

19 September 2005

Company Announcements Office
Australian Stock Exchange Limited
10th Floor, 20 Bridge Street
Sydney NSW 2000

Dear Sir,

**TOUQUOY DISTRICT EXPLORATION – NEW TARGET ZONE AND JOINT
VENTURE AT CARIBOU**

Atlantic Gold (ATV) is pleased to announce further positive reconnaissance RAB drill results from along the Caribou trend, and completion of a joint venture agreement with Acadian Gold Corporation (ADA-TSX-V) to extend its tenement holdings along this trend.

Assay results received from RAB drill traverses northeast along strike from the historic Caribou gold mine workings, located 9km north of Touquoy (refer to accompanying location plan), confirm this belt of rocks as having geological and geochemical characteristics similar to those peripheral to the Touquoy Gold Deposit. These results extend the Caribou trend of gold-arsenic anomalous rocks as previously defined to a strike length of 15km (including the historic Caribou Mine Property held by other interests) and present an excellent exploration target for ore reserves strategically located to the nearby Touquoy Gold Project.

Seventeen first-pass and infill holes RAB holes on a traverse 5km northeast along strike from Caribou returned a concentration of the most anomalous gold/arsenic values (up to 0.15ppm gold and 615ppm arsenic in bedrock, and 0.91ppm gold in overburden) from a recently completed regional reconnaissance drill program. These geochemical levels are commensurate with those immediately along strike from the Touquoy Gold Deposit and indicate the strike length of this geochemically anomalous trend, now closed off to the northeast and southwest, to be about 15km (not all held by ATV). Host rocks are folded pyrrhotite-bearing argillites up to several hundred metres thick and these are quite similar to the host rocks of the Touquoy Gold Deposit.

This drilling was part of a regional reconnaissance RAB drilling programme seeking Touquoy-style open-pittable ore on ATV's properties in the Touquoy district during mid-May to mid-August. A total of 714 holes for 7163m along 27 traverses were drilled on targets selected on the basis of a combination of favourable soil and till geochemistry, geology, aeromagnetism and along-strike relationships to known gold occurrences/workings. The program had been guided by results of baseline orientation data previously collected around the Touquoy Gold Deposit. These first-pass traverses are spaced at roughly 3km

intervals along logging roads with holes sited approximately 80m apart and then infilled as appropriate. Holes have been drilled to penetrate the overburden and retrieve a small bedrock sample. Samples are assayed for gold and arsenic, together with a multi-element scan.

As a result of ATV's developing interest in the Caribou trend agreement has been reached with Acadian Gold Corporation (a company listed on the TSX Ventures Exchange) to amalgamate Acadian's tenements immediately adjoining the historic Caribou Mine Property (held by other interests) with ATV's tenements along the Caribou trend under a 50:50 exploration joint venture to be managed by ATV. Acadian's tenements cover a 4km strike length of the Caribou trend immediately adjoining the Caribou Mine Property and include historic workings known as the Lake Lode, one of the two principal historic underground mines at Caribou. A quartz stockwork breccia averaging 6m wide by 35m high was mined at the Lake Lode Mine for 400m down-plunge at a recovered grade of 7.2g/t (Acadian Gold's 2004 Annual Report) prior to its closure in 1909 as a result of a fire in the mill. It was one of the deepest gold mines in Nova Scotia. Total production from Caribou is reported to have been 90,459oz gold between 1869 and 1947. Several extensive soil geochemical anomalies were identified on the Acadian claims by previous explorers in the 1980's, but are otherwise untested. The strike length of the Caribou trend within this joint venture property is approximately 12km.

RAB drill follow-up on priority targets on the joint venture property is planned to commence in October.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Wally Bucknell', written in a cursive style.

Wally Bucknell
Executive Director

