

28 July 2014

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

QUARTERLY REPORT OF ACTIVITIES FOR PERIOD ENDING 30 JUNE 2014

HIGHLIGHTS

Touquoy Gold Development Project, Nova Scotia

- A Memorandum of Understanding with the Assembly of Nova Scotia Mi'kmaq Chiefs leading to a Mutual Benefits Agreement for the parties to engage further in terms of employment, training, provision of services and other opportunities and undertakings for the benefit of both parties, has been concluded.
- The Nova Scotia Department of Natural Resources received Cabinet approval to issue a Crown land lease in relation to the seven parcels of Crown land required within the footprint of the Touquoy Gold Mine.

Corporate

- With all matters relating to the pre-development of the Touquoy Gold Project, except project financing, now having been effectively concluded, the proposed merger with Spur Ventures Inc (TSX-V:SVU) is being advanced:
 - Due diligence investigations to the satisfaction of both parties concluded.
 - Merger Implementation Deed executed and announced 15 May.
 - Independent Expert opines that the scheme of arrangement (Scheme) is in the best interests of Atlantic Gold's shareholders.
 - Scheme Booklet prepared and sent to shareholders, and posted on Company's website, on 30 June
 - Scheme Meeting and EGM to be held on 31 July 2014
 - Atlantic Gold's Annual General Meeting, normally held at the end of May, has been deferred to follow the Scheme Meeting and EGM on 31 July 2014.
- The Share Purchase Plan announced on 7 April 2014 closed on 3 June having raised \$255,662. The Spur loan facility has been increased from C\$1.0 million to C\$1.8 million with part of the first draw of C\$1.4 million having replaced the existing debt of A\$1.0 million. The Spur loan is to be repaid by 31 December 2014.



TOUQUOY GOLD PROJECT

General

The Touquoy Gold Project is located in central Nova Scotia, Canada about 70 minutes drive by sealed road from Halifax, the Provincial capital. Halifax is a modern city with a population of about 400,000. 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 by road from Touquoy.

The Touquoy Gold Project is now well advanced and readied for financing with all major environmental permitting in place (Environmental Assessment Approval and Industrial Approval), the Mineral Lease granted, the Definitive Feasibility Study Estimate Update now current (refer to http://www.atlanticgold.com.au/pdf/announcements/2014/140325_ATV_Touquoy_Feas_S_tudy_update.pdf), all 63 private land titles over the Project footprint definitively acquired and the requisite Crown land lease approved by Cabinet.

The Definitive Feasibility Study Estimate Update is based on JORC Code 2012 compliant resource estimation undertaken by resource estimation specialist, Mr Neil Schofield of FSSI Consultants (Australia) Pty Ltd and re-affirms the strong viability of the Touquoy Gold Project as a significant development opportunity:

Ore reserves	9.59 Mt @ 1.48 g/t for 454,000 contained ounces
Total production*	422,000 ounces
Annual production rate	84,000 ounces
Plant	All new, 2.0 Mtpa conventional gravity/CIL plant
Mine life	5.0 years
Pre-production capital cost	\$142 million. Includes \$9.0 million of working capital, \$10.3 million reclamation bond and \$15.3 million allowances and contingencies
Gold price	US\$1300/oz (C\$1,445/oz)
Cash operating cost (All-in Sustaining per World Gold Council)	US\$567/oz. Includes royalty payments of \$29/oz
Net cash surplus (pre-tax, ungeared)	\$231 million
Payback period	27 months after first gold pour
Project NPV (8%, pre-tax, ungeared)	\$132 million
Project Internal rate of return	38.0%

*Production excludes 26,000 ounces of in-pit Inferred Resources, and any input from the Touquoy West satellite deposits (previously reported Indicated and Inferred Resources of 2.0 Mt @ 1.5 g/t for 99,000 ounces). DFS remains based on original pit design optimised using a gold price of US\$950/oz.

As 100% of the Touquoy cashflows will be available to service project debt the summary DFSEU results are reported here on 100% basis (refer to Endnote for ownership details).

The Touquoy Gold Project is the first stage of a conceptual 10-year production plan for the combined Touquoy-Cochrane Hill Gold Project of approximately 900,000 ounces in total recovered gold from two 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.

