

30 October 2009

Australian Securities Exchange  
Company Announcements Office  
10th Floor, 20 Bridge Street  
SYDNEY NSW 2000

## **QUARTERLY REPORT FOR PERIOD ENDING 30 SEPTEMBER 2009**

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### **HIGHLIGHTS**

- Modelling of Touquoy and Cochrane Hill Gold Projects combined indicate total Mineral Resources of 1.2 million ounces with potential for 920,000 oz open pit production over 10 years at US\$500/oz cash cost.
- Cochrane Hill resource estimate upgraded to 10.1 Mt @ 1.7 g/t for 549,000 ounces of gold, of which 251,000 ounces are now in the Indicated Resource category.
- An Interface Drilling program to follow up four regional exploration targets will commence in mid-November.
- As part of the Touquoy Feasibility Study Ausenco Limited has been engaged to update and upgrade the Touquoy Engineering and Cost Study it undertook in June 2007 with completion expected prior to March 2010.
- Additional land surface titles acquired at Touquoy.
- Newly appointed Nova Scotia Minister of Natural Resources and senior officials provide strong support for Atlantic Gold's development initiatives at Touquoy and Cochrane Hill.
- With encouragement from senior government officials the Company continues to seek financial support for specific components of project financing under existing government programs.
- Private placements facilitated by Martin Place Securities gross \$1.5 million. Companion Share Purchase Plan presently in effect has been partially underwritten by Martin Place Securities to \$2.0 million.
- The Company also continues to investigate avenues for financing the development of Touquoy and Cochrane Hill, and in particular the possibility of engaging in strategic partnerships with other industry participants.

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## OVERVIEW - NOVA SCOTIA PROJECT DEVELOPMENT

### *TOUQUOY AND COCHRANE HILL GOLD PROJECTS - UNIFIED PRODUCTION PLAN*

An upgraded resource estimate at Cochrane Hill has established the concept of sequential development of the Touquoy and Cochrane Hill Gold Projects, using the same gold treatment plant, as a robust unified production plan to recover an estimated 920,000 ounces gold over a 10 year mine life. Completion of the Touquoy Feasibility Study, currently in progress, is the next step in advancing these Projects to production.

#### Resource and Financial Modelling

As announced on 18 September 2009 conceptual study level modelling based on a combined production plan for the Touquoy and Cochrane Hill Gold Projects indicates total potential output of 920,000oz gold from these two open-pits is expected at current gold pricing (see accompanying Nova Scotia Gold Resource and Claim Plan for locations). The modelling incorporates a conceptual pit optimisation for the Cochrane Hill Gold Project based on a recently revised resource estimate, in combination with a revised pit optimisation and current modelling of the Touquoy Gold Project. Details are tabulated as follows:

CONCEPTUAL FINANCIAL MODEL – 100% BASIS  
(REFER APPENDED BACKGROUND NOTE #2 FOR OWNERSHIP DETAILS)

	TOUQUOY	COCHRANE HILL	TOUQUOY + COCHRANE HILL
Production	470,000 oz	450,000 oz	920,000 oz
Initial mine life	5.6 years	4.5 years	10.1 years
Plant	2 Mtpa	2 Mtpa	2 Mtpa
Throughput	11.3 Mt	8.9 Mt	20.2 Mt
Grade	1.4 g/t	1.7 g/t	1.5 g/t
Initial capital (A\$)	\$104 M	–	\$104 M
Operating cash cost (US\$/oz)	\$485	\$520	\$500
Gold price used:			
Optimisation (US\$/oz)	\$875	\$875	\$875
Revenues (US\$/oz)	\$1000	\$1000	\$1000
Net cash (pre-tax) (A\$)			\$340 M
NPV ATV share @ 8% pre-tax (A\$)			\$98 M
Project IRR			40%
Exchange rate (A\$/US\$)	0.86	0.86	0.86

This unified Touquoy/Cochrane Hill production scenario contemplates re-location of the Touquoy 2 Mtpa gravity/CIL treatment plant to Cochrane Hill following completion of the Touquoy operation. Cochrane Hill is located 80 km east of Touquoy and about 110km by road. This scenario presents a potential 90,000ozpa production plan over a 10-year mine life.

## Provincial Government Support

Substantial encouragement for Atlantic Gold's development projects in Nova Scotia continues to be provided by senior provincial government officials and representatives. The Chairman Ron Hawkes and CEO Wally Bucknell met with the recently appointed Minister of Natural Resources to determine the newly elected government's support for development of the Touquoy and Cochrane Hill Gold Projects. As a result the Minister responded promptly with a letter of support to the Chairman. Included in the letter were the following comments:

*"I am encouraged by your exploration success and impressed by the diligence with which you have exercised your environmental and social responsibilities with these projects. The government of Nova Scotia recognizes the importance of responsible development of the province's mineral resources and supports mineral development that is economically, environmentally and socially sustainable. The addition of a new gold producer will be an important milestone for the mining industry and, as you indicated in our meeting, may well signal the beginning of a new industry. This is good news for Nova Scotia and I will continue to do what I can to create a business climate that is supportive of mineral resource development, and to bring this message to my colleagues in government. I wish you success with your gold projects and look forward to you becoming Nova Scotia's newest gold producer."*

The Chairman and CEO have now met with several relevant government departments and agencies to ascertain potential support with respect to project financing. With further discussion and consideration to necessarily follow there is nevertheless an appreciation expressed by officials of the economic benefits that development and operation of the Touquoy and Cochrane Hill Gold Projects will accrue to rural Nova Scotia. Avenues for financial support available under existing government programs continue to be pursued.

