

16 February 2006

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

Dear Sir,

RESOURCE UPGRADE TO 653,500 OUNCES, TOUQUOY GOLD PROJECT, NOVA SCOTIA

Atlantic Gold (ATV) is pleased to announce a JORC-compliant report that details an upgraded resource estimate for its Touquoy Gold Deposit in Nova Scotia. The Touquoy Gold Deposit and the Touquoy West Gold Deposits together comprise the Touquoy Gold Project. The total resources estimated for the Touquoy Gold Project amount to:

	Tonnes (millions)	Grade (g/t Au)	Contained Ounces
Touquoy Gold Deposit	9.76	1.8	554,500
Touquoy West Deposits	1.52	2.0	99,000
TOTAL TOUQUOY	11.28	1.8	653,500

The estimate for the Touquoy Gold Deposit was prepared by resource specialists Hellman & Schofield Pty Ltd ("H&S") and follows completion of ATV's infill diamond drilling campaign (total of 129 holes for 10,480m). H&S undertook a site visit and completed a detailed assessment of ATV's drilling results and pre-ATV (1987-1996) diamond drilling data. The estimated resource extends to a maximum depth of 152 metres and is open at depth. It is reported above a 0.7 g/t gold lower cut-off:

TOUQUOY GOLD DEPOSIT

	Tonnes (millions)	Grade (g/t Au)	Contained Ounces
Measured Resource	5.85	1.8	334,500
Indicated Resource	2.50	1.7	133,500
Inferred Resource	1.41	1.9	86,500
TOTAL	9.76	1.8	554,500

H&S's comprehensive geostatistical assessment and the quality of the underlying ATV drill results have enabled a substantial upgrade of the resource particularly in terms of confidence levels. Fully 84% of the resource is now categorised as Measured and Indicated Resources, with 60% alone at the highest confidence level of Measured Resource. Details of the resource estimation methodology are given at the back of this report.

The resource estimate reported above is based on a lower cut-off grade of 0.7 g/t. This compares to the arbitrary cut-off grade of 1.0g/t that was used previously. A 0.7 g/t cut-off reflects a greater understanding of the economics of the deposit derived from previous pit optimisation and scoping studies and a gold price about C\$100/oz higher since these pit optimisations and scoping studies were undertaken. Details of the previous resource estimate, at a 1.0 g/t cut-off, are given at the back of this report.

Of further considerable significance is the inference, from visual inspection of drill core, assay data, and geostatistical analysis of the drill data by H&S, of the widespread presence of coarse gold within the deposit. It is H&S's experience that gold orebodies such as these (having data populations with high coefficients of variation) are likely to produce more gold than can be reasonably estimated from the drilling. However, the amount of such additional gold can not be quantified or guaranteed at this stage of the project.

It is further noted that the resource estimate above applies only to the single-pit Touquoy Gold Deposit and excludes the satellite Touquoy West Gold Deposits located 2km to the west, where the following resource estimate has previously been reported (ATV announcement to the Australian Stock Exchange 12 July 2004):

TOUQUOY WEST	Tonnes (millions)	Grade (g/t Au)	Contained Ounces
Indicated Resource	0.87	1.9	54,000
Inferred Resource	0.65	2.2	45,000
TOTAL	1.52	2.0	99,000

ATV has not yet undertaken any drilling on the Touquoy West deposits, these resource estimates being based on drilling undertaken by previous explorers in 1986-88. Data from this earlier drilling were subsequently verified by ATV and the resource estimates using these verified data were completed by H&S in 2004. The resources remain open along strike and at depth.

This resource estimate for the Touquoy Gold Deposit effectively completes the resource delineation diamond drilling phase of the Feasibility Study in relation to this deposit for the present time. The next specific resource drilling phase on the Deposit is anticipated to be grade control drilling preparatory to mining. However considerable exploration drilling elsewhere on the property, and resource delineation drilling at Touquoy West is yet to be undertaken.

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About Atlantic Gold NL

Atlantic Gold seeks to apply its skills identifying, developing and responsibly mining open pit gold deposits in Nova Scotia, the Touquoy Gold Project being the starting point. The extensive goldfields of Nova Scotia have never before been systematically approached in this way. ATV's skills are derived from 15 years of such work in Western Australia, where the Company principals, as executives and directors of the highly successful Plutonic Resource Limited, discovered over 11moz 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 500,000m in exploration and resource development. The Company principals also have considerable previous experience in exploration in Atlantic Canada.

The target at Touquoy is a production scenario incorporating 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 in-progress Feasibility Study confirm that the Touquoy Gold Deposit has a low stripping ratio (3.5:1), excellent ore metallurgy (free milling with ~98% recovery) 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. A Feasibility Study is in progress.

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.

In addition to developing the Touquoy Gold Project ATV 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. Most recently ATV has identified four strong bedrock anomalies distributed over 8km strike length on the Caribou Joint Venture property 9km north of Touquoy, and to which further drilling is to be applied. Apart from the 50:50 Caribou JV, ATV maintains, or may acquire, 100% interest in all its other exploration ground in Nova Scotia.

Yours sincerely,



Wally Bucknell
Executive Director

Attribution: The geological information in this report relating to Mineral Resources has been compiled by W R Bucknell who is a director of ATV and 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 Touquoy described in this report were completed by Mr Neil Schofield, a principal of Hellman and 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 in this report.

Notes

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):

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), fire assay of pulverised split from crushed parent (28% of database) and screen fire assay (6% of database).

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

Lower cut-off grade: 0.7g/t

Hole spacing: Variable, averages $30\text{m} \times 20\text{m}$.

The following table compares the present resource estimate with the former resource estimate using 1.0g/t lower cut-off. Overall contained ounces have increased marginally, attesting to the predictability of the orebody, but the confidence levels have been substantially upgraded:

Resource	Previous Resource Estimate - 1.0g/t COG			New Resource Estimate - 1.0g/t COG		
	Tonnes (millions)	Grade (g/t)	Ounces	Tonnes (millions)	Grade (g/t)	Ounces
Measured	-	-	-	4.28	2.1	292,100
Indicated	4.44	2.1	300,000	1.73	2.0	112,800
Inferred	2.47	2.2	172,000	1.03	2.3	76,100
TOTAL	6.91	2.1	472,000	7.04	2.1	481,000
	Additional ounces attributable to lowering cut-off grade to 0.7g/t					73,500
	Total resource ounces at 0.7g/t cut-off grade (see above)					554,500

