



PROSPECTUS

Non-renounceable grant of free bonus share options exercisable at 18 cents per Option

Prospectus for a pro rata non-renounceable grant of approximately 22.3 million bonus share options on the following basis:

- one free bonus share option for every 10 fully paid Shares held; and
- one free bonus share option for every 22.2 (approx.) partly paid Shares held.

If all the New Options granted are exercised, the Offer will raise approximately \$4,022,782 (before costs and expenses).

AS A SHAREHOLDER YOU DO NOT NEED TO TAKE ANY ACTION IN RELATION TO THIS OFFER.

The New Options will be automatically granted to you based on your entitlement on the Record Date (12 June 2008).

Each New Option allows the holder to subscribe for one fully paid Share upon payment of 18 cents no later than **5:00 pm on 30 October 2009.**

IMPORTANT NOTICE

This document is important and should be read in its entirety. If you have any questions as to its contents or the course of action you should follow, you should consult your stockbroker or other professional adviser.

The securities offered by this Prospectus should be considered as speculative.

**Applications must be lodged by
5:00 pm (EST) on 30 October 2009**

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CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Shareholder,

On behalf of the Board, I am pleased to announce that the Company intends to make a grant of free bonus share options to Shareholders.

The bonus share options will be granted free on a 1 for 10 basis for fully paid Shares and on a 1 for 22.2 (approx.) basis for partly paid Shares held on the Record Date (12 June 2008). Each bonus share option allows the holder to subscribe for one fully paid Share in the capital of the Company upon payment of 18 cents no later than 5:00 pm on 30 October 2009.

The bonus share options will be granted free to Shareholders. You do not need to do anything to receive the bonus share options.

The purpose of the grant is to reward the Company's existing Shareholders for their continued support of the Company.

I am delighted to report that the Company has received Environmental Assessment approval for its Touquoy Gold Project. Your Directors believe the Company is now well placed to begin pouring gold by the end of 2009.

The principal remaining tasks to be achieved before deciding to commit to on-site development at Touquoy are:

- grant of the mining lease and the industrial permit;
- completion of land acquisition;
- securing used plant;
- conversion of the engineering and cost study to a feasibility study; and
- completion of project financing.

The Touquoy Gold Project is an attractive project with an estimated IRR (Internal Rate of Return) of at least 37% on a pre-tax ungeared basis (at least 30% after tax) based on the resource model, current estimates of capital and operating costs and an average gold delivery price of CAD 900/oz. Present indications are that the Touquoy Gold Project is readily fundable and we are currently evaluating the optimum mix of debt and equity in the best interests of Shareholders.

We envisage the development of the Touquoy Gold Project as the first step in developing an economically and environmentally sustainable gold mining industry in Nova Scotia, Canada. Resource development drilling has commenced at the Company's Cochrane Hill property where initial scoping studies indicate additional mill feed of at least 200,000 ounces gold for the planned Touquoy Gold plant, subject to the requisite permitting being obtained.

Atlantic looks forward to further significant achievements in 2008.

The following prospectus contains details of the bonus share option issue. I encourage you to read the document carefully and, if necessary, obtain independent professional advice.

Yours sincerely



Ronald J Hawkes,
Chairman

29 May 2008

1 IMPORTANT INFORMATION

IMPORTANT NOTICE

This Prospectus is dated 29 May 2008 and a copy of this Prospectus was lodged with ASIC on that date.

ASIC and ASX do not take any responsibility for the contents of this Prospectus.

No New Options will be granted on the basis of this Prospectus later than 13 months after the date of this Prospectus, being the expiry date of the Prospectus. This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

The Company is admitted to the Official List and its Shares are continuously quoted securities of the Company in the terms of section 713 of the Corporations Act.

Application has been made for the New Options to be granted Official Quotation by ASX. The fact that ASX may grant Official Quotation of the New Options is not to be taken in any way as an indication of the merits of the Company or the New Options.

