



ANNUAL INFORMATION FORM

For the year ended December 31, 2017

Dated: April 19, 2018

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PRELIMINARY NOTES

In this Annual Information Form ("AIF"), Atlantic Gold Corporation, including all of its subsidiaries as the context requires, is referred to as "Atlantic" or the "Company". All information contained herein is as at December 31, 2017 unless otherwise stated.

Financial Statements

All financial information related to the fiscal year ended December 31, 2017 in this AIF was prepared in accordance with International Financial Reporting Standards (IFRS). The Company's financial statements for the fiscal year ended December 31, 2017 were also prepared in accordance with IFRS.

This AIF should be read in conjunction with the Company's consolidated audited financial statements and notes thereto, as well as with the management's discussion and analysis for the year ended December 31, 2017. The financial statements and management's discussion and analysis are available at the Company's website at www.atlanticgoldcorporation.com and under the Company's profile on the SEDAR website at www.sedar.com.

Currency

All sums of money which are referred to in this AIF are expressed in lawful money of Canada, unless otherwise specified.

Cautionary Statement Regarding Forward-Looking Information

This AIF contains "forward-looking information" and "forward-looking statements" (referred to together herein as "forward-looking information"). Forward-looking statements and information can generally be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "continue", "plans" or similar terminology. Forward-looking statements and information are not historical facts, are made as of the date of AIF, and include, but are not limited to, statements regarding discussions of future plans, guidance, projections, objectives, estimates and forecasts and statements as to management's expectations with respect to, among other things, the activities contemplated in this AIF. Forward-looking statements included or incorporated by reference in this AIF include, without limitation, statements related to proposed exploration, development and production programs, grade and tonnage of material, resource estimates, production estimates, cost estimates, permitting and approval processes, next steps with respect to the Company's properties, and use of proceeds from financings. These forward-looking statements involve numerous risks and uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Important factors that may cause actual results to vary include without limitation, the timing and receipt of certain approvals, changes in commodity and power prices, changes in interest and currency exchange rates, risks inherent in exploration estimates and results, risks inherent in mining exploration, development and operations, timing and success, inaccurate geological and metallurgical assumptions (including with respect to the size, grade and recoverability of mineral reserves and resources), changes in development or mining plans due to changes in logistical, technical or other factors, unanticipated operational difficulties (including failure of plant, equipment or processes to operate in accordance with specifications, cost escalation, unavailability of materials,

equipment and third party contractors, delays in the receipt of government approvals, industrial disturbances or other job action, and unanticipated events related to health, safety and environmental matters), political risk, social unrest, and changes in general economic conditions or conditions in the financial markets. In making the forward-looking statements in this AIF, the Company has applied several material assumptions, including without limitation, the assumptions that: (1) market fundamentals will result in sustained gold demand and prices; (2) the receipt of any necessary approvals and consents in connection with the development and operation of any properties; (3) the availability of financing on suitable terms for the development, construction and continued operation of any mineral properties; and (4) sustained commodity prices such that any properties that may be put into operation remain economically viable. Information concerning mineral reserve and mineral resource estimates also may be considered forward-looking statements, as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed. Certain of the risks and assumptions are described in more detail under the heading "Description of the Business – Risk Factors" herein and in the Company's consolidated audited financial statements and MD&A for the year ended December 31, 2017 under the Company's profile on the SEDAR website at www.sedar.com. The actual results or performance by the Company could differ materially from those expressed in, or implied by, any forward-looking statements relating to those matters. Accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what impact they will have on the results of operations or financial condition of the Company. Except as required by law, we are under no obligation, and expressly disclaim any obligation, to update, alter or otherwise revise any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

Non-IFRS performance measures

This AIF includes the Company's production guidance which refers to total cash costs and AISC, which are non-IFRS performance measures. The Company believes that these measures, in addition to conventional measures prepared in accordance with IFRS, provide investors an improved ability to evaluate the underlying performance of the Company. The non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures do not have any standardized meaning prescribed under IFRS and therefore may not be comparable with other issuers. Reconciliation of these figures will be included in the Company's 2018 financial statements and management discussion and analysis.

Total cash costs

Atlantic will report total cash costs on a sales basis. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, such as sales, certain investors use this information to evaluate the Company's performance and ability to generate operating earnings and cash flow from its mining operations. Management also uses this metric as an important tool to monitor operating cost performance. Cash costs include production costs such as mining, processing, refining and site administration divided by gold ounces sold to arrive at total cash costs per gold ounce sold. Costs are exclusive of depreciation. Costs include royalty payments and production taxes, community and permitting costs. Other companies may calculate this measure differently.

All-in sustaining costs

The Company calculates all-in sustaining costs as the sum of total cash costs (as described above), corporate general and administrative expense (net of stock-based compensation), reclamation cost accretion and amortization and sustaining capital, all divided by the gold ounces sold to arrive at a per ounce figure. Other companies may calculate this measure differently as a result of differences in underlying principles and policies applied. Differences may also arise due to a different definition of sustaining versus growth capital.

CORPORATE STRUCTURE

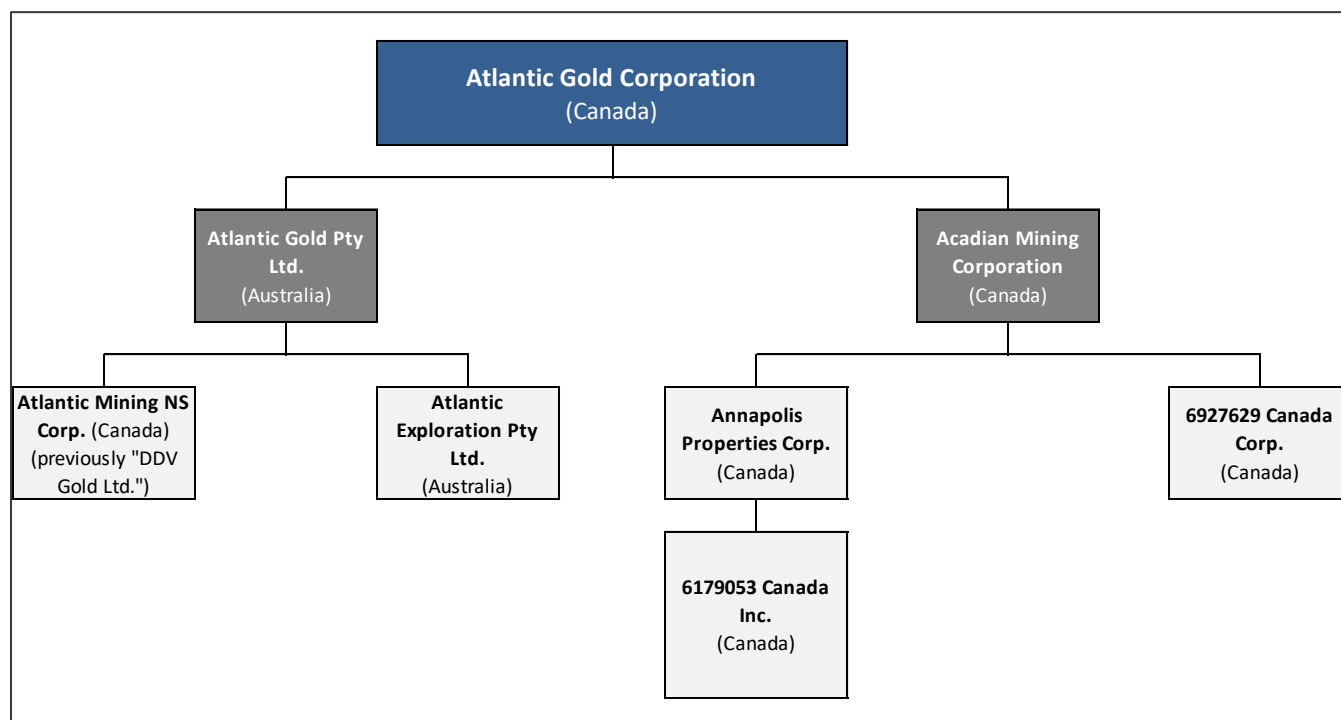
Name, Address and Incorporation

Atlantic Gold Corporation was incorporated under the laws of the former Company Act (British Columbia) with the name "Braymart Development Corporation" on July 24, 1986. The authorized capital consisted of 20,000,000 common shares without par value. On July 31, 1987, the Company's name was changed to "Spur Industries Corporation". On September 22, 1987, the Company's name was changed to "Spur Ventures Inc." In December 1988, the Company conducted a public offering in Canada and became a reporting issuer under the Securities Act (British Columbia). On July 31, 1991, the Vancouver Stock Exchange deemed the Company inactive. In June 1994, a reorganization program was initiated to reactivate the Company. Effective December 31, 1993, the Company's authorized capital was increased from 20,000,000 common shares to 100,000,000 common shares without par value and 100,000,000 Preferred Shares without par value, and on February 16, 1996 the Company's active status was restored. On May 25 2004, the Company transitioned under the Business Corporations Act (British Columbia). On June 17, 2004, the Company's authorized capital was increased from 100,000,000 common shares without par value and 100,000,000 preferred shares without par value to an unlimited number of common shares without par value and an unlimited number of preferred shares without par value. On August 20, 2014, the Company's name was changed to "Atlantic Gold Corporation" in connection with the Company's acquisition of all of the fully paid and partly paid ordinary shares on issue in Atlantic Gold Pty. Limited (formerly "Atlantic Gold NL") ("Atlantic NL") by way of a scheme of arrangement under Part 5.1 of the Australian Corporations Act 2001 (Cth) between Atlantic NL and its shareholders.

The Company's head and principal office is located at Suite 3083 - 595 Burrard Street, P.O. Box 49298, Bentall III, Vancouver, British Columbia, Canada V7X 1L3. The Company's registered and records office is located at 10th Floor - 595 Howe Street, Vancouver, British Columbia, V6C 2T5.

Intercorporate Relationships

A significant portion of the Company's business is carried on through its various subsidiaries. The following chart illustrates, as at December 31, 2017, the Company's significant subsidiaries (all wholly owned, directly or indirectly, by the Company):



GENERAL DEVELOPMENT OF THE BUSINESS

The Company is a well-financed, growth-oriented gold development group with a long term strategy to build a mid-tier gold production company focused on manageable, executable projects in mining-friendly jurisdictions. The Company is focused on growing gold production in Nova Scotia, Canada, beginning with its Moose River Consolidated Gold Mine (“MRC Gold Mine”) (see “Mineral Resource Projects” below). The general development of the business for the last three years is described below. The Company's history prior to the year ended December 31, 2014 is available under the Company's profile on SEDAR and on the Company's website.

Three Year History and Significant Acquisitions

Year ended December 31, 2015

Beaver Dam Drill Program and Updated Resource Estimate

On March 2, 2015, the Company announced a new Mineral Resource Estimate prepared in accordance with National Instrument 43-101 (“NI 43-101”) for its Beaver Dam deposit. The resource estimate built on the resource estimate disclosed in the Company’s Preliminary Economic Assessment which was filed on October 17, 2014, and incorporated the results from the Company’s completed resource delineation drilling program comprising 38 holes for 8,076m. The additional drilling at Beaver Dam resulted in an approximate 50% increase in contained gold from the 287,000 ounces previously estimated. The NI 43-101 Technical Report on the updated mineral resource estimate was released on April 16, 2015, and is available on the Company’s website and on the Company's SEDAR profile at www.sedar.com.

MRC Feasibility Study

In July 2015, the Company released a Feasibility Study on the Company's MRC Gold Mine comprising the Touquoy and Beaver Dam deposits, the results of which were announced July 2, 2015 with the technical report released on August 13, 2015 (the "Feasibility Study"). The Feasibility Study was led and prepared by Ausenco Engineering Canada Inc. ("Ausenco") in accordance with NI 43-101. The Feasibility Study is available on the Company's website and on the Company's SEDAR profile at www.sedar.com.

Memorandum of Understanding for an EPC Contract

In November, 2015, the Company announced that it had executed a memorandum of understanding (the "Ausenco MOU") with a joint venture of Ausenco and its strategic alliance partner Duro Felguera S.A. ("DF" and, together with Ausenco, "Ausenco-DF"), which allowed Ausenco-DF to evaluate the construction and development of the Company's MRC Gold Mine in Nova Scotia, on an Engineering Procurement, and Construction ("EPC") basis.

Beaver Dam Environmental Assessment

In December, 2015, the Company received a Notice of Determinations from the Canadian Environmental Assessment Agency ("CEAA"), representing the commencement of the environmental approval process at the Company's Beaver Dam Mine Project ("Beaver Dam") under the Canadian Environmental Assessment Act, 2012. The EA Process is harmonized with a concurrent provincial process by the Province of Nova Scotia. . The permitting process at Beaver Dam is currently underway with the relevant authorities.

Year Ended December 31, 2016

Crown Lease Agreement

In February 2016, the Company entered into an agreement with the Province of Nova Scotia in respect of the leasing of certain parcels of land owned by the Province, situated within the footprint of the Company's MRC Gold Mine for a period of 10 years. The Company now has all surface and sub-surface rights necessary to progress the MRC Gold Mine to construction.

Project Debt Financing

In May 2016, the Company executed syndicated project facility agreement (the "Credit Agreement") with Macquarie Bank Limited ("Macquarie Bank") and Caterpillar Financial Services Corporation ("Cat Financial") in respect of a \$115 million Project Loan Facility (the "PLF" or "Project Loan Facility") to fund the majority of the construction costs of the Company's MRC Gold Mine. The PLF carries an interest rate of the Canadian Dealer Offered Rate ("CDOR"), plus a margin of 5% (pre-Project Completion), reducing to 4.5% post-Project Completion, and is repayable in quarterly installments over three years. Project Completion is when physical construction of all project facilities has been complete in accordance with the terms of the PLF, and the Company has achieved continuous production at Touquoy whereby the plant throughput reaches an average of 5,400 tonnes per day for 10 consecutive days.

The first drawdown of \$20,000,000 occurred in September 2016, followed by a second drawdown of \$14,000,000 in November 2016. As at September 30, 2017, the PLF was fully drawn. The Company may prepay all or part of the principal balance outstanding at any time without penalty. The availability of the remainder of the PLF for drawdown is subject to the satisfaction of a number of routine and administrative conditions precedent for facilities of this nature. The PLF is also secured through guarantees and a first

ranking charge on all assets of the Company and each of its material subsidiaries. There is also a standby fee of 1.5% per annum, payable quarterly in arrears, on the daily undrawn principal amount of the PLF during the availability period. The Company is required to maintain certain project covenants as well as a current ratio of at least 1.25:1 at all times commencing from the initial draw down of the PLF, calculated quarterly.

Further, in order to mitigate gold price risk and as a condition of the PLC, in August 2016, the Company entered into margin free gold forward sales contracts of 215,000 ounces, representing approximately 30% of total recovered life of mine gold production of the MRC Gold Mine at an agreed Canadian dollar forward price of \$1,550 per oz. The forward sales contracts are scheduled out for delivery over the term of the Company's PLF.

Equipment Financing Facility

In May 2016, the Company executed a definitive Master Lease Agreement with Cat Financial in respect of a \$20 million mining fleet equipment lease facility (the "Equipment Facility") to fund the Company's acquisition of Cat mining equipment to be supplied by Atlantic Tractors & Equipment Ltd. (an authorized Cat dealer for Nova Scotia), for the Company's MRC Gold Mine.

The Equipment Facility was utilized towards the acquisition cost of the primary mining fleet and ancillary equipment (the "Mining Fleet"). Deliveries of the Mining Fleet commenced mid-2016 and completed in 2017. The term of the Equipment Facility is 5 years and it is secured by the Mining Fleet. Title to the Mining Fleet will transfer to the Company upon the completion of the Equipment Facility. Lease payments under the Equipment Facility are payable on a quarterly basis and comprise principal payments and interest, interest being CDOR plus 5.35%. The lease payment schedule is thus amended for each 90-day period to reflect increases or decreases to CDOR. The Equipment Facility is also subject to a standby fee of 1.0% per annum, payable quarterly in arrears, commencing the date the Master Lease Agreement was executed.

Under the Equipment Facility the Company is required to maintain certain project covenants as well as a working capital ratio, calculated quarterly. Additionally, there is a cross-default clause whereby an event of default with respect to the PLF triggers a default under the Equipment Facility. An event of default entitles the lessor to provide written notice to the Company to terminate all lease agreements. Upon such notice, the debtor at their option may require the Company to return the leased equipment to the lessor, and in addition, the Company may be required to pay on demand an amount equal to the aggregate of all unpaid rental payments payable at the termination date, all future rent payments that would be payable up to the last day of the lease period, and any costs and expenses incurred by the lessor in locating, repossessing, recovering, restoring, re-leasing or re-selling the leased equipment.

EPC Contract

In May 2016, the Company finalized an EPC contract with Ausenco to build a 2 million tonne per annum process plant, a truck shop and office facilities, as well as other supporting infrastructure related to these facilities on an ECP basis, for the MRC Gold Mine for a fixed price of \$86.34 million, thereby fixing most of the initial construction and development capital costs of the MRC Gold Mine.

Convertible Debentures

In May 2016, the Company completed a non-brokered financing of \$13 million by way of issuance of convertible debentures. The convertible debentures carry an interest rate of 8.5% with the principal payment due on the later of (a) May 10, 2021, and (b) the date that is the earlier of (i) six months after the final maturity date of the Company's PLF, and (ii) May 30, 2022. The principal amount of the convertible debentures is convertible at the subscriber's option into common shares of the Company at a conversion price of \$0.60 per share, representing a 20% premium to the closing trading price of the common shares of the Company, prior to the date the financing was originally announced. Accrued interest will also be convertible at the subscriber's option into common shares of the Company but at the market price of the shares at the time of conversion.