Progress made during the Quarter on each of the Touquoy and Cochrane Hill Gold Projects is as follows:

### **TOUQUOY GOLD PROJECT**

*(Atlantic Gold 60%, may earn up to 75% outside known resources)*

The Touquoy Gold Project is located in central Nova Scotia about 70 minutes by sealed road from Halifax, the Provincial capital. Halifax is a modern city with a population of about 350,000. It accommodates three universities and being a major shipping port supports major engineering and service infrastructure. Halifax International Airport, servicing direct flights to New York, London and Toronto, is 45 minutes from Touquoy.

Atlantic Gold holds a 60% interest the Touquoy Gold Project. Atlantic Gold as operator sole funds to production and receives 100% of cashflow until all outlay plus interest is recouped. Thereafter Atlantic Gold receives 60% of profits. An additional 15% interest can be acquired in the property outside the general area of the known resource upon securing project financing.

### Pit Re-optimisation

Given the sustained strength of higher gold prices over the last 18 months the current resource model was re-optimised using a gold price of US\$875/oz (increased from US\$780/oz as previously applied and reported to ASX on 23 April 2008, and subsequently), locally quoted production costs and a 2 Mtpa gravity/CIL operating plan. Results are as follows:

GOLD PRICE	TONNES (millions)	GRADE (g/t Au)	OUNCES GOLD RECOVERED	STRIP RATIO
<b>US\$875/oz</b>	<b>11.3</b>	<b>1.4</b>	<b>470,000</b>	<b>1:2.6</b>

This projected production is incorporated in the financial modelling for the unified production plan for Touquoy and Cochrane Hill (above). However it takes no account of likely input from the Touquoy West satellite deposits located 2 km west of Touquoy. Resources here (as previously reported to ASX on 12 July 2004) comprise Inferred Resources of 45,000 ounces gold and Indicated Resources of 54,000 ounces gold based on historical drilling but have yet to be drilled by Atlantic Gold.

### Project Feasibility

Ausenco Limited has been engaged to update and upgrade the Engineering and Cost Study it completed on the Touquoy Gold Project in June 2007, most of the same key personnel being available for the Study. Subject to vendor and supplier response times the Study will take three months to complete.

The Engineering and Cost Study will be an integral part of the Feasibility Study, much of which has already been completed. Discussions are progressing with an independent engineering group to compile and complete the Feasibility Study report for presentation to potential project financiers.

### Project Permitting

As previously noted applications for the Mining Lease and for Industrial Approval, the adjunct to the previously granted Environmental Assessment Approval, have previously been submitted to the Nova Scotia Departments of Natural Resources and Environment respectively. These applications are presently in abeyance pending acquisition of surface land titles.

A number of such titles has now been acquired with conveyancing closures to be completed in the coming weeks.

### **COCHRANE HILL OPTION**

*(Atlantic Gold may earn either 60% or 80% depending on co-venturer's election following Atlantic Gold's earn-in expenditure)*

Cochrane Hill is an advanced gold exploration property located 80 km east of the Company's Touquoy Gold Project and is subject of an option agreement with TSX-listed Scorpio Gold Corporation.

## Revised Resource Estimate

As announced on 18 September 2009 the Mineral Resource estimate for the Cochrane Hill Gold Project has been revised by resource estimate specialists Hellman & Schofield to incorporate results from the 39 resource delineation diamond holes (3,102m) drilled by Atlantic Gold (see accompanying Property Plan and Drill Hole Collar Plan). The upgraded resource inventory is as follows (refer to appended Background Note #1 for estimate details):

### COCHRANE HILL GOLD DEPOSIT

	TONNES (millions)	GRADE (g/t Au)	CONTAINED OUNCES
Indicated Resource	4.46	1.76	251,000
Inferred Resource	5.65	1.64	298,000
<b>TOTAL</b>	10.11	1.69	549,000

The resource estimate dataset is supplemented by a further 79 holes (11,098 m) drilled during the 1970s and 1980s by previous explorers and includes results of infill sampling undertaken by Atlantic Gold on core from these holes recovered from storage (as previously reported to ASX on 14 September 2007, 24 October 2007 and 21 November 2007).

