

Atlantic Gold Corporation

**Unaudited Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2015 and 2014
(Expressed in Canadian dollars)**

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed interim consolidated financial statements of Atlantic Gold Corporation have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Atlantic Gold Corporation

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss (unaudited)

	Three months ended September 30, 2015	Three months ended September 30, 2014	Nine months ended September 30, 2015	Nine months ended September 30, 2014
Expenses				
Amortization	\$ 9,819	\$ 3,585	\$ 43,447	\$ 7,231
Corporate Development and investor relations	83,321	(122,193)	314,020	263,822
Director fees	18,750	18,750	56,250	54,167
Management Fees, salaries and benefits	177,656	100,390	548,793	317,085
Office and general	28,450	68,619	116,554	111,082
Professional fees	207,122	144,030	486,314	196,683
Rent	35,063	34,342	105,023	85,297
Share-based payments (Note 9b)	100,559	70,546	464,672	188,935
Transfer agent and filing fees	16,619	(19,941)	95,758	62,202
Travel, meals and entertainment	1,150	13,644	13,678	14,807
Net loss from operations	(678,509)	(311,772)	(2,244,509)	(1,301,311)
Other income / (expense)				
Loss on sale of investment	-	(2,479)	-	(2,479)
Impairment of property, plant & equipment	-	-	(36,681)	-
Interest and other income	29,204	200,646	102,518	410,731
Net loss and other comprehensive loss for the period	\$ (649,305)	\$ (113,605)	\$ (2,178,672)	\$ (893,059)
Basic weighted average number of shares outstanding				
	115,491,447	82,429,795	114,844,930	67,828,725
Loss per share, basic	\$ (0.01)	\$ (0.00)	\$ (0.02)	\$ (0.01)
Diluted weighted average number of shares outstanding				
	115,491,447	82,429,795	114,844,930	67,828,725
Loss per share, diluted	\$ (0.01)	\$ (0.00)	\$ (0.02)	\$ (0.01)

Atlantic Gold Corporation

Condensed Interim Consolidated Statements of Changes in Equity (unaudited)

	Share capital		Contributed surplus	Deficit	Total equity
	Number of shares	Amount			
Balance - January 1, 2015	113,559,001	\$ 68,072,249	\$ 12,539,141	\$ (36,137,676)	\$ 44,473,714
Share-based payments	-	-	544,783	-	544,783
Settlement of Contingent Shares (Note 4)	1,932,446	521,760	(521,760)	-	-
Net loss for the period	-	-	-	(2,178,672)	(2,178,672)
Balance - September 30, 2015	115,491,447	\$ 68,594,009	\$ 12,562,164	\$ (38,316,348)	\$ 42,839,825

	Share capital		Contributed surplus	Deficit	Total equity
	Number of shares	Amount			
Balance - January 1, 2014	60,407,187	\$ 53,258,507	\$ 10,227,578	\$ (34,400,235)	\$ 29,085,850
Share-based payments	-	-	188,935	-	188,935
Acquisition of Atlantic Gold NL	46,275,272	12,957,076	1,534,027	-	14,491,103
Acquisition of Acadian Mining Corporation	6,876,542	1,856,666	540,000	-	2,396,666
Net loss for the period	-	-	-	(893,059)	(893,059)
Balance - September 30, 2014	113,559,001	\$ 68,072,249	\$ 12,490,540	\$ (35,293,294)	\$ 45,269,495

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Condensed Interim Consolidated Statements of Cash Flows (unaudited)