The Company may prepay, with notice, all of the principal amount of the convertible debentures and all accrued and unpaid interest thereon at any time following May 10, 2018. The convertible debentures are convertible at any time, at the subscriber's option, and are secured by way of a charge against all existing assets of the Company and its material subsidiaries, subordinated to the lenders of the PLF. Further, the convertible debentures include a cross-default provision, whereby an event of default with respect to the PLF, triggers a default under the convertible debentures. An event of default provides the convertible debenture holders with the ability to call on the entire unpaid principal amount plus all accrued and unpaid interest.

Environmental Bonding

In March 2016, the Company received acceptance from the Nova Scotia Department of Natural Resources ("NSDNR") and Nova Scotia Environment ("NSE"), for the Company's proposal to provide a phased reclamation security in the amount of \$10.4 million for the Company's Touquoy deposit. The reclamation security represents the total cost to reclaim the Touquoy site as estimated by the Province. Additionally, the Company executed an agreement with a reputable surety company specializing in contract and commercial surety bonds, including underwriting surface mining reclamation to financial sound companies with adequate reserves. The surety company completed its underwriting process and committed to providing a surety bond in the Company's name to the Province, 80% of which was collateralized by way of letter of credit provided by the Company, for a negotiated premium. On May 26, 2016, the Company posted its initial reclamation bond for \$3.43 million with the Province and was subsequently increased to \$5.53 million in May 2017. Further, in May 2017, the Company changed surety providers and the required collateral to be held by way of letter of credit was lowered to 70%.

Commencement of Construction

In June 2016, the Company commenced construction of the Company's Touquoy deposit, with commissioning scheduled for September 2017. See "Year Ended December 31, 2017 – Construction and Commissioning of the MRC Gold Mine" below.

Private Placement Financing

In September 2016, the Company completed a bought deal private placement financing for gross proceeds of \$5,747,700 through the issuance of 5,474,000 flow-through common shares of the Company at a price of \$1.05 per share. The Company also completed a non-brokered private placement financing for gross proceeds of \$3,449,828 through the issuance of 3,285,550 flow-through common shares of the Company.

Resource Definition Drill Program and Updated Resource Estimate

In October 2016, the Company commenced a resource definition drilling program with an objective of bringing the resources at the Company's Cochrane Hill and Fifteen Mile Stream deposits to measured and indicated status aimed at adding to the existing mine life at the Company's MRC Gold Mine. See "Year Ended December 31, 2017 – Resource Definition Drill Program and Resource Expansion Drill Program" below.

Year Ended December 31, 2017

Resource Definition Drill Program

The Company's resource definition drilling program that commenced in 2016 was completed in June 2017.

On July 21, 2017 the Company announced new measured and indicated resource estimates for Fifteen Mile Stream and Cochrane Hill. The estimates were derived from the technical report titled "Moose River Consolidated Phase 2 Project, Nova Scotia, Canada, NI 43-101 Technical Report" that has an effective date of July 20, 2017 and is available on the Company's website and on the Company's SEDAR profile at www.sedar.com.

See "Mineral Resource Projects – MRC Gold Mine – 1. Summary - 1.11 Mineral Resource Statement" for mineral resource estimates for Fifteen Stream and Cochrane Hill.

Resource Expansion Drill Program

The Company commenced a resource expansion drilling program at the Fifteen Mile Stream and Cochrane Hill deposits. The objectives of the program are: i) to identify additional gold mineralization immediately peripheral to those resources previously defined at Fifteen Mile Stream and Cochrane Hill; ii) at Fifteen Mile Stream (particularly the Hudson and Plenty zone) and Cochrane Hill, to upgrade previously defined inferred resources to measured and indicated categories; and iii) to seek additional new resources within the 350m gap between the Plenty and Egerton MacLean zones at Fifteen Mile Stream.

Commissioning of MRC Gold Mine

In August 2017, the Company announced that the dry and wet commissioning was nearing completion at the MRC Gold Mine, and construction of all surface infrastructure was substantially complete.

Brokered Private Placement

In September 2017, the Company entered into an agreement with a syndicate of underwriters to complete a private placement financing on a bought deal basis pursuant to which the Company initially issued, on October 5, 2017, an aggregate of 9,460,500 common shares for gross proceeds of \$16,000,465.

The initial closing of the brokered private placement consisted of three tranches:

- Tranche 1: 2,777,000 common shares that qualify as "flow-through" shares (within the meaning of subsection 66(15) of the Income Tax Act (Canada)). These shares were issued at a price of \$1.80 per share;
- Tranche 2: 3,825,500 common shares that qualify as "flow-through" shares and were sold on a charitable flow-through basis. These shares were issued at a price of \$1.83 per share; and

- Tranche 3: 2,858,000 common shares that were issued at a price of \$1.40 per share.

Following the initial closing, on October 24, 2017 the Company issued an additional 835,000 flow-through shares at a price of \$1.80 for gross proceeds of \$1,503,000 pursuant to the brokered private placement.

The proceeds from the brokered private placement were raised in order to fund engineering, feasibility and environmental permitting work for the Company's Phase 2 expansion study, transaction fees associated with the private placement and for working capital purposes and, with respect to the proceeds raised through the sale of flow-through shares, to fund "Canadian exploration expenses" (within the meaning of the Income Tax Act (Canada)) on or prior to December 31, 2018 for renunciation to subscribers effective December 31, 2017.

The underwriters received cash consideration of 6% of the gross proceeds raised under the brokered private placement.

Non-Brokered Private Placement

Concurrently with the brokered private placement, the Company undertook a non-brokered private placement. On September 21, 2017, the Company closed the non-brokered private placement which was comprised of 2,304,000 common shares and 305,700 common shares that qualify as "flow-through" shares (within the meaning of subsection 66(15) of the Income Tax Act (Canada)). These shares were issued at a price of \$1.40 per share and \$1.80 per share respectively for gross proceeds of \$3,775,860. The proceeds from the non-brokered private placement were raised in order to fund engineering, feasibility and environmental permitting work for the Company's Phase 2 expansion study, transaction fees associated with the private placement and for working capital purposes and, with respect to the proceeds raised through the sale of flow-through shares, to fund "Canadian exploration expenses" (within the meaning of the Income Tax Act (Canada)) on or prior to December 31, 2018 for renunciation to subscribers effective December 31, 2017.

No commissions or finders fees were paid in connection with the non-brokered private placement.

Official Opening of the MRC Gold Mine

The Company reported first ore put through the mill on September 25, 2017. The official opening of the MRC Gold Mine was on October 11, 2017. At present ore is sourced from the Touquoy deposit. The processing facilities at the MRC Gold Mine will also process ore from the Beaver Dam, Fifteen Mile Stream and Cochrane Hill deposits.

The construction of the MRC Gold Mine and development of the Touquoy pit was completed on time and on budget in all material respects.

Subsequent to Year End

Production Guidance

In January 2018, the Company announced its 2018 production guidance for the MRC Gold Mine. The Company's outlook for 2018 included production between 82,000 – 90,000 ounces of gold, cash costs between CAD\$500-\$560/oz., and All-In-Sustaining-Costs (AISC) between CAD\$675/oz. - \$735/oz. Additionally, the Company is guiding towards \$5-6 million in growth capital expenditures in 2018.

Resource Expansion Drill Program

The Company's resource expansion drilling program at Fifteen Mile Stream was completed in February 2018 with a total of 221 holes for 24,325m having been drilled, and its resource expansion drilling program at Cochrane Hill was completed in March 2018 with a total of 44 holes for 6,900m having been drilled.

MRC Pre-Feasibility Study

On January 29, 2018, the Company announced the results of the Pre-Feasibility Study (as defined below) on the Company's MRC Gold Mine, which Pre-Feasibility Study was filed on March 15, 2018. The Pre-Feasibility Study was led and prepared by Ausenco in accordance with NI 43-101. See "Description of the Business – MRC Gold Mine" and "Mineral Resource Projects – MRC Gold Mine" below.

Commercial Production at the MRC Gold Mine

The Company reported first commercial production at the MRC Gold Mine on March 5, 2018, with an effective date of commercial production of March 1, 2018.

Delivery of Prepayment Notice to Convertible Debenture holders

On April 11, 2018, the Company provided formal notice to the convertible debenture holders that the Company intends on prepaying the entire principal amount of the convertible debentures on May 11, 2018, plus any accrued and unpaid interest up to such date.

DESCRIPTION OF THE BUSINESS

The Company is a well-financed, growth-oriented gold development group with a long term strategy to build a mid-tier gold production company focused on manageable, executable projects in mining-friendly jurisdictions.

The Company is currently focused on growing gold production in Nova Scotia, Canada, beginning with its MRC phase one open pit gold mine which declared commercial production in March 2018, and its two Life of Mine Expansion which includes the deposits at Cochrane Hill and Fifteen Mile Stream (discussed in detail below).

MRC Gold Mine

The Company currently holds approximately 210 km² of claims in Nova Scotia across four major project areas that constitute the MRC Gold Mine located in Nova Scotia, Canada:

- Touquoy, of which the Feasibility Study was completed in July 2015 and in which the Company has approximately an effective 63.5% interest;
- Beaver Dam, of which the Feasibility Study was completed in July 2015 in conjunction with Touquoy and in which the Company has 100% ownership;
- Cochrane Hill, of which the Preliminary Feasibility Study was completed in January 2018 and in which the Company has 100% ownership; and
- Fifteen Mile Stream, of which the Preliminary Feasibility Study was completed in January 2018 and in which the Company has 100% ownership.

On March 15, 2018 the Company released the Preliminary Feasibility Study for the consolidated four aforementioned projects. The Preliminary Feasibility Study incorporated the July 2, 2015 Feasibility Study

for Touquoy and Beaver Dam with the recently completed preliminary feasibility studies for Fifteen Mile Stream and Cochrane Hill. The Preliminary Feasibility Study provides an updated life of mine plan for the MRC Gold Mine that integrates the four deposits into a single mining complex.

The Preliminary Feasibility Study is based on the deposits being developed as conventional surface open pit mining operations with drill/blast/load/haul activities utilizing a leased production fleet operated by Company employees. Initial production commences at Touquoy where the relatively low strip ratio and short haul to external waste dumps translates to a smaller production fleet, minimizing production costs in the process.

See "Mineral Resource Projects" below for further details on the Company's MRC Gold Mine and the Preliminary Feasibility Study.

Next Steps

- Continuing production at the MRC Gold Mine.
- Progressing and seeking approval of the Environmental Impact Statement for Beaver Dam which was submitted in June 2017.
- Planning for Cochrane Hill and Fifteen Mile Stream Environmental Impact Statement, with submissions expected in 2018.
- Complete the Phase 3 Expansion drilling program at Cochrane Hill and Fifteen Mile Stream which is a program designed to target extensions of mineralization and define/ upgrade inferred resources not included in the Company's Pre-Feasibility Study released in January 2018.
- Commence the Phase 4 expansion drilling program which will systematically explore the corridor of prospective structure targeting the Company's model for disseminated style gold deposits amenable to open pit mining.

Specialized Skill and Knowledge

The nature of the Company's business requires specialized skills and knowledge. Such skills and knowledge include the areas of permitting, geology, drilling, engineering, mine planning, metallurgical processing, mine operations, environment compliance, as well as finance and accounting. Atlantic has been able to locate and retain adequate specialized skills from its employees and consultants to enable it to carry out its operations. The Company uses its best efforts to maintain competitive compensation for its employees while being conscious of the current financially distressed market environment.

Competitive Conditions

Atlantic's business is competitive as the Company competes with other exploration, development and mining companies in the precious metal mineral exploration and mining industry. Competition exists primarily over mineral rich properties with a potential for acquisition, as well as equity and debt financing opportunities for the development of its properties. Competition also exists for the Company to locate and retain skilled expertise within its personnel.

Environmental Protection

The Company's mining, exploration and development activities are subject to various levels of federal and provisional laws and regulations relating to the protection of the environment, including requirements for reclamation of mining properties. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. With Atlantic's current properties located in Nova Scotia, Canada, the Company is currently subject to requirements under the Environment Act (Nova Scotia). The Company maintains insurance to protect against certain risks in such amounts as it considers to be reasonable.

As discussed above, in March 2016, the Company received acceptance from the NSDNR and NSE for the Company's proposal to provide a phased reclamation security in the amount of \$10.4 million for the Company's Touquoy deposit. The reclamation security represents the total cost to reclaim the Touquoy site as estimated by the Province. Additionally, the Company executed an agreement with a reputable surety company specializing in contract and commercial surety bonds, including underwriting surface mining reclamation to financial sound companies with adequate reserves. The surety company committed to providing a surety bond in the Company's name to the Province, 70% of which is collateralized by way of letter of credit provided by the Company, for a negotiated premium. As at December 31, 2017, the Company had posted a total of \$5.70 million with the Province.

Additionally, the Company has obtained various environmental protection insurance coverage as required for the construction and commissioning of the MRC Gold Mine.

Employees

At December 31, 2017, the Company had 181 full time employees. A total of 26 employees were employed in mineral exploration, 151 were employed in mine operations, with the remaining 9 persons employed in respect of executive management and administrative support. The Company also contracts out certain activities, such as drilling, to specialized service providers. As a result of the seasonal nature of field activities, the number of people on any project site can vary.

Social or Environmental Policies

The Company maintains a written Code of Conduct (the "Code"), compliance with which is mandatory for all directors, officers and employees, and consultants of the Company, and the full text of which may be viewed on the Company's website. Included within the Code are, among others, requirements that all such Company personnel conduct the Company's business and affairs honestly and with integrity, using high ethical standards; comply with the laws of each jurisdiction in which the Company does business; not tolerate discrimination, intimidation or harassment on the basis of race, colour, age, gender, sexual orientation, marital status, physical or mental disability, national or ethnic origin or religious beliefs; ensuring a work environment which is respectful of their dignity, rights, needs and individual differences; as well as conduct the Company's operations using environmental best practices with a goal to protecting human health, minimizing impact on the ecosystem and returning exploration and mining sites to a high environmental standard.

All breaches of the Code are required to be immediately reported to the Chair of the Nominating & Corporate Governance Committee. All reports by an individual of violations are kept confidential except if otherwise required by law. Individuals who breach the Code may be subject to disciplinary action, including dismissal.

Risk Factors

The Company is focused on acquisitions or other corporate transactions in gold, base metals, or other mineral-related assets or businesses, and the exploration, development and production of such assets. Due to the nature of the Company's proposed business, the following risk factors, among others, will apply:

Key Personnel

The Company is dependent upon the services of key executives, including the Directors of the Company and a small number of highly skilled and experienced executives and personnel. Due to the relatively small size of the Company, the loss of these persons or the inability of the Company to attract and retain additional highly-skilled employees may adversely affect its business and future operations.

Share Price Volatility and Liquidity

Publicly quoted securities are subject to a relatively high degree of price volatility. It may be anticipated that the quoted market for our shares will be subject to market trends generally, notwithstanding any potential success of us in creating sales and revenues. In addition, our shareholders may be unable to sell significant quantities of shares into the public trading markets without a significant reduction in the price of their shares, if at all.

Exploration and Development Risks

The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by the Company will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as quantity and quality of the minerals and proximity to infrastructure; mineral prices, which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted but could have a material adverse effect upon the Company's operations.

There is no certainty that the expenditures made by the Company toward the search and evaluation of minerals will result in discoveries of mineral resources, mineral reserves or any other mineral occurrences

Mining Operational Risks

Mining operations generally involve a high degree of risk. The Company's operations at the MRC Gold Mine are subject to all the hazards and risks normally encountered in exploration, development and production of gold, including unusual and unexpected ground conditions or geologic formations, environmental hazards, seismic activity, pit wall failures, rock bursts, cave-ins, flooding, fire, periodic interruption due to inclement or hazardous weather conditions or other conditions involved in the drilling, blasting and removal of any material.

In addition, production and profitability may be adversely impacted by operational problems such as equipment failures or industrial accidents or third party accidents, as well as other potential issues such as actual ore mined varying from estimates of grade or tonnage, dilution, block model performance and metallurgical or other characteristics, interruptions in or shortages of electrical power or water, shortages of required inputs, unscheduled plant shutdowns or other processing problems, human error, poor or inadequate ventilation, failure of mine communication systems, labour shortages or strikes, claims or disagreements with Aboriginal communities, restrictions or regulations imposed by government agencies or changes in the regulatory environment.

The Company's operations are also subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability. In addition, short-term operating factors, such as the need for orderly development of the orebodies or the processing of new or different ore grades, may cause a mining operation to be unprofitable in any particular accounting period.

The occurrence of one or more of the foregoing hazards, risks or other events may result in the death of, or personal injury to, employees, other personnel or third parties, the loss of mining equipment, damage to or destruction of mineral properties or production facilities, monetary losses, deferral or unanticipated fluctuations in production, suspension, curtailment or termination of operations, environmental damage and potential legal liabilities, any of which may materially adversely affect the Company's business, operations, results of operations, financial condition and future prospects.

Uncertainty of Mineral Resource and Mineral Reserve Estimates

Although the Company has carefully prepared its mineral resource and mineral reserve figures with the assistance of independent experts, such figures are estimates only and no assurance can be given that the indicated tonnages and grade will be achieved or that the indicated level of recovery will be realized. There is significant uncertainty in any mineral resource and mineral reserve estimate, and the actual deposits encountered and the economic viability of, and returns from, mining a deposit may differ materially from estimates disclosed by the Company. The estimating of mineral resources and mineral reserves is a subjective process and the accuracy of mineral resource and mineral reserve estimates is a function of the quantity and quality of available data, the accuracy of statistical computations, and the assumptions used and judgments made in interpreting engineering and geological information. Any future changes in assumptions regarding commodity prices, operating costs and exchange rates may also render certain mineral resources or mineral reserves uneconomic to mine and result in a significant reduction in the reported mineral resources or mineral reserves.

Uncertainties and Risks Relating to Feasibility and Pre-Feasibility Studies

Feasibility studies are used to determine the economic viability of a deposit, as are pre-feasibility studies and preliminary assessments. Feasibility studies are the most detailed and reflect a higher level of confidence in the reported capital and operating costs.

