

Update on new Proyecto Riotinto East and Masa Valverde

25 May, 2021

Atalaya Mining Plc (AIM:ATYM, TSX:AYM) is pleased to provide an update on its exploration assets in the Iberian Pyrite Belt, including Proyecto Riotinto East, a new area of exploration focus for the Company.

A version of this announcement containing all referenced maps can be found on the Company's website at www.atalayamining.com (the "Website Announcement" (https://atalayamining.com/wp-content/uploads/2021/05/ATYM_RNS-Riotinto-East-vfinal.pdf)).

Proyecto Riotinto East

In December 2020, Atalaya entered into a Memorandum of Understanding (the "MoU") with a local private Spanish company to acquire a 100% beneficial interest in three investigation permits (known as Peñas Blancas, Cerro Negro and Herreros investigation permits), which cover approximately 12,368 hectares and are located immediately east of Proyecto Riotinto (see Figure 1 in the Website Announcement (https://atalayamining.com/wp-content/uploads/2021/05/ATYM_RNS-Riotinto-East-vfinal.pdf)). These permits will be collectively referred to as "Proyecto Riotinto East".

The permits for Peñas Blancas and Herreros are yet to be granted but are expected within weeks.

The Peñas Blancas and Cerro Negro permits are located immediately to the east of Proyecto Riotinto and share a similar stratigraphic and structural setting. Several airborne magnetic anomalies have already been delineated and a number of small mines and mineral occurrences (pyrite and manganese mainly) are known to occur in direct relationship with favorable volcanic and volcano-sedimentary rocks that are expected to occur at Proyecto Riotinto East. The Admirable Mine, with historic production of 3Mt @ 1% copper, is situated very close to the northern limit of the Cerro Negro permit (see Figure 2 in the Website Announcement (https://atalayamining.com/wp-content/uploads/2021/05/ATYM_RNS-Riotinto-East-vfinal.pdf)).

A comprehensive exploration programme is currently being planned which will include airborne Electro Magnetic surveys and soil sampling followed by drill testing.

The Herreros permit is located 10 km northeast of Las Cruces copper mine in a similar geological setting. Previous exploration work carried out by RTZ in the 1990s had defined a strong gravity anomaly associated with a TEM conductor underneath a tertiary cover (see Figure 3 in the Website Announcement (https://atalayamining.com/wp-content/uploads/2021/05/ATYM_RNS-Riotinto-East-vfinal.pdf)). Just one short hole was drilled on top of the gravity anomaly intercepting an orthogneiss with pyritic alteration. Further drilling is being planned on this anomaly in order to explain its origin.

The Agreement

The MoU provides an initial exclusivity period of three years and is renewable for additional years in order for Atalaya to carry out all necessary exploration work and studies on Proyecto Riotinto East. Atalaya will be the operator during the exclusivity period and is fully responsible for all administrative and exploration activities and costs as well as for the maintenance costs associated with the permits.

A minimum investment of €100,000 must be incurred for each permit during the first year. Once that investment has been incurred, Atalaya may exercise its purchase option at any time on any of the permits, either individually or collectively.

Proyecto Masa Valverde

Since the acquisition of this polymetallic satellite project in October 2020, Atalaya has embarked on a comprehensive review of all available information, including the compilation and re-interpretation of all previous gravimetric data, as well as the preparation and implementation of a detailed exploration programme.

Currently, a comprehensive Ground Squid-TEM geophysical survey covering the entire permit area (see Figure 4 in the Website Announcement) and an 8,000-metre drilling programme are already in progress. Depending on the results of the TEM survey, the proposed drilling programme will be expanded to accommodate further targets deserving drill testing.

The main objectives of the current programme are:

- to define a compliant resource;
- to look for extensions to the already known mineralised zones; and
- to delineate drill targets which could lead to the discovery of new massive sulphide orebodies.

Atalaya has filed for the environmental permits which are expected during 2022 and plans to publish a scoping study in due course.

Alberto Lavandeira, CEO, commented: "We continue to work on expanding our footprint in the highly prospective Iberian Pyrite Belt, where four new deposits have been found within the last six years, including world-class Magdalena. With the MoU for Proyecto Riotinto East, Atalaya expands its access to one of the most prospective areas of the Iberian Pyrite Belt. Surprisingly, the area has not been the subject of modern and systematic exploration to date, in particular, the Peñas Blancas and Cerro Negro investigation permits since they cover the potential east extensions of both the Riotinto and Aguas Teñidas-La Magdalena trends (see Figure 2 Website Announcement). The Herrerros investigation permit is located northeast of First Quantum's Las Cruces Copper Mine in a similar geological setting and with a promising coincident gravity and TEM geophysical anomaly ready for drill testing."

"This is an exciting project that, following on from the Masa Valverde acquisition in October 2020, has the potential to add significant additional resources for Atalaya. This latest transaction underlines the Board's commitment to both operational expansion and new exploration to secure growth and deliver value for shareholders."

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About Atalaya Mining Plc

Atalaya is an AIM and TSX-listed mining and development group which produces copper concentrates and silver by-product at its wholly owned Proyecto Riotinto site in southwest Spain. 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. For further information, visit www.atalayamining.com (<http://www.atalayamining.com>)

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