30 April 2008

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

QUARTERLY REPORT FOR PERIOD ENDING 31 March 2008

HIGHLIGHTS

TOUQUOY GOLD PROJECT

PERMITTING

- Environmental Approval granted – a quantum leap for the Project and for Atlantic Gold's exploration and development activities elsewhere in Nova Scotia.

PROJECT STATUS

- Updated financial model confirms Project to be demonstrably robust with an estimated IRR of at least 37% on a pre-tax ungeared basis

- Remaining tasks now underway prior to a development decision expected Q4/08:
  - grant of mining lease and industrial permit
  - completion of land acquisition
  - securing used plant
  - conversion of the engineering and cost study to feasibility study
  - securing project financing.

COCHRANE HILL GOLD PROJECT
… enhancing Touquoy Project economics

- Preliminary scoping study indicates an attractive return in combination with Touquoy with further assessment in progress.

- First stage of development drilling on the main resource – 24 diamond core holes for 1400 m – has commenced.

-o-0-o-

Suite 701
220 Pacific Highway
Crows Nest NSW 2065
Australia

t (612) 9929 6633
f (612) 9929 9366

Atlantic Gold NL
ABN 82 062 091 909

www.atlanticgold.com.au

PROJECT DEVELOPMENT

TOUQUOY GOLD PROJECT Nova Scotia Canada
(Atlantic Gold 60%, may earn up to 75% outside known resources)

PROJECT PERMITTING

As previously announced Environmental Approval for the Touquoy Gold Project has been granted. This is a quantum leap for the Project and follows almost two years of dedicated effort.

The decision was handed down Friday 1 February, in Halifax by the Minister of Environment. In particular the Minister states that " *The project has been considered with respect to potential adverse effects and environmental effects, including effects on socio-economic conditions. I am satisfied following a review of the information provided by DDV Gold Limited, and through the government and public consultation as part of the environmental assessment, that any adverse effects or significant environmental effects of the undertaking can be adequately mitigated through compliance with the attached terms and conditions.*"

The conditions for approval are as expected, strict and comprehensive but consistent with development of a mine. They require the Company to fulfil its commitments made in the Environmental Assessment Registration and Focus Report documents with regard to environmental protection. They further stipulate a second level of environmental review and approval – "Industrial Approval" – in relation to the detailed plans and processes to address:

- surface and ground water quality
- air quality and noise management
- protection and compensation for disturbance of terrestrial and aquatic habitat
- operations and reclamation
- hazardous materials management
- community liaison.

These detailed plans and processes are currently being developed and refined and it is anticipated that Industrial Approval will be forthcoming in the third quarter 2008. During this time it is expected that the requisite Mining Lease will also be granted.

We believe that the conditions of the environmental approval received are both appropriate and achievable and set a standard for commercial development that will promote an environmentally sustainable and socially responsible operation. The Company looks forward to working with all stakeholders to bring the project into production to realise these goals. Importantly, in the wider context environmental approval for Touquoy presents reassurance to the company that from an environmental perspective, the basis of its gold exploration and development model in Nova Scotia is well-placed providing all due care is applied to its activities.

Full details of the Minister's decision can be found at the website www.gov.ns.ca/enla/ea/MooseRiver.asp

PROJECT FEASIBILITY

The financial model for Touquoy has now been updated to incorporate revised capital and operating costs based on a contract mining scenario, updated gold price and the results of a revised resource estimate.

In summary the Touquoy Gold Project is demonstrably robust with an estimated IRR of at least 37% on a pre-tax ungeared basis (at least 30% after tax and ungeared). Other than finance, the company has now completed the most significant, critical hurdles to achieve project development.

