



## **ATLANTIC GOLD NL PROSPECTUS**

### **Renounceable Rights Issue**

Prospectus for a fully underwritten renounceable rights issue at 4 cents per New Share to raise approximately \$3.3 million before costs and expenses on the basis of:

- 1 New Share for every 3 fully paid Shares held; and
- 1 New Share for every 6.7 (approx.) partly paid Shares held.

Subscribers for New Shares will receive 1 New Option for every 10 New Shares issued to them.

Lead Manager and Underwriter:  
Patersons Securities Limited ABN 69 008 896 311

**The last date for applications and payment to be received is 5:00 pm on 1 May 2009 (unless extended).**

### **IMPORTANT NOTICE**

This is an important document and requires your immediate attention. It should be read in its entirety. If you are in doubt about what to do, you should consult your professional adviser without delay. Investments in the New Shares and New Options offered under this Prospectus should be considered as speculative.

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## IMPORTANT NOTICE

This Prospectus is a replacement prospectus dated 15 April 2009 and was lodged with ASIC on that date. It replaces the Prospectus lodged with ASIC on 1 April 2009 (Original Prospectus). References to the Prospectus are to this replacement Prospectus. Neither ASIC nor ASX takes any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No New Shares or New Options will be issued on the basis of this Prospectus more than 13 months after the date of lodgement of the Original Prospectus, 1 April 2009.

The Prospectus sets out information in relation to the renounceable offer by Atlantic Gold NL (Atlantic) of New Shares in the share capital of Atlantic (Offer).

Atlantic applied for admission of the New Shares and New Options to quotation on ASX within 7 days after the date of the Original Prospectus. ASX advised Atlantic on 2 April 2009 that Official Quotation will be granted subject to completion of the allotment and issue of the New Shares and New Options and provision of certain information to ASX on the Despatch Date (currently 11 May 2009). The fact that ASX may grant Official Quotation of the New Shares and New Options is not to be taken in any way as an indication of the merits of Atlantic or the New Shares or New Options.

### **This is an important document**

It is important that you carefully read this Prospectus in its entirety before deciding to invest in Atlantic and, in particular, that you consider the risk factors that could affect the financial performance of Atlantic.

In addition to the general risks applicable to all investments in listed companies (which are further described in section 6), there are specific risks associated with an investment in Atlantic. These risks are discussed in section 6. You should carefully consider these factors in light of your personal circumstances (including financial and taxation issues) and seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

### **Disclaimer**

No person is authorised to give any information or to make any representation in connection with the Offer that is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by Atlantic in connection with the Offer. Neither Atlantic nor any other person warrants the future performance of Atlantic or any return on any investment made under this Prospectus except as required by law and then only to the extent so required.

Some of the information contained in this Prospectus constitutes forward-looking statements that are subject to various risks and uncertainties. Forward-looking statements include those containing such words as 'anticipate', 'estimate', 'should', 'will', 'expects', 'plans' or similar expressions. These statements discuss future objectives or expectations concerning results of operations or financial conditions or provide other forward-looking information. Atlantic's actual results, performance or achievements could be significantly different from the results or objectives expressed in, or implied by, those forward-looking statements. This Prospectus details some important factors that could cause Atlantic's actual results to differ from the forward-looking statements made in this Prospectus.

### **Ineligible shareholders**

This Prospectus contains an Offer only to persons (including individuals and corporate entities) with registered addresses in Australia or New Zealand.

This Offer is not extended to, and no New Shares or New Options are offered or will be issued to, persons with registered addresses outside of Australia and New Zealand. Atlantic considers it unreasonable to extend the Offer to those Shareholders with registered addresses in jurisdictions outside Australia and New Zealand having regard to the small number and value of the New Shares and New Options that would be offered in such jurisdictions and the cost of complying with the legal and regulatory requirements in those jurisdictions.

### **Foreign jurisdictions and restrictions on the distribution of this Prospectus**

This Prospectus has been prepared to comply with the requirements of the securities laws of Australia.

This Prospectus and accompanying Entitlement and Acceptance Form and Shortfall Application Form do not, and are not intended to, constitute an offer of New Shares or New Options in any place outside Australia and New Zealand unless the person to whom the Prospectus and the accompanying Entitlement and Acceptance Form or Shortfall Application Form has been sent has been expressly and personally invited in writing by Atlantic to participate in the Offer. The distribution of this Prospectus and the accompanying Entitlement and Acceptance Form or Shortfall Application Form outside of Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus and the accompanying Entitlement and Acceptance Form or Shortfall Application Form should seek advice on and observe those restrictions. Any failure to comply with those restrictions may constitute a violation of applicable securities laws.

Without limitation, neither this Prospectus nor the accompanying Entitlement and Acceptance Form or Shortfall Application Form may be sent or passed to persons outside Australia and New Zealand or otherwise distributed outside Australia and New Zealand.

In particular, the Offer has not been, and will not be, registered under the United States of America's (USA) Securities Act or the securities laws of any state of the USA and is not being made in the USA or to persons resident in the USA. Without limitation, neither this Prospectus nor the accompanying Entitlement and Acceptance Form or Shortfall Application Form may be sent to investors in the USA or otherwise distributed in the USA.

The New Shares and New Options being offered to residents of New Zealand under this Prospectus are offered in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand). This Prospectus is not an investment statement or prospectus under New Zealand law and has not been registered, filed with or approved by any New Zealand regulatory authority, or under or in accordance with the Securities Act 1978 (New Zealand) or any other relevant law in New Zealand. It may not contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

This Prospectus complies with Australian disclosure requirements. These disclosure requirements may be different from those applicable in other jurisdictions. The financial information included in this Prospectus was prepared with a view towards compliance with Australian practice and not that of any other jurisdiction.

## **Rights may have value**

Shareholders should be aware that their Rights may have value. The Rights Issue is renounceable which enables Eligible Shareholders who do not wish to take up all or part of their Entitlement to seek to sell their Rights. It is important that Eligible Shareholders either take up all or some of their Rights or deal with their Rights as described in the Prospectus. Eligible Shareholders who take no action in respect of their Rights will receive no benefits and their shareholding in the Company will be diluted.

## **Electronic Prospectus**

This Prospectus may be viewed online at [www.asx.com.au](http://www.asx.com.au) and [www.atlanticgold.com.au](http://www.atlanticgold.com.au). If you are an Eligible Shareholder and have access to an electronic version of this Prospectus, you should ensure that you download and read the entire document. The electronic version of this Prospectus will not include an Entitlement and Acceptance Form or Shortfall Application Form. The Entitlement and Acceptance Form will be mailed to Eligible Shareholders together with a hard copy of this Prospectus.

Persons who are not Eligible Shareholders can request that a copy of the Prospectus and Shortfall Application Form be mailed to them. When exercising their discretion in relation to the Shortfall, the Directors will only consider Shortfall Application Forms that have been issued together with a copy of this Prospectus.

## **Defined terms and abbreviations**

Terms and abbreviations used in this Prospectus are defined in section 9.

## **Application for New Shares and New Options**

If you wish to apply for New Shares and New Options, you must complete and return the personalised Entitlement and Acceptance Form or Shortfall Application Form which accompanies this Prospectus, with payment, by the Closing Date. If you have not received a personalised Entitlement and Acceptance Form, please contact Ms Julie Fidler, Atlantic on +61 (0)2 9929 6633.

## SUMMARY OF THE OFFER

### The Offer

Atlantic is offering approximately 82.9 million New Shares at 4 cents per New Share to raise approximately \$3.3 million (before costs and expenses) under this Prospectus on the basis of:

- 1 New Share for every 3 fully paid Shares in Atlantic; and
- 1 New Share for every 6.7 (approximately) partly paid Shares in Atlantic,

held on the Record Date (5:00 pm on 9 April 2009) (Offer).

The number of New Shares to which you are entitled (that is, the number of Rights you have) is shown on the Entitlement and Acceptance Form accompanying this Prospectus.

The Record Date for the purpose of the Offer is 5:00 pm on 9 April 2009. Persons with registered addresses in Australia or New Zealand who are registered as the holders of Shares on the Record Date (Eligible Shareholders) will be entitled to participate in the Offer.

Rights are renounceable, which means that Eligible Shareholders who do not wish to take up all or part of their Entitlement may choose to sell or transfer their Rights.

In addition, subscribers for New Shares will receive 1 New Option for every 10 New Shares issued to them.

The Offer is fully underwritten by Patersons Securities Limited (Underwriter) (details of the Underwriting Agreement are set out in section 7.7).

### Reasons for the Offer

The purpose of the Offer is to raise funds to be used for general corporate purposes of Atlantic including but not limited to:

- completion of Atlantic's final feasibility study and permitting documentation for its Touquoy Gold Project;
- acquisition of additional surface rights associated with the Touquoy Gold Project;
- further development of the Cochrane Hill Gold Project;
- follow up of regional exploration targets elsewhere in Nova Scotia; and
- repayment of outstanding corporate borrowings owed by Atlantic.

## KEY OFFER DETAILS

### Key financial data relating to the Offer

New Share issue price	4 cents
New Option exercise price	8 cents
Number of New Shares to be issued	Approximately 82.9 million
Number of New Options to be issued	Approximately 23.3 million (including 15 million New Options to be issued to the Underwriter as part of the Underwriting arrangement)
Amount to be raised under the Offer	Approximately \$3.3 million (before costs and expenses)
Underwriting	Fully underwritten by Patersons Securities Limited (details of the Underwriting Agreement are set out in section 7.7)
Number of Shares on issue following completion of the Offer	318,131,465 fully paid Shares <sup>1</sup> 30,286,342 partly paid Shares
Number of Options on issue following completion of the Offer	59,465,898 Options (Includes listed and unlisted options with various exercise prices and expiry dates. See section 5.1 for further details.) <sup>2</sup>

<sup>1</sup> Refer to section 7.8 in respect of additional Shares and New Options to be issued on 3 June 2009

<sup>2</sup> Refer to section 7.8 in respect of additional Shares and New Options to be issued on 3 June 2009

**Key Dates\***

<b>Announcement Date:</b>	
Announcement of the Rights Issue	31 March 2009
<b>Lodgement Date of Original Prospectus:</b>	
Lodgement of Original Prospectus with ASIC	1 April 2009
<b>Lodgement Date of replacement Prospectus</b>	15 April 2009
<b>Ex Date:</b>	
The date on which issued Shares commence trading without the entitlement to participate in the Offer	3 April 2009
<b>Rights Trading opens:</b>	
The date when Eligible Shareholders are entitled to trade their Rights	3 April 2009
<b>Record Date:</b>	
The date for determining entitlements of Shareholders to participate in the Offer (at 5:00 pm)	9 April 2009
<b>Prospectus sent to Shareholders:</b>	
Anticipated despatch of Prospectus and Entitlement and Acceptance Forms	17 April 2009
<b>Rights Trading ceases</b>	24 April 2009
<b>Trading of New Shares and New Options:</b>	
Date on which New Shares and New Options will begin trading on ASX on a deferred settlement basis	27 April 2009
<b>Closing Date:</b>	
The last day for receipt of Entitlement and Acceptance Forms and payment (at 5:00 pm)	1 May 2009
<b>Despatch Date:</b>	
Anticipated date of entry of New Shares and New Options into uncertificated holding accounts	11 May 2009
<b>Normal Trading:</b>	
Date on which normal trading of New Shares and New Options commences	12 May 2009

\* These dates are subject to change and are indicative only. Atlantic reserves the right to amend this indicative timetable without notice. In particular, Atlantic reserves the right, subject to the Corporations Act and the ASX Listing Rules and, if necessary, the approval of the Underwriter, to close the Offer early, to extend the Closing Date or to withdraw the Offer without prior notice. Any extension of the Closing Date will have a consequential effect on the date for the issue of New Shares and New Options.



