

Atico Reports Consolidated Financial Results for Second Quarter of 2024

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VANCOUVER, Aug. 20, 2024 - [Atico Mining Corp.](#) (the "Company" or "Atico") (TSX.V: ATY | OTC: ATCMF) today announced its financial results for the three months ended June 30, 2024, posting income from mining operations of \$2.6 million and a net loss of \$0.4 million. Production for the period at Atico's El Roble mine totaled 3.7 million pounds ("lbs") of copper and 2,850 ounces ("oz") of gold in concentrate at a cash cost⁽¹⁾ of \$1.48 per payable pound of copper⁽²⁾.

Fernando E. Ganoza, CEO and Director, commented, "this period we had improvements in almost all operational metrics when compared to the previous quarter and same period last year. However, these improvements are not reflected in this period's revenue and income as a material portion of the concentrate shipped will be recognized as revenue in the third quarter due to shipping delays caused by poor weather conditions. We therefore anticipate strong revenues in the third quarter which will make up for this quarter's results." Mr. Ganoza continued, "for the second half of the year we will be focused on achieving production guidelines and cost efficiencies at El Roble, continue advancing the La Plata project engineering and permitting, and executing the near-mine drill program at El Roble aimed at replacing resources and further extending the life of mine."

Second Quarter Financial Highlights

- Net loss for the quarter amounted to \$0.4 million, compared with \$0.1 million net income for the comparative quarter. The loss was primarily due to lower sales and a net realized loss on the settlements of its derivative instruments.
- Sales for the quarter decreased 11% to \$10.9 million when compared with \$12.2 million in Q2-2023. The decrease was primarily due to weather conditions which caused delays at the Port of Loading. Copper ("Cu") and gold ("Au") accounted for 76% and 24% of the 5,603 (Q2-2023 - 6,597) dry metric tonnes ("DMT") sold during Q2-2024.
- The average realized price per metal was \$4.34 (Q2-2023 - \$3.92) per pound of copper and \$2,303 (Q2-2023 - \$1,938) per ounce of gold.
- Ending working capital was negative \$4.3 million (December 31, 2023 - \$2.1 million), while the Company had \$6.1 million (December 31, 2023 - \$6.0 million) in long-term loans payable.
- Cash costs⁽¹⁾ were \$131.07 per tonne of processed ore and \$1.48 per pound of payable copper produced, which were an increase of 5% and a decrease of 33% over Q2-2023, respectively. The decrease in cash cost per pound of payable copper produced compared to the comparative period is primarily due to higher amounts of payable copper from increased copper grade, as well as higher gold (by-product) credits from increased gold grade and gold price.
- Cash margin was \$2.86 per pound of payable copper produced⁽¹⁾, which was an increase of 68% over Q2-2023 due to the decrease in cash cost per pound (above) as well as the increase in realized copper price.
- All-in sustaining cash cost per payable pound of copper produced⁽¹⁾, was \$2.32 (Q2-2023 - \$3.28), a reduction that is primarily due to the decrease in cash cost per pound (above).
- On August 8, 2024, (subsequent to the reporting period) the Company announced in a press release that it has entered into an amendment and restatement agreement with Trafigura PTE. LTD. (the "Lender") to amend the US\$ 10 million credit agreement entered into with the Lender on February 2022, by extending the maturity date of the credit facility from August 8, 2024, to July 31, 2026.

Second Quarter Summary of Financial Results

	Q2 2024	Q2 2023	% Cha
Revenue	\$ 10,860,467	\$ 12,228,088	(11)
Cost of sales	(8,308,719)	(11,273,890)	(26)
Income from mining operations	2,551,748	954,198	167

<i>As a % of revenue</i>	23%	8%	
General and administrative expenses and share-based payments	(1,585,615)	(1,557,142)	2%
Income (loss) from operations	891,086	(602,944)	(24)
<i>As a % of revenue</i>	8%	(5%)	
Loss before income taxes	(730,559)	(935,677)	(22)
Net (loss) income	(424,612)	55,040	(87)
<i>As a % of revenue</i>	(4%)	1%	
Operating cash flow before changes in non-cash operating working capital items ⁽¹⁾	\$ 2,472,955	\$ 2,999,267	(18)

Second Quarter Consolidated Operational Details

In Q2-2024, the Company produced 3.7 million lbs of copper, 2,850 oz of gold, and 9,972 oz of silver. When compared to the same period in 2023, production increased by 32% for copper and 23% for gold, which was due to average copper head-grades increasing by 26% and gold head-grades increasing by 8%. Tonnes of processed ore also increased by 4% compared to Q2-2023.

