

Atico Reports Consolidated Financial Results for Second Quarter of 2023

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

Vancouver, August 14, 2023 -- Atico Mining Corporation (the “Company” or “Atico”) (TSX.V: ATY | OTCQX: ATCMF) today announced its financial results for the three months ended June 30, 2023, posting a net gain of \$0.1 million. Production for the period at Atico’s El Roble mine totaled 2.8 million pounds (“lbs”) of copper and 2,294 ounces (“oz”) of gold in concentrate at a cash cost⁽¹⁾ of \$2.22 per payable pound of copper⁽²⁾.

Fernando E. Ganoza, CEO and Director, commented, “As the overall production results improved over the previous quarter, the financial results followed the same trend. Now that the operation has again reached its intended steady state rate, we are anticipating further improvement in most financial metrics for the second half of the year” said Fernando E. Ganoza, CEO. “For the remainder of the year we will continue to put tremendous emphasis on the drill campaign at El Roble mine vicinity while at the same time working on the mine plan to access these same areas.”

Second Quarter Financial Highlights

- Net income for the quarter amounted to \$0.1 million, compared with net loss of \$2.7 million for the comparative quarter. The increase was primarily due to higher sales.
- Sales for the quarter increased 124% to \$12.2 million when compared with \$5.5 million in Q2-2022. Copper (“Cu”) and gold (“Au”) accounted for 79% and 21% of the 6,597 (Q2-2022 – 4,472) dry metric tonnes (“DMT”) sold during Q2-2023.
- The average realized price per metal was \$3.92 per pound of copper and \$1,938 per ounce of gold.
- Ending working capital was \$13.3 million and the Company had \$15.8 million in long-term loans payable.
- Cash costs ⁽¹⁾ were \$125.05 per tonne of processed ore (Q2-2022 - \$138.39) and \$2.22 per pound of payable copper produced (Q2-2022 - \$1.36). The increase in cash cost per pound of payable copper produced compared to the comparative period is due to lower copper production due to lower ore grade.
- Cash margin was \$1.70 (Q2-2022 - \$2.38) per pound of payable copper produced, which was a decrease of 29% over Q2-2022 due to lower copper price and higher cash cost per pound.

⁽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

- All-in sustaining cash cost per payable pound of copper produced⁽¹⁾⁽²⁾ was \$3.28 (Q2-2022 - \$2.33).

Second Quarter Summary of Financial Results

	Q2 2023	Q2 2022	% Change
Revenue	\$ 12,228,088	\$ 5,463,057	124%
Cost of sales	(11,273,890)	(5,705,078)	98%
Income (loss) from mining operations	954,198	(242,021)	(494%)
<i>As a % of revenue</i>	<i>8%</i>	<i>(4%)</i>	
General and administrative expenses	1,452,364	1,357,251	7%
Income (loss) from operations	(602,944)	(1,749,732)	66%
<i>As a % of revenue</i>	<i>(5%)</i>	<i>(32%)</i>	
Income (loss) before income taxes	(935,677)	(3,447,039)	(73%)
Net income (loss)	55,040	(2,693,821)	(102%)
<i>As a % of revenue</i>	<i>1%</i>	<i>(49%)</i>	
Operating cash flow before changes in non-cash operating working capital items ⁽¹⁾	\$ 2,999,267	\$ (1,789,309)	(268%)

Second Quarter Operational Review

In Q2-2023, the Company produced 2.8 million lbs of copper, 2,294 oz of gold, and 7,612 oz of silver. When compared to the same period in 2022, production decreased by 22% for copper and 18% for gold, due to lower ore grades. Average copper head-grades decreased by 36% and gold head-grades decreased by 28%, relative to the same period in 2022.

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Second Quarter Operational Details

	Q2 2023	Q2 2022	% Change
Production (Contained metals) ⁽³⁾			
Copper (000s lbs)	2,803	3,591	(22%)
Gold (oz)	2,294	2,811	(18%)
Silver (oz)	7,612	8,358	(9%)
Mine			
Tonnes of material mined	72,340	61,667	17%
Mill			
Tonnes processed	68,471	56,172	22%
Tonnes processed per day	799	889	(10%)
Copper grade (%)	2.04	3.17	(36%)
Gold grade (g/t)	1.78	2.47	(28%)
Silver grade (g/t)	9.46	8.63	10%
Recoveries			
Copper (%)	91.1	91.4	(0%)
Gold (%)	58.7	62.9	(7%)
Silver (%)	36.6	44.3	(17%)
Concentrates			
Copper Concentrates (DMT)	6,784	8,278	(18%)
Copper (%)	18.7	19.7	(5%)
Gold (g/t)	10.5	10.6	(1%)
Silver (g/t)	34.9	31.4	11%
Payable copper produced (000s lbs)	2,639	3,411	(23%)
Cash cost per pound of payable copper (\$/lbs) ⁽¹⁾⁽²⁾	2.22	1.36	63%

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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.

(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

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 | OTCQX: 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, 2022 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 six months ended June 30, 2023, as filed on SEDAR and as available on the Company’s website for further details.

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