## LETTER FROM THE CHAIRMAN

Dear Atlantic shareholder,

Despite the difficult global financial conditions and depressed asset value levels generally over the past 12 months, the Directors believe that the investment attributes and prospects of the Company's Touquoy Gold Project and other Nova Scotia gold interests have only improved. During this period, the gold price in US dollar terms has reached unprecedented highs. The Directors believe that now is an excellent time to invest in the prospect of near-term gold production.

Atlantic's aim is to leverage management's prior successes in the Western Australian goldfields and bring recognised Western Australian gold exploration, resource development and mining techniques to the Nova Scotian goldfields. Atlantic has a well advanced gold project in Nova Scotia which the Directors believe positions the Company to consolidate and take a dominant role in gold production within this region.

The Directors consider that the competitive advantages of Atlantic's open pit Touquoy Gold Project are compelling. These include a low waste: ore ratio, excellent metallurgy, soft ore with no acid rock drainage, close grid power, a local workforce and existing and readily accessible infrastructure. In particular, the grant of environmental assessment approval is a major step forward for the Project. Subject to completion of the feasibility study, finalisation of remaining permits and securing of project financing, Atlantic is scheduled to be pouring first gold within 12 months of commencement of site development. The underlying characteristics of Touquoy make this an attractive and enduring future investment in Nova Scotia's emerging gold mining industry.

The Offer to participate in a renounceable rights issue that is fully underwritten by Patersons Securities allows shareholders an opportunity to progress the above benefits (details of the Underwriting Agreement are set out in section 7.7).

By raising approximately \$3.3 million (before costs and expenses), Atlantic will ensure that it is well resourced to achieve the next important milestones in readiness for full project financing and development being:

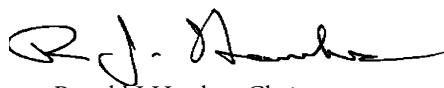
- completion of the final feasibility study and permitting documentation and acquisition of additional surface titles at Touquoy;
- further development of Atlantic's equally promising gold project at Cochrane Hill; and
- satisfaction of other general corporate purposes including the repayment of corporate borrowings and undertaking regional exploration initiatives.

Through these activities, Atlantic's corporate objectives to internally generate cash flow through profitable gold production and to build its regional resource and reserve inventory in Nova Scotia will be optimally progressed. Our exploration successes should continue to extend the Company's projected production life.

While Atlantic remains well supported by its existing loyal shareholders, the Directors consider that it is prudent in this environment to extend the breadth of this shareholder base. In order to achieve that aim, the Directors, who already hold an aggregate 14% interest in the Company expect to participate in the Offer to relatively modest levels. The Directors have not yet finalised their precise level of participation in the Offer.

To apply for New Shares under the Offer, you must complete and return the Entitlement and Acceptance Form accompanying this Prospectus, with payment, no later than 5:00 pm on Friday 1 May 2009 (unless extended).

I invite you to read the Prospectus in its entirety. On behalf of the Board of Atlantic, I commend this Offer to you and encourage your participation. If you have any doubt as to what to do, you should promptly consult your professional adviser.



Ronald J Hawkes, Chairman

15 April 2009

# 1 ANSWERS TO KEY QUESTIONS

QUESTION	ANSWER
<b>What is the Offer?</b>	<p>The Offer to Eligible Shareholders is to subscribe for:</p> <ul style="list-style-type: none"><li>• 1 New Share for every 3 fully paid Shares; and</li><li>• 1 New Share for every 6.7 (approximately) partly paid Shares, held at the Record Date at a price of 4 cents per New Share.</li></ul> <p>Subscribers of New Shares will also receive 1 New Option for every 10 New Shares issued to them.</p>
<b>Who can participate in the Offer?</b>	<p>Only Eligible Shareholders can participate in the Offer. Eligible Shareholders are persons with registered addresses in Australia or New Zealand and who are registered holders of fully paid Shares or partly paid Shares on the Record Date.</p>
<b>How much do I have to pay to participate in the Offer?</b>	<p>The Issue Price for a New Share is 4 cents.</p> <p>No additional amount is payable for a New Option. The exercise price for a New Option is 8 cents per New Option.</p> <p>You may subscribe for all, or part of, your Entitlement, or more than your Entitlement by applying for Additional Shares (however, as set out in section 3.4, any Shortfall will be placed at the discretion of the Directors in consultation with the Underwriter and in accordance with the provisions of the Underwriting Agreement).</p>
<b>What are the terms of the New Shares?</b>	<p>The New Shares issued under the Offer will rank equally with existing fully paid Shares. The rights and liabilities attaching to fully paid Shares (and New Shares) are detailed in section 7.4. A summary of the rights attaching to New Options is set out in section 7.5.</p>
<b>Is the Offer underwritten?</b>	<p>Yes, the Offer is fully underwritten by Patersons Securities Limited. The terms of the Underwriting Agreement are described in section 7.7.</p>
<b>Can the Offer be withdrawn?</b>	<p>Yes. The Directors reserve the right to withdraw the Offer and this Prospectus at any time, subject to the Corporations Act, ASX Listing Rules and other applicable laws.</p> <p>No agreement to issue the New Shares and New Options under this Offer arises until expiry of the Offer Period.</p> <p>If the Offer is withdrawn, Atlantic will refund Application Monies in accordance with the Corporations Act, without any adjustment for interest.</p>
<b>How much will Atlantic raise through the Offer?</b>	<p>Atlantic will raise approximately \$3.3 million (before costs and expenses) under the Offer.</p>

QUESTION

ANSWER

**What is the purpose of the Offer?**

These proceeds will be used for general corporate purposes of Atlantic including but not limited to:

- completion of Atlantic's final feasibility study and permitting documentation for its Touquoy Gold Project;
- acquisition of additional surface rights associated with the Touquoy Gold Project;
- further development of the Cochrane Hill Gold Project;
- follow up of regional exploration targets elsewhere in Nova Scotia; and
- repayment of outstanding corporate borrowings owed by Atlantic.

Refer to section 2.3 for further details.

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**What is my entitlement?**

Your Entitlement as an Eligible Shareholder is set out on your personalised Entitlement and Acceptance Form accompanying this Prospectus.

If you did not receive your personalised Entitlement and Acceptance Form you should call Ms Julie Fidler on +61 (0)2 9929 6633 to find out your Entitlement and be sent your personalised Entitlement and Acceptance Form.

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**What are my options?**

You may either:

- take up all or part of your Entitlement;
  - sell your Rights in full or in part on ASX;
  - transfer all or part of your Rights to another person other than via ASX;
- or
- do nothing and allow your Entitlement to New Shares to lapse and may be taken up by the Underwriter.

You may also apply for Additional Shares in excess of your Entitlement.

Each of these options is further described in section 3.

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**How do I exercise my Rights?**

If you are an Eligible Shareholder, and you wish to subscribe for all or some of the New Shares and New Options making up your Entitlement (and Additional Shares in excess of your Entitlement), you must complete the Entitlement and Acceptance Form accompanying this Prospectus and forward it, with your Application Monies, to:

Renounceable Rights Issue  
Atlantic Gold NL  
Suite 701, 220 Pacific Highway  
Crows Nest NSW 2065.

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QUESTION	ANSWER
<b>Can I sell or transfer my Rights?</b>	<p>Yes, you can sell or transfer some or all of your Rights on ASX. If you wish to do this, you should contact your stockbroker.</p> <p>You may also sell or transfer some or all of your Rights to another person other than on ASX. To do this, you must complete a Renunciation and Acceptance Form (which can be obtained from the Company), and the Entitlement and Acceptance Form.</p> <p>If you do not take up your Entitlement or sell or transfer your Rights, your Entitlement will lapse and form part of the Shortfall to be taken up by the Underwriter. This will result in your shareholding in the Company being diluted.</p> <p>For further details of these options, see sections 3.2 and 3.3.</p>
<b>Is there a cooling off period?</b>	<p>No, there is no cooling off period. As such, in most circumstances, you cannot withdraw an application for New Shares, New Options or Additional Shares once the Entitlement and Acceptance Form or Shortfall Application Form and Application Monies have been received by Atlantic.</p>
<b>What are the risks of investing in Atlantic?</b>	<p>In addition to the general risks applicable to all investments in listed companies (which are further described in section 6), there are specific risks associated with an investment in Atlantic. These risks are discussed in section 6.</p> <p>You should carefully consider these factors in light of your personal circumstances (including financial and taxation issues) and seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest. The New Shares and New Options offered under this Prospectus should be considered as speculative.</p>
<b>What are the tax implications of the Offer?</b>	<p>The Board considers that it is not appropriate to provide advice regarding the taxation consequences of subscribing for New Shares and New Options under this Prospectus in any tax jurisdiction. Accordingly, shareholders should seek tax advice specific to their individual circumstances.</p>
<b>How can I obtain further information?</b>	<p>Atlantic encourages you to seek advice from your financial or other professional adviser. Enquiries concerning the Entitlement and Acceptance Form or Renunciation and Acceptance Form or this Prospectus should be directed to <a href="mailto:enquiries@atlanticgold.com.au">enquiries@atlanticgold.com.au</a> or to Julie Fidler on +61 (0)2 9929 6633.</p>

## 2 DETAILS OF THIS OFFER

### 2.1 This Offer

Atlantic is making a pro rata renounceable Offer of New Shares on the basis of:

- 1 New Share for every 3 fully paid Shares held; and
- 1 New Share for every 6.7 (approximately) partly paid Shares held,

at a price of 4 cents per New Share to holders of fully paid Shares or partly paid Shares (as relevant) who were registered as at 5:00 pm on the Record Date.

Subscribers will also receive 1 New Option for every 10 New Shares subscribed for. The New Options will expire on 31 January 2011 and have an exercise price of 8 cents per New Option.

The number of New Shares and New Options that you are entitled to (that is, your Entitlement and the number of Rights you have) is shown on the Entitlement and Acceptance Form.

The number of New Shares to which partly paid Shareholders are entitled is proportionate to the amount paid up on the partly paid Shares, being 9 cents of the 20 cents required to be paid.

Rights are renounceable, which means that Eligible Shareholders who do not wish to take up all or part of their Entitlement may choose to sell or transfer their Rights. Information on how Rights may be sold or transferred is set out in sections 3.2 and 3.3. If you do not take up all your Rights, your shareholding will be diluted.

### 2.2 Underwriting

The Rights Issue is fully underwritten by Patersons Securities Limited (**Underwriter**). Pursuant to the Underwriting Agreement, the Company will pay the Underwriter a corporate advisory fee of \$60,000 and underwriting fees equal to 5% of the underwritten amount of \$3,317,603 (being \$165,880).

In addition, the Company will issue 15 million Options to the Underwriter or its nominee(s) on the same terms and conditions as the New Options. A summary of the material terms of the Underwriting Agreement, including rights of termination, is set out in section 7.7.

The amounts listed above are exclusive of GST.

### 2.3 Use of the proceeds of Offer

The funds raised pursuant to the Offer will be used for general corporate purposes of Atlantic including but not limited to:

- completion of Atlantic's final feasibility study and permitting documentation for its Touquoy Gold Project;
- acquisition of additional surface rights associated with the Touquoy Gold Project;
- further development of the Cochrane Hill Gold Project
- follow up of regional exploration targets elsewhere in Nova Scotia; and
- repayment of outstanding corporate borrowings owed by Atlantic.

