

PRODUCTION & SALES REPORT

JANUARY 2013

Atlantic Ltd (ASX: ATI; **Atlantic** or the **Company**) presents its production and sales report for the month of January.

Production and Sales

The Company produced and sold no ferrovanadium from its wholly-owned Windimurra vanadium project (**Windimurra**) in January. Ferrovanadium production recommenced in February.

Windimurra Operations Update

During January, ramp-up focused on the beneficiation plant within the crushing, milling and beneficiation (**CMB**) circuit as well as the roasting kiln.

CMB

The crushing, screening and milling units are now able to provide crushed ore on demand and run at capacity following a series of modifications and adjustments to address material flow issues.

The focus during January was to bring the beneficiation plant up to capacity which included:

- Optimising control systems to improve the control of the flow of materials from the repulper to the beneficiation plant and installation of a new flow meter designed to operate effectively with magnetite ores.
- Balancing and improving the water flows through the beneficiation plant.
- Final commissioning of all rare earth magnetic separators leading to increased recovery.

The new flow meter, of a different design, allows vastly improved control over the flow of materials to the beneficiation plant.

The focus during February has shifted to increasing availability of the CMB circuit.

Vanadium-bearing magnetite concentrate recovery from the beneficiation plant is at or better than plan.

Roasting and Leaching

The kiln did not operate in January as a result of the beneficiation plant undergoing ramp-up and an absence of magnetite concentrate feed.

In February, progress was made on ramping-up the kiln to capacity.

In the latter part of February major planned reengineering works were undertaken to the kiln discharge area to improve the availability.

With these works now completed, the kiln is being brought back on line.

Refinery

The refinery operated satisfactorily in January and is progressing through ramp-up to capacity.

Costs

In January, costs were under budget. The Company expects cash outflows for the January to March quarter 2013 to be below the previously disclosed estimate of \$25.7 million.

Vanadium Prices

The monthly average London Metal Bulletin price for vanadium in the European market trended positively from US\$26.78 per kilogram of contained vanadium in December to US\$31.15 in January. The mid-point London Metal Bulletin price for vanadium in the European market at the date of this report is US\$32.50 per kilogram of contained vanadium.

The monthly average Ryan's Notes price for vanadium in the North American market also trended positively from US\$29.72 per kilogram of contained vanadium in December to US\$30.91 in January. The mid-point Ryan's Notes price for vanadium in the North American market at the date of this report is US\$32.63 per kilogram of contained vanadium.

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