

31 October 2011

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

QUARTERLY REPORT FOR PERIOD ENDING 30 SEPTEMBER 2011

HIGHLIGHTS

Regional exploration program

- A third regional bedrock gold anomaly – at Caduesky Lake – has been identified in the regional reconnaissance drill program to test for open-pittable shale-hosted disseminated (Touquoy-type) gold reserves in the Meguma Terrane of Nova Scotia. Follow-up interface drilling is in progress.

Touquoy Gold Project

- Mineral Lease 11-1 over the planned Touquoy minesite has been granted.
- Surface title acquisition program substantially advanced with a further 13 titles purchased, for a current total of 49.
- Province is considering our approach to clear title to the last 12 unmarketable titles, and the last three marketable titles are under negotiation.
- Contract has been let and work to commence soon to dismantle houses within minesite footprint as formal commencement of site development
- Government support from the Minister of Natural Resources and his Department continues to be enunciated, and is gratefully received.
- Financing structures for development of Touquoy continue to be evaluated through constructive dialogue with major banks.

Cochrane Hill Gold Project

- The second (\$400,000) payment instalment to Scorpio Gold (Canada) Corporation for purchase of the Cochrane Hill property has been made. We are confident that a third party's claim that the property should have been sold to it rather than to Atlantic Gold is without merit and in any event does not affect the sale.

-o0o-

REGIONAL EXPLORATION

As previously announced a third regional bedrock geochemical anomaly has now been identified through the ongoing regional 'interface' reverse circulation drilling program over the Meguma Terrane. This new gold zone has been identified at Caduesky Lake in the western part of the Province, where anomalous gold (to 27 ppb) with strong arsenic support is evident on two first-pass traverses over about 1 km² (see figures 1 and 2).

While absolute gold values are modest these results are considered very encouraging in terms of the wide sample spacing and the relative values against a nil background, along with the comparison against regional geochemical haloes around the Touquoy and Cochrane Hill gold deposits, and the geological setting.

Step-out interface drill traverses are presently in progress to build on these early results.

At the other two identified gold-anomalous zones in the region – West Caledonia and Moses Lake (see figures 3 and 4) – further assays have been returned and follow-up drilling has since been conducted.

The West Caledonia anomaly has been extended to the northeast and is now about 4km long. Significantly, the gold-anomalous samples at West Caledonia contain little or no vein quartz, and other geochemical indicators suggest similarity to the type of gold mineralisation at Touquoy. Diamond drilling will be required to confirm this observation.

Infill drilling has confirmed the main Moses Lake anomaly, though its strike extent remains to be established. Further interface drilling is required to narrow the focus of these anomalies prior to conducting a diamond drilling program.

To date, a total of almost 1,000 interface holes for 12,000 metres along 55 traverses, on 16 properties has been drilled. The average depth of overburden encountered to date is 8 metres and the average length of sampled intervals is 5 metres.

Drilling has since been undertaken in the eastern part of the Meguma Terrane, complementing a program of ground mapping and prospecting on selected targets. With lab assay turnaround of about five weeks most assay results from this Eastern drilling are still awaited.

The drilling is ongoing, and further results will be released as they become available.

Overview

Atlantic Gold commenced a regional 'interface' exploration drilling program over the highly prospective Meguma Terrane in May. It represents a significant upscaling of the Company's exploration activity in its Nova Scotia goldfields. The program is ongoing and is progressing well, and is anticipated to continue through to at least the end of 2011. The Company's regional land package comprises more than 1,400 km² covering 20 selected target areas. The drill program is designed to sample several metres of bedrock beneath masking till in areas of perceived elevated prospectivity. The target is 'Touquoy-type', open-pit, predominantly shale-hosted gold mineralisation. This is the first time the Meguma Terrane has been directly tested by bedrock sampling over extensive till-covered areas, beyond the outcropping quartz-vein hosted gold deposits discovered more than 100 years ago.

