

# Atalaya Mining PLC Announces Q1 2023 Operations Update

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## Q1 2023 Operations Update

Full year guidance on track following positive operational start and improved power costs

NICOSIA, April 17, 2023 - [Atalaya Mining plc](#) (AIM:ATYM)(TSX:AYM) is pleased to announce its operations update for the first quarter of 2023 ("Q1 2023" or the "Period").

## Proyecto Riotinto Operating Highlights

		Q1		Q4		Full Year
		2023 <sup>(1)</sup>	2022	2022		2023 Guidance
Ore mined	(M tonnes)	3.4	4.0	3.5		17.1
Waste mined	(M tonnes)	6.5	6.8	5.3		24.1
Ore milled	(M tonnes)	3.7	3.5	4.0		15.3 - 15.8
Cu grade	(%)	0.38	0.37	0.41		0.40 - 0.42
Cu recovery	(%)	86.88	86.07	86.24		84 - 86
Cu production	(tonnes)	12,139	11,461	13,969		53,000 - 55,000

<sup>(1)</sup> Figures for Q1 2023 are preliminary and final figures will be released with Q1 2023 financial results.

## Mining

Ore mined was 3.4 million tonnes in Q1 2023 (Q1 2022: 4.0 million tonnes), compared with 3.5 million tonnes in Q4 2022.

Waste mined was 6.5 million tonnes in Q1 2023 (Q1 2022: 6.8 million tonnes), compared with 5.3 million tonnes in Q4 2022.

Overall material movements in Q1 2023 were in line with budget, although waste mining was prioritised in order to align ore mining rates with plant capacity during the Period.

## Processing

The plant processed ore of 3.7 million tonnes during Q1 2023 (Q1 2022: 3.5 million tonnes), compared with 4.0 million tonnes in Q4 2022. Throughput rates during the Period were impacted by the decision to bring forward a scheduled plant maintenance shutdown from April 2023 to March 2023.

Copper grade was 0.38% in Q1 2023 (Q1 2022: 0.37%), compared with 0.41% in Q4 2022, as a result of pit

sequencing into a previously mined-out area containing backfill during the Period.

Copper recoveries in Q1 2023 were 86.88% (Q1 2022: 86.07%), compared with 86.24% in Q4 2022, due to favourable ore characteristics during the Period.

#### Production

Copper production was 12,139 tonnes in Q1 2023 (Q1 2022: 11,461 tonnes), compared with 13,969 tonnes in Q4 2022. Production previously anticipated for Q1 2023 is now expected in Q2 2023, as a result of the rescheduling of plant maintenance activities.

On-site copper concentrate inventories at the end of Q1 2023 were approximately 1,564 tonnes. All concentrate in stock at the beginning of the Period was delivered to the port at Huelva.

Copper contained in concentrates sold was 12,501 tonnes in Q1 2023 (Q1 2022: 10,304 tonnes).

#### Select Financial Highlights

##### Realised Copper Price

The average realised copper price (excluding QPs closed during the Period) was \$4.00/lb in Q1 2023 (Q1 2022: \$4.50/lb), compared with \$3.70/lb in Q4 2022. The average spot copper price was \$4.05/lb in Q1 2023.

##### Provisional Revenue Adjustments

For Q1 2023, settlement adjustments (for QPs closed during the Period) and fair value adjustments (for open QPs based on copper forward curve prices as at 31 March 2023) were positive â‚¬2.9 million.

##### Balance Sheet

Atalaya's balance sheet is strong with unaudited consolidated cash and cash equivalents of â‚¬119.3 million at 31 March 2023.

Net of current and non-current borrowings of â‚¬64.1 million, net cash was â‚¬55.2 million as at 31 March 2023, compared with â‚¬53.1 million as at 31 December 2022.

##### Electricity Prices

##### Estimated Realised Prices

So far in 2023, market electricity prices have been significantly lower than the levels experienced during 2022, thanks to lower gas prices in Europe and mild weather.

When including the contribution from the Company's 10-year power purchase agreement ("PPA"), estimated realised electricity prices in Q1 2023 were around 50% lower than the Company's average realised electricity price in 2022.

##### Renewable Energy Projects

The Company continues to advance construction of its 50 MW solar plant at Riotinto, which is expected to

provide approximately 22% of its current electricity needs when fully operational. All major materials are on site, civil works are under way and start-up is expected in late 2023. Combined, the 50 MW solar plant and long-term PPA will provide over 50% of the Company's current electricity requirements at a rate below historical prices in Spain.

As previously disclosed, the Company continues to evaluate additional renewable power initiatives that could deliver further low cost and carbon-free electricity for its operations at Riotinto, including the installation of wind turbines.

## 2023 Guidance

The Company remains confident in its ability to achieve the full year 2023 guidance it announced in March 2023 as part of its 2022 Annual Results.

