



ATLANTIC GOLD

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ATLANTIC GOLD SECURES \$13 MILLION CONVERTIBLE DEBENTURE FINANCING TO COMPLETE FUNDING OF INITIAL CAPEX FOR THE DEVELOPMENT OF THE MRC PROJECT

All figures presented in Canadian Dollars, unless specified otherwise

March 07, 2016

Vancouver, British Columbia – Atlantic Gold Corporation (**TSX-V: AGB**) ("**Atlantic**" or the "**Company**") is pleased to announce a non-brokered financing of \$13 million (the "**Financing**") by way of issuance of convertible debentures (the "**Debentures**"), subscribed by the following parties (together, the "**Subscribers**"), all of whom, directly or through affiliates, are existing shareholders of the Company:

Subscribers	Amount
Beedie Investments Ltd. (" Beedie ")	\$8 million
Affiliates of the Sprott Group of Companies (" Sprott ")	\$3 million
Affiliates of Au Mining Limited (" Au Mining ")	\$2 million
Total	\$13 million

The Financing, together with the credit approved commitment letter for a \$115 million Project Loan Facility ("**PLF**") entered into between Atlantic, Macquarie Bank Ltd. and Caterpillar Financial Services Corporation, completes funding requirements for the initial capital costs for its Moose River Consolidated Project ("**MRC Project**") of approximately \$127 million contained in the August 2015 feasibility study, excluding environmental bonding.

Terms of the Debenture

The Debentures carry an interest rate of 8.5%, with the principal payment due 60 months after the date the Financing is completed (the "**Closing Date**"). The principal amount of the Debentures will be convertible into common shares of the Company at a conversion price of \$0.60 per share, representing a 20% premium to the closing trading price of the common shares of Atlantic, prior to this announcement. Accrued interest will also be convertible into common shares of the Company but at the market price of the shares at the time of conversion. The Debentures will be convertible at any time, at the Subscriber's option (with the exception of Beedie, see below), and will be secured by way of a charge against all existing assets of the Company, subordinated to the lenders of the PLF. Shares acquired on conversion will be subject to a four month plus one day hold period from the Closing Date.

Additional Debenture Terms Specific to Beedie

As a condition of the conversion feature of the Debenture subscribed by Beedie, and as required by the policies of the TSX Venture Exchange, management will seek disinterested shareholder approval (at a shareholders meeting to be scheduled and announced in due course) of a resolution in respect of providing approval for Beedie to exercise his conversion rights under this Debenture and thereby becoming a control person of the Company, as defined under applicable law and the policies of the TSX Venture Exchange. In the event shareholders do not approve this resolution, the Debenture shall become a short term secured loan, subordinated to the lenders of the PLF with a reduced term of 24 months and the interest rate shall increase to 13% per annum, accruing from the Closing Date.

Au Mining and Sprott have committed to vote their currently held shares in favour of the above resolution. The board of directors of Atlantic will recommend to shareholders that they vote their shares in favour of this resolution. The board and management will also vote in favour of this resolution in respect of their own shareholdings.

Furthermore, on the Closing Date, Mr. Ryan Beedie, owner of Beedie Investments Ltd. will have the right to join the board of directors of the Company and will also be nominated by management for re-election to the board at the next Annual General Meeting.

Steven Dean, Chairman and CEO commented, *“Atlantic is pleased to have agreed on terms for a convertible debenture with Beedie Investments Ltd. Au Mining Limited and Sprott, all of which have been strong supportive shareholders of the Company.*

As discussed above, this transaction completes funding for the initial construction capital expenditures for the MRC Project, reaching another significant milestone in the development of the MRC Project. The Company is looking forward to the finalization of the Financing in the coming weeks”.

Completion of the Financing is subject to approval of the TSX Venture Exchange, due diligence of legal matters and material contracts, and final documentation.

About Beedie Investments Ltd.

Beedie Investments Ltd. is the non-real estate investment arm of Beedie Development Group, the largest private industrial land owner, developer and landlord in British Columbia. Beedie Investments Ltd. seeks to deploy Private Equity and Private Debt by collaborating with ambitious operators of high-growth public and private companies.

About the Sprott Group of Companies

The Sprott Group of Companies is a leading alternative asset manager with a proud history of delivering outstanding long-term performance to their clients through a diverse range of innovative products and investment strategies.

Further updates will be provided in due course.

On behalf of the Board of Directors,

Steven Dean
Chairman and Chief Executive Officer

For further information about Atlantic, please contact:

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Forward-Looking Statements:

This release contains certain “forward looking statements” and certain “forward-looking information” as defined under applicable Canadian and U.S. securities laws. 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 this press release, 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 news release and the timing and receipt of requisite regulatory, and shareholder approvals in respect thereof. Forward-looking statements in this news release 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 actual results may vary. 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 press release, 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 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 audited financial statements and MD&A for the year ended December 31, 2014 and the quarter ended September 30, 2015 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, the Company is 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.