



Atacama Reports M&I Resource Increases by 65% to 2.667 Million Ounces of Gold with a Further 1.810 Million Ounces in the Inferred Category

Toronto, Canada, September 25, 2012 - Atacama Pacific Gold Corporation (TSXV:ATM) (“Atacama”) is pleased to report that the measured and indicated (“M&I”) resource at its Cerro Maricunga Gold Project has increased 65% to 2.667 million ounces of gold in 163.9 million tonnes grading 0.51 grams per tonne gold (“g/t Au”), at a 0.3 g/t Au cut-off, with a further 1.810 million ounces of gold in 120.7 million tonnes grading 0.47 g/t Au in the inferred category. The entire resource at Atacama’s 100%-owned Cerro Maricunga deposit, located in Chile’s Maricunga Mineral Belt, is oxide associated. Table 1 summarizes the resource estimate at various cut-off grades and Table 2 presents the resource estimate by zone.

“The release of our second resource estimate confirms that the Cerro Maricunga property hosts one of the largest oxide gold deposits in the world not owned by a gold producer”, said Carl Hansen, President and CEO of Atacama. “The large oxide resource and remarkable continuity of the gold mineralization combined with excellent metallurgical recoveries ranging from 77% at a 100 mm crush size to 81% at a 19 mm crush suggest that Cerro Maricunga has the potential to be a very attractive development project. With the updated resource in hand, we will proceed with completion of a preliminary economic assessment (“PEA”) for a potential heap leach project at Cerro Maricunga at a processing rate of 60,000 to 80,000 tonnes per day. The PEA is anticipated to be released during the fourth quarter of this year.”

Table 1 - Cerro Maricunga Resource Estimate – September 2012

| Cut-off (g/t Au) | Measured | | Indicated | | Measured and Indicated | | | Inferred | | |
|---------------------|----------------------|-------------------|----------------------|-------------------|------------------------|-------------------|---------------------------|----------------------|-------------------|---------------------------|
| | Tonnes (millions) | Grade (g/t Au) | Tonnes (millions) | Grade (g/t Au) | Tonnes (millions) | Grade (g/t Au) | Gold Ounces (000’s) | Tonnes (millions) | Grade (g/t Au) | Gold Ounces (000’S) |
| 0.2 | 60.4 | 0.44 | 187.5 | 0.41 | 247.9 | 0.42 | 3,344 | 226.3 | 0.36 | 2,654 |
| 0.3 | 40.7 | 0.53 | 123.1 | 0.50 | 163.9 | 0.51 | 2,667 | 120.7 | 0.47 | 1,810 |
| 0.4 | 24.5 | 0.64 | 71.2 | 0.61 | 95.8 | 0.62 | 1,912 | 57.8 | 0.60 | 1,118 |
| 0.5 | 15.1 | 0.77 | 42.8 | 0.72 | 57.9 | 0.74 | 1,370 | 32.3 | 0.73 | 754 |

The contiguous Lynx and Phoenix zones combine to host the majority of the ounces of gold within the Cerro Maricunga deposit with expansion of the Crux Zone and the discovery of the Pollux Zone (formerly the Lower East Zone) contributing to the growth of the overall resource estimate. The Lynx and Phoenix combine to host 73% of the 2.667 million ounce M&I resource and 61% of the 1.810 million ounce inferred resource (see table 2). Overall gold grades fell slightly, from a 0.54 g/t Indicated grade in 2011 compared to a current 0.51 g/t M&I grade, largely as a result of the incorporation of lower grade mineralization from the Pollux and Crux zones into the resource.



The newly discovered Pollux Zone, located immediately north of the Crux Zone, added 162,000 ounces of gold (11 million tonnes grading 0.46 g/t Au) to the overall M&I resource category along with a further 409,000 ounces of gold (28.8 million tonnes grading 0.44 g/t Au) to the total inferred resource.

Each of the gold zones outcrops on surface and remain open to depth. While the full strike extent of Lynx, Phoenix and Crux zones has been defined by drilling, the Pollux Zone remains open to the northwest. In addition, recently discovered targets, such as that cut by drill hole CMR-190 (90 metre grading 0.49 g/t Au including 18 metres at 1.00 g/t Au) at the end of the Phase III program, will be tested during the upcoming Phase IV campaign.

The Cerro Maricunga gold deposit is hosted in intrusive subvolcanic rock and genetically related breccia emplaced along a main north-west striking structure. Gold is found mainly in black/grey-banded quartz veinlets associated with disseminated magnetite. Sulphides are scarce.

