ANNUAL INFORMATION FORM

For year ended December 31, 2014

Dated: April 07, 2015

PRELIMINARY NOTES

In this Annual Information Form ("AIF"), Atlantic Gold Corporation (formerly "Spur Ventures Inc."), including all subsidiaries as the context requires, is referred to as "Atlantic" or the "Company". All information contained herein is as at December 31, 2014 unless otherwise stated.

Financial Statements

All financial information related to the fiscal year ended December 31, 2014 in this AIF was prepared in accordance with International Financial Reporting Standards (IFRS). Accordingly, the Company's financial statements for the fiscal year ended December 31, 2014 were 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, 2014. 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 and the timing and receipt of requisite regulatory, and shareholder approvals in respect thereof. Forward-looking statements included or incorporated by reference in this AIF include, without limitation, statements related to proposed exploration and development programs, grade and tonnage of material and resource estimates. 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, 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 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 in the Company's consolidated audited financial statements and MD&A for the year ended December 31, 2014 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.

CORPORATE STRUCTURE

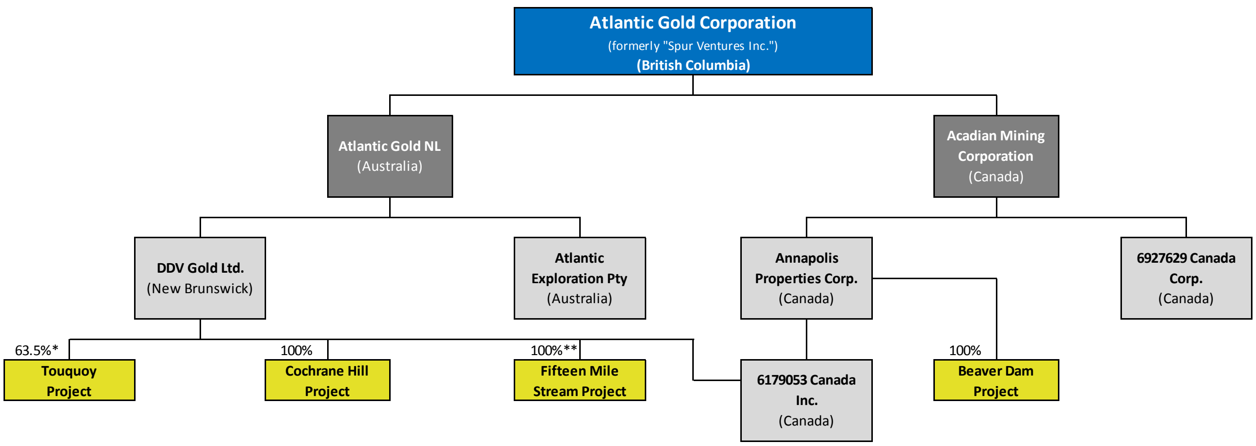
Name, Address and Incorporation

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” (see "Acquisition of Atlantic Gold Pty. Limited" below).

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, 2014, the Company's significant subsidiaries (all wholly owned by the Company) and the percentage interest in each of the Company's projects held by the Company either directly or indirectly:



**Effective partnership interest*
***Minor land position held by DDV Gold Ltd.*

GENERAL DEVELOPMENT OF THE BUSINESS

The Company's principal business is the acquisition, exploration and development of mineral properties. The Company currently holds four gold development projects in Nova Scotia, Canada (see "Mineral Resource Projects" and "Other Mineral Properties" 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, 2012 is available under the Company's profile on SEDAR and on the Company's website.

Three Year History and Significant Acquisitions

<u>Year ended December 31, 2012</u>

The Company announced on January 10, 2012 that it had entered into a share purchase agreement (the "Spur BVI Share Purchase Agreement") to sell its wholly-owned subsidiary, Spur Chemicals (BVI) Inc. ("Spur BVI") to Hong Tang Vision Ltd. ("Hong Tang"), a limited liability company registered in the Cayman Islands for cash consideration of $9.25 million.

Until the completion of the sale of the Company's 100% owned subsidiary, Spur BVI, on February 14, 2012, the Company held interests in the fertilizer industry in China. Spur BVI held its fertilizer interests through two sino-foreign joint ventures in China, Yichang Maple Leaf Chemicals Ltd.

("YMC") and Yichang Spur Chemicals Ltd. The Company announced the completion of the sale of Spur BVI on February 14, 2012.

Under the Spur BVI Share Purchase Agreement, the Company agreed to sell all of the issued and outstanding shares of Spur BVI to Hong Tang. The Spur BVI Share Purchase Agreement also provided that, if at any time in the future the relevant Chinese authorities remove YMC's current obligation to produce phosphate fertilizers thus licensing YMC to simply be a phosphate mining company, the Company would receive an additional payment of $4.75 million from Hong Tang (for total cash proceeds to the Company of $14 million). The Company continues to monitor YMC's status.

The Board and management's decision to divest of Spur BVI was largely influenced by several factors:

- The increasingly challenging regulatory and investment environment for foreign companies in the natural resource sector in China;
- Changes to the fundamentals in the fertilizer market in China, in particular the significant over-capacity of phosphate fertilizers in China in the near term;
- The negative sentiment in western capital markets to investing in China; and
- Additional flexibility in implementing strategy focused on investments in lower risk jurisdictions.

The sale of Spur BVI reflected the Company's strategic decision to exit its operations in China and represented a key milestone in implementing the Company's strategy announced in October 2008 to focus on making potential acquisitions in gold, base metals or other mineral assets or businesses that are in more advanced stages of development where the balance of technical and geopolitical risk is intended to result in increased value to the Company's shareholders within a relatively short time frame.

In February 2012, the Board of Directors of the Company concluded that transitioning the Company's listing from the Toronto Stock Exchange (the "TSX") to the TSX Venture Exchange (the "TSX-V") would best suit the needs of the Company while providing continued and seamless trading liquidity for the Company's shareholders. The Company's common shares were voluntarily de-listed from the TSX at the close of market on March 22, 2012 and commenced trading on the TSX-V effective market open on March 23, 2012.

<u>Year ended December 31, 2013</u>

Following the sale of Spur BVI, in 2013, the Company's management team continued to focus on implementing the Company's corporate strategy to create a mid-tier gold production group focused on manageable, executable projects in mining friendly jurisdictions by considering and evaluating a number of potential near development projects.

<u>Year ended December 31, 2014</u>

<u>Acquisition of Atlantic Gold Pty. Limited</u>

On August 20, 2014 (the “Implementation Date”), the Company completed its 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 (the “Scheme”) under Part 5.1 of the Australian *Corporations Act 2001* (Cth) between Atlantic NL and its shareholders (the “Atlantic NL Acquisition”). Concurrently with the implementation of the Scheme, the Company changed its name from Spur Ventures Inc. to Atlantic Gold Corporation. At the Implementation Date, Wally Bucknell, former Managing Director of Atlantic NL joined the Board of the Company. In connection with the Atlantic NL Acquisition, the Company was admitted to the official list of the Australian Securities Exchange (“ASX”) in August, 2014. Additional information about the ASX may be found at www.asx.com.au.

Under the terms of the Atlantic NL Acquisition, Atlantic shareholders holding fully paid ordinary shares received 0.05564 of a common share of the Company and 0.02782 of a share purchase warrant (each whole warrant, a “Warrant”) for each fully paid ordinary share of Atlantic NL held. Each Warrant is exercisable to acquire one common share of the Company for a period of four years following the Implementation Date at a price of $0.60 per share. Atlantic NL shareholders holding partly paid ordinary shares received 10% of the consideration otherwise payable to a holder of fully paid ordinary shares for each fully paid share held. As a result of the Atlantic NL Acquisition, a total of 46,275,272 common shares and 23,137,361 Warrants were issued to former Atlantic NL shareholders.

Until the Implementation Date, Atlantic NL was an ASX listed company focused on the exploration and development of the Touquoy Gold Project (which is at an advanced stage and has all major permits in place) and the Cochrane Hill Gold Project (which is at an earlier stage of development) located in the province of Nova Scotia, Canada.

Acquisition of Acadian

On September 2, 2014, the Company announced that it had entered into a share purchase agreement with LionGold Mining Canada Inc. (the “Vendor”) and LionGold Corp Ltd as guarantor to acquire all of the issued share capital of Acadian Mining Corp. (“Acadian”) in exchange for 8,876,542 common shares (the "Consideration Shares") of the Company and $3,610,740 in cash comprising the cash consideration of $4,260,740 less a net liability adjustment of $650,000 (the “Acadian Transaction”). The Acadian Transaction completed on September 19, 2014. Under the terms of the Acadian Transaction, a total of 2,000,000 Consideration Shares were held back from issuance to the Vendor pending the completion of certain post-closing deliverables. Such contingent common shares continue to be held back as of the date of this AIF, but are expected to be issued in 2015.

The primary assets that the Company acquired in the Acadian Transaction consist of the Beaver Dam and Fifteen Mile Stream Gold Projects, which have defined mineral resource and historical resource estimates (see "Mineral Resource Projects" and "Other Mineral Properties" below), in addition to an extensive portfolio of exploration properties and a royalty portfolio consisting of 1% NSR royalties on three past producing gold mines, all in Nova Scotia.

ASX Delisting

For the reasons noted in the news release dated December 1, 2014, Atlantic considered that the financial, administrative and compliance obligations and costs associated with an ASX listing were unjustifiable and not in the best interests of Atlantic's security holders. In December, 2014, at the Company's request, the ASX approved the Company's application to de-list from the ASX.

Subsequent to December 31, 2014

On March 6, 2015 the Company announced its voluntary de-listing from the ASX effective that same date.

DESCRIPTION OF THE BUSINESS

The Company is a Canadian-based exploration and development gold mining company engaged in the acquisition, exploration and development of precious metal mineral properties. Atlantic's strategic focus is a counter cyclical strategy of acquiring advanced projects in mining-friendly jurisdictions.

