

Atico Reports Consolidated Financial Results for the Third Quarter of 2019

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VANCOUVER, Nov. 19, 2019 - [Atico Mining Corp.](#) (the "Company" or "Atico") (TSX.V: ATY | OTC: ATCMF) today announced its financial results for the three months ended September 30, 2019 ("Q3-2019"), posting income from mining operations of \$2.5 million and a net loss of \$0.3 million.

Fernando E. Ganoza, CEO and Director, commented, "This quarter we had record production and achieved a very competitive all-in sustaining cash cost of \$1.52. Unfortunately, these achievements did not reflect in the financial results as the second concentrate shipment was delayed to the fourth quarter, along with the revenue associated with those tonnes. For the fourth quarter, with this additional shipped concentrate, we anticipate strong results which we expect will show robust financial performance for the second half of this year." Mr. Ganoza continued, "Our emphasis at El Roble will be to continue delivering on our adjusted production guidance while we aggressively explore our regional and underground drill target areas. At our recently acquired La Plata project, we continue advancing technical work and plan to start drilling before year end"

Third Quarter Financial Highlights

- Net loss for the three months ended September 30, 2019 amounted to \$0.3 million, compared with income of \$3.0 million for the same period last year ("Q3-2018"). Net loss for the period was significantly affected by one of the two scheduled Q3-2019 concentrate shipments being delayed to the subsequent quarter, due to a lack of vessel availability.
- Sales for the period decreased 36% to \$9.6 million when compared with \$14.9 million in Q3-2018. The decrease is mostly explained by the second scheduled shipment being delayed into Q4-2019. Copper ("Cu") and gold ("Au") accounted for 88% and 12% of the 6,911 (Q3-2018 - 10,017) dry metric tonnes ("DMT") provisionally invoiced during Q3-2019.
- The average realized price per metal on provisional invoicing was \$2.62 (Q3-2018 - \$3.10) per pound of copper and \$1,507.81 (Q3-2018 - \$1,199.48) per ounce of gold.
- Income from operations was \$1.2 million (Q3-2018 - \$2.8 million) while cash flow from operations, before changes in working capital, was \$3.8 million (Q3-2018 - \$4.6 million). Cash used for capital expenditures amounted to 2.7 million (Q3-2018 - \$3.5 million).
- Working capital was \$6.8 million (December 31, 2018 - \$7.2 million), while the Company had \$2.2 million (December 31, 2018 - \$Nil) long-term loans payable.
- Cash costs⁽¹⁾ were \$107.38 per tonne of processed ore and \$1.08 per pound of payable copper produced⁽²⁾, which were decreases of 13% and 27% over Q3-2018, 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, along with higher by-product credit from gold.
- Cash margin was \$1.54 (Q3-2018 - \$1.62) per pound of payable copper produced, which was a decrease of 5% over Q3-2018 (refer to non-GAAP Financial Measures).
- All-in sustaining cash cost per payable pound of copper produced⁽¹⁾ was \$1.52 (Q3-2018 - \$1.95).
- The Company produced 11,757 (Q3-2018 - 10,877) DMT of concentrate with a metal content of 5.7 million (Q3-2018 - 5.4 million) pounds ("lbs") of copper and 3,320 (Q3-2018 - 3,010) ounces ("oz") of gold.
- Processed tonnes increased 7% to 76,532 compared to 71,760 in Q3-2018.
- At the end of the quarter, 7,749 (December 31, 2018 - 11,036) wet metric tonnes of non-invoiced concentrate remained at the Company's warehouses.

Third Quarter Summary of Financial Results

	Q3 2019	Q3 2018	% C
Revenue	\$ 9,581,287	\$ 14,900,072	-3

Cost of sales	(7,114,404)	(10,977,829)	-3
Income from mining operations	2,466,883	3,922,243	-3
As a % of revenue	26 %	26 %	-
General and administrative expenses	1,210,816	1,010,377	20
Income from operations	1,181,530	2,807,190	-5
As a % of revenue	12 %	19 %	-
Income before income taxes	772,911	1,383,145	-4
Net income (loss)	(303,470)	2,972,922	-1
As a % of revenue	-3 %	20 %	-
Operating cash flow before changes in non-cash operating working capital items ⁽¹⁾	\$ 3,842,917	\$ 4,629,186	-1

Third Quarter Operations Review

In Q3-2019, the Company produced 5.71 million lbs of copper, 3,320 oz of gold, and 12,216 oz of silver. When compared to Q3-2018, production increased by 7.0% for copper and 10.0% for gold. The increases for both copper and gold are mainly explained by the increases in tonnes of ore mined and processed along with an increase in head grades and partially offset by a slight decrease in recoveries.

