

Atico Reports Financial Results for Second Quarter of 2021

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

Vancouver, August 17, 2021 -- Atico Mining Corporation (the “Company” or “Atico”) (TSX.V: ATY | OTC: ATCMF) today announced its financial results for the three months ended June 30, 2021 (“Q2-2021”), posting income from mining operations of \$4.9 million and a net income of \$0.6 million.

Fernando E. Ganoza, CEO and Director, commented, “similarly to the previous quarter, the challenging situation in country and severe weather conditions resulted in operational setbacks, a slight loss of production and an increase in cash cost. The costs were partially mitigated by higher realized metal prices leading to a cash margin of \$3.23 per pound of payable copper. Despite these challenges, the Company closed the quarter showing a strong cash position of \$16.6 million along with \$5.5 million in trade receivables and a reduction of approximately \$8 million in current liabilities over the previous quarter.” Mr. Ganoza continued, “We anticipate that we will be able to make up for the lost production in the second half of the year to meet the annual guidance and take full advantage of the higher metal price environment.”

Second Quarter Financial Highlights

- Net income for the three months ended June 30, 2021 (“Q2-2021”) amounted to \$0.6 million, compared with \$1.2 million for the comparative period (“Q2-2020”). Net income was affected by foreign exchange loss, higher production costs, and a decrease in concentrate sold, partially offset by a higher realized copper price, as compared to Q2-2020.
- Sales for the period increased 5% to \$13.4 million when compared with \$12.8 million in Q2-2020. Copper (“Cu”) and gold (“Au”) accounted for 93% and 7% of the 7,812 (Q2-2020 - 9,014) dry metric tonnes (“DMT”) shipped and invoiced during Q2-2021. The average realized price per metal on invoicing was \$4.50 (Q2-2020 - \$2.60) per pound (“lbs”) of copper and \$1,878 (Q2-2020 - \$1,726) per ounce (“oz”) of gold.
- Working capital was \$23.3 million (December 31, 2020 - \$22.5 million), while the Company had \$6.4 million (December 31, 2020 - \$6.8 million) in long-term loans payable
- Cash costs⁽¹⁾ were \$118.24 per tonne of processed ore and \$1.27 per pound of payable copper produced⁽²⁾, which were increases of 26% and 37% over Q2-2020, respectively. The increase in the cash cost per pound of payable copper net of by products is mainly explained by a 10% decrease in payable copper produced and increases in onsite costs per tonne processed.

⁽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 margin⁽¹⁾⁽²⁾ was \$3.23 (Q2-2020 - \$1.67) per pound of payable copper produced, which was an increase of 93% over Q2-2020.
- All-in sustaining cash cost per payable pound of copper produced⁽¹⁾⁽²⁾ was \$2.10 (Q2-2020 - \$1.34).

Second Quarter Summary of Financial Results

	Q2 2021	Q2 2020	% Change
Revenue	\$ 13,435,135	\$ 12,826,237	5%
Cost of sales	(8,505,352)	(8,715,230)	-2%
Income from mining operations	4,929,783	4,111,007	20%
<i>As a % of revenue</i>	<i>37%</i>	<i>32%</i>	<i>14%</i>
General and administrative expenses	1,022,263	942,560	8%
Income from operations	3,681,062	3,017,827	22%
<i>As a % of revenue</i>	<i>27%</i>	<i>24%</i>	<i>16%</i>
Income before income taxes	1,189,241	1,990,634	-40%
Net income	571,306	1,206,999	-53%
<i>As a % of revenue</i>	<i>4%</i>	<i>9%</i>	<i>-61%</i>
Operating cash flow before changes in non-cash operating working capital items ⁽¹⁾	\$ 5,904,080	\$ 7,247,448	-19%

Second Quarter Operational Review

In Q2-2021, the Company produced 4.46 million lbs of copper, 2,732 oz of gold, and 10,104 oz of silver. When compared to same period in 2020, production decreased by 10% for copper and no change for gold. The decrease for copper is mostly explained by 5% decrease in processed ore and head grade.

Cash costs⁽¹⁾ for the period were \$118.24 per tonne of processed ore, and \$1.27 per pound of payable copper produced, increases of 26% and 37% over Q2-2020, respectively. All-in sustaining cash cost per payable pound of copper produced⁽¹⁾⁽²⁾ was \$2.10.

⁽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

Second Quarter Operational Details

	Q2 2021	Q2 2020	% Change
Production (Contained metals) ⁽³⁾			
Copper (000s lbs)	4,462	4,956	-10%
Gold (oz)	2,732	2,718	1%
Silver (oz)	10,104	10,401	-3%
Mine			
Tonnes of material mined	71,436	76,825	-7%
Mill			
Tonnes processed	68,238	71,804	-5%
Tonnes processed per day	892	877	-1%
Copper grade (%)	3.21	3.38	-5%
Gold grade (g/t)	2.01	2.02	-1%
Silver grade (g/t)	8.50	9.10	-7%
Recoveries			
Copper (%)	92.6	92.9	-0%
Gold (%)	61.9	58.6	6%
Silver (%)	55.0	49.4	11%
Concentrates			
Copper Concentrates (DMT)	10,002	10,828	-8%
Copper (%)	20.3	20.8	-2%
Gold (g/t)	8.6	7.8	10%
Silver (g/t)	31.6	29.8	6%
Payable copper produced (000s lbs)	4,239	4,708	-10%
Cash cost per pound of payable copper (\$/lbs) ⁽¹⁾⁽²⁾	1.27	0.93	37%

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>

⁽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

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 of 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, 2020 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



CORPORATE OFFICE
501 - 543 Granville St.
Vancouver, BC
Canada V6C 1X8
Tel. +1.604.633.9022

TRADING SYMBOLS
TSX.V: ATY
OTC: ATCMF
info@aticomining.com
www.aticomining.com

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 Corporation

Trading symbols: TSX.V: ATY | OTC: ATCMF

Investor Relations
Igor Dutina
Tel: +1.604.633.9022

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

No securities regulatory authority has either approved or disapproved of the contents of this news release. The securities being offered have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws, and may not be offered or sold in the United States, or to, or for the account or benefit of, a "U.S. person" (as defined in Regulation S of the U.S. Securities Act) unless pursuant to an exemption therefrom. This press release is for information purposes only and does not constitute an offer to sell or a solicitation of an offer to buy any securities of the Company in any jurisdiction.

⁽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



CORPORATE OFFICE
501 - 543 Granville St.
Vancouver, BC
Canada V6C 1X8
Tel. +1.604.633.9022

TRADING SYMBOLS
TSX.V: ATY
OTC: ATCMF
info@aticomining.com
www.aticomining.com

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 six months ended June 30, 2021 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