



Windimurra Project and Forecast Update

30 May 2012

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Agenda

Corporate Overview

Windimurra Project Update

Project Economics

Vanadium Market

Iron Ore

Key Messages

Corporate Overview

Vision

To build a world class resources portfolio that will drive capital growth and deliver superior returns to shareholders

Atlantic Ltd	
ASX code	ATI – ordinary shares
Ordinary shares	143.4 million
Options – \$1.325	169,811
Cash – 31 March 2012	\$46.8 million
Market capitalisation*	\$61 million

* 28 May 2012 undiluted



Windimurra
ferrovanadium



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Windimurra Mine and Ferrovanadium Plant



Windimurra Ferrovanadium Pour



**Windimurra High Quality
Ferrovanadium Product**

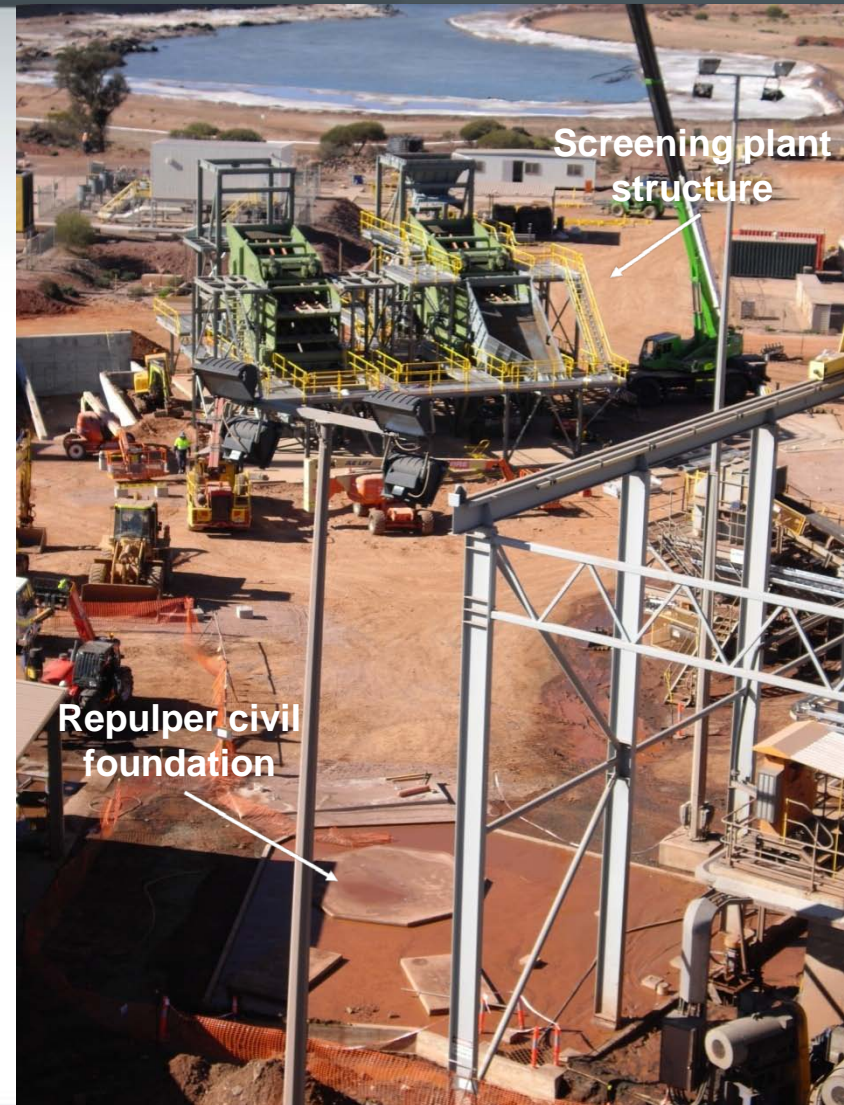
Key Chemical Composition (%)

Vanadium	80.3
Aluminium	0.5

Windimurra Project Update

- First commercial shipment of FeV
- First vanadium revenues
- Completion of CMB¹ circuit modification works well below budget of \$14 million
- Completion of modification works and handover to operations team in late June / early July
- In excess of 65% of plant capacity expected in July after handover
- Full plant capacity expected by end of calendar year 2012
- Terry Perles – world renowned vanadium industry expert joins team

