



## **Toachi Mining Inc. Announces Maiden NI 43-101 Resource Estimate for the La Plata Gold-Rich VMS deposit in Ecuador**

**Toronto, Ontario – September 13, 2017** – Toachi Mining Inc., (“Toachi” or the “Company”) (TSX-V: TIM) is pleased to report the results of its maiden resource estimate completed for the La Plata gold-rich volcanogenic massive sulphide (“VMS”) project, located 85 kilometres southwest of Quito, Ecuador.

### **Resource Estimate Highlights**

- Based on a 4 grams gold-equivalent per tonne cutoff grade, (AuEq g/t), Inferred Resources in the North and South Sectors of the La Mina deposit total 1.9 million tonnes (Mt) grading 4.1 g/t gold, 49.4 g/t silver, 3.3 % copper, 4.5% zinc and 0.6% lead.
- Inferred Resources in the South Sector include higher grade mineralization for a total of 0.8 Mt grading 5.3 g/t gold, 71.1 g/t silver, 3.2% copper, 0.9% lead and 5.5% zinc at a 4 AuEq g/t cutoff grade.
- Robust metal grades, especially in the South Sector, underscore the potential for supporting a high margin, low capital expenditure mining operation.
- Recent extension drilling in the South Sector suggests potential for additional resources at depth, based on visual assessment of intersected mineralization. Analytical results for the step-out diamond drill holes are in process.



Table 1: La Plata Gold-Rich VMS Project Inferred Mineral Resource Estimate Summary as at September 1, 2017

Table 1 La Plata Deposit Inferred Mineral Resource – Ordinary Kriging Estimate											
Cut Off AuEq g/t	Mt	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	Au (koz)	Ag (koz)	Cu (Kt)	Pb (Kt)	Zn (Kt)
2	2.4	3.4	42.2	2.7	0.5	3.8	261	3,241	64	13	90
3	2.1	3.8	46.6	3.0	0.6	4.2	22	3,103	63	12	87
<b>4</b>	<b>1.9</b>	<b>4.1</b>	<b>49.4</b>	<b>3.3</b>	<b>0.6</b>	<b>4.5</b>	<b>245</b>	<b>2,977</b>	<b>61</b>	<b>12</b>	<b>85</b>
5	1.7	4.4	53.0	3.5	0.7	4.8	237	2,879	59	11	81
6	1.5	4.7	57.6	3.8	0.7	5.1	227	2,771	57	11	76
7	1.4	5.0	61.3	4.0	0.8	5.4	219	2,668	54	11	73
8	1.2	5.4	65.1	4.2	0.8	5.7	210	2,558	52	10	69
9	1.1	5.6	67.7	4.4	0.9	5.9	204	2,479	50	10	67
10	1.1	5.8	70.3	4.5	0.9	6.1	197	2,383	48	9	64

Note: Numbers affected by rounding.

The Mineral Resource estimate for the La Mina deposit in the La Plata project in Ecuador is reported in accordance with National Instrument 43-101 and has been estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) “Estimation of Mineral Resources and Mineral Reserves best Practice Guidelines”. This mineral resource estimate is classified as Inferred as defined by the CIM. The parameters used to define the gold equivalent cut off grade are listed below.

The final resource estimate report will be filed on SEDAR 45 days after the date of this press release.

Jonathan Goodman, President & CEO of Toachi stated, “We are very happy with the results of our initial resource calculation at La Plata and it continues to exceed our internal expectations.”

### Parameters Used in the Mineral Resource Estimate

The effective date for this mineral resource estimate is September 1, 2017. The mineral resource is reported at a range of in-situ gold-equivalent cut off grades, given the polymetallic nature of the La Plata deposit . A full list of all cut off grades used is included in Appendix 1 below.

The metal price parameters used are based on US dollars and are as follows:

Gold: \$1280/oz  
 Silver: \$17/oz  
 Copper: \$2.85/lb  
 Zinc: \$1.30/lb  
 Lead: \$1.05/lb



Preliminary metallurgical testwork has indicated that conventional flotation has resulted in very high total metal recoveries into three concentrates (copper-lead, zinc and pyrite). As such, the in-situ metal grades have been used to produce a gold-equivalent cut off grade for block model reporting purposes. Grind size optimization during metallurgical testwork suggests that finer grinding assists in targeting particular metals into the different concentrates. Further metallurgical sample collection and testwork is planned.

The La Mina geological model has been developed using Micromine, Vulcan and Isatis software based on available geological data from 126 diamond drill holes totaling 28,308 meters completed to August 2017.

Wireframes, representing the interpreted mineralized zones, were defined using a combination of geology, mineralization, multi-element geochemical analysis and a gold equivalent threshold (4 g/t AuEq which is approximately US\$165 in situ value, as an approximation of possible underground mining costs and subsequent processing costs). Wireframes were also produced to represent the contact zone between the 'hanging wall' and 'footwall' lithological groupings, two post-mineralization intrusive units (dolerite and rhyodacite) and the key post-mineralization faults that affect the La Plata deposit. Four mineralized domains were developed (one for the South zone and three for the North zone), as the domains are separated by post-mineralization faulting.

Mineralization is dominated by pyrite, chalcopyrite, sphalerite, galena, barite, quartz, sericite and minor bornite and covellite. Structural and mineragraphic analysis suggests that the deposit has been intensely deformed, with multiple recrystallization episodes.

[Figure 1](#) shows a perspective view of the four mineralized domains and the drilling.

As part of the data collection protocols adopted by Toachi, some 6,292 density measurements have been collected and the data has been used to estimate densities into the block model.

