

28 February 2012

## **PRESENTATION TO JP MORGAN CONFERENCE**

Please find attached an investor presentation to be presented by Atlantic Ltd wholly-owned subsidiary Midwest Vanadium Pty Ltd to the JP Morgan High Yield and Leveraged Finance Conference this week.

-ends-

### **For further details please contact:**

#### **Glen Zurcher**

Investor Relations

Atlantic Ltd

Ph: + 61 8 6141 7215

### **About Atlantic Ltd**

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 is one of the largest proven vanadium reserves in the world.

Additional information on Atlantic can be found at [www.atlanticltd.com.au](http://www.atlanticltd.com.au).



**MIDWEST  
VANADIUM**  
Pty Ltd

JP Morgan Conference

High Yield &  
Leveraged Finance

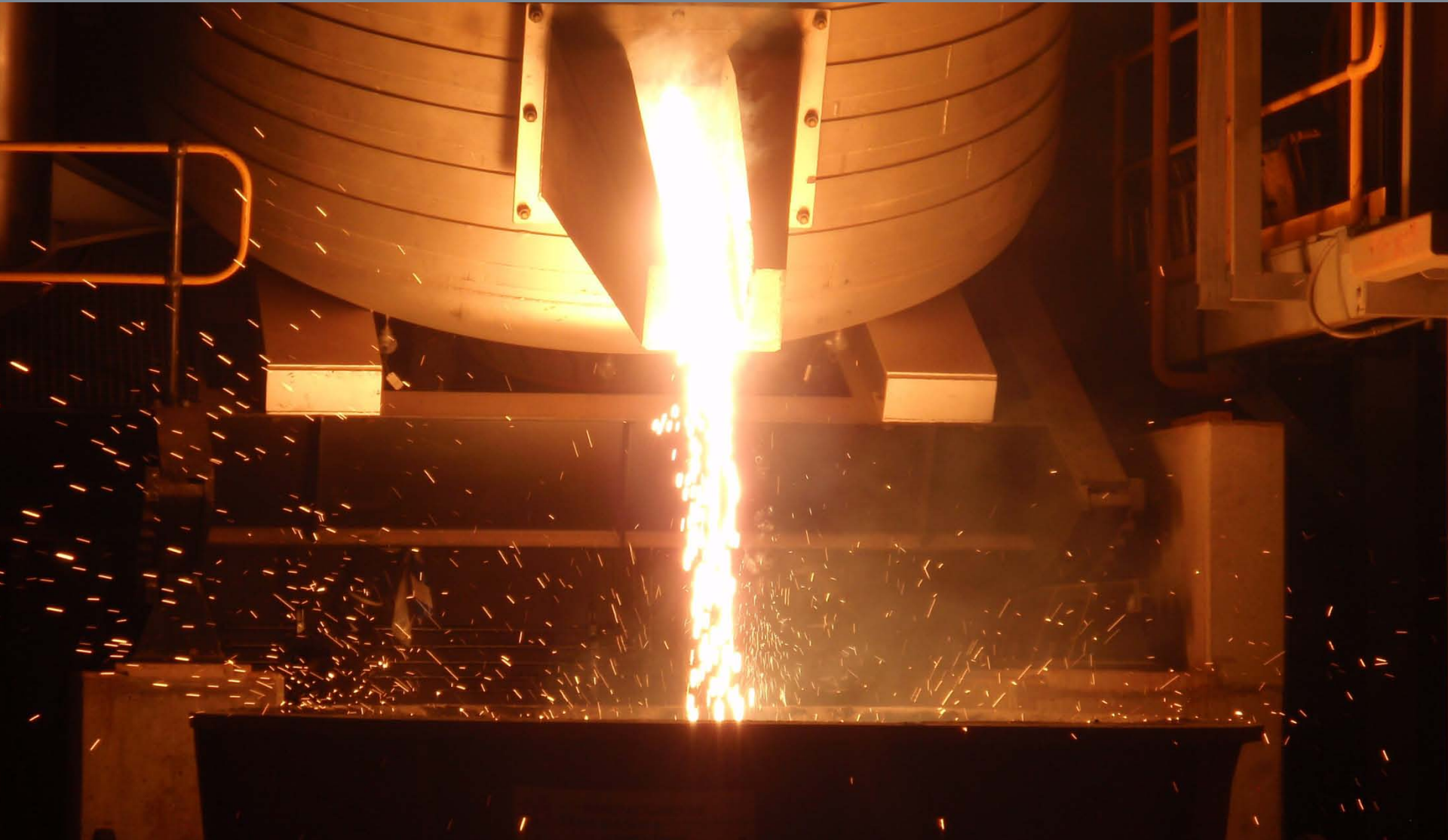
February 2012

# Windimurra mine and ferrovanadium plant





# Windimurra ferrovanadium pour

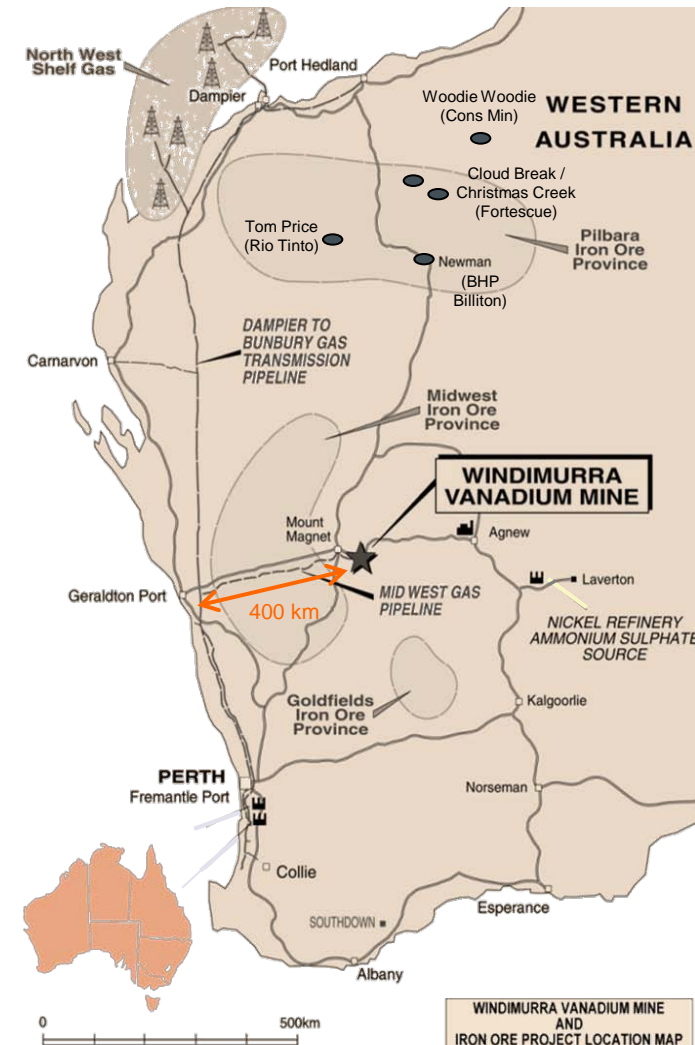


# Investment highlights

- ✓ “Windimurra” vanadium project sits on a world class vanadium deposit with a 28 year mine life
- ✓ Recently commenced ferrovanadium production – significant project de-risking following commissioning and construction completion
- ✓ 15 month ramp-up to full production capacity of 6,300 tpa of contained vanadium underway and on track to reach 65% of capacity interim production target during the 2<sup>nd</sup> calendar quarter of 2012
