

02 November 2015

Atalaya Mining plc
("Atalaya" or the "Company")

Receipt of Claim from Astor Management AG

The Company announces that it is in receipt of a formal claim from Astor Management AG ("Astor") (the "Claim"). The Claim is being made in the High Court of Justice in London against the Company and certain of its subsidiaries (the "Group"). The Claim arises out of the issues previously notified to the market, particularly within the announcement made on 28 May 2015 and as disclosed in the notes to the Company's financial statements. As set out in the Company's financial statements, in September 2008, the Group moved to 100% ownership of EMED Tartessus (and thus full ownership of Proyecto Riotinto) by acquiring the remaining 49% of the issued capital of EMED Tartessus. The cost of the acquisition was satisfied by issuing 39,140,000 ordinary shares to MRI Trading AG ("MRI") at an issue price of 21p per ordinary share and a deferred cash settlement of €53 million (including consideration for the assignment of loans of €9,116,617.30 owed to companies related to MRI incurred in relation to the operation of Proyecto Riotinto) and up to a further €15,900,000 depending upon the price of copper ("Deferred Consideration"). The obligation to pay the Deferred Consideration is subject to the satisfaction of the following conditions (the "Conditions"): (a) all authorisations to restart mining activities in Proyecto Riotinto having been granted by the Junta de Andalucía ("Permit Approval"); and (b) the Group securing a senior debt finance facility for a sum sufficient to restart mining operations at Proyecto Riotinto ("Senior Debt Facility") and being able to draw down funds under the Senior Debt Facility. The Deferred Consideration is payable in instalments over a period of six or seven years following satisfaction of the Conditions. On 11 November 2011, MRI novated its right to be paid the Deferred Consideration to Astor.

As security, inter alia, for the obligation to pay the Deferred Consideration to Astor, EMED Holdings (UK) Limited has granted a pledge to MRI Resources AG over the issued capital of EMED Tartessus and the Company has provided a parent company guarantee. The mining Permit Approval has been satisfied, however the Group has not entered into arrangements in connection with a Senior Debt Facility and, in the absence of drawdown of funds by the Group pursuant to a Senior Debt Facility, there is significant doubt concerning the legal obligation on the Company to pay any of the Deferred Consideration.

In their Claim, Astor are claiming, inter alia, that the Conditions have been satisfied and the first instalment of the Deferred Consideration is due (together with damages). As stated above, the Company is disputing this and intends to vigorously defend the proceedings.

The Company was made aware of the Claim as markets closed on Friday 30th October 2015. The Company will continue to update the market as appropriate in relation to the Claim.

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