

Atacama's phase 2 Aguas Blancas development progresses

Atacama Minerals Corp

AAM

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News Release

Mr. Richard Clark reports

ATACAMA MINERALS CORP.: AGUAS BLANCAS PHASE 2 DEVELOPMENT UPDATE

Atacama Minerals' phase 2 development at Aguas Blancas is well under way. Completion of a pilot mechanical leaching plant is anticipated by year-end. The pilot plant will define the operating parameters for commercial production of the extensive high-grade Virgin ore reserves at Aguas Blancas. Production from the pilot plant will increase iodine output from Aguas Blancas from 60 to 90 tonnes per month.

As at July 31, 2002, 14 240,000-tonne heaps had been constructed at Aguas Blancas, discharging to this point 370 tonnes of iodine. Approximately \$5-million (U.S.) of iodine remains under leach in these heaps. Additional heaps are being constructed at the rate of approximately one heap per month. Iodine sales are robust, with all iodine produced being sold. July, 2002, sales were in excess of \$1.5-million (U.S.).

Sodium sulphate production is on schedule for the first quarter of 2003. Initial production will be from the mechanical leach pilot plant and harvesting of the first sodium sulphate salts from the evaporation ponds at a rate of 50,000 to 100,000 tonnes per year. Aguas Blancas will be one of the lowest-cost producers of sodium sulphate in the world and, at full operation, will be the largest mine in South America. Sodium sulphate sales discussions continue with interested parties.

Aguas Blancas is a world-class deposit of iodine, sulphate and nitrate located in the Atacama desert of northern Chile, 100 kilometres from the major Chilean port of Antofagasta. Aguas Blancas achieved full first-phase production of 720 tonnes of iodine per year in January, 2002. Atacama Minerals Chile S.C.M. holds a 50-per-cent interest in Aguas Blancas. The company's partner, ACF Minera S.A., holds the remaining 50 per cent and is the operator.