

Atalaya Mining plc ("Atalaya" or the "Company")
(AIM: ATYM, TSX: AYM)

US\$14 million Prepayment Funding with Transamine Trading S.A.

The Company is pleased to announce the conclusion of a significant proportion of its funding requirements in relation to the mine expansion (the "Expansion Project"), through entering into a US\$14 million copper concentrate prepayment agreement (the "Facility") with Transamine Trading S.A. ("Transamine").

Transamine, an independent and privately owned commodity trading company headquartered in Geneva, has been assigned part of the offtake agreements from existing offtakers.

Facility highlights

- The duration of the Facility is from 1 January 2017 to 31 December 2018;
- Under the terms of the Facility, Transamine will receive 60,000 Dry Metric Tonnes ("DMTs") per annum of copper concentrate;
- The Company's subsidiary, EMED Marketing Limited ("EMED Marketing"), will have the ability to draw down the US\$14 million prepayment funding following the signing of the agreement;
- Terms and conditions of the Facility are based on standard market conditions. The Facility will bear interest at US\$ 6 months LIBOR + 2.75%;
- The Facility will be settled through agreed deductions from the payments received for each shipment;
- Transamine has agreed to pay for copper concentrates at a price based on the prevailing metal prices for the copper and silver content around the time of shipment, less any applicable deductions, all pursuant to the terms of the prevailing offtake agreements;
- EMED Marketing has the option to extend the contract, with the same terms, for an additional US\$ 14 million provided certain production conditions have been met and the first US\$ 14 million have been settled.

EMED Marketing's obligations to Transamine under the Facility are secured by ore and concentrates in stock and to be produced by the Company, in addition to new equipment purchased by the Company for the Expansion Project.

Alberto Lavandeira, CEO, commented:

"We are pleased to announce this commercial partnership with Transamine. The successful completion of this transaction, at competitive terms, represents a significant achievement for the Company. The funding proceeds will be used to cover part of the short term working capital requirements to support the Company through the ramp-up phase.

Ramp-up of production is progressing as planned, with the plant now running at 8.3 Mtpa annualized capacity and having produced 3,175 tonnes of copper during August. This is approximately a 30% improvement over July's production of 2,442 tonnes of copper. Accumulated production for July and August 2016 is already 26% higher than the production of the second quarter of 2016, and is an indication of the good progress of the ramp-up of the Expansion Project that is expected to be working at full capacity by the end of 2016.

The Company will continue to work on alternative funding solutions to improve its balance sheet and its working capital position during the ramp-up period to full expanded production."

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

Contacts:

Atalaya Mining plc	Roger Davey / Alberto Lavandeira	+34 959 59 28 50
Canaccord Genuity (NOMAD and Joint Broker)	Henry Fitzgerald-O'Connor / Martin Davison	+44 20 7523 8000
BMO Capital Markets (Joint Broker)	Jeffrey Couch/Neil Haycock/Tom Rider	+44 20 7236 1010