

Atico Reports Consolidated Financial Results for 2019

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VANCOUVER, April 16, 2020 - [Atico Mining Corp.](#) (the "Company" or "Atico") (TSX.V: ATY | OTC: ATCMF) today announced its financial results for the year ended December 31, 2019, posting income from mining operations of \$16.3 million and a net income of \$6.9 million. Production for the year at Atico's El Roble mine totaled 16.8 million pounds (lb) of copper and 10,480 ounces (oz) of gold in concentrate at a cash cost⁽¹⁾ of \$1.24 per payable pound of copper⁽²⁾.

Fernando E. Ganoza, CEO and Director, commented, "In 2019, the El Roble mine was significantly affected by the union negotiations which lead to a 75-day strike during the first two quarters. Despite these challenges, we were able to swiftly overcome setbacks and are pleased to report strong financial results for the year. The Company has improved in most financial metrics and yielded good results, particularly; showing a robust net income of \$6.9 million and continued growth of our working capital position." Mr. Ganoza continued, "for 2020, our strong balance sheet and previous year's results have placed the Company in a good financial position to navigate the current situation in the global markets. For the time being, we will continue with our planned activities at both El Roble and La Plata within the health and legal parameters set by the respective jurisdictions."

2019 Consolidated Financial Highlights

- Net income for the year ended December 31, 2019 amounted to \$6.9 million, compared with \$3.4 million for last year. Net income for the year was affected by an increase in concentrate shipped and provisionally invoiced, partially offset by lower realized copper price, as compared to 2018.
- Sales for the year increased 13% to \$61.4 million when compared with 2018. Copper (Cu) and gold (Au) accounted for 86% and 14% of the total amount provisionally invoiced during the year. The average realized price per metal on provisional invoicing was \$2.72 (2018 - \$3.06) per pound of copper and \$1,412.96 (2018 - \$1,257.75) per ounce of gold.
- Working capital was \$9.9 million (2018 - \$7.2 million), while the Company had \$2.2 million (2018 - \$Nil) in long-term loans payable.
- Cash costs⁽¹⁾ were \$114.97 per tonne of processed ore and \$1.24 per pound of payable copper produced⁽²⁾, decreases of 8% and 17% over the previous year, respectively.
- Income from operations was \$11.6 million (2018 - \$8.6 million) while cash flow from operations, before changes in working capital, was \$21.4 million (2018 - \$13.9 million). Cash used for capital expenditures amounted to \$9.4 million (2018 - \$11.7 million).
- All-in sustaining cash cost per payable pound of copper produced⁽¹⁾⁽²⁾ for the year was \$1.81 (2018 - \$1.94).
- At the end of the year, 3,104 (2018 - 11,036) wet metric tonnes (WMT) of non-invoiced concentrate remained at the Company's warehouses.
- In September 2019, the Company completed the Arrangement with Toachi, whereby each of the issued and outstanding shares of Toachi was exchanged on a basis of 0.24897 common shares of the Company.
- As a result of not reaching an agreement at the biennial union negotiations, the Company went through a 75-day strike during the first and second quarters of 2019.

2019 Consolidated Operating Highlights and Review

- Ore processed decreased 17% year-on-year;
- Copper head grade decreased 5% year-on-year;
- Gold head grade increased 14% year-on-year;
- Concentrate production decreased 22% year-on-year;
- Copper metal production decreased 23% year-on-year; and
- Gold metal production decreased 7% year-on-year.

The Company has met and exceeded almost all of the adjusted operational goals set for El Roble mine in

2019. During the first and second quarters of the year, the Company went through a 75-day strike which resulted in having to adjust the initial guidance set at the beginning of the year.

In 2019, the Company produced 16.8 million lbs of copper, 10,480 oz of gold, and 36,700 oz of silver. When compared to 2018, production decreased by 23% for copper and 7% for gold. The decrease for both copper and gold are mainly explained by the 75-day strike during which the Company did not operate the mine and mill. The gold decrease was partially offset by a slight increase in gold head grades over the same period last year.