	Three months ended September 30, 2015	Three months ended September 30, 2014	Nine months ended September 30, 2015	Nine months ended September 30, 2014
Cash used in operating activities				
Net loss for the period	\$ (649,305)	\$ (113,605)	\$ (2,178,672)	\$ (893,059)
Adjustments for:				
Amortization	9,819	3,585	43,447	7,231
Impairment of property, plant & equipment	-	-	36,681	-
Share-based payments	100,559	70,546	464,672	188,935
Loss on sale of investment	-	2,479	-	2,479
Interest and other income	(29,204)	(200,646)	(102,518)	(410,731)
Net changes in non-cash working capital:				
Receivables	(83,494)	(49,609)	33,900	(81,511)
Due from related parties	7,577	325	24,058	(6,407)
Prepaid expenses	34,687	31,861	(6,809)	37,592
Accounts payable and accrued liabilities	10,771	(191,592)	(393,336)	(179,217)
Due to related parties	(37,220)	49,826	(26,375)	39,669
Net cash used in operating activities	(635,810)	(396,830)	(2,104,952)	(1,295,019)
Investing activities				
Purchase of property and equipment	-	-	(11,425)	-
Acquisition costs - Atlantic Gold NL	-	(2,741,110)	-	(3,083,945)
Acquisition costs - Acadian Mining	-	(3,816,983)	-	(3,816,983)
Disposal of equipment	-	1,792	-	1,792
Proceeds from sale of securities	-	4,752	-	4,752
Mineral property expenditures	(1,388,314)	(31,945)	(4,613,380)	(31,945)
Interest received	25,493	70,042	111,524	332,231
Net cash generated used in investing activities	(1,362,821)	(6,513,452)	(4,513,281)	(6,594,098)
Change in cash and cash equivalents during the period	(1,998,631)	(6,910,282)	(6,618,233)	(7,889,117)
Cash and cash equivalents, beginning of period	13,647,280	27,943,814	18,266,882	28,922,649
Cash and cash equivalents, end of period	\$ 11,648,649	\$ 21,033,532	\$ 11,648,649	\$ 21,033,532
Supplemental cash flow information				
Interest paid	\$ -	\$ -	\$ -	\$ -
Income taxes paid	\$ -	\$ -	\$ -	\$ -

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Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2015 (unaudited)

1 Nature of Operations

Atlantic Gold Corporation (the "Company") is a company listed on the TSX Venture Exchange with a registered office at Suite 3083, Three Bentall Centre, 595 Burrard Street, Vancouver, B.C. Canada. The Company's registered/records office is located at 10th Floor - 595 Howe Street, Vancouver, B.C., Canada. At December 31, 2014 the Company was also listed on the Australian Stock Exchange ("ASX"). On March 6, 2015, the Company officially de-listed from the ASX.

On August 20, 2014, the Company completed its acquisition of all 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 ("Scheme") under Part 5.1 of the Australian Corporations Act 2001 (Cth) between Atlantic and its shareholders. Atlantic NL is the owner of several gold mineral claims located in Nova Scotia – including the Touquoy and Cochrane Hill Gold Projects. The Company changed its name from Spur Ventures Inc. to Atlantic Gold Corporation concurrently with the closing of the Scheme.

On September 19, 2014, the Company completed the acquisition of all of the issued share capital in Acadian Mining Corporation ("Acadian") pursuant to a share purchase agreement (the "Agreement"). Acadian owns a number of mining claims in proximity to the claims acquired through the Atlantic NL acquisition.

The Company is focusing on advancing the development of its Nova Scotia properties, including the Beaver Dam and Fifteen Mile Stream gold projects, as well as continuing to actively review potential acquisitions and investment opportunities.

2 Basis of preparation

These unaudited condensed interim financial statements for the three and nine months ended September 30, 2015 (the "Interim Financial Statements") have been prepared in accordance with International Auditing Standard 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). These Interim Financial Statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company's audited annual financial statements for the year ended December 31, 2014, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the IASB and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These Interim Financial Statements have been prepared using accounting policies consistent with those used in the Company's 2014 annual consolidated financial statements.

These Interim Financial Statements were approved by the board of directors on November 25, 2015.

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Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2015 (unaudited)

3. Acquisition of Atlantic NL

On August 20, 2014 (the "Implementation Date"), the Company completed the acquisition of all the fully paid and partly paid ordinary shares on issue of Atlantic NL.

Under the terms of the Scheme, Atlantic NL shareholders holding fully paid ordinary shares received 0.05564 of a common share of the Company (each whole share, a "Common Share") 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 Common 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, a total of 46,275,272 Common Shares and 23,137,361 Warrants were issued to Atlantic NL shareholders.

