27 July 2007

Company Announcements Office
ASX Limited
10th Floor, 20 Bridge Street
Sydney NSW 2000

Dear Sir,

ATLANTIC GOLD'S NOVA SCOTIA GOLD RESOURCE JUMPS TO MORE THAN ONE MILLION OUNCES

Atlantic Gold NL today announced that total gold resources at its two Nova Scotia projects in eastern Canada have been boosted to more than one million ounces after a new estimate of the company's recently acquired Cochrane Hill deposit.

The substantially upgraded mineral resource estimate for Cochrane Hill comes after the adoption of an open pit model and the use of a lower cut-off grade. Resource specialist Hellman & Schofield Pty Ltd estimated, based on these parameters, a total indicated and inferred resource of 4.7 million tonnes at an average 2.5 g/t. Contained gold was 373,000 ounces, with a cut-off grade of 1 g/t.

This revised resource figure adds to the 653,500 ounces of contained gold already estimated at Atlantic Gold's Touquoy Gold Project, 80 km west of Cochrane Hill. It lifts the total contained gold held by the company in Nova Scotia to 1,026,500 ounces. Upgrade of the current Engineering and Cost Study to a Feasibility Study for Touquoy is expected before the end of 2007 for a mine that would produce about 90,000 ounces of gold a year over a 7-year life.

Atlantic Gold's executive director Mr Wally Bucknell said that identification of the Cochrane Hill mineralisation confirms the company's belief that this district of Nova Scotia is highly prospective for bulk-mineable gold reserves similar to that at Touquoy. The Cochrane Hill resource is contained within tenements covering 8.3 square kilometres.

"Acquisition of a controlling interest in this advanced prospect, with its demonstrable upside, represents a significant step forward in our strategy to develop a commercially viable, environmentally sustainable and socially acceptable gold mining industry in Nova Scotia," Mr Bucknell said. "We look forward to advancing this property to production in the next several years."

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Cochrane Hill was acquired by Atlantic Gold last May under an option agreement concluded with Toronto-listed Scorpio Mining Corporation (SMC). A mineral resource estimate conducted for SMC in 2004 at an NI43-101 compliance standard was based on underground mining techniques using block modelling of selected wire-framed mineralised vein sets, which resulted in higher average grades but much lower resource levels.

COCHRANE HILL GOLD DEPOSIT

	TONNES (MILLIONS)	GRADE (G/T AU)	CONTAINED OUNCES
Indicated Resource	1.8	2.5	143,000
Inferred Resource	2.9	2.4	230,000
TOTAL	4.7	2.5	373,000

The total Mineral Resource now controlled by ATV in Nova Scotia exceeds one million ounces:

	TONNES (MILLIONS)	GRADE (G/T AU)	CONTAINED OUNCES
Touquoy	11.3	1.8	653,500
Cochrane Hill	4.7	2.5	373,000
TOTAL	16.0	2.0	1,026,500

Most of the Cochrane Hill resource extends from the surface to 150 m in depth. The maximum depth extends to 250 m on several sections. The resource is developed within a 20 m-wide zone of sheared and quartz-veined slates, which dips 70°N and trends almost east–west for a length of about 650 m. A list of the best drill intersections is given in the following table, and the two accompanying drill sections illustrate the geometry of the mineralisation.

