

2 July 2009

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

Dear Sir,

**24 m @ 8.0 g/t GOLD FROM 117 m INCLUDED IN INTERIM DRILL RESULTS  
FROM COCHRANE HILL, NOVA SCOTIA**

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Atlantic Gold is pleased to announce interim assay results from its Phase 2 resource delineation diamond drilling at the Cochrane Hill Gold Project located 80 km east of the Company's Touquoy Gold Project. Sixteen diamond core holes (CH-09-032 to 047) for 1717 m were drilled in May and assay results for half of the drill holes have now been received, including 24 m @ 8.0 g/t from 117 m depth (in hole CH-09-032), 27 m @ 3.1 g/t from 63 m (CH-09-033) and 38 m @ 1.68 g/t from 44 m (CH-09-036). These broad intersections are characterised by continuous gold mineralisation punctuated by occasional high grade intervals, and in general confirm the grades and reflect the style of mineralisation typified by the diamond drilling undertaken in the 1970s and 1980s. (Please refer to accompanying regional plan, drill plan and cross-section.)

A summary of the best assays received to date is shown below.

Atlantic Gold has now drilled a total of 39 diamond holes for 3102 m as delineation of the Cochrane Hill gold deposit. Completion of all resource delineation drilling, expected to require a further 5500 m, will enable an estimate of a full inventory of Measured and Indicated Resources (necessary for Ore Reserve estimation) and likely expand the resource particularly at depth where the resource is open.

The current resource estimate for Cochrane Hill, announced in June 2008 is based largely on historic (1970s and 1980s) diamond drilling and includes infill sampling undertaken by Atlantic Gold using historic core recovered from storage.

**Cochrane Hill Gold Deposit – Resources**

	Tonnes (millions)	Grade (g/t Au)	Contained Ounces
Indicated Resource	3.6	1.7	200,000
Inferred Resource	6.4	1.7	347,000
<b>TOTAL</b>	<b>10.0</b>	<b>1.7</b>	<b>547,000</b>

**Cochrane Hill 2009 drill program – Best assays**

Hole id	North	East	Dip	Az.	Depth (m)	Significant Intervals (>0.80g/t Au and up to 5m internal dilution)			
						From (m)	To (m)	Width (m)	Grade (g/t Au)
CH-09-032	3140	3200	-60	180	179.0	95	104	9	5.3
					incl.	97	98	1	42.8
						117	141	24	8.0
					incl.	125	126	1	89.4
					and	140	141	1	77.8
						170	171	1	26.1
CH-09-033	3100	3200	-60	180	130.0	63	90	27	3.1
					Incl.	67	68	1	40.8
						116	117	1	12.4
CH-09-034	3143	3250	-60	180	170.8	117	130	13	2.25
						148	149	1	9.07
						157	164	7	1.75
CH-09-035	3075	3300	-60	180	104.0	26	51	25	0.98
						75	76	1	22.3
CH-09-036	3090	3250	-60	180	114.9	44	82	38	1.68
CH-09-037	3050	3300	-45	180	55.0	4	22	18	1.99
CH-09-040	3065	3350	-45	180	49.0	16	25	9	1.69
						31	32	1	26.0
						41	42	1	15.0
CH-09-041	3095	3350	-60	180	83.0	62	69	7	3.14

**Note:** All holes are NQ core diameter with half sawn core sampled at 1m intervals and fire assayed following total sample pulverisation. Quality control procedures include routine submission of drill core blanks and accredited standards together with selected submission of blank standards immediately following samples containing visible gold.

The Inferred Resources are supported by the irregularly spaced and oriented historic drilling and assaying which conformed to industry standards at that time (including selective sampling, core splitting rather than cutting) but did not include routine quality control procedures that are now considered requisite procedures in the definition of Indicated and Measured Resources.

A conceptual pit based on these identified Resources and incorporating cost structures derived from the Touquoy Gold Project was optimised in mid-2008 to show that about 70% of this resource – almost 400,000 ounces – could potentially be mined. Results of the present drilling continue to support the outcome of this scoping study. Thus Cochrane Hill and Touquoy together have the potential for combined production of over 800,000 oz.

Gold mineralisation is developed within a 10 m to 30 m-wide zone of sulphidic and quartz-veined thin-bedded sediments which dips 70°N and trends almost east-west over a length of about 650 m. Coarse (visible) gold is common and the gold is expected to be free-milling.