## **2.4 Your Entitlement**

Your Entitlement, that is, the number of Rights you have (or, the number of New Shares and New Options to which you are entitled) is shown on the Entitlement and Acceptance Form accompanying this Prospectus. Fractional entitlements to New Shares and New Options will be rounded up to the nearest whole number.

The Record Date for the purpose of the Offer is 5:00 pm on 9 April 2009. Persons with registered addresses in Australia or New Zealand, who are registered as the holders of Shares on the Record Date, will be entitled to participate in the Offer. You may apply for Additional Shares in excess of your Entitlement, however there is no guarantee that you will be issued those Additional Shares.

Your options in relation to how you can deal with your Entitlement are more fully set out in section 3.

## **2.5 Closing date**

The Company will accept applications until 5:00 pm on 1 May 2009 or such other date as the Directors in their absolute discretion may determine subject to the requirements of the ASX Listing Rules and the consent of the Underwriter (if required).

## **2.6 Total number of New Shares and New Options to be issued**

The total number of New Shares and New Options to be issued pursuant to this Offer will be approximately 82.9 million and 23.3 million respectively (the exact numbers will depend on rounding-up of individual holdings).

The gross proceeds (before costs and expenses) of this Offer will be approximately \$3.3 million. The costs and expenses of the Offer are expected to be approximately \$350,880 exclusive of GST.

## **2.7 Issue of New Shares and New Options**

Atlantic expects to issue the New Shares and New Options on or before 11 May 2009. No issue of New Shares and New Options will be made unless permission is granted for quotation of the New Shares and New Options on ASX (refer to section 2.9 for further details).

Application Monies will be held in trust for applicants in a subscription account until New Shares and New Options are allotted to such applicants. Interest earned on Application Monies will be for the benefit of Atlantic and will be retained by Atlantic irrespective of whether New Shares or New Options are issued.

## **2.8 Withdrawal of Rights Issue**

The Company, in consultation with the Underwriter, reserves the right not to proceed with the Rights Issue at any time before the issue of the New Shares (and attaching New Options) to Eligible Shareholders. If the Rights Issue does not proceed, the Company will return all Application Monies as soon as practicable after giving notice of its withdrawal, without interest.

## **2.9 ASX quotation**

Atlantic applied for admission of the New Shares and New Options to quotation on ASX within 7 days after the date of the Original Prospectus. ASX advised Atlantic on 2 April 2009 that Official Quotation will be granted subject to completion of the allotment and issue of the New Shares and New Options and provision of certain information to ASX on the Despatch Date (currently 11 May 2009). If ASX does not grant Official Quotation of the New Shares and New Options within 3 months after the date of this Prospectus, Atlantic will not issue any New Shares or New Options and will repay all Application Monies within the time prescribed under the Corporations Act, without interest.

## 2.10 Ranking

The New Shares will rank equally with existing Shares from the time they are issued. A summary of the rights attaching to the New Shares (and existing Shares) is set out in section 7.4.

A summary of the rights attaching to the New Options is set out in section 7.5. The New Options will constitute a new class of securities in Atlantic.

## 2.11 Rights trading

Rights are renounceable, which means that Eligible Shareholders who do not wish to take up all or part of their Entitlement may choose to sell their Rights on ASX. Information on how Rights may be sold on ASX is set out in section 3.2.

You may also transfer all or some of your Rights to another person other than on ASX. Details of how you may effect this transfer are found in section 3.3. Any portion of your Entitlement that you decide not to accept and that you do not trade, will lapse and become part of the Shortfall.

Rights trading commenced on ASX on 3 April 2009 and is scheduled to cease on 24 April 2009.

## 2.12 Market prices of Shares

The lowest and highest market sale prices of Shares on ASX during the 3 months prior to the request for a trading halt on Monday 23 March 2009, and the respective dates of those sales, were:

- highest price was 7.9 cents on 2 February 2009; and
- lowest price was 5.0 cents on 21 January 2009.

The last sale price for Shares on ASX immediately prior to the request for a trading halt on Monday 23 March 2009 was 7.0 cents.

The last sale price for Shares on ASX immediately prior to the date the Rights Issue was announced to ASX was 5.0 cents. The last sale price for Shares on ASX immediately prior to the date of this Prospectus was 4.6 cents.

## 2.13 Ineligible Shareholders

This Prospectus contains an Offer to Eligible Shareholders with a registered address in Australia or New Zealand. This Offer is not extended to, and no New Shares or New Options are offered or will be issued to, persons with registered addresses outside of Australia and New Zealand.

Shareholders with a registered address in Australia or New Zealand who hold Shares on the Record Date on behalf of persons who are not resident in Australia or New Zealand are responsible for ensuring that taking up the New Shares and New Options under the Offer does not breach securities law in the relevant overseas jurisdictions. Return of a duly completed Entitlement and Acceptance Form will be taken by Atlantic to constitute a representation that there has been no breach of such laws.

### Nominee to sell Rights of Ineligible Shareholders

The Company has appointed the Underwriter, on normal commercial terms, as nominee to sell the Ineligible Shareholders' Rights (Nominee).

The Nominee will only sell the Ineligible Shareholders' Rights if there is a viable market for the Rights and a premium over the expenses of the sale can be obtained. Any such sale will be at a price and in a manner that the Nominee will determine in its absolute discretion. The ability to sell the Ineligible Shareholders' Rights and the price obtained will be dependent, amongst other things, on market conditions. The proceeds of the sale (in Australian dollars) will be distributed to the Ineligible Shareholders for whose benefits the Rights have been sold in proportion to their shareholdings as at the Record Date (after deducting the costs of the sale and the costs of distributing the proceeds).

There is no guarantee that the Nominee will be able to sell Ineligible Shareholders' Rights on ASX and Ineligible Shareholders may receive no value for the Rights. Both the Company and the Nominee take no responsibility for the outcome of the sale of Ineligible Shareholders' Rights or the failure to sell such Rights.

If there is no viable market for the Ineligible Shareholders' Rights, their Rights will be allowed to lapse and become part of the Shortfall.

### **2.14 Taxation implications**

The Board considers that it is not appropriate to provide advice regarding the taxation consequences of subscribing for New Shares and New Options under this Prospectus in any tax jurisdiction. Atlantic recommends that Eligible Shareholders consult their own independent accountant, legal adviser or other professional adviser regarding the taxation treatment of subscribing for and disposing of New Shares and New Options under this Rights Issue. Atlantic and its officers and advisers do not accept any responsibility or liability for any taxation consequences of Eligible Shareholders subscribing for and disposing of New Shares and New Options.

### **2.15 Entitlement and Acceptance Form is binding**

A completed and lodged Entitlement and Acceptance Form or Shortfall Application Form, together with the Application Monies for the number of New Shares and New Options applied for, cannot be withdrawn and constitutes a binding application for the number of New Shares, New Options and Additional Shares (if any) specified in the Entitlement and Acceptance Form or Shortfall Application Form on the terms set out in this Prospectus. The Entitlement and Acceptance Form or Shortfall Application Form does not need to be signed to be binding.

Atlantic will not process applications until the expiry of the Offer Period and no agreement to issue the New Shares or New Options arises until the expiry of the Offer Period. No preference will be conferred on applications on the basis of when those applications were received in the Offer Period.

If an Entitlement and Acceptance Form or Shortfall Application Form is not completed correctly, Atlantic in its absolute discretion can reject it or treat it as valid. Atlantic's decision as to whether to accept or reject an Entitlement and Acceptance Form or Shortfall Application Form or how to construe, amend or complete it, is final.

### **2.16 Enquiries**

Enquiries concerning the Entitlement and Acceptance Form or Shortfall Application Form should be directed to the Company at [enquiries@atlanticgold.com.au](mailto:enquiries@atlanticgold.com.au) or to Ms Julie Fidler on +61 (0)2 9929 6633 or your stockbroker or professional adviser.



## **3 YOUR OPTIONS UNDER THE RIGHTS ISSUE**

Your Entitlement is shown on the accompanying Entitlement and Acceptance Form. Before taking any action in relation to the Offer, you should read this Prospectus in its entirety, and seek professional advice from your accountant, stockbroker, lawyer or other professional adviser.

You may:

- take up all or part of your Entitlement;
- sell your Rights in full or in part on ASX;
- transfer all or part of your Rights to another person other than via ASX;
- take up all of your Entitlement and apply for Additional Shares; or
- do nothing and allow all of your Entitlement to New Shares and New Options to lapse and form part of the Shortfall.

### **3.1 Take up all or part of your Entitlement**

If you wish to take up all or part of your Entitlement:

- complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on the form, specifying the amount of your Entitlement you wish to take up; and
- ensure your application and Application Monies are received by the Company, no later than 1 May 2009, at:

Renounceable Rights Issue  
Atlantic Gold NL  
Suite 701, 220 Pacific Highway  
Crows Nest NSW 2065

### **3.2 Sell your Rights in full or part on ASX**

If you are an Eligible Shareholder and wish to sell some or all of your Rights on ASX, please contact your stockbroker as soon as possible.

Rights trading commenced on ASX on 3 April 2009. Rights trading on ASX is scheduled to close at, and all trading of Rights must be effected by, 4:00 pm on 24 April 2009.

### **3.3 Transfer all or part of your Rights to another person other than on ASX**

If you are an Eligible Shareholder and wish to transfer all or part of your Entitlement to a person other than by trading on ASX, you must complete and forward:

- 1) a Renunciation and Acceptance Form (obtainable from the Company);
- 2) your Entitlement and Acceptance Form; and
- 3) the transferee's cheque or bank draft for the Application Monies, to the Company at:

Renounceable Rights Issue  
Atlantic Gold NL  
Suite 701, 220 Pacific Highway  
Crows Nest NSW 2065

by 5:00 pm on the Closing Date. (The Closing Date is currently 1 May 2009, but Atlantic reserves the right to extend the Offer.)

You may transfer all or part of your Entitlement to another person in this manner.

If you are an Eligible Shareholder on the CHESSE sub-register, you must contact your sponsoring broker to effect the transfer. Atlantic is unable to transfer Rights either to or from a CHESSE holding.

If Atlantic receives both a completed Renunciation and Acceptance Form and a completed Entitlement and Acceptance Form in favour of the same Shareholder in respect of the same Rights, the Renunciation and Acceptance Form will be given effect in priority to the acceptance.

### **3.4 Apply for Additional Shares**

If you wish to apply for Additional Shares, follow the instructions in section 3.1 and specify the total amount of New Shares you wish to apply for (including the Additional Shares). You must provide the Application Money for the full amount of New Shares you apply for. Applications for Additional Shares may be satisfied out of the Shortfall.

As permitted by the ASX Listing Rules, the Directors reserve the right to issue the Shortfall at their discretion in consultation with the Underwriter and in accordance with the provisions of the Underwriting Agreement. Accordingly, neither the Company nor the Underwriter guarantees that you will receive Additional Shares you apply for in excess of your Entitlement. The Underwriter may, after consultation with the Company, direct the Company to reject, in whole or in part, any application for Additional Shares. Any offer of the Shortfall is made on the basis of this Prospectus.

If you do not receive any or all of the Additional Shares you applied for, any excess Application Monies will be returned to you (without interest).

Directors may not apply for Additional Shares.

### **3.5 Do nothing**

If you do nothing, your Entitlement will lapse and the New Shares and New Options which represent your Entitlement will form part of the Shortfall and may be taken up by the Underwriter, in accordance with the Underwriting Agreement detailed in section 7.7. Although you will continue to own the same number of Shares in Atlantic, your percentage shareholding in Atlantic will be diluted. Please carefully read this Prospectus in its entirety before making your decision.