In addition, in the region of the Touquoy and Cochrane Hill deposits, other established gold resources owned by other companies encourage the concept of regional consolidation.

Further details on the combined production plan for the Touquoy-Cochrane Hill Gold Project can be found in the Company's 23 February 2012 announcement to the ASX: (http://www.atlanticgold.com.au/pdf/announcements/2012/120223_ATV_Touquoy_DFS_update.pdf).

Current Activity

Surface land titles

As previously announced title is now held and possession secured of all 63 private properties required for development of the Touquoy Gold Project, possession of the last property having been secured in February 2014 following a lengthy court process.

Details relating to compensation for this and ten other expropriated properties on the basis of independent valuations previously conducted remain under discussion with legal representatives of the estates or former landowners.

In relation to the seven parcels of Crown land required within the footprint of the Touquoy Gold Mine the Nova Scotia Department of Natural Resources has now received Cabinet approval to issue the lease and has prepared requisite documentation.

Two public road rights-of-way within the Mine footprint will be acquired from the Province under its Purchase of Surplus Property provisions once alternative routes are constructed and approved by the Department of Transportation and Infrastructure Renewal.

Mi'kmaq of Nova Scotia

A Memorandum of Understanding (MOU) between DDV Gold Ltd (Atlantic Gold's wholly-owned subsidiary) and the Assembly of Nova Scotia Mi'kmaq Chiefs was concluded in May 2014.

The MOU is an important step in the relationship between the parties as it establishes the mutual recognition and respect of each party's perspective in relation to the development of the Touquoy Gold Project and DDV Gold's other potential resource developments elsewhere within Nova Scotia. In particular the MOU contemplates the negotiation and conclusion of a Mutual Benefits Agreement between the parties to

engage further and specifically in terms of employment, training, provision of services and other opportunities and undertakings to the benefit of both parties.

Atlantic Gold is very pleased to have commenced formal engagement with the Mi'kmaq of Nova Scotia and looks forward to a long, rewarding and co-operative relationship.

Project Financing

Previous discussions with a shortlist of major providers of conventional debt indicate that at prevailing gold prices conventional debt will comprise the bulk of the project funding requirement. Investigations to source the supplementary funding required to complete the project financing package with the least dilutive outcomes have led to the proposed merger with Vancouver-based Spur Ventures Inc (TSX-V:SVU) which company's only material asset at the time the proposed merger was announced was approximately C\$28.7 million cash.

The Atlantic directors firmly believe that the merger presents Atlantic Gold shareholders with the most advantageous first step towards the funding of the development of the Touquoy Gold Project, as it avoids the material dilution in the value of their shares that would have resulted had Atlantic Gold undertaken a substantial capital raising. It also repositions Atlantic Gold's Touquoy and Cochrane Hill development properties and its considerable holding of highly prospective exploration properties, in a Canadian company, with a TSX-V listing, and under the control of the Spur board and experienced in-country management who are highly motivated to add value to the asset portfolio including, importantly, finalising the preparations for, and pursuing the funding of, the Touquoy Gold Project.

Further details of this merger proposal are outlined elsewhere in this report.



COCHRANE HILL GOLD PROJECT

General

Cochrane Hill is an advanced gold exploration property located 80 km east of Atlantic Gold's Touquoy Gold Project and where Atlantic Gold has established the following JORC Code 2012 compliant Mineral Resources:

	TONNES millions	GRADE g/t Au	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

Based on this resource inventory and the assumption – to be confirmed by infill drilling yet to be undertaken – that all Inferred Resources can be converted to Measured and Indicated Resources, a conceptual open-pit has been optimised using a similar operating plan – 2 Mtpa gravity/CIL – and costs generally in line with those used for the Touquoy Gold Project. For a gold price of US\$875/oz production of 8.9 million tonnes grading 1.7 g/t gold to recover 450,000 ounces gold (as reported to ASX on 18 September 2009 –

refer:

http://www.atlanticgold.com.au/pdf/announcements/2009/090918_ATV_Nova_Scotia_open_pit_potential.pdf) is indicatively projected¹:

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

(Please refer to Appendix A for material assumptions from which this production target is derived).

