



QUARTERLY REPORT



QUARTER ENDED

30 June 2011

ATLANTIC LTD

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ASX CODES

ATI (ordinary shares)
ATIO (listed options)

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(Managing Director)

Tony Veitch
(Executive Director)

Alan Mulgrew
(Non-Executive Director)

Jay Wachter
(Non-Executive Director)

Phiong Phillipus Darma
(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 30 June 2011.

HIGHLIGHTS

- Windimurra vanadium project remains on track for first production in the third quarter, calendar year 2011
- Windimurra project construction costs in line with budget
- Vanadium output forecast revised upwards by 11% to 6,300 tonnes of contained vanadium per annum
- Windimurra JORC-compliant Ore Reserve increased by 30%
- 500 tonne iron ore fines test cargo successfully shipped to customer in China and agreement reached to supply an initial 30,000 tonnes subject to test cargo acceptance with a long term contract to be negotiated thereafter
- Strong interest from potential ferrovanadium customers, including approaches for vanadium pentoxide product
- Iron ore logistics chain almost complete
- Encouraging exploration results from Windimurra's southern tenements

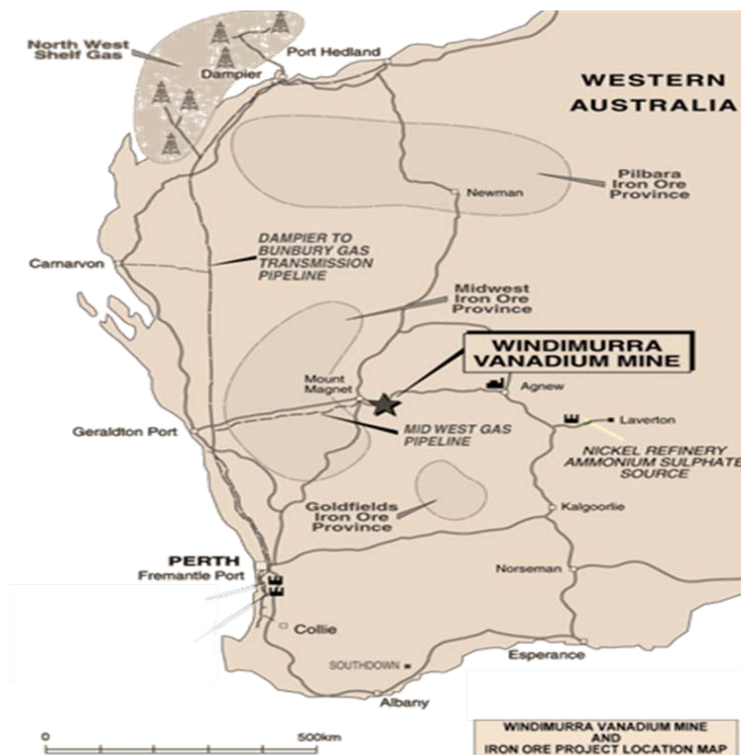
WINDIMURRA VANADIUM PROJECT UPDATE

During the June quarter, Atlantic made further solid progress towards completion of construction of the Windimurra vanadium project (“**Windimurra**”) and remains on schedule for first production in the third quarter of calendar year 2011 (see location map on following page).

With the project nearing completion, the construction costs to date and the cost to complete are in line with budget.

During the quarter, civil and mining specialist Minepower completed earthworks for the tailings dam and barren liquor pond as well as preliminary pre-strip mining ahead of the commencement of production at Windimurra. Stockpiles of run-of-mine ore were prepared for processing through the crushing, beneficiation and milling circuit (CMB) plant.

Gas supply to the Windimurra power station was enabled during the quarter, which allowed commissioning of the Jenbacher reciprocating gas fired power generators. The Company's Solar Taurus gas turbine power generators are scheduled to be commissioned during July 2011.



Mechanical engineering works on the CMB plant were largely completed during the quarter, with the focus of work shifting to commissioning.

The primary, secondary and tertiary crushers of the CMB circuit were wet commissioned during the quarter. Approximately 42,000 tonnes of crushed ore were fed to the crushed ore stockpile in preparation for wet commissioning of the high pressure grinding rolls and magnetic separators (see photograph below). Analysis of the crushed ore stockpile confirms the ore specification is in line with expectations. Once in full operation, the vanadium bearing magnetite concentrate produced by the CMB circuit will be fed into the rotary kiln for roasting.



Work on the ongoing construction of the kiln is largely complete, with commissioning of the kiln now set to begin as soon as the kiln gas burner fit out is completed in July 2011 and final commissioning of the CMB plant allows consistent feed to the kiln. Once the kiln is operational, this will be followed by wet commissioning of the leach vats and the de-silication and precipitation circuits.

