

# Atico Reports Consolidated Financial Results for 2018

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VANCOUVER, April 30, 2019 - [Atico Mining Corp.](#) (the "Company" or "Atico") (TSX.V: ATY | OTC: ATCMF) today announced its financial results for the year ended December 31, 2018, posting income from mining operations of \$12.8 million and a net income of \$3.4 million. Production for the year at Atico's El Roble mine totaled 21.9 million pounds ("lb") of copper and 11,344 ounces ("oz") of gold in concentrate at as cash cost<sup>(1)</sup> of \$1.49 per payable pound of copper<sup>(2)</sup>.

Fernando E. Ganoza, CEO and Director, commented, "We are pleased to report very strong financial results for 2018. The Company has improved in most financial metrics and yielded good results, particularly; repayment of the long-term debt facility in full and continued growth of our working capital position. The operation delivered and exceeded the upper-limit of our guidance while also reducing operating costs in the second half of the year. Mr. Ganoza continued, "In 2019 our primary goal will be to continue aggressively advancing our regional and underground exploration drill programs looking for new massive sulphides. In parallel, the search for a second asset remains to be a high priority as we continue to strive towards our goal of becoming a leading mid-tier producer."

## 2018 Consolidated Financial Highlights

- Net income for the year ended December 31, 2018 amounted to \$3.4 million, compared with \$4.0 million for last year. Net income for the year was impacted by the decreased quantity of concentrate shipped and provisionally invoiced as compared to 2017, partially offset by higher average realized copper price.
- Sales for the year decreased 4% to \$54.6 million when compared with 2017. The final 2018 shipment was delayed to the subsequent month for reasons beyond the control of the Company, which has decreased the quantity of concentrate shipped and provisionally invoiced. The effect of the delayed shipment was partially offset by a higher realized copper price when compared to 2017. Copper ("Cu") and gold ("Au") accounted for 94.1% and 5.9% of the total amount provisionally invoiced during the year. The average realized price per metal on provisional invoicing was \$3.06 (2017 - \$2.94) per pound of copper and \$1,257.75 (2017 - \$1,301.69) per ounce of gold.
- Working capital was \$7.2 million (2017 - \$4.6 million), while the Company repaid principal of \$2.7 million (2017 - \$3.1 million) on its long-term loans payable with no outstanding balance at the reporting date (2017 - \$2.7 million).
- Cash costs<sup>(1)</sup> were \$124.38 per tonne of processed ore and \$1.49 per pound of payable copper produced<sup>(2)</sup>, increases of 5% and 3% over the previous year, respectively.
- Income from operations was \$8.6 million (2017 - \$7.6 million) while cash flow from operations, before changes in working capital, was \$13.9 million (2017 - \$18.2 million). Cash used for capital expenditures amounted to \$11.7 million (2017 - \$10.2 million).
- At the end of the year, 11,036 (2017 - 7,366) wet metric tonnes ("WMT") of non-invoiced concentrate remained at the Company's warehouses.
- All-in sustaining cash cost per payable pound of copper produced<sup>(1)(2)</sup> for the year was \$1.94 (2017 - \$2.05).

## 2018 Consolidated Operating Highlights and Review

- Ore processed increased 12% year-on-year;
- Copper head grade decreased 4% year-on-year;
- Gold head grade decreased 2% year-on-year;
- Concentrate production increased 5% year-on-year;
- Copper metal production increased 6% year-on-year; and
- Gold metal production increased 4% year-on-year.

In 2018, the Company produced 21.9 million pounds of copper, 11,344 ounces of gold, and 42,569 ounces

of silver. When compared to the previous year, production increased by 6% for copper and 4% for gold. The increase in copper production is mainly explained by a 12% increase in processed material, partially offset by a 4% decrease in head grade. In the case of gold, the increase in processed material was partially offset by a 2% decrease in head grade and a 4% decrease in recovery.

Cash costs<sup>(1)</sup> were \$124.38 per tonne of processed ore and \$1.49 per pound of payable copper produced<sup>(2)</sup>, which was an increase of 5% and 3% over 2017, respectively. The increase in the cash cost per pound of payable copper net of by products is mainly explained by the higher cost per processed tonne, partially offset by a higher gold content value and a decrease in treatment and refining charges. The increase in direct mining cost of 15% for the same period, partially offset by a 5% reduction in the milling, processing and indirect cost, explain the increase in the cost per processed tonne.

Efforts to improve the cash cost per processed tonne in 2018 yielded results in the third and fourth quarters with a decrease of 9.7% and 9.6% respectively, relative to the previous quarters. The Company expects the cost improvement measures will continue yielding results in 2019.

The all-in sustaining cash cost net of by-products credits<sup>(1)(2)</sup> was \$1.94 per pound of payable copper produced, which represents a 5% decrease over 2017.

