



ATLANTIC GOLD NL
ABN 82 062 091 909
and its controlled entities

FINANCIAL REPORT
FOR THE SIX MONTHS ENDED
30 JUNE 2009

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2008 and any public announcement made by Atlantic Gold NL during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

DIRECTORS' REPORT

The directors present their report together with the consolidated financial report for the six months ended 30 June 2009 and the auditor's review report opinion thereon.

DIRECTORS

The names of directors who held office during or since the end of the six months ended 30 June 2009 are Mr Ronald J Hawkes, Mr Walter R Bucknell and Mr Robert H N Symons. Messrs Hawkes and Bucknell were appointed on 18 January 1999 and Mr Symons was appointed on 31 December 2005.

REVIEW OF OPERATIONS

TOUQUOY GOLD PROJECT, NOVA SCOTIA, CANADA (Atlantic Gold 60%, may earn up to 75% outside known resource)

The Touquoy Gold Project is located in central Nova Scotia approximately 100 km by sealed road from Halifax with access to power, water and transport infrastructure and to a skilled local workforce.

The current resource estimate for the Touquoy Gold Project, comprising the Touquoy Gold Deposit and the smaller Touquoy West deposits, stands at 13.2 million tonnes at 1.5 g/t for 656,000 contained ounces of gold.

Project financing remains a critical task in the current difficult, but improving, financial market conditions. Alternative development options have therefore been considered in order to alleviate financing requirements and expedite commencement of the Project. The conventional gravity/CIL gold processing circuit, as presently permitted and planned from the outset, remains the preferred option. The increasingly likely expansion of the Company's potential regional reserve inventory through developments at Cochrane Hill (see below) is expected to have a positive bearing on overall project financing.

Following Environmental Assessment Approval in 2008, applications for the Mining Lease and for Industrial Approval have been submitted to the Nova Scotia Departments of Natural Resources and Environment respectively. These relatively straightforward applications are presently in abeyance pending acquisition of all required surface land titles.

Recent meetings with senior provincial government officials have provided substantial encouragement for Atlantic Gold to pursue avenues for financial support available under existing government programs such as the Industrial Expansion Fund, the Payroll Rebate program and others, and submissions are being prepared.

COCHRANE HILL GOLD PROJECT, NOVA SCOTIA, CANADA (Atlantic Gold may earn either 60% or 80% depending on co-venturer's election following Atlantic Gold's earn-in expenditure)

The Cochrane Hill Gold Project is located 80 km east of the Touquoy Gold Project and is the subject of an option agreement with TSX-listed Scorpio Mining Corporation.

The current resource estimate for the Cochrane Hill Gold Project, announced in June 2008, is 10.0 million tonnes at 1.7g/t for 547,000 contained ounces of gold, which comprises Indicated Resources of 3.6 million tonnes at 1.7g/t for 200,000 ounces and Inferred Resources of 6.4 million tonnes at 1.7g/t for 347,000 ounces. The mineralisation is developed over true widths of up to 30m, is exposed at surface and is open at depth.

A second phase of diamond core resource delineation drilling comprising 16 holes for 1717 m directed at and below the limits of previous drilling has been completed as part of the progressive upgrade of the resource inventory to Measured and Indicated Resources. Intersections of up to 24m @ 8.0g/t gold from 117m (hole CH-09-032), 27m @ 3.1g/t from 63m (CH-09-033) and 38m @ 1.68g/t from 44m (CH-09-036) were recorded. The results overall generally confirm the grades and style of mineralisation previously identified by drilling campaigns undertaken at Cochrane Hill during the 1970s and 1980s. This historic drilling conformed to industry standards at that time but did not include routine quality control procedures that are now mandatory for definition of Indicated and Measured Resources in accordance with contemporary regulatory code.

A conceptual pit based on the presently 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 preliminary scoping study and re-affirm Atlantic Gold's belief that Cochrane Hill and Touquoy together have the potential for combined production of over 800,000 ounces of gold.

The present resource estimate is being revised to incorporate data from the 39 diamond holes now having been drilled by Atlantic Gold into the deposit.

TOTAL NOVA SCOTIA RESOURCES

Total gold resources controlled by the company in Nova Scotia are 1,203,000 ounces contained gold, comprising 656,000 ounces of contained gold for the Touquoy Gold Project and 547,000 ounces of contained gold for the Cochrane Hill Gold Project.

