Atalaya Mining Plc

ANNUAL REPORT

2022

FOR THE YEAR END 31 DECEMBER 2022

atalayamining.com

ATALAYA MINING

2022

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CONTENT

01 Company Overview

CONTENT 01:

1.1

Our purpose

Our Strategy

Operational Expertise that Delivers

Atalaya Mining continues to build on its success at Proyecto Riotinto, increasing production and capacity, with a view to becoming a multi-asset producer. It maintains a focus on the development of sustainable, scalable and low-risk assets in mining-favourable jurisdictions.

Our Mission

Responsibly Increasing Long Term Value for All Stakeholders

Atalaya Mining implements its strategic objectives to ensure the ongoing stable growth of the Company. Protecting and enhancing the value for all stakeholders is of paramount importance, and the Company continuously looks at opportunities to achieve this.

The Company seeks to provide society with the essential raw materials required for economic growth and the energy transition.

Atalaya Mining is focused on conducting responsible mining that positively impacts local communities, the environment and all our stakeholders.

Our Values

A Committed Duty to a Safe and Ethical Working Environment

Atalaya Mining is committed to responsible mining and upholds its core principles of honesty and accountability. The Company works with all stakeholders to ensure that its values are completely aligned with the local community and environment.

1.2

2022 Performance and Key Highlights

Operational Highlights

	Unit	2023 Guidance	2022 Actual	2021 Actual
Copper concentrate	t	-	**249,543**	270,713
Copper contained in concentrate	t	53,000-55,000	**52,269**	56,097
Payable copper contained in concentrate	t	-	**49,773**	53,390

Full year 2022 copper production of 52,269.

Annual ore processed in 2022 was 15.4 million t

Financial Highlights

	Unit	2022	2021
Revenues	€k	**361,846**	405,717
EBITDA	€k	**55,314**	199,114
Dividend per share [(1)]	$/share	**0.0745**	0.395
Cash cost	$/lb payable	**3.16**	2.18
All-in sustaining cost (AISC)	$/lb payable	**3.37**	2.48
Net cash position	€k	**53,085**	60,073
Cash at bank	€k	**126,448**	107,517

(1) 2022 consists of Interim Dividend (paid 30 September 2022) and proposed Final Dividend (subject to approval at 2023 AGM); 2021 represents Inaugural Dividend paid 1 December 2021.

EBITDA of €55.3 million in 2022.

Cash costs of US$3.16/lb and AISC of US$3.37/lb.

Healthy liquidity position with €126.4 million cash at bank at 31 December 2022.

Final Dividend of $0.0385 per ordinary share proposed, bringing Full Year Dividend to $0.0745 per ordinary share.

1.3

Strategic Focus for Growth

Atalaya's ambition is to become a multi-asset, mid-tier base metals producer.

Organic Growth

Value-added products

- Evaluation of technologies (E-LIX) to maximise value of complex sulphides at Riotinto and in the Iberian Pyrite Belt.

Advance Atalaya's existing higher grade brownfield orebodies, including San Dionisio and San Antonio into production

- Potential uplift of copper production.
- Increases optionality, production and mine life.

Cost reduction / ESG initiatives

- Solar project reduces operating costs and carbon emissions.
- Zero tailings water discharge design is international best practice.

Proyecto Touro

We continue to be confident that our world class approach to Proyecto Touro will satisfy the most stringent environmental conditions that may be imposed by the authorities prior to the development of the project.

Proyecto Masa Valverde

Following the acquisition of Masa Valverde in October 2020, work has started on general permitting new geophysical surveys, and exploration drilling at the polymetallic project located in Huelva (Spain), one of the largest undeveloped volcanogenic massive sulphide deposits in the Iberian Pyrite Belt.

Proyecto Ossa Morena

The Ossa-Morena Metallogenic Belt has strong exploration potential for a range of base and precious metals and is north of the Iberian Pyrite Belt where Atalaya operates its flagship Proyecto Riotinto mine.

External Growth

Continue to evaluate external opportunities that leverage core capabilities

- New prospects in the Iberian Pyrite Belt or other safe mining jurisdictions.
- Targeting prospects of material scale, good geology & upside potential via rigorous technical due diligence.

1.4

Atalaya at a Glance

Atalaya is an AIM listed mining and development group that produces copper concentrates including silver by-product at its wholly owned Proyecto Riotinto site in southwest Spain. Key qualities of the Company include:

1. Assets located in established and stable mining jurisdictions
2. Pipeline of potential growth opportunities
3. Proven management team
4. Strong focus on ESG
5. Robust balance sheet

The Company owns and operates through a wholly owned subsidiary, "Proyecto Riotinto", an open-pit copper mine located in the Iberian Pyrite Belt, in the Andalusia region of Spain, approximately 65 km northwest of Seville. A brownfield expansion was completed in 2019. Atalaya also owns 10% of Proyecto Touro, a brownfield copper project in northwest Spain and 100% of Proyecto Masa Valverde, a polymetallic project located in Huelva (Spain) and 28 km southwest of Proyecto Riotinto.

The Company's and its subsidiaries' business is to explore for and develop metal production operations in Europe, with a primary focus on copper.

The strategy is to evaluate and prioritise metal production opportunities in several jurisdictions throughout the well-known belts of base and precious metal mineralisation in Spain, Europe and Latin America. For further details on the principal activities of the Group and the Company, please refer to www.atalayamining.com.

Cerro Colorado (Proyecto Riotinto)

Ownership	Mine Activity	Commodity	Location	Ore Reserve*	Resources	2022 actual Cu production
100%	Open pit mining in operation	Cu, Ag	Huelva, Spain	185 Mt at 0.38% Cu (P&P)	200.7 Mt at 0.37% Cu (M&I)	52,269t

** Reserve update as at December 2020 and announced in June 2021.*

San Dionisio / San Antonio (Proyecto Riotinto)

Ownership	Mine Activity	Commodity	Location	Ore Reserve	M& I&I Resources*	Growth
100%	Potential for open pit and underground mining	Cu, Zn, Pb	Huelva, Spain	-	San Dionisio open pit: » 56.1 Mt at 0.91% Cu and 1.14% Zn (M&I) San Dionisio underground: » 12.4 Mt at 1.01% Cu and 2.54% Zn (Inferred) San Antonio underground: » 11.8 Mt at 1.32% Cu and 1.79% Zn (Inferred)	Potential to increase production by increasing head grade

** NI 43-101 compliant resource estimate as announced in April 2022*

Proyecto Riotinto is operated through Atalaya Riotinto Minera, S.L.U. a fully owned entity established under the laws of Spain.

Proyecto Masa Valverde (Riotinto District)

Ownership	Mine Activity	Commodity	Location	Resources*	Growth
100%	Potential for underground mining. In the permitting stage	Cu, Zn, Pb, Ag and Au	Huelva, Spain	Masa Valverde: » 16.9 Mt at 0.66% Cu, 1.55% Zn and 0.65% Pb (Indicated) » 73.4 Mt at 0.61% Cu, 1.24% Zn and 0.61% Pb (Inferred) Majadales: » 3.1 Mt at 0.94% Cu, 3.08% Zn and 1.43% Pb (Inferred)	Strong exploration upside potential in the immediate surroundings. Recent potential discovery of polymetallic massive sulphide

** NI 43-101 resource estimate as announced in April 2022*

In 2020, Atalaya entered into a definitive purchase agreement to acquire the Masa Valverde polymetallic project in Huelva. The mining rights are owned by Atalaya Masa Valverde, S.L.U. a fully owned subsidiary of Atalaya.

Proyecto Touro

Ownership	Mine Activity	Commodity	Location	Ore Reserve*	M, I&I Resources*	Growth
10% with an earn-in agreement up to 80%	Open pit mining in permitting stage	Cu, Ag	A Coruña, Spain	90.9 Mt at 0.43% Cu (P&P)	129.9 Mt at 0.39% Cu (M&I) and 46.5 Mt at 0.37% Cu (Inferred)	Option to acquire 100% of the adjacent exploration concessions

** NI 43-101 technical report dated April 2018*

In 2017, Atalaya signed a phased, earn-in agreement for up to 80% ownership of Proyecto Touro, a brownfield copper project in northwest Spain. The mining rights are owned by Cobre San Rafael, S.L.

Proyecto Ossa Morena

Ownership	Mine Activity	Commodity	Location	Resources*	Growth
99.9%	Open pit mining in exploration stage	Cu, Au and Fe	Huelva, Spain	Alconchel: » 7.8 Mt at 0.66% Cu and 0.17 g/t Au (M&I) and 15.0 Mt at 0.47% Cu and 0.14 g/t Au (Inferred)	Strong exploration upside potential in the immediate surroundings.

** Historical data*

1.5
Letter from the Chair

Dear Shareholder,

The year of 2022 presented a number of external challenges, although these were very different from those experienced in 2020 and 2021, where Covid-19 affected everyone. We started 2022 with a positive outlook, with the pandemic in rapid decline and economies all over the world picking up speed. This feeling of euphoria quickly subsided with the events in the Ukraine in late February 2022, which immediately impacted the European and global energy markets. Severe spikes in natural gas prices in Europe pushed electricity prices in Spain to over €500/MWh in March 2022 and similar levels in late August and early September 2022, with average realised prices for Q3 2022 reaching around €290/MWh.

The year was dominated by geopolitical and macroeconomic factors, but for the most part, our operations performed well. The Company continued its good track record, with copper production totalling 52,300 tonnes in 2022, compared to 56,100 in 2021. The slight reduction in production was a result of lower grades and lower throughput. The plant performed solidly throughout the year despite the negative impact of the Q1 2022 transport sector strike and related stoppage.

The average process plant feed grade of 0.40% copper and the process recovery rate of approximately 86% were consistent with reserve estimates and budgeted figures. Cash Costs and All-in Sustaining Costs for 2022 of $3.16/lb and $3.37/lb respectively, were on the upper end of the guidance provided for the year. This was mainly due to the increase in electricity costs and other supplies and lower production volumes, partially offset by the weaker Euro. The strong operating performance shown in the latter part of 2022 has continued into 2023, with the plant maintaining throughput above nameplate capacity. Accordingly, copper production guidance for 2023 remains as previously announced, in the range of 53,000 to 55,000 tonnes.

Despite the solid operational performance during 2022, revenues for 2022 were €361.8 million, compared to €405.7 million in 2021. The reduction was due to lower production volumes and a lower average realised copper price. EBITDA for 2022 was €55.3 million, compared to €199.1 million in 2021. The EBITDA was significantly affected by the inflationary environment globally and mainly due to the increase in electricity costs during 2022 of around €64 million. On a more positive note, as a result of the electricity price so far in 2023 and the benefits from two key company specific electricity procurement initiatives, we are optimistic on the outlook for

Roger Davey
Chair of Atalaya Mining Plc

overall electricity costs for 2023 and beyond, with the relevant knock-on positive effect on the profitability. The long-term power purchase agreement ("PPA") took effect at the start of 2023. The 10-year agreement will provide the Company with approximately 31% of its current electricity requirements at a fixed rate that is over 75% lower than the estimated average realised electricity price in 2022, and also below the rates realised in 2021. The Company continues to advance construction of its 50 MW solar plant at Riotinto, which is expected to provide

“ The year was dominated by geopolitical and macroeconomic factors, but for the most part, our operations performed well.”

approximately 22% of its current electricity needs when fully operational 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. 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 wind turbines.

For additional growth prospects the Company is currently focusing on five main projects. The Company remains fully committed to the development of the Touro copper project in Galicia, in the north of Spain. Running parallel with the permitting process, the Company is focused on a number of initiatives relating to securing the social licence, including engaging with the many stakeholders in the region in advance of its plans to submit a new improved project design. In the south, at Proyecto Masa Valverde, exploration work is ongoing, with three core rigs continuing to be active, with encouraging drilling results. Drill target definition continues to progress and the first drill testing is planned at Riotinto East. Two short drilling programmes were completed at the Hinchona and Chaparral copper-gold projects at Proyecto Ossa Morena.

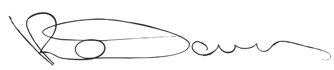
Finally, in February 2023, the Company announced the completion of a new preliminary economic assessment for Proyecto Riotinto that contemplates a new integrated mine plan for Cerro Colorado, San Dionisio and San Antonio, which has the potential to increase copper production by increasing the blended head grade processed at Riotinto’s 15 Mtpa plant.

The Company continues to advance construction of the E-LIX Phase I plant. In recent weeks, activities have included the completion of most civil and structural work, with equipment now being assembled. Commissioning of the plant is 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.

Our balance sheet remains strong and this allows the Company to continue to invest in growth and cost reduction initiatives, including E-LIX, higher-grade orebodies and exploration across our portfolio. In addition, our financial strength means we are well positioned to develop Touro should approvals be granted, which could become a new source of copper production in Europe.

I would like to thank Harry Liu, who stepped down from our board following a long period of service, and also welcome Kate Harcourt to the Company’s board. Kate has immense expertise in sustainability and we look forward to publishing our second sustainability report for 2022.

I would like to take this opportunity to express our appreciation for the continued dedication and commitment of the management and staff. At the same time, I would like to thank not only the board members for their continued support, guidance, and close involvement with the Company activities, but also our valued shareholders for their continued and appreciated support.



Roger Davey

Chair of Atalaya Mining Plc

21 March 2023

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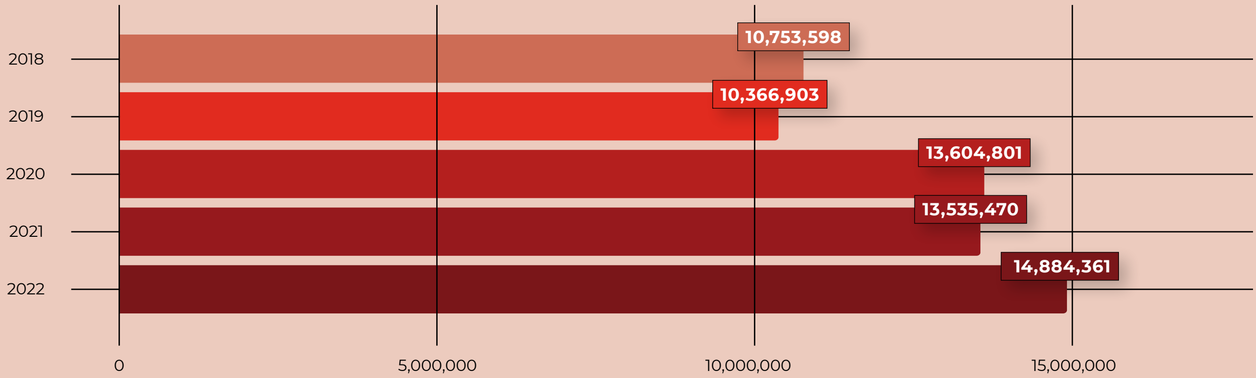
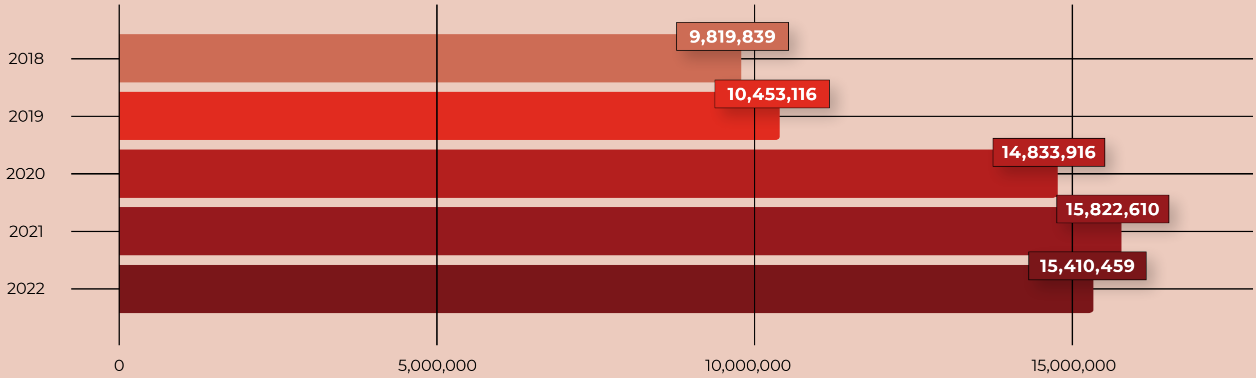
Key Performance Indicators

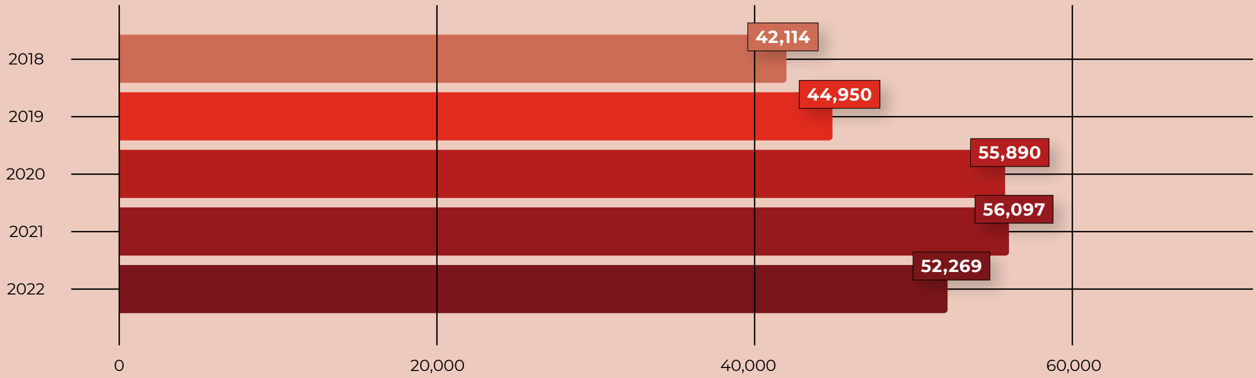
Ore mined (t)



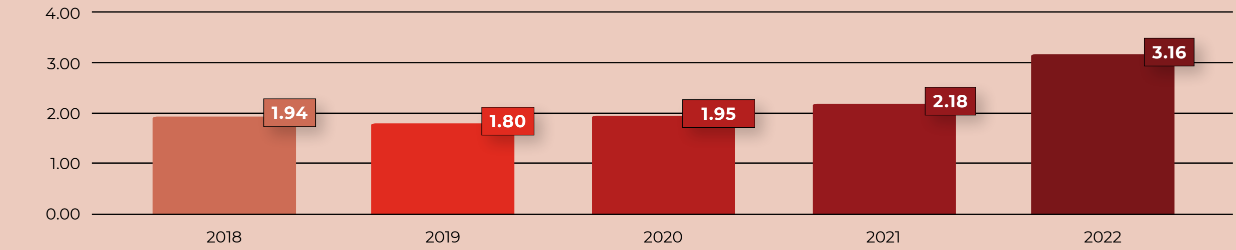
Ore processed (t)



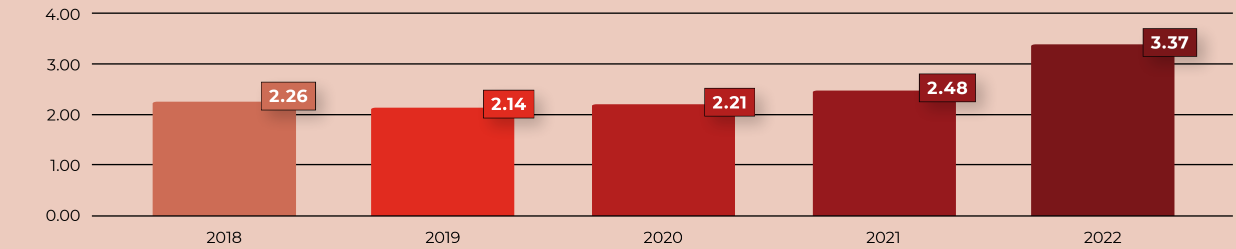
Copper contained in concentrate (t)



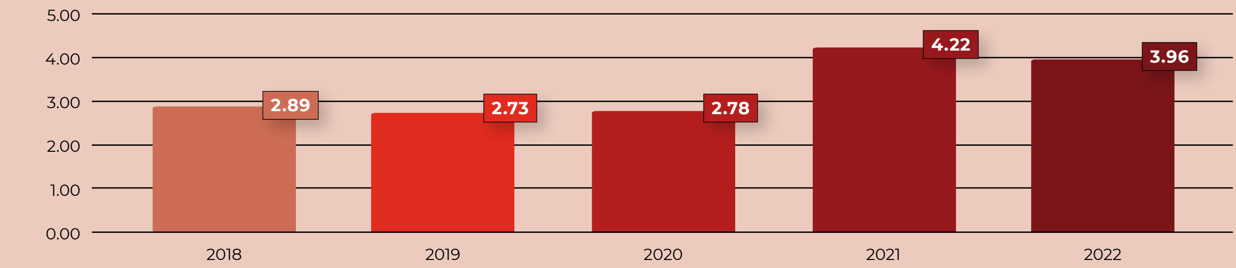
Cash cost ($/lb)



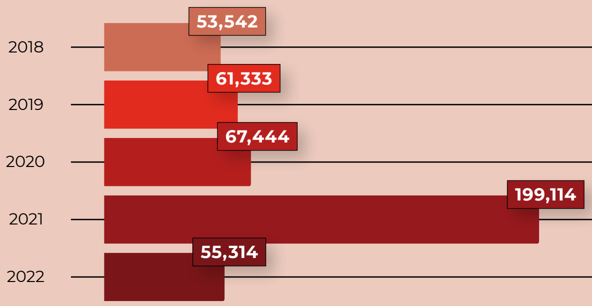
AISC ($/lb)



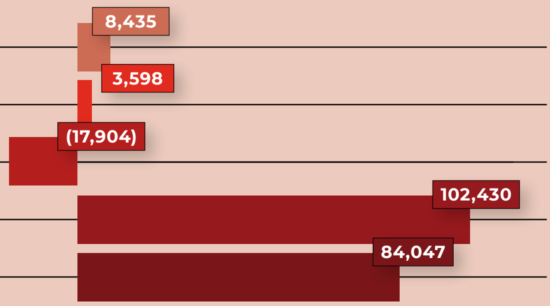
Realised copper price (excl. QPs) ($/lb)



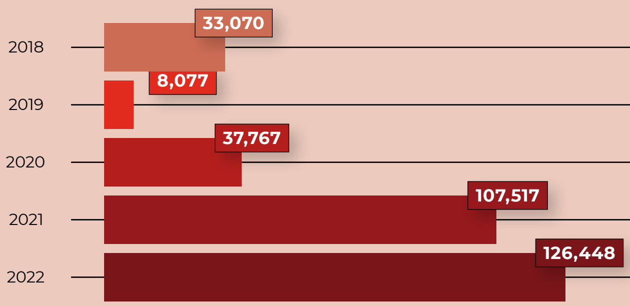
EBITDA (€`000)



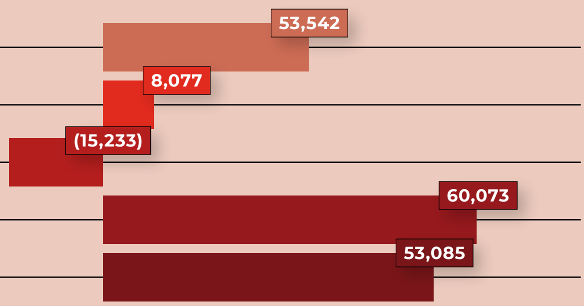
Working Capital surplus / (deficit) (€`000)



Cash at bank (€`000)



Net cash position (€`000)



02

Management Report

CONTENT 02:

2.1

Basis of Reporting

The Board of Directors of Atalaya Mining Plc (the "Company" or "Atalaya") presents its Group's and Company's Management Report together with the audited consolidated financial statements (hereinafter "financial statements") of the Company and its subsidiaries (the "Group") and the separate financial statements of the Company for the year ended 31 December 2022. These documents can be found on the Atalaya website at www.atalayamining.com.

The Company is a Cypriot incorporated public company with a primary listing on AIM of the London Stock Exchange. The Group's and Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap.113. For the year ending 31 December 2022, the standards applicable for IFRS's as adopted by the EU are aligned with the IFRS's as issued by the IASB. The currency referred to in this document is the Euro ("EUR"), unless otherwise specified.

Introduction

This report provides an overview and analysis of the financial results of operations of the Group, to enable the reader to assess material changes in the financial position between 31 December 2021 and 31 December 2022 and the results of operations for the twelve month periods ended 31 December 2021 and 31 December 2022.

Forward Looking Statements

This report may include certain "**forward-looking statements**" and "**forward-looking information**" applicable under securities laws. Except for statements of historical fact, certain information contained herein constitutes forward-looking statements. Forward-looking statements are frequently characterised by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made and are based on a number of assumptions and subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Assumptions upon which such forward-looking statements are based include all required third party regulatory and governmental approvals that will be obtained. Many of these assumptions are based on factors and events that are not within the control of Atalaya and there is no assurance they will be correct. Factors that cause actual results to vary materially from results anticipated by such forward-looking statements include changes in market conditions and other risk factors discussed or referred to in this report and other documents filed with the applicable securities regulatory authorities.

Although Atalaya has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Atalaya undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements.

Alternative Performance Measures

Atalaya has included certain non-IFRS measures including "EBITDA", "Cash Cost per pound of payable copper" "All In Sustaining Costs" ("AISC") and "realised prices" in this report. Non-IFRS measures do not have any standardised meaning prescribed under IFRS, and therefore they may not be comparable to similar measures presented by other companies. These measures are intended to provide additional information and should not be considered in isolation or as a substitute for indicators prepared in accordance with IFRS.

EBITDA includes gross sales net of penalties and discounts and all operating costs, excluding finance, tax, impairment, depreciation and amortisation expenses.

Cash Cost per pound of payable copper includes on-site cash operating costs, and off-site costs including treatment and refining charges ("TC/RC"), freight and distribution costs net of by-product credits. Cash Cost per pound of payable copper is consistent with the widely accepted industry standard established by Wood Mackenzie and is also known as the cash cost.

AISC per pound of payable copper includes the Cash Costs plus royalties and agency fees, expenditure on rehabilitations, stripping costs, exploration and geology costs, corporate costs, and sustaining capital expenditures.

Realised prices per pound of payable copper is the value of the copper payable included in the concentrate produced including the discounts and other features governed by the offtake agreements of the Group and all discounts or premiums provided in commodity hedge agreements with financial institutions, expressed in USD per pound of payable copper. Realised price is consistent with the widely accepted industry standard definition.

2.2
Operational Review

Proyecto Riotinto

The following table presents a summarised statement of operations of Proyecto Riotinto for the twelve and three month period ended 31 December 2022 and 2021.

	Unit*	Q4 2022	Q4 2021	FY2022	FY2021
Ore mined	t	**3,540,155**	3,494,222	**14,884,361**	13,535,470
Waste mined	t	**5,329,252**	7,287,352	**24,661,569**	30,533,174
Ore processed	t	**3,958,654**	3,846,559	**15,410,459**	15,822,610
Copper ore grade	%	**0.41**	0.41	**0.40**	0.41
Copper concentrate grade	%	**20.27**	21.44	**20.95**	20.72
Copper recovery rate	%	**86.24**	87.04	**85.84**	85.97
Copper concentrate	t	**68,908**	64,695	**249,543**	270,713
Copper contained in concentrate	t	**13,969**	13,872	**52,269**	56,097
Payable copper contained in concentrate	t	**13,280**	13,225	**49,773**	53,390
Cash cost	US$/lb payable	**2.90**	2.24	**3.16**	2.18
All-in sustaining cost	US$/lb payable	**3.12**	2.46	**3.37**	2.48

There may be slight differences between the numbers in the above table and the figures announced in the quarterly operations updates that are available on Atalaya's website at www.atalayamining.com

** Units expressed in accordance with the international system of units (SI)*

$/lb Cu payable	Q4 2022	Q4 2021	FY2022	FY2021
Mining	**0.70**	0.67	**0.79**	0.64
Processing	**1.11**	0.56	**1.31**	0.61
Other site operating costs	**0.59**	0.61	**0.54**	0.54
Total site operating costs	**2.40**	1.83	**2.65**	1.79
By-product credits	**(0.07)**	(0.08)	**(0.08)**	(0.09)
Freight, treatment charges and other offsite costs	**0.57**	0.48	**0.60**	0.49
Total offsite costs	**0.50**	0.40	**0.52**	0.39
Cash costs	**2.90**	2.24	**3.16**	2.18
Cash costs	**2.90**	2.24	**3.16**	2.18
Corporate costs	**0.09**	0.05	**0.08**	0.07
Sustaining capital (excluding one-off tailings expansion)	**0.06**	0.06	**0.06**	0.06
Capitalised stripping costs	**-**	0.06	**0.01**	0.10
Other costs	**0.08**	0.06	**0.06**	0.07
Total AISC	**3.12**	2.46	**3.37**	2.48

Mining and Processing

Mining

The amount of ore mined during Q4 2022 was 3.5 million tonnes, which is in line with the same period in 2021. Overall, for the entire fiscal year of 2022 and the amount of ore mined was 14.9 million tonnes, which is an increase from the previous fiscal year, which saw 13.5 million tonnes of ore mined.

Waste mined was 5.3 million tonnes in Q4 2022 (Q4 2021: 7.3 million tonnes) and 24.7 million tonnes in FY2022 (FY2021: 30.5 million tonnes).

Processing

The plant processed ore of 4.0 million tonnes during Q4 2022 (Q4 2021: 3.8 million tonnes). Throughput was 15.4 million tonnes in FY2022 (FY2021: 15.8 million tonnes), demonstrating strong plant performance despite the negative impact of the Q1 2022 transport sector strike and related stoppage. The plant continues to demonstrate its ability to operate above its 15 million tonne per annum nameplate capacity.

Copper grade was 0.41% in Q4 2022 (Q4 2021: 0.41%). Copper grade was 0.40% in FY2022 (FY2021: 0.41%). Lower grades in FY2022 were the result of blending with lower grade stockpiles during H1 2022 due to pit sequencing.

Copper recoveries were 86.24% in Q4 2022 (Q4 2021: 87.04%) and 85.85% in FY2022 (FY2021: 85.97%).

Concentrate production for 2022 was 249,543 tonnes compared to 270,713 tonnes in 2021. Contained copper was 52,269 tonnes compared to 56,097 tonnes in 2021. Copper payable amounted to 49,773 tonnes from 53,390 tonnes in 2021. Lower production for FY2022 was the result of lower grades (pit sequencing) and lower throughput (including the impact of the Q1 2022 plant maintenance stoppage).