	Q2 2024	Q2 2023	% Change
Production (Contained metals) ⁽³⁾			
Copper (000s lbs)	3,710	2,803	32%
Gold (oz)	2,850	2,313	23%
Silver (oz)	9,972	7,826	27%
Mine			
Tonnes of material mined	70,826	72,340	(2%)
Mill			
Tonnes processed	71,079	68,471	4%
Tonnes processed per day	852	799	7%
Copper grade (%)	2.57	2.04	26%
Gold grade (g/t)	1.95	1.80	8%
Silver grade (g/t)	9.30	9.98	(7%)
Recoveries			
Copper (%)	92.0	90.6	2%
Gold (%)	64.2	58.4	10%
Silver (%)	47.3	36.6	29%
Concentrates			
Copper Concentrates (DMT)	9,197	6,789	35%
Copper (%)	18.3	18.7	(2%)
Gold (g/t)	9.6	10.5	(8%)
Silver (g/t)	33.7	34.9	(3%)
Payable copper produced (000s lbs)	3,487	2,639	32%
Cash cost per pound of payable copper (\$/lbs) ⁽¹⁾⁽²⁾	1.48	2.22	(33%)

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>

El Roble Second Quarter Updates

On April 30, 2024, the Company announced an updated mineral resource and reserve estimate for the El Roble Mine located in Colombia, prepared under National Instrument 43-101 standards, with an effective date of March 12, 2024. Measured and Indicated Mineral Resources (inclusive of Mineral Reserves) are estimated at 881 thousand tonnes averaging 3.40% Cu, and 2.98 g/t Au. Proven and Probable Mineral Reserves are estimated at 828 thousand tonnes averaging 2.49% Cu, and 2.20 g/t Au. A conversion rate of 88% of Measured and Indicated resources to Proven and Probable reserve categories was applied over the current resource estimate. Life of Mine is extended until the first quarter of 2027. More information can be

found on the Company's press release dated April 30, 2024, available on SEDAR+ and on the Company's website.

The ongoing Arbitration at the Center for Arbitration and Conciliation of the Bogota Chamber of Commerce to resolve the El Roble royalty dispute with the National Mining Agency is progressing with the first procedural hearing concluded on July 2, 2024, confirming the tribunal's competence and scheduling evidentiary hearings and witness testimonies. The first evidentiary hearing occurred on July 12, 2024, with witness testimonies well underway and expected to conclude by September 2024. The tribunal's final decision is due by January 15, 2025, with an allowable six-month extension as per the arbitration rules. If the Tribunal's final decision favors the Company, the Payment Plan will cease, and any amounts paid under the Payment Plan with the National Mining Agency will need to be reimbursed to the Company or offset against future royalty obligations.

The Payment Plan is payable in biannual instalments for a total principal amount of COP\$101,217,832,270 (approximately \$24.4 million) plus interest at a 6% annual rate. As at June 30, 2024, the Company has paid to the National Mining Agency a total principal amount of COP\$30,598,648,182 (approximately \$7.4 million) plus interest. As of June 30, 2024, 6,520 of the 10,627 dry metric tonnes of metals concentrate in inventories were pledged as security for the principal amount of the Payment Plan that remains outstanding.

La Plata Second Quarter Updates

In May 2022 the Company received the technical approval of its Environmental and Social Impact Assessment ("ESIA") study for the La Plata 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.

On March 22, 2024, the mayor of the Canton of Sigchos, CONAIE and other complainants (the "Claimants") filed a constitutional protective action against MAATE and other governmental entities, challenging the environmental consultation process that was being conducted by MAATE which is an important step for the issuance of the La Plata environmental license. The protective action was accepted by the Court on March 25, 2024, and the Court proceeding was carried out in the Judicial Unit of the Canton of Sigchos, in the province of Cotopaxi, Ecuador, between May 20, 2024, and July 9, 2024. On August 2, 2024, the Court issued a binding oral ruling, rejecting the Protective Action filed by the Claimants. The Court concluded that the consultation process conducted by MAATE complied with applicable legal requirements, did not constitute rights violations, and removed the cautionary measures previously applied. The court issued the ruling in writing on August 5, 2024. After the Court's ruling, the Claimants advised the Court of their intention to appeal the Court's decision. The appeal will be heard by the Provincial Court of Justice of Cotopaxi in due course. No date for the appeal has been set.

On July 2, 2024 (subsequent to the reporting period), the Company reported results of the La Plata Feasibility Study prepared in accordance with National Instrument 43-101 and the Technical Report was filed on SEDAR+ on August 14, 2024.

- Initial Probable Mineral Reserves for the La Plata project 2.51 Mt with an average grade of 1.59% Cu, 2.28 g/t Au, 30.41 g/t Ag, and 2.18% Zn.
- Updated Indicated Resources of 2.345 Mt with an average grade of 2.13% Cu, 2.98 g/t Au, 40 g/t Ag, 3.05% Zn and Inferred Resources of 380 Kt at average grade of 0.96% Cu, 1.75 g/t Au, 38 g/t Ag, 2.29% Zn.

- Average annual production of 9.71 Mlbs Cu, 15,929 oz Au, 226,299 oz Ag, and 13.25 Mlbs Zn in concentrates over 8.1 years Life of Mine ("LOM")
- Initial Capex of US\$91 Million, including a 9.8% contingency
- Average AIC⁽¹⁾ of US\$2.70 per payable lb of Cu equivalent produced over LOM
- After Tax NPV of US\$93M at a 5% discount rate and an IRR of 25.1%

The Company continues to work on obtaining the necessary permits and the environmental license to begin construction of the La Plata project.

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.aticomining.com.

ON BEHALF OF THE BOARD

Fernando E. Ganoza
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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 as to the outcome of the Arbitration process with the National Mining Agency in Colombia for the royalties' dispute, as to the timing of the Tribunal's decision, and if a favorable Tribunal

Decision, as to the timing for the reimbursement of the payments made under the Payment Plan to the National Mining Agency; uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits; uncertainty of estimates of capital and operating costs of the Company's projects; 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.sedarplus.ca

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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