



15 July 2020

Atalaya Mining Plc
 (“Atalaya” and/or the “Company”)

Second Quarter 2020 Operations Update

Atalaya Mining Plc (AIM: ATYM; TSX: AYM) is pleased to announce its operations update for the second quarter of 2020 (“Q2 2020”).

Operating Highlights

Proyecto Riotinto

		Q2		Q1	Full year
		2020	2019	2020	2020 Guidance
Ore mined	(M tonnes)	3.2	2.8	3.0	15.0
Waste mined	(M tonnes)	5.7	3.6	5.1	22.7
Ore milled	(M tonnes)	3.6	2.6	3.4	14.0 – 15.0
Cu grade	(%)	0.44	0.48	0.47	0.45
Cu recovery	(%)	85.89	88.72	82.62	84 – 86
Cu production	(tonnes)	13,635	10,888	13,229	55,000 – 58,000

- Q2 2020 copper production was a new record of 13,635 tonnes, representing a 25% increase over the equivalent quarter of 2019 and above Q1 2020.
- A total of 3.6 million tonnes of ore were processed with an average copper head grade of 0.44% and a recovery rate of 85.89%.
 - In comparison with the same quarter of 2019, throughput increased 39% while recovery decreased 3%.
 - Compared with Q1 2020, copper production increased 3% as a result of a 6% higher throughput and lower grades being compensated for by higher recoveries.
- Plant recoveries increased as a result of operational improvements to the fully commissioned plant despite scheduled maintenance and mandatory COVID-19 shutdowns during the quarter.
- As reported on 30 March 2020, operations at Proyecto Riotinto halted for five days following the Royal Decree issued by the Spanish government to increase the national protective measures against COVID-19, affecting tonnage processed during April 2020 and resulting in lower ore milled than planned during Q2 2020.
- Mining operations continued concentrating on mining ore from the higher levels of the mine. On a combined basis, ore, waste and marginal ore amounted to 3.2 million m³ in Q2 2020 versus 2.9 million m³ in Q1 2020.
- On-site concentrate inventories at the end of the quarter were approximately 3,845 tonnes.
- Copper prices decreased during Q2 2020 compared with Q1 2020, with an average realised price per pound of copper payable, including the QPs closed in the period, of \$2.51/lb compared with \$2.58/lb in Q1 2020. The average copper spot price during the quarter was \$2.42/lb. The realised price during the quarter, excluding QPs, was approximately \$2.43/lb.
- Cash operating costs for Q2 2020 are expected to be within the lower end of the range of the annual AISC guidance of US\$2.20-US\$2.30/lb. Further details on costs will be provided with the Q2 Financial Statements to be reported in August 2020.



Atalaya Mining Plc
1 Lampousas Street
1095 Nicosia, Cyprus
Tel: +357 22442705
Fax: +357 22421956
www.atalayamining.com

Exploration Highlights

- Exploration around Proyecto Riotinto continued during Q2 2020 focused around the massive sulphides and stockwork mineralisation under the Atalaya pit as well as potential resource increases at the Cerro Colorado pit.
- An updated resources and reserves statement is expected during Q3 2020 for the Cerro Colorado pit.
- In parallel, the Company continues to evaluate the resources potential under the Atalaya pit.

Outlook for 2020

- Whilst the COVID-19 pandemic impacted production during the beginning of the quarter, the expanded plant after Proyecto Riotinto recommenced its operations on 6 April 2020 and has consistently performed beyond expectations.
- Accordingly, the Company maintains its previously stated for 2020.

Corporate update – Proyecto Touro

- On 13 April 2020, the Company was formally notified that the Environment Department of the Xunta de Galicia had issued a negative Impact Declaration (DIA) to restart copper production at Proyecto Touro based on Atalaya's ability to guarantee no environmental impact to downstream ecosystems.
- The Company continues assessing its options which may include several types of appeals or modified project proposals that can address the concerns of the Xunta de Galicia.
- The Company is confident that its world class approach to Proyecto Touro, that includes fully plastic lined tailings with zero discharge, will satisfy the most stringent environmental conditions that may be imposed by the authorities prior to the development of the project.

COVID-19 Update

- Since its announcement on 6 April 2020, Proyecto Riotinto continues operating with exceptional requirements and recommendations to prevent the COVID-19 exposure and the spread of the virus.
- Atalaya's key priority continues to be protecting its workforce and the local communities surrounding both Proyecto Riotinto and Proyecto Touro.

Alberto Lavandeira, CEO commented:

"Our operations set a new production record thanks to the professionalism and dedication of our team which successfully commissioned the expansion at Proyecto Riotinto. Plant recoveries have returned to normal pre-commissioned levels and the Company will now continue focusing on delivering new efficiencies to make our business even more competitive."

This announcement contains information which, prior to its publication constituted inside information for the purposes of Article 7 of Regulation (EU) No 596/2014.

Contacts:

Newgate Communications	Elisabeth Cowell / Adam Lloyd / Tom Carnegie	+ 44 20 3757 6880
4C Communications	Carina Corbett	+44 20 3170 7973



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1 Lampousas Street
1095 Nicosia, Cyprus
Tel: +357 22442705
Fax: +357 22421956
www.atalayamining.com

Canaccord Genuity (NOMAD and Joint Broker)	Henry Fitzgerald-O'Connor / James Asensio	+44 20 7523 8000
BMO Capital Markets (Joint Broker)	Tom Rider / Michael Rechsteiner / Neil Elliot	+44 20 7236 1010
Peel Hunt LLP (Joint Broker)	Ross Allister / David McKeown	+44 20 7418 8900

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.