

11 April 2018

**Atalaya Mining Plc**  
**(“Atalaya” or the “Company”)**  
**First quarter 2018 Operations Update**

Atalaya Mining plc (AIM:ATYM, TSX:AYM) is pleased to announce its operations update for the first quarter of 2018.

PROYECTO RIOTINTO

		First quarter		Fourth quarter	Full year guidance
		2018	2017	2017	2018
Ore mined	(M tonnes)	2.6	2.3	2.5	9.7
Waste mined	(M tonnes)	5.4	4.3	5.7	16.5
Ore milled	(M tonnes)	2.2	2.2	2.3	9.6
Cu grade	(%)	0.48	0.48	0.44	0.48
Cu recovery	(%)	88.47	84.63	86.11	84 – 86
Cu production	(tonnes)	9,441	8,805	8,622	37,000 – 40,000

Copper production at Proyecto Riotinto for Q1 2018 has increased to 9,441 tonnes from 8,805 tonnes reported in Q1 2017, and 8,622 tonnes in Q4 2017, representing an increase of 7.1% and 9.5%, respectively. This is Atalaya’s second highest quarterly production on record. Ore milled was consistent with previous quarters and in line with management’s expectations. Copper head grade has reported an improvement versus Q4 2017, in line with expectations. The increase in copper production during the quarter is mainly attributable to a record average recovery of 88.47%.

The company maintains its previously stated copper production guidance for 2018 of 37,000 – 40,000 tonnes.

Mining operations are running at similar levels to previous quarters. On a combined basis, ore, waste and marginal ore amounted to 3.0Mm<sup>3</sup> in Q1 2018 versus 3.1Mm<sup>3</sup> in Q4 2017. During the first three weeks of March 460 litres/m<sup>2</sup> of rainfall were registered, which for such a short period of time was significant in the region. The open pit lower benches were partially affected by this heavy rainfall. Mining operations were rescheduled and mine planning was adjusted with no impact on production. Improvements to the processing plant reported not only higher copper recovery but also better utilisation rates.

The Company’s continuous improvements programme reported the installation of an additional secondary cone crusher with completion estimated during Q2 2018. Modifications to current screening and crushing arrangements are under evaluation as part of a de-bottlenecking exercise. Structural steel fabrication of the dome to cover the coarse ore stockpile is well advanced, with construction scheduled to commence in Q2 2018. Completion of the dome is estimated by mid Q3 2018.

Dewatering of the Atalaya pit is ongoing as previously reported. Dewatering of Cerro Colorado has been restarted after the heavy rainfall in March and is expected to be completed by end April 2018.

On-site concentrate inventories at the end of the quarter were approximately 1,121 tonnes. All concentrate in stock at the beginning of the quarter and produced during the quarter was delivered to the port at Huelva.



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Copper prices rose during the quarter with an average realised price per pound of copper payable, including the QPs closed in the period, of \$3.03/lb compared with \$2.87/lb in Q4 2017. The average spot copper price during the quarter was \$3.08/lb. The realised price during the quarter excluding QPs was approximately \$3.12/lb.

Cash operating costs and all-in sustaining costs ("AISC") for Q1 2018 are expected to be within the 2018 cost guidance ranges provided. Further details on costs will be provided with the Q1 Financial Statements.

Exploration has successfully performed a validation process of the Cerro Colorado drill hole database. The database incorporates all exploration drilling completed since April 2016. An updated resources and reserves estimate is well advanced and is expected to be released before the end of Q2 2018. Results of the VTEM survey have been received, with targets prioritised for drilling in the coming months.

The archaeological exploration programme under way in a section of the northern wall of Cerro Colorado pit remains on schedule, and it is expected to last for the duration of 2018.

#### EXPANSION TO 15Mtpa AT PROYECTO RIOTINTO

The expansion project to 15 Mtpa is progressing according to schedule. Overall progress completion is 27% with procurement reporting 26% and engineering 60% completed. Civil engineering works at the new concentrate handling area are well advanced while earthworks at the flotation area are progressing according to internal expectations. The milling area is the critical path to completion. The expansion project is scheduled for mechanical completion at the end of Q2 2019.

#### PROYECTO TOURO

Permitting of Proyecto Touro continues as anticipated. Detailed reports have been expanded to address certain project improvements and recommendations received from the public hearing process. These reports will be submitted to the authorities during Q2 2018.

As previously reported, an NI-43-101 compliant pre-feasibility study will also be released during Q2 2018.

Geological mapping and geochemistry are ongoing on exploration concessions around Proyecto Touro. Results of the VTEM survey were received and are under internal assessment.

#### **Alberto Lavandeira, CEO commented:**

*"It has been a strong operational quarter for the Company, with reported production figures ahead of internal expectations. The operational expertise demonstrated by the wider team at Atalaya Mining positions us well to take advantage of the ongoing developments taking place at both Proyecto Riotinto and Proyecto Touro. I am pleased to see restarted construction activity on site, demonstrating the strength of the Company's primary asset, Proyecto Riotinto. At Proyecto Touro, the additional independent studies that have been completed confirm our approach, and we look forward to providing further updates to the market in due course. We maintain our 2018 production guidance of 37,000-40,000 tonnes."*



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*This announcement contains inside information for the purposes of Article 7 of Regulation (EU) no 596/2014.*

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