On-site concentrate inventories at 31 December 2022 were approximately 3,529 tonnes (5,254 tonnes at 31 December 2021) which have been fully sold in January 2023. All concentrate in stock was delivered to the port at Huelva.

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 (2027+) 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, including 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 to make good progress. With most equipment on site or in transit, commissioning activities are now 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

Three core rigs continue to be active and are 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. A comprehensive update on recent exploration results at these targets was announced in November 2022.

The second hole (MR02) drilled at the Mojarra Trend, in a previously undrilled area, intersected massive sulphides at 434m depth. Assay results returned a main mineralised interval of 18.75m at 0.84% Cu, 0.63% Zn, 0.66% Pb and 76.24 g/t Ag including a higher-grade interval of 6.80m at 1.22% Cu and 101.60 g/t Ag.

Step-out drilling in the westernmost area of the Masa Valverde deposit discovered a new high-grade zinc zone in hole MJ54, including a main mineralised interval of 18.00m at 0.25% Cu, 8.30% Zn, 2.49% Pb, 60.17 g/t Ag and 0.89 g/t Au from 852 meters depth.

Resource definition drilling at the Campanario Trend continues to encounter shallow, massive, and semi-massive sulphides with, in cases, associated high grade intersections. For example, hole CA42 in the western part of the Campanario Trend assayed 7.50m at 0.45% Cu, 1.09 g/t Ag and 6.67 g/t Au from 35m depth.

An airborne gravity gradiometry ("AGG") and magnetic survey covering the entire PMV has been completed and preliminary results already received. AGG is a leading technology in the search for buried mineral deposits, especially those of the size that is typical in the Iberian Pyrite Belt.

Work continues on the PEA which will consider operating PMV as a satellite deposit by processing mined material at Riotinto's 15 Mtpa plant. Further metallurgical testing for the Masa Valverde and Majadales deposits is planned for inclusion in the PEA, which may also include new results from the regional drilling programme. The permitting process for PMV is also ongoing.

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, 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 is operating its new water treatment plant at Touro, 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

Two short drilling programmes were completed at the Hinchona and Chaparral copper-gold prospects, which are both located in the central part of the district. A second drilling program at Chaparral is currently in progress. Drilling has been also planned for the Guijarro gold project located immediately west of Chaparral.

At Hinchona, four holes totalling 1,874m were completed, with the initial results previously announced in November 2022. The best results were in the southernmost hole, HIN04, with several mineralised intervals such as 14.95m at 0.29% Cu from 239.35m depth and including two higher-grade intervals of 3.40m at 0.80% Cu, 1.84 g/t Ag and 479 ppm Co and 1.45m at 1.01% Cu and 6.04 g/t Ag.

At Chaparral, four holes totalling 1,185m were completed and results will be published once the exploration campaign is completed. Drilling at the flagship Alconchel-Pallares copper-gold project is expected to commence during Q3 2023.

Riotinto District – Proyecto Riotinto East

Drill target definition continues to progress and the first drill testing of selected anomalies is planned to start during Q2 2023. An airborne gravity gradiometry and magnetic survey covering the entire project was completed and preliminary results expected by the end of March 2023.

Electricity Market in Spain

FY2022 Average Prices

During 2022, electricity prices in Spain reached unprecedented levels as a result of the impact of the war in Ukraine on the European and global energy markets. Severe spikes in natural gas prices in Europe pushed electricity prices in Spain to over €500/MWh in March 2022 and similar levels in late August and early September 2022.

Electricity prices moderated in Q4 2022, due to the combination of mild weather in Europe, good supplies of LNG into Europe and a strong contribution from wind generation in Spain. As a result, realised electricity prices were approximately €170/MWh in Q4 2022, bringing the annual average realised price to approximately €240/MWh in FY2022. This compares to prices of approximately €65/MWh in FY2021. As previously disclosed, an increase in realised electricity prices of €100/MWh results in an increase to the Company's annual operating costs of around €37 million.

Prices in 2023

So far in 2023, the estimated realised market electricity price in Spain has averaged around €130/MWh, with volatility driven by the relative amount of electricity generated by wind.

Since 1 January 2023, the Company has benefited from its 10-year power purchase agreement ("PPA"), which will provide the Company with approximately 31% of its current electricity requirements at a fixed rate. When including the contribution of the PPA, estimated realised electricity prices for the Company have averaged around €110/MWh so far in 2023.

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 and civil works are underway. Start-up of the 50 MW solar plant is now expected to be 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 wind turbines. Following the installation of an evaluation tower in September 2022, new wind measurements are now being compared to the extensive historical ground level data in order to establish confidence in the area's wind characteristics and determine the viability of developing a small wind farm at Riotinto dedicated to self-consumption.

Corporate Updates 2022

As announced on 21 March 2022, the Company received the formal Judgment from the High Court of Justice in relation to the Claim by Astor for residual interest arising out of the payment of €53 million to Astor. On 8 April 2022, the Company transferred €9.6 million to Astor from the trust account already established by Atalaya on 15 July 2021. In addition, €1.1 million were paid on 16 May 2022 to Astor under the Master Agreement.

Operational Guidance

The forward-looking information contained in this section is subject to the risk factors and assumptions contained in the cautionary statement on forward-looking statements included in the Basis of Reporting. The Company is aware that the geopolitical developments in Ukraine and its impact on energy prices and other supplies may still have further effects or impact how the Company can manage it operations and is accordingly keeping its guidance under regular review. Should the Company consider the current guidance no longer achievable, then the Company will provide a further update.

Proyecto Riotinto operational **guidance for 2023** is as follows:

Item	Unit	2023 guidance
Ore mined	million tonnes	17.1
Wasted mined	million tonnes	24.1
Ore processed	million tonnes	15.3-15.8
Copper ore grade	%	0.40-0.42
Copper recovery rate	%	84-86
Contained copper	tonnes	53,000-55,000
Cash cost	$/lb payable	2.80-3.00
All-in sustaining cost	$/lb payable	3.00-3.20

As announced in the Company's Q4 2022 Operations Update, production guidance for 2023 is 53,000 to 55,000 tonnes of copper, which represents an increase over FY2022 production of 52,269 tonnes.

Inflationary pressures continue to impact the global mining industry. The prices of many key inputs, including diesel, tyres, explosives, grinding media and lime, increased materially in 2022 as a result of higher global energy prices and logistics constraints. Although prices have stabilised for certain items, overall input costs remain well above 2021 levels.

In addition, electricity continues to be a major component of the Company's cost structure due to the elevated market prices in Spain. As a result, the Company is again providing cash cost and AISC guidance that reflects a range of outcomes of potential market electricity prices for 2023.

The cash cost guidance range for 2023 is $2.80 to $3.00/lb copper payable and the AISC guidance range is $3.00 to $3.20/lb copper payable. These cost guidance ranges are based on an assumed market electricity price range of €100 to 150/MWh and also include the benefit of the Company's PPA.

In addition, the Company expects to spend approximately €13.0 million in 2023 as part of the project to increase the capacity of the tailing dam. AISC are presented net of the one-off project to increase the capacity of the tailing dam.

2.3 Financial Review

Income Statement

The following table presents a summarised consolidated income statement for the twelve months period ended 31 December 2022, with comparatives and comparison with the twelve months ended 31 December 2021.

(Euro 000's)	Three month ended 31 Dec 2022	Three month ended 31 Dec 2021	Twelve month ended 31 Dec 2022	Twelve month ended 31 Dec 2021
Revenues from operations	**99,893**	101,452	**361,846**	405,717
Cost of sales	**(71,797)**	(43,835)	**(289,554)**	(192,972)
Corporate expenses	**(4,598)**	(4,403)	**(9,954)**	(9,715)
Exploration expenses	**(3,801)**	(978)	**(4,257)**	(1,800)
Care and maintenance expenditure	**(1,494)**	(1,333)	**(3,053)**	(2,116)
Other income	**(4)**	-	**286**	-
EBITDA	**18,199**	50,903	**55,314**	199,114
Depreciation/amortisation	**(8,775)**	(8,642)	**(34,119)**	(32,276)
Net foreign exchange gain/(loss)	**(4,181)**	1,622	**11,546**	6,589
Net finance cost	**1,030**	(12,814)	**(421)**	(13,600)
Tax	**1,766**	(3,042)	**(1,394)**	(27,601)
Profit for the year	**8,039**	28,027	**30,926**	132,226

Three months financial review

Revenues for Q4 2022 amounted to €99.9 million (Q4 2021: €101.5 million). Higher concentrate sold offset lower commodity prices.

Copper concentrate production during Q4 2022 was 68,908 tonnes (Q4 2021: 64,695 tonnes) and 69,727 tonnes of copper concentrate were sold in the same period (Q4 2021: 63,673 tonnes). Higher production levels were mainly the result of slightly higher tonnes processed in the quarter.

Copper contained in concentrates sold was 14,027 tonnes in Q4 2022 (Q4 2021: 13,568 tonnes).

The realised price (excluding QPs) for Q4 2022 was $3.70/lb copper compared to $4.40/lb copper in the same period of 2021.

Cost of sales for Q4 2022 amounted to €71.8 million, compared to €43.8 million in Q4 2021. Unit operating costs in Q4 2022 were significantly higher than in Q4 2021 due to the significantly higher cost of electricity (€49.6 million higher), diesel and other supplies as result of inflation and the geopolitical situation in the Ukraine.

Cash costs of $2.90/lb payable copper for Q4 2022, were higher than $2.24/lb payable copper in the same period last year. Higher cash costs were primarily due to the significantly higher electricity price as well as increased costs for other supplies. The weaker Euro/US Dollar rate in Q4 2022 offset a portion of the higher operating costs. AISC excluding investment in the tailings dam in Q4 2022 were $3.12/lb payable copper compared with $2.46/lb payable copper in Q4 2021.

Sustaining capex for Q4 2022, included in capital expenditure, amounted to €1.6 million (Q4 2021: €1.5 million). Sustaining capex mainly accounted for enhancements in processing systems of the plant. In addition, the Company invested €4.8 million (Q4 2021: €4.6 million) in the project to increase the tailings dam.

Capex associated with the construction of the 50 MW solar plant amounted to €10.7 million in Q4 2022, while investments in the E-LIX Phase I plant totalled €3.9 million, of which €0.6 million was booked as long-term loans to Lain Technologies Ltd.

Corporate costs for Q4 2022 were €4.3 million, compared to €4.4 million for Q4 2021. Corporate costs mainly include the Company's overhead expenses.

Exploration costs related to the Proyecto Riotinto for Q4 2022 amounted to €3.8 million, compared to €1.0 million in the same period last year. Main costs related to exploration works come from Proyecto Masa Valverde and Ossa Morena.

Care and maintenance costs for Q4 2022 amounted to €1.5 million, compared to €1.3 million for Q4 2021. The increase is mainly related to Proyecto Touro and Masa Valverde.

EBITDA for Q4 2022 amounted to €18.2 million, compared to EBITDA of €50.9 million for Q4 2021.

Twelve months financial review

Revenues for FY2022 amounted to €361.8 million (FY2021: €405.7 million).

Copper concentrate production during FY2022 was 249,543 tonnes (FY2021: 270,713 tonnes) and 251,268 tonnes of copper concentrate were sold in the same period (FY2021: 277,792 tonnes). Lower production levels were mainly the result of lower ore grades and lower throughput following the transport sector strike in Q1 2022. Inventories of concentrates as at the reporting date were 3,529 tonnes (31 Dec 2021: 5,254 tonnes).

Copper contained in concentrates sold was 55,323 tonnes in FY2022 (FY2021: 61,662 tonnes).

The realised price (excluding QPs) for the twelve-months period in 2022 was $3.96/lb copper compared to $4.22/lb copper in the same period of 2021. Concentrates were sold under offtake agreements in place. The Company did not enter into any hedging agreements in either 2022 or 2021.

Cost of sales for FY2022 amounted to €289.6 million, compared to €193.0 million in FY2021. Unit operating costs in FY2022 were significantly higher than in FY2021 due to the significantly higher cost of electricity (circa. €63.8 million higher), diesel and other supplies as result of inflation and the geopolitical situation in the Ukraine.

Cash costs of $3.16/lb payable copper for FY2022, were higher than $2.18/lb payable copper in the same period last year. Higher cash costs were primarily due to the significantly higher electricity price as well as increased costs for other supplies. The stronger US Dollar/Euro rate in FY2022 offset a portion of the higher operating costs. AISC excluding investment in the tailings dam in FY2022 were $3.37/lb payable copper compared with $2.48/lb payable copper in FY2021. The increase is mainly attributable to the higher cash costs despite lower capitalised stripping costs, which amounted to €0.7 million in FY2022 compared with €9.8 million invested in FY2021.

Sustaining capex for FY2022, included in capital expenditure, amounted to €6.2 million (FY2021: €5.9 million). Sustaining capex mainly accounted for enhancements in processing systems of the plant. In addition, the Company invested €14.1 million (FY2021: €14.1 million) in the project to increase the tailings dam.

Capex associated with the construction of the 50 MW solar plant amounted to €22.7 million in FY2022, while investments in the E-LIX Phase I plant totalled €16.8 million, of which €10.9 million was booked as long-term loans to Lain Technologies Ltd.

Corporate costs for FY2022 were €9.7 million, compared to €9.7 million for FY2021. Corporate costs mainly include the Company's overhead expenses.

Exploration costs related to the Proyecto Riotinto for FY2022 amounted to €4.3 million, compared to €1.8 million in the same period last year. Main costs related to exploration works come from Proyecto Masa Valverde and Ossa Morena.

Care and maintenance costs for FY2022 amounted to €3.1 million, compared to €2.1 million for FY2021. The increase is mainly related to Proyecto Touro and Masa Valverde.

EBITDA for FY2022 amounted to €55.3 million, compared to EBITDA of €199.1 million for FY2021. The decrease is mainly attributed to lower concentrate sold and commodity prices in addition to higher cash costs.

Depreciation and amortisation amounted to €34.1 million for FY2022 (FY2021: €32.3 million), as a result of the higher level of assets subject to depreciation following the completion of assets previously under construction.

Net finance costs for FY2022 amounted to negative €0.4 million (FY2021: negative €13.6 million). Net finance costs decreased mainly due to the accrual recognised in 2021 for the interest related to Astor case amounted to €11.8m.

Financial Position

(Euro 000's)	31 Dec 2022	31 Dec 2021
ASSETS		
Non-current assets	**433,494**	402,459
Other current assets	**103,029**	74,948
Tax refundable	**100**	483
Cash and cash equivalents	**126,448**	107,517
Total Assets	**663,071**	585,407
Shareholders' Equity	466,297	435,898
LIABILITIES		
Non-current liabilities	**51,244**	68,991
Current liabilities	**145,530**	80,518
Total Liabilities	**196,774**	149,509
Total Equity and Liabilities	**663,071**	585,407

Assets

Total assets were €663.1 million as at 31 December 2022, compared to €585.4 million as at 31 December 2021, an increase of €77.7 million. The Group's significant assets are its mining rights and mining plant at Proyecto Riotinto. Cash and cash equivalents increased as result of the operating activities.

Non-current assets as at 31 December 2022 amounted to €433.5 million (2021: €402.0 million). These comprise €354.9 million of PP&E (2021: €333.1 million), €53.8 million of intangible assets (2021: €57.4 million), €16.4 million of non-current receivables (2021: €5.3 million), €1.1 million of non-current financial assets (2021: €1.1 million) and €7.3 million of deferred tax assets (2021: €5.5 million).

Other current assets as at 31 December 2022 amounted to €103.0 million (2021: €75.0 million), out of which €64.2 million (2021: €50.1 million) related to trade and other receivables and €38.8 million (2021: €24.9 million) related to spare parts and ore in stockpile classified as inventories. Financial Position (cont.)

Trade and other receivables comprise €14.8 million of sales of copper concentrate receivables from third parties (2021: €8.9 million), €12.8 million (2021: €20.3 million) related to sales of copper concentrate receivables from related parties, €28.9 million (2021: €17.3 million) related to VAT due from authorities in Spain and Cyprus; €5.8 million (2021: €3.3 million) related to prepayments and other current assets amounted to €1.8 million (2021: €0.4 million).

Liabilities

Non-current liabilities stood at €51.2 million as at 31 December 2022 compared to €69.0 million as at 31 December 2021. Non-current liabilities mainly represent the rehabilitation provision amounting to €24.1 million as at 31 December 2022 (2021: €26.3 million). In addition to the rehabilitation provision, non-current liabilities included the long term portion of borrowings of €20.8 million (2021: €34.1 million), the long-term portion of leases €4.4 million (2021: €4.9 million), legal provisions €0.2 million (2021: €0.3 million), and trade payables of €2.0 million (2021: €3.5 million).

Current liabilities amounted to €145.5 million at 31 December 2022 (2021: €80.5 million). Current liabilities balance is comprised of the borrowings related to the payment of the Deferred Consideration to Astor, Solar Plant and other operating facilities €52.6 million (2021: €13.4 million) and trade and other payables amounting to €90.0 million (2021: €66.2 million) of which €85.0 million related to suppliers (2021: €49.7 million); €3.3 million related to accruals (2021: €16.3 million) and €1.7 million (2021: €0.2 million) related to other current payables. Other current liabilities include current tax liabilities.

Results

The Group's and Company´s consolidated results are set out on page 102.

Distribution of Profits and Dividend

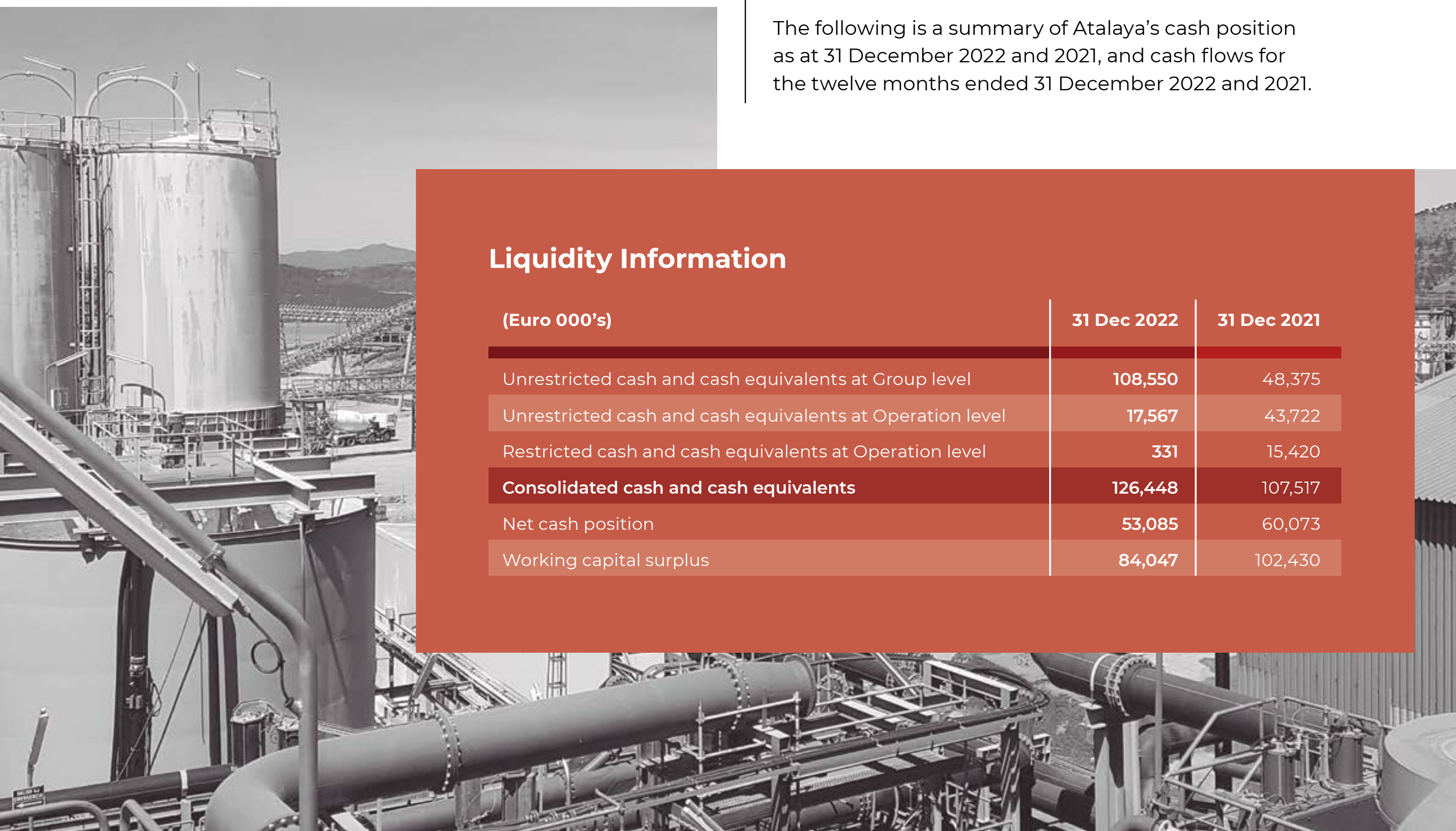
On 10 August 2022, the Company's Board of Directors elected to declare an interim dividend for H1 2022 of US$0.036 per ordinary share, which was equivalent to 3.13 pence per share and amounted to €5.1 million. The interim dividend was paid on 20 September 2022.

The Board of Directors has proposed a final dividend for 2022 of US$0.0385 per ordinary share, which is equivalent to approximately 3.15 pence per share. Payment of the Final Dividend is subject to shareholder approval at the Company's 2023 Annual General Meeting ("AGM"). Should it be approved, the Final Dividend, together with the Interim Dividend paid in September 2022, would result in a Full Year Dividend of US$0.0745 per ordinary share, which is equivalent to approximately 6.28 pence per share. Further details on the timing of the potential payment of the Final Dividend will be provided ahead of the AGM.

Liquidity and Capital Resources

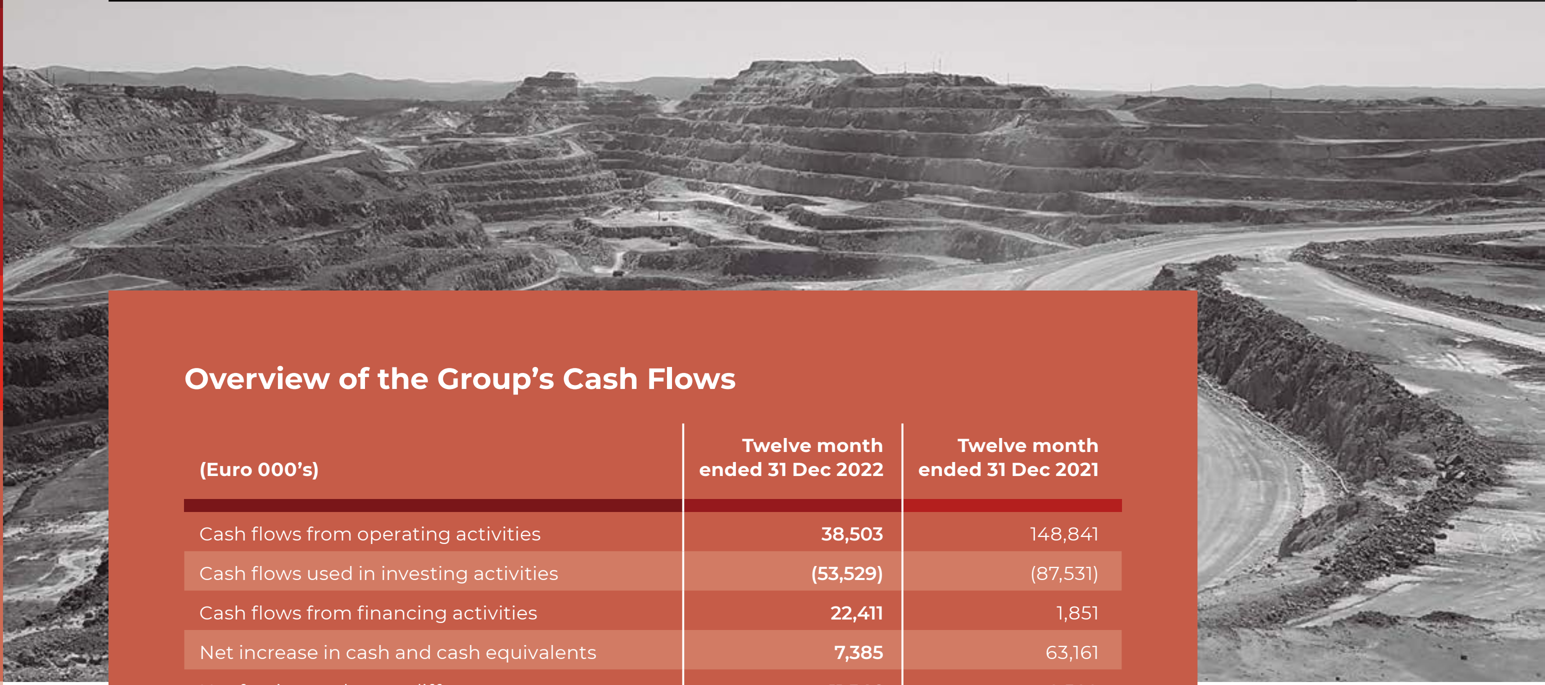
Atalaya monitors factors that could impact its liquidity as part of the Company's overall capital management strategy. Factors that are monitored include, but are not limited to, the market price of copper, foreign currency rates, production levels, operating costs, capital and administrative costs.

The following is a summary of Atalaya's cash position as at 31 December 2022 and 2021, and cash flows for the twelve months ended 31 December 2022 and 2021.



Liquidity Information

(Euro 000's)	31 Dec 2022	31 Dec 2021
Unrestricted cash and cash equivalents at Group level	**108,550**	48,375
Unrestricted cash and cash equivalents at Operation level	**17,567**	43,722
Restricted cash and cash equivalents at Operation level	**331**	15,420
Consolidated cash and cash equivalents	**126,448**	107,517
Net cash position	**53,085**	60,073
Working capital surplus	**84,047**	102,430



Overview of the Group's Cash Flows

(Euro 000's)	Twelve month ended 31 Dec 2022	Twelve month ended 31 Dec 2021
Cash flows from operating activities	**38,503**	148,841
Cash flows used in investing activities	**(53,529)**	(87,531)
Cash flows from financing activities	**22,411**	1,851
Net increase in cash and cash equivalents	**7,385**	63,161
Net foreign exchange differences	**11,546**	6,589
Total net cash flow for the period	**18,931**	69,750

Unrestricted cash and cash equivalents as at 31 December 2022 increased to €126.4 million from €92.1 million at 31 December 2021. The increase in cash balances is due to the cash flows generated during 2022. Cash balances are unrestricted and include balances at operational and corporate level. Restricted cash of €0.3 million represented the amount in escrow out of which the Company has paid interest of €9.6 million on 7 and 8 April 2022 (following the trial in February and March 2022) and €1.1 million on 16 May 2022 to Astor under the Master Agreement. Following the payment made in May 2022, the balance (less an amount representing £280,000, or~€350k being the remaining potential liability to Astor on costs) reverted to the Company and it has been classified as unrestricted cash.

As of 31 December 2022, Atalaya reported a working capital surplus of €84.0 million, compared with a working capital surplus of €102.4 million at 31 December 2021. The situation in 2022 is that the decrease in working capital surplus relates to the increase in current liabilities. Cash increased compared to previous year. At 31 December 2022, trade payables have increased by 36.0% compared with the same period last year, mainly attributed to inflation and also timing differences.

The Directors consider current net cash position as well as the existing levels of the commodity prices and the current liquidity position to mitigate any potential financial risks linked to the liquidity position of the Company.

Cash and cash equivalents increased by €18.9 million in the twelve months period ended 31 December 2022. This increase was due to cash from operating activities amounting to €38.5 million, cash used in investing activities amounting to €53.5 million and cash generated by financing activities totalling €22.4 million, and net foreign exchange of €11.5 million.

Cash generated from operating activities before working capital changes was €56.9 million in line with EBITDA of €55.3 million. Atalaya increased its trade receivables by €24.5 million and its inventory levels by €14.1 million and trade payables increased in the period by €24.7 million. Corporate tax paid during the period was €3.3 million.

Investing activities in 2022 amounted to €53.5 million, and the capitalised expenditure relating to the tailings dam project and continuous enhancements to the processing systems of the plant.

Financing activities in 2022 amounted to €22.4 million. The Company increased its financing by €22.4 million mainly due to the use of existing unsecured credit facilities to pay the Solar Plant. The payment was financed by unsecured credit lines by four major Spanish banks having a three-year tenure and an average annual interest rate of approximately two per cent. This was offset by the payment of dividends of €5.1 million.

Dividends

The Company's Board of Directors elected to declare an interim dividend for H1 2022 of US$0.036 per ordinary share, which was equivalent to 3.13 pence per share and amounted to €5.1 million. The interim dividend was paid on 20 September 2022.

The Board of Directors has proposed a final dividend for 2022 of US$0.0385 per ordinary share, which is equivalent to approximately 3.15 pence per share. Dividend is subject to shareholder approval at the Company's 2023 Annual General Meeting

Creditors' Payment Terms

The Group does not have a specific policy towards its suppliers and does not follow any code or standard practice. However, terms of payment with suppliers are settled when agreeing overall terms of business, and the Group seeks to abide by the terms of the contracts to which it is bound.

Treasury shares

As at 31 December 2022 and at the date of this report, the Company held nil (2021: nil) ordinary shares as treasury shares.

Foreign Exchange

In FY2022, Atalaya recognised a foreign exchange gain of €11.5 million (FY2021 gain: €6.6 million). The foreign exchange gain mainly related to variances in EUR and USD conversion rates during the period as all sales are settled and occasionally held in USD.

The following table summarises the movement in key currencies versus the EUR:

(Euro 000's)	Twelve months ended 31 Dec 2022	Twelve months ended 31 Dec 2021
Average rates for the periods		
GBP – EUR	**0.8528**	0.8596
USD – EUR	**1.0530**	1.1827
Spot rates as at		
GBP – EUR	**0.8869**	0.8403
USD – EUR	**1.0666**	1.1326

During 2022 and 2021, Atalaya did not have any currency hedging agreements.

