



# Building a World Class Resources Group

*Windimurra Acquisition Finalised*

Investor Presentation

October 2010

[www.atlanticltd.com.au](http://www.atlanticltd.com.au)

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# Atlantic Ltd

## Corporate overview

### Vision

*To build a world class resources portfolio that will drive capital growth and deliver superior returns to shareholders*

Atlantic Ltd*	
ASX codes	ATI – ordinary shares ATIO – listed options
Ordinary shares (ATI)	107.5 million
Performance shares	66 Class B
Options – 20 cents (ATIO)	9.2 million
Options – 25 cents	1.8 million
Options - \$1.325	0.2 million
Offer price	\$1.10
Market capitalisation	\$118 million
Net assets (pro-forma at 30 June 2010)	\$283 million

\* As at 14 October 2010



# Atlantic Ltd

## *Board and senior management*

### **Mr Ian McMaster AM – Chairman**

Mr McMaster is a former Chief Executive Officer of CSR Sugar, a position he held for seven years. Prior to this, Mr McMaster spent more than 30 years with BHP in a range of senior executive roles in the steel and minerals businesses in New South Wales, Victoria, Western Australia and China.

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

Mr Minosora is a qualified Chartered Accountant who has over 20 years experience in the corporate advisory arena, advising on significant corporate transactions both in Australia and South East Asia. Mr Minosora was previously Chief Financial Officer of Fortescue Metals Group, Managing Director with Azure Capital and Managing Partner of Ernst & Young in Western Australia.

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

Mr Veitch has a Bachelor of Commerce degree and a Master of Business Administration. Mr Veitch previously acted as a consultant to a wide range of private and public companies. Prior to that, Mr Veitch was the Manager of Corporate Projects for the London Stock Exchange and worked with the Australian Securities Exchange.

### **Mr Alan Mulgrew – Non-Executive Director**

Mr Mulgrew provides strategic advice to numerous major institutions in the aviation, construction, infrastructure and energy sectors. Mr Mulgrew spent more than 35 years as a senior aviation executive both within Australia and overseas, including managing responsibility for Perth and Sydney Airports.

### **Mr Jay Wacher – Non-Executive Director**

Mr Wacher is currently Finance Director of PT Elang Mahkota Teknologi Tbk (Emtek Group), an Indonesian-based television and telecommunications services business. Prior to that, Mr Wacher was Managing Director of Finance of world class plantation company, PT London Sumatra Indonesia Tbk, which was acquired by an international investment consortium in 2004.

### **Mr Michael Marriott – Chief Executive Officer Midwest Vanadium Pty Ltd**

Mr Marriott has extensive experience in the resources industry, including senior operational and executive management roles where he was responsible for the strategic development of a number of resources businesses. Mr Marriott was most recently Chief Executive Officer and Chief Operating Officer of Consolidated Minerals, a manganese, nickel and chrome producer in Western Australia. Prior to that, he held senior roles at DRDGold, Lonmin Zimbabwe, Ashanti Goldfields, Cluff Resources and Anglo American.

# Windimurra Vanadium Project

## Summary



### High quality mining inventory with expansion potential

- 97.8 million tonne JORC reserve at 0.47% V<sub>2</sub>O<sub>5</sub>
- 24 year mine life
- 176.6 million tonne JORC resource (incl. reserve) to extend mine life



### Globally significant vanadium project

- Targeting production of 5,700 tpa V
- 7% of global ferrovanadium (FeV) supply



### Competitive advantage from existing mine, plant and infrastructure

- Mine into fresh ore (no pre-stripping)
- Plant 85% complete
- Benefit of \$500m spent to date
- Proven process flow sheet



### Near-term production

- Commissioning targeted for mid 2011



### Strong customer demand

- Steel based vanadium consumption projected to grow at a CAGR of 6.0% pa over next 10 years
- New demand for vanadium pentoxide emerging – potential to expand supply into this market



### Haematite iron ore opportunity

- Estimated 1.6 million tonne stockpile (non-JORC)
- Ongoing 1 mtpa haematite production



# Windimurra Vanadium Project

*Maximising the opportunity*

## Project in 2008

## Atlantic Actions

Middle of the vanadium industry cost curve



Synergies identified (e.g. acquisition of BOOT plant)  
New supply agreements  
Haematite monetisation  
Pit optimisation



