

Atico Mining Corp. to Acquire Toachi Mining Inc. to Create a Leading Latin American Copper-Gold Operator, Developer and Explorer

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VANCOUVER, July 08, 2019 - [Atico Mining Corp.](#) ("Atico") (TSX-V:ATY; OTC:ATCMF) and [Toachi Mining Inc.](#) ("Toachi") (TSX-V:TIM; OTC:TIMGF) are pleased to announce that they have entered into a definitive agreement (the "Agreement") today, whereby Atico will acquire all of the issued and outstanding shares of Toachi pursuant to a plan of arrangement (the "Transaction") to create a new Latin American focused copper-gold Company.

Under the terms of the Agreement, all of the Toachi issued and outstanding common shares will be exchanged on the basis of 0.24897 Atico common shares for each Toachi common share (the "Exchange Ratio"). The Exchange Ratio implies consideration of approximately C\$0.073 per Toachi common share, based on the closing price of Atico common shares on the TSX Venture Exchange ("TSX-V") on July 5, 2019. This represents a 47% premium to Toachi's closing price and a 49% premium to the 20-day volume-weighted average price ("VWAP") as at July 5, 2019 on the TSX-V.

Upon completion of the Transaction, existing Atico and Toachi shareholders will own approximately 83% and 17% of the pro forma Company, respectively.

Highlights of the Transaction

Key investment highlights of the combined Company include:

- Creation of a leading Latin American copper-gold Company anchored by the producing El Roble mine in Colombia and the high grade La Plata project in Ecuador¹
- Expanded capital markets presence, increased trading liquidity and an enhanced value proposition
- Highly credible leadership team with a wealth of experience in financing, operating and mine development in Latin America
- Combined Company provides significant revaluation potential as a producer with growth potential
- Opportunity for input cost, development and operations synergies given close proximity and geological similarities
- Platform for further consolidation

Fernando Ganoza, CEO and Director of Atico, stated: "We are very pleased to bring this transaction forward for our shareholders that aligns us with our vision of growing the Company into a leading mid-tier producer. Atico has been successful in transforming the El Roble project into an important cash generating asset with high safety, environmental and operating standards. The results of this success have significantly strengthened our balance sheet and positioned the Company for additional value-creating opportunities that can complement the El Roble mine." Mr. Ganoza continued, "We believe the high-grade gold and copper La Plata project provides such an opportunity as the combination of El Roble and La Plata creates a robust platform for accretive growth for both Atico and Toachi shareholders."

¹ As per the "NI 43-101 Preliminary Economic Assessment of the La Mina VMS Project, Cotopaxi Province, Ecuador", prepared for Toachi by SGS Geological Services / Services Géologiques SGS pursuant to National Instrument 43-101 Standards of Disclosure for Mineral Projects, dated as of June 14th, 2019, and having an effective date of March 30, 2019, as announced by press release on April 30 and June 14, 2019 and filed on SEDAR.com on June 14, 2019 (hereinafter, the "PEA").

Alain Bureau, President and CEO of Toachi, stated: "The robust synergies between both Companies makes this business combination a logical step towards building a peer leading and profitable copper-gold producer in Latin America. The Board, Management and certain major shareholders of Toachi fully support the planned combination between our two Companies. Additionally, the Transaction offers an optimized combination of experienced mining professionals who share common values of protecting the environment and responsibly supporting the development of communities we operate in."

Benefits to Atico Shareholders

- Acquisition of a high-grade VMS asset² in Ecuador with robust economics and excellent exploration potential
- Strengthens asset portfolio with addition of a growth asset to be financed in part by El Roble's cash flow
- La Plata PEA delivered a robust Net Present Value ("NPV") (5%) before tax of US\$100 million with an internal rate of return ("IRR") of 38%²
- Opportunity for input cost, development and operations synergies given close proximity and geological similarities
- Regional diversification by entering Ecuador, a booming, underexplored jurisdiction that has been recently endorsed by several major international mining Companies

Benefits to Toachi Shareholders

- Immediate and significant premium of approximately 49% based on the 20-day VWAP on the TSX-V
- Meaningful ownership in the combined Company provides continued exposure to La Plata as well as exposure to Atico's producing El Roble mine
- Increased financial resources to fast-track La Plata to production
- Partnership with experienced mine operators of underground VMS deposits² in Latin America
- Eliminates the single asset risk factor

Transaction Summary

The proposed Transaction will be completed pursuant to a plan of arrangement completed under Section 192 of the *Canada Business Corporations Act*. The Transaction will require approval by 66 2/3 percent of the votes cast by the shareholders of Toachi at a special meeting of Toachi shareholders expected to be held in September 2019 and, to the extent required by Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"), a majority of the votes cast by minority shareholders of Toachi. The directors, senior officers and certain shareholders of Toachi representing 28.09% of common shares outstanding have entered into voting support agreements, pursuant to which they will vote their common shares held in favour of the Transaction.

