Atacama Pacific Reports Cerro Maricunga Gold Recoveries of 76% from Coarse Crushed Oxide Mineralization

TORONTO, August 6, 2013 – Atacama Pacific Gold Corporation (TSXV:ATM) ("Atacama Pacific") is pleased report that gold recoveries of up to 76% have been achieved from column percolation leach tests undertaken on 141 millimeter ("mm") (5 1/2 inch) crushed gold mineralization from its Cerro Maricunga Oxide Gold Project located in northern Chile.

Two 563 kilogram ("kg") column tests were completed on the oxide-associated gold mineralization collected from a surface trench cutting the Phoenix Zone. Gold recoveries of 76% (non-agglomerated) and 68% (agglomerated) were achieved from coarse crushed material grading 0.39 grams per tonne gold. Table 1 provides a summary of the results.

Test #	Head Grade	Gold Recovery*	Crush Size	Consumables			Notes
				NaCN	$Ca(OH)_2$	Cement	
	(g/t Au)	*(%)*	*(P100=mm)*	*(kg/t)*	*(kg/t)*	*(kg/t)*	
65860	0.39	**76**	141	0.18	5.9	1	Non-agglomerated
65863	0.39	**68**	141	0.60	5.9	1	Agglomerated

** recovery determined from an average of the 1) head and tails assays; 2) gold in solution vs head grade; and 3) gold on granular activated carbon vs head grade.*

Considering the positive gold recoveries achieved from the current test work, Atacama Pacific is examining the impact of changing the process flow sheet envisioned in the January 28, 2013 preliminary economic assessment ("PEA"), replacing the currently proposed 3-stage crushing system and conventional leach pad with a simpler single stage crushing unit and a valley fill leach pad located immediately adjacent to the deposit. This updated flow sheet would eliminate the capital and operating costs associated with the secondary and tertiary crushers and the six kilometer conveyor system required for moving crushed material to the proposed conventional leach pad.

Gold recoveries of 79.5% on 19 mm (3/4 inch) crushed mineralization were projected in the PEA based on extensive metallurgical testing. Gold recoveries of 77 to 80% have been achieved from mineralization crushed to 100 mm and moderately lower gold recoveries would be assumed at a crush size of 141 mm. The primary crusher considered in the PEA was to produce material crushed to a P_{80} size of 130 mm. Additional samples have been collected for further metallurgical testing at a coarse crush size.

As noted in the previously released metallurgical results (May 9, 2013), agglomerating mineralized host rock at Cerro Maricunga negatively impacts gold recoveries by tying up the fine gold grains and by reducing the porosity of host rock. Upon completion of the current test work, a microscopic examination of the tails from the agglomerated column (65863) revealed the presence of exposed gold grains suggesting that the grains were not available for leaching. These columns were the final two from the previous set of metallurgical testing which examined the impact of agglomeration on gold recoveries.

Metallurgical Test Details

The two column tests, conducted by Kappes, Cassidy and Associates, Reno, Nevada, were run for 132 days with 80% of the extractable gold recovered within 75 days. Each test consisted of 563 kg of mineralized material stacked in 440 mm diameter columns. The crushed material in both columns was blended with 5.9 kg/t of hydrated lime ($Ca(OH)_2$) in order to maintain protective solution alkalinity at pH level of 9 to 11. Test 65860 had 1 kg/t cement blended with the crushed material and $Ca(OH)_2$ while the column was stacked. Test 65863 was agglomerated with 1 kg/t of cement prior to stacking. No additional $Ca(OH)_2$ or cement was required to maintain the alkalinity during the test. The blending of cement into the column provides longer term maintenance of solution alkalinity and has a positive impact on sodium cyanide ("NaCN") consumption and gold recoveries.

NaCN consumption was low (0.18 kg/t) to moderate (0.60 kg/t). The initial leach solution for each column contained 1.0 gram NaCN per litre of solution and during the test, the continued cyanide strength was maintained at a target level of 0.5 grams NaCN per litre.

Atacama Pacific's metallurgical testing program is managed by AMTEL Advanced Mineral Technology Laboratory Ltd., London, Canada.

National Instrument 43-101

Michael Easdon, a professional geologist registered with the American Institute of Professional Geologists, is the independent qualified person for the current exploration program and has reviewed, approved and verified the content of this press release. Carlos Guzmán, a mining engineer, Fellow of the Australasian Institute of Mining and Metallurgy and a registered member of the Chilean Mining Commission, is the independent qualified person as defined by National Instrument 43-101 for the January 28, 2013 Preliminary Economic Assessment for the Cerro Maricunga project. Mr. Guzmán is a Principal and Project Director with NCL Ingeneiría y Construcción Ltda., Santiago, Chile.

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FORWARD LOOKING STATEMENTS

This news release contains forward-looking statements, including predictions, projections and forecasts. Forward-looking statements include, but are not limited to, statements with respect to the PEA, including the potential for annual gold production in the first five years of production of 298,000 ounces, total gold production of 2.7 million ounces over a 10.1 year mine life, initial life of mine estimated operating cash costs of $652 /oz Au, preliminary initial capital cost estimate of $514.6 million with sustaining capital of $249.0 million, pre-tax pay-back period of 2.5 years at

$1,450/oz Au and 1.7 years at $1,700/oz Au, pre-tax NPV of $741 million at $1,450/oz Au and a 5% discount rate After-tax NPV5% of $531 million, pre-tax NPV5% of $1,247 million and an after-tax NPV5% of $923 million at $1,700/oz Au, pre-tax IRR) of 33.9% at $1,450/oz Au (after-tax IRR of 26.6%), statements regarding the expectation to increase mineral resources, statements regarding expectations for receipt of permits and environmental approvals, exploration results (including with respect to water resources), statements regarding gold recoveries, the success of exploration activities generally, mine development prospects, and potential future gold production. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “planning”, “expects” or “does not expect”, “continues”, “scheduled”, “estimates”, “forecasts”, “intends”, “potential”, “anticipates”, “does not anticipate”, or “belief”, or describes a “goal”, or variation of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

Forward-looking statements involve known and unknown risks, future events, conditions, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, prediction, projection, forecast, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, the results of due diligence activities, changes in economic parameters and assumptions, the interpretation and actual results of current exploration activities; changes in project parameters as plans continue to be refined; the results of regulatory and permitting processes; future prices of gold; possible variations in grade or recovery rates; failure of equipment or processes to operate as anticipated; labour disputes and other risks of the mining industry; the results of further economic and technical studies, delays in obtaining governmental approvals or financing or in the completion of exploration, as well as those factors disclosed in Atacama Pacific’s publicly filed documents.

Although Atacama Pacific has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

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