



QUARTERLY REPORT



QUARTER ENDED

31 March 2011

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ATIO (listed options)

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Michael Minosora

(Managing Director)

Tony Veitch

(Executive Director)

Alan Mulgrew

(Non-Executive Director)

Jay Wachter

(Non-Executive Director)

Phiong Phillipus Darna

(Non-Executive Director)

BUILDING A WORLD CLASS RESOURCES GROUP



QUARTERLY REPORT

Atlantic Ltd (ASX: ATI; **Atlantic** or the **Company**) is pleased to present its report for the quarter ended 31 March 2011.

HIGHLIGHTS

- **Windimurra vanadium project on track for first production in third calendar quarter, 2011**
- **Major sales agreement signed for 100% of ferrovanadium production from Windimurra**
- **US\$335 million raised in a senior secured note issue, underpinning Windimurra's development**
- **Positive results from grade control drilling programme**
- **Windimurra vanadium resource increased by 19%**
- **Encouraging exploration results of Windimurra's southern tenements**

WINDIMURRA VANADIUM PROJECT

During the quarter, Atlantic made solid progress towards completion of the Windimurra vanadium project ("**Windimurra**") and remains on schedule for first production in the third calendar quarter of this year (see location map on following page).

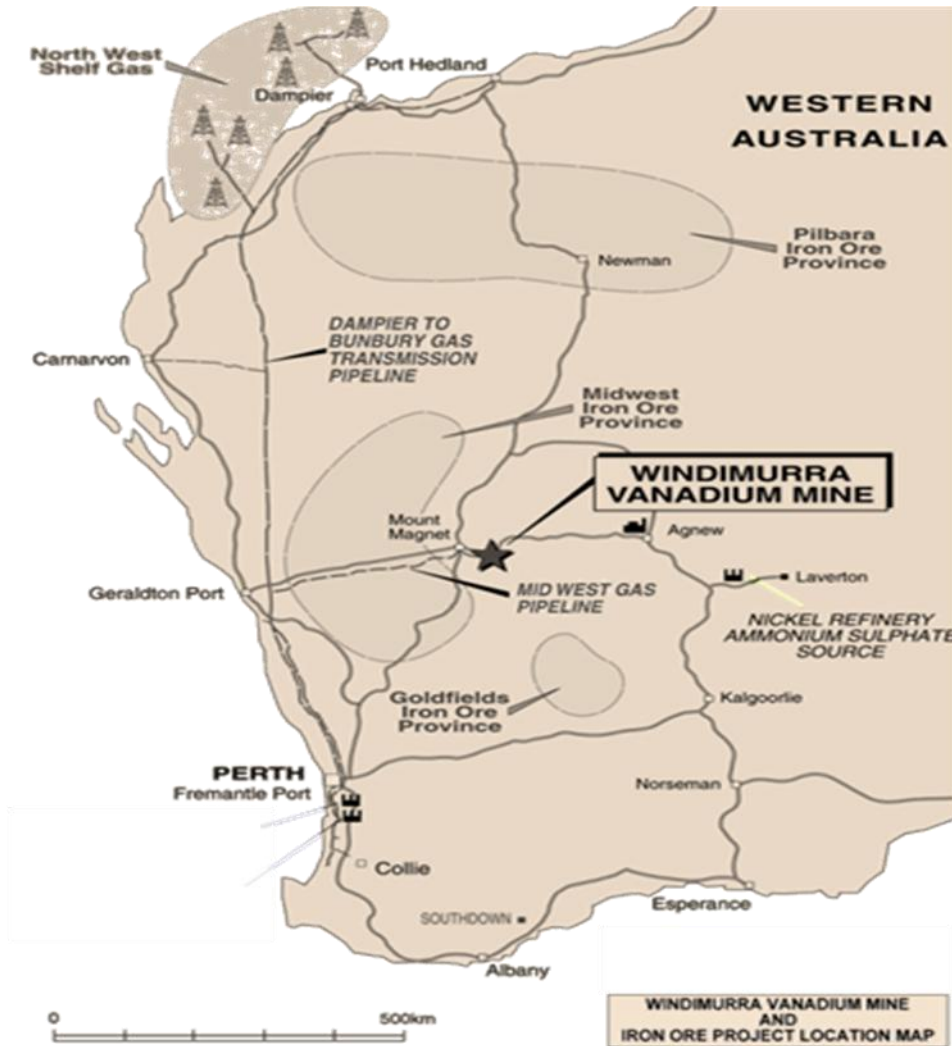
Major Sales Agreement Signed

Windimurra executed a major sales and marketing agreement with Element Commodities Ltd ("**Element**") and Wengfu (Group) Co Ltd ("**Wengfu**") during the quarter. The agreement provides for the sale of 100% of Windimurra's ferrovanadium production to Wengfu at market prices, subject to price protection with a minimum floor price and maximum cap price (collar mechanism) for up to 65% of Windimurra's annual ferrovanadium production.

