

31 July 2007

ASX Limited
Company Announcements Office
10th Floor, 20 Bridge Street
SYDNEY NSW 2000

QUARTERLY REPORT FOR PERIOD ENDING 30 JUNE 2007

HIGHLIGHTS

GOLD PROJECTS – Nova Scotia Canada

- Gold resources at Touquoy and Cochrane Hill now aggregate more than one million ounces.

TOUQUOY GOLD PROJECT

FEASIBILITY STUDY

- Financial modelling based on the Engineering and Cost Study conditionally indicates project returns of at least 30% IRR at current gold prices.
- A used plant appropriate for the Project has been identified with detailed inspection and preliminary negotiations in progress.
- Financing arrangements to fund used plant acquisition, land acquisition, final resource upgrade and ongoing exploration in final stages.

PERMITTING

- Focus Report for Environmental Assessment in preparation for submission to the Nova Scotia Minister of Environment and Labour.
- Pro-active consultation with all levels of government, interested NGO's and the wider community remains ongoing.

COCHRANE HILL GOLD PROJECT

- Option secured over the advanced Cochrane Hill project where new resource estimate outlines 4.7 million tonnes @ 2.5 g/t for 373,000 contained ounces gold, with substantial exploration upside.
- Four drill targets already identified including an untested surface trench of 1.9 g/t over 7.6 m located 1.6 km west of the resource.

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TOUQUOY GOLD PROJECT Nova Scotia Canada

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

FEASIBILITY STUDY

The Engineering and Cost Study (ECS) has now been completed by the feasibility study manager, Ausenco Limited. This work has been undertaken in close collaboration with Atlantic Gold's Project Manager, Mr Peter Carter. Base case for the study assumes a new 1.5 Mtpa processing plant and completion of the upgrade, by infill drilling, of the remaining 80,000 ounces of Inferred Resources (15% of the total Resources) to Measured and Indicated Resources to enable conversion of all Resources to Reserves. Although financial modelling based on the existing Measured and Indicated Resources (400,000 ounces) shows the Project to be viable, it would be made more financially attractive by completion of the Resource upgrade and incorporation of used plant.

A summary of results of the ECS and follow-up financial study – on 100% basis, and as presented at the Company's Annual General Meeting – are tabulated below.

	ECS – NEW PLANT	ECS – USED PLANT
Mine life (yrs)	7	5
Plant (mtpa)	1.5	2.0
Recovered grade (g/t)	1.6	1.6
Total production (koz)	474	474
Annual production (koz)	70	90
Cash cost/oz (C\$)	354	354
Cash cost/oz (US\$)	314	314
Gold price (spot C\$)	750	750
Gold price (spot US\$)	675	675
Gold price (fwd C\$)	815	815
Capital (C\$m)	84	74
Net cash pre-tax (C\$)	122	132
Payback (yrs)	3.5	2.0
NPV 8% (C\$) ungeared, pre-tax	59	78
IRR (ungeared, pre-tax)	26%	41%

This financial study will be further refined as the Project progresses to the development phase. Returns will be greatly improved by incorporation of used plant and this is therefore the option being energetically pursued. A suitable, available and appropriately sized plant which will provide at least 75% of the processing requirements has now been identified. Detailed inspections and preliminary negotiations are currently in progress. Early indications are that capital costs can be reduced from those shown above to well below C\$70 million.

Following the acquisition of used plant and upgrade of the existing Inferred Resources the ECS can be readily combined with the documentation generated for the various other technical disciplines (pit geotechnical, geohydrological, tailings management design and so on) to complete the Feasibility Study.

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Upgrade of the existing in-pit Inferred Resources to Measured and Indicated Resources will require a further 90 diamond drillholes for 6,000 m and subject to financing is expected to be completed by year-end.

While capital and operating costs estimates continue to be refined and revised, indications are that taking into account the current gold price, acquisition of the used plant, associated engineering and construction modifications being considered, and conversion of existing Inferred Resources to Indicated and Measured Resources, it remains reasonable to suggest that the Feasibility Study will forecast Atlantic Gold's target internal rate of return for the Project of over 30%.

Financing options to secure funding for used plant acquisition, infill drilling, land acquisition and ongoing exploration are being finalised.

PROJECT PERMITTING

As previously reported, the formal Environmental Assessment Registration document (EARD) for the Project was submitted last quarter and the Minister of the Nova Scotia Department of Environment and Labour (NSEL) subsequently determined that *"a review of the information indicates that the adverse effects or significant environmental effects which may be caused by the undertaking are limited and that a focus report is required."*

The Focus Report is currently in preparation and is expected to be completed during the present quarter. As the Minister advised, *"The focus report shall examine potential impacts of the proposed Touquoy Gold Project on the recreational, wilderness, and ecological value of the Scraggy Lake, Fish River, and Moose River system and undeveloped lands lying south-west of the project site."*

Preparation of the Focus Report entails a continuing review of baseline environmental data from previous and ongoing surveys, and collection of new field data. The terms of reference of the Focus Report require specific address of a range of potential project impacts covering flora, terrestrial and aquatic fauna, atmospheric and meteorological conditions, regional surface water conditions and hydraulic connectivity with groundwater, visual impact, air emissions, ambient light and noise conditions and potential impact on recreational values.