A summary of projections follows:

Initial mine life	years	6
Plant throughput	mtpa	1.5 – 2.0
Grade	g/t	1.4
Total production	ounces	450,000
Waste:ore ratio		1.95:1
Cash operating cost	C$/oz (=US$/oz)	435
Gold price for pit optimisation	C$/oz (=US$/oz)	850
Gold price received	C$/oz (=US$/oz)	900
Initial capital (used gravity/CIL) plant)	C$m (=US$M)	70
Capital payback	years	2.5
Net cash flow before tax	C$m (=US$M)	132
8% NPV before tax (ungeared)	C$m (=US$M)	80
IRR before tax (ungeared)		37%

Notes:
- 100% basis
- Plant throughput assumes start-up at 1.5mtpa increasing to 2.0mtpa.
- Assumes the remaining Inferred Resources, representing 15% of the total resource, are converted (as fully expected, based on experience) to Measured and Indicated Resources during the life of mine.
- Initial capital reduced from previous because contract mining considered in place of owner-operated. Cash operating cost increase results mainly from contract mining scenario and inputs inflated over last 12 months.
- No Ore Reserves are presently implied by this study. Ore Reserve estimates will be determined upon completion of the Feasibility Study and receipt of all government approvals to mine.

The remaining tasks to be achieved before committing to a development decision at Touquoy are:

- grant of the mining lease and the industrial permit
- completion of land acquisition
- securing used plant
- conversion of the engineering and cost study to a feasibility study, and
- securing project financing.

Subject to available finance we plan to complete these tasks by October 2008.

The current resource estimates on which the financial model for the Touquoy deposit is based are:

	Tonnes (millions)	Grade (g/t)	Ounces gold contained
Measured Resource	2.8	1.5	130,000
Indicated Resource	7.3	1.5	350,000
Inferred Resource	1.6	1.5	77,000
Total Resource	**11.7**	**1.5**	**557,000**

Notes:

- Estimation technique: Multiple Indicator Kriging with block variance adjustment applied. Ore selectivity is assumed to be 5 metres (north) by 5 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 ≥ 0.5g/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) adjusted in accordance with trial grade control study, fire assay of pulverised split from crushed parent (28% of database) and screen fire assay (6% of database).
- Bulk density: 2.80 g/cm^3. Based on 183 determinations.
- Lower cut-off grade: 0.5g/t
- Drillholes: 298 NQ diamond core holes for 27,200 m with spacing variable - averaging 30 m x 20 m.

This resource estimate, prepared independently by resource estimation specialist Hellman & Schofield ("H&S"), incorporates results of trial grade control drilling recently received and uses a lower cut-off grade of 0.5 g/t in keeping with a higher prevailing gold price.

The trial grade control drilling program comprised 80 holes drilled on 5 m x 10 m centres to test a block representing 2% of the total resource. It was undertaken to make a comparison with resource drilling. This enabled a re-assessment of one of the historic assay techniques and an evaluation of the grade distribution and continuity which will be used to formulate the grade control methodology.

Importantly, the trial grade control drilling has confirmed the short-scale grade continuity of the ore which is a typical coarse gold phenomenon. It has enabled projections for an effective grade control pattern to be adopted ahead of mining.

A further observation with respect to the coarse gold attributes of the Touquoy deposit is noted from the final comprehensive metallurgical testwork completed by Metcon Laboratories under the supervision of Peter J Lewis & Associates in September 2006. This study reported the recovered grade of an aggregate of 92 kg of tested samples of the master composite, which is representative of the entire deposit, to be 2.90 g/t compared to the average grade of 2.15 g/t for the drill core samples from which the master composite was derived. This grade increase of course, has not been factored into any drill-indicated resource estimate but the observation does lend support to H&S's expressed view that deposits such as Touquoy, exhibiting a high coefficient of variation in sample grades and free visible gold, tend to contain more gold than can be estimated from sampling and modelling. However the amount of such additional gold cannot be quantified or guaranteed at this stage of the project.