-o0o-

THE TOUQUOY-COCHRANE HILL GOLD PROJECT – OVERVIEW

The Touquoy Gold Project, Nova Scotia is well advanced. The essential permitting – Environmental Assessment Approval – is in place, the Mineral Lease has been granted and a Definitive Feasibility Study (DFS) was completed in July 2010. The DFS established Ore Reserves of 9.59 million tonnes @ 1.48 g/t for 454,000 contained ounces of gold using a gold price of US\$1100/oz. These Reserves are defined within an open pit with a 2.6:1 strip ratio and having a 5-year mine life at a planned throughput rate of 2.0 Mtpa through a conventional on-site gravity/CIL plant. Cash operating costs (at July 2010) are estimated at US\$505/oz with an initial capital cost of \$115 million (C\$123 million).

The Touquoy Gold Project is the first stage of a conceptual 10-year production plan for the combined Touquoy-Cochrane Hill Gold Project of 900,000 ounces recovered from both open pits. This combined production plan currently envisages the re-location of the Touquoy processing plant 80 km to the east to Cochrane Hill upon completion of the Touquoy operation. Further studies, exploration outcomes and project optimisations will consider additional options.

Further details on the Touquoy Definitive Feasibility Study and the combined production plan for the Touquoy-Cochrane Hill Gold Project can be found in the Company's June 2010 Quarterly Report to the ASX.

-o0o-

TOUQUOY GOLD PROJECT

CURRENT ACTIVITY

Acquisition of remaining surface titles

The acquisition of all surface land titles at the project site still remains the immediate priority to enable project financing and development.

Purchase and sale agreements have now been concluded in relation to a further 13 titles with settlements and title transfers to be effected shortly. A total of 49 properties has now been acquired.

Three of the recently acquired properties are those formerly held by the Moose River Mines Museum Society and include the existing active museum and the decommissioned church. Under the arrangement with the Museum Society a well maintained house, previously purchased by the Company and located well away from planned mining activity, has been provided to accommodate a new museum and the existing museum is to be re-located to this site.

The other ten titles are woodlots covering 194 ha held by a major local timber and pulp company, Northern Timber. The agreement with Northern Timber is a land swap arrangement whereby this 'acreage' was replaced by woodlots elsewhere, purchased by Atlantic Gold.

The Company now owns 90% of the 315 ha of privately held land required for the mine site. A further 262 ha of Crown land is required and this has previously been offered, and accepted, for lease.

The final three marketable titles are under negotiation and the Province is carefully considering the Company's approach for assistance in clearing title to the remaining 12 unmarketable titles to enable purchases to be effected.

Mineral Lease

Mineral Lease 11-1, covering 793 ha, was granted on 1 August for a 20-year term.

Industrial Approval

Formal application to Nova Scotia Environment (NSE) for Industrial Approval, the last permit to be issued, will be submitted when legal access to all required surface titles has been obtained. Review and response by NSE is expected within 60 days of submission.

Commencement of Site Development

A contract has been let to a local experienced operator to dismantle 13 of the most dilapidated houses within the planned minesite, with work to commence in early November. Salvage and disposal will be conducted in compliance with applicable regulation and pursuant to the terms of the Environmental Assessment Approval, as previously granted.

Community Awareness

Community awareness is an important aspect of this Project, or any other such project in Nova Scotia. To this end public information sessions have been held in previous years and similar public information sessions are planned before the end of this year.

A Citizens' Liaison Committee, with representation from five community members, has been established. Two quarterly meetings have so far been held.

Government Support

At the recent annual *Geology Matters* conference in Halifax, convened by the Nova Scotia Department of Natural Resources, the Minister again publicly singled out the Touquoy Gold Project as very significant to the rural economy of Nova Scotia. This considerable and continuing support, and that of his Department, is gratefully received.

Project Financing

Financing structures to fund the Touquoy Gold Project continue to be developed and evaluated in order to establish optimal project funding package. As previously noted indicative responses from a range of major banks confirm the Company's view that conventional debt is available to form the major component of the project funding requirement.

In this respect, the Company is fortunate to have the services of Mr Brian Bolton, who, as Chief Financial Officer of the former Plutonic Resources Ltd, has considerable experience in this area.