Given that the mining and process methodology is conventional and similar to that of the other fifteen major gold mines operating elsewhere in Canada and that the Project has been planned to meet or exceed world's best practice in terms of environmental impact, Atlantic Gold is confident that the Focus Report will satisfactorily address all remaining issues for Environmental Approval posed by the Minister's office.

The prescribed lead-time for the Minister's decision in respect of Environmental Approval (in consideration of the Focus Report) aggregates 81 days from submission of the Focus Report. This period includes 30 days for public submissions.

The comprehensive level of detail required for Environmental Approval is expected to facilitate the requirements for subsequent Industrial Approval, reporting for which is currently in progress.

Although not formally required, Atlantic Gold continues an active liaison program to apprise all levels of government, interested NGO's and the community about all aspects of the Project.

EXPLORATION

The Touquoy West prospect is a bedrock gold geochemical anomaly over 600 m long with gold returns up to 2.6 g/t over 8 m beneath 10–20 m of transported overburden and located in argillites (Touquoy host rocks) 500 m westwards along strike from the Touquoy deposit. Three diamond core holes drilled last quarter to further test this zone at depth however have returned only modest gold assays. Compilation of these results together with those from 1:2000 mapping and prospecting, and selective re-logging of historic drill core from the adjacent satellite Higgins & Lawlor deposit, is in progress.

NEAR MINE EXPLORATION

Cochrane Hill Option

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

As previously reported Atlantic Gold has concluded an option agreement with TSX-listed Scorpio Mining Corporation (SMC) in relation to SMC's Cochrane Hill advanced gold exploration property at Cochrane Hill, located 80 km east of Atlantic Gold's Touquoy Gold Project (refer to accompanying plan).

Atlantic Gold recently announced a substantially upgraded mineral resource estimate for Cochrane Hill by applying an open pit model and the use of a lower cut-off grade to essentially the same historic data used for SMC's NI43-101 compliant resource estimate conducted in 2004. SMC's estimation methodology was block modelling of selected wire-framed mineralised vein sets, appropriate for underground extraction. In contrast the upgraded estimate, conducted by resource specialist Hellman & Schofield Pty Ltd, determined a total indicated and Inferred Resource of 4.7 million tonnes at an average 2.5 g/t. Contained gold was 373,000 ounces, with a cut-off grade of 1 g/t:

COCHRANE HILL GOLD DEPOSIT

	TONNES (millions)	GRADE (g/t Au)	CONTAINED OUNCES
Indicated Resource	1.8	2.5	143,000
Inferred Resource	2.9	2.4	230,000
TOTAL	4.7	2.5	373,000

This revised resource figure adds to the 653,500 ounces of contained gold already estimated at the Touquoy Gold Project and lifts the total contained gold controlled by the company in Nova Scotia to 1,026,500 ounces:

	TONNES (millions)	GRADE (g/t Au)	CONTAINED OUNCES
Touquoy	11.3	1.8	653,500
Cochrane Hill	4.7	2.5	373,000
TOTAL	16.0	2.0	1,026,500

Most of the Cochrane Hill resource extends from surface to 150 m depth with maximum depth extending to 250 m on several sections. It is developed within a 20 m-wide zone of sheared and quartz-veined slates which dips 70°N and trends almost east-west over a length of about 650 m. A list of the best drill intersections is given in the following table, and the two accompanying drill sections illustrate the geometry of the mineralisation.

