Atacama Reports Cerro Maricunga M&I Oxide Resources Increase to 3.470 Million Ounces of Gold

Toronto, Canada, January 29, 2014 - Atacama Pacific Gold Corporation (TSXV:ATM) ("Atacama") is pleased to report the updated pit constrained oxide-associated resource estimate for its Cerro Maricunga gold deposit located in northern Chile, 117 kilometres northeast of Copiapo.

Undiluted measured and indicated ("M&I") resources increased by 1.01 million ounces to 3.470 million ounces of gold in 248.8 million tonnes grading 0.43 grams per tonne gold ("g/t Au") with a further 43,000 ounces of gold in 3.1 million tonnes grading 0.43 g/t Au in the inferred category. The gain in M&I resources is largely due to the conversion of inferred resources to the M&I category as a result of the 25,457-metre Phase IV infill drilling program completed in 2013.

The current resource estimate was confined within a Whittle pit shell modelled at a gold price of US$1,200 per ounce whereas the previous resource was modelled at a US$1,400 per ounce gold price. Table 1 summarizes the resource estimate by zone. A cut-off grade of 0.18 g/t Au was used to estimate the current resource.

"With the 1.01 million ounce increase in M&I gold resources, we surpassed our goal of converting 750,000 inferred ounces of gold from our previous estimate to the current M&I category and underlined the remarkable consistency of the oxide gold mineralization at Cerro Maricunga", said Carl Hansen, President and CEO of Atacama. "Over a period of three years, we have aggressively advanced Cerro Maricunga from a grassroots discovery to one of the largest undeveloped oxide gold deposits in the world with 3.470 million ounces of gold outlined to date. With the majority of the resources now in the M&I category, the updated estimate will form the foundation of a prefeasibility study, the next stage in the development of Cerro Maricunga, which is anticipated to be completed during the second quarter 2014."

Table 1 – Cerro Maricunga Oxide Resource[1] Estimate by Zone, January 2014

	Measured		Indicated		Measured and Indicated			Inferred		
Zone	**Tonnes** *(millions)*	**Grade** *(g/t Au)*	**Tonnes** *(millions)*	**Grade** *(g/t Au)*	**Tonnes** *(millions)*	**Grade** *(g/t Au)*	**Gold Ounces** *(000's)*	**Tonnes** *(millions)*	**Grade** *(g/t Au)*	**Gold Ounces** *(000's)*
Lynx	16.9	0.48	43.1	0.46	60.0	0.46	893	1.7	0.48	27
Crux	36.1	0.47	59.9	0.44	96.0	0.45	1,398	0.9	0.35	10
Phoenix	54.4	0.40	37.4	0.40	91.7	0.40	1,171	0.3	0.52	5
Other	0.9	0.23	0.3	0.23	1.1	0.23	8	0.1	0.20	1
Totals [2]	**108.2**	**0.43**	**140.6**	**0.43**	**248.8**	**0.43**	**3,470**	**3.1**	**0.43**	**43**

1. Resource estimated at a 0.18 g/t Au cut-off grade. 2. Apparent summation errors are due to rounding

The previously reported pit constrained resource, used in the Cerro Maricunga preliminary economic assessment ("PEA") issued January 28, 2013, was estimated at 2.460 million ounces in the

M&I category (185.8 million tonnes grading 0.41 g/t Au) with a further 0.938 million ounces in the inferred category (75.4 million tonnes grading 0.39 g/t Au).

The Cerro Maricunga resource is largely located within three gold zones, the Lynx, Phoenix and Crux zones (see Figure 1, attached), which outcrop on surface. A small portion of the M&I resource (8,000 ounces of gold in 1.1 million tonnes grading 0.23 g/t Au) lies outside the confines of the three zones but within the pit boundaries and is classified as Other In-Pit. While the strike extent of the three main zones has been defined by drilling, the full potential of the Cerro Maricunga volcanic complex has not been fully tested. The oxide-associated gold mineralization has been drilled to depths in excess of 600 metres and remains open to depth.

The Cerro Maricunga gold deposit is hosted in intrusive subvolcanic rocks and genetically related breccia emplaced along a main north-west striking structure. The mineralization consists mainly of free gold commonly associated with black/grey-banded quartz veinlets. Sulphides are scarce.

Resource Estimation Methodology

The Cerro Maricunga resource estimate is based upon 29,547 metres of diamond drilling (86 holes) and 75,496 metres of reverse circulation ("RC") drilling (234 holes) for a total of 105,043 metres of drilling along with five trenches totalling 266 metres. A total of 21,385 two-metre samples were used in the estimation: Lynx Zone – 4,102 samples; Phoenix Zone – 11,746 samples; and, Crux Zone – 5,537 samples. A total of 31,227 two-metre samples fell outside the mineralized zones and were used to estimate these areas. The previously designated Pollux Zone has been incorporated into the Phoenix zone.

The resource estimate has been constrained by a conceptual pit shell in order to confirm reasonable prospects of economic extraction as set out in the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Definition Standards for Mineral Resources and Mineral Reserves and National Instrument 43-101 ("NI 43-101").

