

Atalaya Mining plc ("Atalaya" or the "Company")
Astor Management AG ("Astor") case ("Astor Case") update

Further to the announcement of the Company on 3 February 2017, the Company announces that judgment was handed down in the Astor Case in the High Court of Justice earlier on today.

In summary, the High Court found that:

- The deferred consideration ("Deferred Consideration"), payable to Astor under the master agreement entered into in 2008 between inter alia the Company and Astor ("Master Agreement"), did not start to become payable when permit approval was granted for the Rio Tinto Copper Project ("Proyecto Riotinto"). In addition, the intra-group loans by which funding for the restart of mining operations was made available to the Company's subsidiary, Atalaya Riotinto Minera S.L. did not constitute a "Senior Debt Facility" so as to trigger payment of the Deferred Consideration. Accordingly, the first instalment of the Deferred Consideration has not fallen due.
- Astor failed to show that there had been a breach of the all reasonable endeavours obligation contained in the Master Agreement to obtain a senior debt facility or that the Company had acted in bad faith in not obtaining a senior debt facility.
- While the Company is not in breach of any of its obligations, the Master Agreement and its provisions remain in place. Accordingly, other than up to US\$10 million a year which may be required for non-Proyecto Riotinto related expenses, Atalaya Riotinto Minera S.L. cannot make any distribution or any repayment of the money lent to it by its holding company and must apply any excess cash to pay the Deferred Consideration, until this has been paid in full.

As a consequence, the judgment requires that in accordance with the Master Agreement any excess cash (after payment of operating expenses, sustaining capital expenditure, any senior debt service requirements and up to US\$10 million (for non-Proyecto Riotinto related expenses)) should be used to pay the Deferred Consideration. The amounts comprising the Deferred Consideration are as fully set out in the Company's announcement of 2 November 2015 when it was first notified of the claim.

Alberto Lavandeira, CEO, commented:

"The Company welcomes the High Court's decision that it has acted in accordance with the Master Agreement and that it is not in breach of its obligations as no instalments of the Deferred Consideration have yet fallen due. The High Court's decision also sets out that in the absence of a Senior Debt Facility, the Deferred Consideration is only payable out of excess cash generated by Proyecto Riotinto. The Board believes this has removed a significant uncertainty as it removed the threat of having to pay the Deferred Consideration as a lump sum or according to a fixed schedule, regardless of the cash generation of Proyecto Riotinto. The Company will however consider whether it is appropriate to appeal the Court's decision that excess cash should be used in this way and will update the market accordingly."

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014.

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