Critical accounting policies, estimates, judgements, assumptions and accounting changes

The preparation of Atalaya's Financial Statements in accordance with IFRS required management to made estimates and assumptions that affected amounts reported in the Financial Statements and accompanying notes. There is a full discussion and description of Atalaya's critical accounting estimates and judgements in the audited financial statements for the year ended 31 December 2022 (Note 3.3).

Going Concern

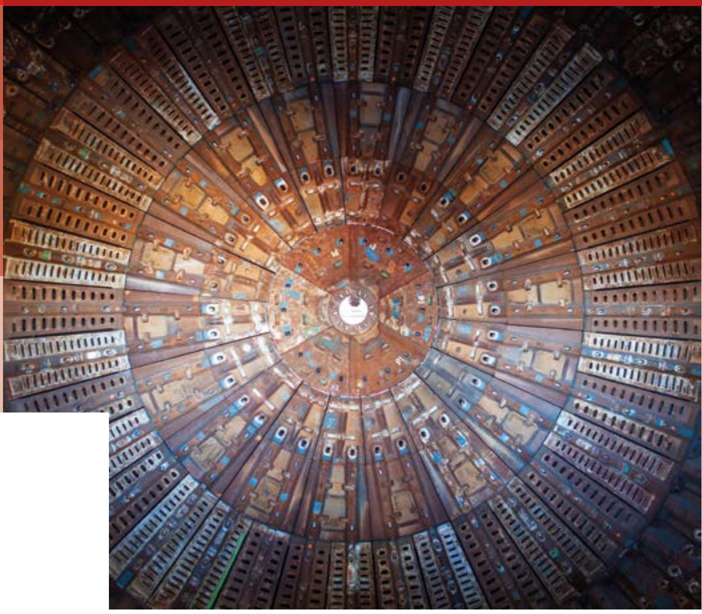
These audited consolidated financial statements have been prepared based on accounting principles applicable to a going concern which assumes that the Group will realise its assets and discharge its liabilities in the normal course of business. Management has carried out an assessment of the going concern assumption and has concluded that the Group will generate sufficient cash and cash equivalents to continue operating for the next twelve months.

The Directors, after reviewing different scenarios with current commodities prices, the current cash resources, forecasts and budgets, timing of cash flows, borrowing facilities, sensitivity analyses and considering the associated uncertainties to the Group's operations for a period of at least 12 months since the approval of these audited consolidated financial statements have a reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future. Accordingly, the consolidated financial statements continue to be prepared on a going concern basis (see Note 2.1(b)).

Management continues to monitor the impact of geopolitical developments. Currently no significant impact is expected in the operations of the Group.

2.4

Other Matters



Share Capital Structure

During 2022, the Company had the following weighted average number of shares outstanding and commitments to issue shares:

	Weighted No. of Ordinary Shares
Ordinary shares	139,879,209
Options	3,543,500
Diluted	**143,422,709**

In January and June 2022, the Company granted 1,345,000 share options (2021: 1,150,000 share options) to the key management and employees.

In 2022, Atalaya increased its share capital by 1,643,250 shares (2021: 95,250) as result of share option executions.

Details on authorised and issued share capital are disclosed in Note 22 of the financial statements.

Significant shareholders

The shareholders holding more than 5% (directly or indirectly) of the issued share capital as of 31 December 2022 are:

	Ordinary Shares 000's	%
Urion Holdings (Malta) Ltd (subsidiary of Trafigura)	30,821	22.03
Cobas Asset Management, SGIIC, S.A.	18,227	13.03
Hamblin Watsa Investment Counsel	8,252	5.90

Between 31 December 2022 and the date of approval of the consolidated and Company financial statements there have been changes on the share capital holding.

	Ordinary Shares 000's	%
Urion Holdings (Malta) Ltd (subsidiary of Trafigura)	30,821	22.03
Cobas Asset Management, SGIIC, S.A.	18,687	13.36
Hamblin Watsa Investment Counsel	8,252	5.90

Related parties

The Group has transactions with related parties in sales and other nature associated with its business, as disclosed in Note 30.

Environmental

The Group is committed to conducting its business in accordance with the spirit and letter of all applicable environmental laws and regulations. The Group has the obligation to restore the operating locations. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines, and tailings dams, dismantling operating facilities, closure of plant and waste sites and restoration, reclamation and re-vegetation of affected areas (Note 26).

Articles of association

The Company's Articles of Association may only be amended by Special Resolution at the Annual General Meeting or at an Extraordinary General Meeting.

Political and Charitable Donations

The Group made no political donations neither charitable donations during the year ended 31 December 2022 (2021: €nil). In addition, Atalaya contributes through its Foundation to financing projects that benefit local communities in cooperation with local municipalities based on our Corporate Social Responsibility.

Research and Development Activities

Atalaya carries out research and development activities that are necessary to support and expand the operations.

Existence of Branches

The Group does not operate any branches.

Internal Controls

The Audit and Financial Risk Committee, established by the Board of Directors, is responsible for reviewing and assessing the adequacy of the overall internal control systems and accounting procedures of the Company including reviewing the Company's procedures for internal control.

Statement of Corporate Governance

The Group and the Company give special attention to the application of sound corporate governance policies, practices and procedures. Corporate Governance is the set of procedures followed for the proper management and administration of the Group. Corporate Governance rules the relationship between the shareholders, the Board of Directors and the management team of a company.

The QCA code has been adopted by the Group and the Company since its inception for Directors' dealings which is appropriate for an AIM listed company. The Directors comply with Rules 21 and 31 of the AIM Rules relating to Directors' dealings and will continue to take all reasonable steps to ensure compliance by the Group's applicable employees as well.

Corporate Governance Code

The QCA code is inherent to the Company´s foundation and Atalaya´s medium and long-term success depends on its compliance with the QCA code and with its forward looking and long-term objectives.

The Company has adopted a code of standards since its inception for Directors' dealings which is appropriate for an AIM listed company. The Directors do comply with Rules 21 and 31 of the AIM Rules relating to Directors' dealings and will take all reasonable steps to ensure compliance by the Group's applicable employees as well.

The Board reviews and is in frequent contact with the CEO and with other representatives of the Company to see if the Company and its employees are in a healthy working environment and to check if the state of the culture represents its values.

The Company is incorporated in Cyprus, so it is subject to Cypriot laws and regulations, and is subject to the regulations of AIM, its trading platforms. There is no conflict there and in fact makes it easier to be more transparent and straightforward with its shareholders.

Quoted Company Alliance (QCA)

The QCA is an independent membership that "champions the interests of small to mid-size listed companies". The QCA represents companies employing around 1.4 million workers and they set out the guidelines of independence and transparency for said businesses.

In 2018, the QCA issued an updated version of its Corporate Governance Code. This version of the Code includes 10 corporate governance principles that companies should follow, and step-by-step guidance on how to effectively apply these principles.

Please refer to the Corporate Governance Report for further details.

Directors' Responsibilities for the Financial Statements

Cyprus company law states that the Directors are responsible for the preparation of financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the Group and of the profit or loss of the Group for that period.

In the preparation of these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for maintaining proper accounting records, for safeguarding the assets of the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities. Legislation in Cyprus governing the preparation and dissemination of the financial statements may differ

Composition, Responsibilities and Remuneration of the Board of Directors

The members of the Board of Directors as at 31 December 2022 and on the date of this report are presented in the Corporate Governance report. There were no significant changes in the assignment of responsibilities of the members of the Board of Directors.

For further details on the composition, responsibilities and remuneration of the Board of Directors, please refer to the Corporate Governance Report.

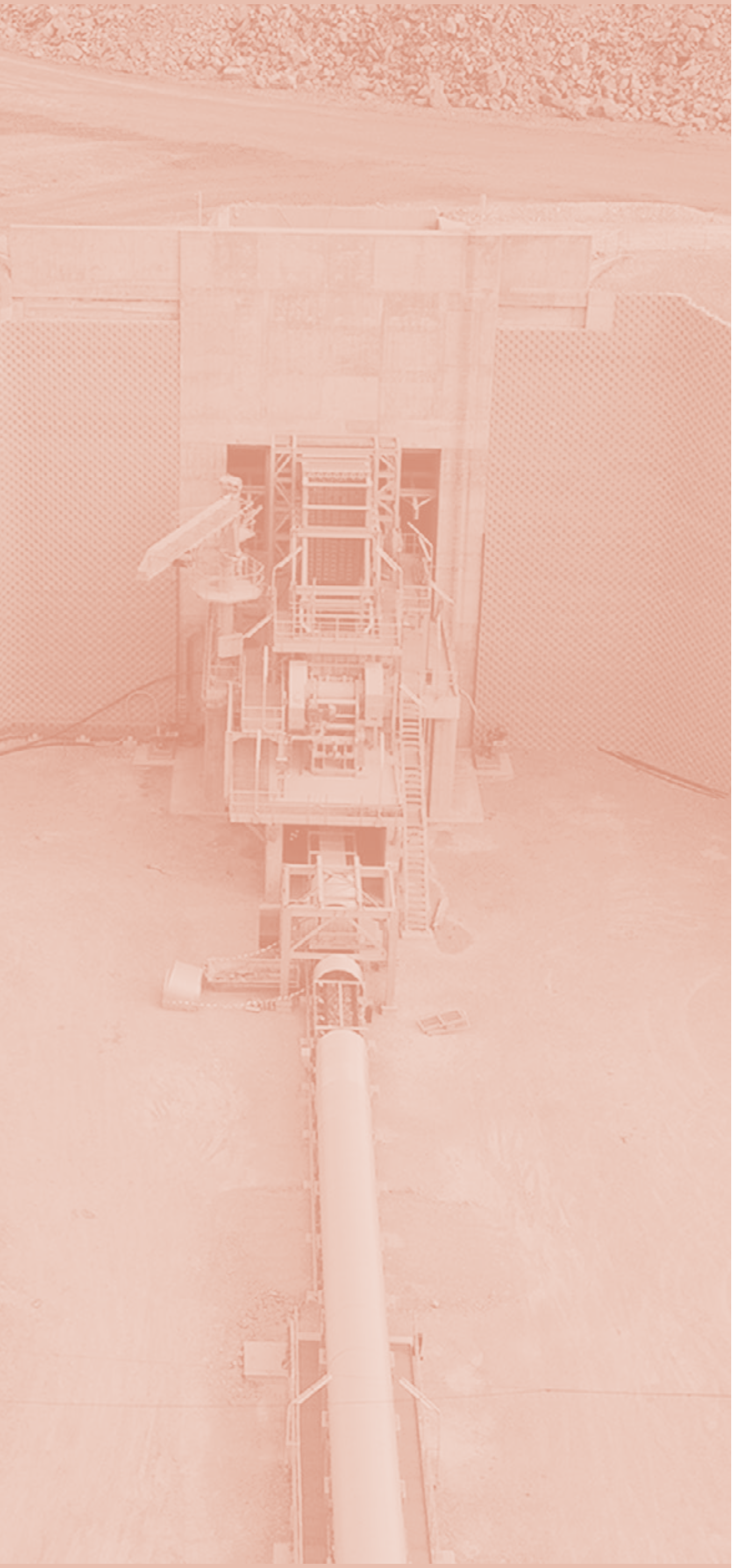
Members of the Board of Directors

The Board of Directors, during the year 2022 comprised:

Roger Davey	» Independent Non-executive Chair
Hussein Barma	» Independent Non-executive Director
Stephen Scott	» Independent Non-executive Director
Neil Gregson	» Independent Non-executive Director
Jesus Fernandez	» Non-Independent non-executive Director
Harry Liu(*)	» Non-Independent non-executive Director
Kate Harcourt(**)	» Independent Non-executive Director
Alberto Lavandeira	» Non-Independent Chief Executive Officer

(*) On 24 March 2022, Atalaya announced that Mr. Harry Liu has stepped down as a Non-Executive Director of the Company with immediate effect.

(**) On 19 May 2022, the Board of Directors appointed Kate Harcourt as an independent Non-executive Director of the Company.



from legislation in other jurisdictions.

Auditors

The auditors, Ernst & Young Cyprus Ltd., have expressed their willingness to continue in office and a resolution approving their reappointment and giving authority to the Board of Directors to set their remuneration will be proposed at the next Annual General Meeting.

Company secretary

Inter Jura CY (Services) Limited serve as the Company Secretary. The Company Secretary is appointed and dismissed by the Board of Directors and all directors have a right of access to the Company Secretary. The Company Secretary is accountable to the Board, through the Chair, on all governance matters and reports directly to the Chair as the representative of the Board.

Events after the Reporting Period

Any significant events that occurred after the end of the reporting period are described in Note 34 to the financial statements.

By Order of the Board of Directors,

Roger Davey

Chair

Nicosia, 21 March 2023

2.5

Principal Risks and Uncertainties

Due to the nature of Atalaya's business in the mining industry, the Group is subject to various risks that could materially impact its future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to Atalaya.

Atalaya´s principal risks have continued to fall within four categories:

- » Strategic risks;
- » Commercial and financial risks;
- » External risks; and
- » Operational risks

In addition to the above commercial and finance risks, please refer to Note 3 of the financial statements for further details on the financial risk management policy adopted by the Group and the Company.

● High ● Medium ● Low

Risk	Nature of the Risk	Mitigation of Risk	Importance
01	**Strategic Risks**		
Single asset, single commodity and single country risk	The Company´s current production relates to Proyecto Riotinto, which is its single producing asset. Atalaya produces and sells copper concentrate with silver by-product. Any interruption in the producing asset may impact the Group's results.	The operation has been producing since restart in 2016, with cash costs below the market price for copper even taking into account recent cyclical lows. Atalaya is constantly evaluating acquisitions in the mining sector, to increase the number of operations under management. The Group's Business Development Department reviews potential growth opportunities, transactions and approves or recommends them within authority levels set by the Board.	●
Lack of replacement of reserves	Atalaya must continually replace and expand its mineral resources. The depletion of its mineral reserves may not be offset by future discoveries or acquisitions.	On-going exploration campaigns currently in areas close to Proyecto Riotinto. During 2022, Atalaya incurred in a total of €4.3 million in exploration activities. Atalaya has set its exploration budget for 2023 to €10.1 million which includes exploration for Proyecto Riotinto, Proyecto Riotinto Este, Ossa Morena Proyecto Touro and Masa Valverde.	●
Underestimation of capex, finance and licence to operate	Atalaya's capital expenditure at future projects may require more capital than anticipated and/or Atalaya may have difficulties in obtaining required permitting and financing, which could delay project developments.	Atalaya monitors project controls to ensure that we deliver approved projects on time, on budget and in line with the defined specifications.	●
02	**Commercial and Financial Risks**		
Significant changes to commodity prices	A decline in the price of copper and other metals in world markets, which can fluctuate widely, could adversely affect Atalaya´s business, operating results and prospects.	The mine's cash costs are below the market price for copper, even at recent cyclical lows. Atalaya is constantly monitoring commodity prices and revisiting hedging strategies and policies.	
Inflation and cost pressure to supply chain	Geopolitical conflicts have resulted in significant increases on prices for certain products with a particular impact on electricity prices.	Monitoring trend on supplies prices' and where available long term agreement to reduce the exposure to volatility prices.	●
Limited number of customers	A significant portion of Atalaya´s concentrate production is sold to three offtakers. Offtakers' business can significantly impact the Company's operations.	Close contact with offtakers to ensure we understand how they run their business.	●
Lack of control over certain key inputs	Atalaya may be unable to control the availability of key inputs such as fuel, explosives, reagents and steel which are beyond management's influence.	The procurement department of Atalaya Riotinto Minera, S.L.U. is continually expanding their network influence to ensure our supply chain is secure.	●

Risk	Nature of the Risk	Mitigation of Risk	Importance
Foreign exchange risk	Volatility in the EUR:USD exchange rate affects the Group's profitability.	Atalaya is continually monitoring exchange rate and revisiting hedging strategies policies.	
Liquidity risk	Atalaya's operations and business model are subject to a variety of financial risks of third parties.	Manage the liquidity and financing structure in accordance with the business model. Maintain a diverse portfolio of banks and funds.	
03	**External Risks**		
Political, legal and regulatory developments	Atalaya is subject to extensive regulation, concessions, authorisations, licences, and permits which are subject to expiration, to limitation on renewal and to various other risks and uncertainties. Atalaya is also subject to laws and regulations relating to taxation, customs and royalties that could have an adverse effect on its business, financial conditions and results of operations.	Monitoring all legal and political decisions that might impact the mining sector, by participating among peer miners in the area in professional agencies and meetings. Partner with government and local municipalities. AAU (Environmental Declaration) and mining permit have been monitored by the Company to achieve a successful result. Atalaya is monitoring the current situation of the environmental permit at Proyecto Touro. The Group has no operations or material exposure in the UK. Brexit did not have any appreciable impact on the Group. This position is maintained following completion of the transaction period. Recurrent meetings and analysis performed by local advisors to ensure that Atalaya monitored and anticipated taxation for significant business decisions.	
Geopolitical conflicts	Recent conflicts between countries have impacted general economic conditions worldwide, including migration flows, volatility in regulated markets and inflation pressure	Monitoring commodities prices, supplies prices and international economic variations.	
Economic conditions	General economic conditions or changes in consumption patterns may adversely affect Atalaya´s growth and profitability. In particular, the Chinese market, which has significant impact on the world's copper demand.	Monitoring commodities prices, supplies prices and international economic variations.	
Public health threats	Public health threats such as coronavirus (COVID-19) or other epidemics or pandemics could affect the operations of the Group, the operations of the Group's customers and suppliers.	The Group is continuously monitoring public health threats and takes necessary steps to protect the health and safety of its staff and minimise any disruption to its operations.	
Operational risks and hazards	Operational risks and hazards may adversely impact Atalaya's business, financial condition and result of operations, particularly: floods, natural disasters, industrial accidents, labour disputes, structural collapses, transportation delays and earthquakes.	Atalaya constantly invests in health and safety and regularly analyses ways in which to make its mine safer.	
Labour disruptions	Atalaya may be adversely affected by labour disruptions.	Atalaya has periodic meetings with its trade unions to discuss and agree on any changes to labour conditions and concerns. Ongoing training programmes.	
Dependence on key infrastructure	Atalaya is dependent on transportation facilities, infrastructure and certain suppliers, a lack of which could impact its production and development projects.	Atalaya´s contractors are very reliable. Atalaya maintains contingency plans to ensure operations would not be affected.	
04	**Operational Risks**		
Tailing dam permitting	Mining operations depend on the permit that need to be renovated during the Life of Mine of the operation. Recent failures in mining projects worldwide and increase in regulation and standards may impact the business	Atalaya maintains communications with communities and stakeholders, including the Public Administration, and proactively invest to improve safety of the operation beyond legal standards.	
Water, electricity and other key supply shortages	Atalaya's mining operations depend on the availability of water, electricity and other key inputs.	Atalaya monitors water consumption and water levels frequently as well as electricity prices. As the Company expands, Atalaya will need more water and electricity.	
Complexity of environmental laws	Atalaya's operations are subject to complex and evolving environmental laws and regulations and changes may increase its running costs.	Atalaya has a dedicated team that reviews any new laws and changes regularly. Atalaya has not been made aware of any imminent changes.	
Cyber security	A cyber-attack could affect our systems, data bases and regular activities.	Atalaya's IT department is regularly reviewing the internal process to identify any potential attack and to minimise any potential impact.	

03

Directors' and Officers' Statement

Statement by the members of the Board of Directors and the Company officers responsible for the drafting of the consolidated and Company financial statements in accordance with the provisions of the Cyprus Law 190(I)/2007 on transparency requirements.

We, the Members of the Board of Directors and the Company officers responsible for the drafting of the consolidated and Company financial statements of Atalaya Mining plc for the year ended 31 December 2022, confirm that, to the best of our knowledge:

1. The consolidated financial statements and the Company financial statements on pages 78 to 83:

    a. have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap.113. For the year ending 31 December 2022, the standards applicable for IFRS's as adopted by the EU are aligned with the IFRS's as issued by the IASB, and,

    b. give a true and fair view of the assets, liabilities, financial position and profit or loss of Atalaya Mining Plc and the undertakings included in the consolidated and Company financial statement taken as a whole; and

2. The Management Report includes a fair review of the development and performance of the business and the position of Atalaya Mining Plc and the undertakings included in the consolidated and Company financial statements as a whole, together with a description of the principal risks and uncertainties that they face, and

3. The adoption of a going concern basis for the preparation of the consolidated and Company financial statements continues to be appropriately based on the foregoing and having reviewed the forecast financial position of the Group and Company.

The Officers and the Directors of the Company as at the dated of this statement are as set out below:

Alberto Lavandeira
Chief Executive Officer

Cesar Sanchez
Chief Financial Officer

By Order of the Board of Directors,

Roger Davey
Chair

Nicosia, 21 March 2023

04 Strategic Report

CONTENT 04:

4.1

Market Overview

Copper is one of the most widely used industrial metals in the world. Its conductivity, malleability, and durability make it an essential material for a range of applications, from electrical wiring and construction to transportation and electronics. As a result, the global copper market is a critical component of the global economy, with significant implications for businesses, consumers, and governments around the world.

In recent years, the global copper market has experienced a range of trends, challenges, and opportunities that are shaping its future. Here are some of the key developments that are driving the market today:

Supply and Demand Dynamics

The global copper market is characterized by a complex supply chain that spans mining, smelting, refining, and fabrication. While copper is abundant in the earth's crust, it is not evenly distributed, and extraction and processing require significant investment and expertise. In recent years, the market has been characterized by a tight supply-demand balance, with prices fluctuating based on changes in global production and consumption patterns.

Emerging Markets

The growing middle class in emerging markets such as China, India, and Brazil is driving demand for copper, as these economies continue to urbanize and industrialize. As a result, these markets are playing an increasingly important role in shaping the global copper market. For example, China accounts for nearly half of the world's copper consumption, making it a key driver of global demand.

Sustainability and Environmental Concerns

The copper industry is facing growing pressure to reduce its environmental impact and adopt more sustainable practices. From reducing greenhouse gas emissions to minimizing water use and waste, copper producers are investing in new technologies and processes to reduce their environmental footprint. At the same time, there is increasing demand for copper in renewable energy systems such as solar panels and wind turbines, which are seen as critical components of the transition to a low-carbon economy.

Trade and Geopolitics

The global copper market is also influenced by geopolitical factors such as trade tensions, political instability, and regulatory changes. For example, trade disputes between the United States and China created uncertainty in the market, while changes in mining policies in countries such as Chile and Peru can impact global supply. Similarly, the transition to renewable energy systems is creating new geopolitical dynamics, as countries seek to secure access to critical minerals such as copper.

Despite these challenges, the global copper market presents significant opportunities for businesses and investors. For example, the growing demand for copper in emerging markets is driving new investment in mining and processing operations, while the shift to renewable energy systems is creating new markets for copper and other critical minerals. In addition, the adoption of more sustainable practices is creating new business models and technologies that can drive innovation and competitiveness in the market.

In conclusion, the global copper market is a complex and dynamic industry that is shaped by a range of trends, challenges, and opportunities. As demand for copper continues to grow, businesses and investors will need to navigate these factors to stay competitive and capture the benefits of this critical market. By embracing sustainability, innovation, and new business models, the copper industry can play a key role in shaping the global economy of the future.

Market Price

In January 2022, the copper price trend moved sideways as inflation rose and the possibility of interest rate hikes increased. February saw no change in the copper price trend, but in March, prices rose before dropping due to macroeconomic factors in Chile and the Fed's announcement of an interest rate hike. April saw a rise in copper prices, but the Fed remained firm in its stance on interest rates. In May, China's zero-COVID stance caused a drop in copper prices, which slipped further in June before hitting its lowest point in July. August saw a notable increase in copper prices, but September confirmed that the index was in a sideways range. In Q4, the copper price trend turned downward before rallying sharply in November and remaining bullish in December.

The market copper price has a significant impact on Atalaya's ability to generate positive operating cash flows.

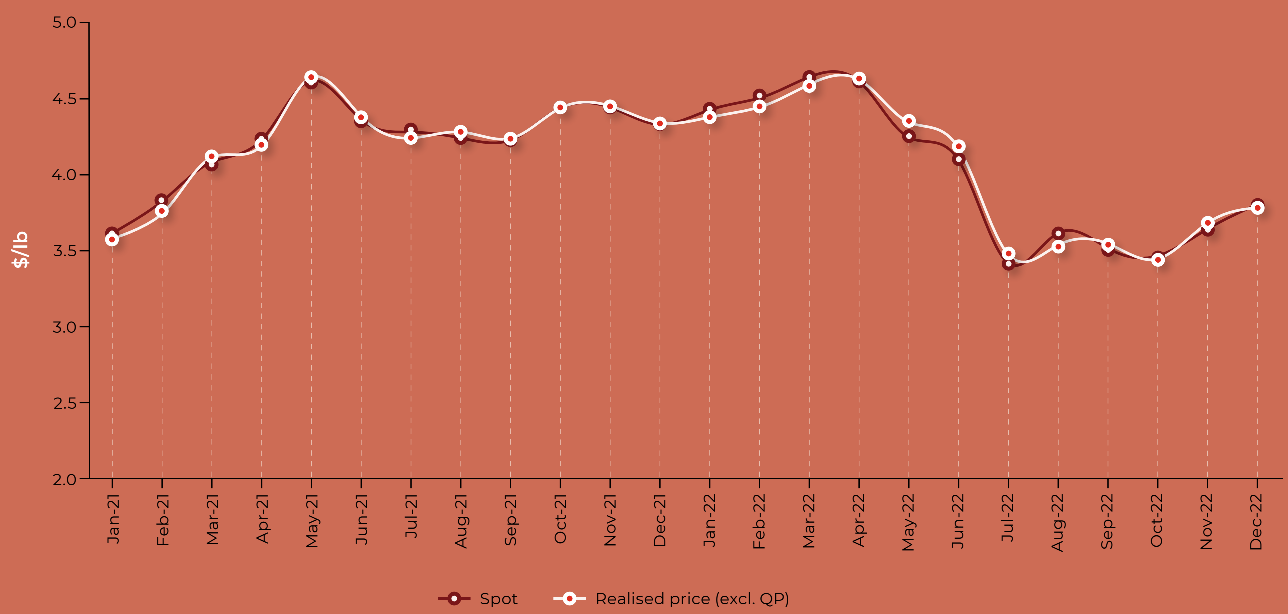
Realised Copper Prices

The average prices of copper for 2022 and 2021 were:

	Unit	2022	2021
Realised copper price (excluding QPs)	$/lb	**3.96**	4.22
Market copper price per lb (period average)	$/lb	**4.00**	4.23

Realised copper prices for the reporting period noted above have been calculated using payable copper and excluding both provisional invoices and final settlements of quotation periods ("QPs") together. The realised price during the year, including the QP, was approximately $4.06/lb.

Spot vs Realised Copper price



Atalaya's Response

The Group had no hedges on commodities prices during 2022. At the date of this report, the Group is fully exposed to copper prices with no commodities hedging agreements in place.

Foreign Exchange

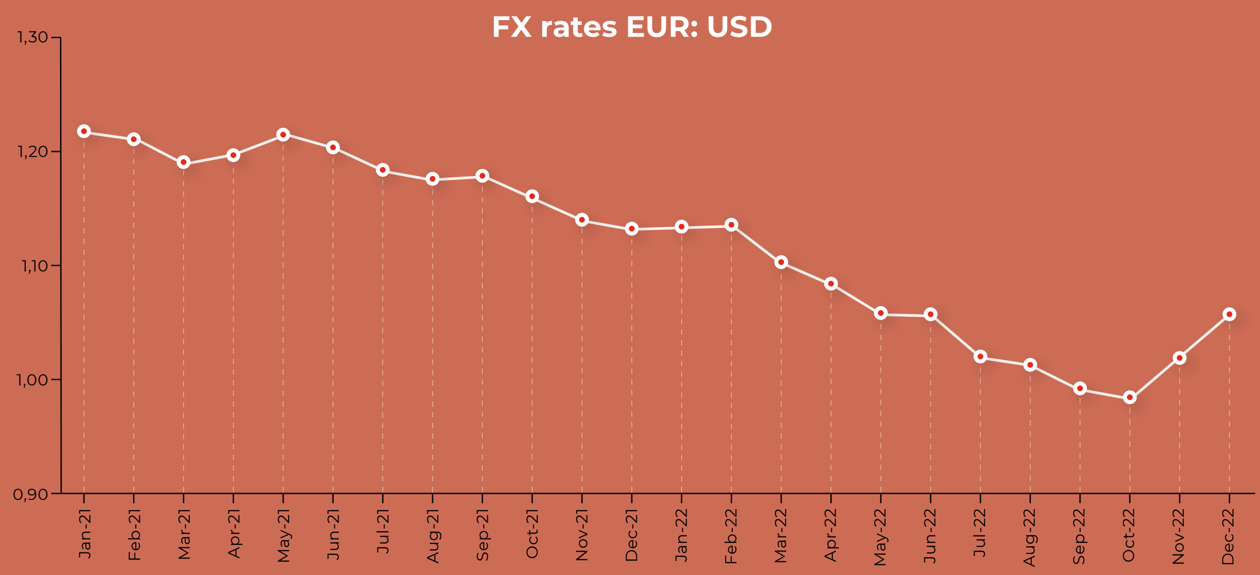
Foreign exchange rate movements can have a significant effect on Atalaya's operations, financial position and results. Atalaya's sales are denominated in U.S. dollars ("USD"), while Atalaya's operating expenses, income taxes and other expenses are denominated in Euros ("EUR"), and to a much lesser extent in British Pounds ("GBP").

Accordingly, fluctuations in the exchange rates can impact the results of operations and carrying value of assets and liabilities on the balance sheet.

Atalaya's Response

In 2022, the Group was positively impacted by favourable rate against USD, the currency in which all sales of the Group are denominated.

Management is continuously monitoring currency rates and evaluating possible currency hedging to minimise risk.



4.2

Strategic Framework

The business model of Atalaya is founded upon creating value for its stakeholders through operational and developmental excellence. Experience and an unceasing search for improvement are the pillars of its success.