Nova Scotia Projects

The Company currently holds approximately 450 km^2 of claims in Nova Scotia across four major project areas including:

- The fully permitted Touquoy Gold Project, in which the Company has an effective 63.5% interest;
- Beaver Dam and Cochrane Hill, which are now at the feasibility stage (as recommended in the PEA as defined and discussed under "Mineral Resource Projects - Touquoy, Beaver Dam, and Cochrane Hill Gold Projects" below); and
- Fifteen Mile Stream, which is at an earlier stage of development and has a mineral resource estimate as announced on February 18, 2015 (See "Other Mineral Properties - Fifteen Mile Stream" below).

On September 29, 2014, one week after completing the acquisition of Acadian, the Company released the results of a consolidated PEA (as defined under "Mineral Resource Projects - Touquoy, Beaver Dam, and Cochrane Hill Gold Projects" below) that reviewed two potential scenarios combining the Touquoy, Beaver Dam and Cochrane Hill projects.

The "Base Case" involves mining the Touquoy operation and in year five, once the Touquoy pit is exhausted, transitioning the mining operation 37 road kilometers to the Beaver Dam pit, which would operate as a satellite operation from the Touquoy base. The Beaver Dam pit would not have any processing or tailings facilities and would only have an open pit, a waste rock management facility and a crushing and loading plant to load highway trucks for the haul to Touquoy. It would in fact be a replacement for the Touquoy pit rather than a distinct mining operation. Minimal temporary offices and a light maintenance facility would also be installed for the approximately three year Beaver Dam pit life. Tailings from the material milled at Touquoy from the Beaver Dam pit would be disposed of in the empty Touquoy pit and the tailings would settle well below the final water level in the Touquoy pit when all mining activity has terminated. Permanently sealing tailings below water is globally considered a preferred method for long term tailings disposal.

The "Base Plus Cochrane Case" adds production from the Cochrane Hill deposit commencing in year three of the project life. Cochrane Hill would be a largely independent mining operation with its own mining fleet, mill and processing facility with the associated tailings management facility. The processing plant at Cochrane Hill would not utilize cyanide but instead would produce a gravity and float concentrate which would be trucked to Touquoy for final cyanide treatment and gold recovery. Cochrane Hill would be designed to mine and process about two million tonnes of material per year which would be the same as Touquoy and Beaver Dam. This two million tonnes per year of mill feed would produce about 120,000 tonnes of concentrate, or about six percent of the total, which would be trucked to Touquoy for treatment there. The fact that no cyanide would be utilized at Cochrane Hill is expected to simplify the permitting process that will be required.

The PEA also summarizes the estimated costs and timing in respect of reaching commercial production in respect of the Touquoy, Beaver Dam and Cochrane Hill projects.

Further details on the Company's projects in Nova Scotia are discussed in the "Mineral Resource Projects" section below.

Project Update and Next Steps

Work on a feasibility study (as recommended in the PEA) is in progress with the assistance of Ausenco Canada Inc., FSSI International Consultants Pty. Ltd., and Moose Mountain Technical Services as the principal consultants to complete the feasibility study. The Company is also engaged in discussions with potential project financiers in parallel with the completion of the feasibility study.

The Beaver Dam Drill Program was completed in March 2015. The Company is also undertaking further metallurgical test work at Beaver Dam to confirm the initial indications that Beaver Dam mill feed will meet the expected recovery levels as it is run through the Touquoy plant. The completion of the drilling and metallurgical test work will provide the geological and other important data that is required to complete the feasibility study.

Environmental work is also in progress with various studies and the collection of base line data at Beaver Dam and Cochrane Hill as part of the process required to facilitate the receipt of the necessary environmental approvals. As part of this process, discussions with stakeholders including Provincial and Federal agencies which have, or may have, a permitting and approval role in the development of Beaver Dam and Cochrane Hill is also in progress. Additionally discussions with a First Nations group in Nova Scotia, the Mi'kmaq, have also begun building on the Memorandum of Understanding that was signed with them in May of 2014 working toward the signing of a mutual benefits agreement.

Further, the Company's management team continues to review potential acquisitions and investment opportunities in the current depressed market targeting development properties that are economic at current prices and with IRR's>20%. The Company has an experienced management group and believes it is well placed to deliver future value to shareholders.

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 construction of the mine has not commenced, the Company is in the process of evaluating the environmental protection that will be required, such as an Environmental Impairment Liability Insurance, General Commercial Liability Insurance, Builder's Risk insurance, Wrap-Up Liability Insurance, and Inland and Worldwide Ocean Marine Transit Insurance.

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. 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, Development and Operating 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.

Mining operations generally involve a high degree of risk. The operations of the Company are subject to all the hazards and risks normally encountered in the exploration, development and production of minerals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, milling operations are 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.

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.

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.

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.

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.

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.

Risk Management

Mineral exploration and development companies face many and varied kinds of risks. While risk management cannot eliminate the impact of all potential risks, Atlantic will strive to manage and mitigate such risks to the extent possible and practical.

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.

Touquoy, Beaver Dam, and Cochrane Hill Gold Projects

The scientific and technical disclosure for the Company's Touquoy, Beaver Dam, and Cochrane Hill Gold Projects below is based on a technical report written in accordance with National Instrument 43-101 ("NI 43-101") entitled "NI 43-101 Technical Report, Preliminary Economic Assessment, Nova Scotia, Canada" (the "PEA") dated October 14, 2014 and prepared by Marc Schulte, P. Eng., from Moose Mountain Technical Services of Cranbrook, British Columbia, a Qualified Person as defined in NI 43-101.

The PEA analyzes two potential open-pit production scenarios over a minimum 8 year mine life:

1. Moose River Consolidated Case ("MRC Case", known as the "Base Case" in the PEA) – assumes initial production from the Company's fully-permitted Touquoy project, and the recently acquired Beaver Dam project, located approximately 37 km by road from Touquoy, for total life of mine production of 702,000 ounces of gold at an average grade of 1.55 g/t; and

2. Base Plus Cochrane Case ("MRC plus Cochrane Case", known as the "Base Case plus Cochrane" in the PEA) - includes the addition of gravity and float concentrate production from the Company's Cochrane Hill mine in year 3 of production, processed into doré at the Company's Touquoy facility for a total life of mine production of 1,129,000 ounces of gold at an average grade of 1.62 g/t

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

The scientific and technical disclosure contained under the section entitled "Beaver Dam - Updated Resource Estimate" below is based on a news release disseminated by the Company dated February 27, 2015. The updated Beaver Dam Mineral Resources are current resource estimates that are in accordance with the current Canadian Institute of Mining, Metallurgy and Petroleum Resources ("CIM") Definition Standards on Mineral Resources and Mineral Reserves as required by NI 43-101. Neil Schofield, MS Applied Earth Sciences, MAusIMM, MAIG, a Qualified Person as defined by NI 43-101, has done sufficient work to classify these resources estimates to current mineral resources prepared in accordance with NI 43-101.

The detailed disclosure contained in the PEA is hereby incorporated by reference, and the summary section from the PEA is reproduced below.

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1.0 Summary

1.1 Introduction

This Preliminary Economic Assessment ("PEA") Technical Report has been prepared by Moose Mountain Technical Services ("MMTS") in conjunction with FSSI Consultants (Aust) Pty Ltd, Stantec, and Conestoga-Rovers & Associates ("Conestoga"). The PEA, which has been prepared for Atlantic Gold Corporation ("Atlantic Gold", “AGB”, or the "Company"), analyzes two potential open-pit production scenarios in respect of the Company’s three mineral resource properties, namely:

- Touquoy Gold Project (the "Touquoy Property" or the "Touquoy Project")
- The Beaver Dam Property (or "Beaver Dam Project")
- The Cochrane Hill Property (or "Cochrane Hill Project")

The two PEA production scenarios reviewed are:

1. "Base Case", which assumes initial production from the Touquoy Project, followed by production from the Beaver Dam Project for a total life of mine production of 702,000 ounces of gold at an average grade of 1.55 g/t.
2. "Base Plus Cochrane Case", which includes the addition of gravity and float concentrate production from the Cochrane Hill Project in year 3 of production, processed into doré at the Touquoy facility for a total life of mine production of 1,129,000 ounces of gold at an average grade of 1.62 g/t.

All currency amounts are referred to in Canadian dollars (C$) unless otherwise indicated.

Prior to its name change to Atlantic Gold Corporation, the Company's predecessor entity, Spur Ventures Inc. ("Spur"), had been involved in the phosphate fertilizer business in China. Following the sale of its interests in the phosphate business in 2012, Spur began focusing on the acquisition of advanced mineral projects in mining-friendly jurisdictions. In August 2014, Spur changed its name to Atlantic Gold Corporation and in August and September of 2014, Spur completed the following two transactions with two corporate entities which held, among others, the Touquoy, Beaver Dam and Cochrane Hill Projects:

- All share merger with Atlantic Gold NL ("Atlantic Gold NL" or "Atlantic Gold") which held the Touquoy Project and Cochrane Hill Project; and
- Acqusition of Acadian Mining Corporation ("Acadian" or "Acadian Mining"), which held the Beaver Dam Project

The merger with Atlantic Gold NL was implemented in August, 2014 via a scheme of arrangement under Part 5.1 of the Australian Corporations Act 2001 under which Atlantic Gold Corporation acquired all the fully paid and partly paid ordinary shares on issue in Atlantic Gold NL.

The acquisition of Acadian was completed in September 2014. The Company acquired 100% of Acadian from LionGold Mining Canada Inc., a subsidiary of LionGold Corp Ltd, a diversified mining company listed on the Singapore Stock Exchange, in exchange for the issuance of cash and AGB shares.