The Agreement includes customary provisions including non-solicitation provisions, a right by Atico to match any superior proposal, a C\$245,000 termination fee payable to Toachi and a C\$400,000 termination fee payable to Atico under certain circumstances. Pursuant to the Agreement, issued and outstanding options to acquire Toachi common shares, convertible debentures of Toachi, and share purchase warrants of Toachi (each a "Toachi Convertible Security") will continue in accordance with the terms of the agreements governing each Toachi Convertible Security. Further, each issued and outstanding restricted share unit of Toachi ("Toachi RSU") will be exchanged for one Toachi share immediately prior to closing and thereafter exchanged for Atico shares based on the Exchange Ratio.

² As per the PEA.

In addition to assuming Toachi's current outstanding debt obligations, Atico has agreed to provide Toachi with a bridge loan of up to US\$535,000 for general corporate purposes. In addition, a third party has agreed to also provide a US\$1 million bridge loan for the purposes of permitting Toachi to immediately complete Toachi's earn-in to a 60% interest in Compania Minera La Plata S.A. The terms of the bridge loans include a repayment date within 30 days following the date of termination of the Agreement and on demand following closing of the transaction and interest payable at CDOR plus 14% per annum.

Upon completion of the Transaction, it is expected that Jonathan Goodman will be appointed to the Atico Board of Directors and Alain Bureau will serve as President of Atico.

In addition to shareholders of Toachi and court approvals, the Transaction and the transactions contemplated in the Agreement are subject to any applicable regulatory approvals and the satisfaction of certain other closing conditions customary for a transaction of this nature.

Full details of the Transaction will be included in the meeting materials which are expected to be mailed to the shareholders of Toachi in August 2019.

Boards of Directors' Recommendations

The Agreement has been unanimously approved by the Boards of Directors of Atico and Toachi. The Toachi Board of Directors unanimously recommends that the Toachi shareholders vote in favor of the Transaction.

The Board of Directors of Atico has received an opinion from Laurentian Bank Securities that based upon and subject to the assumptions, limitations, and qualifications stated in such opinion, the consideration to be paid by Atico pursuant to the Transaction is fair, from a financial point of view, to Atico. The Board of Directors of Toachi has received an opinion from Maxit Capital LP that based upon and subject to the assumptions, limitations, and qualifications stated in each such opinion, the consideration to be received by Toachi shareholders pursuant to the Transaction is fair, from a financial point of view, to Toachi shareholders.

Advisors and Counsel

Blake, Cassels & Graydon LLP is acting as Atico's legal advisor. Laurentian Bank Securities acted as financial advisor to Atico.

Séguin Racine, Attorneys Ltd. is acting as Toachi's legal advisor. Maxit Capital LP acted as financial advisor to Toachi.

About Atico Mining Corporation

Atico Mining is a Canadian-based Company focused on developing and operating copper-gold projects in Latin America. Drawing on the extensive operational experience of management and directors in Latin America, the Company's strategy is to build a mid-tier copper-gold producer by acquiring advanced-stage projects with potential for high-margin operations and sustainable organic growth.

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 the La Mina VMS deposit 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.

For further information please visit the Atico and Toachi websites at www.aticomining.com or www.toachimining.com or contact:

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Cautionary Note – Forward Looking Statements

This news release includes "forward-looking information" under applicable Canadian securities laws. These forward looking statements or information relate to, among other things: anticipated benefits of the Transaction to Atico, Toachi and their respective shareholders; the timing and receipt of required shareholder, court, stock exchange and regulatory approvals for the Transaction; the ability of Atico and Toachi to satisfy the other conditions to, and to complete, the Transaction; the treatment, under the Agreement, of Toachi Convertible Securities and Toachi RSUs; the shareholdings of existing Atico and Toachi shareholders upon completion of the Transaction; appointments of officers and directors of Atico upon completion of the Transaction; the closing of the Transaction; future growth potential for Atico, Toachi and their respective businesses; future mine development plans at the La Plata Project; estimates regarding exploring, developing and mining at the El Roble mine; and estimates of production costs and the possible

revaluation potential.