The acquisition of 100% interest in the Cochrane Hill Gold Project in August 2012 was a major step forward in Atlantic Gold's plan for a minimum one million ounces of gold production from Touquoy, Cochrane Hill, and its other Nova Scotia properties.

No site-based work was undertaken at Cochrane Hill during the June quarter.



EXPLORATION

Atlantic Gold's regional land package in Nova Scotia presently comprises approximately 260 km² of claims specifically selected to explore for Touquoy/Cochrane Hill style disseminated gold mineralisation. At this time such mineralisation has been identified at six sites – West Caledonia, Caduesky Lake, Moses Lake, East Rawdon, Fifteen Mile Brook and Kemptville (refer to regional map for locations).

Since the end of the Quarter a short program of shallow interface RC drilling was conducted at West Caledonia (14 holes for 162 m) and Kemptville (19 holes for 330 m), and a program of two diamond drillholes for 200 m to follow up previous interface anomalies was commenced at Caduesky. Assay results are pending.

Part of this drilling is funded by the Nova Scotia Mineral Incentive Program through the Nova Scotia Department of Natural Resources.



CORPORATE

Merger with Spur Ventures Inc

On 7 April 2014, Atlantic Gold announced that it had entered into a Heads of Agreement to pursue a merger with a Canadian company, Spur Ventures Inc. (TSX-V:SVU). Following a period of satisfactory due diligence investigations by each party, a Merger Implementation Deed was concluded and announced to ASX on 15 May 2014. In accordance with the Merger Implementation Deed, a Scheme Booklet was compiled by Atlantic Gold, and at the instigation of the Court was mailed to shareholders (excluding

¹ There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of additional indicated resources or that the production target itself will be realised.

those in specific jurisdictions) and posted on the Company's website on 30 June 2014. For detailed information concerning the proposed Merger, the reader is referred to the following link:

http://www.atlanticgold.com.au/pdf/announcements/2014/140630_ATV_Scheme_Booklet.pdf, or to the Scheme Booklet itself. The Scheme Booklet was also lodged with ASIC and ASX.

An independent expert, DMR Corporate Pty Ltd, was commissioned by Atlantic Gold to opine on the terms of the proposed scheme of arrangement ("Scheme"). That independent expert considered that the proposed Scheme was in the best interests of Atlantic Gold's shareholders. The Independent Expert's Report is included in the Scheme Booklet.

The Scheme Meeting of shareholders to approve the Scheme is to be held at 10:00 am on Thursday 31 July in the Launceston Room, Lower Ground Floor North Wing, The Menzies Hotel, 14 Carrington Street, Sydney. An Alternative Transaction, whereby Atlantic Gold's subsidiary, DDV Gold Limited ("DDV Gold"), would be sold to Spur Ventures for similar consideration, will also be put to shareholders at an Extraordinary General Meeting to follow at 11:00am on 31 July 2014 (or immediately after the Scheme meeting, if later) at the same venue. The Alternative Transaction will only be implemented if the Scheme is not approved by Atlantic Shareholders or by the Court.

Further key dates for the Merger are as follows (the reader is referred to the Scheme Booklet for further details and definitions):

Scheme Proxies – Last time and date by which Scheme Proxy Forms for the Scheme Meeting can be lodged	10:00 am (Sydney time) on Tuesday, 29 July 2014
EGM Proxies – Last time and date by which EGM Proxy Forms for the EGM can be lodged	11:00 am (Sydney time) on Tuesday, 29 July 2014
Time and date for determining eligibility to vote at Scheme Meeting and EGM – if you are registered as an Atlantic Shareholder (and are not an Excluded Shareholder) at 7:00 pm (Sydney time) on Tuesday, 29 July 2014, you will be entitled to attend and vote at the Scheme Meeting and EGM	7:00 pm (Sydney time) on Tuesday, 29 July 2014
Scheme Meeting – the Scheme Meeting will be held at Launceston Room, Lower Ground Floor North Wing, The Menzies Hotel, 14 Carrington Street, Sydney NSW 2000	10:00 am (Sydney time) on Thursday, 31 July 2014
EGM – the EGM will be held at Launceston Room, Lower Ground Floor North Wing, The Menzies Hotel, 14 Carrington Street, Sydney NSW 2000	11:00 am (Sydney time) on Thursday, 31 July 2014 (or, immediately after the Scheme meeting, if later)
If the Scheme Resolution <u>is</u> passed by the requisite majorities of Atlantic Shareholders (other than Excluded Shareholders) at the Scheme Meeting:	
Second Court Hearing for approval of the Scheme	Wednesday, 6 August 2014