REGIONAL EXPLORATION, NOVA SCOTIA, CANADA

Atlantic Gold continues to pursue exploration targets both near-mine and throughout the Meguma Terrain which extends over a length of 400 km through Nova Scotia. Atlantic Gold currently holds mineral rights over approximately 400 square kilometres of prospective gold exploration lands in Nova Scotia and holds an option over the promising Plenty Prospect, located 40 km northeast of Touquoy.

KOOKYNIE GOLD PROJECT, WESTERN AUSTRALIA (previously Atlantic Gold 50%, FMR Investments Limited 50%)

Atlantic Gold and its joint venture partner FMR Investments Limited have sold their interests in the Kookynie Joint Venture tenements to Nex Metals Exploration Limited. Atlantic Gold received \$20,000 in cash and 1,000,000 ordinary shares in Nex Metals Explorations Limited upon completion of the sale.

CORPORATE

In May 2009 Atlantic Gold completed a renounceable rights issue of 82,940,080 fully paid ordinary shares and 23,294,138 ATVOA options (exercisable at 8 cents on or before 31 January 2011), with net proceeds of \$2.9 million. An additional 1,700,000 shares and 850,000 ATVOA options were issued on 3 June 2009.

Following completion of the rights issue, Atlantic Gold repaid in full its unsecured loan from CRX Investments Pty Limited and is now debt free.

Atlantic Gold continues to work towards securing ongoing project financing in order to further develop the Touquoy and Cochrane Hill Gold Projects.

EVENTS SUBSEQUENT TO BALANCE SHEET

No event has occurred subsequent to the balance sheet date which has affected or which may materially affect these financial statements.

LEAD AUDITOR'S INDEPENDENCE DECLARATION

under section 307C of the *Corporations Act 2001*

The lead auditor's independence declaration is set out on page 6 and forms part of the directors' report for the half year ended 30 June 2009.

Signed at Sydney this 31st day of August 2009 in accordance with a resolution of the directors.



W R Bucknell
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).

**Lead Auditor's Independence Declaration
under Section 307C of the *Corporations Act 2001***

To the Directors of Atlantic Gold NL:

I declare that to the best of my knowledge and belief, in relation to the review for the six months ended 30 June 2009, there have been:

- (i) no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG



Shane O'Connor
Partner

Sydney, 31 August 2009

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2009

	NOTE	CONSOLIDATED 30 JUNE 2009 \$	CONSOLIDATED 31 DECEMBER 2008 \$
Current assets			
Cash and cash equivalents		1,991,969	339,079
Trade and other receivables		129,758	167,376
Other current assets		95,314	77,539
Total current assets		2,217,041	583,994
Non-current assets			
Other financial assets	4	170,592	11,880
Property, plant and equipment	5	493,500	549,770
Exploration and evaluation assets – intangibles	6	12,261,741	12,363,872
Total non-current assets		12,925,833	12,925,522
TOTAL ASSETS		15,142,874	13,509,516
Current liabilities			
Trade and other payables		108,162	160,494
Loan and borrowings	7	–	67,222
Employee benefits		47,900	43,500
Total current liabilities		156,062	271,216
Non-current liabilities			
Loan and borrowings	7	–	382,778
Employee benefits		72,799	69,300
Total non-current liabilities		72,799	452,078
TOTAL LIABILITIES		228,861	723,294
NET ASSETS		14,914,013	12,786,222
Equity			
Share capital	8	35,717,939	32,465,237
Reserves		89,382	890,889
Accumulated losses		(20,893,308)	(20,569,904)
TOTAL EQUITY		14,914,013	12,786,222

The condensed consolidated interim statement of financial position should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2009

	NOTE	CONSOLIDATED 30 JUNE 2009 \$	CONSOLIDATED 30 JUNE 2008 \$
Continuing operations:			
Profit from sale of exploration assets		179,868	–
Impairment of investments		–	(496,220)
Impairment of exploration assets		(124,700)	(145,566)
General and administrative expenses	2	(361,148)	(330,846)
Results from operating activities		(305,980)	(972,632)
Financial income		11,473	87,796
Financial expenses		(28,897)	(216,928)
Net finance costs		(17,424)	(129,132)
Loss before income tax		(323,404)	(1,101,764)
Income tax expense		–	–
Loss for the period		(323,404)	(1,101,764)
Other comprehensive income/(loss)			
Foreign currency translation differences for foreign operations		(823,706)	(806,708)
Net change in fair value of available for sale assets		8,712	(55,440)
Amortisation of option reserve		13,487	5,694
Other comprehensive income for the period net of income tax		(801,507)	(856,454)
Total comprehensive income for the period		(1,124,911)	(1,958,218)
Loss attributed to owners of the company		(323,404)	(1,101,764)
Basic and diluted earnings/(loss) per share (cents per share)	3	(0.1)	(0.5)

