

Chairman's Address to Annual General Meeting Friday 25 May 2007

Thank you for attending our Annual General Meeting. We look forward to this time to review the company's major activities with you and to address our future aspirations.

We are very pleased that further significant advances have been achieved towards the development of the Touquoy Gold Project. While some of these advancements do not attract the significant interest commensurate with their level of importance in the project's development they are nevertheless substantial.

These advances include:

- Employing and establishing a highly experienced and qualified mining engineer, Mr Peter Carter, in Nova Scotia.
- Completing and submitting the project environmental assessment registration document (EARD).
- Receiving the Minister of the Environment and Labour's determination that "a review of the information indicates that the adverse effects or significant environmental effects which may be caused by the undertaking are limited".
- Completing a detailed Engineering and Cost Study with Ausenco and Peter Carter.
- Preparing a Financial Study based on parameters concluded in the Engineering and Costs Study

We have advised the details of most of these advances in previous announcements. Today we are pleased to report the details of the Financial Study for the Touquoy Project based on the Engineering and Cost Study. In summary the Study indicates that at current gold prices, and subject to conversion of the last remaining Inferred Resources to Measured and Indicated status the project is expected to produce a net cash flow (ungeared) before tax in the order of \$C120 million which equates to an before tax IRR of 26%. With various cost savings confidently identified by Peter Carter these numbers can be increased to values in the range of \$130 million and 30% and with further upside in the event of securing additional used plant. Wally will give further details in his presentation.

We continue to receive encouragement from the general community in Nova Scotia. Local residents and businesses have expressed an eagerness for us to proceed with the development and various politicians have expressed their support. The Minister of Environment and Labour has requested a Focus Report to examine the potential impacts to areas southwest of the project. We view his request as not unreasonable. All information available to us to date indicates there will be no effects harmful to the environment. We expect to complete this Focus Report before year end.

We remain optimistic for the potential to discover or acquire similar deposits in the general Touquoy area. We presently

hold more than 500 square kilometres of mineral rights, which cover more than a dozen substantial gold occurrences. During the year we announced encouraging exploration results at Touquoy West (17.3 grams per tonne over 1 metre and 2.6 grams per tonne over 8 metres), Caribou Joint Venture (3.8 grams per tonne over 4 metres) and Wine Harbour (2.7 grams per tonne over 4 metres) but the availability of funds, and our priority to develop Touquoy have determined a very slow pace for these efforts.

At last year's AGM I indicated our challenge was *to* "forecast a precise date for the first gold pour" because of "factors beyond our control" but that we were optimistic that "we shall have at least begun construction in calendar 2007". We hope that it is still possible to make a construction decision this calendar year but that decision will depend on acquiring all government approvals and licences and our ability to finance the development.

Currently we are exploring and examining several avenues of potential finance for our current and longer term needs. We have recently announced a call on the partly paid shares and the directors have indicated their intention to meet the call on their holdings. We are considering the options which mature in November. We have a faithful long term group of supportive shareholders and it is our wish to reward those shareholders. It is possible that a convertible note issue may well be the way to do that. We have been approached by several entities

expressing an interest in becoming involved in ATV with a minority but substantial shareholding. We continue to have discussions with potential debt financiers. We have had encouraging discussions with Canadian finance markets in past years and it may be that we shall renew those discussions.

Thank you again for supporting us with your funds and your votes. Thank you to our staff, consultants and advisors, and in particular thank you to Wally who has faithfully and fully applied his experience and talents to our company for another year.

In August last year the Premier of Nova Scotia wrote to

... assure you that the Nova Scotia government promotes the private sector exploration and development of the mineral resources in this province ... Atlantic Gold's Touquoy project is an important initiative for the Moose River Gold Mines area which can provide new economic benefits and employment in this rural area of Halifax County. I congratulate you and your company on your success to date and I encourage your continued efforts to bring this project into operation.

We are applying our minds and our skills to bring this project into operation and look forward to achieving that decision in the not too distant future.

R J Hawkes, Chairman
25 May 2007