Lowest quartile of global vanadium industry cost curve

Capital base of c\$390 million of debt



Innovative transaction resulted in acquisition of debts for nominal amounts



Capital base re-set to \$68.4 million of debt

90% equity interest in Project



Atlantic acquires 100% of Project vehicle



Enhanced financial and strategic flexibility

Equity funding not available



\$55.5m in equity funding secured for Project



Project equity funding in place

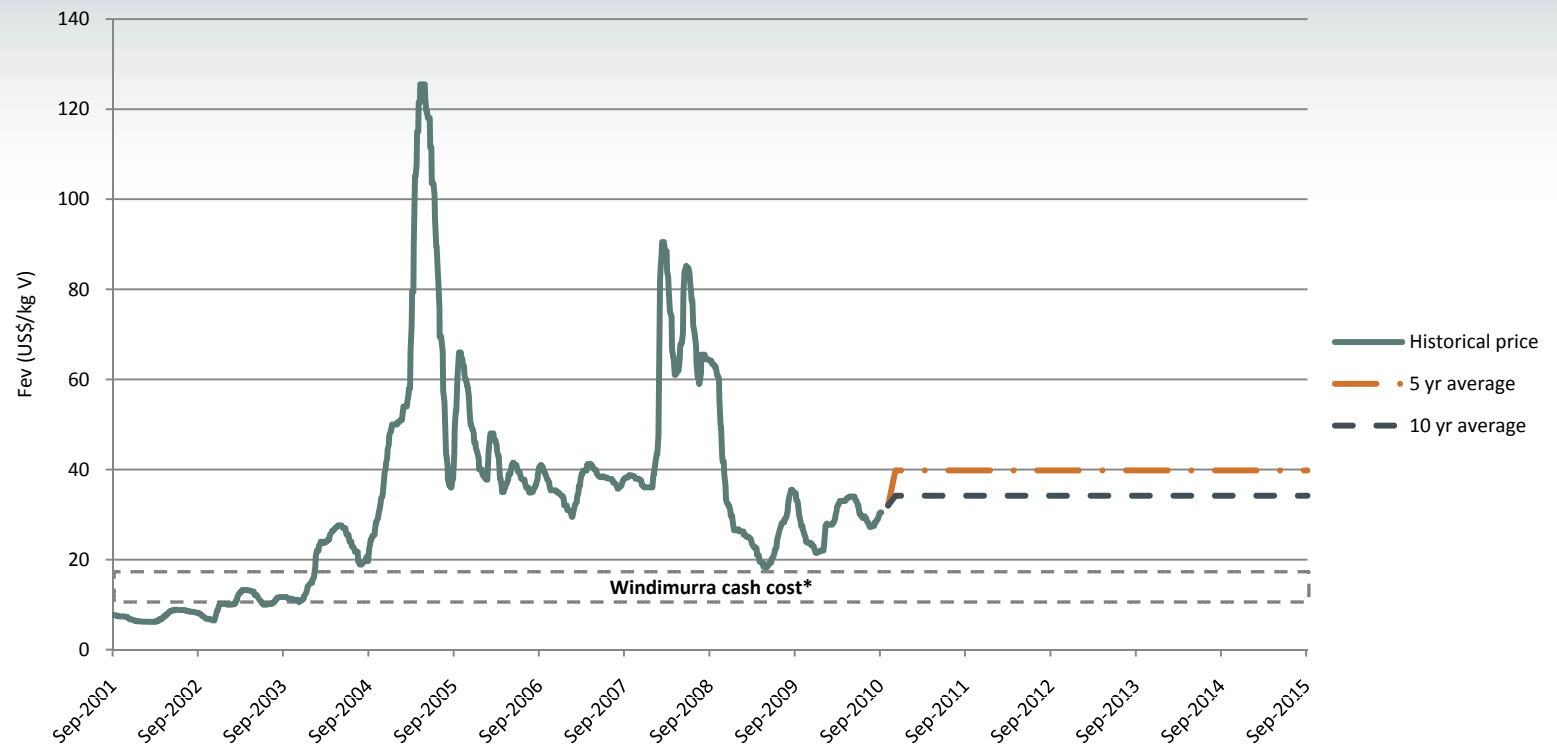
*Project will be in the lowest quartile of vanadium industry cost curve*

