



Atacama Pacific Intersects 414 Metres Grading 0.67 g/t Gold Including 92 Metres Grading 1.24 g/t Gold at Cerro Maricunga

TORONTO, July 16, 2012 – Atacama Pacific Gold Corporation (TSXV:ATM) (“Atacama Pacific”) is pleased to report that all assay results have been received from the recently completed 45,995-metre Phase III drill program on its 100%-owned Cerro Maricunga oxide gold project and work is progressing on an updated resource estimate. The Cerro Maricunga project is located 140 kilometres by road northeast of Copiapo in Chile’s prolific Maricunga Mineral Belt. Highlights from the final set of drill results, which are summarized in Table 1, include:

- 124 metres (“m”) grading 1.26 grams per tonne gold (“g/t Au”) from the Crux Zone (CMR-188)
 - including 42 m at 2.52 g/t Au
- 256 m grading 0.60 g/t Au and 98 m with 0.80 g/t Au from the Phoenix Zone (CMD-187)
 - including 46 m at 1.20 g/t Au
- 414 m grading 0.67 g/t Au from the Lynx Zone (CMR-209)
 - including 92 m at 1.24 g/t Au
- 376 m grading 0.44 g/t Au from the recently discovered Lower East Zone (CMR-155B)
 - including 22 m at 1.00 g/t Au

With the Phase III infill drilling program completed, the Crux, Phoenix and Lynx zones have been drilled on fifty metre sections further defining the continuity of the oxide mineralization throughout the three zones. As highlighted above, continuous intervals of gold mineralization, with higher grade cores, were returned from each of the three main oxide gold zones and from the recently discovered Lower East Zone.

Eleven drill holes have cut the Lower East Zone to date outlining a corridor of 0.3 to 0.5 g/t oxide gold mineralization, as highlighted by the results from CMR-155B above, over a width of 200 metres and a strike length of 400 metres. CMR-155B, a 178-metre extension of CMR-155, finished at a depth of 428 metres. The Lower East Zone remains open to the northwest and may transition into the northern contact of the Crux Zone to the southeast. See attached drill plan.

“With all drill results in hand, an updated resource estimate for the Cerro Maricunga oxide gold deposit is on schedule for release during the current quarter,” said Carl Hansen, President and CEO of Atacama Pacific. “It is anticipated that the new resource estimate will include mineralization from the Lower East Zone, which represents a high priority target for the upcoming Phase IV drill program slated for Q4. The updated resource model will form the basis of the preliminary economic assessment which is scheduled for a late 2012 release.”

Water Exploration Update

Atacama Pacific has completed 134 kilometres of time domain electromagnetic (“TEM”) geophysics within the boundaries of its AMX water property located 95 kilometres north of the Cerro Maricunga



property. The TEM geophysical survey identified a number of potential aquifers which will be the focus on a water drilling campaign in the fourth quarter 2012.

Santa Rosa Property Acquired

Atacama Pacific recently staked the Santa Rosa property, located two kilometres to the south of its Cerro Maricunga property. The 1,800 hectare property encompasses a large volcanic complex in a geological setting similar to that which hosts the Cerro Maricunga deposit.

Share Capital Update

As at March 31, 2012, Atacama Pacific had unexercised warrants of 744,316 at a price of US\$0.90 and 2,127,500 at a price of \$1.25. All warrants were exercised by the expiry date of June 30, 2012 giving Atacama Pacific a total cash position of \$28.5 million. Presently, Atacama Pacific's share capital comprises 50,937,411 outstanding shares and 4,772,000 options, at a weighted average exercise price of \$4.63, for a fully diluted outstanding balance of 55,709,411 shares.

About Atacama Pacific Gold Corporation

Atacama Pacific's primary mineral property is the Cerro Maricunga oxide-associated, breccia-hosted gold project which hosts, as of August 2011, a resource, at a 0.3 g/t Au cut-off grade, of 1.62 million ounces of gold (92.8 million tonnes grading 0.54 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. 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 six 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 as well as quality control and quality assurance procedures, please review Atacama Pacific's August 24, 2011 press release or review the NI 43-101 compliant Technical Report dated October 7, 2011 filed at www.sedar.com. Mr. Easdon, an independent qualified person as defined by NI 43-101, has reviewed and verified the contents of this press release.