Cochrane Hill is subject of an option agreement with TSX-listed Scorpio Mining Corporation (SMC). Under the terms of the agreement with SMC, once Atlantic Gold (through its wholly-owned Canadian subsidiary) has completed expenditure of C\$4.75 million on exploration and development within 4 years, conditionally extendable for a further 2 years, and has made aggregate cash payments of C\$100,000 to SMC, then at SMC's election Atlantic Gold 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.

Yours sincerely,



Wally Bucknell  
Executive Director

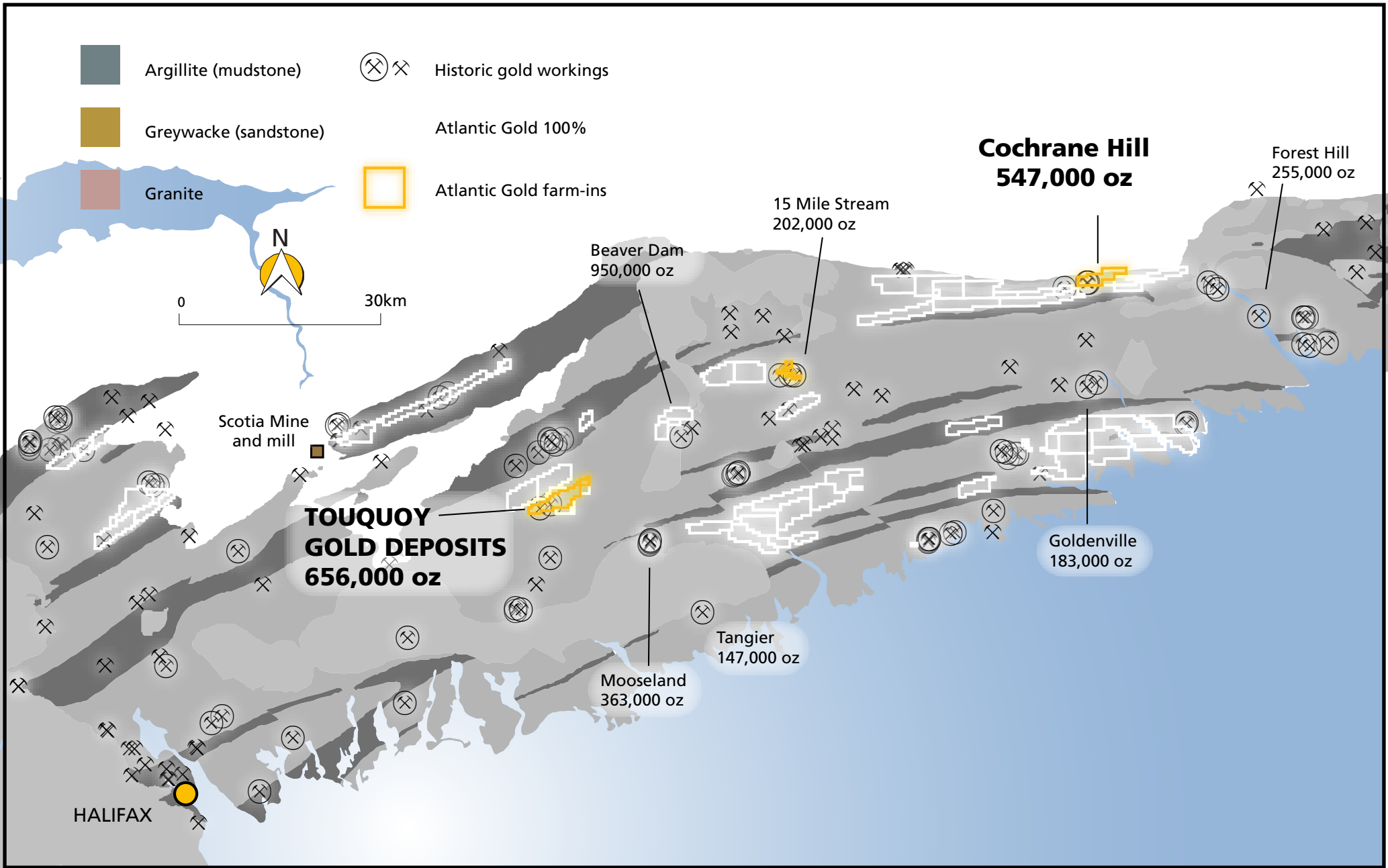
**Attribution:** The geological and sampling information in this report relating to Mineral Resources has been compiled by W R Bucknell who is a director of Atlantic Gold NL and a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). He has sufficient experience which is relevant to 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).

## About Atlantic Gold NL

Atlantic Gold is an ASX listed company (Code ATV) which 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 Moz of gold and operated up to five gold mines. The Company principals have considerable previous experience in exploration in Atlantic Canada.