Further information in respect of the two above noted transactions is available on the Company's website (www.atlanticgoldcorporation.com) and SEDAR (www.sedar.com). A summary corporate structure of the Company as at the date of this report is also set out below:

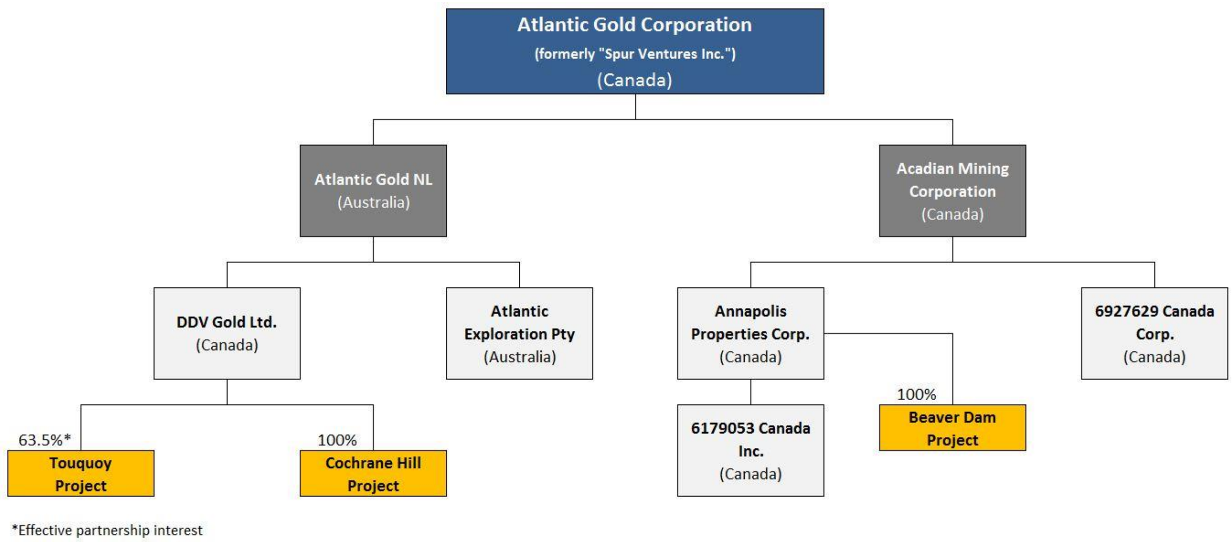

Figure 1-2: Atlantic Gold Corporation Corporate Structure

1.2 Property Descriptions and Geological Settings

The Touquoy Property is located in Central Nova Scotia, Canada, approximately 1.2 hours by sealed road northeast from Halifax and centred on the former village of Moose River Gold Mines. The property is located on NTS map sheet 11D/15C and 11E/2B with central coordinates of 505500 E/4981000 N (UTM NAD 83 Zone 20). The resource is situated on Mineral Lease ML11-1, which is comprised of 49 mineral claims and covers 763ha. Atlantic Gold NL, a wholly owned subsidiary of AGB, entered into a farm-in agreement with the property owners, Moose River Resources Inc. in May 2003 through its local wholly owned subsidiary, DDV Gold Ltd.

The Beaver Dam Property is located in Halifax County, central Nova Scotia, approximately 85 km northeast of the provincial capital of Halifax. The property covers the historical Beaver Dam gold district located on NTS map sheet 11E/2A with central coordinates of 521319 E/4990700 N (UTM NAD 83 Zone 20). The resource is situated on Exploration Licence 50421, which is comprised of 76 mineral claims and covers 1,202ha. The area is uninhabited with the closest residences situated 5 km away. The Beaver Dam Property is located 38 one-way road km from the Touquoy Property.

The Cochrane Hill Property is located in Guysborough County, Nova Scotia, some 35 kilometres south of the town of Antigonish. It is accessible via Highway #7 which passes within 300 metres of the old Cochrane Hill mine site. The property is located on NTS map sheets 11E/1D, 11E/8A and 11F/5B with central coordinates of 578500 E/5011600 N (UTM NAD 83 Zone 20). The resource is situated on Exploration Licence 06310, which is comprised of 53 mineral claims and covers 834ha. The Cochrane Hill Property is located 140 one-way road km from the Touquoy Property.

All three properties can be seen in the location map in Figure 4-1.

The Touquoy, Cochrane Hill and Beaver Dam gold deposits are located in the Meguma Group, a belt of sedimentary rocks of Cambrian to Ordovician age extending about 400 kilometres long and 80 kilometres wide through south-western Nova Scotia. The common geological setting of many of these gold deposits is their occurrence along the crests of anticlinal axes which were ably mapped over a century ago as extending throughout the length of the Meguma Group. The gold in these deposits is usually contained within quartz veins developed along fold axes and fold limbs, extractable via underground, narrow vein mining operations.

In the Touquoy deposit, gold is disseminated throughout the host sediments and is largely unrelated to quartz veining.

Mineralization at the Beaver Dam Property occurs in the north-dipping southern limb of an overturned anticline with gold hosted both within quartz veins and disseminated through the intervening inter-bedded argillite and greywacke. It is the quartz vein hosted gold mineralization augmented by disseminated style mineralization in or near anticline hinges that forms the basis of a geological model associated with the ongoing exploration and development of the Beaver Dam gold deposit.

Mineralization at the Cochrane Hill Property occurs within a strike-parallel sheeted vein system on the southern limb of an overturned anticline with gold hosted both within the veins and disseminated through the intervening inter-bedded argillite and greywacke protolith.

1.3 Exploration History

1.3.1 Touquoy Property

Gold was first discovered in Nova Scotia in 1861 at Mooseland, located about 15 kilometres south-east of the hamlet of Moose River Gold Mines, the site of the Touquoy deposit. Mining began at Moose River Gold Mines in 1877 and continued until 1910 with numerous small underground operations and open pits developed around the central part of the project area. About 26,000 ounces of gold were reported to have been recovered from 150,000 tonnes of slate, quartz and overburden material. Since 1986, the Touquoy mineralization has undergone several exploration campaigns including;

- Seabright Exploration Inc. 1986-87: 143 diamond drillholes for 19,253 metres drilled around the Higgins & Lawlor prospect and eastwards towards Touquoy. Seabright was taken over by Western Mining in late 1987.
- Westminer Canada Limited (a subsidiary of Western Mining Corporation) 1988-89: 129 diamond drillholes for 12,722 metres drilled on the Touquoy Zone and surrounds. Mining

and processing of 57,000 tonnes of bulk sample taken from near surface mineralization at the western end of the deposit.

- Moose River Resources Inc. 1996: 38 diamond drillholes for 2,669 metres and 37 percussion holes for 1,110 metres.
- Aurogin Resources Limited 2002: five percussion holes and one diamond drillhole for 381 metres, completed under agreement with Moose River Resources Inc.
- Atlantic Gold NL 2003-10: 241 drillholes (16,202 metres) and 359 percussion drillholes including 80 shallow BQ diamond drillholes and 25 shallow RC holes (2,984 metres) for a grade control trial program.

1.3.2 Cochrane Hill Property

Early settlers first discovered gold mineralization at Cochrane Hill in the 1860s. Production of gold commenced in 1868 and continued intermittently until 1929. Records indicate some 1,353 ounces of gold were produced from approximately 12,300 tonnes of rock by underground mining from three shafts.

Since that time, several companies have completed drill programs, air-borne geophysical surveys, metallurgical testing and underground bulk sampling studies.

In the mid-1980s Northumberland Mines Ltd ("Northumberland") excavated an 80m long by 30m wide and 10m deep open pit from which they processed 13,106 tons of material in an on-site cyanide test plant, recovering 512 ounces of gold.

In late 1987, Novagold Resources Inc. ("Novagold", formerly Northumberland Mines Ltd.) resumed control of the property from previous optionees and in 1988 developed a decline from the base of the 1983 open pit and drove several cross cuts and drives from the decline using this access to selectively mine approximately 5,000 tons of bulk sample material. Some 1,862 tons of this material was processed through an on-site gravity and flotation processing plant. Other geological evaluation was undertaken from underground by Novagold during this period including drilling of 28 diamond holes for 2044m.

1.3.3 Beaver Dam Property

Gold was discovered at Beaver Dam in 1868 and there were intermittent attempts from 1871 up until 1949 to develop and mine in the area, initially focused on the Austen Shaft area and later, also on the Mill Shaft area, 1.2km to the west of the Austen Shaft. There was early acknowledgment of significant volumes of low grade material, including the excavation of the small Papke pit approximately 400m west of the Austen Shaft in 1926, however, most of the development focused on a belt of quartz veins in greywacke and slates that were approximately 23m wide where intersected from the Austen Shaft.

The next major period of work began in 1975 when MEX Explorations acquired claims in the area and from 1978 until 1988 a number of different companies drilled a combined total of 251 diamond holes for 47,944m as well as undertaking mapping and geophysical and geochemical surveys.

Between 1986 and 1989, Seabright explored from underground via a decline that reached a maximum depth of 100m below surface. In that same period, Seabright drilled 34 holes from underground for a total of 2,290m and mined 135,000 tonnes of material of which 41,119 tonnes were milled at an average reconciled gold grade of 1.85 gpt. In 1987, Seabright also excavated a small open-pit in the Papke and Austen zones, removing 10,055 tonnes of which 8,822 tonnes were milled for a reconciled gold grade of 2.45 gpt.

A total of 967 ounces of gold production is recorded for the Beaver Dam gold district between 1889 and 1941. A further 2,445 ounces have been recovered from bulk samples taken between 1986 and 1989.

In 2002, Tempus Corporation, a predecessor company to Acadian (a wholly owned subsidiary of AGB), acquired the Beaver Dam Property. Acadian retained Mercator Geological Services ("Mercator") to manage its exploration activities until 2008 and since then, Acadian has managed all exploration activities within the Beaver Dam Property.