#### *Fourth Quarter Financial Highlights*

During the quarter, the Company generated sales of \$12.0 million, where copper accounted for 92.8% and gold for 7.2%. The average realized price per metal on provisional invoicing was \$2.82 per pound of copper and \$1,223.03 per ounce of gold. Cash flow from operations, before changes in working capital, for the quarter was \$1.91 million.

Cash costs<sup>(1)</sup> for the quarter were \$111.69 per tonne of processed ore and \$1.37 per pound of payable copper produced<sup>(2)</sup>, decreases of 16% and 18% over Q4-2017, respectively. The decrease in the cash cost per pound of payable copper net of by products is mainly explained by a lower cost per processed tonne contributed by reductions across all categories: direct mining cost by 5%, milling and processing cost by 19%, and indirect and distribution costs by 29% each. The all-in sustaining cash cost per payable pound of copper produced<sup>(1)(2)</sup> was \$1.76, which represents a 22% decrease over Q4-2017.

#### *2018 Consolidated Operational Details*

|                                                       | Q1 Total | Q2 Total | Q3 Total | Q4 Total | 2018 Total |
|-------------------------------------------------------|----------|----------|----------|----------|------------|
| Production (Contained in Concentrates) <sup>(3)</sup> |          |          |          |          |            |
| Copper (000s pounds)                                  | 5,476    | 5,220    | 5,358    | 5,811    | 21,865     |
| Gold (ounces)                                         | 2,825    | 2,596    | 3,010    | 2,913    | 11,344     |
| Silver (ounces)                                       | 10,606   | 10,014   | 10,250   | 11,699   | 42,569     |
| Mine                                                  |          |          |          |          |            |
| Tonnes of ore mined                                   | 67,022   | 67,255   | 70,652   | 73,575   | 278,504    |
| Mill                                                  |          |          |          |          |            |
| Tonnes processed                                      | 69,499   | 67,308   | 71,760   | 76,985   | 285,551    |
| Tonnes processed per day                              | 812      | 792      | 837      | 867      | 827        |
| Copper grade (%)                                      | 3.80     | 3.76     | 3.63     | 3.66     | 3.71       |
| Gold grade (g/t)                                      | 2.03     | 2.02     | 2.17     | 2.00     | 2.05       |
| Silver grade (g/t)                                    | 8.71     | 8.54     | 11.28    | 10.14    | 9.70       |
| Recoveries                                            |          |          |          |          |            |
| Copper (%)                                            | 94.0     | 93.7     | 93.4     | 93.5     | 93.6       |
| Gold (%)                                              | 62.8     | 59.8     | 60.3     | 59.0     | 60.3       |
| Silver (%)                                            | 48.6     | 56.1     | 40.3     | 46.6     | 47.7       |
| Concentrates                                          |          |          |          |          |            |
| Copper Concentrates (dmt)                             | 11,474   | 10,717   | 10,877   | 11,827   | 44,895     |
| Copper (%)                                            | 21.7     | 22.1     | 22.3     | 22.3     | 22.1       |

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|                                                                 |       |       |       |       |        |
|-----------------------------------------------------------------|-------|-------|-------|-------|--------|
| Gold (g/t)                                                      | 7.7   | 7.5   | 8.6   | 7.6   | 7.8    |
| Silver (g/t)                                                    | 28.8  | 29.1  | 29.3  | 30.7  | 29.5   |
| Payable copper produced (000s lb)                               | 5,202 | 4,960 | 5,105 | 5,521 | 20,788 |
| Cash cost per pound of payable copper <sup>(1)(2)</sup> (\$/lb) | 1.44  | 1.67  | 1.49  | 1.37  | 1.49   |

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>

### *Annual General Meeting*

Atico Mining cordially invites all shareholders to its Annual General and Special Meeting of Shareholders, at 10:00 am, Tuesday, June 11, 2019, at Suite 501 - 543 Granville Street Vancouver, British Columbia.

### *El Roble Mine*

The El Roble mine is a high grade, underground copper and gold mine with nominal processing plant capacity of 850 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 Proven and Probable reserves of 1.47 million tonnes grading 3.40% copper and 1.88 g/t gold, at a cut-off grade of 1.93% copper equivalent as of June 30, 2018. Mineralization is open at depth and along strike and the Company plans to further test the limits of the deposit.

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 volcanogenic massive sulfide ("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](http://www.aticomining.com).

### ON BEHALF OF THE BOARD

Fernando E. Ganoza  
CEO  
[Atico Mining Corp.](http://www.aticomining.com)

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

### Investor Relations

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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 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](http://www.sedar.com)*

#### *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 year ended December 31, 2018 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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