

## **Chairman's Address to Annual General Meeting Friday 30 May 2008**

I welcome each of you who are shareholders to our AGM today. I also welcome those of you who are not shareholders and trust that you shall become shareholders in the very near future.

At Atlantic Gold we have had a vision and a goal of developing a gold mine – not just a gold mine but a successful, profitable gold mine for which we as shareholders and citizens of this global community can be truly proud. And what's more a gold mine within an area of great potential for substantial discoveries with a long term sustainable future, and one that would reward its investors with substantial dividends.

Our exploration led us to an opportunity in Canada, to a "forgotten" gold province in Nova Scotia discovered by hopeful 19th century prospectors who had laboured in an unfamiliar and unreceptive climate to discover numerous occurrences of discontinuous quartz vein associated gold mineralization. Some of these driven souls had recently arrived from similar prospecting activities in Australia. As a result of their prospecting success dozens of small mines were developed and sporadic gold production totalling more than a million ounces ensued till the outbreak of World War I.

Atlantic Gold was attracted to this area when it identified an overlooked style of disseminated gold mineralisation amenable to open pit mining. While the initial estimated resources totalled fewer than 500,000 ounces, the company has now identified a reasonably compact area that hosts more than 1 million ounces of known gold under its control but which appears to have potential for substantially greater gold resources. In fact an additional 0.5 million ounces of similar mineralisation outside the company's control have also been identified.

The company's professional team and consultants, under the direction of the board and the leadership of Wally Bucknell have focused their efforts and laboured diligently and scrupulously to advance the initial project at Touquoy towards its first gold pour. In addition, the team identified and acquired the Cochrane Hill Project which boasts similar geological characteristics. Together the two projects have resources which can provide a very handsome return on a capital investment. In fact, estimates show that at the current gold price, the two projects will produce about 200 million dollars after return of capital, and before tax. While the company does not own 100% of each project it does recoup all of its expenditures including past exploration and predevelopment before any sharing of excess cash at Touquoy and a similar but not identical arrangement exists at Cochrane Hill.

I can summarise our year on these projects as one which has taken us many major steps closer to our goal. In achieving this, we have found that it is not easy to satisfy the entire community of "stakeholders" that embraces a wider, more disparate and sometimes vocal community than solely the Atlantic Gold shareholders. Our shareholders have financed and supported our activities in the expectation of receiving a timely and reasonable return on the very high risk capital investment they have entrusted to the board and management of Atlantic Gold.

The company has submitted and received acceptance of the Touquoy Environmental Assessment Registration Document (EARD) and the subsequent Focus Study Report and has received Environmental Approval from the Minister of Environment and Labour to proceed with the project.

The Environmental Approval has cleared the way for the company to submit applications for Industrial Approval and the Mining Lease and those activities are well advanced from our Nova Scotia based operations. Last year Ausenco completed a very detailed Engineering and Cost Study for us and we raised approximately \$6.0 million to finance our activities.

We have met with many government Cabinet Ministers and their officials in the past years and we have received the warmth and encouragement of the elected members of the government of Nova Scotia. In fact this week we have received a letter from the Minister of Natural Resources in which he says and I quote, *"As Minister of Natural Resources, I want to assure you that I consider the Touquoy Gold Project an important initiative, which will provide economic benefits and employment in rural Nova Scotia."* He goes on to say, *"We are willing to assist you as much as possible and will do whatever we can within the scope of our authority."*

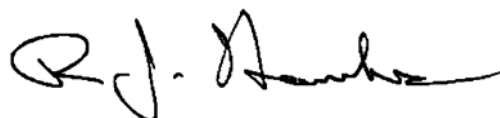
Before we can pour the first bar of gold, we have a number of tasks to complete. We must convert Ausenco's Engineering and Cost Study to a full Feasibility Study, complete the acquisition of all surface titles, and finalise the matters necessary to receive the Industrial Approval, and the Mining Lease. We have agreed upon arrangements with Ausenco and I have said earlier that activities associated with the applications for Industrial Approval and the Mining Lease are well advanced.

We shall require substantial funds to complete these predevelopment activities and fund construction of the project. In this regard, we are actively discussing these matters with Australian based entities, and we have engaged a Canadian advisor to assist us in North America. We shall canvass all potential avenues to fund the development of our gold projects and explore the highly auriferous Touquoy/ Cochrane Hill area.

The company's focus continues to be the development of Touquoy and the identification of potential additional gold sources in this area.

We look forward to making a timely development announcement.

Once again I express my sincere thanks to our shareholders, for continued support and patience as we strive to create a profitable gold mine at Touquoy. I thank our team – the staff, consultants, advisors and board members for the significant progress made over the past year. In particular I wish to thank Wally Bucknell, our Chief Executive Officer, for his tireless dedication in applying his considerable abilities to the advancement of Atlantic Gold's assets.



R J Hawkes, Chairman  
30 May 2008