

30 April 2010

Australian Securities Exchange
Company Announcements Office
10th Floor, 20 Bridge Street
SYDNEY NSW 2000

QUARTERLY REPORT FOR PERIOD ENDING 31 MARCH 2010

HIGHLIGHTS

- The Definitive Feasibility Study for a 2.0 Mtpa conventional gravity/CIL production plan at the Touquoy Gold Project is on track for completion in the June Quarter.
- Additional land surface titles at Touquoy have been acquired.
- Following the appointment of Canadian boutique investment and financial advisor, Haywood Securities Inc., to investigate Atlantic Gold's potential Toronto Stock Exchange listing through merger or other arrangement, a number of proposals is under review.
- With substantial provincial Government encouragement investigations continue to ascertain availability of assistance in project financing under existing provincial or federal Government programs.

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TOUQUOY GOLD PROJECT

(Atlantic Gold 60%, may earn up to 75% outside known resources)

GENERAL

The Touquoy Gold Project is located in central Nova Scotia about 70 minutes drive by sealed road from Halifax, the Provincial capital. Halifax is a modern city with a population of about 350,000. It accommodates three universities and being a major shipping port supports major engineering and service infrastructure. Halifax International Airport, servicing direct flights to New York, London and Toronto, is 45 minutes from Touquoy.

As previously announced (September 2009 Quarterly Report) the present production plan contemplates recovery of 470,000 ounces gold from a single in-pit resource of 11.3 million tonnes @ 1.4 g/t with a strip ratio of 2.6:1 using a gold price of US\$875/oz and a conventional stand-alone gravity/CIL treatment plant.

PROJECT DEVELOPMENT

Project development is progressing on three fronts:

- Completion of Definitive Feasibility Study
- Finalisation of remaining permitting (Industrial Approval and Mining Lease grant)
- Acquisition of surface land titles

Definitive Feasibility Study (DFS)

Merit Engineers Pty Ltd (Perth), commissioned last Quarter to assemble the DFS, advise that progress is on track for completion of the DFS in the June Quarter. Merit's assignment extends to management of the Engineering and Cost Study for the 2.0 Mtpa gravity/CIL treatment plant presently nearing completion by Ausenco Limited (Perth), and compiling this with previous studies and reports from other relevant disciplines (metallurgy, geotech, tailings management, environment etc.).

Project Permitting

As previously noted applications for the Mining Lease and for Industrial Approval, the adjunct to the previously granted Environmental Assessment Approval, have previously been submitted to the Nova Scotia Departments of Natural Resources and Environment respectively. These applications are presently in abeyance pending acquisition of surface land titles, a pre-condition for approval. The requisite reports have now been revised on the basis of earlier feedback from these Departments and the Ausenco Engineering and Cost study,

and documentation is effectively in place for submission to the regulators once surface titles have been secured.

Acquisition of surface titles

With dedicated legal counsel having been secured through prominent Halifax legal firm Cox & Palmer, a number of existing purchase options was exercised and sales closed during the quarter. Additional property negotiations and title clearances are in progress. Issues relating to title clearances concern several remaining intestate titles and one lot held by the defunct Moose River Gold Mining Company which was incorporated in 1882 and demonstrably inactive since 1909. These issues are being vigorously addressed. The Land Services Branch of the Nova Scotia Department of Natural Resources has been helpful and supportive in many respects.

TOUQUOY WEST DIAMOND DRILLING

As recently announced all assay results have been received from a 14-hole NQ diamond drilling program undertaken at Touquoy West, about 2 km west of the Touquoy Gold Deposit, to follow-up encouraging reconnaissance 'interface' drill results as previously reported. These results highlighted a sedimentary unit, the Stillwater Argillite, as being particularly prospective. Hole locations are shown on the accompanying plans.