Construction of the back end of the vanadium plant, the pyrometallurgical process comprising a flash dryer and two ferrovanadium (FeV) electric arc furnaces (EAFs), is well underway with the second EAF installed at Windimurra at period end. Final fit out of the second EAF is the only remaining major build element of the entire circuit. Both EAFs are expected to be ready for testing in July 2011.

In terms of operational readiness, maintenance programs, equipment, information systems, spare parts cataloguing and contract services are approximately 64% complete.

Recruitment for operational and maintenance roles progressed significantly in the quarter. Approximately 88% of positions have been filled or are at an advanced stage in the recruitment process with all key line management now recruited.

During the period, Atlantic took significant steps to roll out a cognitive behavioural safety program in preparation for operational readiness. Windimurra already has well developed health and safety procedures in place, and the focus of this program is to implement and maximise the efficiency of these procedures within the Windimurra operational environment.

In parallel with the ongoing construction and operational readiness work at Windimurra, the Windimurra team continues to develop initiatives to identify operational improvements. Given the identified mine plan improvements and increase in Windimurra's forecast plant output capacity announced during the quarter, Atlantic has begun work to bring online its existing vanadium pentoxide circuit – a legacy of Windimurra's previous operations. Preliminary engineering concept and design work has begun on this additional vanadium pentoxide circuit, with Atlantic looking to appoint engineering and construction teams to complete the circuit to maximise efficiencies whilst teams are available at site following the completion of construction at Windimurra.

Marketing

Atlantic's vanadium sales and marketing agent, Element Commodities, has received strong interest from customers for Windimurra's ferrovanadium product. Discussions with steel mill customers continued during the quarter with further international marketing road shows of Windimurra ferrovanadium product planned in the coming quarter ahead of first production.

During the quarter, Atlantic also received approaches for offtake of vanadium pentoxide, given the high quality vanadium pentoxide capable of being produced by the Windimurra plant utilising the gas fired kiln at site. This significant market interest has precipitated work on the vanadium pentoxide circuit at Windimurra.

A trial shipment of 500 tonnes of iron ore fines was sent to a Chinese customer for testing in May 2011. The product was sourced from the 1.8 million tonne existing iron ore fines stockpile at Windimurra. Results from this customer testing are expected in July 2011. During the quarter, an agreement was reached for the sale of an initial 30,000 tonnes of iron ore fines subject to the

trial shipment meeting the customer's requirements with a long term contract for the sale of product to be negotiated thereafter.

Atlantic continues to market the existing iron ore stockpile and future higher grade iron ore fines by-product from planned vanadium production to the hot metal and aggregate markets through its marketing agents. Further samples were sent to potential aggregate customers during the quarter with positive results and discussions are underway regarding aggregate orders for later in the calendar year.

In addition, as ore is mined from the open pit at Windimurra, the titano-magnetite unit in the hanging wall is being separated and stockpiled for possible future sale. During the period, Atlantic continued to undertake product testing of this high titano-magnetite unit for use in its aggregate product as well as a potential direct ship product for the hot metal market.

As part of this overall product development work, Atlantic has signed an agreement and work has commenced with the Changsha Research Institute of Mining and Metallurgy in China to test the high titano-magnetite unit for further value adding opportunities, including in the production of high grade iron and titanium concentrates.

Iron Ore Logistics

During the quarter, Atlantic made significant progress towards establishing its iron ore logistics supply chain from Windimurra to the Port of Geraldton.

In particular, Atlantic made significant progress on a definitive port services agreement with the Geraldton Port Authority that will facilitate the export of up to 2 million tonnes per annum of iron ore. This definitive agreement is at an advanced stage of development and is expected to be finalised in the near future.

Major approvals for the processing, loading, transportation and port loading of iron ore from Windimurra were progressed during the quarter with the relevant State Government departments and agencies, with necessary approvals required to commence the transportation of ore from Windimurra expected to be secured in July 2011.

Civil engineering design for the iron ore load out at Windimurra was completed during the quarter and necessary civil work is now underway, with a dedicated weigh bridge, wheel wash

down and road configuration being established to maximise loading efficiency near the existing the iron ore fines stock pile.

Atlantic has now progressed discussions with a major logistics services provider to manage the logistics supply chain from site through to the Port of Geraldton. These discussions have encompassed the road haulage of iron ore from Windimurra to intermediate storage at Narngulu on the outskirts of Geraldton, reloading at Narngulu for transport to the port for vessel loading and port loading of iron ore through a container based solution. A lease agreement has been signed for the intermediate storage of iron ore at Narngulu.

Vanadium Reserve Increased by 30% and Forecast Output Increase of 11%

During the quarter, Atlantic announced a 30% increase in the JORC-compliant Ore Reserve estimate for Windimurra to 128 million tonnes at 0.47% V_2O_5 .

