



## **Toachi Mining Inc. Intersects 3.7 m grading 10.22 g/t Au, 146.38 g/t Ag, 1.81% Cu, 29.43% Zn and 2.07% Pb at the Gold-Rich La Plata VMS Project in Ecuador**

### **Second Drill Rig Being Mobilized**

**Toronto, Ontario – October 26, 2016** – Toachi Mining Inc., (“Toachi” or the “Company”) (TSX-V: TIM) is pleased to announce results from on-going drilling from a first phase drilling program at its La Plata gold-rich volcanogenic massive sulphide (“VMS”) project in Ecuador.

#### **Program Highlights**

- Hole CMLP-16-03 intersected 3.7 metres (m) of massive sulphide mineralization grading 10.22 grams per tonne (g/t) gold, 146.38 g/t silver, 1.81% copper, 2.07% lead and 29.43% zinc from 253.3 m.
- This VMS intersection is within a wider 12.7 m zone grading 4.04 g/t gold, 51.22 g/t silver, 0.56% copper, 9.18% zinc and 0.90% lead from 253.3 m to 266.0 m.
- Hole CMLP-16-04 intersected 5.3 m grading 5.19 g/t gold, 40.24 g/t silver, 3.15% copper, 8.98% zinc and 0.59% lead from a shallow depth of 45.6 m.
- This is within a wider 8.4 m intersection grading 4.16 g/t gold, 29.25 g/t silver, 2.7% copper, 5.81% zinc and 0.38% lead from a depth of 44.6 m to 53.0 m.
- Hole CMLP-16-04 was collared in the former open pit located in the north zone of the La Mina deposit and further confirms the strong correlation between high VMS metal content and geophysical gravity highs.
- Initial modelling of CMLP-16-04 suggests it represents a new zone of mineralization in addition to known VMS mineralization in the area of the former open pit.

Hole (3)(4)(7)	From (m)	To (m)	m	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	Au Eq (g/t)
CMLP-16-03 <i>within</i>	253.3	257	3.7	10.22	146	1.81	2.07	29.43	30.70
	253.3	266	12.7	4.04	51	0.56	0.90	9.18	10.62
CMLP-16-04 <i>within</i>	45.7	51	5.3	5.19	40	3.15	0.59	8.98	14.28
	44.6	53	8.4	4.16	29	2.70	0.38	5.81	10.84
CMLP-16-07 <i>within</i>	325	327.45	2.45	0.44	7	1.03	0.02	5.73	4.70
	321.93	333	11.07	0.42	8	1.56	0.07	2.19	3.46

- 1) Core widths in CMLP-16-03 and CMLP-16-07 are considered close to true widths. Intervals in CMLP-16-04 represent the down hole core intersection width and, until more data is available about the geometry of the mineralized zone, are not considered true widths. Gold assay composites were calculated using uncut assays. Gold equivalent values were calculated using a cut-off grade of 2 g Au/tonne and based on the following metal prices in US\$: Au \$1,310, Ag \$18.75, Cu \$2.15, Pb \$0.875 and Zn \$1.00
- 2) A complete list of all intersections are available in Table 1 below along with a plan map and cross section of CMLP-016-03

## Phase One Program Results

The drill results above form part of a first phase 4,000-m drill program which began in August and is designed to validate the historic drilling database at the La Plata project. The drilling program is intended to infill and expand known resources in the main La Mina VMS lens leading to the completion of a National Instrument 43-101 compliant resource estimate later next year.

Hole CMLP-16-03 intersected the southern portion of the main VMS deposit over a width of 3.7 m, which is typical of the range of drill intercepts in the historic data base. The high grade VMS zone is within a wider 12.7-m zinc-rich disseminated zone grading 9.18% zinc and 4.04 g/t gold.

“Assays from hole three including 10 grams gold and almost 30% zinc, are some of the highest grading drill results we have seen from the project to date and underscore our belief that the La Plata VMS project has considerable potential to develop into a robust project,” Nick Tintor, President and CEO said.



“As a result of this work and our growing understanding of the exploration potential, we plan to accelerate our field program with a second drill rig,” he added.

Hole CMLP-16-04 was collared in the area of the former La Mina open pit mine and intersected a 8.4 m intersection grading 4.16 g/t gold, 29.25 g/t silver, 2.7% copper, 5.81% zinc with 0.38% lead from 44.6 m. This intersection includes 5.33 m grading 5.19 g/t gold, 40.24 g/t silver, 3.15% copper, 8.98% zinc and 0.59% lead.

This result was much better than anticipated and intersected high grading VMS mineralization in a previously unidentified zone which has the potential to add resources.