# Windimurra Vanadium Project

## Project economics

Ferrovanadium price and cash cost (US\$/kg V)

Windimurra will be in the lowest quartile of the vanadium industry cost curve



\* Estimated cash cost of production dependant on long term A\$:US\$ exchange rate

**Windimurra is well placed in the lowest quartile of the global vanadium industry cost curve**

# Windimurra Vanadium Project

## *Operational readiness*

Personnel	Environmental	Mining	Operational
<ul style="list-style-type: none"><li>▪ CEO of Midwest Vanadium recently appointed</li><li>▪ Key technical resources retained through receivership process including experienced vanadium process experts</li><li>▪ Ramp-up strategy and organisational chart defined and underway</li></ul>	<ul style="list-style-type: none"><li>▪ Relevant mining proposals in place</li><li>▪ Water licenses in place</li><li>▪ Environmental approvals developed and approved</li><li>▪ Dust, water, fauna, soil monitoring systems developed</li></ul>	<ul style="list-style-type: none"><li>▪ Mine plan and schedule developed (subject to optimisation)</li><li>▪ Tenement licenses in place</li><li>▪ Clearance permits approved</li></ul>	<ul style="list-style-type: none"><li>▪ Standard operating procedures complete</li><li>▪ Process plant training documentation in place</li><li>▪ OH&amp;S and induction procedures in place</li><li>▪ Commissioning plan and identification of critical spares complete</li></ul>

*Project has developed systems and procedures already in place*



# Windimurra Vanadium Project

## Current status of construction

All concrete works complete

Crushing and beneficiation circuit ready for commissioning

Almost all structural steel works complete

Some civil works required in tailings dams

Electrical cabling is largest scope of works to be completed in vanadium refinery

Total Project	
Area	Estimated % completion
Mining and mining development	Essentially complete
Crushing & beneficiation	Essentially complete
Vanadium refinery	74%
Gas inlet delivery station	Essentially complete
Power station	Essentially complete
Infrastructure	Essentially complete
Laboratory	80%
Tailings facilities	60%
<b>Total</b>	<b>c.85%</b>

Vanadium Refinery	
Area	% Complete
19 – Kiln Feed	84%
20 – Roasting (Kiln)	69%
25 – Leaching	80%
30 – Desilication	81%
35 – AMV Filter	71%
36 – AMV Flash Dryer	81%
41 – V2O3 Production	50%
45.01 – FeV Production	74%
45.03 – FeV Furnace Repair Facility	86%
45.04 – FeV Crushing Building	70%
45.05 – FeV Furnace Feed Tower	37%
50 – Services	76%
00 – Pipe Racks	91%
Areas 60/61/62/70	29%
<b>Total</b>	<b>74%</b>



*Project is greater than 85% complete overall*

# Windimurra Vanadium Project

## *Haematite production and stockpile*

*Existing stockpile of  
haematite ready  
for shipment*

*Project will also  
produce c. 1m  
tonnes per  
annum of  
haematite*

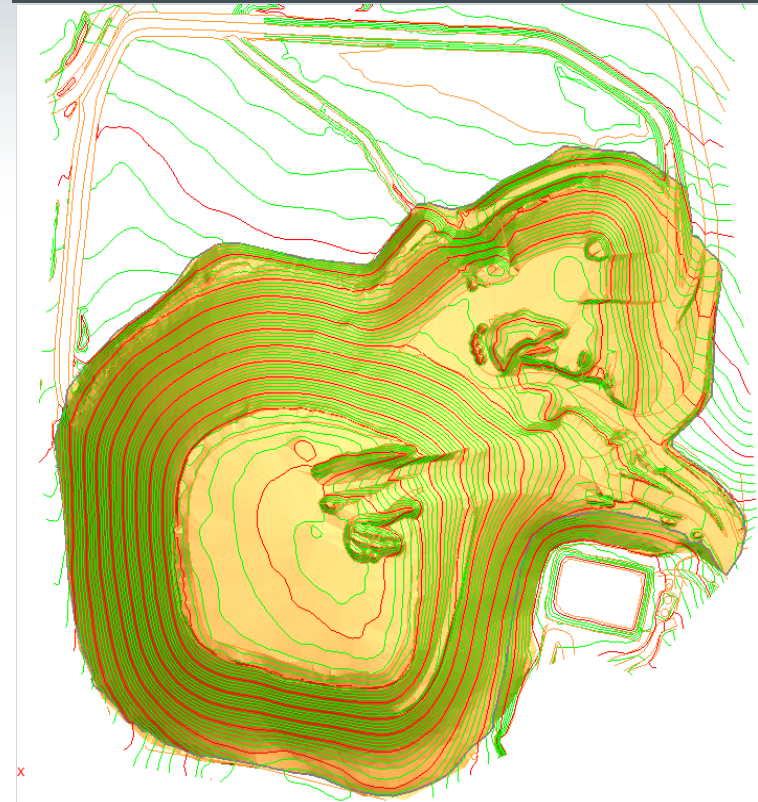
*JORC resource drilling  
program  
complete –  
results pending*