This followed an infill grade control drilling program during the previous quarter which led to a 19% increase in Windimurra's JORC-compliant global mineral resource to 210 million tonnes at 0.47% V_2O_5 .

As a result of the Ore Reserve increase, the potential mine life of the Windimurra vanadium project was extended to 28 years from 24 years previously.

In parallel with the calculation of the expanded Ore Reserve for Windimurra, Atlantic also completed a revised mine plan in conjunction with Cube Consulting. This revised mine plan will be implemented in time for first vanadium production in the third quarter of calendar year 2011. The plan shows Windimurra will initially process ore with a head grade of 0.51% V_2O_5 , an increase from 0.47% V_2O_5 as set out in the previous mine plan. This is an increase in head grade of 8.5% and is sustainable for a 10 year period following ramp-up.

As a result of this increase in head grade reported to the vanadium process plant, Atlantic has revised expected plant output capacity to around 6,300 tonnes of contained vanadium per annum, up 11% from the previous forecast of 5,700 tonnes per annum, over a period of 10 years following ramp-up.

The updated Mineral Resource and Ore Reserve estimates for Windimurra are set out in the tables below.

	December 2008				February 2011			
	Tonnes (Mt)*	V ₂ O ₅ %	Tonnes (V)	Grade V%	Tonnes (Mt)*	V ₂ O ₅ %	Tonnes (V)	Grade V%
RESOURCES								
Measured	46.7	0.48	126,000	0.27	49.9	0.46	124,700	0.25
Indicated	70.7	0.47	183,000	0.26	100.3	0.47	260,700	0.26
Inferred	59.2	0.44	148,000	0.25	59.8	0.48	161,400	0.27
TOTAL	176.6	0.46	457,900	0.26	210.0	0.47	546,800	0.26

**(Grades reported to a lower cut-off of 0.275% V₂O₅)*

The above Mineral Resources are inclusive of the Ore Reserves stated below.

	December 2008				May 2011			
	Tonnes (Mt)**	V ₂ O ₅ %	Tonnes (V)	Grade V%	Tonnes (Mt)***	V ₂ O ₅ %	Tonnes (V)	Grade V%
RESERVES								
Proven	40.7	0.47	105,800	0.26	49.3	0.46	128,200	0.26
Probable	57.1	0.47	148,500	0.26	78.3	0.47	206,000	0.26
TOTAL	97.8	0.47	243,300	0.26	127.6	0.47	334,200	0.26

*** (Grades reported to a lower cut-off of 0.275% V₂O₅)*

**** (Grades reported to a lower cut-off of 0.34% V₂O₅ oxide, 0.32% V₂O₅ transitional, 0.27% V₂O₅ fresh)*

(Please note the tabulations have been rounded to the nearest 100,000 tonnes and nearest 100 tonnes contained Vanadium, resulting in summation rounding)

The Ore Reserves occur within a planned life-of-mine open pit design resulting in a waste to ore stripping ratio of 0.7:1 (tonnes).

Encouraging Results from Exploration Drilling in Windimurra's Southern Tenements

In March 2011, a drill program at Windimurra's southern tenements confirmed that the Windimurra vanadium bearing horizon extends south throughout the additional 21 kilometre strike length. The drill program also identified vanadium distributions with grades as high as 0.57% V_2O_5 over 16 metres (see table below).

