

Atico Reports Consolidated Financial Results for the Second Quarter of 2016

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

Vancouver, August 16, 2016 -- Atico Mining Corporation (the “Company” or “Atico”) (TSX.V: ATY | OTC: ATCMF) today announced its financial results for the three months ended June 30, 2016, posting a net loss of \$1.41 million.

Fernando E. Ganoza, CEO, commented, “The Company had another record operating quarter with competitive production cost which didn’t translate to the quarterly financials. As we recognize revenue once the concentrate is shipped, the financials were negatively impacted by a delay of the second concentrate shipment scheduled for this quarter due to a countrywide transportation strike in Colombia. The negative effect on this quarter will be offset by recording the revenue of the delayed shipment in the third quarter.” Mr. Ganoza added, “We are looking forward to a strong second half of the year both operationally and financially while we remain on target to meet our annual consolidated production guidance.”

Second Quarter Financial Highlights

- Net loss for the second quarter amounted to \$1.41 million, compared with a net income of \$0.47 million for the same period last year. The net loss was mainly affected by a delay of the second concentrate shipment, originally schedule to be shipped during the quarter.
- Sales for the second quarter decreased 40% to \$3.7 million when compared with the same period last year. The decrease is due to a delayed scheduled concentrate shipment and lower realized prices as compared to the same period last year. Copper accounted for 92.4% and gold 7.6% of total amount provisionally invoiced during the quarter. The average realized price per metal on provisional invoicing was \$2.08 per pound of copper, \$1,263.85 per ounce of gold, and \$16.87 per ounce of silver
- Cash costs⁽¹⁾ were \$90.20 per tonne of processed ore and \$0.96 per pound of payable copper produced⁽²⁾, a 14% and 17% decrease over the same period last year, respectively.
- Loss from operations was \$1.59 million while cash flow from operations, before changes in working capital was \$0.03 million. Cash used for capital expenditures amounted to \$1.84 million.
- At the quarter-end, 9,120 wet metric tonnes of non-invoiced concentrate remained at the Company’s warehouses.
- All-in sustaining cash cost per payable pound of copper produced⁽¹⁾⁽²⁾ for Q2-2016 was \$1.53.

⁽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 Summary of Financial Results

	Q2 2016	Q2 2015	% Change
Revenue	\$ 3,659,067	\$ 6,116,976	-40%
Cost of sales	(3,661,942)	(4,091,393)	-10%
Income (loss) from mining operations	(2,875)	2,025,583	-100%
<i>As a % of revenue</i>	<i>0%</i>	<i>33%</i>	<i>100%</i>
Selling, general and administrative expenses	1,468,159	1,408,116	4%
Income (loss) from operations	(1,619,135)	507,601	-419%
<i>As a % of revenue</i>	<i>-43%</i>	<i>8%</i>	<i>-633%</i>
Income (loss) before income taxes	(1,715,008)	12,376	-13,958%
Net income (loss)	(1,413,402)	(470,246)	-201%
<i>As a % of revenue</i>	<i>-39%</i>	<i>-8%</i>	<i>-402%</i>
Operating cash flow before changes in non-cash operating working capital items ⁽¹⁾	\$ 29,543	\$ 2,076,473	-99%

Second Quarter Operations Review

During the quarter, the Company produced 4.78 million pounds (“lbs”) of copper, 2,948 ounces (“oz”) of gold, and 9,953 oz of silver. When compared to the same period last year, production increased 64%, 28%, and 43% for copper, gold, and silver, respectively. The increase in overall metal production is mainly attributed to a 58% increase in processed material. Copper production had a slight increase in the copper head grade of 5%; while in the case of gold production, the increase in processed material was partially offset by a 17% decrease in the gold head grade.

Cash costs⁽¹⁾ for the period were \$90.20 per tonne of processed ore, and \$0.96 per pound of payable copper produced, a 14% and 17% decrease over the same period last year, respectively. The decrease in the cash cost per pound of payable copper net of by products is mainly explained by a 58% increase in processed materials over the same period in last year. All-in sustaining cash cost per payable pound of copper produced⁽¹⁾⁽²⁾ was \$1.53.

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Second Quarter Operational Details

	Q2 2016	Q2 2015	% Change
Production (Contained in Concentrate) ⁽³⁾			
Copper (000s lbs)	4,787	2,910	65%
Gold (oz)	2,948	2,298	28%
Silver (oz)	9,953	6,941	43%
Mine			
Tonnes of material mined	63,112	41,287	53%
Mill			
Tonnes processed	64,246	40,747	58%
Tonnes processed per day	814	575	42%
Copper grade (%)	3.63	3.45	5%
Gold grade (g/t)	2.19	2.65	-17%
Silver grade (g/t)	8.03	9.02	-11%
Recoveries			
Copper (%)	93.0	93.7	-1%
Gold (%)	65.0	66.2	-2%
Silver (%)	59.8	58.7	2%
Concentrates			
Copper Concentrates (DMT)	10,718	6,938	54%
Copper (%)	20.3	19.0	7%
Gold (g/t)	8.6	10.3	-17%
Silver (g/t)	28.9	31.1	-7%
Payable copper produced (000s lbs)	4,527	2,764	64%
Cash cost per pound of payable copper (\$/lbs) ⁽¹⁾⁽²⁾	0.96	1.16	-17%

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), Chief Operating Officer of 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.

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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

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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

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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 six months ended June 30, 2016 as filed on SEDAR and as available on the Company's website for further details.

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