Hole CMLP-16-07 was drilled in the upper flank of the VMS lens in the southern portion of the main VMS deposit and intersected several narrow zones of copper and zinc mineralization including 1.83 m grading 4.6% copper.

As a result of these encouraging results, Toachi plans to mobilize a second drill rig in November with a focus on testing exploration targets outside of the main La Mina VMS deposit. Coincidentally, the current drill rig will continue to focus on defining the limits of the main La Mina zone along strike and at depth.

Management believes the La Plata project, which is characterized by geology typical of major gold-rich VMS camps around the world, hosts excellent potential for discovering additional discrete VMS zones amongst the 14 exploration targets identified to date.

### **Gravity High Correlation**

Hole CMLP-16-04 was collared in the former La Mina open pit area which was mined from 1975-1981 and comprises the northern part of the main VMS deposit. Reprocessing of historic geophysical gravity data by Toachi showed an excellent correlation between gravity highs and near surface mineralization proximal to the former open pit mine. Computerized drill sections, recently compiled by the Company, also substantiate the gravity correlation with mineralization.

Hole CMLP-16-04 provides specific confirmation that VMS mineralization at the La Plata project correlates extremely well with geophysical gravity high anomalies. As a result, Toachi plans to conduct a property wide gravity geophysical survey beginning in early 2017.

For a review of the latest gravity survey reprocessing results received please see the Company's press release dated August 29, 2016 and available at [www.toachimining.com](http://www.toachimining.com) or [www.sedar.com](http://www.sedar.com).



## **La Plata Deposit Geology**

Gold-bearing sulphide mineralization at La Plata occurs as compositional banding composed of chalcopyrite, sphalerite and pyrite laminae with barite occurring as clasts and also as thin layers.

Base and precious metal mineralization at La Plata is interpreted to have formed as part of multiple volcanic episodes that created a stacked volcanic-exhalite hydrothermal sequence which is considered favorable for hosting multiple VMS lenses.

Examples of this exclusive group of gold-rich VMS camps include Noranda, Doyon-Bousquet-LaRonde and the Flin Flon camps in Canada.

Toachi's exploration staff has identified more than 14 discrete exploration targets across the property concessions which extend for more than 9 kilometres, attesting to the potential of this emerging district.

## **The La Plata Project**

Toachi entered into an option agreement with a private Ecuadorean company to earn between a 60% to 75% interest in the La Plata gold-copper-silver-zinc VMS project, located 85 km south of Quito, Ecuador.

For complete terms of the transaction, please see our press release dated February 11, 2016 which is available on our website at [www.toachimining.com](http://www.toachimining.com) or on [www.sedar.com](http://www.sedar.com).

La Plata is a gold-rich volcanogenic massive sulphide deposit which was the subject of small scale mining from both an open pit and underground workings from 1975-1981.

From 1996 to 2000, Cambior Inc., a Canadian mining company, completed 8,628 metres of drilling and a preliminary resource estimate totaling 840,000 tonnes grading 4.8 grams gold per tonne, 4.1% copper, 54.4 grams silver per tonne and 0.7% lead and 4.2% zinc per tonne in 1999, according to a report completed by AMEC Foster Wheeler, a mining consulting firm, in March 2015.

Following a drill program by Cornerstone Capital Resources Inc., which included 5,933 metres of drilling from 2006-2007, a revised mineral resource estimate totaling 913,977 tonnes grading 8.01 grams gold per tonne, 88.3 grams silver per tonne, 5.01% copper, 6.71% zinc and 0.78% lead per tonne in the inferred category was completed.



The resource estimates described above are historical estimates as defined by National Instrument 43-101 – *Standards of Disclosure for Mineral Projects S.2.4* (“NI 43-101”). Toachi has not completed the work required to independently analyze and verify the results of the previous

operators nor has a qualified person completed sufficient work to classify the estimates as current mineral resources or mineral reserves. With respect to the Cambior estimate, the Company is also not aware of what categories were used in the estimate. As a result, Toachi is not treating these estimates as current mineral resources or mineral reserves.

The Company believes these historic results provide an indication of the potential of the property and are relevant from an on-going exploration perspective.

### **QA/QC Sampling and Core Sampling Protocols**

Before sampling, a centreline, representing bottom of hole (or a reference line when this is not known) is marked on the drill core. The core is cut and sampled, always sampling the right-hand side of the drill core. Samples are selected based on logged geological features, such as rock type, mineralization, alteration, veining etc. Sample length does not exceed 1.2 m nor is smaller than 20 cm. In areas of similar geological characteristics, sample length is in general 1 m.

