

31 October 2008

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

Dear Sir,

**2009 TOUQUOY PRODUCTION PLAN AND 3Moz GOLD RESOURCE COMBINATION
– MEMORANDUM OF UNDERSTANDING SIGNED**

Atlantic Gold is pleased to announce that a Memorandum of Understanding (“MOU”) has been signed with Acadian Mining Corporation, a mining company listed on the Toronto Stock Exchange, to consider:

- processing ore from Atlantic’s Touquoy Gold Project through Acadian’s Scotia mill; and
- consolidating their assets including their gold interests, the aggregate resource inventory of which amounts to almost 3.0 million ounces gold.

A preliminary scoping study suggests the Touquoy Gold Project could be operational by late 2009 processing up to 1.0 Mtpa through the Scotia mill. The use of the Scotia mill would save significant capital expenditure and the project would be in production sooner than if a stand-alone gold processing plant was constructed at the Touquoy site. Work has commenced on building a financial model based on processing up to 3,000 tpd of ore sourced from Touquoy through the Scotia mill located 40 kilometres to the west. The parties will review and assess the merits of the various business options and work to reaching mutually agreeable terms with respect to combining the respective corporate assets, including possible corporate restructuring. Certain governmental and regulatory approvals are expected to be required.

Consolidation of both companies’ gold properties in Nova Scotia would result in a combined resource inventory of almost 3.0 million ounces of gold and over 1000 km² of highly prospective exploration lands.

Wally Bucknell, Executive Director, of Atlantic Gold NL said that “this consolidation makes a lot of sense and is something that’s been considered by Atlantic for some years and has now been advanced largely because of the current economic crisis. It is my belief that the best return from these resources will result from processing through a single plant so that agreeing to combine the gold interests is in the interests of both parties.”

The MOU will allow both companies to exchange information and develop a financial model for ore from Touquoy to be processed through the Scotia mill. The terms for the combination, and plans for development, of the companies' gold assets in Nova Scotia can also be determined. The parties have allowed themselves until end of March 2009 to agree terms although they expect that it will be sooner.

About Atlantic Gold NL

Atlantic Gold is an ASX listed company (Code ATV) which 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.

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.

	TONNES million	GRADE g/t	CONTAINED GOLD ounces
Touquoy			
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 Touquoy	11.7	1.5	557,000
Touquoy West			
Indicated resource	0.9	1.9	54,000
Inferred resource	0.6	2.2	45,000
Total Touquoy West	1.5	2.0	99,000
TOTAL TOUQUOY PROJECT	13.2	1.5	656,000
Cochrane Hill			
Indicated resource	3.6	1.7	200,000
Inferred resource	6.4	1.7	347,000
TOTAL COCHRANE HILL PROJECT	10.0	1.7	547,000

About Acadian Mining Corporation

Acadian Mining Corporation reports as follows:

Acadian Mining Corporation ('Acadian') is a Halifax, Nova Scotia, Canada based mining company which is listed on the Toronto Stock Exchange (Code ADA) and Frankfurt (Code C2Z) and is focused on exploring and developing gold, zinc-lead and barite properties in Atlantic Canada. Acadian operates an open pit zinc-lead mine (Scotia Mine) at Gays River, Nova Scotia which commenced production in May, 2007, and is the cornerstone of the Company's Scotia Zinc Project. The mine is expected to produce 30,000 tonnes of high grade zinc concentrate and 12,000 tonnes of high grade lead concentrate per year.

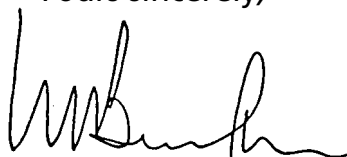
Acadian is also focused on developing five advanced gold properties, Beaver Dam, Fifteen Mile Stream, Tangier, Forest Hill and Goldenville, which form the core holdings of the Scotia Goldfields Project. All of the five advanced properties host gold resources described in technical reports prepared in compliance with National Instrument 43-101 and are available on www.sedar.com. Acadian is bringing a new approach to the development of Nova Scotia gold deposits by pursuing a multiple mine, central processing, managing and servicing strategy.

PROPERTY	LOWER CUT-OFF	CATEGORY	TONNES*	GRADE	OUNCES*
Beaver Dam	0.3 g/t	Indicated	9,080,000	1.53	446,000
		Inferred	10,400,000	1.51	504,000
Fifteen Mile Stream	0.7 g/t	Inferred	4,900,000	1.66	202,000
		Indicated	225,000	14.9	108,000
Forest Hill	3.50 g/t/1.20 m	Inferred	383,000	11.93	147,000
		Indicated	134,000	9.67	42,000
Tangier	3.50 g/t/1.20 m	Inferred	271,000	12.08	105,000
		Indicated	63,000	14.72	30,000
Goldenville	3.50 g/t/1.20 m	Inferred	385,000	12.38	153,000
		Indicated			626,000
TOTAL		Inferred			1,111,000

*Numbers are rounded.

** See Technical Reports filed on SEDAR on Jul. 4, 2008; Sept. 17, 2007; Nov. 3, 2007; Mar. 3, 2005; Nov. 5, 2004

Yours sincerely,



Wally Bucknell
Executive Director