Cash costs⁽¹⁾ were \$114.97 per tonne of processed ore and \$1.24 per pound of payable copper produced⁽²⁾, which were decreases of 7.6% and 16.6% over 2018, respectively (refer to non-GAAP Financial Measures). The cash cost per pound of payable copper produced decrease is mainly explained by a lower cost per processed tonne and an increase in the gold contribution as a by-product. The decrease in the cost per processed tonne was driven by decreases in direct mining and processing costs. The all-in sustaining cash cost net of by-product credits⁽¹⁾⁽²⁾ was \$1.81 per pound of payable copper produced, which represents a 7% decrease over 2018.

2019 Consolidated Operational Details

	Q1 Total	Q2 Total	Q3 Total	Q4 Total	2019 Total
Production (Contained in Concentrates) ⁽³⁾					
Copper (000s pounds)	2,362	3,157	5,712	5,615	16,846
Gold (ounces)	1,552	2,116	3,320	3,492	10,480
Silver (ounces)	5,260	6,914	12,216	12,310	36,700
Mine					
Tonnes of ore mined	34,796	47,321	74,462	75,167	231,746
Mill					
Tonnes processed	35,581	47,534	76,532	76,707	236,354
Tonnes processed per day	885	839	863	859	859
Copper grade (%)	3.29	3.28	3.66	3.61	3.51
Gold grade (g/t)	2.24	2.34	2.34	2.41	2.35
Silver grade (g/t)	10.10	11.10	10.80	10.00	10.57
Recoveries					
Copper (%)	61.6	91.7	92.5	92.0	92.0
Gold (%)	60.6	58.4	58.0	58.0	58.4
Silver (%)	43.6	40.1	45.7	45.9	45.9
Concentrates					
Copper Concentrates (dmt)	4,959	6,581	11,757	11,669	34,946
Copper (%)	21.4	21.8	22.0	21.8	21.9
Gold (g/t)	9.8	10.1	8.8	9.3	9.3
Silver (g/t)	31.8	32.8	32.4	32.8	32.6
Payable copper produced (000s lb)	2,244	2,999	5,426	5,334	16,003
Cash cost per pound of payable copper ⁽¹⁾⁽²⁾ (\$/lb)	1.41	1.59	1.08	1.14	1.24

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>.

Fourth Quarter Financial Highlights

During the quarter, the Company generated sales of \$23.8 million, where copper accounted for 80% and gold for 20%. The average realized price per metal on provisional invoicing was \$2.69 per pound of copper and \$1,470.53 per ounce of gold. Cash flow from operations, before changes in working capital, for the quarter was \$10.2 million. Cash costs⁽¹⁾ for the quarter were \$112.05 per tonne of processed ore and \$1.14 per pound of payable copper produced⁽²⁾, decreases of 0% and 17% over Q4-2018, respectively.

Guidance

2020 Production and cost guidance

Copper (000s pounds)	20,000 to 21,000
Gold (ounces)	10,500 to 11,500
C1 cash costs	\$1.20 to \$1.25

Note: Please see “Non-GAAP Financial Measures” at the end of this release. C1 cash cost per pound of payable copper produced net of by-product credits and selling costs.

At the El Roble property, the Company is planning to drill test at least 13,000 meters with its ongoing exploration program in 2020.

The Company started feasibility study work in the first quarter of 2020. As a part of this program, the plan will be to drill test at least 7,100 meters while continuing to advance the engineering and permitting process at the La Plata project.

Annual General Meeting

Atico Mining cordially invites all shareholders to its Annual General and Special Meeting of Shareholders, at 10:00 am, Tuesday, August 11, 2020, 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 1,000 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.

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 consists two concessions covering a total area of 2,300 hectares along its 4-kilometer length, which contains known mineralization in two VMS lenses and nine priority exploration targets.

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 year ended December 31, 2019 for further details.

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.

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; the world-wide economic and social impact of COVID-19 is managed and the duration and extent of the coronavirus pandemic is minimized or not long-term; disruptions related to the COVID-19 pandemic or other health and safety issues, or the responses of governments, communities, the Company and others to such pandemic or other issues; 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 year ended December 31, 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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