



ATLANTIC GOLD

ATLANTIC GOLD FINALIZES FIXED PRICE EPC CONTRACT WITH AUSENCO

May 9, 2016

Vancouver, British Columbia – Atlantic Gold Corporation (TSX-V: AGB) ("Atlantic" or the "Company") is pleased to announce that it has finalized a contract (the "EPC Contract") with Ausenco Engineering Canada Inc. ("Ausenco") to build a 2 million tonne per annum process plant, truck shop and office facilities, as well as other support infrastructure related to these facilities on an Engineering Procurement and Construction ("EPC") basis, for the Company's Moose River Consolidated Project ("MRC Project") in Nova Scotia for a fixed price of \$86.34 million (the "EPC Price"), fixing most of the initial construction and development capital costs of the MRC Project.

Pursuant to the Company's news release dated February 23, 2016, Ausenco provided the Company with a Lump Sum Turnkey Price ("LSTK Price") of CAD\$87.4 million to perform the EPC work. The reduction from the LSTK Price to the EPC Price is attributable to favorable exchange rate effects on those components of the LSTK Price quoted in foreign currencies, being US and Australian Dollars, from the date of the provision of the LSTK Price to the finalization of this EPC Contract.

Ausenco have already undertaken a significant amount of detailed engineering work, including payments for vendor data as the first stage of ordering the ball mill, and will be working towards the construction of a process plant ready for production by the fall of 2017.

Steven Dean, Chairman and CEO commented, *"Both Ausenco and Atlantic have invested a significant amount of time and effort over the last several months refining a definitive EPC Contract containing detailed engineering specifications, performance testing criteria, cash flows and schedules. The effect of that substantial up front work, in our view, reduces many of the risks in connection with the construction and development of the MRC Project. We are pleased to be working with a world class engineering firm such as Ausenco, who have extensive experience in delivering gold process facilities such as ours."*

Notes:

The LSTK Price includes a provisional sum of \$527,000 for an HVAC system, to be confirmed in due course through future detailed building engineering. The contract also references certain reimbursable costs related to bonding and performance security, and performance testing which will be incurred on a reimbursable basis, of up to \$3.02 million.

John A. Thomas, P. Eng., VP Projects of Atlantic, and a Qualified Person as defined by National Instrument 43-101 ("NI 43-101"), has reviewed and approved the scientific and technical contents of this news release.

On behalf of the Board of Directors,

Steven Dean
Chairman and Chief Executive Officer

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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, 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, 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.