

10 October 2018

Atalaya Mining Plc.
(“Atalaya” or the “Company”)
Third Quarter 2018 Operations Update
Increase in Full Year Guidance following record production

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

PROYECTO RIOTINTO

		Third quarter		Second quarter	Year-to-date	Updated full year guidance
		2018	2017	2018	2018	
Ore mined	(M tonnes)	2.8	2.4	2.6	7.9	9.7
Waste mined	(M tonnes)	3.2	5.2	4.8	13.4	16.5
Ore milled	(M tonnes)	2.5	2.2	2.5	7.2	9.6
Cu grade	(%)	0.50	0.58	0.48	0.49	0.48
Cu recovery	(%)	88.40	85.95	87.31	88.06	87 – 88
Cu production	(tonnes)	11,055	10,679	10,446	30,942	39,000 – 41,000

Copper production at Proyecto Riotinto for Q3 2018 has exceeded expectations, reaching a record 11,055 tonnes. This is the highest quarterly copper production since the project was re-started. The previous highest quarterly copper production was 10,679 tonnes, reported in Q3 2017. In addition, this is the second consecutive quarter where copper production has exceeded 10,000 tonnes.

In terms of ore milled, 2.5 million tonnes were processed in the quarter, reporting a consistent quarterly throughput. Copper head grade was slightly above plan. The increase in copper production during the quarter is mainly attributable to slightly higher than budgeted head grade, ore milled and better metallurgical recoveries, which averaged 88.40% during the quarter.

The Company is pleased to increase its previous 2018 production guidance from 37,000 – 40,000 tonnes to 39,000 – 41,000 tonnes of copper.

Mining operations are progressing to plan and at similar levels to previous quarters. On a combined basis, ore, waste and marginal ore amounted to 2.2 million m³ in Q3 2018 versus 2.6 million m³ in Q2 2018. Additional mining equipment is available on site in anticipation of the increase in production in 2019.

As part of the Company’s continuous improvements programme, an additional secondary cone crusher, installed during the previous quarter, is now fully operational. Crushing capacity is no longer a bottleneck in the production process. A detailed analysis of the current screening section is now under way. Construction of the dome to cover the coarse ore stockpile has been put on hold due to re-engineering activities.

During the first week of August a wildfire broke out in close proximity to the north of Proyecto Riotinto which affected 1,600 ha of pine trees and eucalyptus. Although there was some damage to water pipelines at Proyecto Riotinto, production was minimally affected.

On-site concentrate inventories at the end of the quarter were approximately 2,725 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 decreased during the quarter compared with the previous quarter, with an average realised price per pound of copper payable, including the QPs closed in the period, of \$2.89/lb compared with \$3.12/lb in Q2 2018. The average copper spot price during the quarter was \$2.77/lb. The realised price during the quarter excluding QPs was approximately \$2.75/lb.

Cash operating costs for Q3 2018 are expected to be slightly lower than the 2018 cost guidance ranges previously provided. Further details on costs will be provided with the Q3 Financial Statements to be reported in November 2018.

Exploration is under way at the Atalaya pit where massive sulphides and stockwork mineralisation are targeted. The first 1,500 m of a 19,000 m drilling campaign of have already been drilled with positive preliminary results received. Drilling around the high grade underground workings in Filon Sur is also ongoing.

EXPANSION TO 15Mtpa AT PROYECTO RIOTINTO

The 15Mtpa expansion project is progressing according to schedule with engineering essentially complete and site construction activities picking up. Overall progress completion at the end of the reporting quarter was 65%. Procurement has progressed to 64% completed. Earthworks are almost completed with only minor final activities pending. Civil engineering works are progressing with main activities now concentrated on completion of the new SAG area and the crusher and coarse stockpile buildings. Structural steel works are well advanced in the flotation area. Piping is also close to completion in the concentrate handling area with electrical installation commencing. Installation of mechanical equipment is progressing in the concentrate handling area. 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

At the end of the reporting quarter, additional studies and detailed reports addressing certain project improvements and recommendations from the public hearing process were formally submitted to the authorities. This is the last step to complete the public hearing process initiated in August 2017.

An environmental monitoring programme similar to the programme carried out in Riotinto is fully implemented at Touro.

Alberto Lavandeira, CEO commented:

"We are delighted to report copper production at Proyecto Riotinto for Q3 2018, reaching a record 11,055 tonnes. This is the highest quarterly copper production since the project was re-started. Positively our production guidance for the year has also increased. The delivery of another consistent record quarter is testimony to the quality and commitment of the Company's teams and provides a good indication that the growth plans through the Riotinto expansion and Touro are solid and on track."



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About Atalaya Mining Plc

Atalaya is an AIM and TSX-listed mining and development group. It produces copper concentrates and silver by-product at its wholly owned Proyecto Riotinto site in southwest Spain, which is also undergoing a brownfield expansion. In addition, the Group has a phased, earn-in agreement for up to 80% ownership of Proyecto Touro, a brownfield copper project in the northwest of Spain which is currently in the permitting stage. For further information, visit www.atalayamining.com

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

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