Definitive Feasibility Study

The Definitive Feasibility Study was completed in July 2010. A revision of costs and revenues is therefore in order to present financiers with real-time data. Given the Company's view that the satisfaction of all regulatory conditions to allow mining to proceed may be approaching completion, it is now timely to do so. Perth-based Merit Engineers, which company prepared the DFS, has been approached to commence this cost and revenue update.

GENERAL

The Touquoy Gold Project is located in central Nova Scotia about 70 minutes drive 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.

A Definitive Feasibility Study was completed in July 2010 with establishment of the following open pit Ore Reserves at a gold price of US\$1100/oz:

	TONNES millions	GRADE g/t	CONTAINED GOLD ounces
Proved Ore Reserves	2.49	1.48	118,000
Probable Ore Reserves	7.10	1.47	336,000
Total	9.59	1.48	454,000

Since the DFS was completed there have been substantial positive movements in currency exchange rates and gold price. The currency exchange rate used for the study – A\$/C\$ of 0.90 – has markedly improved to 1.07 at present, and the gold price has increased from US\$1100/oz to more than US\$1700/oz. However some increase in capital cost over the last 12 months is to be expected. Perth-based Merit Engineers, which company prepared the DFS, has been approached to commence an update of costs and revenues.

-o0o-

COCHRANE HILL GOLD PROJECT

Cochrane Hill is an advanced gold exploration property located 80 km east of ATV's Touquoy Gold Project and where ATV has established the following Mineral Resources (as reported to ASX on 18 September 2009, and on 8 March 2011 as Canadian NI43-101 compliant resources):

	TONNES (millions)	GRADE (g/t gold)	CONTAINED GOLD (ounces)
Indicated Resource	4.46	1.76	251,000
Inferred Resource	5.65	1.64	298,000
TOTAL	10.11	1.69	549,000

Atlantic Gold has executed and exchanged an unconditional sale agreement with Scorpio Gold (Canada) Corporation (Scorpio) to purchase 100% interest in the Cochrane Hill property for C\$1.6 million on a deferred payment basis, and has closed the acquisition with Scorpio. The first payment instalment of \$200,000 was made in May 2011 on executing the agreement, and the second payment instalment of \$400,000 was paid in September. The final payment of \$1.0 million is to be paid within one year of signing the formal agreement (May 2012).

Atlantic Gold was subsequently notified by Scorpio that Steeple Holdings Ltd (Steeple), the party whose offer to purchase the Cochrane Hill property was pre-empted by Atlantic Gold, has claimed that the Cochrane Hill property should have been sold to it rather than to Atlantic Gold. Steeple has issued court proceedings against Scorpio and Atlantic Gold's Canadian subsidiary and the matter is set down to be heard in March 2012.

Atlantic Gold and Scorpio are confident that Steeple's claim is without merit and in any event does not affect the sale by Scorpio to Atlantic Gold's Canadian subsidiary. Atlantic Gold and Scorpio will vigorously contest Steeple's claim to any interest in Cochrane Hill.

A reverse circulation drilling program for bedrock geochemical sampling ("interface drilling") is planned for later in November on five drill traverses to further test the Cochrane Hill mineralised trend along strike from the identified resource.

-o0o-

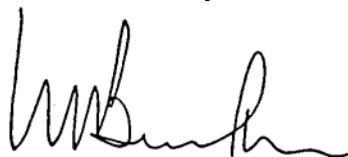
OTHER

Wally Bucknell, the Executive Director, gave a presentation of the Company's activities to an investor forum in Sydney organised by Proactive Investors on 19 October, and another in Halifax on 25 October at the *Geology Matters* conference organised by the Nova Scotia Department of Natural Resources.

The Company will have a booth display at the Gold Symposium in Sydney on 14-15 November.

The Company has enlisted the assistance of Sydney-based Mandate Corporate to enhance its investor relations activity.

Yours sincerely,



Wally Bucknell
Executive Director

This report and accompanying plans will be posted on the Company's website, www.atlanticgold.com.au following its release to the Australian Stock Exchange.