- ✓ Windimurra long-term operating cash cost (US\$15/kg incl by-product credits) is forecast to be in the bottom quartile of the global industry cost curve
- ✓ Robust vanadium market fundamentals
- ✓ Highly qualified management and technical team

# Windimurra project overview

- World class vanadium deposit with 28 year mine life, low strip ratio of 0.7 : 1 and expansion potential
- Windimurra to produce 6,300 tonnes of contained vanadium per annum following ramp-up (~7% of global supply)
- Iron co- and by-products 1.5 million tonnes per annum
- Long-term operating cash cost in bottom quartile of global industry cost curve (US\$15/kg incl. by-product credits)
- Marketing agreements in place for vanadium and iron ore, off-take agreement in place for ferrovanadium (65% subject to price floor arrangement above operating cash cost)
- A wholly-owned subsidiary of Atlantic Ltd



# Windimurra's product palette

## Ferrovanadium

Used as a strengthener of steel (e.g. construction rebar), in high strength low alloy (HSLA) products (e.g. airplanes) and in vanadium redox batteries<sup>1</sup>

## Iron fines by-product

Magnetite which has been roasted in the kiln becoming a haemetite by-product:

- Existing iron fines ~52% Fe
- New iron fines ~+55% Fe

## Titano-magnetite co-product

Direct ship ore (DSO) coming from our ore body as part of the co-product mining process

- Combined Ti-Fe of +60%

Recent Windimurra ferrovanadium production



<sup>1</sup> Used in the form of vanadium pentoxide.



