

# Atico Reports Consolidated Financial Results for 2020

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VANCOUVER, April 21, 2021 - [Atico Mining Corp.](#) (the "Company" or "Atico") (TSX.V: ATY | OTC: ATCMF) today announced its financial results for the year ended December 31, 2020, posting income from mining operations of \$18.1 million and a net income of \$8.4 million. Production for the year at Atico's El Roble mine totaled 20.6 million pounds ("lbs") of copper and 10,821 ounces ("oz") of gold in concentrate at a cash cost<sup>(1)</sup> of \$1.06 per payable pound of copper<sup>(2)</sup>.

Fernando E. Ganoza, CEO and Director, commented, "In 2020, operations at the El Roble mine performed within guidance while delivering an impressive all in sustaining cash cost of \$1.53 per payable pound of copper produced<sup>(1)(2)</sup> despite navigating unprecedented challenges caused by the global pandemic. During the second half of the year we saw a considerably positive move in the copper price which tied to our strong production resulted in remarkable financial results for the company. Our balance sheet has improved significantly, particularly our robust working capital position of \$22.5 million, while achieving a net income of \$8.4 million for the year." Mr. Ganoza continued, "for 2021 and in this current copper price environment, we anticipate that our balance sheet and financial metrics will continue to grow while allowing further flexibility to get more aggressive on our planned activities at both El Roble and La Plata."

## 2020 Consolidated Financial Highlights

- Net income for the year ended December 31, 2020 amounted to \$8.4 million, compared with \$6.9 million for last year. Net income for the year was positively affected by a higher realized copper price and a lower cost of concentrate production, as compared to 2019.
- Sales for the year decreased 3% to \$59.6 million when compared with 2019. Copper ("Cu") and gold ("Au") accounted for 86% and 14% of the total amount provisionally invoiced during the year. The average realized price per metal on provisional invoicing was \$2.87 (2019 - \$2.72) per pound of copper and \$1,802.61 (2019 - \$1,412.96) per ounce of gold.
- Working capital was \$22.5 million (2019 - \$9.9 million), while the Company had \$6.8 million (2019 - \$2.2 million) in long-term loans payable and convertible debenture.
- Cash costs<sup>(1)</sup> were \$104.78 per tonne of processed ore and \$1.06 per pound of payable copper produced<sup>(2)</sup>, decreases of 9% and 15% over the previous year, respectively.
- Income from operations was \$12.8 million (2019 - \$11.6 million) while cash flow from operations, before changes in working capital, was \$20.3 million (2019 - \$21.4 million). Cash used for capital expenditures amounted to \$10.9 million (2019 - \$9.4 million).
- All-in sustaining cash cost per payable pound of copper produced<sup>(1)(2)</sup> for the year was \$1.53 (2019 - \$1.81).
- At the end of the year, 5,291 (2019 - 3,104) wet metric tonnes ("WMT") of non-invoiced concentrate remained at the Company's warehouses.

## 2020 Consolidated Operating Highlights and Review

- Ore processed increased 24% year-on-year;
- Copper head grade decreased 1% year-on-year;
- Gold head grade decreased 16% year-on-year;
- Concentrate production increased 27% year-on-year;

- Copper metal production increased 22% year-on-year; and
- Gold metal production increased 3% year-on-year.

The Company has met most while exceeding other operational goals set for El Roble mine in 2020. Beyond achieving operational guidance, the most impressive feat this year was the team's ability to safely deliver results while navigating through unprecedented conditions caused by the global pandemic as no employees of the Company contracted any serious illness due to COVID-19 during the year ended December 31, 2020.

In 2020, the Company produced 20.7 million lbs of copper, 10,821 oz of gold, and 39,593 oz of silver. When compared to 2019, production increased by 22.4% for copper and 3.3% for gold. The increase for both copper and gold are mainly explained by the 75-day strike in 2019 during which the Company did not operate the mine and mill. In the case of gold, the increase in processed tonnes was partially offset by a decrease in gold head grades.