Management is therefore very confident of the current robust resource model, and the financial projections derived from this model. With the major Environmental Assessment Approval now in place we look forward to securing the last of these approvals, securing used plant, completing the Feasibility Study and raising the necessary finance to develop the Project and commence pouring gold by the end of 2009.

Discussions with potential financiers are underway. Indications are that the Touquoy Gold Project is readily fundable and we are currently evaluating the optimum mix of debt and equity in the best interests of shareholders.

We envisage the development of the Touquoy Gold Project as the first step in developing an economically and environmentally sustainable gold mining industry in Nova Scotia. Resource development drilling has now commenced at the Company's Cochrane Hill property where, our preliminary financial assessment of Cochrane Hill as an augmentation to Touquoy indicates a very attractive profitable return can be realised.

EXPLORATION

COCHRANE HILL OPTION, Nova Scotia

(Atlantic Gold may earn either 60% or 80% depending on co-venturer's election following Atlantic Gold's earn-in expenditure)

The first stage – 24 diamond core holes for 1400 m – of a 5000 m resource development drilling program on the main zone at Cochrane Hill has now commenced. Results of the complete 5000 m program will enable upgrade of the presently outlined resource to Measured and Indicated Resource status as a basis for reserve definition and determination of the best approach for its development, with probable throughput using the planned Touquoy processing plant.

The current total mineral resource estimate of the main zone at Cochrane Hill, as previously announced, is 4.7 million tonnes @ 2.5 g/t for 373,000 contained ounces gold – as tabled below:

	Tonnes (millions)	Grade (g/t Au)	Contained Ounces
Indicated Resource	1.8	2.5	143,000
Inferred Resource	2.9	2.4	230,000
TOTAL	4.7	2.5	373,000

Notwithstanding the relatively high proportion of Inferred Resources in the total resource inventory, a preliminary scoping study using Touquoy mining and plant throughput costs and estimated haulage costs indicates a very attractive return. Refinement of the input parameters from resource delineation and estimation, metallurgical recovery, pit design through to haulage, processing costs and so on is therefore now a key priority.

Cochrane Hill is an advanced gold exploration property located 80 km east of the Company's Touquoy Gold Project (refer to accompanying plan) and is subject of an option agreement with TSX-listed Scorpio Mining Corporation.

The resource is developed within a 20 m-wide zone of sheared and quartz-veined slates which dips 70°N and trends almost east-west over a length of about 650 m. This sheared, mineralised sequence is parallel to, and 100 m south of, the axis of the overturned Cochrane Hill anticline (refer to accompanying property plan) and had been traced as a surface gold geochemical anomaly for 5 km across the property by previous explorers.

Fourteen fences of staged reconnaissance RC drilling (82 holes for 1246 m) have now been drilled to investigate this mineralised shear zone across the property beyond the limits of the main resource – eleven 100 m-spaced fences west of the main resource and three 500 m-spaced fences east of the main resource (see accompanying plan). Gold mineralisation indicative of the target zone has been recorded in all of the fences now drilled west of the main resource with the distinctive Cochrane Hill-style quartz-veined and sulphidic lithologies recognised at two locales. At one of these, impressive results – up to 12.2 g/t over 8 m from 4 m depth – as previously reported, were returned from section 2140E located 600 m west of the main resource.

Eight diamond core holes have now been drilled to follow up these RC results – six around 2140E and two on 1775E. Assay results for the first four of these holes have been received with best return of 1.2 g/t gold over 6 m from 53 m in hole CH-08-006 on 1775E. Best result from the two diamond core holes drilled beneath the high grade RC holes on 2140E was 4.3 g/t over 1 m. Assays from the remaining four diamond core holes are pending.

Grade distribution evident within this extensive mineralised zone suggests the high grade mineralisation on 2140E is disposed as a shallow-plunging high grade shoot, probably one of several, within a halo of lower grade material. Further drilling is required to evaluate this mineralisation and to explore the remainder of this attractive property.

