



14 January 2021

**Atalaya Mining Plc. (“Atalaya” or the “Company”)
 Fourth Quarter 2020 Operations Update and 2021 Guidance**

New annual production record confirmed

Atalaya Mining Plc. (AIM:ATYM, TSX:AYM) is pleased to announce its operations update for the fourth quarter of 2020 (“Q4 2020” or the “Period”) and to provide guidance for 2021.

Proyecto Riotinto Operating Highlights

| | | Q4 | | Q3 | Full year | | |
|----------------------|-----------------|---------------|---------------|---------------|---------------|---------------|------------------------|
| | | 2020 | 2019 | 2020 | 2020 | 2019 | 2021 Guidance |
| Ore mined | (M tonnes) | 3.5 | 2.3 | 3.8 | 13.6 | 10.4 | 15.1 |
| Waste mined | (M tonnes) | 6.7 | 6.0 | 6.6 | 24.1 | 17.9 | 25.9 |
| Ore milled | (M tonnes) | 3.9 | 2.9 | 4.0 | 14.8 | 10.5 | 15.0 – 15.5 |
| Cu grade | (%) | 0.43 | 0.55 | 0.44 | 0.45 | 0.49 | 0.42 |
| Cu recovery | (%) | 85.69 | 83.36 | 83.78 | 84.53 | 87.09 | 82 – 84 |
| Cu production | (tonnes) | 14,332 | 13,211 | 14,695 | 55,890 | 44,950 | 52,000 – 54,000 |

- Copper production in Q4 2020 exceeded budget with 14,332 tonnes, an 8.5% increase on Q4 2019.
 - This is the second highest quarterly copper production and represents the fourth consecutive quarter where copper production exceeded 13,000 tonnes.
- A new annual production record of 55,890 tonnes of copper was achieved in 2020, with the 2020 guidance met notwithstanding the operating challenges and the mandatory stoppage in April 2020 as a result of COVID-19 restrictions.
- 3.9 million tonnes of ore milled were processed in Q4 2020, reporting a consistent quarterly throughput.
- The increase in copper production, when compared with Q4 2019, is mainly attributable to higher ore milled and better metallurgical recoveries
- Despite COVID-19, mining operations have continued normally with enough equipment on site to maintain the higher production levels required for the full operation of the expanded plant.
- On-site concentrate inventories at the end of Q4 2020 were approximately 12,180 tonnes. All concentrate in stock at the beginning of the Period and produced during the Period was delivered to the port at Huelva.
- Copper prices increased during Q4 2020 compared with Q3 2020, with an average realised price per pound of copper payable, including the QPs closed in the Period, of \$2.99/lb compared with \$2.72/lb in the previous quarter. The average copper spot price during the quarter was \$3.25/lb. The realised price during Q4 2020 excluding QPs was approximately \$3.24/lb.
- Cash operating costs for the Period are expected to be towards the upper end or slightly above the 2020 cost guidance provided owing mainly to the Euro strengthening against the U.S. dollar. Further details on costs will be provided with the 2020 Financial Statements to be reported in early April.
- Local exploration at Proyecto Riotinto has focused on results from core drilling confirming the presence of unmined sulphides around Filon Sur, and around San Dionisio which is under the old Atalaya pit located west of the current operating pit.
- At San Dionisio, mapping of old workings and full geological interpretation has been completed. A mining consultant is finalising the evaluation of the existing resource to incorporate into future mine plans. Mineralisation at San Dionisio consists of copper stockwork and polymetallic massive sulphides.

2021 Guidance

- Full year 2021 copper production is estimated to be in the range of 52,000 to 54,000 tonnes.
- Grade mined during 2021 is expected to be slightly lower than in 2020 owing to pit sequencing and lower cut-off grades resulting from higher copper prices. However, the plant optimisation mentioned below is expected to allow higher throughput to compensate for lower grades and maintain copper production.

Proyecto Riotinto optimisation

- Atalaya is continuing to focus on implementing cost reduction programmes to reduce fresh water and lime consumption now that the 15Mtpa expanded plant is producing at nameplate capacity.
- 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.

Reserves and resources updates at Proyecto Riotinto

- An independent consultant is finalising the Cerro Colorado open pit reserve and resources update taking into consideration the exploration results with current copper prices, operating costs and geotechnical parameters.
- An independent evaluation of the historic polymetallic San Antonio/Planes deposit has begun. This shallow deposit is located East of the open pit Cerro Colorado, which is currently being mined, and would require underground mining methods.
- The independent evaluation of the resources at San Dionisio, West of the Cerro Colorado pit, is ongoing. Current indications show there is good potential for it to be mined with a combination of open pit and underground methods. San Dionisio contains copper as well as polymetallic mineralisation.

Growth projects

Proyecto Touro

- Atalaya has yet to receive formal communication from the local government in Galicia rejecting the plan to develop Proyecto Touro. The Company is expecting the communication during Q1 2021. Once received, Atalaya will evaluate its options to address the feedback from 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.

Masa Valverde

- Work has started, and will continue through 2021, on general permitting and new geophysical surveys. Additional drilling will continue and first scoping studies are also planned during the year.

ELIX update

- An engineering company has been engaged to carry out a feasibility study for an industrial plant using a third-party-patented ELIX System followed by conventional SX-EW.
- The ELIX pilot plant is fully operational and is gathering real data to be incorporated in the leaching section of copper and zinc concentrates.

Astor update

- The Company continues to go through a court process to determine the mechanism and timing for the payment of the deferred consideration to Astor. Following the hearing on 30 October 2020, the following stages have been fixed by the Court: (i) Atalaya's application for permission to amend its statement of case will be heard in February 2021; (ii) a summary judgment hearing will be heard in June 2021; and (iii) if Astor's application is unsuccessful, a trial will take place in February 2022 for six days.

Alberto Lavandeira, CEO commented:

“Despite the challenges of COVID-19, Atalaya Mining achieved a new annual production record of 55,890 tonnes of copper in 2020. This record production level was within our 2020 provided guidance and is testament to our growth and ability to deliver value for shareholders.

“The year ahead will see the progression of optimisation and exploration initiatives designed to drive our future growth. A key priority continues to be to protect our workforce and the local communities surrounding our projects and we would like to thank our entire team for their contribution and adherence to our exceptional requirements, designed to prevent the spread of COVID-19, over the past 12 months.”

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.