Phase IV Program

The Phase IV campaign is scheduled to commence in November 2012 and will comprise 20,000 to 25,000 metres of drilling along with a program of bulk metallurgical samples for bench plant testwork. The majority of the drill program will be dedicated to upgrade current inferred resources. Diamond drillholes within this program will be tested via tele-viewer technique for geotechnical characterization. Exploration targets will also be tested and defined if warranted.

Resource Estimation Methodology

The Cerro Maricunga resource estimate is based upon 79,941 metres of diamond and reverse circulation drilling in 221 drill holes. A total of 16,444 two-metre samples were used in the estimation: Lynx Zone – 3,244 samples; Phoenix Zone – 7,862 samples; Crux Zone – 4,212, and Pollux Zone – 1,126 samples.

Three-dimensional models were built for each zone using a 150-ppb grade shell and taking into account structure controls. Standard geostatistical analyses including basic statistics, histograms, declustering and variography were carried out for each zone. Due to similarities and spatial distribution, Lynx, Phoenix and Pollux were combined. Directional variography revealed that the aforementioned zones had a vertical anisotropy, while Crux, showed grade trends along azimuth 280° and -66° dip.

Resources within the 150-ppb grade envelopes were estimated via Ordinary Kriging in 4 passes. In all zones, samples assaying greater than 3.50 g/t Au were capped. The resulting 10 x 10 x 10-metre block model was validated graphically by displaying estimated block grades and samples using the same color codes.

A total of 391 10-centimetre core specimens were tested for specific gravity. Specific gravity for each block in the model was estimated via Inverse Distance Squared method.

Resources were classified according to the following criteria: blocks located within 50 x 50 metre grid were placed in the measured category; blocks located within a 50 x 100 metre grid

were categorized as indicated, while the remaining blocks within the mineralized envelope were classified as inferred.

Table 2 - Cerro Maricunga Resource Estimate by Zone – September 2012

| Cut-off (g/t Au) | Measured | | Indicated | | Measured and Indicated | | | Inferred | | |
|--------------------------------------|----------------------|-------------------|----------------------|-------------------|------------------------|-------------------|---------------------------|----------------------|-------------------|---------------------------|
| | Tonnes (millions) | Grade (g/t Au) | Tonnes (millions) | Grade (g/t Au) | Tonnes (millions) | Grade (g/t Au) | Gold Ounces (000's) | Tonnes (millions) | Grade (g/t Au) | Gold Ounces (000's) |
| Lynx Zone | | | | | | | | | | |
| 0.2 | 13.5 | 0.47 | 45.6 | 0.45 | 59.1 | 0.46 | 864 | 40.2 | 0.39 | 506 |
| 0.3 | 9.1 | 0.58 | 30.8 | 0.55 | 39.8 | 0.55 | 710 | 19.6 | 0.54 | 343 |
| 0.4 | 5.8 | 0.71 | 19.9 | 0.66 | 25.7 | 0.67 | 554 | 11.5 | 0.69 | 256 |
| 0.5 | 4.0 | 0.83 | 13.5 | 0.76 | 17.6 | 0.77 | 436 | 8.0 | 0.80 | 205 |
| Phoenix Zone | | | | | | | | | | |
| 0.2 | 29.8 | 0.42 | 86.5 | 0.41 | 116.3 | 0.41 | 1,547 | 85.5 | 0.37 | 1,029 |
| 0.3 | 20.1 | 0.50 | 57.6 | 0.49 | 77.7 | 0.49 | 1,235 | 52.8 | 0.45 | 766 |
| 0.4 | 12.0 | 0.61 | 33.5 | 0.60 | 45.5 | 0.60 | 877 | 22.6 | 0.60 | 434 |
| 0.5 | 7.1 | 0.73 | 19.5 | 0.70 | 26.5 | 0.71 | 606 | 12.4 | 0.72 | 288 |
| Crux Zone | | | | | | | | | | |
| 0.2 | 12.8 | 0.45 | 41.3 | 0.40 | 54.1 | 0.41 | 712 | 38.2 | 0.36 | 440 |
| 0.3 | 8.8 | 0.54 | 26.5 | 0.48 | 35.3 | 0.49 | 560 | 19.6 | 0.46 | 292 |
| 0.4 | 5.5 | 0.66 | 13.9 | 0.60 | 19.4 | 0.62 | 383 | 9.8 | 0.59 | 184 |
| 0.5 | 3.4 | 0.79 | 7.6 | 0.73 | 10.9 | 0.75 | 262 | 5.0 | 0.73 | 116 |
| Pollux (Lower East) Zone | | | | | | | | | | |
| 0.2 | 4.3 | 0.37 | 14.1 | 0.37 | 18.4 | 0.37 | 221 | 62.4 | 0.34 | 679 |
| 0.3 | 2.7 | 0.46 | 8.3 | 0.46 | 11.0 | 0.46 | 162 | 28.8 | 0.44 | 409 |
| 0.4 | 1.3 | 0.60 | 3.9 | 0.58 | 5.2 | 0.59 | 97 | 13.9 | 0.55 | 244 |
| 0.5 | 0.7 | 0.73 | 2.2 | 0.69 | 2.9 | 0.70 | 65 | 7.0 | 0.65 | 145 |
| Total Cerro Maricunga Deposit | | | | | | | | | | |
| 0.2 | 60.4 | 0.44 | 187.5 | 0.41 | 247.3 | 0.42 | 3,344 | 226.3 | 0.36 | 2,654 |
| 0.3 | 40.7 | 0.53 | 123.1 | 0.50 | 163.9 | 0.51 | 2,667 | 120.7 | 0.47 | 1,810 |
| 0.4 | 24.5 | 0.64 | 71.2 | 0.61 | 95.8 | 0.62 | 1,912 | 57.8 | 0.60 | 1,118 |
| 0.5 | 15.1 | 0.77 | 42.8 | 0.72 | 57.9 | 0.74 | 1,370 | 32.3 | 0.73 | 754 |

