



15 October 2020

Atalaya Mining Plc.
(“Atalaya” or the “Company”)
Third Quarter 2020 Operations Update

Record Production and on-track to meet Full Year Guidance

Atalaya Mining Plc. (AIM:ATYM, TSX:AYM) is pleased to announce its operations update for the third quarter of 2020 (“Q3 2020” or “the Period”).

Operating Highlights

Proyecto Riotinto

		Q3		Q2	Year-to-date	Full year guidance
		2020	2019	2020	2020	
Ore mined	(M tonnes)	3.8	2.7	3.2	10.1	15.0
Waste mined	(M tonnes)	6.6	4.4	5.7	17.4	22-23
Ore milled	(M tonnes)	4.0	2.6	3.6	11.0	14.0-15.0
Cu grade	(%)	0.44	0.47	0.44	0.45	0.45
Cu recovery	(%)	83.78	87.38	85.89	84.13	84 – 86
Cu production	(tonnes)	14,695	10,568	13,635	41,559	55,000-58,000

- Copper production reached a new record of 14,695 tonnes following the successful ramp up of the 15Mtpa expansion project.
- This production rate is 7.8% higher than in Q2 2020 and is the third consecutive quarter where copper production has exceeded 13,000 tonnes.
- In terms of ore milled, 4.0 million tonnes were processed in the Period with consistent daily throughput, except for periods of planned mill maintenance. The increase in copper production during Q3 2020 is mainly attributable to higher than budgeted levels of ore milled which compensated for a short period of lower recoveries while treating some transitional ores. Recoveries for the remainder of 2020 are expected to be within guidance.
- The Company is pleased to confirm it is on track to meet its previously announced 2020 production guidance of 55,000 – 58,000 tonnes of copper demonstrating that the Company has successfully managed the challenges of operating with Covid-19 restrictions.
- Mining operations have continued normally with enough equipment on site to maintain the higher production levels required for full operation of the expanded plant.
- On-site concentrate inventories at the end of the quarter were approximately 3,340 tonnes. All concentrate in stock at the beginning of the quarter and produced during the Period was delivered to the port at Huelva.
- Copper prices increased during the Period compared with Q2 2020. The average realised price per pound of copper payable for the Period, including the QPs closed in the period, was \$2.72/lb compared with \$2.51/lb in Q2 2020. The average copper spot price during the quarter was \$2.96/lb. The realised price during the quarter excluding QPs was approximately \$2.96/lb.

- Cash operating costs for the Period are expected to be slightly below the 2020 cost guidance ranges previously provided. Further details on costs will be provided with the Q3 Financial Statements to be reported in late October 2020.
- Local exploration during the quarter continued to focus on defining new unmined resources under-the Atalaya pit. Calculations of the remaining mineable resource are ongoing and will be reported in conjunction with an update to the resource estimates at Proyecto Riotinto's Cerro Colorado pit.

Proyecto Riotinto optimisation

- With the 15Mtpa expanded plant now fully operational and producing at nameplate capacity, the Company is focused on implementing cost reduction programmes relating to the reduction of fresh water and lime consumption.
- In addition, initiatives to improve copper recoveries, by using some of the extra installed flotation capacity, are also ongoing.
- The target of reducing the power cost at the plant in an environmentally conscious way is being addressed through the initiation of the permitting process to install a 50 MW solar power plant. The full capacity of the solar power plant will be used for self-consumption and is anticipated to make a significant contribution to reducing carbon emissions at Proyecto Riotinto.

Corporate update – Proyecto Touro

- The Company has yet to receive the formal communication from the local government in Galicia rejecting the plan to develop Proyecto Touro. This unexpected lack of confirmation seems to be related mainly to Covid-19 delays.
- Once the expected communication is received, the Company will evaluate its options to address the concerns of the Xunta de Galicia.
- The Company continues to be confident that its world class approach to Proyecto Touro, which 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

- Atalaya's key priority continues to be protecting its workforce and the local communities surrounding both Proyecto Riotinto and Proyecto Touro. The Company continues operating with exceptional requirements to prevent the COVID-19 exposure and the spread of the virus.

Alberto Lavandeira, CEO commented:

“Our excellent operating teams have consistently delivered record production and strong cash operating cost performance while also maintaining the search for new innovations and initiatives to lower processing costs further. With Proyecto Riotinto now operating at nameplate capacity our teams are focused on looking for future growth opportunities in and around our mining properties.”

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

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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.