Cash costs<sup>(1)</sup> were \$104.78 per tonne of processed ore and \$1.06 per pound of payable copper produced<sup>(2)</sup>, which were decreases of 8.9% and 14.6% over 2019, respectively. The cash cost per pound of payable copper produced decrease is mainly explained by a lower cost per processed tonne and an increase in the gold contribution as a by-product. The decrease in the cost per processed tonne was driven by decreases in direct mining, processing, and indirect costs. The all-in sustaining cash cost net of by-product credits<sup>(1)(2)</sup> was \$1.53 per pound of payable copper produced, which represents a 15.5% decrease over 2019.

#### 2020 Consolidated Operational Details

	Q1	Q2	Q3	Q4	Total
Production (Contained in Concentrates) <sup>(3)</sup>					
Copper (000s pounds)	4,947	4,956	5,540	5,181	20,626
Gold (ounces)	2,658	2,718	2,607	2,838	10,821
Silver (ounces)	9,921	10,401	9,953	9,318	39,593
Mine					
Tonnes of ore mined	72,777	76,825	71,993	72,825	294,421
Mill					
Tonnes processed	73,374	71,804	73,603	73,500	292,281
Tonnes processed per day	878	877	860	870	871
Copper grade (%)	3.32	3.38	3.74	3.50	3.48
Gold grade (g/t)	1.94	2.02	1.93	2.03	1.98
Silver grade (g/t)	9.20	9.10	9.20	8.20	8.92
Recoveries					
Copper (%)	91.9	92.9	91.4	91.4	92.0
Gold (%)	59.0	58.6	56.3	59.1	58.2
Silver (%)	46.3	49.4	47.0	48.3	47.9
Concentrates					
Copper Concentrates (dmt)	10,232	10,828	11,957	11,516	44,534
Copper (%)	21.9	20.8	21.0	20.4	21.0
Gold (g/t)	8.1	7.8	6.8	7.6	7.5
Silver (g/t)	30.1	29.8	25.8	25.2	27.7
Payable copper produced (000s lb)	4,700	4,708	5,263	4,922	19,595
Cash cost per pound of payable copper <sup>(1)(2)</sup> (\$/lb)	1.13	0.93	1.13	1.03	1.06

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 \$25.1 million, where copper accounted for 90% and

gold for 10%. The average realized price per metal on provisional invoicing was \$3.31 per pound of copper and \$1,872.14 per ounce of gold. Cash flow from operations, before changes in working capital, for the quarter was \$11.7 million. Cash costs<sup>(1)</sup> for the quarter were \$109.30 per tonne of processed ore and \$1.02 per pound of payable copper produced<sup>(2)</sup>, decreases of 3% and 10% over Q4-2019, respectively.

#### *Granting of Incentive Stock Options*

Pursuant to its stock option plan, the Company granted 2,360,975 incentive stock options exercisable at C\$0.65 per share for a period of five years to directors, officers, employees, and consultants of the Company.

#### *Annual General Meeting*

Atico Mining cordially invites all shareholders to its Annual General and Special Meeting of Shareholders, at 10:00 am, Tuesday, June 15, 2021, at Suite 501 - 543 Granville Street, Vancouver, British Columbia. This year, to proactively deal with the unprecedented health impact of the novel coronavirus, also known as COVID-19, to mitigate risks to the health and safety of our communities, shareholders, employees, and other stakeholders, and in compliance with current government direction and advice, the meeting will be held by teleconference.

#### *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 1.00 million tonnes grading 3.02% copper and 1.76 g/t gold, at a cut-off grade of 1.3% copper equivalent as of September 30<sup>th</sup>, 2020. 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 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.

#### *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](http://www.aticomining.com).

#### ON BEHALF OF THE BOARD

Fernando E. Ganoza  
CEO  
[Atico Mining Corp.](http://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 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](http://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, 2020 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

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