



ATLANTIC GOLD

**ATLANTIC GOLD ANNOUNCES MINERAL RESOURCE ESTIMATES FOR FIFTEEN MILE STREAM AND COCHRANE HILL DEPOSITS, NOVA SCOTIA**

**NEW M&I RESOURCE ESTIMATES FOR COCHRANE HILL AND FIFTEEN MILE STREAM WITHIN PIT SHELLS TOTAL APPROXIMATELY 850,000 OZ.**

**July 21, 2017**

**Vancouver, British Columbia – Atlantic Gold Corporation (TSX-V: AGB) ("Atlantic" or the "Company")** is pleased to announce updated Mineral Resource Estimates prepared in accordance with National Instrument 43-101 ("NI 43-101") for its wholly-owned Fifteen Mile Stream and Cochrane Hill gold deposits. The previously announced resource definition drilling programs on 25m x 20m centres were completed in June with the objective of upgrading Mineral Resources to Measured and Indicated categories at both properties. The new resource estimates result in 398,000 oz. Au of Measured and Indicated resources at Cochrane Hill and the definition of 452,000 oz. Au of Measured and Indicated resources at Fifteen Mile Stream.

Maryse Bélanger, COO, *"The resource estimates at Fifteen Mile Stream and Cochrane Hill now provide the basis for a Pre-Feasibility Study to be completed in Q4 2017. The Company expects that these resources will contribute to Atlantic's Nova Scotia production profile planned to commence with the Touquoy Deposit in September 2017. The next steps include finalizing metallurgical testwork, geotechnical investigations and optimizing the mining sequence and production scheduling for the Company's existing Mineral Reserves and Mineral Resources in the region."*

**1. FIFTEEN MILE STREAM**

Fifteen Mile Stream is located approximately 57km northeast of the central milling facility at Touquoy and is readily accessible by highway. The project lies along the same geological trend as the Company's other related deposits – Touquoy, Beaver Dam and Cochrane Hill – and all are hosted within the same critical stratigraphy and structure, over a strike length of 80 km. Fifteen Mile Stream's 2015 Inferred Mineral Resources were estimated at 11.72 million tonnes at 1.55 g/t Au for 584,000 contained ounces (Source: NI 43-101 Technical Report entitled *"Technical Report of the Fifteen Mile Stream Gold Project, Halifax County, Nova Scotia"* dated February 18, 2015). All assay results from the recent definition drilling program have been incorporated in the project drill-hole database. The drill database underpinning the current resource estimate in relation to Fifteen Mile Stream comprises 335 diamond drill holes from which a dataset of 17,310 two-metre composites have been created.

The composite dataset incorporates drilling from the Egerton-MacLean, Hudson and Plenty Zones, which are located at the eastern and western ends of an anticlinal dome and approximately 300m south of the dome respectively. At Egerton-MacLean and Hudson, mineralization is localized within a north-dipping sequence of sediments around and within the hinge zone of the anticline with mudstones bearing thin layer-parallel quartz veins being the preferred host. At Plenty, mineralization is localized in similar host rocks in what is interpreted to be an up-faulted limb of the same anticline. Gold was discovered at Fifteen Mile Stream in 1867 with production of about 19,400oz documented during 1883-1911. During 1985-88 Pan East Resources drilled 134 diamond drillholes (26,612m) with a further 29 holes (3,741m) drilled in 2011 by Acadian Mining Corporation, now a wholly-owned subsidiary of Atlantic.

These resource estimates for Fifteen Mile Stream have an effective date of July 20, 2017 and were prepared by Mr. Neil Schofield, a principal of FSSI Consultants (Australia) Pty Ltd. The tables below provide the current resource estimate prepared in accordance with NI 43-101 for a range of cut-off grades. The cut-off grades for the Mineral Resources below are based on Touquoy operating costs where the Company has been actively pre-production mining since July 2016. Other technical parameters and cost assumptions are listed in the Technical Disclosure section of this release. At a selected cut-off grade of 0.35 g/t Au the optimized pit shell for Fifteen Mile Stream contains Measured and Indicated Resources of 10.58 Mt at an average grade of 1.33 g/t Au and 6.64 Mt of material at 1.12 g/t Au in the Inferred category with a 2.2:1 strip ratio.