HOLE	EASTING	NORTHING	DIP*	AZIM	DEPTH	BEST ASSAYS - UNCUT			
						FROM (m)	TO (m)	WIDTH (m)	GRADE (g/t Au)
72645	3018	3129	-65	184	152.4	84.4	118.2	33.7	10.5
72647	2804	3110	-75	180	146.3	131.7	142.3	10.7	26.0
74-3	3079	3108	-45	166	99.4	73.7	92.0	18.3	14.4
81-50	3171	3122	-70	165	167.6	130.0	141.6	11.6	20.1
72642	3109	3109	-70	180	167.9	125.8	148.7	23.0	6.95
88-05A	3227	3014	-9	359	72.8	26.1	66.1	40.0	3.50
77306	3064	3045	1	180	30.8	3.2	15.3	12.1	10.7
77321	3079	3044	0	136	43.3	24.7	40.2	15.5	7.45
88-07	3170	3016	0	357	68.3	25.3	40.1	14.8	6.41
88-06	3195	3014	0	360	70.7	16.2	51.2	35.1	2.30
88-19	3304	3001	10	46	103.6	59.4	81.1	21.6	3.58
88-09	3137	3018	-9	359	79.6	26.5	45.5	19.0	3.71
72603	3048	3133	-70	180	169.2	127.7	145.6	17.9	3.83
88-14	3277	3011	-5	357	67.4	30.5	61.7	31.2	2.12
77319	3076	3045	32	188	45.7	0.0	25.9	25.9	2.43
74-35	3216	3183	-60	166	188.4	148.4	171.7	23.3	2.70
72609	3231	3094	-70	180	121.9	55.1	89.8	34.7	1.70
88-23	3185	3015	30	360	71.6	23.6	49.1	25.5	2.25
88-25	3155	3016	39	360	76.2	25.3	51.8	26.5	2.06
74-27	3231	3061	-45	180	46.0	5.6	19.4	13.7	3.98
77316	3079	3049	0	63	30.2	4.0	20.0	16.0	3.39
72643	3078	3128	-43	175	150.9	103.1	131.5	28.3	1.79
77301	3042	3045	1	151	15.8	0.0	10.1	10.1	4.64
88-20	3215	3015	-9	358	67.4	38.4	61.7	23.3	2.00
88-21	3215	3015	21	359	72.8	25.6	49.3	23.7	1.97
88-12	3246	3012	-5	359	67.7	31.9	51.0	19.2	2.34
72653	2896	3139	-77	180	199.0	136.9	153.3	16.5	2.69
77309	3065	3045	0	166	30.5	5.4	19.5	14.1	3.01
72646	2804	3110	-53	180	108.2	79.1	104.2	25.1	1.66
72605	3139	3057	-40	180	53.6	22.6	45.5	23.0	1.75
88-14	3277	3011	-9	359	67.4	2.0	12.3	10.3	3.84
88-27	3094	3019	35	1	79.6	22.4	36.9	14.5	2.65
72641	3109	3109	-50	180	122.8	71.6	97.8	26.2	1.38
88-24	3155	3017	17	356	64.0	16.8	45.7	29.0	1.21

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HOLE	EASTING	NORTHING	DIP*	AZIM	DEPTH	BEST ASSAYS - UNCUT			
						FROM (m)	TO (m)	WIDTH (m)	GRADE (g/t Au)
88-08	3170	3016	38	360	71.6	24.5	43.3	18.7	1.85
72608	3139	3095	-80	180	149.4	127.5	140.6	13.1	2.65
77310	3062	3050	0	333	18.6	3.1	18.6	15.5	2.15
77326	3027	3047	-55	188	24.7	3.0	13.7	10.7	3.08

* Holes having zero, positive and negative dips are horizontal, inclined upward and inclined downward respectively. Those holes with steep downward dips are drilled from surface, the remainder having been collared from underground positions.

As may be observed from the two drill cross-sections the mineralised intersections cut in the 1974 drillholes (labelled 74-##) are generally less well developed than those in nearby holes drilled in subsequent years. The probable explanation is that of the 4840 m of core drilled in the 1974 program only about 15% was split and assayed (the remainder of course being assigned zero grade for the purposes of the present resource estimation). This compares with about 55% in the subsequent programs. The immediate task, presently underway, is to therefore recover, re-log and assay as much of this historic core as possible to "fill in the blanks" and upgrade the resource estimate. Fortunately core from some 110 drillholes is warehoused in the Nova Scotia Department of Natural Resources' core library and is available for inspection and assay. Results of the evaluation of historic drill core will dictate the nature and amount of drill follow-up within the resource to complete the resource delineation and proceed with pit optimisation.

Exploration potential beyond, and beneath, the drilled resource is excellent. The sheared, mineralised sequence is parallel to, and 100 m south of, the axis of the overturned Cochrane Hill anticline (refer to accompanying property plan). This intermittently outcropping shear zone has been traced for 5km across the property in previous exploration programs, and it hosts several areas of anomalous gold geochemistry in various media. The most notable of these is a trench grading 1.9 g/t gold over 7.6 m about 1.6 km west of the resource. No drilling has been conducted along this mineralised shear zone beyond that central 1200 m length encompassing the identified resource. The resource is open at depth.

Identification of the Cochrane Hill mineralisation confirms Atlantic Gold's belief that this district is highly prospective for bulk-mineable gold reserves similar to that at Touquoy. Acquisition of a controlling interest in this advanced prospect, with its demonstrable upside, represents a significant forward step in Atlantic Gold's strategy to develop a commercially viable, environmentally sustainable and socially acceptable gold mining industry in Nova Scotia. Atlantic Gold looks forward to advancing this property to production.

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 within 4 years, conditionally extendable for a further 2 years, and has made aggregate cash payments of C\$100,000 to SMC, then at SMC's election Atlantic Gold will have earned either a 60% Joint Venture

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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. The Cochrane Hill property comprises 53 mineral claims (8.3 km²).