Detailed statistical analysis has been carried out on both the original sampling intervals and on one metre down hole composites, which were used for variography and grade estimation. The deposit was 'unfolded', using Vulcan and Istatis software, prior to variography and grade estimation in order to account for the variable geometry of the mineralized zones. Variography has been modelled with two-structure variograms, with first structure ranges of 40 to 50 meters in the major direction through to 8 to 10 metres in the minor direction, along with overall ranges in excess of 100 meters in the major direction and up to 20 meters in the minor direction.

## Block Model Reporting

Block model reporting has been carried out separately for the South and North Sectors of the deposit, separated by the central Quebrada Mala fault. Table 2 shows the Inferred Resources for the South Sector, while Table 3 summarizes the resources for the North Sector. [Figure 2](#) displays a plan view of the block model and representative cross sections, colour coded as AuEq in order to illustrate the high in-situ metal value while [Figure 3](#) shows a typical cross-section through the Southern Sector of the deposit, with the block model colour coded for the gold, silver, copper and zinc.

Cut Off AuEq g/t	Mt	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	Au (koz)	Ag (koz)	Cu (Kt)	Pb (Kt)	Zn (Kt)
2	1.0	4.7	64.7	2.7	0.8	4.8	147	2,041	27	8	47
3	0.9	5.0	68.5	3.0	0.8	5.2	144	1,964	27	7	46
<b>4</b>	<b>0.8</b>	<b>5.3</b>	<b>71.1</b>	<b>3.2</b>	<b>0.9</b>	<b>5.5</b>	<b>142</b>	<b>1,887</b>	<b>26</b>	<b>7</b>	<b>45</b>
5	0.8	5.7	75.9	3.4	0.9	5.8	139	1,837	26	7	44
6	0.7	6.1	80.4	3.6	1.0	6.1	136	1,789	25	7	42
7	0.6	6.5	84.8	3.8	1.0	6.4	133	1,737	24	7	40
8	0.6	6.7	88.3	3.9	1.1	6.6	130	1,703	24	6	39
9	0.6	6.9	90.3	4.0	1.1	6.7	128	1,665	23	6	38
10	0.5	7.2	93.5	4.2	1.1	6.9	124	1,604	22	6	37

Note: Numbers affected by rounding.

Cut Off AuEq g/t	Mt	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	Au (koz)	Ag (koz)	Cu (Kt)	Pb (Kt)	Zn (Kt)
2	1.4	2.5	26.5	2.7	0.4	3.0	114	1,200	37	5	42
3	1.2	2.8	30.0	3.1	0.4	3.4	108	1,139	36	5	40
<b>4</b>	<b>1.0</b>	<b>3.1</b>	<b>32.3</b>	<b>3.3</b>	<b>0.4</b>	<b>3.7</b>	<b>103</b>	<b>1,090</b>	<b>35</b>	<b>5</b>	<b>39</b>
5	0.9	3.3	34.6	3.6	0.5	4.0	99	1,043	33	4	38
6	0.8	3.5	37.9	4.0	0.5	4.3	91	982	32	4	34
7	0.7	3.7	40.4	4.2	0.6	4.5	86	931	30	4	32
8	0.6	4.0	42.8	4.5	0.6	4.8	80	855	28	4	30
9	0.6	4.2	44.8	4.7	0.6	5.0	76	814	27	4	28
10	0.5	4.3	46.5	4.9	0.7	5.2	73	779	25	3	27

Note: Numbers affected by rounding.



## **La Plata Deposit Geology**

Gold-bearing sulphide mineralization at La Plata occurs as compositional banding composed of variable proportions of pyrite, chalcopyrite, sphalerite, galena, barite, sericite and quartz. The mineralization has been intensely, and repeatedly, deformed and recrystallized, such that no remnant original volcanogenic compositional banding remains.

Base and precious metal mineralization at La Plata is interpreted to have formed as part of volcanic-exhalite hydrothermal sequence. On a regional scale, there is some evidence for multiple volcanic episodes that are 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.

## **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 internationally certified reference material (CRM) 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 (represented by duplicate quarter core samples from the original half core sampling interval) are taken at a rate of 1 in 20 of the samples taken.

Drill hole analysis was completed by MS Analytical in Canada, and by ALS in Peru.

For MS Analytical, preparation was 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.

For ALS, 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.

Referee analysis, on a representative suite of sample pulps from the Cambior and Cornerstone drilling campaigns, was carried out by MSA, with a suite of blanks and standards inserted into the sample sequence. In addition, referee analysis of the MSA and ALS analyses was undertaken by SGS Bor, Serbia on a representative set of pulps from the 2016 and 2017 Toachi drilling, along with blanks and standards inserted into the pulp sequence. Statistical analysis of the different sets of QAQC data has shown that assay precision and accuracy of the analyses of the different drilling campaigns meets international best practice standards.

### **Qualified Person**

Brian Wolfe, MAIG, a Qualified Person as defined by NI 43-101, and a principal of International Resource Solutions Pty Ltd., based in Perth, Australia, is the author of the NI 43-101 resource estimate and has reviewed and approved the contents of this press release.

### **The La Plata Project**

Toachi entered into an option agreement with a private Ecuadorian 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.

### **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 60,966,435 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**

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**Appendix 1**

<b>Gold Price US\$/oz</b>	1280
<b>Gold Price US\$/gm</b>	41.153
<b>AuEQ Cut Off</b>	<b>In Situ Value (US\$)</b>
2	82
3	123
4	165
5	206
6	247
7	288
8	329
9	370
10	412