FIFTEEN MILE STREAM - MEASURED RESOURCE ESTIMATE				FIFTEEN MILE STREAM - INDICATED RESOURCE ESTIMATE			
Cut-off grade (g/t)	Tonnes	Grade (g/t) Au	Contained Au (oz)	Cut-off grade (g/t)	Tonnes	Grade (g/t) Au	Contained Au (oz)
0.3	2,924,000	1.25	118,000	0.3	8,458,000	1.26	342,000
0.35	2,709,000	1.33	116,000	0.35	7,876,000	1.33	336,000
0.4	2,519,000	1.40	113,000	0.4	7,320,000	1.40	329,000
0.5	2,143,000	1.56	108,000	0.5	6,331,000	1.55	315,000

FIFTEEN MILE STREAM - MEASURED & INDICATED RESOURCE ESTIMATE			
Cut-off grade (g/t)	Tonnes	Grade (g/t) Au	Contained Au (oz)
0.3	11,382,000	1.26	460,000
0.35	10,585,000	1.33	452,000
0.4	9,839,000	1.40	442,000
0.5	8,474,000	1.55	423,000

<b>FIFTEEN MILE STREAM - INFERRED RESOURCE ESTIMATE</b>			
<b>Cut-off grade (g/t)</b>	<b>Tonnes</b>	<b>Grade (g/t) Au</b>	<b>Contained Au (oz)</b>
0.3	7,218,000	1.06	246,000
0.35	6,637,000	1.12	240,000
0.4	6,112,000	1.19	233,000
0.5	5,198,000	1.32	220,000

\*Resources that are not reserves do not have demonstrated economic viability\*

Based on review and modelling of the drill data, as shown in the plan view map (<http://files.newswire.ca/1485/FMSDrillProgress.pdf>), further drilling will be undertaken over the next 12 months to the north east of the Egerton Maclean zone, at the Plenty zone, in the trend between the Egerton Maclean zone and Plenty, and to the west of the Hudson zone where there is believed to be potential for additional mineralization.

## **2. COCHRANE HILL**

The Cochrane Hill Gold deposit is located approximately 80 km from the central milling facility at Touquoy and is readily accessible by highway. Previously published Mineral Resources at Cochrane Hill currently comprise Indicated Resources of 4.5 million tonnes at 1.8g/t Au for 251,000 oz. and Inferred Resources of 5.6 million tonnes at 1.6 g/t Au for 298,000 oz. (Source: NI 43-101 Technical Report entitled “*NI 43-101 Technical Report, Preliminary Economic Assessment, Nova Scotia, Canada*” dated October 14, 2014).

All assay results from the recent definition drilling program have been incorporated in the project drill-hole database. The drill database underpinning the current resource estimate for Cochrane Hill comprises 216 diamond drill holes from which a dataset of 11,329 two-metre composites have been created. The recent resource definition drilling evidences a halo of disseminated lower grade mineralization which has been incorporated into the estimate which is one of the drivers of the lower average grade of the resource in the measured and indicated category.

The composite dataset incorporates drilling along an 800m segment of the Cochrane Hill Anticline, a north-east trending tight to isoclinal fold which, in the vicinity of the Cochrane Hill deposit, is overturned with both limbs dipping to the north at 70°. Gold mineralization occurs within the southern limb of the anticline in a sequence of interbedded biotite schists representing well-bedded, though metamorphosed, argillites and greywackes. The mineralized zone is recognizable as a fairly discrete, tabular zone of about 2% disseminated sulphides (pyrrhotite and arsenopyrite) having a true width of 15-25m. Gold was discovered

at Cochrane Hill in the 1860's with production of about 1,353 oz. between 1868 and 1929. Ore was won by underground mining from three shafts. During 1974-1989 a total of 96 holes for 13,946m was drilled by Massval Mines Ltd (1973-74), Northumberland Mines Ltd (1979-81) and Scominex (1984-87) and, in addition, underground development and exploration was undertaken by Scominex (1986-87) and Novagold Resources Inc (1988), with 56 underground holes for 2,873m drilled.

These resource estimates for Cochrane Hill have an effective date of July 20, 2017 and were prepared by Mr. Neil Schofield, a principal of FSSI Consultants (Australia) Pty Ltd. The tables below illustrate the current resource estimate prepared in accordance with NI 43-101. The Mineral Resources below are also based on Touquoy operating costs where the Company has been actively pre-production mining since July 2016. At a selected cut-off grade of 0.35 g/t Au the optimized pit shell for Cochrane Hill contains Measured and Indicated Resources of 10.66 Mt at an average grade of 1.16 g/t Au and 1.63 Mt of Inferred material at 1.32 g/t Au with a 3.1:1 strip ratio.