One of the first activities undertaken by Mercator when it was managing exploration activities prior to 2008 was an extensive compilation, review and validation of the historic diamond drilling and associated sampling and assaying during which, records for 238 surface and underground drill holes were examined.

Between 2005 and 2009, Mercator and then Acadian managed several diamond drill programs with a total of 153 holes drilled for 22,010m. Of those holes, 146 were drilled in the Main Zone and the remainder distributed between the Mill Shaft Zone and the Northeast Zone. At the completion of the drilling, the Main Zone had been drilled by Acadian on a nominal 25m x 25m pattern over a strike length of approximately 800m with mineralization still open to the west and at depth.

Acadian also undertook several other exploration programs including an aeromagnetic survey at 100m and 50m line spacing, a till survey and a follow-up shallow Reverse Circulation (geochemical) drilling program that led to recognition of a possible offset to the Main Zone mineralization on the northern side of the Mud Lake Fault.

1.4 Current Mineral Resource Estimate

1.4.1 Touquoy Project

With an effective date of August 1, 2014 the Touquoy deposit resource estimate has been completed by Neil Schofield of FSSI Consultants (Aust) Pty. (FSSI). Mr. Schofield visited the site from 14 to 16 July 2014. In compiling the current resource estimate, Mr. Schofield verified previous work done by him as a principal of H&S in compiling the 2008 mineral resource estimates, described in more detail below. The 2008 mineral resource estimates are considered current for the following reasons:

- No additional exploration or drilling information that would materially affect the resource estimates has been added to the project database since 2008.
- The current gold price is some US$400 per ounce higher that the average gold price during 2008.
- The author of this Report has recently reviewed his prior data analysis and modelling of the Touquoy resource estimate and considers it to be current.

The method used for the estimation of mineral resource for the Touquoy deposit is a standard implementation of multiple indicator kriging with block support correction for the estimation of recoverable resources based on a specified approach to selective mining. The GS3M© software provides a full implementation of this approach. The resource is classified using the CIM standards for mineral resource classification.

The current mineral resource estimates for the Touquoy deposit are presented in Table 1-1 to Table 1-3. A cut-off grade of 0.50 g/t Au is highlighted as the base case cut-off for open pit mining.

Table 1-1 Touquoy Measured Resource Estimate

	Measured		
Gold Cut-off g/t	**Millions of Tonnes**	**Gold g/t**	**Gold oz. x 1,000**
0.5	**2.75**	**1.47**	**130**
0.6	2.41	1.60	124
0.7	2.12	1.73	118
0.8	1.88	1.85	112

Table 1-2 Touquoy Indicated Resource Estimate

	Indicated		
Gold Cut-off g/t	**Millions of Tonnes**	**Gold g/t**	**Gold oz. x 1,000**
0.5	**7.34**	**1.48**	**349**
0.6	6.42	1.62	334
0.7	5.65	1.75	318
0.8	4.99	1.88	302

Table 1-3 Touquoy Inferred Resource Estimate

	Inferred		
Gold Cut-off g/t	Millions of Tonnes	Gold g/t	Gold oz. x 1,000
0.5	**1.58**	**1.52**	**77**
0.6	1.35	1.69	73
0.7	1.17	1.85	70
0.8	1.03	2.01	67

Note: Mineral resources that are not mineral reserves do not have demonstrated economic viability

1.4.2 Cochrane Hill Project

With an effective date of August 1, 2014 the Cochrane Hill deposit resource estimate has been completed by Neil Schofield of FSSI Consultants (Aust) Pty. (FSSI). Mr. Schofield visited the site on July 16, 2014. In compiling the current resource estimate, Mr. Schofield verified previous work done by him as a principal of Hellman and Schofield ("H&S") in compiling the previous mineral resource estimates. The 2010 mineral resources estimates for the Cochrane Hill Gold Project are regarded as current for the following reasons:

- No additional exploration or drilling information that would materially affect the resource estimates has been added to the Cochrane Hill Project database since 2010
- The current gold price is some US$70 per ounce higher that the average gold price during 2010
- The author of this report has recently reviewed his prior data analysis and modelling of the Cochrane Hill resource estimate and considers it to be current.

The method used for the estimation of mineral resource for the Cochrane Hill deposit is a standard implementation of multiple indicator kriging with block support correction for the estimation of recoverable resources based on a specified approach to selective mining. The GS3M© software provides a full implementation of this approach. The resource is classified using the CIM standards for mineral resource classification.

The current mineral resource estimates for the Cochrane Hill deposit are presented in Table 1-4 and Table 1-5. A cut-off grade of 0.50 g/t Au is highlighted as the base case cut-off for open pit mining.

Table 1-4 Cochrane Hill Indicated Resource Estimate

Gold Cut-off (g/t)	Indicated		
	Millions of Tonnes	Gold (g/t)	Gold (oz. x 1,000)
0.5	**4.46**	**1.76**	**252**
0.6	3.97	1.90	243
0.7	3.55	2.05	234
0.8	3.16	2.21	225
0.9	2.84	2.37	216
1.0	2.56	2.53	208
1.1	2.31	2.68	199
1.2	2.10	2.83	191

Table 1-5 Cochrane Hill Inferred Resource Estimate

Gold Cut-off (g/t)	Inferred		
	Millions of Tonnes	Gold (g/t)	Gold (oz. x 1,000)
0.5	**5.65**	**1.64**	**298**
0.6	4.76	1.84	282
0.7	4.08	2.04	268
0.8	3.58	2.22	256
0.9	3.18	2.40	245
1.0	2.86	2.56	235
1.1	2.59	2.71	226
1.2	2.36	2.86	217

Note: Mineral resources that are not mineral reserves do not have demonstrated economic viability

1.4.3 Beaver Dam

With an effective date of October 14, 2014 the Beaver Dam deposit resource estimate has been completed by Neil Schofield of FSSI Consultants (Aust) Pty. (FSSI). Mr. Schofield visited the site on July 16, 2014. From 2005 until 2009, Acadian funded the drilling of 153 diamond drill holes to evaluate the mineral resources of Beaver Dam during which some 22,010 metres of drilling were completed. The current mineral resource estimates are based on only the Mercator-Acadian drilling results.

The method used to estimate the mineral resources of Beaver Dam is a standard implementation of multiple indicator kriging with block support correction for the estimation of recoverable resources based on a specified approach to selective mining. The GS3M© software provides a full implementation of this approach. The resource is classified using the CIM standards for mineral resource classification. The estimates have been generated from some 6,669 two metre sample composites in one geologic domain.

The current mineral resource estimates for the Beaver Dam deposit are presented in Table 1-6. A cut-off grade of 0.50 g/t Au is highlighted as the base case cut-off for open pit mining.

Table 1-6 Beaver Dam Mineral Resource Estimate

Gold Cut-off	Measured Resource Estimates		
gpt	Million Tonnes	Gold gpt	Gold (oz. x 1,000)
0.3	3.86	1.26	156
0.4	3.33	1.41	151
0.5	**2.91**	**1.54**	**144**
0.6	2.56	1.68	138
0.7	2.28	1.81	133
0.8	2.07	1.92	128
Gold Cut-off	**Indicated Resource Estimates**		
gpt	**Million Tonnes**	**Gold gpt**	**Gold (oz. x 1,000)**
0.3	4.00	1.21	156

0.4	3.40	1.36	149
0.5	**2.94**	**1.51**	**143**
0.6	2.59	1.63	136
0.7	2.31	1.75	130
0.8	2.07	1.87	124
Gold Cut-off	**Inferred Resource Estimates**		
gpt	**Million Tonnes**	**Gold gpt**	**Gold (oz. x 1,000)**
0.3	3.77	1.12	136
0.4	3.19	1.26	129
0.5	**2.62**	**1.43**	**120**
0.6	2.15	1.63	113
0.7	1.83	1.80	106
0.8	1.59	1.96	100

Note: Mineral resources that are not mineral reserves do not have demonstrated economic viability

1.5 Metallurgy

Test work has been carried out on samples from all three deposits, with extensive test work being available for the Touquoy deposit. Samples from the Beaver Dam deposit have also been tested for a range of process methods which has clearly shown that the same flow sheet arrived at for Touquoy will give excellent results.

The Touquoy Gold Project processing plant is designed to treat free milling gold ore, using conventional technology. Free gold is recovered using gravity concentration and intensive cyanidation, with the remaining gold recovered by cyanidation in a hybrid carbon-in-leach ('CIL') process. Leach residues are detoxified before delivery to the tailings management facility ('TMF').

Cochrane Hill mineralized material has only been tested for initial concentration using gravity and flotation. Cochrane Hill concentrates will be transported to the Touquoy plant for cyanide leaching in order to avoid the use of cyanide at the Cochrane Hill plant.

1.6 Development Plan

A PEA level mine operation design, production schedule, and cost model have been developed for both the Base Case and the Base Plus Cochrane Case. The PEA uses a gold cut-off grade of 0.5 g/t.

The potentially mineable tonnages in the PEA ultimate pits at Beaver Dam Project and Cochrane Hill Project include Inferred resources. The reader is cautioned that Inferred Resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral reserves, and there is no certainty that Inferred Resources will ever be upgraded to a higher assurance of existence category.

Table 1-7 shows the pit delineated resource by class and Table 1-8 shows the pit delineated resource for each case, by resource class, both assuming a gold cut-off grade of 0.5 g/t.

