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PRODUCTION & SALES REPORT

OCTOBER / NOVEMBER 2012

Atlantic Ltd (ASX: ATI; **Atlantic** or the **Company**) presents its production and sales report for the month of October and November 2012 month to date.

Production and Sales

The Company produced and sold the following vanadium volume from its wholly-owned Windimurra vanadium project (**Windimurra**).

	October (tonnes vanadium units)	November month to date (tonnes vanadium units)
Vanadium billet production	6.4	11.8
Vanadium sales*	10.5	24.0

* May include production from previous months held in inventory. November vanadium sales undergoing specification testing.

Windimurra Operations Update (see Appendix 1 for plant process flow schematic)

During October and to date in November, the Company continued to ramp-up the plant with a focus on the front end of the plant.

A decision was made to revise the previous incremental ramp-up strategy to a 'nameplate capacity' ramp-up approach whereby each circuit of the plant is run to nameplate capacity prior to moving to the next circuit. This will limit production in early months but will deliver overall nameplate capacity in a shorter time frame.

The key reasons for doing this are:

- The previous strategy involved operating key components below their design limits; and
- It allows for the focus of key resources on achieving targeted production levels in each progressive circuit rather than resources being spread across the entire plant.

Front End of Plant

The crushing area within the crushing, milling and beneficiation (**CMB**) circuit was off-line in the first half of October due to planned maintenance on the secondary and tertiary crushers.

Following implementation of the new ramp-up strategy, below are results during November to date:

	Nameplate Capacity	Ramp-up Run Rate Achieved
Crushing (primary, secondary, tertiary)	688 tph	688 tph
Feed to beneficiation plant:		
Fines feed from new screens	174 tph	174 tph
Coarse feed from mill (HPGR)*	500 tph	450 tph
Beneficiation (magnetic separation)**	674 tph	450 tph

* Additional debottlenecking works to improve feed in and out of the milling area, including the repulper, are being undertaken.

** Achieved run rate is indicative only and has not been proven over a sustained period of operation. Majority of magnetic separators installed, final installation of magnetic separators underway.

Back End of Plant

Roasting & Leaching

As a result of limited magnetite concentrate production levels, the kiln operated for only short periods and at low rates of throughput during October and November month to date.

Further modifications were made to the discharge (chute and drag chain) of the kiln to increase its operating rate to design capacity.

Refinery

Desilication and precipitation areas of the refinery operated well at low levels of throughput due to depleted inventory levels. New agitators were successfully installed and brought into operation.

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Work undertaken in previous months on the main seals of the two reduction kilns and the discharge area has proven successful. This stage in the production process produces vanadium trioxide (V_2O_3 – an intermediate saleable vanadium product) from ammonium metavanadate produced during precipitation.

A new feeder was successfully installed in the electric arc furnace (**EAF**). Test work is ongoing and early indications based on a number of smelts show positive results with improved feed rates into the EAF.

Packaging and Dispatch

The FeV crusher underwent guarding upgrades during the period. The FeV rock breaker grizzle was also upgraded.

Recruitment

Daniel Harris was appointed Chief Operating Officer of Atlantic Ltd during October.

Rick Wingo has been appointed as Production Manager – Refinery, subject to meeting Australian visa requirements. Rick has extensive experience in the specialty metals production industry in North America and elsewhere.

Recruitment of additional process operators and mechanical fitters also occurred during the period.

Vanadium Prices

The monthly average London Metal Bulletin pricing for vanadium in the European market for October and November to date was US\$24.28 and \$24.22 per kilogram of contained vanadium respectively.

The monthly average Ryan's Notes pricing for vanadium in the North American market for October and November to date was US\$32.03 and \$31.63 per kilogram of contained vanadium respectively.

Product is currently being sold in the North American market. The Company's last achieved vanadium sales price was US\$29.96 per kilogram of contained vanadium.

