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Atico Reports Consolidated Financial Results for the First Quarter of 2017

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

Vancouver, May 23, 2017 -- Atico Mining Corporation (the "Company" or "Atico") (TSX.V: ATY | OTC: ATCMF) today announced its financial results for the three months ended March 31, 2017, posting a net income of $1.29 million.

Fernando E. Ganoza, CEO and Director, commented, "We are pleased to report our highest quarterly revenue and concentrate shipment to date. These achievements resulted in strong earnings for the Company despite being partially offset by an increase in mining costs and a relatively lower gold-to-copper production ratio, when compared to previous quarters." Mr. Ganoza continued, "For the remainder of 2017, we anticipate lower mining and milling cost per tonne processed by maintaining production at steady state levels in line with the annual guidance."

First Quarter Financial Highlights

- Net income for the three months ended March 31, 2017 ("Q1-2017") amounted to $1.29 million, compared with income of $1.97 million for the same period last year ("Q1-2016"). Net income for the quarter was negatively affected by an increase in direct mining and processing costs, unfavorable net realized and unrealized loss on derivative instruments, and a decrease in deferred income tax recovery, partially offset by an increase in revenue (increase in realized copper price of 24.1%).

- Sales for the period increased 42% to $17.2 million when compared with Q1-2016. The increase is due to an increase in concentrate shipped and provisionally invoiced and a higher realized copper price as compared to Q1-2016. Copper ("Cu") accounted for 97.3% and gold ("Au") 2.7% of total amount provisionally invoiced during Q1-2017. The average realized price per metal on provisional invoicing was $2.63 (Q1-2016 - $2.12) per pound of copper and $1,234.18 (Q1-2016 - $1,220.53) per ounce of gold.

- Income from operations was $2.80 million (Q1-2016 - $2.27 million) while cash flow from operations, before changes in working capital was $5.96 million (Q1-2016 - $5.17 million). Cash used for capital expenditures amounted to $2.10 million.

- Cash costs(1) were $114.76 per tonne of processed ore and $1.41 per pound of payable copper produced(2), a 38% and 63% increase over the same period last year, respectively.

- At the quarter-end, 3,222 wet metric tonnes of non-invoiced concentrate remained at the Company's warehouses.

(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) for Q1-2017 was $1.91 (Q1-2016 - $1.34).

First Quarter Operations Review

During the quarter, the Company produced 5.05 million pounds (“lbs”) of copper, 2,550 ounces (“oz”) of gold, and 9,852 oz of silver. When compared to Q1-2016, production increased 18% for copper and decreased 0.6% for gold. The increase in copper produced is entirely explained by 17% more processed material. In the case of gold, the increase in processed material was offset by a 13% decrease in the gold head grade and a 2.2% decrease in the metal recovery.

Cash costs(1) for the period were $114.76 per tonne of processed ore, and $1.41 per pound of payable copper produced, a 38% and 63% increase over the same period last year, respectively. The increase in the cash cost per pound of payable copper net of by products is mainly explained by the increase in the cost per processed tonne, a decreased gold credit driven by a lower gold-to-copper production ratio and to a lesser extent an increase in treatment charges when compared to the same period last year. All-in sustaining cash cost per payable pound of copper produced(1)(2) was $1.91.

The increase in the cost per processed tonne is driven primarily by an increase of 107% in the quantity of cemented backfill used during the quarter, an 29 % increase in the mill costs and to a lesser extent an 82% increase in hauling of material.

For the remaining quarters of 2017, the Company anticipates a decrease in the cost per tonne of processed ore driven by a reduction in the quantity and unit cost of cubic meters backfilled to the mine. In addition, major consumable parts of the ball mills and crushing system were replaced during the quarter.

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First Quarter Operational Details

	Q1 2017	**Q1 2016**	**% Change**
Production (Contained in Concentrate)[3]			
Copper (000s lbs)	5,046	4,277	18%
Gold (oz)	2,550	2,566	-1%
Silver (oz)	9,852	8,313	19%
Mine			
Tonnes of material mined	63,468	53,752	18%
Mill			
Tonnes processed	62,885	53,715	17%
Tonnes processed per day	810	778	4%
Copper grade (%)	3.89	3.81	2%
Gold grade (g/t)	1.92	2.21	-13%
Silver grade (g/t)	9.12	7.87	16%
Recoveries			
Copper (%)	93.5	94.4	-1%
Gold (%)	65.8	67.3	-2%
Silver (%)	53.9	61.4	-12%
Concentrates			
Copper Concentrates (DMT)	10,566	9,674	9%
Copper (%)	21.7	20.1	8%
Gold (g/t)	7.5	8.3	-10%
Silver (g/t)	29.0	25.7	9%
Payable copper produced (000s lbs)	4,790	4,048	18%
Cash cost per pound of payable copper ($/lbs)[1][2]	1.41	0.86	63%

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

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El Roble Mine

The El Roble mine is a high grade underground copper and gold mine with nominal processing plant capacity of 800 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 nominal capacity of 400 tonnes per day. The mine has a continuous operating history of twenty-two years, with recorded production of 1.5 million tonnes of ore at an average head grade of 2.6% copper and an estimated gold grade of 2.5 g/t. Copper and gold mineralization at the El Roble property occurs in volcanogenic massive sulfide (“VMS”) lenses.

Since entering into the option agreement in January 2011 to acquire 90% of El Roble, Atico has aggressively explored the mine and surrounding claims. The Company has completed 31,377 meters of diamond drilling and identified numerous prospective targets for VMS deposits on the 6,679-hectare property. This exploration led to the discovery of high-grade copper and gold mineralization below the 2000 level, the lowest production level of the El Roble mine. Atico has developed a new adit access from the 1880 elevation to develop these new resources.

El Roble has a measured and indicated resource of 1.87 million tonnes grading 3.46% copper and 2.27 g/t gold, at a cut-off grade of 0.93% copper equivalent. Mineralization is open at depth and along strike and the Company plans to further test the limits of the resource.

On the larger land package, the Company has identified a prospective stratigraphic contact between volcanic rocks and black and grey 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 15 prospective target areas for VMS type mineralization occurrence, which is the focus of the 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.

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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 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

The Company has not based its production decisions and ongoing mine production on mineral reserve estimates, preliminary economic assessments or feasibility studies, and historically such projects have increased uncertainty and risk of failure. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

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, 2017 as filed on SEDAR and as available on the Company's website for further details.

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