Note: Apparent errors in total M&I tonnages are related to rounding to the nearest 100,000 tonnes



Quality Assurance / Quality Control Program

Reverse circulation (“RC”) chips and diamond drill core from Atacama Pacific’s drilling campaign were collected at the drill under the direct supervision of Atacama Pacific staff. Both the RC samples and drill core were appropriately tagged, secured and transported to the Atacama Pacific exploration camp and then to Atacama Pacific’s secure sample, logging and storage site in Copiapo, Chile. Each RC chip sample was split to obtain an approximate 15 kilogram sample for assay purposes. Representative chips were collected from each sample for logging purposes. Drill core was logged, marked at two metre intervals for sampling and split longitudinally with a diamond drill saw. One half of the core was bagged and sample tags attached and the second half of the core was returned to the core boxes. All samples were appropriately tagged and sent to Asesoría Minera Geoanalítica Ltda.’s sample preparation facility in Copiapo. Resulting pulps were then returned to Atacama Pacific’s storage facility for insertion of quality assurance and quality control (“QA-QC”) pulps and re-numbering (bar codes) before being transported by Atacama Pacific personnel to Activation Laboratorios Ltda. (“Actlabs”) in Coquimbo, Chile for analysis. Samples were analyzed for gold using fire assay techniques using two assay/ton samples (about 50 gram) with an atomic absorption spectrographic finish for a sensitivity of 5 ppb (.005 ppm) gold.

Sample quality assurance and quality control measures for the Phase III program included the insertion of duplicates, standards and blanks. Statistical analyses were performed for: 417 field duplicates for reverse circulation drilling; 238 coarse duplicates for diamond drilling; and 755 pulp duplicates for chemical laboratory analysis. Additionally, grade QA-QC analyses were performed for 894 standards and for 652 blank samples. Overall conclusions drawn from the QA-QC analyses are as follows:

- Analyses of duplicates show good precision, indicating that the protocols used for sample preparation and assaying were adequate.
- Analyses of standards used during exploration show good accuracy.
- Analyses of blanks show no serious contamination problems between samples.

The overall conclusion is that QA-QC data generated throughout the Cerro Maricunga Phase III drill program meets acceptability criteria and the exploration data can be used with confidence for resource modeling and estimation.

National Instrument 43-101 Compliance

The Cerro Maricunga resource estimate was prepared under Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) Definition Standards (2005). Dr. Eduardo Magri, a mining engineering (University of Witwatersrand) and a Fellow of the Southern African Institute of Mining and Metallurgy with over 30 years of industry experience, is the independent qualified person, as defined by National Instrument 43-101 (“NI 43-101”), for the resource estimate. Mr. Magri has reviewed and verified the contents of this press release. NCL Ingeniería y Construcción Ltda. undertook to prepare and is responsible for the resource estimate under the supervision of Dr. Eduardo Magri and Antonio Couble (NCL Associate).



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. 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 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.

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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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