

14 September 2007

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

Dear Sir,

INTERIM ASSAYS SHOW 25% GRADE INCREASE AT COCHRANE HILL, NOVA SCOTIA

Atlantic Gold is pleased to announce highly encouraging progress results from sampling and assaying previously un-assayed intervals of historic Cochrane Hill diamond drill core recovered from storage. This program of evaluation of historic core was foreshadowed in Atlantic Gold's announcement on 27 July about its Cochrane Hill resource upgrade to 4.7 million tonnes @ 2.5g/t for 373,000 contained ounces of gold.

By simply "filling in the blanks" – no re-assaying of previously assayed core was conducted – these progress results from the first six drillholes investigated average a 25% increase in grades from those applied in previous resource estimates, including Atlantic Gold's recent resource estimate referred to above.

In addition new mineralisation has been identified in a previously un-sampled drillhole located to the east of the present deposit.

Drill core dating from the 1970s and 1980s had been selectively assayed with intervening un-assayed intervals having been ascribed zero grade for the purposes of previous resource estimates. Core from 56 diamond drill holes has now been recovered from the Nova Scotia Department of Natural Resources' core library and to date 29 of these holes have been re-logged and previously un-assayed intervals sampled on a priority basis. Assay results have now been returned from six well mineralised drillholes located within the resource and these results are summarised in the following table:

Hole	North	East	From	To	Width (m)	Original Assays (gaps)	New Assays (gaps infilled)
						Grade (g/t)*	Grade (g/t)*
CH-74-029	3059	3199	12.95	35.00	22.05	0.91	1.18
CH-74-034	3110	2782	60.50	68.00	7.50	2.96	3.26
CH-74-004	3138	3071	102.10	137.05	34.95	1.65	1.87
CH-81-050	3122	3177	92.05	98.15	6.10	3.05	5.29
		and	108.00	141.60	33.60	7.25	7.74
CH-74-026	3063	3214	8.00	38.40	30.40	1.23	1.84
CH-81-061	3130	3289	149.20	156.20	7.00	36.8	38.2

*Based on 0.6g/t grade cut-off, no top cut and maximum 5m internal dilution.

Assay results from six drillholes located outside the resource have also been returned. Significantly, assay results from hole CH-74-016, located beyond the eastern limit of the resource (see collar plan for location) and which had not previously been assayed, returned 9m @ 1.99g/t from 56m depth. Several sparsely sampled drillholes located further east have now been comprehensively sampled to test for an eastern extension to the resource, and assays are pending.

These early results are considered very encouraging. Re-assessment of the historic core is therefore continuing with almost 1500 samples now having been submitted for gold assay. A complete re-assessment of the historic core will be required to enable a meaningful review of the current resource estimate and to design the drill follow-up necessary to complete the resource delineation and proceed with pit optimisation.

The Cochrane Hill property, located 80km east of Atlantic Gold's Touquoy Gold Project, secures 5km of highly prospective terrain which includes the above-mentioned gold mineral resource. Atlantic Gold is earning a majority interest in the property by incurring expenditure of C\$4.75 million on exploration and development within 4 years, conditionally extendable for a further 2 years, and making aggregate cash payments of C\$100,000 to the vendor, Scorpio Mining Corporation (SMC). At SMC's election ATV 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 develop 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 Moz of gold and operated up to five gold mines.

The target at Touquoy is to develop a project 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. 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.

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 recent 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.

Yours sincerely,

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

Wally Bucknell
Executive Director

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 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).

