

Atico Reports Consolidated Financial Results for First Quarter of 2024

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

Vancouver, May 21, 2024 -- Atico Mining Corporation (the “Company” or “Atico”) (TSX.V: ATY | OTC: ATCMF) today announced its financial results for the three months ended March 31, 2024, posting income from mining operations of \$2.8 million and a net loss of \$0.4 million. Production for the period at Atico’s El Roble mine totaled 3.3 million pounds (“lbs”) of copper and 2,185 ounces (“oz”) of gold in concentrate at a cash cost⁽¹⁾ of \$2.57 per payable pound of copper⁽²⁾.

Fernando E. Ganoza, CEO and Director, commented, “the operational and financial results for this quarter were in line with Company expectations. We are already into development of the newly discovered reserves and have been making additional investments in preparation for ore extraction from these areas.” Mr. Ganoza continued, “for the remainder of the year, we should start to see an improvement in our operating costs as we progressively gain access to mining the upper areas of the mine, while at the same time the recent increase in metals prices, particularly in copper should be positively reflected in our revenue and margin.”

First Quarter Financial Highlights

- Net loss for the quarter amounted to \$0.4 million, compared with \$0.5 million for the comparative quarter. The loss was primarily due to higher costs and lower average realized price per pound of payable copper which impacted income from mining operations, as well as an unrealized mark-to-market loss on gold hedges.
- Sales for the quarter increased 39% to \$17.8 million when compared with \$12.8 million in Q1-2024. Copper (“Cu”) and gold (“Au”) accounted for 81% and 19% of the 9,383 (Q1-2023 – 6,475) dry metric tonnes (“DMT”) sold during Q1-2024.
- The average realized price per metal was \$3.97 (Q1-2023 - \$4.15) per pound of copper and \$2,180 (Q1-2023 - \$2,139) per ounce of gold.
- Ending working capital was negative \$1.8 million (December 31, 2023 – \$2.1 million), while the Company had \$6.0 million (December 31, 2023 – \$6.0 million) in long-term loans payable.
- Cash costs⁽¹⁾ were \$160.10 per tonne of processed ore and \$2.57 per pound of payable copper produced, which were an increase of 26% and 17% over Q1-2023, respectively.

⁽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 was \$1.40 per pound of payable copper produced, which was a decrease of 28% over Q1-2023 due to the increase in cash cost per pound and the decrease in realized copper price.
- All-in sustaining cash cost⁽¹⁾ per payable pound of copper produced was \$3.41 (Q1-2023 - \$3.34).

First Quarter Summary of Financial Results

	Q1 2024	Q1 2023	% Change
Revenue	\$ 17,818,115	\$ 12,783,240	39%
Cost of sales	(15,016,252)	(10,702,409)	40%
Income from mining operations	2,801,863	2,080,831	35%
<i>As a % of revenue</i>	<i>16%</i>	<i>16%</i>	
General and administrative expenses	(1,331,172)	(1,466,716)	(9%)
Income from operations	1,292,845	573,062	126%
<i>As a % of revenue</i>	<i>7%</i>	<i>4%</i>	
Income (loss) before income taxes	(257,271)	197,191	(230%)
Net loss	(365,933)	(499,670)	(27%)
<i>As a % of revenue</i>	<i>(2%)</i>	<i>(4%)</i>	
Operating cash flow before changes in non-cash operating working capital items ⁽¹⁾	\$ 5,847,701	\$ 2,039,380	187%

First Quarter Operational Review

In Q1-2024, the Company produced 3.3 million lbs of copper, 2,185 oz of gold, and 8,174 oz of silver. When compared to the same period in 2023, production increased by 45% for copper and decreased 14% for gold, which was due to average copper head-grades increasing by 34% and gold head-grades decreasing by 25%. Tonnes of processed ore also increased by 7% compared to Q1-2023.

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First Quarter Consolidated Operational Details

	Q1 2024	Q1 2023	% Change
Production (Contained metals) ⁽³⁾			
Copper (000s lbs)	3,349	2,310	45%
Gold (oz)	2,185	2,553	(14%)
Silver (oz)	8,174	8,335	(2%)
Mine			
Tonnes of material mined	64,873	60,568	7%
Mill			
Tonnes processed	65,787	62,793	5%
Tonnes processed per day	811	747	8%
Copper grade (%)	2.52	1.87	34%
Gold grade (g/t)	1.67	2.23	(25%)
Silver grade (g/t)	8.49	11.20	(24%)
Recoveries			
Copper (%)	91.8	89.2	3%
Gold (%)	61.7	57.0	8%
Silver (%)	46.3	37.5	23%
Concentrates			
Copper Concentrates (DMT)	8,274	5,815	42%
Copper (%)	18.4	18.0	2%
Gold (g/t)	8.2	13.7	(40%)
Silver (g/t)	30.7	44.8	(31%)
Payable copper produced (000s lbs)	3,148	2,169	45%
Cash cost per pound of payable copper (\$/lbs) ⁽¹⁾⁽²⁾	2.57	2.20	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 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's reserves estimate, with an effective date of March 12, 2024, includes Proven and Probable mineral reserves of 828 thousand tonnes averaging 2.49% Cu, 2.20 g/t Au and a life of mine until Q1-2027. A full NI 43-101 technical report will be available on SEDAR on or before June 14, 2024. For more information on the reserves estimate refer to the Company's press release dated April 30, 2024 which can be found on SEDAR and on the Company's website.

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

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 2,235 hectares along its 9-kilometer length, which contains known mineralization in two VMS lenses and nine priority exploration targets.

The Company is currently working on completing a Feasibility Study and obtaining the necessary permits and the environmental license to begin construction of the La Plata project.

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In January 2024, the Company announced that the Government of Ecuador authorized the extension period for the La Plata mining concession until 2049.

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.aticominig.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; 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, 2023 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 year ended December 31, 2023, as filed on SEDAR and as available on the Company’s website for further details.

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