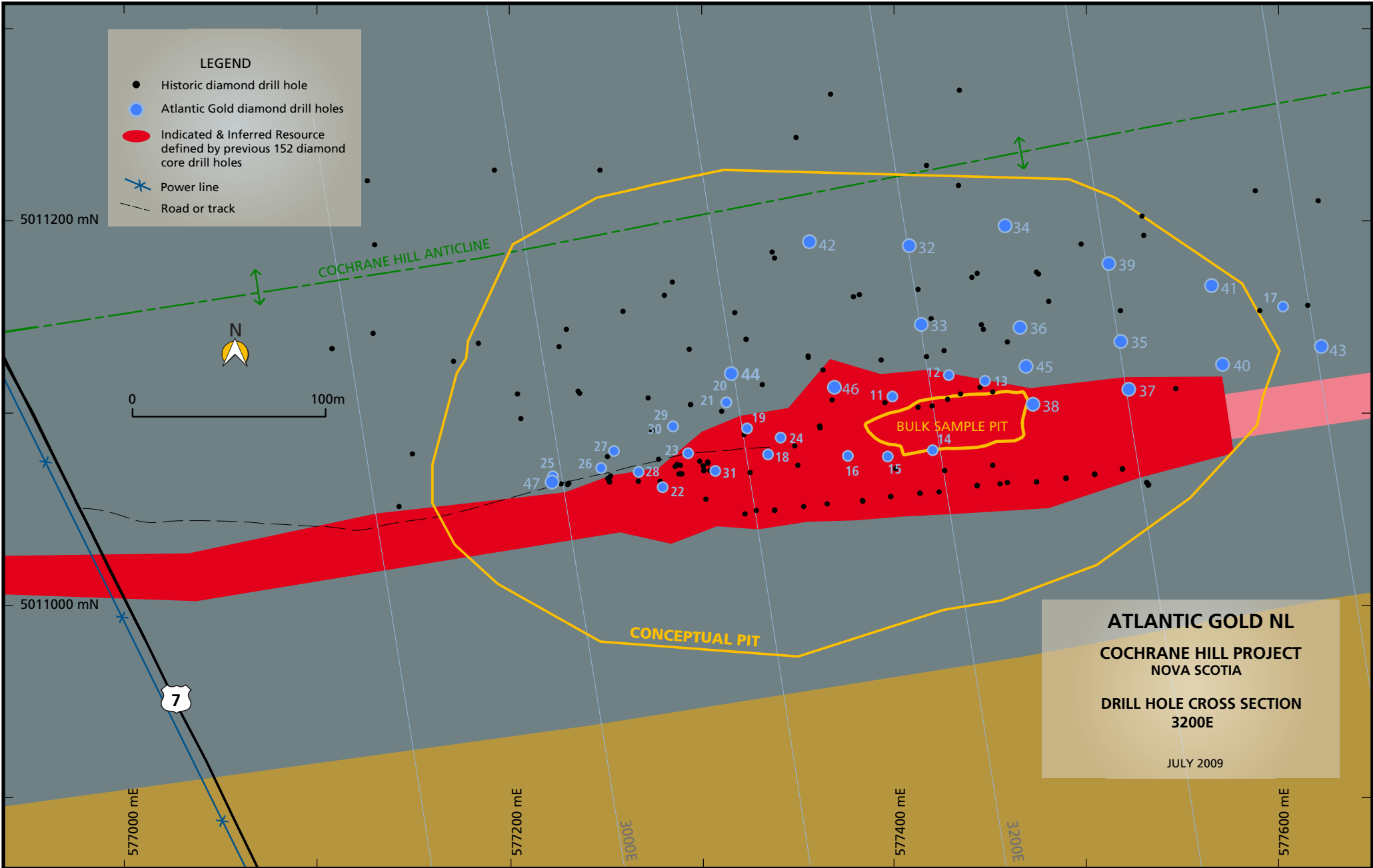
Atlantic Gold holds a nominal 60% interest in the Touquoy Gold Project. An additional 15% interest can be acquired in the property outside the general area of the known resource by securing project financing.

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.



**LEGEND**

- Historic diamond drill hole
- Atlantic Gold diamond drill holes
- Indicated & Inferred Resource defined by previous 152 diamond core drill holes
- ✕ Power line
- - - Road or track



**ATLANTIC GOLD NL**  
**COCHRANE HILL PROJECT**  
**NOVA SCOTIA**

**DRILL HOLE CROSS SECTION**  
**3200E**

JULY 2009

