



ATLANTIC GOLD

ATLANTIC GOLD REPORTS FIRST ASSAY RESULTS FROM THE PHASE 3 RESOURCE EXPANSION DRILL PROGRAM AT FIFTEEN MILE STREAM

PHASE 2 EXPANSION LIFE OF MINE PLAN SCHEDULED FOR JANUARY 2018

HIGHLIGHTS INCLUDE:

14m @ 1.79 g/t from 77m, 17m @ 1.12g/t from 80m, 4m @ 7.27g/t from 19m (incl 1m @ 23.4g/t) and 12m @ 1.44g/t from 194m

INFILLING, AND IDENTIFYING EXTENSIONS TO, KNOWN MINERALIZATION AT FIFTEEN MILE STREAM

December 20, 2017

Vancouver, British Columbia – Atlantic Gold Corporation (TSX-V: AGB) ("Atlantic" or the "Company") is pleased to report the first assay results received from the Phase 3 Resource Expansion drilling program at the Fifteen Mile Stream gold deposit.

Fifteen Mile Stream is located approximately 57km northeast of the central processing facility at Touquoy and is readily accessible by highway. Fifteen Mile Stream's current measured and indicated mineral resources stand at 10.59 million tonnes at 1.33 g/t Au for 452,000 oz. at 0.35g/t cut-off grade. Inferred mineral resources amount to 6.64 million tonnes at 1.12 g/t Au for 240,000 oz. at 0.35g/t cut-off grade (see Company announcement July 21, 2017)⁽¹⁾.

The objectives of the Phase 3 Resource Expansion drilling program are to:

- i. identify additional gold resources immediately peripheral to those resources previously defined at Fifteen Mile Stream and Cochrane Hill;
- ii. at Cochrane Hill and at Fifteen Mile Stream – particularly at the Hudson and Plenty zones, upgrade previously defined inferred resources to measured and indicated categories; and

(1) The Mineral Resource estimate for Fifteen Mile Stream is quoted at a cut-off grade of 0.35g/t. It has an effective date of July 20, 2017 and was prepared as part of a technical report in accordance with NI 43-101 by Mr. Neil Schofield, a principal of FSSI (Australia) Pty Ltd, released on September 1, 2017 on SEDAR.

- iii. seek additional new resources within the 350m gap between the Plenty and Egerton MacLean zones at Fifteen Mile Stream.

At the present time a total of 178 holes for 20,053m have been drilled at Fifteen Mile Stream and 44 holes for 6,903m have been drilled at Cochrane Hill. While the planned program at Cochrane Hill has been completed, some 6,000m of planned and likely follow-up drilling remains to be undertaken at Fifteen Mile Stream, mainly on the Plenty zone. Holes are nominally drilled on 25m x 20m centres, though as first-pass drilling along the 350m gap between Plenty and Egerton MacLean holes have been drilled on 50m-spaced sections.

Assay results have now been received from 28 holes, all from Fifteen Mile Stream, and representing about 13% of all assays expected; no assays have yet been returned for Cochrane Hill. Although these assayed holes are widely distributed along the trend of the mineralized anticline it appears that:

- a) the Egerton MacLean zone remains open eastwards where FMS-17-200 on the easternmost section (13675E) cut 14m @ 1.79g/t flanked by supporting mineralization in adjacent holes
- b) initial infill on 25m-spaced sections at the western end of Egerton MacLean suggests continuity of shallow mineralization (eg. 4m @ 7.27g/t from 19m); and
- c) results from a 25m infill section on the eastern side of Hudson similarly indicates continuity of mineralization between the existing 50m-spaced sections (eg. 17m @ 1.12g/t from 80m).

The accompanying cross sections and drilling progress plan can be viewed here:

<http://files.newswire.ca/1485/AtlanticGoldPlan.pdf>

Assay results are tabulated below:

Hole id	Easting	Northing	Dip	Az.	Depth (m)	Significant Intervals (≥0.5g/t Au and up to 3m internal dilution)			
						From (m)	To (m)	Width (m)	Grade (g/t Au)
EGERTON MACLEAN									
FMS-17-192	13475	10280	-60	175	302	151	158	7	1.15
and						169	172	3	2.78
and						200	201	1	8.45
and						209	210	1	33.2
FMS-17-193	13500	10320	-60	175	260	180	193	13	0.98
and						233	234	1	5.20
FMS-17-194	13475	10280	-70	175	251	158	173	15	0.78
and						194	206	12	1.44
and						218	222	4	3.22
FMS-17-195	13225	10040	-45	175	82	35	40	5	0.63