Caribou Joint Venture

(Atlantic Gold 50%, Acadian Gold Corporation 50%)

The Caribou Joint Venture property is located about 9 km north of the Touquoy Gold Project and covers the northeast trending Caribou Anticline along which over 90,000 oz gold was produced during 1869–1947 from high grade quartz veins. The Caribou Dome is apparent along the anticline as a central, elliptically shaped dome of greywackes (Goldenville Formation) flanked by overlying shales (Halifax Formation). The western end of the Dome in the McLeod Lake area has been the focus of recent investigations.

Three diamond core holes were drilled last quarter to test (i) the anticlinal axis where the shales are strongly sulphidic, carbonate altered and variously gold-anomalous – similar to those immediately along strike from the Touquoy Gold Deposit and (ii) a quartz breccia which cross-cuts both the shales and greywacke and from which an intersection of 3.8 g/t gold over 4 m from 18 m depth was cut in shallow RC drilling in late 2006.

Only modest gold assays were returned from these holes. Compilation of results is in progress.

REGIONAL EXPLORATION

No field activities were undertaken in the present quarter. The Company withdrew from the Wine Harbour option.

Attribution: The geological and sampling information in this report relating to Mineral Resources has been compiled by W R Bucknell who is a director of Atlantic Gold NL, 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 described in this report were completed by Mr Nic Johnson, an employee of Hellman and Schofield Pty Ltd. Mr Johnson 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 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 in this report.

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Notes

- Estimation technique: Multiple Indicator Kriging with block variance adjustment applied. Two-metre resource composites were 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.
- Indicated resources occur in areas drilled at or better than 25 x 25 metre spacing and Inferred resources exist in areas of broader spaced drilling.
- 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	

- Assay methodology: 6,855 samples taken and all fire assayed, with screened fire assay on samples bearing visible gold.
- Bulk density: 2.70 g/cm³
- Lower cut-off grade: 1.0 g/t
- Hole spacing: Variable, averages 50 feet x 50 feet.
- 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.
- 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

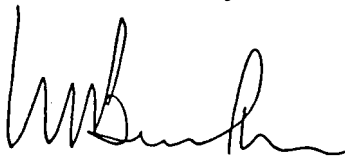
Details as to grade control methodology, metallurgical recovery and sample representivity applying at the time are not clear and resultant grades are therefore considered unreliable. These, and the historic tonnage mined (approx 32,000 tonnes in total), have not been deducted from the resource estimate.

- Estimation methodology used for Scorpio Mining's NI43-101 compliant resource estimate conducted in 2004 was block modelling of selected wire-framed mineralised vein sets, appropriate for underground extraction. SMC estimated an Indicated Resource of 534,100 tonnes @ 6.5 g/t for 112,500 contained ounces gold with an additional Inferred Resource of 26,700 tonnes @ 5.7 g/t for 4,900 contained ounces gold. It is based on 6,855 assays from 16,800 m drilled in 152 diamond core holes from four drilling campaigns during 1975–1989.

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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.

