

30 January 2013

WINDIMURRA PROJECT UPDATE**Highlights**

- ***Ferrovandium production to recommence shortly***
- ***Successive days of record magnetite concentrate production***
- ***Updated production forecast of 260–320 tonnes of contained vanadium in Q1 2013***

Atlantic Ltd (ASX: ATI) (**Atlantic** or the **Company**) is pleased to present this project update for its wholly-owned Windimurra vanadium project.

The adoption of a new ramp-up strategy in November 2012 whereby each circuit of the plant is successfully run at or close to nameplate capacity prior to work focusing on the next stage of the processing plant has proven successful to date.

The crushing circuit has been operated in excess of nameplate capacity and the new screening plant commissioned in 2012 has performed well delivering fines product as designed direct to the beneficiation plant.

The high pressure grinding roll mill (**HPGR**) has been operated successfully at high levels of throughput and in recent weeks operation has stabilised.

The beneficiation plant has also run at capacity on both direct fines feed through the new screening plant and HPGR ore feed.

This has resulted in a number of days of record vanadium-bearing magnetite concentrate production at the project's expected long-term yield with the focus now turning to stabilising and improving run time in the overall crushing, milling and beneficiation (**CMB**) circuit.

The production of magnetite concentrate from the CMB circuit in recent weeks will allow the recommencement of production of ferrovandium end product shortly.

As advised in December 2012, Atlantic has been preparing updated production forecasts based on the revised ramp-up strategy. The Company has now completed its reforecast and expects to produce between 260–320 tonnes of contained vanadium in the first quarter of calendar 2013.

The Company remains focused on significantly increasing vanadium production in the coming months and expects to ramp-up the plant to in excess of 80% of production capacity by the end of June 2013. A number of measures have been developed and will be implemented which will allow this target to be attained.

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Following an on-site technical review by consultants SRK Consulting (**SRK**) last week, SRK has advised the ramp-up schedule is considered achievable and realistic given the revised ramp-up methodology and progress demonstrated to date in the CMB circuit.

To ensure that the Company remains funded during ramp-up, it is considering non-equity funding options including ongoing consultation with the majority holders of Midwest Vanadium Pty Ltd's senior secured notes.

Ferrovandium pricing remains at robust levels and in recent weeks both European and North American ferrovandium prices have risen sharply. The Metal Bulletin price for vanadium in Europe currently stands at a two-and-a-half-year high.

Ferrovandium prices are expected to continue to rise throughout 2013 due to rising demand in an environment of tight supply. Further information on the [Vanadium Market Outlook](#) from the Company's vanadium expert Terry Perles can be found on the Company's web site.

Atlantic is engaged in discussions to begin iron ore fines sales in the near term given a recent rebound in iron ore prices. The Company however notes iron ore prices will need to maintain their current levels to balance the risks of long term logistics contracts with fluctuating iron ore price contracts.

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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.atlanticld.com.au.

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