



ATLANTIC GOLD

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ATLANTIC GOLD COMPLETES \$13 MILLION CONVERTIBLE DEBENTURE FINANCING

All figures presented in Canadian Dollars, unless specified otherwise

May 11, 2016

Vancouver, British Columbia – Atlantic Gold Corporation (**TSX-V: AGB**) ("**Atlantic**" or the "**Company**") is pleased to announce the completion a non-brokered financing of \$13 million (the "**Financing**") by way of issuance of convertible debentures (the "**Debentures**").

The terms of the Debenture are substantially the same as announced in a news release dated March 7, 2016. That is, the Debentures carry an interest rate of 8.5%, with the principal payment due on the later of (a) May 10, 2021 and (b) the date that is the earlier of (i) six months after the final maturity date of the Company's \$115 million senior project loan facility ("**PLF**") and (ii) May 30, 2022. The principal amount of the Debentures are 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 the date the Financing was originally announced. 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 Company may prepay, with notice, all of the principal amount of this Debenture and all accrued and unpaid interest thereon at any time following May 10, 2018. The Debentures are convertible at any time, at the Subscriber's option, and are secured by way of a charge against all existing assets of the Company and its material subsidiaries, subordinated to the lenders of the PLF. Shares acquired on conversion will be subject to a four month hold period from the date of this announcement.

As a result of the completion of the Financing, Mr. Ryan Beedie, owner of Beedie Investments Ltd. has exercised his right (with approval from the board of directors of the Company) to join the board of directors of the Company effective immediately.

Ryan Beedie is the President of Beedie Development Group, a leader in industrial and residential real estate development in British Columbia. Ryan also supports multiple philanthropic causes, including, with his father Keith, establishing the Beedie School of Business at Simon Fraser University. Ryan is the recipient of a variety of awards and acknowledgements including the 2004 Business in Vancouver's '40 under 40', the Ernst & Young 2009 BC Entrepreneur of the Year Award, the Queen Elizabeth II Diamond Jubilee Medal in 2013 and Simon Fraser University's Corporate Impact Award in 2015. He completed his

undergraduate degree at Simon Fraser University, followed by an MBA at University of British Columbia.

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, 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.