Our values		Strategic pillars
01 Importance of people	✓ Importance of Safety, Health, Environment & Security ✓ Strong workforce with longstanding employees	**OUR PEOPLE**
02 Operational excellence	✓ Importance of cost management ✓ Establishing high performance ✓ Operating to a world-class standard ✓ Maximising production capacity	**OUR BUSINESS**
03 Creating value	✓ Increasing asset value under management ✓ Focusing on generating free cash flows ✓ Focusing on creating value for shareholders ✓ Allocating capital efficiently ✓ Creating opportunities for growth	**OUR FUTURE**
04 Social projects and environmental	✓ Working closely with communities ✓ Contributing to community development	**SUPPORT LOCAL COMMUNITIES AND PROTECT THE ENVIRONMENT**

		Key Driver	Achievements	Principal Risks
Our people	✓ Environmental matters are discussed across the Group from the operating workforce to the Board of Directors. ✓ Continuous communication with regulatory bodies and shareholders to ensure a safe world-class operation. ✓ Experienced mining team to ensure proper safety, health and security policies. ✓ Focused on creating a high-performance culture where its people are its core asset. ✓ Atalaya has a flat management structure with accessible people. ✓ Atalaya's personnel are primarily based at sites. ✓ Focused on improving its relationships with local government and communities. ✓ Limited presence in the media, with efforts focused on direct contact with people.	Cut expenditures to reduce environmental impact Average **500 employees** **99.5%** based at mine sites Socially responsible through Fundación Atalaya Riotinto	**2022 Achievements** ✓ Better monitoring process of safety records. ✓ Prompt responses to COVID-19. **2023 Priorities** ✓ Further improve health and safety statistics. ✓ Continue support to local and regional governments. ✓ Reduce LTI compared with 2022.	✓ Operational Risks ✓ External Risks
Our business	✓ World-class processing plant in Europe to maximise value of the Group, thereby increasing free cash flows from operations. ✓ Ensure the ongoing stable growth of the Company ✓ Protecting and enhancing the value for all stakeholders.	**15.4 Mt** of ore processed **52k tonnes** of Cu produced **€55.3m** EBITDA **€38.5m** cash flows from operations **€126.4m** cash balance as at 31 December 2022	**2022 Achievements** ✓ Consolidation our internal growth with production levels of 15 Mtpa. ✓ Contained All-in sustaining cost. ✓ Increase to 99.9% of Rio Narcea Nickel S.L. share capital ✓ Operational continuity despite COVID-19. **2023 Priorities** ✓ Further growth via project development or acquisitions. ✓ Continue with strong operational performance.	✓ Financial Risks ✓ Operational Risks

		Key Driver	Achievements	Principal Risks
Our future	✓ Evaluation of existing capacity of each project and investment in exploration to replace reserves deployed. ✓ With a view to becoming a multi-asset producer focussed in copper. ✓ Focus on the development of low-cost assets in mining-favourable jurisdictions. ✓ Searching and evaluating projects around the world.	Increase in reserves and resources by exploration or acquisition of other deposits	**2022 Achievements** ✓ Investment of €6.2 million (2021: €5.9 million) in sustaining Capex in Proyecto Riotinto. ✓ Investment of €14.1 million in tailing dams improvements. **2023 Priorities** ✓ Continuing exploration works to expand the reserves and resources of Proyecto Riotinto. ✓ Exploration in Proyecto Masa Valverde and Ossa Morena. ✓ Monitoring new opportunities related with metals. ✓ Working to understand and resolve environmental permitting decision on Proyecto Touro. ✓ Completion of E-LIX Plant. ✓ Completion of Solar Plant	✓ Strategic Risks ✓ External Risks
Support local communities	✓ Atalaya Mining is committed to responsible mining and upholds its core principles of honesty and accountability. ✓ The Company works with all stakeholders to ensure that its values are completely aligned with the local community and environment.	**68 actions programmes** through Fundación Atalaya	**2022 Achievements** ✓ Investment of €1.0 million in local communities at Proyecto Riotinto. ✓ €3.4 million taxes paid globally. ✓ Support for local community events at Proyecto Riotinto and Proyecto Touro. **2023 Priorities** ✓ Increase support and presence in local community projects around Proyecto Riotinto and Touro. ✓ Increase community engagement in Touro.	✓ Operational Risks ✓ External Risks

05 Sustainability Report

CONTENT 05:

5.1

Our Commitment to Sustainability

Atalaya Mining is committed to responsible metal production throughout its value chain. Based on the business's experience and knowledge, the Company strives to achieve the best results by impacting positively on employees, collaborators, local communities, the environment, and all relevant stakeholders.

To achieve this, the Company is committed to sustainable management of all its mining operations, incorporating good governance criteria, care for the environment and social responsibility.

Mining can generate significant socioenvironmental impacts in the areas of operation. However, if properly managed, risks can be mitigated and opportunities seized, thus becoming an engine for generating wealth, developing the human capital of the local communities, and promoting environmental projects that ensure the conservation of the environment for future generations to enjoy. At the same time, mining commodities such as copper play a key role in helping society achieve a sustainable future.

Atalaya has developed its current operation in accordance with the best ESG practices since the beginning of its activity in 2015, offering the Riotinto Mining Basin a mining project that has been a source of prosperity and sustainable development for the region, having achieved outstanding results since mining restarted.

Since 2021, Atalaya has had a formal corporate Sustainability Policy. The Ten Principles of the UN Global Compact act as the basis for the Company's corporate strategy. Among other topics, the policy covers risk management, social and environmental considerations, and corporate governance. It also includes commitments to value chain accountability, transparency, continuous innovation, and occupational health and safety.

Since the approval of this policy, the Company has implemented incremental steps to further integrate sustainability into every aspect of the organisation.

The first annual sustainability report issued on 25 April 2022 was an exercise of transparency where we accounted for our performance in line with the GRI (Global Reporting Initiative) reporting standards.

5.2
Good Governance and Responsible Management

Atalaya Mining established a Sustainability Committee on the Board of Directors to promote sustainability as a necessary component for long-term success.

The committee will oversee ESG issues, set sustainability strategy, and establish ambitious targets. The company also implements an Integrated Management System that ensures continuous improvement in environmental performance, occupational health and safety, and stakeholder needs. Atalaya Mining complies with recognized corporate governance codes, such as the QCA Code, to generate transparency, trust, credibility, and security.

Ethics

The Company is committed to operating ethically and with corporate social responsibility. The company has a Code of Business Conduct and Ethics that sets out standards for ethical behaviour and is reviewed annually by the Board. Atalaya Riotinto Minera, S.L.U. also has a grievance system for receiving complaints and reports of possible breaches of the Code. The Whistleblowing Channel is an external tool for maintaining ethical compliance and enables the company to be aware of any breaches and take prompt action. Atalaya Mining has a Conflict of Interest Policy for its directors to disclose any potential conflicts of interest.

Compliance management system

Atalaya has strengthened its ethics and compliance systems in 2022, including updating the Code of Business Conduct and Ethics and implementing a criminal compliance system. The Compliance Policy and Criminal Liability Prevention Manual have been approved, and a Compliance Committee has been established to oversee compliance issues within the company. The criminal compliance system is integrated into the Company's Management System, and a risk map has been created to assess potential criminal risks. The Code of Business Conduct and Ethics explicitly condemns child or forced labour and any other form of labour exploitation or abuse, as well as discrimination based on various factors. The Compliance Policy commits to zero tolerance for any illegal act and is aligned with the company's culture of integrity and respect for rules. The Criminal Liability Prevention Manual establishes a simple and effective system for preventing, managing, and controlling actions that may lead to the commission of offenses. A five-member compliance committee has been established, and training has been provided to key employees. The company has also launched a communication action for all employees explaining how the whistleblowing channel works.

Risk prevention

Atalaya Mining plc operates in the mining industry and is exposed to various risks that could significantly affect its future operating results and the realization of its objectives. Effective risk management is essential to reduce the potential impact on shareholder returns, maintain employment, and protect the local environment where the Group's mining operations are located.

To achieve this, Atalaya Mining plc has established a Risk Management Policy, which is aimed at establishing an effective risk control and internal control system. The company conducts an assessment of its main risks, which are classified into four categories: strategic, commercial and financial, legal and regulatory, and operational and external risks.

The Board of Directors is responsible for approving and monitoring these assessments, while the Group has adopted a financial risk management policy that establishes key principles in managing its exposure to financial risks. The policy's objective is to support the delivery of the Group's financial targets while protecting future financial security.

Senior management oversees the management of financial risks with the support of the Audit & Financial Risk Committee. Proper management of these risks is crucial for the Group's success and positively impacts stakeholders, reducing the potential impact on shareholder return on investment, the maintenance of employment, and the local environment where the Group's mining operations are located.

5.3

People

Atalaya recognizes that its success depends on its employees, and as a result, the company has made efforts to attract and retain talent by improving working conditions and providing training.

Atalaya employed **494** people in 2022

68% of the workforce comes from neighboring towns

82.39% of contracts are permanent

In 2022, Atalaya employed 494 people, primarily at its Spanish operation affiliate, Atalaya Riotinto Minera, S.L.U. While the majority of employees are men, the Company has a higher proportion of female employees than the industry average in Spain, and 82.39% of contracts are permanent. Atalaya's objective is to maintain employment and improve the living conditions of its workforce, and the Company has prioritized the development of a trained and effective workforce capable of sustaining growth. The Company has implemented practical on-the-job training systems to develop skills and prepare personnel for future vacancies and substitutions, and internal recruitment is prioritized to promote professional development and value the contributions of employees who have participated in specific projects. Atalaya plans to continue recruitment at ARM to stabilize the workforce, and recruitment in other companies will depend on project progress. Atalaya Ossa Morena and Masa Valverde are initiating recruitment for research, exploration, and environmental work.

Equal opportunities and non-discrimination

The Company is committed to effective people management, particularly as the company has been focused on recruiting and retaining employees in recent years. This has involved developing policies for employee selection, recruitment, training, assessment, remuneration, and termination of employment, as well as improving working conditions to attract and retain talent. The company plans to consolidate all these policies into a single document, the Employee Guide.

The company is also committed to supporting the socio-economic development of the local community in the Riotinto Mining Basin. Atalaya Riotinto prioritizes local hiring for both employees and auxiliary companies, which has resulted in a total of 2,355 work positions generated by mining operations in the area, representing 1.2% of total employment in the province of Huelva in 2021. For every direct job created, six additional jobs were generated in other sectors. The mining industry itself had the most significant impact on employment, followed by wholesale and retail trade, administrative activities and additional services, transport and storage, and professional, scientific, and technical activities.

In 2022, Atalaya maintained its commitment to hiring personnel from neighbouring villages, which accounted for 68% of the company's total workforce. The company also has agreements with municipalities to extend this promotion to contractors. Atalaya Mining plc employs 72.5% of its workforce from the provinces where its projects are located. Overall, Atalaya is committed to effective people management and supporting the socio-economic development of its local community.

Dialogue with our employees

Atalaya values its employees and strives to create a quality working environment. The company complies with international labour standards and respects human rights. Employee relations are managed under applicable legislation, and a Works Council is used to communicate with workers. The company also

implements an open-door policy for communication at all levels. In 2022, a new Collective Bargaining Agreement was negotiated and endorsed by Atalaya's workforce. It covers all employees of Atalaya Riotinto Minera and includes measures to maintain purchasing power and workers' participation in profits generated by the price of copper. The agreement also includes improvements in conciliation and addresses aspects related to the health and safety of workers. It was signed in September 2022 and will be in force until December 2026.

Talent development

Atalaya focuses on meeting business needs and unlocking the potential of all employees. The company has an Annual Training Plan covering legal requirements and staff development needs. The training is divided into four pillars: job development, health and safety, environmental awareness, and quality. The company also offers training for personal development, such as human talent management and conflict management. Atalaya also has a field leadership program for a safe working environment. The company partners with academic and business organizations to promote the training of students and improve employability in the mining basin.

Fair compensation

Atalaya Mining's Code of Ethics promotes equal opportunities in salary for all staff members. The Collective Bargaining Agreement sets the remuneration for employees, with a minimum wage increase of 18.5% and a wage revision clause based on the CPI. Executive personnel have specific conditions based on critical Company objectives. Other benefits such as study grants, reduced summer working hours, and shift bonuses are offered equally to all employees. Atalaya Mining plans to implement an employee performance appraisal system in the future. The company has agreed to undertake job evaluation and commission a specialized company to evaluate it.

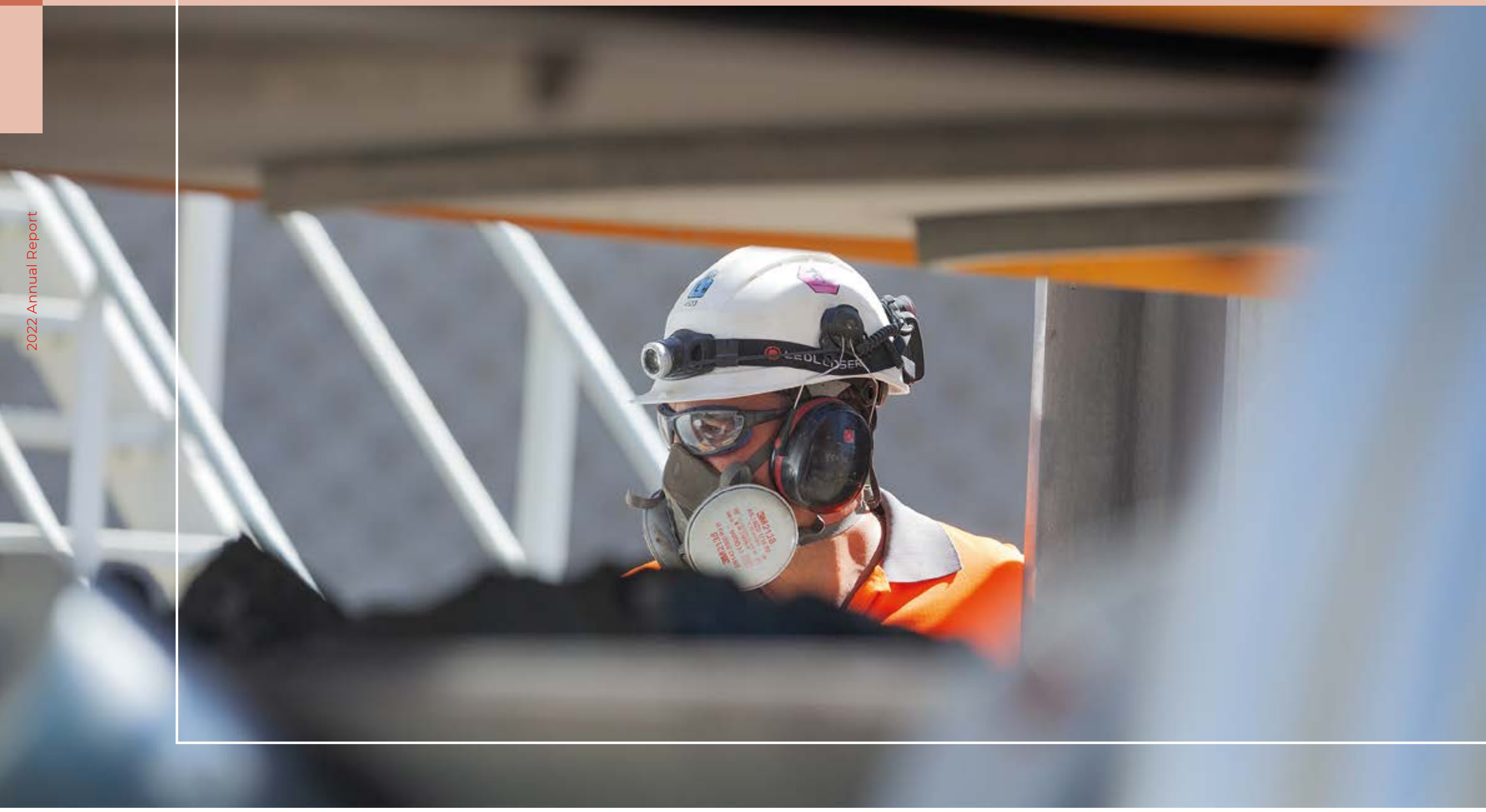
Conciliation and transparent communication

Atalaya Riotinto Minera, S.L.U. is working on developing a corporate culture based on the company's values. Flexibility and transparent communication are key elements in their value proposition. The company offers various measures for family reconciliation, including flexible working hours and remote work during the COVID-19 crisis. They also offer a "No Absenteeism Bonus" to encourage commitment to work. ARM has also made improvements to working conditions such as medical insurance, a collective agreement with different banking entities, and personalised attention and assessment. The company has implemented various internal communication mechanisms, including a specific platform for internal communication and a periodic newsletter. Atalaya is implementing a new tool, the "employee portal", to improve internal management and paper reduction. Atalaya has an "Open Door Policy" to make relations between employees and middle and senior management more fluid. Finally, a working group was created to generate initiatives to improve working environments from a psychosocial point of view.

5.4

Safe Operations

The Company is committed to safety and understands that a safe and healthy working environment is critical to the success of its operations. It is therefore firmly committed to the continuous improvement of Health and Safety conditions in the workplace and to achieve Zero Harm in its mining operation, as established in its Occupational Health and Safety Policy.



To achieve this, the Company has an Occupational Health and Safety Management System which is externally certified against ISO 45001:2018. This management system develops the principles and commitments in the Occupational Health and Safety Policy and extends to all personnel at Atalaya Riotinto, including the contractor companies.

Certification in an international occupational health and safety standard such as ISO 45001:2018, integrated with the rest of the certified ISO standards of the Company, allows a total transparency of the Company's processes and promotes continuous improvement in risk prevention and preventive culture.

In addition, the Company receives legal compliance audits every two years, also by an accredited external body.

Safety culture

Atalaya understands that managing the behavioural dimension of safety culture among employees is essential as part of the preventative mechanism of work-related accidents. A positive behaviour of safety culture generally leads to safe production and operations in mining, produce a responsible miner, create a safe workplace environment, and minimise accidents.

In this sense, the Company goes beyond training, carrying out activities that reinforce Atalaya's safety culture, such as incorporating the 5-Whys, additional training in Leadership in the field or the focus groups for psychosocial factors.

In 2022, the Field Leadership Programme was consolidated with defined objectives within the integrated management system. As a result, 26 groups made up the Field Leadership Programme with 103 technicians from all areas and departments. Once a month, they carry out various preventive activities: audits, observations, inspections and stop and talk, among others.

COVID-19 Prevention Strategy

Atalaya maintained the strategy at its facilities to prevent the spread of COVID-19. This strategy ensured that the good results achieved in 2020 and 2021, which allowed the activity to be carried out safely, were also completed in 2022. From the onset, the implementation and monitoring of this strategy were the responsibility of an emergency decision-making committee and a monitoring committee with the trade unions.

During the first half of the year 2022, the workers' vaccination level was checked by the nursing service, and the measures established by the Spanish Government were followed. In this sense, related communications were made, the last one being to relax the measures on the use of masks. Furthermore, the nursing service has maintained early detection tests for covid19 for all who request them.

Atalaya Mining recognises the importance of disclosing safe and responsible management of the tailings and the status of its Tailings Storage Facilities (TSF) throughout the life cycle of these facilities (i.e., planning, design, construction, operation and refurbishment/decommissioning). These aspects are key to our stakeholders.

Atalaya Mining recognises the importance of disclosing safe and responsible management of the tailings and the status of its Tailings Storage Facilities (TSF) throughout the life cycle of these facilities (i.e., planning, design, construction, operation and refurbishment/decommissioning). These aspects are key to our stakeholders.

The management of the Atalaya Riotinto TSF covers the entire life cycle of the facility, from the design and construction to closure and decommissioning at the end of the mine's life.

The Riotinto mine TSF began construction in the 1970s. It is one of the main TSFs in Europe due to its size and the technical specification of its structure. This uniqueness requires exhaustive control and monitoring. Conscious of this Atalaya Riotinto implemented in 2015 a new system that modernized the facility and reinforce its structural safety.

Safe TSF Management and Governance

Atalaya's Major Accident Prevention Policy, signed by the top management aims to reach the highest level of protection and serves as the basis for the Safety Management System implemented by the Company.

Atalaya Riotinto Minera, S.L.U.´s Technical Management is in charge of ensuring compliance with the regulations and basic mining safety standards applicable to TSF. The Technical Management reports directly to the Operations Management of Atalaya Riotinto Minera and is the Company's representative in safety matters before the competent administration.

Atalaya's governance procedures for its TSF management represent **5 layers of prevention**:

1. Geodetic and geotechnical sensor network monitoring
2. Surveillance R+D technology through Minerva Project
3. Internal staff inspections and governance
4. Inspections by accredited third parties
5. External reviews

5.5
Environment and Climate Change

The Environmental Policy adopted for Atalaya Riotinto reflects Atalaya Mining plc's commitment to conducting its mining activity on a sustainable basis, minimizing any adverse effects on the environment, society, or culture.

Strict compliance with environmental laws and regulations as well as with other environmental commitments that go beyond legal requirements are key principles of this Policy. The Policy incorporates an explicit **commitment** to:

» Preventing pollution and ensuring an efficient use of resources

» Using the best available techniques, wherever possible

» Establishing mechanisms to prevent situations of risk to the environment

» Training and raising awareness of employees and contractors on environmentally friendly work

» Protecting, conserving, and enhancing the value of historical heritage

» Establishing measurable environmental objectives and reviewing them periodically

A review was conducted in 2021 to highlight the fight against climate change as one of the Company's core considerations, including the integration of the adaptation to climate change and the resilience as part of the Company's vision of continuous improvement.

The Company's environmental management system is certified against ISO 14001 to ensure stringent adherence to the Environmental Policy. Annually, two audits of the management system are performed: one internal by company employees from various departments who have received the necessary training as auditors, and the other externally by a licensed company.

The Environmental Department ensures compliance with these processes for environmental monitoring such as control of natural resources consumption, water cycle management, integrated management of non-mining waste, storage of hazardous substances, response to environmental emergencies, management of atmospheric emissions, water quality control, management of the natural environment, air quality monitoring, and forest fire prevention.

Environmental Risk Prevention

Environmental risk prevention is a critical aspect of Atalaya Riotinto's activities. Consequently, a specific methodology has been defined and implemented to prevent diverse situations that can cause accidents and significant harm to the local environment as well as to plan for the response to be provided to mitigate their potential impact. This methodology is included in a specific technical instruction within our Environmental Management System. In addition, the Environmental Department at Atalaya Riotinto is part of the Compliance Committee.

Circular Economy and Efficient Resource Management

The appropriate management of waste is one of Atalaya's environmental priorities. Due to the volumes generated, mining waste constitutes the most significant waste from our activities in addition, operations produce non-mining waste, which is considered hazardous and non-hazardous. Mining waste and non-mining waste are managed differently, adopting the requirements established for each by the applicable legislation.

It is important to highlight that the principles of the circular economy are promoted in managing mining waste, which is used for restoration and dam reinforcement activities. Atalaya Riotinto uses the enlargement of the tailings dam as an opportunity, using the mine waste to construct reinforcements and extensions to the various sections of the tailings dam for process waste. This initiative allows the mine waste to be reused, minimising their deposition on surface and turning them to a new use. 22% of the mining waste extracted from the mine in 2022 was destined for works on the Tailings Storage Facility.

Another reusable fraction within the mining project are the slates that are extracted from the mining cut. These slates are an opportunity to promote the Circular Economy, as they are an inert material that can be used in mine restoration as a sealing material. In 2022, a total of 630,000 tonnes of slate has been earmarked for the sealing of passive waste dumps for the restoration process.

Efficient Water Management and Zero Discharge Approach

The production process at Atalaya Riotinto, especially the so-called "wet area" in the grinding and flotation process, requires significant water consumption, so water is a necessary resource for mining activity. It is used in other processes such as dust control or for use by employees.

Atalaya is aware that water is a common good, essential for the community in the hydrographic basin in which we operate and that correct water management is essential to generate trust in all stakeholders.

Atalaya therefore work every day to improve water use efficiency and be resilient to the risks of water scarcity from the effects of climate change.

Both the Sustainability Policy and the Environmental Policy of Atalaya Riotinto are committed to the efficient use of natural resources. The consumption associated with each water source is controlled by the Company's technical services and supervised by the Environmental Department reported directly to Direction.

In addition, the water cycle is part of the integrated management system certified under ISO 14001:2015 and is audited both internally and externally by accredited bodies. Atalaya Riotinto has a water quality control network both upstream and downstream of the mining operation, including monthly sampling and reports to the competent administration. In addition, Atalaya participates through Aminer in public forums on water stewardship and management.

The copper extraction and production process at Atalaya Riotinto uses both external and internal water sources, the internal water source (recirculation) being the one with the greatest weight, accounting for more than 75% of the total required for ore processing.

Energy Transition and Climate Change

At Atalaya, we include the fight against climate change in our corporate and operational policies, signed at the highest level of the Company.

At Atalaya, we have set ourselves a first climate objective: to reduce our greenhouse gas (GHG) emissions in Atalaya Riotinto by 15% by 2025.

To achieve this milestone, we conduct an annual GHG emissions inventory that is verified by an independent third party. In 2022, we have expanded the scope of this inventory to scope 3.

To meet this target, we have started construction of a solar photovoltaic plant for self-consumption of renewable energy at our Riotinto mining operation, which will become operational in 2023.

Our commitment goes further, we are working to develop a strategy that will enable us to align with global climate targets, with a 2050 horizon.

Environmental Restoration Plan

Since the beginning of its operation in 2015, Atalaya has implemented a Restoration Plan, in accordance with the Spanish legislation, aimed at the following objectives:

- Landscape and environmental integration of the areas created, preserving the values of the mining landscape which is characteristic of the area, and which is culturally protected.
- To guarantee adequate water quality in the restored areas.
- To ensure the safety and long-term stability of the remaining structures.
- To generate an end use of the land that is beneficial for the socio-economic environment of the area where the mining operation is located.

5.6

Society

Atalaya Riotinto Minera, S.L.U. is a driving force for the socio-economic life of the Riotinto Mining Basin in the province of Huelva. ARM has a notorious direct impact in the area, creating local employment and wealth through its activity. It also has an indirect positive influence due to the increase in production and employment in other economic sectors stimulated by Atalaya's activities, which generate new and alternative demand. Moreover, the rise in household income increases goods and services consumption and the training and employment of the affected sectors.

According to this integrated approach, in 2022 a local socioeconomic impact report was elaborated by an independent consultant -Sintering, spin-off of Huelva University-, analysing the local economic impact of the mine with the consolidated economic data for the year 2021. The results shows that Atalaya Mining's Riotinto Project has generated more than 2,300 jobs and a Gross Value Added of 305 million euros in the territory, contributing more than 35 million euros in taxes and investing almost 800,000 euros locally in social investment actions.

Since its creation, the Foundation develops Atalaya's Corporate Social Investment functions in its area of influence, closely linked to the municipalities that form part of the Riotinto Mining Basin.

The Atalaya Foundation collaborates through a framework agreement with the seven municipalities that make up the Riotinto Mining Basin (Minas de Riotinto, Nerva, Berrocal, Campofrío, La Granada de Riotinto, El Campillo and Zalamea la Real). This is an agreement in which the signatory entities consolidate cooperation between the local administrations and the mining project, fostering administrative and other relations between the parties.

The year 2022, the Fundación Atalaya Riotinto Minera, financed more than €1 million between the seven municipalities.

Atalaya maintains an open-door policy and a fluid relationship with its stakeholders and promotes the establishment of extensive communication channels to provide maximum transparency with relevant and accurate information about its activities The Company identified that the relationship with stakeholders differs in each mining project and is working to individualise its actions with stakeholders in each case. Based on the stakeholder concerns that were identified, the Company intensified its relations with these groups.

Atalaya Riotinto Minera, S.L.U. is located within the Riotinto-Nerva heritage area of Cultural Interest. The Company is aware of preserving this legacy and its continuity. To this end, ARM's Environmental Policy sets a commitment to prevent any negative cultural impact and to protect, preserve and enhance the value of the historical heritage. All these objectives are managed within the Company's Integrated Management System and are subject to internal and external audits.

The year 2022, the Fundación Atalaya Riotinto Minera financed more than

€1 million

between the seven municipalities

Atalaya contributes to boosting the local and regional economy through the purchases made from local suppliers and the promotion of auxiliary companies that increase their turnover, thanks to the creation of synergies in the area.

Atalaya is committed to prioritising sourcing and subcontracting from local companies in selecting these providers. In 2022, 92.6% were national suppliers.

According to the socioeconomic impact report prepared by the consultancy firm Sintering in 2021, almost half (47.9%) of the purchases made by the Company for the development of its activity are concentrated in the province of Huelva. In comparison, purchases from other Andalusian suppliers account for 11.8% and 32.9% come from other Spanish regions. Only 7.4% of supplies come from the foreign market.

Local procurements provides advantages in terms of flexibility, risk mitigation and a quick response to Company requests.

It also improves the local economy and brings value to the area. Only in cases where the local supplier market cannot meet the demand other national, European or global suppliers are used.

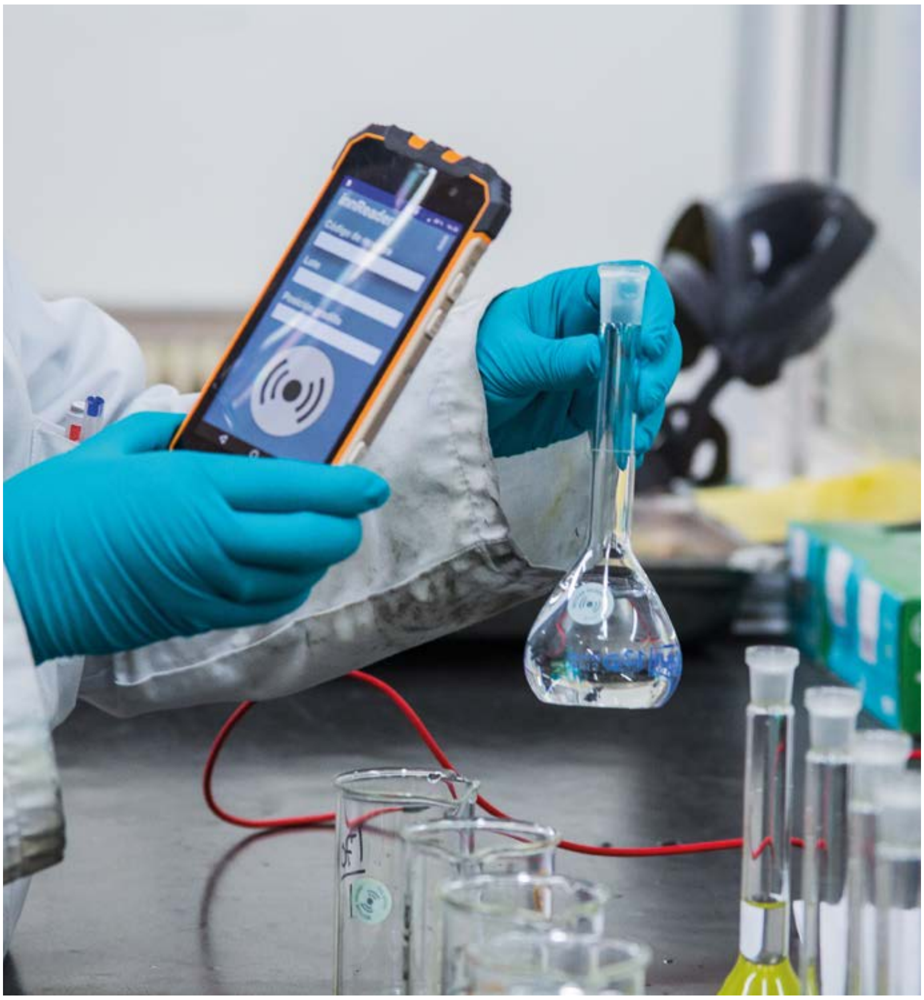
The management approach to the relationship with customers is part of the ISO 9001:2015 management system, which allows us to assess satisfaction with regard to meeting requirements and expectations, implement systems to manage complaints, incidents and claims and ensure that they are resolved.