*Haematite  
specifications  
based on  
expected future  
production*

**Existing stockpile – Aerial view**



**Existing stockpile - plan**



Chemical Analysis (wt%)	%
Iron (Fe)	55.25
Silicon (Si)	1.07
Aluminium (Al)	0.97
Phosphorous (P)	0.002
Sulphur (S)	0.027
Titanium (Ti)	9.47
Moisture (H <sub>2</sub> O)	4



# Windimurra Vanadium Project

## Mining operations

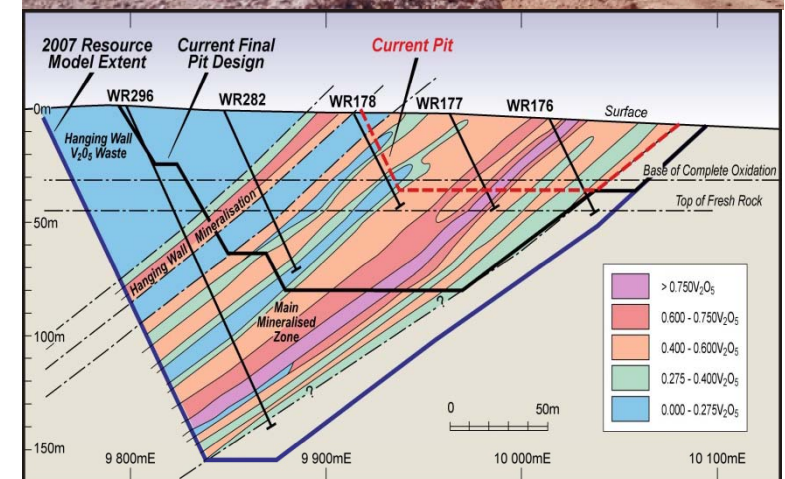
*One of the world's  
largest reserves  
of vanadium*

*Fully developed pit  
already  
available*

*Significant  
opportunity to  
expand mine  
life*

- **Straight-forward process**
  - Ore close to surface
  - Very low ore to waste ratio of 1:0.83
  - Soft oxidised nature of ore
  - Minimal blasting in oxide ore
  - Bench mining method
  - Pit access and haul roads already developed
  
- **Scope to significantly improve grade of throughput material**
  - Access to high grade intersections in pit
  - Higher grade reported to plant will deliver further plant efficiencies
  - Mine pit optimisation underway