Table 1-7 Pit Delineated Resource by Class

Measured Pit Delineated Resource	**Mill Feed (kt)**	**Gold (g/t)**
Touquoy	2,463	1.50
Cochrane Hill	-	-
Beaver Dam	2,776	1.56
Total Measured	**5,239**	**1.53**

Indicated Pit Delineated Resource	**Mill Feed (kt)**	**Gold (g/t)**
Touquoy	6,414	1.52
Cochrane Hill	4,317	1.76
Beaver Dam	2,405	1.61
Total Indicated	**13,136**	**1.62**

Inferred Pit Delineated Resource	**Mill Feed (kt)**	**Gold (g/t)**
Touquoy	-	-
Cochrane Hill	4,042	1.73
Beaver Dam	892	1.80
Total Inferred	**4,934**	**1.74**

Table 1-8 PEA Open Pit Delineated Resource

	Base Case	Base Plus Cochrane Case
Measured + Indicated (kt)	14,058	18,375
Measured + Indicated (Au Grade, g/t)	1.54	1.59
Measured + Indicated (x1,000 ounces)	**696**	**940**

	Base Case	Base Plus Cochrane Case
Inferred (kt)	892	4,934
Inferred (Au Grade, g/t)	1.80	1.74
Inferred (x1,000 ounces)	**52**	**276**

The pit delineated resources in Table 1-7 and Table 1-8 have accounted for mining loss and dilution. The Base Case and Base Plus Cochrane Case mine production schedules are described in Figure 1-1.

The pit content inputs for the production scenarios are listed below:

- Base Case
  - Total Mill Feed = 14,950kt
  - Average Mill Feed Gold Grade = 1.55g/t
  - Waste Mined = 51,377kt
  - Strip Ratio (Waste / Mill Feed) = 3.4
  - Total Pit Contents = 66,328kt
- Plus Cochrane Case
  - Total Mill Feed = 23,309kt
  - Average Mill Feed Gold Grade = 1.62g/t
  - Waste Mined = 103,614kt
  - Strip Ratio (Waste / Mill Feed) = 4.4

  Total pit Contents = 126,923kt

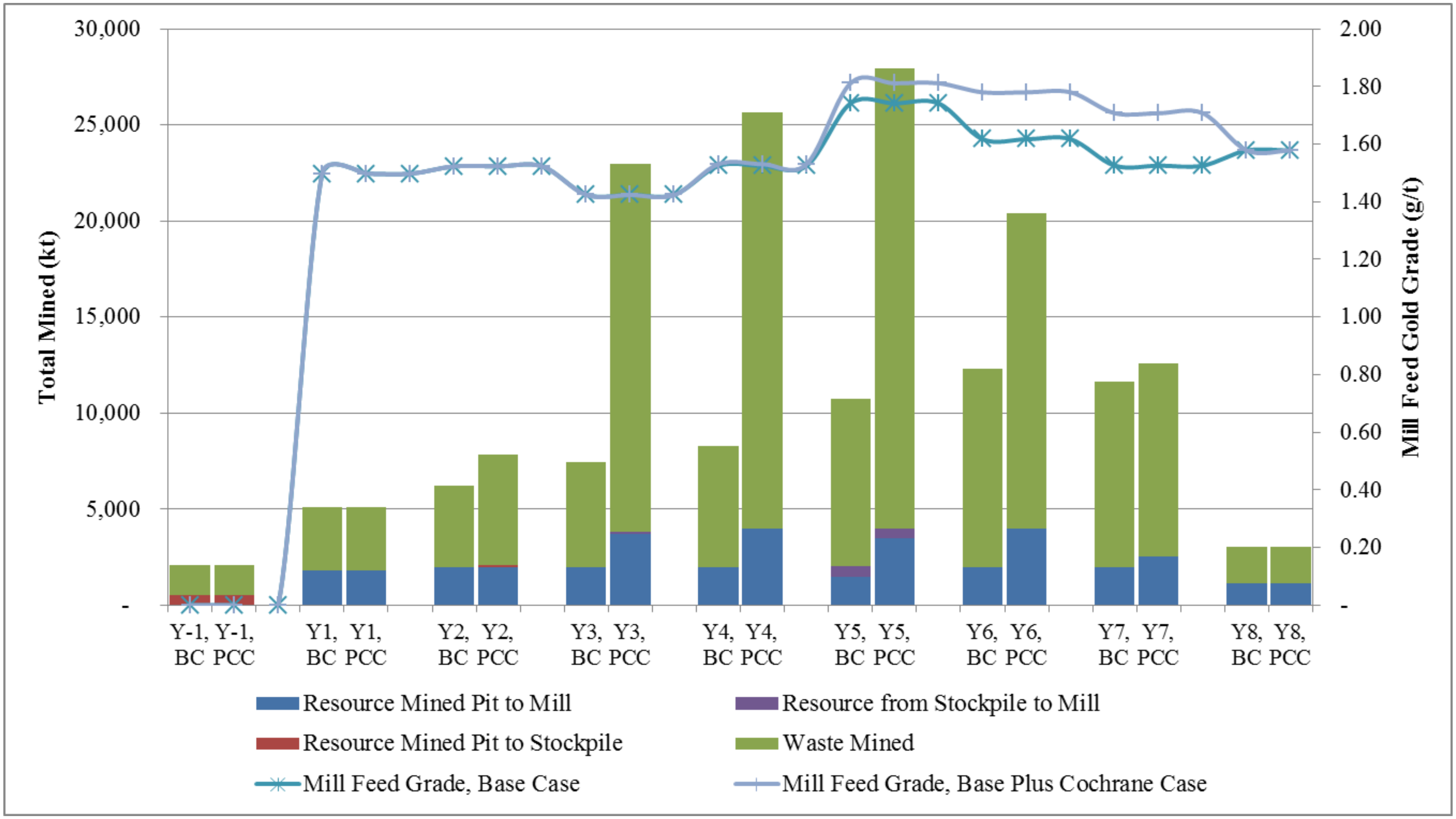

Figure 1-1 Project Production Schedules

1.7 Capital and Operating Costs

The capital and operating cost estimates are developed to an accuracy of +/-40% which is appropriate for a PEA; although in some instances, particularly when related to the Touquoy project, the capital costs are developed to an accuracy of +/-15%. All Capital and Operating costs are reported in Canadian dollars unless specified otherwise. The capital costs for each case are summarized in the tables below.

Table 1-9 Base Case Capital Costs

Capital Cost Schedule - Base Case	Year										
Description	**-2**	**-1**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**Total**
Touquoy											
Mine Development	$ -	$ 11,426	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 11,426**
Processing	29,497	29,997	1,016	1,016	1,090	1,016	1,016	1,016	1,016	508	**67,188**
Site Infrastructure	7,272	10,372	300	300	300	300	300	300	300	300	**20,045**
Tailings Dam	-	7,540	-	3,740	3,740	-	-	-	-	-	**15,020**
Indirect Costs*	14,300	5,636	4,105	(10,192)	208	208	208	208	208	1,708	**16,597**
Contingency**	5,515	8,900	-	-	-	-	-	-	-	-	**14,416**
Total - Touquoy	**56,585**	**73,871**	**5,421**	**(5,136)**	**5,338**	**1,524**	**1,524**	**1,524**	**1,524**	**2,516**	**144,691**
Beaver Dam											
Mine Development	-	-	-	-	-	5,000	-	-	-	-	**5,000**
Site Infrastructure	-	-	-	-	-	6,635	100	100	100	100	**7,035**
Indirect Costs	-	-	-	-	-	400	120	120	120	1,620	**2,380**
Contingency**	-	-	-	-	-	2,909	-	-	-	-	**2,909**
Total - Beaver Dam	**-**	**-**	**-**	**-**	**-**	**14,944**	**220**	**220**	**220**	**1,720**	**17,324**
Total Capex - Base Case	**$ 56,585**	**$ 73,871**	**$ 5,421**	**$ (5,136)**	**$ 5,338**	**$ 16,468**	**$ 1,744**	**$ 1,744**	**$ 1,744**	**$ 4,236**	**$ 162,015**
Cumulative Capex	**56,585**	**130,456**	**135,877**	**130,741**	**136,079**	**152,547**	**154,291**	**156,035**	**157,779**	**162,015**	

Table 1-9 Base Plus Cochrane Case Capital Costs

Capital Cost Schedule - Base Plus Cochrane Case						Year					
Description	**-2**	**-1**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**Total**
Capital Costs - Base Case (as above)	**$ 56,585**	**$ 73,871**	**$ 5,421**	**$ (5,136)**	**$ 5,338**	**$ 16,468**	**$ 1,744**	**$ 1,744**	**$ 1,744**	**$ 4,236**	**$ 162,015**
Cochrane Hill											
Mine Development	-	-	-	9,912	-	-	-	-	-	-	**9,912**
Processing	-	-	26,757	26,757	1,016	1,016	1,016	1,016	508	-	**58,085**
Site Infrastructure	-	-	8,669	8,669	300	300	300	300	300	-	**18,837**
Tailings Dam	-	-	-	3,890	-	5,376	-	-	-	-	**9,266**
Indirect Costs*	-	-	960	7,460	160	160	160	160	1,260	-	**10,320**
Contingency**	-	-	6,377	8,861	-	-	-	-	-	-	**15,238**
Total - Cochrane Hill	**-**	**-**	**42,762**	**65,548**	**1,476**	**6,852**	**1,476**	**1,476**	**2,068**	**-**	**121,658**
Total Capex - Base Plus Cochrane Case	**$ 56,585**	**$ 73,871**	**$ 48,183**	**$ 60,412**	**$ 6,814**	**$ 23,320**	**$ 3,220**	**$ 3,220**	**$ 3,812**	**$ 4,236**	**$ 283,673**
Cumulative Capex	**56,585**	**130,456**	**178,639**	**239,051**	**245,865**	**269,185**	**272,405**	**275,625**	**279,437**	**283,673**	

**Assumes return of the Touquoy reclamation bond in year 2, following which the Company establishes a surety policy which is included as an indirect cost for the remaining life of mine.*

***Contingencies are applied only against direct capital costs*

Cash and unit operating costs by scenario are set out in Table 1.10 and Table 1-11 below.