There is no certainty that the Company's feasibility or pre-feasibility studies will be realized. While the studies are based on the best information available to the Company, it cannot be certain that actual costs will not significantly exceed the estimated cost. While the Company incorporates what it believes is an appropriate contingency factor in cost estimates to account for this uncertainty, there can be no assurance that the contingency factor is adequate. Many factors are involved in the determination of the economic viability of a mineral deposit, including the achievement of satisfactory mineral reserve estimates, the level of estimated metallurgical recoveries, capital and operating cost estimates and estimates of future metal prices. Resource estimates are based on the assay results of many intervals from many drill holes and the interpolation of those results between holes and may also be materially affected by metallurgical, environmental, permitting, legal title, socio-economic factors, marketing, political and other factors.

Fluctuations in Metal Prices

The price of the common shares, and the financial results and exploration, development and mining activities of the Company, may in the future be significantly and adversely affected by declines in the prices of gold and other metals or minerals. The prices of gold and other metals or minerals fluctuate widely and are affected by numerous factors beyond the control of the Company such as the sale or purchase of commodities by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuations in the value of the United States dollar and other foreign currencies, global and regional supply and demand, the political and economic conditions and production costs of major mineral-producing countries throughout the world, the cost of substitutes, inventory levels and carrying charges. Future serious price declines in the market prices of gold or other metals or minerals could cause continued development of and commercial production from the properties in which the Company holds an interest to be impracticable. Depending on the prices of gold and other metals and minerals, cash flow from mining operations could not be sufficient and the Company may lose its interest in, or may be forced to sell, some of its properties. Future production from the Company's properties is dependent upon the prices of gold and other metals and minerals being adequate to make these properties economically viable.

In addition to adversely affecting the resource estimates of the Company and its financial condition, declining commodity prices can affect operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or be required under financing arrangements related to a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or interrupt operations until the reassessment can be completed.

Commodities

The Company's operations are or will in the future be dependent on various commodities (such as diesel fuel, electricity, steel, concrete and cyanide) and equipment to conduct operations. Market prices of commodities and equipment can be subject to volatile price movements, occur over short periods of time

and are affected by factors that are beyond the control of the Company. The shortage of such commodities and equipment or any significant increase of their cost could have a material adverse impact upon the Company's ability to carry out its operations and could affect the economic viability of the Company's projects.

Environmental Risks and Hazards

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or require abandonment or delays in development of new mining properties.

Insurance and Uninsured Risks

The business of the Company is subject to a number of risks and hazards in general, including adverse environmental conditions, industrial accidents, labor disputes, unusual or unexpected geological conditions, ground or slope failures, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, delays in mining, monetary losses and possible legal liability.

Although the Company may maintain insurance to protect against certain risks in such amounts as it considers being reasonable, its insurance may not cover all the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to

liability for pollution or other hazards which it may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Political Stability and Government Regulation Risks

The operations of the Company are currently conducted in Nova Scotia, Canada. As such, the operations of the Company are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to: fluctuations in currency exchange rates, changing political conditions, and governmental regulations. Changes, if any, in mining or investment policies or shifts in political attitudes in Nova Scotia or Canada more broadly may adversely affect the operations or profitability of the Company. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations or profitability of the Company.

MINERAL RESOURCE PROJECTS

The following is a description of the Company's material mineral projects and the nature of the Company's interest in such properties.

MRC Gold Mine

The scientific and technical disclosure for the Company's MRC Gold Mine has been extracted from a technical report written in accordance with NI 43-101, entitled "Moose River Consolidated Project, Nova Scotia, Canada, NI 43-101 Technical Report on Moose River Consolidated Phase 1 and Phase 2 Expansion" (the "Preliminary Feasibility Study") dated January 24, 2018 and prepared by L. Paul Staples, P. Eng., Neil Schofield, MAIG, Marc Schulte, P.Eng., Tracey Meintjes, P.Eng., James Millard, P. Geo. (of Atlantic), Jeffrey Parks, P. Geo., and Daniel Fontaine, P.Eng., each a Qualified Person as defined in NI 43-101.

The Preliminary Feasibility Study is available under the Company's profile on the SEDAR website at www.sedar.com.

The complete Preliminary Feasibility Study is incorporated by reference herein, and the summary section from the Preliminary Feasibility Study is reproduced below. Defined terms and abbreviations used in the summary below have the meaning ascribed to such terms in the Preliminary Feasibility Study. *Note to Reader: in 2016, one of the Company's subsidiaries, DDV Gold Ltd. underwent a name change to Atlantic Mining NS Corp. References to DDV Gold Ltd. or DDV Gold in the below summary should be replaced with Atlantic Mining NS Corp.*

"1. SUMMARY

1.1 Introduction

Mr. Paul Staples, P.Eng., Mr. Neil Schofield, MAIG, Mr. Marc Schulte P.Eng., Mr. Tracey Meintjes, P.Eng., Mr. James Millard P.Geo., Mr. Jeff Parks P.Geo., and Mr. Daniel Fontaine P.Eng., have prepared an NI 43-101 Technical Report (the Report) on the Moose River Consolidated Project (the Project) for Atlantic Gold Corporation (Atlantic Gold).

The Moose River Consolidated Project is located in Nova Scotia, Canada. The Project as currently defined includes:

- The Moose River Consolidated Phase 1 operation, consisting of the recently-commissioned Touquoy mine and the planned Beaver Dam mine;
- The Moose River Consolidated Phase 2 Expansion which includes the Fifteen Mile Stream and Cochrane Hill deposits.

1.2 Terms of Reference

The Report has been prepared in support of disclosures in Atlantic Gold's news release dated 29 January, 2018, entitled "New life of mine plan at MRC boosts gold production above 200,000 oz; maintains industry lowest quartile AISC over new Life of Mine at CAD\$692/oz Au (USD\$555/oz Au)".

A Feasibility Study was completed in 2015 on Moose River Consolidated Phase 1, comprising the Touquoy and Beaver Dam deposits (the 2015 Feasibility Study). The Mineral Resources, Mineral Reserves and 2015 Feasibility Study information for the Touquoy and Beaver Dam properties remains current, and has been summarized into this Report in the relevant sections. Some of the 2015 Feasibility Study text where it relates to the Touquoy property, has been updated to reflect the mine development.

A Pre-Feasibility Study was completed in 2018 on the Fifteen Mile Stream and Cochrane Hill deposits (the 2018 Pre-Feasibility Study). This Phase 2 Expansion study evaluated the two deposits as stand-alone mines with their own plants and infrastructure, feeding concentrates to the Touquoy leach facility. Information from this study has been summarized into this Report in the relevant sections.

The economic analysis included in this Report presents the results of the combined Moose River Consolidated Phase 1 and Phase 2 Expansion.

Units used in the report are metric units unless otherwise noted. Monetary units are in Canadian dollars (C\$) unless otherwise stated.

1.3 Project Setting

The Touquoy property is located 60 km northeast of the provincial capital, Halifax, in Halifax County, and is centred on the former mining village of Moose River Gold Mines. The Beaver Dam property is also located in Halifax County, approximately 85 km northeast of Halifax. Fifteen Mile Stream is situated 100 km northeast of Halifax in Halifax County, while Cochrane Hill is located 13 km north of Sherbrooke in Guysborough County. All properties can be accessed via paved or gravel roads. The closest international

airport is the Halifax Stanfield International Airport about 25 km north of Halifax. Where needed, supplies can be shipped through the Port of Halifax.

Northern temperate zone climatic conditions are present, and mining operations are expected to be able to be conducted year-round. Mineral exploration programs can efficiently be undertaken during the period of May through late November, while winter programs can be accommodated with appropriate allowance for weather delays.

1.4 Mineral Tenure, Surface Rights, Water Rights, Royalties and Agreements

Atlantic Gold currently holds 31 Exploration Licences and one Mineral Lease with a collective area of 194.68 km².

The tenures that host the operating or planned mining operations, Mineral Resources and Mineral Reserves include:

- The Touquoy property consists of one Mineral Lease (ML11-1) comprising 49 claims and covering 763 ha, and one adjoining Exploration Licence (EL10377) comprising 64 claims and covering 997 ha;
- Exploration Licence 50421 at Beaver Dam covers an area of approximately 1,184 ha;
- Fifteen Mile Stream consists of one Special Licence, SL 11/90, and two Exploration Licences (EL 10406 and EL 05889), covering a surface area of approximately 701 ha;
- Mineral tenure at Cochrane Hill consists of EL 51477, covering a total area of 1,134 ha.

Atlantic Gold (through a wholly owned subsidiary) has an effective 63.5% interest in the Touquoy property through direct ownership of 60% and its 8.7% beneficial interest in Moose River Resources Inc. (MRRI), and has 100% ownership interest in the remaining deposits, and the surrounding exploration properties.

All of the private land required for the development of the Touquoy mining operation has been acquired. A Crown land lease to seven parcels of Crown land was granted in June 2014. The lease is for a 10-year term, renewable for a further 10 years. Negotiations will be required with the surface rights holders prior to any mining development at Beaver Dam, Fifteen Mile Stream and Cochrane Hill.

The key royalties that are likely to be payable based on the current deposit outlines are as follows:

- Touquoy: 3% net smelter royalty (NSR) on all metals produced payable to Maverix Metals Inc. (formerly Corner Bay Minerals Inc.). Within three years of the commencement of production, up to two-thirds of this royalty may be purchased for \$2.5 million. An annual pre-production royalty of \$10,000 is payable;
- Beaver Dam: A variable NSR payable to Acadia Mineral Ventures Limited. Royalty amounts are based on the average grade of mined material and range from 0.6% at an average grade of 4.7 g/t Au or less, up to 3% at an average grade of 10.9 g/t Au or more. Some \$300,000 is available as credit against future royalties at a maximum of 50% per royalty payment, payable twice a year;

- Fifteen Mile Stream: a 1% NSR over Special Licence 90/11 payable to members of the Felderhof family, and a 3% NSR payable to Mr Scott Grant, with Atlantic Gold able to purchase up to 2% of that royalty from Mr Grant for \$500,000 for the first percentage point and \$1,000,000 for the second percentage point, or pro-rata for parts thereof;
- Cochrane Hill: 3% NSR on all metals produced payable to Mr Scott Grant of Pictou, Nova Scotia. Up to 2% of the NSR is available for purchase for \$1.5 million.

Two additional royalties are payable, one at Beaver Dam, the second at Fifteen Mile Stream; however, the ground holdings subject to the royalties are remote from the current Mineral Resource estimate outlines for the two deposits.

In Nova Scotia, a water withdrawal approval is required to be sought from Nova Scotia Environment in the event that more than 23,000 L/d is to be extracted from a surface water course. Since a positive water balance prevails throughout the Province, except possibly in the driest of months (July and August) such approvals are generally granted, subject to acceptable conditions.

The Touquoy property claims are held by DDV Gold Ltd under an agreement between Atlantic Gold NL, DDV Gold Ltd and a private Nova Scotia-incorporated company, MRRI. DDV Gold will receive 100% of the Touquoy cash-flow until all pre-production, capital, exploration and other expenditures plus interest have been recouped. Thereafter DDV Gold shares 40% of pre-tax profits with MRRI. This profit sharing arrangement applies to all production from within the 12 claims comprising the “Development Block”. Having since secured project financing, DDV Gold’s profit sharing obligation reduces to 25% in respect of all claims not comprising the 12 Development Block claims.

The mineral rights for Beaver Dam, Fifteen Mile Stream and Cochrane Hill are wholly-owned by Atlantic Gold, subject to the above-mentioned royalties.

1.5 Geology and Mineralization

The known deposits within the Project area are considered to be examples of turbidite-hosted mesothermal gold deposits.

The Meguma Terrane of Nova Scotia hosts the Moose River Member, Tangier Member, and Taylors Head Member of the basal greywacke-dominated Goldenville Formation. Gold mineralization is generally hosted in argillite and/or greywacke sequences of the Moose River Member, and is associated with regional-scale anticlines. Structural repetition due to folding and faulting may result in thickening of gold-bearing units.

Gold occurs as native gold, and has been observed in a number of settings, including along shear cleavage, hair line fractures; in pressure shadows; as inclusions; on the margins of sulphide grains; in thin, bedding-parallel quartz veins and stringers. Mineralization is associated with sulphides, including arsenopyrite, pyrite and pyrrhotite. Lesser chalcopyrite, galena, and sphalerite have been observed.

1.6 History

Companies that have been involved with the Project include Westminer Canada Ltd, Seabright Explorations Inc, NovaGold Resources Inc, Moose River Resources Inc, CanNova Goldfields Inc, M.E.X.

Explorations, Acadia Mineral Ventures, Adamas Resources Corp, Aurogin Resources Ltd, Coxheath Gold Holdings, Tempus Corporation, Massval Mines Limited, Northumberland Mines Ltd, Inco Limited; Scotian Mineral Exploration Venture, Acadian Mining, Acadian Gold, Diamond Ventures NL and most recently, Atlantic Gold.

Work completed has included geological mapping and prospecting; soil geochemical surveys; magnetic, very low frequency electromagnetic (VLF-EM), horizontal loop EM and induced polarization (IP) and resistivity geophysical surveys; underground bulk sampling; metallurgical testwork; interface, reverse circulation (RC), and core drilling; Mineral Resource and Mineral Reserve estimates; mining studies; geotechnical, hydrogeological studies, environmental, permitting and social studies; and mine development activities.

The Moose River Consolidated Gold Mine at Touquoy was officially opened on 11 October, 2017. Commissioning of the process plant continues to progress as planned. In addition, ore stockpiles have been readied, and approximately 1.5 Mt of ore is exposed in the Touquoy pit.

1.7 Drilling and Sampling

Core drilling was used for exploration programs testing geochemical and geophysical anomalies, deposit delineation and infill drilling, metallurgical testwork samples, geotechnical and hydrogeological information. Interface and reverse circulation (RC) drilling were used in support of definition of certain lithological units (interface programs), condemnation drilling (interface programs) and as step-out and check drilling of mineralization trends (RC).

Drilling has used primarily NQ (47.6 mm diameter) core. Some drill holes at Touquoy were HQ (63.5 mm) or PQ (85mm) size. A grade control program at Touquoy in 2006 was completed using BQ (37 mm) size. Drilling performed by Massval and Northumberland at Cochrane hill used AQ (30.5 mm) and BQ sizes.

Drilling on the main deposits includes:

- Touquoy: 762 drill holes (36,674 m) have been completed in the property area. Of this total, 292 drill holes (26,693 m) support Mineral Resource estimates;
- Beaver Dam: 764 drill holes (80,393 m) have been completed in the property area. Of this total, 184 drill holes (28,632 m) support Mineral Resource estimates;
- Fifteen Mile Stream: 708 drill holes (98,912 m) have been completed in the property area. Of this total, 220 drill holes (27,730m) support the Mineral Resource estimates;
- Cochrane Hill: 505 drill holes (55,729 m) have been completed in the property area. Of this total, 216 drill holes (30,018 m) support Mineral Resource estimates.

Subsequent to the Fifteen Mile Stream database close-out date for Mineral Resource estimation, an additional 26,846 m of diamond core drilling in 238 holes were completed between 21 September, 2017 and 20 February, 2018. Subsequent to the Cochrane Hill database close-out date for Mineral Resource estimation, Atlantic Gold completed an additional 6,903 m of diamond core drilling in 44 holes between 21 September, 2017 and 20 February, 2018. The assay results for the two drill programs have not all been received. Generally, the currently-available results from this drilling confirm the current geological and

mineralogical models at Fifteen Mile Stream and Cochrane Hill and indicate potential to expand the area of mineralization that could support Mineral Resource estimation.

Drilled thicknesses are generally greater than true thicknesses, depending on the dip of the mineralization, and the angle of the drilled hole.

Drill core logging procedures during Atlantic Gold's programs were described on a metre-by-metre basis with regards to lithology, texture, sulphide mineralization, alteration, quartz veining, structure, and in some cases magnetic susceptibility. All drill core has been photographed both wet and dry. Core recovery and rock quality designation (RQD) were measured for each hole at the same metre-by-metre intervals. Information was initially captured using logging sheets; later programs used direct computer entry. Core recoveries during the Atlantic Gold programs were very good overall.

Drill collars have been captured using global positioning system (GPS) instruments. Holes drilled under the supervision of Atlantic Gold or its subsidiaries have continuously kept the same method of surveying down hole just beneath the drill casing, at approximately 30 m intervals and at the final hole depth. Survey instruments have included Pajari, Sperry-sun, FlexIT and Reflex tools.

Bulk density (specific gravity) determinations have been performed using the water displacement method. Mineral Resource estimates typically use the one value for ore and waste as follows:

- Touquoy: 2.79 t/m³;
- Beaver Dam: 2.73 t/m³;
- Fifteen Mile Stream: 2.78 t/m³;
- Cochrane Hill: 2.77 t/m³.

Sample lengths have varied depending on the drill program, ranging from about 1 cm to 4.85 m, averaging about 0.9–1 m. Core has been halved for sampling using mechanical core splitters and core saws. Some pre-Atlantic Gold programs submitted whole core. Atlantic Gold's default sample length was 1.0 m, and all half-core samples were sawn.

The main independent laboratories used for sample preparation and analysis include ALS Chemex and SGS; these laboratories hold accreditations for selected analytical techniques. Samples have been typically crushed and pulverized to P₈₅ 75 µm. Gold analyses have included fire assays with an atomic absorption spectroscopy (AAS) finish, fire assays with a gravimetric finish, and screen fire assays.

Initial, pre-Atlantic Gold, assaying at Touquoy used a proprietary sample preparation method, known as KMS-15, which used a Kuryluk Mineral Separator to extract the coarse gold from the sample. The resulting material was fire assayed for gold.

Drill programs to 2002 typically relied on quality assurance and quality control (QA/QC) procedures implemented at the analytical laboratory. Later programs incorporated QA/QC sample submissions including blank, duplicate, and standard reference materials (SRMs).