US\$335 Million Senior Secured Note Issue

In February, US\$335 million was successfully raised through the issue of senior secured notes due 2018. The high-yield debt issue has provided Windimurra with funding to complete construction and commissioning and also provides cash reserves and working capital. Cash reserves include construction contingency and interest reserves. The issue, which was oversubscribed, was completed with North American, Asian and European institutional

investors. The proceeds were also used to acquire certain related assets and retire all existing external debt of Windimurra.

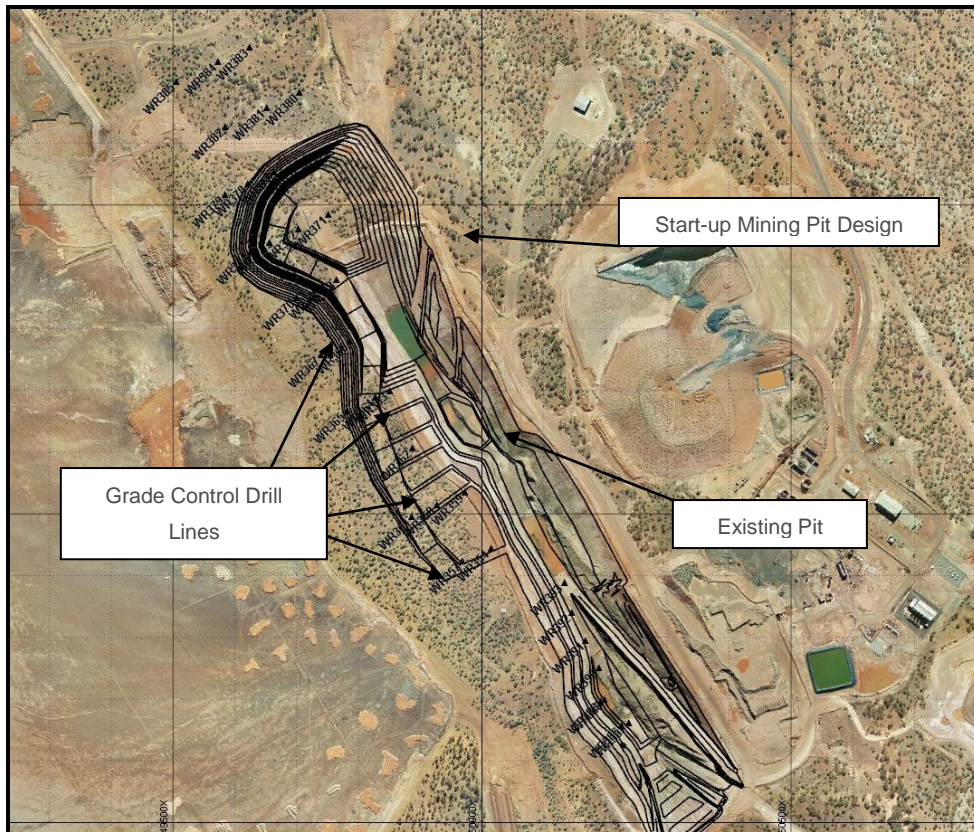


Positive Results from Grade Control Drill Program; Vanadium Horizon Extended and High Grade Packages Confirmed

During the quarter, an infill grade control drilling program was undertaken in the targeted start-up northern mining area of the mineral resource base. 33 RC holes were drilled for 3,424 metres, with an average depth of 108 metres. The programme infilled the existing resource

base to a 50 metres by 100 metres drill grid spacing and extended the indicated resource base from 60 metres down dip to 150 metres.

Grade Control Drill Program in Start-Up Mining Area



The program successfully identified extensions of the main ore zone down to a depth of 150 metres, with the width of ore remaining constant at 78 metres. The drill spacing and depths allowed the upgrade and extension of previously reported inferred resources to an indicated category. The program also allowed detailed identification of the grade distribution within the main ore zone in preparation for mining, minimising future drilling during the mining phase of this section of the deposit.