						BEST ASSAYS - UNCUT			
HOLE	EASTING	NORTHING	DIP*	AZIM	DEPTH	FROM (m)	TO (m)	WIDTH (m)	GRADE (g/t Au)
77302	3042	3045	1	180	31.1	0.0	18.6	18.6	29.2
81-54	3263	3119	-70	165	168.5	100.9	124.7	23.8	19.6
72645	3018	3129	-65	184	152.4	84.4	118.2	33.7	10.5
72647	2804	3110	-75	180	146.3	131.7	142.3	10.7	26.0
74-3	3079	3108	-45	166	99.4	73.7	92.0	18.3	14.4
81-50	3171	3122	-70	165	167.6	130.0	141.6	11.6	20.1
72642	3109	3109	-70	180	167.9	125.8	148.7	23.0	6.95
88-05A	3227	3014	-9	359	72.8	26.1	66.1	40.0	3.50
77306	3064	3045	1	180	30.8	3.2	15.3	12.1	10.7
77321	3079	3044	0	136	43.3	24.7	40.2	15.5	7.45
88-07	3170	3016	0	357	68.3	25.3	40.1	14.8	6.41
88-06	3195	3014	0	360	70.7	16.2	51.2	35.1	2.30
88-19	3304	3001	10	46	103.6	59.4	81.1	21.6	3.58
88-09	3137	3018	-9	359	79.6	26.5	45.5	19.0	3.71
72603	3048	3133	-70	180	169.2	127.7	145.6	17.9	3.83
88-14	3277	3011	-5	357	67.4	30.5	61.7	31.2	2.12
77319	3076	3045	32	188	45.7	0.0	25.9	25.9	2.43
74-35	3216	3183	-60	166	188.4	148.4	171.7	23.3	2.70
72609	3231	3094	-70	180	121.9	55.1	89.8	34.7	1.70

HOLE	EASTING	NORTHING	DIP*	AZIM	DEPTH	BEST ASSAYS - UNCUT			
						FROM (m)	TO (m)	WIDTH (m)	GRADE (g/t Au)
88-23	3185	3015	30	360	71.6	23.6	49.1	25.5	2.25
88-25	3155	3016	39	360	76.2	25.3	51.8	26.5	2.06
74-27	3231	3061	-45	180	46.0	5.6	19.4	13.7	3.98
77316	3079	3049	0	63	30.2	4.0	20.0	16.0	3.39
72643	3078	3128	-43	175	150.9	103.1	131.5	28.3	1.79
77301	3042	3045	1	151	15.8	0.0	10.1	10.1	4.64
88-20	3215	3015	-9	358	67.4	38.4	61.7	23.3	2.00
88-21	3215	3015	21	359	72.8	25.6	49.3	23.7	1.97
88-12	3246	3012	-5	359	67.7	31.9	51.0	19.2	2.34
72653	2896	3139	-77	180	199.0	136.9	153.3	16.5	2.69
77309	3065	3045	0	166	30.5	5.4	19.5	14.1	3.01
72646	2804	3110	-53	180	108.2	79.1	104.2	25.1	1.66
72605	3139	3057	-40	180	53.6	22.6	45.5	23.0	1.75
88-14	3277	3011	-9	359	67.4	2.0	12.3	10.3	3.84
88-27	3094	3019	35	1	79.6	22.4	36.9	14.5	2.65
72641	3109	3109	-50	180	122.8	71.6	97.8	26.2	1.38
88-24	3155	3017	17	356	64.0	16.8	45.7	29.0	1.21
88-08	3170	3016	38	360	71.6	24.5	43.3	18.7	1.85
72608	3139	3095	-80	180	149.4	127.5	140.6	13.1	2.65
77310	3062	3050	0	333	18.6	3.1	18.6	15.5	2.15
77326	3027	3047	-55	188	24.7	3.0	13.7	10.7	3.08

* Holes having zero, positive and negative dips are horizontal, inclined upward and inclined downward respectively. Those holes with steep downward dips are drilled from surface, the remainder having been collared from underground positions.

The accompanying two drill cross-sections show that the mineralised intersections cut in the 1974 drill holes (labelled 74-##) are generally less well developed than those in nearby holes drilled in subsequent years. The probable explanation is that only about 15% of the 4840 m of core drilled in the 1974 program was split, assayed and recorded. The remainder was assigned a zero grade for the purposes of the current resource estimation. This compares with about 55% in subsequent programs. The immediate task underway is to recover, re-log and assay as much of the historic core as possible to fill in the blanks and to upgrade the resource estimate. Fortunately core from some 110 drill holes is housed in the Nova Scotia Department of Natural Resources' core library and is available for inspection and assay. Results of the evaluation of historic drill core will dictate the nature and amount of drilling follow-up within the resource to complete the resource delineation and proceed with pit optimisation.