The nature of the Cochrane Hill mineralisation confirms Atlantic Gold's belief that this district is highly prospective for bulk-mineable gold reserves similar to that at Touquoy. Acquisition of a controlling interest in this advanced prospect, with its demonstrable upside, represents a significant forward step in Atlantic's strategy to develop a commercially viable, environmentally sustainable and socially acceptable gold mining industry in Nova Scotia. Atlantic looks forward to advancing this property to production.

Under the terms of the agreement with Scorpio Mining Corporation (SMC), once Atlantic Gold (through its wholly-owned Canadian subsidiary) has completed expenditure of C$4.75 million on exploration and development within 4 years, conditionally extendable for a further 2 years, and has made aggregate cash payments of C$100,000 to SMC, then at SMC's election Atlantic will have earned either a 60% Joint Venture interest (with SMC retaining a 40% contributing Joint Venture interest) or 100% interest subject to a 20% free carried interest retained by SMC. Atlantic may withdraw at any time. The property is subject to an underlying 3% production royalty in favour of a third party. The Cochrane Hill property comprises 53 mineral claims (8.3 km^2).

OTHER PROJECTS, Nova Scotia

Encouraging "interface" drilling results were returned from two locales in the Touquoy district. These two locales were investigated as part of ongoing regional exploration in which 36 reconnaissance "interface" holes were drilled for 309m in four separate lease areas. The holes were drilled using an RC drill system and designed to penetrate transported overburden (to about 15m in thickness) and identify geochemically anomalous levels of gold and other associated elements within the underlying bedrock as signposts to major gold mineralisation. Follow-up interface drilling is planned.

The company withdrew from the Caribou Joint Venture

Yours faithfully

W R Bucknell

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.

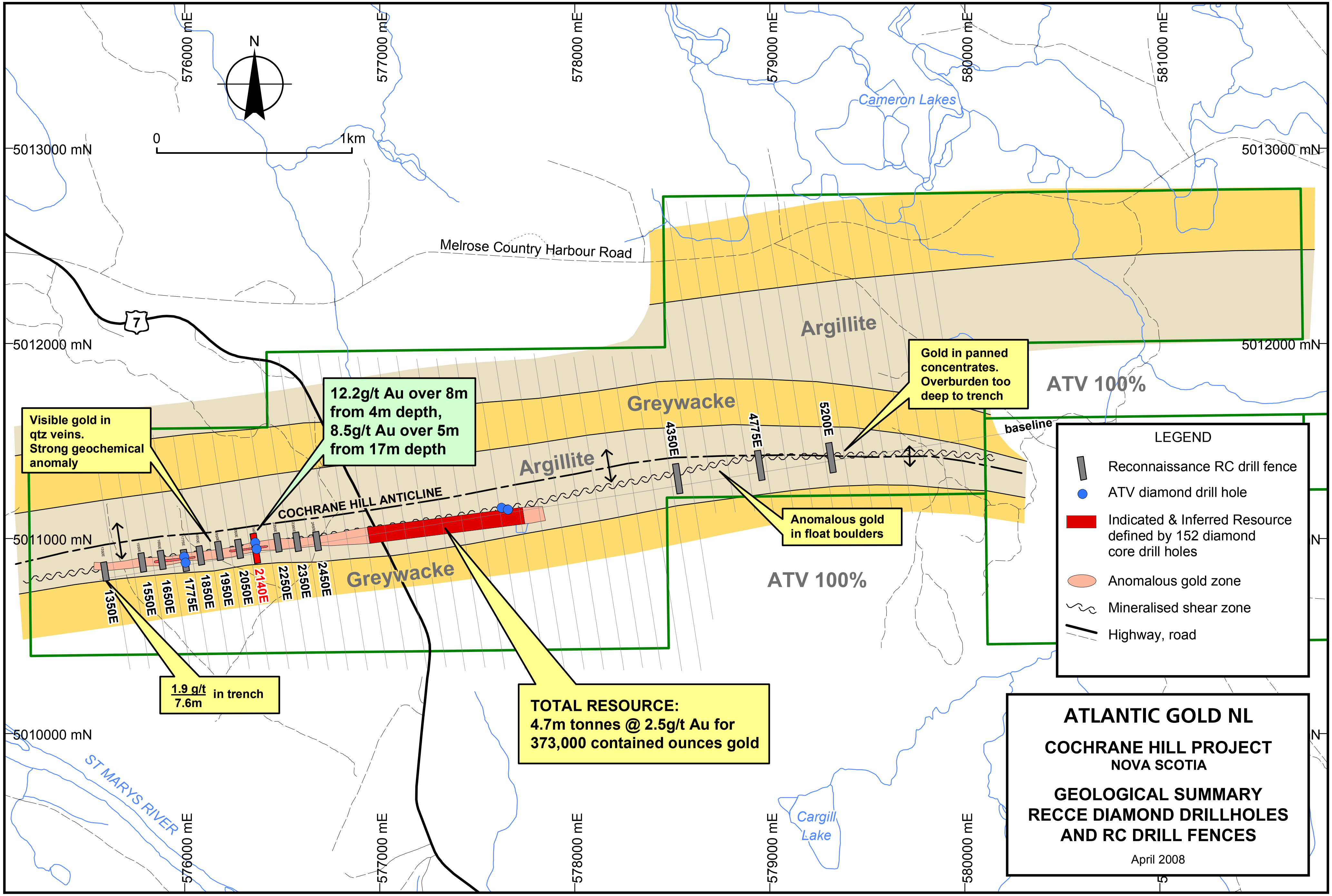
Attribution: The geological and sampling information in this report relating to Mineral Resources has been compiled by W R Bucknell who is a director of Atlantic Gold, a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). He has sufficient experience which is relevant to the style 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).