In consideration for the cancellation of each outstanding option to purchase an ordinary share of Atlantic NL (each, an "Atlantic NL Option"), the Company granted 0.05564 of an option to purchase a Common Share, with an exercise price of \$0.50 per full Common Share with an expiry date of August 28, 2017 (the "Option Cancellation Deed"). Options to purchase up to 973,700 Common Shares were granted to former holders of Atlantic NL Options as at the Implementation Date.

The acquisition of Atlantic NL by the Company has been accounted for as an asset acquisition.

The allocation of the consideration to the assets and liabilities acquired is as follows:

Current Assets	\$	665,560
Property, Plant & Equipment		3,695,015
Mineral properties		13,307,069
Other long term assets		478,094
Current Liabilities		(1,899,846)
	\$	16,245,892
Consideration		
Common Shares issued on acquisition	\$	12,957,076
Share Purchase Warrants on acquisition		1,476,639
Options granted under <i>Option Cancellation Deeds</i>		57,388
Transaction costs		1,754,789
	\$	16,245,892

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3. Acquisition of Atlantic NL (continued)

The estimated fair value of the Common Shares and Warrants issued and the Options granted under the Option Cancellation Deeds is based on:

Description	Number of Atlantic NL securities	Exchange Ratio	Number of the Company's securities issued	Estimated fair value per common share / warrant on the Implementation Date	Estimated fair value
Common Shares issued for Atlantic Fully Paid Shares	828,671,993	0.05564	46,106,759	\$ 0.28	\$ 12,909,892
Common Shares issued for Atlantic Partly Paid Shares	30,286,342	0.005564	168,513	0.28	47,184
Share Purchase Warrants issued for Atlantic NL Fully Paid Shares	828,671,993	0.02782	23,053,105	0.064	1,471,262
Share Purchase Warrants issued for Atlantic NL Partly Paid Shares	30,286,342	0.002782	84,256	0.064	5,377
Options issued under <i>Option Cancellation Deeds</i> in place of Atlantic NL Options outstanding	17,500,000	0.05564	973,700	0.059	57,388
					\$ 14,491,103

The Warrants and Options were valued as at the Implementation Date using the Black-Scholes model based on the following assumptions:

	Warrants	Stock Options
Risk-free interest rate	1.50%	1.50%
Expected life	4 years	3 years
Annualized volatility	55%	55%
Dividend rate	0.00%	0.00%
Forfeiture rate	0.00%	0.00%

Prior to the acquisition by the Company, Atlantic NL was an Australian Stock Exchange ("ASX") listed company focused on the exploration and development of the Touquoy project, which is at an advanced stage and has all major permits in place, and the Cochrane Hill project, both of which are located within the Meguma Terrane in the province of Nova Scotia.

Atlantic NL has an effective ownership interest of 63.5% in the Touquoy project and is the operator and manager of the project, responsible for funding all capital and operating expenditures. Under the Touquoy joint venture agreement, on commencement of production at the Touquoy project, Atlantic will receive 100% of the Touquoy cash flow until all capital and operating expenditures, in addition to interest expenditures, have been recouped. A private net smelter return royalty of 3% is also payable in respect of the Touquoy project, two-thirds of which can be purchased for \$2.5 million.

Atlantic NL has a 100% ownership interest in the Cochrane Hill project. A private net smelter return royalty of 3% is also payable in respect of the Cochrane Hill project, two-thirds of which can be purchased for \$1.5 million.

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For the three and nine months ended September 30, 2015 (unaudited)

4. Acquisition of Acadian

On September 19, 2014, the Company completed the acquisition of all of the issued share capital of 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, pursuant to the Sale and Purchase Agreement (the "Agreement") with LionGold Mining Canada Inc. (the "Vendor"), and LionGold Corp Ltd as guarantor.

Under the terms of the Agreement, a total of 2,000,000 Consideration Shares ("Contingent Common Shares") were held back from issuance to the Vendor pending the completion of certain post-closing deliverables including financial due diligence procedures of certain financial statement balances of Acadian as at the closing date of the acquisition. The completion of such due diligence procedures resulted in a small reduction of the number of common shares to be issued to LionGold. On July 8, 2015, the Company issued 1,932,446 common shares to the Vendor. As a result, \$521,760 was reclassified from contributed surplus to issued share capital on the balance sheet. All post-closing deliverables in relation to the acquisition of Acadian have now been satisfied.

