Toachi Mining Inc. Identifies High Priority Exploration Targets

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TORONTO, Feb. 08, 2018 (GLOBE NEWSWIRE) -- Toachi Mining Inc., (“Toachi” or the “Company”) (TSXV:TIM) is pleased to announce that the recently collected gravity data has identified nine new, untested exploration targets at its La Plata high grade volcanogenic massive sulphide (“VMS”) gold-copper-silver-zinc project in Ecuador.

Gravity Anomalies

Soil Geochemistry

Priority Exploration Areas

Program Highlights

- A ground gravity survey was completed at the La Plata project in October 2017. This gravity survey covered the La Mina deposit as well as the Central and North Zone of the La Plata concession.
- 9 priority targets identified, comprising of coincident gravity and geochemical anomalies as well as historical mapping and trenching.
- New identified gravity anomalies are analogous to existing La Mina deposit signature.

Alain Bureau stated, “We are extremely excited by the results of the latest gravity survey. From the previous geology work and drilling completed at the La Mina deposit, we have proven a strong correlation between gravity anomalies and higher grade polymetallic sulphide mineralization. While La Mina hosts very high-grade mineralization within a relatively modest gravity anomaly, we’ve identified significantly larger anomalies in both size and intensity. With recent prospecting identifying prospective rock types on these anomalies, we intend to extensively test these targets in the coming months.”

Gravity Data and VMS Mineralization at La Plata – New, Untested Targets

As a result of the recent resource estimate and geochemical studies, Toachi recognized a very strong correlation between anomalous gravity highs and VMS mineralization.

The gravity highs are believed to be associated the presence of intense barite alteration. Barite has been shown to have a strong relationship with the sulphide mineralization in this type of VMS deposit.

Additionally, anomalous property-wide soil geochemistry (refer to Figure 2) and historic trenching during the 1990s, reported the presence of barite at the Bella Vista prospect and is coincident with the new gravity anomalies.

Toachi also identified gravity anomalies at the Lisica, Lisica South, and Lucho targets. Recent mapping has identified highly prospective altered and mineralized Macuchi Unit volcanic rocks.

Figure 1 outlines the results of the combined gravity survey over the Central and North Zone of the La Plata

property with priority prospects, recent 43-101 La Mina resource blocks, and the old underground mine workings.

Exploration Potential

The recent gravity survey and processing has been successful in generating new, untested exploration targets at the La Plata project.

New priority untested targets include:

- Bella Vista and Bella Vista South – A very large, intense 1,800 m x 250 m linear target area in the north-eastern part of the property, with coincident anomalous soil geochemistry. Historic trenching identified anomalous base and precious metal mineralization and elevated values of barium.
- Lucho, Lisica, and Lisica South – A 2,800m x 250 m linear gravity anomaly on the eastern flank of the La Plata property. Recent mapping has identified phyllic, silicic, and chloritic alteration and visible pyrite and sphalerite mineralization (area not covered by existing soil sample data).
- El Diablo – 1,300 m west of Bella Vista, comprising a large 1,300 m x 80 m linear gravity anomaly, with coincident anomalous soil geochemistry.
- El Diablo East – 400 m east of El Diablo, 150 m x 350 m gravity anomaly, with coincident anomalous soil geochemistry.
- Aguas Calientes – Immediately west of the La Mina deposit, 400 m x 120 m target (no existing soil sample coverage).
- San Pablo North – South of the El Diablo anomaly, 700 m x 60 m target.
- In addition to numerous other gravity anomalies.

Toachi intends to initiate immediate follow-up ‘ground-proofing’ of all these priority targets, and to extend geochemical soil sampling coverage to cover the un-sampled extents of the recent geophysical survey. This exploration approach will result in the implementation of exploration drill holes’ locations for the new findings.

Exploration Strategy

The latest gravity survey has confirmed significant gravity anomalies at several of the currently identified prospects within the La Plata concession and has also outlined additional areas for follow-up exploration.

For exploration purposes, the La Plata project has been subdivided into 3 separate areas of interest, based mainly on current geological knowledge and prospectivity (refer to Figure 3).

The North Zone has highlighted a number of large coincident soil and geophysical anomalies, and is a priority area.

