

NEWS RELEASE

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Atlanta Gold to Purchase Mine Buildings and Equipment from Newmont USA Limited in Exchange for Shares and Concentrate Purchase Agreement

Toronto, Ontario – Atlanta Gold Inc. (TSX: ATG) announces that the Company's wholly-owned subsidiary, Atlanta Gold Corporation ("Atlanta Gold") has reached an agreement in principle with Newmont USA Limited, a wholly owned subsidiary of Newmont Mining Corporation ("Newmont") to purchase certain fixed assets, including two buildings, four 2,200-horsepower electrical generators, two water treatment plants and other equipment. The initial purchase is for US\$1 million, with additional plant and equipment as may be agreed to by the parties, to be purchased for up to an additional US\$500,000. The aggregate purchase price of US\$1,500,000 will be satisfied by the Company issuing 6,000,000 common shares at a price of US\$0.25 per share. Following completion of the transaction, Newmont will own approximately 9.75% of the Company's outstanding common shares.

Completion of the purchase of the fixed assets is subject to satisfactory completion of the Company's due diligence review of such assets, completion of final documentation, all required regulatory approvals and other customary conditions.

The Company and Newmont have also agreed in principle that Newmont will purchase and process the gold-silver concentrate to be produced from the Company's Atlanta Gold Project mine currently in development near Atlanta, Idaho on terms to be negotiated.

At the pilot-scale Atlanta mill, ore containing gold and silver will be crushed to a coarse size and then transported from the mine to a concentrator, where it will be finely ground and then treated by successive stages of flotation, resulting in a concentrate containing approximately 2-3 ounces of gold per ton. Gold recovery is expected to be 90%, using conventional milling, gravity separation and flotation techniques to produce the concentrate. The gold-silver concentrate will be delivered by the Company to Newmont's flotation concentrate autoclave plant in Nevada which is within a one-day return trucking distance from Atlanta, Idaho.

The Company anticipates completing an internal pre-feasibility study within the next few weeks. In conjunction with the pre-feasibility study, the Company is developing a business plan which contemplates initial annual production in excess of 40,000 ounces of gold through the use of an 800 ton per day mining and gravity-flotation milling operation. Based on a nominal production rate of 800 tons of ore per day or 275,000 tons of ore per year, average annual production over the 12-year mine life is forecast to be 40,000 ounces of gold contained in 15,000 tons of concentrate. The Company plans to begin mining at Atlanta in the third quarter of 2010 and produce concentrates in the fourth quarter of 2010.

"These transactions with Newmont collectively represent a very important milestone for the Company which will secure a market for our concentrate and provide necessary infrastructure on favourable terms to advance development of the Atlanta Project gold mine, conserve cash, significantly reduce future capital costs and support our continuing financing efforts," said Bill Baird, President and CEO of Atlanta. "We are pleased that Newmont has accepted common shares of the Company as consideration for the purchase of the assets and welcome them as one of our major shareholders. We are confident in our ability to bring the Atlanta gold mine into production in a profitable and environmentally sound manner."

About the Company

Atlanta Gold Inc. (TSX: ATG) holds through its 100% owned subsidiary, Atlanta Gold Corporation, leases, options or ownership interests in its Atlanta properties which comprise approximately 2,197 acres located 65 miles 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 and on acquiring, exploring and developing other attractive gold projects.

Forward-Looking Information

This news release contains forward-looking information and 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”, “will”, “should”, “anticipate”, “plan”, “expect”, “believe”, “estimate” and similar terminology to identify forward looking information and statements, including with respect to the completion of the asset purchase, planned development of and production from the Atlanta Gold project and the future sale of concentrate. 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 those with respect to the accuracy of the Company’s resource estimates and of the geological, metallurgical, operational and gold price assumptions on which the estimates are based, the level and volatility of the gold price, the estimated time required for development of Atlanta and related thereto, the time to obtain all required permits and regulatory approvals, and the continued availability of financing. Forward looking information and 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 information and 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 speculative nature of mineral exploration, development and mining (including with respect to size, continuity, grade and recoverability of mineral reserves and resources); operational and technical difficulties; risks and hazards associated with the business of mineral exploration, development and mining, including environmental hazards; government action or delays in the receipt of governmental approvals, permits and licenses; changes in resource prices and fluctuations in currency exchange rates; the Company’s limited financial resources and the availability of financing alternatives; contests to the title of Company property and changes in general economic conditions or conditions in the financial markets; as well as other risks and uncertainties which are more fully described in the Company’s annual information form, 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.

Readers are cautioned that the foregoing lists of risks, uncertainties 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 information or statements contained herein or in any other documents filed with Canadian and U.S. 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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