In 2022, all objectives relating to customer contract specifications and delivery times were met. On specific occasions, if any element deviated from these specifications, the company was informed sufficiently in advance to avoid any incident.

5.7
Innovation and technology

Innovation and the development of new technologies provide an opportunity for Atalaya to maintain and improve its competitiveness and adopt the best practices in the copper market.

To efficiently manage these efforts, the Company has created a specific working group composed of representatives from different departments. This group meets monthly to discuss potential developments, national and European projects and consortia for our membership, among other initiatives to deploy the Company's innovation strategy.



Innovation, research and development

Atalaya is committed to bringing technology and innovation together to improve our operations. Technology advances help us achieve not only operational objectives but also our goals to create a safe and healthy workplace and a more sustainable business. One proof of this is the implementation of 'Minerva #Smartgeocontrol', a surveillance platform that allows greater foresight and prevention of potential risks in real-time and remotely, avoiding human error and potential personnel and material damage, minimising environmental damage.

Digitalisation and new technologies

For Atalaya Mining's business, it is essential to use Information and Technology (IT) resources to provide information at all levels.

Likewise, for the organisation to achieve its objectives, it is necessary to guarantee minimum downtime, both in its IT resources and in communications; in this way, it is possible to maintain an efficient contingency in all operational areas. Consequently, Atalaya Mining plc has implemented a Contingency and Cybersecurity Plan to protect the Company from these risks. This plan includes annual security audits by a specialised external company.

06

Corporate Governance Report

CONTENT 06:

6.1

Board of Directors

The Group and the Company give special attention to the application of sound corporate governance policies, practices and procedures. Corporate Governance is the set of procedures followed for the proper management and administration of the Group. Corporate Governance governs the relationship between the shareholders, the Board of Directors and the management team of the Company.

Board structure

Audit and Financial Risk Committee ("AFRC")

Summary of Committee Responsibilities	Directors
✓ Reviews and monitors financial statements ✓ Reviews Company's public disclosure of financial information ✓ Reviews estimates and judgements that are material to reported financial information ✓ Oversees the auditors' arrangements and performance ✓ Reviews internal and external risks of the Company and internal controls	Dr. Hussein Barma (Chair) Mr. Roger Davey Mr Neil Gregson

Nomination and Governance Committee

Summary of Committee Responsibilities	Directors
✓ Succession planning for the Board and Management ✓ Lead the process for Board appointments ✓ Reviews Corporate Governance of Atalaya and practices, independence, charters' review, and structure	Mr. Neil Gregson (Chair) Mrs. Kate Harcourt Mr. Stephen Scott

Physical Risk Committee ("PRC")

Summary of Committee Responsibilities	Directors
✓ Oversees safety, health, environment and security matters of the Company ✓ Oversees enterprise-wide physical risk management ✓ Reviews compliance with legal and regulatory obligations relating to safety, health, and the environment	Mr. Stephen Scott (Chair) Mr. Neil Gregson Mr. Jesus Fernandez Mr. Roger Davey

Remuneration Committee

Summary of Committee Responsibilities	Directors
✓ Reviews Directors' compensation and performance ✓ Compensation and performance of officers of Atalaya	Mr. Neil Gregson (Chair) Mrs. Kate Harcourt Mr. Stephen Scott

Sustainability Committee

Summary of Committee Responsibilities	Directors
✓ - Oversees the strategy and activities related to sustainable development and social responsibility ✓ - Develop and review regularly the policies, programmes, practices, targets and initiatives of the Group relating to Sustainability matters	Ms. Kate Harcourt (Chair) Dr. Hussein Barma Mr. Roger Davey

Directors

The names and particulars of the qualifications and experience of each director are set out below. During 2022 one Non-independent Director stepped down and was replaced by one independent Director. In accordance with the Company's Articles of Association, one-third of the Board of Directors must resign each year. All the Directors will resign at the next AGM and offer themselves for re-election.

Roger Davey

Non-executive Chair of the Board

Mr. Davey has over forty years' experience in the mining industry. Previous employment included Assistant Director and Senior Mining Engineer at NM Rothschild & Sons; Director, Vice President and General Manager of AngloGold's subsidiaries in Argentina; Operations Director of Greenwich Resources Plc, London; Production Manager for Blue Circle Industries in Chile; and various production roles from Graduate Trainee to Mine Manager, in Gold Fields of South Africa (1971 to 1978). Mr. Davey is currently a director of Highfield Resources Ltd., Central Asia Metals plc and Tharisa plc.

Mr. Davey is a graduate of the Camborne School of Mines, England (1970), with a Master of Science degree in Mineral Production Management from Imperial College, London University, (1979) and a Master of Science degree from Bournemouth University (1994). He is a Chartered Engineer (C.Eng.), a European Engineer (Eur. Ing.) and a Member of the Institute of Materials, Minerals and Mining (MIMMM).

Mr. Davey is the Chair of Atalaya's Board of Directors and a member of the Audit & Financial Risk Committee, the Physical Risk Committee and the Sustainability Committee

Mr. Davey is the Chair of Atalaya's Board of Directors and a member of the Audit & Financial Risk Committee, the Physical Risk Committee and the Sustainability Committee.

Name	Roger Davey
Role	Chair Independent
Years of service	Since May 2010
Executive	Non-executive director
Time commitment	At least 75% of meetings scheduled
Skills	
Mining experience, operations, processing, exploration, Capital markets, UK Market, International business, leadership, strategic, fund raising, M&A, governance, project management.	

Alberto Lavandeira

Managing Director and Chief Executive Officer

Mr. Lavandeira brings over forty years of experience operating and developing mining projects. He is a graduate of the University of Oviedo, Spain with a degree in Mining Engineering.

Formerly, he was President, CEO and COO of Rio Narcea Gold Mines which built three mines including Aguablanca and El Vallés-Boinas in Spain and Tasiast in Mauritania. He was also involved in the key stages of development of the Mutanda mine in the Democratic Republic of Congo. Earlier in his career, Mr. Lavandeira worked within group companies of Anglo American, Rio Tinto and Cominco (now Teck).

Mr. Lavandeira joined Atalaya in 2014. He is currently a director of Black Dragon Gold Corp.

Name	Alberto Lavandeira
Role	Non-Independent - Chief Executive Officer
Years of service	Since May 2014
Executive	Executive
Time commitment	100%
Skills	
Mining experience, operations, processing, exploration, commercial, capital market, international business, leadership, strategic, fund raising, M&A, governance, project management, permitting, government relations, CEO, sustainability.	

Dr. Hussein Barma
Non-executive Director

Dr. Barma is a chartered accountant and qualified lawyer by background with over 20 years' experience in senior positions in the mining sector. He brings to Atalaya deep experience in accounting, internal control, governance, risk management, and compliance. He has significant FTSE-50 senior executive experience, gained over 15 years at Antofagasta plc, where he led its UK presence through a period of change and growth as the UK-based chief financial officer. He has also had earlier careers in professional services and academia. He is a non-executive Director of Chaarat Gold Holdings Limited and Fidelity Asian Values PLC. He is also a principal at Barma Advisory where he has worked on various assignments within the natural resources and other sectors and an independent Governor of the University of the Arts London.

Dr. Barma is the Chair of the Audit and Financial Risk Committee, and a member of the Sustainability Committee.

Name	Hussein Barma
Role	Chair of the AFRC Independent
Years of service	Since Sep 2015
Executive	Non-executive director
Time commitment	At least 75% of meetings scheduled
Skills	
Mining experience, Corporate finance, finance and accounting, legal, UK Market, capital market, international business, leadership, strategic, fund raising, M&A communications, sustainability.	

Neil Gregson
Non-executive Director

Mr. Gregson has over 30 years' experience of investing in mining and oil and gas companies. From 2010 to 2020 he was a Managing Director at J.P. Morgan Asset Management where, as a member of the equity team, he was a portfolio manager investing in mining and energy companies globally. Prior to that, from 1990 to 2009 he was Head of Emerging Markets and Related Sector Funds (including natural resource funds) at Credit Suisse Asset Management. Mr. Gregson previously held various positions at mining companies, including a role as a mining investment analyst at Gold Fields of South Africa.

Mr. Gregson has a BSc (Hons) Mining Engineering from Nottingham University. He became an associate of the Institute of Investment Management and Research of London in 1994. He holds a Diploma in Business Management from Damelin College, Johannesburg (1988) and a Mine Managers Certificate of Competency, South Africa (1985).

Mr. Gregson is the Chair of the Remuneration Committee, Chair of the Nomination and Governance Committee, member of the Physical Risk Committee and member of the Audit and Financial Risk Committee.

Name	Neil Gregson
Role	Chair of the RC and NGC Independent
Years of service	Since Feb 2021
Executive	Non-executive director
Time commitment	At least 75% of meetings scheduled
Skills	
Mining experience, Corporate finance, finance, legal, UK Market, capital market, international business, leadership, strategic, fund raising, M&A communications, sustainability.	

Jesus Fernandez
Non-executive Director

Mr. Fernandez is head of mergers and acquisitions for Trafigura. He joined Trafigura in 2004 and has significant experience in the mergers and acquisitions field and providing financing solutions for mining companies. He established the Trafigura Group's mining investment arm in 2005. He also acts as principal for Galena Private Equity Resources Fund and is a Board member of a number of companies including Trafigura Group's mining division and Bowie Resources Partners.

Prior to joining Trafigura he worked in the project finance team at International Power plc in London. Mr. Fernandez has a Master of Science degree (Finance and Investment) from the University of Exeter and a Licenciatura (Economics degree) from the Universidad de Cantabria, Spain.

Mr. Fernandez is member of the Physical Risk Committee.

Name	Jesus Fernandez
Role	Non-Independent
Years of service	Since Jun 2015
Executive	Non-executive director
Time commitment	At least 75% of meetings scheduled
Skills	
Mining experience, Capital market, UK Markets, International business, corporate finance, finance and accounting, legal, leadership, strategic, fund raising, M&A, governance.	

Harry Liu

BSc. Economics - Non-executive Director

Mr. Liu is the advisor of the board of Shandong Xiangguang Copper Group at in Shandong of China, one of the largest Chinese copper smelting, refining and fabricating companies.

Mr. Liu has held a number of senior management and marketing positions in the mineral and financial industries in Shanghai and Hong Kong, including roles as Marketing Manager at BHP Billiton Marketing AG and Director at BNP Paribas Asia.

Mr. Liu graduated with a Bachelor´s Degree in Economics from Zhejiang University in Zhejiang Province, China.

On 24 March 2022, the Company announced that Mr. Liu stepped down as an Independent Non-Executive Director.

Name	Harry Liu
Role	Non-Independent
Years of service	Since Oct 2010
Executive	Non-executive director
Time commitment	At least 75% of meetings scheduled
Skills	
Commodity trading and financing, capital market, international business, leadership, strategic, fund raising, M&A, governance, project management, permitting.	

Kate Harcourt

Non-executive Director

Mrs. Harcourt has extensive experience as independent sustainability consultant, including ESG Officer and ESG Adviser, at a range of UK-linked mining companies, including Cornish Lithium and Adriatic Metals, and has participated in several due diligence projects for mining assets as part of a multidisciplinary team. Prior to 2010, was Director of Health, Safety, Environment, Communities and Securities at Mag Industries, Senior Environmental Scientist at Golder Associates (UK) Ltd, Senior Environmental Scientist at Wardell Armstrong and Environmental Scientist at SRK (UK) Ltd. Mrs. Harcourt also sits on the board of Fortuna Silver Mines and Orezone Gold Corporation.

Mrs. Harcourt is the Chair of the Sustainability Committee, a member of the Remuneration Committee and a member of the Nomination and Governance Committee.

Name	Kate Harcourt
Role	Chair of the SC Independent
Years of service	Since May 2022
Executive	Non-executive director
Time commitment	At least 75% of meetings scheduled
Skills	
Mining experience, sustainability, health, safety, environment.	

Stephen Scott

Non-executive Director

Mr. Scott is President and CEO of Entree Resources Limited. 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 the Rio Tinto Group (2000-2014). Mr. Scott is an experienced public company director.

Mr. Scott is the Chair of the Physical Risk Committee, a member of the Remuneration Committee and a member of the Nomination and Governance Committee.

Name	Steve Scott
Role	Chair of the PRC Independent
Years of service	Since Sep 2015
Executive	Non-executive director
Time commitment	At least 75% of meetings scheduled
Skills	
Mining experience, operations, processing, exploration, capital market, international business, leadership, strategic, fund raising, M&A, governance, project management, permitting, CEO.	

Management

Alberto Lavandeira

Managing Director and Chief Executive Officer

Mr. Lavandeira brings over forty years of experience operating and developing mining projects. He is a graduate of the University of Oviedo, Spain with a degree in Mining Engineering.

Formerly, he was President, CEO and COO of Rio Narcea Gold Mines which built three mines including Aguablanca and El Vallés-Boinas in Spain and Tasiast in Mauritania. He was also involved in the key stages of development of the Mutanda mine in the Democratic Republic of Congo. Earlier in his career, Mr. Lavandeira worked within group companies of Anglo American, Rio Tinto and Cominco (now Teck).

Mr. Lavandeira joined Atalaya in 2014. He is currently a director of Black Dragon Gold Corp.

Name:
Alberto Lavandeira

Role:
Chief Executive Officer

Years of service:
Since May 2014

Executive:
Executive

Time commitment:
100%

Skills:
Mining experience, operations, processing, exploration, commercial, capital market, international business, leadership, strategic, fund raising, M&A, governance, project management, permitting, government relations, CEO, sustainability.

Cesar Sanchez

Chief Financial Officer

Former CFO of companies in mining and financial sectors; including CFO of Iberian Minerals Corp. with copper assets in Spain and Peru performing equity and debt raisings. Worked for Ernst & Young as financial advisor and auditor. Qualified accountant, holds a business administration degree.

He is a graduate of the University of Sevilla, Spain with courses in Dublin City University and ESIC.

Name:
Cesar Sanchez

Role:
Chief Financial Officer

Years of service:
Since June 2016

Executive:
Executive

Time commitment:
100%

Skills:
Mining experience, Capital markets, Canada and UK Markets, International business, Corporate finance, finance and accounting, legal, leadership, strategic, fund raising, M&A, governance.

Enrique Delgado

Operations - General Manager Proyecto Riotinto

Former CEO of Tharsis Mining has also performed as director of Metallurgy and Environment at Cobre Las Cruces Mine (First Quantum) both in Spain. With First Quantum also participated in the start-up of Kansanshi Mine smelter in Zambia. Started his career as metallurgist in Riotinto Mine and later with Freeport McMoRan, at Atlantic Copper smelter in Huelva, Spain.

He is a graduate of the University of Sevilla, Spain and Master of Senior Management of Leading Companies of the San Telmo International Institute of Sevilla, Spain.

Name:
Enrique Delgado

Role:
Operation General Manager Proyecto Riotinto

Years of service:
Since May 2019

Executive:
Executive

Time commitment:
100%

Skills:
Mining experience, operations, processing, exploration, international business, leadership, strategic, governance, project management and permitting.

Board Appointments

The Board is appointed by the shareholders and Directors are chosen based on their skill, experience and expertise. Directors are always expected to be ambassadors for the Company and reflect their values and work ethic. They are also expected to devote substantial time to research and preparation before each meeting to ensure that the Company is going in the right direction.

Director Induction

When appointed, new Directors are provided with an induction programme including meetings with other Directors, members of the senior management team and the Company's professional advisors. They are also briefed on their responsibilities under AIM. New Directors are also provided with an opportunity to visit the Company's operations in Spain to understand how Atalaya works on-site.

The Company requires its Directors to keep themselves professionally up-to-date and familiar with its articles and charters.

Director Independence

The Board will be composed of at least **the same number of independent Directors** (in accordance with applicable securities laws and stock exchange rules) **as non-independent, non-executive Directors**. The Nomination and Governance Committee will determine whether a member of the Board, or nominee to the Board, is an independent Director. If at any time less than half of the non-executive Directors are independent, the Board shall take steps to rectify this and ensure that the composition of the Board returns to having at least half independent Directors. If at any time the Chair of the Board is not independent, the Board shall consider possible steps and processes to ensure that leadership is provided for the Board's independent Directors.

This ensures that all Board discussions or decisions have the benefit of outside views and experience, and that at least half of the non-executive Directors are free of any interests or influences that could or could reasonably be perceived to materially interfere with the Director's ability to act in the best interests of the Company.

At least annually, the Board shall, with the assistance of the Nomination and Governance Committee, determines the independence of each director and the independence of each Audit and Financial Risk Committee member.

In the opinion of the Board, all Directors should bring specific skills and experience that add value to the Company. The balance of skills and experience of the Board is to be regularly reviewed by the Nomination and Governance Committee .

When considering the potential reappointment of an existing Director, the Board will consider the individual's performance as well as the skills and experience mix required by the Board in the future.

When considering vacancies, the Board will consider a candidate's capacity to enhance the mix of skills and experience of the Board.

Role of the Board

The Board has a duty to supervise the management of the business and affairs of the Company. The Board directly and with the Chair provide direction to senior management, generally through the CEO, to pursue the best interests of the Company.

The Board has the final responsibility for the successful operations of the Company. The Board must ensure that management has in place appropriate processes for strategic planning and risk assessment, management and internal control and monitor performance against benchmarks. The Board must also ensure that the Company complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body.

The Board is responsible for guiding and monitoring the business and the affairs of the Company. The Company recognises the importance of the Board in providing a sound base for good corporate governance in the operations of the Company. The Board must at all times act honestly, fairly and diligently in all respects in accordance with the law applicable to the Company. Furthermore, the Board will at all times act in accordance with all Company policies in force.

Each of the Directors, when representing the Company, must act in the best interests of shareholders of the Company and in the best interests of the Company as a whole.

Highlights of the Board for this Year

Atalaya has had eight Board meetings in which a wide array of subjects was dealt with. When needed, its professional advisors are invited to attend meetings to provide input into legal and financial matters.

Atalaya has also four Physical Risk Committee meetings, five Audit and Financial Risk Committee meetings, six Corporate Governance, Nominating Committee meetings, one Compensation Committee meetings and one sustainability Committee meeting.

These committee meetings were held to deal with specifics and then a summary of those meetings was reported to the Board of Directors. A summary of the topics discussed at Board and Committee meetings included:

» On 1 November 2022, the Company announced the establishment of the Sustainability Committee and the members of each of the five committees.

» Health and safety, reporting of accidents and reviewing policy to look for improvements including giving the go ahead on a restructuring of the safety department.

» Operational, discussed all the operational information and data.

» Financial, reviewed figures such as cost, capital investment, budgets, etc.

» Quarterly reports, annual report and other deliverables to the Market.

» Re-election of Directors.

» Board and committees' performance.

» Monitoring of expansion, review of growth opportunities/acquisitions.

» Dividends policy.

The Board would like to thank the committees that have helped the Board reach its conclusions.

The Role of Individual Directors

As members of the Board, Directors have ultimate responsibility for the Company's overall success. Therefore, Directors have an individual responsibility to ensure that the Board is undertaking its responsibilities as set out in the Board charters.

Directors need to ensure the following:

» Leadership of the Company, particularly in the areas of ethics and culture including a clear and appropriate strategic direction.

» Accountability to key stakeholders, particularly shareholders.

» Oversight of all control and accountability systems including all financial operations and solvency, risk management and compliance.

» An effective senior management team and appropriate personnel policies; and

» timely and effective decisions on matters relating to it.

It is also expected that the Directors comply with the following:

» Behaving in a manner consistent with the words and spirit of the Code of Conduct.

» Making reasonable efforts to attend all meetings of the Board, the annual general meeting of shareholders of the Company and of all the Board committees upon which they serve. Subject to extenuating circumstances, Directors are expected to attend at least 75% of regularly scheduled Board and committee meetings. The NGC will review the circumstances that prevent any director from achieving the minimum level and report its findings to the Board.

» Addressing issues in a confident, firm and friendly manner but also ensure that others are given a reasonable opportunity to put forward their views.

» Preparing thoroughly for each Board or Committee event.

» Using judgement, common sense and tact when discussing issues.

Lastly Directors will keep confidential all Board discussions and deliberations. Similarly, all confidential information received by a Director in the course of the exercise of the Director's duties remains the property of the Company and is not to be discussed outside the boardroom. It is improper to disclose it, or allow it to be disclosed, without appropriate authorisation.

Chair's Role

The Chair is considered the "lead" Director and utilises his/her experience, skills and leadership abilities to facilitate the governance processes. The Chair will be selected on the basis of relevant experience, skill and leadership abilities.

The **responsibilities** of the Chair include but is not restricted to:

» Chair Board, annual and extraordinary meetings;

» Set Board agendas and ensure that the meetings are effective and follow the agenda;

» Ensure that the decisions are implemented promptly;

» Ensure that the Board behaves in accordance with the Company´s code of conduct

» The primary spokesperson and channel of communication for the Company in the annual general meeting and in all public relation activities;

» To be kept informed by the CEO and other senior management which may be relevant to Directors in their capacity as Directors;

» Ensures Directors devote sufficient time to their tasks

The Board monitors and promotes corporate culture with frequent contact via senior management and the CEO. Management and CEO report the state of the culture to the Board and include any recommendations they have.

The Role of the CEO

The CEO is responsible for the attainment of the Company's goals and vision for the future, in accordance with the strategies, policies, programmes and performance requirements approved by the Board. The position reports directly to the Board.

The CEO's primary objective is to ensure the ongoing success of the Company through being responsible for all aspects of the management and development of the Company. The CEO is of critical importance to the Company in guiding the Company to develop new and imaginative ways of winning and conducting business. The CEO must have the industry knowledge and credibility to fulfil the requirements of the role.

The CEO will manage a team of executives responsible for all functions contributing to the success of the Company.

The **tasks of the CEO shall include** but not restricted to:

» Develop with the Board, implement and monitor the short- medium- and long-term strategic and financial plans for the Company to achieve the Company's vision and overall business objectives;

» Develop all financial reports, and all other material reporting and external communications by the Company, including material announcements and disclosure, in accordance with the Company's Shareholder Communication Policy;

» Manage the appointment of the Chief Operating Officer ("COO"), CFO, Company Secretary and other specific senior management positions;

» Develop, implement and monitor the Company's risk management practices and policies;

» Consult with the Chair and the Company Secretary in relation to establishing the agenda for Board meetings;

» Agree with the Chair their respective roles in relation to all meetings (formal and informal) with shareholders and all public relations activities;

» Be the primary channel of communication and point of contact between members of senior management and the Board (and the Directors);

» Keep the Chair fully informed of all material matters which may be relevant to the Board and its members, in their capacity as Directors;

» Provide strong leadership to, and effective management of, the Company in order to:

» Encourage co-operation and teamwork, build and maintain staff morale at a high level and build and maintain a strong sense of staff identity with, and a sense of allegiance to, the Company;

» Advise the Board on the most effective organisational structure and overseeing its implementation;

» Establishing and maintaining effective and positive relationships with Board members, shareholders, customers, suppliers and other government and business liaisons;

» Carry out the day-to-day management of the Company.

The Role of Company Secretary

The Company Secretary is charged with facilitating the Company's corporate governance processes and so holds primary responsibility for ensuring that the Board processes and procedures run efficiently and effectively. The Company Secretary is accountable to the Board, through the Chair, on all governance matters and reports directly to the Chair as the representative of the Board. The Company Secretary is appointed and dismissed by the Board and all Directors have a right of access to the Company Secretary.

The **tasks of the Company Secretary** shall include but not restricted to:

» Notifying the Directors in writing in advance of a meeting of the Board as specified in the Constitution and the Board Charter;

» Recording, maintaining and distributing the minutes of all Board and Board Committee meetings as required;

» Preparing for and attending all annual and extraordinary general meetings of the Company;

» Overseeing the Company's compliance programme and ensuring all Company legislative obligations are met;

» Ensuring all requirements of regulatory bodies are fully met; and providing counsel on corporate governance principles and Director liability.

Board Diversity and Balance

Atalaya recognises the need to have a diverse board so that varying points of view can be brought to the board table. It ensures its Directors are well qualified and have a range of different skills and experience, with a good international mix to meet the requirements of operating in a global industry.

	Executive	Gender	Nationality	Years of service
R. Davey	Independent Non-executive Chair	Male	British	Since May 2010
A. Lavandeira	Chief Executive Officer	Male	Spanish	Since May 2014
H. Barma	Independent Non-executive Director	Male	British	Since Sep 2015
J. Fernández	Non-executive Director	Male	Spanish	Since Jun 2015
H. Liu	Non-executive Director	Male	Chinese	Oct 2010 to 24 March 2022
S. Scott	Independent Non-executive Director	Male	Canadian	Since Sep 2015
N. Gregson	Independent Non-executive Director	Male	Australian	Since Feb 2021
K. Harcourt	Independent Non-executive Director	Female	British	Since May 2022

Board Meetings and Attendance

The Board and Directors do not have fixed time requirements. They are expected to attend all meetings and be sufficiently prepared with all issues that arise.

Atalaya's decisions are predominantly made by achieving a consensus at Board meetings. In exceptional circumstances, decisions may be taken by the majority of Board members.

All Directors are required to take decisions objectively and in the best interests of the Company. As part of their duties as Directors, non-executive Directors are expected to apply independent judgement to contribute to issues of strategy and performance and to scrutinise the performance of management.

The Board is scheduled to meet at least 8 times a year, and at such other times as are necessary to discharge its duties. The Board met a total of 8 times in 2022. Meetings occurred in person and by teleconference.

	BoD		AFRC		SC		PRC		NGC		RC	
	Total	Attended	Total	Attended	Total	Attended	Total	Attended	Total	Attended	Total	Attended
R. Davey	8	**8**	5	**5**	1	**1**	4	**4**	5	**5**	-	**-**
A. Lavandeira	8	**8**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**
H. Barma	8	**8**	5	**5**	1	**1**	-	**-**	5	**5**	-	**-**
J. Fernández	8	**6**	-	**-**	-	**-**	1	**-**	-	**-**	-	**-**
H. Liu	3	**3**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**
Neil Gregson	8	**7**	2	**2**	-	**-**	4	**4**	1	**1**	1	**1**
S. Scott	8	**8**	3	**3**	-	**-**	4	**4**	6	**6**	1	**1**
K. Harcourt	4	**4**	-	**-**	1	**1**	-	**-**	1	**-**	1	**-**

Board evaluation

The Remuneration Committee determines the compensation of the directors of Atalaya, reviews the compensation of the CEO and approves the compensation of the other officers of Atalaya as recommended by the CEO. The Remuneration Committee approves the Company´s compensation policy as regards base, short-term and long-term incentivisation and ensure that the Company can recruit and retain high quality Executives. The Nomination and Governance Committee identifies potential candidates to become members of the Board and fulfils the Board´s statutory and fiduciary responsibilities with respect to corporate governance and integrity. Meetings of the Committees are held not less than three times year to enable the Committee to undertake its role effectively.

Conflict of interest

Where an individual's private interests are at variance in any way with the interests of the Company as a whole, a conflict of interest exists. Further, a conflict of interest can be seen to exist where a staff member or family member of staff, has a direct or indirect financial interest in, or receives any compensation/other benefit from, any individual or firm. Directors of the Company shall disclose in writing conflicts of interest to the Board or request to have entered in the minutes of meetings of the Board the nature and extent of such interest.

Share dealing and insider trading

Pursuant to Rule 21 of the AIM Rules for Companies, the Company must have in place a reasonable and effective dealing policy setting out the requirements and procedures for dealings in the Company's securities. AIM Rule 21 sets out the minimum provisions which the dealing policy must contain. A Person Discharging Managerial Responsibilities ("PDMR") (any person who is member of the administrative, management or supervisory body of the Company or an Officer of the Company) may not deal in any securities, on his or her own account or for the account of a third party, directly or indirectly, during: a close Period; or at any time when he or she is in possession of Inside Information; or otherwise, where clearance to deal is not given under the Clearance to Deal policy.

Summary of the provisions of the Criminal Justice Act 1993 and the Market Abuse Regulation (596/2014/EU): In addition to the rules set out in this Policy, there are two principal pieces of legislation that PDMRs must be aware of when dealing in both the securities of the Company and securities in general. The Criminal Justice Act contains a criminal offence of insider dealing and Market Abuse Regulation covers market abuse. In broad terms, there are three insider dealing offences: dealing when in possession of inside information, encouraging another person to deal when in possession of inside information; and disclosing inside information otherwise than in the proper performance of the functions of the job. Inside information is information, which is not public, relates to the securities in a company, and if it were publicly known would have a significant effect on the price of the shares/securities of that company. This may include information about the Company, but it may also include confidential information regarding the intentions or prospects of someone the Company deals with or a competitor of the Company.

Compliance

The Audit and Financial Risk Committee is responsible for assisting the Board in overseeing the independence of the external auditors and fulfilling the Boards' statutory and fiduciary responsibilities relating to the compliance of financial reporting, reviewing and assessing the Company's business and financial risk management process, including the adequacy of the overall internal control environment and controls in selected areas representing significant risk; and external Audit.

During the year 2022 there have not been identified any material instances of non-compliance by the Company.