A number of review and resampling programs have been conducted, including:

- Trial grade control reconciliation from the upper edge of the Touquoy Zone. Atlantic Gold concluded that the KMS-15 method generated data that are, on average, higher in average grade compared to other methods such as traditional 30FA and screened fire assay;
- Resampling of selected drill core from earlier exploration efforts;
- For the purposes of the Touquoy Mineral Resource estimate, based on the results of the trial grade control program, all KMS-15 assay grades were reduced by 22%.

Security procedures prior to Atlantic Gold's involvement in the Project are not known, although check sampling and re-examination of core from a large number of drill holes has not shown any sign of sample tampering. During Atlantic Gold programs, core was typically kept in a secure and locked area with limited access. Samples are typically conveyed from the Project site to the laboratory using commercial transport firms.

Sample preparation, analysis, and security procedures undertaken by Atlantic Gold are generally performed in accordance with exploration best practices and industry standards.

1.8 Data Verification

Internal data verification programs have included review of QA/QC data, re-sampling and sample reanalysis programs, and database verification for issues such as overlapping sample intervals, duplicate sample numbers, or lack of information for certain intervals. Validation checks are performed on data used to support estimation, and comprise checks on surveys, collar co-ordinates, lithology data, and assay data.

A review of the Touquoy database was conducted in 2007 by external consultants, Hellman and Schofield.

In the opinion of the QP, sufficient verification checks have been undertaken on the databases to provide confidence that the databases are reasonably error free and may be used to support Mineral Resource estimation.

1.9 Metallurgical Testwork

1.9.1 Moose River Consolidated Phase 1

A high proportion of the gold contained in the Touquoy mineralization is coarse grained and recoverable by gravity concentration. Metallurgical testwork completed to date on Touquoy and Beaver Dam mill feed material has included: semi-autogenous grind (SAG) milling and associated comminution work, gravity concentration, leaching, carbon adsorption and cyanide detoxification, tailings thickening, and environmental tests.

The following formula was derived for calculating gold recoveries:

- % gold recovery = $\frac{(h-0.087)}{h} \times 100$;

where h = the head grade.

At a head grade of 1.5 g/t Au, this gives a gold recovery of 94.2% and a combined residue grade of 0.10 g/t Au. Considering the very similar recoveries obtained for each deposit and the similar head grades, an overall recovery of gold of 94% was used for both Touquoy and Beaver Dam.

1.9.2 Moose River Consolidated Phase 2 Expansion

Metallurgical testwork completed to date on Fifteen Mile Stream and Cochrane Hill mill feed material has included: mineralogy, head grade determinations for composites, comminution (SMC, Bond ball mill work index), gravity recoverable gold, conventional rougher tests, open circuit cleaner tests, split circuit flotation tests, circuit performance comparisons, and cyanide leach tests.

In general, the variability and composite samples had higher gold grades than the corresponding mine plan weighted average grade. Testwork on higher grade samples tends to overestimate the metallurgical performance. Further testwork is recommended on samples with feed grades approximating the mine plan feed grades to improve confidence in the metallurgical recovery.

Average recoveries for Fifteen Mile Stream are expected to range from 92.9% in the first and second years of the mine plan to 73.8% in the final year of mining. The overall average life-of-mine (LOM) recovery is expected to be 88.5%.

Average recoveries for Cochrane Hill are expected to range from 93.1% in the first year of the mine plan to 70.8% in the final year of mining. The overall average LOM recovery is expected to be 88.3%.

No deleterious elements are expected in the doré.

1.10 Mineral Resource Estimation

Multiple indicator kriging (MIK) was used to estimate the Mineral Resources based on an anticipated approach to mill feed material selection in mining. The basic unit of estimation was a panel with horizontal dimensions equal to the average drill hole spacing.

Depending on the deposit, samples were composited to either 1 m or 2 m intervals. Statistical properties of the composites were reviewed in terms of histogram and spatial continuity to identify areas of consistent mineralization style. For the majority of the resource models, a single mineralized domain was used. However, in both Cochrane Hill and in Touquoy, distinctly different mineralization styles with clearly different histograms of composite grade were identified and modelled with different parameters. Typically grade capping was not considered to be warranted; however, some high-grade samples in the Fifteen Mile Stream database were top-cut.

Where possible, directional sample variograms and variogram models were generated for the domains, and the resulting data used to inform estimation search criteria.

Mining assumptions for the panels varied from 2.5 m flitches and a panel height of 5 m at Touquoy to 5 m by 5 m assumptions for the remaining deposits. For all deposits, following variance adjustment, the resultant block histograms were assumed to be log-normal in shape. The variance included an adjustment for the information effect introduced by grade control sampling. A grade control drill hole pattern of 10

m by 5 m was assumed for Touquoy, with a down-hole sampling interval of 2.5 m. The assumptions for the remaining deposits was a 5 m by 5 m pattern, with a down-hole sampling interval of 2.5 m.

Block model validation indicated no major biases in the estimates.

The resource estimate for each panel was initially classified as Category 1, 2 or 3 based on the results of octant data searches in the panel neighbourhood. The number of composites required to inform an estimate varied by deposit and by category. Typically, Category 1 panel estimates were assigned to Measured Mineral Resources, Category 2 to Indicated Mineral Resources and Category 3 to Inferred Mineral Resources. An additional constraint on the Touquoy estimate was applied to take into account the uncertainty associated with the KMS-15 data that were used in the resource estimation. Panel estimates that are significantly affected by KMS-15 data in their neighbourhood and were initially assigned a category 1 flag were downgraded to a category 2 flag. This condition was activated if the weighted proportion of KMS-15 samples in the neighbourhood exceeded 0.20. Approximately 5 Mt of mineralization affected by the KMS-15 sampling was downgraded from Measured to Indicated.

Mineral Resources are reported to various gold cut-off grades that vary by deposit.

Mineral Resources at Touquoy and Beaver Dam were initially classified using the 2004 JORC Code and have been reconciled to the 2014 CIM Definition Standards. Mineral Resources for the Fifteen Mile Stream and Cochrane Hill deposits were reported using the 2014 CIM Definition Standards.

1.11 Mineral Resource Statement

Mineral Resources have various effective dates. The Qualified Person for the estimates is Mr. Neil Schofield, MAIG, an employee of FSSI Consultants (Australia) Pty Ltd, who is independent of Atlantic Gold. Mineral Resources are summarized in

Table 1-1 for Touquoy, Table 1-2 for Beaver Dam, Table 1-3 for Fifteen Mile Stream, and Table 1-4 for Cochrane Hill.

Table 1-1: Mineral Resource Statement, Touquoy

Confidence Category	Tonnage (Mt)	Grade (g/t Au)	Contained Gold (Au oz x 1,000)
Measured	2.75	1.47	130
Indicated	7.34	1.48	349
Total Measured and Indicated	10.09	1.48	479
Inferred	1.58	1.52	77

Notes to accompany Touquoy Mineral Resource table:

1. Mineral Resources have an effective date of 1 August, 2014. The Qualified Person for the estimate is Mr Neil Schofield, MAIG, an employee of FSSI Consultants (Australia) Pty Ltd.
2. Mineral Resources are reported inclusive of Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
3. Mineral Resources are reported at a basecase cut-off grade of 0.5 g/t Au. The cut-off grade includes the following considerations: assumption of open pit mining methods; gold price of US\$1,300/oz; 94% metallurgical recovery;

pit bench face angles that range from 40–65°; mining costs of \$13.40/t; processing costs of \$11.94/t, and general and administrative (G&A) costs of \$1.71/t.

4. Estimates have been rounded and may result in summation differences.

Table 1-2: Mineral Resource Statement, Beaver Dam

Confidence Category	Tonnage (Mt)	Grade (g/t Au)	Contained Gold (Au oz x 1,000)
Measured	4.07	1.55	202
Indicated	5.20	1.34	224
Total Measured and Indicated	9.27	1.43	426
Inferred	1.84	1.37	81

Notes to accompany Beaver Dam Mineral Resource table:

1. Mineral Resources have an effective date of 16 April, 2015. The Qualified Person for the estimate is Mr Neil Schofield, MAIG, an employee of FSSI Consultants (Australia) Pty Ltd.
2. Mineral Resources are reported inclusive of Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
3. Mineral Resources are reported at a basecase cut-off grade of 0.5 g/t Au. The cut-off grade includes the following considerations: assumption of open pit mining methods; gold price of US\$1,300/oz; exchange rate of C\$1:US\$0.90; 95% metallurgical recovery; pit bench face angles that range from 40–70°; mining costs of \$2.90/t, and a \$0.015/t bench increment; process costs of \$13.51/t; and general and administrative (G&A) costs of \$1.71.
4. Estimates have been rounded and may result in summation differences.

Table 1-3: Mineral Resource Statement, Fifteen Mile Stream

Confidence Category	Tonnage (Mt)	Grade (g/t Au)	Contained Gold (Au oz x 1,000)
Measured	2.71	1.33	116
Indicated	7.88	1.33	336
Total Measured and Indicated	10.59	1.33	452
Inferred	6.64	1.12	240

Notes to accompany Fifteen Mile Stream Mineral Resource tables:

1. Mineral Resources have an effective date of 20 July, 2017. The Qualified Person for the estimate is Mr Neil Schofield, MAIG, an employee of FSSI Consultants (Australia) Pty Ltd.
2. Mineral Resources are reported at a basecase cut-off grade of 0.35 g/t Au. The cut-off grade includes the following considerations: gold price of US\$1,300/oz; exchange rate of 0.80 US\$:C\$; mining cost of C\$3.25/t; process costs (including general and administrative (G&A) cost) of C\$11.73/t; process recovery of 95%; and over-all pit slope angle of 45°.
3. Estimates have been rounded and may result in summation differences.

Table 1-4: Mineral Resource Statement, Cochrane Hill

Confidence Category	Tonnage (Mt)	Grade (g/t Au)	Contained Gold (Au oz x 1,000)
Measured	6.17	1.22	242
Indicated	4.49	1.08	156
Total Measured and Indicated	10.66	1.16	398
Inferred	1.63	1.32	69

Notes to accompany Cochrane Hill Mineral Resource table:

1. Mineral Resources have an effective date of 20 July, 2017. The Qualified Person for the estimate is Mr Neil Schofield, MAIG, an employee of FSSI Consultants (Australia) Pty Ltd.
2. Mineral Resources are reported at a basecase cut-off grade of 0.35 g/t Au. The cut-off grade includes the following considerations: gold price of US\$1,300/oz; exchange rate of 0.80 US\$:C\$; mining cost of C\$3.25/t, process costs (including general and administrative (G&A) cost) of C\$11.73/t; 95% process recovery; and over-all pit slope angle of 45°.
3. Estimates have been rounded and may result in summation differences.

Factors that may affect the estimates include: metal price assumptions, changes in interpretations of mineralization geometry and continuity of mineralization zones, changes to MIK panel assumptions, metallurgical recovery assumptions, operating cost assumptions, confidence in the modifying factors, including assumptions that surface rights to allow mining infrastructure to be constructed will be forthcoming, delays or other issues in reaching agreements with local or regulatory authorities and stakeholders, and changes in land tenure requirements or in permitting requirements from those discussed in this Report.

1.12 Mineral Reserves

Proven and Probable Mineral Reserves have been modified from Measured and Indicated Mineral Resources at Touquoy, Beaver Dam, Fifteen Mile Stream and Cochrane Hill.

Detailed pit designs have been engineered from the results of Lerchs–Grossmann (LG) sensitivity analyses, and then designed into detailed pit phases to develop Mineral Reserves for production scheduling. Inferred Mineral Resources were set to waste.

The Mineral Reserves at Touquoy and Beaver Dam are supported by a Feasibility Study completed in 2015, and remain current. Mineral Reserves at Cochrane Hill and Fifteen Mile Stream are supported by a Pre-Feasibility Study completed in 2018.

Mineral Reserves are classified using the 2014 CIM Definition Standards and have an effective date of 2 July, 2015 for Touquoy and Beaver Dam, and an effective date of January 24, 2018 for Fifteen Mile Stream and Cochrane Hill. Mr Marc Schulte, P.Eng., is the independent Qualified Person for the estimate. The overall Mineral Reserves are provided in summary in

Table 1-5.

Factors that may affect the Mineral Reserves estimates include metal prices, changes in interpretations of mineralization geometry and continuity of mineralization zones, geotechnical and hydrogeological assumptions, ability of the mining operation to meet the annual production rate, process plant and mining recoveries, the ability to meet and maintain permitting and environmental licence conditions, and the ability to maintain the social licence to operate.

Table 1-5: Proven and Probable Mineral Reserves

Mine Area	Reserve Class	Mill Feed (Mt)	Diluted Gold Grade (g/t Au)
Touquoy	Proven	2.63	1.41
	Probable	6.58	1.45
Beaver Dam	Proven	4.03	1.47
	Probable	3.22	1.39
<i>Moose River Consolidated Phase 1 (Touquoy and Beaver Dam)</i>	<i>Proven</i>	<i>6.65</i>	<i>1.45</i>
	<i>Probable</i>	<i>9.80</i>	<i>1.43</i>
Fifteen Mile Stream	Proven	2.89	1.24
	Probable	7.91	1.24
Cochrane Hill	Proven	6.46	1.15
	Probable	4.70	1.02
<i>Moose River Consolidated Phase 2 Expansion (Fifteen Mile Stream and Cochrane Hill)</i>	<i>Proven</i>	<i>9.36</i>	<i>1.18</i>
	<i>Probable</i>	<i>12.60</i>	<i>1.16</i>
<i>Moose River Consolidated Total Phase 1 and Phase 2 Expansion</i>	<i>Proven</i>	<i>16.01</i>	<i>1.29</i>
	<i>Probable</i>	<i>22.40</i>	<i>1.28</i>
<i>Grand Total Moose River Consolidated Total Phase 1 and Phase 2 Expansion</i>	<i>Total Proven and Probable</i>	<i>38.41</i>	<i>1.28</i>

Notes to accompany the Mineral Reserves table:

1. The independent Qualified Person for the estimate is Mr. Marc Schulte, P.Eng.
2. Mineral Reserves are mined tonnes and grade, the reference point in the mill feed at the primary crusher;
3. The Mineral Reserve estimates for Touquoy and Beaver Dam have an effective date of July 2, 2015;
4. The Mineral Reserve estimates for Fifteen Mile Stream and Cochrane Hill have an effective date of January 24, 2018;
5. Mineral Reserves for Touquoy and Beaver Dam are reported at a cut-off grade of 0.40 g/t Au, which assumes a gold price of US\$1,300/oz Au at a currency exchange rate of 0.90 C\$ per US\$; 99.9% payable gold; \$4.20/oz. offsite costs (refining and transport), and a 2% royalty. The cut off-grade covers processing costs of \$9.73/t for Touquoy and \$13.51/t for Beaver Dam, general and administrative (G&A) costs of \$1.71/t, and uses variable metallurgical recoveries;
6. Mineral Reserve estimates for Touquoy and Beaver Dam have a mining recovery of 98.4% and external mining dilution of 1.6% at 0.28 g/t Au grade applied in addition to the modelled in-block dilution. Mining recovery is reduced to 40% for material between 0.40 g/t and 0.50 g/t Au cut-off grades;
7. Mineral Reserve estimates for Fifteen Mile Stream and Cochrane Hill are reported at a cut-off grade of 0.30 g/t Au, which assumes a gold price of US\$1,250/oz Au at a currency exchange rate of 0.78 C\$ per US\$; 99.0% payable gold; \$5.00/oz. offsite costs (refining and transport), and a 2% royalty. The cut off-grade covers

processing costs of \$8.45/t for Fifteen Mile Stream and \$9.05/t for Cochrane Hill, G&A costs of \$3.50/t, and uses a 92% metallurgical recovery;

8. Mineral Reserve estimates for Fifteen Mile Stream and Cochrane Hill use a mining recovery of 98.4% and external mining dilution of 1.6% at 0.20 g/t Au grade applied in addition to the modelled in-block dilution.
9. Numbers have been rounded as required by reporting guidelines.

1.13 Mining Methods

Ultimate pit limits are split into phases or pushbacks to target higher economic margin material earlier in the mine life:

- The Touquoy pit is split into west and east phases with the higher-grade west phase mined ahead of the east phase. Using the two pit phases, a 4.5-year mine production schedule is developed;
- The Beaver Dam ultimate pit is subdivided into two phases, south and north, but for considerations of vertical advance the pit is mined as one phase from top to bottom. The Beaver Dam material adds another 3.5 years to the mine production schedule;
- The Fifteen Mile Stream pit is split into south and north phases with the lower strip ratio south phase mined ahead of the north phase. Using the two pit phases, a 5.5-year mine production schedule is developed;
- The Cochrane Hill pit is split into south and north phases with the higher grade south phase mined ahead of the north phase. A starter pit phases is also designed to provide waste rock construction materials to the starter tailings dam. Using the three pit phases, a 5.5-year mine production schedule is developed.

Mining is based on conventional open pit methods suited for the project location and local site requirements. The mining fleet will include diesel powered down the hole (DTH) drills with 110 mm bit size for production drilling, diesel-powered RC drills for bench-scale grade control drilling, 4.5 m³ bucket size diesel hydraulic excavators and 7 m³ bucket sized wheel loaders for production loading, and 64 t payload rigid-frame haul trucks for production loading, plus ancillary and service equipment to support the mining operations. In-pit dewatering systems will be established for each pit. All surface water and precipitation in the pits will be handled by submersible pumps.