¹ Crushing, milling and beneficiation



Ferrovandium Process Update

Project Area	Performance	Comments
Mining	✓	Successful operation for over a year
Crushing	✓	Tracking in line with expectations
Grinding	✗	Modification works underway and handover to operations team in late June / early July
Beneficiation	¾	Refurbished magnetic separators (12 in total) – 6 reinstalled, commissioned and operating with balance in June
Kiln	✓	Kiln operating well with current focus on ramping-up feed and optimising kiln discharge
Desilication/Precipitation	✓	Tracking in line with expectations
Flash dryer	✓	Tracking in line with expectations
Reduction kiln	✓	Tracking in line with expectations
FeV furnace	✓	High quality product produced, focus on achieving consistent commercial production requiring improvement in feed rates

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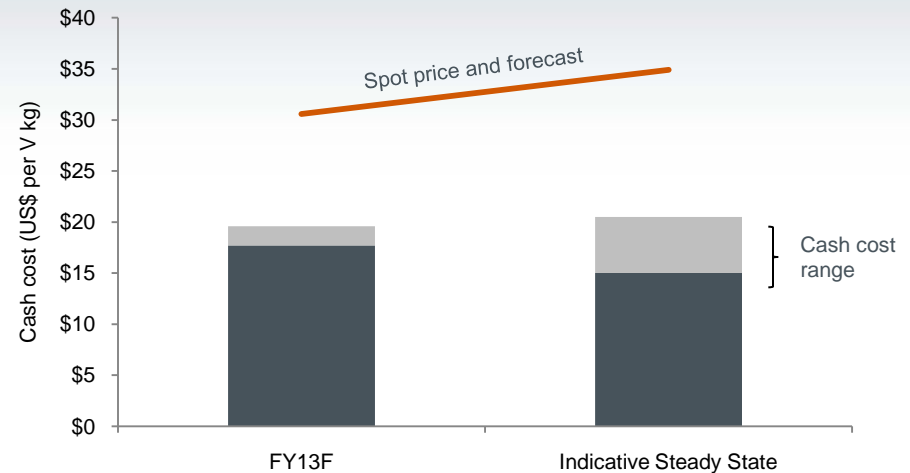
Windimurra Project Economics

FY13 and Steady State Guidance

	Units	FY 2013 Forecast	Indicative Steady State
Contained V production	tonnes	4,800-5,300	6,200-6,700
Spot V price / V price forecast	US\$/kg V	26.15-35.20 ¹	29.00-40.80 ²
Cash cost (without iron ore)	US\$/kg V	17.70-19.60	15.70-20.90
Cash cost (with iron ore)	US\$/kg V	17.00-18.90	15.00-20.50
Cash EBITDA	A\$m		80-140

Notes and assumptions

1. Current Europe and North America spot price respectively
2. Independent third party price forecast range
3. Indicative Steady State reflects estimates of Windimurra operations at full capacity
4. Exchange rate assumptions based on consensus forecasts
5. New iron ore fines targeting 55% Fe priced at a discount to consensus benchmark iron ore forecasts



- Project delivers strong operating margins without iron ore sales
- Forecast FY2013 includes scheduled ramp-up of operations to full capacity
- Iron ore provides upside to vanadium business

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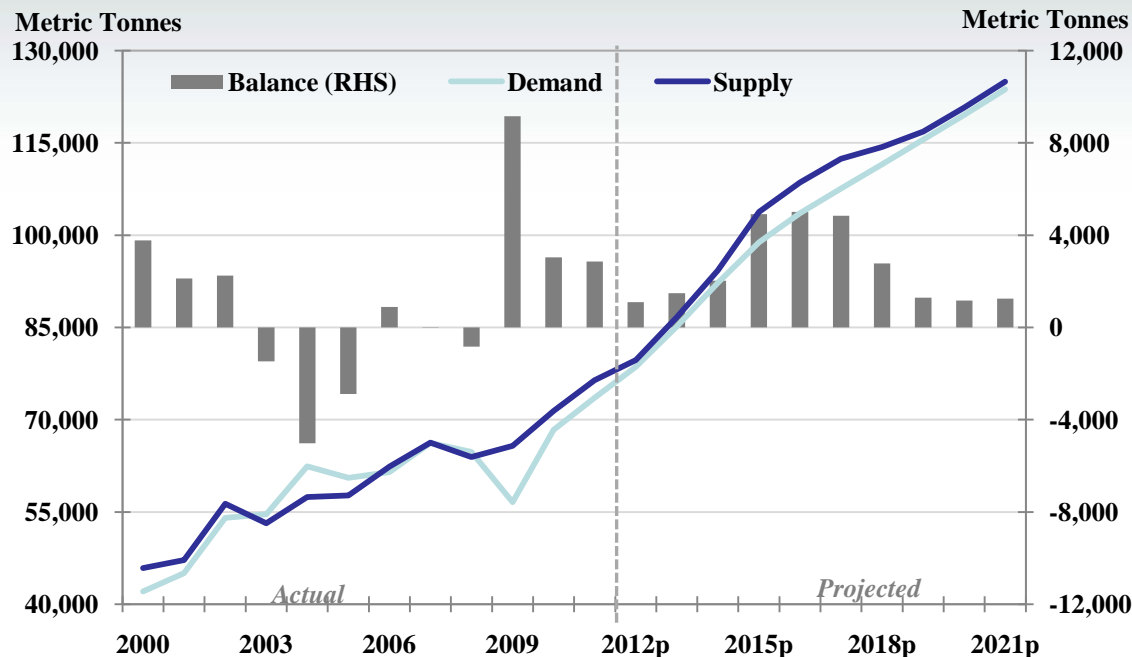
Iron Ore

