

# Atico Reports Consolidated Financial Results for Third Quarter of 2024

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VANCOUVER, Nov. 19, 2024 - [Atico Mining Corp.](#) (the "Company" or "Atico") (TSX.V: ATY | OTC: ATCMF) today announced its financial results for the three months ended September 30, 2024, posting income from mining operations of \$5.8 million and net income of \$1.2 million for the quarter. Production for the quarter at Atico's El Roble mine totaled 2.9 million pounds ("lbs") of copper and 2,072 ounces ("oz") of gold in concentrate at a cash cost<sup>(1)</sup> of \$2.44 per payable pound of copper<sup>(2)</sup>.

Fernando E. Ganoza, CEO and Director, commented, "During this period, the mine's operational metrics aligned with our expectations, despite being lower compared to both the previous quarter and the same period last year. Nonetheless, we still delivered strong financial results, as we recognized revenue from the planned concentrate shipment, in addition to a portion of the shipment that was scheduled for the prior quarter." Mr. Ganoza continued, "For the remainder of the year, our focus will be on meeting production targets and enhancing cost efficiencies at El Roble. We will also continue to advance the engineering and permitting of the La Plata project, while executing the near-mine drilling program at El Roble, which aims to replace resources and extend the life of mine."

## Third Quarter Financial Highlights

- Net income for the quarter amounted to \$1.2 million, compared with \$1.1 million net loss for the comparative quarter of last year. Income for the period was primarily due to higher sales.
- Sales for the quarter increased 61% to \$24.6 million when compared with \$15.3 million in Q3-2023. Copper ("Cu") and gold ("Au") accounted for 78% and 22% of the 11,936 (Q3-2023 - 8,325) dry metric tonnes ("DMT") sold during Q3-2024.
- The average realized price per metal was \$4.30 (Q3-2023 - \$3.87) per pound of copper and \$2,574 (Q3-2023 - \$1,936) per ounce of gold.
- Ending working capital was \$6.9 million (December 31, 2023 - \$2.1 million deficit), while the Company had \$14.1 million (December 31, 2023 - \$6.0 million) in long-term loans payable.
- Cash costs<sup>(1)</sup> were \$145.34 per tonne of processed ore and \$2.44 per pound of payable copper produced, which was an increase of 10% and 24% over Q3-2023, respectively. The increase in cash costs per pound of payable copper produced is due to lower copper output due to lower grade and lower gold (by-product) credits due to lower gold grade.
- Cash margin was \$1.86 per pound of payable copper produced<sup>(1)</sup>, which was a decrease of 2% over Q3-2023 due to the higher cash cost per pound (above), partially offset by an increase in realized copper and gold price.
- All-in sustaining cash cost per payable pound of copper produced<sup>(1)</sup> was \$3.60 (Q3-2023 - \$2.64) which is primarily due to the increase in cash cost per pound (above) and higher commercial and government royalties from increased sales, as well as a decrease in total payable copper produced.
- In August 2024, the Company entered into an amendment and restatement agreement with Trafigura PTE. LTD. (the "Lender") to amend the US\$ 10 million credit agreement it had entered into with the Lender in February 2022, by extending the maturity date of the credit facility from August 8, 2024, to July 31, 2026.

## Third Quarter Summary of Financial Results

	Q3 2024	Q3 2023
Revenue	\$ 24,599,601	\$ 15,279,950
Cost of sales	(18,835,153 )	(13,225,475 )
Income from mining operations	5,764,448	2,054,475
As a % of revenue	23 %	13 %
General and administrative expenses and share-based payments	(1,569,840 )	(1,586,297 )

Income from operations	4,194,08		468,178	
As a % of revenue	17	%	3	%
Income before income taxes	3,842,615		332,420	
Net income (loss)	1,156,185		(1,063,401)	)
As a % of revenue	5	%	(7	%
Operating cash flow before changes in non-cash operating working capital items <sup>(1)</sup>	8,113,422		2,655,490	

### Third Quarter Consolidated Operational Details

In Q3-2024, the Company produced 2.9 million lbs of copper, 2,072 oz of gold, and 8,239 oz of silver. When compared to the same period in 2023, production decreased by 23% for copper and 23% for gold, which was due to average copper head-grades decreasing by 14% and average gold head-grades decreasing by 17%, and tonnes of processed ore also decreasing by 10% compared to Q3-2023.