Effective Date	Thursday, 7 August 2014
Last day of trading in Atlantic Shares on ASX	Thursday, 7 August 2014
Spur Common Share CDIs and Spur Share Purchase Warrant CDIs commence trading on ASX (deferred settlement basis)	Friday, 8 August 2014
Record Date – time and date for determining entitlements to Scheme Consideration under the Scheme	5:00 pm (Sydney time) on Thursday, 14 August 2014
Deadline for receipt of Election Forms by the Atlantic Registry	5:00 pm (Sydney time) on Thursday, 14 August 2014
Implementation Date – transfer of Scheme Shares to Spur	Thursday, 21 August 2014
Issue of Scheme Consideration – commencement of despatch of holding statements for Spur Common Share CDIs and Spur Share Purchase Warrant CDIs and certificates, DRS Advice or holding statements for New Spur Common Shares and New Spur Share Purchase Warrants	Thursday, 21 August 2014
New Spur Common Shares and New Spur Share Purchase Warrants commence trading on TSXV	Thursday, 21 August 2014 (Toronto time)
Spur Common Share CDIs and Spur Share Purchase Warrant CDIs commence trading on ASX (normal settlement basis)	Friday, 22 August 2014
If the EGM Resolution <u>is</u> passed at the EGM by Atlantic Shareholders, and EITHER: <ul style="list-style-type: none"> the Scheme Resolution is not passed by the requisite majorities of Atlantic Shareholders (other than Excluded Shareholders) at the Scheme Meeting; or the Scheme <u>is not approved by the Court</u> at the Second Court Hearing: 	
Completion under DDV Gold Sale Agreement – Transfer by Atlantic of all of the shares on issue in DDV Gold to Spur in consideration for the issue to Atlantic of Spur Series A Preferred Shares and Spur Preferred Share Warrants	Thursday, 7 August 2014

Under the terms of the Merger Implementation Deed and of the Scheme, Spur will acquire, subject to obtaining the requisite approvals and the satisfaction or waiver of conditions contained in that Deed, all of the fully paid and partly paid ordinary shares on issue in Atlantic by way of a scheme of arrangement under Part 5.1 of the *Corporations Act* 2001 between Atlantic and its shareholders.

If the Scheme is implemented, Atlantic shareholders holding fully paid ordinary shares will be entitled to receive 0.05564 of a common share of Spur and 0.02782 of a share purchase warrant (each whole warrant a "Spur Warrant") for each fully paid ordinary share of Atlantic held (the "Fully Paid Consideration"). Each Spur Warrant would be exercisable to acquire one Spur common share for a period of four years following the date of implementation of the Scheme at a price of C\$0.60 per share. If the Scheme is implemented, Atlantic shareholders holding partly paid ordinary shares would be entitled to receive for each partly paid share held 10% of the consideration otherwise payable to a holder of fully paid ordinary shares for each fully paid share held (the "Partly Paid Consideration" and together with the Fully Paid Consideration (the "Consideration"). It is proposed that, subject to receipt of all necessary regulatory approvals, the Spur common shares and Spur share purchase warrants comprising the Consideration will be issued in the form of CHESS Depositary Interests ("CDIs") and approved for official quotation on the ASX.

Atlantic shareholders will also be asked to approve a resolution for an alternative to the Scheme, which would only proceed if the Scheme is not approved by Atlantic's shareholders or by the Court, pursuant to which Spur would acquire all of the issued securities in DDV Gold, the wholly-owned Canadian subsidiary of Atlantic that holds all of Atlantic's Canadian assets, in exchange for the same number of (i) Spur Series A Preferred Shares and (ii) warrants to purchase Spur Series A Preferred Shares (the "Preferred Share Warrants") as would have comprised the Consideration under the Scheme (the "Alternative Transaction"). Atlantic and Spur have entered into a Share Sale Agreement to give effect to the Alternative Transaction.