Key Messages

Vanadium Industry Overview

Base Case: World Vanadium Market Balance and Supply/Demand Projections

Annual, 2000 - 2021p



Source: CPM Group 'Vanadium Market Outlook' 2012

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- Strong ferrovanadium market fundamentals with market demand and supply outlook in balance
- Windimurra to account for 7% of current global supply at capacity
- Majority (>90%) of vanadium consumption used in steel industry

Vanadium Sources

- 81% sourced from vanadium-bearing ores
 - 30% from “primary vanadium” mining
 - 70% from “vanadium bearing slag”
- 19% sourced from secondary sources e.g. oil residues, power station fly ash

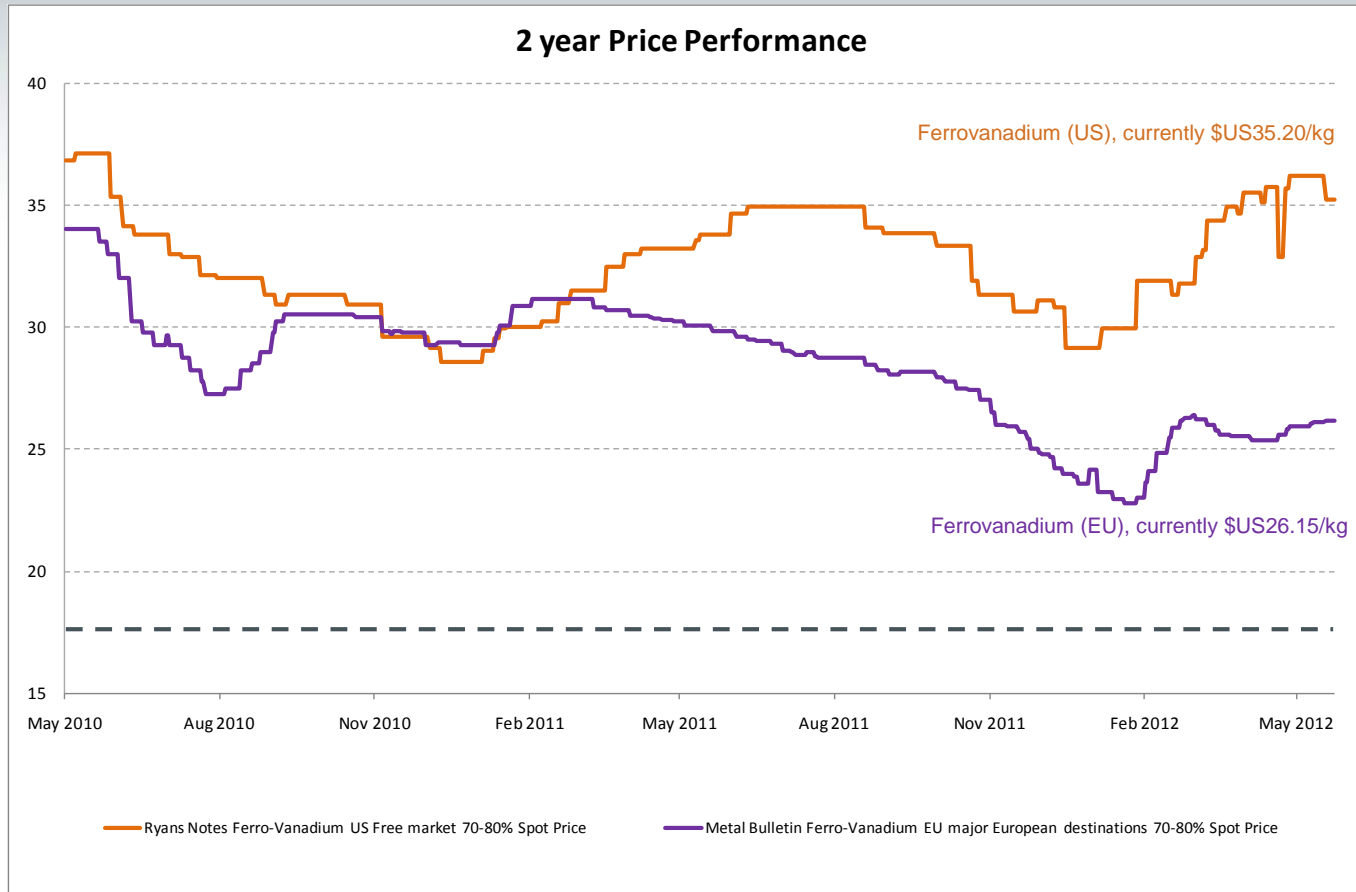
Primary Vanadium

- Sourced from iron ore hosting high grade vanadium deposits
- Following mining, crushing and milling, the ore is processed into a concentrate, roasted, precipitated and refined

Vanadium Bearing Slag

- Vanadium slag is a by-product of the steel industry
- Only “vanadium bearing” iron ore will result in slag containing vanadium
- Majority of supply is from steel mills in China, Russia and South Africa which use a local low grade vanadium bearing iron ore
- Vanadium bearing slag requires further processing for vanadium extraction, not dissimilar to that undertaken by primary vanadium producers (after mining/crushing/milling)

