

AIM: ATYM; TSX: AYM

27 June 2018

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

AGM Statement

At Atalaya Mining's AGM, to be held at 11.00 a.m. (UK) today at Canaccord Genuity, 88 Wood Street, London EC2V 7QR, United Kingdom, Roger Davey, non-executive Chairman, will make the following statement:

"2017 has been a year of stabilisation and process improvements at the RioTinto Project and was the first full year of commercial production for your company. The ore processing throughput rate was steadily increased to achieve a cumulative plant throughput of 8.8 Mtpa (against a nameplate capacity 9.5 Mtpa). Copper grade was consistent with reserve estimates and the process recovery rate improved over the year to 85.45%, producing a total of 37,164 tonnes of copper, an increase of 40% over the 2016 production, from an average copper head grade of 0.49%.

This year, to date, copper grades, recoveries and operating cash costs are within the forecast values and the estimated copper production guidance for 2018 remains in the range of 37,000 to 40,000 tonnes.

An expansion project to 15 Mtpa throughput was formally approved during Q4 2017 and launched at the beginning of December 2017. Process flowsheet, basic design criteria and preliminary layouts have been established. Financing to initiate the expansion was raised through a £31m placing of new shares and this allowed long-lead equipment to be identified and purchase orders issued according to the schedule. The expansion is on track to deliver the increased production by 2019.

To facilitate the assessment of potential additional mining areas, the dewatering of the Atalaya pit continues as previously reported. An infill drilling campaign for reserve definition was initiated in the Cerro Colorado pit and is planned to last for most of 2018. Near-mine exploration also continued with drilling of the north-west extension of the Cerro Colorado pit. An updated resources and reserves statement is being prepared as part of the 15 Mtpa expansion Project.

Mining operations continue to run well, with the mining fleet fully operational and preparing to meet the increased requirements of the expansion programme. As part of the Company's continuous improvement programme, improvements to process and water supply systems are under way, together with essential additions to the tailings storage facilities. Whilst dust emission indicators remain below legal requirements, as a precautionary measure, civil works and structural fabrication are under way to install a dome covering the coarse-ore stockpile.

The permitting of Proyecto Touro continues to progress according to plan. The Company has already engaged a number of consultants to address the recommendations received as part of the permitting process. The pre-feasibility study for a proposed open pit copper mine and concentrator was published and filed with the guidelines set out in Canadian National Instrument 43-101.

In March 2017, judgment in the Astor Case was handed down in the High Court of Justice in London. The High Court found that the deferred consideration under the master agreement entered into between the Group, Astor and others, did not start to become payable when permit approval was granted for Proyecto Riotinto. Accordingly, the first instalment of the deferred consideration had not fallen due. While the Court confirmed that Atalaya was not in breach of any of its obligations, the Master Agreement and its provisions remain in place. In April 2017, Atalaya and Astor applied for permission to appeal to the Court of Appeal. In August 2017, the Court of Appeal granted permission to both parties to appeal with the Appeal taking place during May 2018. All of our successful activities to date are due not only to the continued commitment and efforts of our management, staff and associates, but also to the continued support and contributions of all the board members. For this, I offer my sincerest thanks to all of them.

Last but not least, I extend my thanks to all of you, our valued shareholders, for your continued support and look to the year ahead with continued confidence and optimism."

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

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