Toachi Mining Discovers Outcropping VMS Horizon and Trench Cuts 2.5M @ 5.36 G/T Au, 71.18 G/T Ag, 2.14% Cu 3.22% Pb & 10.86% Zn North of Its La Mina Deposit in Ecuador

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Toachi Mining Inc., (“Toachi” or the “Company”) (TSX-V: TIM) (OTCQB: TIMGF) has completed a series of new high grade trenching results and encouraging stream sediment sampling results extending to 1.1 km the known VMS corridor footprint towards the north including trenching of 2.5m of 5.36 g/t Au, 71.18 Ag, 2.14% Cu, 3.22% Pb & 10.86% Zn.

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Figure 2

Exploration Program Highlights

Distance*	Prospect	Highlights
225 M	Guatuza	30.3 meters @ 0.75 g/t Au 10.08 g/t Ag, 0.75% Cu, 0.13% Pb and 2.92% Zn from 20.7m dep meters @ 1.57 g/t Au, 22.94 g/t Ag, 1.66% Cu, 0.44% Pb and 6.64% Zn from 26m depth.
275 M	Guatuza	Previously reported drill hole intercepts (Toachi Press Release dated March 1st, 2017) from e hole CMLP-16-21 not included in the latest NI 43-101 resource estimate. 2.5 meters of 5.36 g/t Au, 71.18 Ag, 2.14% Cu, 3.22% Pb & 10.86% Zn & 2.7 meters of 2.36 Ag, 0.65% Cu, 1.99% Pb & 8.87% Zn.
300 M	Guatuza	Channel sample assay results from surface trenching program at Guatuza prospect south wa VMS. Discovery in Guatuza north wall of sheared VMS horizon composed of alternating layers of m sphalerite, galena, and pyrite. (Trench channel sample assays pending)
440 M	Guatuza	Rock sample A13479 from cleared surface exposure assaying: 0.36ppm Au, 21.3ppm Ag, 0.5 Pb, 0.58% Zn
580 M	Guatuza North	VMS xenolith rock sample A13532 assaying: 4.5ppm Au, 51.3ppm Ag, 16.55% Cu, 0.02% Pb, 5.83% Zn

*This distance is calculated from the northern edge of the La Mina resource polygon (Figure 2)

- 204 stream sediments samples collected and assayed
- 1107 mapping observations taken and plotted
- 254 rock chip samples collected and assayed
- Discovery of a covered surface VMS horizon
- Five surface trenches channel sampled across the VMS horizon
- Trench samples show similar polymetallic high-grade mineralization to VMS mineralization in the La Mina south and north block

Alain Bureau, President and CEO stated, "Results from the surface trenching program to date shows significant continuity of high grades, widths and consistent mineralization right at surface identical to the surface signature at La Mina deposit.”

Guatuza Trenching Significant Intercepts

Channel	From (m)	AuEq (g/t) Intercept*	Au (g/t)	Ag (g/t)	Cu %	Pb %	Zn %
LPTR-18-03	4.0	1.5m @ 5.19 g/t AuEq	2.76	54.10	0.93	0.35	0.26
LPTR-18-04	2.0	3.5m @ 5.36 g/t AuEq	1.24	15.89	1.50	0.42	2.09
including	4.0	0.5m @ 11.15 g/t AuEq	2.02	27.40	4.39	0.34	2.74
LPTR-18-05	0.0	1.6m @ 9.75 g/t AuEq	3.51	46.14	1.66	2.26	2.99
including	0.9	0.7m @ 12.59 g/t AuEq	5.62	57.90	2.12	2.05	2.97
LPTR-18-06	0.0	2.7m @ 10.81 g/t AuEq	2.36	45.41	0.65	1.99	8.87
including	0.0	0.7m @ 29.25 g/t AuEq	7.14	156.00	1.16	7.50	22.11
LPTR-18-07**	0.0	2.5m @ 18.37 g/t AuEq	5.36	71.18	2.14	3.22	10.86

