



Atalaya Mining Plc
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24 June 2021

Atalaya Mining Plc.
(“Atalaya” or the “Company”)
2021 Annual General Meeting 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,

To say that 2020 was a challenging year would be an understatement. In the midst of completing the commissioning and ramp-up of the large-scale process plant expansion, your Company experienced the unpredictable external pressures resulting from the arrival in Spain of the Covid- 19 world-wide pandemic. The principal concern was for the protection, safety and well-being, not only of our staff and contractors, but also the community and our suppliers with the immediate application of measures that met and at times exceeded the requirements of the guidelines from the relevant authorities.

We can be justly proud of the manner in which the executive management acted, both reactively and proactively, in the face of the pandemic. Working practices were quickly modified, with procedures and controls developed that responsibly and effectively resulted in Covid-secure operating conditions. This protected not only the health of all concerned, including peace of mind for their families, but also the operational and financial health of the Company.

Despite all the challenges faced in 2020, including a thankfully short industry lockdown in Spain, management completed the process plant commissioning and ramp-up to name-plate throughput, with the production of almost 56,000 tonnes of contained copper. This output is a record to date and an increase of around 24% from production.

Output guidance for 2021 has been set at 52,000 to 54,000 tonnes of contained copper, resulting from a slight reduction in scheduled mined grade from the higher copper price and resulting lower cut-off grade.

The average process plant feed grade of 0.45% copper and the process recovery rate of 84.5% were consistent with reserve estimates and budgeted figures for 2020. Cash Costs and All-in Sustaining Costs for 2020 of \$1.95/lb and \$2.21/lb respectively, were slightly below the budgeted figures of \$1.98/lb and \$2.23/lb respectively.

Notwithstanding the effect of a stronger USD/Euro exchange rate, and a Covid-related brief reduction in copper price, the increase in copper production resulted in an increased turnover from €187.9 million in 2019 to €253.8 million in 2020, and an EBITDA for 2020 of €67.4 million, compared to €61.3 million in 2019.

The previously reported procedural process surrounding the re-issuance of the Unified Environmental Authorisation (“AAU”) for the Proyecto Riotinto, delayed by Covid restrictions, was finally resolved in May 2020 with the resulting automatic re-validation of the mining permit of the mine.

Mine site exploration and infill drilling continued during 2020 with encouraging initial results. As released today, an independent consultant has finalised the Cerro Colorado open pit reserves update, taking into consideration the latest exploration results with current copper prices, operating costs and geotechnical parameters. In addition, there is an ongoing independent evaluation of the historic polymetallic San Antonio and San Dionisio deposits. The San Antonio deposit, located east of the Cerro Colorado open pit, would require underground mining methods. The San Dionisio deposit containing copper as well as polymetallic



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mineralisation, is located west of the Cerro Colorado pit and current indications show there is good potential for it to be mined with a combination of open pit and underground methods. Exploration work also commenced on the newly acquired Masa Valverde asset, with an initial scoping study expected by the end of the year.

Although reported in January 2020, the formal communication of a negative Environmental Impact Statement for the Touro project was received from the local government in Galicia in March 2021. Management is currently evaluating options to modify the project parameters to address the concerns of the Xunta de Galicia with the aim of moving the project forward.

In March 2021, the Company approved the early payment of the Deferred Consideration to Astor, thus removing the timing uncertainty from our balance sheet. The Deferred Consideration was fully funded by unsecured credit lines, on a three-year tenure, from four major Spanish banks. The smaller issue of any residual interest that may or may not be payable remains unresolved. A summary judgement hearing to determine whether particular aspects of the excess cash calculation can be resolved without the need for a full trial will take place on 14 June 2021, with the hearing for the full trial on the definition of "Excess Cash" set to take place on 21 February 2022.

In addition to the focus on Covid-secure working practices, the emphasis on our high standards and responsible approach to operational safety and environmental management remained a priority throughout the year. In September 2020, the Company announced the start of a study, the completion of which is pending relaxation of Covid restrictions, to develop a 50MW solar plant on site with the aim of reducing electricity costs as well as reducing carbon emissions.

In addition to the acquisition of Masa Valverde and the ongoing work on the Touro project, the Company remains focused, via technical review and assessment of other opportunities, on growth potential to increase shareholder value. In October 2020, the Company commenced a feasibility study to evaluate the patented E-LIX leaching System developed by Lain Technologies Ltd. The aim is to produce copper cathodes at Proyecto Riotinto with the potential to generate cost savings and reduce carbon emissions. It also entered into a Licence Agreement with Lain Technologies Ltd to use its patents, under certain conditions and on an exclusive basis, for the treatment of the complex sulphide ores prevalent in the Iberian Pyrite Belt in Spain and Portugal.

I would like to take this opportunity to express our appreciation to the management and staff for their continued dedication and commitment, especially in maintaining their presence on site to safely increase production and sales in the face of such a significant health pandemic.

Finally, I would like to thank the board members for their continued support and close involvement with the Company activities, and last but not least our valued shareholders for their continued support. We all look forward to the year ahead with continued confidence and optimism to take advantage of the identified opportunities to continue the growth, and increase the value, of your Company."

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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. Atalaya's current operations include the Cerro Colorado open pit mine and a modern 15 Mtpa processing plant, which has the potential to become a centralised processing hub for ore sourced from its wholly owned regional projects around Riotinto that include Proyecto Masa Valverde and Proyecto Riotinto East. 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