Information technology governance

The Board assumes the responsibility for risks related to the information technology ("IT") systems and cyber security. The IT department implements procedures to avoid or solve any potential IT business impact.

Internal control system

The Directors have overall responsibility for the Group's internal control and effectiveness in safeguarding the assets of the Group. Internal control systems are designed to reflect the particular type of business, operations and safety risks and to identify and manage risks, but not to eliminate all risks completely to which the business is exposed. As a result, internal controls can only provide a reasonable, but not absolute, assurance against material misstatements or loss.

The processes used by the Board to review the effectiveness of the internal controls are through the Audit and Financial Risk Committee and the senior management, reporting to the Board on a regular basis where business plans and budgets, including investments are appraised and agreed. The Board also seeks to ensure that there is a proper organisational and management structure with clear responsibilities and accountability. It is the Board's policy to ensure that the management structure and the quality and integrity of the personnel are compatible with the requirements of the Group.

The Board attaches importance to maintaining good relationships with all its shareholders and ensures that all price sensitive information is released to all shareholders at the same time in accordance with AIM rules. The Company's principal communication with its investors is through the annual report and accounts, the quarterly statements and press releases issued as material events unfold.

Code of business ethic and conduct

The Company is dedicated to delivering outstanding performance for investors, customers, consumers and its Staff. The Company aspires to be the leader in its field while operating openly, with honesty, integrity and responsibility and maintaining a strong sense of corporate social responsibility. In maintaining its corporate social responsibility, the Company will conduct its business ethically and according to its values, encourage community initiatives, consider the environment and ensure a safe, equal and supportive workplace.

Atalaya is committed to delivering value to its shareholders and to representing the Company's growth and progress truthfully and accurately. The Company also complies with the spirit as well as the letter of all laws and regulations that govern shareholders' rights.

The Company is committed to safeguarding the integrity of financial reporting and as such will openly promote and instigate a structure of review and authorisation designed to ensure the truthful and factual presentation of the Company's financial position. The Company will prepare and maintain its accounts fairly and accurately in accordance with the accounting and financial reporting standards that represent the generally accepted guidelines, principles, standards, laws and regulations of the countries in which the Company conducts its business.

Modern slavery and human trafficking

The Group is committed in respect of working conditions and to removing potential modern slavery risks relating to the business. Atalaya ensures that there is no slavery or human trafficking further along its supply chain and/or in any part of its business.

Anti-bribery and corruption policy

It is Atalaya´s policy to conduct all of its business in an honest and ethical manner and it takes a zero-tolerance approach to bribery and corruption. As Atalaya is a UK listed company, it ensures compliance with the UK Bribery Act 2010 (the "Bribery Act").

The Anti-bribery and corruption policy applies to all directors, officers, consultants, temporary workers and employees of the Group and any other person performing services for the Group or on its behalf, e.g., due to a contractual relationship, including but not limited to distributors, contractors, agents, joint venture and business partners, and other intermediaries.

Investor relations

The senior management of Atalaya is committed to having regular interaction with investors on the performance of the Group through presentations and meetings. A broad range of documentation and information for investors is available on the Company´s website www.atalayamining.com and it is updated on a regular basis.

2023 Annual General Meeting

Atalaya's AGM will be held on 22 June 2023 at 2:00pm in London (United Kingdom). The business of the meeting will be conducted in accordance with regulatory requirements and standards. The Chair of the Board and the Chairs of the Committees will be available to answer questions put to them by shareholders at the meeting.

NGC

Nomination and Governance Committee

Members	Attendance
Roger Davey	5/5
Neil Gregson (Chair)	1/1
Kate Harcourt	0/1
Hussein Barma	5/5
Stephen Scott	6/6

The Role of the Nomination and Governance Committee

The Company's Nomination and Governance Committee ("NGC") is, among other things, responsible for reviewing the performance of the executives, setting their remuneration, determining the payment of bonuses, considering the grant of options under any share option scheme and, in particular, the price per share and the application of performance standards which may apply to any such grant.

Remuneration arrangements are aligned to support the implementation of the Company strategy and effective risk management for the medium to long-term. The remuneration committee ensures that this is done and considers the views of shareholders.

The Committee makes recommendations for Board review. The Committee shall have such powers and duties as may be conferred on it from time to time by resolution of the Board. In addition, the Committee shall have the following specific functions and **responsibilities**:

- The Committee shall periodically review and, if advisable, approve and recommend for Board approval the compensation paid to Directors.
- At least annually, and prior to the nomination or appointment of potential candidates, the Committee shall review the competencies, skills, experience and areas of expertise of the Board on an individual and collective basis. Based on this review, the Committee shall identify areas where additional competency, skill, experience or expertise would be of benefit to Atalaya Mining.
- As required, the Committee shall identify and, if advisable, recommend to the Board for approval, potential candidates for nomination or appointment to the Board having regard to the results of the review referred to above. The Board should consider whether or not each new nominee can devote sufficient time and resources to his or her duties as a Committee member.
- The Committee shall periodically assess the contribution and effectiveness of the Board, the Directors, each Board Committee and the Chair of the Board against their respective mandate, charters or other criteria the Committee considers appropriate. The Committee shall report its findings to the Board and, based on those findings, recommend any action plans that the Committee considers appropriate.
- The Committee shall oversee the development of any orientation programmes for new Directors. The Committee shall periodically review any such programme and approve changes it considers appropriate.
- The Committee shall periodically review Atalaya Mining's corporate governance practices and policies. As part of its review, the Committee shall take regulatory requirements and best practices, including the UK Corporate Governance Code and QCA guidelines, into account. The Committee shall report the results of its review, including any recommended changes to existing practices, to the Board in a timely manner.

- The Committee will also establish and maintain a complaints programme to facilitate (1) the receipt, retention and treatment of complaints received by the Company regarding its Accounting Standards, violations of the Code of Business Conduct and Ethics and the Anti-Bribery and Corruption Policy, breaches in compliance with applicable laws including relating to health and safety or the environment and (2) the confidential, anonymous submission by employees of the Company of any complaints made in these areas.
- At least annually, the Committee shall evaluate each Director and each Audit and Financial Risk Committee member against the independence criteria established by the UK Corporate Governance Code and report the results to the Board.
- The Committee shall review, in conjunction with management, the corporate governance disclosure for Atalaya Mining's annual report, notice of shareholders meetings and other regulatory and shareholder reports.
- The Committee shall periodically review and, if advisable, approve and recommend for Board approval performance goals for the CEO in light of the Company's corporate goals and objectives.
- The Committee shall periodically evaluate the performance of the Chief Executive Officer in relation to his or her performance goals. The Chief Executive Officer evaluation shall be conducted in conjunction with the Chair of the Board and shall be presented to the Board for its review.
- The Committee shall periodically review, and, if advisable, approve and recommend for Board approval the Chief Executive Officer's compensation package. The compensation package recommendation shall be based on the CEO's evaluation, as well as other factors and criteria as may be determined by the Committee from time to time.
- The Committee shall, as required, review and, if advisable, approve and recommend for Board approval, the appointment, compensation and other terms of employment of all senior management reporting directly to the CEO.
- The Committee shall periodically review and, if advisable, approve and recommend for Board approval, a succession and emergency preparedness plan for all senior management reporting directly to the CEO. Upon the vacancy of such senior management personnel, the Committee may make a replacement recommendation for Board approval based on the succession plan.
- The Committee shall periodically review the Company's existing share option plan and make any recommendations to the Board regarding the plan as it considers advisable. The Committee shall also review any proposed equity compensation grants (other than pursuant to the existing plan), programmes or plans.

The NGC comprises three members all of whom are non-executive and Independent. The current membership of the committee is Mr. N. Gregson (Chair), Mrs. K. Harcourt and Mr. S. Scott.

Corporate Governance

The Directors comply with AIM regulations and Cyprus Company Law. The Board remains accountable to the Company's shareholders for good corporate governance.

2022 Review

The Committee met six times during 2022, covering a number of issues.

Atalaya keeps the balance and membership of its Board under review and no new appointments were made during the year. All Directors were re-elected at the last Annual General Meeting during 2022.

Neil Gregson

Chair of Corporate Governance, Nominating and Compensation Committee

21 March 2023

PRC
Physical Risks Committee

Members	Attendance
Stephen Scott (Chair)	4/4
Neil Gregson	4/4
Roger Davey	4/4
Jesus Fernandez	0/1

The Role of the PRC

The function of the PRC is oversight. It is recognised that members of the PRC who are Non-Executive Directors are not full-time employees of the Company and generally do not represent themselves as experts in the fields of safety, health, environment, security or risk management. As such, it is not the responsibility of the PRC personally to conduct safety, health, environment, security or risk reviews.

Committee members are entitled to rely on Atalaya Mining Management with respect to matters within their responsibility and on external professionals on matters within their areas of expertise.

Committee members may assume the accuracy of information provided by such persons, so long as the members are not aware of any reasonable grounds upon which such reliance or assumption may not be appropriate.

Management is responsible for implementing, managing and maintaining appropriate enterprise-wide safety, health, environment, security and risk management systems, policies and procedures, reporting protocols and internal controls that are designed to ensure compliance with applicable laws and regulations. Management is also responsible for the preparation, presentation and integrity of the information provided to the Committee.

The PRC comprises three members all of whom are non-executive and Independent. The current membership of the committee is Mr. S. Scott (Chair), Mr. R. Davey, Mr. J. Fernandez and Mr. N. Gregson.

2022 Review

The PRC had four meetings in the year which covered a number of issues. These included meetings on site which covered health and safety issues and risk areas. Health and safety are a key priority to ensure a safe working environment for both employees and contractors and the Company is focused on ensuring it meets all regulations and assesses risk factors on a regular basis.

I would like to thank the safety department personnel, in particular, for their contributions and suggestions to continually make our operations safer.

Stephen Scott

Chair of Physical Risks Committee

21 March 2023

AFRC
Audit and Financial Risk Committee

Indemnification of Directors and Officers

During the year, the Company held insurance to indemnify Directors, the Company Secretary and its executive officers against liabilities incurred in the conduct of their duties to the extent permitted under applicable legislation..

Members	Attendance
Hussein Barma (Chair)	5/5
Neil Gregson	2/2
Roger Davey	5/5

The Role of the AFRC

The Company's Audit and Financial Risk Committee ("AFRC") is responsible for ensuring that appropriate financial reporting procedures are properly maintained and reported on, for meeting with the Group's auditors and reviewing their reports on the Group's financial statements and the internal controls and for reviewing key financial risks.

The AFRC is responsible for assisting the Board in overseeing the independence of the external auditors and fulfilling the Boards' statutory and fiduciary responsibilities relating to:

» Financial reporting;

» Reviewing and assessing the Company's business and financial risk management process, including the adequacy of the overall internal control environment and controls in selected areas representing significant risk; and

» External Audit.

To fulfil these functions the AFRC shall have the following duties and **responsibilities**:

» To review the quality and integrity of all published financial statements and reports including the annual Management Discussion and Analysis report (if applicable) and quarterly earnings press releases issued by the Company, prior to the Company publicly disclosing the information, as well as all other material continuous disclosure documents and analysis with a view to making a recommendation to the Board.

» To review estimates and judgements that are material to reported financial information and consider the quality and acceptability of the Company's accounting policies and procedures and the clarity of disclosure in financial statements.

» To ensure compliance by the Company with legal and regulatory requirements related to financial reporting.

» To review and to recommend to the Board the nomination and appointment of the external auditor for the purposes of preparing or issuing an auditors' report or performing other audit, review or attest services and to recommend to the Board the compensation of the external auditor.

» To review the qualifications, performance and independence of the external auditor, to consider the auditor's recommendations and manage the relationship with the auditor, which includes meeting with the external auditor as required in connection with the audit services provided and to review the engagement letter of the external auditor.

- To oversee the work of the external auditor engaged for the purposes of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting.
- To meet with the external auditor to discuss the annual financial report and any transaction referred to in the Board Charter.
- To provide the external auditor with the opportunity to meet with the AFRC without management present at least once per year for the purpose of discussing any issues.
- To review the quality and integrity of the internal controls and accounting procedures of the Company including reviewing the Company's procedures for internal control.
- To identify risks inherent in the business of the Company and to review the Company's risk management procedures.
- To review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company.
- To review any significant, including any pending, transactions outside the Company's ordinary course of business and any pending litigation involving the Company.
- To review and monitor management's responsiveness to external audit findings or any regulatory authority.
- To report to the Board of Directors, who in turn may refer the matter to the Corporate Governance, Nominating and Compensation Committee, any improprieties or suspected improprieties with respect to accounting and other matters that affect financial reporting or the integrity of the business.

In addition, the AFRC shall establish procedures for the receipt, retention and treatment of complaints (including "whistleblowing" complaints) received by Atalaya Mining regarding risk management, legal/regulatory compliance, accounting, internal accounting controls or auditing. This is to include a process for confidential anonymous complaints by employees or other stakeholders.

The AFRC comprises three members all of whom are non-executive and Independent. The current membership of the committee is Dr. H. Barma (Chair), Mr. R. Davey and Mr. N. Gregson. The secretary, CEO and CFO and external auditors also attend in when requested by the Committee.

2022 Review

The AFRC met five times during 2022. Five meetings were timed to coincide with the approval of financial results for publication with one meeting held as a planning meeting for year-end.

During the year, the AFRC maintained regular dialogue with management as well as the external auditors, both within and outside of formal committee meetings. The principal matters considered by the AFRC during the year and in its discussions with management and the external auditors included:

- Review and approval of the quarterly, half yearly and full year financial results.
- The going concern statement in the Management Report above and in Note 2.1(b) to the Financial Statements,.
- Key accounting and audit matters for 2022 including Revenue Recognition.
- An internal evaluation of the AFRC's performance with feedback from board members, senior management and the external auditors.
- A review of the AFRC's Terms of Reference to ensure that it remained fit for purpose and that the AFRC complied with its responsibilities.

Hussein Barma

Chair of Audit and Financial Risk Committee

21 March 2023

RC
Remuneration Committee

Indemnification of Directors and Officers

During the year, the Company held insurance to indemnify Directors, the Company Secretary and its executive officers against liabilities incurred in the conduct of their duties to the extent permitted under applicable legislation.

Members	Attendance
Neil Gregson (Chair)	1/1
Kate Harcourt	0/1
Stephen Scott	1/1

The Role of the RC

The Company's Nomination and Governance Committee ("NGC") is, among other things, responsible for reviewing the performance of the executives, setting their remuneration, determining the payment of bonuses, considering the grant of options under any share option scheme and, in particular, the price per share and the application of performance standards which may apply to any such grant.

Remuneration arrangements are aligned to support the implementation of the Company strategy and effective risk management for the medium to long-term. The remuneration committee ensures that this is done and considers the views of shareholders.

The Committee makes recommendations for Board review. The Committee shall have such powers and duties as may be conferred on it from time to time by resolution of the Board. In addition, the Committee shall have the following specific functions and **responsibilities**:

» The Committee shall periodically review and, if advisable, approve and recommend for Board approval the compensation paid to Directors.

» At least annually, and prior to the nomination or appointment of potential candidates, the Committee shall review the competencies, skills, experience

and areas of expertise of the Board on an individual and collective basis. Based on this review, the Committee shall identify areas where additional competency, skill, experience or expertise would be of benefit to Atalaya Mining.

» As required, the Committee shall identify and, if advisable, recommend to the Board for approval, potential candidates for nomination or appointment to the Board having regard to the results of the review referred to above. The Board should consider whether or not each new nominee can devote sufficient time and resources to his or her duties as a Committee member.

» The Committee shall periodically assess the contribution and effectiveness of the Board, the Directors, each Board Committee and the Chair of the Board against their respective mandate, charters or other criteria the Committee considers appropriate. The Committee shall report its findings to the Board and, based on those findings, recommend any action plans that the Committee considers appropriate.

» The Committee shall oversee the development of any orientation programmes for new Directors. The Committee shall periodically review any such programme and approve changes it considers appropriate.

» The Committee shall periodically review Atalaya Mining's corporate governance practices and policies. As part of its review, the Committee shall take regulatory requirements and best practices, including the UK Corporate Governance Code and QCA guidelines, into account. The Committee shall report the results of its review, including any recommended changes to existing practices, to the Board in a timely manner.

» The Committee will also establish and maintain a complaints programme to facilitate (1) the receipt, retention and treatment of complaints received by the Company regarding its Accounting Standards, violations of the Code of Business Conduct and Ethics and the Anti-Bribery and Corruption Policy, breaches in compliance with applicable laws including relating to health and safety or the environment and (2) the confidential, anonymous submission by employees of the Company of any complaints made in these areas.

» At least annually, the Committee shall evaluate each Director and each Audit and Financial Risk Committee member against the independence criteria established by the UK Corporate Governance Code and report the results to the Board.

» The Committee shall review, in conjunction with management, the corporate governance disclosure for Atalaya Mining's annual report, notice of shareholders meetings and other regulatory and shareholder reports.

» The Committee shall periodically review and, if advisable, approve and recommend for Board approval performance goals for the CEO in light of the Company's corporate goals and objectives.

» The Committee shall periodically evaluate the performance of the Chief Executive Officer in relation to his or her performance goals. The Chief Executive Officer evaluation shall be conducted in conjunction with the Chair of the Board and shall be presented to the Board for its review.

» The Committee shall periodically review, and, if advisable, approve and recommend for Board approval the Chief Executive Officer's compensation package. The compensation package recommendation shall be based on the CEO's evaluation, as well as other factors and criteria as may be determined by the Committee from time to time.

» The Committee shall, as required, review and, if advisable, approve and recommend for Board approval, the appointment, compensation and other terms of employment of all senior management reporting directly to the CEO.

» The Committee shall periodically review and, if advisable, approve and recommend for Board approval, a succession and emergency preparedness plan for all senior management reporting directly to the CEO. Upon the vacancy of such senior management personnel, the Committee may make a replacement recommendation for Board approval based on the succession plan.

» The Committee shall periodically review the Company's existing share option plan and make any recommendations to the Board regarding the plan as it considers advisable. The Committee shall also review any proposed equity compensation grants (other than pursuant to the existing plan), programmes or plans.

Directors’ Emoluments

In compliance with the disclosure requirements of the listing requirements of AIM, the aggregate remuneration paid to the Directors of Atalaya Mining Plc for the year ended 31 December 2022 is set out below:

(Euro 000’s)	Short term benefits			
31 Dec 2022	**Salary & Fees**	**Bonus**	**Incentive options***	**Total**
Executive Directors				
A. Lavandeira	488	357**	426	1,271
Non-executive Directors				
R. Davey	143	-	-	143
H. Barma	96	-	-	96
J. Fernández	72	-	-	72
H. Liu	18	-	-	18
K. Harcourt	42	-	-	42
S. Scott	91***	-	-	91***
N. Gregson	78	-	-	78
	1,028	357	426	1,810

(*) The amount relates to the non-cash expense recognised in accordance with IFRS 2 Share-based payments. On 22 June 2022, the Company granted 400,000 share options to the Executive Director Alberto Lavandeira (see Note 22 to the financial statements).

(**) These amounts related to the performance bonus for 2021 approved by the Board of Directors of the Company during H1 2022. Director’s bonus relates to the amount approved for the CEO as an executive director and key management bonus relates to the amount approved for other key management personnel which are not directors of Atalaya Mining plc. Bonuses for 2020 were approved and paid in H2 2021.

(***) Includes €4k paid to the Canadian Pension Plan.

(Euro 000’s)	Short term benefits			
31 Dec 2021	**Salary & Fees**	**Bonus**	**Incentive options***	**Total**
Executive Directors				
A. Lavandeira	472	438**	321	1,231
Non-executive Directors				
R. Davey	134	-	-	134
D. Barber	18	-	-	18
H. Barma	91	-	-	91
J. Fernández	65	-	-	65
H. Liu	65	-	-	65
J. Sierra López	18	-	-	18
S. Scott	97***	-	-	97***
N. Gregson	59	-	-	59
	1,019	438	321	1,778

(*) The amount relates to the non-cash expense recognised in accordance with IFRS 2 Share-based payments. On 30 June 2021 the Company granted 400,000 share options to the Executive Director Alberto Lavandeira (see Note 22).

(**) These amounts in 2021 related to the performance bonus for 2020 approved by the CGNC Committee of the Company during H1 2021. Director’s bonus relates to the amount approved for the CEO as an executive director.

(***) Includes €7k paid to the Canadian Pension Plan.

Directors' Interests

The interests of the Directors and their immediate families, (all of which are beneficial unless otherwise stated) and of persons connected with them, in Ordinary Shares, as at 31 December 2022 and 2021, are as follows:

Name	2022		2021	
	No. of existing Ordinary Shares	% of issued Share Capital	No. of existing Ordinary Shares	% of issued Share Capital
A. Lavandeira	430,000	0.31%	280,000	0.20%
J. Fernández(1)	30,821,213*	22.03%	30,821,213*	22.30%
H. Liu(2)	-**	-%	31,075,251**	22.48%

(1) Urion Holdings (Malta) Ltd
(2) Yanggu Xiangguang Copper Co. Ltd
(*) Shares held by the companies the Directors represent
(**) 2021 included 369,019 shares held personally by Mr. Liu.

The interest percentage represents the percentage of voting rights.

Directors' Share Options

The Directors to whom options over ordinary shares have been granted and the number of ordinary shares subject to such options (post share consolidation figures) as at the balance sheet date are as follows:

Grant Date	Expiration Date	Exercise Price	A. Lavandeira
29 May 2019	28 May 2024	201.5p	600,000
30 June 2020	29 June 2030	147.5p	400,000
24 June 2021	23 June 2031	309.0p	400,000
22 June 2022	30 June 2027	357.5p	400,000
			1,800,000

There were no further option grants between the balance sheet date and the date of this report.

Options expire five/ten years after grant date and are exercisable at the exercise price in whole or in part up to either (i) half on grant and half on the first anniversary of the grant, or (ii) one third on grant, one third on the first anniversary of grant and one third on the second anniversary of grant.

2022 Review

The Committee met one time during 2022, covering a number of issues.

Atalaya always bases their remuneration packages in comparison with their peers in the mining sector and in companies of similar size and similar financials.

Neil Gregson

Chair of Remuneration Committee

21 March 2023

SC
Sustainability Committee

Indemnification of Directors and Officers

During the year, the Company held insurance to indemnify Directors, the Company Secretary and its executive officers against liabilities incurred in the conduct of their duties to the extent permitted under applicable legislation.

Members	Attendance
Kate Harcourt (Chair)	1/1
Hussein Barma	1/1
Roger Davey	1/1

The Role of the SC

The Sustainability Committee is responsible of strategy and activities related to sustainable development and social responsibility, in particular:

- review, monitor and assist the Board in defining the Group's strategy relating to Environmental, Sustainability and Social matters and in setting relevant KPIs;
- develop and review regularly the policies, programmes, practices, targets and initiatives of the Group relating to Sustainability matters ensuring they remain effective and up to date and consistent with good international industry practice ("GIIP");
- provide oversight of the Group's management of Sustainability matters and compliance with relevant current and forthcoming legal and regulatory requirements, legislation and policies as the relate to Environmental, Sustainability and Social, including, but not limited to applicable rules and principles of corporate governance relating to Environmental, Sustainability and Social aspects questions regarding climate change, tailings management, water management, human rights and other applicable industry standards;
- report on these matters to the Board and, where appropriate, make recommendations to the Board;
- to review public reporting relating to the Company's safety and sustainability performance
- to provide oversight of the Company's sustainability performance presented in any Sustainability Report prepared by the Company;
- report as required to the shareholders of the Company on the sustainability activities and remit of the Committee;
- Responsible for oversight of sustainability risks of the Company.

2022 Review

On 1 November 2022, the BoD established the Sustainability Committee. The Committee met one time during 2022, covering a number of issues.

Kate Harcourt

Chair of the Sustainability Committee

21 March 2023

07

Consolidated and Company Financial Statements

CONTENT 07:

7.1

Independent Auditor’s Report

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Independent Auditor's Report

To the Members of Atalaya Mining Plc

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated and parent company financial statements of Atalaya Mining Plc (the "Company"), and its subsidiaries (the "Group"), which comprise the consolidated and parent company statements of financial position as at 31 December 2022, and the consolidated and parent company statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated and parent company financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and parent company financial statements give a true and fair view of the consolidated and parent company financial position as at 31 December 2022, and of the consolidated and parent company financial performance and cash flows of the Group and the Company for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as issued by the IASB and also as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Parent Company Financial Statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated and parent company financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and parent company financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and parent company financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Consolidated and Parent Company Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and parent company financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and parent company financial statements.

Building a better working world

Key Audit Matter	Our response to the Key Audit Matter
Revenue recognition During the year ended 31 December 2022 the Group recognised revenue from operations of €361,8m (Notes 2.23, 4 and 5). The significant value of revenue transactions and complex terms under which title and control pass to the customer increases the risk of cut-off errors. We have also identified risks in relation to the calculation of the adjustment for provisional pricing. In particular: ► Cut-off: the complexity of terms that define when control is transferred to the customer, as well as the high value of transactions, give rise to the risk that revenue is not recognized in the correct period. ► Measurement: at each reporting period there are a number of open invoices that are provisionally priced using the concentrate sold and the forward pricing of those sales. Estimation is used in the valuation of these transactions and the income statement impact of the mark to market movement is recorded as a fair value gain/loss relating to provisional pricing, disclosed separately in revenue included in the statement of comprehensive income. Due to the significance of revenue for the Group financial statements, and since the calculations are based on estimations and susceptible to potential manipulation, we consider this to be a key audit matter.	Our approach focused on the following procedures: ► We obtained an understanding of the key controls around the revenue recognition process in order to assess whether it is designed to prevent, detect or correct material misstatements in the reported revenue figures; ► We analysed the terms and conditions of the sales contracts and evaluated whether they have been accounted for in line with the Group's revenue recognition policy. We have reviewed revenue recognition policies for compliance with the requirements of IFRS 15 Revenue from contracts with customers ("IFRS 15"); ► We performed detailed substantive testing procedures over the revenue transactions. This included: agreeing the main inputs to supporting evidence (such as provisional and final invoices, shipments confirmation, market prices, agreements and bank statements), recalculating the amounts invoiced and recorded as revenue, performing cut off testing over the revenue recognition in the correct period; ► We assessed the methodology adopted by management to identify the provisional pricing terms and the determination of estimates of metal in concentrate sold to customers; ► For open sales where provisional pricing applied, we compared to external sources the inputs used and recalculated the provisional price adjustment to evaluate whether it was correctly measured; ► We considered and analysed the nature of any significant credits raised post year-end to evaluate that revenue transactions were recorded at the correct value in the relevant period; and ► We assessed whether the consolidated financial statements include disclosures in respect of revenue and the provisional pricing in accordance with the applicable IFRS (Notes 2.23, 4 and 5).

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Other information

The Board of Directors is responsible for the other information. The other information comprises the Management report, the Company Overview, the Director's and Officers' statement, the Strategic report, the Sustainability report and the Corporate Governance report, but does not include the consolidated and parent company financial statements and our auditor's report thereon.

Our opinion on the consolidated and parent company financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and parent company financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and parent company financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and those charged with governance for the Consolidated and Parent Company Financial Statements

The Board of Directors is responsible for the preparation of consolidated and parent company financial statements that give a true and fair view in accordance with International Financial Reporting Standards as issued by the IASB and also as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and parent company financial statements, the Board of Directors is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and parent company financial statements.

EY
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As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and parent company financial statements, including the disclosures, and whether the consolidated and parent company financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and parent company financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, the Management report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap. 113, and the information given is consistent with the consolidated and parent company financial statements.
- In light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the management report. We have nothing to report in this respect.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

The engagement partner on the audit resulting in this independent auditor's report is Stavros Pantzaris.

Stavros Pantzaris
Certified Public Accountant and Registered Auditor
for and on behalf of

Ernst & Young Cyprus Limited
Certified Public Accountants and Registered Auditors

Nicosia
21 March 2023

7.2 Consolidated and Company Financial Statements

Consolidated and Company Statements of Comprehensive Income

For the year ended 31 December 2022

(Euro 000's)	Note	The Group 2022	The Company 2022	The Group 2021	The Company 2021
Revenue	5	**361,846**	**57,756**	405,717	65,849
Operating costs and mine site administrative expenses		**(288,275)**	**-**	(192,073)	-
Mine site depreciation, amortisation and impairment	13,14	**(34,119)**	**-**	(32,276)	-
Gross profit		**39,452**	**57,756**	181,368	65,849
Administration and other expenses		**(9,954)**	**(3,601)**	(9,715)	(2,422)
Share based benefits	23	**(1,279)**	**-**	(899)	-
Exploration expenses		**(4,257)**	**-**	(1,800)	-
Care and maintenance expenditure		**(3,053)**	**-**	(2,116)	-
Other income		**286**	**286**	-	-
Operating profit	6	**21,195**	**54,441**	166,838	63,427
Net foreign exchange gain	4	**11,546**	**3,439**	6,589	1,450
Interest income from financial assets at fair value through profit and loss	8	**-**	**9,157**	-	12,854
Interest income from financial assets at amortised cost	8	**624**	**3,779**	57	2,398
Finance costs	9	**(1,045)**	**-**	(13,657)	-
Profit before tax		**32,320**	**70,816**	159,827	80,129
Tax	10	**(1,394)**	**(617)**	(27,601)	(862)
Profit for the year		**30,926**	**70,199**	132,226	79,267
Profit for the year attributable to:					
» Owners of the parent		**33,155**	**70,199**	133,644	79,267
» Non-controlling interests		**(2,229)**	**-**	(1,418)	-
		30,926	**70,199**	132,226	79,267
Earnings per share from operations attributable to equity holders of the parent during the year:					
Basic earnings per share (EUR cents per share)	11	**23.7**	**-**	96.7	-
Diluted earnings per share (EUR cents per share)	11	**23.2**	**-**	94.4	-
Profit for the year		**30,926**	**70,199**	132,226	79,267
Other comprehensive income:		**-**	**-**	-	-
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):					
Change in fair value of financial assets through other comprehensive income 'OCI'		**(6)**	**(6)**	(47)	(47)
Total comprehensive income for the year	20	**30,920**	**70,193**	132,179	79,220
Total comprehensive income for the year attributable to:		**33,149**	**70,193**	133,597	79,220
» Owners of the parent		**(2,229)**	**-**	(1,418)	-
» Non-controlling interests		**30,920**	**70,193**	132,179	79,220

The notes on subsequent pages are an integral part of these consolidated and company financial statements.