### **3.6 Form of payment**

Payments of Application Monies will only be accepted in Australian currency and may only be made by one of the following methods:


- Bank cheque drawn on and redeemable at any Australian bank; or
- Personal cheque drawn on and redeemable at any Australian bank. Eligible Shareholders must ensure there are sufficient funds in the account on which the personal cheque is drawn so that the cheque clears in favour of Atlantic when it is first presented for payment.

Cheques or bank cheques should be made payable to “Atlantic Gold NL – Rights Issue” and crossed “Not Negotiable”. Shareholders are asked not to forward cash. Receipts for payment will not be provided.

### **3.7 Entitlement and Acceptance Form/ Shortfall Application Form**

Returning a completed Entitlement and Acceptance Form or Shortfall Application Form will be taken to constitute a representation by the Eligible Shareholder or applicant (as the case may be) that they:

- have received a printed copy of this Prospectus (and any supplementary or replacement document) accompanying the Entitlement and Acceptance Form or Shortfall Application Form and have read them all in full;
- declare that all details and statements in the Entitlement and Acceptance Form or Shortfall Application Form are complete and accurate;
- acknowledge that once the Entitlement and Acceptance Form or Shortfall Application Form is returned it may not be withdrawn;
- agree to being issued the number of New Shares and New Options they applied for (or a lower number issued in a way described in the Prospectus);

- 
- authorise Atlantic and the Underwriter, and their officers and agents, to do anything on their behalf necessary for New Shares and New Options to be issued to the applicant, including to act on instructions received by Atlantic using any contact details in the Entitlement and Acceptance Form or Shortfall Application Form; and
  - make the representations, warranties and agreements (if any) set out in the Prospectus or the Entitlement and Acceptance Form or Shortfall Application Form.

## 4 OVERVIEW OF ATLANTIC

### 4.1 Background

The Company was incorporated on 17 November 1993 and was listed as Diamond Ventures NL on ASX on 29 March 1994. In January 1999, control of the Company passed to the present management interests and since that time corporate focus has been directed to exploration for gold with the objective of increasing shareholder value through the discovery of gold reserves and the establishment of profitable mining operations. With this objective developing momentum in Atlantic, Canada, the company name was changed to Atlantic Gold NL in June 2005.

In May 2003, Atlantic acquired an option to earn a controlling interest in the Touquoy Gold Project located 100km from Halifax, Nova Scotia, Canada. By the end of 2005, Atlantic had acquired 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.

With the conclusion of an option agreement with Scorpio Mining Corporation in respect of the Cochrane Hill advanced exploration property, Atlantic now has control over more than 1.2 million resource ounces (more than 720,000 ounces on a nominal equity basis) of contained gold resources located within an 80 km radius of the proposed Touquoy Gold Project processing plant.

Subject to receipt of the required approvals to mine from the Nova Scotia Government, the provision of appropriate project funding and the accommodation of those risks identified in section 6, Atlantic anticipates that the Touquoy Gold Project processing plant will be operational at full capacity near the middle of 2010.

### 4.2 Atlantic's strategy

Atlantic's immediate strategic business objectives are to:

- develop a profitable mining operation at the Touquoy Gold Project site located 100 kilometres from Halifax in Nova Scotia, Canada;
- upgrade gold resources and develop reserves at the Cochrane Hill advanced exploration property; and
- continue to build a valuable asset base of gold mining and exploration properties in the region through exploration activities and acquisition opportunities which may become available from time to time.

The key to Atlantic's growth lies in its ability to develop the Touquoy and Cochrane Hill Gold Projects into profitable and sustainable mining operations. Additionally, growth will also come from identifying, discovering, acquiring and developing attractive resources within the Nova Scotia gold province and beyond to a level where Atlantic has a strong and stable operating cash flow and profitability through environmentally sustainable mining operations.

If Atlantic meets its short-term goals it will have:

- concluded a final feasibility study that will provide a basis for the raising of funds required to develop the Touquoy Gold Project into an operational gold mine;
- received all remaining permits needed to develop the Touquoy Gold Project and construct the only substantial gold processing plant in Atlantic, Canada; and
- increased its resource inventories, including those at Cochrane Hill Gold Project, within an economically strategic distance of the Touquoy Gold Project.

### 4.3 Use of funds

The Offer seeks to raise approximately \$3.3 million before costs and expenses. These funds will be used for general corporate purposes of Atlantic including but not limited to:

- completion of Atlantic's final feasibility study and permitting documentation for its Touquoy Gold Project;
- acquisition of additional surface rights associated with the Touquoy Gold Project;
- further development of the Cochrane Hill Gold Project;
- follow up of regional exploration targets elsewhere in Nova Scotia; and
- repayment of outstanding corporate borrowings owed by Atlantic.

The intended use of the funds raised by the Offer is summarised in the table below.

ESTIMATED APPLICATION OF FUNDS	\$
General corporate purposes including, but not limited to:	2,966,723
• the completion of the feasibility study and permitting documentation for the Touquoy Gold Project;	
• the acquisition of additional land surface rights associated with the Touquoy Gold Project;	
• the further development of the Cochrane Hill Gold Project; and	
• follow up of regional exploration targets elsewhere in Nova Scotia; and	
• repay corporate borrowings	
Costs	350,880
<b>Total</b>	<b>3,317,603</b>

The actual amount of expenditure may vary materially from the table above, depending on a number of factors, including (but not limited to) regulatory requirements and developments in the projects. The ultimate use of funds may vary from the activities in the above table at the discretion of the Board, depending on future developments and in order to maximise the commercial value of the Company's project portfolio.

#### **4.4 The Directors**

**Mr Ronald J Hawkes** BSc, FAusIMM, FGAC

Non-Executive Chairman

Ron, a geologist, was appointed to the Atlantic Board in 1999. He was formerly Managing Director of Plutonic Resources Limited and has over 44 years' experience in the mining industry. Plutonic Resources Limited was a highly successful exploration and mining company that grew from modest beginnings in 1985 to be valued at more than \$1 billion when it was taken over by Homestake Mining Company in 1998.

**Mr Wally R Bucknell** BSc(Hons), FAusIMM,

FGAC, MSEG, Executive Director

Wally, also a geologist, was appointed to the Atlantic Board in 1999. He was formerly General Manager – Exploration of Plutonic Resources Limited and has over 40 years' experience in the mining industry. During the 1990s, Plutonic discovered over 11 million resource ounces of gold including the Plutonic Gold mine (over 6 million ounces gold) and Darlot/Centenary Gold mine (over 2 million ounces gold). Wally was awarded the prestigious Prospector of the Year Award in 1999.

**Mr Robert H N Symons** BA LLB(Hons)

Non-Executive Director

Robert was appointed to the Atlantic Board in 2005. He is General Counsel and Practice Director and a former partner of the law firm Deacons and has extensive experience in many aspects of corporate and commercial legal practice with particular expertise in resources, energy and infrastructure.

## 5 EFFECT OF THE OFFER ON ATLANTIC

### 5.1 Structure of Capital Raising and effect of Offer on Atlantic

The capital raising will consist of the Offer of approximately 82,940,080 New Shares at 4 cents per New Share for a total cash consideration of approximately \$3.3 million. The Company will also issue approximately 8,294,008 New Options to subscribers for New Shares and 15 million Options to the Underwriter (as detailed in section 7.7).

As at the date of this Prospectus, Atlantic has 235,191,385 fully paid Shares, 30,286,342 partly paid shares and 36,171,890 Options on issue.

After the successful conclusion of the Offer, Atlantic will have approximately 318,131,465 fully paid Shares, 30,286,342 partly paid Shares and approximately 59,465,898 Options on issue.<sup>3</sup>

The following table shows the current capital structure position and post-Offer capital structure position of Atlantic:

	CURRENT CAPITAL STRUCTURE	ISSUED DUE TO OFFER	CAPITAL STRUCTURE POST-OFFER
Shares	235,191,385	82,940,080	318,131,465
Partly paid ordinary shares	30,286,342 *		30,286,342
Options – Expire 30 Oct 2009 @ \$0.18	21,721,890		21,721,890
Options – Expire 27 Dec 2009 @ \$0.15	7,500,000		7,500,000
Options – Expire 22 Aug 2010 @ \$0.15	4,550,000		4,550,000
Options – Expire 14 Oct 2010 @ \$0.15	400,000		400,000
Options – Expire 31 Jan 2011 @ \$0.08		23,294,008 ^	23,294,008
Options – Expire 28 Aug 2012 @ \$0.155	2,000,000		2,000,000

Note: The figures in this table are subject to the individual rounding of entitlements under the Rights Issue, and the exercise of options prior to the Record Date.

\* These are 20 cent Shares of which 9 cents is currently paid up.

^ Includes 15 million Options to be issued to the Underwriter as detailed in section 7.7.

Subject to the terms of his engagement, a consultant to Atlantic is entitled to be issued 400,000 Options at 15 cents per Option exercisable by 14 October 2012.

Note that the exercise price specified above was the exercise price at the time the Options were issued. As permitted by ASX Listing Rule 6.22, the exercise price of some of these Options (including the 400,000 Options to be issued to a consultant to Atlantic) may be reduced having regard to the dilutionary impact of pro-rata issues, including the Offer. Previous capital raisings have not impacted on the exercise price of the Options.

### 5.2 Pro-forma Unaudited Consolidated Balance Sheet

The pro-forma unaudited consolidated balance sheet of Atlantic set out below has been prepared to illustrate the financial position of Atlantic following completion of the Offer. This pro-forma unaudited consolidated balance sheet is intended to be illustrative only and will not necessarily reflect the actual position and balances as at the date of this Prospectus or at the conclusion of the Offer.

Pro-forma post-capital raising balance sheet assuming a 100% subscription based on reported full year results follows:

<sup>3</sup> Refer to section 7.8 in respect of additional Shares and New Options to be issued on 3 June 2009

## 5 Effect of the Offer on Atlantic **continued**

	CONSOLIDATED 31 DEC 2008 \$	100% SUBSCRIBED \$	UNAUDITED PRO FORMA \$
<b>Current assets</b>			
Cash and cash equivalents	339,079	3,317,603	3,656,682
Trade and other receivables	167,376	–	167,376
Other current assets	77,539	–	77,539
<b>Total current assets</b>	<b>583,994</b>	<b>3,317,603</b>	<b>3,901,597</b>
<b>Non-current assets</b>			
Other financial assets	11,880	–	11,880
Property, plant and equipment	549,770	–	549,770
Exploration and evaluation expenditure	12,363,872	–	12,363,872
<b>Total non-current assets</b>	<b>12,925,522</b>	<b>–</b>	<b>12,925,522</b>
<b>TOTAL ASSETS</b>	<b>13,509,516</b>	<b>3,317,603</b>	<b>16,827,119</b>
<b>Current liabilities</b>			
Trade and other payables	160,494	–	160,494
Loan and borrowings	67,222	–	67,222
Employee benefits	43,500	–	43,500
<b>Total current liabilities</b>	<b>271,216</b>	<b>–</b>	<b>271,216</b>
<b>Non-current liabilities</b>			
Loan and borrowings	382,778	–	382,778
Employee benefits	69,300	–	69,300
<b>Total non-current liabilities</b>	<b>452,078</b>	<b>–</b>	<b>452,078</b>
<b>TOTAL LIABILITIES</b>	<b>723,294</b>	<b>–</b>	<b>723,294</b>
<b>NET ASSETS</b>	<b>12,786,222</b>	<b>3,317,603</b>	<b>16,103,825</b>
<b>Equity</b>			
Issued capital	32,465,237	3,317,603	35,782,840
Reserves	890,889	–	890,889
Accumulated losses	(20,569,904)	–	(20,569,904)
<b>TOTAL EQUITY</b>	<b>12,786,222</b>	<b>3,317,603</b>	<b>16,103,825</b>

Pro-forma adjustments underlying the pro forma balance sheet are:

- Gross proceeds to be raised from the Rights Issue total \$3.3 million.
- The Application Monies received have been recorded as cash and cash equivalents.
- The cost of the Offer will be treated as reduction in Atlantic's issued capital.



