Atacama Pacific Announces Positive Metallurgical Results from Cerro Maricunga Gold Project

TORONTO, January 10, 2012 – Atacama Pacific Gold Corporation (TSXV:ATM) ("Atacama Pacific") is pleased to report that column percolation leach tests from the Cerro Maricunga Gold Project achieved gold recoveries ranging from 77 to 86%. Eight column tests were completed on four master composite samples comprised of average to low grade oxide-associated gold mineralization. The mineralized test material was crushed to either 19, 50 or 100 millimetres ("mm"). Table 1 presents a summary of the metallurgical results.

Representative average grade Composite 5 and Composite 6, which graded 0.51 and 0.58 grams per tonne gold ("g/t Au"), respectively, achieved gold recoveries up to 86%. A 580 kilogram ("kg") subsample of Composite 6 crushed to 100 mm (~4 inches) attained a gold recovery of 77%, modestly lower than the 80% recovery achieved from the same composite material crushed to 19 mm (~3/4 inches). Considering the positive results from the coarse crushed mineralization, the metallurgical program will be expanded to examine the impact of coarser crush sizes, including greater than 100 mm, on gold recoveries to determine an optimum balance between processing costs and gold recovery. The Composite 6 material was collected from a series of surface trenches cutting the Cerro Maricunga deposit.

In addition to the positive results from the representative resource grade tests, higher than anticipated gold recoveries of 78 to 82% were achieved from the lower grade (0.22 and 0.28 g/t Au) columns. These metallurgical results will allow Atacama Pacific to consider the economic potential of the significant halo of lower grade gold mineralization surrounding the Cerro Maricunga resource (estimated at a 0.3 g/t Au cut-off).

Table 1 – Summary of Column Leach Test Results

Composite Sample	Test No	Crush Size (P_{80} - mm)	Head Grade (g/t Au)	Gold Recovery (%)	NaCN Consumption (kg/t)	Hydrated Lime (kg/t)	Cement (kg/t)	Sample Weight (kg)
Comp. 4	60042	19	0.28	**80**	0.82	2.5	1.0	39.9
Comp. 4	60045	19	0.28	**82**	0.52	2.5	1.0	39.8
Comp. 5	60048	19	0.51	**86**	0.74	2.0	1.0	39.9
Comp. 5	60051	19	0.51	**84**	0.97	2.0	1.0	39.4
Comp. 6	60033	100	0.58	**77**	0.09	6.6	1.0	580.0
Comp. 6	60036	50	0.58	**78**	0.10	6.7	1.0	210.9
Comp. 6	60039	19	0.58	**80**	0.44	6.5	1.0	39.8
Comp. 7	60054	19	0.22	78	0.57	4.0	1.0	39.9

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"The positive metallurgical results continue to demonstrate that Cerro Maricunga benefits not only from very good gold recoveries but also from rapid leach kinetics and low to average consumables", said Carl B. Hansen, President and CEO of Atacama Pacific. "Combined with very low levels of copper and other impurities, and with no significant sulphide mineralization encountered to date, this oxide gold deposit is unique in Chile. Exploration activities are accelerating with six drill rigs in operation and over 10,000 metres of drilling completed since the Phase III program began in November 2011. The preliminary economic assessment announced in December 2011 remains on track for a second quarter release."

The 2011 Phase II Cerro Maricunga resource estimate stands at 1.616 million ounces of gold (92.8 million tonnes grading 0.54 g/t Au) in the indicated category with a further 1.949 million ounces (116.7 million tonnes grading 0.52 g/t Au) in the inferred category. The resource estimate was based upon a cut-off grade of 0.3 g/t Au.

Ball Mill Grindability Tests

Ball mill grindability tests undertaken on composite samples 4, 5, and 6 returned low to medium hardness results of 10.67, 10.49 and 9.77 kilowatts/hour/tonne, respectively. The results were in line with earlier test work.

Metallurgical Test Details

The column tests, conducted by Kappes, Cassidy and Associates, Reno, Nevada, were run for 87 days with 86% of the extractable gold recovered within the first 20 days of column leaching. Column tests were not optimized to minimize sodium cyanide ("NaCN") consumption, however, NaCN consumption was low to moderate. All tests showed no slumping, an indication of good potential permeability in production heaps. Atacama Pacific's metallurgical testing program is managed by AMTEL Advanced Mineral Technology Laboratory Ltd ("AMTEL"), London, Canada.

A total of eight column percolation leach tests were completed during this phase of metallurgical testing. The first four tests were duplicated columns completed on Composite 4 and 5 which assayed 0.28 g/t Au and 0.51 g/t Au respectively. Composite 7 was undertaken to examine the leach kinetics and gold recoveries of marginal grade (0.22 g/t Au) mineralization. Composite samples 4, 5 and 7 were prepared from quartered drill core crushed to 19 mm (P_{80}) and charges weighing between 39 and 40 kg were loaded into columns measuring 150 mm in diameter reaching a height of 1.5 metres ("m"). The samples were agglomerated using 1.0 kilograms per tonne ("kg/t") of cement with barren NaCN solution.

Composite 6 was a 1.5 tonne composite sample of gold mineralization grading 0.58 g/t Au collected from surface trenches. Three column tests were undertaken on Composite 6 to evaluate gold recoveries at 100, 50 and 19 mm (P_{80}) crush sizes. A 580.0 kg 100 mm crush charge was loaded into a 0.45 m diameter column to a height of 3.01 metres. The 50 mm crush charge, weighing 210.9 kg, was placed in a 0.29 m diameter column to a height of 2.50 m. The 19 mm charge was treated similar to the other 19 mm crush columns and all crushed material was agglomerated as noted above. Cyanide consumption ranged from a very low 0.09 kg/t for

the 580.0 kg charge to a moderate 0.44 kg/t for the smaller 39.8 kg charge. Approximately 6.6 kg/t of lime was added to the three columns, more than was necessary to ensure the column pH did not fall below 9. Final pH for the Composite 6 columns varied from 10.1 to 10.3.

Consumables: The initial leach solution for each column contained 1.0 gram NaCN per litre of solution and during the test, the continued cyanide strength was maintained at a target level of 0.5 gram NaCN per litre. NaCN consumption is projected to be low, in the order of 0.25 kg/t, approximately 1/3 the average consumption in the column tests. Consumption decreases with increasing crush size suggesting the principal cause of NaCN consumption is evaporation.

Protective alkalinity was maintained at a pH level of 9 to 11 by the initial addition of hydrated lime and cement during the column setup. Additional lime was added, if necessary, to maintain the alkalinity. Lime consumption is low to average, up to 6.5 kg/t for the near surface mineralization (Composite 6) collected from surface trenches. The higher lime consumption associated with the near surface environments is most likely explained by surface effects such as sulphate formation.

Column test extraction results were based upon granular activated carbon assays vs. the calculated head grade (carbon assays plus tail assays).

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 primary 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 Gold 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.

National Instrument 43-101 Compliance

The Cerro Maricunga resource estimate was prepared under Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards (2005). Michael Easdon is the independent qualified person, as defined by National Instrument 43-101 ("NI 43-101"), for the resource estimate. 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. For further details on the resource estimate, please review Atacama Pacific's August 24, 2011 press release. 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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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.