Yours faithfully



W R Bucknell

About Atlantic Gold NL

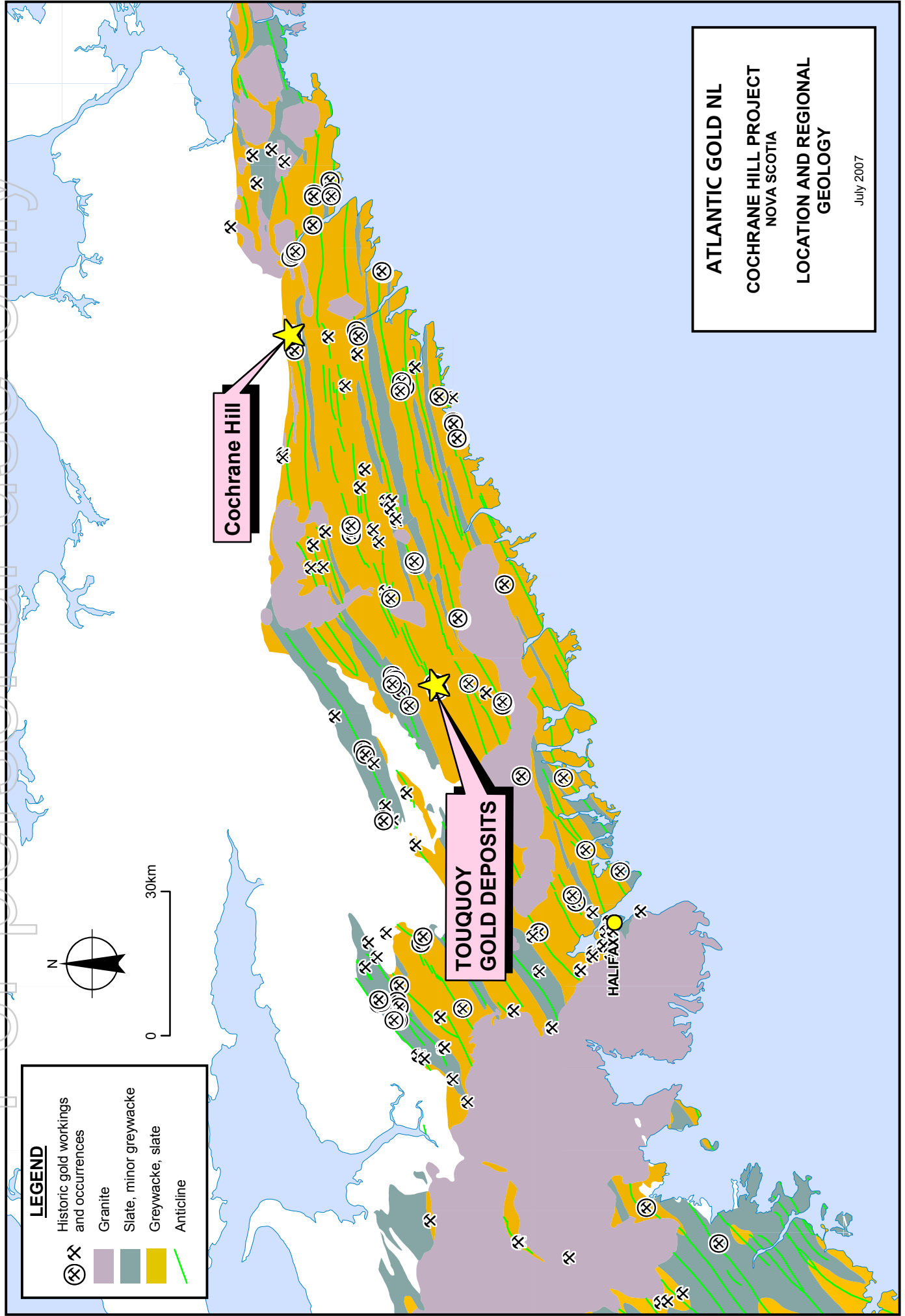
Atlantic Gold aims to identify develop and responsibly mine open pit gold deposits in Nova Scotia, the Touquoy Gold Project being its starting point. The extensive goldfields of Nova Scotia have never before been systematically approached in this way. The company's skills are derived from 15 years of 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, operated up to five gold mines – three of which are still in production, and now owned by Canada's Barrick Gold Corporation – and annually drilled up to 500,000 metres in exploration and resource development. The company's principals have considerable previous experience in exploration in Atlantic Canada.

The target at Touquoy is to develop a project with an on-site gold treatment plant with a minimum 1.5 million tonne per annum throughput and a 7 year minimum mine life to produce approximately 90,000 ounces gold per year. Results from the recently completed Engineering and Cost Study confirm that the Touquoy deposit has a low stripping ratio, excellent ore metallurgy and favourable ore grindability characteristics. The property is located in an old gold mining area about 110 km by sealed roads from Halifax, the capital of Nova Scotia.