## 6 RISK FACTORS

### 6.1 Introduction

There are a number of risk factors which could adversely impact Atlantic's performance and the value of its Shares. Eligible Shareholders should consider these risk factors and should consult their stockbroker, accountant, lawyer or other professional adviser before deciding whether to subscribe for New Shares and New Options under the Offer.

The following is not an exhaustive summary, but points to some of the risks that are peculiar to a company involved in mining and exploration. Any one or a combination of such risks could affect the Company adversely and thus the value of any investment in the Company. The Board is unable to speculate as to the extent of such adversity, and thus an investment in the Company should be regarded as speculative.

### 6.2 General risk factors

#### Economic conditions

The performance of Atlantic may be significantly affected by changes in economic conditions, and particularly conditions which affect the mining sector. Profitability of the business may be affected by factors such as market conditions, interest rates, inflation and global gold prices.

#### Geo-political factors

Atlantic may be affected by the impact that geo-political factors have on the various world economies, in particular the Australian and the Canadian economies or on financial markets and investments generally or specifically.

#### Australian and foreign government policies & legislation

Atlantic may be affected by changes to government policies and legislation (in Australia, Canada and other foreign jurisdictions) including those relating to property, the environment, superannuation, taxation, the regulation of trade practices and competition, government grants and incentive schemes.

The Company's activities are subject to many regulations and approvals including mining and environmental regulations.

#### Share market conditions

Atlantic, being a company listed on ASX, is subject to the market forces that influence the broad share market trends and the price of securities of individual companies. Recent global political and economic events, including the continuing terrorist threats and the global financial crisis, may cause share price fluctuations in the Australian share market and globally. Accordingly, assuming that the New Shares are granted Official Quotation on ASX, they may trade on ASX at higher or lower prices than the Issue Price.

#### War

Anywhere in the world there could be an outbreak of hostilities in a particular region. There could be a resultant material adverse effect on the business, financial condition and financial performance of the Company.

#### Competition risk

The structure of the markets in which the Company operates may alter or new competitors may enter some or all of those markets, resulting in increased competition. Increased competition may result in lower prices, operating margins and profit for the Company.

### **Operational risks**

Other risk factors include those normally found in conducting business, including litigation resulting from the breach of agreements or in relation to employees or contractors (through personal injuries, industrial matters or otherwise) or any other cause, including strikes, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may interfere with the business or trade of Atlantic.

### **6.3 Specific risk factors**

In addition to the above, there are a number of specific risks concerning Atlantic of which potential investors should be aware. The following is not an exhaustive summary, but points to some of the risks that are specific to Atlantic. Any one or a combination of such risks could affect Atlantic adversely and thus the value of any investment in Atlantic.

Like other companies at a similar stage of development, the Company faces a number of risks, both general and project-specific, including, but not limited, to the risks set out below.

#### **Capital of the business**

If unexpected events and consequent losses deplete the capital of Atlantic, there can be no assurance that the capital markets will provide the capital and/or debt funds necessary to sustain Atlantic.

#### **Taxation risks**

Atlantic seeks to comply with all taxation laws and seeks professional advice on its taxation compliance programme. Nevertheless, the complexity of taxation laws creates a risk for Atlantic.

### **Exploration and mining risks**

Mineral exploration is a highly speculative activity. There are risks involved in the development of ore bodies and the production of minerals. Factors such as sample representivity, continuity of mineralisation, evaluation techniques utilised for the estimation of mineral resources and ore reserves may impact on the accuracy of the estimation and on production forecasts and costs. Production levels and costs can also be adversely affected by factors beyond the control of management.

The Company has not managed a mining operation in Canada. However, two of the Directors have considerable experience in planning and managing exploration activities in Canada. The Company will also use its extensive Australian mining experience and its network of well respected consultants and contacts, together with Canadian professional expertise to assist in making commercial judgements in respect of its Canadian activities.

#### **Market conditions**

The ability of the Company to benefit from the production of minerals, the acquisition or divestment of mineral properties, and investments in or mergers with resource companies may depend, to some extent, on market factors. Most of the Company's revenues will be derived from the sale of gold. As a consequence, the Company's earnings and cash flows will be affected by changes in the price of gold. World market prices for gold and metals are subject to many variables and may fluctuate substantially.

The factors that will influence the price of gold include, but are not limited to, supply and demand, forward selling, general world economic and political conditions and the outlook for interest rates, exchange rates, inflation and other commodity prices. These factors may have an adverse affect on the Company's exploration, development and production activities as well as its ability to fund those activities.

### **Legislative amendments**

There may be changes to the Income Tax Assessment Act, Corporations Act or other legislation or government policy in Australia or overseas, which may be detrimental to participants or investors in the resources industry.

### **Native title**

It is possible that there may exist on tenements in which the Company has an interest, or may acquire an interest, a form of native title which could result in exploration/mining restrictions and/or claims for compensation.

### **Touquoy Gold Project**

Development of the Touquoy Project is dependent upon the necessary approvals being obtained from the Nova Scotia Government and the economics of the Touquoy Gold Project.

As at the date of this Prospectus, Atlantic has submitted its formal applications for Industrial Approval and a Mining Lease. Industrial Approval is conditional upon access to all surface titles and grant of the Mining Lease will be subject to posting of a reclamation bond. Receipt of Industrial Approval and granting of the Mining Lease will complete the remaining regulatory permission necessary to commence site development.

As reported in the December 2008 quarterly report, acquisition of certain surface rights of land is required and is one of the purposes of this fundraising. The application for Industrial Approval submitted in mid-July remains under review and that approval is subject to the Company's establishment of ownership or access rights to all surface titles at the site and submission additional technical data.

The application for a Mining Lease also continues to be reviewed with a formal request for further details pertaining to resource estimation, pit design and reclamation plan having been made. The granting of the Mining Lease is subject to lodgement of a reclamation bond, the amount of which is yet to be advised.

Until these approvals are obtained and certain surface land titles acquired, then full development of the Touquoy Gold Project will not be able to proceed. If there are significant delays in obtaining the required approvals then these delays may adversely impact the economics of the project and Atlantic's ability to successfully complete further fundraising. Delays in gaining the required approvals increase the risk of a change in the general risk factors, in particular the economic outlook, which may adversely impact the economics of the Touquoy Gold Project.

If there are significant adverse movements in economic factors such as the gold price and/or interest rates the economic viability of the Touquoy Gold Project may be adversely impacted, and development of the Touquoy Gold Project may be delayed or not be able to proceed.

### **Financial risks**

The Company may seek to acquire further assets and businesses, and form strategic alliances, to develop its projects. The ability of the Company to develop the Touquoy Gold Project will depend in part on its ability to raise funds (including under this Offer) or to secure appropriate funding arrangements or both. Various avenues to finance Atlantic's current and longer term needs are being explored. However, no assurances can be given that such funding will be available, or that it will be available on terms acceptable, to the Company. This may adversely affect the Company.

**Atlantic's ability to continue as a going concern**

Atlantic is a gold exploration company looking to bring its Touquoy Gold Project into near term production and develop a profitable mining operation. Like other mining companies at this similar stage of evolution, the Company must raise additional capital, when required, in order to continue with its normal activities of developing, maintaining and sustaining its assets and to continue as a going concern. As highlighted in the Company's 30 June 2008 half yearly financial statements and its 31 December 2008 full-year audited financial statements, should the Company not be able to raise funds through capital raisings, including this Offer, or complete future asset exploitation arrangements such as farm out(s), joint venture(s) or sale(s), there is uncertainty as to whether the Company can continue as a going concern. If Atlantic is unable to continue as a going concern, it may be required to make adjustments relating to the recoverability and classification of recorded asset amounts and classifications of liabilities in order to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in its financial statements.

**Key employee risks**

The future success of the Company may depend in part on its continued access to highly qualified scientific, technical and managerial personnel. Competition for such staff is intense. Further, much of the intellectual property and developed know-how resides in the Company's staff or those under contract. The loss of key staff could have a material adverse effect on the Company. While the Company seeks to ensure that the services of key personnel are retained, no assurances can be given that the Company will continue to retain and attract the key staff required by the business.

**Risks related to investment in resources**

Exploration and/or development of resources generally are subject to high levels of risk. Commodities are subject to high levels of volatility in price and demand.

**Discovery risks**

Any discovery of minerals may not be commercially viable or recoverable.

**Climatic risks**

The risk of adverse weather conditions may affect production and exploration.

**Environmental risks**

National and local environmental laws and regulations in Canada set various standards regulating certain aspects of health and environmental quality, provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to remediate current and former facilities and locations where operations are or were conducted. The Company will minimise the potential impact of these laws and regulations by taking steps to ensure compliance occurs and, where possible, by carrying appropriate insurance.

Following cessation of production from operations, the Company may be required to participate in clean-up programs resulting from any contamination from operations in which it participates, removing disused plant and equipment and, where necessary, restoring land that has been disturbed in the course of operations. The cost of that clean-up may be considerable if operations result in significant environmental liabilities being incurred beyond what the Company would normally be required to provide in the form of a reclamation bond.

### **Production risks**

There can be no assurance given that the Company will achieve production from any of its projects. The capacity of the Company to achieve production will depend on a wide range of factors including capital costs and operating costs that may be applicable to the individual projects and the capacity of the Company to fund those costs. If production is achieved then unanticipated problems may increase extraction costs and reduce anticipated recovery rates.

### **Risk as to profitability**

Anticipated or estimated possible production levels may not be achieved, and even if achieved, may not result in the Company being profitable. The ability of the Company to pay dividends will depend on it generating revenue and then deriving sufficient after-tax profits to be able to do so.

### **Dependency on others**

The future success of the Company may be dependent, in part, on the competency of organisations chosen from time to time to be operators of the Company's various projects and on each operator's capacity to manage day-to-day operations. The Company's future growth may also be dependent, in part, upon engagement of management capable of managing and expanding its operations beyond the present projects.

### **Contract risks**

All contracts carry risks associated with the performance by the parties thereto of their obligations as to time and quality of work performed.

### **Currency exchange risks**

Revenue and expenditure in overseas jurisdictions are subject to the risk of fluctuations of international currency exchange markets. Foreign taxes, limitations on repatriation of earnings, compliance with foreign accounting and business laws, and cultural differences also carry a certain amount of risk.

### **Exploration, drilling and geological risks**

The delineation of geological conditions and the definition of mineral resources and ore reserves is a complex process requiring input from many areas of specialisation and a high degree of interpretation of results obtained from exploration programs. Resource estimates are therefore imprecise and may change when new information becomes available.

Whilst the Company proposes to use best industry practices to develop reliable estimates, there remains a risk that when mining commences, geological conditions could vary from those projected. In this case, there is a risk that geological conditions could adversely affect the ongoing operations and, in extreme circumstances, even result in the abandonment of a project.

Shareholders should consider that the investment in the Company is speculative and should consult their professional adviser before deciding whether to take up their entitlement.

## 7 ADDITIONAL INFORMATION

### 7.1 Nature of this Prospectus

This Prospectus is a prospectus to which the special content rules under section 713 of the Corporations Act apply. That section allows the issue of a more concise prospectus in relation to offers of securities in a class that has been continuously quoted by ASX for the three months prior to the date of the prospectus. Apart from certain formal matters, a continuous disclosure prospectus need only contain information relating to the terms and conditions of the offer, the effect of the offer on the body and the rights and liabilities attaching to the securities offered and the underlying securities.