The Central Zone has previously been the focus of the Company’s exploration efforts in 2016 and 2017, and the area of interest has now grown due to the latest geophysical information. The eastern portion of the concession containing the Lucho, Lisica, and Lisica South will be the second-order of focus.

The South Zone remains relatively unexplored with limited historical information. The area hosts the same prospective Macuchi Unit volcanic rocks as found in the North and Central Zones.

Infill soil sampling at the North and Central Zones will commence in early Q2, 2018 as a priority, and will continue into the South Zone. An additional ground gravity survey is scheduled at the South Zone in early 2019, to help focus the Company’s exploration efforts.

A photo accomanying this announcement is available at:
http://www.globenewswire.com/NewsRoom/AttachmentNg/db710224-8d83-4e56-bb35-38ef523616dd

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Program Results

The 69 line-km ground gravity survey was completed in October 2017 by Quantec Geoscience of Toronto, Ontario. The survey was designed to cover the Central and North Zone of the La Plata concession, concentrating on the known mineralized corridor north of the La Mina deposit, and to tie in the existing 2002 gravity survey.

The original 2002 gravity survey was reprocessed in August 2016 and, as a result, accurately identified the known extents of the La Mina VMS deposit, as well as a number of other significant exploration targets. Complete details for the 2002 gravity reprocessing are available in our press release dated August 29, 2016 and available on our website at www.toachimining.com or on SEDAR at www.sedar.com. As a result of the success of reprocessing the original gravity survey, Toachi embarked on a much larger gravity survey to assist in targeting additional mineralized bodies on the La Plata property.

This recent larger gravity survey has been successful in identifying an additional 9 priority targets, in addition to other targets. These targets also correlate well with existing geophysical, geochemical and field mapping data.

Gravity Collection and Data Processing

Quantec Geosience used a highly reliable “LaCoste & Romberg Gravity Meter” Model G: SN: 470, 743, 747, & 1194. This instrument has a world-wide calibration range and a reading resolution of 0.01 mGal. For the purpose of GPS survey, the “Dual Frequency Trimble R8” Model 2 and Model 3 with Glonass enabled were used as a receivers. The Trimble® R8 GNSS System is a multi-channel, multi-frequency GNSS (Global Navigation Satellite System) receiver, antenna, and data-link radio combined in one compact unit. The Trimble R8 combines advanced receiver technology and a proven system design to provide maximum accuracy and productivity.

The combined gravity data was processed using the 3DMGInv gravity inversion routine, an advanced, leading edge software program that enables the geometry and the physical properties, such as the density of the postulated anomaly sources, to be more accurately characterized.

Toachi working with David McInnes, an Australian geophysicist and an authority on processing and interpretation of gravity data, analyzed gravity surveys completed by Compañia Minera Buenaventura (“Buenaventura”) in 2002 and by Quantec Geoscience (“Quantec”) in 2017. The purpose of the original gravity survey, according to a report completed for Buenaventura, was to determine if mineralization which outcrops in the area around the former La Mina open pit mine, would generate a gravity anomaly.

This original Buenaventura program was successful in demonstrating that VMS mineralization and its associated alteration, which have high densities relative to surrounding barren volcanic basaltic and andesitic rocks, generate a distinct gravity anomaly in the area of the La Mina VMS deposit.

The Buenaventura survey included eight 200 m spaced east-west lines, and a central tie-line, totaling 10.6 km, which covered only a small portion of the entire La Plata concession. The Quantec survey included thirty-nine 150 m spaced east-west lines, totalling 69 line-km and 2,659 measurement points.

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 100 km south-west of Quito, Ecuador. For complete terms of the transaction, please see our press release dated February 11, 2016.

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.

Toachi announced the results of its maiden 43-101 resource estimate completed for the La Mina VMS deposit on the La Plata concession on September 13, 2017. Based on a 4 grams gold-equivalent per tonne cut-off 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.

The metal price parameters used in the resource estimate are based on US dollars and are as follows; Gold: $1280/oz, Silver: $17/oz, Copper: $2.85/lb, Zinc: $1.05/lb and Lead: $1.30/lb.

Robust metal grades, especially in the South sector, underscore the potential for supporting a high margin, low capital expenditure mining operation.

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

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 61,166,435 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. The Company undertakes no obligation to update these forward-looking statements, other than as required by applicable law.

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