



A low risk copper producer in Europe

December 2017



AIM:ATYM / TSX:AYM

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This Presentation contains "forward looking information" which may include, but is not limited to, statements with respect to the future financial or operating performance of the Company, its subsidiaries and its projects, the future price of metals, the estimation of ore reserves and resources, the conversion of estimated resources into reserves, the realisation of ore reserve estimates, the timing and amount of estimated future production, costs of production, capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of pending litigation and regulatory matters.

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# Disclaimer



## Technical Disclosure

Unless otherwise noted, all scientific and technical information relating to the Proyecto Riotinto is based on and derived from a technical report entitled "Technical Report on the Mineral Resources and Reserves of the Riotinto Copper Project" dated September 2016, prepared by Alan C. Noble, P.E. of Ore Reserves Engineering, William L. Rose, P.E. of WLR Consulting, Inc., Jay T. Pickarts, P.E., and Juan J. Anes, B.Sc., M.Sc., P.Eng. (the "Technical Report"), each of whom are "qualified persons" as defined in the Canadian National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). The information contained herein is subject to all of the assumptions, qualifications and procedures set out in the Technical Report and reference should be made to the full details of the Technical Report which is filed under the Company's corporate profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on its website.

## Riotinto Expansion Plan

All of the information contained in this Presentation regarding the intended 15 Mtpa Expansion Project is based on internal data and analyses and based on various assumptions not derived from the Technical Report or supported by any other technical report prepared in accordance with NI 43-101.

## Proyecto Touro

All of the information contained in this Presentation regarding Proyecto Touro is based on internal data and is not derived from or supported by a technical report prepared in accordance with NI 43-101.

## Qualified Person Statement

The scientific and technical information contained in this Presentation has been prepared under the supervision of Alberto Lavandeira Adán, Chief Executive Officer of the Company. Alberto is a graduate of the Oviedo School of Mines with a Master of Science in Mining Engineering. He is a Member of the Society of Mining Engineering of Spain since 1980 and has over 38 years

mining experience. The scientific and technical information contained in this Presentation has been reviewed and approved by Roger Davey, Chairman and a Director of the Company. Roger is a graduate of the Camborne School of Mines, with a Master of Science in Mineral Production Management from Imperial College. He is a Chartered Engineer, a European Engineer and a Member of the Institute of Materials, Minerals and Mining (IMMM) and a "qualified person" under the meaning of National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

## Market and Industry Data

This Presentation also contains or references certain market, industry and peer group data which is based upon information from independent industry publications, market research, analyst reports and surveys and other publicly available sources. Although the Company believes these sources to be generally reliable, such information is subject to interpretation and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other inherent limitations and uncertainties. The Company has not independently verified any of the data from third party sources referred to in this presentation and accordingly, the accuracy and completeness of such data is not guaranteed.

## Future Oriented Financial Information

Certain forward-looking information in this Presentation constitutes "future-oriented financial information" or "financial outlooks" within the meaning of applicable Canadian securities laws, including production or earnings guidance. Such information is being provided to demonstrate the anticipated performance of the Company and the reader is cautioned that this information may not be appropriate for any other purpose and the reader should not place undue reliance on such future-oriented financial information and financial outlooks. Future-oriented financial information and financial outlooks, as with forward-looking information generally, are, without limitation, based on the assumptions and subject to various risks, assumptions, limitations

and qualifications as set out above. The Company's actual financial position and results of operations may differ materially from management's current expectations and, as a result, the Company's performance and financial condition may differ materially from the profiles provided in this Presentation. Such information is presented for illustrative purposes only and may not be an indication of the Company's actual financial position or results of operations.

## Use of Non-IFRS Financial Measures

This Presentation refers to certain non-IFRS measures such as EBITDA, operating cash flows before working capital changes, cash costs, total cash costs, all-in sustaining costs and net debt. However, these performance measures are not measures calculated in accordance with IFRS, do not have any standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers. These non-IFRS measures are furnished to provide additional information only, have limitations as analytical tools and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

# Introduction

# Highlights



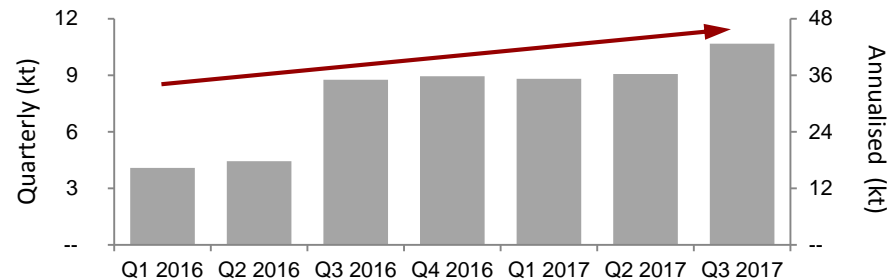
- Assets located in established and stable mining jurisdictions in Spain
  - ✓ Access to developed and modern infrastructure
  - ✓ Low capital intensity
  - ✓ Well understood deposits with low operational risk
- Strong pipeline of low-risk growth projects
  - ✓ Riotinto 15 Mtpa expansion expected to grow production to 50-55 ktpa copper
  - ✓ Touro restart PFS and permitting underway; PFS completion expected for Q4 2017
- Riotinto expansion expected by management to unlock value
  - ✓ Additional ~€290m EBITDA over the LOM<sup>(2)</sup>
  - ✓ >40% IRR at US\$3.00/lb copper price<sup>(2)</sup>
- Proven management team
  - ✓ Mine builders and operators with considerable expertise in Spain and internationally
  - ✓ Successfully restarted, ramped-up, and expanded Riotinto to 9.5 Mtpa on time and under budget
- Strong financial position
  - ✓ Nil financial debt<sup>(3)</sup>
  - ✓ 2017 YTD EBITDA of ~€34m (9 months)
  - ✓ Working capital position improved over year as result of cash generated from operations
  - ✓ Production and cost guidance in line with expectations
- Supportive strategic shareholders
  - ✓ Raised ~US\$150m in equity in 2014 and 2015

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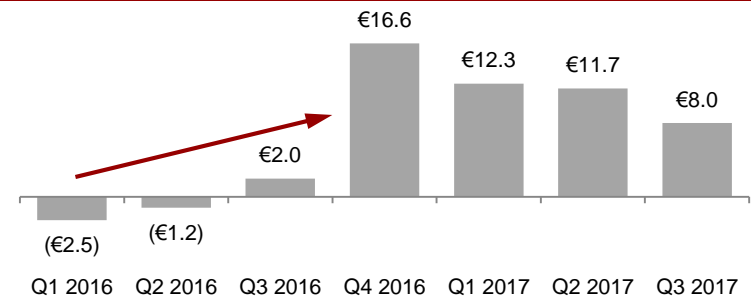
## Capitalisation (30-Nov)

Ticker (Exchanges)	ATYM (LSE:AIM), AYM (TSX)	
Share Price	GB£	£1.75
	C\$	\$2.80
Basic Shares	million	116.7
Options & Warrants	million	1.7
Fully Diluted Shares	million	118.3
Market Capitalisation (Basic)	£m	£204
	US\$m	\$276
Enterprise Value <sup>(1)</sup>	US\$m	\$325