Best result is 1.1 g/t over 9 m from 23 m depth in hole MR-10-144. While indicative alteration and narrow gold-anomalous intervals (<1 g/t over <5 m) were returned from the Stillwater Argillite in most holes, results are less than expected. It is noted that poor core recovery – up to 60% - was experienced in the upper 40-50 m in most holes as a result of the unusually highly cleaved nature of the host sediments. HQ triple-tube diamond drilling, or preferably reverse circulation drilling, is considered necessary to overcome this problem. It is also noted that holes MR-10-137 to 139 did not intersect mineralisation directly correlable with the strong argillite-hosted mineralisation in interface hole MRG2515 – 5.05 g/t over 4 m from 3 m depth – which these holes were drilled to address. The diamond drilling has since shown that the overburden is about 7 m deep in this locale and that this mineralisation is therefore within the overburden, having been derived "up-ice" to the north from Higgins & Lawlor, or from another source.

Despite these relatively modest results it is apparent that the Stillwater Argillite is prospective as it has undergone the same hydrothermal alteration as has the Touquoy Argillite to the east. Reverse circulation drilling is better suited to testing the Stillwater Argillite further and this will best be done when such capability is available once the Touquoy Mine is in production.

COCHRANE HILL OPTION

(Atlantic Gold may earn either 60% or 80% depending on co-venturer's election following Atlantic Gold's earn-in expenditure)

Cochrane Hill is an advanced gold exploration property located 80 km east of the Company's Touquoy Gold Project and is subject of an option agreement with TSX-listed Scorpio Gold Corporation.

RESOURCE INVENTORY (as reported to ASX on 18 September 2009)

The current resource inventory for Cochrane Hill is as follows:

COCHRANE HILL GOLD DEPOSIT

	TONNES (millions)	GRADE (g/t Au)	CONTAINED GOLD ounces
Indicated Resource	4.46	1.76	251,000
Inferred Resource	5.65	1.64	298,000
TOTAL	10.11	1.69	549,000

The gold mineralisation is developed within a 10 m to 30 m-wide zone of sulphidic and quartz-veined thin-bedded sediments which dip 70° north 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 on indications from historic testwork and similarities to other gold deposits in this district. The mineralised zone plunges gently to the west and it remains open down-plunge in this direction.

PIT OPTIMISATION (as reported to ASX on 18 September 2009)

Based on this resource inventory and the assumption – yet to be confirmed by infill drilling – that all Inferred Resources can be converted to Measured and Indicated Resources, a conceptual open-pit has been optimised using similar costs and operating plan – 2 Mtpa gravity/CIL – to those presently applicable to the Touquoy Gold Project. For a gold price of US\$875/oz production of 8.9 million tonnes grading 1.7 g/t to recover 450,000 ounces gold is indicatively projected:

GOLD PRICE	TONNES (millions)	GRADE (g/t)	RECOVERED GOLD ounces	STRIP RATIO
US\$875/oz	8.9	1.7	450,000	1:5.8

CURRENT ACTIVITY

No appreciable site activity was undertaken during the Quarter.

OVERVIEW - NOVA SCOTIA PROJECT DEVELOPMENT

TOUQUOY AND COCHRANE HILL GOLD PROJECTS - UNIFIED PRODUCTION PLAN

Atlantic Gold is pursuing the concept of sequential development of the Touquoy and Cochrane Hill Gold Projects as a robust unified production plan to recover an estimated 920,000 ounces gold over a 10 year mine life. This combined Touquoy/Cochrane Hill production scenario contemplates re-location of the Touquoy 2 Mtpa gravity/CIL treatment plant to Cochrane Hill following completion of the Touquoy operation. Cochrane Hill is located 80 km east of Touquoy and about 110 km by road.