Exploration potential beyond the area of the drilled resource is excellent. The sheared, mineralised sequence is parallel to, and 100 m south of, the axis of the overturned Cochrane Hill anticline (refer to accompanying property plan). This intermittently outcropping shear zone has been traced for 5 km across the property in previous exploration programs, and it hosts several areas of anomalous gold geochemistry in various media. The most notable of these is a trench grading 1.9 g/t gold over 7.6 m about 1.6 km west of the resource. No drilling has been conducted along this mineralised shear zone beyond that central 1200 m length encompassing the identified resource.

Under the terms of the agreement with SMC, once Atlantic Gold (through its wholly-owned Canadian subsidiary) has completed expenditure of C$4.75 million on exploration and development within 4 years, conditionally extendable for a further 2 years, and has made aggregate cash payments of C$100,000 to SMC, then at SMC's election Atlantic Gold will have earned either a 60% Joint Venture interest (with SMC retaining a 40% Joint Venture interest) or 100% interest subject to a 20% free carried interest retained by SMC. Atlantic Gold may withdraw at any time. The property is subject to an underlying 3% production royalty in favour of a third party.

About Atlantic Gold NL

Atlantic Gold aims to identify develop and responsibly mine open pit gold deposits in Nova Scotia, the Touquoy Gold Project being its starting point. The extensive goldfields of Nova Scotia have never before been systematically approached in this way. The company's skills are derived from 15 years of such work in Western Australia, where its principals, as executives and directors of the highly successful Plutonic Resources Limited, discovered more than 11 million ounces of gold, operated up to five gold mines – three of which are still in production, and now owned by Canada's Barrick Gold Corporation – and annually drilled up to 500,000 metres in exploration and resource development. The company's principals have considerable previous experience in exploration in Atlantic Canada.

The target at Touquoy is to develop a project with an on-site gold treatment plant with a minimum 1.5 million tonne per annum throughput and a 7 year minimum mine life to produce approximately 90,000 ounces gold per year. Results from the recently completed Engineering and Cost Study confirm that the Touquoy deposit has a low stripping ratio, excellent ore metallurgy and favourable ore grindability characteristics. The property is located in an old gold mining area about 110 km by sealed roads from Halifax, the capital of Nova Scotia.

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 has earned 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.

For further information

Wally Bucknell
Executive Director
Atlantic Gold NL
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Attribution: The geological information in this report relating to Mineral Resources has been compiled by W R Bucknell who is a director of ATV, 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). The resource estimates for Cochrane Hill described in this report were completed by Mr Nic Johnson, an employee of Hellman and Schofield Pty Ltd. Mr Johnson is a Member of the AusIMM and qualifies as a Competent Person in respect of the 2004 JORC Code by virtue of having sufficient experience which is relevant to the Cochrane Hill style of mineralisation and deposit type. Mr Johnson has consented to the inclusion of this information in the form and context in which it appears in this report.