The condensed consolidated interim statement of comprehensive income should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

2009	SHARE CAPITAL	FOREIGN CURRENCY TRANSLATION RESERVE	FAIR VALUE RESERVE	OPTIONS RESERVE	RETAINED EARNINGS	TOTAL EQUITY
Balance 1 January 2009	32,465,237	500,791	–	390,098	(20,569,904)	12,786,222
Total comprehensive income for the period						
Profit/(loss) for the period	–	–	–	–	(323,404)	(323,404)
Other comprehensive income						
Foreign currency translation differences	–	(823,706)	–	–	–	(823,706)
Net change in fair value of available for sale assets	–	–	8,712	–	–	8,712
Options issued	–	–	–	13,487	–	13,487
Total other comprehensive income	–	(823,706)	8,712	13,487	–	(801,507)
Total comprehensive income for the period	–	(823,706)	8,712	13,487	(323,404)	(1,124,911)
Transactions with owners recorded directly in equity						
Contributions by and distributions to owners						
Share options exercised	159	–	–	–	–	159
Placement March 2009	340,000	–	–	–	–	340,000
Rights issue receipts	3,317,843	–	–	–	–	3,317,843
Costs of issues	(405,300)	–	–	–	–	(405,300)
Total transactions with owners	3,252,702	–	–	–	–	3,252,702
Balance 30 June 2009	35,717,939	(322,915)	8,712	403,585	(20,893,308)	14,914,013

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
continued

2008	SHARE CAPITAL	FOREIGN CURRENCY TRANSLATION RESERVE	FAIR VALUE RESERVE	OPTIONS RESERVE	RETAINED EARNINGS	TOTAL EQUITY
Balance 1 January 2008	31,150,872	211,933	(440,780)	355,421	(17,958,593)	13,318,853
Total comprehensive income for the period						
Profit/(loss) for the period	–	–	–	–	(1,101,764)	(1,101,764)
Other comprehensive income						
Foreign currency translation differences	–	(806,708)	–	–	–	(806,708)
Change in fair value of available for sale assets	–	–	(55,440)	–	–	(55,440)
Options issued	–	–	–	5,694	–	5,694
Transfer of fair value reserve to the income statement	–	–	496,220	–	–	496,220
Total other comprehensive income	–	(806,708)	440,780	5,694	–	(360,234)
Total comprehensive income for the period	–	(806,708)	440,780	5,694	(1,101,764)	(1,461,998)
Transactions with owners recorded directly in equity						
Contributions by and distributions to owners						
Share options exercised	9,258	–	–	–	–	9,258
Total transactions with owners	9,258	–	–	–	–	9,258
Balance 30 June 2008	31,160,130	(594,775)	–	361,115	(19,060,357)	11,866,113

The condensed consolidated interim statement of changes in equity should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the six months ended 30 June 2009

	CONSOLIDATED 30 JUNE 2009 \$	CONSOLIDATED 30 JUNE 2008 \$
Cash flows from operating activities		
Payments to suppliers and employees	(397,889)	(336,541)
Interest received	11,473	87,761
Interest paid	(28,897)	(97,043)
Net cash used in operating activities	(415,313)	(345,823)
Cash flows from investing activities		
Sale/(purchase) of property, plant and equipment	34,264	(192,190)
Payments for exploration and evaluation expenditure	(762,327)	(1,553,835)
Net cash used in investing activities	(728,063)	(1,746,025)
Cash flows from financing activities		
Rights issue receipts	3,317,843	–
Proceeds from exercise of options	159	9,272
Proceeds from placements	340,000	–
Paid share issue costs	(405,300)	–
Repayment of borrowings	(450,000)	–
Net cash from financing activities	2,802,702	9,272
Net increase/(decrease) in cash and cash equivalents	1,659,326	(2,082,576)
Cash and cash equivalents at beginning of period	339,079	3,497,289
Effect of exchange rate fluctuations on cash held	(6,436)	(5,716)
Cash and cash equivalents at end of period	1,991,969	1,408,997

The condensed consolidated interim statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Atlantic Gold NL ("Company") is a company domiciled in Australia. The condensed consolidated interim financial report of the Company as at and for the six months ended 30 June 2009 comprise the Company and its subsidiaries (together referred to as the "Consolidated Entity") and the Consolidated Entity's interests in associates and jointly controlled entities.