Ferrovandium Price Performance



Windimurra target market due to free trade agreement between Australia and US

Windimurra midpoint steady state cash cost

Vanadium Demand Drivers

- *Key vanadium demand drivers:*

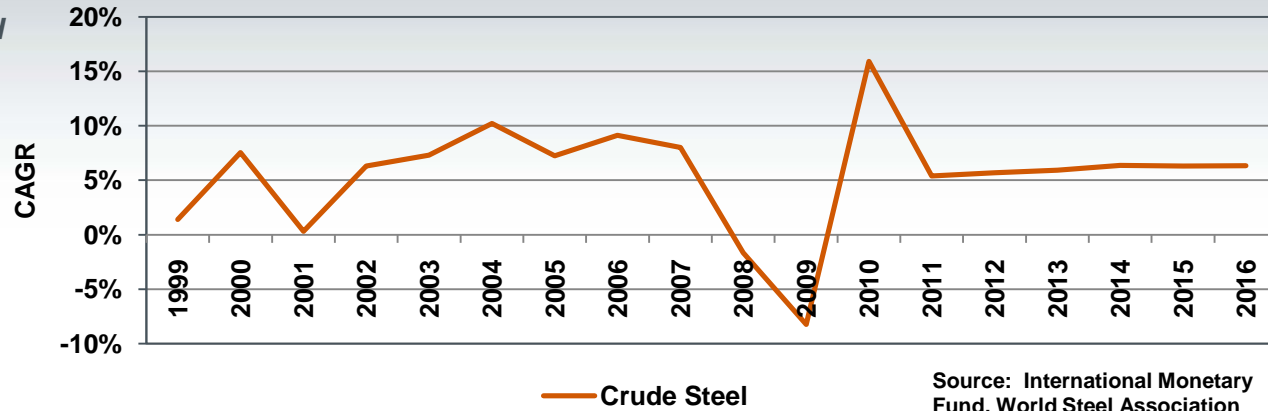
- *Steel production growth*

- *Intensity of vanadium use in steel eg construction*

- *Titanium alloys*

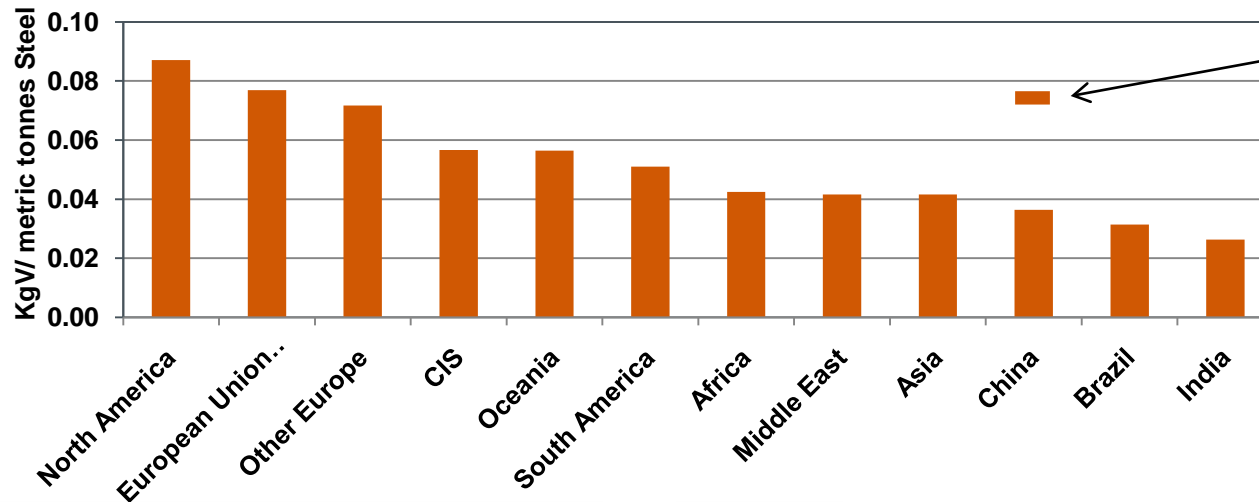
- *Batteries*

Crude Steel Production Growth



5.4% CAGR from 1999 to 2011 globally

Intensity of Vanadium Use



If all rebar in China were produced to Grade 3 standard using vanadium the total demand for vanadium would increase by 27,000 metric tonnes (MT) V per year and the Chinese specific consumption rate would rise to 0.074KgV/MT steel

Vanadium Industry Growth

Construction using vanadium

- On 1 July 2011, a Chinese Government Directive came into effect mandating the use of Grade 3 rebar (containing vanadium) in all new building designs
- 90 million tonnes grade 2 rebar previously used in construction (without vanadium content) produced to Grade 3 standard would consume additional 27,000 tonnes of vanadium per annum

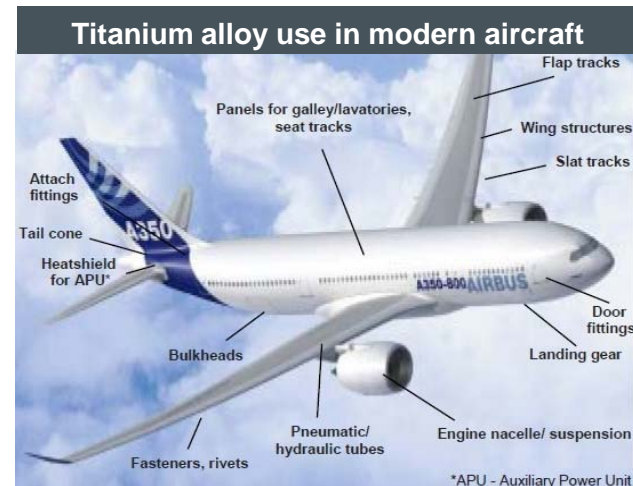
Steel rebar



Titanium alloys using vanadium

- Titanium, in which vanadium acts as an alloying agent, accounts for 8-9% of global vanadium consumption
- Significantly increased use of titanium alloys in newer aircraft
- Vanadium is virtually un-substitutable in this application

Titanium alloy use in modern aircraft



Batteries: vanadium redox and lithium vanadium

- Extremely large capacities make vanadium redox batteries well suited to use in large power storage applications having an extremely rapid discharge capability e.g. wind or solar
- Lithium vanadium phosphate batteries produce higher voltages and improved energy for weight characteristics e.g. electric cars

Vanadium redox battery



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Windimurra Iron Ore

- Iron ore provides upside to business
- Production of 55% Fe iron ore fines expected to lead to the commencement of iron ore sales
- To date, business impacted by high A\$ and lower than expected price realisation
- Going forward, iron ore contribution expected to be driven by iron ore pricing and level of A\$
- Existing logistics solution in place
- Looking to further streamline logistics solution
 - Provides access to larger vessels
 - Reduction in shipping costs to market

Existing 52% Fe iron ore fines stockpile



Storage shed in Geraldton



Port capacity secured at Berth 6 →



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- Windimurra in commercial production
- Regular ferrovanadium shipments commenced
- Plant modifications well under budget and due for handover to operations team in late June / early July
- On track for full plant production capacity by calendar year end 2012
- Strong ferrovanadium market fundamentals
- Financial forecasts show strong operating margins
- Iron ore provides upside to vanadium business

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