



Atacama Pacific Announces First Phase III Drill Results Including 302 Metres Grading 0.95 g/t Gold

TORONTO, January 17, 2012 – Atacama Pacific Gold Corporation (TSXV:ATM) (“Atacama Pacific”) is pleased to report the first drill assay results from the 42,000-metre, Phase III drill program at its Cerro Maricunga Gold Project, located 140 kilometres northeast of Copiapo, Chile. Drill assay highlights include 0.95 grams per tonne gold (“g/t Au”) over 302 metres (“m”) from the Phoenix Zone from twin hole CMD-092 and 1.54 g/t Au over 96 m from Crux Zone drill hole CMR-098.

Since 77% of the drilling used in the estimation of the current Cerro Maricunga resource was reverse circulation (“RC”), the ongoing exploration campaign includes a program of drill hole twinning to determine if the RC drill assay results are representative of the gold mineralization intersected. Two holes have been twinned to date and in both cases the diamond drill hole returned higher gold grades in comparison to the adjacent RC drill hole (see Table 1). In the Phoenix Zone, diamond drill hole CMD-092, which cut 0.95 g/t Au over 302 m, returned a gold grade 21% higher than the 0.79 g/t Au over 302 m interval intersected in adjacent RC hole CMR-002. In the Crux Zone, the gold grade from last season’s diamond drill hole CMD-016 (0.77 g/t Au over 40 m) was 40% higher than returned from twin RC hole CMR-094 (0.59 g/t Au over 32 m).

Table 1 – Summary of Twinned Drill Hole Assay Results

Zone	Twinned Drill Holes	Diamond Grade Interval	RC Grade Interval	Increase in Diamond Assay Result
Phoenix	CMD-092 / CMR-002	0.95 g/t Au / 302 m	0.79 g/t Au / 302 m	+21%
Crux	CMD-016 / CMR-094	0.77 g/t Au / 32 m	0.55 g/t Au / 40 m*	+40%

** CMR-094 RC interval longer due to drill collar placement*

With the exception of CMD-092 and CMR-101, the reported results (see Table 2) are from the Crux Zone which forms the southern portion of the 2.5 kilometre long Cerro Maricunga oxide gold deposit. The majority of the Crux Zone results either confirmed or expanded the existing resource model in addition to outlining an area of higher grade mineralization. Drill hole CMR-098, which returned 96 metres grading 1.54 g/t Au, extended the higher grade mineralization cut in CMD-001 (1.53 g/t Au over 92 m) a further 50 metres to the southeast and outside the existing resource envelope. Drill holes CMR-097 and CMR-105 extended the gold zone up to 200 metres down dip below the existing resource model into an area which previously had been interpreted as unmineralized.

“The first drill results from our Phase III program are very encouraging and a step forward in achieving our stated goals of confirming and increasing the resource base of the Cerro



Maricunga oxide gold deposit”, stated Carl Hansen, President and CEO of Atacama Pacific. “The initial results of the drill hole twinning program are promising, however, further work is necessary to verify if diamond drilling consistently returns higher gold assays in comparison to RC drilling. With this in mind, we are presently sourcing another diamond drill rig to join the four diamond and two RC drill rigs presently drilling the Cerro Maricunga deposit.”

Table 2 - Summary of Cerro Maricunga Drill Assay Results

Hole #	Section	From (metres)	To (metres)	Interval (metres)	Grade* (g/t Au)	Zone	Notes
CMD-092	1600	44	346	302	0.95	Phoenix	twin of CMR-002 (0.77g/t Au / 302 m)
<i>including</i>		44	306	262	1.05		
<i>including</i>		98	150	52	1.61		
<i>and</i>		254	296	42	1.70		
CMR-094	500	0	32	32	0.55	Crux	twin of CMD-016 (0.77g/t Au / 32m)
CMR-095	400	0	126	126	0.74	Crux	
		164	194	30	1.19		
		292	304	12	0.50		
		364	384	20	0.41		
		426	438	12	0.38		
CMR-097	400	0	36	36	0.66	Crux	Entire 200 m hole grades 0.46 g/t Au
		90	152	62	0.54		
		168	184	16	0.77		
CMR-098	350	0	96	96	1.54	Crux	
<i>including</i>		8	50	42	2.39		
		106	118	12	0.38		
CMR-100	300	152	170	18	0.36	Crux	
CMR-101	1100	58	68	10	0.36	Phoenix	0.2 cut-off grade
CMR-102	350	42	104	62	0.40	Crux	
		150	236	86	0.59		
		316	336	20	0.84		
CMR-105	400	0	46	46	0.38	Crux	
		180	320	140	0.32		0.2 cut-off grade
CMR-107	500	0	18	18	0.41	Crux	
		180	210	30	0.45		
		222	236	14	0.34		
		352	388	36	0.38		

Notes: Drill holes prefixed “CMD” are diamond drill holes; holes prefixed “CMR” are RC drill holes. All intervals represent down-hole lengths and not true widths. Unless otherwise noted, reported gold grades are composited at a 0.3 g/t Au cut-off.

Drill hole CMR-101 tested the low grade, north eastern contact area of the Phoenix Zone on section 1100. No significant mineralization was encountered.



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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