The program also confirmed the presence of distinct higher grade V₂O₅ zones within the main ore horizon.

High Grade Vanadium Package Results

Hole (No.)	Width (m)	True Width (m)	V ₂ O ₅ (%)	Zones (No.)
WR354	17	15	0.64	3
WR357	20	18	0.59	3
WR359	27	25	0.57	3
WR360	10	8	0.60	1
WR362	19	17	0.58	2
WR363	20	18	0.54	2
WR364	22	20	0.58	2
WR365	8	6	0.61	1
WR366	13	11	0.61	1
WR367	16	14	0.58	2
WR368	22	20	0.58	2
WR369	25	23	0.62	3
WR371	28	26	0.61	2
WR372	17	15	0.63	2
WR373	19	17	0.57	2
WR374	12	10	0.59	2
WR375	13	11	0.79	1
WR376	25	23	0.61	3
WR377	24	22	0.69	3
WR378	17	15	0.58	2
WR379	11	9	0.59	2
WR380	9	7	0.58	1
WR381	18	16	0.63	1
WR382	33	31	0.57	3

The confirmation of the high grade packages has allowed us to embark on a reserve study into the applicability of a high grade strategy for the operation, selectively targeting the higher grade zones, with blending preference of these higher grade units into the plant feed to further improve the base case 0.47% V₂O₅ head grade of the operation. Work is ongoing and the results of the updated reserve study and high grade strategy will be announced during the current quarter.

The drilling programme also confirmed the presence of a distinct iron and titanium enriched zone in the hanging wall of the main vanadium-bearing horizon. This zone is approximately 10

metres wide bearing high iron, titanium and vanadium values. The market potential of this zone, which is currently targeted as waste material in the current life of mine plan, will be assessed, including for use in Windimurra's iron ore marketing strategy for both the steel and heavy aggregate markets.

Windimurra Mineral Resource Increased 19%

Based on the results of the infill grade control drilling program in the start-up mining area, a new global mineral resource model and JORC compliant resource estimate was prepared. The model incorporated previous estimates with a new estimate for the start-up northern mining area. The drilling allowed for the conversion of significant previous inferred resources into the indicated status, with depth extensions down dip to 150 metres. Windimurra has increased its JORC-compliant global resource estimate by 33.4 million tonnes to 210 million tonnes at an average grade of 0.47% V₂O₅, a 19% increase. The upgraded resource base in the start-up northern mining area will allow the operation to continue to benefit from short distance haulages to the plant for several years more than in the current life of mine plan.

2011 Mineral Resource Estimate

	December 2008				February 2011			
	Tonnes (Mt)	V ₂ O ₅ %	Tonnes (V)	V%	Tonnes (Mt)	V ₂ O ₅ %	Tonnes (V)	V%
RESOURCES								
Measured	46.68	0.48	126,000	0.27	49.90	0.46	124,700	0.25
Indicated	70.73	0.47	183,000	0.26	100.28	0.47	260,700	0.26
Inferred	59.18	0.44	148,000	0.25	59.79	0.48	161,400	0.27
TOTAL	176.59	0.46	457,900	0.26	209.97	0.47	546,800	0.26

We are now utilising this updated resource to update the global ore reserve with the ultimate objective of developing a high grade mining strategy targeting the high-grade zones identified within the resource. Positive results from this reserve and high grade mining strategy work will then allow us to implement an updated mine plan targeting higher head grades in time for first vanadium production in the third calendar quarter of 2011.

Encouraging Results from Exploration Drilling in Windimurra's Southern Tenements

In March 2011, a program of 20 RC holes was drilled along the high magnetic signature south of the known orebody at Windimurra on exploration tenements E58/113 and E58/117. Five lines of drilling, at 5 kilometres spacing, on fences to a depth of 120 metres, was undertaken over the strike length of the signature within these tenements.

