

PRODUCTION & SALES REPORT

MONTH OF JULY 2013

Atlantic Ltd (ASX: ATI; **Atlantic** or the **Company**) presents its production and sales report for the month of July, with commentary on progress for August month to date.

Windimurra Operations Overview

At the Windimurra polymetallic operation of Atlantic's wholly-owned subsidiary, Midwest Vanadium Pty Ltd (**MVPL**), substantial progress has been made in moving the processing plant closer to sustained production of ferrovandium, MVPL's principal product.

Haematite iron ore is also produced by MVPL as a by-product of its ferrovandium production. During July, MVPL's first shipment of more than 30,000 tonnes of iron ore left Geraldton Port bound for north China. MVPL's second shipment to a separate buyer left port in the first half of August. MVPL's iron ore marketing and logistics efforts have been performing in line with expectations to date.

Mining

Mining continued as planned in July. During the current phase of mining, the focus has been on waste removal so that all three ore types are available for processing. During July, 361,278 tonnes of material was mined, of which 103,170 tonnes was ore and 258,108 tonnes was waste.

A recent review of the Windimurra mine plan has determined that it is feasible to deliver a blend of 30% oxidized, 40% transitional and 30% fresh ore to the processing plant, rather than the previously planned ratio of 40%:30%:30%. The increased proportion of transitional ore is a significant advantage because transitional ore provides a recovery which is approximately one-third higher than the recovery of magnetite concentrate from oxidized ore.

Processing Plant Update

During July, the last of the planned major process flow modifications were made to the crushing, milling and beneficiation (**CMB**) plant. This work was completed during a shutdown of five days in mid July.

Since completion of this work, production has been encouraging but inconsistent due to the need to make refinements to the modifications and to deal with resulting issues. However, magnetite concentrate production was immediately able to be increased to as high as 1,100 tonnes per day, compared with a previous record of approximately 800 tonnes per day. Furthermore, in August production so far has climbed to over 1,300 tonnes of magnetite concentrate per day. The re-installation of the final rare earth magnetic separators over the next few weeks should see a further lift in production of magnetite concentrate.

The focus now is to improve on-stream time. Following recent work on the CMB plant, extended run times are being achieved, albeit at lower average hourly throughput rates. As issues continue to be resolved and experience is gained, it is expected that both higher average hourly throughput rates and sustained, stable, operation will be achieved.

When the roasting kiln was re-started in July, problems were encountered with ring formation in the feed end of the kiln and the kiln was shut down to determine the source of this problem. As a result of this analysis, a modified cleaning circuit was installed and successful kiln operation was recommenced.

Vanadium production was suspended during most of July while the electric arc furnace crucible refractory bricks were replaced. Smelting re-commenced on 31 July with two smelts. During August, in the period to 20 August, 20 smelts have been completed, producing 40 tonnes of contained vanadium. This brings to 95 the number of successful smelts since commissioning began. All refinery components now appear to be working well, with only minor outages recorded. Over time, as the upstream issues continue to be resolved, the number of smelts per day is expected to increase.

	July 2013	1 to 20 August 2013
Vanadium production (tonnes of contained V)	3.7	40.0
Iron ore export sales (tonnes)	30,196	27,449

Vanadium Sales and Prices

During July, there were no vanadium sales. MVPL maintained adequate stock of vanadium in the North American market to support spot sales. In addition, MVPL delivered its first vanadium cargo to Europe during the month.

Vanadium published spot market prices in Europe started the month at US\$26.75 per kilogram of contained vanadium (**KgV**) and ended the month at US\$24.55/KgV, with an average for the month of US\$25.57/KgV. In the first half of August, the published spot market price in Europe continued its downward trend but as at 16 August 2013 had recovered to be slightly above the end of month price.

In North America, vanadium published spot market prices during July were stable at US\$29.15 per kilogram of contained vanadium. During the first half of August the North American price slipped marginally.

Iron Ore

On 13 July MVPL's first shipment of iron ore left Geraldton Port bound for north China. The second shipment, to another buyer, left Geraldton Port on 15 August. That shipment was 27,449 tonnes. As at the date of this report, trucking of iron ore from Windimurra to MVPL's warehouse in Geraldton was underway for the third shipment.

Continuous shipments of iron ore are planned after the first four trial shipments, ramping up to 100,000 tonnes per month, subject to satisfactory prices being achieved.



The first shipment of iron ore being loaded at Geraldton
Photograph courtesy of Braemar Seascope Pty Ltd

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ABOUT ATLANTIC LTD

Atlantic is committed to building a diversified portfolio of world class resources projects that will provide superior returns to shareholders.

Atlantic subsidiary Midwest Vanadium Pty Ltd owns 100% of the Windimurra vanadium and iron ore operation, located approximately 600 kilometres north of Perth in Western Australia.

Windimurra hosts one of the largest proven vanadium reserves in the world. The Windimurra processing plant is currently being commissioned and the project has commenced iron ore shipments.

Additional information on Atlantic can be found at
www.atlanticltd.com.au