



Atacama Pacific Signs Option Agreement on Water Exploration Concessions

TORONTO, March 15, 2012 – Atacama Pacific Gold Corporation (TSXV:ATM) (“Atacama Pacific” or “the Company”) is pleased to announce that it has entered into an option agreement with AMX de Chile S.A. and related subsidiary companies (“AMX”) to explore for and acquire water use rights on a series of contiguous water exploration concessions covering 267,000 hectares. The concessions are located approximately 95 kilometres north of Atacama Pacific’s Cerro Maricunga oxide gold project.

The Cerro Maricunga resource estimate currently stands at 1.62 million ounces of gold, 92.8 million tonnes grading 0.54 gram per tonne gold (“g/t Au”), in the indicated category with a further 1.95 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.

“We are very pleased to have taken another significant step forward towards the potential development of the Cerro Maricunga project,” said Carl Hansen, President and CEO of Atacama Pacific. “We would expect water consumption for a potential heap leach operation, as being considered in the ongoing engineering scoping study, to be in the order of 75 to 100 litres per second. Our consultants have identified a number of promising aquifer targets on the concessions and we will commence geophysical surveying over the targets next week. Drilling could occur as early as the next quarter.”

Under the terms of the option agreement with AMX, Atacama Pacific will have 18 months to explore and make application to the Chilean water authority, Dirección General de Aguas (“DGA”), for water use rights. Albrecht Schneider, Chairman of Atacama Pacific, owns a non-controlling 13.4% stake in AMX through a company controlled by him.

During the first three months, Atacama Pacific will complete geophysical surveys to identify drill targets. If Atacama Pacific decides to cancel the agreement upon completion of the geophysical surveys, it will make a single payment of US\$100,000 to AMX.

If the Company decides to continue with the option agreement, it will undertake to drill water exploration holes over the subsequent six month period followed by the drilling of at least one production test well over the following six month period. Upon the completion of the exploration holes or after the drilling of the production test well, Atacama Pacific may terminate the option agreement with no payment owed.

After the completion of a production well, an application for water extraction rights may be made to the DGA. Atacama Pacific will pay to AMX US\$30,000 per litre per second for the water under application. Upon a grant of water use rights by the DGA, the Company will pay AMX an additional US\$10,000 per litre per second.



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 expect", "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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