# Senior executives and key operations management



## **Mr Michael Minosora – Managing Director**

*BBus, MBA, CA*

Former: CFO at Fortescue Metals Group (FMG), Managing Partner at Azure Capital and Managing Partner at Ernst & Young



## **Mr Tony Veitch – Executive Director**

*BCom, MBA*

Former: Senior Executive of Corporate Projects at LSE, Executive Director at Citadel Capital and worked at the ASX



## **Mr Ross Glossop – Chief Financial Officer**

*BCom, MAcc, MBA*

Former: Regional CFO at Barrick Gold, CFO Apex Minerals, Bellzone Mining and Oceana Gold



## **Mr Scott Mathewson – General Manager Operations, Midwest Vanadium**

*BEng(Chem), MBA*

Former: Site Operations Manager at Dampier Salt Ltd (Rio Tinto), Production Operations Manager Boyne Smelters Ltd (Rio Tinto) and Operations Manager of Alcoa Australia



## **Mr Colin Arthur – Chief Geologist, Midwest Vanadium**

*MSc, CGeol, FGS, MAusIMM*

Former: Chief Mine Geologist at Minjar Gold, Chief Mine Geologist at Windimurra Vanadium, Senior Mine Geologist at Wodgina



# Windimurra project milestones

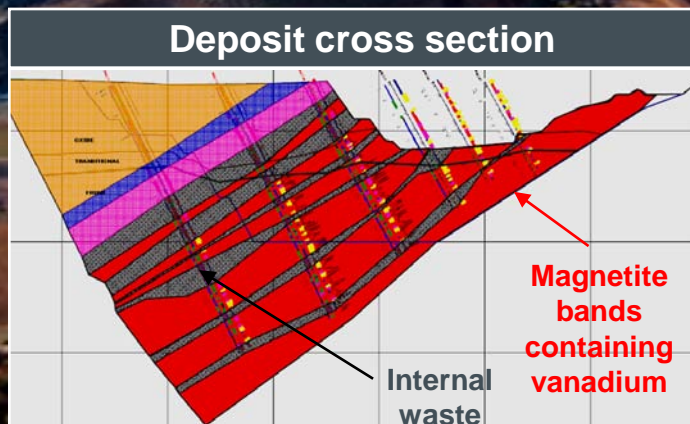
- Project acquired from receivership in September 2010 with an estimated replacement cost value of A\$800 million
- Equity funding of the project in September 2010
- Debt funding of the project in February 2011
- Off-take and marketing agreements in place for all of the Project's vanadium production and marketing agreements for iron co- and by-products
- Resource and reserve base upgraded and production output revised
- Construction completed on budget
- All essential operational staff recruited
- First ferrovanadium production achieved and 15 month accelerated ramp-up started in January 2012



Scott Mathewson  
GM Operations  
holding ferrovanadium  
produced from  
Windimurra

# Windimurra vanadium ore body

- Mine life increased to 28 years following 19% resource and 30% reserve upgrade
- Ferrovandium production output of 6,300 tonnes of contained vanadium  
- revised upwards by 11% to 6,300
- Iron ore by-products of 1.5 million tonnes per annum