## Copper production (kt)



## Operating Cash flows Before Working Capital Changes (€m)



1. Includes Astor deferred consideration at carrying value.

2. See Illustrative 15M Highlights on page 18; assumes US\$18.00/oz silver and 1.15 USD:EUR.

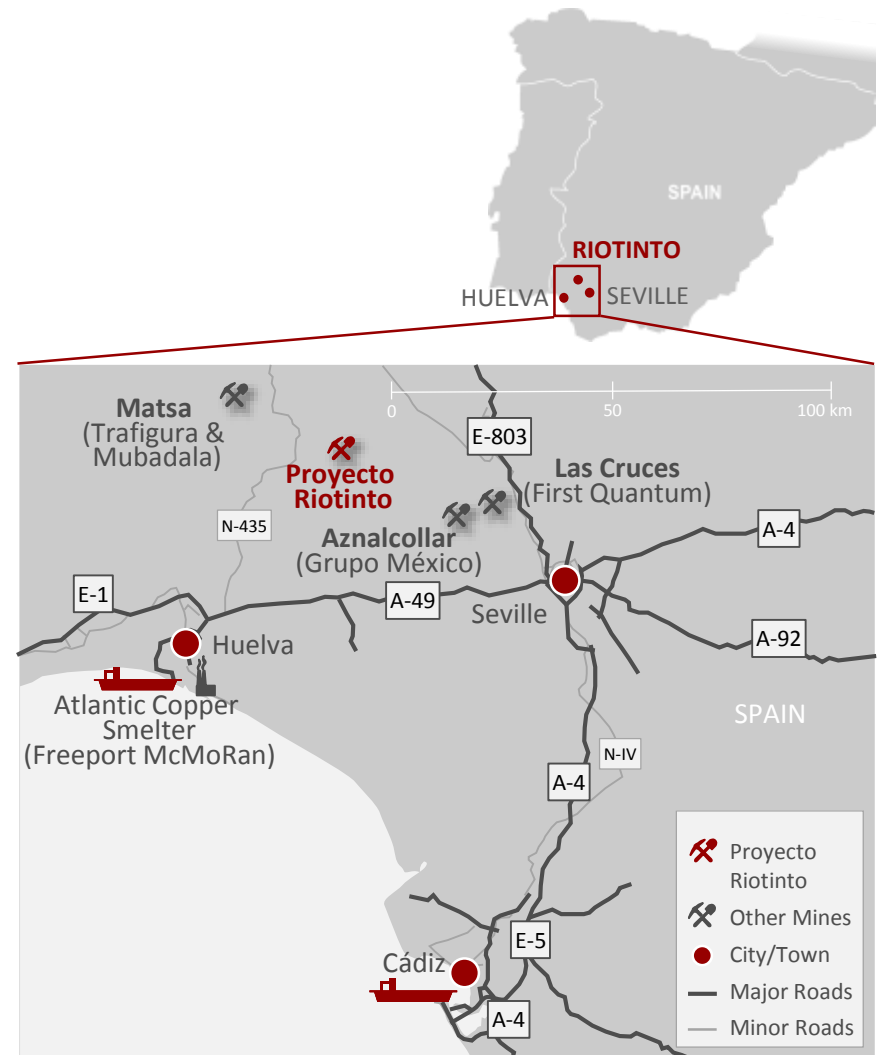
3. Excludes Astor deferred consideration.

# Proyecto Riotinto

## Proven and predictable production in southwest Spain



- Brownfield refurbishment and expansion of existing infrastructure
  - ✓ Previously operated last in 2001 by Minas de Rio Tinto (previously Freeport McMoran)
- Successful restart, expansion, and ramp-up to 9.5 Mtpa throughput
  - ✓ Delivered restart and expansion at 50% lower cost than anticipated in 2013 NI 43-101
  - ✓ 9.5 Mtpa expansion delivered in 10 months from declaration of commercial production at 5 Mtpa
- Operating and financial performance in line with guidance
- Significant copper reserve with long mine life
  - ✓ Current LOM through 2032 (based on 2016 NI 43-101)
  - ✓ 153 Mt Reserves at 0.45% Cu Grade
- Exploration potential
  - ✓ Located in highly prospective Iberian pyrite belt
- Community support
  - ✓ Management enjoys support of local stakeholders
- Infrastructure
  - ✓ Access to power, water, adjacent towns
  - ✓ 75km from the major port Huelva



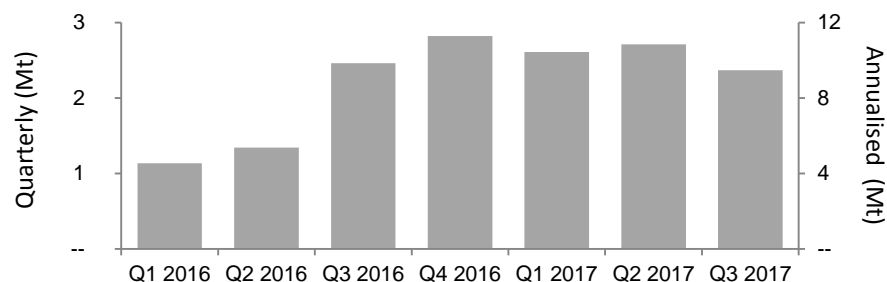
# Production Results

## Consistent operational performance

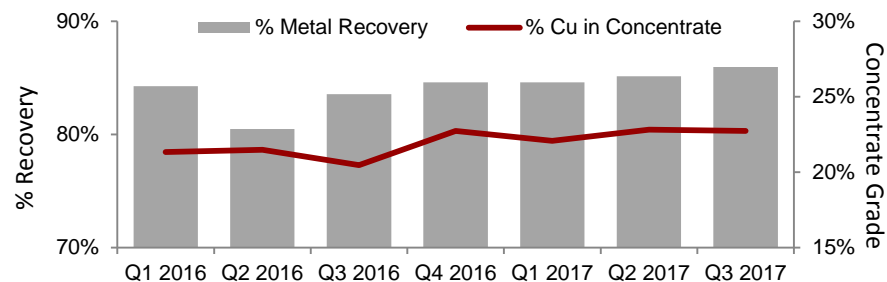


- Commercial production declared in February 2016
  - ✓ Restart project began in summer 2014
  - ✓ Initial throughput capacity of 5 Mtpa
- 9.5 Mtpa nameplate capacity achieved in December 2016
  - ✓ Expansion delivered at capital intensity of \$4,000/t Cu
- Consistent throughput and record recovery rates
  - ✓ Driven by improved operational efficiencies and the availability of additional mining fleet
- Record production of 10.7 kt Cu in Q3 2017
  - ✓ 42.7 kt Cu annualised

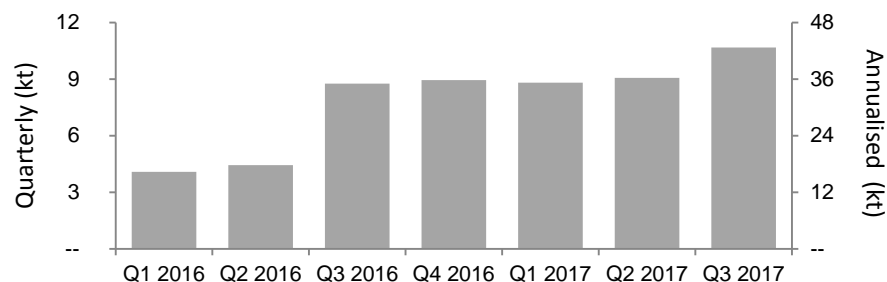
Ore throughput (Mtpa)



Copper recovery



Copper production (kt)



# Q3 2017 Financial Results



## ■ Revenue

- ✓ Q3 copper production of 10.7 kt, up 18% over prior quarter of 9.1 kt
- ✓ Concentrate sales of 41.0 kt, down from 55.6 kt in prior quarter
  - Concentrate inventory build of 6.3 kt vs. prior quarter

## ■ EBITDA

- ✓ Slight decrease as result of lower concentrate sales
- ✓ YTD cash cost of US\$2.06/lb
- ✓ YTD AISC of US\$2.29/lb

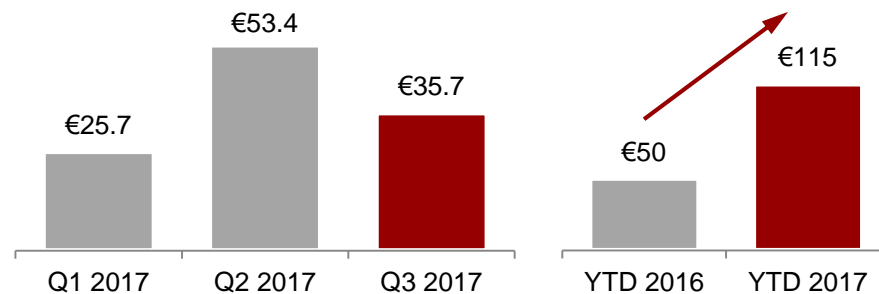
## ■ Working Capital

- ✓ Working capital deficit has improved to €13.3m, down from €25.4m since beginning of year
- ✓ Driven by cash flow from operations

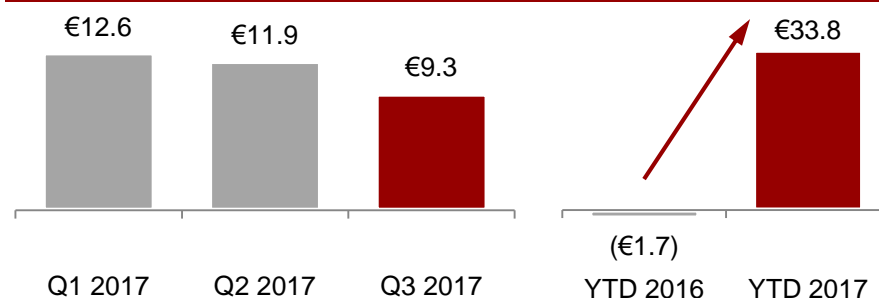
## ■ Cash and Inventories

- ✓ €9.4m cash balance, up from €1.9m in Q2
- ✓ €7.7m in copper concentrate inventories, up from €1.6m in Q2