Notes

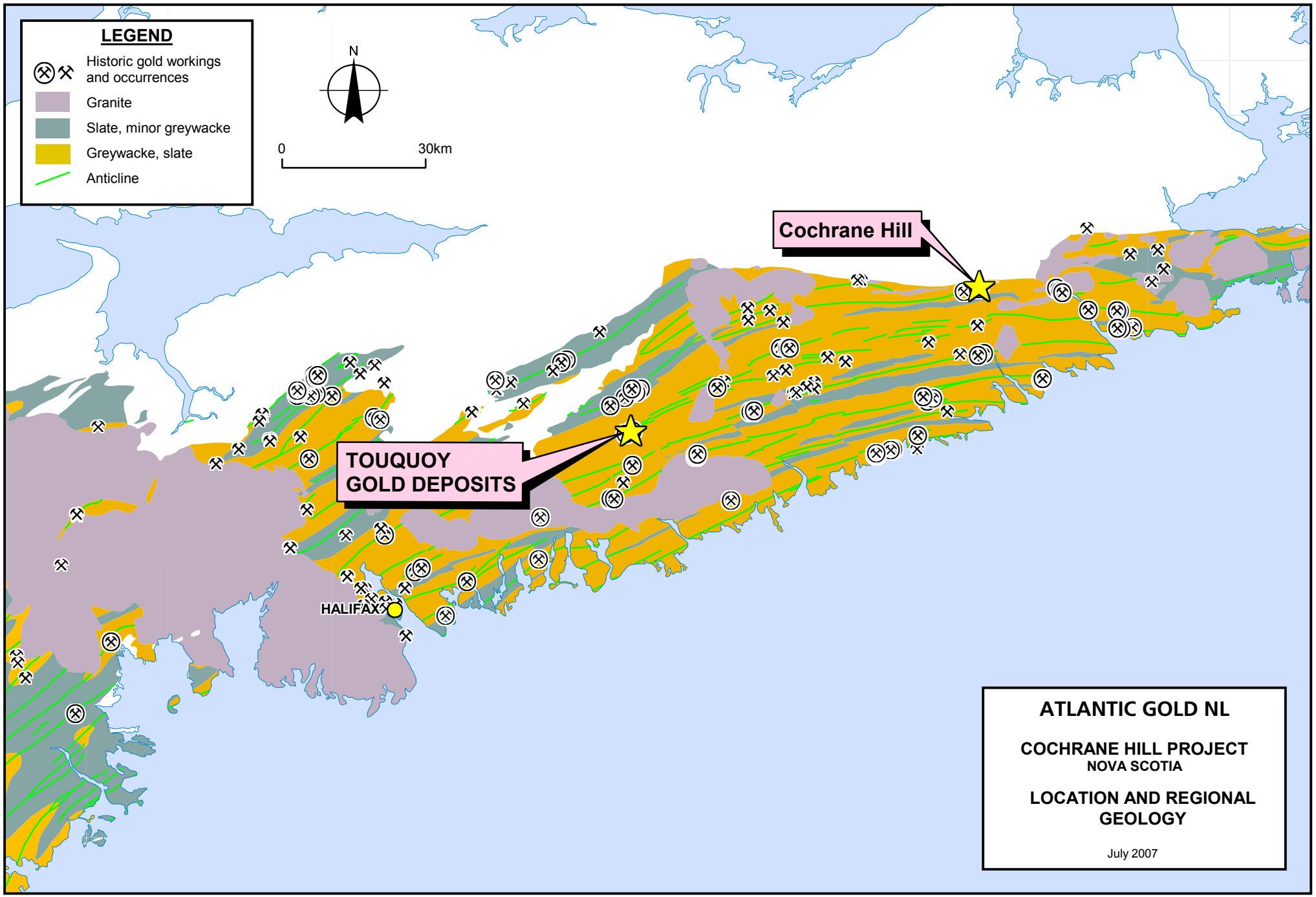
- Estimation technique: Multiple Indicator Kriging with block variance adjustment applied. Data flagged to mineralised wireframe. Ore selectivity is assumed to be 4 metres (north) by 8 metres (east) by 2.5 metres (elevation) via an open pit mining scenario.
- Details of previous diamond drilling campaigns:

