

10 October 2007

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

Placements of \$4.2 million - Touquoy and Cochrane Hill Gold Projects, Nova Scotia, Canada

Atlantic Gold (ATV) is pleased to announce Placements totalling 32.4 million fully paid ordinary shares at \$0.13 per share to raise \$4.2 million.

The funds raised by the Placements will be used to:

- commence exploration and resource development drilling on ATV's Cochrane Hill joint venture given the excellent results being returned from re-evaluation of historic drilling, and continue regional exploration elsewhere in the Touquoy district;
- subject to obtaining acceptable pricing and financing arrangements secure, by at least partial acquisition of, a used processing plant to expedite and enhance the economics of the Touquoy Gold Project;
- commence a grade control drilling program on the Touquoy Gold Deposit to establish ore distribution for the first several months of mining. This program follows on from the trial grade control drilling undertaken in December 2006, and is to be undertaken in place of an infill diamond drilling program previously planned to enable upgrade of the remaining 80,000 ounces of Inferred Resources to the Measured and Indicated Resource categories.
- following environmental assessment approval progress the Touquoy Gold Project Engineering and Cost Study, completed May 2007, into a Bankable Feasibility Study;
- repay \$0.7 million in borrowings; and
- assist with short-term working capital requirements.

The placements consist of 13.3 million shares to existing long term shareholders to raise \$1.7 million without Shareholder Approval as provided under ASX Listing Rule 7.1; and 19.1 million shares to Macquarie Bank Limited, Patersons Securities Limited and CRX Investments Limited and clients ('CRX') to raise \$1.8 million and reduce ATV's indebtedness to CRX by \$0.7 million, subject to Shareholder Approval.

ATV will be seeking shareholder approval under ASX Listing Rule 7.1 to complete the issue of 19.1 million shares above which are subject to Shareholder Approval, and to ratify under ASX Listing Rule 7.4 the above placement of 13.3 million shares at a General Meeting planned for mid November 2007.

The success of these placements demonstrates the recognition of the quality of ATV's Touquoy Gold Project and the confidence held in its exploration endeavours in Nova Scotia. The continuing support from ATV's shareholders is greatly appreciated.

About Atlantic Gold NL

Atlantic Gold aims to develop 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 Moz of gold and operated five gold mines.

The objective at Touquoy is to develop a project with a minimum 1.5 million tonne per annum throughput and a seven-year minimum mine life to produce approximately 90,000 ounces gold per year. 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, 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's recent involvement in the advanced Cochrane Hill property reflects this strategy, to the extent that the company now has over 1 million ounces of gold resources under its control in the Touquoy district.



Yours faithfully,

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Executive Director

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