

24 October 2007

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

Dear Sir,

## **INTERIM ASSAYS CONTINUE TO SHOW GRADE INCREASE AT COCHRANE HILL, NOVA SCOTIA**

Atlantic Gold (ATV) is pleased to announce further encouraging progress results from the sampling and assaying of previously un-assayed intervals of historic (1970s and 1980s) Cochrane Hill diamond drill core recovered from storage. This program of evaluation of historic core was foreshadowed in Atlantic Gold's announcement on 27 July about its Cochrane Hill resource upgrade to 4.7 million tonnes @ 2.5 g/t for 373,000 contained ounces of gold and builds on previous positive progress results announced on 14 September.

This latter announcement summarised assays from six well mineralised drillholes (see table below) which indicated a 25% increase in grade from those applied in previous resource estimates (including that recent resource estimate referred to above). This grade increase is a result of assaying intervals of drill core within the mineralised resource envelope which had not previously been selected for assay, but had been ascribed zero grade for the purposes of resource estimation.

New assay results continue to reflect at least the same degree of grade increase, with new results from the best four drillholes tabulated below:

Hole	North (m)	East (m)	From (m)	To (m)	Width (m)	Original Assays (with un-assayed gaps)	New Assays (gaps infilled)
						Grade (g/t)**	Grade (g/t)**
CH-74-029*	3059	3199	12.95	35.00	22.05	0.91	1.18
CH-74-034*	3110	2782	60.50	68.00	7.50	2.96	3.26
CH-74-004*	3138	3071	102.10	137.05	34.95	1.65	1.87
CH-81-050*	3122	3177	92.05	98.15	6.10	3.05	5.29
		and	108.00	141.60	33.60	7.25	7.74
CH-74-026*	3063	3214	8.00	38.40	30.40	1.23	1.84
CH-81-061*	3130	3289	149.20	156.20	7.00	36.8	38.2
CH-74-002	3097	3018	69.10	99.05	29.95	3.74	4.43
CH-74-031	3149	3129	121.45	135.65	14.20	0.59	2.17
CH-74-024	3122	3167	89.45	110.35	20.90	0.72	0.84
CH-74-023	3122	3230	72.85	105.00	32.15	2.08	2.79

\* Results for these holes previously announced.

\*\* Based on 0.6 g/t grade cut-off, no top cut and maximum 5 m internal dilution.

Assay results have been received from 13 additional holes and although these generally show modest grade increases they are outside, or do not otherwise contribute to, the resource as estimated. Core from 40 drillholes has now been logged and sampled with about 1000 assays from 17 holes pending.

Sampling of two historic eastern step-out holes testing beyond a recent return of 9 m @ 1.99 g/t from hole CH-74-016, a previously un-assayed hole just beyond the eastern end of the resource (refer 14-Sep-07 announcement), returned anomalous gold values (up to 34 m @0.3 g/t). Follow-up drilling is warranted in this mineralised area.

With regard to other activity at Cochrane Hill the first of seven fences of shallow (30 m) RC drilling commenced today to investigate zones of surficial gold mineralisation previously identified in places along the 5 km strike of the gold-mineralised trend within the property. In addition a diamond drill has been retained to follow up positive results both from this RC program and the historic core evaluation program. Diamond drilling will commence in about three weeks.

The Cochrane Hill property, located 80 km east of Atlantic Gold's Touquoy Gold Project, secures 5 km of highly prospective terrain which includes the above-mentioned gold mineral resource. Atlantic Gold is earning a majority interest in the property by incurring expenditure of C\$4.75 million on exploration and development within 4 years, conditionally extendable for a further 2 years, and making aggregate cash payments of C\$100,000 to the vendor, Scorpio Mining Corporation (SMC). At SMC's election ATV will have then earned either a 60% Joint Venture 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.

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### ***About Atlantic Gold NL***

Atlantic Gold aims to develop 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. 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 and operated up to five gold mines. The Company principals have considerable previous experience in exploration in Atlantic Canada.

**The target at Touquoy is to develop a project 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. 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 sincerely,



**Wally Bucknell**  
**Executive Director**

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