COCHRANE HILL - MEASURED RESOURCE ESTIMATE				COCHRANE HILL - INDICATED RESOURCE ESTIMATE			
Cut-off grade (g/t)	Tonnes	Grade (g/t) Au	Contained Au (oz)	Cut-off grade (g/t)	Tonnes	Grade (g/t) Au	Contained Au (oz)
0.3	6,486,000	1.18	245,000	0.3	4,788,000	1.03	159,000
0.35	6,170,000	1.22	242,000	0.35	4,489,000	1.08	156,000
0.4	5,855,000	1.26	238,000	0.4	4,181,000	1.13	152,000
0.5	5,197,000	1.37	229,000	0.5	3,598,000	1.25	144,000

COCHRANE HILL - MEASURED & INDICATED RESOURCE ESTIMATE			
Cut-off grade (g/t)	Tonnes	Grade (g/t) Au	Contained Au (oz)
0.3	11,274,000	1.12	404,000
0.35	10,659,000	1.16	398,000
0.4	10,036,000	1.21	390,000
0.5	8,795,000	1.32	373,000

<b>COCHRANE HILL - INFERRED RESOURCE ESTIMATE</b>			
<b>Cut-off grade (g/t)</b>	<b>Tonnes</b>	<b>Grade (g/t) Au</b>	<b>Contained Au (oz)</b>
0.3	1,746,000	1.25	70,000
0.35	1,627,000	1.32	69,000
0.4	1,521,000	1.39	68,000
0.5	1,292,000	1.55	64,000

\*Resources that are not reserves do not have demonstrated economic viability\*

Based on further review and modelling of the new drill data, as shown in the plan view map (<http://files.newswire.ca/1485/CochraneHillDrill.pdf>), further drilling will be undertaken over the next 12 months at depth to extend the pit design and also to the east where there appears to be potential for extensions to the known mineralization.

Next Steps

The above resource estimates will form the basis for a Pre-Feasibility Study to be completed in the coming months as well as additional future step out and new exploration drilling to be completed later in 2017 and in 2018.

Technical Disclosure

The tables above contain the combined Mineral Resource estimates for the Egerton-MacLean, Hudson and Plenty Zones at Fifteen Mile Stream and the Cochrane Hill Gold Deposit as of July 20, 2017. These are current resource estimates that are in accordance with the current Canadian Institute of Mining, Metallurgy and Petroleum Resources (CIM) Definition Standards on Mineral Resources and Mineral Reserves as required by NI 43-101 - Standards of Disclosure for Mineral Projects.

The basis of the estimation of the Mineral Resources includes the following:

1. The drill hole sampling has provided a reasonably representative set of samples of the gold mineralization in each case.
2. The drill hole sample data have been verified by the qualified person by reviewing the core from a number of drill holes and checking assay results against observed mineralization during the qualified person's site visit. The quality control data from sampling and assaying of the drill core has also been reviewed and found to be sufficient to justify the resource classification.

3. The estimation method used is a standard implementation of multiple indicator kriging with block support correction for the estimation of recoverable resources based on a specified approach to standard selective mining. This methodology is appropriate given that the composite samples show some high-grade values resulting in statistical characteristics similar to other gold deposits with higher coefficients of variation.
4. The Measured, Indicated and Inferred classification used for these resource estimates reflects the number and spatial pattern of drill-hole composites informing the estimation of each panel in the resource model, as well as the QA/QC protocols applied in relation to the drilling conducted during 2016-17. In the Egerton-Maclean zone, grade capping was used on four very high grade composites to mitigate the risk of overestimation of resource grade.
5. Any known legal, political, environmental, or other risks that could materially affect the potential development of the mineral resource are detailed below in the section entitled "Forward-Looking Statements".
6. These new resource estimates assume conventional open pit mining and have been constrained by pit shells assuming detailed parameters disclosed below:  
Gold Price = \$1,300 US/oz.  
Exchange Rate = 0.80 \$US: \$CDN  
Mining Cost = \$3.25/tonne  
Process Costs (including general and administrative (G&A) cost) = \$11.73/tonne  
Process Recovery = 95%  
Over-all pit slope angle: 45°

Metallurgical testwork for Cochrane Hill is ongoing but no detailed metallurgical investigations have been completed yet for the gold mineralization at Fifteen Mile Stream. The often visible gold is expected to be free milling, as it is at the Company's Touquoy, and Beaver Dam deposits.

Technical Reports, prepared in accordance with NI 43-101, on the resource estimate at Fifteen Mile Stream and Cochrane will be filed on SEDAR within 45 days from the date of this news release.

*Neil Schofield MS – Applied Earth Sciences, MAusIMM, MAIG, an independent consultant to the Company, and a Qualified Person as defined by NI 43-101 has reviewed and approved the scientific and technical information contained in this news release.*

On behalf of the Board of Directors,

Steven Dean  
Chairman and Chief Executive Officer

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**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, 2016 and the unaudited financial statements and MD&A for the three months ended March 31, 2017 on the SEDAR website at [www.sedar.com](http://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.*