A total of 10% of the samples submitted are certified blanks and standards and field duplicates with, as a minimum, one blank submitted at the beginning of each sample batch. Certified standards are submitted at an average of 6% of the samples submitted. Field duplicates are taken at a rate of 1 in 20 of the samples taken.

For drill holes CMLP-16-03 and CMLP-16-07, analysis was completed by ALS Peru S.A. with sample preparation completed in Quito. The lab is accredited with International Standards ISO/IEC 17025:2005 and ISO 9001:2015.

All major ALS Geochemistry analytical laboratories are accredited to ISO/IEC 17025:2005 for specific analytical procedures.

For drill hole CMLP-16-04, analysis was completed by MS Analytical in Canada, with preparation performed by Ecuadorian partner, LAC y Asociados. Both LAC y Asociados and MSA are ISO 9001:2008 registered companies. MS Analytical also meets the requirements as outlined in ISO/IEC 17025.

### **Qualified Person**

Phil Fox, MAIG, a Qualified Person as defined by NI 43-101, has reviewed and approved the contents of this press release



## **About Toachi Mining Inc.**

Toachi brings a disciplined and veteran team of project managers together with a high grade gold-copper-silver-zinc project at La Plata in Ecuador. Toachi is focused on and committed to the development of advanced stage mineral projects throughout the Americas using industry best practices combined with a strong social license from local communities. Toachi Mining has 40,933,270 shares issued and outstanding.

## **Forward Looking Statements**

*Certain statements contained in this news release may constitute “forward-looking information” as such term is used in applicable Canadian securities laws. Forward-looking information is based on plans, expectations and estimates of management at the date the information is provided and is subject to certain factors and assumptions, including, that the Company’s financial condition and development plans do not change as a result of unforeseen events and that the Company obtains regulatory approval. Forward-looking information is subject to a variety of risks and uncertainties and other factors that could cause plans, estimates and actual results to vary materially from those projected in such forward-looking information. Factors that could cause the forward-looking information in this news release to change or to be inaccurate include, but are not limited to, the risk that any of the assumptions referred to prove not to be valid or reliable, that occurrences such as those referred to above are realized and result in delays, or cessation in planned work, that the Company’s financial condition and development plans change, and delays in regulatory approval, as well as the other risks and uncertainties applicable to the Company as set forth in the Company’s continuous disclosure filings filed under the Company’s profile at [www.sedar.com](http://www.sedar.com). The Company undertakes no obligation to update these forward-looking statements, other than as required by applicable law.*