The consolidated annual financial report of the consolidated entity as at and for the year ended 31 December 2008 is available upon request from the Company's registered office at Suite 701 220 Pacific Highway Crows Nest NSW 2065 or from the Company's web site www.atlanticgold.com.au.

The financial report is presented in Australian dollars which is the Consolidated Entity's choice of functional and presentation currency.

a. Statement of compliance

The condensed consolidated interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 Interim Financial Reporting and the *Corporations Act 2001*.

The condensed consolidated interim financial report does not include all of the information required for a full annual financial report and should be read in conjunction with the consolidated annual financial report of the consolidated entity as at and for the year ended 31 December 2008.

The condensed consolidated interim financial report was approved by the Board of Directors on 31 August 2009.

b. Basis of preparation

The accounting policies applied by the consolidated entity in this condensed consolidated financial report are the same as those applied by the consolidated entity in its consolidated financial report as at and for the year ended 31 December 2008.

c. Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2008.

NOTE 2: LOSS FROM ORDINARY ACTIVITIES

	CONSOLIDATED	
	30 JUNE 2009	30 JUNE 2008
	\$	\$
Items included in profit/(loss) before income tax expense		
General and administrative expenses		
Administrative costs	199,159	153,820
Corporate costs	50,619	25,762
Amounts set aside to/(written back from) provision for employee benefits	7,900	33,836
Depreciation and amortisation expense	2,192	5,127
Employee and Director benefits expense	60,933	50,497
Occupancy expense	17,939	17,939
Other expenses from ordinary activities	22,406	43,865
	<u>361,148</u>	<u>330,846</u>

NOTE 3: EARNINGS / (LOSS) PER SHARE

Basic and diluted earnings/(loss) per share (cents per share)

	(0.1)	(0.5)
	NUMBER OF SHARES	NUMBER OF SHARES
Weighted average number of ordinary shares outstanding during the period used in calculation of basic and diluted earnings / (loss) per share	<u>286,351,218</u>	<u>240,117,836</u>

NOTE 4: OTHER FINANCIAL ASSETS

	CONSOLIDATED	
	30 JUNE 2009	31 DECEMBER 2008
	\$	\$
Investment in listed entities at fair value	<u>170,592</u>	<u>11,880</u>

The increase in investments in listed entities is primarily attributable to the receipt of shares in Nex Metals Explorations Limited (refer Note 6).

NOTE 5: PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2009 Atlantic Gold acquired assets at a cost of \$1,635. An asset with a carrying amount of \$6,029 was sold for \$15,898 resulting in a gain on disposal of \$9,869 during the period.

NOTE 6: EXPLORATION AND EVALUATION ASSETS

On 30 June 2009 Atlantic Gold completed the sale of its interests in the Kookynie Joint Venture tenements in Western Australia to Nex Metals Explorations Limited for a consideration of \$20,000 in cash plus 1 million shares in ASX-listed Nex Metals Explorations Limited. As a result, the carrying value of the Kookynie tenements as at 30 June 2009 was nil. The investment in Nex Metals Explorations Limited is recorded at fair value.

The Directors believe that the consolidated entity will be able to fund the development of the exploration and development assets through either future equity raisings, project financing, or joint venture agreements.

NOTE 7: LOANS AND BORROWINGS

	CONSOLIDATED	
	30 JUNE 2009	31 DECEMBER 2008
	\$	\$
Unsecured loan	–	450,000
Unamortised option costs	–	–
	<u>–</u>	<u>450,000</u>
Non-current portion of unsecured loan	–	382,778
Current portion of unsecured loan	–	67,222
	<u>–</u>	<u>450,000</u>

During the six months to 30 June 2009 the company repaid in full the unsecured loan from CRX Investments Pty Limited ahead of its 27 January 2010 scheduled repayment date.

