



Atacama Pacific Announces Cerro Maricunga Drilling Results Including 116 Metres Grading 0.77 g/t Gold

TORONTO, January 20, 2011 – Atacama Pacific Gold Corporation (TSXV:ATM) (“Atacama Pacific”) is pleased to report drill assay results from the Phase II exploration program underway on its 100%-owned Cerro Maricunga Gold Project, located 140 kilometres northeast of Copiapo, Chile. All drill holes returned significant intervals of +0.3 gram per tonne gold (“g/t Au”) mineralization, hosted within oxidized breccias, including: 116 metres grading 0.77 g/t Au; 100 metres grading 0.53 g/t Au; and, 72 metres grading 0.69 g/t Au. The zone of oxidization extends to depths in excess of 450 metres. Table 1 summarizes the drill hole assay results. An attached map presents the drill hole locations.

“We are very pleased with the first drill results from our Phase II exploration program and continue to be positively surprised with the depth of oxidization”, said Carl B. Hansen, President and CEO of Atacama Pacific. “The drill results support our interpretation that the oxide-associated gold mineralization extends to depth along the 2,500 metre strike length of the zone. With a fourth drill rig to be mobilized to site shortly, two drills will be dedicated to drilling off the Phoenix zone on a 50 metre by 50 metre pattern in preparation for a resource estimate during the third quarter 2011. The other two rigs will focus on drilling the Crux and Lynx zones.”

Typically the intervals of +0.3 g/t gold mineralization reported in Table 1 are surrounded by halos of lower grade material in the 0.2 to 0.3 g/t range. For example, the final 342 metres of CMR-018 averaged 0.50 g/t gold when the lower grade intervals were taken into account, ending in mineralization at 444 metres. Hole CMR-018 was collared at the same location as CMD-010 which was abandoned at 165 metres due to poor ground conditions. The first 24 metres of CMD-010 returned 0.30 g/t Au when a 0.2 g/t cut-off grade is implemented.

Drill hole CMR-14, the deepest hole drilled to date in the Crux zone, extended the gold zone to a depth of 400 metres below surface cutting the Crux zone 150 metres below drill hole CMR-005 (190 metres grading 0.64 g/t Au). Five intervals of +0.3 g/t gold are reported from CMR-014, below 128 metres down hole, including 52 metres grading 0.51 g/t and 48 metres grading 0.61 g/t separated by lower grade intervals. When the lower grade mineralization is taken into account, the entire interval from 128 metres to the end of the hole zone, 270 metres, grades 0.41 g/t gold. CMR-014 was abandoned at 398 metres due to technical issues.

Drill hole CMR-015 cut small andesitic porphyry unit in the centre of the Phoenix zone. The porphyry, which is poorly mineralized, appears to be limited in size. Unfortunately, the hole had to be shut down just as it cut through to the mineralized breccia (10 m grading 0.43 g/t Au) on the other side of the porphyry due to the steepening of the drill hole.

Table 1 - Summary of Cerro Maricunga Drill Assay Results (at a 0.30 g/t Au cut-off grade)

Hole #	Zone	Hole Length (metres)	From (metres)	To (metres)	Interval (metres)	Grade (g/t Au)
CMD-009	Phoenix	351	122	174	52	0.30
CMD-010	Phoenix	164	24	76	52	0.33
			130	158	28	0.52
CMR-011	Crux	224	0	72	72	0.69
<i>including</i>			28	52	24	0.88
CMD-012	Crux	296	0	6	6	0.54
			30	72	42	0.55
			204	230	26	0.48
			238	250	12	0.51
CMR-013	Phoenix	460	12	132	120	0.39
			204	218	14	0.42
			284	310	26	0.55
CMR-014	Cruz	398	128	146	18	0.62
			164	202	38	0.40
			224	276	52	0.51
			304	352	48	0.61
			374	396	22	0.48
CMR-015	Phoenix	460	24	124	100	0.53
<i>including</i>			24	34	10	0.99
			450	460	10	0.43
CMR-017	Phoenix	450	0	94	94	0.52
			114	128	14	0.34
			326	384	58	0.43
			406	438	32	0.45
CMR-018	Phoenix	444	12	76	64	0.36
			102	114	12	0.32
			134	250	116	0.77
<i>including</i>			164	250	86	0.91
			266	310	44	0.70
			362	374	12	0.50
			412	442	30	0.43

Note: Drill holes prefixed "CMD" are diamond drill holes; holes prefixed "CMR" area RC drill holes. All drill holes were collared at -60 degrees. All intervals represent down-hole lengths and not true widths.

Channel Sampling Results

In addition to the drill results, three new channel sampling intervals are also reported from the Crux Zone (see map attached). The channel samples results are as follows:

- Trench T-26 - 65 metres grading 0.93 g/t Au;



- Trench T-30 - 70 metres grading 0.60 g/t Au; and
- Trench T-30 - 45 metres grading 0.44 g/t Au.

The channel sampling results established continuity of the Crux Zone along a north westerly strike suggesting that the zone of gold mineralization may extend over a strike length of 700 metres instead of the original interpretation of 250 to 300 metres. A diamond drill will target the Crux Zone over the upcoming months.

About Atacama Pacific Gold Corporation

Atacama Pacific's principal business is the acquisition, exploration and development of precious metals resource properties in Chile. Atacama Pacific's principal mineral property is the Cerro Maricunga oxide-associated, breccia-hosted gold project, located in Region III, 140 kilometres by road northeast of the city of Copiapo. Atacama Pacific's goal is to become a producer of gold through the exploration and development of the Cerro Maricunga Project. Atacama Pacific also owns four other mineral properties within close proximity to the Cerro Maricunga Project and a fifth property in Chile's Region I.

Quality Control / Quality Assurance Program

RC chips and diamond drill core from Atacama Pacific's drilling campaign were collected at the drill under the direct supervision of Atacama Pacific staff. Both the RC samples and drill core were appropriately tagged, secured and transported to the Atacama Pacific exploration camp and then to Atacama Pacific's secure sample, logging and storage site in Copiapo, Chile. Each RC chip sample was split to obtain a 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 drill saw. One half of the core was bagged and sample tags attached and 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 ("Geoanalitica") sample preparation facility in Copiapó. Resulting pulps were then returned to Atacama Pacific's storage facility in order to insert QA-QC pulps and re-numbering (bar codes) before being transported by Atacama Pacific personnel to Activation Laboratorios Ltda. ("Actlabs") in Coquimbo, Chile for analysis.

Samples were analyzed for gold using fire assay techniques using two assay/ton samples (approx. 50 grams) with an atomic absorption spectrographic finish for a sensitivity of 5 ppb (.005 ppm) gold. Approximately 10% of the samples submitted to Actlabs comprised field rejects for RC chip samples, coarse rejects for drill core, pulp duplicates, standard and blank samples to ensure laboratory quality control procedures.

Five metre channel samples, collected by company staff, are prepared by Geoanalitica in Copiapo before being shipped to the Geoanalitica lab in Antofagasta, Chile for assay. Sample security is similar to that in place for the drill samples.



National Instrument 43-101 Compliance

Under National Instrument 43-101 (“NI 43-101”) of the Canadian Securities Administrators, the qualified person for the Cerro Maricunga Property is Michael Easdon, a resident of Santiago, Chile and a Professional Geologist registered with the State of Oregon, USA. Mr. Easdon, an independent qualified person as defined by NI 43-101, has reviewed and verified the contents of this press release.

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