This resource estimate is comparable in tonnes and grade to that undertaken by Hellman & Schofield (reported to ASX on 4 June 2008) in the absence of any drilling by Atlantic Gold, but with an increased proportion of Indicated Resources. The new drilling provides a greater degree of confidence in the reliability of the historic drilling data used in the resource estimate which, although conforming to industry standards at that time, lacked the routine quality control procedures that are now considered requisite procedures in the definition of Indicated and Measured Resources. It is estimated that a further 5000m of drilling is required to completely upgrade the presently outlined resource to Measured and Indicated Resource status, provide sufficiently representative core for completion of comprehensive metallurgical testwork, and establish a basis for Ore Reserve definition.

The mineralised zone plunges gently to the west and it remains open down-plunge in this direction (see accompanying Vertical Longitudinal Section 3067.5N).

The gold mineralisation is developed within a 10 m to 30 m-wide zone of sulphidic and quartz-veined thin-bedded sediments which dip 70° north and trends almost east-west over a length of about 650 m. Coarse (visible) gold is common and the gold is expected to be free-milling on indications from historic testwork and similarities to other gold deposits in this district.

The total Mineral Resources controlled by Atlantic Gold in Nova Scotia are now well in excess of one million ounces:

	TONNES (millions)	GRADE (g/t Au)	CONTAINED OUNCES
<b>TOUQUOY</b>			
Measured Resources	2.8	1.5	130,000
Indicated Resources	7.3	1.5	350,000
Inferred Resources	1.6	1.5	77,000
<b>Total Touquoy</b>	<b>11.7</b>	<b>1.5</b>	<b>557,000</b>
<b>TOUQUOY WEST</b>			
Indicated Resources	0.9	1.9	54,000
Inferred Resources	0.6	2.2	45,000
<b>Total Touquoy West</b>	<b>1.5</b>	<b>2.0</b>	<b>99,000</b>
<b>Total Touquoy Project</b>	<b>13.2</b>	<b>1.5</b>	<b>656,000</b>
<b>COCHRANE HILL</b>			
Indicated Resources	4.5	1.8	251,000
Inferred Resources	5.6	1.6	298,000
<b>Total Cochrane Hill</b>	<b>10.1</b>	<b>1.7</b>	<b>549,000</b>
<b>TOTAL NOVA SCOTIA</b>	<b>23.3</b>	<b>1.6</b>	<b>1,205,000</b>

### Pit Optimisation

Based on the revised Cochrane Hill resource inventory (above) a conceptual open-pit has been optimised using similar costs and operating plan – 2 Mtpa gravity/CIL – to those presently applicable to the Touquoy Gold Project (see accompanying Drill Hole Collar and Conceptual Pit Crest Plan and Vertical Longitudinal Section 3067.5N for conceptual pit limits). This optimisation has been undertaken to determine the potential size of the pit, production levels and recovered ounces on the assumption – yet to be confirmed by infill drilling – that all Inferred Resources can be converted to Measured and Indicated Resources. For a gold price of US\$875/oz production of 8.9 million tonnes grading 1.7 g/t to recover 450,000 ounces gold is indicatively projected:

GOLD PRICE	TONNES (millions)	GRADE (g/t Au)	OUNCES GOLD RECOVERED	STRIP RATIO
<b>US\$875/oz</b>	<b>8.9</b>	<b>1.7</b>	<b>450,000</b>	<b>1:5.8</b>

This projected production is incorporated in the financial modelling for the unified production plan for Touquoy and Cochrane Hill (above).

This gold district of Nova Scotia is believed to be highly prospective for major open-pittable gold resources similar in style to those at Touquoy and Cochrane Hill. Ongoing exploration for such deposits and development of these two Projects are the forward steps in Atlantic Gold's strategy to develop a robust and environmentally sustainable gold mining industry in Nova Scotia.

## **REGIONAL EXPLORATION**

A program of interface drilling – that is, small diameter reverse circulation drilling to penetrate the 5-20 m thick veneer of masking till to sample bedrock for gold and pathfinder characteristics – is planned to follow up four regional target areas defined by previous reconnaissance interface drilling to commence later in November.

## **CORPORATE**

A raising of \$1.5 million, before expenses, was successfully arranged by Martin Place Securities Pty Ltd through private placement of 25 million new fully paid ordinary shares at an issue price of 6 cents per share.

Concurrently an offer to all eligible shareholders to participate in a Share Purchase Plan (**SPP**) at the same price of 6 cents per share is in effect. The SPP terms and conditions and an application form were sent to shareholders on 26 October 2009. Eligible shareholders are those with registered addresses in Australia or New Zealand as at 7:00 pm Sydney time on 19 October 2009 (**Record Date**). The SPP is scheduled to close at 5:00 pm (Sydney time) on 17 November 2009.

The SPP is capped to raise a maximum of \$3.0 million of which \$2.0 million has been underwritten by Martin Place Securities Pty Ltd.

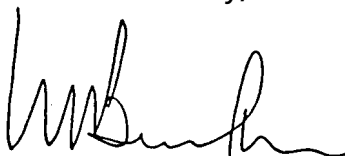
The volume-weighted average price of Atlantic Gold's shares traded on the ASX over the last 5 trading days prior to the date of this offer was 7.0 cents per share.