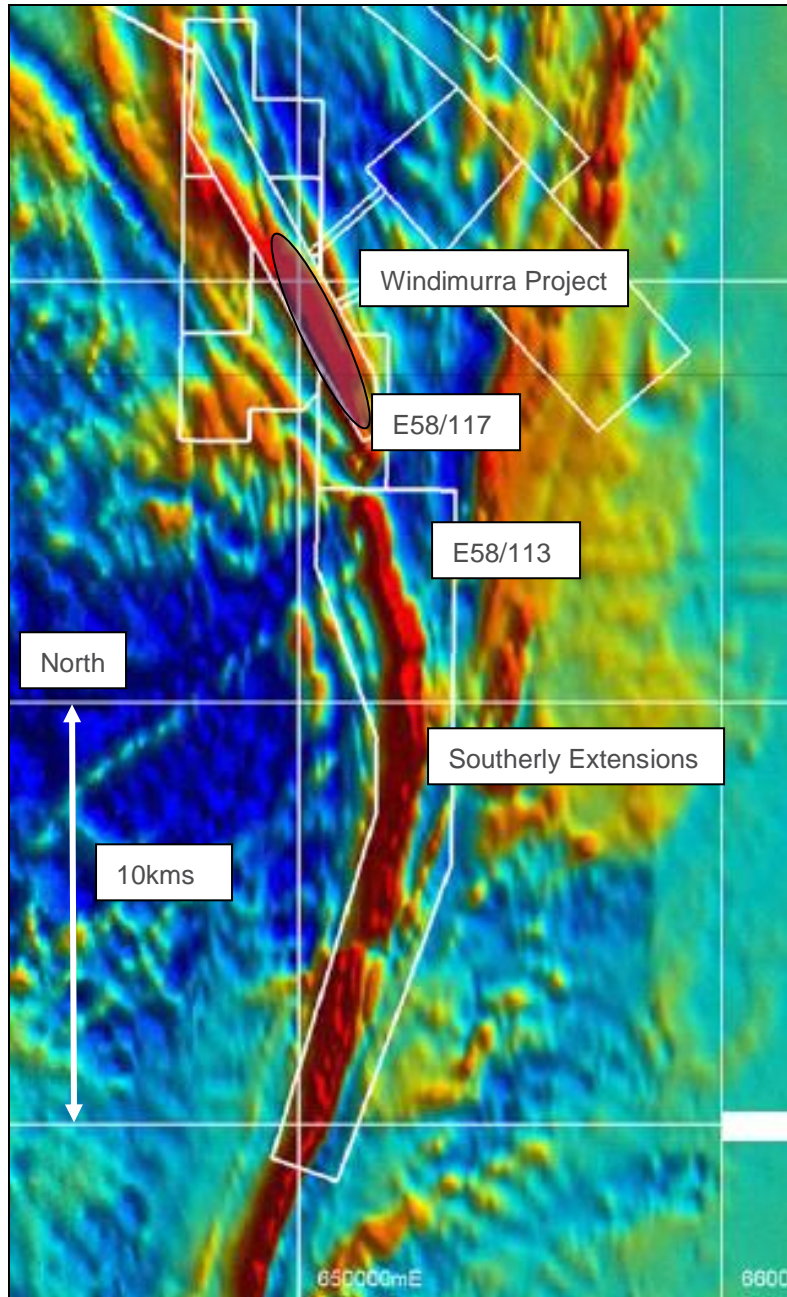
The drill program confirmed that the Windimurra vanadium bearing horizon extends south throughout the additional 21 kilometre strike length and identified vanadium distributions with grades as high as 0.57% V_2O_5 over 16 metres width (see below table).

The drilling was designed to identify the primary geological constraints and quantify broad vanadium distributions throughout this significantly prospective ground which lies in Windimurra's southern tenements.

Significant Exploration Drill Results – Southern Tenements

LINE NUMBER	HOLE	FROM	TO	METRES	V ₂ O ₅ %
1	WE001	1	10	9	0.45
1	WE001	30	34	4	0.44
1	WE001	37	40	3	0.48
1	WE001	44	60	16	0.57
1	WE002	66	70	4	0.48
1	WE002	80	90	10	0.43
1	WE002	94	100	6	0.45
1	WE003	114	120	6	0.43
1	WE003	133	147	14	0.49
2	WE007	35	50	15	0.45
2	WE007	0	19	19	0.41
2	WE008	0	79	79	0.45
2	WE009	44	109	65	0.45
3	WE010	7	27	20	0.38
3	WE010	32	46	14	0.40
3	WE011	42	47	5	0.30
3	WE011	53	59	6	0.32
3	WE011	68	78	10	0.32
3	WE011	83	90	7	0.50
3	WE011	94	108	14	0.56
3	WE012	104	112	8	0.29
4	WE016	45	52	7	0.53
4	WE016	68	70	2	0.55
5	WE017	10	15	5	0.32
5	WE017	39	44	5	0.50
5	WE017	47	55	8	0.45
5	WE018	39	45	6	0.34
5	WE018	49	62	13	0.49
5	WE018	66	78	12	0.39
5	WE018	82	98	16	0.45
5	WE020	36	56	20	0.55

Magnetic Signature – Southern Tenements



Windimurra Vanadium Project Update and Next Steps

During the quarter, civil and mining specialist Minepower was appointed to complete civil works including tailings facilities and civil infrastructure work at Windimurra. The appointment of Minepower was followed by the appointment of Electrical Construction & Maintenance Australia Pty Ltd and Kerman Contracting Limited as key contractors for the completion of construction of Windimurra.