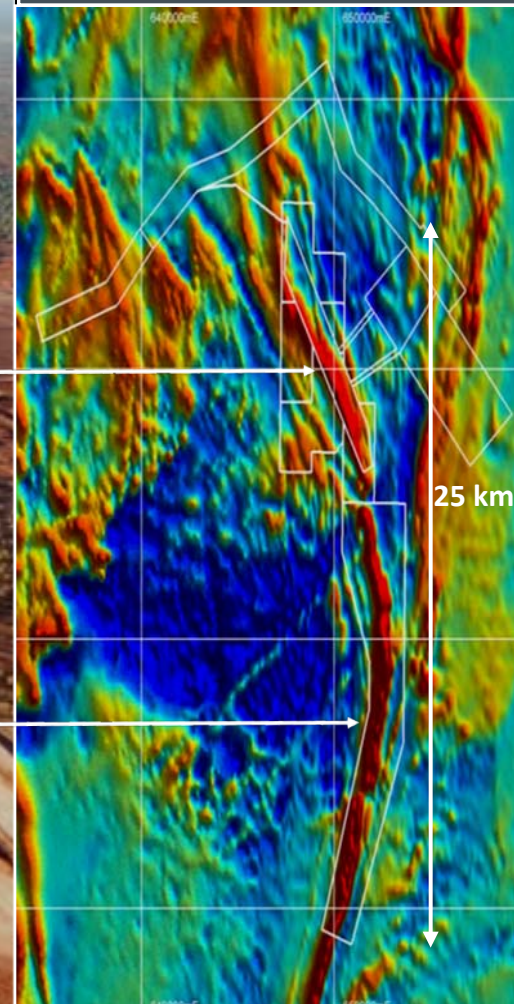
Current pit and mining leases

Southern tenements

Exploration drilling has confirmed continuation of vanadium bearing ore body

Further exploration ongoing

Magnetic signature of extending mineralisation





# Ferrovandium process plant current state

Plant area	Performance	Comments
People	1/2	Recent operations management changes undertaken
Mining	✓	Tracking well
Crushing	✓	Tracking well
Milling	×	Third parties engaged (Tetra Tech / Primero) with solutions identified to rectify bottlenecks and improve utilisation rates, capital costs quoted - modification works underway
Beneficiation	3/4	Tracking well – installation of third bank of magnetic separators to be undertaken
Kiln	✓	Tracking well
Desilication & precipitation	✓	Tracking well
Flash dryer	✓	Tracking well
Reduction kiln	✓	Tracking well
FeV furnace	✓	Tracking well

# Milling modifications

## - pathway to 100% CMB<sup>1</sup> capacity

	Project	Nameplate	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Bottleneck</b>	<b>Current state</b>	<b>12%</b>											
Raw Water level	Standardised work	14%	1%										
Feeders/lines holed	Practical problem solving	15%	1%										
	Scalp Screen to 4mm	15%											
	Blank off screen Trial	15%	1%										
Other Availability	Practical problem solving	18%		3%									
	Install REMS in Parallel	25%			7%								
Scalp screen limit(50% feed)	Install primary screen 1	43%				18%							
	Remove scalping screen	46%				3%							
Pump limitation (to 35%)	Upgrade Repulper system	51%				1%							
	Install primary screen 2	67%				20%							
	Mag Sep Optimisation	78%				1%	1%	1%	1%	1%	1%	1%	1%
Thickener limit (60%)	Thickener trials (15%)	82%						3%					
Belt Filter Capacity	Belt filter upgrade	84%						3%					
Fines processing	Fines processing (3mm)	93%					9%						
Thickener limit (60%)	Thickener Upgrade (25%)	97%								4%			
Process Water limits	Process Water tank	100%								3%			
			<div>External target 65% production capacity during Q2, 2012</div> <div>External target 100% production capacity during Q1, 2013</div>										
			15%	18%	25%	68%	79%	86%	87%	96%	97%	99%	100%
Mag con			13,322	16,154	20,131	45,429	69,372	80,242	84,494	86,377	94,019	92,295	96,725

<sup>1</sup> Crushing, milling and beneficiation plant



# Windimurra milling modifications and costings

## Technical solution (Tetra Tech + in-house)

### ▪ Modification 1

Crushed ore fines screening facility

- Remove bottleneck imposed by current HPGR screen<sup>2</sup>
- Dust mitigation caused by high clay and fines content in crushed ore
- Mitigation of low HPGR utilisation caused by clays and fines within HPGR circuit

### ▪ Modification 2

HPGR<sup>1</sup> discharge system upgrade & repulper replacement

- Remove bottleneck on HPGR discharge system
- Mitigation of low HPGR discharge utilisation

