

Atlanta Gold completes \$3 million debenture financing

TORONTO, Dec. 15, 2011 /CNW/ - **Atlanta Gold Inc. (TSXV: ATG; OTCQX: ATLDF)** announces that it has completed its previously announced debenture financing with Concept Capital Management Ltd. ("CCM"). The Company has issued to CCM a 6% convertible debenture in the principal amount of C\$3 million and warrants to purchase 30 million common shares of the Company, exercisable for five years at a price of C\$0.11 per share. Proceeds of the financing were used to repay the US\$3 million bridge loan provided by CCM in June 2011, the proceeds of which were used to purchase a 430-acre strategic mining property (the "Property") at the Company's Atlanta Project in Idaho, USA.

The debenture has a term of five years plus one day, bears interest of 6% per annum from July 11, 2011, and is convertible in whole or in part at the election of CCM into common shares of the Company at a conversion price of C\$0.10 per share (the "Conversion Price"). Interest on the debenture is payable annually and, at the election of the Company, may be paid in cash or, subject to the approval of the TSX Venture Exchange (the "Exchange"), in common shares at an issue price per share equal to the average of the closing prices of the Company's common shares on the Exchange for the 20 trading days ending five business days prior to the interest payment date or at such higher issue price as may be required by the policies of the Exchange. If and for so long as an event of default occurs, interest will be paid at the rate of 8.5% per annum.

The debenture is subordinated in right of payment of principal and interest to all secured debt of the Company, whether outstanding on or after the date of issue of the debenture. The Company's wholly-owned subsidiary, Atlanta Gold Corporation ("AGC"), has provided a guarantee of the debenture, with recourse under the guarantee limited to a mortgage on the Property. The Company will not permit AGC to incur additional secured debt in excess of US\$10 million (subject to certain exceptions) without the prior consent of CCM, such consent not to be unreasonably withheld, conditioned or delayed.

After the first anniversary of the issue date, the Company will have the right to redeem all or part of the debenture if the closing price of the Company's common shares on the Exchange on each of the 27 consecutive trading days prior to notice of redemption being provided is not less than 3.5 times the Conversion Price. On redemption, the Company will be required to pay the principal and accrued interest thereon, plus a redemption fee declining from 6%, to 4%, to 2% if redeemed before the second, third or fourth anniversaries, respectively, of the issue date. CCM will have the right to require the Company to redeem the debenture at any time after the third anniversary of the issue date and at any time following a change of control or merger transaction. Merger means any transaction (whether by way of consolidation, amalgamation, merger, transfer, sale or lease) whereby all or substantially all of the Company's assets would become the property of any other person or in the case of a consolidation, amalgamation or merger, of the continuing corporation or other entity resulting therefrom.

CCM has agreed that it will not convert the debenture or exercise the warrants if this would result in CCM beneficially owning or exercising control or direction over more than 15% of the Company's then outstanding shares, without the prior consent of the Exchange. The debenture and the warrants, as well as the common shares issuable on the conversion or exercise thereof, will be subject to a four-month statutory hold period which will expire on April 15, 2012.

CCM has received an option to purchase an aggregate of 4,000 ounces of gold produced from the Atlanta Project at a price of US\$1,400 per ounce. This option will vest after AGC has completed production from the Atlanta Project of 20,000 ounces of gold and will expire on the fifth anniversary following the date of vesting. The option to purchase the Property previously granted to CCM as partial consideration for the bridge loan has terminated in accordance with its terms.

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 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.

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.

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For further information:

Atlanta Gold Inc.: Bill Baird Vice-President and CFO Telephone: (416) 777-0013 Fax: (416) 777-0014 E-mail: bill.baird@gmail.com	Investor Cubed Inc.: Neil Simon Telephone: (647) 258-3310, (888) 258-3323 Fax: (416) 363-7977 E-mail: nsimon@investor3.ca	CHF Investor Relations: Juliet Heading Senior Account Manager Telephone: (416) 868-1079 X239 Fax: (416) 868-6198 E-mail: juliet@chfir.com
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