The total Mineral Resources controlled by Atlantic Gold in Nova Scotia are now well in excess of one million ounces:

	TONNES (millions)	GRADE (g/t Au)	CONTAINED OUNCES GOLD
TOUQUOY			
Measured Resources	2.8	1.5	130,000
Indicated Resources	7.3	1.5	350,000
Inferred Resources	1.6	1.5	77,000
Total Touquoy	11.7	1.5	557,000
TOUQUOY WEST			
Indicated Resources	0.9	1.9	54,000
Inferred Resources	0.6	2.2	45,000
Total Touquoy West	1.5	2.0	99,000
Total Touquoy Project	13.2	1.5	656,000
COCHRANE HILL			
Indicated Resources	4.5	1.8	251,000
Inferred Resources	5.6	1.6	298,000
Total Cochrane Hill	10.1	1.7	549,000
TOTAL NOVA SCOTIA	23.3	1.6	1,205,000

The conceptual Financial Model for this production scenario on 100% basis (refer appended Background Note for ownership details) is tabulated below:

	TOUQUOY	COCHRANE HILL	TOUQUOY + COCHRANE HILL
Production	470,000 oz	450,000 oz	920,000 oz
Initial mine life	5.6 years	4.5 years	10.1 years
Plant	2 Mtpa	2 Mtpa	2 Mtpa
Throughput	11.3 Mt	8.9 Mt	20.2 Mt
Grade	1.4 g/t	1.7 g/t	1.5 g/t
Initial capital (A\$)	\$104M	-	\$104M
Operating cash cost (US\$/oz)	\$485	\$520	\$500
Gold price used:			
Optimisation (US\$/oz)	\$875	\$875	\$875
Revenues (US\$/oz)	\$1000	\$1000	\$1000
Net cash (pre-tax) (A\$)			\$340M
NPV ATV share @ 8% pre-tax (A\$)			\$98M
Project IRR			40%
Exchange rate (A\$/US\$)	0.86	0.86	0.86

REGIONAL EXPLORATION

This gold district of Nova Scotia is believed to be highly prospective for major open-pit mineable gold resources similar in style to those at Touquoy and Cochrane Hill. Ongoing exploration for such deposits and development of these two Projects are the forward steps in Atlantic Gold's strategy to develop a robust and environmentally sustainable gold mining industry in Nova Scotia.

An ongoing program of first pass field investigations, inspections and evaluations is maintained within the 220 km² of tenements currently held by Atlantic Gold. A gold-antimony property at West Gore, 65 km west of Touquoy and within the same geological province, was optioned from prospectors and historic diamond drill core is presently being evaluated. Interest in this property derives from the occurrence of anomalous gold in shales as wallrock to mineralised quartz veins which were the subject of modest historic production.

CORPORATE

PROJECT FINANCING

In consideration of the project financing for the initial capital required to achieve first gold pour upon completion of the DFS and final permitting, Atlantic Gold has appointed Haywood Securities Inc (Toronto) as financial adviser to investigate the potential listing through a merger or other arrangement of the Touquoy and Cochrane Hill projects on the Toronto Stock Exchange (TSX).

The directors have determined to investigate whether shareholder value can be enhanced by pursuing a merger or other arrangement with a TSX listed entity with exploration and development goals in common with Atlantic Gold and better access to financial and operational resources.

This process is now well advanced with proposals from a number of such entities under review.

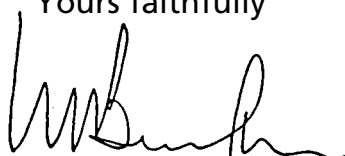
Haywood Securities is an independent boutique investment and financial adviser with its head office in Vancouver, Canada. It also has offices in Toronto, Calgary and London. Haywood Securities has a proven track record in assisting emerging growth companies in the mining, oil and gas and other sectors looking for a means to grow, consolidate and build value.

PROVINCIAL GOVERNMENT SUPPORT

Substantial encouragement for Atlantic Gold's development projects in Nova Scotia continues to be provided by senior provincial government officials and representatives. Officials have expressed an appreciation of the economic benefits that development and operation of the Touquoy and Cochrane Hill Gold Projects will accrue to rural Nova Scotia. Productive discussions continue between the Company's principals and representatives of relevant government departments and agencies to ascertain potential support with respect to project financing under existing government programs.

Further discussion and consideration will necessarily follow.