Following exercise of the New Options, the Company will apply for Official Quotation of the Shares issued within 15 Business Days of allotment of the Shares.

In preparing this Prospectus, the Company has taken such precautions and made such enquires as are reasonable in order for it to have complied with the provisions of the Corporations Act and the Listing Rules in force at the date of this Prospectus.

No person is authorised to give any information or to make any representation concerning the Offer. Any information or representation concerning the Offer which is not contained in this Prospectus should not be relied upon as having been authorised by the Company or its Directors. Neither the Company nor any other person warrants the future performance of the Company or any return on any investment made under this Prospectus, except as required by law and then only to the extent so required. Shareholders should note that the past share performance of the Company provides no guidance as to its future share price performance.

Words and phrases used in the Prospectus and defined in section 9 (Glossary of defined terms) of this Prospectus have the meanings ascribed to them in that section.

THIS IS AN IMPORTANT DOCUMENT

It is important that you carefully read this Prospectus in its entirety and, in particular, that you consider the risk factors that could affect the financial performance of the Company. In addition to the general risks applicable to all investments in listed companies, there are specific risks associated with an investment in the Company. These risks are discussed in section 4 of this Prospectus. 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.

ELIGIBLE SHAREHOLDERS

This Prospectus contains an Offer only to persons (including individuals and corporate entities) who are Shareholders on the Record Date with registered addresses in Australia or New Zealand. No action has been taken to register or qualify the New Options or the Offer, or otherwise to permit a public offering of the New Options, in any jurisdiction outside Australia.

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

In particular, the Offer has not been, and will not be, registered under the US Securities Act 1933 or the securities laws of any State of the United States and is not being made in the United States or to persons resident in the United States. Without limitation, this Prospectus may not be sent to investors in the United States or otherwise distributed in the United States.

The New Options being granted to shareholders with registered addresses in New Zealand under this Prospectus are granted 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 may not contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

IMPORTANT DATES

The following dates are indicative only and the Company reserves the right to make any changes without notice (in consultation with ASX, if necessary and subject to the Listing Rules). In particular, the Company reserves the right, subject to the Corporations Act and the Listing Rules to withdraw the Offer without prior notice.

Important dates

Announcement of bonus grant and application for quotation (Appendix 3B)	29 May 2008
Advise existing Options holders of the Offer	29 May 2008
Lodgement of Prospectus with ASIC and ASX	29 May 2008
Despatch of Prospectus	29 May 2008
Securities quoted ex basis by ASX	5 June 2008
Record Date for determining entitlements	12 June 2008
Despatch of holding statements for New Options (and despatch Prospectus to new Shareholders if required)	19 June 2008

APPLICATION FOR NEW OPTIONS

You do not need to take any action in relation to the Offer. The New Options will be automatically granted to you based on your entitlements on the Record Date.

PRIVACY DISCLOSURE

As a Shareholder, the Company and its share registry have already collected personal information from you. If you exercise your New Options, the Company and its share registry may update that personal information or collect additional personal information. Such information will be used to process any exercise of the New Options, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration of your security holding in the Company.

Each Eligible Shareholder agrees that the Company may use such information for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Company'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 the Company to include information about the security holder (including name, address and details of the securities held) in its public register. The information contained in the Company's public registers must remain there even if that person ceases to be a security holder of the Company. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

An Eligible Shareholder has a right to gain access to the information that the Company 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 the Company's registered office.

FORWARD LOOKING STATEMENTS

Any projections or other forward looking statements contained in this Prospectus are based on the Company's current expectations about future events. They are, however, subject to certain risks (both known and unknown), uncertainties and assumptions many of which are outside the control of the Company and its Directors that could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by such projections or other forward looking statements.

2 THE OFFER

The Company is to make a pro-rata non-renounceable grant of approximately 22,348,790 free bonus share options to Eligible Shareholders on a 1 for 10 basis for fully paid Shares and on a 1 for 22.2 basis (approx.) for partly paid Shares held on the Record Date (12 June 2008). Each New Option granted allows the holder to subscribe for a fully paid Share upon payment of the exercise price of 18 cents no later than 5:00 pm 30 October 2009.