Phase 1 of the mine operations begin at Touquoy and move to Beaver Dam once the Touquoy pit reserves are exhausted in year 5. At Touquoy, ore is hauled to a crusher 700 m north of the pit, which feeds the process plant; and waste rock is deposited into a waste rock storage facility (WRSF) 1,000 m east of the pit, or is used as rock fill in construction of the tailings facility 800 m east of the pit. At Beaver Dam, ore will be hauled to a crusher that will be located 600 m south of the pit, and then crushed ore will be hauled by on-highway haulers from Beaver Dam to the process plant at Touquoy operations; and waste rock will be deposited into a WRSF to be situated 550 m south of the pit. Mine planning and mining cost estimates are limited to the mining and delivery of ore to the crusher and waste rock to the planned destinations. The haul of ore from Beaver Dam to Touquoy is not covered under the mine plan or mining costs.

Phase 2 consists of two independent stand-alone open pit operations at Fifteen Mile Stream and Cochrane Hill that will run concurrently with the Phase 1 pits. At Fifteen Mile Stream, ore will be hauled to a crusher that will be located 1,500 m southeast of the pit, which will feed the process plant. Waste rock will be deposited into a WRSF to be situated 700 m south of the pit, or will be used as rock fill in construction of the tailings management facility (TMF) to be located 1,500 m east of the pit. At Cochrane Hill, ore will be

hauled to a crusher to be situated 1,400 m southwest of the pit, which will feed the process plant. Waste rock will be deposited into a WRSF to be located 900 m north of the pit, or will be used as rock fill in construction of the TMF that will be situated 2,000 m northeast of the pit.

During the pre-stripping phase of mine operations, all ore mined in the pit will be stockpiled. Throughout the life of operations, all ore grading between 0.30 and 0.50 g/t Au will be stockpiled. These stockpiles will accommodate 0.6 Mt at Touquoy, 0.9 Mt at Beaver Dam, 2.1 Mt at Cochrane Hill, and 2.1 Mt at Fifteen Mile Stream. The stockpiled Mineral Reserves are planned to be re-handled back to the crusher once the pits are exhausted.

Mining operations will be based on 365 operating days per year with two 12 hour shifts per day. An allowance of 10 days of no mine production has been built into the mine schedule to allow for adverse weather conditions.

Maintenance on mine equipment will be performed in the field with major repairs to mobile equipment in the shops located near the plant facilities.

Annual mine operating costs per tonne mined range from \$2.7 to \$4.5/t with a LOM average of \$3.1/t mined (including capitalized pre-production). Mine operations will include ore control and production drilling, blasting, loading, hauling, and pit, haul road and WRSF maintenance functions. Mobile equipment maintenance operations will also be managed by the Owner and are included in the mine planning and costs. Lease and finance charges on mobile equipment are also included in the mine operating cost estimate.

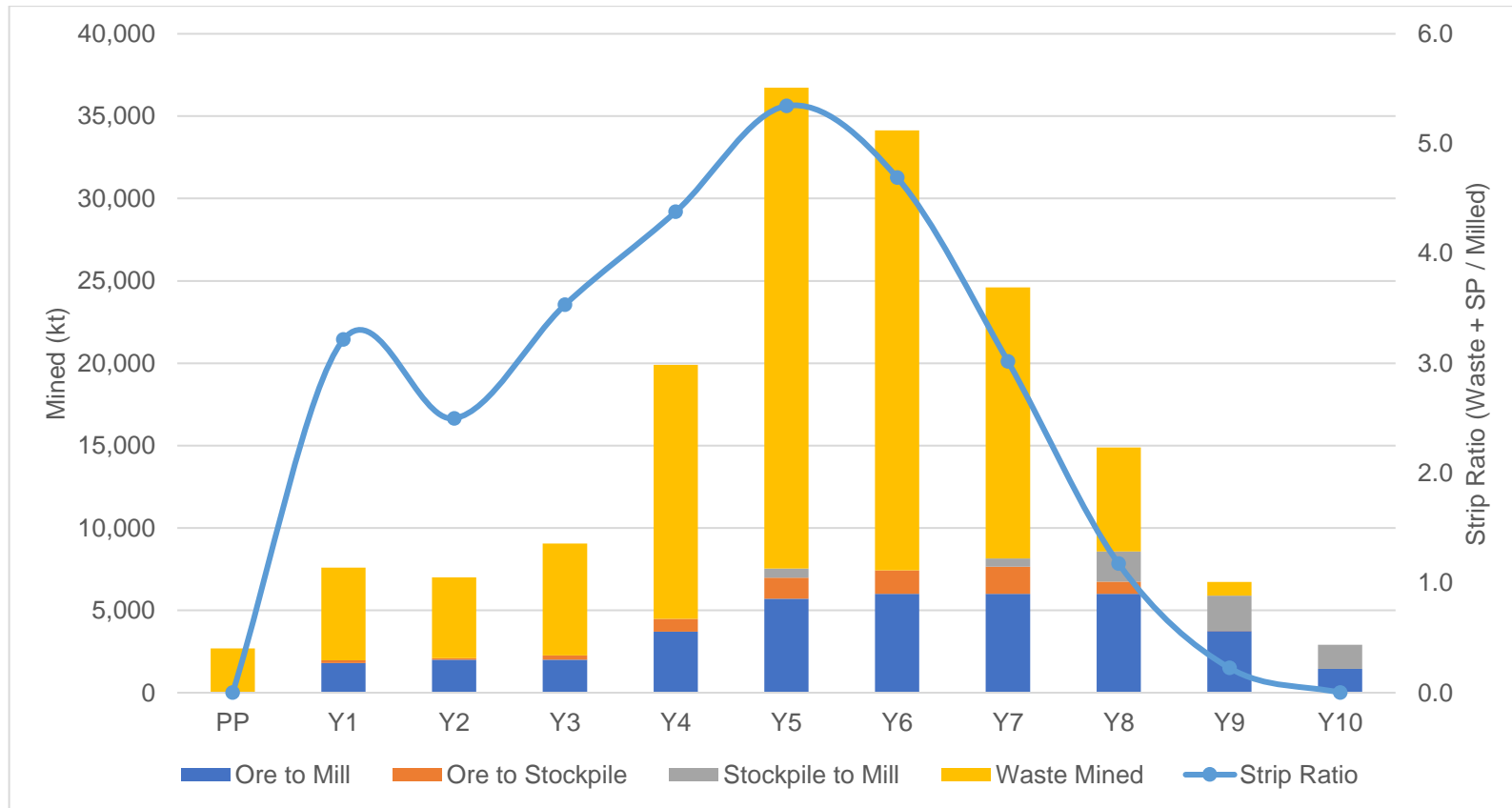
After mining is completed, the mining equipment will be removed, and the pits will be allowed to fill with water producing ponds. Contouring and re-vegetation of the fill areas will be completed. All mine buildings will be removed.

The summarized mine schedule is shown in Table 1-6. Figure 1-1 summarizes the proposed ore and waste schedule for the LOMP for the combined Moose River Consolidated Phase 1 and Phase 2 Expansion.

Table 1-6: Summarized Mine Production Schedule (Moose River Consolidated Phase 1 and Phase 2 Expansion)

	Units	LOM	PP	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
Total ore milled	kt	38,407	—	1,800	2,000	2,000	3,700	5,701	6,001	6,000	6,000	3,746	1,457
Gold grade	g/t Au	1.28	—	1.35	1.59	1.55	1.54	1.35	1.41	1.36	1.16	0.79	0.40
Total ore mined from pit	kt	38,407	50	1,974	2,101	2,270	4,493	6,405	7,432	7,156	4,903	1,624	—
Gold grade	g/t	1.28	1.32	1.30	1.54	1.47	1.34	1.26	1.22	1.26	1.18	1.30	—
Total waste mined	kt	114,850	2,639	5,616	4,897	6,795	15,413	29,187	26,711	16,448	6,306	838	—
Strip ratio (waste + SP/ore milled)		3.2	—	3.2	2.5	3.5	4.4	5.3	4.7	3.0	1.2	0.2	—
Cumulative strip ratio			—	4.7	3.5	3.5	3.9	4.4	4.5	4.2	3.6	3.3	3.2
Total material mined	kt	153,256	2,689	7,590	6,997	9,064	19,907	35,592	34,142	23,604	11,209	2,462	—
Cumulative material mined	kt		2,689	10,279	17,276	26,340	46,247	81,839	115,981	139,585	150,794	153,256	153,256
Total material moved	kt	159,750	2,689	7,590	6,997	9,064	19,907	36,161	34,142	24,104	13,046	4,593	1,457

Figure 1-1: Summarized Mine Production Schedule (Moose River Consolidated Phase 1 and Phase 2 Expansion)



Note: Figure prepared by Moose Mountain, 2018.

1.14 Recovery Methods

1.14.1 Moose River Consolidated Phase 1

The Touquoy process plant is located east of Moose River, northeast of the Touquoy open pit and northwest of the TMF. The process design assumes a conventional flowsheet, including crushing, grinding, gravity recovery, CIL, desorption/electrowinning/refining, tailings management and cyanide destruction.

The Touquoy process plant is designed for an ore treatment of 2,000,000 t/a or 250 t/h based on an availability of 8,000 h/a, or 91.3%. However, the crushing section design is set at 60% availability since it operates outdoors and uses modular mobile equipment. It will accept Touquoy ore for the first five years of operation and thereafter ore from the Beaver Dam deposit at the same treatment rate using the same unit operations. The process equipment is sized to treat either of the ore types. The main difference between the ores is that the Beaver Dam ore is harder and has a higher abrasion index.

Equipment proposed is conventional for the type of flowsheet.

1.14.2 Moose River Consolidated Phase 2 Expansion

Two stand-alone 2 Mt/a capacity mills are proposed for Fifteen Mile Stream and Cochrane Hill. The process will generally be the same at both plants, and includes primary, secondary and tertiary crushing, followed by grinding by a ball mill in a closed circuit with hydrocyclones. Centrifugal gravity separation units will be installed to recover primary cyclone underflow gravity recoverable gold (GRG). The fines will report to conventional flotation cells and the coarse will report to HydroFloat™ cells to produce gold concentrate. Gold concentrate will be thickened and pressure-filtered before being transported by truck to the Touquoy process plant. The final tailings from both fines conventional flotation and HydroFloat™ circuit will be pumped to a TMF at each site.

Plant operation will require reagent storage, air, water services and an assay laboratory at each site.

The Touquoy process plant leach circuit will require the trash screen and carbon safety screen single deck panels to be interchanged for a higher-flow product. This is due to the increase in mass throughput when treating material from Cochrane Hill and Fifteen Mile Stream. Additional acid wash and elution cycles are expected to be required. Given the increase in mass throughput, the existing intensive leach reactor and downstream electrowinning cell has been identified as a bottleneck, and therefore a new intensive leach reactor and electrowinning cell will be required at Touquoy. Gold room operations will require more frequent sludge presses, drying batch and smelting activities.

1.15 Project Infrastructure

1.15.1 Moose River Consolidated Phase 1

The following buildings or infrastructure will be required in support of operations:

- Administration office: at Touquoy consists of offices, meeting and training rooms, guardhouse–security area, kitchen, toilets, mine dry and first aid facilities; at Beaver Dam will be a prefabricated office facility that will include toilets, mine dry and first aid facilities;

- Control room complex: houses the main control room, the general and shift foremen's offices, a meals room and ablutions;
- Mill maintenance office: small stores, and offices for the maintenance foreman, electrical and instrumentation personnel;
- Process plant building: houses grinding, gravity and intensive cyanidation, elution, gold room and reagent mixing;
- Reagent storage;
- Laboratory: houses laboratory equipment for the daily operational process control, including the metallurgical and environmental requirements;
- Workshop and warehouse: main facility is at Touquoy; a smaller general maintenance facility will be at Beaver Dam;
- Main plant motor control centre room;
- Fire protection: dedicated fire pump skids.

On-site communications at Touquoy consist of interconnected mobile and fixed systems, including landline telephone network, radios and internet, while communications at Beaver Dam will be similar but on a smaller scale.

Power supply for the Touquoy mine and process plant come from a connection to the provincial distribution grid. A new 25 kV overhead line has been installed from a connection at the Caribou Mines site, about 15 km away. The power demand at Beaver Dam is insufficient to justify providing permanent grid supply, and two diesel-powered generators will provide electricity.

At Touquoy, sources of water include mine dewatering operations, raw water from Scraggy Lake, precipitation including run-off and snowmelt and return water from the TMF. Potable water is produced by a package water treatment plant. At Beaver Dam, the sources of water will include mine dewatering, raw water from Cameron Flow and site run-off. Potable water will be truck-delivered to site.

A total of 9.3 Mt of ore will be milled during the Touquoy life of mine and all of the Touquoy tailings will be deposited in the TMF after milling. The tailings will be deposited using a slurry/endspill methodology. The minimum expected water storage is 500,000 m³. The engineering design, commissioning stage dam, polishing pond and constructed wetland will be constructed over a two-year period prior to the production of tailings. The tailings dam will be raised in stages, along with the sludge cell, to their final design height in Year 5. Tailings from milling Beaver Dam ore will be deposited in the mined-out Touquoy open pit.

Results from static and kinetic testing indicated that the tailings and waste rock were not acid generating. A dedicated effluent treatment plant (ETP) will be operational to remove suspended solids, adjust the pH of the effluent, and to reduce arsenic to acceptable levels in the aged tailings water discharging from the tailings impoundment.

1.15.2 Moose River Consolidated Phase 2 Expansion

New site two-way traffic accesses will be needed for the proposed Fifteen Mile Stream and Cochrane Hill mines:

- A site access road will be constructed to link the Fifteen Mile Hill site facilities to Nova Scotia Collector Highway 374. Transport of ore from the Fifteen Mile Stream to Touquoy site will be along public roads accommodating trucks with a 38 t payload;
- A site access road will be constructed to link the Cochrane Hill site facilities to Nova Scotia Trunk Highway 7. Part of the existing Nova Scotia Truck Highway 7 can be used as the site access road. Approximately 1 km can be utilized without any modification. An addition 2 km will need to be constructed to connect the site to the provincial highway system. Transport of ore from the Cochrane Hill to Touquoy site will be along public roads accommodating trucks with a 22 t payload.

Facilities or infrastructure required at each site to support operations include:

- Gatehouse;
- Mining office and change room;
- Truck workshop and warehouse;
- Plant office and change room;
- Plant workshop;
- Fine ore stockpile;
- Filtration, storage and loadout;
- Process plant;
- Ball mill luberoom;
- Plant switchroom;
- Raw water supply;
- Compressed air supply;
- On-site communications;
- Fire protection;
- Security;
- Sewage and waste;
- Water management;
- WRSFs;
- Stockpiles;
- TMFs;
- Fuel.

The closest point of supply for the Fifteen Mile Stream site is approximately 20 km south of the Trafalgar power station and due west of the site. The site will be connected to the power grid by a 1 km overhead power line connected to the 69 kV line that runs adjacent to the planned mine site. This connection assumes a direct line between the 69kV line with a step-down transformer from 69 kV to 25 kV, to the

site and service the mine requirements. This connection assumes a direct line between 69 kV line with a step-down transformer from 69 kV to 25 kV, to the site and service the mine requirements. The 25 kV line will be tapped to supply the gatehouse and mine office, truck workshop, warehouse, mining office and change room buildings. The total connected load will be approximately 5.7 MW with an operating load of 4 MW.

At Cochrane Hill, the power supply will come from a connection to the existing Nova Scotia Power 25 kV line distribution grid. A new 25 kV overhead line will be required from a connection point located at the intersection of Nova Scotia Trunk 7 Highway and the access road to the Cochrane Hill facility. The 25 kV overhead line incoming feed will be tapped to supply the gatehouse and mine office, truck workshop, warehouse, mining office and change room buildings. The total connected load will be approximately 5.5 MW with an operating load of 4.2 MW.

Black-start diesel generators will provide emergency power for both sites in the event of an emergency.

1.16 Markets and Contracts

Atlantic Gold has not completed any formal marketing studies with respect to gold production that will result from the mining and processing of gold ore from Touquoy, Beaver Dam, Fifteen Mile Dam or Cochrane Hill into doré bars. Gold production will likely be sold either under a hedging transaction or on the spot market. Terms and conditions included as part of the sales contracts will be typical of similar contracts for the sale of doré throughout the world. There are many markets in the world where gold is bought and sold, and it is not difficult to obtain a market price at any particular time. The gold market is very liquid with a large number of well-informed potential buyers and sellers active at any given time.

At the time the 2015 Feasibility Study was completed, a gold price of US\$1,200/oz was considered reasonable with respect to the prevailing market and was used in the study. A recent review of credible metal price forecast sources indicated that a small increase to the gold price assumption is warranted. For the purpose of the 2018 Pre-Feasibility Study, a gold price of US\$1,300/oz was assumed.

A quotation was received from Asahi Refining (formerly Johnson Matthey) for the refining costs and has been used in the 2015 Feasibility Study and for the 2018 Pre-feasibility Study.

1.17 Environmental, Permitting and Social Considerations

1.17.1 Moose River Consolidated Phase 1

1.17.2 Touquoy

Environmental permits required to support the Touquoy mining operation have been received. Emissions from the mine site activities during operations are currently or soon will be monitored, reported, and treated in accordance with provincial regulations.

A total of 9.3 Mt of ore will be milled during the life of mine, and all of the tailings will be deposited in the TMF after milling. The tailings will be deposited using a slurry/endspill methodology.

Sources of water include mine dewatering operations, raw water from Scraggy Lake, precipitation including run-off and snowmelt and return water from the TMF.

A detailed reclamation plan was developed for Touquoy and Beaver Dam. The general concept for reclaiming the project site is to remove all buildings and facilities that can be dismantled and return the site to a state that is stable and concordant with the pre-existing conditions or future land use as identified in consultation with stakeholders and regulators.

The cost of reclamation for Touquoy is budgeted at \$10.4 million. The Industrial Approval condition required a bond to cover reclamation activities, post operation and reclamation monitoring and final closure documentation.

All required permits to operate the Touquoy mine have been received.

There are no First Nations (Mi'kmaq) communities within the Touquoy site boundaries. The closest reserve is Beaver Lake (IR 17), approximately 15 km to the northeast of Touquoy. No significant archaeological sites were identified during surveys.

