

29 May 2008

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

Bonus Share Option Issue

The Company is pleased to announce that it intends to issue approximately 22.3 million bonus share options to ordinary shareholders. The share options will be issued **free** on a 1 for 10 basis for fully paid shares held and on a 1 for 22.2 (approx.) basis for partly paid shares held on the record date (12 June 2008). Each share option allows the holder to subscribe for one fully paid share upon payment of 18 cents not later than 30 October 2009. The Company will apply for official quotation by the ASX of the options.

The purpose of the issue is to reward the Company's existing shareholders for their continued support of the Company.

Details of the Bonus Share Option Issue

Issue ratio: One share option for every 10 fully paid shares held and one share option for every 22.2 (approx.) partly paid shares held at the record date 12 June 2008. Each option may be exercised into one fully paid ordinary share.

Exercise price: 18 cents

Exercise date: On or before 30 October 2009

A copy of the Prospectus required in respect of the bonus share option issue will be despatched to shareholders today.

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.

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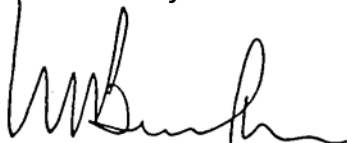
Atlantic Gold NL
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The target at Touquoy is to develop a project with a minimum 1.5 million tonne per annum throughput and a 6 year minimum mine life to produce up to 90,000 ounces gold per year. It receives 100% of cashflow from Touquoy until all development, pre-production and exploration expenses, charges and fees – capital or otherwise – are recouped, following which it returns 60% share of profits. 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.

Yours sincerely



Wally Bucknell
Executive Director