

30 April 2009

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

QUARTERLY REPORT FOR PERIOD ENDING 31 MARCH 2009

HIGHLIGHTS

- Highly encouraging results – gold recoveries over 90% at the very coarse particle grind size of 850 μm – were received from metallurgical test work conducted by Gekko Systems Ltd on representative ore from the Touquoy Gold Project. Gekko Systems' innovative and cost efficient "GFIL" gold processing system is being considered as an alternative to the currently planned gravity/CIL processing flowsheet.
- At the Cochrane Hill Gold Project the next phase of resource delineation drilling – 14 pre-identified diamond core holes for 1300 m – is planned to commence in the next several days.
- The Company's financial position was strengthened on 3 March 2009 with a private placement of shares that raised \$340,000 for working capital. This preceded a fully underwritten \$3.3 million renounceable rights issue announced on 1 April 2009 and is expected to close on 11 May 2009. Funds raised will be used for general corporate purposes, 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.

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PROJECT DEVELOPMENT

TOUQUOY GOLD PROJECT Nova Scotia Canada

(Atlantic Gold 60%, may earn up to 75% outside known resources)

PROJECT FEASIBILITY

Given the present difficult financial market conditions, Atlantic has sought and evaluated alternative development options in order to reduce the initial capital required to commence production from the Touquoy Gold Project.

During the period, the Company continued to assess Ballarat based, Gekko Systems' gravity/flotation/leach circuit ("GFIL") gold processing system with metallurgical testwork undertaken as an extension of the comprehensive testwork already completed to evaluate a conventional gravity/CIL flowsheet. The Gekko system involves a gravity circuit which will initially recover 70-75% of the gold, followed by flash flotation of the gravity tailings and cyanidation of the flotation concentrate to recover the finer gold and improve total gold recoveries to above 90%, even at the very coarse particle grind size of 850 μm .

The Gekko System GFIL processing technology has been successfully applied and bank financed around the world, including in Canada. The technology is relatively energy efficient, is modular and compact in design, and can be installed and operated at competitive cost.

The results confirmed by Gekko Systems are very positive. The testwork found that:

- (i) even at a particle size of minus 850 μm (0.85 mm), which is over five times coarser than the 80% passing 150 μm grind size selected as optimal for the gravity/CIL flow sheet, a gold recovery in excess of 90% can be obtained, and
- (ii) because the ore is relatively soft, the final stage of ore comminution to minus 850 μm can be achieved using a Vertical Shaft Impactor, which is a substantially less expensive option than conventional milling.

The current metallurgical results support the Gekko Systems' process option considered previously with the expert assistance of Gemell Mining Engineers and reported in the December Quarterly report. Those preliminary engineering and financial analyses determined that using Gekko System's GFI: processing method provides an attractive financial option with up front capital of US\$49 million (A\$76 million) and operating cash costs of US\$370 (A\$576) per ounce.

The Engineering and Cost Study previously undertaken to evaluate a conventional gravity/CIL gold processing circuit and results of the current Gekko Systems' metallurgical test work allows Atlantic to thoroughly evaluate and

compare the alternative gold processing methods and make the optimal mine development decision for the Touquoy Gold Project.

Final metallurgical test work will be undertaken to evaluate this promising ore treatment alternative and the ability to expand ore throughput by the treatment of lower grade stockpiles in order to maximize total production ounces.

Progress with project permitting has been deferred pending completion of the Company's review of the Gekko Systems development option.

As previously reported, as part of Atlantic Gold's initiative to investigate lower cost development options the opportunity to haul ore from the Touquoy Gold Project for processing at the Scotia Mine treatment plant, owned by Acadian Mining Corporation, 40km to the west was evaluated under the terms of a Memorandum of Understanding with Acadian Mining. This Memorandum of Understanding additionally contemplated the possible consolidation of Atlantic Gold's and Acadian Mining Corporation's gold assets in Nova Scotia. The Memorandum of Understanding was allowed to expire on 31 March 2009 with no material agreement reached.