- *Based on a 4ppm AuEq cut-off grade, 1m minimum composite length and 1m maximum internal dilution. Gold equivalent grades are calculated using the following metal prices in US$: 1235 Au/Oz, 14.5 Ag/Oz, 2.8 Cu/lb, 0.9 Pb/lb & 1.2 Zn/lb. Sampled widths in LPTR-18-03, 04, 05 & 06 are considered the true widths cutting perpendicular to the mineralization. **The width in LPTR-18-07 is not considered the true width of the mineralization.
- Complete trenching results summary is available in Table 1 along with a plan map and channel profiles (Figure 1a & Figure 1b)

Guatuza Drilling Significant Intercepts

Hole	From (m)	AuEq (g/t) Intercept*	Au (g/t)	Ag (g/t)	Cu %	Pb %	Zn %
CMLP-16-21	12.2	5.9m @ 7.19 g/t AuEq	0.80	6.55	3.06	0.02	2.31
CMLP-16-21	20.7	30.3m @ 4.05 g/t AuEq	0.75	10.08	0.75	0.13	2.92
including	26.0	5.0m @ 9.06 g/t AuEq	1.57	22.94	1.66	0.44	6.64
CMLP-16-21	126.4	5.6m @ 2.08 g/t AuEq	0.58	11.50	0.11	0.20	1.64
CMLP-16-22	15.0	15.6m @ 3.67 g/t AuEq	1.19	16.50	0.24	0.60	2.43
CMLP-16-24	25.0	2.0m @ 2.71 g/t AuEq	0.45	4.00	0.65	0.01	1.79
CMLP-16-24	30.0	4.3m @ 3.10 g/t AuEq	0.33	2.23	1.11	0.01	1.52
CMLP-16-24	79.4	7.0m @ 3.23 g/t AuEq	2.24	44.72	0.07	0.17	0.41

* Based on 2 ppm AuEq cut-off grade, 2m minimum composite length and 2m maximum internal dilution. Gold equivalent grades are calculated using the following metal prices in US$: 1235 Au/Oz, 14.5 Ag/Oz, 2.8 Cu/lb, 0.9 Pb/lb & 1.2 Zn/lb. Core widths in CMLP-16-21 and CMLP-16-22 are not considered to be true widths. Core width in CMLP-16-24 is considered to be close to the true width.

Exploration Program & Vectoring Summary

Exploration work and resource drilling results completed to date suggest that the La Mina VMS Deposit belongs to a subset of VMS deposits where sulfides have replaced favorable horizon(s) of unconsolidated volcanic and volcano-sedimentary material through a specific mechanism of hydrothermal activity at the paleo sub-seafloor level (after Piercey, S. J., 2015).

High-grade massive sulfide mineralization at La Mina is overlain by a thick sequence of mafic volcanic and volcaniclastic rocks with incipient chlorite-epidote-hematite alteration. However, the immediate hanging wall contact to the VMS ore zone has been subsequently affected by the final waning phases of hydrothermal activity, and consequently exhibits a distinct geochemical signature. This thin contact horizon shows silica ± hematite metasomatic replacement with anomalous geochemistry in combinations of many or all of these elements (Au, Ag, As, Ba, Sb, Hg, Cu, Pb, Zn).

The above observations were used as a vectoring tool along with our understanding of the La Mina deposit lithostratigraphy and unique alteration styles in defining the immediate hangingwall and the footwall to the known VMS ore horizon.

Regional exploration at La Plata has always faced a challenge because of the scarcity of bedrock exposures related to dense subtropical foliage and moderately thick cover sequences of airfall tuffs and pyroclastic

debris flows. This has guided exploration efforts to use a multi-faceted systematic approach. Toachi’s interpretation of geophysical survey data (IP, magnetic, gravity) in conjunction with field reconnaissance, rock chip sampling and stream sediment sampling programs led the exploration team to new under-explored areas with partially covered bedrock that was cleared, sampled and mapped. These exploration efforts also pertain to our current focus on the assessment, understanding and discovery of new targets close to the existing La Mina deposit.

Prior to and during the field reconnaissance and stream prospecting programs north of the La Mina deposit, the Toachi team considered the evidence that the extensive shear zones mapped across this area may have been re-activated several times throughout their geological history. These shear zone structures might have acted as conduits allowing hydrothermal fluids to recurrently circulate leading to alteration of the adjacent mafic volcano-sedimentary hanging wall sequence and possibly remobilizing the primary sulphide mineralization giving the appearance of a phyllic altered footwall or a VMS stringer zone. These weakened zones of intense faulting and shearing exhibit numerous deformation styles and varying geometries and are inferred to be formed along the susceptible mafic-felsic contact zones due to their different rheologic properties.