For further information please contact:

Wally Bucknell
Executive Director
Atlantic Gold
t +61 2 9929 6633
wallybucknell@atlanticgold.com.au

James Moses
Media and Investor Relations
Mandate Corporate
t +61 420 991 574
james@mandatecorporate.com.au

ENDNOTES:

A. Touquoy Property ownership details

Atlantic Gold as the operator and manager of the Touquoy Gold Project sole funds all capital and exploration expenditure. Once gold production at Touquoy has commenced Atlantic gold will receive 100% of the Touquoy cashflow until all these expenditures plus interest have been recouped. Thereafter Atlantic Gold will share the pre-tax profit on a 60:40 basis with the vendor of the Touquoy tenements. A royalty of 3% is also payable, two-thirds of which can be purchased.

B. About Atlantic Gold NL

Atlantic Gold is an ASX listed company (Code ATV) which aims to develop open pit gold deposits in Nova Scotia, the Touquoy and Cochrane Hill Gold Projects 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 million ounces of gold and operated up to five gold mines, three of which are still in production, and now owned by Canada's Barrick Gold Corporation. The Company principals have considerable previous experience in exploration in Atlantic Canada.

C. Nova Scotia Ore Reserves and Mineral Resource inventory

	TONNES millions	GRADE g/t gold	CONTAINED GOLD ounces
ORE RESERVES*			
TOUQUOY			
Proved	2.49	1.48	118,000
Probable	7.10	1.47	336,000
TOTAL RESERVES	9.59	1.48	454,000
MINERAL RESOURCES			
Touquoy			
Measured Resources	2.8	1.5	130,000
Indicated Resources	7.3	1.5	350,000
Inferred Resources	1.6	1.5	77,000
Total Touquoy ¹	11.7	1.5	557,000
Touquoy West			
Indicated Resources	0.9	1.9	54,000
Inferred Resources	0.6	2.2	45,000
Total Touquoy West ²	1.5	2.0	99,000
Total Touquoy Project	13.2	1.5	656,000
Cochrane Hill			
Indicated Resources	4.5	1.8	251,000
Inferred Resources	5.6	1.6	298,000
Total Cochrane Hill ³	10.1	1.7	549,000
TOTAL RESOURCES	23.3	1.6	1,205,000

* Ore Reserves are included in Mineral Resources, and are not additive. Touquoy Ore Reserves contain no Mineral Resources from Touquoy West. There are an estimated 26,000 additional ounces of gold identified as Inferred Resources within the final pit and which do not form part of the Ore Reserves.

Note 1:

Estimation technique: Multiple Indicator Kriging with block variance adjustment applied. Ore selectivity is assumed to be 5 metres (north) by 5 metres (east) by 2.5 metres (elevation) via an open pit mining scenario. Drillholes: 298 NQ diamond core holes for 27,200m of which Atlantic Gold has drilled 129 holes for 10,480m. Variable spacing, averages 30m x 20m.

Assay methodology (all based on ½ NQ core):

ATV: Fire assay of pulverised whole-sample (32% of database), with all samples $\geq 0.5\text{g/t}$ or within ore-grade intervals screen fire assayed (1825 samples or 6% of database).

Historic: Whole-sample fire assay of +100# gravity concentrate weight-averaged with fire assay of -100# fraction (28% of database) adjusted in accordance with Atlantic Gold's trial grade control study, fire assay of pulverised split from crushed parent (28% of database) and screen fire assay (6% of database).

Bulk density: 2.80 g/cm^3 . Based on 183 determinations.

Lower cut-off grade: 0.5g/t , to maximum depth of 150m.

Note 2:

Estimation technique: Multiple Indicator Kriging with block variance adjustment applied. Ore selectivity is assumed to be 5 metres (north) by 2 metres (east) by 2.5 metres (elevation) via an open pit mining scenario.

Assay methodology (all based on ½ NQ core):

Fire assays on pulverised split from crushed parent from 116 diamond drill holes.

Bulk density: 2.80 g/cm^3 .

Lower cut-off grade: 1.0g/t .

Drillhole spacing: Variable, averages 30m x 25m.

