

Atico Reports Consolidated Financial Results for First Quarter of 2022

(All amounts expressed in US dollars, unless otherwise stated)

Vancouver, May 17, 2022 -- Atico Mining Corporation (the “Company” or “Atico”) (TSX.V: ATY | OTC: ATCMF) today announced its financial results for the three months ended March 31, 2022, posting income from mining operations of \$9.1 million and a net income of \$3.9 million. Production for the period at Atico’s El Roble mine totaled 4.7 million pounds (“lbs”) of copper and 2,636 ounces (“oz”) of gold in concentrate at a cash cost⁽¹⁾ of \$1.29 per payable pound of copper⁽²⁾.

Fernando E. Ganoza, CEO and Director, commented, “We are pleased to report strong financial results despite selling only one concentrate shipment in the period. These results were underpinned by operations exceeding our copper and gold production targets while coming under budgeted cash costs for the quarter.” Mr. Ganoza continued, “As we continue to benefit from strong financial results, our ability to carry out the planned growth programs at both El Roble and La Plata will be enhanced. At La Plata, the focus continues to be on the feasibility study and advancing the permitting process. At El Roble we will be putting an emphasis on mine vicinity drilling, looking for extensions of mineralization at depth and along strike.”

First Quarter Financial Highlights

- Net income for the quarter amounted to \$3.9 million, compared with \$1.2 million for the same period last year. The increase in net income was primary due to higher income from operations in Q1-2022 and a \$2.3M fair-value loss for metal hedging recorded in Q1-2021.
- Sales for the quarter increased 7% to \$20.6 million when compared with \$19.3 million in Q1-2021. Copper (“Cu”) and gold (“Au”) accounted for 89% and 11% of the 9,568 dry metric tonnes (“DMT”) sold during Q1-2022.
- Working capital was \$30.0 million, while the Company had \$15.5 million in long-term loans payable.
- The Company entered into a secured definitive credit agreement with Trafigura PTE Ltd. for a facility with a term of 30 months. The total principal of \$10 million withdrawn will bear interest at a rate of LIBOR plus 5% for the first 24 months and then at a rate of LIBOR plus 7.5% thereafter.
- The average realized price per metal on provisional invoicing was \$4.65 per pound of copper and \$1,978 per ounce of gold.

⁽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

- Cash costs⁽¹⁾ were \$125.21 per tonne of processed ore and \$1.29 per pound of payable copper produced⁽²⁾, which were decreases of Nil% and 25% over Q1-2021, respectively.
- Cash margin⁽¹⁾⁽²⁾ was \$3.36 per pound of payable copper produced, which was an increase of 44% over Q1-2021.
- All-in sustaining cash cost per payable pound of copper produced⁽¹⁾⁽²⁾ was \$2.04.

First Quarter Summary of Financial Results

	Q1 2022	Q1 2021	% Change
Revenue	\$ 20,645,001	\$ 19,303,903	7%
Cost of sales	(11,551,647)	(12,356,497)	-7%
Income from mining operations	9,093,354	6,947,406	31%
<i>As a % of revenue</i>	<i>44%</i>	<i>36%</i>	<i>22%</i>
General and administrative expenses	1,277,676	1,357,573	-6%
Income from operations	7,623,353	5,311,749	44%
<i>As a % of revenue</i>	<i>37%</i>	<i>28%</i>	<i>32%</i>
Income before income taxes	7,919,534	2,753,712	188%
Net income	3,900,202	1,225,782	181%
<i>As a % of revenue</i>	<i>18%</i>	<i>7%</i>	<i>157%</i>
Operating cash flow before changes in non-cash operating working capital items ⁽¹⁾	\$ 11,156,820	\$ 7,340,036	52%

First Quarter Operational Review

In Q1-2022, the Company produced 4.7 million lbs of copper, 2,636 oz of gold, and 8,779 oz of silver. When compared to the same period in 2021, production increased by 7% for copper and 24% for gold. The increases for both copper and gold are mostly explained by the increase in head-grades for the period. Copper recoveries slightly decreased when compared to the same period last year, while gold recoveries during the quarter improved over Company's projections.

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Cash costs⁽¹⁾ were \$125.21 per tonne of processed ore and \$1.29 per pound of payable copper produced⁽²⁾, which were decreases of Nil% and 25% over Q1-2021, respectively (refer to non-GAAP Financial Measures). The decrease in cash cost per pound of payable copper produced is due to an increase in gold by-product credits and in copper head-grade than in prior year, resulting in a higher payable copper production.

First Quarter Operational Details

	Q1 2022	Q1 2021	% Change
Production (Contained metals) ⁽³⁾			
Copper (000s lbs)	4,731	4,385	8%
Gold (oz)	2,636	2,189	20%
Silver (oz)	8,779	7,383	19%
Mine			
Tonnes of material mined	66,594	64,101	4%
Mill			
Tonnes processed	65,844	68,282	-4%
Tonnes processed per day	826	954	-13%
Copper grade (%)	3.55	3.15	13%
Gold grade (g/t)	2.08	1.76	18%
Silver grade (g/t)	7.69	6.77	14%
Recoveries			
Copper (%)	91.8	92.3	-1%
Gold (%)	59.7	57.3	4%
Silver (%)	53.8	49.8	8%
Concentrates			
Copper Concentrates (DMT)	10,719	10,366	3%
Copper (%)	20.0	19.2	4%
Gold (g/t)	7.7	6.6	17%
Silver (g/t)	25.5	22.3	14%
Payable copper produced (000s lbs)	4,576	4,166	10%
Cash cost per pound of payable copper (\$/lbs) ⁽¹⁾⁽²⁾	1.29	1.71	25%

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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>

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 1.00 million tonnes grading 3.02% copper and 1.76 g/t gold, at a cut-off grade of 1.3% copper equivalent with an effective date of September 30, 2020. 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 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

Atico's wholly-owned 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.

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 2,235 hectares along its 4-kilometer length, which contains known mineralization in two VMS lenses and nine priority exploration targets.

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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 generates significant cash flow through the operation of the El Roble mine and is developing its high-grade La Plata VMS project in Ecuador. The Company is also pursuing additional acquisition of advanced stage opportunities. For more information, please visit www.aticomining.com.

ON BEHALF OF THE BOARD

Fernando E. Ganoza
CEO
Atico Mining Corporation

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 as to the timing and process for renewal of title to the El Roble claims; 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 Company’s Management’s Discussion and Analysis for the year ended December 31, 2021 as filed on SEDAR and as available on the Company’s website for further details, and 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 three months ended March 31, 2022, as filed on SEDAR and as available on the Company’s website for further details.

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