In respect of the forward-looking statements and information concerning the anticipated completion of the proposed Transaction and the anticipated timing for completion of the Transaction, the parties have provided them in reliance on certain assumptions that they believe are reasonable at this time, including assumptions as to the time required to prepare and mail shareholder meeting materials, including the management proxy circular of Toachi; the ability of the parties to receive, in a timely manner, the necessary shareholder, court, stock exchange and regulatory approvals; and the ability of the parties to satisfy, in a timely manner, the other conditions to the closing of the Transaction. These dates may change for a number of reasons, including unforeseen delays in preparing meeting material; inability to secure necessary shareholder, court, stock exchange and regulatory approvals in the time assumed or the need for additional time to satisfy the other conditions to the completion of the Transaction. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this news release concerning these times.

Forward-looking information relating to future production, analyst coverage, liquidity, cash flow and potential revaluation of Atico shares, future growth potential for Atico, Toachi and their respective businesses, future mine development plans, estimates regarding the recovery of minerals, and estimates of production costs is based on management of the applicable parties' reasonable assumptions, estimates, expectations, analyses and opinions, which are based on such management's experience and perception of trends, current conditions and expected developments, and other factors that management believes are relevant and reasonable in the circumstances, but which may prove to be incorrect. Assumptions have been made regarding, among other things, the price of gold, copper, and other metals; costs of development and production; estimated production rates for gold and other metals produced by the parties; the estimated costs of development of development projects; Atico and/or Toachi's ability to operate in a safe and effective manner and their ability to obtain financing on reasonable terms.

These statements reflect the parties' respective current views with respect to future events and are necessarily based upon a number of assumptions and estimates that, while considered reasonable by the respective parties, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors, both known and unknown, could cause actual results, performance or achievements to be materially different from the results, performance or achievements that are or may be expressed or implied by such forward-looking statements or information and the parties have made assumptions and estimates based on or related to many of these factors. Such factors include, without limitation: satisfaction or waiver of all applicable conditions to closing of the Transaction including, without limitation, receipt of all necessary shareholder, court, stock exchange and regulatory approvals or consents and lack of material changes with respect to Atico and Toachi and their respective businesses, all as more particularly set forth in the Agreement; the synergies expected from the Transaction not being realized; business integration risks; fluctuations in general macro-economic conditions; fluctuations in securities markets and the market price of Atico's shares; fluctuations in the spot and forward price of gold and other metals or certain other commodities (such as natural gas, fuel oil and electricity); fluctuations in the currency markets (such as the Canadian dollar, Colombian peso and the U.S. dollar); changes in national and local government, legislation, taxation, controls, regulations and political or economic developments in Canada, the United States, Colombia or Ecuador; operating or technical difficulties in connection with mining or development activities; risks and hazards associated with the business of mineral exploration, development and mining (including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins and flooding); risks relating to the credit worthiness or financial condition of suppliers, refiners and other parties with whom the parties do business; inability to obtain adequate insurance to cover risks and hazards; and the presence of laws and regulations that may impose restrictions on mining, including those currently enacted in Colombia and Ecuador; employee relations; relationships with and claims by local communities and indigenous populations; availability and increasing costs associated with mining inputs and labour; the speculative nature of mineral exploration and development, including the risks of obtaining necessary licenses, permits and approvals from government authorities; diminishing quantities or grades of mineral reserves as properties are mined; title to properties; and risks and uncertainties applicable to Atico and Toachi as set forth in their continuous disclosure filings filed under their respective SEDAR profiles at www.sedar.com. In addition, the failure of a party to comply with the terms of the Agreement may result in that party being required to pay a termination fee to the other party, the result of which could have a material adverse effect on the paying party's financial position and results of operations and its ability to fund growth prospects and current operations.

Readers are cautioned against attributing undue certainty to forward-looking statements or information. Although the parties have attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be anticipated, estimated or intended. The parties do not intend, and do not assume any obligation, to update these forward-looking statements or information to reflect changes in assumptions or changes in circumstances or any other events affecting such statements or information, other than as required by applicable law.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of

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