Note 3:

- 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 0.5g/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: 2.76g/cm^3 (67 mineralised samples).
- Resource estimate based on 6,665 sample assays from 39 holes (3,102m) drilled by Atlantic Gold and 79 holes (11,098m) 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.
- All samples (six) over 100g/t cut to 100g/t .
- Hole spacing: Averages 20m x 20m 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.
- 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
			152	16753	

* 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

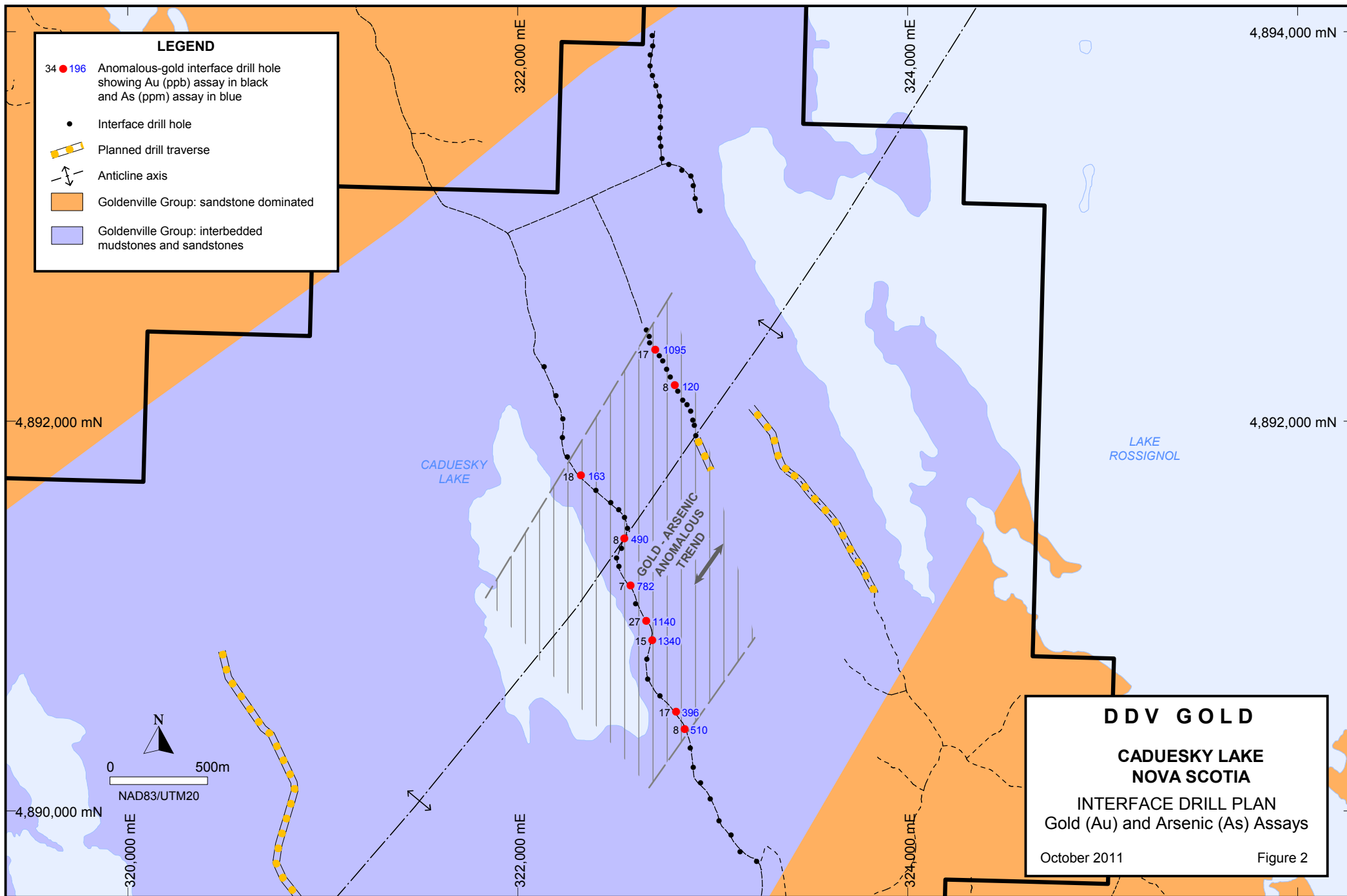
Details as to grade control methodology, metallurgical recovery and sample representivity applying at the time are not clear and resultant grades are therefore considered unreliable. These, and the historic tonnage mined (approx 32,000 tonnes in total), have not been deducted from the resource estimate.

