

20 March 2009

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

Dear Sir,

Update on the proposed consolidation of assets with Acadian Mining Corporation

Atlantic Gold NL refers to a recent announcement by Acadian Mining Corporation (Acadian) that it had given an option to Mr Joseph Gutnick to make a private placement of up to 338.1 million ordinary shares to Golden River Resources Corporation ("Golden River"). Golden River is controlled by Mr Gutnick. According to the Acadian announcement if the transaction is completed, Mr Gutnick will control more than 68% of Acadian and have 50% of the nominees of the Board of Directors of Acadian.

Atlantic Gold looks forward to having Acadian, with Mr Gutnick's involvement, continuing as an active neighbour exploring and developing gold deposits in Nova Scotia. Mr Ron Hawkes, Chairman of Atlantic Gold and Mr Gutnick, President of Golden River entered into several transactions in the highly prolific gold mining areas of Western Australia in the 1990s. At the time Mr Hawkes was Managing Director of Plutonic Resources Ltd ("Plutonic") and Mr Gutnick was Chairman of Great Central Mines Ltd. Plutonic discovered more than 10 million ounces of gold and operated 5 gold mines producing more than 550,000 ounces of gold annually. Great Central also made several impressive discoveries and developed and operated the Bronzewing and Jundee Gold Mines.

The Plutonic gold deposit was discovered by Great Central Mines and was subsequently acquired and developed by Mr Hawkes and his staff, as Plutonic Resources Ltd, with its first bar of gold poured on 15 August 1990. It continues to operate today. With Mr Wally Bucknell as General Manager, Exploration for Plutonic, more than 6.5 million ounces of gold were discovered at the mine before the company was taken over in 1998. Mr Bucknell is currently Executive Director and CEO of Atlantic Gold.

On 31 October 2008, Atlantic Gold announced that a Memorandum of Understanding ("MOU") had been signed with Acadian to consider:

- processing ore from Atlantic Gold's Touquoy Gold Project through Acadian's Scotia mill; and

- consolidating the assets of the two companies including their gold interests, the aggregate resource inventory of which amounts to almost 3.0 million ounces gold.

Although discussions between Atlantic Gold and Acadian continued until last week, the two companies have not achieved a definitive plan to give effect to the objectives of the MOU.

Atlantic Gold is encouraged by the announcement of the involvement of Mr Gutnick with Acadian. His experience and extensive knowledge of the Western Australian goldfields and the methods employed there for the development of gold mines are valuable assets for potential Nova Scotia gold developments. Atlantic Gold has long believed that the Nova Scotia goldfields present a unique opportunity for development using expertise obtained in the development of Western Australian gold mines. The application of the skills and experience gained by Atlantic Gold chairman, Mr Ron Hawkes and Atlantic Gold executive director, Mr Wally Bucknell at the gold mines developed and operated by Plutonic Resources Limited in the 1990s has been central to Atlantic Gold's strategy for several years.

Atlantic Gold is hopeful that Mr Gutnick becoming involved with Acadian, both as a director and through the subscription by Golden River to the placement of Acadian shares described above, will create a favourable basis for moving forward to realise the principles and objectives expressed in the MOU between Acadian and Atlantic Gold.

Yours sincerely,



Ronald J Hawkes
Chairman