



Atacama Pacific Reports Continued Positive Metallurgical Results From Cerro Maricunga Gold Project

Toronto, Canada, October 17, 2011 - Atacama Pacific Gold Corporation (TSXV:ATM) (“Atacama Pacific”) is very pleased to report further positive results from metallurgical testing from the it’s oxide-associated Cerro Maricunga Gold Project located in northern Chile, 20 kilometres south of Kinross Gold’s La Coipa precious metals mine. The testing was undertaken by Laboratorio Plenge (“Plenge”), Lima, Peru and by Advanced Mineral Technology Laboratory Ltd. (“AMTEL”), London, Canada.

Gold recoveries ranging from 76% to 83% (Table 1) were achieved from three column percolation leach tests undertaken by Plenge at a crush size of 100% passing 1 inch (25 mm) over a period of only 20 days. Gold recoveries were fast with the majority of recovered gold extracted during the first 10 days of the column tests. Cyanide (NaCN) consumption was lower than in previous column test work varying from 0.7 to 0.9 kg/t. The columns were not optimized for NaCN consumption. Projected NaCN consumption in production heaps is typically 25 to 33% of that consumed during laboratory testing.

In addition to the column test work, Plenge obtained gold recoveries of 72% to 90% from a series of nine 48 hours bottle rolls tests (Table 2) undertaken on material crushed to 100% passing 1.7 millimetres (10 mesh). A subset of each sample prepared by Plenge was sent to AMTEL for confirmatory bottle roll tests (96 hour) returning gold recoveries of 80% to 93% on material crushed to 80% passing 0.8 millimetres. The slightly higher recoveries achieved by AMTEL are largely the result of the tests being completed over a period of 96 hours as compared to the 48 hour tests completed by Plenge.

Table 1 – Column Test Results (100% passing 25 mm)					
Sample	Zone	Gold Grade	Gold Recovery	NaCN	Lime
		<i>(g/t Au)</i>	<i>(%)</i>	<i>NaCN (kg/t)</i>	<i>Lime (kg/t)</i>
Comp A	Phoenix	0.87	76	0.9	3.2
Comp B	Lynx	1.04	83	0.7	2.3
Comp C	Crux	0.70	82	0.8	2.9

“The expanded metallurgical program continues to demonstrate that the gold mineralization at Cerro Maricunga is amenable to heap leach processing”, said Carl Hansen, President and CEO of Atacama Pacific. “The strong gold recoveries achieved across various gold grades combined with the fast recoveries were very encouraging and provide us with a base for the upcoming preliminary economic study. The metallurgical program is ongoing with AMTEL and Kappes,



Cassidy and Associates, Reno, Nevada continuing testing. As part of the continued program, in conjunction with our upcoming 42,000-metre, Phase III drill campaign, large diameter diamond drill core samples will be collected across the deposit with the goal of developing a metallurgical model for Cerro Maricunga.”

Oxide-associated gold resources at Cerro Maricunga stand at 92.8 million tonnes grading 0.54 gram per tonne gold (“g/t Au”) for 1.62 million ounces of gold in the indicated resource category at a 0.3 g/t Au cut-off and a further 116.7 million tonnes grading 0.52 g/t Au giving 1.95 million ounces in the inferred category (see August 24, 2011 press release).

Metallurgical Test Details

The metallurgical test charges were prepared from quartered diamond drill samples. As noted in Table 3, three samples were collected from each of the three gold zones (Phoenix, Lynx and Crux zones) comprising the Cerro Mariucnga gold deposit. The individual samples collected were combined to form a composite column test charge for each zone.

Column percolation tests Comp A, Comp B and Comp C consisted of charges of 35.0, 44.9 and 37.2 kilograms, respectively, stacked in 16 by 160 centimetre columns. An alkaline cyanide solution continuously cycled through the columns at a rate of 10 litres per hour per square metre of column surface area with cyanide strength maintained at 0.1% NaCN. Protective alkalinity was maintained at a pH level of 10 to 11 by the initial addition of hydrated lime during the column setup and with the addition of further lime to maintain the alkalinity.

The column tests continued for a period of only 20 days which included 3 days for final drainage and washing. Leach solutions were tested daily for pH and NaCN, gold and silver content. Gold recoveries, as reported in Table 1, varied from 74.4 to 83.0%. Silver head grades averaged 0.51 g/t and recoveries were minimal varying from 14 to 27%. Compaction of the completed columns was minimal showing a reduction in stack height, compared to the start of the test, of 2 to 3%.

