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

Q3 2023 Operations Update

On track to achieve full year production within original guidance range

Atalaya Mining Plc (AIM: ATYM, TSX: AYM) is pleased to announce its operations update for the third quarter of 2023 ("Q3 2023" or the "Period").

Proyecto Riotinto Operating Highlights

		Q3		Q2	Full Year
		2023 ⁽¹⁾	2022	2023	2023 Guidance
Ore mined	M tonnes	3.8	3.8	3.9	~15 ⁽²⁾
Waste mined	M tonnes	9.7	5.8	8.6	~30 ⁽²⁾
Ore milled	M tonnes	3.9	3.9	4.1	15.3 - 15.8
Cu grade	%	0.38	0.41	0.40	0.39 - 0.41 ⁽²⁾
Cu recovery	%	87.01	84.62	87.18	86 - 87 ⁽²⁾
Cu production	tonnes	12,541	13,453	14,212	53,000 - 54,000⁽²⁾

(1) Figures for Q3 2023 are preliminary and final figures will be released with Q3 2023 financial results.

(2) Represents updated guidance.

Mining

Ore mined was 3.8 million tonnes in Q3 2023 (Q3 2022: 3.8 million tonnes), compared with 3.9 million tonnes in Q2 2023.

Waste mined was 9.7 million tonnes in Q3 2023 (Q3 2022: 5.8 million tonnes), compared with 8.6 million tonnes in Q2 2023. Waste mining during the Period was consistent with budget and includes increased waste stripping at Cerro Colorado in anticipation of the start of mining activities at San Dionisio in late 2023.

Processing

The plant processed ore of 3.9 million tonnes during Q3 2023 (Q3 2022: 3.9 million tonnes), compared with 4.1 million tonnes in Q2 2023.

Copper grade was 0.38% in Q3 2023 (Q3 2022: 0.41%), compared with 0.40% in Q2 2023.

Copper recoveries in Q3 2023 were 87.01% (Q3 2022: 84.62%), compared with 87.18% in Q2 2023, as a result of favourable ore characteristics during the Period.

Production

Copper production was 12,541 tonnes in Q3 2023 (Q3 2022: 13,453 tonnes), compared with 14,212 tonnes in Q2 2023. Lower grades during the Period were partially offset by recoveries that were higher than budget.

On-site copper concentrate inventories at 30 September 2023 were approximately 7,358 tonnes (30 June 2023: 7,291 tonnes). All concentrate in stock at the beginning of the Period was delivered to the port at Huelva.

Copper contained in concentrates sold was 12,521 tonnes in Q3 2023 (Q3 2022: 14,040 tonnes), compared with 12,858 tonnes in Q2 2023.

Select Financial Highlights

Realised Copper Price

The average realised copper price (excluding QPs closed during the Period) was \$3.77/lb in Q3 2023 (Q3 2022: \$3.52/lb), compared with \$3.81/lb in Q2 2023. The average spot copper price was \$3.80/lb in Q3 2023.

Provisional Revenue Adjustments

For Q3 2023, settlement adjustments (for QPs closed during the Period) and fair value adjustments (for open QPs based on copper forward curve prices as at 30 September 2023) were negative €0.9 million.

Balance Sheet

The Company's balance sheet remains strong with consolidated cash and cash equivalents of €119.0 million as at 30 September 2023.

Net of current and non-current borrowings of €52.3 million, net cash was €66.7 million as at 30 September 2023, compared with €53.1 million as at 31 December 2022.

Electricity Prices

Estimated Realised Prices

Market electricity prices in Q3 2023 increased slightly from Q2 2023, in part due to the impact of strikes at LNG export facilities in Australia on European natural gas prices, but remained significantly below 2022 levels. After including the contribution from the Company's 10-year power purchase agreement ("PPA"), realised electricity prices in Q3 2023 were approximately 60% lower than the Company's average realised electricity price in 2022.

Renewable Energy Projects

Construction of the 50 MW solar plant at Riotinto continues to advance, with start-up expected in late 2023 or early 2024. When fully operational, the facility is expected to provide approximately 22% of Riotinto's current electricity needs. Together, the 50 MW solar plant and long-term PPA will provide over 50% of the Company's current electricity requirements at a rate well below historical prices in Spain.

The Company continues to assess the potential installation of wind turbines at Riotinto, which could supply additional low cost and carbon-free electricity and contribute to the Company's decarbonisation objectives.

2023 Guidance

The Company remains on track to achieve full year production within its original guidance, with the 2023 range now narrowed to 53,000 to 54,000 tonnes (from 53,000 to 55,000 tonnes). Operating costs are trending in line with expectations and the Company will provide further update in its Q3 2023 financial results.

Aggregate expenditures relating to non-sustaining capital investments (such as E-LIX Phase I, the 50 MW solar plant, Riotinto tailings facility expansion) and exploration activities continue to trend in line with FY2023 guidance, although the composition is expected to vary including higher investments in the E-LIX Phase I plant.