The acquisition of Acadian by the Company was accounted for as an asset acquisition.

The allocation of the consideration to the assets and liabilities acquired is as follows:

Current Assets	\$	91,915
Property, Plant & Equipment		270,512
Exploration and evaluation assets - intangibles		6,463,721
Current Liabilities		(630,299)
	\$	6,195,849
<hr/>		
Consideration		
Cash paid on acquisition	\$	3,610,740
Common Shares issued on acquisition		1,856,666
Contingent Common Shares issuable		540,000
Transaction costs		188,443
	\$	6,195,849

The fair value of the Common Shares issued and Contingent Common Shares issuable is based on the Company's share price as at the closing date of the Agreement, being \$0.27.

The assets of Acadian consist of the Beaver Dam and Fifteen Mile Stream gold projects, which are located in proximity to the Company's Touquoy and Cochrane Hill Projects, plus an extensive portfolio of exploration properties in the Meguma Terrane of Nova Scotia, Canada. Acadian also holds existing royalty interests on the Goldenville (1% NSR), Dufferin (2% NSR) and Tangier (1% NSR) properties located in Nova Scotia.

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5. Receivables

	September 30, 2015	December 31, 2014
Input tax credits	\$ 257,365	\$ 268,285
NSDNR security for settlement of expropriated properties	\$ 206,698	\$ 206,698
Interest and other receivables	70,369	102,355
	\$ 534,432	\$ 577,338

The receivable from the Nova Scotia Department of Natural Resources ("NSDNR") relates to \$206,698 in security held by the NSDNR in respect of certain expropriated properties. The security will be refunded once payment for the expropriated lands by the Company has been settled. The Company remains in discussions with the previous land owners in respect of a negotiated settlement payment. The Company has estimated and accrued an amount it believes it will settle within accounts payable and accrued liabilities on the statement of financial position.

6. Property, plant and equipment

	Equipment	Land	Total
At December 31, 2014			
Cost	269,080	4,289,805	\$ 4,558,885
Accumulated depreciation	(96,196)	-	(96,196)
Net book Value	172,884	4,289,805	\$ 4,462,689
Period ended September 30, 2015			
At January 1, 2015	172,884	4,289,805	\$ 4,462,689
Additions	1,425	10,000	11,425
Impairment of property, plant & equipment	(36,681)	-	(36,681)
Depreciation for the period	(43,447)	-	(43,447)
Closing net book value	94,181	4,299,805	\$ 4,393,986
At September 30, 2015			
Cost	233,824	4,299,805	\$ 4,533,629
Accumulated depreciation	(139,643)	-	(139,643)
Net book Value	94,181	4,299,805	\$ 4,393,986

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Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2015 (unaudited)

7. Mineral Properties – Nova Scotia

Nine months ended September 30, 2015

	Beaver Dam	Touquoy	Cochrane Hill	Fifteen Mile Stream and Other	Total
Acquisition Costs beginning and end of period	\$ 1,134,791	\$ 10,035,517	\$ 2,278,597	\$ 6,321,884	\$ 19,770,789
Cumulative exploration costs - Beginning of period	\$ 1,751,395	\$ 160,200	\$ 125,591	\$ 159,762	\$ 2,196,948
Additions - Exploration Costs					
Permitting & claims	44,215	98,333	-	115,986	258,534
Drilling & Fieldwork	174,874	785,960	-	-	960,834
Feasibility Studies	149,780	329,501	36,928	-	516,209
Environmental & Geology	367,919	30,401	122,310	-	520,630
Salaries	296,072	175,410	-	1,260	472,742
Consulting*	408,706	192,485	-	20,079	621,270
Assays & Metallurgy	400,390	374,493	-	-	774,883
Equipment & Supplies	21,706	167,356	-	-	189,062
Travel & Accommodation	48,125	13,563	-	-	61,688
Office and Admin.	73,036	685	271	-	73,992
Other	8,225	10,000	-	-	18,225
Exploration expenditures for the period	1,993,048	2,178,187	159,509	137,325	4,468,069
Cumulative exploration costs - End of period	\$ 3,744,443	\$ 2,338,387	\$ 285,100	\$ 297,087	\$ 6,665,017
Grand Total - Mineral Properties	\$ 4,879,234	\$ 12,373,904	\$ 2,563,697	\$ 6,618,971	\$ 26,435,806