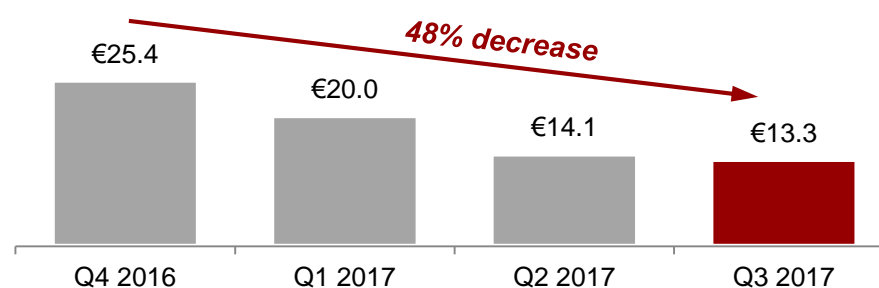
Revenues (€m)



EBITDA (€m)



Working capital deficit (€m)





# Guidance for 2017



## Robust operational outlook for remainder of 2017

	Guidance 2016	Actual 2016	Guidance 2017 <sup>(1)</sup>
<b>Concentrate</b>	115-130 kt	122.5 kt	165-175 kt
<b>Contained Cu</b>	23.5-27 kt	26.2 kt	36-39 kt
<b>Cash Cost</b>	US\$1.90-US\$2.10/lb	US\$1.95/lb	US\$1.95-US\$2.10/lb

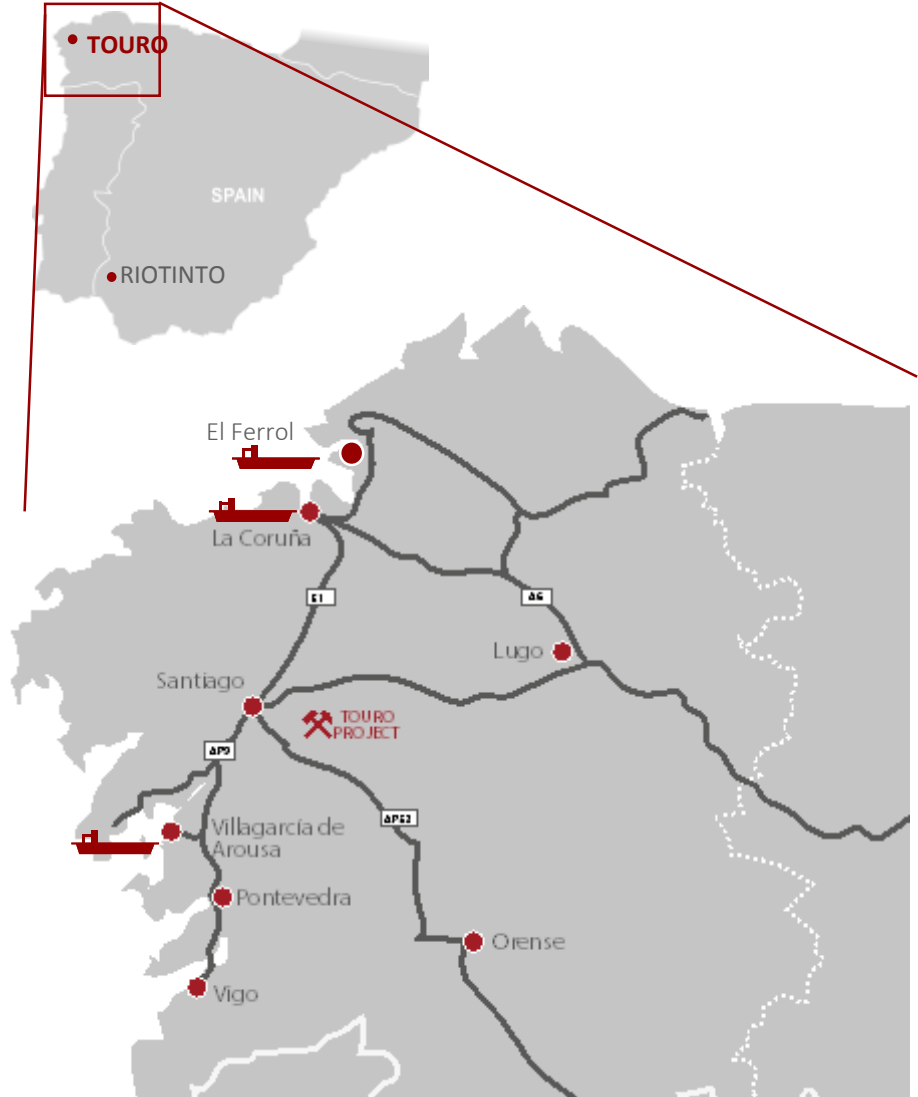
1. See page 3 "Future Oriented Financial Information".

# Proyecto Touro

Low risk, advanced stage project in Northwest Spain



- Previously operated by Riotinto Patiño from 1973 to 1986
  - ✓ Well understood orebody, straightforward metallurgy with test work suggesting high Cu recovery and clean concentrates
- Excellent infrastructure and location
  - ✓ Access to power, water and highways
  - ✓ Local skilled workforce
  - ✓ 80 km to port of Villagarcía de Arosa
- Government support
  - ✓ Galicia is pro mining and autonomous
- Exclusivity option exercised; favourable earn-in option to attain 80% ownership based on development milestones
  - ✓ Structured such that payments only occur as project is de-risked
- Over 27km of exploration and in-fill drilling completed to provide basis of NI 43-101 technical report



# Proyecto Touro

## Upcoming milestones



- Near term milestones
  - ✓ **Q4: NI 43-101 pre-feasibility study**
- Development timeline
  - ✓ **Permitting: ~12 months**
  - ✓ **Development: 18 to 24 months**
  - ✓ **Ramp-up: 9 months**
- Synergies with Proyecto Riotinto
  - ✓ **CAPEX: development plan to replicate Proyecto Riotinto success**
  - ✓ **OPEX: by sharing services and support**
- Management's internal estimates for Touro development<sup>(1)</sup>
  - ✓ **CAPEX: ~€200-250m**
  - ✓ **Production: ~30,000 tpa copper**