PURPOSE OF THE OFFER

The purpose of the free grant is to reward the Company's existing Shareholders for their continued support of the Company.

Subject to the exercise of the New Options, funds raised will be directed to the Company's gold exploration and development activities particularly in Nova Scotia, Canada and on-going working capital of the Company.

ACTION REQUIRED BY ELIGIBLE SHAREHOLDERS

You do not need to take any action to receive the New Options.

This Prospectus is issued without the requirement for an application form under an exemption provided under Class Order 00/1092.

The New Options will be granted to you based on your entitlement as at the Record Date.

The number of New Options granted to you will be set out in a holding statement that should be dispatched to you no later than on 19 June 2008. Fractional entitlements will be rounded up to the next whole number.

The grant of New Options under this Prospectus is non-renounceable which means that you may not sell or transfer any part of your entitlement on ASX or otherwise.

TOTAL NUMBER OF NEW OPTIONS TO BE GRANTED

The total number of New Options to be granted pursuant to this Offer will be approximately 22,348,790.

If all of the New Options are exercised, the Offer will raise approximately \$4,022,782 (before costs and expenses). The costs and expenses of the Offer are expected to be approximately \$20,000.

RIGHTS ATTACHING TO NEW OPTIONS

The rights, privileges and restrictions attaching to New Options are set forth in section 6 of this Prospectus.

OFFICIAL QUOTATION BY ASX

Application for Official Quotation by ASX of New Options has been made. If ASX does not grant Official Quotation of the New Options within 3 months after the date of this Prospectus, the Company will not grant any New Options.


The fact that ASX may grant Official Quotation of the New Options pursuant to this Prospectus is not to be taken in any way as an indication of the merits of the Company or the New Options.

OFFER NON-RENOUNCEABLE

This Offer is non-renounceable which means that you may not sell or transfer any part of your entitlement on ASX or otherwise.

ELIGIBLE SHAREHOLDERS

This Prospectus contains an Offer only to persons (including individuals and corporate entities) who are Shareholders on the Record Date with a registered address in Australia or New Zealand. No action has been taken to register or qualify the New Options or the Offer, or otherwise to permit a public offering of the New Options, in any jurisdiction outside Australia.



The Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. It is the responsibility of any Shareholders who are citizens or residents of jurisdictions outside of Australia to ensure compliance with all laws of any jurisdiction which are relevant to this Offer.

In particular, the Offer has not been, and will not be, registered under the US Securities Act 1933 or the securities laws of any State of the United States and is not being made in the United States or to persons resident in the United States. Without limitation, this Prospectus may not be sent to investors in the United States or otherwise distributed in the United States.

Shareholders with a registered address in Australia or New Zealand who hold Shares on behalf of persons who are not resident in Australia or New Zealand are responsible for ensuring that taking up the New Options under the Offer does not breach securities law in the relevant overseas jurisdictions.

The New Options being granted to Shareholders with registered addresses in New Zealand under this Prospectus are granted 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 may not contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

ELECTRONIC PROSPECTUS

This Prospectus is available in electronic form on the Company's website at www.atlanticgold.com.au. The Offer constituted by this Prospectus is only available electronically to Australian and New Zealand residents accessing and downloading or printing the electronic version of this Prospectus within Australia and New Zealand. The Offer constituted by this Prospectus in electronic form is not available to investors outside Australia and New Zealand, including persons in the United States and Canada. Persons who receive the electronic version of this Prospectus should ensure they download and read the entire Prospectus. A paper copy of this Prospectus will be provided free of charge to any person in Australia and New Zealand who requests a copy during the currency of this Prospectus.

TAXATION

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of the Offer under this Prospectus. Neither the Company nor any of its officers accepts any liability or responsibility arising from this Offer. Shareholders should therefore consult their own tax adviser in connection with the taxation implications of the Offer.

