

Atico Reports Consolidated Financial Results for 2023

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VANCOUVER, April 16, 2024 - [Atico Mining Corp.](#) (the "Company" or "Atico") (TSX.V: ATY | OTC: ATCMF) today announced its financial results for the year ended December 31, 2023, posting income from mining operations of \$7.4 million and a net loss of \$5.8 million. Production for the year at Atico's El Roble mine totaled 13.2 million pounds ("lbs") of copper and 10,149 ounces ("oz") of gold in concentrate at a cash cost⁽¹⁾ of \$2.04 per payable pound of copper⁽²⁾.

Fernando E. Ganoza, CEO and Director, commented, "we had a challenging year overall, with the first half of the year facing lower than expected head grades and lower throughput due to mechanical and operational issues, coupled with a significant appreciation in the Colombian Peso throughout the year which materially increased our costs. Despite these challenges the team did a great job getting El Roble mine back on track in the second half of the year to deliver just slightly below our annual guidance. This turnaround in operations and strong metal prices resulted in generation of good cash flows at the mine which were offset by a non-cash impairment charge recorded for the year." Mr. Ganoza continued, "In 2024, we will continue looking at opportunities to optimize operating costs while investing in expanding the resource and reserves estimate at El Roble and extending its mine life. In parallel, the La Plata project continues to advance with the permitting process and the Feasibility Study which is nearing completion."

2023 Consolidated Financial Highlights

- Net loss for 2023 amounted to \$5.8 million, compared with \$3.4 million for the comparative year. The loss was primarily due to an impairment charge to mineral properties, in respect to certain regional exploration targets in Colombia of the El Roble's exploration & evaluation segment, and lower income from mining operations because of lower sales and higher production costs.
- Sales for the year decreased 12% to \$57.5 million when compared with \$65.2 million in 2022. Copper ("Cu") and gold ("Au") accounted for 83% and 17% of the 31,763 (2022 - 36,655) dry metric tonnes ("DMT") sold during 2023. Sales during the year were impacted by lower quantities sold compared to 2022.
- The average realized price per metal was \$3.94 (2022 - \$3.80) per pound of copper and \$2,009 (2022 - \$1,797) per ounce of gold.
- Working capital was negative \$2.1 million (2022 - positive \$18.2 million), while the Company had \$6.0 million (2022 - \$15.6 million) in long-term loans payable. The decrease in working capital is largely due to the \$10M loan payable to Trafigura PTE Ltd. becoming due within 12 months from December 31, 2023.
- Cash costs⁽¹⁾ were \$129.99 per tonne of processed ore and \$2.04 per pound of payable copper produced, which were a decrease of 1% and an increase of 39% relative to 2022, respectively.
- Loss from operations was \$4.4 million (2022 - income of \$9.2 million) which included a \$5.7 million impairment charge discussed above, while cash flows from operations, before changes in working capital, was \$9.7 million (2022 - \$15.8 million).
- Cash used by investing activities amounted to \$15.9 million (2022 - \$14.1 million) with expenditures for \$5.5 million at El Roble and \$5.5 million at La Plata. The Company also paid \$3.6 million to the National Mining Agency in Colombia (2022 - \$3.4 million) and \$1.0 million towards the deferred purchase price amount for the La Plata non-controlling interest acquisition completed in 2022. The final amount remaining of \$1.0 million is due in August 2024.
- All-in sustaining cash cost⁽¹⁾ per payable pound of copper produced was \$2.87 (2022 - \$2.43).

2023 Consolidated Operating Highlights and Review

- Ore processed increased 16% year-on-year;
- Copper head-grade decreased 22% year-on-year;
- Gold head-grade decreased 18% year-on-year;
- Concentrate production decreased 8% year-on-year;
- Copper metal production decreased 12% year-on-year; and

- Gold metal production decreased 9% year-on-year.

Operationally the Company had a challenging first half of the year resulting in low ore and concentrate production and low copper head grade. This was turned around in Q3-2023 with an improvement in these metrics to finish the year delivering just under the bottom end of our copper and gold production guidance ranges for 2023.

In 2023, the Company produced 13.2 million lbs of copper, 10,149 oz of gold, and 36,949 oz of silver. The decrease in copper and gold production compared to the prior year is mainly explained by a decrease in head grade, which was partially offset by an increase in ore processed which met the guidance for the year.

During 2023, the mill operated for 339 days, an increase of 3% compared to the target set for the year and an increase of 12% compared to 302 days of operation in 2022. Average copper head-grade decreased by 22% relative to 2022, meeting the bottom end of the 2023 guidance range, while average gold head-grade decreased by 18% relative to 2022, slightly below the bottom end of the 2023 guidance range. Recoveries remained steady at 91.8% (2022 - 91.4%) for copper and 60.1% (2022 - 60.6%) for gold.

Cash costs⁽¹⁾ were \$129.99 per tonne of processed ore and \$2.04 per pound of payable copper produced, which were a decrease of 1% and an increase of 39% relative to 2022, respectively⁽¹⁾. The increase in cash costs per pound of payable copper produced compared to 2022 is due to lower copper grade and lower gold (by-product) credits due to lower gold grade.