Under the terms of Atlantic's sales and marketing agreement, initial payment for ferrovanadium is received at 80% of the London Metal Bulletin price following delivery to the off-taker's warehouse in Perth and independent specification certification by SGS.

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The uplift from 80% of the Metal Bulletin price to near the Ryan's Notes price, less sales and marketing and distribution fees is received once the product has landed with the customer.

Production Forecast

On the basis of lower than expected magnetite concentrate production levels in October and November month to date as outlined in this report, the Company has revised its December 2012 quarter production range estimate and reiterates its previously announced March 2013 quarter estimate as follows:

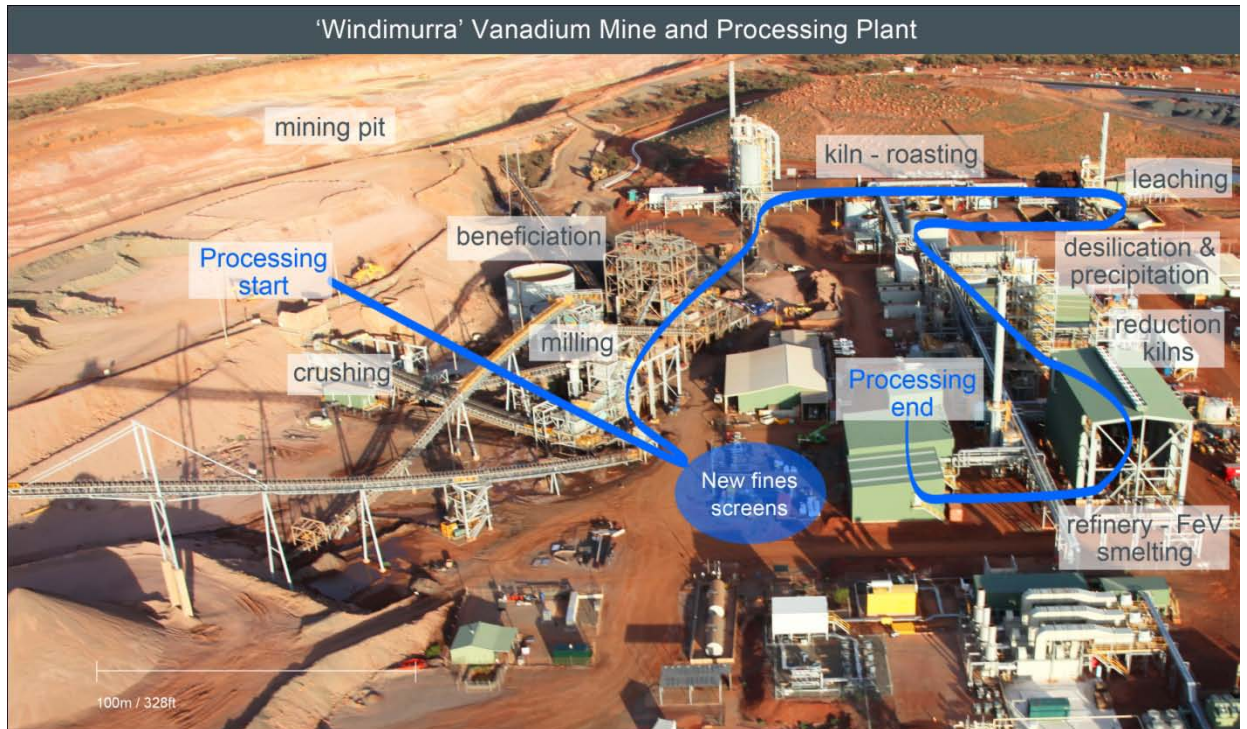
	October to December 2012 Quarter (tonnes vanadium units)	January to March 2013 Quarter (tonnes vanadium units)
Vanadium billet production	140-171	867-1060

The above forecast reflects the overall processing time of 30 days from crushing run of mine product through to production of FeV billets.

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Appendix 1

Plant Process Flow Schematic



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