CHESS

The Company participates in the Clearing House Electronic Subregister System known as CHESS. ASX Settlement and Transfer Corporation Pty Ltd, a wholly-owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and ASTC Settlement Rules. Under CHESS, Eligible Shareholders will not receive a certificate but will receive a holding statement for the New Options.



GRANT OF NEW OPTIONS

New Options will be granted and holding statements should be despatched no later than 10 June 2008 to grantees at the address appearing in the Register or such other address as may be advised by the grantee.

ENQUIRIES

Enquiries concerning this Prospectus should be directed to enquiries@atlanticgold.com.au or the Company Secretary, Julie Fidler on +61 2 9929 6633.

3 EFFECT OF OFFER ON THE COMPANY

GENERAL

The principal effect of the Offer on the Company is to increase the number of Options on issue and, if all the New Options are exercised, potentially raise approximately \$4,023,000 (before costs and expenses) and issue approximately 22,348,790 new Shares.

CAPITAL STRUCTURE

The capital structure of the Company as at the date of this Prospectus is as follows:

Shares	Number
Fully paid Shares	209,859,048
Partly paid Shares	30,286,342
Total Shares	240,145,390

Share options	Description	Number
Unlisted Options	Exercisable at 20 cents per Share no later than 31 December 2008	2,200,000
	Exercisable at 15 cents per Share no later than 22 August 2010	4,550,000
	Exercisable at 15 cents per Share no later than 14 October 2008	3,000,000
	Exercisable at 15 cents per Share no later than 27 December 2008	7,500,000
Total Options		17,250,000

CALCULATION OF NEW OPTIONS GRANTED UNDER THIS PROSPECTUS

Shares on issue	Number	Conversion Ratio	New Options
Fully paid Shares	209,859,048	1 for 10	20,985,905
Partly paid Shares			
Paid to 9 cents with 11 cents payable	30,286,342	1 for 22.22222	1,362,885
Total New Options granted			22,348,790

If all of the New Options are exercised, the Company will raise approximately \$4,023,000 (before costs and expenses). The ability of the Company to raise this additional capital through the exercise of the New Options is dependent on the Company's Share price prior to the expiry date of the New Options. Monies raised from the exercise of New Options will be directed to the Company's gold exploration and development activities particularly in Nova Scotia, Canada and ongoing working capital requirements of the Company.

4 RISK FACTORS

There are a number of factors, both specific to the Company, and of a general nature, which may affect the future operating and financial performance of the Company and the value of an investment in the Company.

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.

Shareholders should carefully consider each of the risks described below, together with the other information contained in this Prospectus including the Chairman's letter to Shareholders, before making an investment decision.

GENERAL RISK FACTORS

Economic conditions

The performance of the Company may be significantly affected by changes in economic conditions, and particularly conditions which affect the mining and resources industry. Profitability of the business may be affected by factors such as market conditions, interest rates, inflation and consumer demand.

Geo-political factors

The Company may be affected by the impact that geo-political factors have on the various world economies or the Australian economy or on financial markets and investments generally or specifically.

Australian and foreign government policies and legislation

The Company may be affected by changes to government policies and legislation (both in Australia and foreign jurisdictions), including those relating to the mining and resources industry, property, the environment, taxation and the regulation of trade practices and competition, government grants and incentive schemes.

Market risk

As the Company's Shares are quoted on ASX, its share price is subject to unforeseen and unpredictable circumstances including numerous influences which may reflect broad trends in the share market and in turn, affect the share prices of individual companies.

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 will depend, to some extent, on market factors. World market prices for gold and metals are subject to many variables and may fluctuate substantially.

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 Company.

War or terrorism

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

SPECIFIC RISK FACTORS

Exploration and mining risks

Mineral exploration is a highly speculative activity. There are also 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 will necessarily 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.