Suite 3083 - 595 Burrard Street, P.O. Box 49298, Vancouver B.C. Canada V7X 1L3

Telephone: (604) 689-5564 Fax: (604) 566.9050

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and						50	51	1	3.95
FMS-17-196	13675	10220	-60	175	140	101	105	4	0.55
and						109	113	4	3.10
and						117	123	6	0.95
FMS-17-197	13225	10060	-45	175	121				NSA
FMS-17-198	13675	10200	-60	175	122	91	105	14	0.77
FMS-17-199^	13225	10080	-45	175	142	130	131	1	9.44
FMS-17-200^	13675	10180	-60	175	110	77	91	14	1.79
FMS-17-201^	13675	10160	-60	175	92	62	70	8	0.79
FMS-17-202^	13225	10020	-45	175	61	43	44	1	3.93
and						49	50	1	11.55
FMS-17-203^	13675	10140	-60	175	80	51	54	3	1.14
FMS-17-204^	13225	10000	-45	175	52	19	23	4	7.27
Incl.						20	21	1	23.4
FMS-17-205^	13650	10220	-60	175	140	102	124	22	0.65
FMS-17-207^	13250	9980	-45	175	100	91	92	1	3.12
FMS-17-208^	13200	9940	-45	175	100	31	36	5	0.95
FMS-17-209^	13625	10220	-60	175	140	88	89	1	3.52
FMS-17-211^	13600	10220	-60	175	140	91	98	7	0.48
and						130	131	1	19.4
HUDSON									
FMS-17-210^	12475	10020	-45	175	52	18	19	1	12.50
FMS-17-212^	12475	10040	-45	175	70	7	8	1	9.27
FMS-17-213^	12475	10060	-45	175	82	60	65	5	2.25
FMS-17-214^	12375	10140	-45	175	172	47	49	2	1.59
and						92	114	22	0.78
FMS-17-220^	12300	10120	-45	175	170	114	120	6	1.60
						125	130	5	0.70
						138	145	7	0.63
FMS-17-224^	12375	10120	-45	175	151	48	49	1	3.94
and						79	83	4	1.82
and						87	91	4	1.74
and						103	106	3	5.96
and						116	120	4	1.29
FMS-17-230^	12300	10040	-45	175	80				NSA
FMS-17-235^	12300	10140	-45	175	190	68	69	1	12.65
and						125	126	1	13.80
FMS-17-240^	12475	10100	-45	175	122	7	8	1	8.79
and						62	63	1	3.88
and						80	97	17	1.12
FMS-17-242^	12475	10080	-45	175	101	58	63	5	1.65
and						78	81	3	2.08

NSA: No significant assays; that is, no intervals $\geq 3.0g/t \times m$.

^ Fire assays of half NQ core, otherwise whole NQ core (see Technical Disclosure below)

True width of the mineralization varies according to the dip of the host stratigraphy and declination of the relevant drill hole. For intersections quoted above true width averages 90% of the down-hole width.

Nature of the mineralization:

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Mineralization occurs within argillites, greywackes and bedding-parallel quartz veins across the hinge zone and limbs of the E-W trending Fifteen Mile Stream (FMS) Anticline. The northern limb of the anticline dips moderately north, with the southern limb overturned (generally steeply north dipping). All holes are therefore declined to the south. Highest grades so far encountered occur within the hinge zone of the anticline. Free gold is commonly observed, and in association with pyrrhotite and arsenopyrite.

Technical Disclosure

At Fifteen Mile Stream all assays by default are 50g charge fire assays of 1kg pulverized sub-sample split from -2mm crushed parent of whole 1m NQ core, with 1-in-10 duplicate assays of the same pulp, and 1-in-10 assays of a second 1kg pulverized sub-sample split from the same crushed parent. Where otherwise noted (^) assays are 50g charge fire assays of 1kg pulverized sub-sample split from -2mm crushed parent of sawn half 1m NQ core, with 1-in-10 duplicate assays of the same pulp. Standards and blind blanks are routinely inserted. Sample preparation and assaying is conducted at the Sudbury and Vancouver laboratories of ALS Canada Ltd, an entity having no other relationship with the Company. Core recovery is estimated for each metre and averages >97%, excluding occasional voids, usually <2m, representing historic underground workings. Wing samples to voids may be less than 1m to re-establish routine sampling on 1m intervals. Drill core in the hangingwall of the northern limb of the anticline where adjacent historic holes very clearly indicate this upper stratigraphy to be barren may not be sampled and assayed. Standards, blanks and duplicate assay results are acceptable.

Results and updates from this drilling program will be reported progressively.

Phase 2 Expansion Life of Mine Plan Scheduled for January 2018

The Company has now scheduled the release of the Phase 2 Expansion Life of Mine Plan and supporting Pre-Feasibility Study for January 2018 due to un-anticipated delays in respect of receipt of engineering inputs.

Wally Bucknell, Director of Exploration to the Company and a Qualified Person as defined by National Instrument 43-101 ("NI 43-101") has reviewed and approved the contents of this news release.

Further updates will be provided in due course and as new results come to hand.

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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www.atlanticgoldcorporation.com

Maryse Bélanger (COO)

+1 604 689-5564

Sean Thompson (Manager Investor Relations)

Toll Free: 1 877 689-5599

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

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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 for the quarter ended September 30, 2017 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.