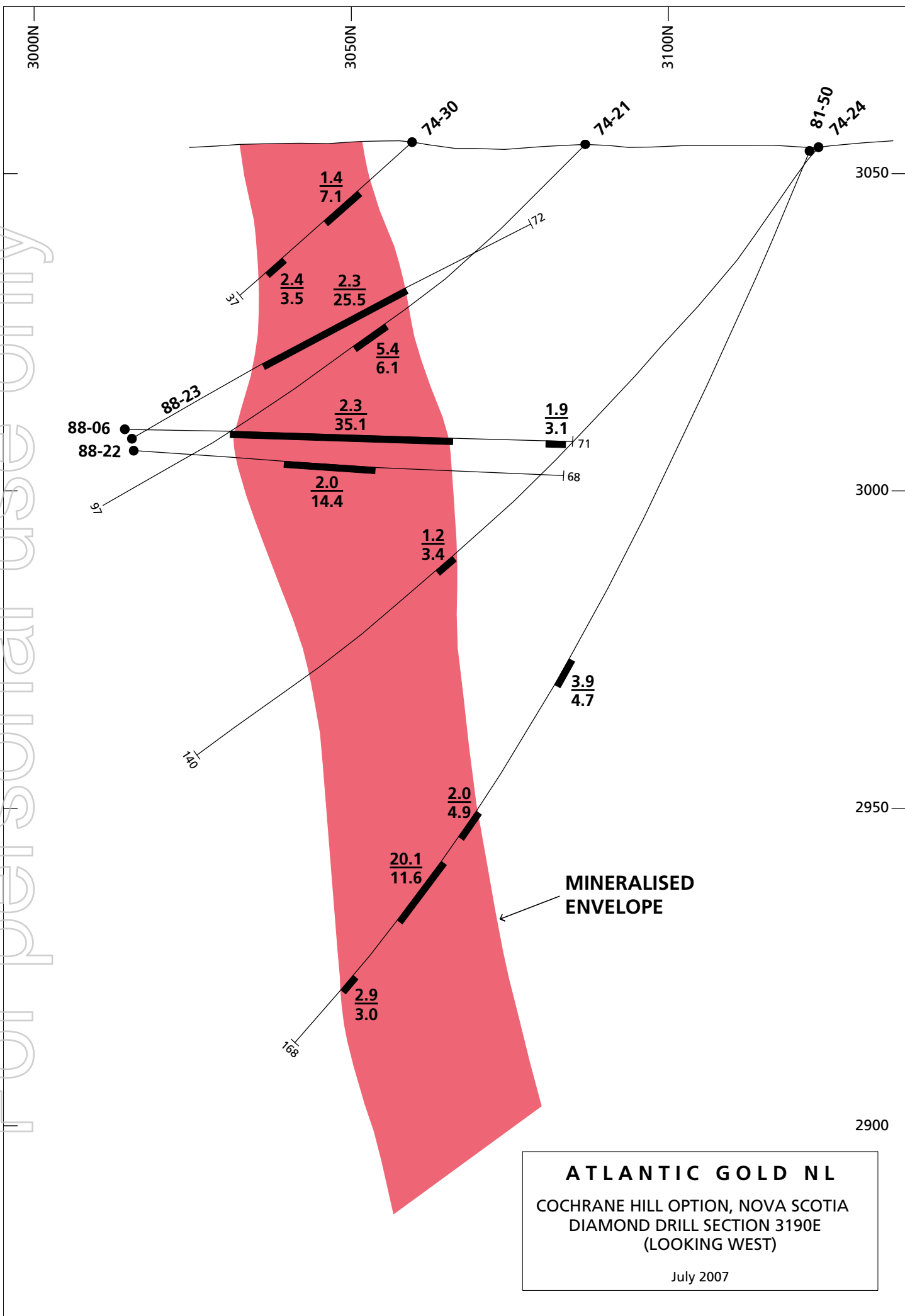
In addition to developing the Touquoy Gold Project, Atlantic Gold is undertaking extensive exploration, both regional and near-mine, to build its resource base. The company believes the area is highly prospective for additional Touquoy style deposits. Atlantic Gold has earned a 60% interest