## Capital cost (Primero costings incl. contingency)

Primero Activity	Amount
Equipment	\$1,756,965
Platework	\$975,523
Structural Steel	\$914,832
Civils	\$660,561
Electrical Works	\$381,628
Piping	\$56,183
Site Management	\$626,600
Project Management	\$217,700
Engineering/Design	\$365,800
Commissioning	\$43,280
Construction Equipment	\$393,823
General Support	\$68,310
Contingency (20%)	\$1,292,241
Sub Total	\$7,753,446
2 Joest Double Deck Vibrating Screens	\$995,000
2 Joest Screen Pan Feeders	\$110,000
2 Modular System Top & Bottom Decks	\$70,000
Radial Stacker Hire	\$62,000
Sub Total	\$1,237,000
Total	\$8,990,446
Budget (announced January 2012)	\$14,000,000

<sup>1</sup> HPGR: high pressure grinding rolls

# Vanadium marketing – update

- Ferrovandium price turnaround in December 2011, particularly in Europe
- Potential for significant acceleration in specific vanadium consumption rates in near term – China rebar
- Energy storage applications could dramatically increase demand growth – Redox and lithium battery markets using vanadium



# Windimurra iron ore – update

- Iron ore products – product suite extended
  - Existing iron ore fines (30k tonnes of pre-screened material ready for shipping)
  - New higher quality iron ore fines to come on line as plant is ramped up
  - High-titano-magnetite lump DSO ore currently being stockpiled
- Iron ore logistics chain in place
- Iron ore sales contracts
  - General Manager Sales & Marketing of iron ore operations recently appointed (ex-Rio Tinto)
  - Product samples well accepted by customers

Roadtrains to be used by Toll



Storage shed in Geraldton



Port capacity secured at Berth 6 →



# Windimurra iron ore – fundamental changes

- Absence of iron fines contribution to the business during plant construction and commissioning phases has been effectively filled through capital raisings
- Stronger contribution expected from ferrovanadium business following revised head grade and higher plant output to 6,300 from 5,700 tonnes per annum of contained vanadium
- Iron ore contribution to the business going forwards to be driven by future iron ore pricing – logistics chain in place to begin delivery