Table 1.10 Cash Operating Costs Summary

Description	Base Case	Base Plus Cochrane Case
Mining Cost/ oz.	$286	$340
Processing Cost/ oz.	$254	$240
Site G&A/ oz.	$36	$32
Total Cash Operating Costs/ oz.	**$576**	**$612**

Table 1-11 Unit Operating Costs Summary

Description	Base Case	Base Plus Cochrane Case
Mining ($/t milled)	$13.40	$16.47
Processing ($/t milled)	$11.94	$11.65
G&A ($/t milled)	$1.71	$1.53

1.8 Economic Analysis

The PEA project economics are based on gold price of US$1,300/oz and assuming 1C$ = 0.90 US$.

A summary of the PEA economic analysis is presented in Table 1.12 below for both production scenarios. The economics take into account the fact that the Company's effective ownership in Touquoy is 63.5%, and that the Company will recover all operational, overhead, financing and sunk costs prior to any distributions to its privately-owned partner in Touquoy. As of June 30, 2014 the total estimated costs to be recovered under the agreement are approximately $17 million.

The PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the conclusions in the PEA will be realized or that any of the resources will ever be upgraded to reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

Table 1.12 PEA Economic Analysis

Gold price: US $1,300/oz	Base Case	Base Plus Cochrane Case
Pre-tax NPV (5%)	$233 million	$354 million
Post-tax NPV (5%)	$163 million	$242 million
Pre-tax IRR	39.6%	38.0%
Post-tax IRR	33.5%	31.5%
Post-tax Payback	1.7 years	3.3 years

A sensitivity graph for each case, based on various gold prices is set out below:

Figure 1-2: Base Case Gold Price Project Economic Sensitivity

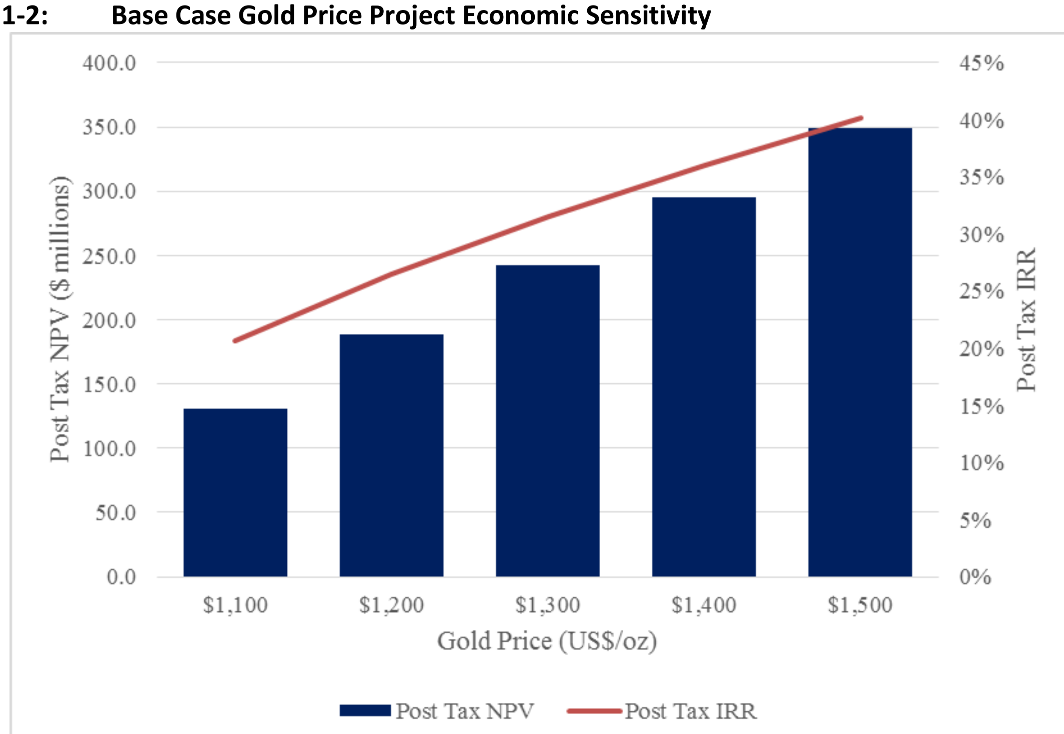

Figure 1-3: Base Plus Cochrane Case Gold Price Project Economic Sensitivity

The PEA takes into account a 1% royalty on payable gold revenue to the Nova Scotia government (no other mining taxes apply), in addition to the following NSR's:

- 1% relating to production from Touquoy and Cochrane Hill, post exercise of buyback options
- 0.6% relating to production from Beaver Dam

1.9 Environmental and Social Considerations

The Touquoy Project has all major environmental permits, including Environmental Assessment Approval and Industrial Approval in place, with a Mineral Lease granted.

The Company has engaged Conestoga Rovers and Associates to advance the Beaver Dam and Cochrane Hill Projects through the required permitting process. The first stage of environmental review work has already commenced. The environmental approval process in respect of the Beaver Dam Project is expected to be less onerous than traditional projects given the project's limited infrastructure and lack of processing and tailings requirements.

1.9.1 MOU with the Assembly of Nova Scotia Mi'kmaq Chiefs

A Memorandum of Understanding (MOU) between DDV Gold Ltd (Atlantic Gold's wholly-owned subsidiary) and the Assembly of Nova Scotia Mi'kmaq Chiefs has been concluded. The MOU establishes the mutual recognition and respect of each party's perspective in relation to the development of the Touquoy Project and DDV Gold's other potential resource developments elsewhere within Nova Scotia. In particular the MOU contemplates the negotiation and conclusion of a Mutual Benefits Agreement between the parties to engage further and specifically in terms of employment, training, provision of services and other opportunities and undertakings to the benefit of both parties.

1.10 Conclusions and Recommendations

The projects are well suited for open pit mining operations.

The recovery of gold from the Touquoy, Beaver Dam and Cochrane Hill resource requires only well proven, conventional processing. High recoveries will be obtained with processing costs being modest, due mainly to their relative low grinding power requirements and low reagent consumption.

The capital costs for the Touquoy plant have been estimated in detail using local contractor rates and actual quotes from equipment suppliers and are well within the range found in similar projects.

As with the plant costs, infrastructure costs have been estimated in detail and costs for access, power supply and the tailings management facility are very reasonable when compared with other projects.

The Touquoy project enjoys a fully permitted status, with an Industrial Approval granted. Work is underway to permit Cochrane Hill and Beaver Dam.

The Base Case assumes production from the Touquoy and Beaver Dam Projects for a total eight year life of mine production of 702,000 ounces of gold at an average grade of 1.55 g/t. The Base Plus Cochrane Case includes the addition of gravity and float concentrate production from the Company's Cochrane Hill Project processed into doré at the Touquoy facility for a total eight year life of mine production of 1,129,000 ounces of gold at an average grade of 1.62 g/t.

The Project exhibits strong economics at a range of metal prices.

It is recommended that infill drilling be conducted at Beaver Dam and Cochrane Hill to increase assurance of existence of inferred resources to at least indicated class.

Following the infill drilling the Project should advance as follows:

The authors of this report recommend that the Base Case (Touquoy and Beaver Dam) or Base Plus Cochrane Case (Touquoy, Cochrane Hill and Beaver Dam) should proceed to a Feasibility Study (FS). A Preliminary Feasibility Study (PFS) is not required for the following reasons:

a. The engineering design and cost detail completed for the fully permitted Touquoy area is at a suitable level.
b. Most of the required design work for the Cochrane Hill process plant and infrastructure is equivalent to the designs already completed for Touquoy.
c. Beaver Dam requires no plant design and minimal new infrastructure design. Beaver Dam mill feed will be processed at the Touquoy plant and Beaver Dam tailings will be stored at the fully permitted Touquoy site.
d. Mill feed from the Touquoy deposit has been limited to Measured and Indicated resources for this PEA.
e. Only a small portion of the mill feed from the Beaver Dam deposit used in this PEA is from Inferred resource.

An estimated budget of $6.0 million is required to complete infill drilling, test work, permitting and a FS for the Base Case, or the Base Plus Cochrane Case.**"**

2015 Developments – Mineral Projects

Updated Mineral Resource Estimate – Beaver Dam

In February 2015, the Company announced an updated Mineral Resource Estimate prepared in accordance with NI 43-101 for the Beaver Dam project.

This resource estimate builds on the resource estimate disclosed in the Company's PEA and incorporates the results from the Company's recently completed resource delineation drilling program comprising 38 holes for 8,076m.

The additional drilling recently completed at Beaver Dam has resulted in an approximate 50% increase in contained gold from the 287,000 ounces previously estimated at 0.5g/t cut-off in the Measured + Indicated Resource categories (5.85mt @ 1.53g/t) to 426,600 ounces (9.27mt @ 1.43g/t). Inferred Resources have been reduced by upgrade to Measured and Indicated Resources from 120,000 ounces (2.62mt @ 1.43g/t) to 81,300 ounces (1.84mt @ 1.37g/t) at the same cut-off grade. Bulk density applied for both sets of estimates is 2.73g/cc and the estimation methodology is consistent.