in the Touquoy Gold Project. An additional 15% interest can be acquired in the property outside the general area of the known resource by securing project financing.

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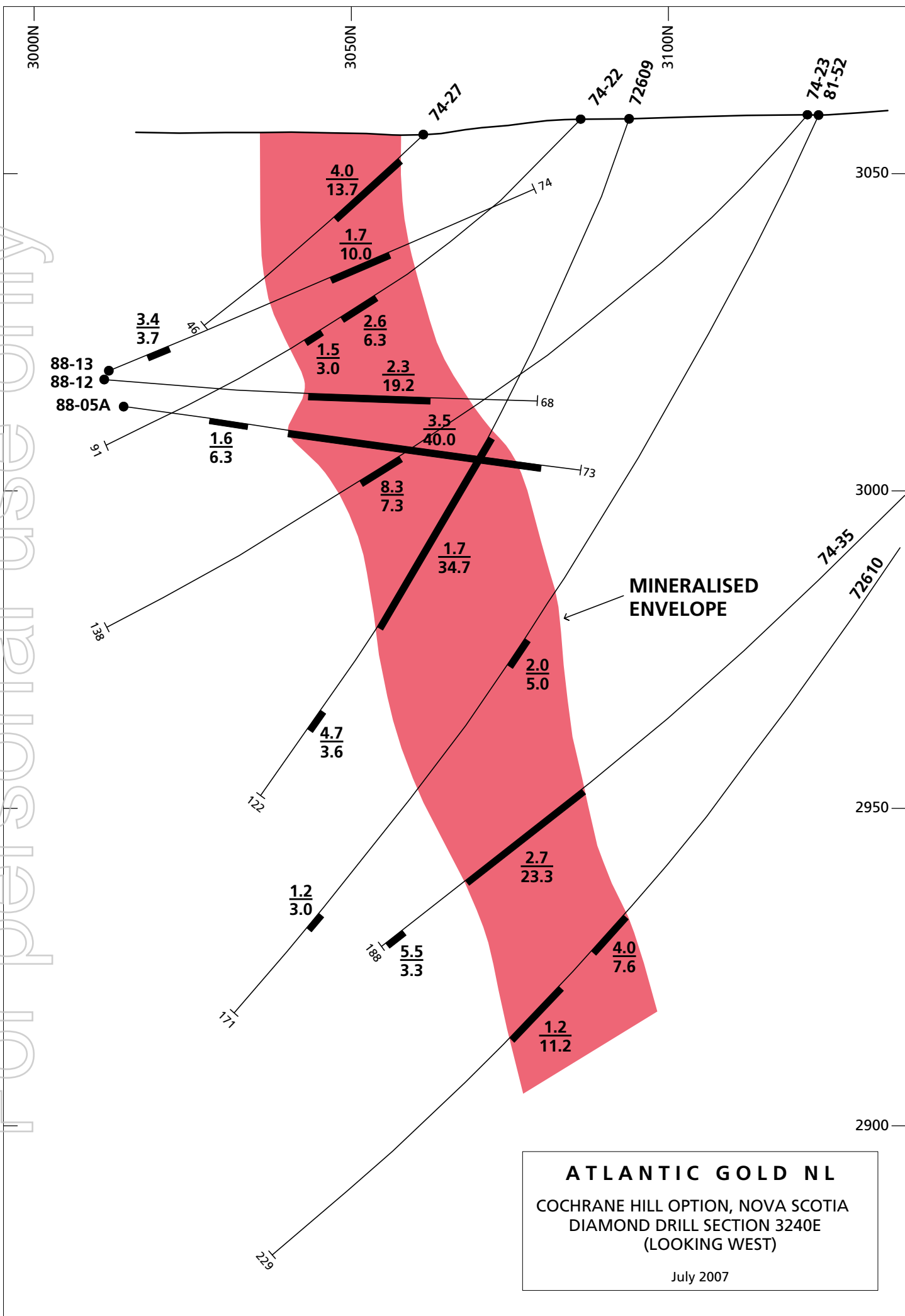
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MINERALISED ENVELOPE