Three-dimensional solids were built for each zone using a 0.15 g/t Au grade shell and taking into account structure controls. The following zones were defined based on the structural pattern of the 2013 geological model: Crux + South Phoenix, North Phoenix and Lynx. Standard geostatistical analyses including basic statistics, histograms, scatterplots, declustering, contact profiles, and variography were carried out for each zone as well as areas falling outside the mineralized zones. Directional variography revealed that the aforementioned zones had a vertical anisotropy. Resources within and outside the 0.15 g/t Au grade envelopes were estimated via Ordinary Kriging in three passes.

Resources were classified according to the following criteria: blocks located within a 50 x 50 metre grid were placed in the measured category; blocks located within a 100 x 100 metre grid were categorized as indicated, while the remaining blocks within the mineralized envelope were classified as inferred.

A total of 527 10-centimetre core specimens were tested for specific gravity. The specific gravity for each block in the model was estimated via Ordinary Kriging.

Parameters used to establish the conceptual pit were: mining costs of US$1.40 per tonne mined, processing costs of US$2.53 per tonne, G&A of US$0.51 per tonne processed, gold recovery of 81%, an overall pit slope angle of 42 degrees, a gold price of US$1,200 per ounce and a 0.18 g/t raised cut-off grade. These parameters were similar to those used in the Cerro Maricunga PEA issued by Atacama in January 2013 with minor adjustments to costs due to changes in the estimated exchange rate.

The updated M&I and inferred mineral resource estimates reported herein are contained within a resource-limiting open-pit shell along a 2,500 metre trend, 800 metres wide and up to 460 metres deep.

Readers are cautioned that the conceptual pit shell for the resource model disclosed above does not constitute an economic analysis of mineral resources. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Quality Assurance / Quality Control Program

RC chips and diamond drill core from Atacama's drilling campaign were collected at the drilling site under the direct supervision of Atacama staff. The RC samples and drill core were appropriately tagged, secured and transported to the Atacama exploration camp and then to Atacama's secure sample, logging and storage facility in Copiapo, Chile. Each RC chip sample was split to obtain an approximate 15 kilogram sample for assay purposes. Representative chips were collected from each sample for logging purposes. Drill core was logged, marked at two metre intervals for sampling and split longitudinally with a diamond saw. One half of the core was bagged and sample tags attached. The second half of the core was returned to the core boxes. All samples were appropriately tagged and sent to Asesoria Minera Geoanalitica Ltda.'s sample preparation facility in Copiapo. Resulting pulps were then returned to Atacama's storage facility for insertion of quality assurance and quality control ("QA-QC") pulps and standards and thereafter re-numbered using bar codes. Final sample batches were then transported by Atacama personnel to Activation Laboratorios Ltda. in Coquimbo, Chile for assaying. Samples were analyzed for gold using 50 gram fire assay with atomic absorption spectrographic finish for a sensitivity of 5 ppb (.005 ppm) gold.

Sample QA-QC control measures for the Phase IV program included the insertion of duplicates, standards and blanks. Statistical analyses were performed for: 335 field duplicates for RC drilling; 134 coarse duplicates (10#) for diamond drilling; and 469 pulp duplicates for chemical laboratory analysis. Additionally, analyses were performed for 481 standards and 150 blank samples. Overall conclusions drawn from the QA-QC programme are as follows:

- Analyses of duplicates show good precision, indicating that the protocols used for sample preparation and assaying were adequate.
- Analyses of standards used during exploration show good accuracy.
- Analyses of blanks show no serious cross contamination problems between samples.

The overall conclusion is that QA-QC data generated throughout the Cerro Maricunga Phase IV drilling program meets acceptability criteria and therefore the exploration data can be used with confidence for resource modeling and estimation.

National Instrument 43-101 Compliance

The Cerro Maricunga resource estimate was prepared under CIM Definition Standards (2005). Dr. Eduardo Magri, a mining engineer (University of Witwatersrand) and a Fellow of the Southern African Institute of Mining and Metallurgy with over 30 years of industry experience, is the independent qualified person, as defined by defined by Section 1.5 of NI 43-101, for the resource estimate. Dr. Magri has reviewed and verified the contents of this press release, however is not responsible for the conceptual pit shell.

Mr. Manuel Arre is a mining engineer with 12 years of experience in mine planning and is a registered member of the "Comisión Calificadora de Competencias en Recursos y Reservas Mineras" (Chilean Mining Commission, registry n° 0193), an accepted foreign association as defined by NI 43-101 (Appendix A). Mr. Arre, an independent qualified person as defined by NI 43-101, generated, reviewed and approved the conceptual pit shell disclosed in this press release.

About Atacama Pacific Gold Corporation

Atacama's business is the acquisition, exploration and development of precious metals resource properties in Chile. Atacama's goal is to become a producer of gold through the exploration and development of the its Cerro Maricunga gold project, located in Region III, 117 kilometres northeast of the city of Copiapo. Atacama also has interests in four other mineral properties within close proximity of Cerro Maricunga and a fifth property in Chile's Region I.

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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 details of the Cerro Maricunga PEA which was press released January 28, 2013, including, but not limited to, references to potential gold production, estimated operating cash costs, preliminary initial and sustaining capital cost estimates and reference to the potential economic viability and economic returns; 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); 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's publicly filed documents.

Although Atacama 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.

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.

Figure 1 – Cerro Maricunga Resource Block Model – Level 4700