

14 April 2021

Atalaya Mining Plc.
(“Atalaya” or the “Company”)
First Quarter 2021 Operations Update

Atalaya Mining Plc. (AIM:ATYM, TSX:AYM) is pleased to announce its operations update for the first quarter of 2021 (“Q1 2021” or the “Period”).

Proyecto Riotinto Operating Highlights

		Q1		Q4	Full year
		2021	2020	2020	2021 Guidance
Ore mined	(M tonnes)	3.3	3.0	3.5	15.1
Waste mined	(M tonnes)	7.4	5.1	6.7	25.9
Ore milled	(M tonnes)	4.0	3.4	3.9	15.0 – 15.5
Cu grade	(%)	0.41	0.47	0.43	0.42
Cu recovery	(%)	84.79	82.62	85.69	82 – 84
Cu production	(tonnes)	13,979	13,229	14,332	52,000 – 54,000

- Copper production in Q1 2021 was 13,979 tonnes, 5.7% higher than Q1 2020 although slightly lower than Q4 2020 due to lower copper grades and recoveries during the Period.
- As a result of the robust copper price environment and strong mill performance, the Company continues to supplement mill feed with some stockpiled lower grade ore in order to maximise the long-term value of the orebody.
- The plant processed a record 4.0 million tonnes of ore during Q1 2021 despite seven days of planned maintenance stoppage during February, which were offset by a new monthly performance record in March when 1.5 million tonnes were processed.
- The increase in copper production, when compared with the company’s expectations, is mainly attributable to better metallurgical recoveries and higher mill throughput.
- Despite ongoing COVID-19 restrictions, mining operations have continued normally with higher production levels compared with the previous quarter. The lower quantity of ore mined from the pit, as per the mine plan, was compensated for by the delivery of stockpiles to the expanded plant.
- On-site copper concentrate inventories at the end of Q1 2021 were approximately 9,683 tonnes. All concentrate in stock at the beginning of the Period was delivered to the port at Huelva.
- Copper prices increased during Q1 2021 compared with Q4 2020, with an average realised price per pound of copper payable, including the QPs closed in the Period, of \$3.59/lb compared with \$2.99/lb in the previous quarter. The average copper spot price during the Period was \$3.85/lb. The realised price during Q1 2021 excluding QPs was approximately \$3.84/lb.
- Cash operating costs for the Period are expected to be below full year 2021 cost guidance owing mainly to the Euro/U.S. dollar exchange rate of 1.20 compared with 1.22 budgeted by the Company in its 2021 guidance as well as higher copper production. Further details on costs will be provided with the Q1 Financial Statements that will be reported in May.

Proyecto Riotinto Optimisation

- During Q1 2021, the Company continued executing on cost reduction measures such as the reduction of fresh water and lime consumption through the implementation of tailings thickening. All of the equipment required for these programmes is in place and expected to be commissioned during Q2 2021.

- Other cost reduction and operational improvement initiatives are being analysed and will be implemented in the coming months. Among these are the reduction of power costs and the increase in copper recoveries through the reconnection of redundant flotation capacity.
- The target of reducing power costs at the plant in an environmentally conscious way is being addressed through the installation of a 50 MW Solar Power Plant for self-consumption that is anticipated to make a significant contribution to reducing carbon emissions at Proyecto Riotinto. The Solar Plant is in the final stages of permitting.

Reserves and Resources Updates at Proyecto Riotinto

- An independent consultant is finalising the Cerro Colorado open pit reserves and resources update taking into consideration recent exploration results and current copper prices, operating costs and geotechnical parameters. The Company will release results in the coming weeks.
- Evaluation of the historic polymetallic San Antonio/Planes deposit has begun. This shallow polymetallic deposit would require underground mining methods and is located immediately East of the Cerro Colorado open pit.
- Evaluation of the remaining resources at San Dionisio, west of the Cerro Colorado pit, is also ongoing. The Company believes there is potential for it to be mined with a combination of open pit and underground methods. San Dionisio contains copper as well as polymetallic mineralisation.

Regional Exploration Highlights

- Local exploration at Proyecto Riotinto focused on the Filon Sur area where the copper stockwork, north of the structure, could add potentially mineable resources.
- Geophysical assessments have commenced at the Proyecto Masa Valverde.
- An initial 11-hole drilling programme will be completed at the Majadales discovery, located south-east of Masa Valverde, as soon as the drilling permits are granted.

Growth Projects

Proyecto Touro

- The Company received the formal communication rejecting the Company's plan to develop Proyecto Touro previously announced on 29 January 2020. The Company will follow its administrative options as outlined in the formal communication.
- Atalaya remains committed to the development of the Touro copper project, and, in parallel to the administrative process, is working with its best-in-class consultants to address and resolve all of the concerns raised by the stakeholders during the Environmental Impact Evaluation Assessment.
- The Company continues to be confident that its approach to Proyecto Touro is in line with international best practice, which includes fully plastic lined tailings with zero discharge, and will satisfy the most stringent environmental conditions that may be imposed by the authorities prior to the development of the project.

E-LIX Update

- Engineering work has started to carry out a feasibility study for an industrial plant using a third-party-patented E-LIX System followed by conventional SX-EW to produce cathodes on site. Results of the feasibility study are expected in Q3 2021.
- The E-LIX pilot plant is fully operational and continues gathering real data to be incorporated in the copper and zinc concentrates leaching section of the feasibility studies.

Astor Update



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- As announced on 15 March 2021, Atalaya made the payment of the Deferred Consideration to Astor Management, AG (“Astor”) of €53 million. The payment was funded by unsecured credit lines with four major Spanish banks with a three-year tenure and average annual interest rate of approximately two per cent.

Alberto Lavandeira, CEO commented:

“I am delighted to be able to report a quarter of strong progress at Proyecto Riotinto with an increase in copper production and record levels of ore processed through our newly expanded plant. This strong performance means our annualised production rate for the quarter is towards the upper end of the 2021 production guidance range.

“We will continue to assess and implement further cost reduction measures in addition to those already successfully carried out during the quarter to drive mine efficiency and deliver increasing value for shareholders. The anticipated commissioning of our new solar power plant, once the permitting is completed, will bring both cost savings and significant reductions in the Company’s carbon footprint.”

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.