



Atalaya Mining Plc
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25 June 2020

**Atalaya Mining Plc.
("Atalaya" or "the Company")
2020 AGM Statement**

At Atalaya Mining's AGM, to be held at 11.00 a.m. (UK) today at the offices of Fieldfisher LLP, Riverbank House, 2 Swan Lane, London EC4R 3TT, Roger Davey, non-executive Chairman, will make the following statement:

"Dear Shareholder,

The agenda for today will include the formal business of the meeting, followed by a brief Q&A session at the end of the meeting on these formal matters only, during which Shareholders will have the opportunity to speak and to ask questions. Questions should be directed through a moderator and the moderator will explain how to ask a question on the call before the Q&A process begins.

I am both pleased and proud to report that 2019 was another year of improvements at your operating mine, Proyecto Riotinto, with increases in both ore processing rates and copper output.

The ore processing throughput rate increased steadily during 2019 to achieve a cumulative plant throughput of 9.9Mtpa, with copper production of 45,000 tonnes, an increase of around 7% from the 42,100 tonnes produced in 2018, reaching the upper range of the updated guidance provided by the Company towards the end of 2019.

This record production was even more remarkable as it was achieved while the Company was completing and integrating a 50% Expansion Project at Riotinto, whilst maintaining the existing operations. The Expansion Project was completed in January 2020 and the new processing plant was fully commissioned to operate at the increased annualised rate of 15Mtpa together with a corresponding increase in mining rates.

The average process plant feed grade of 0.49% copper was consistent with reserve estimates and 2018 feed grade. The process recovery rate reduced slightly in 2019 to an average of 87.09%, from 88.3% in 2018, driven by lower recovery rates achieved during the ramp-up of the new mill. Cash Costs and All-in Sustaining Costs for 2019 of \$1.80/lb and \$2.14/lb respectively, were well below the budgeted figures of \$2.10/lb and \$2.32/lb respectively.

Health and safety continue to be of paramount importance to the Company. We aim to provide a safe working environment not only for our employees and consultants working on site, but also to ensure a safe environment for the neighbouring communities. This has been a key priority during the outbreak of the current global COVID-19 pandemic. The Company has been fully supportive of all the requirements and recommendations issued by the Government of Spain and the regional and local health authorities to manage the risk of the COVID-19 exposure to our employees, customers, communities and suppliers.

At the end of March, in response to a Royal Decree, the mine was placed on care and maintenance for a period that was expected to last 10 days, but following clarifications from the Spanish Government, Proyecto Riotinto recommenced on 3 April after only five days of shutdown. The Company currently maintains its production guidance for 2020 in the range of 55,000 to 58,000 tonnes. We must, however, be conscious of the need to protect our employees from the rapid evolution of the COVID-19 virus, the potential for increased measures being imposed by the Spanish Central Government to reduce its spread, and any potential future impact of these restrictions. The Company will therefore update the market as necessary.



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Exploration and infill drilling continued throughout 2019 in the Atalaya and Cerro Colorado pits to maintain the life-of-mine reserve position based on the increased processing rate. Initial indicative results from ongoing exploration activities to date have been positive, with drilling taking place at San Dionisio in the Atalaya pit and at Filon Sur in the Cerro Colorado pit. The new drill data continues to define and validate historical data of the copper stockwork in the area.

In January 2020, the Junta de Andalucía issued a favourable report in relation to the procedural error in the original issuance of the Unified Environmental Authorisation (the “AAU”) of Proyecto Riotinto. In May 2020, the Junta de Andalucía issued a favourable resolution which validated the AAU, with the mining permits being fully validated earlier this month. The validation of the mining permits ended all the legal processes previously announced by the Company in relation to claims made by interested parties in connection with the approval process of Proyecto Riotinto.

During 2019 no consideration was paid to Astor as, according to our assessment, Proyecto Riotinto did not generate any “Excess Cash”. With the desire to clarify any uncertainty on this issue, in March 2020 the Company filed an application in the High Court to seek clarity on the definition of “Excess Cash”. The Company expects that this process will bring clarity to the definition of “Excess Cash” and thus the payment schedule of the Deferred Consideration and the Loan Assignment.

The Company remains focused on growth opportunities. Having successfully completed the expansion of Proyecto Riotinto, the Company is also continuing with the technical review and assessment of other opportunities for growth.

Finally, I would like to thank our management and staff for their continued commitment and efforts, the board members for their continued support and contribution and, last but not least, our valued shareholders for their continued support.

We look forward to the year ahead with continued confidence and optimism.”

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About Atalaya Mining Plc

Atalaya is an AIM and TSX-listed mining and development group which produces copper concentrates and silver by-product at its wholly owned Proyecto Riotinto site in southwest Spain. 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. For further information, visit www.atalayamining.com