

(All amounts expressed in US dollars, unless otherwise stated)

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Aug 29, 2017) - [Atico Mining Corp.](#) (the "Company" or "Atico") (TSX VENTURE:ATY)(OTC PINK:ATCMF) today announced its financial results for the three months ended June 30, 2017, posting a net income of \$0.62 million.

Fernando E. Ganoza, CEO and Director, commented, "We are pleased to report a strong second quarter with improvements in most operating and financial metrics over the same period last year. Overall, the financial performance and position of the Company has improved significantly in the first half of the year over the same period last year. We anticipate this trend will continue throughout the remainder of 2017. Mr. Ganoza continued, "For the second half of this year, our continued emphasis will be on further strengthening our balance sheet, improving production costs and focusing on the regional and underground exploration drill programs."

Second Quarter Financial Highlights

- Net income for the three months ended June 30, 2017 ("Q2-2017") amounted to \$0.62 million, compared with loss of \$1.41 million for the same period last year ("Q2-2016"). Net income for the quarter was positively affected by an increase in revenue (increase in realized copper price of 26.4%), partially offset by an increase in direct mining and processing costs and a decrease in non-operating income.
- Sales for the period increased 285% to \$14.1 million when compared with Q2-2016. The increase is due to an increase in concentrate shipped and provisionally invoiced and a higher realized copper price as compared to Q2-2016. Copper ("Cu") accounted for 95.3% and gold ("Au") 4.7% of total amount provisionally invoiced during Q2-2017. The average realized price per metal on provisional invoicing was \$2.63 (Q2-2016 - \$2.08) per pound of copper and \$1,248.83 (Q2-2016 - \$1,263.85) per ounce of gold.
- Working capital was \$3.9 million (December 31, 2016 - \$1.7 million) while long-term loans payable outstanding was \$5.1 million (December 31, 2016 - \$5.6 million).
- Cash costs⁽¹⁾ were \$115.37 per tonne of processed ore and \$1.30 per pound of payable copper produced⁽²⁾, a 28% and 35% increase over the same period last year, respectively.
- Income from operations was \$2.32 million while cash flow from operations, before changes in working capital was \$4.64 million. Cash used for capital expenditures amounted to \$2.88 million.
- At the quarter-end, 2,900 wet metric tonnes of non-invoiced concentrate remained at the Company's warehouses.
- All-in sustaining cash cost per payable pound of copper produced⁽¹⁾⁽²⁾ for Q2-2017 was \$1.96 (Q2-2016 - \$1.50).

Second Quarter Summary of Financial Results

	Q2 2017	Q2 2016	% Change	
Revenue	\$ 14,074,005	\$ 3,659,067	285	%
Cost of sales	(10,001,505)	(3,661,942)	173	%
Income (loss) from mining operations	4,072,500	(2,875)	141,752	%
<i>As a % of revenue</i>	29	% 0	% 36,928	%
Selling, general and administrative expenses	1,647,562	1,468,159	12	%
Income (loss) from operations	2,320,219	(1,619,135)	137	%
<i>As a % of revenue</i>	16	% -44	% 137	%
Income (loss) before income taxes	1,767,112	(1,715,008)	203	%
Net income (loss)	615,847	(1,413,402)	144	%
<i>As a % of revenue</i>	4	% -39	% 111	%
Operating cash flow before changes in non-cash operating working capital items ⁽¹⁾	\$ 4,640,042	\$ 29,543	15,606	%

Second Quarter Operations Review

During the quarter, the Company produced 5.2 million pounds ("lbs") of copper, 2,570 ounces ("oz") of gold, and 10,005 oz of silver. When compared to Q2-2016, production increased 8% for copper and decreased 13% for gold. The increase in copper produced is mainly explained by an 8.5% increase in the copper head grade slightly offset by a 2% decrease in processed material. In the case of gold, a decrease of 5.9% in the head grade along with the lower processed material and a 5% decrease in metal recovery explain the lower production.

Cash costs⁽¹⁾ for the period were \$115.37 per tonne of processed ore, and \$1.30 per pound of payable copper produced, a 28%

and 35% increase over the same period last year, respectively. The increase in the cash cost per pound of payable copper net of by products is mainly explained by the increase in the cost per processed tonne and a 19% decrease in the gold credit driven by a lower gold-to-copper production ratio to Q2-2016. All-in sustaining cash cost per payable pound of copper produced⁽¹⁾⁽²⁾ was \$1.96.