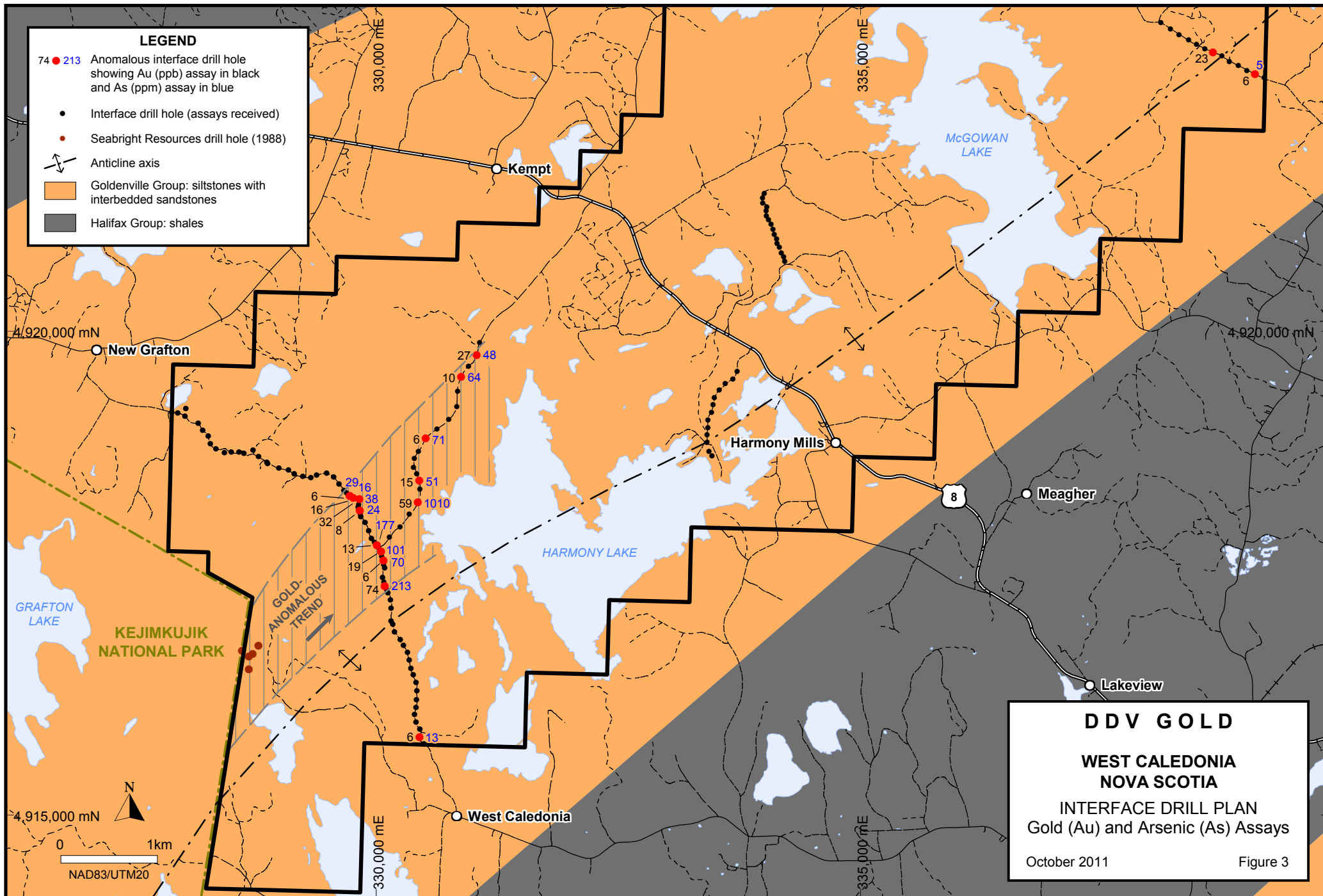
D. Attributions

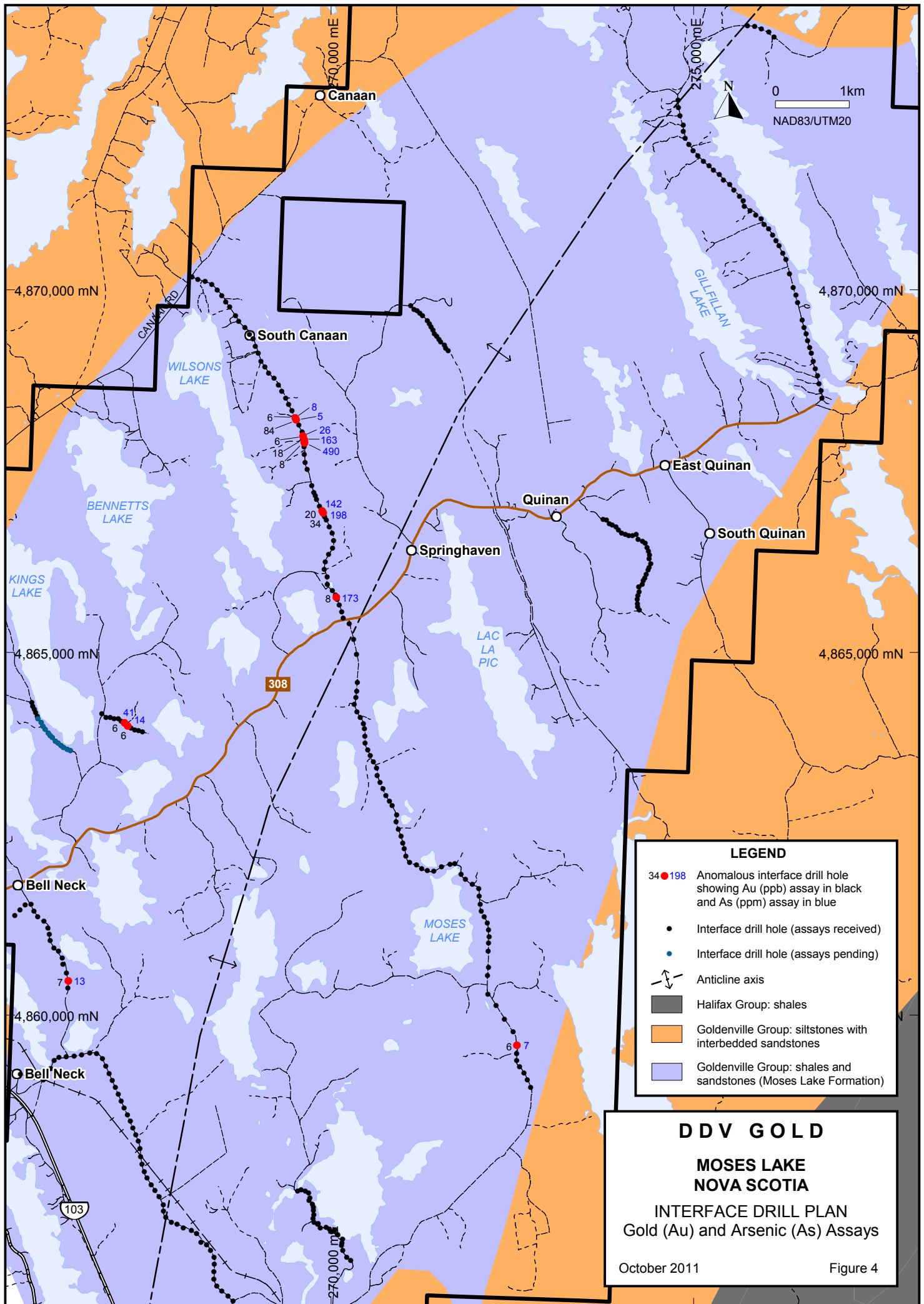
The geological information in this report relating to mineral exploration, Mineral Resources and Ore Reserves has been compiled by W R Bucknell who is a director of Atlantic Gold and a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Bucknell has consented to the inclusion of this information in the form and context in which it appears. 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 Touquoy and Cochrane Hill described in this report were completed by Mr Neil Schofield, a principal of Hellman & Schofield Pty Ltd. 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 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.

