



## ATACAMA PACIFIC COMMENCES METALLURGICAL AND GEOTECHNICAL DRILL PROGRAM

**Toronto, January 12, 2017 – Atacama Pacific Gold Corporation** (TSXV:ATM) (“Atacama Pacific”) announces that it has commenced a technical drilling program on its Cerro Maricunga Oxide Gold Project located in Chile’s Region III, 140 kilometres northeast of Copiapo. The drilling campaign is designed for the collection of data for the finalization of metallurgical and geotechnical parameters required for the pending feasibility study and will comprise 1,000 metres (“m”) of PQ diamond drilling for advanced metallurgical testing as well as 2,000 m of reverse circulation drilling for condemnation and geotechnical information.

Corporately, Atacama Pacific has granted 1,860,000 options of which 1,575,000 were granted to directors and officers and 285,000 were granted to consultants. Each option entitles the holder to acquire one common share at an exercise price of \$0.60 until January 11, 2022.

### Metallurgical Test Program

The Cerro Maricunga Preliminary Feasibility Study, published August 2014, incorporated plans for three stage ore crushing to a size of approximately two centimetres (“cm”) with projected gold recoveries of 79% from a conventional heap leach operation. In support of the upcoming feasibility study, which will consider single stage crushing to a coarser crush size (~10 cm) as part of Atacama Pacific’s efforts to reduce capital and operating costs, a metallurgical drilling program has commenced for the collection of ore from each of the three main ore zones (Crux, Phoenix and Lynx zones). Test work will be completed on each zone and at a range of deposit depths.

The current metallurgical program will follow-up the positive results (table 1) achieved from previous column tests conducted on non-agglomerated ore, conventionally crushed to a P<sub>80</sub> of 5.0 to 15 cm. To date, thirty-six column tests have been completed on ore from throughout the Cerro Maricunga oxide gold deposit, the majority of which were undertaken on material crushed to a P<sub>80</sub> of 1.9 cm and which achieved average gold recoveries of 82%.

**Table 1 - Conventional Column Test Results - 5 to 15 cm Crushed Ore**

Test #	Grade (g/t Au)	Crush (P <sub>80</sub> , cm)	Recovery (%)	NaCN (kg/t)	Lime** (kg)	Cement (kg)	Weight (kg)
60036	0.58	5.0	<b>78</b>	0.10	6.7	1.0	211
65822	0.50	5.0	<b>80</b>	0.91	5.0	0	204
60001 B	0.54	5.0	<b>78</b>	0.10	7.7	0	211
60001 A	0.58	10.0	<b>77</b>	0.09	7.6	0	580
60033	0.58	10.0	<b>77</b>	0.09	6.6	1.0	580
68801A	0.33	10.5	<b>72*</b>	0.96	0	1.0	699
65860	0.39	15.0	<b>76</b>	0.18	5.9	1.0	560

\* low cement and no lime negatively impacted NaCN consumption and Au recoveries  
 \*\* tests not optimized for lime consumption

### Geotechnical Program

Ten reverse circulation condemnation drill holes, approximately 100 m deep, will test the areas to be used for permanent structures, leach pads and waste rock storage. For geotechnical purposes, three 300 to 350 m inclined reverse circulation drill holes, 14 cm in diameter, will be drilled near the final pit walls of each of the



main ore zones. Each of the three drill holes will be surveyed with a borehole optical televiewer and, in conjunction with the existing geotechnical information acquired from previous diamond drilling programs, will be used to determine the optimum pit wall angles.

### **Cerro Maricunga Oxide Gold Deposit**

The Cerro Maricunga oxide-associated, breccia-hosted gold deposit hosts total Proven and Probable mineral reserves of 294.4 million tonnes grading 0.40 grams per tonne for 3.74 million ounces of gold representing one of the largest undeveloped oxide gold deposits in the world. Before commencing with its Feasibility Study, Atacama Pacific is reviewing development options for Cerro Maricunga with the goal of reducing capital and operating costs through the elimination of the secondary and tertiary crushers, by using valley fill leaching at a location adjacent to the open pit and by commencing operations at a lower production rate of approximately 40,000 tonnes per day over the first years of production ramping up to 80,000 tonnes per day. The project will be re-costed to reflect current lower input cost for items such as electricity, fuel, labour, metallurgical consumables, equipment, etc.

### **National Instrument 43-101 Disclosure**

As defined by National Instrument 43-101 ("NI 43-101") of the Canadian Securities Administrators, the Qualified Person for the Cerro Maricunga program is Sergio Diaz, a resident of Santiago, Chile. Mr. Diaz is a Public Registered Person for Reserves and Resources N° 51, in Chile, and is also registered in the Colegio de Geólogos de Chile under N° 315. Mr. Diaz has reviewed and verified the technical contents of this press release. 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 Prefeasibility Study.

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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 the successful completion of the Offering. 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 the 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; market conditions, 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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