

ATLANTA GOLD SIGNS US\$3 MILLION LOAN AGREEMENT TO PURCHASE STRATEGIC MINING PROPERTY AT ATLANTA, IDAHO

TORONTO, June 8, 2011 - **Atlanta Gold Inc. (TSXV: ATG) (OTCQX: ATLDF)** announces that it has signed a loan agreement with Concept Capital Management Ltd. ("CCM") for a US\$3 million non-interest bearing secured bridge loan (the "Loan"). Proceeds from the Loan will be used to purchase a 100% interest in a 430-acre strategic mining property (the "Property") at the Company's Atlanta Project in Idaho. The Company previously announced the exercise of its option to purchase the Property in a news release dated April 29, 2011. The Company has today authorized closing on the purchase of the Property, which is expected to occur on or before June 10, 2011.

The Loan will be secured by a limited-recourse guarantee of Atlanta Gold Corporation ("AGC"), the wholly-owned subsidiary of the Company and by a mortgage of AGC's interest in the Property. The Loan will be repaid by the proceeds from and replaced as soon as practicable by a 5-year 6% secured convertible redeemable debenture (the "Debenture") in the principal amount of C\$3 million, to be issued by the Company to CCM and possibly other investors.

Closing of the Debenture financing is subject to the approval of the TSX Venture Exchange (the "Exchange") and the execution of definitive documentation.

The Debenture will be convertible at a conversion price of C\$0.10 per share. The Debenture will also be accompanied by detachable warrants to purchase 30,000,000 common shares of the Company, exercisable for five years at a price of C\$0.11 per share (the "Warrants"). The Debenture, Warrants and the common shares issuable on the conversion and exercise thereof, will be subject to a four-month statutory hold period. Closing of the Debenture financing is expected to occur on or before July 11, 2011 (the "Closing Date") and the maturity date (the "Maturity Date") will be the later of the fifth (5th) anniversary of the Closing Date (plus one day) and the fifth anniversary of the advance date of the Loan (plus one day), as is acceptable to the Exchange. If the Exchange or applicable securities laws require that the approval of the Company's shareholders be obtained to issue the Debenture and the Warrants, then the Closing Date will be on or before such later date as may be permitted by the Exchange.

The Debenture will be subordinated in right of payment of principal and interest to all senior secured debt of the Company. The Debenture will also be secured by a limited-recourse guarantee of AGC and by a mortgage of AGC's interest in the Property. The Debenture will bear interest at a rate of 6% per annum, payable annually on each anniversary of the Closing Date. Interest may be paid, at the option of the Company, in cash or common shares at an issue price per share equal to the 20 trading day average closing price of the Company's common shares on the Exchange ending five business days prior to the interest payment date. If and so long as an event of default occurs, interest will be payable at the default rate of 8½% per annum.

After the second anniversary of the Closing Date, and provided that the volume weighted average price of the Company's shares on the Exchange for a period of thirty consecutive trading days prior to the date of redemption exceeds 500 percent of the Debenture's conversion price, the Company will have the right to redeem all or part of the Debenture. On redemption, the Company will pay the principal amount to be redeemed together with accrued and unpaid interest, plus a redemption fee declining from 6%, to 4% to 2% if redeemed before the second, third or fourth anniversaries, respectively, of the Closing Date.

On or after the third anniversary of the Closing Date, holders of the Debenture will have the right to redeem the Debenture at a redemption price payable in cash equal to the outstanding principal amount plus any accrued and unpaid interest. In the event of a change of control, merger, consolidation, other fundamental transaction or liquidation of the Company or any of its significant subsidiaries, the Debenture holders will also have the right to redeem the Debentures.

In consideration of receiving the Loan, AGC has agreed to grant to CCM an option to purchase the Property for US\$3 million, exercisable only in the event that AGC completes the purchase of the Property and repays the Loan other than from the proceeds of issuance of the Debenture, or if the Loan remains

outstanding on January 31, 2012. CCM will also have the option, for a period of five years, commencing after the date the Company completes production of its first 20,000 ounces of gold from the Atlanta Gold Project, to purchase solely from the gold produced from the Atlanta Gold Project, an aggregate of 4,000 ounces of gold at a price of US\$1,400 per ounce.

CCM is a private equity fund that invests in mining and other sectors on a world-wide basis, and which is beneficially owned by Bernd Högel.

"We are pleased to secure financing for acquisition of the Property which hosts approximately 60% of the known mineral deposit at the Atlanta Gold Project. Since the Mining Lease and Option Agreement with Monarch Greenback LLC was renewed on April 30, 2009, the Company has significantly increased the mineral resource on the Property through its exploration programs to date and expects to continue to achieve positive results in its planned exploration program for 2011. The funding commitment from CCM validates the quality and value of the Property and reaffirms our belief that the Company's Atlanta properties remain underexplored with significant upside potential. We look forward to continued exploration success and the resulting benefits to all interested stakeholders, including the local community and the state of Idaho." said Bill Baird, President and CEO of the Company.

About the Company

Atlanta Gold Inc. (TSXV: ATG; OTCQX: ATLDF) holds through its 100% owned subsidiary, Atlanta Gold Corporation, leases, options or ownership interests in its Atlanta properties which comprise approximately 889.1 hectares located 60 air miles (90 air kilometres) north 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 timing and completion of the property acquisition, the Loan and the Debenture financings. Such are based upon assumptions, estimates, opinions and analysis made by management in light of its experience, current conditions and its expectations of future developments as well as other factors which it believes to be reasonable and relevant. These assumptions include receipt of requisite regulatory approvals, the execution of definitive documentation in respect of the Debenture and if required, the approval of the Company's shareholders. 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 receipt of regulatory and if required, shareholder approvals on a timely basis; insufficient funding or delays in raising additional financing on satisfactory terms; the speculative nature of mineral exploration, development and mining (including uncertainties with respect to the interpretation of geology, continuity, size and grade estimates and recoverability of mineral reserves and resources); operational and technical difficulties which could increase operating and/or capital costs; risks and hazards associated with the business of mineral exploration, development and mining, including environmental hazards, changes in laws or regulations and the risk of obtaining necessary licenses and permits; fluctuations in resource prices and in currency exchange rates; changes in general economic conditions and in the financial markets; as well as other risks and uncertainties which are more fully described in the Company's annual and quarterly Management's Discussion and Analysis and in other Company filings with securities and regulatory authorities which are available at www.sedar.com. 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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