The resource estimate for Touquoy West described in this report was completed by Mr Nic Johnson, an employee of Hellman & Schofield Pty Ltd. Mr Johnson is a Member of AIG and qualifies as a Competent Person in respect of the 2004 JORC Code by virtue of having sufficient experience which is relevant to the Touquoy West style of mineralisation and deposit type. Mr Johnson has consented to the inclusion of this information in the form and context in which it appears.







LEGEND

- 34 ● 198 Anomalous interface drill hole showing Au (ppb) assay in black and As (ppm) assay in blue
- Interface drill hole (assays received)
- Interface drill hole (assays pending)
- ↔ Anticline axis
- Halifax Group: shales
- Goldenville Group: siltstones with interbedded sandstones
- Goldenville Group: shales and sandstones (Moses Lake Formation)

DDV GOLD

**MOSES LAKE
NOVA SCOTIA**

INTERFACE DRILL PLAN
Gold (Au) and Arsenic (As) Assays

October 2011 Figure 4

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10, 17/12/10.

Name of entity

ATLANTIC GOLD NL

ABN

82 062 091 909

Quarter ended ("current quarter")

30 September 2011

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for:		
(a) exploration & evaluation	(1,239)	(2,102)
(b) development	(124)	(694)
(c) production		
(d) administration	(114)	(462)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	28	75
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(1,449)	(3,183)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects		
(b) equity investments		
(c) other fixed assets	(52)	(1,309)
1.9 Proceeds from sale of:		
(a) prospects		
(b) equity investments		12
(c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other – Refundable security deposits	(98)	(98)
Net investing cash flows	(150)	(1,395)
1.13 Total operating and investing cash flows (carried forward)	(1,599)	(4,578)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(1,599)	(4,578)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	1,625	3,386
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other – Costs of issue	(4)	(18)
	Net financing cash flows	1,621	3,368
Net increase (decrease) in cash held			
1.20	Cash at beginning of quarter/year to date	2,897	4,145
1.21	Exchange rate adjustments to item 1.20	22	6
1.22	Cash at end of quarter	2,941	2,941

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	87
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	65

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

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

+ 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	
3.2 Credit standby arrangements	Nil	

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	600
4.2 Development	500
4.3 Production	0
4.4 Administration	150
Total	1,250

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	562	551
5.2 Deposits at call	2,379	2,345
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	2,941	2,896

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	Touquoy EL6951 and EL7058 (including in Mining Lease)	Wholly owned	100%	0%
	EL8419, EL9267, EL9278-9286 (total 611 claims 95 sq km)	Wholly owned	100%	0%
6.2 Interests in mining tenements acquired or increased	Mining Lease ML11-1 (49 claims, 7.63 sq km)	Held in trust for Touquoy Joint Venture	0%	100%
	4 ELs inc. EL9853 (181 claims, 28.19 sq km)	Wholly owned	0%	100%
	3 ELs inc. EL 9844, EL9868 (22 claims, 3.8 sq km)	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 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities Fully paid ATV Partly paid 9c ATVCD	530,070,578 30,286,342	530,070,578 30,286,342	20 cents	9 cents
7.4 Changes during quarter (a) Increases through issues – SPP (ATV) – Placement (b) Decreases through returns of capital	375,000 32,492,534	375,000 32,492,534	4 cents 5 cents	
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i> – ATVAQ – ATVAI	2,000,000 400,000		<i>Exercise price</i> \$0.155 \$0.15	<i>Expiry date</i> 28.08.12 14.10.12
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <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 Act or other standards acceptable to ASX (see note 5).
- 2 This statement does ~~not~~* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:



.....
(~~Director~~/Company secretary)

Date: 31 October 2011

Print name: JULIE FIDLER, Company Secretary

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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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.

== == == == ==

+ See chapter 19 for defined terms.