The resource estimate for Beaver Dam has an effective date of February 24, 2015 and was prepared by Mr. Neil Schofield, a principal of FSSI Consultants (Australia) Pty Ltd. The table below illustrates the current resource estimate prepared in accordance with NI 43-101 for a range of cut-off grades with the base case (0.5g/t) shown in bold font:

BEAVER DAM RESOURCE ESTIMATES – 24 February 2015			
Measured Resource Estimates			
Cut-off grade (g/t)	**Tonnes (millions)**	**Grade (g/t)**	**Contained gold (oz)**
0.3	5.34	1.27	218,200
0.4	4.65	1.41	210,600
0.5	**4.07**	**1.55**	**202,200**
0.6	3.65	1.66	194,800
0.7	3.30	1.77	187,500
0.8	2.97	1.88	179,600
Indicated Resource Estimates			
Cut-off grade (g/t)	**Tonnes (millions)**	**Grade (g/t)**	**Contained gold (oz)**
0.3	6.75	1.13	244,200
0.4	5.94	1.23	235,100
0.5	**5.20**	**1.34**	**224,400**
0.6	4.60	1.45	213,900
0.7	4.09	1.55	203,200
0.8	3.62	1.65	191,800
Measured + Indicated Resource Estimates			
Cut-off grade (g/t)	**Tonnes (millions)**	**Grade (g/t)**	**Contained gold (oz)**
0.3	12.09	1.19	462,400
0.4	10.59	1.31	445,700
0.5	**9.27**	**1.43**	**426,600**
0.6	8.25	1.54	408,600
0.7	7.39	1.65	390,600
0.8	6.59	1.75	371,400
Inferred Resource Estimates			
Cut-off grade (g/t)	**Tonnes (millions)**	**Grade (g/t)**	**Contained gold (oz)**
0.3	2.65	1.08	91,800
0.4	2.26	1.20	87,400
0.5	**1.84**	**1.37**	**81,300**
0.6	1.52	1.55	75,600
0.7	1.28	1.72	70,600
0.8	1.08	1.90	65,700

Technical Disclosure

The table above presents the current resource estimates for Beaver Dam that comply with the current CIM Definition Standards on Mineral Resources and Mineral Reserves as required by NI 43-101. A Qualified Person has done sufficient work to classify these resources estimates to current mineral resources prepared in accordance with NI 43-101.

The basis of the estimation of the Mineral Resources includes the following;

1. *The drill hole sampling has provided a reasonably representative set of samples of the gold mineralization in each case.*

2. *The estimation method used is a standard implementation of multiple indicator kriging with block support correction for the estimation of recoverable resources based on a specified approach to standard selective mining. This methodology is appropriate given that the composite samples show some high grade values resulting in statistical characteristics similar to other gold deposits with higher coefficients of variation.*
3. *Any known legal, political, environmental, or other risks that could materially affect the potential development of the mineral resource are detailed below in the section entitled "Forward-Looking Statements".*

Current Developments and Outlook

The Company's current and upcoming milestones over the next several months include the following:

- Continued technical work in preparation for delivery of a feasibility study as well as environmental impact assessment and permitting, including:
  - Engaging Ausenco Canada Inc., FSSI International Consultants Pty Ltd. and Moose Mountain Technical Services to lead the preparation of a feasibility study, which the Company expects to complete in mid-2015;
  - Regulatory consultation, planning, scoping and initial environmental fieldwork related to both the Beaver Dam Project and the Cochrane Hill Project;

- Continuing discussions in respect of project financing in parallel with the Feasibility Study.

- Continued negotiations in respect of a Mutual Benefits Agreement with the Assembly of Mi'kmaq Chiefs in Nova Scotia, building on the current Memorandum of Understanding that was signed with them in May 2014.

- Progressed matters leading to the lease of Crown lands at the Touquoy Gold Project.

Other Mineral Properties

Fifteen Mile Stream

<u>Description and Ownership</u>

The Fifteen Mile Stream property is located in eastern Halifax County, Nova Scotia, approximately 95 km northeast of Halifax. It comprises the historic Fifteen Mile Stream gold district.

Access to the area is provided by highway #374 which transects the province from Sheet Harbour in the south to Stellarton in the north.

The Fifteen Mile Stream Property is secured under two Exploration Licenses (ELs 10406 and 05889) comprising 31 claims, as well as a Special License (SL 11/90) comprising 8 claims. All licenses cover a total of 710 hectares. The claims are currently held by 6179053 Inc. and DDV Gold Ltd., both of which are wholly owned subsidiaries of the Company.

<u>Mineral Resource Estimate</u>

On February 18, 2015, the Company announced a mineral resource estimate for Fifteen Mile Stream prepared by Mr. Neil Schofield, a principal of FSSI Consultants (Australia) Pty Ltd. The table below illustrates the current resource estimate prepared in accordance with NI 43-101 for a range of cut-off grades with the base case (0.5g/t) shown in bold font:

FIFTEEN MILE STREAM - INFERRED RESOURCE ESTIMATE Effective February 18, 2015			
Cut-off grade (g/t)	**Tonnes (m)**	**Grade (g/t) Au**	**Contained Au (oz)**
0.3	16.69	1.21	649,000
0.4	13.94	1.38	618,000
0.5	**11.72**	**1.55**	**584,000**
0.6	10.02	1.72	554,000
0.7	8.66	1.89	526,000
0.8	7.58	2.05	500,000
Resources that are not reserves do not have demonstrated economic viability			

A technical report in respect of the above mineral resource estimate entitled “Technical Report of the Fifteen Mile Stream Gold Project, Halifax County, Nova Scotia” with an effective date and signing date of February 18, 2015 (the "Fifteen Mile Stream Technical Report") was filed on April 2, 2015 on SEDAR and is also available on the Company’s website.

<u>*Technical Disclosure*</u>

The table above contains the combined Mineral Resource estimates for the Egerton-MacLean and Hudson Zones at Fifteen Mile Stream as of February 16, 2015. These are current resource estimates that are in accordance with the current Canadian Institute of Mining, Metallurgy and Petroleum Resources (CIM) Definition Standards on Mineral Resources and Mineral Reserves as required by NI 43-101 - Standards of Disclosure for Mineral Projects. A Qualified Person has done sufficient work to classify these resources estimates to current mineral resources prepared in accordance with NI 43-101.

The basis of the estimation of the Mineral Resources includes the following:

1. *The drill hole sampling has provided a reasonably representative set of samples of the gold mineralization in each case.*

2. *The drill hole sample data have been verified by reviewing the core from a number of drill holes and checking assay results against observed mineralization during the qualified person’s site visit. The quality control data made available from the resource database generated by Acadian Mining, the previous operator, has also been re-analyzed and the results checked against earlier analysis undertaken by Acadian Mining. Verification of assay logs against lab certificates has not been done for the current resource estimates but has been undertaken for Acadian Mining’s previous resource estimates.*

3. *The estimation method used is a standard implementation of multiple indicator kriging with block support correction for the estimation of recoverable resources based on a specified approach to standard selective mining. This methodology is appropriate given that the composite samples show some high grade values resulting in statistical characteristics similar to other gold deposits with higher coefficients of variation.*

4. *The Inferred classification for the resource estimates reflects the number and spatial pattern of drill-hole composites informing the estimation of each panel in the resource model, as well as the limited*

QA/QC protocols applied in relation to the drilling conducted during the 1980s. This classification is consistent with that adopted for previous resource estimates prepared in accordance with NI 43-101 for the Egerton-MacLean Zone at Fifteen Mile Stream conducted by Acadian Mining in May 2008 and August 2012.

5. *Any known legal, political, environmental, or other risks that could materially affect the potential development of the mineral resource are detailed below in the section entitled "Forward-Looking Statements".*

Neil Schofield MS – Applied Earth Sciences, MAusIMM, MAIG, an independent consultant to the Company, and a "qualified person" as defined by NI 43-101 has reviewed and approved the scientific and technical information contained in this AIF.

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 113,559,001 common shares and no preferred shares were issued and outstanding as fully paid and non-assessable shares as at the date of this AIF.

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.

The Company is also authorized to issue an unlimited number of preferred shares, none of which have been issued. 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 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 10% of the issued and outstanding common shares at the time of the granting of an option. If an option is surrendered, terminated or expires without being exercised, the common shares reserved for issuance pursuant to such option shall be available for new options granted under the Plan. Every option granted, unless sooner terminated, has a term not exceeding 10 years after the date of grant.

There are currently a total of 7,373,700 options outstanding (including those described in the table that follows), and the Company currently has the right to issue options to purchase up to an additional 3,982,200 shares pursuant to the Plan:

Number of Options	Exercise Price CAD	Expiry Date	Number Exercisable
1,950,000	0.37	August 12, 2016	1,950,000
1,000,000	0.40	April 10, 2017	1,000,000
100,000	0.37	May 10, 2017	100,000
1,250,000	0.40	November 1, 2017	1,250,000
50,000	0.40	July 26, 2018	37,500
2,050,000	0.32	June 13, 2019	768,750
973,700	0.50	August 28, 2017	973,700
7,373,700			6,079,950

The only class of securities of the Company that are not listed or quoted on a marketplace are the stock options that are issued from time to time under the Plan. The following table summarizes details of stock options issued during the most recently completed financial year, each of which is included in the table immediately above:

Date of Issuance	Exercise Price ($)	Number of Options Granted	Expiry Date
June 13, 2015	0.32	2,050,000	June 13, 2019

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

MARKET FOR SECURITIES

Trading Price and Volume

The Company's common shares are currently listed for trading through the facilities of the TSX-V, and were previously listed on the ASX, in each case under the symbol "AGB".

During the period from January 1, 2014 to March 31, 2015, the Company's shares traded on the TSX-V as follows based on information available from Bloomberg:

Month	Volume	High (Cdn$)	Low (Cdn$)
March 2015	754,312	0.26	0.24
February 2015	1,284,172	0.265	0.235
January 2015	1,484,641	0.265	0.225

Month	Volume	High (Cdn$)	Low (Cdn$)
December 2014	1,358,412	0.25	0.175
November 2014	642,534	0.27	0.20
October 2014	955,051	0.30	0.21
September 2014	805,541	0.33	0.20
August 2014	2,062,355	0.31	0.24
July 2014	6,936,979	0.32	0.28
June 2014	184,940	0.32	0.28
May 2014	1,234,000	0.35	0.28
April 2014	848,759	0.40	0.31
March 2014	311,854	0.38	0.35
February 2014	271,610	0.38	0.34
January 2014	301,160	0.38	0.34

During the period from August 20, 2014 to March 6, 2015, the Company's shares were listed on the ASX (in the form of CHESS Depositary Interests (CDIs), each of which was the equivalent of one common share in the capital of the Company), noted below based on information available from Bloomberg. As a result of lack of trading and costs associated with maintaining the ASX listing, the Company voluntarily delisted from the ASX effective March 6, 2015 with trading of CDIs suspended on February 27, 2015.