## **FOR ADDITIONAL INFORMATION PLEASE CONTACT**

Nick Tintor, President and CEO

Telephone: 416 987 0855

Mobile: 416 953 4244

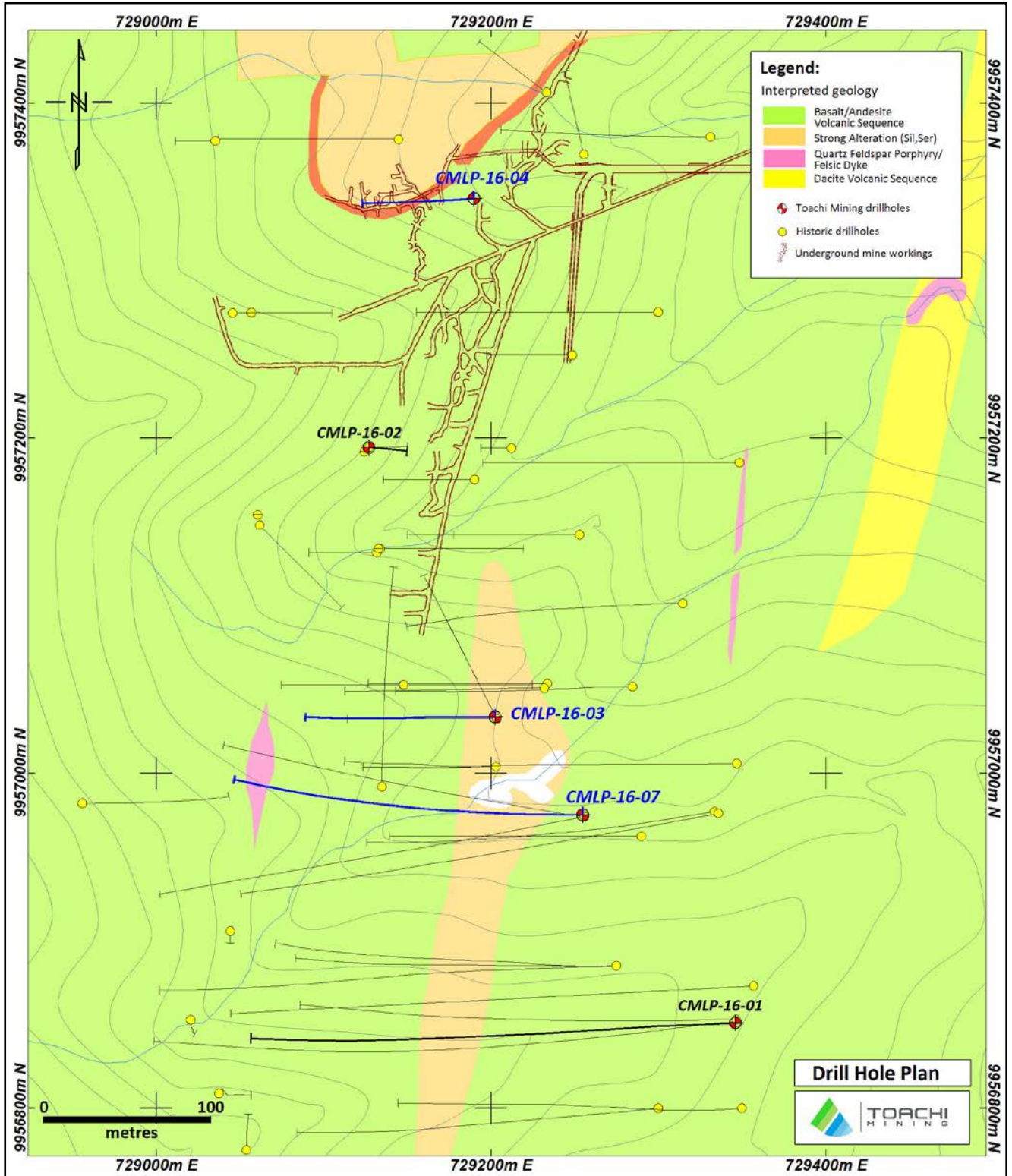
Email: [ntintor@rgmi.ca](mailto:ntintor@rgmi.ca)

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

**Table 1**

Hole	From (m)	To (m)	m	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	Au Eq (g/t)
<b>CMLP-16-03</b>	<b>217.2</b>	<b>218.4</b>	<b>1.2</b>	<b>0.20</b>	<b>3</b>	<b>2.01</b>	<b>0.01</b>	<b>0.04</b>	<b>2.54</b>
	<b>253.3</b>	<b>266</b>	<b>12.7</b>	<b>4.04</b>	<b>51</b>	<b>0.56</b>	<b>0.90</b>	<b>9.18</b>	<b>10.62</b>
<i>including</i>	<b>253.3</b>	<b>257</b>	<b>3.7</b>	<b>10.22</b>	<b>146</b>	<b>1.81</b>	<b>2.07</b>	<b>29.43</b>	<b>30.70</b>
<i>including</i>	<b>262</b>	<b>266</b>	<b>4</b>	<b>2.48</b>	<b>10</b>	<b>0.08</b>	<b>0.74</b>	<b>1.59</b>	<b>3.88</b>
<b>CMLP-16-04</b>	<b>44.6</b>	<b>53</b>	<b>8.4</b>	<b>4.16</b>	<b>29</b>	<b>2.70</b>	<b>0.38</b>	<b>5.81</b>	<b>10.84</b>
<i>including</i>	<b>45.7</b>	<b>51</b>	<b>5.3</b>	<b>5.19</b>	<b>40.2</b>	<b>3.15</b>	<b>0.59</b>	<b>8.98</b>	<b>14.28</b>
<b>CMLP-16-07</b>	<b>321.93</b>	<b>333</b>	<b>11.07</b>	<b>0.42</b>	<b>8</b>	<b>1.56</b>	<b>0.07</b>	<b>2.19</b>	<b>3.46</b>
<i>including</i>	<b>325</b>	<b>327.45</b>	<b>2.45</b>	<b>0.44</b>	<b>7</b>	<b>1.03</b>	<b>0.02</b>	<b>5.73</b>	<b>4.70</b>
<i>including</i>	<b>329.9</b>	<b>330.42</b>	<b>0.52</b>	<b>0.32</b>	<b>5</b>	<b>1.93</b>	<b>0.01</b>	<b>0.20</b>	<b>2.66</b>
<i>including</i>	<b>331.17</b>	<b>333</b>	<b>1.83</b>	<b>0.20</b>	<b>3</b>	<b>4.60</b>	<b>0.00</b>	<b>0.11</b>	<b>5.48</b>

**Drill Hole Location Plan**





### Drill Hole Section – CMLP-16-03