Each eligible shareholder may subscribe for up to \$15,000 worth of new shares, ranking equally with existing fully paid ordinary shares, without incurring any brokerage or other usual transaction costs.

Funds raised from the placement and SPP will be used to progress Atlantic Gold's advanced gold projects in Nova Scotia, particularly with the purchase of certain surface land titles at the Touquoy Gold Project.

In addition to these fundraisings the Company continues to investigate avenues for financing the further development of Touquoy and Cochrane Hill, and in particular the possibility of engaging in strategic partnerships with other industry participants.

Yours faithfully,



**W R Bucknell**  
**Executive Director**

This report and accompanying plans will be posted on the Company's website, [www.atlanticgold.com.au](http://www.atlanticgold.com.au) following its release to the Australian Stock Exchange.

**Attribution:** The geological information in this report relating to Mineral Resources has been compiled by W R Bucknell who is a director of Atlantic Gold, a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person in respect of the 2004 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). The resource estimates for Cochrane Hill and Touquoy described in this report were completed by Mr Neil Schofield, an employee of Hellman and Schofield Pty Ltd ("H&S"). Mr Schofield is a Member of the AusIMM and qualifies as a Competent Person in respect of the 2004 JORC Code by virtue of having sufficient experience which is relevant to the Cochrane Hill and Touquoy style of mineralisation and deposit type. Mr Schofield has consented to the inclusion of this information in the form and context in which it appears in this report. H&S takes responsibility for the resource estimation and classification and Atlantic Gold is responsible for the drilling and geological data being complete, accurate and representative.

## About Atlantic Gold NL

Atlantic Gold aims to develop open pit gold deposits in Nova Scotia, the Touquoy Gold Project being the starting point. The extensive goldfields of Nova Scotia have never before been systematically approached in this way. The Company's skills are derived from 15 years of such work in Western Australia, where its principals, as executives and directors of the highly successful Plutonic Resources Limited, discovered more than 11 Moz of gold and operated up to five gold mines. The Company principals have considerable previous experience in exploration in Atlantic Canada.

## Background Notes

### 1. Notes on Cochrane Hill Resource Estimate

- Estimation technique: Multiple Indicator Kriging with block variance adjustment applied. Data flagged to mineralised wireframe. Ore selectivity is assumed to be 4 metres (north) by 8 metres (east) by 2.5 metres (elevation) via an open pit mining scenario.
- Lower cut-off grade 0.5 g/t.
- All Atlantic Gold holes are NQ diameter with half sawn core sampled at 1m intervals and fire assayed following total sample pulverisation.
- Atlantic Gold's quality control procedures include routing submission of drill core blanks and accredited standards, together with selected submission of blank standards immediately following samples containing visible gold.
- Bulk density: 2.76 g/cm<sup>3</sup> (67 mineralised samples).
- Resource estimate based on 6,665 sample assays from 39 holes (3,102 m) drilled by Atlantic Gold and 79 holes (11,098 m) drilled in the 1970s and 1980s. Samples from historic holes fire assayed, with screened fire assay on samples bearing visible gold. Results for the 56 underground drillholes (table below) are considered unreliable and have not been used. Seventeen historic surface holes are located beyond the resource limits.
- Lower cut-off grade: 0.5 g/t.
- All samples (six) over 100 g/t cut to 100 g/t.
- Hole spacing: Averages 20 m x 20 m in the central portion of the deposit to a depth of 100 m from surface. Outside this area the drilling sections average 30 metre centres and holes on section are irregularly spaced.
- History: Gold first discovered in 1868. Two shafts sunk to maximum depth of 70 m with first production recorded in 1877. By 1929 1354 ounces gold recovered from 12,327 tons. No production documented after 1929.

- Details of previous diamond drilling campaigns:

COMPANY	YEAR	LOCATION	NO. OF HOLES	METRES	CORE SIZE/SAMPLE
Massval Mines	1974	Surface	44	4840	A,BQ/split
Northumberland	1981	Surface	21	3932	A,BQ/split
Scominex	1984-87	Surface	31	5107	NQ/sawn
Scominex	1984-87	Underground*	28	830	NQ/sawn
Novagold	1988	Underground*	28	2044	NQ/sawn
			<b>152</b>	<b>16753</b>	

\* Assays from underground drilling have not been used in present resource estimate.

- Bulk sampling: Approximately 14,900 tonnes from 25,000 tonnes development material excavated from surface and underground during 1982-88 were treated by various means:

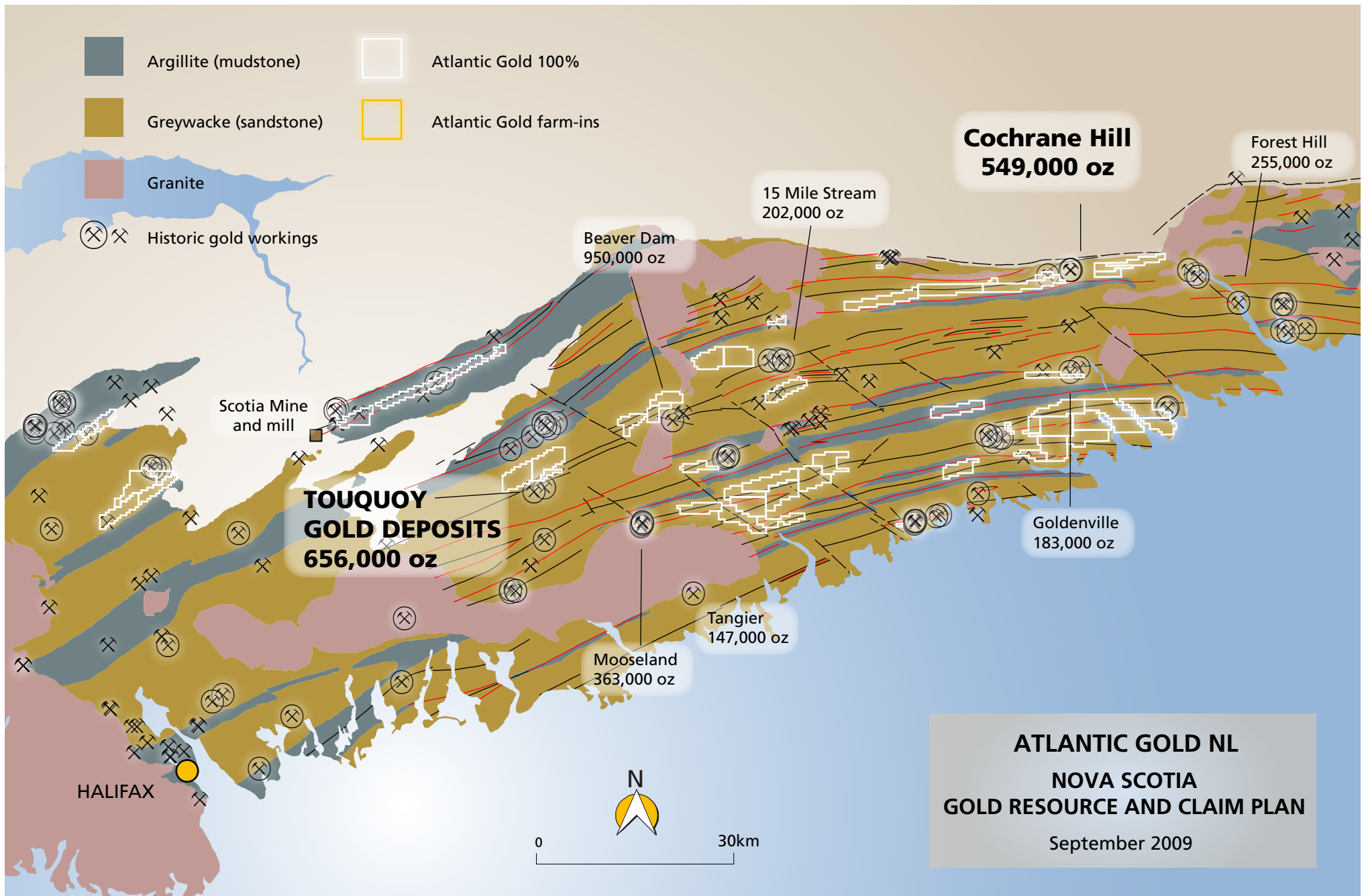
COMPANY	YEAR	SAMPLE TYPE	TONNAGE	TREATED	GRADE (g/t)
Northumberland	1982-83	Pit	13,500	13,041	1.6
Scominex	1987	Underground	4,443	2.8	1.9
Novagold	1988	Underground	7,400	1860	2.1