Consolidated and Company Statements of Financial Position

As at 31 December 2022

(Euro 000's)	Note	The Group 2022	The Company 2022	The Group 2021	The Company 2021
Assets					
Non-current assets					
Property, plant and equipment	13	**354,908**	**-**	333,096	-
Intangible assets	14	**53,830**	**-**	57,368	-
Investment in subsidiaries	15	**-**	**74,911**	-	64,171
Trade and other receivables	19	**16,362**	**259,904**	5,330	245,744
Non-current financial asset	20	**1,101**	**-**	1,101	-
Deferred tax asset	17	**7,293**	**-**	5,564	-
		433,494	**334,815**	402,459	309,915
Current assets					
Inventories	18	**38,841**	**-**	24,781	-
Trade and other receivables	19	**64,155**	**48,831**	50,128	2,415
Tax refundable		**100**	**-**	483	-
Other financial assets	20	**33**	**33**	39	39
Cash and cash equivalents	21	**126,448**	**39,472**	107,517	37,270
		229,577	**88,336**	182,948	39,724
Total assets		**663,071**	**423,151**	585,407	349,639
Equity and liabilities					
Equity attributable to owners of the parent					
Share capital	22	**13,596**	**13,596**	13,447	13,447
Share premium	22	**319,411**	**319,411**	315,916	315,916
Other reserves	23	**69,805**	**9,419**	52,690	8,146
Accumulated profit		**70,483**	**75,216**	58,754	10,116
		473,295	**417,642**	440,807	347,625
Non-controlling interests	24	**(6,998)**	**-**	(4,909)	-
Total equity		**466,297**	**417,642**	435,898	347,625
Liabilities					
Non-current liabilities					
Trade and other payables	25	**2,015**	**-**	3,450	-
Provisions	26	**24,083**	**-**	26,578	-
Lease liability	27	**4,378**	**-**	4,913	-
Borrowings	28	**20,768**	**-**	34,050	-
		51,244	**-**	68,991	-
Current liabilities					
Trade and other payables	25	**90,022**	**5,402**	66,191	2,014
Lease liability	27	**536**	**-**	597	-
Current tax liabilities	10	**1,425**	**107**	336	-
Current provisions	26	**952**	**-**	-	-
Borrowings	28	**52,595**	**-**	13,394	-
		145,530	**5,509**	80,518	2,014
Total liabilities		**196,774**	**5,509**	149,509	2,014
Total equity and liabilities		**663,071**	**423,151**	585,407	349,639

The notes on subsequent pages are an integral part of these consolidated and company financial statements.

The consolidated and company financial statements were authorised for issue by the Board of Directors on 21 March 2023 and were signed on its behalf.

Roger Davey
Chair

Alberto Lavanderia
Chief Execute Officer

Consolidated Statement of Changes in Equity

For the year ended 31 December 2022

(Euro 000's)	Note	Share capital	Share premium[2]	Other reserves[1]	Accum. Profits	Total	NCI	Total equity
1 Jan 2022		13,447	315,916	52,690	58,754	440,807	(4,909)	435,898
Adjustment prior year		-	-	-	(53)	(53)	-	(53)
Opening balance adjusted		13,447	315,916	52,690	58,701	440,754	(4,909)	435,845
Profit/(loss) for the period		-	-	-	33,155	33,155	(2,229)	30,926
Change in fair value of financial assets through OCI		-	-	(6)	-	(6)	-	(6)
Total comprehensive (loss)/ income		-	-	(6)	33,155	33,149	(2,229)	30,920
Issuance of share capital	22	149	3,495	-	-	3,644	-	3,644
Recognition of depletion factor	23	-	-	12,800	(12,800)	-	-	-
Recognition of share-based payments	23	-	-	1,279	-	1,279	-	1,279
Recognition of non-distributable reserve	23	-	-	316	(316)	-	-	-
Recognition of distributable reserve	23	-	-	2,726	(2,726)	-	-	-
Other changes in equity		-	-	-	(432)	(432)	140	(292)
Dividends paid		-	-	-	(5,099)	(5,099)	-	(5,099)
31 Dec 2022		13,596	319,411	69,805	70,483	473,295	(6,998)	466,297

(Euro 000's)	Note	Share capital	Share premium[2]	Other reserves[1]	Accum. Profits	Total	NCI	Total equity
1 Jan 2021		13,439	315,714	40,049	(15,512)	353,690	(3,491)	350,199
Profit/(loss) for the period		-	-	-	133,644	133,644	(1,418)	132,226
Change in fair value of financial assets through OCI		-	-	(47)	-	(47)	-	(47)
Total comprehensive (loss)/income		-	-	(47)	133,644	133,597	(1,418)	132,179
Issuance of share capital	22	8	202	-	-	210	-	210
Recognition of depletion factor	23	-	-	6,100	(6,100)	-	-	-
Recognition of share-based payments	23	-	-	899	-	899	-	899
Recognition of non-distributable reserve 23		-	-	2,372	(2,372)	-	-	-
Recognition of distributable reserve	23	-	-	3,317	(3,317)	-	-	-
Other changes in equity		-	-	-	(299)	(299)	-	(299)
Dividends paid		-	-	-	(47,290)	(47,290)	-	(47,290)
31 Dec 2021		13,447	315,916	52,690	58,754	440,807	(4,909)	435,898

(1) Refer to Note 23

(2) The share premium reserve is not available for distribution.

The notes on subsequent pages are an integral part of these consolidated and company financial statements.

Company Statement of Changes in Equity

For the year ended 31 December 2022

(Euro 000's)	Note	Share capital	Share premium[1]	Other reserves	Accum. Profits	Total
1 Jan 2021		13,439	315,714	7,294	(21,861)	314,586
Profit for the year		-	-	-	79,267	79,267
Change in fair value of financial assets through OCI	20	-	-	(47)	-	(47)
Total comprehensive income		-	-	(47)	79,267	79,220
Issuance of share capital	22	8	202	-	-	210
Recognition of share-based payments	23	-	-	899	-	899
Dividends paid		-	-	-	(47,290)	(47,290)
31 Dec 2021/1 Jan 2022		**13,447**	**315,916**	**8,146**	**10,116**	**347,625**
Profit for the period		**-**	**-**	**-**	**70,199**	**70,199**
Change in fair value of financial assets through OCI	20	**-**	**-**	**(6)**	**-**	**(6)**
Total comprehensive income		**-**	**-**	**(6)**	**70,199**	**70,193**
Transactions with owners						
Issuance of share capital	22	**149**	**3,495**	**-**	**-**	**3,644**
Recognition of share-based payments	23	**-**	**-**	**1,279**	**-**	**1,279**
Dividends paid		**-**	**-**	**-**	**(5,099)**	**(5,099)**
31 Dec 2022		**13,596**	**319,411**	**9,419**	**75,216**	**417,642**

(1) Refer to Note 23

(2) The share premium reserve is not available for distribution.

Companies, which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, within two years after the end of the relevant tax year, will be deemed to have distributed this amount as dividend on the 31 of December of the second year. The amount of the deemed dividend distribution is reduced by any actual dividend already distributed by 31 of December of the second year for the year the profits relate.

The Company pays special defence contribution on behalf of the shareholders over the amount of the deemed dividend distribution at a rate of 17% (applicable since 2014) when the entitled shareholders are natural persons tax residents of Cyprus and have their domicile in Cyprus. In addition, from 2019 (deemed dividend distribution of year 2017 profits), the Company pays on behalf of the shareholders General Healthcare System (GHS) contribution at a rate of 2.65% (31 December 2021: 2.65%), when the entitled shareholders are natural persons tax residents of Cyprus, regardless of their domicile.

The notes on subsequent pages are an integral part of these consolidated and company financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2022

(Euro 000's)	Note	2022	2021
Cash flows from operating activities			
Profit before tax		**32,320**	159,827
Adjustments for:			
Depreciation of property, plant and equipment	13	**29,637**	27,680
Amortisation of intangible assets	14	**4,482**	4,596
Recognition of sharebased payments	23	**1,279**	899
Interest income	8	**(244)**	(57)
Interest expense	9	**1,025**	846
Unwinding of discounting	9	**-**	1,063
Finance provisions	9	**-**	11,737
Other provisions		**-**	417
Legal provisions	26	**(43)**	(61)
Net foreign exchange differences		**(11,546)**	(6,692)
Unrealised foreign exchange loss on financing activities		**25**	-
Cash inflows from operating activities before working capital changes		**56,934**	200,255
Changes in working capital:			
Inventories	18	**(14,060)**	(1,205)
Trade and other receivables	19	**(24,471)**	(8,807)
Trade and other payables	25	**24,662**	(14,400)
Provisions	26	**(91)**	(343)
Cash flows from operations		**42,975**	175,500
Interest expense on lease liabilities	27	**(20)**	(11)
Interest paid		**(1,025)**	(846)
Tax paid		**(3,427)**	(25,802)
Net cash from operating activities		**38,503**	148,841
Cash flows from investing activities			
Purchases of property, plant and equipment	13	**(52,650)**	(32,440)
Purchases of intangible assets	14	**(944)**	(2,148)
Payment of deferred consideration		**-**	(53,000)
Interest received	8	**65**	57
Net cash used in investing activities		**(53,529)**	(87,531)
Cash flows from financing activities			
Lease payment	27	**(617)**	(463)
Net proceeds from borrowings		**24,484**	49,446
Proceeds from issue of share capital		**3,643**	158
Dividends paid		**(5,099)**	(47,290)
Net cash from financing activities		**22,411**	1,851
Net increase in cash and cash equivalents		**7,385**	63,161
Net foreign exchange difference		**11,546**	6,589
Cash and cash equivalents:			
At beginning of the year	21	**107,517**	37,767
At end of the year	21	**126,448**	107,517

The notes on subsequent pages are an integral part of these consolidated and company financial statements.

Company Statement of Cash Flows

For the year ended 31 December 2022

(Euro 000's)	Note	2022	2021
Cash flows from operating activities			
Profit before tax		**70,816**	80,129
Adjustments for:			
Interest income	8	**(36)**	-
Interest income from interest-bearing intercompany loans	8	**(12,900)**	(15,252)
Net foreign exchange difference		**(3,439)**	-
Unrealised foreign exchange loss on financing activities		**(63)**	-
Cash inflows from operating activities before working capital changes		**54,378**	64,877
Changes in working capital:			
Trade and other receivables	19	**(61,273)**	81,713
Trade and other payables	25	**3,950**	(20,103)
Cash flows from operations		**(2,945)**	126,487
Tax paid		**(311)**	(1,614)
Interest paid		**(1,025)**	(846)
Net cash from/(used in) operating activities		**(3,256)**	124,873
Cash flows from investing activities			
Investment in subsidiaries	15	**(9,461)**	(57,824)
Interest received		**36**	-
Interest income from interest-bearing intercompany loans	8	**12,900**	15,252
Net cash (used in)/from investing activities		**3,475**	(42,572)
Cash flows from financing activities			
Proceeds from issue of share capital	22	**3,643**	210
Dividends paid	12	**(5,099)**	(47,290)
Net cash used in financing activities		**(1,456)**	(47,080)
Net (decrease)/increase in cash and cash equivalents		**(1,237)**	35,221
Net foreign exchange difference		**3,439**	-
Cash and cash equivalents:			
At beginning of the year	21	**37,270**	2,049
At end of the year	21	**39,472**	37,270

The notes on subsequent pages are an integral part of these consolidated and company financial statements.


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7.3

Notes to the Consolidated and Company Financial Statements

Year ended 31 December 2022

1. Incorporation and summary of business

Atalaya Mining Plc (the "Company") was incorporated in Cyprus on 17 September 2004 as a private company with limited liability under the Companies Law, Cap. 113 and was converted to a public limited liability company on 26 January 2005. Its registered office is at 1 Lampousa Street, Nicosia, Cyprus.

The Company was listed on AIM of the London Stock Exchange in May 2005 under the symbol ATYM. The Company continued to be listed on AIM as at 31 December 2022.

On 20 February 2023, Atalaya announced that applied a voluntary delisting of its ordinary shares from the Toronto Stock Exchange (the "TSX") with effective date of the closing of trading on 7 March 2023. Ordinary shares in the Company continue to trade on the AIM market of the London Stock Exchange under the symbol "ATYM". Delisting from TSX took effect at the close of trading on 20 March 2023.

Additional information about Atalaya Mining Plc is available at www.atalayamining.com as per requirement of AIM rule 26.

Change of name and share consolidation

Following the Company's Extraordinary General Meeting ("EGM") on 13 October 2015, the change of name from EMED Mining Public Limited to Atalaya Mining Plc became effective on 21 October 2015. On the same day, the consolidation of ordinary shares came into effect, whereby all shareholders received one new ordinary share of nominal value Stg £0.075 for every 30 existing ordinary shares of nominal value Stg £0.0025.

Principal activities

Atalaya is a European mining and development company. The strategy is to evaluate and prioritise metal production opportunities in several jurisdictions throughout the well-known belts of base and precious metal mineralisation in Spain, elsewhere in European and Latin America.

The Group currently owns four mining projects: Proyecto Riotinto, Proyecto Touro, Proyecto Masa Valverde and Proyecto Ossa Morena. In addition, the Company has an earn-in agreement to acquire three investigation permits at Proyecto Riotinto Este.

Proyecto Riotinto

The Company owns and operates through a wholly owned subsidiary, "Proyecto Riotinto", an open-pit copper mine located in the Iberian Pyrite Belt, in the Andalusia region of Spain, approximately 65 km north-west of Seville. A brownfield expansion of this mine was completed in 2019 and successfully commissioned by Q1 2020.

Proyecto Touro

The Group has an initial 10% stake in Cobre San Rafael, S.L., the owner of Proyecto Touro, as part of an earn-in agreement which will enable the Group to acquire up to 80% of the copper project. Proyecto Touro is located in Galicia, north-west Spain. Proyecto Touro is currently in the permitting process.

In November 2019, Atalaya executed the option to acquire 12.5% of Explotaciones Gallegas del Cobre, S.L. the exploration property around Touro, with known additional reserves, which will provide high potential to the Proyecto Touro.

Proyecto Masa Valverde

On 21 October 2020, the Company announced that it entered into a definitive purchase agreement to acquire 100% of the shares of Cambridge Mineria España, S.L. (since renamed Atalaya Masa Valverde, S.L.U.), a Spanish company which fully owns the Masa Valverde polymetallic project located in Huelva (Spain). Under the terms of the agreement Atalaya will make an aggregate €1.4 million cash payment in two instalments of approximately the same amount. The first payment is to be executed once the project is permitted and second and final payment when first production is achieved from the concession. Proyecto Masa Valverde is currently in the permitting process.

Proyecto Ossa Morena

In December 2021, Atalaya announced the acquisition of a 51% interest in Rio Narcea Nickel, S.L., which owns 9 investigation permits. The acquisition also provided a 100% interest in three investigation permits that are also located along the Ossa- Morena Metallogenic Belt. In Q3 2022, Atalaya increased its ownership interest in POM to 99.9%, up from 51%, following completion of a capital increase that will fund exploration activities. During 2022 Atalaya rejected 8 investigation permits.

Atalaya will pay a total of €2.5 million in cash in three instalments and grant a 1% net smelter return ("NSR") royalty over all acquired permits. The first payment of €0.5 million will be made following execution of the purchase agreement. The second and third instalments of €1 million each will be made once the environmental impact statement ("EIS") and the final mining permits for any project within any of the investigation permits acquired under the Transaction are secured.

Proyecto Riotinto Este

In December 2020, Atalaya entered into a Memorandum of Understanding 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.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated and company financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

(a) Overview

The financial statements of Atalaya Mining Plc have been prepared in accordance with International Financial Reporting Standards ("IFRS"). IFRS comprise the standards issued by the International Accounting Standards Board ("IASB").

The financial statements are presented in € and all values are rounded to the nearest thousand (€'000), except where otherwise indicated.

Additionally, the financial statements have also been prepared in accordance with the IFRS as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap.113. For the year ending 31 December 2022, the standards applicable for IFRS's as adopted by the EU are aligned with the IFRS's as issued by the IASB.

The consolidated financial statements have been prepared on a historical cost basis except for the revaluation of certain financial instruments that are measured at fair value at the end of each reporting period, as explained below and in note 3.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.3.

(b) Going concern

The Directors have considered and debated different possible scenarios on the Company's operations, financial position and forecast for a period of at least 12 months since the approval of these financial statements. Possible scenarios range from (i) disruption in Proyecto Riotinto; (ii) market volatility in commodity and electricity prices; and (iii) availability of existing credit facilities.

The Directors, after reviewing these scenarios, the current cash resources, forecasts and budgets, timing of cash flows, borrowing facilities, sensitivity analyses and considering the associated uncertainties to the Group's operations have a reasonable expectation that the Company has adequate resources to continue operating in the foreseeable future.

Accordingly, these financial statements have been prepared based on accounting principles applicable to a going concern which assumes that the Group and the Company will realise its assets and discharge its liabilities in the normal course of business. Management has carried out an assessment of the going concern assumption and has concluded that the Group and the Company will generate sufficient cash and cash equivalents to continue operating for the next twelve months since the approval of these consolidated financial statements.

Management continues to monitor the impact of geopolitical developments. Currently no significant impact is expected in the operations of the Group.

2.2 Changes in accounting policy and disclosures

The Group has adopted all the new and revised IFRSs and International Accounting Standards (IASs) which are relevant to its operations and are effective for accounting periods commencing on 1 January 2022.

Several other amendments and interpretations apply for the first time in 2022, but do not have a significant impact on the financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

- IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements 2018-2020 (Amendments)

The amendments are effective for annual periods beginning on or after 1 January 2022 with earlier application permitted. The IASB has issued narrow-scope amendments to the IFRS Standards as follows:

» IFRS 3 Business Combinations (Amendments) update a reference in IFRS 3 to the previous version of the IASB's Conceptual Framework for Financial Reporting to the current version issued in 2018 without significantly changing the accounting requirements for business combinations.

» IAS 16 Property, Plant and Equipment (Amendments) prohibit a company from deducting from the cost of property, plant and equipment any proceeds from the sale of items produced while bringing the asset to the location and condition necessary for it be capable of operating in the manner intended by management. Instead, a company recognizes such sales proceeds and related cost in profit or loss.

» IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments) specify which costs a company includes in determining the cost of fulfilling a contract for the purpose of assessing whether a contract is onerous. The amendments clarify, the costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to the contract activities.

» Annual Improvements 2018-2020 make minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases.

These amendments had no impact on the consolidated financial statements of the Group.

- IFRS 16 Leases-Covid 19 Related Rent Concessions beyond 30 June 2021 (Amendment)

The Amendment applies to annual reporting periods beginning on or after 1 April 2021, with earlier application permitted, including in financial statements not yet authorized for issue at the date the amendment is issued. In March 2021, the Board amended the conditions of the practical expedient in IFRS 16 that provides relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the Covid-19 pandemic. Following the amendment, the practical expedient now applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met.

The Group has not received Covid-19-related rent concessions.

2.2.1 Standards issued but not yet effective

- IFRS 17: Insurance Contracts

The standard is effective for annual periods beginning on or after 1 January 2023 with earlier application permitted, provided the entity also applies IFRS 9 Financial Instruments on or before the date it first applies IFRS 17. This is a comprehensive new accounting standard for insurance contracts, covering recognition and measurement, presentation and disclosure. IFRS 17 applies to all types of insurance contracts issued, as well as to certain guarantees and financial instruments with discretional participation contracts. The Company does not issue contracts in scope of IFRS 17; therefore its application does not have an impact on the Company's financial performance, financial position or cash flows.

IFRS 17, with the objective to provide an accounting model for insurance contracts that is more useful and consistent for insurers, establishes principles for the recognition, measurement, presentation and disclosure of all types of insurance contracts, as well as of certain guarantees and financial instruments with discretionary participation features. The accounting model is supplemented by a specific adaptation for contracts with direct participation features (the variable fee approach) and by a simplified approach (the premium allocation approach) mainly for short-duration contracts.

The main features of the new accounting model include the measurement of the present value of future cash flows, incorporating an explicit risk adjustment, remeasured every reporting period (the fulfilment cash flows). Also, the model includes a Contractual Service Margin (CSM) that is equal and opposite to any day one gain in the fulfilment cash flows of a group of contracts, representing the unearned profit of the insurance contracts to be recognised in profit or loss based on insurance contract services provided over the coverage period. Certain changes in the expected present value of future cash flows are adjusted against the CSM and thereby recognised in profit or loss over the remaining coverage period. Amounts that are paid to a policyholder in all circumstances, regardless of whether an insured event occurs (non-distinct investment components) are not presented in the income statement but are recognised directly on the statement of financial position.

Furthermore, the presentation of insurance revenue and insurance service expenses in the statement of comprehensive income will be based on the concept of services provided during the period. Insurance services results (earned revenue less incurred claims) are presented separately from the insurance finance income or expense. In the statement of financial position, the carrying amounts of portfolios of insurance contracts issued that are assets and those that are liabilities, with the same requirement applying to portfolios of reinsurance contracts held, are presented separately. Finally, IFRS 17 requires extensive disclosures to provide information on the recognised amounts from insurance contracts and the nature and extent of risks arising from these contracts. 2. Summary of significant accounting policies (cont.)

Regarding the transition, the Board decided on a retrospective approach for estimating the CSM on the transition date. However, if full retrospective application, as defined by IAS 8, for a group of insurance contracts, is impracticable, an entity is required to choose either the modified retrospective approach or fair value approach. Both provide transitional reliefs.

Finally, in December 2021, the IASB issued amendments to IFRS 17 to add a transition option for a "classification overlay" to address possible accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application of IFRS 17. An entity applying the classification overlay to a financial asset shall present comparative information as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset. Management is currently assessing the effect of the standard and its amendments but expects no significant impact.

- IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (Amendments)

The Amendments are effective for annual periods beginning on or after January 1, 2023 with earlier application permitted. The amendments provide guidance on the application of materiality judgements to accounting policy disclosures. In particular, the amendments to IAS 1 replace the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies. Also, guidance and illustrative examples are added in the Practice Statement to assist in the application of the materiality concept when making judgements about accounting policy disclosures.

The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation. The amendment is not expected to have a material impact on the Group.

- IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (Amendments)

The amendments become effective for annual reporting periods beginning on or after January 1, 2023 with earlier application permitted and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. The amendments introduce a new definition of accounting estimates, defined as monetary amounts in financial statements that are subject to measurement uncertainty, if they do not result from a correction of prior period error. Also, the amendments clarify what changes in accounting estimates are and how these differ from changes in accounting policies and corrections of errors. The amendments are not expected to have a material impact on the Group.

- IAS 12 Income taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments)

The amendments are effective for annual periods beginning on or after January 1, 2023 with earlier application permitted. The amendments narrow the scope of and provide further clarity on the initial recognition exception under IAS 12 and specify how companies should account for deferred tax related to assets and liabilities arising from a single transaction, such as leases and decommissioning obligations. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement, having considered the applicable tax law, whether such deductions are attributable for tax purposes to the liability or to the related asset component. Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal. The amendments are not expected to have a material impact on the Group.

- IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)

  The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted, and will need to be applied retrospectively in accordance with IAS 8. The objective of the amendments is to clarify the principles in IAS 1 for the classification of liabilities as either current or non-current. The amendments clarify the meaning of a right to defer settlement, the requirement for this right to exist at the end of the reporting period, that management intent does not affect current or non-current classification, that options by the counterparty that could result in settlement by the transfer of the entity's own equity instruments do not affect current or non-current classification. Also, the amendments specify that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification. Additional disclosures are also required for non-current liabilities arising from loan arrangements that are subject to covenants to be complied with within twelve months after the reporting period. The amendments have not yet been endorsed by the EU. Management has assessed. The amendment is not expected to have a material impact on the Group.

- IFRS 16 Leases: Lease Liability in a Sale and Leaseback (amendments)

  The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. The amendments are intended to improve the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction in IFRS 16, while it does not change the accounting for leases unrelated to sale and leaseback transactions. In particular, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use it retains. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease. A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, being the beginning of the annual reporting period in which an entity first applied IFRS 16. The amendments have not yet been endorsed by the EU. Management has assessed. The amendment is not expected to have a material impact on the Group.

  Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

  The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU. The amendment is not expected to have a material impact on the Group.

2.3 Consolidation

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of Atalaya Mining Plc and its subsidiaries.

(b) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group and the Company has control. Control exists when the Group is exposed, or has rights, to variable returns for its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control.

De-facto control may arise in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies, etc.

The Group re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value'.

The main operating subsidiary of Atalaya Mining Plc is the 100% owned Atalaya Riotinto Minera, S.L.U. which operates "Proyecto Riotinto", in the historical site of Huelva, Spain.

The name and shareholding of the entities included in the Group in these financial statements are:

Entity name	Business	%[2]	Country
Atalaya Mining, Plc	Holding	n/a	Cyprus
EMED Marketing Ltd.	Trade	100%	Cyprus
EMED Mining Spain, S.L. [4]	Dormant	-	Spain
Atalaya Riotinto Minera, S.L.U.	Operating	100%	Spain
Recursos Cuenca Minera, S.L. [3]	Dormant	50%	Spain
Atalaya Minasderiotinto Project (UK), Ltd.	Holding	100%	United Kingdom
Eastern Mediterranean Exploration & Development, S.L.U.	Dormant	100%	Spain
Atalaya Touro (UK), Ltd.	Holding	100%	United Kingdom
Fundación Atalaya Riotinto Minera	Trust	100%	Spain
Cobre San Rafael, S.L. [1]	Development	10%	Spain
Atalaya Servicios Mineros, S.L.U.	Holding	100%	Spain
Atalaya Masa Valverde, S.L.U.	Development	100%	Spain
Atalaya Financing Ltd.	Financing	100%	Cyprus
Atalaya Ossa Morena, S.L.	Development	99.90%	Spain

Notes:

(1) Cobre San Rafael, S.L. is the entity which holds the mining rights of the Proyecto Touro. The Group has control in the management of Cobre San Rafael, S.L., including one of the two Directors, management of the financial books and the capacity to appoint the key personnel. Refer to Note 29 for details on the acquisition of Cobre San Rafael, S.L.

(2) The effective proportion of shares held as at 31 December 2022 and 2021 remained unchanged.

(3) Recursos Cuenca Minera is a joint venture with Atalaya Riotinto Minera, S.L.U., see note 16.

(4) EMED Mining Spain, S.L. was disposed on 4 January 2022. See note 29.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the transferred assets, liabilities incurred by the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the acquisition date. The Group recognised any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionated share of the recognised amounts of acquiree's identifiable net assets.

(c) Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquire is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances, income and expenses on transactions between Group companies are eliminated. Gains and losses resulting from intercompany transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(d) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(e) Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(f) Associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee (generally accompanying a shareholding of between 20% and 50% of the voting rights) but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Investments in associates or joint ventures are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates or joint ventures includes goodwill identified on acquisition.

If the ownership interest in an associate or joint venture is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income, with a corresponding adjustment to the carrying amount of the investment. When the Group share of losses in an associate or a joint venture equals or exceeds its interest in the associate or joint venture, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate or the joint venture.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or the joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or the joint venture and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of associates' or joint ventures' in the income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of unrelated investors' interests in the associates or the joint ventures. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates or joint ventures are recognised in the income statement.

(g) Functional currency

Functional and presentation currency items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro which is the Company's functional and presentation currency.

Determination of functional currency may involve certain judgements to determine the primary economic environment and the parent entity reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

Foreign currency transactions are translated into the functional currency using the spot exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the income statement.

Monetary assets and liabilities denominated in foreign currencies are updated at year-end spot exchange rates.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Gains or losses of monetary and non-monetary items are recognised in the income statement.

Balance sheet items are translated at period-end exchange rates. Exchange differences on translation of the net assets of such entities whose functional currency are not the Euro are taken to equity and recorded in a separate currency translation reserve.

2.4 Investments in subsidiary companies in the Company's financial statements

Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is identified.

2.5 Interest in joint arrangements

A joint arrangement is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control that is when the strategic, financial and operating policy decisions relating to the activities the joint arrangement require the unanimous consent of the parties sharing control.

Where a Group entity undertakes its activities under joint arrangements directly, the Group's share of jointly controlled assets and any liabilities incurred jointly with other ventures are recognised in the financial statements of the relevant entity and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the Group's share of the output of jointly controlled assets, and its share of joint arrangement expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to/from the Group and their amount can be measured reliably.

The Group enters joint arrangements that involve the establishment of a separate entity in which each acquiree has an interest (jointly controlled entity). The Group reports its interests in jointly controlled entities using the equity method of accounting.

Where the Group transacts with its jointly controlled entities, unrealised profits and losses are eliminated to the extent of the Group's interest in the joint arrangement.

2.6 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the CEO who makes strategic decisions.

The Group has only one distinct business segment, being that of mining operations, mineral exploration and development.

2.7 Inventory

Inventory consists of copper concentrates, ore stockpiles and metal in circuit and spare parts. Inventory is physically measured or estimated and valued at the lower of cost or net realisable value. Net realisable value is the estimated future sales price of the product the entity expects to realise when the product is processed and sold, less estimated costs to complete production and bring the product to sale. Where the time value of money is material, these future prices and costs to complete are discounted.

Cost is determined by using the FIFO method and comprises direct purchase costs and an appropriate portion of fixed and variable overhead costs, including depreciation and amortisation, incurred in converting materials into finished goods, based on the normal production capacity. The cost of production is allocated to joint products using a ratio of spot prices by volume at each month end. Separately identifiable costs of conversion of each metal are specifically allocated.

Materials and supplies are valued at the lower of cost or net realisable value. Any provision for obsolescence is determined by reference to specific items of stock. A regular review is undertaken to determine the extent of any provision for obsolescence.

2.8 Assets under construction

All subsequent expenditure on the construction, installation or completion of infrastructure facilities including mine plants and other necessary works for mining, are capitalised in "Assets under Construction". Any costs incurred in testing the assets to determine if they are functioning as intended, are capitalised, net of any proceeds received from selling any product produced while testing. Where these proceeds exceed the cost of testing, any excess is recognised in the statement of profit or loss and other comprehensive income. After production starts, all assets included in "Assets under Construction" are then transferred to the relevant asset categories.

Once a project has been established as commercially viable, related development expenditure is capitalised. A development decision is made based upon consideration of project economics, including future metal prices, reserves and resources, and estimated operating and capital costs. Capitalisation of costs incurred and proceeds received during the development phase ceases when the property is capable of operating at levels intended by management.