If the Alternative Transaction proceeds, the Spur Series A Preferred Shares and Preferred Share Warrants (together the "Alternative Transaction Consideration") would be issued directly to Atlantic. As soon as practicable following completion of the Alternative Transaction, Atlantic intends to seek the approval of its shareholders to offer to buy back their fully paid and partly paid ordinary shares held in Atlantic. The consideration for the buy-back would be the pro-rated distribution of certain of the Alternative Transaction Consideration, which will convert to Spur Common Shares and Spur Warrants on such distribution. As a result, Atlantic shareholders would be entitled to receive under the Alternative Transaction similar consideration in the form of Spur common shares and Spur Warrants as they would have been entitled to receive under the Scheme.

Atlantic Gold's Annual General Meeting

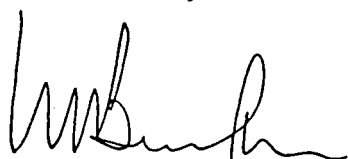
In normal circumstances, Atlantic would have held its AGM by the end of May; however, with the Scheme requiring the approval of shareholders, Atlantic sought and received the approval of ASIC to defer the AGM until 31 July in order to be able to hold the Scheme, Extraordinary General Meeting and Annual General Meeting on the same day. As a consequence, the Notice of Annual General Meeting, which would have normally been released at the same time as the Company's Annual Report, was instead released on the same day that the Scheme Booklet was despatched to Atlantic shareholders.

Working Capital of Atlantic Gold

In order that Atlantic Gold was sufficiently funded through the period leading up to the Merger and following, a Share Purchase Plan ("SPP") to be capped at \$1.0 million was announced on 7 April 2014. The SPP closed on 3 June with \$255,662 having been raised.

At that time, Atlantic Gold had a A\$1 million existing debt facility due to be repaid by 31 July 2014. As part of the terms of the Merger with Spur Ventures, Spur agreed to replace Atlantic Gold's existing A\$1 million debt with a C\$1 million loan facility, to be drawn in July 2014. In consequence of the SPP having raised less than initially expected, the Spur loan facility was increased to C\$1.8 million, to be drawn by 31 August 2014. C\$1.4 million of that facility has presently been drawn and the existing debt facility has been repaid. The Spur facility is to be repaid by 31 December 2014. Shareholders are encouraged to read the Scheme Booklet that outlines in more detail the Scheme and the Alternative Transactions.

Yours sincerely,



W Bucknell
Managing 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:

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About Atlantic Gold NL

Atlantic Gold has a pipeline of development to exploration properties in the Cambro-Ordovician Meguma Terrane, Nova Scotia, Canada. To date the Company has defined mineral resources of 1.21 Moz @ 1.6g/t of gold at the Touquoy and Cochrane Hill properties, with these including 454 Koz @ 1.48 g/t of Ore Reserves at Touquoy.

The resource and reserve inventory for the two projects is as follows:

PROJECT	TONNAGE (Mt)	GRADE (g/t)	CONTAINED Au (oz)
Mineral Resources			
Touquoy			
Measured	2.8	1.5	130,000
Indicated	7.3	1.5	350,000
Inferred	1.6	1.5	77,000
Total	11.7	1.5	557,000
Touquoy West			
Indicated	0.9	1.9	54,000
Inferred	0.6	2.2	45,000
Total Touquoy	13.2	1.5	656,000
Cochrane Hill			
Indicated	4.5	1.8	251,000
Inferred	5.6	1.6	298,000
Total	10.1	1.7	549,000
Total Nova Scotia			
Measured and Indicated	15.5	1.6	785,000
Inferred	7.8	1.7	420,000
Total Nova Scotia	23.3	1.6	1,205,000
Reserves			
Touquoy			
Proved	2.49	1.48	118,000
Probable	7.10	1.47	336,000
Total	9.59	1.48	454,000

Atlantic Gold's exploration initiatives in the Meguma Terrane are directed to the discovery of open-pittable shale-hosted disseminated gold deposits similar to Touquoy. At the present time the Company maintains an active exploration land package of approximately 250km² of mineral claims.