Yours faithfully



W R Bucknell

This report and accompanying plans will be posted on the Company's website, www.atlanticgold.com.au following its release to the Australian Stock Exchange.

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 Moz of gold and operated up to five gold mines. The Company principals have considerable previous experience in exploration in Atlantic Canada.

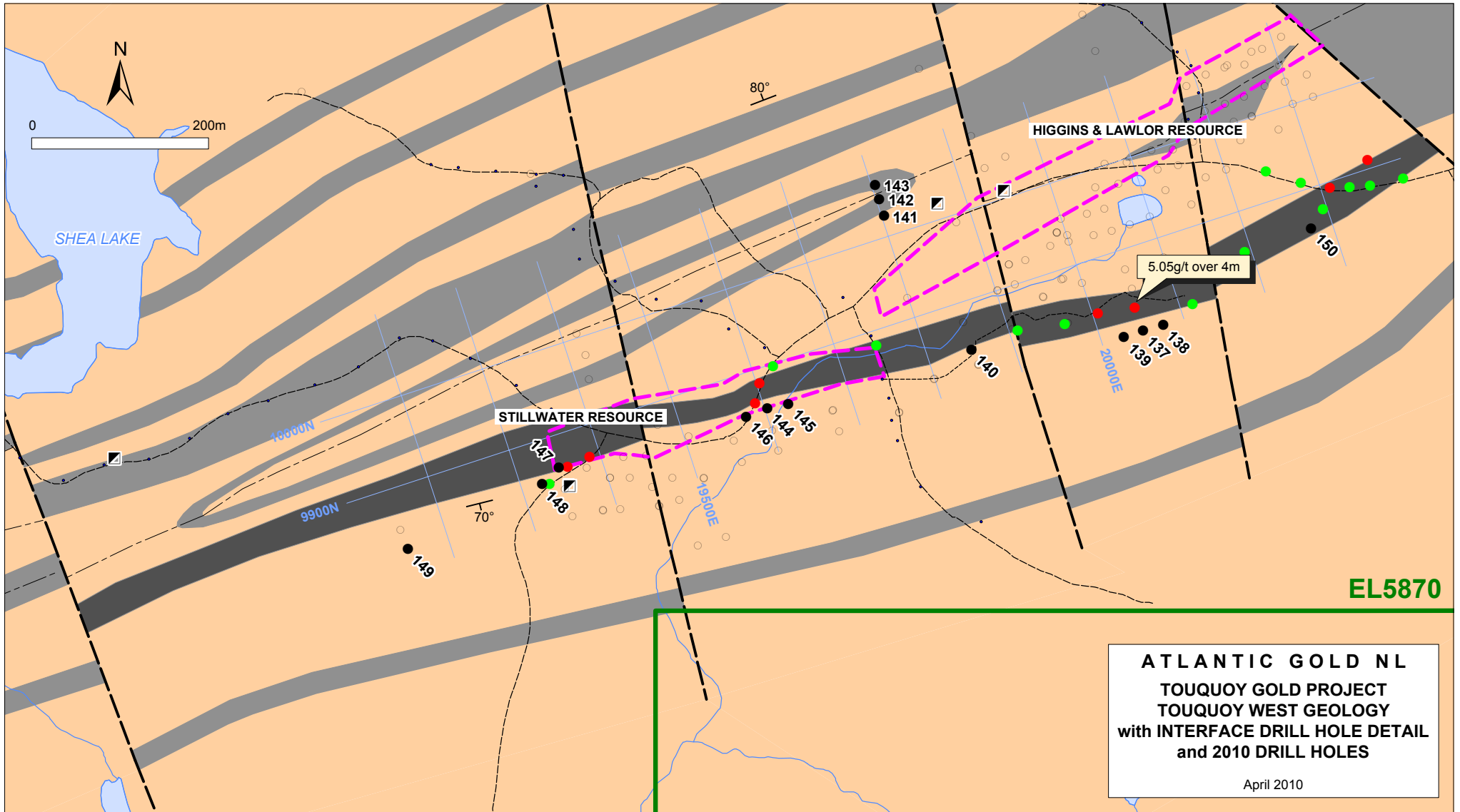
Attribution: The geological information in this report relating to Mineral Resources has been compiled by W R Bucknell who is a director of Atlantic Gold and a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Bucknell has consented to the inclusion of this information in the form and context in which it appears. 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).