1. Figures based on internal management estimates and are subject to change post completion of technical studies.



# Atalaya Positioning vs. Copper Peers

## Attractive valuation metrics<sup>(1)</sup>

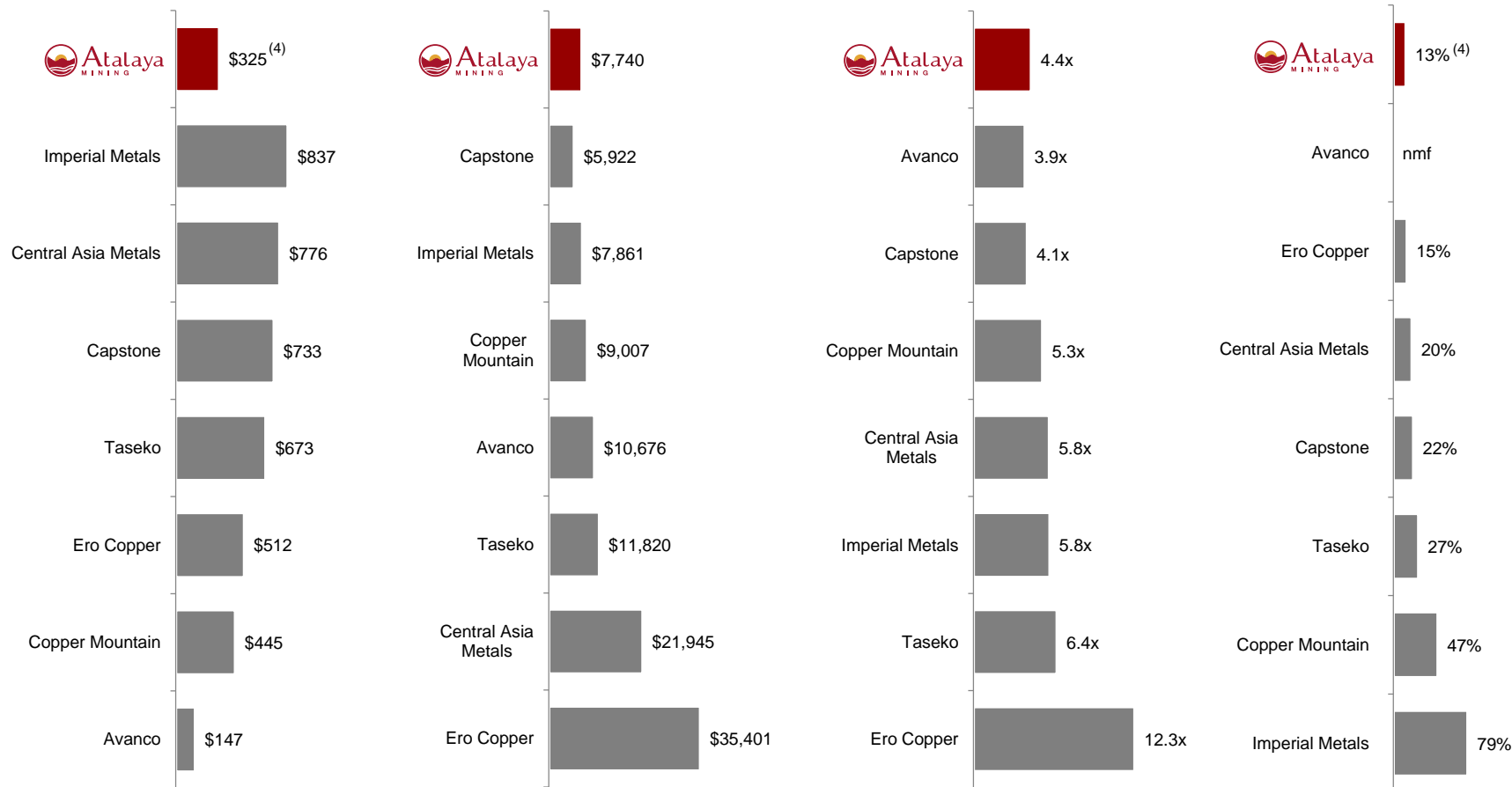


### Enterprise Value (US\$m)

### EV / 2017e CuEq prod'n (US\$/t)<sup>(2)</sup>

### EV / 2018e EBITDA<sup>(3)</sup>

### Net debt / Enterprise Value



1. As at 30-Nov-17.

2. Production per Wood Mackenzie.

3. EBITDA per FactSet.

4. Includes Astor deferred consideration at carrying value.

# Proyecto Riotinto Expansion to 15 Mtpa ("15M")

*For all slides in respect of the Riotinto Expansion, see page 3 "Forward Looking Statements" and page 3 "Riotinto Expansion Plan".*

*All figures are based on internal management estimates and are subject to change post completion of further technical studies.*

# 15M Introduction



- In Q2 2017, Atalaya commissioned a study to expand Proyecto Riotinto processing throughput
- Several options considered and evaluated using certain criteria:
  - ✓ Potential plant downtime due to tie-ins
  - ✓ Potential capital costs
  - ✓ Ease of construction and modification to facilities
  - ✓ Ease of operation
- Analysis contemplated two options to expand processing capacity from 9.5 Mtpa to 15 Mtpa
  - ✓ Single 15 Mtpa treatment plant (“15M option”)
  - ✓ Existing 9.5 Mtpa complemented with a parallel 5 Mtpa treatment plant (“10+5M option”)
  - ✓ Flotation and concentrate handling is common to both options
- Single 15 Mtpa option recommended
  - ✓ Lower opex to offset slightly higher capex
  - ✓ Higher execution risks associated with 10+5M, particularly debottlenecking 9.5 Mtpa current capacity to 10 Mtpa
- Expansion project to be delivered by team of well-recognised international mining consultants in conjunction with Atalaya

# Illustrative 15M Highlights

## Increased scale and reduced cost structure



- Increased production
  - ✓ Nameplate capacity increased ~60%
  - ✓ 43% increase over next five years
- Opex reduced
  - ✓ Lower unit milling costs
  - ✓ Same strip ratio
- Competitive cash costs and AISC
  - ✓ ~7% improvement in costs
- Management expects enlarged mineable resource
  - ✓ Due to pit optimisation and reduced operating costs that lower the cut-off grade
- Mine life remains over 10 years
- District exploration to continue
  - ✓ Focus on Cerro Colorado – Filón Sur area in the near-term, and San Dionisio – Alfredo in medium-term

### Select project statistics (2018+, 10yr Averages)

		15 Mtpa <sup>(1)</sup>	9.5 Mtpa	Variation
<b>Operating Metrics</b>				
Total Ore Mined	Mt	163	150	+8.5%
Total Waste Mined	Mt	275	254	+8.2%
LOM Strip Ratio	Waste : Ore	1.7	1.7	(0.3%)
Total LOM (from 2016)	years	13.5	16.5	(3.0)
Total Ore to Mill	Mt	161	141	+14.3%
LOM Copper Mill Grade	%	0.42%	0.42%	--
LOM Copper Recovery	%	84.6%	84.3%	+32 bp
Total Copper Recovered	kt	586	512	+14.3%
Average Annual Copper Recovered	ktpa	52	38	+39.1%
Average Annual Silver Payable	kozpa	697	501	+39.1%
<b>Financial Metrics</b>				
Total LOM EBITDA	€m	€928	€635	+46.2%
Unit Processing Cost	€t ore	€4.25	€4.63	(8.2%)
Average C1 Cash Costs	US\$/lb	\$2.08	\$2.23	(6.5%)
Average AISC	US\$/lb	\$2.18	\$2.33	(6.7%)
Average Annual Sustaining Capex	€m	€6.4	€4.4	+€2.0
Total Development Capex	€m	€80.4	--	+€80.4

Note: Macro assumptions include US\$3.00/lb Cu , US\$18.00/oz Ag, 1.15 USD:EUR.  
1. Based on management internal estimates.

# Illustrative 15M Financial Summary



## Capital & operating cost breakdown

### 15M – Capital Cost Estimate

	Cost (€m)
Direct Field Costs	€51.8
Indirect Field Costs	€13.3
<b>Total Field Costs</b>	<b>€65.2</b>
Home Office Costs	€1.9
<b>Total Costs</b>	<b>€67.1</b>
Project Management & 10% Contingency	€13.3
<b>Total 15 Mtpa Expansion Capital Cost</b>	<b>€80.4</b>

### 15M – Processing Cost Estimate of Additional Throughput<sup>(1)</sup>

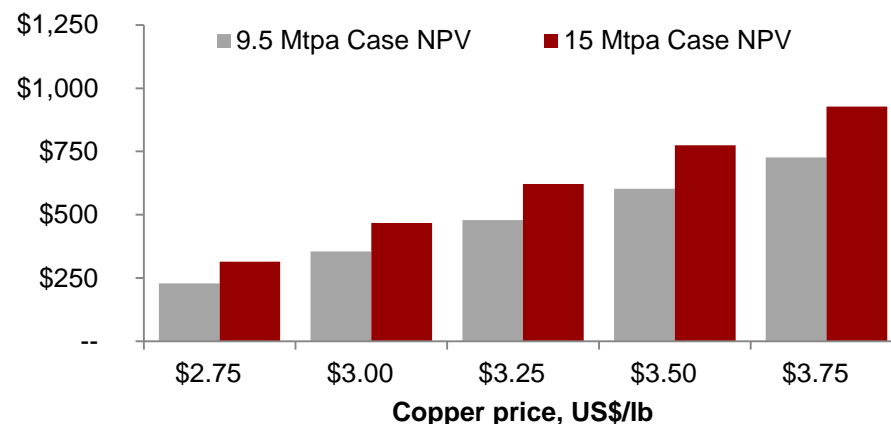
	Cost (€m)	Cost (€/t Ore)
Reagents	€3.9	€0.71
Other Consumables	€10.4	€1.90
Power	€9.8	€1.78
Labour (Laboratory)	€0.3	€0.06
Plant Maintenance	€0.4	€0.07
<b>Total Additional Processing Cost Est.</b>	<b>€24.9</b>	<b>€4.52</b>

1. Figures shown represent processing costs of incremental 5.5 Mtpa of ore above existing 9.5 Mtpa operation.

## Financial highlights (2018+)

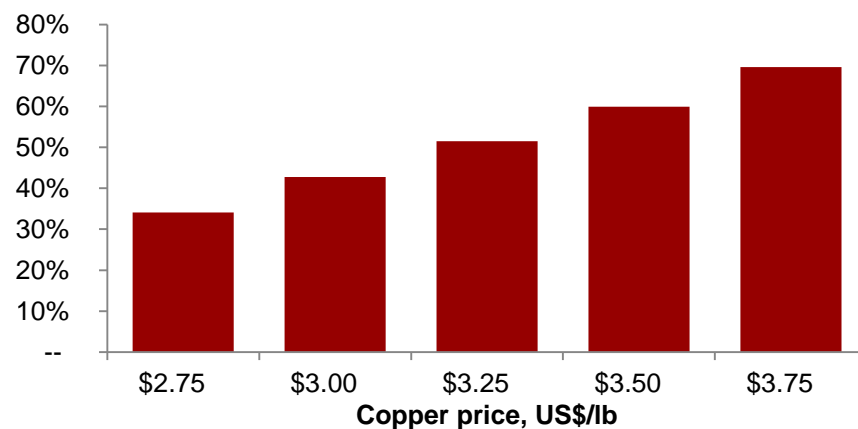
### NPV Sensitivities – 15M Expansion vs. 9.5 Mtpa Case (US\$ m)