EXPLORATION

COCHRANE HILL OPTION, Nova Scotia

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

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

The current JORC compliant resource estimate for Cochrane Hill is as previously announced:

COCHRANE HILL GOLD DEPOSIT

	TONNES (MILLIONS)	GRADE (G/T AU)	CONTAINED OUNCES
Indicated Resource	3.6	1.7	200,000
Inferred Resource	6.4	1.7	347,000
TOTAL	10.0	1.7	547,000

The second phase of resource delineation drilling to progressively upgrade this resource inventory to Measured and Indicated Resources is planned to commence in the first week of May. This program will comprise of 1300m in drilling covering 14 pre-identified diamond drill holes. The objective is to define resources at and below the limits of the previous (first) phase of resource delineation drilling and within the bounds of a previously optimised open pit.

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

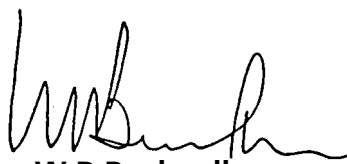
CORPORATE

During the period, Atlantic Gold's financial position was strengthened as a result of:

- (i) a private placement raising \$340,000 completed on 3 March 2009, and
- (ii) a \$3.3 million fully underwritten renounceable rights issue announced on 1 April 2009 and expected to be completed on 11 May 2009.

Atlantic Gold continues to be well positioned to fund the next stages of both its attractive Touquoy and Cochrane Hill Gold Projects.

Yours faithfully


W R Bucknell

This report and accompanying plans will be posted on the Company's website, www.atlanticgold.com.au following its release to the Australian Stock Exchange.

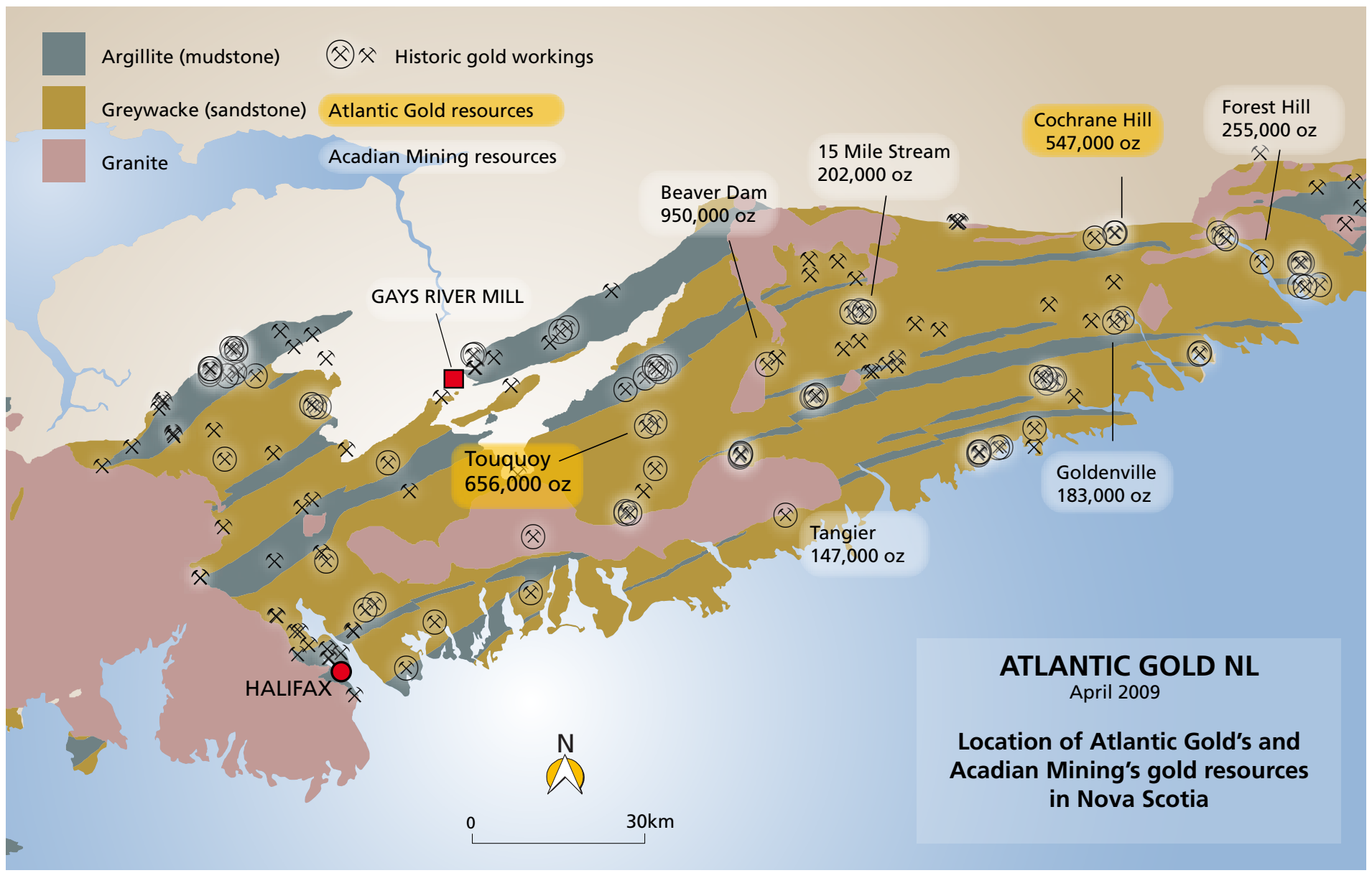
Attribution: The geological and sampling information in this report relating to Mineral Resources has been compiled by W R Bucknell who is a director of Atlantic Gold, a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person in respect of the 2004 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code).