1.17.3 Beaver Dam

The environmental permitting process is underway for Beaver Dam. On June 27, 2017, the Canadian Environmental Assessment Agency (CEAA) provided confirmation that the revised Environmental Impact Statement (EIS) for Beaver Dam, received on June 12, 2017, conformed to the EIS Guidelines and that the technical review of the EIS commenced as of June 28, 2017. At the Report effective date, information requests had been received from government agencies (federal and provincial) and were being processed by Atlantic Gold. Once the Environmental Assessment Registration, as generated from this process, is approved, then an Industrial Approval to Operate, and grant of a Mineral Lease will be sought from Nova Scotia Environment (NSE) and the Nova Scotia Department of Natural Resource (NSDNR) respectively.

There is no requirement for a TMF at Beaver Dam. Water sources will include mine dewatering, raw water from Cameron Flow and site run-off. Potable water will be truck-delivered to site.

Beaver Dam reclamation costs are estimated to be about \$1.6 million, based on current known inputs. The reclamation bond is negotiated with NSE and NSDNR during the Industrial Approval process. Provisions have been made for this bond in the feasibility study project costs for Beaver Dam.

The two main permits required for development of Beaver Dam are the Federal and Provincial Ministerial Environmental Approval and the Provincial Industrial Approval. Destruction of habitat in watercourses and wetlands will require the appropriate alteration permits. Fisheries resources will be evaluated by Fisheries and Oceans Canada (DFO) as part of these wetland and watercourse permitting processes.

The Beaver Dam area is sparsely settled. There are no First Nations (Mi'kmaq) communities within the site boundaries. A review of the Maritime Archaeological Resource Inventory shows no recorded archaeological sites in the project area. The potential for pre-Contact archaeological resources is considered moderate to high, although none have been recorded.

1.17.4 Moose River Consolidated Phase 2 Expansion

Cochrane Hill and Fifteen Mile Stream were formally presented before the One Window Committee, a joint committee of the NSE and the NSDNR in July 2017. Through the One Window Committee process, the project was discussed with various provincial and federal regulatory agencies, each of which have the

opportunity to identify potential legislated triggers for their review and possible “go-forward” involvement.

Baseline ecological studies to support the submission of a CEEA EIS and NSE EARD are currently on-going for Cochrane Hill and Fifteen Mile Stream. Cochrane Hill studies commenced in April 2015 and Fifteen Mile Stream studies commenced in June 2017.

1.17.5 Fifteen Mile Stream

Baseline environmental studies in respect of the Fifteen Mile Stream deposit commenced in June 2017 and will be completed in July 2018 (13 months of seasonally-relevant data). Results will be incorporated into an environmental impact statement to be submitted to provincial and federal regulators in fall 2018, and to the public, for registration. The area under study is approximately 1,640 ha.

A total of 10.8 Mt of ore will be milled during the life of the mine at Fifteen Mile Stream to produce a concentrate for shipment to Touquoy. Approximately 97% of the ore by weight will be disposed of as tailings in the Fifteen Mile Stream TMF.

The proposed open pit lies below Seloam Brook, which will necessitate diversion of Seloam Brook around the open pit limits prior to commencement of mining. Seloam Brook will be re-routed into a permanent constructed stream channel approximately 1,200 m long. Runoff from the active mine areas will be collected and conveyed to the supernatant pond in the tailings facility, and reused as a source of process water. Excess water will be discharged from the site to prevent surplus water accumulation within the TMF. The open pit will be dewatered by pumping.

Excess water will be discharged to a wetland area adjacent to the surplus water management pond, and will subsequently flow to Seloam Brook and the downstream receiving environment. A dedicated ETP has been included for removal of arsenic and pH adjustment prior to discharge, if required.

Conceptual closure plans will be included in the Cochrane Hill and Fifteen Mile Stream EIS submissions. The general concept for reclaiming these project sites is to remove all facilities that can be dismantled and return the site to a state that is concordant with the pre-existing conditions or future land use as identified in consultation with stakeholders and regulators.

Environmental permits required to support advanced exploration and environmental baseline studies for Fifteen Mile Stream and Cochrane Hill have been received for the drilling programs completed to date. Additional permits as needed, will be requested from NSE and NSDNR to support future exploratory, geotechnical, and hydrogeological drilling programs.

Fifteen Mile Stream is located along Highway 374, near Trafalgar, Halifax County, Nova Scotia, in the Liscomb Game Sanctuary. The area is very rural, consisting of sparsely distributed residences ranging from a few permanent homes to seasonal camps. There are no residences within the study area. The proposed mine site is more than 10 km from the nearest residence. Further study of potential impacts to neighbouring residences and potential receptors will be completed as part of the environmental assessment process. There are no First Nations (Mi'kmaq) communities within the site boundaries. The closest Mi'kmaq community to Fifteen Mile Stream Mile study area is the Beaver Lake IR17 (Millbrook First Nation) located about 23 km southwest. Sheet Harbour IR36 (Millbrook First Nation) is located 26 km to the south.

Public consultation and information sharing and discussions with the Mi'kmaq communities will be required as part of the EA process and will follow similar processes and build from the Touquoy and Beaver Dam experience.

Archaeological screening will be conducted at both Cochrane Hill and Fifteen Mile Stream to evaluate the archaeological potential within the proposed development limits as part of the EA process. Preliminary work has been completed and follow-up work is planned for 2018.

1.17.6 Cochrane Hill

Baseline environmental studies in respect of the Cochrane Hill deposit commenced in 2015, were re-initiated in June 2017 and will be completed in July 2018 (13 months of seasonally-relevant data). Results will be incorporated into an environmental impact statement to be submitted to provincial and federal regulators in the fall of 2018, and to the public, for registration. The area under study is about 1,300 ha.

A total of 11.2 Mt of ore will be milled during the life of the mine at Cochrane Hill to produce a concentrate for shipment to Touquoy. Approximately 97% of the ore by weight will be disposed of as tailings in the Cochrane Hill TMF.

Runoff from the active mine areas will generally flow towards the north and be directed to water management ponds around the mine site. Active mine areas will include the open pit area, mill site, waste rock and till stockpiles, ore stockpile, and the tailings facility. Water from these areas will be directed to the supernatant pond within the tailings facility to be reused as a source of process water. Excess water will be discharged from the site to prevent surplus water accumulation within the TMF. The open pit will be dewatered by pumping. A dedicated ETP has been included for removal of arsenic and pH adjustment prior to discharge, if required.

Cochrane Hill is located within 1 km of the community of Melrose, Guysborough County, Nova Scotia. Further study of potential impacts to neighbouring residences and potential receptors will be completed as part of the environmental assessment (EA) process. There are no First Nations (Mi'kmaq) communities within the site boundaries. The closest and only nearby Mi'kmaq community to Cochrane Hill is the Paq'tnkek Mi'kmaw Nation located 23 km east of Antigonish and 44 km northeast of the proposed mine site.

Closure considerations, permitting, public consultation, and archaeological survey plans are discussed under Fifteen Mile Stream in Section 1.17.5.

1.18 Capital Cost Estimates

1.18.1 Moose River Consolidated Phase 1

The overall capital cost estimate developed in the 2015 Feasibility Study meets the American Association of Cost Engineers (AACE) Class 3 requirement of an accuracy range between -10% and +15% of the final project cost.

The estimate includes two separate capital cost estimates, one for Touquoy and one for Beaver Dam (Table 1-7).

The cost estimate base date is June 2015 and the scope of work consists of direct costs, indirect costs, Owner's costs and contingency. The estimate is expressed in second quarter, 2015 Canadian dollars and remains current.

The sustaining capital cost estimate for Touquoy included the cost for raising the tailings dam, plant and infrastructure spending, royalty buyout and return of the reclamation bond and subsequent annual bonding payments, reclamation costs, and plant salvage value. All development at Beaver Dam was treated as sustaining capital, plus reclamation costs and salvage value. The total sustaining cost estimate was \$22.78 million.

Table 1-7: Moose River Consolidated Phase 1 Summary Level Project Capital Costs, Touquoy and Beaver Dam

Description	Touquoy Total Cost (C\$ M)	Beaver Dam Total Cost (C\$ M)
Direct Costs		
Mine area	16.95	1.12
Process plant	51.04	3.25
Tailing management	9.16	0.50
On-site infrastructure	13.33	3.85
Off-site infrastructure	2.12	6.05
<i>Subtotal Direct Costs</i>	<i>92.60</i>	<i>14.77</i>
Indirect Costs		
Indirect cost (including EPCM, field indirect, freight, vendor, first fill and spare parts)	15.40	1.07
Owner's costs, including Reclamation Bond	16.08	0.47
Contingency	13.26	1.90
<i>Subtotal Indirect Costs</i>	<i>44.74</i>	<i>3.44</i>
Total Direct and Indirect Capital Costs	137.34	18.21

Note: Figures have been rounded and may not sum.

1.18.2 Moose River Consolidated Phase 2

The overall capital cost estimate is classified as a Class 4 Pre-Feasibility Study estimate per AACE guidelines and per Ausenco's standards with an accuracy of -15%, +25%.

The estimate includes two separate capital cost estimates, one for Fifteen Mile Stream and one for Cochrane Hill (Table 1-8).

The capital cost estimate base date is the fourth quarter 2017, with no provision for forward escalation. The scope of work includes direct costs, indirect costs, Owner's costs and contingency.

A nominal salvage value of \$2.5 million has been assumed for both sites. Sustaining capital for Fifteen Mile Stream is estimated at \$24.9 million, and at \$23.3 million for Cochrane Hill.

Table 1-8: Moose River Consolidated Phase 2 Expansion Summary Level Project Capital Costs, Fifteen Mile Stream and Cochrane Hill

COST TYPE	DESCRIPTION	FIFTEEN MILE STREAM TOTAL (\$C M)	COCHRANE HILL TOTAL (\$C M)
Direct	Mine	16.4	27.0
	Process plants	52.3	55.8
	On-site infrastructure	11.9	10.8
	Off-site infrastructure	5.8	6.4
	<i>Direct Subtotal</i>	<i>86.4</i>	<i>100.0</i>
	Growth	0.8	0.7
	<i>Direct Costs</i>	<i>87.2</i>	<i>100.7</i>
Indirect	Field indirects	2.1	2.1
	Indirects	14.3	13.3
	Owner's costs	7.0	6.0
	Provisions (contingency)	12.9	14.4
	<i>Indirect Total</i>	<i>36.2</i>	<i>35.7</i>
Project Total		123.4	136.4

Note: Figures have been rounded and may not sum.

1.19 Operating Cost Estimates

1.19.1 Moose River Consolidated Phase 1

Operating cost estimates assume a 2 Mt/a production rate from Touquoy and Beaver Dam, and that operating costs at Beaver Dam are a function of the costs at Touquoy.

Operating costs were calculated based on manpower, process and maintenance consumables, transport, and general and administrative (G&A) costs. Operating costs and any revenue from production incurred during the pre-production period until commercial production is achieved were capitalized within Atlantic Gold's Owner's costs.

Operating costs were estimated at \$41.8 M/a for Touquoy and \$69.2 M/a for Beaver Dam, which equated to a unit operating cost of \$20.9/t for Touquoy and \$34.6/t for Beaver Dam. The operating cost summary is provided in Table 1-9.

Table 1-9: Moose River Consolidated Phase 1 Summary Operating Costs, Touquoy and Beaver Dam

Item	Unit	Touquoy	Beaver Dam
Mining	C\$/t milled	10.1	17.1
Processing	C\$/t milled	8.9	15.3
G&A	C\$/t milled	1.9	2.2
Total Cost	C\$/t milled	20.9	34.6
Overall average annual costs	C\$/M/a	41.3	69.1
LOM cash cost	C\$/oz	626	
Sustaining cost	C\$/oz	690	

Note: Figures have been rounded and may not sum.

1.19.2 Moose River Consolidate Phase 2 Expansion

Operating cost estimates assume a 2 Mt/a production rate from each of Fifteen Mile Stream and Cochrane Hill.

Operating costs were calculated based on manpower, process and maintenance consumables, transport, and G&A costs. Operating costs and any revenue from production incurred during the pre-production period until commercial production is achieved were capitalized within Atlantic Gold's Owner's costs.

Operating costs, excluding final year of stockpile rehandle, were estimated at \$39.1 M/a for Fifteen Mile Stream and \$43.4 M/a for Cochrane Hill. With the inclusion of the stockpile rehandle, average annual operating costs over the life of mine are estimated at \$38.4 M/a for Fifteen Mile Stream and \$41.7 M/a for Cochrane Hill. Life of mine unit operating cost were estimated at \$19.2/t for Fifteen Mile Stream and \$20.9/t for Cochrane Hill. The operating cost summary is provided in

Table 1-10.

Table 1-10: Moose River Consolidated Phase 2 Expansion Summary Unit Operating Costs, Fifteen Mile Stream and Cochrane Hill

Item	Unit	Fifteen Mile Stream	Cochrane Hill
Mining	C\$/t milled	9.4	10.8
Processing	C\$/t milled	7.9	8.3
G&A	C\$/t milled	1.9	1.9
Total Cost	C\$/t milled	19.2	20.9
Overall average annual costs	C\$/M/a	39.1	43.4
LOM cash cost	C\$/oz	627	
Sustaining cost	C\$/oz	692	

Note: Figures have been rounded and may not sum. Average annual costs exclude the final year of stockpile rehandle.

1.20 Economic Analysis

The results of the economic analyses discussed in this section represent forward- looking information as defined under Canadian securities law. The results depend on inputs that are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those presented here. Information that is forward-looking includes:

- Mineral Resource and Mineral Reserve estimates;
- Assumed commodity prices and exchange rates;
- The proposed mine production plan;
- Projected recovery rates;
- Sustaining costs and proposed operating costs;
- Assumptions as to closure costs and closure requirements;
- Assumptions as to environmental, permitting and social risks.

Additional risks to the forward-looking information include:

- Changes to costs of production from what is assumed;
- Unrecognized environmental risks;
- Unanticipated reclamation expenses;
- Unexpected variations in quantity of mineralised material, grade, or recovery rates;
- Geotechnical and hydrogeological considerations during mining being different from what was assumed;
- Failure of plant, equipment, or processes to operate as anticipated;
- Accidents, labour disputes and other risks of the mining industry.

The economic analysis includes the entire project life, comprising two years of construction and over 10 of years of mining and milling.

Corporate sunk costs to that point in time, including costs for exploration, technical studies, and permitting, are excluded from initial capital but have been considered in the estimation of tax depreciation pools.

A change was made the Moose River Consolidated Phase 1 economic analysis parameters compared to the 2015 Feasibility Study (Parks et al., 2015) in that the gold price has been increased from US\$1,200/oz to US\$1,300/oz. The resulting economic analysis is provided in

Table 1-11. .

The Moose River Consolidated Phase 2 incremental economic analysis is summarized in Table 1-12.

Cashflow for the overall Project (including Moose River Consolidated Phase 1 and Phase 2 Expansion) is summarized in Table 1-13.

1.21 Sensitivity Analysis

A sensitivity analysis was performed examining capital costs, operating costs, foreign exchange rate and gold price (Figure 1-2). The Project is most sensitive to fluctuations in gold price and foreign exchange rate assumptions, and less sensitive to variations in capital and operating costs. The gold grade is not presented in the sensitivity graph because the impact of changes in the gold grade mirror the impact of changes in the gold price.

