

# PRODUCTION & SALES REPORT

MONTH OF NOVEMBER 2014

Atlantic Ltd (ASX: ATI; **Atlantic** or the **Company**) is pleased to present its production and sales report for the month of November relating to its wholly-owned subsidiary Midwest Vanadium Pty Ltd (**MVPL**).

## Windimurra Operations

Production of vanadium at Windimurra has been suspended since February following a major fire in the beneficiation plant.

The damage to the beneficiation plant was extensive and further detailed structural engineering demonstrated that the most cost and time effective option for the rebuild of the area was to demolish the existing structure and rebuild the plant from its foundations.

Following completion of the demolition work, front end engineering and design work and a tender process for the beneficiation plant rebuild contract, Atlantic awarded the design and construct EPC contract to Primero Group.

Primero is now nearing completion of foundation works at Windimurra and the detailed engineering and design work.

Fabrication of steel and plate work for the rebuild has also progressed at local workshops in and around Perth.



*Beneficiation plant pump hoppers being fabricated in Perth*



*Structural module fabricated at workshop in Perth*

This fabrication work has been sub-contracted to a number of specialist fabricators to expedite the plant rebuild. Pre-assembly of plant modules has progressed and delivery of the first modules to site will occur in early January.

This off site fabrication and modularisation has minimised site based work in the short term and will reduce construction time substantially once modules and pre-assembled packages arrive at Windimurra. This will expedite the overall beneficiation plant rebuild schedule.

In addition, the new plant design will result in a reduction in the total capital cost of the rebuild as the new structure will be two levels lower than the previous structure.



*Derrick screens in Perth prior to transport to Windimurra (now at site)*

Most long lead time items such as magnetic separators, cyclones and screens are now at Windimurra. The final tranche of six magnetic separators is due to arrive at site shortly and the suite of slurry pumps for the rebuild are due to arrive in January in line with the completion of steel and plate work and the construction schedule.

The reconstruction of the beneficiation plant remains on schedule to be completed in an industry leading time frame of just over one year from the date of the fire. Atlantic continues to seek every opportunity to further expedite the reinstatement project.

### **Production and Sales**

There was no production or sales of vanadium in November.

### **Iron Ore**

Due to the current low market prices for iron ore products, the Company chose to make no iron ore sales during the month.

### **Discussions with Stakeholders**

During the month, Atlantic continued discussions with its stakeholders regarding the additional funding required to implement the proposed changes to the crushing and milling sections of the Windimurra plant as well as an appropriate longer term capital structure for the business.

Those discussions have been productive and are ongoing.

### **Extension of Forbearance**

On 22 December, the Company and its wholly-owned subsidiary MVPL announced a new forbearance and support agreement with the holders of a majority of MVPL's senior secured notes to extend until 16 January 2015 the existing standstill arrangements that ended on 15 December 2014.

In conjunction with this forbearance agreement, MVPL also agreed related amendments to the existing \$29.7 million secured loan facility agreement with Atlantic's largest shareholder Droxford International Limited (**Droxford**) to extend the maturity date of that facility until 16 January 2015.

Earlier in December, MVPL successfully concluded a formal consent process to implement certain technical indenture amendments agreed as part of the November forbearance agreement.

### **ASX Suspension**

Following the fire in the beneficiation plant on 4 February, the Company requested a voluntary suspension in the trading of its securities. Atlantic believes that it is appropriate for the suspension in the trading of the Company's securities to remain in place given that the Company is in discussions regarding a longer term restructure of the business.

# BUILDING A WORLD CLASS VANADIUM PROJECT

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## ASX CODE

ATI (ordinary shares)

## DIRECTORS

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## ABOUT ATLANTIC LTD

Atlantic subsidiary Midwest Vanadium Pty Ltd owns 100% of the Windimurra vanadium and iron ore operation, 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.atlantictld.com.au](http://www.atlantictld.com.au)