US\$18.00/oz silver, 1.15 USD:EUR, 8% Discount Rate



### IRR Sensitivity of 15M Expansion

US\$18.00/oz silver, 1.15 USD:EUR





# Proyecto Riotinto

## From mid 2014 to end 2017



- Atalaya team continues to drive production growth
  - ✓ Delivered initial restart of Riotinto at ~50% lower cost than contemplated in 2013 NI 43-101
  - ✓ Nearly doubled throughput capacity within 1<sup>st</sup> year of commercial production

	Phase I Restart 5.0 Mtpa	Expansion to 9.5 Mtpa	Expansion to 15.0 Mtpa
<b>Incremental Throughput</b>	+5.0 Mtpa	+4.5 Mtpa	+5.5 Mtpa
<b>Nameplate Copper Production</b>	25 ktpa	40 ktpa	50-55 ktpa
<b>Incremental Capex</b>	US\$82m	US\$68m <sup>(1)</sup>	US\$92m <sup>(2)</sup>
<b>Cumulative Capex Intensity</b>	US\$3,280/t Cu	~US\$4,000/t Cu <sup>(1)</sup>	~US\$4,600/t Cu <sup>(3)</sup>
<b>Unit Processing Cost</b>	~€5.01/t	€4.63/t	€4.25/t

1. Approximately.

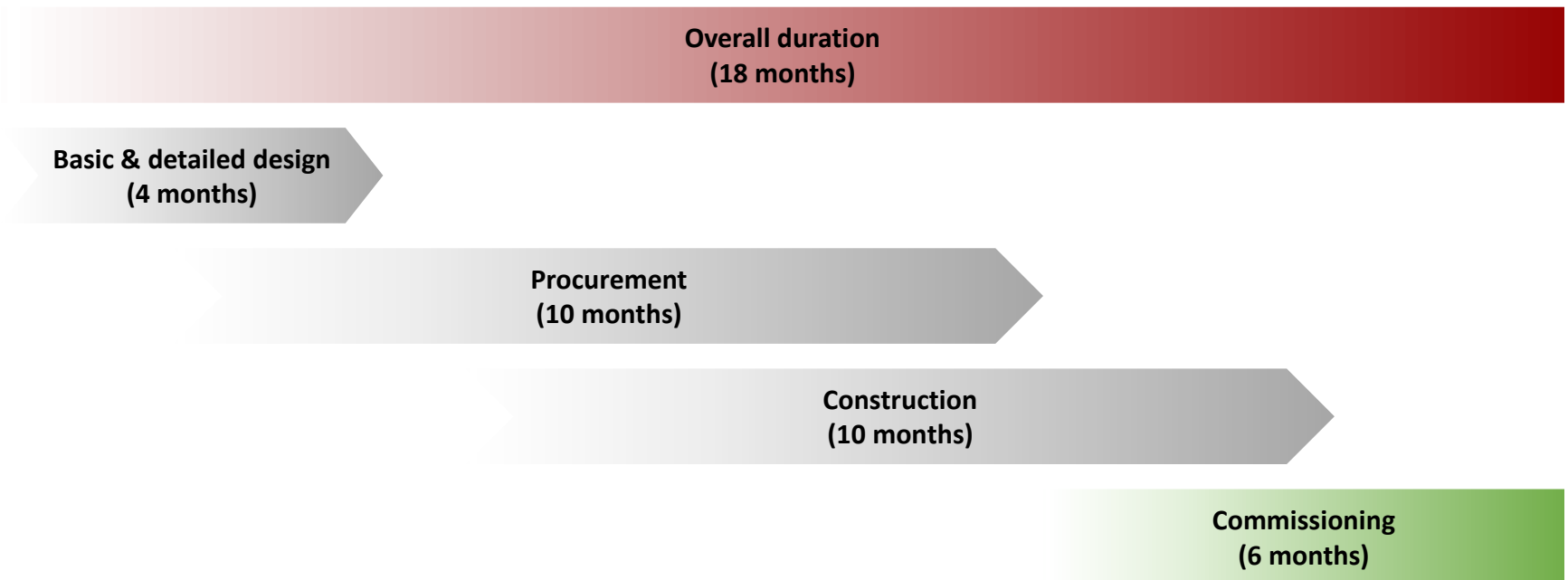
2. Based on €80.4 mm and 1.15 USD:EUR.

3. Based on midpoint of stated production range; for expected 15M incremental copper production of 15 ktpa, capital intensity is ~US\$6,100/t Cu.

# 15M Execution Schedule



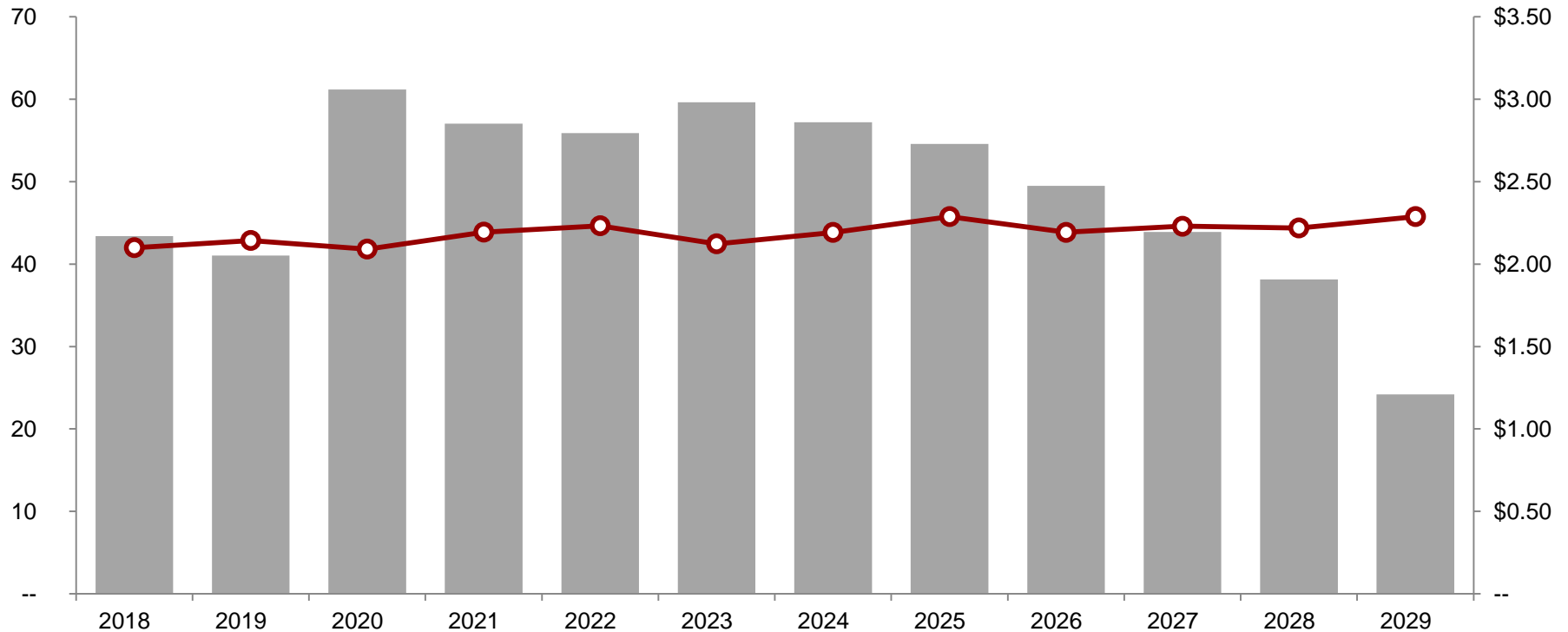
- Overall duration of 18 months
  - ✓ Critical path driven by new milling section
  - ✓ Basic and detailed design – 4 months
  - ✓ Procurement – 10 months
  - ✓ Construction – 10 months
  - ✓ Commissioning – 6 months



# Proyecto Riotinto Life-of-Mine



Copper production (kt) and AISC (US\$/lb)