Cash costs⁽¹⁾ for the quarter were \$107.38 per tonne of processed ore, and \$1.08 per pound of payable copper produced⁽²⁾, decreases of 13% and 27% over the same period last year, respectively. All-in sustaining cash cost per payable pound of copper produced⁽¹⁾⁽²⁾ was \$1.52.

Third Quarter Operational Details

	Q3 2019	Q3 2018	% Change	
Production (Contained in Concentrate) ⁽³⁾				
Copper (000s lbs)	5,712	5,358	7	%
Gold (oz)	3,320	3,010	10	%
Silver (oz)	12,216	10,250	19	%
Mine				
Tonnes of material mined	74,462	70,652	5	%
Mill				
Tonnes processed	76,532	71,760	7	%
Tonnes processed per day	863	837	3	%
Copper grade (%)	3.66	3.63	1	%
Gold grade (g/t)	2.34	2.17	8	%
Silver grade (g/t)	10.80	11.28	-4	%
Recoveries				
Copper (%)	92.5	93.4	-1	%
Gold (%)	58.0	60.3	-4	%
Silver (%)	45.7	40.3	13	%
Concentrates				
Copper Concentrates (DMT)	11,757	10,877	8	%
Copper (%)	22.0	22.3	-1	%
Gold (g/t)	8.8	8.6	2	%
Silver (g/t)	32.4	29.3	11	%
Payable copper produced (000s lbs)	5,426	5,105	6	%
Cash cost per pound of payable copper (\$/lbs) ⁽¹⁾⁽²⁾	1.08	1.49	-27	%

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>

Third Quarter Exploration Update

During Q3-2019, 4,779 meters of drilling were completed at the El Roble project, of which 1,745 meters were drilled underground looking for new massive sulphide deposits. On surface, the Company completed 3,034 meters at three of the identified perspective target areas, Gorgona, Carmelo and Favorita.

The predominance of the drilling was completed at the Gorgona and Carmelo target areas. The team completed seven holes totaling 2,584 meters of drilling. The results of this initial round of drilling showed the continuation of the black-chert unit with good silicification at both target areas, well disseminated and moderated occurrences of pyrite-pyrrhotite stringers along with small intercepts of massive sulphides ranging from 3 to 15 centimeters in size. These same signatures are found in very close proximity to our existing ore bodies at the mine and continue to validate the prospectivity of said target areas.

Core drilling program will continue in the fourth quarter testing anomalies at depth and to the southeast of the mine mineralization (Zeus plunge target). In parallel, the Company plans to further test Carmelo, Gorgona, Favorita and begin drilling preparations for two new regional target areas.

The Company plans to drill at least another 4,000 meters in Q4-2019.

La Plata Overview

The La Plata project is a gold rich volcanogenic massive sulphide deposit that was the subject of small-scale mining from 1975-1981 by Outokumpu Finland. The project benefits from a modern drill and exploration database which was completed by Cambior Inc. from 1996-1999, Cornerstone Capital from 2006-2009 and Toachi from 2016-2019. In total, there is drill core and logs from more than 28,300 metres of drilling.

Historic resources based on drilling by Cambior and Cornerstone were estimated at 913,977 tonnes grading 8.01 grams gold per tonne, 88.3 grams silver per tonne, 5.01% copper, 6.71% zinc and 0.78% lead per tonne in the inferred category. More recently, Toachi Mining completed a PEA estimating an inferred resource of 1.85 million tonnes grading 4.10 grams gold per tonne, 50.0 grams silver per tonne, 3.30% copper, 4.60% zinc and 0.60% lead per tonne

The La Plata project, consisting of two concessions, covers 2,300 hectares and strikes for almost 4km, containing known mineralization in two VMS lenses and nine priority exploration targets.

Atico is currently gearing up to start infill and exploration drilling while also conducting additional technical work with the aim of delivering a feasibility study on the project.

The Company has a binding option agreement with a private Ecuadorean company to earn up to 75% in the La Plata project, of which the first option to acquire the initial 60% ownership has been exercised. Please refer to the Company's MD&A for the nine months ended September 30, 2019 for further details.

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
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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 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 nine months ended September 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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