About Atlantic Gold NL

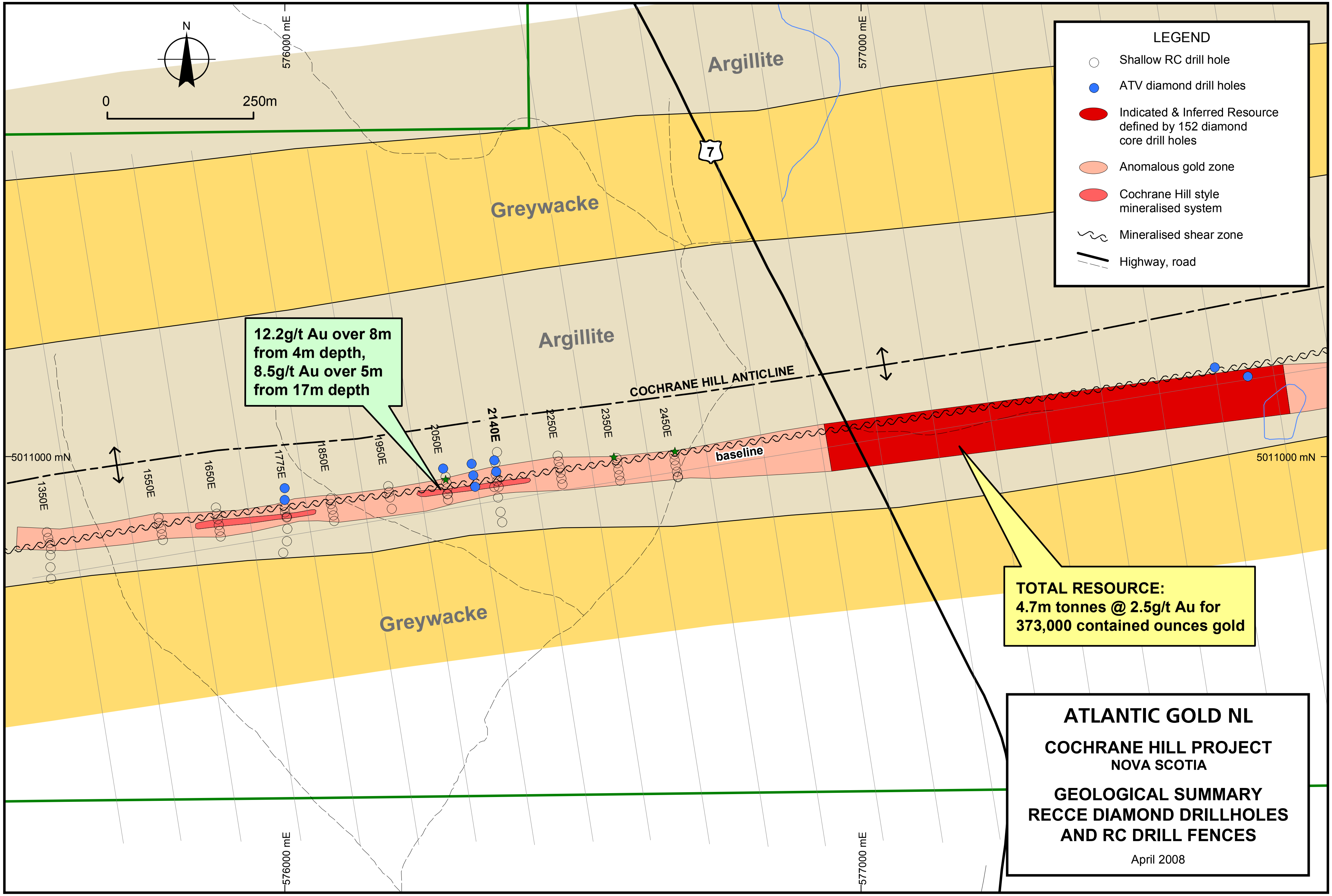
Atlantic Gold aims to develop open pit gold deposits in Nova Scotia, the Touquoy Gold Project being the starting point. The extensive goldfields of Nova Scotia have never before been systematically approached in this way. The Company's skills are derived from 15 years of such work in Western Australia, where its principals, as executives and directors of the highly successful Plutonic Resources Limited, discovered more than 11 Moz 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 holds 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 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.



ATLANTIC GOLD NL
COCHRANE HILL PROJECT
NOVA SCOTIA
GEOLOGICAL SUMMARY
RECCE DIAMOND DRILLHOLES AND RC DRILL FENCES
April 2008
LEGEND
Reconnaissance RC drill fence
ATV diamond drill hole
Indicated & Inferred Resource defined by 152 diamond core drill holes
Anomalous gold zone
Mineralised shear zone
Highway, road
TOTAL RESOURCE:
4.7m tonnes @ 2.5g/t Au for
373,000 contained ounces gold
12.2g/t Au over 8m
from 4m depth,
8.5g/t Au over 5m
from 17m depth
Visible gold in
qtz veins.
Strong geochemical
anomaly
Gold in panned
concentrates.
Overburden too
deep to trench
Anomalous gold
in float boulders
1.9 g/t
7.6m
in trench
ATV 100%
ATV 100%
Argillite
Greywacke
Argillite
Greywacke
COCHRANE HILL ANTICLINE
baseline
Melrose Country Harbour Road
Cameron Lakes
Cargill Lake
ST MARYS RIVER
7
N
0
1km
1350E
1550E
1650E
1775E
1850E
1950E
2050E
2140E
2250E
2350E
2450E
4350E
4775E
5200E
576000 mE
577000 mE
578000 mE
579000 mE
580000 mE
581000 mE
5013000 mN
5012000 mN
5011000 mN
5010000 mN