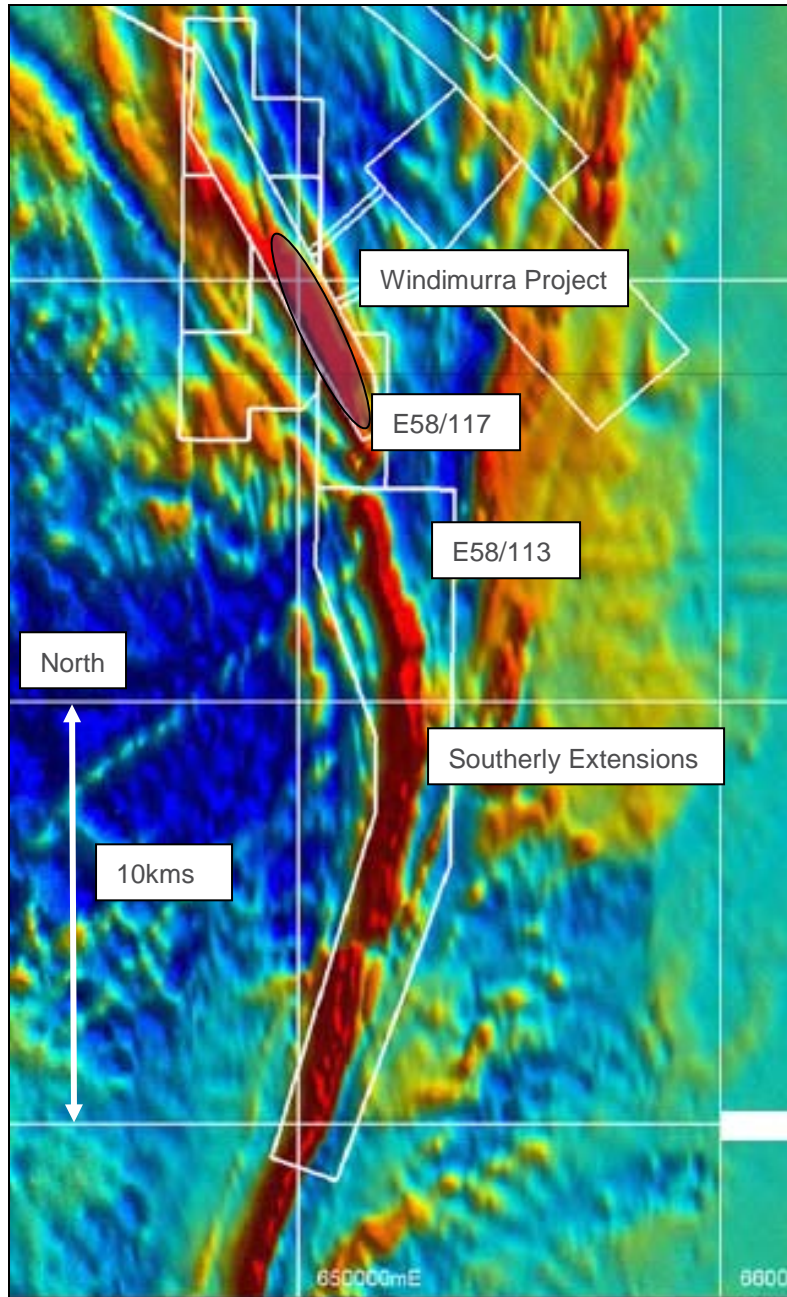
20 RC holes were drilled along the high magnetic signature south of the known ore body at Windimurra on 100%-owned exploration tenements E58/113 and E58/117. Five lines of drilling, at 5 kilometres spacing, on drill fences to a depth of 120 metres, were undertaken over the strike length of the signature within these tenements.

The drilling was designed to identify the primary geological constraints and quantify broad vanadium distributions throughout this prospective ground.

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



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 is very positive and Atlantic remains committed to the development of this major infrastructure project to support the development of Vietnam's bauxite and alumina industries.

KEY APPOINTMENTS

During the quarter, Atlantic was delighted to welcome further members to the senior management team.

Atlantic welcomed Alan Bradshaw as Group Human Resources Manager during the quarter. Alan is a highly experienced human resources practitioner with over 20 years experience in the resources sector. His previous roles include work with Monadelphous Group, Woodside Petroleum, Robe River and Wesfarmers Energy.

Atlantic also welcomed Richard Maltman as General Counsel and Company Secretary in June. Richard is a lawyer with nearly 20 years experience, practicing principally in the resources sector in the areas of resource project acquisition, development and operations. He holds a Bachelor of Law with Honours and a Bachelor of Commerce in accounting and finance, is a graduate member of the Australian Institute of Company Directors (GAICD) and has held a number of non-executive board positions with listed resources companies.

Later in the quarter, Joseph Resudek joined Atlantic as General Manager, Business Development. Joseph has a Masters of Business Administration from Vanderbilt University, a Bachelor of Arts from the University of Nevada and holds extensive experience in private equity. Immediately prior to joining Atlantic, he was based in New York with Modern Holdings Private Equity as the Vice President of Business Development.

BUSINESS DEVELOPMENT

Atlantic continued to assess new resources sector investment opportunities during the quarter in accordance with its growth strategy. Atlantic has a firm pipeline of new investment opportunities that are being systematically examined by the internal Business Development team in accordance with Atlantic's strict acquisition filters and stated investment criteria.

SUBSTANTIAL SHAREHOLDERS

L1 Capital Pty Limited decreased its shareholding in Atlantic during the quarter to 5.81% of the Company's issued capital.

CASHFLOW STATEMENT

At the end of the quarter, Atlantic and its subsidiaries held approximately \$118.2 million in cash. The Appendix 5B for the quarter ended 30 June 2011 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 – Reserves

The information in this report that relates to Ore Reserves is based on information compiled by Quinton de Klerk who is a Member of The Australasian Institute of Mining and Metallurgy. Mr de Klerk is a Director and Principal of Cube Consulting Pty Ltd (CUBE).

Mr de Klerk has sufficient experience which is relevant to the activity that he is undertaking to qualify 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 de Klerk consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Competent Person Statement – Resources

The information in this report relating to exploration activities and mineral resources 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, a wholly owned subsidiary of Atlantic Ltd.

Mr Arthur has over 20 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.