Whilst two of the Directors have considerable experience in planning and executing mineral exploration programs in Canada, the Company has no Canadian mining experience. However, it will use its Australian mining experience and its usual consultants and contacts, together with Canadian professional expertise to assist in making commercial judgements in respect of its Canadian activities.

Risks related to investment in resources

Exploration and/or development of resources generally are subject to high levels of risk as commodities are subject to high levels of volatility in price and demand. Risks in relation to drilling include equipment break-downs and the risk of failure to find mineral resources in commercial quantities, or all.

Climatic risks

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

Environmental risks

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 cleanup may be considerable if operations result in significant environmental liabilities being incurred. In such a case, any allowance made for rehabilitation in the cash flow projections would be inadequate.

Regulatory approval risk

Operations by the Company may require approvals to be obtained from regulatory authorities including those outlined in the Chairman's letter to Shareholders. The Company has no reason to believe that any requisite approval may not be able to be obtained on terms acceptable to the Company and the Company's obligations for expenditure will be predicated on any requisite approvals being obtained. However, Shareholders should be aware that the Company cannot guarantee that all requisite approvals will be obtained. A failure to obtain approval may mean that the ability of the Company to develop or operate a project, or possibly acquire a project, may be limited or restricted either in part or absolutely.

Surface title

The Company's surface title acquisition program is yet to be completed and is partly reliant on Provincial government facilitation. Delay in completion of this program would impact timing of regulatory approvals and commencement of production.

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.

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.

Financial or funding risks

The ability of the Company to implement its business strategy may depend in part on its ability to continue to raise additional funds whether by way of equity or project or other financing and/or to secure appropriate partnering or out-licensing arrangements. No assurances can be given that such funding will be available, or that it will be available on terms attractive to the Company.

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 key staff as required by the business.

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 will be in part dependent 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 will also be dependent in part upon engagement of management capable of managing and expanding its operations beyond the present projects.

Contract risks

The Company operates through a series of contractual relationships with operators, sub-contractors and will sell production through various marketing contracts. 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, limitation on repatriation of earnings, compliance with foreign accounting and business laws, and cultural differences carry a certain amount of risk.

5 CONTINUOUSLY QUOTED SECURITIES DISCLOSURE

DISCLOSURE

The Company 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 Listing Rules and the Corporations Act concerning notification of information to ASX.

ASIC maintains records in respect of documents lodged with it by the Company. Copies of documents lodged at ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC.

Copies of announcements made by the Company to ASX may be viewed at ASX's website at www.asx.com.au.

In addition, a copy of the following documents will be provided by the Company free of charge, upon request, during the currency of this Prospectus:

- 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.

The following table provides a list of all of the Company's announcements since 28 March 2008 (being the date the annual financial report of the Company was given to ASX):

List of ASX Announcements – 28 March 2008 to 29 May 2008

30/04/2008	Quarterly Activities Report
28/04/2008	Notice of Annual General Meeting/ Proxy Form
28/04/2008	Annual Report to shareholders
23/04/2008	Touquoy Gold Project – Update

Continuous disclosure prospectus

This Prospectus contains information required under the special prospectus content rules for continuously quoted securities pursuant to section 713 of the Corporations Act. This section enables disclosing entities to issue a special prospectus in relation to continuously quoted securities of a body or options to acquire continuously quoted securities of a body.

Apart from 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 Company and the rights and liabilities attaching to the New Options and the underlying Shares. 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 this information should have previously been released to the market.

6 ADDITIONAL STATUTORY AND OTHER INFORMATION

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 in this section 6.

Each New Option entitles the holder to subscribe for one fully paid Share in the Company.

The New Options will expire at 5:00 pm on 30 October 2009.

There is no obligation to exercise the New Options.

The exercise price or number of Shares over which the New Options granted can be exercised may be changed in the cases outlined in Listing Rule 6.22.

In the event of any reorganisation (including a consolidation, sub-division, reduction 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.

The exercise price of each New Option will be 18 cents.

