

## PRODUCTION & SALES REPORT

APRIL 2013

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

### Production and Sales

In April, the Company produced and sold the following vanadium volume from its wholly-owned Windimurra vanadium project (**Windimurra**):

	April (tonnes contained vanadium)
Vanadium billet production	0.0
Vanadium sales*	21.8

\* May include production from previous months held in inventory.

### Windimurra Operations Update

During April, the focus remained on resolving the last non-performing part of the Windimurra plant, the beneficiation plant within the crushing, milling and beneficiation (**CMB**) circuit.

The resolution of design issues within the CMB circuit requires modifications to equipment within the beneficiation plant as well as process flow modifications to the milling and screening area preceding the beneficiation plant.

As indicated in Atlantic's March Quarterly Report, this work has an estimated topside cost of A\$3.0 million. The Company remains on track to complete these works in May/June 2013.

Undertaking this modification work will pave the way for the CMB circuit to deliver a consistently higher quantity of vanadium bearing magnetite concentrate to the roasting kiln.

This will be achieved through improving both on-stream time and throughput rates resulting in significantly higher production throughout the circuit.

Modifications to the crushing and milling plant preceding the beneficiation plant have been completed. This change will see a smaller fraction size of ore being delivered to the beneficiation plant.

The flow scheme in the beneficiation plant is also being modified to deliver a further reduced particle size to the magnetic separators. In addition, the feed system to the magnetic separator units will be modified to provide more uniform distribution of ore feed at higher velocity to the magnetic separator units.

The magnetic separators are also being modified to improve flow rates and eliminate blockages.

A flow-on benefit of the resolution of the beneficiation plant deficiencies is a very significant simplification of the CMB circuit.

During April, the CMB circuit continued to operate despite the ongoing modification works.

The kiln set a new record operating run rate in April. Vanadium bearing magnetite concentrate was fed through the roasting kiln at a run rate of 100 tonnes per hour. This compares with a nameplate capacity of 130 tonnes per hour.

Production processes post the kiln from leaching through to the reduction kiln continued to operate well.

The electric arc furnace crucible was changed out in line with normal operating procedures resulting in scheduled down time during April and into May. Periodic crucible interchange will facilitate continuous ferrovanadium product pours as the plant moves through ramp-up and during steady state production.

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**Production Outlook**

The main shut down for the modification works to the beneficiation flow sheet is expected to be completed this week. Following this shut down, the Company is confident that the current modifications will allow the Windimurra production plant to ramp-up production capacity significantly.

**Costs**

April continued the trend of prior months of below budget costs. As a result, the Company expects cash outflows for the June quarter to be below the previously disclosed estimate of A\$32.4 million.

**Vanadium Prices**

Ferrovandium pricing remained at robust levels, with the mid-point average Ryan's Notes price for vanadium in the North American market moving from US\$32.96 per kilogram of contained vanadium in March to US\$32.35 in April. The Ryan's Notes price at the date of this report is US\$30.42 per kilogram of contained vanadium.

The mid-point average London Metal Bulletin price for vanadium in the European market moved from US\$32.07 per kilogram of contained vanadium for March to US\$29.14 for April. The London Metal Bulletin price at the date of this report is US\$27.80 per kilogram of contained vanadium.

**Iron Ore**

In March, the Company continued to make steady progress towards the commencement of iron ore exports. Subject to robust iron ore prices, it is anticipated that shipments of iron ore fines will commence in mid-2013.

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