2023 Consolidated Operational Details

| | Q1 | Q2 | Q3 | Q4 | Total |
|---|--------|--------|--------|--------|---------|
| Production (Contained in Concentrates) ⁽³⁾ | | | | | |
| Copper (000s pounds) | 2,310 | 2,803 | 3,762 | 4,367 | 13,242 |
| Gold (ounces) | 2,553 | 2,313 | 2,705 | 2,578 | 10,149 |
| Silver (ounces) | 8,335 | 7,826 | 9,979 | 10,810 | 36,949 |
| Mine | | | | | |
| Tonnes of ore mined | 60,568 | 72,340 | 77,947 | 78,132 | 288,987 |
| Mill | | | | | |
| Tonnes processed | 62,793 | 68,471 | 74,580 | 73,030 | 278,874 |
| Tonnes processed per day | 747 | 799 | 888 | 853 | 825 |
| Copper grade (%) | 1.87 | 2.04 | 2.46 | 2.89 | 2.34 |
| Gold grade (g/t) | 2.23 | 1.80 | 1.83 | 1.75 | 1.89 |
| Silver grade (g/t) | 11.20 | 9.98 | 10.13 | 9.86 | 10.26 |
| Recoveries | | | | | |
| Copper (%) | 89.2 | 90.6 | 93.0 | 93.9 | 91.8 |
| Gold (%) | 57.0 | 58.4 | 61.9 | 62.7 | 60.1 |
| Silver (%) | 37.5 | 36.6 | 41.0 | 47.0 | 40.7 |
| Concentrates | | | | | |
| Copper Concentrates (dmt) | 5,815 | 6,789 | 9,336 | 10,727 | 32,667 |
| Copper (%) | 18.0 | 18.7 | 18.3 | 18.5 | 18.4 |
| Gold (g/t) | 13.7 | 10.5 | 9.0 | 7.5 | 9.7 |
| Silver (g/t) | 44.8 | 34.9 | 33.2 | 31.3 | 35.0 |
| Payable copper produced (000s lb) | 2,169 | 2,639 | 3,536 | 4,108 | 12,451 |
| Cash cost per pound of payable copper ⁽¹⁾⁽²⁾ (\$/lb) | 2.20 | 2.22 | 1.97 | 1.91 | 2.04 |

⁽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

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>

Fourth Quarter Financial Highlights

During the quarter, the Company generated sales of \$17.3 million, where copper accounted for 89% and gold for 11%. The average realized price per metal was \$3.86 per pound of copper and \$2,053 per ounce of gold, and included copper and gold price adjustments on shipments provisionally invoiced in prior quarters whose final settlement occurred during Q4-2023 as per their quotational periods. Income from mining operations for the quarter was \$2.3 million and net cash provided by operating activities amounted to \$3.5 million, which included operating cash inflows before changes in non-cash operating working capital items of \$2.0 million and cash inflows from changes in non-cash working capital items of \$1.5 million. Cash costs⁽¹⁾ for the quarter were \$135.00 per tonne of processed ore and \$1.91 per pound of payable copper produced⁽²⁾ ⁽⁴⁾, increases of 7% and 1% over Q4-2022, respectively.

Annual General Meeting

Atico Mining cordially invites all shareholders to its Annual General Meeting of Shareholders, at 10:00 am, Tuesday, June 18, 2024, at Suite 501 - 543 Granville Street, Vancouver, British Columbia.

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 September 30, 2020, included in the NI 43-101 Technical Report dated February 18, 2021, and filed on SEDAR on the same date, includes 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. 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. A focus in 2023 will be on increasing the resource and reserves estimate and extending the El Roble's life of mine.

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.

In May 2022 the Company received the technical approval of its Environmental and Social Impact Assessment ("ESIA") study for the project and the Ministry of Environment, Waters and Ecological Transition (MAATE) initiated the socialization of the ESIA, through an environmental public consultation process, as an important step for the issuance of the environmental license for the La Plata project. However, on July 31, 2023, the Constitutional Court in Ecuador, admitted for processing a claim of the Confederation of Indigenous Nationalities of Ecuador (CONAIE) and other complainants, provisionally suspending Executive Decree No 754 signed on May 31, 2023, that regulates environmental consultations for all public and private industries and sectors in Ecuador - not limited to extractive industries. The La Plata environmental consultation process was as result put on pause until a ruling was made from the Constitutional Court in Ecuador. On November 17, 2023, the Ecuadorian Constitutional Court ruled the Executive Decree 754 was unconstitutional, but decided to maintain the decree in force until the Ecuadorian National Assembly enacts this procedure into Organic Law. Until the Assembly passes the necessary organic law, the temporary suspension of the Decree was revoked by the Constitutional Court and the Decree remains in effect. This allows many projects across all industries and sectors, including La Plata, to resume their respective consultation process, which MAATE reinitiated for La Plata during Q1-2024.

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 it's 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 Corp.](#)

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; 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, 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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