*Includes a portion of share-based payments of \$80,111 (2014: nil)

Nine months ended September 30, 2014

	Beaver Dam	Touquoy	Cochrane Hill	Fifteen Mile Stream and Other	Total
Acquisition Costs beginning and end of period	\$ -	\$ -	\$ -	\$ -	\$ -
Additions - Acquisition Costs	\$ 1,134,791	\$ 10,035,517	\$ 2,278,597	\$ 6,321,884	\$ 19,770,789
Cumulative acquisition costs - end of period	\$ 1,134,791	\$ 10,035,517	\$ 2,278,597	\$ 6,321,884	\$ 19,770,789
Exploration costs - Beginning of period	\$ -	\$ -	\$ -	\$ -	\$ -
Additions - Exploration Costs					
Drilling & Fieldwork	18,425	-	-	-	18,425
Consulting	72,948	2,543	1,278	-	76,769
Salaries	52,135	24,543	-	12,840	89,518
Assays & Metallurgy	-	-	1,820	-	1,820
Exploration expenditures for the period	143,508	27,086	3,098	12,840	186,532
Cumulative exploration costs - end of period	\$ 143,508	\$ 27,086	\$ 3,098	\$ 12,840	\$ 186,532
Grand Total - Mineral Properties	\$ 1,278,299	\$ 10,062,603	\$ 2,281,695	\$ 6,334,724	\$ 19,957,321

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Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2015 (unaudited)

8. Other non-current assets

	September 30, 2015		December 31, 2014	
Reclamation bonds	\$	200,000	\$	200,000
Available for sale financial assets	\$	248,077	\$	248,077
Other		-		22,198
	\$	448,077	\$	470,275

The reclamation bonds are held by the NSDNR over various mining tenements and will be refundable to the Company once mining is completed and the land has been restored to its economically usable state. The available for sale financial asset represents the Company's wholly owned subsidiary DDV Gold Limited's minority interest in Moose River Resources Inc., a privately held company, which is recorded at cost as the fair value is not reliably measureable as the shares are privately traded and there is a wide potential range of volatility.

9. Equity

a) Authorized share capital

Unlimited common shares without par value

Unlimited number of preferred shares without par value, issuable in series and with special rights and restrictions to be determined on issuance

b) Stock options

The Company values the stock options granted using the Black Scholes option pricing model to determine the fair value of options granted. The vesting period for options is 12.5% immediately with 12.5% each quarter over the following seven quarters.

A summary of the changes in stock options is as follows:

	Options	Weighted average exercise price
Options outstanding - January 1, 2014	4,650,000	\$ 0.38
Granted	3,023,700	0.38
Expired	(300,000)	0.28
Options outstanding - December 31, 2014	7,373,700	\$ 0.38
Granted	3,790,000	0.26
Options outstanding - September 30, 2015	11,163,700	\$ 0.34
Options exercisable - September 30, 2015	8,282,450	\$ 0.36

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Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2015 (unaudited)

9. Equity (continued)

b) Stock options (continued)

On March 6, 2015, the Company granted a total of 3,790,000 stock options to directors, officers, employees and consultants of the Company. The weighted average fair value of the options granted for the three and nine months ended September 30, 2015 was \$0.17 per option. The exercise price for the stock option grant was equal to the market price at the time of the grant.

