

1 April 2009

Companies Announcements Platform
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Announcement of Fully Underwritten Renounceable Rights Issue

On 31 March 2009, Atlantic Gold NL (**Atlantic**) announced a renounceable rights issue of fully paid ordinary shares at an issue price of 4 cents per new share (**Rights Issue**), on the basis of:

- 1 new share for every 3 fully paid ordinary shares held; and
- 1 new share for every 6.7 (approx) partly paid ordinary shares held.

In addition, subscribers for new shares will receive 1 new option (exercisable by 31 January 2011 at 8 cents per option) for every 10 new shares issued to them.

A prospectus for the Rights Issue (**Prospectus**) will be lodged with the Australian Securities and Investments Commission (**ASIC**) and ASX Limited (**ASX**) today.

The Rights Issue will only be open to existing holders of ordinary shares (both partly and fully paid) in Atlantic with registered addresses in Australia or New Zealand. Participation in the Rights Issue will not be extended to Atlantic shareholders with registered addresses outside Australia and New Zealand (**Ineligible Overseas Shareholders**).

Rights Issue

The Rights Issue comprises an offer of fully paid ordinary shares to existing holders of ordinary shares as at the record date of 5:00 pm (Sydney time) on 9 April 2009 (**Record Date**). The Rights Issue is renounceable. Under the Rights Issue, 1 new share will be offered for every 3 fully paid ordinary shares and 6.7 (approximately) partly paid ordinary shares held by an Atlantic shareholder at the Record Date. In addition, subscribers for new shares will receive 1 new option (exercisable by 31 January 2011 at 8 cents per option) for every 10 new shares issued to them. No additional amount is payable by subscribers for the issue of those options.

On completion of the Rights Issue, Atlantic will issue approximately 82.9 million new ordinary shares and 23.3 million options to raise approximately **\$3.3** million before costs and expenses. That number of options includes 15 million options to be issued to the Underwriter referred to below.

The new shares issued under the Rights Issue will rank equally with existing fully paid ordinary shares in Atlantic. Shares issued on exercise of the options will rank equally with the then issued fully paid ordinary shares in Atlantic.

Holders of options must exercise their options by the Record Date in order to participate in the Rights Issue.

The funds raised pursuant to the Rights Issue (net of costs and expenses) will ensure that Atlantic is well resourced to achieve the next important milestones in readiness for full project financing and development being:

- completion of the final feasibility study and permitting documentation for Touquoy and acquisition of additional surface titles;
- further development of Atlantic's equally promising gold project at Cochrane Hill; and
- satisfaction of other general corporate purposes including the repayment of corporate borrowings and undertaking regional exploration initiatives.

The Rights Issue is fully underwritten by Patersons Securities Limited (**Underwriter**).

Prospectus

Atlantic shareholders with a registered address in Australia or New Zealand will be forwarded a copy of the Prospectus. Atlantic shareholders wishing to acquire securities under the Rights Issue will need to complete the entitlement and acceptance form which will accompany the Prospectus. Atlantic shareholders should consider the Prospectus in deciding whether to acquire securities under the Rights Issue.

Atlantic shareholders will also be given the opportunity to apply for additional new shares which are not taken up under the Rights Issue (**Additional New Shares**). There will be a space in the entitlement and acceptance form which will accompany the Prospectus for you to apply for any Additional New Shares. Any Additional New Shares will be placed at the discretion of the directors in consultation with the Underwriter and in accordance with the provisions of the underwriting agreement. A shareholder is not guaranteed to receive any Additional New Shares.

Ineligible Overseas Shareholders

The Rights Issue is not extended to Ineligible Overseas Shareholders (i.e. Atlantic shareholders with registered addresses outside Australia and New Zealand). Atlantic has appointed the Underwriter to arrange for the sale of entitlements under the Rights Issue that would have been given to Ineligible Overseas Shareholders had the Rights Issue been extended to them. The Underwriter will arrange for the sale of those entitlements and, if sold, send the net proceeds of the sale to those Ineligible Overseas Shareholders.

Effect on capital of Atlantic

The following table shows the effect that the Rights Issue will have on the capital of Atlantic:

	Number of Shares	Number of Options
Total on issue at date of Prospectus, including partly paid shares	265,477,727	36,171,890
New securities issued pursuant to the Rights Issue including the Underwriter	82,940,080	23,294,008
Total	348,417,807	59,465,898

Note: the figures in this table are subject to the individual rounding of entitlements under the Rights Issue, and the exercise of options prior to the Record Date. Under the terms of the placement made by Atlantic on 3 March 2009, an additional 1.7 million fully paid ordinary shares and 850,000 options will be issued to places on 3 June 2009 for no additional consideration. Subject to the terms of his engagement, a consultant to Atlantic is entitled to be issued 400,000 options at 15 cents per option exercisable by 14 October 2012.

Timetable

Atlantic expects the Rights Issue to be conducted according to the following timetable:

Lodgement Date – The date the Prospectus is lodged with ASX and ASIC	1 April 2009
Ex Date – The date on which Atlantic shares commence trading ASX without the entitlement to participate in the Rights Issue.	3 April 2009
Rights trading commences – The date from which Atlantic shareholders may sell their entitlements under the Rights Issue on ASX.	3 April 2009
Record Date – The date for determining entitlements of Atlantic shareholders to participate in the Rights Issue (at 5:00 pm Sydney Time). Atlantic optionholders who wish to participate in the Rights Issue must exercise their options by this time.	9 April 2009
Prospectus sent to Shareholders – Anticipated despatch of Prospectus and entitlement and acceptance forms to Atlantic shareholders.	17 April 2009
Rights trading ends – The last day Atlantic shareholders may sell their entitlements under the Rights Issue on ASX.	24 April 2009
Trading of New Shares and Options – Date on which new shares and options will commence trading on ASX on a deferred settlement basis	27 April 2009
Closing Date – The last day for receipt of entitlement and acceptance forms and payment (at 5:00 pm Sydney Time).	1 May 2009
Despatch Date – Anticipated entry of new shares and options into uncertificated holding accounts.	11 May 2009
Normal Trading Date – Trading of new shares and options commences.	12 May 2009

Atlantic reserves the right to change this timetable without notice subject to the ASX Listing Rules and the *Corporations Act 2001* and, if necessary, the approval of the Underwriter. Changes to this timetable will be announced to ASX.

The Prospectus for the Rights Issue will be available on Atlantic's website at www.atlanticgold.com.au and ASX website at www.asx.com.au.

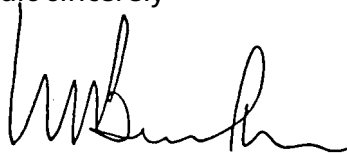
About Atlantic Gold NL

Atlantic Gold aims to develop open pit gold deposits in Nova Scotia, the Touquoy Gold Project being the 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 and operated up to five gold mines. The Company principals have considerable previous experience in exploration in Atlantic Canada.

The target at Touquoy is to develop a project with a minimum 1.5 million tonne per annum throughput and a 6 year minimum mine life to produce up to 90,000 ounces gold per year. It receives 100% of cashflow from Touquoy until all development, pre-production and exploration expenses, charges and fees – capital or otherwise – are recouped, following which it returns 60% share of profits. Atlantic Gold holds 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 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



Wally Bucknell
Executive Director