Asset Portfolio Update

Proyecto Riotinto

In April 2023, the Company was granted a substantial modification to the existing Unified Environmental Authorisation (or in Spanish, Autorización Ambiental Unificada ("AAU")) for Proyecto Riotinto by the Junta de Andalucía. The AAU allows for the expansion of tailings capacity and the mine footprint at Riotinto and represents an important step towards developing regional deposits such as San Dionisio and San Antonio.

The Company is continuing with permitting activities associated with San Dionisio, which represents a key component of the integrated mine plan that was outlined in the recent Riotinto PEA.

E-LIX Phase I Plant

Construction activities continue at the E-LIX Phase I plant, with commissioning expected during Q4 2023.

Once operational, the E-LIX plant is expected to produce high purity copper or zinc metals on site, allowing the Company to potentially achieve higher metal recoveries from complex polymetallic ores, lower transportation and concentrate treatment charges and a reduced carbon footprint.

Riotinto District - Proyecto Masa Valverde ("PMV")

In March 2023, the Company announced that PMV was granted an AAU by the Junta de Andalucía, following an application process that was initiated by the Company in December 2021. The AAU is an integrated process that combines the Environmental Impact Assessment and other authorisations and specifies requirements to avoid, prevent and minimise a project's impacts on the environment and the cultural heritage of the area. Various optimisation workstreams continue.

Three core rigs are active and focused on step out drilling at the Mojarra Trend, drill testing coincident fix loop electromagnetic ("FLEM") and airborne gravity gradiometry ("AGG") anomalies and completing metallurgical and infill drilling at the Masa Valverde deposit. The first phase of resource definition drilling at the Campanario Trend was completed during the Period.

Proyecto Touro

Atalaya remains fully committed to the development of the Touro copper project, which has the potential to provide substantial benefits to Galicia and also support the European Union's critical raw materials mandate.

The Xunta de Galicia has legislation that seeks to promote industry in Galicia by simplifying the approval process. Business initiatives can be classified as priority business initiatives ("IEP") and strategic industrial projects ("Proyecto Industrial Estratégico" or "PIE") which provide a variety of development advantages. The Company believes that Touro fulfils the requirements to be granted the status of a PIE in Galicia.

Touro has the potential to become a new source of copper production for Europe. As such, the project could also be granted "Strategic Project" status by the EU, which can be awarded to projects "based on their contribution to the security of supply of strategic raw materials, their technical feasibility, sustainability and social standards", as part of the Critical Raw Materials Act. Copper was recently added to the list of "Strategic Raw Materials" owing to its importance for strategic sectors and technologies and due to the supply-demand imbalance that is expected in the near future.

Running parallel with the ongoing Touro permitting process, the Company continues to focus on numerous initiatives related to the social licence, including engaging with the many stakeholders in the region to provide detailed information on the new improved project design. Positive and favourable feedback from numerous meetings with municipalities, farmers and fishermen associations and other industries indicate meaningful support towards the development of a new and modern mining project.

The Company continues to successfully restore the water quality of the rivers around Touro and is operating its water treatment plant, which is addressing the legacy issues associated with acid water runoff from the historical mine, which closed in 1987. The field work carried out by Atalaya has resulted in an immediate and visible improvement of the water systems surrounding the project, with the progress being

recognised by local stakeholders and the media.

Atalaya continues to be confident that its approach to Touro, which includes fully plastic lined thickened tailings with zero discharge, is consistent with international best practice and will satisfy the most stringent environmental conditions that may be imposed by the authorities prior to the development of the project.

Proyecto Ossa Morena

Drilling continued to progress with one rig at the Guijarro-Chaparral gold-copper project and the La Hinchona copper-gold project, both in the central part of the district. One rig is being mobilised to the flagship Alconchel-Pallares copper-gold project.

Proyecto Riotinto East

Drill testing of selected coincident FLEM and AGG anomalies is in progress with one rig.

Alberto Lavandeira, CEO, commented:

"We are pleased to be on track to achieve production within our original guidance range, thanks to steady operational performance during the quarter.

Our two key capital projects - the E-LLX Phase I plant and the 50 MW solar plant - continue to progress and there is significant activity on site. We look forward to delivering these projects in the coming months, which are expected to unlock value, reduce costs and lower our carbon footprint.

Regarding the outlook for copper, we continue to be confident in its strong fundamentals. Even with economic uncertainties, the demand for copper is growing thanks to massive new investments in infrastructure and the energy transition. On the supply side, we have seen very few new large projects approved in recent years, therefore the expectation remains that a substantial deficit is unavoidable."

Contacts:

SEC Newgate UK	Elisabeth Cowell / Tom Carnegie / Matthew Elliott	+ 44 20 3757 6882
4C Communications	Carina Corbett	+44 20 3170 7973
Canaccord Genuity (NOMAD and Joint Broker)	Henry Fitzgerald-O'Connor / James Asensio	+44 20 7523 8000
BMO Capital Markets (Joint Broker)	Tom Rider / Andrew Cameron	+44 20 7236 1010
Peel Hunt LLP (Joint Broker)	Ross Allister / David McKeown	+44 20 7418 8900

About Atalaya Mining Plc

Atalaya is an AIM-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 central 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, as well as a 99.9% interest in Proyecto Ossa Morena. For further information, visit www.atalayamining.com

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