



13 October 2021

Atalaya Mining Plc.
(“Atalaya” or the “Company”)
Third Quarter 2021 Operations Update and Increase in 2021 Guidance

Atalaya Mining Plc (AIM:ATYM, TSX:AYM) is pleased to announce its operations update for the third quarter of 2021 (“Q3 2021” or “the Period”).

Proyecto Riotinto Operating Highlights

		Q3		Q2	Year-to-date	Full year guidance
		2021	2020	2021	2021	
Ore mined	(M tonnes)	3.4	3.8	3.3	10.0	13.2
Waste mined	(M tonnes)	7.8	6.6	8.0	23.3	30.0
Ore milled	(M tonnes)	3.9	4.0	4.0	12.0	15.5 - 16.0
Cu grade	(%)	0.40	0.44	0.42	0.42	0.42
Cu recovery	(%)	87.29	83.78	84.83	85.76	84 - 86
Cu production	(tonnes)	13,933	14,695	14,353	42,670	54,000 – 56,000

- Copper production in Q3 2021 remained strong at 13,933 tonnes, and Atalaya is now increasing its production guidance for the full year 2021.
- The plant processed 3.9 million tonnes of ore during Q3 2021, equivalent to a throughput rate of nearly 16 Mtpa, which included a planned SAG mill maintenance shutdown in the Period (previously scheduled for Q4 2021).
- Recoveries of 87.29% were better than budgeted and helped to offset the impact of the mill shutdown and lower grades, resulting in only a modest decrease in copper production compared with previous quarters.
- Despite COVID-19 restrictions during the Period, mining operations have continued normally with mining rates consistent with plant performance (including the planned mill shutdown). From 1 October 2021, Proyecto Riotinto reviewed some of the COVID-19 safety measures as the number of cases and the severity decreased significantly during Q3 2021.
- On-site copper concentrate inventories at the end of Q3 2021 were approximately 4,232 tonnes. All concentrate in stock at the beginning of the Period was delivered to the port at Huelva.
- Average spot copper prices moved from US\$4.40/lb in Q2 2021 to US\$4.25/lb during the Period. Atalaya’s average realised price increased to US\$4.31/lb from US\$4.27/lb in the previous quarter. When excluding the QPs, the realised price during Q3 2021 was US\$4.24/lb. On a year-to-date basis, the realised price has been US\$4.08/lb and US\$4.17/lb including and excluding QPs, respectively.
- 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 together with higher copper production and better recoveries. Further details on costs will be provided with the Q3 Financial Statements due to be reported in mid-November.

Proyecto Riotinto Optimisation

- During Q3 2021, some cost reduction initiatives were implemented including an expert system to control SAG mill operation that resulted in lower energy consumption as well as associated reduction of CO2 emissions.



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- Permitting of a 50 MW solar plant for self-consumption has advanced significantly and final permits are expected in the next weeks, with construction to start immediately after. The selection of construction contractor for the solar plant is ongoing.
- Flotation improvements are being investigated with the use of new reagents focused on increased recoveries.

Reserves and Resources Updates at Proyecto Riotinto

- Following an independent reserve estimate which confirmed a long mine life at the Cerro Colorado open pit, studies have advanced focusing on the addition of new resources contained in satellite deposits at Proyecto Riotinto.
- Work is ongoing on the preparation of a NI 43-101 compliant technical report for the San Dionisio and San Antonio deposits. A significant portion of the resources at San Dionisio is potentially mineable by open pit and further polymetallic mineralization could be exploited using underground mining methods at both the San Dionisio and San Antonio deposits.

Outlook for 2021

- As a result of the strong performance at Proyecto Riotinto year-to-date, the Company is increasing its 2021 copper production guidance to 54,000-56,000 tonnes, up from 52,000-54,000 tonnes previously stated. Annual cost guidance will be revisited in the upcoming Q3 2021 Financial Statements.

Growth Projects

Proyecto Touro

- All of the documents and reports required for the environmental evaluation of the new project design for Touro have been reviewed and prepared for filing. The new project design includes initiatives to eliminate the water over the thickened tailings that will be stored in a plastic lined basin with zero water discharge. Initiatives to address and finally resolve the water issues related to the old historic mine will be implemented with the new project.
- The Company continues to be confident that its approach to Proyecto Touro is in line with international best practice and has been engaging in recent months with local and regional stakeholders prior to the public consultation period that will commence once the Environmental Impact Evaluation starts for the new project.

Proyecto Masa Valverde

- As announced on 6 October 2021, exploration work continues at Proyecto Masa Valverde, which includes the Masa Valverde polymetallic deposit, the Majadales discovery and the unexplored Campanario-Descamisada area.
- Following positive drilling results, including high grade intercepts within broad intervals of massive and stockwork type polymetallic sulphide mineralization at both Masa Valverde and Majadales, the Company has decided to expand its drilling campaign beyond the 8,000 meters originally planned. Updates on the drilling results will be disclosed to the market in due course and as appropriate.
- These drilling results will be incorporated into the NI 43-101 compliant report for Proyecto Masa Valverde that is currently being prepared by CSA Global and expected by early Q1 2022.

Proyecto Riotinto Este

- Investigation permits were granted during 2021 and the Company now has access to two of the three investigation permits at Riotinto Este: Cerro Negro and Los Herreros. The third investigation permit, Peñas Blancas, continues to progress and is expected to be granted in the coming months.



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- An electromagnetic airborne geophysical survey is planned to start during Q4 2021. The survey will be covering the investigation permits area, located immediately east of Proyecto Riotinto and along the same structural and stratigraphic setting.

E-LIX Update

- The E-LIX pilot plant continues to operate and gather data as planned, demonstrating the significant potential range of applications for this technology, which enables the processing of copper and zinc concentrates to produce cathodes on site.
- The feasibility study for the construction of an industrial plant has shown results that are very encouraging and a process of iterative optimisation review is ongoing.
- The Company is currently evaluating development options with the inventor and owner of the E-LIX System, LAIN Technologies, with the aim of constructing a phased industrial plant.

Alberto Lavandeira, CEO commented:

“Another robust quarter with strong production figures and healthy copper prices has allowed the Company to continue to strengthen its balance sheet despite COVID-19 related challenges. With the operations at Proyecto Riotinto working smoothly, and the new project design of Proyecto Touro having been completed for the final permitting phase, the Company is well positioned to deliver near-term production growth and long-term extension of mine life. We will continue to focus on maintaining a steady production profile at Proyecto Riotinto while we unlock additional value from the mineral resources located in our prolific land package.”

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. 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