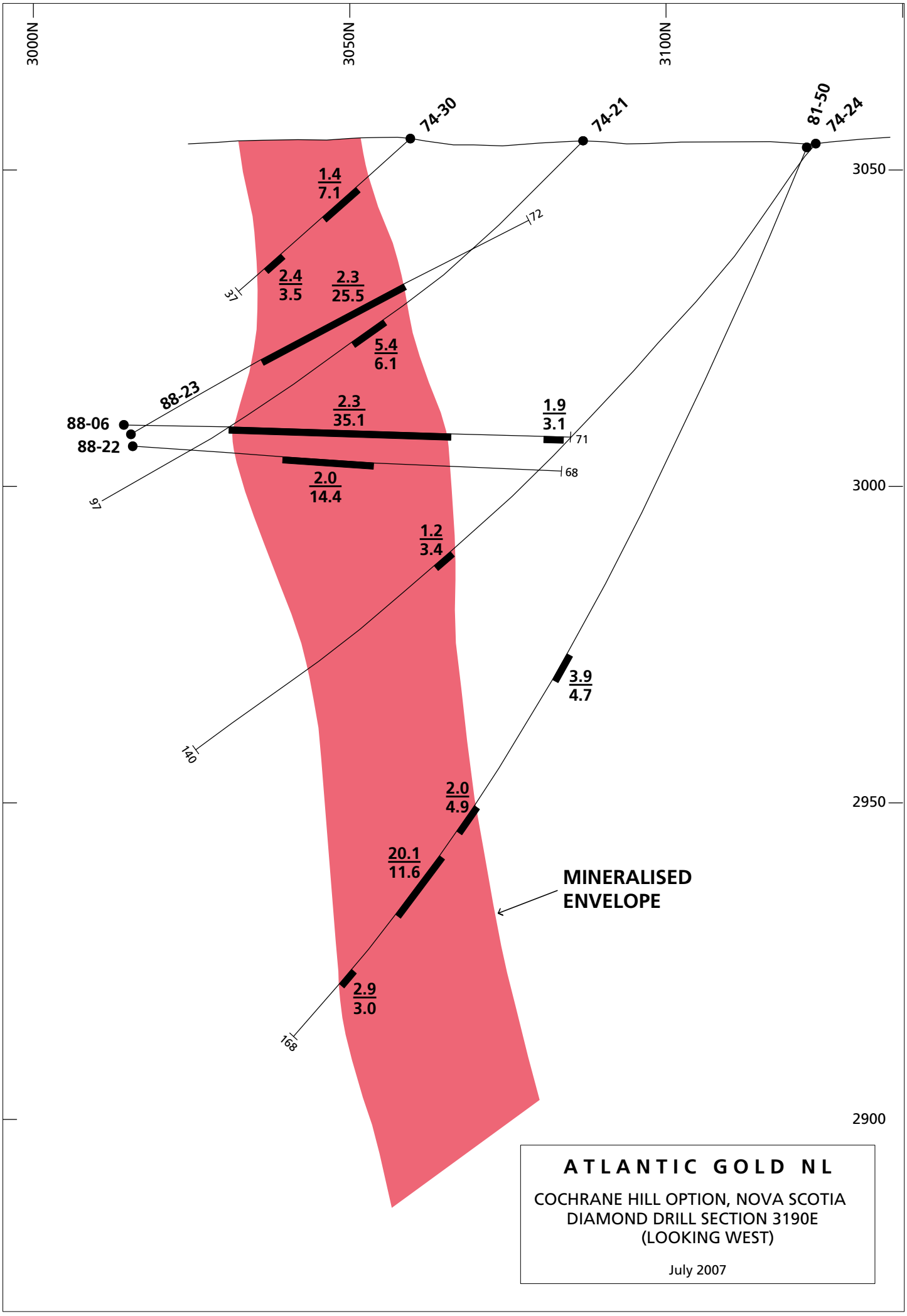
COMPANY	YEAR	LOCATION	NO. OF HOLES	METRES	CORE SIZE/SAMPLE
Massval Mines	1974	Surface	44	4840	A,BQ/split
Northumberland	1981	Surface	21	3932	A,BQ/split
Scominex	1984-87	Surface	31	5107	NQ/sawn
Scominex	1984-87	Underground	28	830	NQ/sawn
Novagold	1988	Underground	28	2044	NQ/sawn
			152	16753	