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 set out in below.

The Company will apply for Official Quotation by ASX of the Shares issued upon exercise of the New Options within 15 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 provided that (unless all New Options are being exercised) no less than 5,000 New Options are exercised at any one time.

RIGHTS AND LIABILITIES ATTACHING TO SHARES

The rights and liabilities attaching to the Shares arise from a combination of the constitution of the Company, statute and general law.

Full details of the rights and liabilities attaching to the Shares are set out in the constitution of the Company, a copy of which can be inspected at the Company's office during business hours. A summary of these rights and liabilities are set out below:

VOTING

Subject to any special rights or restrictions for the time being attached to any class or classes of Shares in the Company (at present there are none) and provided all calls due to the Company in respect of any Share has been paid, at a general meeting every Shareholder present in person or by proxy, representative or attorney will have one vote on a show of hands and on a poll, one vote for each fully paid Share held. A person who holds a Share which is not fully paid, is entitled on a poll to such number of votes as results from applying the ratio of the amount of the issue price of Share paid to the total issue price, to the number of those partly paid Shares registered in the Shareholder's name.

GENERAL MEETING

Each Shareholder will be entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be furnished to Shareholders under the constitution of the Company, the Corporations Act and the Listing Rules.

DIVIDENDS

Dividends shall be declared and paid on all Shares held in proportion to the number of Shares held irrespective of the amounts paid or credited as paid on the Shares. Power to declare dividends is vested in the Directors and they may fix the time for payment thereof.

TRANSFER OF SHARES

Generally Shares in the Company are freely transferable subject to formal requirements providing that the registration of the transfer will not result in a contravention or a failure to observe the provisions of the law of Australia and the transfer is not in breach of the Listing Rules.

ISSUE OF SHARES

The Board may (subject to the restrictions on the issue of shares imposed by the constitution of the Company, the Listing Rules or the Corporations Act) issue, grant options in respect of, or otherwise dispose of further the shares as they see fit.

WINDING UP

Subject to any special or preferential rights attaching to any class or classes of the ordinary shares, on a winding up of the Company a liquidator may, with the authority of a special resolution of the shareholders, divide among the shareholders in kind the whole or any part of the property of the Company in proportion to the shares held by them respectively. The liquidator may for that purpose set the value he or she considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the shareholders. The liquidator may, with the sanction of a special resolution of the shareholders, vest the whole or any part of the assets in trust for the benefit of the shareholders as the liquidator thinks fit, but so that no the shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

ALTERATION TO THE CONSTITUTION

The constitution of the Company can only be amended by a special resolution passed by at least three quarters of the votes of shareholders present and voting at a general meeting. At least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

INTERESTS OF DIRECTORS

Other than set out below or elsewhere in this Prospectus, no Director of the Company nor any firm in which such a Director is a partner, has or has had during the 2 years before the lodgement of this Prospectus with ASIC any interest in:

- the formation or promotion of the Company;
- any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- the Offer,

other than in their capacity as a Shareholder.

Except as disclosed in this Prospectus, no amounts have been paid or agreed to be paid, in cash or Shares or otherwise, to any Director or to any firm in which any such Director is a partner, either to induce him or her to become, or to qualify him or her as, a Director or otherwise for services rendered by him or her or by the firm in connection with the promotion or formation of the Company or 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.

DIRECTORS' REMUNERATION

The constitution of the Company 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 2007 are detailed below.

Director	Salary	Directors' Fees	Super	Share Options *	Total
	\$	\$	\$	\$	\$
R J Hawkes	–	60,000	5,400	7,046	72,446
R H N Symons	–	15,000	17,700	1,409	34,109
W R Bucknell	200,000	–	18,000	14,092	232,092

* Value of share options vested during the year.

