

15 January 2019

Atalaya Mining Plc. ("Atalaya" or the "Company")
Fourth Quarter 2018 Operations Update and 2019 Guidance
New records established at Proyecto Riotinto

Atalaya Mining Plc. (AIM:ATYM, TSX:AYM), the European mining and development company, is pleased to announce its operations update for the fourth quarter of 2018 and to provide guidance for 2019.

Notably, 2018 copper production at Proyecto Riotinto was 42,114 tonnes, up 13% from 37,164 tonnes produced in 2017 and in the upper range of the revised and increased guidance provided to the market on 22 November 2018. Copper production of 11,172 tonnes during Q4 2018 once again represents a new quarterly record.

Proyecto Riotinto

		Q4		Q3	Full year		
		2018	2017	2018	2018	2017	2019 Guidance
Ore mined	(M tonnes)	2.8	2.5	2.8	10.8	9.3	11.4
Waste mined	(M tonnes)	4.3	5.7	3.2	17.7	19.8	17.8
Ore milled	(M tonnes)	2.6	2.3	2.5	9.8	8.8	11.4
Cu grade	(%)	0.48	0.44	0.50	0.49	0.49	0.47
Cu recovery	(%)	88.99	86.11	88.40	88.30	85.45	85 – 87
Cu production	(tonnes)	11,172	8,622	11,055	42,114	37,164	45,000 – 46,500

During 2018 the plant processed 9.8 Mt of ore with an average copper head grade of 0.49% and a recovery rate of 88.30%. In comparison to the rates for 2017, throughput and metallurgical recoveries have increased as a result of continuous improvements. Throughput has increased from 8.8 Mtpa in 2017 to 9.8 Mtpa in 2018 and recoveries have improved from 85.45% in 2017 to 88.30% in 2018. Copper head grade was consistent with estimates. On a quarterly basis, throughput, recoveries and copper grade have improved compared with Q4 2017 and Q3 2018.

Guidance for copper production in 2019 is estimated to be in the range of 45,000 to 46,500 tonnes. This year is anticipated to be a transitional one given the commissioning of the plant expansion in mid-2019, which will increase production within the range of 50,000 to 55,000 tonnes in 2020.

In terms of ore milled, 2.6 million tonnes were processed during the quarter, reporting a slight increase from previous quarters. Copper head grade was in line with plans. The increase in copper production during the quarter is mainly attributable to the increase in ore milled and improved metallurgical recoveries.

Mining operations are progressing according to plan and at similar levels to previous quarters. On a combined basis, ore, waste and marginal ore amounted to 2.5 million m³ in Q4 2018 versus 2.2 million m³ in Q3 2018. Additional mining equipment is available on site in anticipation of the increase in production scheduled for H2 2019.

On-site concentrate inventories at the end of the quarter were approximately 4,667 tonnes. All concentrate in stock at the beginning of the quarter and produced during the quarter was delivered to the port at Huelva.

Copper prices slightly 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 \$2.85/lb compared with \$2.89/lb in Q3 2018. The average copper spot price during the quarter was \$2.80/lb. The realised price during the quarter, excluding QPs, was approximately \$2.79/lb.



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Cash operating costs for Q4 2018 are expected to be lower than the 2018 cost guidance ranges previously provided of \$2.15-2.30/lb. Further details on costs will be provided with the 2018 Financial Statements to be reported in March 2019.

Exploration is progressing well at the Atalaya pit where massive sulphides and stockwork mineralisation are being targeted. The first 2,900 m of a 19,000 m drilling campaign have already been drilled with positive preliminary results received. Geological modelling of the upper and lower sections of the orebody is in progress. Drilling around the high-grade underground workings in Filon Sur is also ongoing with 9,900 m drilled out of a programme of 17,400 m.

Expansion to 15Mtpa at Proyecto Riotinto

The 15Mtpa expansion project is progressing according to schedule. Engineering and procurement are now completed with equipment delivered to site. All efforts are now concentrated around site construction activities. Overall progress completion at the end of December 2018 was over 80%. Earthworks are completed while civil engineering works are being finalised. Installation of mechanical equipment is completed in the flotation and concentrate handling areas. Structural steel works have been finalised in the flotation area with piping installation underway. Piping is completed in the concentrate handling area with electrical installation well advanced. The milling area is the critical path of the expansion project that is scheduled for mechanical completion at the end of Q2 2019.

Proyecto Touro

The environmental impact assessment process was completed during the quarter. Since submission of the latest studies and reports during the previous quarter, a number of queries have been addressed and cleared as part of the consultation and permitting process. The next step in the permitting process is the evaluation of the project from a regulatory perspective.

Legal Update

On 26 September 2018, Atalaya released the receipt of ruling from the Tribunal Superior de Justicia de la Junta de Andalucia ("Receipt of Ruling of EeA Claim"), where the Company announced that the Court had ruled in favour of certain claims made by an environmental group against the government of Andalucia and Atalaya. Whilst the ruling invalidates the granting of the AAU (Authorization Ambiental Unificada) on procedural grounds, it does not suspend it and the ruling is still subject to appeal and therefore not currently enforceable.

As noted in the Receipt of Ruling of EeA Claim, both the Junta de Andalucia and Atalaya as co-defendant decided to and have filed an appeal with the Supreme Court in Spain. The Company will update the market with the result of the appeal in due course.

Alberto Lavandeira, CEO commented:

"2018 was characterised by continuous copper production increases and we are delighted once again to announce new quarterly and annual copper production records in this update. This confirms the success of the ongoing improvement measures that have been implemented by our operating teams at Proyecto Riotinto in recent years, giving us full confidence that value creation for the Company will continue as we expand and modernise operations at Riotinto in 2019. This will be further aided by the development of new projects like Touro in the near future."



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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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