

NEWS RELEASE

BEEDIE INVESTMENTS LTD. FILES EARLY WARNING REPORT

Burnaby, British Columbia, May 11, 2016 — Beedie Investments Ltd. (“**Beedie Investments**”) announces that it has acquired a Secured Convertible Debenture (the “**Debenture**”) of Atlantic Gold Corporation (the “**Company**”) in the principal amount of \$8,000,000. The Debenture has an interest rate of 8.5% per year, payable semi-annually, and has a maturity date that is the later of (a) May 10, 2021 and (b) the earlier of (i) the date that is six months following the final maturity date under the Company’s Syndicated Project Facility Agreement entered into on May 6, 2016 with Macquarie Bank Ltd., Caterpillar Financial Services Corporation and certain other parties (the “**Senior Project Loan Facility**”) and (ii) May 30, 2022 (the “**Maturity Date**”). The Debenture will be secured by way of a charge against the assets of the Company and certain of its subsidiaries, such security to be subordinate to the security of the lenders under the Senior Project Loan Facility.

The principal amount outstanding under the Debenture is convertible into common shares of the Company (“**Common Shares**”) at a conversion price of \$0.60 per Common Shares at any time prior to the Maturity Date. Upon the conversion of all or any part of the outstanding principal amount of the Debenture into Common Shares, and subject to any required approval by the TSX Venture Exchange (“**TSX-V**”), all accrued and unpaid interest on such principal amount will automatically be converted into Common Shares at a conversion price equal to the closing price of the Common Shares on the TSX-V on the last trading day immediately prior to the date of conversion of such principal amount

As a result of the acquisition of the Debenture, and assuming conversion in full of the Debenture (but without giving effect to the conversion of any accrued and unpaid interest thereon), Beedie Investments may be deemed to have acquired 13,333,333 Common Shares, representing approximately 10.35% of the issued and outstanding Common Shares after giving effect to such conversion. Together with the 20,476,848 Common Shares previously acquired by Beedie Investments, the acquisition of the Debenture increases the total number of Common Shares owned or deemed to be owned by Beedie Investments to 33,810,181, representing approximately 26.25% of the issued and outstanding common shares of the Company (assuming conversion in full of the Debenture, but without giving effect to the conversion of any accrued and unpaid interest thereon).

Beedie Investments acquired the Debenture as part of the Company’s private placement of Secured Convertible Debentures in the aggregate principal amount of \$13,000,000 (the “**Private Placement**”). The proceeds of the Private Placement, together with approximately \$115 million available to the Company under the Senior Project Loan Facility, will be used to fund the initial capital costs for the Company’s Moose River Consolidated Project.

Under the policies of the TSX-V, the creation of a new “Control Person” of a company – defined as any person that holds or is one of a combination of persons that holds a sufficient number of any of the securities of a company so as to affect materially the control of that company, or that holds more than 20% of the outstanding voting shares of a company –

requires approval by the shareholders of the company (excluding the Control Person and its associates and affiliates). Because the exercise of the conversion rights under the Debenture would cause Ryan Beedie, the sole shareholder of Beedie Investments, to beneficially own or control approximately 26.25% of the issued and outstanding Common Shares (after giving effect only to such conversion), and thereby cause Mr. Beedie to become a new Control Person of the Company within the meaning of TSX-V policies, the conversion rights under the Debenture were subject to approval by the Company's disinterested shareholders. Such approval was obtained at a special meeting of the shareholders of the Company held on April 19, 2016.

As part of the terms of Beedie Investment's participation under the Private Placement, for so long as the Beedie Investments continues to hold at least 10% of the issued and outstanding Common Shares (after giving effect to the conversion of the Debenture but not the conversion or exercise of any other securities convertible into or exchangeable for Common Shares), the Company has agreed to, at the request of Beedie Investments, (a) include Mr. Beedie on management's proposed slate of directors at each meeting of shareholders of the Company at which directors are to be elected and (b) at any time at which the board of directors of the Company does not include Mr. Beedie, cause Mr. Beedie to be appointed to the board of directors of the Company for a term expiring following the close of the Company's next general meeting of shareholders. On May 10, 2016, Beedie Investments exercised this right and Mr. Beedie has been appointed to the board of directors of the Company for a term expiring following the close of the Company's next general meeting of shareholders.

Beedie Investments acquired the Debenture for investment purposes. Beedie Investments reviews its holdings in the Company on a continuing basis and may from time to time and at any time, in its sole discretion, acquire or cause to be acquired additional equity or debt securities or other instruments of the Company, or dispose or cause to be disposed such equity or debt securities or instruments, through open market transactions, private placements by the Company and other privately negotiated transactions, or otherwise, in each case in accordance with applicable securities laws.

A copy of the early warning report relating to Beedie Investment's acquisition of the Debenture will be available under the Company's profile on SEDAR, and may also be obtained by contacting Beedie Investments at (604) 435-3321.

Beedie Investments Ltd.
3030 Gilmore Diversion
Burnaby, BC V5G 3B4
Canada

Neither 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 news release.