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

Updated Reserves and Resources Statement

Atalaya, the European mining and development company, announces an updated Mineral Reserves and Resources estimate for the Riotinto Copper Project ("Proyecto Riotinto") as at 30 June 2016. These estimates, outlined below, have been compiled in accordance with the guidelines set out in Canadian National Instrument 43-101.

Highlights

- Total open pit Mineral Reserves estimate of 153 million tonnes averaging 0.45% Cu using variable, declining cut-off grades for 681,000 tonnes of contained Cu metal, (previous total 606,000 tonnes), representing over a 12% increase.
- Total open pit Measured and Indicated Mineral Resources estimate of 193 million tonnes averaging 0.43% Cu and an additional Inferred open pit Mineral Resource estimate of 23 million tonnes averaging 0.48% , both calculated using a 0.20% Cu cut-off grade.

Total Mineral Reserves for Proyecto Riotinto

June 2016 Estimate								
	Proven		Probable		Mineral Reserve			
	Tonnes (millions)	% Cu	Tonnes (millions)	% Cu	Tonnes (millions)	% Cu	Contained Cu t	Waste:Ore ratio
New Reserve	78	0.45	74	0.44	153	0.45	681,000	1.9
Previous Reserve	39	0.38	84	0.54	123	0.49	606,000	1.1

Totals may not equal the sum of the components due to rounding adjustments

- Reserve estimates are based on the mined surface of the open pit as at 30 April 2016 and a deposit model dated 3 May 2016;
- The pit design and internal cut-off grade are based on a long term copper price of US$2.60/lb.;
- Declining cut-off grades were applied to estimate Mineral Reserves. Cut-off grades are initially 0.25% Cu, declining to an internal cut-off of 0.16% Cu after 14 years, and remaining at 0.16% Cu until completion of open pit mining. The mine life is presently estimated at 16.5 years;
- Mineral Reserves are included in the estimates of Mineral Resources;
- Long term US$/Euro exchange rate of 1.12;
- Ultimate open pit design has a waste to ore ratio of 1.9:1;
- Underground orebodies do not form part of the open pit reserves estimate.

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Total Mineral Resources for Proyecto Riotinto at variable cut-off grades

% Cu Cutoff	Measured		Indicated		M+I		Inferred		M+I+I	
	Tonnes (million)	%Cu	Tonnes (million)	%Cu	Tonnes (million)	%Cu	Tonnes (million)	%Cu	Tonnes (million)	%Cu
0.15	115	0.374	122	0.384	237	0.379	25	0.450	262	0.386
0.20	90	0.430	103	0.424	193	0.427	23	0.484	216	0.433
0.25	73	0.479	87	0.459	160	0.468	20	0.517	180	0.474
0.30	61	0.519	73	0.497	134	0.507	18	0.547	152	0.512
0.35	50	0.562	59	0.537	109	0.549	15	0.584	124	0.553
0.40	40	0.610	45	0.587	85	0.598	12	0.635	97	0.602
0.45	32	0.658	34	0.638	66	0.648	10	0.690	76	0.653
0.50	24	0.712	25	0.695	49	0.704	8	0.741	57	0.709

Totals may not equal the sum of the components due to rounding adjustments

- The effective date of the mineral resource model is 03 May 2016. The Mineral Resource estimate is summarised using the mined surface of the open pit as at 30 April 2016;
- The Mineral Resource estimate uses all available assays through the end of March 2016 and includes 171,987 metres of historical and new drilling with 86,052 sample intervals;
- Mineral Resources are reported inclusive of Mineral Reserves;
- The resources are estimates of recoverable tonnes and grades using Inverse Distance to various Power factors;
- Resources are pit-constrained at US$3.20/lb Cu;
- The resource model extends from 4174900mN to 4176500mN, 711900mE to 714750mE and to a maximum depth of 0mRL.

Alberto Lavandeira, CEO commented:

"We have completed our infill drilling programme, assays and updating of the block model. These results have provided us with greatly improved confidence in the overall distribution of mineralization and a much better understanding of the potential impurity levels which will enhance the efficiency of our mine planning."

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

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QUALIFIED PERSON AND QUALITY CONTROL

Information of a scientific or technical nature in this document was prepared under the supervision of Alan C. Noble P.E., an independent Qualified Person under the Canadian National Instrument 43-101.

The open pit mineral resource was prepared by Alan C. Noble, P.E. The open pit mineral reserve was prepared by William L. Rose, P.E., an independent Qualified Person working under the direction of Mr. Noble.

Mr. Noble has verified the data disclosed, including sampling, analytical, and test data underlying the information or opinions contained in this announcement in accordance with standards appropriate to their qualifications.

An updated NI 43-101 resource and reserve report will be completed and filed in due course on SEDAR at www.sedar.com and on the Company's website.

In relation to historical resources and reserves, refer to the technical report entitled "NI 43-101 Technical Report on EMED's Rio Tinto Copper Project, Huelva Province, Spain " dated February 2013 and filed on SEDAR at www.sedar.com, for further discussion of the extent to which the estimate of mineral resources/reserves may be materially affected by any known environmental, permitting, legal, title, taxation, socio-political, or other relevant issues.

GLOSSARY of TECHNICAL TERMS

Cu	Copper
Cut-off grade	The minimum grade at which mineralized material can be economically mined and processed for the purpose of the reserve calculation
Inferred Mineral Resource	That part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
Indicated Mineral Resource	That part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve.
lb	Pound
Inverse distance	Statistical interpolation method
Measured Mineral Resource	That part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic

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	viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proven Mineral Reserve or to a Probable Mineral Reserve
Mineral Reserve	The economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. Mineral Reserves are sub-divided in order of increasing confidence into Probable Mineral Reserves and Proven Mineral Reserves. A Probable Mineral Reserve has a lower level of confidence than a Proven Mineral Reserve.
Mineral Resource	A concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.
RL	Relative level or elevation

The above definitions of "Mineral Resource", "Inferred Mineral Resource", "Indicated Mineral Resource", and "Measured Mineral Resource" conform to CIM Definition Standards - For Mineral Resources and Mineral Reserves, as prepared by the CIM Standing Committee on Reserve Definitions, and adopted by CIM Council on 10 May 2014, and as required by NI 43-101, Standards of Disclosure for Mineral Projects, of the Canadian Securities Administrators.