

## NEWS RELEASE

January 12, 2012

### **ATLANTA GOLD INC. RESPONDS TO COURT DECISION ON CLEAN WATER ACT**

**Toronto, Ontario – Atlanta Gold Inc. (TSXV: ATG) OTCQX: ATLDF** (the “Company”) today responded to the recent decision of the U.S. District Court for the State of Idaho that the Company’s wholly-owned subsidiary, Atlanta Gold Corporation (“AGC”), was not in compliance with the United States Federal Water Pollution Control Act (“Clean Water Act”). The Company issued a news release on January 10, 2012 announcing the Court decision. The action was brought in April 2011 by two environmental groups with respect to the operation by AGC of the pilot water treatment facility (“PWTF”) located at the historic 900 level adit (the “Adit”) and water discharged into Montezuma Creek from property owned by the Bureau of Land Management and administered by the United States Forest Service.

The Atlanta Project site is located in an area of historic mining dating from the 1860’s. This area of interest to past miners and to AGC contains naturally-occurring arsenic, the primary effluent of concern. The problem of arsenic entering the waterways is a result of water contacting the arsenic contained in the mineralized structure. AGC did not construct the Adit or cause the discharge that flows from the Adit. AGC has only conducted exploration and water treatment activities on site.

For more than five years, AGC has operated the PWTF at the site which treats water flowing from the historic mine adit to remove significant levels of naturally-occurring contaminants, including arsenic. The treatment has been successful in removing an estimated 85% of the contained arsenic from the water. Arsenic contamination is a common and difficult issue to deal with throughout the mid-western United States; nevertheless, AGC has made significant progress to improve the treatment process.

Subsequent to construction of the PWTF, permitted limits for effluents, including for arsenic, were significantly reduced. The permitted discharge limit for arsenic was reduced from 190 to 10 micrograms per liter (10 ug/L) or parts per billion. The treatment facility as constructed was not capable of consistently meeting these significantly lower limits. AGC subsequently modified its treatment regime, engaged consultants to evaluate various treatment options and submitted a Supplemental Plan of Operation (“SPOO”) to modify and improve the PWTF. AGC has been working closely with regulatory agencies over the past twelve months to evaluate alternative methods to decrease effluents and appears to be making progress towards an agreement on the appropriate method. Since the commencement of PWTF operations, AGC has been completely transparent with the regulators, filing all required discharge monitoring reports.

In its findings, the Court did not conclude that AGC caused pollutants to be discharged. The Court found that the levels of arsenic in the water discharge violated the effluent limit contained in the permit. No penalties have been assessed. The Company takes its environmental responsibilities very seriously. While the Company is disappointed with the Court’s ruling, it believes that the authorities will recognize AGC’s past and continuing efforts to remove arsenic. AGC’s plans for further improvement will be taken into account in the next stage of proceedings in which the Court will determine a penalty, if any, for the non-compliance. From operating the PWTF, AGC has gathered important scientific data to commit to environmental compliance for future planned operations.

AGC has submitted a closure plan for the Adit intended to resolve all issues relating to the adit discharge. Regulatory agencies are required to approve any SPOO and that process is ongoing.

The Company has and will continue to cooperate with all community groups to advance future environmentally compliant mining operations.

The Company has a NI 43-101 compliant resource that is sufficient to provide for long-term mining operations which will be conducted in an environmentally responsible manner.

### **About the Company**

**Atlanta Gold Inc.** holds through its 100% owned subsidiary, Atlanta Gold Corporation, leases, options or ownership interests in its Atlanta properties which comprise approximately 2,159 acres located (8.74 square kilometres) located 90 air kilometres east of Boise, in Elmore County, Idaho. A long history of mining makes Atlanta very suitable for development of new mining projects. The Company is focused on advancing its core asset, Atlanta, towards mine development and production.

### **Forward-Looking Information**

*This news release contains forward-looking information and forward-looking statements (collectively “forward looking statements”) within the meaning of applicable securities laws. All statements, other than statements of historical fact, are forward-looking statements. We use words such as “may”, “intend”, “will”, “should”, “anticipate”, “plan”, “expect”, “believe”, “estimate” and similar terminology to identify forward looking statements, including with respect to the determination and magnitude of any penalty awarded against AGC as a result of the legal action, and the approval and completion of the adit closure plan. Such are based upon assumptions, estimates, opinions and analysis made by management in light of its experience, advice from its advisors, current conditions and its expectations of future developments as well as other factors which it believes to be reasonable and relevant. Forward looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results to differ materially from those expressed or implied in the forward looking statements and accordingly, readers should not place undue reliance on those statements. Risks and uncertainties that may cause actual results to vary include, but are not limited to, the discretion of the Court and the regulatory authorities to impose significant fines and other penalties in the action, the Company’s ability to reach a settlement with the plaintiffs and the cost thereof, the limited financial resources of the Company and the impact that such legal action may have on future financings and the receipt of governmental approvals, permits and licenses. Should one or more risks and uncertainties materialize or should any assumptions prove incorrect, then actual results could vary materially from those expressed or implied in the forward looking statements and accordingly, readers should not place undue reliance on those statements.*

*Readers are cautioned that the foregoing lists of risks, uncertainties, assumptions and other factors are not exhaustive. The forward-looking statements contained in this news release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements contained herein or in any other documents filed with securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws.*

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