Other general information is not required to be included by a disclosing entity as the periodic reporting and continuous disclosure requirements applicable to disclosing entities mean that all of this information should have previously been released to the market via ASX.

### 7.2 Atlantic's Reporting and Disclosure Obligations

Atlantic is a disclosing entity for the purposes of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. These obligations include compliance with the requirements of the ASX Listing Rules and the Corporations Act concerning notification of information to ASX. Copies of documents lodged at ASIC in relation to Atlantic may be obtained from, or inspected at, an office of ASIC. Copies of announcements made to ASX by Atlantic may be viewed at ASX's website at [www.asx.com.au](http://www.asx.com.au) or Atlantic's website at [www.atlanticgold.com.au](http://www.atlanticgold.com.au).

Atlantic must ensure that ASX is notified continuously of information about specific events and matters as they arise for the purpose of ASX making the information available to investors on ASX.

Atlantic has an obligation under the ASX Listing Rules to notify ASX immediately of any information concerning it of which it becomes aware, which a reasonable person would expect to have a material effect on the price or value of its quoted securities, subject to certain exceptions.

During the application period for this Prospectus, Atlantic will provide a copy of the following documents free of charge to any Shareholder who requests a copy:

- the most recent annual financial report lodged with ASIC;
- any half-year financial report lodged with ASIC after the lodgement of that annual financial report and before lodgement of this Prospectus with ASIC; and
- any continuous disclosure notice given by the Company after the lodgement of that annual financial report and before lodgement of this Prospectus with ASIC.

All requests for copies of the above documents should be made to Ms Julie Fidler, Company Secretary, Atlantic on +61 (0)2 9929 6633.

### 7.3 Documents

The following table provides a list of all of Atlantic's announcements lodged with ASX prior to the date of this Prospectus since the annual financial report was lodged with ASX on 20 March 2009 (copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC):

## List of ASX Announcements

20 March 2009	Full Year Statutory Accounts
20 March 2009	Acadian Mining MOU, Nova Scotia – Golden River option
24 March 2009	Trading Halt
26 March 2009	Suspension from Official Quotation
30 March 2009	Continuation of Voluntary Suspension
31 March 2009	Reinstatement to Official Quotation
31 March 2009	Renounceable Rights Issue
1 April 2009	Renounceable Rights Issue Appendix 3b
1 April 2009	Renounceable Rights Issue Prospectus
1 April 2009	Renounceable Rights Issue Summary and timetable
1 April 2009	Renounceable Rights Issue Advice to securityholders
9 April 2009	Appendix 3b Exercise of option

## 7.4 Rights and liabilities attaching to Shares

The New Shares issued to successful applicants under the Offer will be issued as fully paid and will rank equally with, and have the same rights and liabilities as, existing Shares in all respects.

The rights attaching to Atlantic Shares are set out in the Constitution of Atlantic and are affected by the Corporations Act, the ASX Listing Rules and statute and general law. The following is a summary of key rules in the Constitution of Atlantic.

### ▪ Voting

Subject to any restriction on voting imposed by the ASX Listing Rules or any restriction agreement entered into between Atlantic and a Shareholder, every Shareholder present in person or by proxy, attorney or representative at a meeting of Shareholders has one vote on a show of hands and one vote on a poll for every Share held.

A poll may be demanded by the Chairman of the meeting, five Shareholders entitled to vote on the resolution or Shareholders who together hold at least five percent of the votes that may be cast on the resolution on a poll.

### ▪ General meetings

Each Shareholder is entitled to receive notice of and to attend general meetings of Atlantic and to receive all notices, accounts and other documents required to be sent to Atlantic Shareholders under the Constitution, the Corporations Act or the ASX Listing Rules.

### ▪ Dividends

Where dividends are payable out of Atlantic's profits they will be declared by the Board. Dividends declared will (subject to any special rights or restrictions attaching to a class of Shares created under any arrangement as to dividend) be payable on Atlantic Shares in accordance with the Corporations Act.

### ▪ Transfer of Atlantic Shares

A Shareholder may transfer Shares by a proper transfer effected in accordance with any computerised or electronic system established or recognised by ASX or the Corporations Act for the purpose of facilitating transfers in shares or by an instrument in writing in a form approved by ASX or in any other usual form or in any form approved by the Board. The Board may refuse to register a transfer of Shares where the refusal to register the transfer is permitted under the Constitution, the Corporations Act and the ASX Listing Rules.

▪ **Issue of Shares**

The Board may (subject to the restrictions on the issue of Shares imposed by the Constitution, the ASX Listing Rules or the Corporations Act) issue, grant Options in respect of, or otherwise dispose of further Shares as they see fit.

▪ **Winding up**

Upon a winding up of Atlantic, if the assets available for distribution among the members are insufficient to repay the whole of the paid up capital, such assets shall be distributed in such a way that the losses are to be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up.

If the assets available for distribution among the members are more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed among the members in proportion to the capital paid up or which ought to have been paid up. The distribution of property in this manner is subject to the rights of the holders of Shares issued upon special or preferential terms.

▪ **ASX Listing Rules**

Because Atlantic is listed on the official list of ASX, notwithstanding anything in the Constitution, if the ASX Listing Rules prohibit an act being done, the act must not be done. If the ASX Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done, and if a provision is required in the Constitution by the ASX Listing Rules, the Constitution will be treated as containing that provision. If any provision of the Constitution becomes inconsistent with the ASX Listing Rules, the Constitution will be treated as not containing that provision to the extent of the inconsistency.

## **7.5 Rights and Liabilities attaching to New Options**

The rights and liabilities attaching to New Options offered under this Prospectus arise from a combination of the terms of issue of the New Options, the constitution of the Company, statute and general law.

The New Options offered under this Prospectus will be granted on the terms and conditions set out below:

- Each New Option entitles the holder to subscribe for one fully paid Share in the Company at an exercise price of 8 cents.
- The New Options will expire at 5:00 pm, on 31 January 2011.
- There is no obligation to exercise the New Options.
- As set out in section 2.9, Atlantic applied for admission of the New Options to quotation on ASX within 7 days after the date of the Original Prospectus. ASX advised Atlantic on 2 April 2009 that Official Quotation will be granted subject to completion of the allotment and issue of the New Shares and New Options and provision of certain information to ASX on the Despatch Date (currently 11 May 2009). If ASX does not grant Official Quotation of the New Shares and New Options within 3 months after the date of this Prospectus, Atlantic will not issue any New Options.
- If the Company offers Shares by way of a pro rata issue (except a bonus issue) to the holders of Shares (whether renounceable or non renounceable), the exercise price of a New Option will be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.



- If there is a bonus issue to the holders of Shares in the Company then the number of Shares over which each New Option is exercisable will be increased by the number of Shares which the holder would have received under the bonus issue if the New Option had been exercised before the record date for the bonus issue.
- In the event of any reorganisation (including a consolidation, sub-division, reduction, cancellation or return) of the issued capital of the Company, the rights of the New Option holder will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- New Options do not entitle the holder to:
  - participate in a new issue of Shares or other securities;
  - receive dividends; or
  - attend, or vote at, meetings of the Company, without exercising the New Option.
- To exercise a New Option, the holder must complete and execute a Notice of Exercise of Option in the form that will be forwarded to all New Option holders following the granting of the New Options, and must lodge the completed notice and payment of the exercise price with the Company Secretary at the Company's registered office at any time prior to the expiry date of the New Option.
- Shares issued on exercise of the New Options will be fully paid and will rank equally in all respects with all other fully paid Shares on issue. The rights and liabilities attaching to the Shares issued upon exercise of the New Options are the same as set out in section 7.4.
- The Company will apply for Official Quotation by ASX of the Shares issued upon exercise of the New Options within 10 Business Days of allotment of the Shares.

- Some or all of the New Options may be exercised at any one time or times prior to the expiry date of the New Option provided that (unless all New Options are being exercised) no less than 5,000 New Options are exercised at any one time.
- The Options are freely transferable.

## **7.6 Effect on Options**

As consequence of this Rights Issue, the exercise price of all issued Options may be altered in accordance with their terms of issue and consistent with ASX Listing Rule 6.22.

## **7.7 Underwriting Agreement**

The Company has entered into an underwriting agreement with Patersons Securities Limited (Underwriter) dated 31 March 2009 (Underwriting Agreement) under which the Underwriter has agreed to fully underwrite the Rights Issue.

Under the terms of the Underwriting Agreement, the Underwriter is entitled to:

- a corporate advisory fee of \$60,000;
- underwriting fees equal to 5% of underwritten amount of \$3,317,063 (being \$165,880); and
- 15 million Options on the same terms and conditions as the New Options, to be granted to the Underwriter or its nominee(s).

The amounts listed above are exclusive of GST.

In addition, the Company has agreed to pay, indemnify and keep indemnified the Underwriter for all costs incurred by the Underwriter in connection with the Rights Issue, including legal fees and disbursements and the reasonable costs of travel and accommodation, marketing and communication costs. The Company has given the usual warranties and covenants to the Underwriter expected in an agreement of this nature.

7.7 Underwriting Agreement **continued**

The Underwriter may terminate the Underwriting Agreement and be released from its obligations on the happening of any of the events listed in (a) to (s)(xxiv) below. However, the terms of the Underwriting Agreement provide that the Underwriter will underwrite the first \$1.5 million of the Offer without having available to it the benefit of market related termination clauses, specifically the termination events listed at clauses (a), (b), (c) and (s)(xxiv) below. This means that if the Underwriter terminates the Underwriting Agreement due to the occurrence of a termination event referred to in clauses (a), (b), (c) and (s)(xxiv) below, the Offer will no longer be fully underwritten but will only be underwritten up to \$1.5 million. If the Underwriter terminates the Underwriting Agreement but remains obliged to underwrite the Offer up to \$1.5 million, Atlantic will issue a supplementary or replacement prospectus and further details of the changes to the underwriting will be notified to shareholders through that document.

With regard to events listed under (s) below, before terminating the Underwriting Agreement, the Underwriter must determine reasonably and in good faith, and after consulting the Company, that the event has or would have a material adverse effect on the Offer, or could create a potential liability for the Underwriter under the Corporations Act.

Defined terms in items (a) to (s) below have the same meaning as given to them in the Underwriting Agreement.