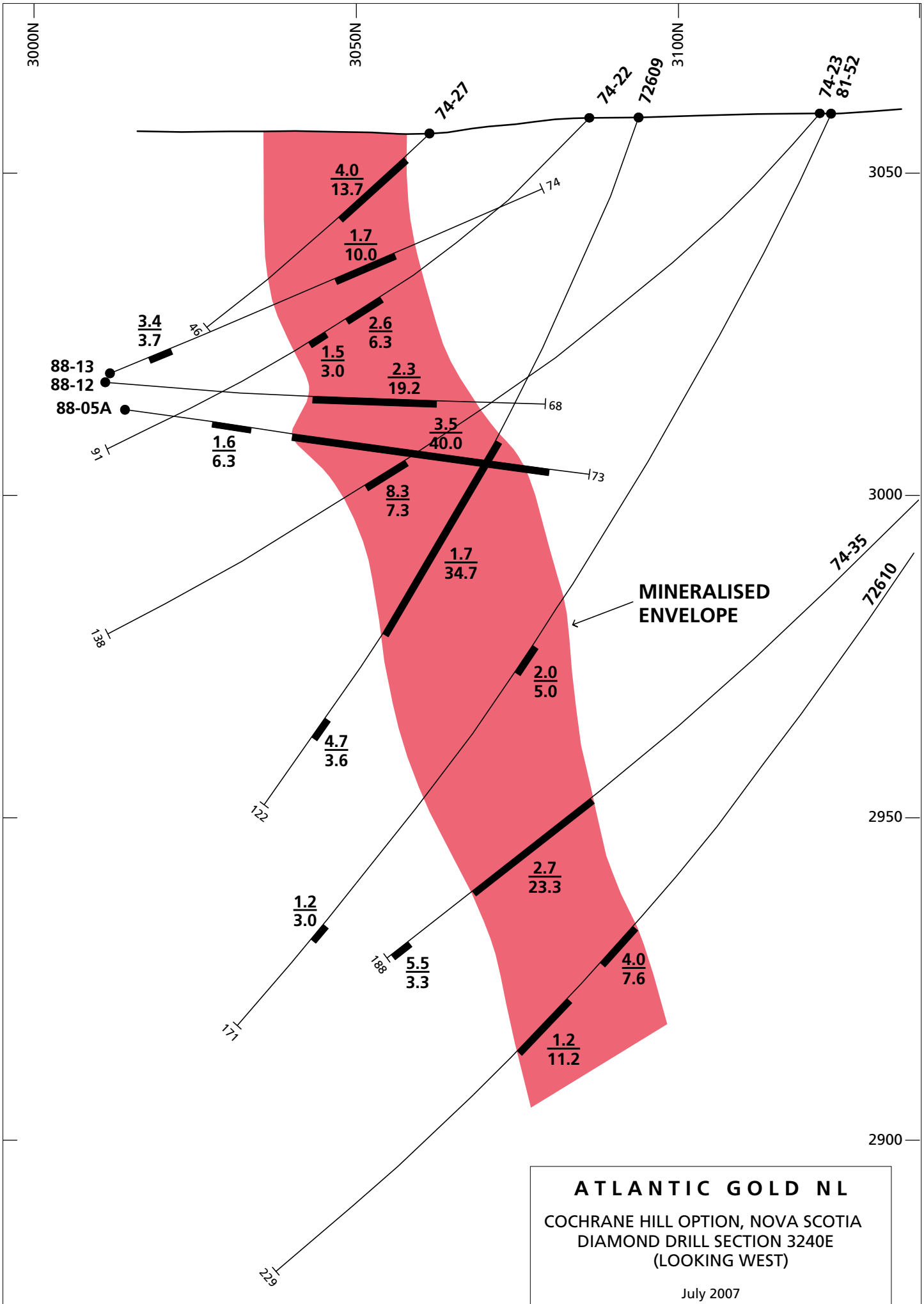
- Assay methodology: 6,855 samples taken and all fire assayed, with screened fire assay on samples bearing visible gold.
- Bulk density: 2.70g/cm^3.
- Lower cut-off grade: 1.0 g/t
- Hole spacing: Variable, averages 50 feet x 50 feet.
- History: Gold first discovered in 1868. Two shafts sunk to maximum depth of 70 m with first production recorded in 1877. By 1929 1354 ounces gold recovered from 12,327 tons. No production documented after 1929.
- Bulk sampling: Approximately 14,900 tonnes from 25,000 tonnes development material excavated from surface and underground during 1982–88 were treated by various means:

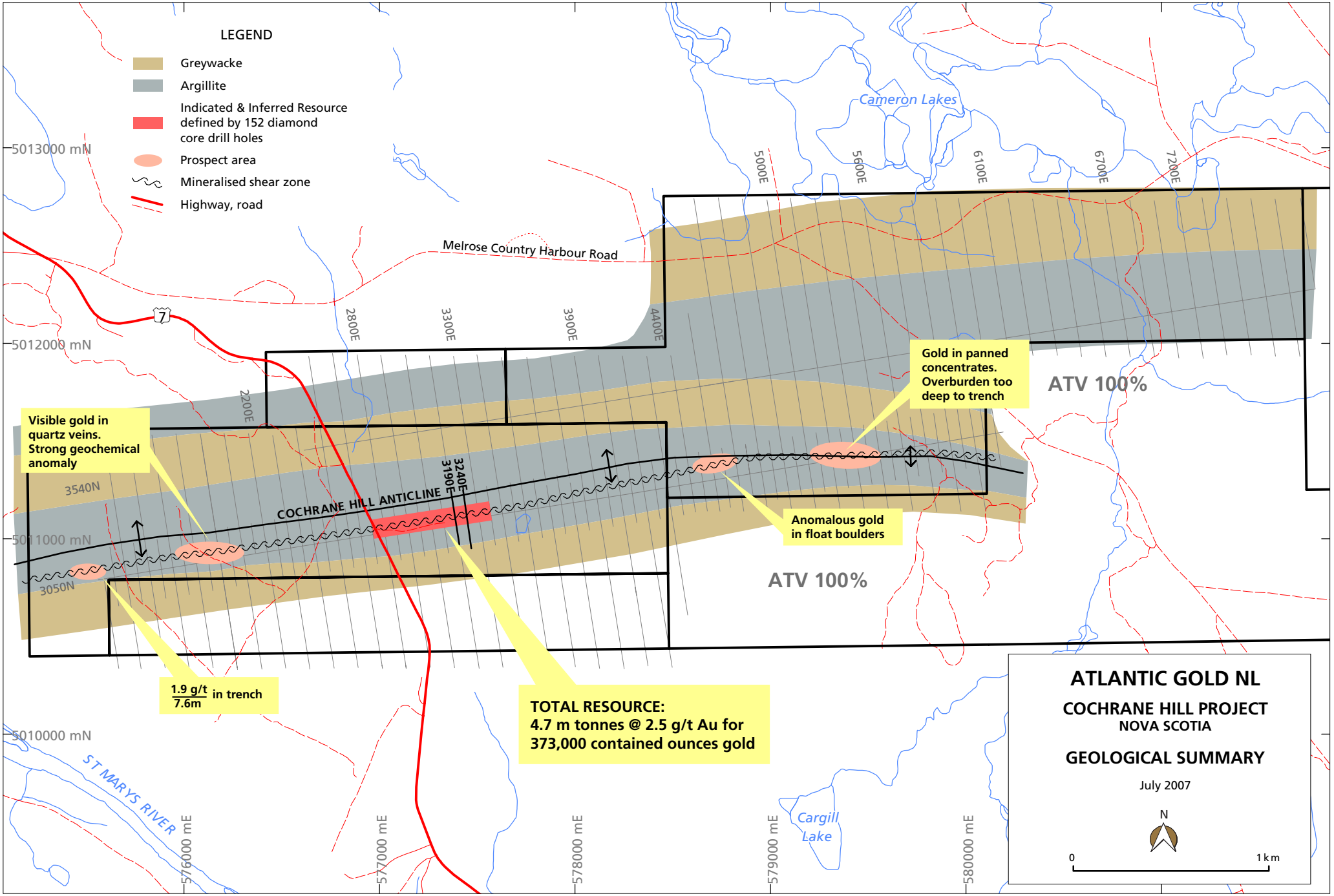
COMPANY	YEAR	SAMPLE TYPE	TONNAGE	TREATED	GRADE (g/t)
Northumberland	1982-83	Pit	13,500	13,041	1.6
Scominex	1987	Underground	4,443	2.8	1.9
Novagold	1988	Underground	7,400	1860	2.1