The Toachi team has identified these deformed contact zones as an additional robust vectoring tool, that when properly interpreted, will help in the understanding of the relationship between present-day geomorphology and mineralization within the area, and ultimately may lead to the discovery of new VMS horizons. These latest results, together with the interpreted geological, geochemical and geophysical survey results, have defined several priority drill target areas along the new north extension of the VMS corridor.

Stream Sediments & Trenching

The inferred continuation of the previously covered high-grade VMS horizon at the Guatuza and San Ramon prospects is strongly supported by the results of recent stream sediment prospecting and trenching (Figure 2). The stream sediment samples taken in a NE trending stream and its western confluences draining the Guatuza and San Ramon prospects have yielded moderate to highly anomalous values for gold, silver, copper, lead, zinc, barium, arsenic, mercury and antimony. This inferred 550m long N-S mineralized corridor, starting at the southern end of the Guatuza prospect, is also supported by coincident geophysical (IP chargeability) and geochemical (soil and rock) anomalies.

Additionally, stream sediment samples collected along the San Ramon drainage to the west stretching some 650m further to the north from the Guatuza North prospect have shown continuous and persistent geochemical anomalies along the western side of the prominent NNE trending ridge separating the Guatuza’s and the La Flaca Prospects (previously inferred by a subtle elongated gravity high and soil geochemical anomalies).

Drilling

The Guatuza prospect was the subject of sporadic exploration activity by several previous operators working at La Plata. The prospect has undergone partial, wide-spaced exploratory drilling that resulted in several significant mineralized drill hole intercepts.

Toachi drilled six (6) shallow scout holes totaling 802m in 2016 and 2017 to test the continuity and grade of the previously identified mineralized zones. The intersected VMS mineralization tested by scout drilling appeared to be discontinuous, faulted, and exhibiting intense ductile and brittle deformations. These drill hole intercepts were previously reported in a corporate press release dated March 1st, 2017. Toachi determined at that time that more work was needed to understand the nature and geometry of the intersected high-grade mineralization.

The reinterpretation by Toachi of the historic and current drill holes at Guatuza, along with additional field reconnaissance, has inferred a continuous NNE trending mineralized shear corridor cutting through the prospect. The continuation of this corridor has been confirmed to extend to the north-northeast for at least 215m from the mineralized intercept in drill hole CMLP-16-21.

QA/QC Sampling Protocols

Stream sediment samples were collected and sieved at the sampling site using a 1mm screen. The control duplicate samples were taken at a rate of 1 in 20 of the samples taken. The material was tagged, packed into a plastic and calico bags, then air dried at the Toachi’s field camp in Palo Quemado. The semi-dry samples were dispatched to LAC y Asociados laboratory in Cuenca, Ecuador and further sieved using the 0.18mm screen. The sieved <0.18mm samples were then shipped to MS Analytical in Canada for analysis.

Trenching undertaken by Toachi Mining in 2018 has been supervised by onsite personnel at the project who rigorously collect and track samples, which are then sealed and shipped to MS Analytical in Canada for analysis. Samples with base metal assay results above 1% have been re-assayed using the multi-element ICP-ES, 4 acid digestion analytical method for ore grade assays. The preparation was performed by Ecuadorian partner, LAC y Asociados.

LAC y Asociados and MSA are ISO 9001:2008 registered companies. MS Analytical also meets the requirements as outlined in ISO/IEC 17025. Analytical accuracy and precision are independently controlled using blanks, control reference material and duplicate samples.

For all reported drill holes, 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.

The Qualified Person under the NI 43-101 Standards of Disclosure for Mineral Projects for this news release is Dr. Michael D. Druecker, Ph.D., CPG who has reviewed and approved its contents.

About Toachi Mining Inc.

Toachi brings a disciplined and veteran team of project managers together with one of the industry’s highest grade polymetallic projects 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 81,166,435 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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