;
- Commissioning work complete and handover to operations;
- Commercial production of ferrovanadium to begin this month;
- Strong customer interest in Windimurra ferrovanadium from North America and Europe;
- Ongoing sales discussions with customers for Windimurra iron ore by- and co-products;
- Committed staff strongly supported by our valued suppliers; and
- Resource upgrade from drilling in southern mine area due next month.

As previously advised to the market, design issues requiring modification work were identified in the milling and beneficiation components of the crushing, milling and beneficiation (**CMB**) circuit.

Long lead time items for the modification work have been procured, including two screens. Construction work is due to commence on 26 March with completion due during Q2 calendar year 2012 at an estimated budget cost of \$14 million.

The screens will allow clay material to be separated from the ore feed following the crushing stage, improving ore flow through the milling circuit, allowing an increase in throughput of the high pressure grinding roll (**HPGR**) mill over design capacity.

This work will allow for increased production of magnetite concentrate by the CMB circuit on a consistent and sustainable basis, with target production levels of 65% of production capacity across the entire plant, equivalent to approximately 4,000 tonnes of contained vanadium per annum, expected during Q2 calendar year 2012, with 100% production capacity expected by the end of December 2012.

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Crushing, milling and beneficiation circuit at Windimurra with magnetite concentrate product in foreground

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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.atlanticltd.com.au.

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