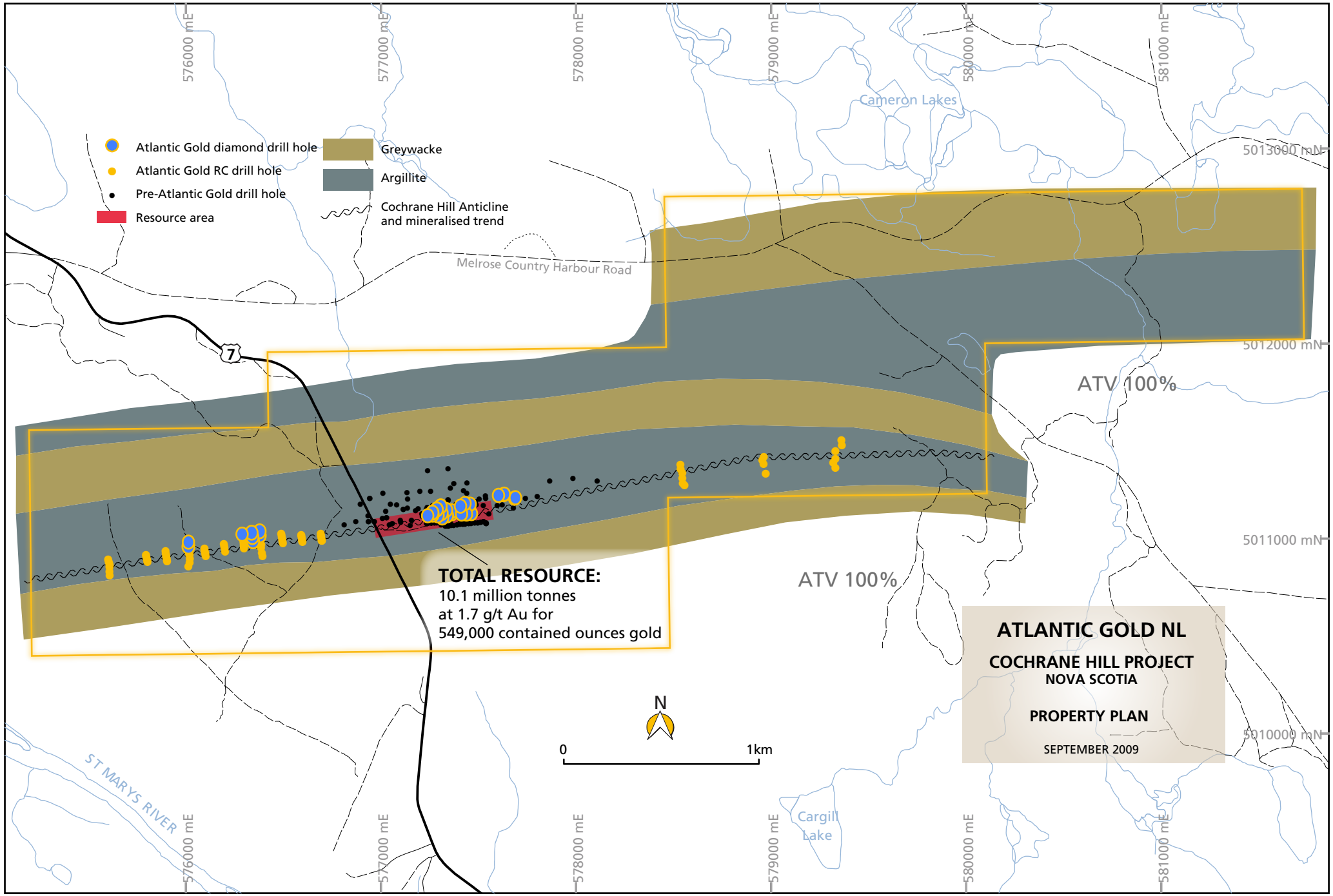
Details as to grade control methodology, metallurgical recovery and sample representivity applying at the time are not clear and resultant grades are therefore considered unreliable. These, and the historic tonnage mined (approx 32,000 tonnes in total), have not been deducted from the resource estimate.

## 2. Property Ownership

Cochrane Hill is subject of an option agreement with TSX-listed Scorpio Mining Corporation (SMC). Under the terms of the agreement with SMC, once Atlantic Gold (through its wholly-owned Canadian subsidiary) has completed expenditure of C\$4.75 million on exploration and development (C\$3.5 million now remaining) within 4 years, extendable for a further 2 years (by cash payment of C\$50,000 for each year), and has made aggregate cash payments of C\$100,000 to SMC (\$70,000 now remaining), then at SMC's election Atlantic Gold will have earned either a 60% Joint Venture interest (with SMC retaining a 40% Joint Venture interest) or 100% interest subject to a 20% free carried interest retained by SMC. Atlantic Gold may withdraw at any time. The property is subject to an underlying 3% production royalty in favour of a third party, of which two-thirds can be purchased for C\$1.5 million. The financial considerations above are net of royalty.

Atlantic Gold holds a 60% interest the Touquoy Gold Project. Atlantic Gold as operator sole funds to production and receives 100% of cashflow until all outlay plus interest is recouped. Thereafter Atlantic Gold receives 60% of profits. A third party holds 3% royalty of which two-thirds can be purchased for \$2.5 million. The financial considerations above are net of royalty.