Property Ownership

A. Touquoy

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 private royalty of 3% is also payable, two-thirds of which can be purchased for C\$ 2.5 million.

B. Cochrane Hill

The Cochrane Hill property is wholly-owned, and subject to a private royalty of 3%, two-thirds of which can be purchased for C\$1.5 million.

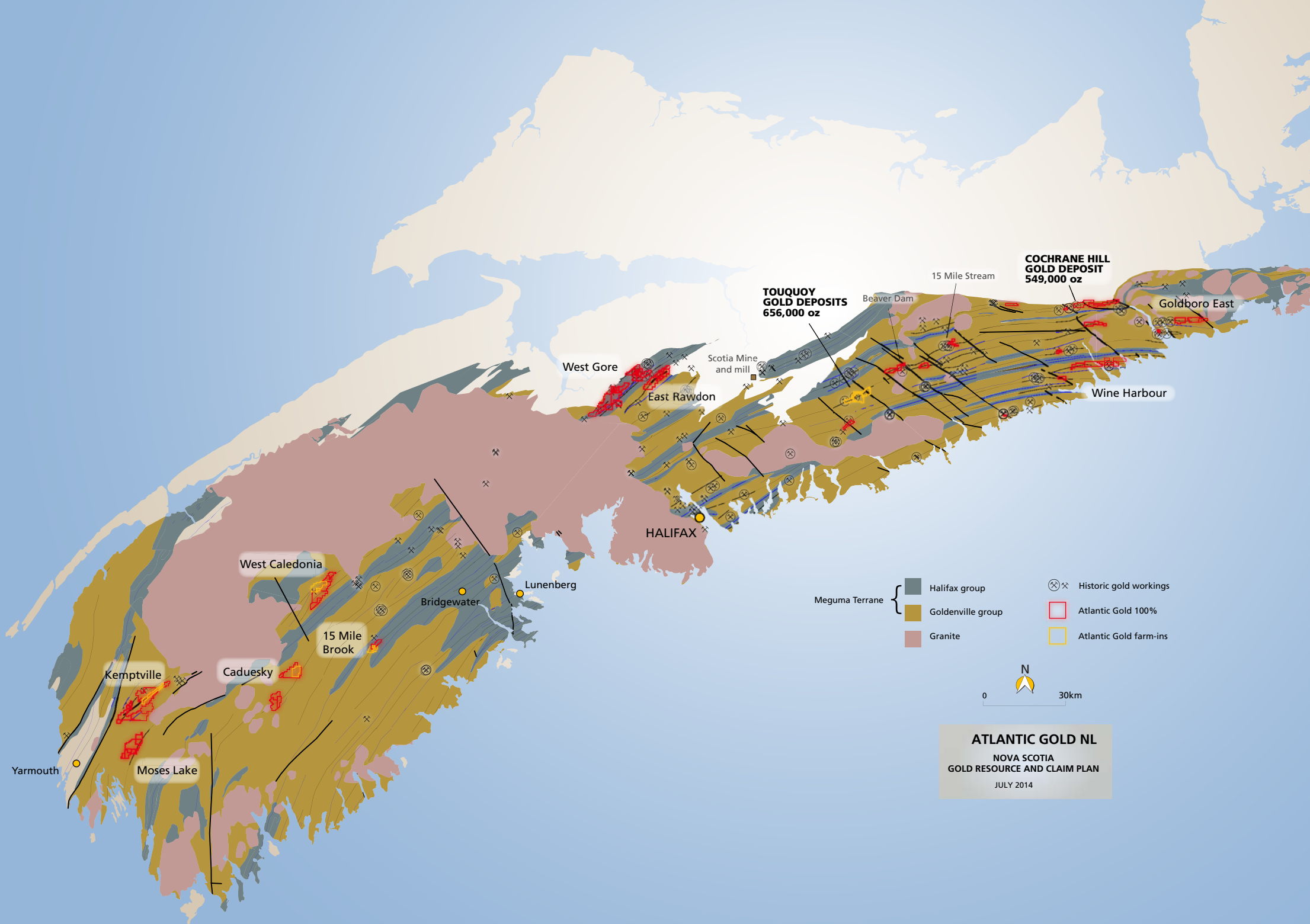
Attribution

The information above pertaining to Mineral Resources and Ore Reserves is extracted from a report entitled “JORC Code 2012 Compliant Reporting of Touquoy Resource and Reserve Estimates and Cochrane Hill Resource Estimates” created on 28 February 2014, and in respect of Mineral Resources at Touquoy West from a report entitled “Touquoy Gold Resource Exceeds 0.5 Million Ounces” created on 12 July 2004, both of which are available to view on the Company’s website, www.atlanticgold.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons’ findings are presented have not been materially modified from the original market announcement.

APPENDIX A

The material assumptions (from September 2009) on which the Cochrane Hill conceptual production target is based are as follows:

Mineral Resources	10.1 Mt @ 1.7 g/t at 0.5 g/t cut-off grade, comprising:
Indicated	46%
Inferred	54%
Gold price	US\$875 per ounce (for pit optimisation purposes only).
Currency exchange	USD and CAD at parity.
Metallurgical recovery	93.5% average
Pit wall slopes	45° overall average
Mining dilution, recovery	Recoverable resource included in MIK resource estimate. No additional allowance made.
Plant throughput	2.0 Mtpa
Total production	450,000 ounces gold
Operating Costs	
Mining cost	C\$14.60/tonne ore
Processing cost	C\$9.00/tonne
Administration cost	C\$1.45/tonne
Totals	C\$25.05/tonne
Royalties	2% of production (1% government plus 1% private, as purchased down from 3%)



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 June 2014

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 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	(132)	(249)
(b) development	(132)	(399)
(c) production		
(d) administration	(609)	(987)
(inc. Scheme costs)		
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	10	17
1.5 Interest and other costs of finance paid	(36)	(70)
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(899)	(1,688)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects		
(b) equity investments		
(c) other fixed assets		
1.9 Proceeds from sale of:		
(a) prospects		
(b) equity investments		