N
0
250m
576000 mE
577000 mE
Argillite
Greywacke
Argillite
Greywacke
7
LEGEND
Shallow RC drill hole
ATV diamond drill holes
Indicated & Inferred Resource defined by 152 diamond core drill holes
Anomalous gold zone
Cochrane Hill style mineralised system
Mineralised shear zone
Highway, road
12.2g/t Au over 8m from 4m depth, 8.5g/t Au over 5m from 17m depth
COCHRANE HILL ANTICLINE
baseline
5011000 mN
1350E
1550E
1650E
1775E
1850E
1950E
2050E
2140E
2250E
2350E
2450E
TOTAL RESOURCE:
4.7m tonnes @ 2.5g/t Au for 373,000 contained ounces gold
ATLANTIC GOLD NL
COCHRANE HILL PROJECT
NOVA SCOTIA
GEOLOGICAL SUMMARY
RECCE DIAMOND DRILLHOLES
AND RC DRILL FENCES
April 2008

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

ATLANTIC GOLD NL

ABN	Quarter ended ("current quarter")
82 062 091 909	31 March 2008

Consolidated statement of cash flows

	Cash flows related to operating activities		Current quarter $A'000	Year to date (3 months) $A'000
1.1	Receipts from product sales and related debtors			
1.2	Payments for	(a) exploration and evaluation	(133)	(133)
		(b) development	(423)	(423)
		(c) production	-	-
		(d) administration	(116)	(116)
1.3	Dividends received			
1.4	Interest and other items of a similar nature received		58	58
1.5	Interest and other costs of finance paid			
1.6	Income taxes paid			
1.7	Other (provide details if material)			
	Net Operating Cash Flows		(614)	(614)
	Cash flows related to investing activities			
1.8	Payment for purchases of:	(a)prospects		
		(b)equity investments		
		(c) other fixed assets	(11)	(11)
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 – Security deposits			
	Net investing cash flows		(11)	(11)
1.13	Total operating and investing cash flows (carried forward)		(625)	(625)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(625)	(625)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	9	9
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 share issues	(3)	(3)
	Net financing cash flows	6	6
	Net increase (decrease) in cash held	(619)	(619)
1.20	Cash at beginning of quarter/year to date	3,497	3,497
1.21	Exchange rate adjustments to item 1.20	(8)	(8)
1.22	**Cash at end of quarter**	2,870	2,870

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	72
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	22
Salaries	50

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

+ See chapter 19 for defined terms.

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	1,292	1,292
3.2	Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	300
4.2	Development	1,000
	Total	1,300

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	412	109
5.2	Deposits at call	2,458	3,388
5.3	Bank overdraft		
5.4	Other (provide details)		
	Total: cash at end of quarter (item 1.22)	2,870	3,497

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	ELs 6405, 6233, 6234, 5982	Caribou Joint Venture	50%	0%
		ELs 5880, 5881, 6138, 6495	Renfrew/Double Nugget options	0%	0%
		EL 6723, 6728	Wholly owned	100%	0%
		EL7293	Wholly owned	100%	0%
		EL7302	Wholly owned	100%	0%
6.2	Interests in mining tenements acquired or increased				

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	 209,859,048 30,286,342	 209,859,048 30,286,342	 20 cents	 9 cents
7.4	Changes during quarter (a) Increases through issues Fully paid ATV *– placements* (b) Decreases through returns of capital, buy-backs	77,152	77,152		
7.5	+Convertible debt securities *(description)*				
7.6	Changes during quarter				
7.7	Options *(description and conversion factor)* – *ATVAI* – *ATVAK* – *ATVAM* – *ATVAO*	 2,200,000 4,550,000 3,000,000 7,500,000		*Exercise price* $0.20 $0.15 $0.15 $0.15	*Expiry date* 31.12.08 22.08.10 14.10.10 27.12.08
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 Law or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: .... Date: 30 April 2008
(Director/Company secretary)

Print name: Walter R Bucknell

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 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting 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.

== == == == ==

+ See chapter 19 for defined terms.