



## LETTER TO SHAREHOLDERS

**Dear fellow shareholder,**

In 2020 our company navigated through an unprecedented year prioritizing the health and safety of all of our employees while also delivering a strong year operationally and in particular financially. During these twelve-months we successfully produced within budget for copper and gold, while realizing a \$1.53 all-in sustaining cash cost per payable pound of copper, which is competitive to the industry average. These achievements continue to aide Atico in establishing itself as a low-cost miner and advancing towards our vision of becoming a leading mid-tier producer.

### **Exploration**

Finding other VMS deposits still remains to be our main objective and the most attractive growth potential for the Company.

At El Roble, the Company drilled 12,820 meters from surface and underground, testing a total of four of the twenty-one surface targets on our 6,300-hectare prospective land package. The 2020 results build upon positive geological surprises we saw in the previous year's drilling and they continue to provide us with a better understanding of the regional geology below surface. We have incorporated these results into our ongoing 2021 drill program and will continue to be as aggressive with this drill program as funding allows.

At La Plata, our recently acquired second asset, we drilled 15,361 meters from surface with the goal to increase certainty of the currently know inferred resources. During this campaign we also completed several successful step out holes looking for continuity of known mineralization. The drill program continued into 2021 accompanied by new geological surprises and positive results. We will continue with our aggressive drill campaign thought 2021 with the goal to unlock significant potential we see at this property.

### **El Roble Mine**

In 2020, at the El Roble Mine the operation delivered on set goals while operating under strict health and safety protocols. This accomplishment was accompanied by efficiency and swift response by the team that resulted in minimal disruptions from the global pandemic. Health and Safety will continue to be the number one priority for the organization. Further optimization advances were made at El Roble, while an increase in operating standards throughout the operation continued to be achieved.

The main capital investments made throughout the year, instrumental in achieving our goals, included further development of mine infrastructure, increasing capacity in the current tailings facility and new equipment to improve standards and gain efficiencies.

For 2021, we will continue evaluating opportunities at the El Roble mine to further optimize the operation while maintaining strict health and safety protocols.

## **Our People and Safety**

As we grow our company, we remain very focused on our core asset — our people. In this current global pandemic environment on the job safety and well-being of our people is where we place enormous emphasis and remains our first priority. We are pleased to express that the operation has not had any outbreaks or serious cases caused by COVID-19 as we stayed on the path to continue raising the bar for all of our health and safety standards.

In 2020 the mine continued to show improvements in both main safety metrics the Company uses. The frequency index decreased by 33% from 7.6 in the previous year to 5.1 in 2020 while the severity index also decreased by 49% from 212 in the previous year to 107.

Both the frequency index and severity index have shown a continuous improvement trend amidst an increase in complexity of the operation, in particular for this year.

Our Company continues to be committed to supporting the initiatives launched in the past years to enforce the importance of safety practices at the operation and will assess supporting new initiatives as needed to continue the safety improvement trend.

Ever since we assumed control of the operation our goal has been to raise the safety metrics to international standards. We are very proud to convey that we have now reached this goal and continue to operate within the normal range of said metrics.

## **Funding**

We project the cash flows generated by the operation along with the funds available will be sufficient to execute the plan set for the El Roble and La Plata projects throughout 2021.

## **Other Growth Opportunities**

Despite achieving our 2020 operational goals at the El Roble mine, we continue to see further growth opportunities yet to be unlocked. The Company will remain focused on these opportunities throughout 2020. Meanwhile, we will continue to deploy resources to our recently acquired second asset to advance the La Plata project towards a construction decision.

In closing, I am very encouraged by the progress of our company during this year and the opportunities that are ahead.

I want to thank our management team, employees, technical and health advisors for the great effort displayed throughout a particularly challenging year without which our achievements would have not been possible. I also want to thank our shareholders for their continued support and trust. I look forward to reporting further progress in the months ahead.

Sincerely,

Signed: *"Fernando E. Ganoza"*

Chief Executive Officer