- (a) **(Indices fall)**: the All Ordinaries Index (IRESS XAO.ASX) as published by ASX is for 3 consecutive days after the date of the Underwriting Agreement is 10% or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement;
- (b) **(Share Price)**: Atlantic ordinary fully paid shares finish trading on the ASX under the ASX code of "ATV" on any four (4) consecutive days with a closing price that is less than the issue price of the Rights Issue shares;
- (c) **(Gold Price)**: The spot gold price (IRESS SPTGLD.FX) in US Dollars as published by ASX is at any time after the date of the Underwriting Agreement 10% or more below its level as at the close of business on the Business Day prior to the date of execution of the Underwriting Agreement;
- (d) **(Prospectus)**: the Company does not lodge the Prospectus on the Lodgement Date or the Prospectus or the Offer is withdrawn by the Company;
- (e) **(Copies of Prospectus)**: the Company fails to comply with clause 4.1(d) of the Underwriting Agreement and such failure is not remedied within 2 Business Days of being requested to do so by the Underwriter;
- (f) **(No Official Quotation)**: Official Quotation has not been granted by 5 May 2009 or, having been granted, is subsequently withdrawn, withheld or qualified;

- (g) **(Supplementary prospectus):**
- (i) the Underwriter, having elected not to exercise its right to terminate its obligations under Underwriting Agreement as a result of an occurrence as described in (s)(vi) below, forms the view on reasonable grounds that a supplementary or replacement prospectus should be lodged with ASIC for any of the reasons referred to in section 719 of the Corporations Act and the Company fails to lodge a supplementary or replacement prospectus in such form and content and within such time as the Underwriter may reasonably require; or
  - (ii) the Company lodges a supplementary or replacement prospectus without the prior written agreement of the Underwriter; or
- (h) **(Non compliance with disclosure requirements):** it transpires that the Prospectus does not contain all the information required by section 713 of the Corporations Act;
- (i) **(Misleading Prospectus):** it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of section 713 of the Corporations Act) or if any statement in the Prospectus becomes misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive;
- (j) **(Restriction on allotment):** the Company is prevented from allotting the New Shares and/or New Options within the time required by Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi governmental agency or authority;
- (k) **(Withdrawal of consent to Prospectus):** any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent;
- (l) **(ASIC application):** an application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to the Prospectus, the Shortfall Notice Deadline Date has arrived, and that application has not been dismissed or withdrawn;
- (m) **(ASIC hearing):** ASIC gives notice of its intention to hold a hearing under section 739 or any other provision of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to the Prospectus or ASIC makes an interim or final stop order in relation to the Prospectus under section 739 or any other provision of the Corporations Act;
- (n) **(Takeovers Panel):** the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel;
- (o) **(Hostilities):** there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, Canada, India, Pakistan, or the People's Republic of China, Israel or any member of the European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;

7.7 Underwriting Agreement **continued**

- (p) (**Authorisation**): any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter;
- (q) (**Indictable offence**): a director or senior manager of the Company is charged with an indictable offence;
- (r) (**Sub-underwriters**): any of the Company Sub-Underwriters that are introduced by the Company do not comply with its obligations under the sub-underwriting agreements or threaten to not comply with its respective obligations under the sub-underwriting agreements;
- (s) (**Termination Events**): subject to the Underwriter acting as set out above, any of the following events occurs:
  - (i) (**Default**): default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking and the Company does not remedy such default or breach within 5 Business Days after being requested to do so by the Underwriter; or
  - (ii) (**Incorrect or untrue representation**): any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect; or
  - (iii) (**Contravention of constitution or Act**): a contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX; or
  - (iv) (**Adverse change**): an event occurs which gives rise to a Material Adverse Effect or any adverse change or any development including a prospective adverse change after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time; or
  - (v) (**Error in Due Diligence Results**): it transpires that any of the Due Diligence Results or any part of the Verification Material was false, misleading or deceptive or that there was an omission from them; or
  - (vi) (**Significant change**): a "new circumstance" as referred to in section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor; or
  - (vii) (**Public statements**): without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer, the Issue or the Prospectus other than in accordance with the Underwriting Agreement; or
  - (viii) (**Misleading information**): any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the Issue or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive; or
  - (ix) (**Official Quotation qualified**): the Official Quotation is qualified or conditional other than as set out in the definition of "Official Quotation"; or

- (x) (**Change in Act or policy**): there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy; or
- (xi) (**Prescribed Occurrence**): a Prescribed Occurrence occurs other than as disclosed in the Prospectus (when read together with any supplementary prospectus); or
- (xii) (**Suspension of debt payments**): the Company suspends payment of its debts generally; or
- (xiii) (**Event of Insolvency**): an Event of Insolvency occurs in respect of a Relevant Company; or
- (xiv) (**Judgment against a Relevant Company**): a judgment in an amount exceeding \$100,000 is obtained against a Relevant Company and is not set aside or satisfied within 7 days; or
- (xv) (**Litigation**): litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced or threatened against any Relevant Company, other than any claims foreshadowed in the Prospectus (when read together with any supplementary prospectus); or
- (xvi) (**Board and senior management composition**): there is a change in the composition of the Board or a change in the senior management of the Company before Completion without the prior written consent of the Underwriter whose consent shall not be unreasonably withheld; or
- (xvii) (**Change in shareholdings**): there is a material change in the major or controlling shareholdings of a Relevant Company or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company; or
- (xviii) (**Timetable**): there is a delay in any specified date in the Timetable which is greater than 5 Business Days; or
- (xix) (**Force Majeure**): a Force Majeure affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs; or
- (xx) (**Certain resolutions passed**): a Relevant Company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter; or
- (xxi) (**Capital Structure**): any Relevant Company alters its capital structure in any manner not contemplated by the Prospectus (when read together with any supplementary prospectus); or
- (xxii) (**Breach of Material Contracts**): any of the Material Contracts is terminated or substantially modified; or
- (xxiii) (**Investigation**): any person is appointed under any legislation in respect of companies to investigate the affairs of a Related Company; or
- (xxiv) (**Market Conditions**): a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America, Canada or other international financial markets.

### 7.7 Underwriting Agreement **continued**

The Underwriter may acquire a significant voting interest in the Company as a result of the underwriting. The extent of any such voting power will depend on the amount of the Shortfall and whether any of that Shortfall is taken up by any sub-underwriters to the underwriting. If 100% of the New Shares are not taken up under the Offer and none of the Shortfall is taken up by any sub-underwriters, the Underwriter's voting power in the Company will increase to approximately 25%.

### 7.8 3 March 2009 Placement

On 3 March 2009, Atlantic placed 6.8 million fully paid ordinary shares at 5 cents per share to existing Company cornerstone shareholders to raise \$340,000 (Placement). The Placement was made on the basis that if Atlantic raised further capital within the next 3 months on less favourable terms to the Company, additional securities would be issued to the shareholders who participated in the Placement so that as far as practicable the Placement would be on the same terms as any such capital raising.

Accordingly, on 3 June 2009, an additional 1.7 million Shares and 850,000 New Options will be issued to the shareholders who participated in the Placement.

### 7.9 Privacy

Atlantic collects information about each Eligible Shareholder provided on any Entitlement and Acceptance Form and Renunciation and Acceptance Form (if required) or Shortfall Application Form for the purpose of processing applications for New Shares and New Options, transferring Rights and to administer the Eligible Shareholder's or applicant's security holding in Atlantic.

By submitting an Entitlement and Acceptance Form, Renunciation and Acceptance Form or Shortfall Application Form, each Eligible Shareholder (or other person consenting to submitting the relevant form) agrees that Atlantic may use the information provided on those forms for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to Atlantic's share registry, related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and other regulatory authorities.

The Corporations Act requires Atlantic to include information about the security holder (including name, address and details of the securities held) in its public register. The information contained in Atlantic's public registers must remain there even if that person ceases to be a security holder of Atlantic. Information contained in Atlantic's register is also used to facilitate distribution payments and corporate communications (including Atlantic's financial results, annual reports and other information that Atlantic may wish to communicate to its security holders) and compliance by Atlantic with legal and regulatory requirements.

If the information required on an Entitlement and Acceptance Form, Renunciation and Acceptance Form or Shortfall Application Form is not provided, Atlantic may not be able to accept or process the application.

A Shareholder has a right to gain access to the information that Atlantic holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to Atlantic's Company Secretary at Atlantic's registered office.

## 7.10 Disclaimer

The information contained in sections 4 and 5 does not represent any forecast or projection as to the future revenue or profitability of Atlantic. See section 6 regarding risk factors generally in respect of your decision on whether to take part in the Offer.

## 7.11 CHESS and issuer sponsorship

Atlantic participates in CHESS. All trading on ASX in Shares and Option is, and in New Shares and New Options will be, settled through CHESS. ASTC, a wholly-owned subsidiary of ASX, operates CHESS in accordance with the ASX Listing Rules and the ASTC Settlement Rules. The registry operates an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. Both these sub-registers constitute Atlantic's principal register of Shareholders.

Holders of New Shares and New Options will not receive a share certificate but will receive a statement of their holding. If an Eligible Shareholder is sponsored by a broker or other participant in CHESS, that person will receive a CHESS statement which will set out the number of New Shares and New Options issued to them under this Prospectus, provide details of their HIN (holder identification number), and provide the participant identification number of the sponsor.

If applicants are registered on the issuer-sponsored sub-register, their holding statement will contain the number of New Shares and New Options issued to them under this Prospectus and their SRN (security-holder reference number).

A CHESS statement or issuer-sponsored statement will be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time; however, a fee may be incurred for additional statements.

## 7.12 Allotment

New Shares and New Options will be allotted and holdings statements shall be despatched no later than 11 May 2009 to allottees at the address appearing in the register of members or such other address as may be advised by the allottee.

## 7.13 Interests of Directors

Other than as set out below or elsewhere in this Prospectus, no Director or proposed Director of Atlantic, and no firm in which a Director is a partner, holds, or held at any time during the last 2 years before the date of this Prospectus, any interest in the formation or promotion of Atlantic, any property acquired or proposed to be acquired by Atlantic in connection with its formation or promotion or in connection with the Offer.

Other than as set out below or elsewhere in this Prospectus, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any Director or proposed Director of Atlantic in the last 2 years:

- to induce them to become, or to qualify them as, a Director; or
- for services rendered by them in connection with the formation or promotion of Atlantic or in connection with the Offer.

Mr R H N Symons, a director of the Company, is General Counsel and Practice Director and a former partner of the law firm Deacons. In the preparation of this Prospectus, Deacons have provided legal services on normal commercial terms.

The Directors disclose their relevant interests (whether the shareholding is held in their personal name or otherwise) in Shares and in Options, as at the date of this Prospectus as follows.

	EXISTING HOLDINGS	ENTITLEMENT TO NEW SHARES UNDER OFFER	ENTITLEMENT TO NEW OPTIONS UNDER OFFER
<b>Shares</b>			
Directors			
R J Hawkes	25,756,561	8,585,520	858,552
W R Bucknell	5,774,116	1,924,705	192,470
R H N Symons	105,000	35,000	3,500
<b>Partly paid ordinary shares</b>			
Directors			
R J Hawkes	5,750,000	862,500	86,250
W R Bucknell	1,036,860	155,529	15,553
R H N Symons	–	–	–
<b>Options</b>			
Directors			
R J Hawkes	3,711,757	–	–
W R Bucknell	4,596,578	–	–
R H N Symons	110,000	–	–

Note: All of the interests of the Directors set out above are held by the relevant Director or through related entities of the relevant Director.

A company associated with R J Hawkes made a \$50,000 interest-free non-recourse loan to Atlantic on 10 March 2009 pursuant to a loan agreement dated 10 February 2009. Pursuant to his Entitlement under the Offer, R J Hawkes and entities associated with him intend to subscribe for at least \$50,000 worth of New Shares. Payment of the consideration for the New Shares by R J Hawkes and entities associated with him to Atlantic will be by way of setoff against an equivalent amount of the monies owing to a company associated with R J Hawkes by Atlantic.

#### **7.14 Directors' Remuneration**

The Constitution contains provisions as to the remuneration of Directors. The Directors are to be remunerated for their services such sum as the Company in general meeting determines, to be divided among them in such proportion and manner as they agree, or in default of agreement, equally.

The fees paid to Directors for the year ended 31 December 2008 are detailed below.

Director	Salary	Directors' fees	Superannuation	Value of options	Total
	\$	\$	\$	\$	\$
R J Hawkes	–	60,000	5,400	2,559	67,959
R H N Symons	–	30,000	2,700	512	33,212
W R Bucknell	222,500	–	20,025	28,407	270,932



## 7.15 Litigation

The Company is not currently involved in any litigation or arbitration considered to be material in the context of this Prospectus and is not aware of any threatened litigation or pending arbitration against it considered to be material in the context of this Prospectus.