ATLANTIC GOLD NL
COCHRANE HILL OPTION, NOVA SCOTIA
DIAMOND DRILL SECTION 3240E
(LOOKING WEST)
July 2007

88-13
88-12
88-05A

74-27

74-22

72609

74-23
81-52

19

138

122

171

229

174

168

173

74-35

72610

3000N

3050N

3100N

3050

3000

2950

2900

$\frac{3.4}{3.7}$

$\frac{4.0}{13.7}$

$\frac{1.7}{10.0}$

$\frac{1.5}{3.0}$

$\frac{2.6}{6.3}$

$\frac{2.3}{19.2}$

$\frac{1.6}{6.3}$

$\frac{3.5}{40.0}$

$\frac{8.3}{7.3}$

$\frac{1.7}{34.7}$

$\frac{2.0}{5.0}$

$\frac{4.7}{3.6}$

$\frac{1.2}{3.0}$

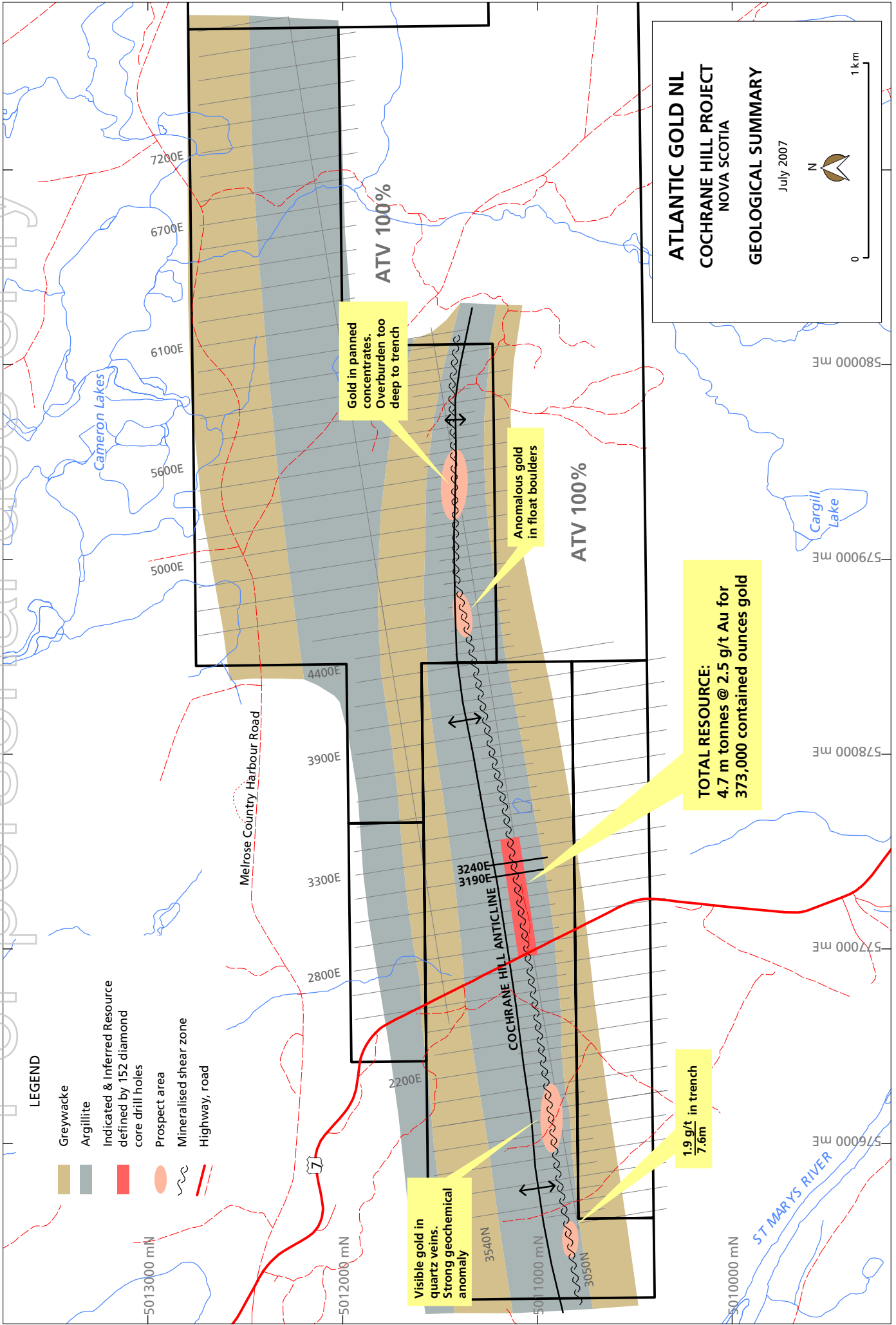
$\frac{5.5}{3.3}$

$\frac{2.7}{23.3}$

$\frac{4.0}{7.6}$

$\frac{1.2}{11.2}$

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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 June 2007

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for		
(a) exploration and evaluation	(214)	(319)
(b) development	(795)	(1873)
(c) production		
(d) administration	(206)	(348)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	6	38
1.5 Interest and other costs of finance paid	(166)	(166)
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(1,375)	(2,668)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a)prospects		
(b)equity investments		
(c) other fixed assets	(3)	(5)
1.9 Proceeds from sale of:		
(a)prospects		
(b)equity investments		111
(c)other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other – Security deposits		
Net investing cash flows	(3)	106
1.13 Total operating and investing cash flows (carried forward)	(1,378)	(2,562)

+ See chapter 19 for defined terms.

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1.13	Total operating and investing cash flows (brought forward)	(1,378)	(2,562)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	589	589
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	1,000	1,000
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other	(2)	(2)
	Net financing cash flows	1,587	1,587
	Net increase (decrease) in cash held	209	(975)
1.20	Cash at beginning of quarter/year to date	1,223	2,413
1.21	Exchange rate adjustments to item 1.20	9	3
1.22	Cash at end of quarter	1,441	1,441

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	72
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	50

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.

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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	3,000	3,000
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	300
4.2 Development	1,500
Total	1,800

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	1,376	224
5.2 Deposits at call	65	999
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	1,441	1,223

+ See chapter 19 for defined terms.

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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	EL 6044 & 6406 (23 sq km)	Caribou JV	50%	0%
	EL 6393	Lindsay Lake option	0%	0%
	EL 6298 & 6160 (1.56 sq km)	Lower Seal Harbour option	0%	0%
	EL5802, 6443, 6371 (7.63 sq km)	Wine Harbour option	0%	0%
	14 ELs 6053-4, 6057, 6066-70, 6073, 6854-58	Wholly owned	100%	0%
6.2 Interests in mining tenements acquired or increased	EL7301-2 Rawdon, Nova Scotia (6.38 sq km)	Wholly owned	0%	100%
	EL6310, Cochrane Hill, Nova Scotia (8.25 sq km)	Cochrane Hill option (may earn 60% or 80%)	0%	0%
	EL7366-71, Cochrane Hill, Nova Scotia (6 ELs, 46.25 sq km)	Wholly owned	0%	100%

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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 (description)				
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 7c ATVCC * Partly paid 9c ATVCD * * Call in progress at 30 Jun	161,701,562 1,403,389 28,882,953	161,701,562 1,403,389 28,882,953	20 cents 20 cents	7 cents 9 cents
7.4 Changes during quarter (a) Increases through issues Fully paid ATV – exercise of options Partly paid – 2c call (b) Decreases through returns of capital, buy-backs	9,500 28,882,953	9,500 28,882,953		
7.5 ⁺ Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor) – ATVO – ATVAI – ATVAK – ATVAM	16,444,869 2,200,000 4,610,000 3,000,000	16,444,869	Exercise price \$0.12 \$0.20 \$0.15 \$0.15	Expiry date 01.11.07 31.12.08 22.08.10 14.10.10
7.8 Issued during quarter				
7.9 Exercised during quarter – ATVO	9,500	9,500	\$0.12	
7.10 Expired during quarter – ATVAK	800,000		\$0.15	
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

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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: 31 July 2007
(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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