

Atico Reports Consolidated Financial Results for the Second Quarter of 2019 and Provides Corporate Update

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VANCOUVER, Aug. 13, 2019 - [Atico Mining Corp.](#) (the "Company" or "Atico") (TSX.V: ATY | OTC: ATCMF) today announced its financial results for the three months ended June 30, 2019, posting income from mining operations of \$0.3 million and a net loss of \$0.4 million.

Fernando E. Ganoza, CEO and Director, commented, "The union negotiations which led to a strike at the El Roble mine limited our ability to deliver on operational and financial objectives for the quarter. Despite the limited amount of operating days in the first six months, the Company's balance sheet remained resilient to this event and demonstrated further growth in working capital," said Fernando E. Ganoza, CEO. "For the second half of the year, the Company will continue working towards achieving the adjusted operational objectives while remaining focused on the exploration program on the larger land package."

Second Quarter Financial Highlights

- Net loss for the three months ended June 30, 2019 amounted to \$0.5 million, compared with income of \$2.8 million for the same period last year ("Q2-2018"). Net loss for the period was significantly affected by the seventy-five-day strike which led to a decrease in quantity of concentrate shipped and provisionally invoiced along with a decrease in realized copper price as compared to Q2-2018.
- Sales for the period decreased 66% to \$6.9 million when compared with \$20.4 million in Q2-2018. Copper ("Cu") and gold ("Au") accounted for 82.7% and 17.3% of the total amount provisionally invoiced during Q2-2019. The average realized price per metal on provisional invoicing was \$2.69 (Q2-2018 - \$3.16) per pound of copper and \$1,410.62 (Q2-2018 - \$1,297.33) per ounce of gold.
- Loss from operations was \$0.8 million (Q2-2018 - income of \$4.9 million) while cash flow from operations, before changes in working capital, was negative \$1.2 million (Q2-2018 - positive \$5.4 million). Cash used for capital expenditures amounted to 1.8 million (Q2-2018 - \$3.8 million).
- Working capital was \$9.2 million (December 31, 2018 - \$7.2 million), while the Company had no outstanding long-term loans payable balance.
- Cash costs⁽¹⁾ were \$130.76 per tonne of processed ore and \$1.59 per pound of payable copper produced, which were decreases of 4% and 5% over Q2-2018, respectively. The decrease in the cash cost per pound of payable copper net of by products is primarily explained by a lower cost per processed tonne.
- At the end of the quarter, 2,655 (December 31, 2018 - 11,036) 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⁽¹⁾⁽²⁾ for the period was \$2.29 (Q2-2018 - \$2.24).

Second Quarter Summary of Financial Results

	Q2 2019	Q2 2018	% C
Revenue	\$ 6,936,341	\$ 20,401,188	-
Cost of sales	(6,684,378)	(14,489,798)	-

Income from mining operations	251,963	5,911,390	-
<i>As a % of revenue</i>	4	% 29	%
General and administrative expenses	1,017,817	935,396	9
Income (loss) from operations	(847,211)	4,880,149	
<i>As a % of revenue</i>	-12	% 24	%
Income (loss) before income taxes	(914,848)	4,751,767	-
Net income (loss)	(448,411)	2,810,318	-
<i>As a % of revenue</i>	-6	% 14	%
Operating cash flow before changes in non-cash operating working capital items ⁽¹⁾	\$ (1,235,791)	\$ 5,441,699	-

Second Quarter Operations Review

During the quarter, the Company produced 3.16 million pounds (“lbs”) of copper, 2,116 ounces (“oz”) of gold, and 6,914 oz of silver. When compared to Q2-2018, production decreased 40.0% for copper and 18.5% for gold. Production for the quarter was significantly impacted by the strike at the mine which began early February and ended in April 2019.

Cash costs⁽¹⁾ for the quarter were \$130.76 per tonne of processed ore, and \$1.59 per pound of payable copper produced, decreases of 4.4% and 4.6% over the same period last year, respectively. All-in sustaining cash cost per payable pound of copper produced⁽¹⁾⁽²⁾ was \$2.29.

Second Quarter Operational Details

	Q2 2019	Q2 2018	% Change	
Production (Contained in Concentrate) ⁽³⁾				
Copper (000s lbs)	3,157	5,220	-40	%
Gold (oz)	2,116	2,596	-19	%
Silver (oz)	6,914	10,014	-31	%
Mine				
Tonnes of material mined	47,321	67,255	-30	%
Mill				
Tonnes processed	47,534	67,308	-29	%
Tonnes processed per day	839	792	6	%
Copper grade (%)	3.28	3.76	-13	%
Gold grade (g/t)	2.34	2.02	16	%
Silver grade (g/t)	11.10	8.54	30	%
Recoveries				
Copper (%)	91.7	93.7	-2	%
Gold (%)	58.4	59.5	-2	%
Silver (%)	40.1	56.1	-29	%
Concentrates				
Copper Concentrates (DMT)	6,561	22,191	-39	%
Copper (%)	21.8	22.1	-1	%

Gold (g/t)	10.1	7.5	35	%
Silver (g/t)	32.8	29.1	13	%
Payable copper produced (000s lbs)	2,999	4,960	-40	%
Cash cost per pound of payable copper (\$/lbs) ⁽¹⁾⁽²⁾	1.59	1.67	-5	%

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>

Second Quarter Exploration Update

During the quarter, 4,314 meters of drilling were completed at the El Roble project, of which 1,041 meters were drilled underground looking for new massive sulphide deposits. On surface, the Company completed 3,273 meters at Gorgona target testing the new IP-DAS anomalies.

The Company's second quarter exploration plans and program were much shorter than planned due to the union negotiations and strike at the El Roble mine which ended late in April.

Core drilling program will continue in the third quarter testing IP-DAS and gravity anomalies at depth and to the southeast of the mine mineralization (Zeus plunge target). In parallel, the Company plans to further test Archie, Gorgona and the Eastern trend (regional targets) along with two new regional target areas.

The Company plans to drill test at least three to four targets in 2019 along with the follow-up drill program at Archie and Gorgona.

Update on the Atico and Toachi Plan of Arrangement

The Company entered into a definitive agreement dated July 8, 2019 (the "Arrangement Agreement") to acquire hundred percent of [Toachi Mining Inc.](#) ("Toachi") shares pursuant to a plan of arrangement, whereby each of the issued and outstanding shares of Toachi will be exchanged on a basis of 0.24897 common shares of the Company. In early August, Toachi received the interim order from the Ontario Superior Court of Justice in connection with announced transaction. In addition, Toachi mailed out the management information circular to all of its shareholders. Assuming all conditions under the Arrangement Agreement are satisfied, including the favourable outcome of the Toachi special meeting of shareholders scheduled on September 3, 2019, Toachi will seek the final order from the Ontario Court of Justice by September 9, 2019.

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.

ON BEHALF OF THE BOARD

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

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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

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 six months ended June

30, 2019 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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