***Project has easily accessible ore available using  
conventional mining methods***



WINDIMURRA VANADIUM MINE  
TYPICAL CROSS SECTION AT 10 050mN

# Windimurra Vanadium Project

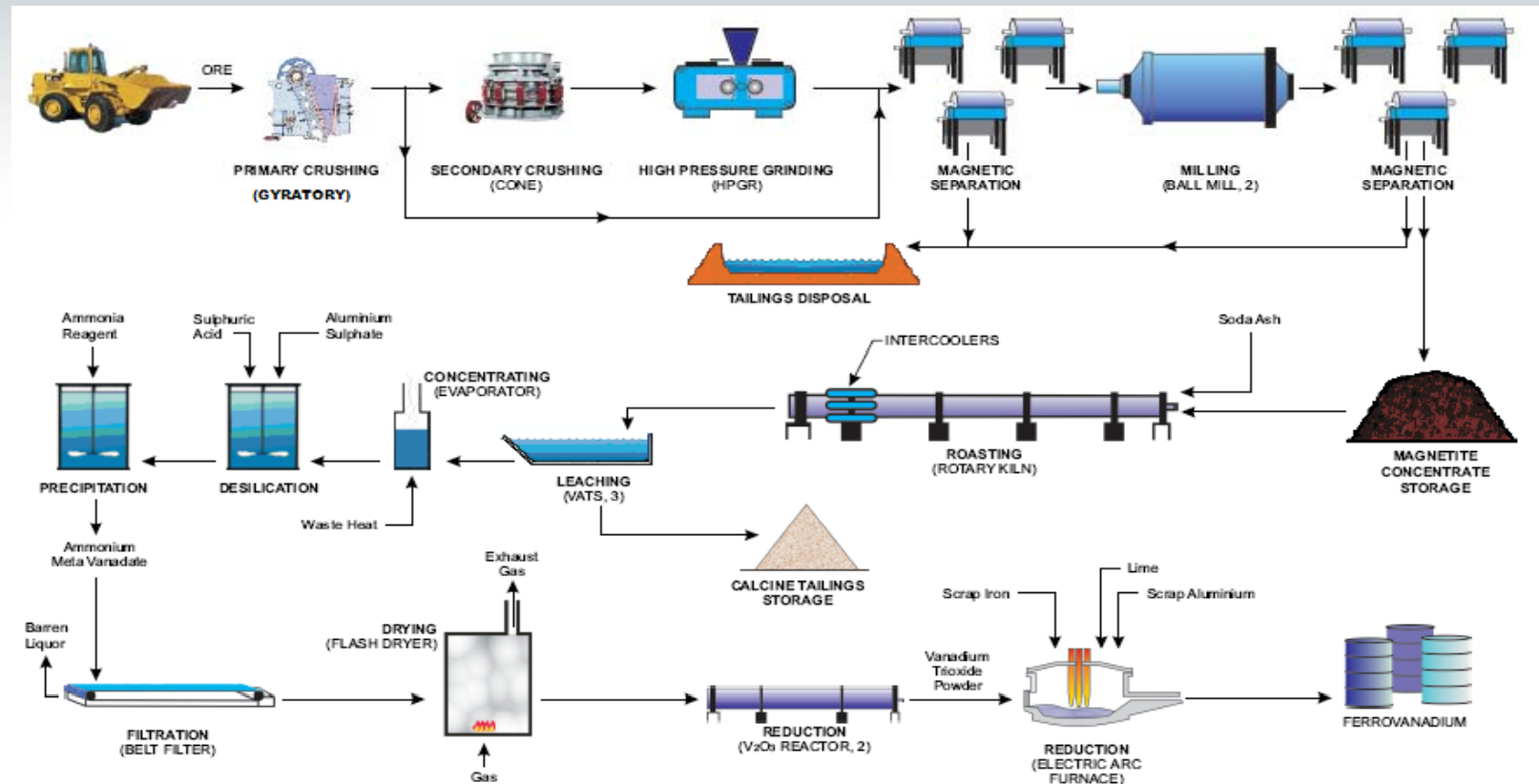
## Process flow

3 stage crushing plant

Crushing and  
beneficiation  
circuit ready for  
commissioning

Haematite product  
from calcine  
tailings storage

Technology is tried and  
tested –  
technical and  
operating risk  
mitigated



Industry standard process flow sheet

# Windimurra Vanadium Project

## *Crushing and beneficiation plant*

*Crushing and  
beneficiation  
plant is complete  
and ready for  
commissioning*

*Plant has significant  
excess capacity –  
can produce c.  
60% more ore  
than is required  
in the current  
operation*



***Significant expansion potential***



# Windimurra Vanadium Project

## *Kiln and leach vats*

*Kiln and leach vats  
c.95-98%  
complete*

*Kiln has been  
completely  
relined*

*Upscaled gas burner  
and exhaust fans  
installed*



**Kiln**

**Leach vats**



**Soda ash silo**

**Kiln offgas system**

# Windimurra Vanadium Project

## *Ferrovandium circuit*

*Structural work on  
ferrovandium  
circuit largely  
complete*

*All major components  
of equipment at  
site*





# Windimurra Vanadium Project

## *Power station*

*3 x Solar turbines and 4  
x Jenbacher  
reciprocating gas  
engines generate  
c. 24 MW output*