Month	Volume	High (Cdn$)	Low (Cdn$)
March 2015	N/A	N/A	N/A
February 2015	700,002	0.27	0.20
January 2015	646,910	0.265	0.22
December 2014	921,387	0.255	0.14
November 2014	35,518	0.31	0.22
October 2014	407,250	0.375	0.22
September 2014	375,504	0.37	0.28

Month	Volume	High (Cdn$)	Low (Cdn$)
August 2014	179,371	0.50	0.07

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., Director of Sierra Metals Inc., and Cassius Ventures Ltd.; formerly President and a Director of Teck Cominco Limited.	June 2003 to Present	2,228,000 common shares(2) (1.96%)
John Morgan British Columbia, Canada President and COO	President and Chief Operating Officer of the Company; Director of Infinito Gold Ltd.	April 2012 to Present	190,000 common shares (0.17%)
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 Tasman Metals Ltd., Flinders Resources Ltd. and Cassius Ventures Ltd.	March 1996 to Present	2,646,550 common shares(2) (2.33%)
Donald R. Siemens British Columbia, Canada Independent Director	Director of the Company; Chartered Accountant, Retired Partner-in-Charge of Thorne Ernst & Whinney's (now KPMG) Vancouver office and independent financial advisor; Director and Audit Committee Chair for six public companies: Wildcat Silver Corporation, Grande West Transportation Group Inc., Great Western Minerals Group Ltd., Hansa Resources Limited., Nikos Explorations Ltd, and Goldgroup Mining Inc.	June 14, 2011 to Present	Nil common shares (0%)
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	200,000 common shares (0.18%)

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)]
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	Nil common shares (0%)
Wally Bucknell Sydney, Australia Director	Director of the Company; formerly Managing Director of Atlantic Gold Pty. Limited.	August 2014 to Present	451,750 common shares[(2)] (0.40%)
Chris Batalha British Columbia, Canada CFO and Corporate Secretary	CFO and Corporate Secretary of the Company; Chartered Accountant; CFO and Corporate Secretary of Oceanic Iron Ore Corp. and Cassius Ventures Ltd.; formerly Controller of the Company from April 2011 to November 2014	November 2014 to Present	Nil common shares (0%)

1. As a group, all current Directors and officers beneficially own, directly or indirectly, or exercise control or discretion over, a total of 5,716,300 common shares, representing 5.0% 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 75,000 common shares of the Company through a management company controlled by him, Sirocco Advisory Services Ltd. and 2,153,000 common shares through a trust. Robert Atkinson indirectly owns 2,646,550 shares of the Company through a trust. Mr. Bucknell indirectly owns or exercised control over 451,750 Shares through a trust of which Mr. Bucknell is a beneficiary.

Steven G. Dean - Director and Chairman of the Board since June 2003

Steven Dean is a Fellow of the Australian Institute of Mining and Metallurgy, a Member of the Canadian Institute of Mining, Metallurgy and Petroleum, and a Fellow of the Institute of Chartered Accountants of Australia. He has extensive experience internationally in mining, including as President of Teck Cominco Limited (now Teck Resources Ltd.). Teck is Canada's largest diversified resource company, is the largest producer of metallurgical coal in North America and a major producer of copper, zinc, and energy from 13 mines in Canada, United States, Chile and Peru.

Prior to joining Teck, Mr. Dean was a founding member of management of the Normandy Poseidon Group, (which became Normandy Mining) which was the largest Australian gold producer and a significant producer of base metals and industrial minerals until its acquisition by Newmont Mining in 2002, as well as co-founder of PacMin Mining Corporation which became a subsidiary of Teck Corporation in 1999. He was also a co-founder and former chairman of Amerigo Resources Ltd.

Mr. Dean is the former Chairman and a director of Sierra Metals Inc. (TSX:SMT), and Chairman of Oceanic Iron Ore Corp. (TSX-V:FEO).

John R. Morgan – President, Chief Operating Officer and Director since April 2012

Mr. Morgan is a geologist with a 35 year career as a mining executive who joined the Company in April 2012. He has been involved in all phases of mine exploration, planning and development, primarily in gold and coal in a variety of jurisdictions including Central and South America and Canada. He has participated in a diverse range of corporate activities, including technical reports and feasibility studies, corporate mergers and acquisitions and major corporate financings. Mr. Morgan is also a fluent Spanish speaker.

Mr. Morgan is responsible for executing the Company's strategy to pursue potential acquisitions in gold, base metals, or other mineral assets or businesses that are in more advanced stages of development where the balance of technical and geopolitical risk is intended to result in increased value to Atlantic's shareholders within a relatively short time frame.

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 Sprott Resource Lending Corp., a Toronto Stock Exchange listed company and as a director of Tasman Metals Ltd., 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.

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 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 Hansa Resources Ltd., Nikos Explorations Ltd., Argentex Mining Corp., Boss Power Corp., Grande West Transportation Inc. and Wildcat Silver Corporation and as a Director and member of the Audit Committee for Great Western Minerals Group Inc. 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 Accountant designation in 1972, and a B.A. from University of British Columbia.

Wally Bucknell – Director since August 2014

Wally Bucknell is a geologist with over 40 years' experience in mineral exploration in Canada and Australia, most recently was Managing Director of Atlantic Gold NL engaged in the development of the Touquoy and Cochrane Hill gold deposits in Nova Scotia. Previously he was General Manager Exploration for Plutonic Resources during which time his exploration team discovered over 10 million ounces of gold, mostly in Western Australia. He was awarded The Association of Mining and Exploration Companies' (AMEC's) Prospector of the Year in 1999 for the blind discovery of the 2 million ounce Centenary gold deposit at Darlot in Western Australia. His earlier Canadian experience included a decade with Rio Algom. Wally graduated from the Australian National University and is a Fellow of the Australasian Institute of Mining and Metallurgy and of the Geological Association of Canada.

William Armstrong – Director since September 2013

Mr. Armstrong earned his Bachelors and Masters degrees in Geological Engineering from the University of British Columbia and has more than 45 years' experience in the mining industry. He recently retired from Teck Cominco Ltd., where he was General Manager, Resource Evaluations, and responsible for evaluation of potential acquisitions and divestitures. He was also responsible for the company's mineral reserves and resources. During his career with Cominco Ltd., and Teck Cominco Ltd., Mr. Armstrong has been involved in feasibility studies, construction and operation of a large number of mines, including coal deposits, underground and open pit base metal mines and precious metal mines. Mr. Armstrong is fluent in English and Spanish.

Chris Batalha – CFO and Corporate Secretary since November 2014

Chris Batalha has been with the Company since 2011 and was previously the Company's Corporate Controller. Mr. Batalha is a Chartered Accountant with over three years' experience in accounting, finance, corporate governance and M&A with a number of mining exploration and development companies. Mr. Batalha also spent 5 years with PricewaterhouseCoopers in the Audit and Assurance Group in Vancouver.

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".

<u>Composition of the Audit Committee</u>

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.

<u>Relevant Education and Experience</u>

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 may be found above under the heading "Directors and Officers: Name, Occupation and Security Holding".

<u>Audit Committee Oversight</u>

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.

<u>Reliance on Certain Exemptions</u>

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).

<u>Pre-Approval Policies and Procedures</u>

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:

Financial Year Ending	*Audit Fees*	*Audit Related Fees**	*Tax Fees***	*All Other Fees*
2014	$38,000	$110,663	$70,135	$nil
2013	$18,000	$7,500	$16,866	$nil

*Audit Related Fees primarily relate to review or read and comment engagements on the Company's quarterly interim financial statements as well as review fees in conjunction with the acquisition of Atlantic NL
**Tax Fees primarily relate to tax due diligence in respect of the acquisition of Atlantic NL as well as subsequent tax planning advice in respect of potential restructuring of the Atlantic group of companies

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 Siemens. 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.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

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.

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.

Certain directors, and/or executive officers have been granted stock options of the Company and/or received consulting fees for services provided to the Company.

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. The Spur BVI Share Purchase Agreement described under "General Development of the Business – Three Year History and Significant Acquisitions"; and

2. The share sale agreement, merger implementation deed, and common share purchase warrant indenture in relation to Atlantic NL Acquisition 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

PricewaterhouseCoopers LLP, Chartered Accountants (“PWC”), are the Company’s auditors and have prepared an opinion with respect to the Company’s consolidated financial statements as at and for the year ended December 31, 2014. PWC has confirmed they are independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

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 a "qualified person" as defined in NI 43-101 and the author responsible for the Fifteen Mile Stream Technical Report. Additionally, Mr. Schofield prepared the Mineral Resource Estimate for the Touquoy Gold Project, and was one of the authors responsible for the PEA.

Marc Schulte, 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, Geologist 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 a "qualified person" as defined in NI 43-101 and was one of the authors responsible for the PEA.

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 "qualified person" as defined in NI 43-101 and was one of the authors responsible for the PEA.

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 Accountants, of Vancouver, British Columbia. PricewaterhouseCoopers LLP, Chartered Accountants, report that they are independent of the Company in accordance with the Rules of Professional Conduct of the Institute of Chartered 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, 2014.

SCHEDULE “A”

AUDIT COMMITTEE CHARTER

"This Charter was implemented by the Board in October 2004 and last reviewed in September 2012"

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.