

25 March 2014

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

**UPDATED ESTIMATE –
 TOUQUOY GOLD PROJECT DEFINITIVE FEASIBILITY STUDY
 RESULTS RE-AFFIRM PROJECT’S ROBUST DEVELOPMENT POTENTIAL**

Atlantic Gold NL (ASX: ATV) is pleased to announce results of the Definitive Feasibility Study Estimate Update (DFSEU) for the Touquoy Gold Project in Nova Scotia, Canada.

The DFSEU is based on the mining and processing plan developed for the original DFS, completed in 2010 (refer ASX announcement, 5 July 2010) and is updated to include current costs and revenues where they have changed since the original DFS.

The DFSEU re-affirms the strong viability of the Touquoy Gold Project as a significant development opportunity. It provides the basis for Atlantic Gold to proceed to materially advance discussions with bankers and other financiers for the Project’s funding.

HIGHLIGHT NUMBERS (All dollars Canadian unless otherwise stated)

Ore reserves (unchanged)	9.59 Mt @ 1.48 g/t for 454,000 contained ounces
Total production* (unchanged)	422,000 ounces
Annual production rate (unchanged)	84,000 ounces
Plant (unchanged)	All new, 2.0 Mtpa conventional gravity/CIL plant
Mine life (unchanged)	5.0 years
Pre-production capital cost	\$142 million. Includes \$9.0 million of working capital, \$10.3 million reclamation bond and \$15.3 million allowances and contingencies
Gold price	US\$1300/oz (C\$1,445/oz)
Cash operating cost (All-in Sustaining per World Gold Council)	\$622/oz. Includes royalty payments of \$29/oz
Net cash surplus (pre-tax, ungeared)	\$231 million
Payback period	27 months after first gold pour
Project NPV (8%, pre-tax, ungeared)	\$132 million
Project Internal rate of return	38.0%

* Production excludes 26,000 ounces of in-pit Inferred Resources, and any input from the Touquoy West satellite deposits (previously reported Indicated and Inferred Resources of 2.0 Mt @ 1.5 g/t for 99,000 ounces). DFS remains based on original pit design optimised using a gold price of US\$950/oz.

As 100% of the Touquoy cashflows will be available to service project debt the summary DFSEU results are reported below on 100% basis (refer to Endnote for ownership details).

All inputs relating to ore reserves, pit design, mining plan, processing and site infrastructure are unchanged from the original 2010 DFS.

The DFSEU has been undertaken in association with Merit Engineers Pty Ltd, Ausenco Limited, Australian Mine Design and Development Pty Ltd and Gemell Mining Engineers, all of these parties having been similarly involved with generation of the original DFS.

CAPITAL COST ESTIMATE

The capital cost estimate for the project is \$142 million, to an accuracy of $\pm 15\%$.

Capital cost estimate

ITEM	C\$M
Mine	5
Process plant	64
Tailings management facility	11
Site infrastructure	24
Owner's costs	6
EPCM (Engineering, Procurement, Construction Management)	13
Sub-total	121
Working Capital	9
Reclamation bond	10
Total	142

Assumptions used to derive the capital cost estimate include:

- The capital cost estimate is based on all new equipment.
- Accuracy and growth allowances and contingencies included in the capital cost estimate amount to \$15.3M (average 12% overall).
- All estimates have a base date of Q4 2013 with an annual inflation rate of 2% applied thereafter to all capital expenditure.
- Local services and materials are to be used to the maximum extent feasible.
- Financing costs are excluded.

OPERATING COST ESTIMATE

The total life-of-mine site operating cost estimate for the Project is \$226 million, with All-in Sustaining unit cash costs of \$622/oz.

Operating cost estimate

	TOTAL LIFE-OF-MINE	UNIT COSTS	
	C\$ (millions)	C\$/tonne	C\$/oz
World Gold Council designations			
On-Site Mining (a1)	113	11.76	267
On-Site Processing (a2)	92	9.56	217
On-Site General & Admin (b)	21	2.24	51
Royalties & Production Taxes (c)		1.27	29
Smelting, Refining & Transport (g)		0.16	3
Sub-total	226	24.99	567
Corporate General & Admin (m)			12
Reclamation Amortisation (n)			8
Sustaining Capital (q)			35
All-in Sustaining			622

IMPLEMENTATION SCHEDULE

The strategy for project implementation contemplates development under an Engineering, Procurement and Construction Management (“EPCM”) contract. The project implementation schedule indicates a duration of 20 months from contract award to practical completion. Critical path for the project is delivery of the grinding mill which is presently approximately 12 months from placement of order.

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THE TOUQUOY-COCHRANE HILL GOLD PROJECT

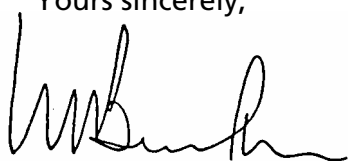
The Touquoy Gold Project represents the first stage of an extended production plan for the combined Touquoy and Cochrane Hill Gold Projects. This combined production plan involves the re-location of the Touquoy processing plant 80 km to the east to Cochrane Hill upon completion of the Touquoy operation. Cochrane Hill is the Company’s second core gold development project in the Nova Scotia goldfields.

Atlantic Gold has established the following Mineral Resources at Cochrane Hill in compliance with JORC Code 2012 (as reported to ASX on 28 February 2014):

	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

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Yours sincerely,



Wally Bucknell
Executive Director

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

For further information please contact:

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About Atlantic Gold NL

Atlantic Gold is an ASX listed company (ATV) which aims to develop open pit gold deposits in Nova Scotia, the Touquoy and Cochrane Hill Gold Projects being the starting point. The extensive goldfields of Nova Scotia, Canada have never before been systematically assessed in this way. The Company's skills are derived from 15 highly successful years of such work in Western Australia, and the Company principals have considerable previous experience in exploration in Atlantic Canada.

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ENDNOTES:**A. Touquoy Property ownership details**

Atlantic Gold as the operator and manager of the Touquoy Gold Project sole funds all capital and exploration expenditure. Once gold production at Touquoy has commenced Atlantic Gold will receive 100% of the Touquoy cashflow until all these expenditures plus interest have been recouped. Thereafter Atlantic Gold will share the pre-tax profit on a 60:40 basis with the vendor of the Touquoy tenements. A private royalty of 3% is also payable, two-thirds of which can be purchased for C\$ 2.5 million.

B. Cochrane Hill property ownership details

The Cochrane Hill Gold Project is wholly-owned, and subject to a private royalty of 3%, two-thirds of which can be purchased for C\$1.5 million.

C. Competent Persons Statement

The information in this report that relates to Mineral Resources is based on information compiled by Mr Neil Schofield, a Competent Person who is a Member of the Australian Institute of Geoscientists.

Mr Schofield is employed by FSSI Consultants (Australia) Pty Ltd. Mr Schofield has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Mr Schofield consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Ore Reserves is based on information compiled by Mr John Wyche, a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy.

Mr Wyche is employed by Australian Mine Design and Development Pty Ltd. Mr Wyche has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Mr Wyche consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.