## 7.16 Corporate Borrowings – CRX

In December 2006, CRX Investments Pty Ltd (CRX) loaned Atlantic \$2 million (CRX Loan). Under the loan agreement, CRX was granted 5 million Options each exercisable into one fully paid share of the Company at a strike price of 15 cents expiring on repayment of the loan.

During the 2008 financial year, as consideration for providing an additional \$1 million loan facility (fully drawdown June 2007 and fully repaid November 2007) and for re-negotiating the terms of the original \$2 million loan agreement, CRX was provided with an additional 2.5 million Options at an exercise price of 15 cents per Option such that CRX now has 7.5 million Options with an exercise price of 15 cents per Option expiring on 27 December 2009. \$702,000 of the original \$2 million loan facility was repaid by the issue of 5.4 million shares.

The CRX Loan was amended and restated, with effect from 27 December 2008, whereby CRX elected to convert \$640,456.89 of the outstanding CRX Loan principal into 12,735,043 fully paid Shares. Currently, approximately \$444,000 of the CRX Loan remains outstanding and is due to be repaid in full by 27 January 2010.

The Company wishes to retire this debt in its entirety as soon as commercial priorities permit.

## 7.17 Appointment of Nominee

As set out in section 2.13, the Company has appointed the Underwriter to act as Nominee for Ineligible Shareholders in accordance with section 615 of the Corporations Act. ASIC has approved the Underwriter to act as Nominee under section 615 of the Corporations Act.

The Company will transfer the Rights of the Ineligible Shareholders to the Nominee who will account to the Company for any sale of the Rights. The Company will then dispatch the net proceeds (if any) to each individual Ineligible Shareholder.

## 7.18 Interest of other persons

Atlantic has paid or agreed to pay the following amounts to the following persons in connection with the Offer:

### **Underwriter: Patersons Securities Limited**

Patersons Securities Limited has acted as Lead Manager and Underwriter in relation to the Rights Issue for which it will, pursuant to the Underwriting Agreement, receive a corporate advisory fee of \$60,000 and underwriting fees equal to 5% of underwritten amount of \$3,317,603 (being \$165,880). The Underwriter or its nominee(s) will also receive 15 million Options subject to the same terms and conditions as the New Options the subject of the Offer. The Underwriting Agreement is summarised in section 7.7.

With respect to its appointment as nominee for Ineligible Shareholders, Patersons Securities Limited will charge a fee of \$150.00 or 1% of the value of the sales executed, whichever is the greater. Patersons Securities Limited (and any interests associated with directors of Patersons Securities Limited) does not have any relevant interests in securities in the capital of the Company.

**Deacons**

Fees for professional services undertaken as Australian legal advisers to Atlantic in connection with the Offer and all other associated costs and expenses of the Prospectus and capital raising of approximately \$100,000 as at the date of this Prospectus, including disbursements.

**Various suppliers**

Fees for other services provided including the share registry, printing and mailing, ASIC fees, and ASX fees of approximately \$25,000 in total.

Members and staff of the above companies, firms or their associates may be Eligible Shareholders.

Other than as set out above or elsewhere in this Prospectus, no person named in this Prospectus is performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, and no promoter of Atlantic involved in the Offer holds, or held at any time during the last 2 years before the date of this Prospectus, any interest in the formation or promotion of Atlantic, any property acquired or proposed to be acquired by Atlantic in connection with its formation or promotion or in connection with the Offer, and no amounts have been paid or agreed to be paid and no benefit has been given or agreed to be given to any of these persons for services rendered by them in connection with the formation or promotion of Atlantic or in connection with the Offer.

The amounts listed in this section are exclusive of GST.

**7.19 Expenses of the Offer**

The total costs and expenses of the Offer exclusive of GST payable by the Company are estimated as follows:

Underwriting fees	\$225,880
Legal fees and expenses	\$100,000
Other expenses including share registry services, printing and mailing, and ASX quotation fees	\$ 25,000
<b>Total</b>	<b>\$350,880</b>

**7.20 Governing Law**

This Prospectus and the contracts which arise on acceptance of Entitlement and Acceptance Forms or Shortfall Application Forms are governed by the law applicable in the State of New South Wales, Australia and each applicant submits to the non-exclusive jurisdiction of the courts of the State of New South Wales, Australia.

**7.21 Consents and disclaimers**

The following persons have given and not withdrawn their written consent to be named in the Prospectus in the form and context in which it is named:

- 1 Patersons Securities Limited; and
- 2 Deacons (Australian legal advisers to Atlantic in relation to the Offer).

Each of the persons named in this section 7.21 has not caused or authorised the issue of this Prospectus, does not make or purport to make any statement in this Prospectus or on which a statement in this Prospectus is said to be based, except to the extent set out in the consent above and, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus except to the extent set out in the consent above.

## **7.22 Consents to Lodgement**

Each Director has consented in writing to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

## **7.23 Shortfall**

If there is a Shortfall, the Directors reserve the right, at their discretion, to issue the Shortfall within 3 months of the Closing Date in accordance with the ASX Listing Rules. In placing the Shortfall, the Directors will consult with the Underwriter and otherwise comply with the Underwriting Agreement. An application to participate in any Shortfall may be made by an Eligible Shareholder or a person invited to participate by the Directors and/or the Underwriter and who is entitled to participate under the laws of all relevant jurisdictions which apply to them. The Directors may not themselves participate in any Shortfall.

Eligible Shareholders who wish to participate in any Shortfall should refer to section 3.4. Other persons wishing to participate in the Shortfall should complete a Shortfall Application Form and return it to the Company (along with the applicable Application Monies) at the address set out in section 3.1.

If applications for the Shortfall cannot be filled in full or in part, the Application Monies will be returned without interest. Neither the Company nor the Underwriter guarantees that an application for the Shortfall will be filled, in full or in part.

The offer of any Shortfall is a separate offer made on the basis of this Prospectus.

## 8 DIRECTORS' CONSENT AND LODGEMENT

This Prospectus is signed on 15 April 2009 by Mr Wally Bucknell on behalf of the Directors, each of whom has consented to the signature, lodgement and issue of this Prospectus.

Dated 15 April 2009

A handwritten signature in black ink, appearing to read 'W R Bucknell', written in a cursive style.

W R Bucknell  
Executive Director

## 9 DEFINITIONS

In this Prospectus, the following terms and abbreviations have the following meanings, unless the context otherwise requires:

**Additional Shares** means Shares applied for by Eligible Shareholders in excess of their Entitlement

**Application Monies** means monies payable by Eligible Shareholders in respect of applications for New Shares;

**ASIC** means Australian Securities and Investments Commission;

**ASTC** means ASX Settlement and Transfer Corporation Pty Ltd ACN 008 504 532;

**ASTC Settlement Rules** means the settlement rules of ASTC;

**ASX** means ASX Limited ABN 98 008 624 691;

**ASX Listing Rules** means the official listing rules of ASX as waived or modified from time to time;

**Atlantic** or **Company** means Atlantic Gold NL ABN 82 062 091 909;

**Board** means the board of directors of Atlantic;

**Business Day** means a day on which ASX is open for the transaction of business;

**CHES** means the Clearing House Electronic Sub register System;

**Closing Date** means, subject to section 2.5, 1 May 2009;

**Company** or **Atlantic** means Atlantic Gold NL ABN 82 062 091 909;

**Constitution** means the constitution of Atlantic as amended from time to time;

**Corporations Act** means the *Corporations Act* 2001 (Cth);

**CRX Loan** means the loan from CRX Investments Pty Limited to the Company, of which approximately \$444,000 remains outstanding as at the date of this Prospectus;

**Directors** mean the directors of the Company at the date of this Prospectus;

**Eligible Shareholder** means those Shareholders who have a registered address in Australia or New Zealand and who are registered as holders of Shares as at the Record Date;

**Entitlement** or **Rights** means the entitlement or right to apply for 1 New Share for every 3 fully paid Shares or 1 New Share for every 6.7 (approximately) partly paid Shares held by an Eligible Shareholder as at the Record Date. Additionally, subscribers for New Shares will be offered 1 New Option for every 10 New Shares subscribed for;

**Entitlement and Acceptance Form** means the entitlement and acceptance form accompanying this Prospectus;

**GST** means goods and services or similar tax;

**Ineligible Shareholder** means a Shareholder who is not an Eligible Shareholder.

**Issue Price** means 4 cents per New Share;

**New Share** means a Share issued at 4 cents each pursuant to this Prospectus;

**New Option** means an option granted pursuant to this Prospectus to acquire 1 fully paid Share in the Company for an exercise price of 8 cents per Option, exercisable no later than 5:00 pm 31 January 2011;

**Nominee** has the meaning given in section 2.13;

**Offer** means the offer of New Shares and New Options to Eligible Shareholders pursuant to this Prospectus;

**Offer Period** means the period between the Opening Date and the Closing Date;

**Official Quotation** means official quotation of the New Shares and New Options by ASX in accordance with the ASX Listing Rules;

**Opening Date** means the date of the Original Prospectus, 1 April 2009;

**Option** means an option to acquire 1 Share;

**Original Prospectus** means the prospectus dated 1 April 2009 lodged with ASIC on that date;

**Prospectus** means this replacement Prospectus dated 15 April 2009;

**Record Date** means 5:00 pm on 9 April 2009;

**Registry** means Computershare Investor Services Pty Limited, Level 3, 60 Carrington Street, Sydney NSW 2000;

**Renunciation and Acceptance Form** means the renunciation and transfer or acceptance form which can be requested from the Company;

**Rights or Entitlement** means the entitlement or right to apply for 1 New Share for every 3 fully paid Shares and 1 New Share for every 6.7 (approximately) partly paid Shares held by an Eligible Shareholder as at the Record Date. Additionally, Subscribers for New Shares will be offered 1 New Option for every 10 New Shares subscribed for;

**Share** means a fully or partly paid ordinary share in the capital of the Company;

**Shareholder** means a person who holds Shares;

**Shortfall** means those New Shares (excluding Additional Shares) not subscribed for by way of an application pursuant to this Prospectus by 5:00 pm on the Closing Date;

**Shortfall Application Form** means the Shortfall Application Form accompanying this Prospectus.

**Underwriter** means Patersons Securities Limited ABN 69 008 896 311; and

**Underwriting Agreement** means the underwriting agreement described in section 7.7.

References in this Prospectus to:

- currency are, unless stated otherwise, to the currency of Australia; and
- time, means time in Sydney, New South Wales, Australia.

## 10 CORPORATE DIRECTORY

### **Directors**

Ronald J Hawkes (Chairman)

Walter R Bucknell

Robert H N Symons

### **Company Secretaries**

Grahame Clegg

Julie Fidler

### **Registered Office and Principal Place of Business**

Suite 701

220 Pacific Highway

Crows Nest NSW 2065

Telephone +61 (0)2 9929 6633

Facsimile +61 (0)2 9929 9366

### **ASX CODE**

ATV

ATVCD

ATVO

### **Solicitors to the Offer**

Deacons

RACV Tower

485 Bourke Street

Melbourne VIC 3000

### **Underwriter**

Patersons Securities Limited

Level 23, Exchange Plaza

2 The Esplanade

Perth WA 6000

Telephone +61 (0)8 9263 1111

Facsimile + 61 (0)8 9325 5123

### **Share Registry \***

Computershare Investor Services Pty Limited

Level 3, 60 Carrington Street

Sydney NSW 2000

### **Auditor \***

KPMG

10 Shelley Street

Sydney NSW 2000

\* The names of these parties are included for information purposes only.