Background Notes

Property Ownership

Atlantic Gold holds a 60% interest the **Touquoy Gold Project**. Atlantic Gold as operator sole funds to production and receives 100% of cashflow until all outlay plus interest is recouped. Thereafter Atlantic Gold receives 60% of profits. A third party holds 3% royalty of which two-thirds can be purchased for \$2.5m. The financial considerations above are net of royalty.

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 (C\$3.5m now remaining) within 4 years, extendable for a further 2 years (by cash payment of C\$50,000 for each year), and has made aggregate cash payments of C\$100,000 to SMC (\$70,000 now remaining), 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, of which two-thirds can be purchased for C\$1.5m. The financial considerations above are net of royalty.



ATLANTIC GOLD NL
TOUQUOY GOLD PROJECT
TOUQUOY WEST GEOLOGY
with INTERFACE DRILL HOLE DETAIL
and 2010 DRILL HOLES

April 2010

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|---------------------------------|---|---|---------------------|------------------------|
| • Nov 2009 interface drill hole | ● Current interface drill hole | ▣ Shaft | --- Anticlinal axis | ■ Greywacke |
| ○ Historic diamond drill hole | ● Gold-anomalous current interface drill hole | --- Road | --- Fault | ■ Argillite |
| ● 2010 diamond drill hole | | ▭ Resource outlines projected vertically to surface | | ■ Stillwater Argillite |

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

ATLANTIC GOLD NL

ABN

82 062 091 909

Quarter ended ("current quarter")

31 March 2010

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for		
(a) exploration and evaluation	(237)	(237)
(b) development	(649)	(649)
(c) production		
(d) administration	(180)	(180)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	40	40
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(1,026)	(1,026)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a)prospects		
(b)equity investments		
(c) other fixed assets	(492)	(492)
1.9 Proceeds from sale of:		
(a)prospects		
(b)equity investments		
(c)other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other – Security deposits		
Net investing cash flows	(492)	(492)
1.13 Total operating and investing cash flows (carried forward)	(1,518)	(1,518)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(1,518)	(1,518)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other – Costs of share issues	(16)	(16)
	Net financing cash flows	(1,534)	(1,534)
Net increase (decrease) in cash held			
1.20	Cash at beginning of quarter/year to date	5,184	5,184
1.21	Exchange rate adjustments to item 1.20	4	4
1.22	Cash at end of quarter	3,654	3,654

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	83
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Directors fees	22
Salaries	61

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	100
4.2 Development	1,000
Total	1,100

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows:

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	241	311
5.2 Deposits at call	3,413	4,873
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	3,654	5,184

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	Nil			
6.2 Interests in mining tenements acquired or increased	EL8659 West Gore (12 claims 1.9 sq km)	Option	0%	0%
	EL 8921 and 8929 (80 claims 12.5 sq km)	Option	0%	0%
	EL8972, EL8999 and EL9045 (total 103 claims 9.7 sq km)	Wholly owned	0%	100%

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter


Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities Fully paid ATV Partly paid 7c ATVCC	394,832,569 30,286,342	394,832,569 30,286,342	20 cents	9 cents
7.4 Changes during quarter (a) Increases through issues – Fully paid ATV (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
– ATVOA	24,144,138		\$0.08	31.01.11
– ATVAK	4,550,000		\$0.15	22.08.10
– ATVAM	400,000		\$0.15	14.10.10
– ATVAQ	2,000,000		\$0.155	28.08.12
– ATVAI	400,000		\$0.15	14.10.12
7.8 Issued during quarter – ATVAI	400,000		\$0.15	14.10.12
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 30 April 2010
(Director/Company secretary)

Print name: Walter R Bucknell

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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