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**ATACAMA ANNOUNCES FILING OF PRELIMINARY SHORT FORM PROSPECTUS IN
CONNECTION WITH SPECIAL WARRANT FINANCING**

Toronto, December 5, 2016 – Atacama Pacific Gold Corporation (TSXV:ATM) ("Atacama Pacific") announces that it has filed a preliminary short form prospectus in the provinces of British Columbia, Alberta and Ontario and obtained a receipt from the securities regulatory authorities qualifying the distribution of up to 12,777,778 units of Atacama Pacific ("Units"). Each Unit will be comprised of one Atacama Pacific common share and one half of one Atacama Pacific common share purchase warrant (a "Warrant"). Each Warrant will entitle the holder to purchase one Atacama Pacific common share at the exercise price of \$0.60 at any time on or before November 17, 2018.

The Units are being issued in connection with the special warrant financing led by Mackie Research Capital Corporation, pursuant to which Atacama Pacific sold and issued 12,777,778 special warrants ("Special Warrants") at a price of \$0.45 per Special Warrant for gross proceeds of \$5.75 million on November 17, 2016.

Atacama Pacific has agreed to use its best efforts to obtain, by December 27, 2016, a receipt for a final short form prospectus qualifying the distribution of the Units upon exercise of the Special Warrants (the "Prospectus Qualification"). If the Prospectus Qualification does not occur before December 27, 2016, each holder will be entitled to receive, without payment of additional consideration, 1.1 Units per Special Warrant.

The net proceeds from the special warrant financing will be used to commence a feasibility study on Atacama Pacific's Cerro Maricunga Oxide Gold Project and for working capital and general corporate purposes. Located 140 kilometres by road northeast of the city of Copiapo, Chile, the Cerro Maricunga oxide gold deposit hosts 3.74 million ounces of gold in the Proven and Probable mineral reserve category (294.4 million tonnes grading 0.40 g/t Au) representing one of the largest undeveloped oxide associated gold deposits in the world.

National Instrument 43-101 Disclosure

Maria Leticia Conca Benito, Mining Engineer, Universidad de Chile, Registered Member of Chilean Mining Commission, CEO and Project Director, Alquimia Conceptos S.A., was the independent qualified person, as defined by NI 43-101, responsible for the compilation of the information and preparation of the overall 2014 Cerro Maricunga Gold Project Pre-Feasibility Study ("PFS"). Carlos Guzmán, a mining engineer and Principal and Project Director with NCL Ingeniería y Construcción Ltda., Fellow of the Australasian Institute of Mining and Metallurgy and a Registered Member of the Chilean Mining Commission, was the independent qualified person responsible for the mining related sections of the PFS including the reserve statement. Dr. Eduardo Magri, a mining engineer (University of Witwatersrand) and a Fellow of the Southern African Institute of Mining and Metallurgy, was the independent qualified person for the January 28, 2014 Cerro Maricunga resource estimate.



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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 regarding achieving the Prospectus Qualification and the commencement and completion of a feasibility study on Cerro Maricunga Gold Project. 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 other items, the timing of the completion of a feasibility study, the impact of proposed updated mining conditions, including crushing and processing methods and mining rates, 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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