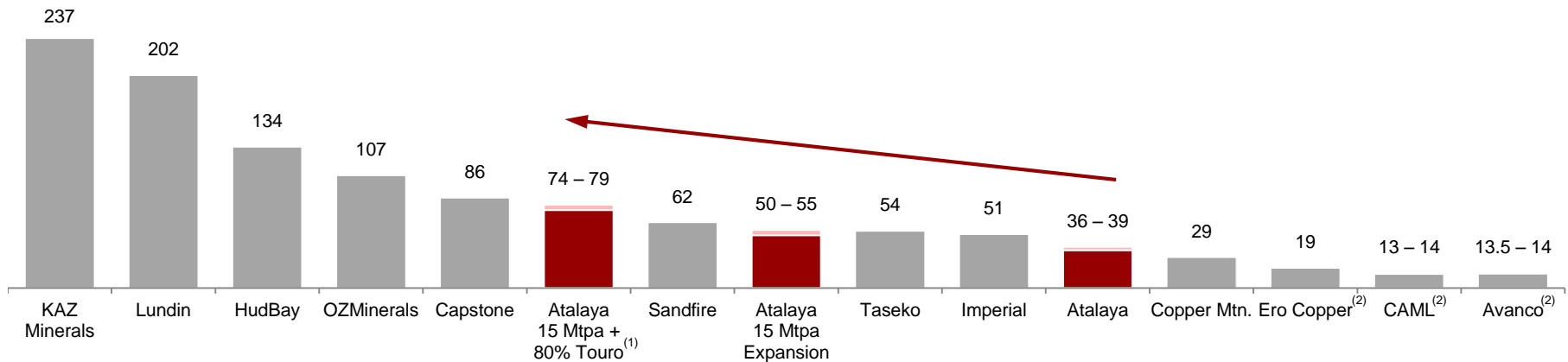
Exploration programme focused on known orebodies

# Future Positioning

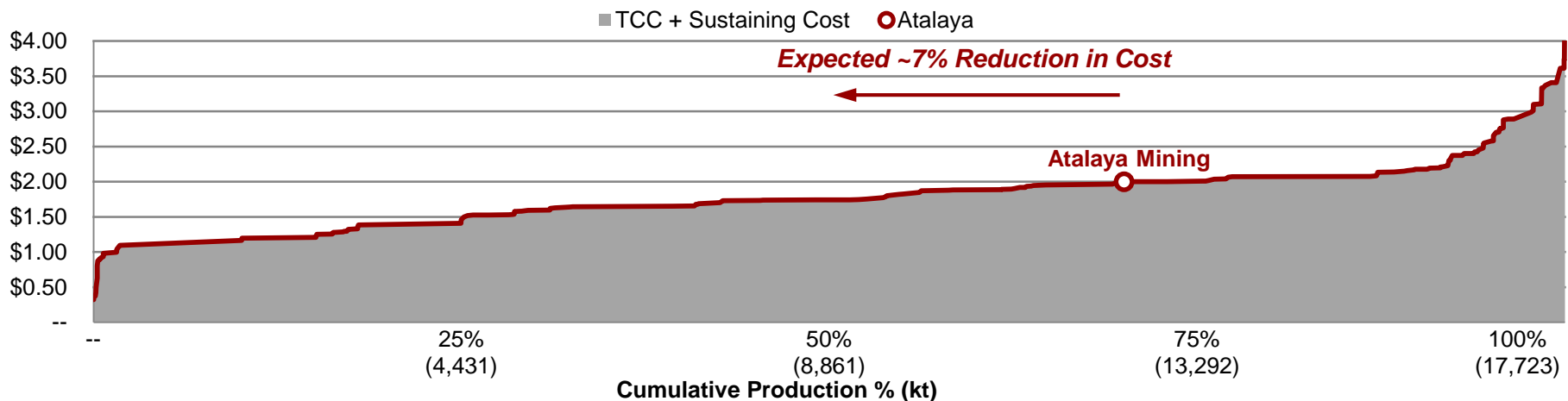
## Low-risk growth pipeline and competitive costs



2017E copper production (kt)



2017E Total Cash Cost + Sustaining Capex (US\$/lb Cu)



Source: Wood Mackenzie – Q3 2017, except for Atalaya and where noted

1. See page 11 "Proyecto Touro".

2. Company filings.

# CONCLUSION

# Highlights



- Assets located in established and stable mining jurisdictions in Spain
  - ✓ Access to developed and modern infrastructure
  - ✓ Low capital intensity
  - ✓ Well understood deposits with low operational risk
- Strong pipeline of low-risk growth projects
  - ✓ Riotinto 15 Mtpa expansion expected to grow production to 50-55 ktpa Cu
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- Riotinto expansion expected by management to unlock value
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2. Excludes Astor deferred consideration.

# Contact Information



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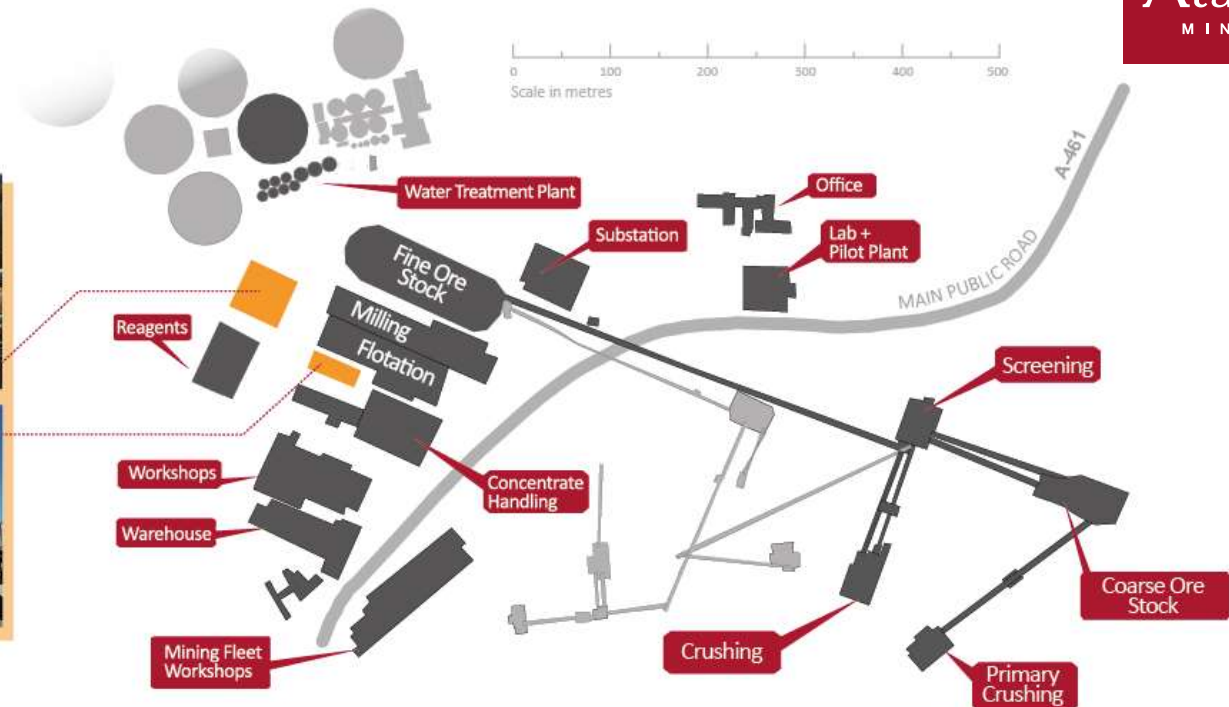
Email: [corbett@4ccommunications.com](mailto:corbett@4ccommunications.com)

