

4 April 2012

WINDIMURRA PROJECT UPDATE

Highlights

- *Final \$10 million convertible bond proceeds received*
- *Primero Group commenced modification works to CMB circuit*
- *16% increase in vanadium mineral resources to 243 million tonnes at 0.48% V₂O₅*
- *Work ongoing to further improve head grade delivered to Windimurra plant*

Atlantic Ltd (ASX: ATI) (**Atlantic** or the **Company**) is pleased to announce the following funding and project update.

Funding

Atlantic received the final \$10 million instalment of the convertible bond funding package from Droxford International, bringing the total received to \$30 million, on 30 March 2012.

The final component of the \$41.7 million funding package announced on 6 March 2012, a \$10 million placement in new Atlantic shares, is subject to shareholder approval at an Extraordinary General Meeting scheduled for 27 April 2012.

Plant Update

The Windimurra plant achieved first ferrovanadium production in early January and Atlantic has since been focused on the achievement of consistent ferrovanadium production.

The plant's ramp-up remains on track with the crushing, milling and beneficiation (**CMB**) circuit achieving daily production rates of magnetite concentrate in the second half of March in line with the March production schedule targets.

Vanadium from the magnetite concentrate is now being processed through the vanadium refinery.

Primero Group has now mobilised to site and begun modification work to the milling and beneficiation components of the CMB circuit at Windimurra.

The bulk of this work is to be completed by the end of June in line with Windimurra's production ramp-up schedule of attaining 65% of CMB circuit production capacity by the end of Q2 calendar year 2012.

Resource Update

As a result of further drilling and surveying in recent months, the JORC-compliant global mineral resource for the Windimurra project has increased by 33 million tonnes to 243 million tonnes at 0.48% V₂O₅, a 16% increase on the previous global mineral resource.

The grade of the global mineral resource increased to 0.48% V₂O₅ from 0.47% V₂O₅ across the larger resource tonnage, with a significant increase in average grade to 0.50% V₂O₅ in the southern mine area of the deposit.

The latest figures follow a successful 3,518 metre reverse circulation and 823 metre diamond core drilling programme in Windimurra's southern mine area, which comprises the southern 1.7 kilometre strike length of the 4.9 kilometre current pit design.

Atlantic Chairman and Managing Director Michael Minosora said this resource upgrade was an important component of ongoing refinements to the existing life of mine plan at Windimurra.

"We are very pleased with the latest mineral resource statement which further highlights Windimurra as one of the world's premier vanadium deposits," he said.

"In the southern mine area, the mineral resource tonnage has increased 67% with confirmation of higher grade vanadium mineral resources of 86.5 million tonnes at 0.50% V₂O₅."

"Our team believes that selective mining of targeted zones within this higher grade southern mine area resource is feasible using a much higher V₂O₅ cut off, potentially leading to further increases in the head grade delivered to the Windimurra vanadium plant over and above the 0.51% V₂O₅ head grade expected during the first 10 years of our current life of mine plan and thereby reducing unit operating costs."

"Windimurra's mine services team has commenced development of a new mine design and production schedule with the overarching objective of maximising further improvements to current projected head grades and thus ferrovanadium production output and efficiency at Windimurra."

Following this resource upgrade, an updated Ore Reserve and life of mine plan is being prepared and is expected to be announced by mid-year.

The updated global mineral resource estimate is set out in the table below, showing the increase from the previous global mineral resource estimate completed in February 2011.

	February 2011				April 2012			
	Tonnes (Mt)*	V ₂ O ₅ %	Tonnes (V)	Grade V%	Tonnes (Mt)*	V ₂ O ₅ %	Tonnes (V)	Grade V%
RESOURCES								
Measured	49.9	0.46	124,700	0.25	49.7	0.48	132,500	0.27
Indicated	100.3	0.47	260,700	0.26	142.1	0.49	390,100	0.27
Inferred	59.8	0.48	161,400	0.27	50.8	0.46	130,000	0.25
TOTAL	210.0	0.47	546,800	0.26	242.6	0.48	652,600	0.27

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

Midwest Vanadium Pty Ltd's Ore Reserves currently stand as:

	May 2011			
	Tonnes (Mt)**	V ₂ O ₅ %	Tonnes (V)	Grade V%
RESERVES				
Proven	49.3	0.46	128,200	0.26
Probable	78.3	0.47	206,000	0.26
TOTAL	127.6	0.47	334,200	0.26

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

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About Atlantic

Atlantic is committed to building a diversified portfolio of world class resources assets 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.

Atlantic subsidiary Midwest Vanadium Pty Ltd owns 100% of the Windimurra vanadium project, located approximately 600 kilometres north of Perth in Western Australia. Windimurra hosts one of the largest proven vanadium reserves in the world.

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

Competent Person Statement

The information in this announcement 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, a wholly-owned subsidiary of Atlantic, in the capacity of Chief Geologist.

Mr Arthur has over twenty years experience in this style of mineralisation 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 mineralisation 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.