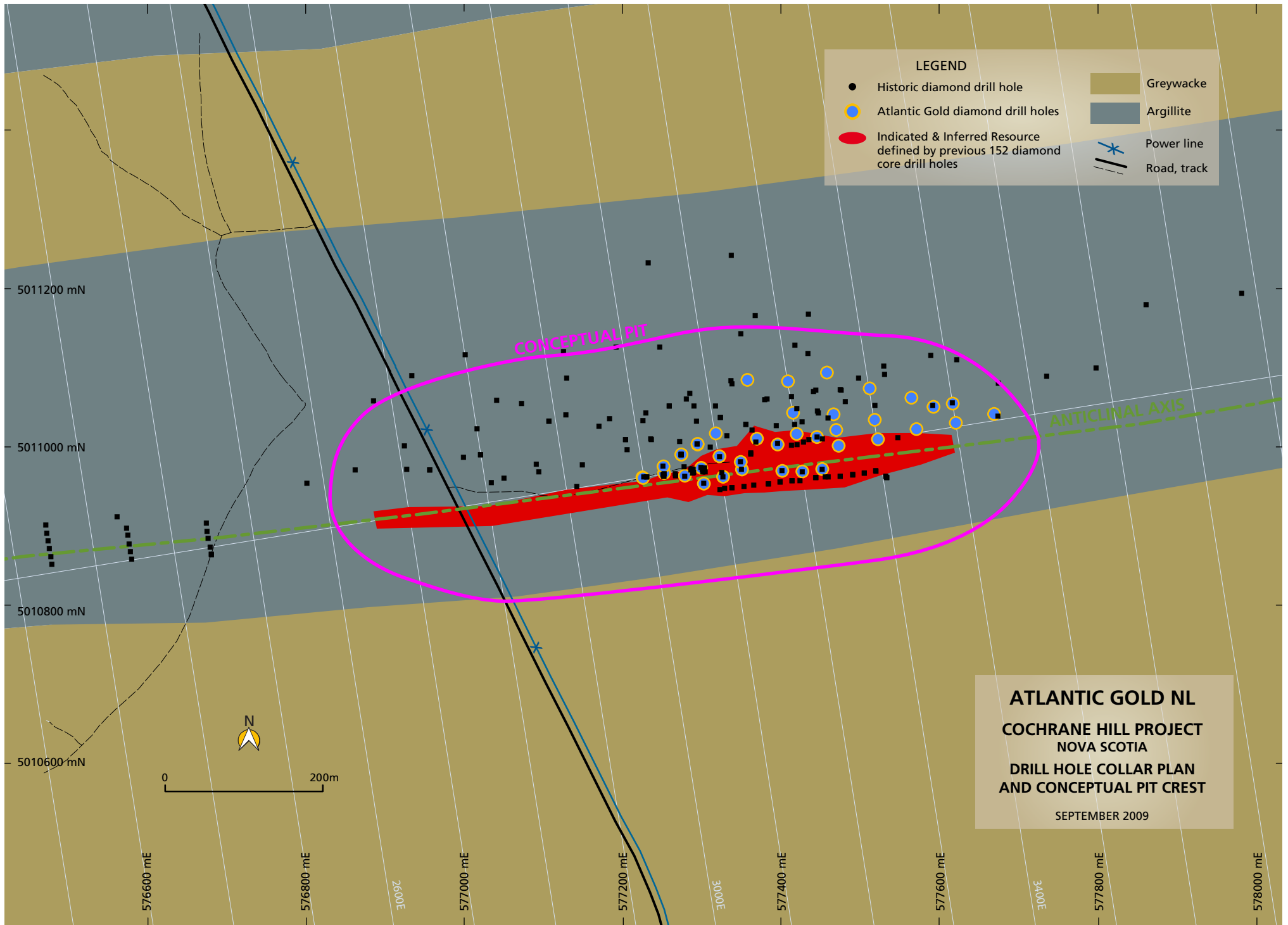


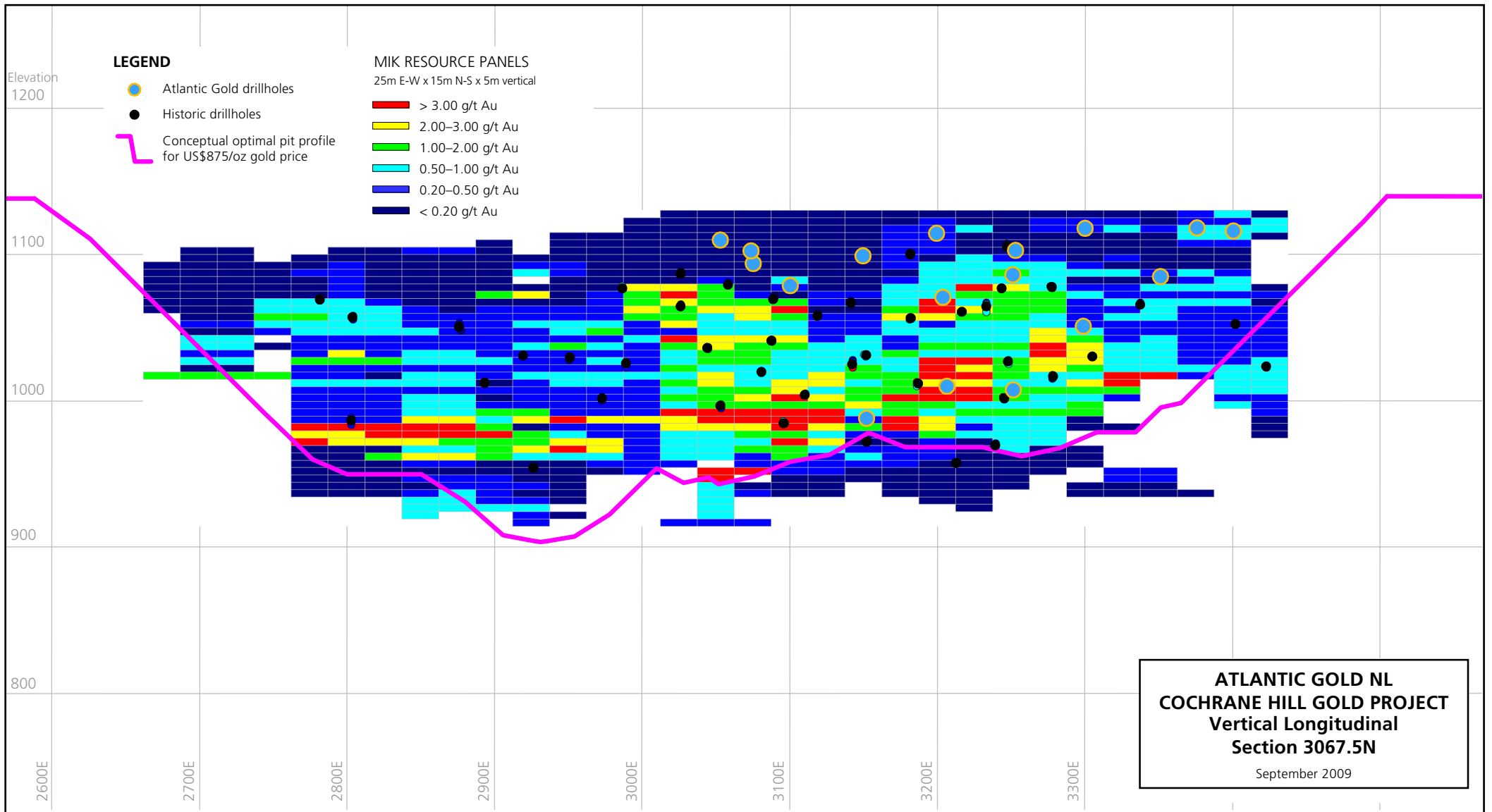
- Atlantic Gold diamond drill hole
- Atlantic Gold RC drill hole
- Pre-Atlantic Gold drill hole
- Resource area
- Greywacke
- Argillite
- Cochrane Hill Anticline and mineralised trend