# APPENDIX



# Existing Riotinto Plan View

## EXPANSION FACILITIES

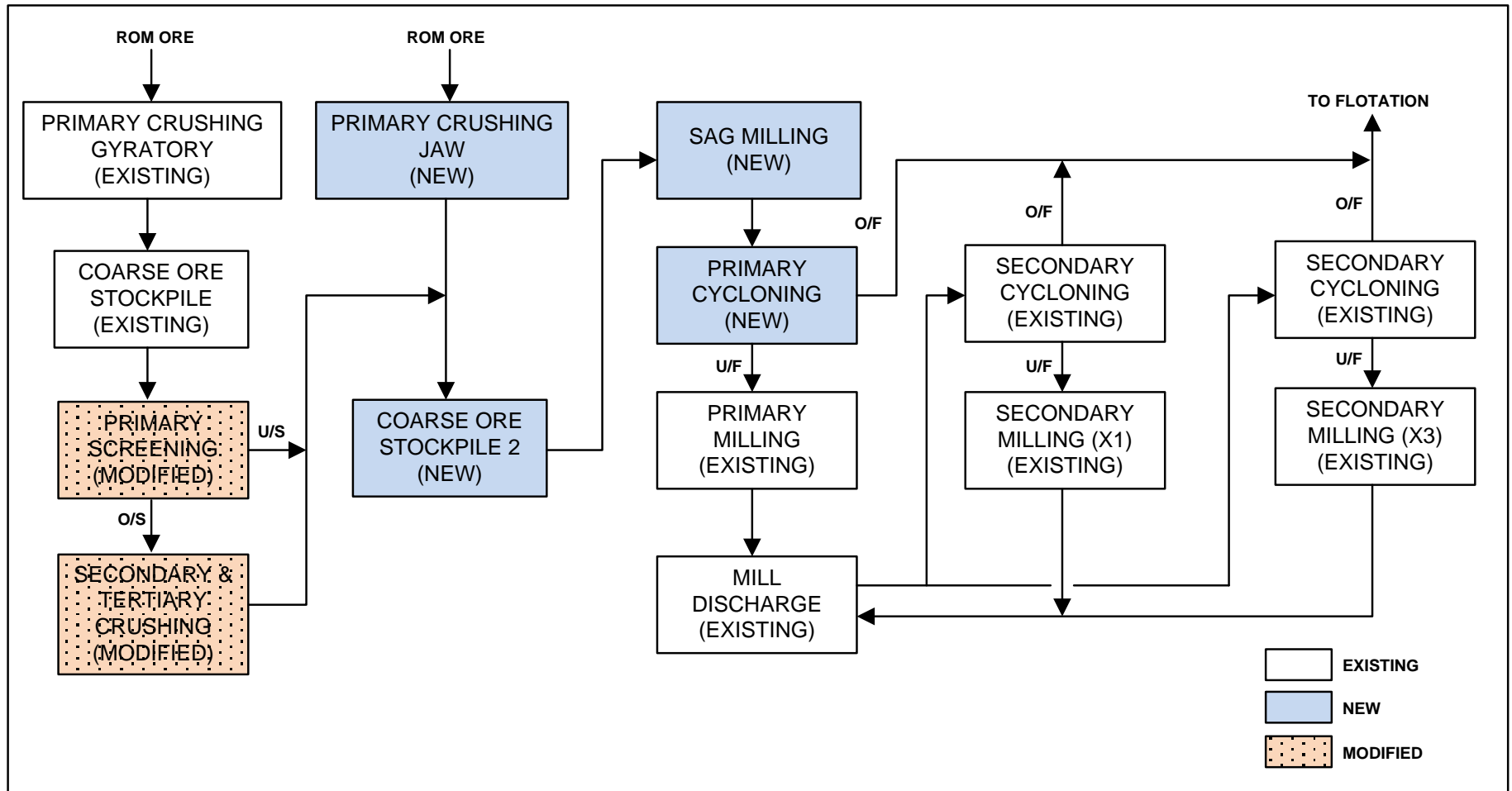


## PHASE 1 FACILITIES



- Phase 1 Copper Process
- Expansion Copper Process
- Obsolete Gossan Process

# 15M Flowsheet



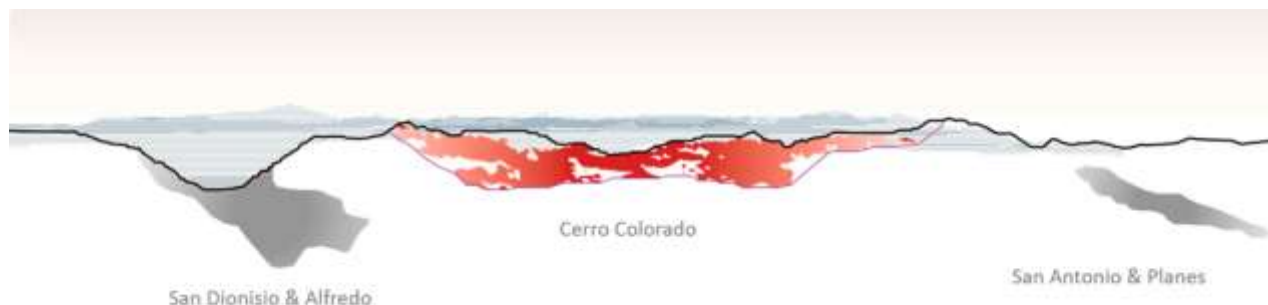
# Reserves and Resources



The pit design and internal cut-off grade are based on a long term copper price of US\$2.60/lb. Resources are pit-constrained at US\$3.20/lb Cu

	Ore (Mt)	Copper (%)
<b>RESERVES*</b>		
Proven	78	0.45
Probable	75	0.44
<b>TOTAL</b>	<b>153</b>	<b>0.45</b>

<b>RESOURCES (inclusive of reserves)*</b>		
Measured	90	0.43
Indicated	103	0.42
<b>TOTAL</b>	<b>193</b>	<b>0.43</b>
Inferred	23	0.48



\*Reserves and Resources shown comprise only Cerro Colorado as reported in NI 43-101 September 2016;  
Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

# Senior management

## Strong Technical & Financial Expertise



### Alberto Lavandeira

Chief Executive Officer, Director

Over 38 years' experience operating and developing mining projects. Former President, CEO and COO of Rio Narcea Gold Mines which built 3 mines including Aguablanca. Director of Black Dragon Gold Corp. and Samref Overseas S.A, involved in the development of the Mutanda Mine in the DRC.

### Julian Sánchez

GM, Operations

Over 20 years' of international mining experience including Spain (Aguablanca), DRC (Mutanda), Mauritania (Tasiast), and previously in Peru and China. Former Deputy Head of Mining at Eferton Resources.

### César Sánchez

Chief Financial Officer

CFO of various companies mining and financial provider companies. Former CFO of Iberian Minerals with interests in copper assets. Specialized in due diligence, debt raising, IPOs, mergers and restructurings processes.

Team with proven and lengthy experience in the start-up and operation of mines in Spain and internationally, supported by local and international consultants

**Ángel López:** Plant. Over 18 years in minerals processing (Au, Cu) including the start up of 3 process plants in Europe.

**Fernando Riopa:** Mining. Over 20 years' experience in metallic mining (Cu, Ni, Au) in development, operation and closure of projects in Central America, Africa and Spain.

**Fernando Cortés:** Geology. Over 28 years in Exploration in various geological environments in Spain and Africa.

**Félix Gonzalo:** *Director Facultativo.* Mining engineer with over 27 years experience, 22 in Riotinto Mine.

**Jose Carlos Oliver:** Maintenance. Over 35 years' experience in management and maintenance of industrial installations in various sectors including Energy, Chemicals and Pulp.

**Iñaki Cihuelo:** Electrical Engineering. Over 35 years experience. Development of 3 mining projects and other industries.

**María Castro:** Environment. Over 17 years' experience in environmental management, 12 in 3 mining projects in Spain.

**Patricia Ferrer:** Finance. Certified Internal Auditor with over 10 years experience in finance and risk management in projects across the U.S. and Europe.

**M<sup>a</sup> José Sánchez de Murga:** HR. Over 25 years experience in managing human resources in industrial international environments including the start up of 1 mining operation.

**David Asuar:** IT. Over 15 years experience as Project Manager and Corporate Chief Technology for various industries including, Forest, Energy, Chemicals and Pulp.

**Fabriciano Cobreros:** Over 10 years' experience in metallic mining in the areas of Procurement and Logistics including the start up of various mining projects internationally.

**Jesús Caballos:** PR. Over 15 years' experience in Communications and PR, including the start up of 1 mining project and 1 industrial project in Spain.

# Board of Directors

## Strong Technical & Financial Expertise



**Alberto Lavandeira**  
CEO, Director

**Roger Davey**  
Non-Executive Chairman

Over 40 years' experience in the mining industry. Former Senior Mining Engineer at NM Rothschild & Sons; former Director, VP and GM, AngloGold (Argentina). Currently a director of Orosur Mining Inc., Central Asia Metals, Condor Gold Plc and Tharisa PLC.

**Jesús Fernández**  
Non-Executive Director

Head of the M&A team for Trafigura. He joined Trafigura in 2004 and has 15 years of experience in mining investments and financing. Currently a director of Mawson West Ltd. Previously a director of Tiger Resources Ltd. Anvil Mining Ltd. and Iberian Minerals Corp. Plc.

**Harry Liu**  
Non-Executive Director

Vice President Yanggu Xiangguang Copper (Shandong, China), among world's largest Cu smelting, refining and processing groups. Former senior management and marketing positions in the mineral and financial industries in Shanghai and Hong Kong, including Marketing Manager at BHP Billiton Marketing AG and Director at BNP Paribas Asia.