Table 1-11: Moose River Consolidated Phase 1 Economic Analysis Summary with Updated Gold Price for 2018

Item	Units	2018
Gold price	US\$/oz	1,300
Currency exchange rate	C\$:US\$	0.80
Pre-tax NPV (5%)	C\$ M	321
After-tax NPV (5%)	C\$ M	233
LOM all-in sustaining costs	C\$/oz	690
LOM gold production	000's oz	714
Average annual gold production	000's oz	87
Incremental LOM waste/ore ratio		3.7:1
Average grade	g/t Au	1.44

Note: NPV = net present value

Table 1-12: Moose River Consolidated Phase 2 Expansion Economic Analysis Summary

Item	Units	Value
Gold price	US\$/oz	1,300
Currency exchange rate	C\$:US\$	0.80
Pre-tax NPV (5%)	C\$ M	291
After-tax NPV (5%)	C\$ M	188
LOM all-in sustaining costs	C\$/oz	692
LOM gold production	000's oz	746
Average annual gold production	000's oz	124
Incremental LOM waste/ore ratio		2.6:1
Average grade	g/t Au	1.17

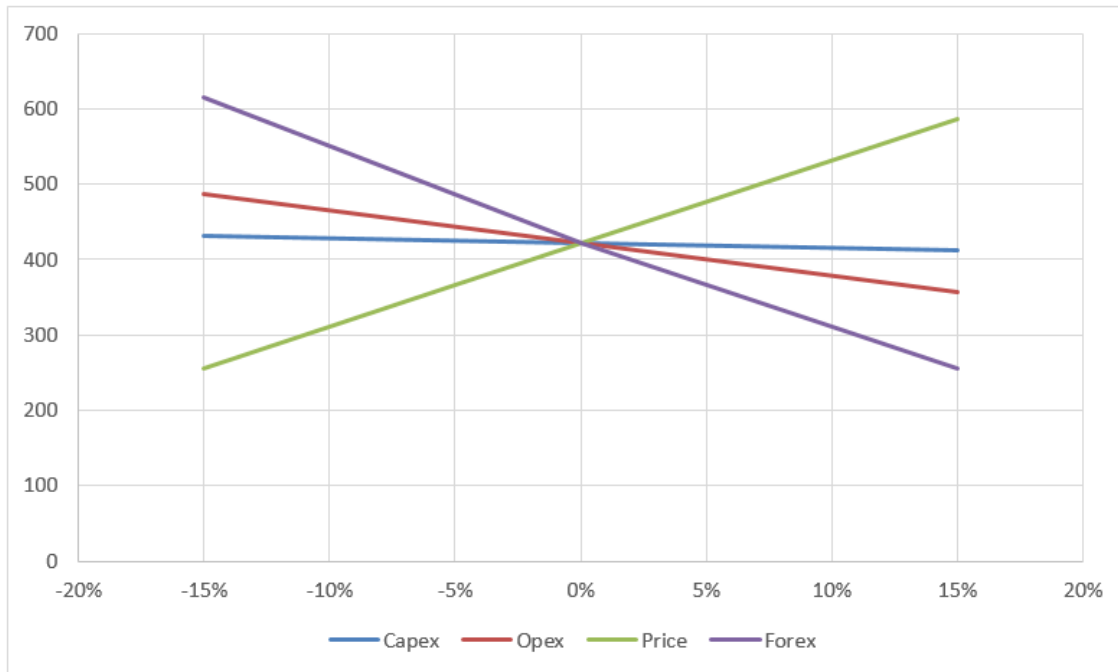
Note: NPV = net present value

Table 1-13: Moose River Consolidated Phase 1 and Phase 2 Expansion Economic Analysis Overall Project

Item	Unit	Value
Pre-tax NPV (5%)	C\$ M	612
Post-tax NPV (5%)	C\$ M	422
Pre-tax IRR	%	41
Post-tax IRR	%	35
Post-tax payback	years	1.9
Initial capital cost	C\$M	137
LOM cash operating cost	C\$/oz	643
LOM all-in sustaining cost	C\$/oz	692
Total LOM gold production	oz Au	1,460,000
Average annual gold production	oz Au	162,000
LOM strip ratio	Waste:Ore	3.0:1
Average grade	g/t Au	1.28

Note: NPV = net present value; IRR = internal rate of return

Figure 1-2: Moose River Consolidated Phase 1 and Phase 2 Expansion Sensitivity Analysis – Post-tax NPV (5%)



Note: Figure prepared by Moose Mountain, 2018

1.22 Other Relevant Data

Subsequent to the completion of the 2015 Feasibility Study the following have been amended or changed:

- In order to mitigate gold price risk and as a condition of Atlantic Gold's senior project loan facility, Atlantic Gold entered into margin-free gold forward sales contracts of 215,000 gold ounces at a Canadian dollar forward price of \$1,550 in August 2016 with Macquarie Bank Limited. The ounces associated with these forward gold sales contracts are to be delivered during production;
- Under the Industrial Approval, Atlantic Gold is required to post a \$10.4 million bond by 31 December, 2019 as a financial security against rehabilitation. In March 2016, the NSDNR and NSE accepted a proposal to provide a phased reclamation security to provide satisfactory financial security on a progressive basis commensurate with the area disturbed by the activity on the site at any given time. At the Report effective date, \$5.7 million has been posted. Two additional financial security tranches are due at specified times, comprising \$2.6 million due in the fall of 2018, and \$2.10 million payable in the fall of 2019. By 31 December, 2019, the full financial security of \$10.4 million must be lodged;
- Atlantic Gold entered into a fixed-price engineering, procurement and construction (EPC) contract with Ausenco during the first quarter of 2016. Site preparation activities commenced shortly after, and the plant site was handed over to Ausenco in August 2016 to start concrete and foundations work. Construction of the processing plant, tailings dam storage facility, mine and other infrastructure is complete. Commissioning activities were initiated late in July 2017 as originally scheduled. Commissioning of the process plant continues to progress as planned. In addition, ore stockpiles have been readied, and approximately 1.5 Mt of ore is exposed in the Touquoy pit.

1.23 Interpretation and Conclusions

Under the assumptions presented in this Report:

- Moose River Consolidated Phase 1 shows positive economics;
- Moose River Consolidated Phase 2 Expansion shows positive economics;
- The combined Moose River Consolidated Phase 1 and Phase 2 Expansion show positive economics.

1.24 Recommendations

In order to advance the project, a two-stage (phase) work program has been proposed. Stage 1 comprises recommendations for exploration drilling. Stage 2 consists of a feasibility study on the Fifteen Mile Stream and Cochrane Hill deposits, and recommended mining, process and tailings management studies and related testwork.

Stage 2 can be undertaken concurrently with the Stage 1 work, and the Stage 2 work is not dependent on the results of Stage 1. The Stage 1 program is estimated at \$2.7–4.5 million, depending on the number of metres drilled. Stage 2 is estimated at \$4.1 million.”

DIVIDENDS AND DISTRIBUTIONS

To date the Company has neither declared nor paid any dividends or distributions on its outstanding shares. The Company intends to retain any future earnings to finance the development of its properties, and accordingly, does not anticipate paying any dividends in the foreseeable future. Any decision to pay dividends on any outstanding shares in the future will be made by the Board of Directors on the basis of the earnings, financial requirements and other conditions existing at such time.

DESCRIPTION OF CAPITAL STRUCTURE

The authorized share capital of the Company consists of an unlimited number of common shares and an unlimited number of preferred shares without par value, of which 192,280,630 common shares and no preferred shares were issued and outstanding as fully paid and non-assessable shares.

The holders of the common shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Company, and each common share confers the right to one vote in person or by proxy at all meetings of the shareholders of the Company. The holders of the common shares, subject to the prior rights, if any, of the holders of any other class of shares of the Company, are entitled to receive such dividends in any financial year as the Board of Directors of the Company may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of the common shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Company, the remaining property and assets of the Company.

Preferred shares may be issued in series, in such numbers and with such designation and special rights and restrictions as may be determined by the Directors. Holders of preferred shares have no right to vote at meetings of common shareholders but do have priority over common shareholders in the event of a dissolution or winding-up of the Company.

The only class of securities of the Company that are not listed or quoted on a marketplace are the preferred shares, convertible debentures and stock options that are issued from time to time under the Plan.

To the Company's knowledge, none of the Company's securities are held in escrow or are subject to a contractual restriction on transfer.

Options

The Company has a rolling stock option plan (the "Plan") pursuant to which the Directors of the Company are authorized to grant options to Directors, officers, employees and consultants of the Company and its subsidiaries of up to a maximum of 10% of the issued and outstanding common shares at the time of granting of an option. Every option granted, unless sooner terminated, has a term not exceeding 10 years after the date of grant.

As at December 31, 2017, the Company had a total of 13,295,000 options outstanding (described in the following table), and the Company had the right to issue options to purchase up to an additional 5,933,063 shares pursuant to the Plan at such date:

Number of Options	Exercise Price	Expiry Date	Number Exercisable
50,000	0.40	July 26, 2018	50,000
1,700,000	0.32	June 13, 2019	1,700,000
3,490,000	0.26	December 6, 2021	3,490,000
150,000	0.34	July 14, 2022	150,000
2,445,000	0.42	November 24, 2022	2,445,000
50,000	0.63	February 16, 2023	43,750
1,100,000	0.73	April 8, 2023	825,000
200,000	0.81	April 25, 2023	150,000
200,000	0.86	October 9, 2023	100,000
3,340,000	0.96	November 3, 2023	1,670,000
150,000	0.98	November 13, 2023	75,000
110,000	1.02	December 20, 2023	55,000
50,000	1.50	January 26, 2024	18,750
50,000	1.53	February 24, 2024	18,750
100,000	1.58	April 4, 2024	25,000
110,000	1.56	July 16, 2024	13,750
13,295,000			10,830,000

Warrants

On August 20, 2014, the Company issued share purchase warrants as part of its acquisition of Atlantic NL. In conjunction with that acquisition, the Company issued an aggregate of 23,137,361 share purchase warrants to former Atlantic NL shareholders as partial consideration for the acquisition of Atlantic NL. Each such warrant entitles a holder thereof to purchase one common share of the Company at an exercise price of \$0.60 at any time up to 5:00 pm (Vancouver time) on August 20, 2018, subject to the terms of a warrant indenture between the Company and Computershare Trust Company of Canada dated June 20, 2014, as modified by the first supplemental indenture dated April 13, 2018. During the year ended December 31, 2017, a total of 2,386,267 warrants were exercised, leaving 20,732,117 warrants outstanding at December 31, 2017.

Convertible Debentures

See "General Development of the Business – Three Year History and Significant Acquisitions – Year Ended December 31, 2016 – Convertible Debentures" above for a description of the issued and outstanding convertible debentures of the Company. On April 11, 2018, the Company provided formal notice to its Convertible Debenture holders that the Company intends on prepaying the entire principal amount of the Debentures on May 11, 2018 (the "Prepayment Date") plus any accrued and unpaid interest up to such date.

Under the terms of the Convertible Debentures, the principal amount of the Convertible Debentures is convertible at any time into common shares of the Company at the holder's option, at a conversion price of \$0.60 per share, with accrued interest also convertible into common shares of the company at the

market price of the shares at the time of conversion. The holders maintain this conversion right up to the Prepayment Date.

MARKET FOR SECURITIES

Trading Price and Volume

The Company's common shares are currently listed for trading through the facilities of the TSX-V under the symbol "AGB".

During the period from January 1, 2017 to December 31, 2017, the Company's shares traded on the TSX-V as follows based on information available from Thompson One:

Month	Volume	High (Cdn\$)	Low (Cdn\$)
December 2017	3,466,600	1.60	1.41
November 2017	4,125,461	1.58	1.34
October 2017	7,482,972	1.87	1.30
September 2017	4,911,526	1.62	1.41
August 2017	5,183,690	1.64	1.35
July 2017	3,536,238	1.58	1.32
June 2017	6,709,116	1.64	1.36
May 2017	10,273,892	1.60	1.30
April 2017	9,244,919	1.51	1.13
March 2017	8,221,542	1.25	0.88
February 2017	4,567,160	1.05	0.94
January 2017	6,076,398	1.02	0.85

During the period from January 1, 2017 to December 31, 2017, the Company's Warrants traded on the TSX-V as follows based on information available from Thompson One:

Month	Volume	High (Cdn\$)	Low (Cdn\$)
December 2017	67,922	1.05	0.85
November 2017	135,713	0.99	0.80
October 2017	179,382	1.25	0.74
September 2017	115,180	1.05	0.88
August 2017	280,180	1.03	0.76
July 2017	148,215	0.98	0.85
June 2017	209,475	1.03	0.81
May 2017	133,485	1.03	0.74

Month	Volume	High (Cdn\$)	Low (Cdn\$)
April 2017	839,799	0.90	0.60
March 2017	124,074	0.65	0.48
February 2017	110,662	0.51	0.41
January 2017	286,998	0.50	0.39

Prior Sales

The following table summarizes details of stock options issued during the most recently completed financial year:

Date of Issuance	Number of Options Granted	Exercise Price	Expiry Date	Number Exercisable
January 9, 2017	200,000	0.86	October 9, 2023	100,000
February 3, 2017	3,440,000	0.96	November 3, 2023	1,707,500
February 13, 2017	150,000	0.98	November 13, 2023	75,000
March 2, 2017	125,000	0.99	December 2, 2023	75,000
March 20, 2017	110,000	1.02	December 20, 2023	55,000
April 26, 2017	50,000	1.50	January 26, 2024	18,750
May 24, 2017	50,000	1.53	February 24, 2024	18,750
July 4, 2017	100,000	1.58	April 4, 2024	25,000
July 17, 2017	50,000	1.48	December 19, 2017	-
October 16, 2017	110,000	1.56	July 16, 2024	13,750
	4,385,000			2,088,750

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The name, municipality of residence, positions held with the Company, and principal occupation within the five preceding years as at the date of this AIF of each Director, officer and executive officer of the Company are as follows:

Name, Province and Country of Residence, and Position with the Company	Principal Occupation within the five preceding years	Period of Service as a Director or Officer	Number of Shares and % of Class ⁽¹⁾
Steven G. Dean British Columbia, Canada Chairman & CEO	Chairman and CEO of the Company; Chairman and Director of Oceanic Iron Ore Corp.; President of Sirocco Advisory Services Ltd., and Director of Sierra Metals Inc.	June 2003 to Present	4,445,620 common shares ⁽²⁾ (2.3%)
Robert G. Atkinson British Columbia, Canada Vice Chairman & Director	Director and Vice Chairman of the Company; formerly President and CEO of Loewen Ondaatje McCutcheon & Co Ltd.; Director of Hansa Resources Ltd. and Cassius Ventures Ltd.	March 1996 to Present	3,491,016 common shares ⁽²⁾ (1.82%)
Donald R. Siemens British Columbia, Canada Independent Director	Director of the Company; Chartered Professional Accountant; Director and/or Audit Committee Chair for five public companies: Eros Resources Corp, Beaufield Resources, Arizona Mining Inc., Hansa Resources Limited, and Skeena Resources Ltd.	June 14, 2011 to Present	100,000 common shares (0.05%)
David Black British Columbia, Canada Independent Director	Director of the Company; Retired Partner DuMoulin Black LLP, Barristers and Solicitors; Director of Zincore Metals Inc.	June 2000 to Present	702,800 common shares (0.37%)
William P. Armstrong British Columbia, Canada Independent Director	Director of the Company; Mining Consultant; President of Metallica Consulting Co.; Director of Taseko Mines Ltd.	September 2013 to Present	100,000 common shares (0.05%)

Name, Province and Country of Residence, and Position with the Company	Principal Occupation within the five preceding years	Period of Service as a Director or Officer	Number of Shares and % of Class ⁽¹⁾
Wally Bucknell Sydney, Australia Director	Director of the Company; formerly Managing Director of Atlantic Gold Pty. Limited.	August 2014 to Present	1,008,150 common shares ⁽²⁾ (0.52%)
Ryan Beedie British Columbia, Canada Director	Director of the Company; President of Beedie Development Group.	May 2016 to Present	48,153,038 ⁽³⁾ common shares (25.04%)
Maryse Belanger British Columbia, Canada COO & Director	Director and Chief Operating Officer of the Company; formerly CEO and Managing Director of Mirabela Nickel Ltd. (2014-2016), Senior Vice President Technical Services of Goldcorp (2011 – 2014). Director of Plateau Energy Metals Inc. and Sherritt International Corporation.	July 2016 to Present	55,600 common shares (0.03%)
Chris Batalha British Columbia, Canada CFO and Corporate Secretary	CFO and Corporate Secretary of the Company; Chartered Professional Accountant; CFO and Corporate Secretary of Oceanic Iron Ore Corp.; Director, CFO and Corporate Secretary of Cassius Ventures Ltd.; formerly Controller of the Company from July 2013 to November 2014	November 2014 to Present	140,000 common shares (0.07%)

1. As a group, all current Directors and officers beneficially own, directly or indirectly, or exercise control or discretion over, a total of 58,196,224 common shares, representing 30.04% of the issued and outstanding common shares of the Company as at the date of this AIF. Unless otherwise indicated, all securities are held directly.
2. Steven Dean indirectly owns 1,022,620 common shares of the Company through a management company controlled by him, Sirocco Advisory Services Ltd. and 3,423,000 common shares through a trust. Mr. Bucknell indirectly owns or exercised control over 1,008,150 Shares through a trust of which Mr. Bucknell is a beneficiary. Mr. Atkinson indirectly owns or exercised control over 3,491,016 Shares through a trust of which Mr. Atkinson is a beneficiary.
3. Mr. Beedie indirectly owns 48,153,038 common shares of the Company through Beedie Investments Ltd., which is owned by Beedie Industrial Projects Ltd., a company which is wholly owned by Mr. Beedie. Beedie Investments Ltd. is also the holder of an \$8,000,000 convertible debenture of the Company which is convertible into 13,333,333 Common Shares of the Company. The convertible debenture has an interest rate of 8.5% per annum, payable semi-annually, and has a maturity date that is the later of (a) May 10, 2021 and (b) the earlier of (i) the date that is six months following the final maturity date under the Company's Project Facility Agreement entered into on May 6, 2016, and (ii) May 30, 2022.

Directors' and Officers' Terms of Office

The term of office for each Director of the Company expires at the next annual general meeting of shareholders of the Company.

The members of board committees are elected by the Board of Directors as soon as possible following each annual general meeting of shareholders of the Company.

The officers of the Company are elected by the Board of Directors and hold office for such period and on such terms as the Board may determine.

Committees of the Board of Directors

The committees of the Board of Directors of the Company and the Directors serving on each of the committees are described below:

Audit Committee

Audit Committee Mandate

The Audit Committee must consist of not less than three Directors as determined by the Board, at least two of whom qualify as independent in accordance with applicable securities laws and who are free from any relationship that would interfere with the exercise of their independent judgment as members of the Audit Committee.

The primary function of the Audit Committee is to assist the Board in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. The Audit Committee is also responsible for monitoring compliance with applicable laws and regulations and the systems of internal controls. The Audit Committee has the authority to retain special legal, accounting or other consultants to advise the Audit Committee. The Audit Committee may request any director, officer or employee of the Company, or the Company's outside counsel or independent auditor, to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee. The Board has adopted an Audit Committee Charter (the "Audit Committee Charter"). The Audit Committee reports to the Board after each Committee meeting.

The Audit Committee Charter is attached to this AIF as Schedule "A".

Composition of the Audit Committee

The following are the members of the Company's Audit Committee:

Donald R. Siemens (Chairman)	Independent ⁽¹⁾	Financially literate ⁽¹⁾
Robert G. Atkinson	Independent ⁽¹⁾	Financially literate ⁽¹⁾
David Black	Independent ⁽¹⁾	Financially literate ⁽¹⁾

1. As defined by National Instrument 52-110 Audit Committees.

Relevant Education and Experience

A description of the education and experience of each audit committee member that is relevant to the performance of his or her responsibilities as an audit committee member is as follows:

Donald R. Siemens— Director since June 2011

Mr. Siemens is independent of the Company and is financially literate, as those terms are defined in National Instrument 52-110 *Audit Committees*. Mr. Siemens brings over 30 years of experience to the

board as a Chartered Professional Accountant, including 8 years in public practice as a partner with major accounting firms, 8 years in senior executive positions in industry and 18 years as a self-employed Financial Services executive. Currently, as an independent financial advisor, Mr. Siemens specializes in Corporate Finance, cross-border transactions and Mergers & Acquisitions. He currently serves as a Director and Audit Committee Chair for Beaufield Resources, Eros Resources Corp., Arizona Mining Inc., Hansa Resources Limited, and Skeena Resources Limited. Previously, Mr. Siemens was Partner-in-Charge of Thorne Ernst & Whinney's (now KPMG) Vancouver office Financial Advisory Services group. Mr. Siemens obtained a Chartered Professional Accountant designation in 1972, and a B.A. from University of British Columbia.