*Power station  
construction  
complete*



**Solar turbine**

**Jenbacher engine**





# Windimurra Vanadium Project

## *Accommodation camp*

*Over 200 rooms with  
full ensuite  
facilities*

*High quality camp with  
extensive  
recreation  
facilities*

*Camp now acquired by  
MVPL*



# Vanadium Industry Overview

## Latest industry news

*Weakening of price in mid 2010 due to concerns over the Euro-zones fiscal position*

*Current price of US\$30.50 kg FeV*

*Fundamental market dynamics driving price increases*

### Recent price performance



### Latest industry news

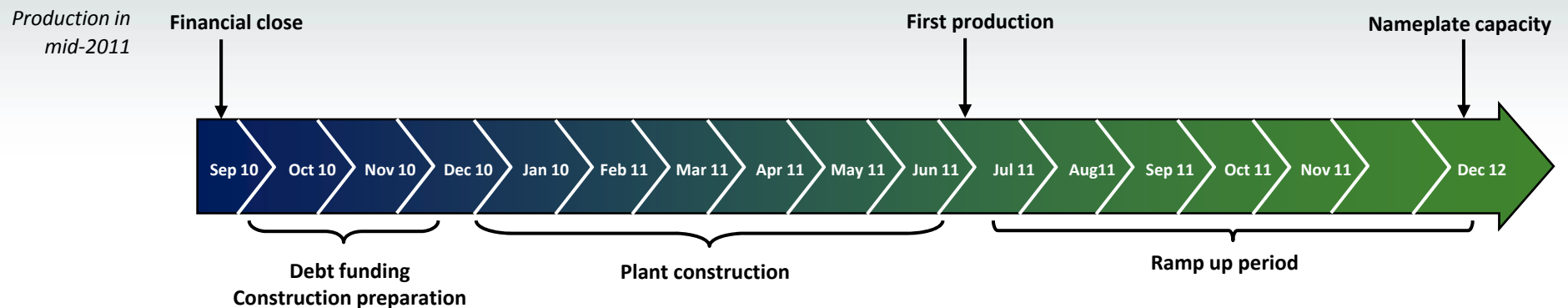
- Roskill predicts that vanadium prices could move back to US\$75/kg as early as 2015
- Between 2003 to 2009, vanadium demand grew at a rate of 13 percent p.a.
- Mature economies tend to exhibit higher intensity use of vanadium in steels than industrialising countries
  - Intensity use in USA was 3x that of China in 2008
- Key drivers of growth in the vanadium market will be:
  - Healthy growth from the BRIC (Brazil, Russia, India, China) regions
  - Greater emphasis in BRIC economies on high strength low alloy steel production, which contains higher vanadium content
  - Closing of gap in vanadium use intensity between mature and industrialising countries
- New projects are limited
  - Expansion of supply mainly from utilisation of spare capacity in existing mines and plants
- Strong demand from growth in steel coupled with limited new projects expected to support strong vanadium prices

*Latest research predicts a strong vanadium price future*

# Windimurra Vanadium Project

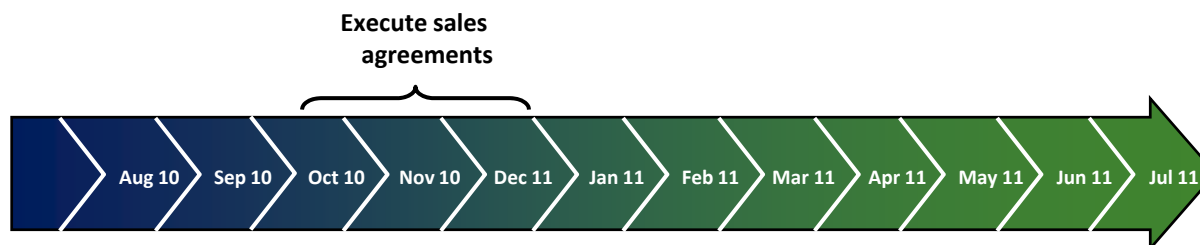
*Updated development timeline and next steps*

## Vanadium Production Timeline



## Haematite Monetisation Timeline

*Haematite sales to commence as soon as possible*



*Plant on line in 2011, with haematite sales as soon as possible*