The Plenge bottle roll tests were undertaken on approximately 1 kilogram charges run for a period of 48 hours at 40% solids. Alkalinity was maintained between 10 and 11 and cyanide concentration was kept at 0.1%. The AMTEL bottle rolls tests were performed on 0.8 kg charges at 33.3% solids. The pH was held between 10.5 and 11 with hydrated lime and a cyanide concentration of 0.1% NaCN was maintained.

Atacama Pacific’s metallurgical testing program is managed by AMTEL (Advanced Mineral Technology Laboratory Ltd), London, Canada. Plenge is a Lima, Peru -based metallurgical laboratory specializing in investigative metallurgical testing and plant design and engineering with a focus on South America projects.

Table 2 – PLENGE Bottle Roll Test Results (48 hour tests; 100% passing 1.7mm – 10 mesh)					
Sample	Zone	Gold Grade	Recovery	NaCN	Lime
		(g/t Au)	(%)	(kg/t)	(kg/t)
Comp 1	Phoenix	1.47	87	0.7	2.5
Comp 2	Phoenix	0.82	81	0.7	2.7
Comp 3	Phoenix	0.39	80	0.7	5.1
Comp 4	Lynx	1.78	90	0.7	1.9
Comp 5	Lynx	0.76	85	0.8	2.4
Comp 6	Lynx	0.36	72	1.0	2.5
Comp 7	Crux	1.00	88	0.8	2.7
Comp 8	Crux	0.70	82	1.5	3.0
Comp 9	Crux	0.42	83	1.1	2.5

Table 3 – AMTEL Bottle Roll Test Results (96 hours; 80% passing 0.8 mm)							
Sample	Zone	Gold Grade	Recovery	NaCN	Lime	Sample Location	
		(g/t Au)	(%)	(kg/t)	(kg/t)	Drill Hole	Meters
Comp 1	Phoenix	1.54	92	0.2	3.2	CMD-026	260-272
							280-292
Comp 2	Phoenix	0.78	84	0.4	4.1	CMD-037	76-94
Comp 3	Phoenix	0.37	81	0.3	6.9	CMD-010	30-40
Comp 4	Lynx	1.98	93	0.3	2.8	CMD-049	50-56
Comp 5	Lynx	0.82	88	0.4	3.8	CMD-058	146-154
						CMD-049	74-86
Comp 6	Lynx	0.38	80	0.2	3.8	CMD-058	108-118
						CMD-038	64-72
Comp 7	Crux	1.21	91	0.3	4.2	CMD-011	108-118
						CMD-056	64-72
Comp 8	Crux	0.67	86	0.6	4.7	CMD-014	230-248
Comp 9	Crux	0.34	85	0.6	4.3	CMD-027	48-56
						CMD-031	58-68



Grant of Options

Atacama Pacific has granted an aggregate of 120,000 options of which 100,000 were granted to a director of the corporation and 20,000 were granted to a consultant. Each option entitles the holder to acquire one Atacama Pacific common share at an exercise price of \$4.50 until October 13, 2016.

About Atacama Pacific Gold Corporation

Atacama Pacific's 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 and its goal is to become a producer of gold through the exploration and development of the Cerro Maricunga Gold Project. Atacama Pacific also has interests in four other mineral properties within close proximity to the Cerro Maricunga Gold Project and a fifth property in Chile's Region I.

National Instrument 43-101 Compliance

The Cerro Maricunga resource estimate was prepared under Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Definition Standards (2005). Michael Easdon is the independent qualified person, as defined by National Instrument 43-101 ("NI 43-101"), for the resource estimate and Mr Easdon review and verified the contents of this press release. SRK Consulting (Chile) S.A undertook to prepare and is responsible for the resource estimate. Joled Nur, Geostatistical Engineer for SRK Consulting (Chile) and a member of the Australasian Institute of Mining and Metallurgy, is the qualified person who prepared the resource estimate.

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FORWARD LOOKING STATEMENTS

This release contains forward-looking statements, including predictions, projections and forecasts. Forward-looking statements include, but are not limited to, statements with respect to completion of economic assessments, exploration results, the success of exploration activities generally, mine development prospects, and 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, the interpretation and actual results of current exploration activities; changes in project parameters as plans continue to be refined; 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; 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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