NOTE 8: SHARE CAPITAL

	CONSOLIDATED	
	30 JUNE 2009	31 DECEMBER 2008
	\$	\$
319,832,346 (Dec 2008: 228,289,385) fully paid ordinary shares	32,986,112	29,733,410
30,286,342 (Dec 2008: 30,286,342) partly paid ordinary shares	<u>2,731,827</u>	<u>2,731,827</u>
	<u>35,717,939</u>	<u>32,465,237</u>
	FULLY PAID ORDINARY SHARES	PARTLY PAID ORDINARY SHARES
	NO.	NO.
Shares on issue at 1 January 2009	228,389,385	30,286,342
Rights issues	82,942,080	–
Issue of shares on exercise of options	881	–
Placements of shares	<u>8,500,000</u>	<u>–</u>
	<u>319,832,346</u>	<u>30,286,342</u>

NOTE 9: OPTIONS

EXPIRY DATE	EXERCISE PRICE \$	OUTSTANDING AT 31-DEC-08	ISSUED DURING PERIOD	EXERCISED DURING PERIOD	LAPSED DURING PERIOD	OUTSTANDING AT 30-JUN-09
Listed						
30-Oct-09	0.18	21,721,890	–	(881)	–	21,721,009
31-Jan-11	0.08	–	24,144,138	–	–	24,144,138
Unlisted						
22-Aug-10	0.15	4,550,000	–	–	–	4,550,000
14-Oct-10	0.15	400,000	–	–	–	400,000
27-Dec-09	0.15	7,500,000	–	–	–	7,500,000
28-Aug-12	0.155	2,000,000	–	–	–	2,000,000
		36,171,890	24,144,138	(881)	–	60,315,147

NOTE 10: SEGMENT INFORMATION

for the six months ended 30 June 2009

The Consolidated Entity comprises the following main business segments:

- Australia: Head office activities, and
- Canada: Exploration, evaluation and development activities.

The following segment information is presented as part of the consolidated interim financial statements:

	AUSTRALIA		CANADA		CONSOLIDATED	
	30 JUN 2009 \$	30 JUN 2008 \$	30 JUN 2009 \$	30 JUN 2008 \$	30 JUN 2009 \$	30 JUN 2008 \$
Segment Result						
Profit/(loss) before tax	(190,880)	(958,881)	(132,524)	(142,883)	(323,404)	(1,101,764)
Income Tax	–	–	–	–	–	–
Net profit/(loss)	(190,880)	(958,881)	(132,524)	(142,883)	(323,404)	(1,101,764)

NOTE 11: SUBSEQUENT EVENTS

No event has occurred subsequent to the balance sheet date which has affected or which may materially affect these financial statements.

DIRECTORS' DECLARATION

In the opinion of the directors of Atlantic Gold NL ('the Company'):

- i. the financial statements and notes set out on pages 7 to 15 are in accordance with the Corporations Act 2001, including:
 - (a) giving a true and fair view of the financial position of the Consolidated Entity as at 30 June 2009 and of its performance for the six months ended on that date; and
 - (b) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
- ii. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

This financial report of the Company for the six months ended 30 June 2009 was authorised for issuance as of the date of this declaration.



W R Bucknell
Director

Sydney, 31 August 2009

INDEPENDENT REVIEW REPORT TO THE MEMBERS OF ATLANTIC GOLD NL

Report on the financial report

We have reviewed the accompanying interim financial report of Atlantic Gold NL, which comprises the condensed consolidated interim statement of financial position as at 30 June 2009, condensed consolidated interim statement of comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the period ended on that date, a statement of accounting policies and other explanatory notes 1 to 11, and the directors' declaration set out on page 16 of the Atlantic Gold NL Consolidated Entity ("the Consolidated Entity") comprising Atlantic Gold NL ("the Company") and the entities it controlled at the interim period's end or from time to time during the interim period.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation and fair presentation of the interim financial report in accordance with Australian Accounting Standard (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the interim financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2009 and its performance for the interim period ended on that date; and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As auditor of Atlantic Gold NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

**INDEPENDENT REVIEW REPORT
TO THE MEMBERS OF ATLANTIC GOLD NL continued**

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Atlantic Gold NL is not in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2009 and of its performance for the interim period ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

KPMG

KPMG



Shane O'Connor
Partner

Sydney, 31 August 2009