DIRECTORS' INTERESTS IN SECURITIES

As at the date of this Prospectus, the Directors have an interest in the following Shares and Options in the Company:

	Fully paid Shares	Partly paid Shares	Options
R J Hawkes	24,530,056	5,750,000	2,000,000
W R Bucknell	5,499,156	1,036,860	3,000,000
R H N Symons	100,000	–	100,000

Each Director is entitled to participate in the Offer to the extent that the Director held Shares on the Record Date.

INTERESTS OF OTHER PERSONS

Except as disclosed in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Offer or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Offer.

Over the last 2 years, Deacons has invoiced the Company approximately \$72,500 (inclusive of GST and disbursements) for the provision of professional legal services.

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.

EXPENSES OF THE OFFER

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

Deacons: Fees for professional services undertaken as Australian legal advisers to the Company in connection with the Offer of approximately \$6,000 exclusive of GST as at the date of this Prospectus. Deacons may receive further fees for additional work done, determined on the basis of time spent and hourly rates agreed with the Company.

Various suppliers: Fees for other services provided namely ASX fees, printing and mailing, share registry, and ASIC fees, of approximately \$14,000 exclusive of GST in total.

CONSENTS AND DISCLAIMERS

Deacons as the Australian legal advisers to the Company in relation to the Offer has given and not withdrawn their written consent to be named in the Prospectus in the form and context in which they are named.

Deacons 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 Deacons' 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 Deacons' consent above.

GOVERNING LAW

This Prospectus is governed by the law applicable in the State of New South Wales, Australia and each Shareholder submits to the non-exclusive jurisdiction of the courts of the State of New South Wales, Australia.

CONSENTS TO LODGEMENT

Each Director of the Company has given, and has not withdrawn, his consent to the lodgement of this Prospectus with ASIC.

DIRECTORS' CONSENT

This Prospectus is signed on 29 May 2008 by W R Bucknell on behalf of the Directors, each of whom has consented to the signature, lodgement and issue of this Prospectus.

7 DIRECTORS' AUTHORISATION

Signed in accordance with a resolution of the Board
of Directors

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

W R Bucknell
Executive Director
Sydney 29 May 2008

8 CORPORATE DIRECTORY

Directors

Ronald J Hawkes	Non-Executive Chairman
Walter R Bucknell	Executive Director
Robert HN Symons	Non-Executive Director

Company Secretaries

Julie Fidler
Grahame Clegg

Registered Office and Principal Place of Business

Suite 701
220 Pacific Highway
Crows Nest NSW 2065 Australia
Ph: (612) 9929 6633
Fax: (612) 9929 9366
www.atlanticgold.com.au

Share Registry*

Computershare Investor Services Pty Ltd
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.

9 GLOSSARY OF DEFINED TERMS

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

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691.

Business Day means a day on which ASX is open for the transaction of business in NSW.

Company means Atlantic Gold NL ABN 82 062 091 909.

Corporations Act means the Corporations Act 2001 (Cth) as amended from time to time.

Directors means the directors of the Company at the date of this Prospectus.

Eligible Shareholders means a person registered in the Company's share register as the holder of Shares on the Record Date and who has a registered address in Australia or New Zealand.

Listing Rules means the official listing rules of ASX, as amended or varied from time to time, as they apply to the Company.

New Option means a free share option granted pursuant to this Prospectus to acquire one fully paid Share in the Company for an exercise price of 18 cents per Option, exercisable no later than 5:00 pm 30 October 2009.

Offer means the offer of free bonus share options to Eligible Shareholders pursuant to this Prospectus.

Official List means the Official List of ASX.

Official Quotation means official quotation of shares and options by ASX in accordance with the Listing Rules.

Option means an option to acquire one fully paid Share.

Prospectus means the Prospectus of which this section forms a part.

Record Date means, subject to this Prospectus, 5:00 pm on 12 June 2009.

Share means an ordinary share in the capital of the Company.

Shareholder means a holder of Shares in the capital of the Company.

References in this Prospectus to currency are, unless stated otherwise, to the currency of Australia.

References in this Prospectus to time are, unless stated otherwise, to Sydney time.