Robert G. Atkinson– Director since March 1996, Vice Chairman since June 2003

Mr. Atkinson has been in the investment industry for over 30 years. He is former President and CEO of Loewen Ondaatje McCutcheon & Co Ltd., a Canadian investment dealer. Mr. Atkinson also serves as a director of Cassius Ventures Ltd. and Hansa Resources Ltd. Mr. Atkinson received a B.Comm. degree from the University of British Columbia in 1963.

David Black – Director since June 2000

Mr. Black is a retired corporate and securities lawyer and former partner and associate counsel with DuMoulin Black, a law firm established in 1966 specializing in the provision of corporate, securities and finance legal services to natural resource and commercial/industrial companies. Mr. Black was a director of a number of public companies primarily engaged in the exploration and mining industry, and currently serves as a director of Zincore Metals Inc.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services), Section 3.2 of NI 52-110 (Initial Public Offerings), Section 3.3(2) of NI 52-110 (Controlled Companies), Section 3.4 of NI 52-110 (Events Outside Control of Member), Section 3.5 of NI 52-110 (Death, Disability or Resignation of Audit Committee Member), Section 3.6 of NI 52-110 (Temporary Exemption for Limited and Exceptional Circumstances) or Section 3.8 of NI 52-110 (Acquisition of Financial Literacy), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (Exemptions).

Pre-Approval Policies and Procedures

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of the NI 52-110, the engagement of non-audit services is considered by the Board of Directors, and where applicable by the Audit Committee, on a case by case basis.

External Auditor Services Fees (By Category)

The aggregate fees billed by the Company's external auditors in the last two fiscal years in Canadian dollars are as follows:

<i>Financial Year Ending</i>	<i>Audit Fees*</i>	<i>Tax Fees**</i>	<i>All Other Fees***</i>
2017	\$198,625	\$125,242	\$7,875
2016	\$149,700	\$6,870	\$34,203

*Audit Fees includes amounts incurred in respect of review or read and comment engagements on the Company's quarterly interim financial statements

**Tax Fees primarily relate to tax planning advice in respect of the restructuring of the Atlantic group of companies

***All other fees primarily relate to valuation services in respect of the restructuring of the Atlantic group of companies, as well as due procedures conducted in respect of the Company's private placements that took place in September/ October 2017.

Nominating and Corporate Governance Committee

The members of the Nominating and Corporate Governance Committee are Messrs. Black (Chairman), Atkinson and Siemens, all of whom are independent of management. This committee is responsible for the Company's overall corporate governance and oversees the orientation program for new directors. In its report to the Board of Directors, the committee recommends names for election to the Board of Directors and from time to time recommends candidates to fill Board vacancies and newly created Director positions.

Compensation Committee

The Compensation Committee is comprised of Messrs. Atkinson (Chairman), Black and Armstrong. This Committee has the responsibility for determining compensation for the Directors and senior management. To determine compensation payable, the Compensation Committee reviews compensation paid for Directors and senior management of companies of similar size and stage of development in the mineral exploration and mining industries, and determines an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the Directors and senior management while taking into account the financial and other resources of the Company. In setting compensation, the Committee annually reviews the performance of the CEO in light of the Company's objectives and considers other factors that may have impacted the success of the Company in achieving its objectives.

Health Safety, and Environment Committee

The Health Safety Management and Environment Committee is comprised of Messrs. Bucknell (Chairman) and Siemens, as well as an ex-officio, John Morgan. The purpose of the Health, Safety and Environmental Committee is to review and monitor the policies and practices of the Company as they relate to the health and safety of employees in the workplace and the environmental policies and practices of the Company.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Other than as disclosed below, none of the Company's Directors or executive officers is, as at the date of this AIF, or has been, within ten years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (a) was subject to an Order (as defined below) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

"Order" means a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation and, in each case, that was in effect for a period of more than 30 consecutive days.

Mr. Siemens was a director of Great Western Minerals Group Ltd. ("GWMG") from January 2014 until his resignation together with all the then current directors in July 2015. On April 30, 2015, GWMG announced that a support agreement was entered into with the holders of a majority of GWMG's secured convertible bonds and GWMG was granted protection from its creditors under the CCAA upon receiving an initial court order from the applicable court. On May 11, 2015, an order was issued by the Financial and Consumers Affairs Authority of the Province of Saskatchewan that all trading in the securities of GWMG be ceased due to its failure to file financial statements for the year ended December 31, 2014. In December 2015, GWMG entered into bankruptcy proceedings.

None of the Company's Directors or executive officers or, to the Company's knowledge, any shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- (a) is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder; or
- (c) has been subject to:
 - (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

- (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

The Directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any Director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, that Director will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

To the best of the Company's knowledge, there are no known existing or potential conflicts of interest among the Company, its Directors or officers as a result of their outside business interests, except that certain of the Directors and officers serve as directors and/or officers, promoters and members of management of other public companies, and therefore it is possible that a conflict may arise.

The Directors and officers of the Company are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest and the Company will rely upon such laws in respect of any Directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers. In accordance with the *Business Corporations Act* (British Columbia), such Directors or officers will disclose all such conflicts and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is not a party to any material legal proceedings and is not aware of any such proceedings pending or contemplated. There have been no penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during the last financial year or by a court or regulatory authority that would likely be considered important to a reasonable investor in making an investment decision. The Company did not enter into any settlement agreement with a court relating to securities legislation or with a securities regulatory authority during the last financial year.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed in this AIF, to the knowledge of the Company, no director or executive officer, or person or company that beneficially owns, or controls and directs, directly or indirectly, more than 10 percent of the any class or series of the voting securities of the Company, or any associate or affiliate of the foregoing, have had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year prior to the date of this AIF that has materially affected or is reasonably expected to materially affect the Company.

On May 11, 2016, Beedie Investments Ltd. which is owned by Beedie Industrial Projects Ltd., a company wholly owned by Ryan Beedie, acquired an \$8,000,000 convertible debenture of the Company (the "Convertible Debenture"). The Convertible Debenture is convertible into 13,333,333 Common Shares of the Company, and has an interest rate of 8.5% per annum, payable semi-annually. The maturity date of

the Convertible Debenture is the later of (a) May 10, 2021 and (b) the earlier of (i) the date that is six months following the final maturity date under the Company's Project Facility Agreement entered into on May 6, 2016, and (ii) May 30, 2022.

Certain directors and/or executive officers have been granted stock options of the Company, have received consulting fees for services provided to the Company and/or have participated in private placements of the Company referred to under "General Development of the Business – Three Year History and Significant Acquisitions" on the same basis as all other subscribers for the same class of securities under such private placements.

TRANSFER AGENT AND REGISTRAR

The Company's transfer agent and registrar is Computershare Trust Company of Canada, 510 Burrard Street, 2nd Floor, Vancouver, British Columbia, V6C 3B9, and Computershare Trust Company of Canada, 4 King Street West, Suite 1101, Toronto, Ontario, M5H 1B6, is the Company's co-transfer agent and registrar.

MATERIAL CONTRACTS

The following list sets forth or refers to the particulars of each material contract of the Company that was entered into (a) within the last financial year and up to the date of this Annual Information Form, or (b) before the last financial year but is still in effect, and that is required to be filed under Part 12 of National Instrument 51-102 ("NI 51-102") or that would be required to be filed under 51-102 but for the fact that it was previously filed:

1. Project Loan Facility described under "General Development of the Business – Three Year History and Significant Acquisitions".
2. Convertible debentures described under "General Development of the Business – Three Year History and Significant Acquisitions".

Copies of the material contracts are available under the Company's profile on SEDAR at www.sedar.com.

INTERESTS OF EXPERTS

The Company relies on experts to audit its annual consolidated financial statements, and to prepare mineral resource estimates on certain of the Company's mineral properties, and related technical reports.

Names of Experts

Each of the following experts were responsible for the preparation of parts of the Feasibility Study, the Phase 2 Technical Report, the Preliminary Feasibility Study and/or other technical reports described or referred to in the Company's filings made under National Instrument 51-102 during, or relating to, the Company's most recently completed financial year.

Paul Staples is an Engineer with Ausenco Solutions Canada Inc. (Ausenco). He is a registered Professional Engineer in New Brunswick. He graduated from Queen's University in 1993 with a degree in Materials and Metallurgical Engineering. He has practiced his professional for over 24 years. He has been directly

involved in process operation, design and management studies and projects for gold, copper and other base metal projects in Canada and globally. Mr. Staples is an independent “qualified person” as defined in National Instrument 43-101.

Neil Schofield has been involved with the Company's Beaver Dam Gold Project since December 2014, as a consulting geologist on behalf of his current employer, FSS International Consultants (Australia) Pty. Ltd. He has worked as an exploration geologist for 14 years and as a mineral resource estimator for over 28 years. Mr. Schofield graduated from the University of Queensland in 1972 with a Bachelor of Science majoring in Geology and from Stanford University in 1988 with a Masters of Science and Applied Earth Sciences. Mr. Schofield is a member in good standing of the Australian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr. Schofield is an independent "qualified person" as defined in NI 43-101.

Marc Schulte, P.Eng., is a Mining Engineer with Moose Mountain Technical Services. He graduated with a Bachelor of Science in Mining Engineering from the University of Alberta in 2002. Mr. Schulte is a member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta. He has worked as a Mining Engineer for a total of 12 years and has worked on base metal and coal mining projects in western Canada, including mine operations and mine evaluations for 14 years. Mr. Schulte has specific experience in base metal mining operations and preparing project evaluations for gold deposits in Canada. Marc Schulte is an independent "qualified person" as defined in NI 43-101.

Tracey Meintjes, P.Eng., is a Principal at Moose Mountain Technical Services, and a graduate of the Technikon Witwatersrand, (NHD Extraction Metallurgy – 1996). Tracey is a Professional Engineer in the Province of British Columbia, with relevant experience that includes process engineering, project financial evaluation, process operation and supervision, and mine planning in South Africa, North America and South America. Tracey has been working in his profession continuously since 1996, in particular, he has mining, metallurgical and economic evaluation experience in a number of Gold projects in Canada, the US, Mexico, and South Africa. Mr. Meintjes is an independent "qualified person" as defined in NI 43-101.

James Millard, P. Geo is employed as Manager Environmental and Permitting with Atlantic Gold Corporation. He is a member of the Association of Professional Geoscientists of Nova Scotia. He graduated from Brock University with a B. Sc. (Hons) in geological science and from Queens University with an M. Sc. in Environmental Engineering. He is a non-independent “qualified person” as defined in NI 43-101.

Jeffrey Parks, P. Geo. FGC, is a Project Manager for GHD Limited (GHD), and a registered Professional Geoscientist in the Province of Nova Scotia in the Environmental Geoscience stream. Mr. Parks is a graduate of Acadia University, Wolfville, NS, Canada with a Bachelors of Science degree in Geology, and the Nova Scotia College of Geographic Sciences, Lawrencetown, NS Canada, with an Advanced Diploma in Geographic Information Systems. Mr. Parks has worked as an Environmental Geoscientist and GIS Analyst for a total of 27 years since his graduation from university. Mr. Parks is an independent "qualified person" as defined in NI 43-101.

Daniel Fontaine, P. Eng. is a Senior Civil Engineer and Associate with Knight Piesold Ltd. He is a registered Professional Engineer in Nova Scotia and British Columbia. He graduated from McGill University in 2006 with a bachelor's degree in Civil Engineering. He has practiced his profession for over 11 years and is an independent “qualified person” as defined in National Instrument 43-101.

John Thomas, P.Eng., is a Chemical Engineer who graduated with a Bachelor of Science, Master of Science, and Doctor of Philosophy from Manchester University (UK) in 1969, 1981, and 1973 respectively. He is a member of the Association of Professional Engineers, Geologist and Geophysicists of British Columbia. Mr. Thomas has worked as a Chemical Engineer in the mining industry for a total of 41 years, working on base metal and precious metal projects in Canada, Zambia, Brazil, Venezuela, Kazakhstan, Spain and Russia. Mr. Thomas is a non-independent "qualified person" as defined in NI 43-101.

Kevin Scott, P.Eng., is a Professional Engineer in the Province of British Columbia and the Province of Ontario. He is a Manager, Process and Studies for Ausenco Solutions Canada Inc., and a graduate of University of British Columbia, Vancouver, Canada, with a Bachelor of Applied Science degree in Metals and Materials Engineering. Mr. Scott has worked as a Metallurgist continuously for a total of 25 years since his graduation from University. Mr. Scott is an independent "qualified person" as defined in NI 43-101.

In addition, The Company's auditors are PricewaterhouseCoopers LLP, Chartered Professional Accountants, who have prepared an independent auditor's report dated April 19, 2018 in respect of the Company's consolidated financial statements as at December 31, 2017 and December 31, 2016 and for the years then ended. PricewaterhouseCoopers LLP has advised that they are independent with respect to the Corporation within the meaning of the Chartered Professional Accountants of British Columbia Code of Professional Conduct.

Interests of Experts

Based on the information provided by the relevant persons listed in "Names of Experts" above, the registered or beneficial interest, direct or indirect, in any securities or other property of the Company or of one of the Company's associates or affiliates of each of the above experts represents less than one per cent of the Company's outstanding securities. None of the above experts is or is expected to be elected, appointed or employed as a Director, officer or employee of the Company or of any associate or affiliate of the Company.

No other person has prepared or certified a report, statement or opinion described or included in a filing, or referred to in a filing, made under NI 51-102 by the Company during, or relating to, the Company's most recently completed financial year, and whose profession or business gives authority to such report, statement or opinion.

AUDITORS

The auditors of the Company are PricewaterhouseCoopers LLP, Chartered Professional Accountants, of Vancouver, British Columbia. PricewaterhouseCoopers LLP, Chartered Professional Accountants, report that they are independent of the Company in accordance with the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on the Company's website www.atlanticgoldcorporation.com or under the Company's profile on SEDAR at www.sedar.com.

Additional information, including Directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, is contained in the Company's information circular for its most recent annual general meeting of securityholders. Additional financial information in relation to the Company is provided in the Company's consolidated financial statements and management's discussion and analysis for the 12 months ended December 31, 2017.

SCHEDULE "A"

AUDIT COMMITTEE CHARTER

"This Charter was implemented by the Board in October 2004 and last reviewed in April 2018"

Purpose

The overall purpose of the Audit Committee (the "Committee") of Atlantic Gold Corporation (the "Company") is to ensure that the Company's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the financial statements and related financial disclosure of the Company, and to review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. It is the intention of the Board that through the involvement of the Committee, the external audit will be conducted independently of the Company's Management to ensure that the independent auditors serve the interests of Shareholders rather than the interests of Management of the Company. The Committee will act as a liaison to provide better communication between the Board and the external auditors. The Committee will monitor the independence and performance of the Company's independent auditors.

Composition, Procedures and Organization

1. The Committee shall consist of at least three members of the Board of Directors (the "Board").
2. At least two (2) members of the Committee shall be independent and the Committee shall endeavour to appoint a majority of independent directors to the Committee, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Committee members' independent judgment. At least one (1) member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Company. For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.
3. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
4. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.
5. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.

6. The Committee shall have access to such officers and employees of the Company and to the Company's external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
7. Meetings of the Committee shall be conducted as follows:
 - (a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;
 - (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and
 - (c) management representatives may be invited to attend all meetings except private sessions with the external auditors.
8. The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

Roles and Responsibilities

1. The overall duties and responsibilities of the Committee shall be as follows:
 - (a) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly financial statements and related financial disclosure;
 - (b) to establish and maintain a direct line of communication with the Company's internal and external auditors and assess their performance;
 - (c) to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and
 - (d) to report regularly to the Board on the fulfilment of its duties and responsibilities.
2. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
 - (a) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
 - (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
 - (c) review the audit plan of the external auditors prior to the commencement of the audit;
 - (d) to review with the external auditors, upon completion of their audit:
 - (i) contents of their report;
 - (ii) scope and quality of the audit work performed;

- (iii) adequacy of the Company's financial and auditing personnel;
 - (iv) co-operation received from the Company's personnel during the audit;
 - (v) internal resources used;
 - (vi) significant transactions outside of the normal business of the Company;
 - (vii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
 - (viii) the non-audit services provided by the external auditors;
- (e) to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles; and
- (f) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.
3. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:
- (a) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
 - (b) review compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
 - (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
 - (d) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
4. The Committee is also charged with the responsibility to:
- (a) review the Company's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
 - (b) review and approve the financial sections of:
 - (i) the annual report to Shareholders;
 - (ii) the annual information form, if required;
 - (iii) annual and interim MD&A;
 - (iv) prospectuses;
 - (v) news releases discussing financial results of the Company; and
 - (vi) other public reports of a financial nature requiring approval by the Board,

and report to the Board with respect thereto;

- (c) review regulatory filings and decisions as they relate to the Company's financial statements;
 - (d) review the appropriateness of the policies and procedures used in the preparation of the Company's financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
 - (e) review and report on the integrity of the Company's financial statements;
 - (f) review the minutes of any audit committee meeting of subsidiary companies, if any;
 - (g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the Company's financial statements;
 - (h) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
 - (i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.
5. The Committee shall specifically supervise and administer the Company's Whistle Blower Policy.
6. The Committee shall have the authority:
- (j) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
 - (k) to set and pay the compensation for any advisors employed by the Committee; and
 - (l) to communicate directly with the internal and external auditors.