Details as to grade control methodology, metallurgical recovery and sample representivity applying at the time are not clear and resultant grades are therefore considered unreliable. These, and the historic tonnage mined (approx 32,000 tonnes in total), have not been deducted from the resource estimate.


LEGEND
Historic gold workings and occurrences
Granite
Slate, minor greywacke
Greywacke, slate
Anticline
N
0
30km
Cochrane Hill
TOUQUOY GOLD DEPOSITS
HALIFAX
ATLANTIC GOLD NL
COCHRANE HILL PROJECT
NOVA SCOTIA
LOCATION AND REGIONAL GEOLOGY
July 2007


3000N
3050N
3100N
74-30
74-21
81-50
74-24
3050
3000
2950
2900
1.4
7.1
2.4
3.5
2.3
25.5
5.4
6.1
2.3
35.1
1.9
3.1
2.0
14.4
1.2
3.4
3.9
4.7
2.0
4.9
20.1
11.6
2.9
3.0
37
72
88-23
88-06
88-22
71
68
97
140
168
MINERALISED
ENVELOPE
ATLANTIC GOLD NL
COCHRANE HILL OPTION, NOVA SCOTIA
DIAMOND DRILL SECTION 3190E
(LOOKING WEST)
July 2007


3000N
3050N
3100N
74-27
74-22
72609
74-23
81-52
3050
3000
2950
2900
4.0
13.7
1.7
10.0
3.4
3.7
46
74
2.6
6.3
1.5
3.0
2.3
19.2
88-13
88-12
88-05A
68
3.5
40.0
1.6
6.3
91
73
8.3
7.3
1.7
34.7
MINERALISED
ENVELOPE
74-35
72610
138
2.0
5.0
4.7
3.6
122
2.7
23.3
1.2
3.0
188
5.5
3.3
4.0
7.6
171
1.2
11.2
229
ATLANTIC GOLD NL
COCHRANE HILL OPTION, NOVA SCOTIA
DIAMOND DRILL SECTION 3240E
(LOOKING WEST)
July 2007


LEGEND
Greywacke
Argillite
Indicated & Inferred Resource defined by 152 diamond core drill holes
Prospect area
Mineralised shear zone
Highway, road
Cameron Lakes
Melrose Country Harbour Road
5013000 mN
5012000 mN
5011000 mN
5010000 mN
5000E
5600E
6100E
6700E
7200E
2800E
3300E
3900E
4400E
2200E
3240E
3190E
3540N
3050N
COCHRANE HILL ANTICLINE
ATV 100%
ATV 100%
Gold in panned concentrates. Overburden too deep to trench
Visible gold in quartz veins. Strong geochemical anomaly
Anomalous gold in float boulders
1.9 g/t / 7.6m in trench
TOTAL RESOURCE:
4.7 m tonnes @ 2.5 g/t Au for
373,000 contained ounces gold
ST MARYS RIVER
Cargill Lake
576000 mE
577000 mE
578000 mE
579000 mE
580000 mE
ATLANTIC GOLD NL
COCHRANE HILL PROJECT
NOVA SCOTIA
GEOLOGICAL SUMMARY
July 2007
N
0
1 km