	Q3 2024	Q3 2023	% Change	
Production (Contained metals) <sup>(3)</sup>				
Copper (000s lbs)	2,912	3,762	(23	%)
Gold (oz)	2,072	2,705	(23	%)
Silver (oz)	8,239	9,979	(17	%)
Mine				
Tonnes of material mined	67,869	77,947	(13	%)
Mill				
Tonnes processed	67,354	74,580	(10	%)
Tonnes processed per day	856	888	(4	%)
Copper grade (%)	2.13	2.46	(14	%)
Gold grade (g/t)	1.52	1.83	(17	%)
Silver grade (g/t)	8.70	10.13	(14	%)
Recoveries				
Copper (%)	92.2	93.0	(1	%)
Gold (%)	62.9	61.9	2	%
Silver (%)	44.4	41.0	8	%
Concentrates				
Copper Concentrates (DMT)	7,248	9,336	(22	%)
Copper (%)	18.2	18.3	(0	%)
Gold (g/t)	8.9	9.0	(1	%)
Silver (g/t)	35.4	33.2	6	%
Payable copper produced (000s lbs)	2,737	3,536	(23	%)
Cash cost per pound of payable copper (\$/lbs) <sup>(1)(2)</sup>	2.44	1.97	24	%

The financial statements and MD&A are available on SEDAR+ and have also been posted on the company's website at <http://www.aticomining.com/s/FinancialStatements.asp>

### El Roble Third Quarter Updates

The ongoing Arbitration at the Center for Arbitration and Conciliation of the Bogota Chamber of Commerce to resolve the El Roble royalty dispute with the National Mining Agency is progressing with the first procedural hearing of the arbitration held on July 2, 2024, during which the arbitrators declared themselves competent and allowed for the arbitration process to continue. The evidentiary hearings were completed, and witnesses' testimonies from both the National Mining Agency and the Company were heard by the Tribunal. The proceedings are ongoing according to schedule, with the final hearing scheduled for December 10, 2024, in which the investigation phase of the process will conclude, and the closing arguments of the parties will be heard by the Tribunal. The tribunal's final decision is due by January 15, 2025, with an allowable six-month extension as per the arbitration rules. If the Tribunal's final decision favors the Company, the Payment Plan

will cease, and any amounts paid under the Payment Plan with the National Mining Agency will need to be reimbursed to the Company or offset against future royalty obligations.

The Payment Plan is payable in biannual instalments for a total principal amount of COP\$101,217,832,270 (approximately \$24.3 million) plus interest at a 6% annual rate. As at September 30, 2024, the Company has paid to the National Mining Agency a total principal amount of COP\$30,598,648,182 (approximately \$7.4 million) plus interest. As of September 30, 2024, all of the dry metric tonnes of metals concentrate in inventories were pledged as security for the principal amount of the Payment Plan that remains outstanding. While this pledged inventory is recorded at cost on the balance sheet, its fair market value at the end of Q3-2024 is sufficient to pay the vast majority of the outstanding balance of the Payment Plan.

### *La Plata Third Quarter Updates*

In May 2022 the Company received the technical approval of its Environmental and Social Impact Assessment ("ESIA") study for the La Plata project and the Ministry of Environment, Waters and Ecological Transition (MAATE) initiated the socialization of the ESIA, through an environmental public consultation process, as an important step for the issuance of the environmental license for the La Plata project. However, on July 31, 2023, the Constitutional Court in Ecuador, admitted for processing a claim of the Confederation of Indigenous Nationalities of Ecuador (CONAIE) and other complainants, provisionally suspending Executive Decree No 754 signed on May 31, 2023, that regulates environmental consultations for all public and private industries and sectors in Ecuador - not limited to extractive industries.

The La Plata environmental consultation process was, as result put on pause until a ruling was made from the Constitutional Court in Ecuador. On November 17, 2023, the Ecuadorian Constitutional Court ruled the Executive Decree 754 was unconstitutional, but decided to maintain the decree in force until the Ecuadorian National Assembly enacts this procedure into Organic Law. Until the Assembly passes the necessary organic law, the temporary suspension of the Decree was revoked by the Constitutional Court and the Decree remains in effect. This allows many projects across all industries and sectors, including La Plata, to resume their respective consultation process, which MAATE reinitiated for La Plata during Q1-2024.