The following assumptions were used in the valuation of the stock options granted in the period:

Risk-free interest rate	1.25%
Expected life	6.75 years
Annualized volatility	75%
Dividend rate	0.00%
Forfeiture rate	0.00%

During the three months ended September 30, 2015, share-based payments of \$117,816 was recognized (2014: \$70,546) of which \$100,559 (2014: \$70,546) was recorded within Share-based payment expense in the Statement of Loss and Comprehensive Loss and \$17,257 (2014: \$nil) was capitalized to mineral properties. During the nine months ended September 30, 2015, share-based payments of \$544,783 was recognized (2014: \$188,935) of which \$464,672, was recorded within Share-based payment expense in the Statement of Loss and Comprehensive Loss and \$80,111 (2014: \$nil) was capitalized to mineral properties.

The following table summarizes information about the options outstanding at September 30, 2015:

Number of Options	Exercise Price	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	50,000
2,050,000	0.32	June 13, 2019	1,537,500
973,700	0.50	August 28, 2017	973,700
3,790,000	0.255	December 6, 2021	1,421,250
11,163,700			8,282,450

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Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2015 (unaudited)

9. Equity (continued)

c) Share purchase warrants

At September 30, 2015, the Company had outstanding share purchase warrants exercisable to acquire 23,137,361 shares as follows:

	Number	Weighted average exercise price	Expiry date
Balance - January 1, 2014	-	\$ -	-
Issued	23,137,361	0.60	August 20, 2018
Balance - December 31, 2014 and September 30, 2015	23,137,361	\$ 0.60	

10. Related party transactions and key management compensation

a) Key management compensation

Key management includes the Company's directors, Chief Executive Officer, President and Chief Operating Officer and Chief Financial Officer. Compensation awarded to key management is presented in the table below:

	Three months ended September 30, 2015	Three months ended September 30, 2014	Nine months ended September 30, 2015	Nine months ended September 30, 2014
Salaries and benefits	\$ 68,470	\$ 60,000	\$ 203,385	\$ 177,077
Consulting fees	\$ 141,388	\$ 72,020	\$ 448,274	\$ 165,460
Director fees	\$ 18,750	\$ 18,750	\$ 56,250	\$ 54,167
Share-based payments	\$ 101,187	\$ 66,238	\$ 468,076	\$ 180,243
	\$ 329,795	\$ 217,008	\$ 1,175,985	\$ 576,947

b) Payments due to related parties

As at September 30, 2015, the Company owed \$16,990 to Sirocco Advisory Services, a company controlled by a director and officer of the Company (December 31, 2014: \$11,397).

As at September 30, 2015, the Company owed \$nil to Metallica Consulting Co., a company controlled by a director of the Company (December 31, 2014: \$10,500).

As at September 30, 2015, the Company owed \$14,750 (December 31, 2014: \$25,809) to Wally Bucknell, a director of the Company.

As at September 30, 2015, the Company owed \$nil (December 31, 2014: \$9,129) to key management personnel with respect to accrued benefits.

Amounts due to and from related parties are unsecured, non-interest bearing and due on demand.

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Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2015 (unaudited)

10. Related party transactions and key management compensation (continued)

c) Services provided to related parties

The Company charges office lease and administrative expenditures to Oceanic Iron Ore Corp. ("Oceanic"), a Company with officers and directors in common. During the three and nine months ended September 30, 2015, office lease and administrative expenditures billed to Oceanic amounted to \$46,149 and \$145,015 respectively (2014: \$37,002 and \$102,246). As at September 30, 2015, the Company was owed \$43,294 from Oceanic (December 31, 2014: \$36,731).

11. Fair Value of Financial Instruments

Fair value is based on available public market information or, when such information is not available, estimated using present value techniques and assumptions concerning the amount and timing of future cash flows and discount rates which factor in the appropriate credit risk. The carrying values of cash and cash equivalents, receivables, deposits, due from related parties, accounts payable, and due to related parties approximate their fair values due to their short term nature.

12. Commitments

As disclosed in note 10(c), the Company has a long-term office lease and shares office space and related costs with one other company. The Company has office lease commitments as follows:

2015	\$	114,529
2016		316,381
2017		193,125
2018		194,693
2019 and thereafter		336,596
	\$	1,155,324

13. Subsequent Events

On October 14, 2015, the Company granted 150,000 stock options with an exercise price of \$0.335, expiring on July 14, 2022.