About Atlantic Gold NL

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

The target at Touquoy is to develop a project with a minimum 1.5 million tonne per annum throughput and a 6 year minimum mine life to produce approximately 90,000 ounces gold per year. Atlantic Gold holds a 60% interest in the Touquoy Gold Project. An additional 15% interest can be acquired in the property outside the general area of the known resource by securing project financing.

In addition to developing the Touquoy Gold Project Atlantic Gold is undertaking extensive exploration, both regional and near-mine, to build its resource base. The Company believes the area is highly prospective for additional Touquoy style deposits. Atlantic Gold's involvement in the advanced Cochrane Hill property reflects this strategy, to the extent that the company now has over 1 million ounces of gold resources under its control in the Touquoy district.



Appendix 5B

Mining exploration entity quarterly report

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

Name of entity

ATLANTIC GOLD NL

ABN

82 062 091 909

Quarter ended ("current quarter")

31 MARCH 2009

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for		
(a) exploration and evaluation	(57)	(57)
(b) development	(130)	(130)
(c) production		
(d) administration	(18)	(18)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	1	1
1.5 Interest and other costs of finance paid	(40)	(40)
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(244)	(244)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a)prospects		
(b)equity investments		
(c) other fixed assets		
1.9 Proceeds from sale of:		
(a)prospects		
(b)equity investments		
(c)other fixed assets	6	6
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other – Security deposits		
Net investing cash flows	6	6
1.13 Total operating and investing cash flows (carried forward)	(238)	(238)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(238)	(238)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	340	340
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	50	50
1.17	Repayment of borrowings	(6)	(6)
1.18	Dividends paid		
1.19	Other – Costs of issues	(73)	(73)
	Net financing cash flows	311	311
	Net increase (decrease) in cash held	73	73
1.20	Cash at beginning of quarter/year to date	338	338
1.21	Exchange rate adjustments to item 1.20	10	10
1.22	Cash at end of quarter	421	421

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	61
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Directors fees	22
Salaries	39

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	444	444
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	450
4.2 Development	500
Total	950

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows:

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	340	33
5.2 Deposits at call	81	305
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	421	338

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed				
6.2 Interests in mining tenements acquired or increased	EL8539 (Guysborough County, Nova Scotia)	Wholly owned	0%	100%

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter


Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities Fully paid ATV Partly paid 7c ATVCC	235,191,385 30,286,342	235,191,385 30,286,342	20 cents	9 cents
7.4 Changes during quarter (a) Increases through issues – Fully paid ATV (b) Decreases through returns of capital, buy-backs	6,802,000	6,802,000		
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
– ATVO	21,741,890		\$0.18	30.10.09
– ATVAK	4,550,000		\$0.15	22.08.10
– ATVAM	400,000		\$0.15	14.10.10
– ATVAO	7,500,000		\$0.15	27.12.09
– ATVAQ	2,000,000		\$0.155	28.08.12
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 30 April 2009
(Director/Company secretary)

Print name: Walter R Bucknell

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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