**Jonathan Lamb**  
Non-Executive Director

Investment Manager at Orion Mine Finance and a Director at Lynx Resources. He was formerly Investment Manager for Red Kite Group's Mine Finance business. Previously with Deutsche Bank's Metals & Mining Investment Banking group in New York, where he worked on a variety of debt and equity financings and M&A transactions.

**Damon Barber**  
Non-Executive Director

Senior Managing Director of Liberty Metals & Mining Holdings, LLC. Formerly held positions with mining companies and served as the Head of Deutsche Bank's Metals Mining investment banking practice in Asia-Pacific. Spent more than 11 years at Credit Suisse, primarily as an investment banker in Credit Suisse's Energy Group.

**Hussein Barma**  
Non-Executive Director

Principal of Barma Advisory. Formerly CFO (UK) of Antofagasta Plc (1998 to 2014) with deep knowledge of governance practices at board level, as well as accounting and reporting, investor relations and the regulatory requirements of the London market. Previously worked as an auditor at Price Waterhouse. Steering group member of the UK Financial Reporting Council's Financial Reporting Lab.

**José Sierra López**  
Non-Executive Director

Extensive experience as a mining and energy leader in the business and government sectors. Former Director General of Mines and Construction Industries in Spain, Former Director European Commission and National Spanish Commission. Formerly a member of the Board of Transport et Infrastructures Gaz France.

**Stephen Scott**  
Non-Executive Director

President and CEO of Entrée Resources Ltd. Previously he was President and CEO of Minenet Advisors advising on strategy, corporate development, business restructuring and project management. He held various global executive positions with Rio Tinto (2000-2014) and currently serves on the boards of a number of public and private mining companies.

# Ownership Structure



- Supportive strategic shareholders
  - ✓ Have participated in prior equity raises for restart of Proyecto Riotinto
  - ✓ Indicative of continued support for story

## Major shareholders (current)

	Shareholding	% Out
Urion Mining International (Trafigura)	25,684,344	22.0%
Yanggu Xiangguang Copper (XGC)	25,588,527	21.9%
Orion Mine Finance	16,986,609	14.6%
Liberty Metals & Mining	16,315,789	14.0%
Majedie Asset Management	7,079,990	6.1%
Other Shareholders	25,024,741	21.4%
<b>Total</b>	<b>116,680,000</b>	<b>100.0%</b>



# Key Investor Rights



Company	Agreement	Terms
XGC	<ul style="list-style-type: none"> <li>Subscription Agreement *</li> <li>Offtake Agreement</li> </ul>	<ul style="list-style-type: none"> <li>✓ Pre-emptive right over further issues of equity shares<sup>1</sup></li> <li>✓ One board seat<sup>2</sup></li> <li>✓ Offtake granted over 49.12% of life of mine reserves in the Technical Report</li> </ul>
Orion Mine Finance	<ul style="list-style-type: none"> <li>Subscription Agreement *</li> </ul>	<ul style="list-style-type: none"> <li>✓ Pre-emptive right over further issues of equity shares<sup>1</sup></li> <li>✓ One board seat<sup>2</sup></li> <li>✓ Offtake granted over 31.54% of life of mine reserves in the Technical Report (transferred to Transamine Trading SA)</li> </ul>
Liberty Metals & Mining	<ul style="list-style-type: none"> <li>Subscription Agreement *</li> </ul>	<ul style="list-style-type: none"> <li>✓ Pre-emptive right over further issues of equity shares<sup>1</sup></li> <li>✓ One board seat<sup>2</sup></li> </ul>
Trafigura	<ul style="list-style-type: none"> <li>Subscription Agreement *</li> <li>Offtake Agreement</li> </ul>	<ul style="list-style-type: none"> <li>✓ Pre-emptive right over further issues of equity shares<sup>1</sup></li> <li>✓ One board seat<sup>2</sup></li> <li>✓ Offtake granted over 19.34% of life of mine reserves in the Technical Report</li> </ul>

## Other Key Agreements

Rumbo	<ul style="list-style-type: none"> <li>Joint Venture Agreement and Sale and Purchase Agreement</li> </ul>	<ul style="list-style-type: none"> <li>✓ 50/50 Joint Venture with Rumbo for processing of Class B resources in tailings, subject to feasibility study</li> <li>✓ Royalty of up to \$1 million p.a. on commencement of commercial mining operations for up to 10 years. Quarterly payments subject to average copper sales or LME price for period of at least \$2.60/lb.</li> </ul>
Astor Mgmt.	<ul style="list-style-type: none"> <li>Agency Agreement with EMED Marketing</li> </ul>	<ul style="list-style-type: none"> <li>✓ Exclusive agreement to provide agency services to Company on all concentrate sold</li> <li>✓ For the first 932,000 dmt concentrate sales a base marketing fee of EUR11.25/dmt of concentrate sold is payable plus additional escalating fees dependent on copper price</li> <li>✓ For the remaining balance of 1,438,000 dmt of concentrate sold a commission of EUR22.50/dmt is payable</li> </ul>
	<ul style="list-style-type: none"> <li>Security package over EMED Tartessus</li> </ul>	<ul style="list-style-type: none"> <li>✓ Pledge over share capital of EMED Tartessus and Atalaya Mining has provided a Parent Company Guarantee in relation to Deferred Consideration and amounts payable under the Agency Agreement</li> </ul>
	<ul style="list-style-type: none"> <li>Master Agreement and Loan Agreement</li> </ul>	<ul style="list-style-type: none"> <li>✓ Refer to slide 32</li> </ul>

\* June 2015 Financing

1. Right is subject to Investor holding >5% shareholding in Atalaya
2. Right is subject to Investor holding >10% shareholding in Atalaya

# Summary of Astor case ruling

Judgement handed down 6 March 2017

- Deferred Consideration payment not triggered, hence first instalment has not fallen due
- No breach of obligation to use all reasonable endeavours to obtain a senior debt facility or duty of good faith
- No lump sum or fixed payment schedule required
  - ✓ The Master Agreement and its provisions remain in place
  - ✓ Deferred consideration of €43m payable out of excess cash after Opex, sustaining Capex, any senior debt service requirements and up to US\$10m per annum (for non-PRT related expenses), as well as €9.1 million under a loan assignment
  - ✓ Atalaya Riotinto Minera S.L. cannot make any dividend distribution or any repayment of money lent to it by its holding company (other than for non-PRT related expenses as referred to above) and must apply any excess cash to pay Deferred Consideration until this has been paid in full

## Current position

- On 25 April 2017, Atalaya and Astor applied for permission to appeal to the Court of Appeal. Astor was granted permission to appeal in relation to whether the Deferred Consideration has been triggered. Atalaya was granted permission to appeal on whether the Deferred Consideration is payable at all and whether it is restricted from making payments in the interim. The Appeal will take place in May 2018.
- There is a risk that Astor will apply to the court claiming that Atalaya is not entitled to raise funds until the Deferred Consideration has been paid, and seek an injunction and/or damages. The Company has been advised that such an application would be unlikely to be successful, and would therefore vigorously defend its position, but there can be no guarantee of any particular outcome.
- There is a risk that the raising of funds through an equity issue could adversely affect the Appeal to be heard in May 2018. The Company has received legal advice, which supports the Company's view that the risk of any such adverse effect is small.



# Mining Industry in Spain

An established mining-friendly jurisdiction



**Atalaya<sup>1</sup>**  
MINING

**Proyecto Riotinto**  
Copper

**FIRST QUANTUM**  
MINERALS LTD.

**Las Cruces**  
Copper

**GRUPOMEXICO**

**Aznalcollar**  
Zinc, copper

**BERKELEYenergia\***

**Salamanca**  
Uranium

**Other Miners in Spain**  
Antofagasta, Cadillac, Colt, Portex, AsturGold, Eurotin, Goldquest, Solid, Primary, Cambridge



**2**

**TRAFIGURA**

**Aguas Teñidas**  
Copper, zinc

**4**

**lundin**

**Aguablanca**  
Nickel, copper

**6**

**ORVANA**  
MINERALS CORP.

**El Valle**  
Gold, copper

**10**

**ICL**

**ICL**  
Potash

**11**

**Highfield**  
Resources

**Muga**  
Potash

## Significant Mining Infrastructure

Power	Substation located 1km from mine site
Water	Supplied from Campofrio reservoir 3km away and Aguas Limpias water dam 2 km away
Transport	National roads in excellent conditions
Smelting	Freeport smelting operation 75km away
Port	Local deep-water port for exporting 75km away



Atalaya  
MINING