## Asset Portfolio Update

### Proyecto Riotinto

On 23 February 2023, the Company announced the results of a new preliminary economic assessment for the Cerro Colorado, San Dionisio and San Antonio deposits at Proyecto Riotinto ("Riotinto PEA"). The objective of the Riotinto PEA was to incorporate these deposits into a new integrated mine plan in order to quantify the benefits of the Company's planned processing hub strategy for its 15 Mtpa processing plant.

The Riotinto PEA demonstrated strong potential economic results, including a \$1.07 billion after-tax NPV(8%) at \$3.50/lb copper (Base Case) and a \$1.57 billion after-tax NPV(8%) at \$4.03/lb copper (Sensitivity Case). In addition, the Riotinto PEA illustrated the potential uplift in copper equivalent production to ~90 ktpa (from 2027 onwards) as a result of processing higher grade material, as well as a potential reduction in cash costs.

The Riotinto PEA serves as a foundation for further optimisation and the Company will continue to evaluate opportunities to enhance value. These will include the potential application of the E-LIX System, considering a revised mining sequence to bring forward the highest value material and studying the refurbishment of existing processing equipment at Riotinto in order to reduce the capital costs associated with plant modifications.

### E-LIX Phase I Plant

Construction activities at the E-LIX Phase I plant continue, with commissioning activities expected in H2 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 the Unified Environmental Authorisation (or in Spanish, Autorización Ambiental Unificada ("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.

The Company will now file for the exploitation permit which, once granted, will allow for project development to begin. Meanwhile, evaluation work will continue including further metallurgical testing.

In addition, three core rigs are active and focused on step-out drilling at the Masa Valverde deposit, resource definition drilling at the Campanario Trend and step-out drilling around the new discovery made at the Mojarra Trend. The last comprehensive update on recent exploration results at these targets was announced in November 2022.

An airborne gravity gradiometry ("AGG") and magnetic survey covering the entirety of PMV has been completed. Final results were received, and first drill testing of selected anomalies is planned to begin during Q2 2023.

#### Proyecto Touro

Atalaya remains fully committed to the development of the Touro copper project in Galicia, which could become a new source of copper production for Europe.

In March 2023, the European Union announced the Critical Raw Materials Act, which seeks to "address the EU's dependency on imported critical raw materials by diversifying and securing a domestic and sustainable supply of critical raw materials". Copper was added to the list of "Strategic Raw Materials" as a result of the challenges associated with substituting copper metal in electrical applications.

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

The Company continues to restore 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 construction of the treatment plant was contemplated in the original project proposal, but Atalaya volunteered to fix the historical acid water issues prior to the new Environmental Impact Assessment ("EIA") in order to demonstrate its operating philosophy and the benefits of modern operating systems. The field work carried out by Atalaya has resulted in an immediate and visible improvement of the water systems surrounding the project.

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, located in the central part of the district. Drilling at the flagship Alconchel-Pallares copper-gold project is expected to commence during Q3 2023.

#### Proyecto Riotinto East

An airborne gravity gradiometry and magnetic survey covering the entire project was completed. Final results were received and first drill testing of selected anomalies is planned to start during Q2 2023.

#### Corporate Matters

In March 2023, Atalaya's ordinary shares were delisted from the Toronto Stock Exchange ("TSX") following a voluntary application made by the Company. The objective was to reduce the financial costs and administrative requirements associated with the TSX listing, where minimal trading volumes have taken place in recent years. The TSX delisting has no impact on the Company's ordinary shares, which continue to

trade on the AIM market of the London Stock Exchange.

Alberto Lavandeira, CEO, commented:

"We have had a positive start to 2023, with significant improvements in Q1 compared to the same period last year. Our operations are performing well, with a catch-up in throughput expected in April 2023 following the decision to bring forward plant maintenance activities into Q1 2023. Electricity prices have continued to fall from 2022 levels, which will have a positive impact on our unit costs.

With respect to our project portfolio, we remain busy as always. Construction is progressing at the E-LIX and solar plants, optimisation work is under way following the announcement of the Riotinto PEA, permitting continues at Touro and exploration activities are ongoing at Proyecto Masa Valverde and Proyecto Ossa Morena. We were also very pleased to be granted the environmental approval at Proyecto Masa Valverde, which highlights that Andalucía is a world-class mining jurisdiction.

Finally, we continue to believe in the long-term outlook for copper, which continues to improve as major economies accelerate their investments in the energy transition and secure critical raw materials supply. In recent months, many of our peers in the mining sector have been active in pursuing copper production growth, which emphasises the scarcity value associated with high quality copper assets in mining friendly jurisdictions like Spain."

This announcement contains information which, prior to its publication constituted inside information for the purposes of Article 7 of Regulation (EU) No 596/2014.

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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](http://www.atalayamining.com)

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