Roadtrains to be used by Toll



Storage shed in Geraldton

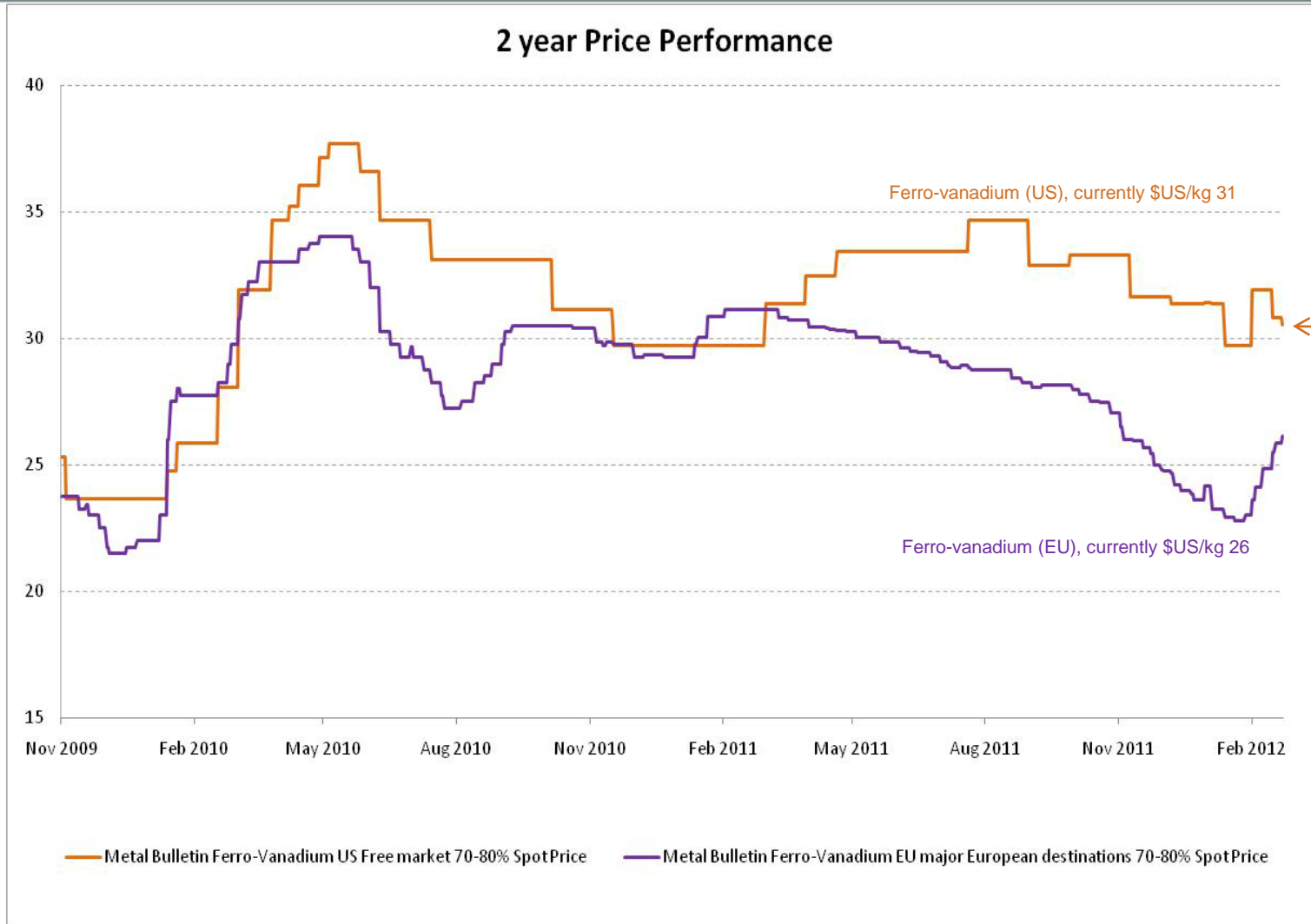


Port capacity secured at Berth 6 →





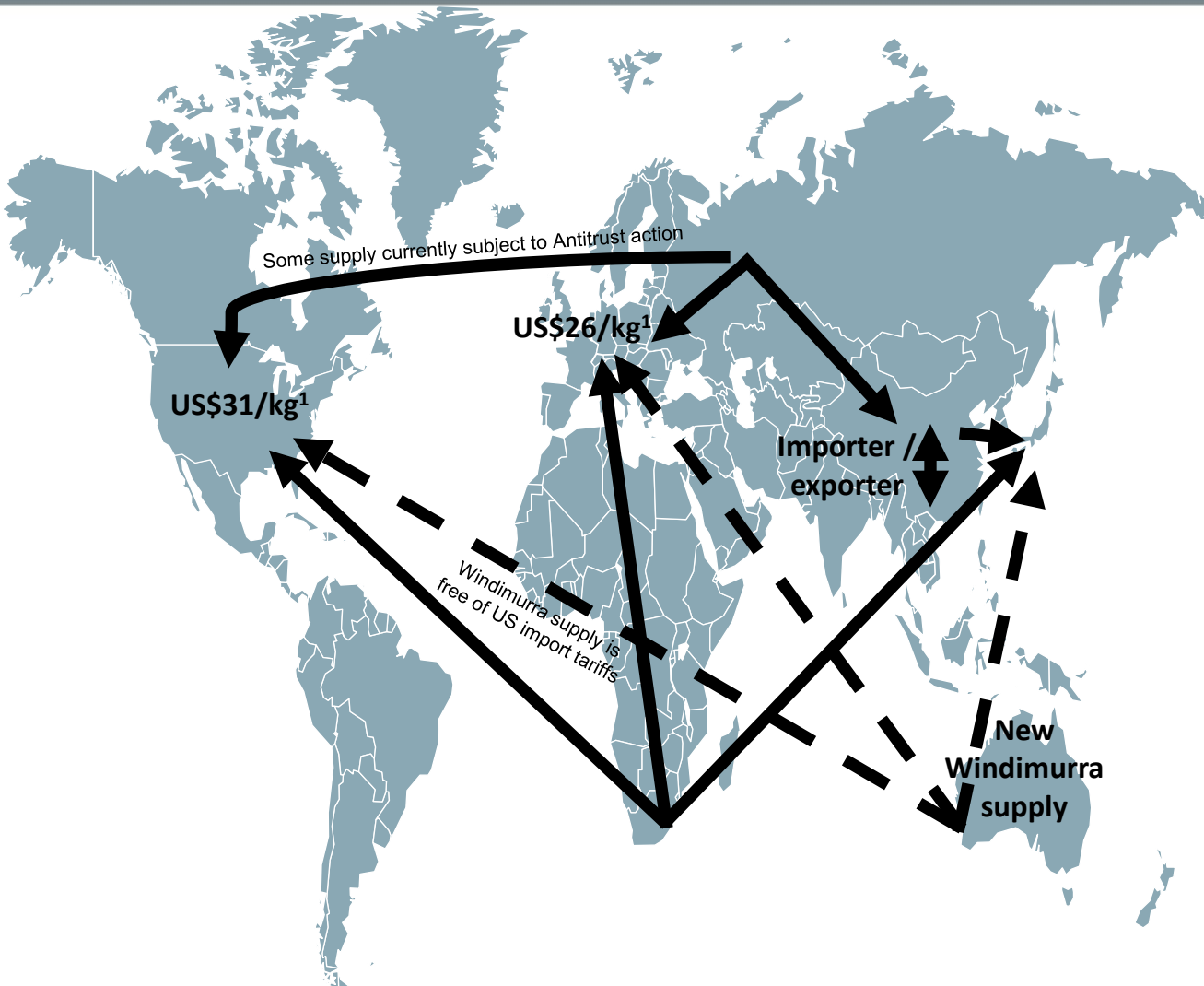
# Ferrovanadium price performance



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

Source: Bloomberg, 22 February 2012.

# Ferrovanadium price performance



## Demand factors

- Vanadium growth expected to be higher than steel growth due to:
  - Heightened global demand for high-strength low-alloy steels and titanium alloys
  - China grade 3 steel rebar standard coming into effect
  - Earthquake and tsunami reconstruction
- EU vanadium restocking
- Developing vanadium Redox battery market

## Supply factors

- US feedstock supply deficit resulting from shift in oil to shale gas fired power generation
- Windimurra particularly well placed to fill this gap given free trade agreement with US
- South African supply uncertainties
- Chinese capacity expansion to be less than initially forecast
- Chinese vanadium feedstock under price pressure due to falling iron ore prices

<sup>1</sup> Bloomberg - ferrovanadium 80 price, 22 February 2012.

# Vanadium industry growth

## Construction using vanadium

- On 1 July 1, 2011, a Chinese Government Directive came into effect mandating the use of Grade 3 rebar in all new building designs