Completion of the processing plant and related infrastructure continued during the quarter with the integrated support of Projects in Control (“PinC”) as project managers. Based on the current schedule, first vanadium production remains on track for the third calendar quarter of 2011.

Key achievements during the period included commencement of dry commissioning of the beneficiation plant and commissioning of the gas delivery system to enable the power station to be commissioned.

Minepower continued civil works including the tailings dam, barren liquor pond and crusher ore pad, with works due for completion in April. Pre-stripping of the northern cut back has already begun and stockpiling of vanadium bearing ore to the ROM stockpile will commence in May.

Windimurra also continued with its operational readiness plans, with a focus on the appointment of technical, engineering and process personnel and has attracted high caliber staff.

In parallel, the Windimurra team is developing ongoing initiatives to identify operational improvements including production of vanadium pentoxide, reagent recovery, benefits of grade and blend optimization, leaching and other efficiency improvements.

Windimurra continued to make pleasing progress during the quarter for an iron ore logistics solution and is in advanced negotiations with a major logistics provider to implement a mine to port logistics solution for the iron ore operation.

Mine site civil engineering work was also progressed to design the site based infrastructure required for road-train access to the iron ore stockpile and the load out of material with civil work to commence in time for first shipments in mid year.

Marketing

Through a marketing and sales agreement with Element and Wengfu, we received strong interest from customers for Windimurra's ferrovanadium product. In particular, we have held preliminary discussions with a number of major steel mills and other vanadium customers and are pleased with the level of customer interest in the high quality ferrovanadium product from a stable jurisdiction such as Australia.

The iron ore story remains on track with first shipments to take place in mid year and trial shipments to be undertaken in May.

KEY APPOINTMENTS

During the quarter, the Group was delighted to welcome further senior appointments to the senior management team.

Philip Baillie joined Windimurra during the quarter as General Manager Operations. Phil has a Bachelor of Science in Metallurgy and was formerly the General Manager of Operations at Onslow Salt, General Manager at the Radio Hill copper and nickel mine and Manager at the Higginsville Gold Mine.

Atlantic also welcomed Alan Bradshaw as Group Human Resources Manager after period end. Alan is a highly experienced human resources practitioner with over 20 years experience in the resources sector having previously been with mining contractor Monadelphous Group and prior to that with West Australian Newspapers.

VIETNAM BAUXITE PROJECTS

Atlantic continued dialogue with the Vietnam Government and other key stakeholders during the quarter for its proposed Highlands bauxite mine, rail and port project. This dialogue has increased significantly in recent months and Atlantic remains firmly committed to the development of this major infrastructure project to support the development of Vietnam's bauxite and alumina industries.

BUSINESS DEVELOPMENT

Atlantic continued to assess new investment opportunities during the quarter in accordance with its clearly articulated growth strategy. A pipeline of opportunities has been identified and is being systematically examined by the internal Business Development team.

SUBSTANTIAL SHAREHOLDERS

L1 Capital Pty Limited increased its shareholding in Atlantic during the quarter to 7.30% of the Company's issued capital.

CASHFLOW STATEMENT

At the end of the quarter, Atlantic and its subsidiaries held approximately \$167 million in cash. The Appendix 5B for the quarter will be released separately in due course.

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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.

Competent Person Statement

The information in this quarterly report relating to exploration activities and mineral resources at Windimurra is based on information compiled by Colin J S Arthur, who is a Chartered Geologist, Member of The Australasian Institute of Mining and Metallurgy and Fellow of the Geology Society of London. Mr Arthur is a full-time employee of Midwest Vanadium Pty Ltd in the capacity of Chief Geologist.

Mr Arthur has over twenty years experience in this style of mineralization and the type of deposit under consideration and related mining method and project evaluation. He has sufficient experience which is relevant to the style of mineralization and to the activity which he has undertaken. He is therefore qualified as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Arthur consents to the inclusion of this report in the form and context in which it appears.