



PRODUCTION & SALES REPORT

MAY 2013

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

Windimurra Operations Update

During May, intense work was undertaken to implement changes to equipment in the crushing, milling and beneficiation (**CMB**) plant and the process flow through the milling and beneficiation circuits of the Windimurra plant.

This work was successfully completed just prior to month end and early stage wet commissioning of the modifications has commenced with immediate positive results. Midwest Vanadium Pty Ltd (**MVPL**) has already achieved in excess of 500 tonnes per hour (targeting 650 tonnes per hour) feed rates to the beneficiation circuit using the modified flow scheme of dry screening HPGR and crusher product.

Importantly, the beneficiation flow scheme is performing well at this rate with no overflow problems in the magnetic separators and very good performance of the ball mill as a primary grinding unit. The product size and chemistry are also better than expected.

Process optimisation of the circuit is now in progress to drive operating capacity to higher levels. Further work that can be completed in parallel with ongoing production on the magnetic separators to improve flow rates is underway and work is also being planned to the down stream tailings discharge area of the beneficiation circuit to cater for the increased flow rates.

The roasting kiln circuit remains off-line until magnetite concentrate inventory is re-established.

MVPL experienced a fire during the commissioning of the FeV crucible located in the FeV furnace area last week. Whilst this was not a major incident, it is anticipated that the event will interrupt the production of FeV until mid-June. In the meantime, production ahead of the FeV furnace will continue as planned.

Production Outlook

Following the focus on undertaking modification work to the CMB plant described above, there was no vanadium production in May and sales of 2.1 tonnes of contained vanadium for the month.

Following the change out of the crucible and the ramp-up of magnetite concentrate production levels, the Company expects to recommence continuous vanadium production by mid-June and increase levels of production steadily thereafter.

Iron Ore

In May, the Company finalised arrangements for the commencement of iron ore exports. Haulage operations from Windimurra have now commenced and the loading of iron ore into the storage facility at Geraldton Port has begun.

The first shipment of iron ore from Geraldton is expected ahead of schedule in June.

Vanadium Prices

The mid-point average Ryan's Notes price for vanadium in the North American market moved from US\$32.35 per kilogram of contained vanadium in April to US\$30.03 in May. The Ryan's Notes price at the date of this report is US\$29.15 per kilogram of contained vanadium.

The mid-point average London Metal Bulletin price for vanadium in the European market moved from US\$29.14 per kilogram of contained vanadium for April to US\$27.80 for May. The London Metal Bulletin price at the date of this report is US\$27.73 per kilogram of contained vanadium.

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BUILDING A WORLD CLASS RESOURCES GROUP

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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 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.

Additional information on Atlantic can be found at

www.atlanticltd.com.au