**TOTAL RESOURCE:**  
 10.1 million tonnes  
 at 1.7 g/t Au for  
 549,000 contained ounces gold

**ATLANTIC GOLD NL**  
**COCHRANE HILL PROJECT**  
**NOVA SCOTIA**  
**PROPERTY PLAN**  
 SEPTEMBER 2009







# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

ATLANTIC GOLD NL

ABN

82 062 091 909

Quarter ended ("current quarter")

30 SEPTEMBER 2009

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for		
(a) exploration and evaluation	(103)	(508)
(b) development	(143)	(500)
(c) production		
(d) administration	(146)	(544)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	9	20
1.5 Interest and other costs of finance paid		(29)
1.6 Income taxes paid		
1.7 Other (provide details if material)		
<b>Net Operating Cash Flows</b>	<b>(383)</b>	<b>(1,561)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a)prospects		
(b)equity investments		
(c) other fixed assets	(61)	(63)
1.9 Proceeds from sale of:		
(a)prospects		30
(b)equity investments		
(c)other fixed assets		6
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other – Security deposits		
<b>Net investing cash flows</b>	<b>(61)</b>	<b>(27)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(444)</b>	<b>(1,588)</b>

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(444)	(1,588)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.		3,658
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		(450)
1.18	Dividends paid		
1.19	Other – Costs of issues		(405)
	<b>Net financing cash flows</b>		<b>2,803</b>
<b>Net increase (decrease) in cash held</b>			
		(444)	1,215
1.20	Cash at beginning of quarter/year to date	1,993	339
1.21	Exchange rate adjustments to item 1.20		(6)
1.22	<b>Cash at end of quarter</b>	<b>1,549</b>	<b>1,993</b>

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	61
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Directors fees	22
Salaries	39

**Non-cash financing and investing activities**

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil
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- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil
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+ See chapter 19 for defined terms.

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	100
4.2 Development	700
<b>Total</b>	<b>800</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows:

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	44	16
5.2 Deposits at call	1,504	1,977
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter</b> (item 1.22)	<b>1,549</b>	<b>1,993</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	EL8380-18, EL8320-21, EL8428-8433	Wholly owned	100%	0%
6.2 Interests in mining tenements acquired or increased	EL8636	Wholly owned	0%	100%
	EL8681	Wholly owned	0%	100%

+ See chapter 19 for defined terms.

### Issued and quoted securities at end of current quarter

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b> Fully paid ATV Partly paid 9c ATVCD	319,832,346 30,286,342	319,832,346 30,286,342	20 cents	9 cents
7.4 Changes during quarter (a) Increases through issues – Fully paid ATV (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
– ATVO	21,721,009		\$0.18	30.10.09
– ATVOA	24,144,138		\$0.08	31.01.11
– ATVAK	4,550,000		\$0.15	22.08.10
– ATVAM	400,000		\$0.15	14.10.10
– ATVAO	7,500,000		\$0.15	27.12.09
– ATVAQ	2,000,000		\$0.155	28.08.12
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: ..... Date: 30 October 2009  
(Director/~~Company secretary~~)

Print name: Walter R Bucknell

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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