- 90 million tonnes grade 2 rebar produced to grade 3 standard would consume additional 27,000 tonnes of vanadium per annum



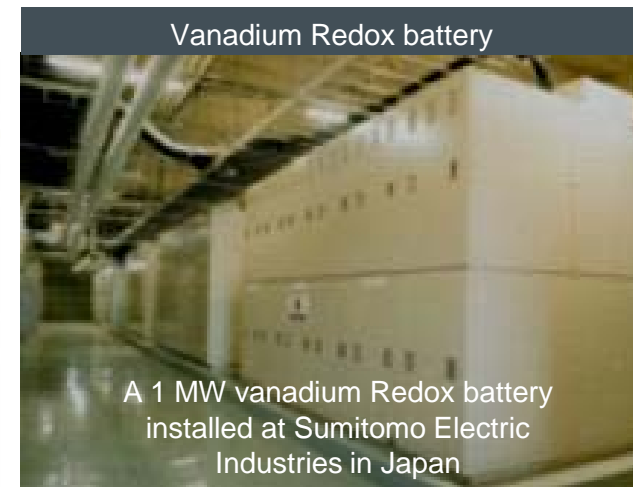
## Titanium alloys using vanadium

- 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



## Batteries: vanadium Redox & lithium vanadium

- Extremely large capacities make vanadium Redox batteries (VRBs) 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 eg electric cars



# Investment highlights

- ✓ “Windimurra” vanadium project sits on a world class vanadium deposit with a 28 year mine life
- ✓ Recently commenced ferrovanadium production – significant project de-risking following commissioning and construction completion
- ✓ 15 month ramp-up to full production capacity of 6,300 tpa of contained vanadium underway and on track to reach 65% of capacity interim production target during the 2<sup>nd</sup> calendar quarter of 2012
- ✓ Windimurra long-term operating cash cost (US\$15/kg incl by-product credits) is forecast to be in the bottom quartile of the global industry cost curve
- ✓ Robust vanadium market fundamentals
- ✓ Highly qualified management and technical team



# Contact



**Glen Zurcher**

Investor Relations

T +61 8 61 41 7215

E [gzurcher@atlanticltd.com.au](mailto:gzurcher@atlanticltd.com.au)