On March 22, 2024, the mayor of the Canton of Sigchos, CONAIE and other complainants (the "Claimants") filed a constitutional protective action against MAATE and other governmental entities, challenging the environmental consultation process that was being conducted by MAATE which is an important step for the issuance of the La Plata environmental license. The protective action was accepted by the Court on March 25, 2024, and the Court proceeding was carried out in the Judicial Unit of the Canton of Sigchos, in the province of Cotopaxi, Ecuador, between May 20, 2024, and July 9, 2024. On August 2, 2024, the Court issued a binding oral ruling, rejecting the Protective Action filed by the Claimants. The Court concluded that the consultation process conducted by MAATE complied with applicable legal requirements, did not constitute rights violations, and removed the cautionary measures previously applied. The court issued the ruling in writing on August 5, 2024. After the Court's ruling, the Claimants advised the Court of their intention to appeal the Court's decision. The appeal will be heard by the Provincial Court of Justice of Cotopaxi in due course. No date for the appeal has been set.

On July 2, 2024, the Company reported results of the La Plata Feasibility Study prepared in accordance with National Instrument 43-101 and the Technical Report was filed on SEDAR+ on August 14, 2024.

- Initial Probable Mineral Reserves for the La Plata project 2.51 Mt with an average grade of 1.59% Cu, 2.28 g/t Au, 30.41 g/t Ag, and 2.18% Zn.
- Updated Indicated Resources of 2.345 Mt with an average grade of 2.13% Cu, 2.98 g/t Au, 40 g/t Ag, 3.05% Zn and Inferred Resources of 380 Kt at average grade of 0.96% Cu, 1.75 g/t Au, 38 g/t Ag, 2.29% Zn.
- Average annual production of 9.71 Mlbs Cu, 15,929 oz Au, 226,299 oz Ag, and 13.25 Mlbs Zn in concentrates over 8.1 years Life of Mine ("LOM")
- Initial Capex of US\$91 Million, including a 9.8% contingency
- Average AIC<sup>(1)</sup> of US\$2.70 per payable lb of Cu equivalent produced over LOM
- After Tax NPV of US\$93M at a 5% discount rate and an IRR of 25.1%

The Company continues to work on obtaining the necessary permits and the environmental license to begin construction of the La Plata project.

### Qualified Person

Mr. Thomas Kelly (SME Registered Member 1696580), advisor to the Company and a qualified person under National Instrument 43-101 standards, is responsible for ensuring that the technical information contained in this news release is an accurate summary of the original reports and data provided to or developed by Atico.

### About [Atico Mining Corporation](#)

Atico is a growth-oriented Company, focused on exploring, developing and mining copper and gold projects in Latin America. The Company generates significant cash flow through the operation of the El Roble mine and is developing its high-grade La Plata VMS project in Ecuador. The Company is also pursuing additional acquisition of advanced stage opportunities. For more information, please visit [www.aticomining.com](http://www.aticomining.com).

### ON BEHALF OF THE BOARD

Fernando E. Ganoza  
CEO  
Atico Mining Corporation

Trading symbols: TSX.V: ATY | OTC: ATCMF

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### Cautionary Note Regarding Forward Looking Statements

*This announcement includes certain "forward-looking statements" within the meaning of Canadian securities legislation. All statements, other than statements of historical fact, included herein, without limitation the use of net proceeds, are forward-looking statements. Forward-looking statements involve various risks and uncertainties and are based on certain factors and assumptions. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations include uncertainties as to the timing and process for renewal of title to the El Roble claims; uncertainties as to the outcome of the Arbitration process with the National Mining Agency in Colombia for the royalties' dispute, as to the timing of the Tribunal's decision, and if a favorable Tribunal Decision, as to the timing for the reimbursement of the payments made under the Payment Plan to the National Mining Agency; uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits; uncertainty of estimates of capital and operating costs of the Company's projects; the need to obtain additional financing to maintain its interest in and/or explore and develop the Company's mineral projects; uncertainty of meeting anticipated program milestones for the Company's mineral projects; and other risks and uncertainties disclosed under the heading "Risk Factors" in the Company's Management's Discussion and Analysis for the year ended December 31, 2023 and in the Company's Annual Information Form ("AIF") dated September 4, 2024, filed with the Canadian securities regulatory authorities on the SEDAR+ website at [www.sedarplus.com](http://www.sedarplus.com) and as available on the Company's website for further details.*

### Non-GAAP Financial Measures

*The items marked with a "(1)" are alternative performance measures and readers should refer to Non-GAAP Financial Measures in the Company's Management's Discussion and Analysis for the three and nine months ended September 30, 2024, as filed on SEDAR+ and as available on the Company's website for further details.*

- (1) Alternative performance measures; please refer to "Non-GAAP Financial Measures" at the end of this release.
- (2) Net of by-product credits
- (3) Subject to adjustments on final settlement

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