(c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other – Refundable security deposits		
Net investing cash flows		
1.13 Total operating and investing cash flows (carried forward)	(899)	(1,688)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(899)	(1,688)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	256	256
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	(12)	(12)
	Net financing cash flows	244	244
	Net increase (decrease) in cash held	(655)	(1,444)
1.20	Cash at beginning of quarter/year to date	1,679	2,488
1.21	Exchange rate adjustments to item 1.20	(10)	(30)
1.22	Cash at end of quarter	1,1014	1,1014

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	113
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	38
	Salaries	75

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

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	1,000	1,000
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	50
4.2 Development	100
4.3 Production	0
4.4 Administration	400
Total	550

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	514	679
5.2 Deposits at call	500	1,000
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	1,014	1,679

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	EL6721 (4 claims, 0.62 sq km) EL10422 (23 claims, 3.58 sq km) EL9765 (8 claims, 1.25 sq km)	Wholly owned Wholly owned Wholly owned	100% 100% 100%	0% 0% 0%
6.2 Interests in mining tenements acquired or increased	EL50300 (4 claims, 0.62 sq km) EL50336 (17 claims, 2.64 sq km) EL50366 (6 claims, 0.93 sq km)	Wholly owned Wholly owned Wholly owned	0% 0% 0%	100% 100% 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 (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 9c ATVCD	828,671,993 30,286,342	828,671,993 30,286,342	20 cents	9 cents
7.4	Changes during quarter (a) Increases through issues - SPP (b) Decreases through returns of capital	10,226,499		2.5 cents	2.5 cents
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) – ATVAI	17,500,000	0	Exercise price 2.7 cents	Expiry date 28-Aug-2017
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter –				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

+ 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 ~~does not~~* (delete one) give a true and fair view of the matters disclosed.

Sign here:



(~~Director~~/Company secretary)

Date: 28 July 2014

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.

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+ See chapter 19 for defined terms.