Despite the cash cost per pound of payable copper produced decrease of 8% in Q2-2017 relative to the previous quarter (Q1-2017 - \$1.41), the operating cost was higher than anticipated by the Company. A 14% decrease in milling and distribution cost this quarter was completely offset by a 3% increase in the mining and indirect cost relative to the previous quarter.

At the mine, efforts made by the Company to reduce the cemented backfill unit cost were successful in Q2-2017 and were reduced by 11% relative to Q1-2017, but were offset by a 9% increase in the quantity of cubic meters backfilled during the same period. In addition, there was a 25% increase in preparation laboring (from 312 m in Q1-2017 to 389 m in Q2-2017) and a 32% increase in ground support cost due to poor ground conditions in level 1722.

The Company is taking additional cost reduction measures for the remaining quarters of 2017.

Second Quarter Operational Details

	Q2 2017	Q2 2016	% Change	
Production (Contained in Concentrate) ⁽³⁾				
Copper (000s lbs)	5,154	4,786	8	%
Gold (oz)	2,570	2,948	-13	%
Silver (oz)	10,005	9,953	1	%
Mine				
Tonnes of material mined	65,942	63,112	4	%
Mill				
Tonnes processed	62,802	64,246	-2	%
Tonnes processed per day	794	814	-2	%
Copper grade (%)	3.94	3.62	9	%
Gold grade (g/t)	2.07	2.20	-6	%
Silver grade (g/t)	9.96	8.03	24	%
Recoveries				
Copper (%)	94.4	93.0	2	%
Gold (%)	61.8	65.0	-5	%
Silver (%)	49.9	59.8	-17	%
Concentrates				
Copper Concentrates (DMT)	10,460	10,718	-2	%
Copper (%)	22.3	20.3	10	%
Gold (g/t)	7.6	8.6	-12	%
Silver (g/t)	29.7	28.9	3	%
Payable copper produced (000s lbs)	4,897	4,547	8	%
Cash cost per pound of payable copper (\$/lbs) ⁽¹⁾⁽²⁾	1.30	0.96	35	%

(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

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 Mine

The El Roble mine is a high grade, underground copper and gold mine with nominal processing plant capacity of 800 tonnes per day, located in the Department of Choco in Colombia. Its commercial product is a copper-gold concentrate.

Since obtaining control of the mine on November 22, 2013, Atico has upgraded the operation from a historical nominal capacity of 400 tonnes per day.

El Roble has a measured and indicated resource of 1.87 million tonnes grading 3.46% copper and 2.27 g/t gold, at a cut-off

grade of 0.93% copper equivalent. Mineralization is open at depth and along strike and the Company plans to further test the limits of the resource.

On the larger land package, the Company has identified a prospective stratigraphic contact between volcanic rocks and black and grey pelagic sediments and cherts that has been traced by Atico geologists for ten kilometers. This contact has been determined to be an important control on VMS mineralization on which Atico has identified numerous target areas prospective for VMS type mineralization occurrence, which is the focus of the current surface drill program at El Roble.

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 operates the El Roble mine and is pursuing additional acquisition opportunities. For more information, please visit www.aticomining.com.

ON BEHALF OF THE BOARD

Fernando E. Ganoza, CEO

[Atico Mining Corp.](#)

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No securities regulatory authority has either approved or disapproved of the contents of this news release. The securities being offered have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws, and may not be offered or sold in the United States, or to, or for the account or benefit of, a "U.S. person" (as defined in Regulation S of the U.S. Securities Act) unless pursuant to an exemption therefrom. This press release is for information purposes only and does not constitute an offer to sell or a solicitation of an offer to buy any securities of the Company in any jurisdiction.

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 relating to interpretation of drill results and the geology, continuity and grade of mineral deposits; uncertainty of estimates of capital and operating costs; 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 prospectus of the Company dated March 2, 2012 filed with the Canadian securities regulatory authorities on the SEDAR website at www.sedar.com

The Company has not based its production decisions and ongoing mine production on mineral reserve estimates, preliminary economic assessments or feasibility studies, and historically such projects have increased uncertainty and risk of failure. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

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 months ended March 31, 2017 as filed on SEDAR and as available on the Company's website for further details.

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