Table 1 - Summary of Cerro Maricunga Drill Assay Results (Intervals greater than 10 metres)

Hole #	Section	From (metres)	To (metres)	Interval (metres)	Grade (g/t Au)	Zone	Notes	
CMR-132	2450	130	142	12	0.48	Lynx		
CMR-139	2550	96	120	24	0.30	Lynx	at a 0.2 g/t Au cut-off	
CMD-141	1300	236	352	116	0.48	Phoenix	at a 0.2 g/t Au cut-off	
<i>including</i>		254	328	74	0.62			
CMR-142	2450	148	164	16	0.40	Lynx		
		192	222	30	0.73			
		278	290	12	0.42			
		310	346	36	0.55			
CMD-144	1350	<i>No significant assay results</i>					Phoenix	
CMD-154	1150	274	320	46	0.49	Phoenix		
CMR-155B	1000	28	404	376	0.44	L. East	at a 0.2 g/t Au cut-off	
<i>including</i>		116	170	54	0.63		178 m extension of CMR-155	
<i>and</i>		236	258	22	1.00			
CMR-162	1300	50	76	26	0.26	Phoenix	at a 0.2 g/t Au cut-off	
CMD-165	1100	14	38	24	0.37			
		156	208	52	0.54			
CMD-167	1650	262	282	20	0.82	Phoenix	lost at 282 m with 1.42 g/t Au	
CMR-168	650	150	210	60	0.28	Crux		
<i>including</i>		170	190	20	0.42			
CMR-172	1200	264	280	16	0.42	Phoenix	numerous intervals at 0.2 g/t cut off	
CMR-177	1250	<i>No significant assay results</i>					Phoenix	
CMD-178	1450	0	46	46	0.42	Phoenix	twin of CMD-184	
		82	102	20	0.67			
CMD-182	2150	74	234	160	0.32	Lynx		
<i>including</i>		76	90	14	0.35			
<i>and</i>		212	234	22	0.50			
CMD-184	1450	0	44	44	0.42	Phoenix	twin of CMD-178	
		76	130	54	0.78			
<i>including</i>		114	122	8	1.81			
CMD-187	1450	0	256	256	0.60	Phoenix		
<i>including</i>		30	54	24	1.03			
<i>and</i>		230	252	22	1.12			
		336	434	98	0.80			
<i>including</i>		346	392	46	1.20			



Table 1 - Summary of Cerro Maricunga Drill Assay Results (Continued)

Hole #	Section	From (metres)	To (metres)	Interval (metres)	Grade (g/t Au)	Zone	Notes	
CMR-188	350	0	124	124	1.26	Crux		
		16	58	42	2.52			
CMD-191	2050	60	88	28	0.29	Lynx		
CMD-198	2200	0	56	56	1.08	Lynx	at a 0.2 g/t Au cut-off; twin of CMR-89	
	<i>including</i>	30	50	20	2.24			
		68	80	12	0.55		ending in 0.30 g/t Au @ 80 m	
CMR-199	1500	72	106	34	0.57	Phoenix		
CMD-200	900	74	172	98	0.34	Crux	at a 0.2 g/t Au cut-off	
	<i>including</i>	142	170	28	0.56			
CMD-201	1150	No significant assay results					Phoenix	
CMR-203	550	174	190	16	0.44	Crux		
		250	270	20	0.45			
CMR-204	1050	40	102	62	0.58	L. East		
		282	304	22	0.38			
		320	352	32	0.34			
CMR-206	1000	48	130	82	0.43	L. East		
CMR-208	1750	90	112	22	0.37	Phoenix		
		284	426	142	0.55			
CMR-209	2300	36	450	414	0.67	Lynx	at a 0.2 g/t Au cut-off; ends in +0.3 g/t mineralization	
		250	342	92	1.24			
CMR-211	1850	120	136	16	0.41	Phoenix		
		344	378	34	0.25		at a 0.2 g/t Au cut-off	
CMR-212	2250	70	152	82	0.70	Lynx	at a 0.2 g/t Au cut-off	
		70	118	48	0.98			
CMR-219	1000	72	208	136	0.35	L. East	at a 0.2 g/t Au cut-off	
	<i>including</i>	88	176	88	0.40			
CMR-220	950	78	120	42	0.46	L. East		

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

For further information please contact:

Carl B. Hansen
President and CEO

Phone: 416 861 8267

Email: info@atacamapacific.com

or visit Atacama Pacific's website at www.atacamapacific.com



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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