Capitalisation ceases when the mine is capable of commercial production, except for development costs which give rise to a future benefit.

Pre-commissioning sales are offset against the cost of assets under construction. No depreciation is recognised until the assets are substantially complete and ready for productive use.

2.9 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Property, plant and equipment are depreciated to their estimated residual value over the estimated useful life of the specific asset concerned, or the estimated remaining life of the associated mine ("LOM"), field or lease. Depreciation commences when the asset is available for use.

The major categories of property, plant and equipment are depreciated/amortised on a Unit of Production ("UOP") and/or straight-line basis as follows:

Buildings	UOP
Mineral rights	UOP
Deferred mining costs	UOP
Plant and machinery	UOP
Motor vehicles	5 years
Furniture/fixtures/office equipment	5 – 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "Other (losses)/gains – net" in the income statement.

(a) Mineral rights

Mineral reserves and resources which can be reasonably valued are recognised in the assessment of fair values on acquisition. Mineral rights for which values cannot be reasonably determined are not recognised. Exploitable mineral rights are amortised using the UOP basis over the commercially recoverable reserves and, in certain circumstances, other mineral resources. Mineral resources are included in amortisation calculations where there is a high degree of confidence that they will be extracted in an economic manner.

(b) Deferred mining costs – stripping costs

Mainly comprises of certain capitalised costs related to pre-production and in-production stripping activities as outlined below.

Stripping costs incurred in the development phase of a mine (or pit) before production commences are capitalised as part of the cost of constructing the mine (or pit) and subsequently amortised over the life of the mine (or pit) on a UOP basis.

In-production stripping costs related to accessing an identifiable component of the ore body to realise benefits in the form of improved access to ore to be mined in the future (stripping activity asset), are capitalised within deferred mining costs provided all the following conditions are met:

i. it is probable that the future economic benefit associated with the stripping activity will be realised;

ii. the component of the ore body for which access has been improved can be identified and;

iii. the costs relating to the stripping activity associated with the improved access can be reliably measured.

If all of the criteria are not met, the production stripping costs are charged to the consolidated statement of income as they are incurred.

The stripping activity asset is initially measured at cost, which is the accumulation of costs directly incurred to perform the stripping activity that improves access to the identified component of ore, plus an allocation of directly attributable overhead costs.

(c) Exploration costs

Under the Group's accounting policy, exploration expenditure is not capitalised until the management determines a property will be developed and point is reached at which there is a high degree of confidence in the project's viability and it is considered probable that future economic benefits will flow to the Group. A development decision is made based upon consideration of project economics, including future metal prices, reserves and resources, and estimated operating and capital costs.

Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. If a project does not prove viable, all irrecoverable costs associated with the project net of any related impairment provisions are written off.

(d) Major maintenance and repairs

Expenditure on major maintenance refits or repairs comprises the cost of replacement assets or parts of assets and overhaul costs. Where an asset, or part of an asset, that was separately depreciated and is now written off is replaced, and it is probable that future economic benefits associated with the item will flow to the Group through an extended life, the expenditure is capitalised.

Where part of the asset was not separately considered as a component and therefore not depreciated separately, the replacement value is used to estimate the carrying amount of the replaced asset(s) which is immediately written off. All other day-to-day maintenance and repairs costs are expensed as incurred.

(e) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale (a qualifying asset) are capitalised as part of the cost of the respective asset. Where funds are borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred. All other borrowing costs are recognised in the statement of profit or loss and other comprehensive income in the period in which they are incurred.

(f) Restoration, rehabilitation and decommissioning

Restoration, rehabilitation and decommissioning costs arising from the installation of plant and other site preparation work, discounted using a risk adjusted discount rate to their net present value, are provided for and capitalised at the time such an obligation arises.

The costs are charged to the consolidated statement of income over the life of the operation through depreciation of the asset and the unwinding of the discount on the provision. Costs for restoration of subsequent site disturbance, which are created on an ongoing basis during production, are provided for at their net present values and charged to the consolidated statement of income as extraction progresses.

Changes in the estimated timing of the rehabilitation or changes to the estimated future costs are accounted for prospectively by recognising an adjustment to the rehabilitation liability and a corresponding adjustment to the asset to which it relates, provided the reduction in the provision is not greater than the depreciated capitalised cost of the related asset, in which case the capitalised cost is reduced to zero and the remaining adjustment recognised in the consolidated statement of income. In the case of closed sites, changes to estimated costs are recognised immediately in the consolidated statement of income.

2.10 Intangible assets

(a) Business combination and goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the acquired interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

The results of businesses acquired during the year are brought into the consolidated financial statements from the effective date of acquisition. The identifiable assets, liabilities and contingent liabilities of a business which can be measured reliably are recorded at their provisional fair values at the date of acquisition. Acquisition-related costs are expensed as incurred.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

For the purposes of goodwill impairment testing, goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss in respect of goodwill is not reversed.

(b) Permits

Permits are capitalised as intangible assets which relate to projects that are at the pre-development stage. No amortisation charge is recognised in respect of these intangible assets. Once the Group receives those permits and commence production, the intangible assets relating to permits will be depreciated on a UOP basis.

Other intangible assets include computer software.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition provided they meet recognition criteria as per IFRS 3. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation (calculated on a straight-line basis over their useful lives) and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated and company statements of comprehensive income when the asset is derecognised.

2.11 Impairment of non-financial assets

Assets that have an indefinite useful life – for example, goodwill or intangible assets not ready for use – are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.12 Financial assets and liabilities

2.12.1 Classification

The Group classifies its financial assets in the following measurement categories:

» those to be measured at amortised cost.

» those to be measured subsequently at fair value through OCI, and.

» those to be measured subsequently at fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest' ('SPPI') on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

2.12.2 Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses.

Impairment losses are presented as separate line item in the statement of profit or loss.

The Company´s financial assets at amortised cost include current and non-current receivables (other than trade receivables which are measured at fair value through profit and loss) and cash and cash equivalents.

2.12.3 Fair value through other comprehensive income

Financial assets which are debt instruments, that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in net foreign exchange gain/(loss) before tax and impairment expenses are presented as a separate line item in the statement of profit or loss.

At transition to IFRS 9, the Group had certain financial asset that were accounted for as debt instruments at fair value through other comprehensive income.

2.12.4 Equity instruments designated as fair value through other comprehensive income

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the consolidated and company statements of comprehensive income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its listed equity investments under this category.

2.12.5 Assets at fair value through profit and loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised as profit or loss and presented net within other gains/(losses) in the period in which it arises.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the consolidated and company statements of comprehensive income as applicable. The Company's and Group's financial assets at fair value through profit and loss include current and non-current receivables (other than trade receivables which are measured at amortised cost).

2.12.6 De-recognition of financial assets

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

2.12.7 Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For receivables (other than trade receivables which are measured at FVPL), the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

2.12.8. Financial liabilities and trade payables

After initial recognition, interest-bearing loans and borrowings and trade and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the consolidated and company statements of comprehensive income when the liabilities are derecognised, as well as through the EIR amortisation process.

Amortised cost is calculated by taking any discount or premium on acquisition and fees or costs that are an integral part of the EIR, into account. The EIR amortisation is included as finance costs in the consolidated and company statements of comprehensive income.

2.13 Current versus Non-current Classification

The Group presents assets and liabilities in the consolidated and company statements of financial position based on current/non-current classification.

(a) An asset is current when it is either:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within 12 months after the reporting period

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period

All other assets are classified as non-current.

(b) A liability is current when either:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading
- It is due to be settled within 12 months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.14 Cash and cash equivalents

In the consolidated and company statements of cash flows, cash and cash equivalents includes cash in hand and in bank including deposits held at call with banks, with a maturity of less than 3 months.

2.15 Provisions

Provisions are recognised when: The Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

2.16 Interest-bearing loans and borrowings

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings, using the effective interest method, unless they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalised as part of the cost of that asset.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment and amortised over the period of the facility to which it relates.

Borrowing costs are interest and other costs that the Group incurs in connection with the borrowing of funds, including interest on borrowings, amortisation of discounts or premium relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

2.17 Deferred consideration

Deferred consideration arises when settlement of all or any part of the cost of an agreement is deferred. It is stated at fair value at the date of recognition, which is determined by discounting the amount due to present value at that date. Interest is imputed on the fair value of non-interest-bearing deferred consideration at the discount rate and expensed within interest payable and similar charges. At each balance sheet date deferred consideration comprises the remaining deferred consideration valued at acquisition plus interest imputed on such amounts from recognition to the balance sheet date.

2.18 Share capital

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds in the share premium account.

2.19 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is also not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period date and are expected to apply when the related deferred tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liabilities where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.20 Share-based payments

The Group operates a share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The fair value is measured using the Black Scholes pricing model. The inputs used in the model are based on management's best estimates for the effects of non-transferability, exercise restrictions and behavioural considerations. Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest.

Vesting conditions are: (i) the personnel should be an employee that provides services to the Group; and (ii) should be in continuous employment for the whole vesting period of 3 years. Specific arrangements may exist with senior managers and board members, whereby their options stay in use until the end.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied (Note 23).

2.21 Rehabilitation provisions

The Group records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites and restoration, reclamation and re-vegetation of affected areas. The obligation generally arises when the asset is installed, or the ground/environment is disturbed at the production location. When the liability is initially recognised, the present value of the estimated cost is capitalised by increasing the carrying amount of the related mining assets to the extent that it was incurred prior to the production of related ore. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognised in the consolidated income statement as a finance cost. Additional disturbances or changes in rehabilitation costs will be recognised as additions or charges to the corresponding assets and rehabilitation liability when they occur. For closed sites, changes to estimated costs are recognised immediately in the consolidated income statement.

The Group assesses its mine rehabilitation provision annually. Significant estimates and assumptions are made in determining the provision for mine rehabilitation as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes and changes in discount rates. Those uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision at the consolidated statement of financial position date represents management's best estimate of the present value of the future rehabilitation costs required.

2.22 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date including whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

A reassessment is made after inception of the lease only if one of the following applies:

a) There is a change in contractual terms, other than a renewal or extension of the arrangement;

b) A renewal option is exercised, or extension granted, unless the term of the renewal or extension was initially included in the lease term;

c) There is a change in the determination of whether fulfilment is dependent on a specified asset; or

d) There is a substantial change to the asset.

Group as a lessee

The Group has lease contracts for various items of laboratory equipment, motor vehicle, lands and buildings used in its operations. Leases of laboratory equipment and motor vehicles generally have lease terms for four years, while lands and buildings generally have lease terms for the life of mine, currently after 13 years of operation. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

Generally, the Group is restricted from assigning and subleasing the leased assets.

› Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

After initial measurement, the right-of-use assets are depreciated from the commencement date using the straight-line method over the shorter of the estimated useful lives of the right-of-use assets or the end of lease term. These are as follows:

Right-of-use asset	Depreciation terms in years
Lands and buildings	Based on Units of Production (UOP)
Motor vehicles	Based on straight line depreciation
Laboratory equipment	Based on straight line depreciation

After the commencement date, the right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability.

› Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. Lease payments included in the measurement of the lease liability include the following:

- Fixed payments, less any lease incentives receivable
- Variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be payable by the lessee under residual value guarantees
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option
- Lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option
- Payments of penalties for early terminating the lease, unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest rate method. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset. The result of this re-measurement is disclosed in a line of the right-of-use assets note as modifications.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded as profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

› Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below €5,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.23 Revenue recognition

(a) Revenue from contracts with customers

Atalaya is principally engaged in the business of producing copper concentrate and in some instances, provides freight/shipping services. Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which Atalaya expects to be entitled in exchange for those goods or services. Atalaya has concluded that it is the principal in its revenue contracts because it controls the goods or services before transferring them to the customer.

(b) Copper in concentrate (metal in concentrate) sales

For most copper in concentrate (metal in concentrate) sales, the enforceable contract is each purchase order, which is an individual, short-term contract. For the Group's metal in concentrate sales not sold under CIF Incoterms, the performance obligations are the delivery of the concentrate. A proportion of the Group's metal in concentrate sales are sold under CIF Incoterms, whereby the Group is also responsible for providing freight services. In these situations, the freight services also represent separate performance obligation (see paragraph (c) below).

The majority of the Group's sales of metal in concentrate allow for price adjustments based on the market price at the end of the relevant QP stipulated in the contract. These are referred to as provisional pricing arrangements and are such that the selling price for metal in concentrate is based on prevailing spot prices on a specified future date after shipment to the customer. Adjustments to the sales price occur based on movements in quoted market prices up to the end of the QP. The period between provisional invoicing and the end of the QP can be between one and three months.

Revenue is recognised when control passes to the customer, which occurs at a point in time when the metal in concentrate is physically transferred onto a vessel, train, conveyor or other delivery mechanism. The revenue is measured at the amount to which the Group expects to be entitled, being the estimate of the price expected to be received at the end of the QP, i.e., the forward price, and a corresponding trade receivable is recognised. For those arrangements subject to CIF shipping terms, a portion of the transaction price is allocated to the separate freight services provided (See paragraph (c) below).

For these provisional pricing arrangements, any future changes that occur over the QP are included within the provisionally priced trade receivables and are, therefore, within the scope of IFRS 9 and not within the scope of IFRS 15. Given the exposure to the commodity price, these provisionally priced trade receivables will fail the cash flow characteristics test within IFRS 9 and will be required to be measured at fair value through profit or loss up from initial recognition and until the date of settlement. These subsequent changes in fair value are recognised as part of revenue in the statement of profit or loss and other comprehensive income each period and disclosed separately from revenue from contracts with customers as part of 'Fair value gains/losses on provisionally priced trade receivables. Changes in fair value over, and until the end of, the QP, are estimated by reference to updated forward market prices for copper as well as taking other relevant fair value considerations as set out in IFRS 13, into account, including interest rate and credit risk adjustments.

Final settlement is based on quantities adjusted as required following the inspection of the product by the customer as well as applicable commodity prices. IFRS 15 requires that variable consideration should only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. As the adjustments relating to the final assay results for the quantity and quality of concentrate sold are not significant, they do not constrain the recognition of revenue.

(c) Freight services

As noted above, a proportion of the Group's metal in concentrate sales are sold under CIF Incoterms, whereby the Group is responsible for providing freight services (as principal) after the date that the Group transfers control of the metal in concentrate to its customers. The Group, therefore, has separate performance obligation for freight services which are provided solely to facilitate sale of the commodities it produces.

The revenue from freight services is a separate performance obligation under IFRS 15 and therefore is recognised as the service is provided, hence at year end a portion of revenue must be deferred as well as the insurance costs associated.

Other Incoterms commonly used by the Group are FOB, where the Group has no responsibility for freight or insurance once control of the products has passed at the loading port, Ex works where control of the goods passes when the product is picked up at seller´s promises, and CIP where control of the goods passes when the product is delivered to the agreed destination. For arrangements which have these Incoterms, the only performance obligations are the provision of the product at the point where control passes.

(d) Sales of services

The Group sells services in relation to maintenance of accounting records, management, technical, administrative support and other services to other companies. Revenue is recognised in the accounting period in which the services are rendered.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. The Group does not have any contract assets as performance and a right to consideration occurs within a short period of time and all rights to consideration are unconditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

From time to time, the Group recognises contract liabilities in relation to some metal in concentrate sales which are sold under CIF Incoterms, whereby a portion of the cash may be received from the customer before the freight services are provided.

2.24 Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group and the Company reduce the carrying amount to its recoverable amount, the estimated future cash flow is discounted at the original effective interest rate of the instrument and the discount continues unwinding as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

2.25 Dividend income

Dividend income is recognised when the right to receive payment is established.

2.26 Dividend distribution

Dividend distributions to the Company's shareholders are recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.27 Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year by the weighted average number of ordinary shares outstanding during the year. The basic and diluted earnings per share are the same as there are no instruments that have a dilutive effect on earnings.

2.28 Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year. No changes with 2021.

2.29 Amendment of financial statements after issue

The consolidated and company financial statements were authorised for issue by the Board of Directors on 21 March 2023. The Board of Directors and shareholders has no right to amend the Financial Statements after they are authorised.

2.30 Fair value estimation

The fair values of the Group's financial assets and liabilities approximate their carrying amounts at the reporting date.

The fair value of financial instruments traded in active markets, such as publicly traded and fair value through profit and loss assets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price. The appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods, such as estimated discounted cash flows, and makes assumptions that are based on market conditions existing at the reporting date.

- Fair value measurements recognised in the consolidated and company statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, Grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

» **Level 1** fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

» **Level 2** fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

» **Level 3** fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group

(Euro 000's)	Level 1	Level 2	Level 3	Total
31 December 2022				
Other current financial assets				
Financial assets at FV through OCI	**33**	**-**	**1,101**	**1,134**
Trade and other receivables				
Receivables (subject to provisional pricing)	**-**	**27,557**	**-**	**27,557**
Total	**33**	**27,557**	**1,101**	**28,691**
31 December 2021				
Other current financial assets				
Financial assets at FV through OCI	39	-	1,101	1,140
Trade and other receivables				
Receivables (subject to provisional pricing)	-	29,148	-	29,148
Total	39	29,148	1,101	30,288

The Company

(Euro 000's)	Level 1	Level 2	Level 3	Total
31 December 2022				
Non-current receivables				
Financial assets at FV through profit and loss (note 30.4)	**-**	**-**	**14,247**	**14,247**
Other current financial assets				
Financial assets at FV through OCI	**33**	**-**	**-**	**33**
Total	**33**	**-**	**14,247**	**14,280**
31 December 2021				
Non-current receivables				
Financial assets at FV through profit and loss (note 30.4)	-	-	176,292	176,292
Other current financial assets				
Financial assets at FV through OCI	39	-	-	39
Total	39	-	176,292	176,331

3. Financial Risk Management and Critical accounting estimates and judgements

3.1 Financial risk factors

The Group manages its exposure to key financial risks in accordance with its financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets while protecting future financial security. The main risks that could adversely affect the Group's financial assets, liabilities or future cash flows are market risks comprising: commodity price risk, interest rate risk and foreign currency risk; liquidity risk and credit risk; operational risk, compliance risk and litigation risk. Management reviews and agrees policies for managing each of these risks that are summarised below.

The Group's senior management oversees the management of financial risks. The Group's senior management is supported by the AFRC that advises on financial risks and the appropriate financial risk governance framework for the Group. The AFRC provides assurance to the Group's senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. Currently, the Group does not apply any form of hedge accounting.

(a) Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability but can also increase the risk of losses. The Group has procedures with the object of minimising such losses such as maintaining sufficient cash to meet liabilities when due. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group finance. Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes principal cash flows.

The Group

(Euro 000's)	Carrying amounts	Contractual cash flows	Less than 3 months	Between 3 – 12 months	Between 1 – 2 years	Between 2 – 5 years	Over 5 years
31 December 2022							
Tax liability	**1,425**	**1,425**	**-**	**1,425**	**-**	**-**	**-**
Lease liability	**4,914**	**4,914**	**-**	**536**	**-**	**1,957**	**2,421**
Other financial liabilities	**73,362**	**73,362**	**-**	**52,594**	**10,812**	**9,956**	**-**
Non-current payables	**2,015**	**-**	**-**	**15**	**-**	**-**	**2,000**
Trade and other payables	**90,023**	**86,810**	**53,913**	**36,110**	**-**	**-**	**-**
	171,739	**166,511**	**53,913**	**90,680**	**10,812**	**11,913**	**4,421**
31 December 2021							
Tax liability	336	336	-	336	-	-	-
Deferred consideration	47,444	47,444	-	13,394	28,425	5,625	-
Trade and other payables	69,641	53,977	32,593	33,613	-	-	3,435
Lease liability	5,510	5,510	-	597	-	2,014	2,899
	122,931	107,267	32,593	47,940	28,425	7,639	6,334

The Company

(Euro 000's)	Carrying amounts	Contractual cash flows	Less than 3 months	Between 3 – 12 months	Between 1 – 2 years	Between 2 – 5 years	Over 5 years
31 December 2022							
Tax liability	**107**	**107**	**-**	**107**	**-**	**-**	**-**
Trade and other payables	**5,401**	**543**	**-**	**5,401**	**-**	**-**	**-**
	5,508	**650**	**-**	**5,508**	**-**	**-**	**-**
31 December 2021							
Trade and other payables	2,013	493	-	2,013	-	-	-
	2,013	493	-	2,013	-	-	-

(b) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's measurement currency. The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar and the British Pound. The Group's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the foreign exchange rate, with all other variables held constant, of the Group's profit before tax due to changes in the carrying value of monetary assets and liabilities at reporting date:

(Euro 000's)	Effect on profit before tax for the year ended 31 Dec 2022 increase/(decrease)	Effect on profit before tax for the year ended 31 Dec 2021 increase/(decrease)
+5%	**17,303**	15,045
-5%	**(17,303)**	(15,045)

(c) Commodity price risk

Commodity price is the risk that the Group's future earnings will be adversely impacted by changes in the market prices of commodities, primarily copper. Management is aware of this impact on its primary revenue stream but knows that there is little it can do to influence the price earned apart from a hedging scheme.

Commodity price hedging is governed by the Group´s policy which allows to limit the exposure to prices. The Group may decide to hedge part of its production during the year.

Commodity price sensitivity

The table below summarises the impact on profit before tax for changes in commodity prices on the fair value of derivative financial instruments and trade receivables (subject to provisional pricing). The impact on equity is the same as the impact on profit before income tax as these derivative financial instruments have not been designated as hedges and are classified as held-for-trading and are therefore fair valued through profit or loss.

The analysis is based on the assumption that the copper prices move $0.05/lb with all other variables held constant. Reasonably possible movements in commodity prices were determined based on a review of the last two years' historical prices.

(Euro 000's)	Effect on profit before tax for the year ended 31 Dec 2022 increase/ (decrease)	Effect on profit before tax for the year ended 31 Dec 2021 increase/ (decrease)
Increase/(decrease) in copper prices		
Increase $0.05/lb (2021: $0.05)	**5,285**	4,920
Decrease $0.05/lb (2021: $0.05)	**(5,285)**	(4,920)

(d) Credit risk

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Group has no significant concentration of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables. The Group has policies to limit the amount of credit exposure to any financial institution.

Except as detailed in the following table, the carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the maximum credit exposure without taking account of the value of any collateral obtained:

(Euro 000's)	31 Dec 2022	31 Dec 2021
Unrestricted cash and cash equivalents at Group level	**108,550**	48,375
Unrestricted cash and cash equivalents at Operation level	**17,567**	43,722
Restricted cash and cash equivalents at Operation level	**331**	15,420
Consolidated cash and cash equivalents	**126,448**	107,517
Net cash position[1]	**53,085**	60,073
Working capital surplus	**84,047**	102,430

(1) Includes restricted cash and bank borrowings at 31 December 2022 and 2021.

As at 31 December 2022, the Group's operating subsidiary held restricted cash of €0.3 million of a provision for legal costs related to Astor (2021: €15.4 million).

Besides of the above, there are no collaterals held in respect of these financial instruments and there are no financial assets that are past due or impaired as at 31 December 2022.

(e) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

At the reporting date the interest rate profile of interestbearing financial instruments was:

(Euro 000's)	2022	2021
Variable rate instruments		
Financial assets	**126,448**	107,517

An increase of 100 basis points in interest rates at 31 December 2022 would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. For a decrease of 100 basis points there would be an equal and opposite impact on the profit and other equity.

	Equity		Profit or loss	
(Euro 000's)	2022	2021	2022	2021
Variable rate instruments	**1,264**	1,075	**1,264**	1,075

(f) Operational risk

Operational risk is the risk that derives from the deficiencies relating to the Group's information technology and control systems as well as the risk of human error and natural disasters. The Group's systems are evaluated, maintained and upgraded continuously.

(g) Compliance risk

Compliance risk is the risk of financial loss, including fines and other penalties, which arises from noncompliance with laws and regulations. The Group has systems in place to mitigate this risk, including seeking advice from external legal and regulatory advisors in each jurisdiction.

3. Financial Risk Management and Critical accounting estimates and judgements (cont.)

(h) Litigation risk

Litigation risk is the risk of financial loss, interruption of the Group's operations or any other undesirable situation that arises from the possibility of nonexecution or violation of legal contracts and consequentially of lawsuits. The risk is restricted through the contracts used by the Group to execute its operations.

3.2 Capital risk management

The Group considers its capital structure to consist of share capital, share premium and share options reserve. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group is not subject to any externally imposed capital requirements.

In order to maintain or adjust the capital structure, the Group issues new shares. The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The AFRC reviews the capital structure on a continuing basis.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The Group monitors capital on the basis of the gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as provisions plus deferred consideration plus trade and other payables less cash and cash equivalents.

(Euro 000's)	2022	2021
Total liabilities less cash	**70,326**	41,992
Total equity	**473,295**	440,807
Total capital	**543,621**	482,799
Gearing ratio	**12.94%**	8.70%

3.3 Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the consolidated financial statements. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Group has identified a number of areas where significant judgements, estimates and assumptions are required.

(a) Capitalisation of exploration and evaluation costs

Under the Group's accounting policy, exploration and evaluation expenditure is not capitalised until the point is reached at which there is a high degree of confidence in the project's viability, and it is considered probable that future economic benefits will flow to the Group. Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. If a project proves to be unviable, all irrecoverable costs associated with the project net of any related impairment provisions are written off.

(b) Stripping costs

The Group incurs waste removal costs (stripping costs) during the development and production phases of its surface mining operations. Furthermore, during the production phase, stripping costs are incurred in the production of inventory as well as in the creation of future benefits by improving access and mining flexibility in respect of the orebodies to be mined, the latter being referred to as a stripping activity asset. Judgement is required to distinguish between the development and production activities at surface mining operations.

The Group is required to identify the separately identifiable components or phases of the orebodies for each of its surface mining operations. Judgement is required to identify and define these components, and also to determine the expected volumes (tonnes) of waste to be stripped and ore to be mined in each of these components. These assessments may vary between mines because the assessments are undertaken for each individual mine and are based on a combination of information available in the mine plans, specific characteristics of the orebody, the milestones relating to major capital investment decisions and the type and grade of minerals being mined.

Judgement is also required to identify a suitable production measure that can be applied in the calculation and allocation of production stripping costs between inventory and the stripping activity asset. The Group considers the ratio of expected volume of waste to be stripped for an expected volume of ore to be mined for a specific component of the orebody, compared to the current period ratio of actual volume of waste to the volume of ore to be the most suitable measure of production.

These judgements and estimates are used to calculate and allocate the production stripping costs to inventory and/or the stripping activity asset(s). Furthermore, judgements and estimates are also used to apply the units of production method in determining the depreciable lives of the stripping activity asset(s).

(c) Ore reserve and mineral resource estimates

The Group estimates its ore reserves and mineral resources based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the ore body and suitable production techniques and recovery rates.

Such an analysis requires complex geological judgements to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements and production costs, along with geological assumptions and judgements made in estimating the size and grade of the ore body.

The Group uses qualified persons (as defined by the Canadian Securities Administrators' National Instrument 43-101) to compile this data. Changes in the judgments surrounding proven and probable reserves may impact as follows:

- The carrying value of exploration and evaluation assets, mine properties, property, plant and equipment, and goodwill may be affected due to changes in estimated future cash flows;
- Depreciation and amortisation charges in the consolidated and company statements of comprehensive income may change where such charges are determined using the UOP method, or where the useful life of the related assets change;
- Capitalised stripping costs recognised in the statement of financial position as either part of mine properties or inventory or charged to profit or loss may change due to changes in stripping ratios;
- Provisions for rehabilitation and environmental provisions may change where reserve estimate changes affect expectations about when such activities will occur and the associated cost of these activities;

The recognition and carrying value of deferred income tax assets may change due to changes in the judgements regarding the existence of such assets and in estimates of the likely recovery of such assets.

(d) Impairment of assets

Events or changes in circumstances can give rise to significant impairment charges or impairment reversals in a particular year. The Group assesses each Cash Generating Unit ("CGU") annually to determine whether any indications of impairment exist. If it was necessary management could contract independent expert to value the assets. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered the higher of the fair value less cost to sell and value-in-use. An impairment loss is recognised immediately in net earnings. The Group has determined that each mine location is a CGU.

These assessments require the use of estimates and assumptions such as commodity prices, discount rates, future capital requirements, exploration potential and operating performance. Fair value is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value for mineral assets is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, which includes estimates such as the cost of future expansion plans and eventual disposal, using assumptions that an independent market participant may take into account. Cash flows are discounted at an appropriate discount rate to determine the net present value. For the purpose of calculating the impairment of any asset, management regards an individual mine or works site as a CGU.

Although management has made its best estimate of these factors, it is possible that changes could occur in the near term that could adversely affect management's estimate of the net cash flow to be generated from its projects.

(e) Provisions for decommissioning and site restoration costs

Accounting for restoration provisions requires management to make estimates of the future costs the Group will incur to complete the restoration and remediation work required to comply with existing laws, regulations and agreements in place at each mining operation and any environmental and social principles the Group is in compliance with. The calculation of the present value of these costs also includes assumptions regarding the timing of restoration and remediation work, applicable risk-free interest rate for discounting those future cash outflows, inflation and foreign exchange rates and assumptions relating to probabilities of alternative estimates of future cash outflows.

Management uses its judgement and experience to provide for and (in the case of capitalised decommissioning costs) amortise these estimated costs over the life of the mine. The ultimate cost of decommissioning and timing is uncertain and cost estimates can vary in response to many factors including changes to relevant environmental laws and regulations requirements, the emergence of new restoration techniques or experience at other mine sites. As a result, there could be significant adjustments to the provisions established which would affect future financial results. Refer to Note 26 for further details.

(f) Income tax

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and Company recognise liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Judgement is also required to determine whether deferred tax assets are recognised in the consolidated statements of financial position. Deferred tax assets, including those arising from unutilised tax losses, require the Group to assess the probability that the Group will generate sufficient taxable earnings in future periods, in order to utilise recognised deferred tax assets.

Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These estimates of future taxable income are based on forecast cash flows from operations (which are impacted by production and sales volumes, commodity prices, reserves, operating costs, closure and rehabilitation costs, capital expenditure, dividends and other capital management transactions). To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets could be impacted.

In addition, future changes in tax laws in the jurisdictions in which the Group operates could limit the ability of the Group to obtain tax deductions in future periods.

(g) Inventory

Net realisable value tests are performed at each reporting date and represent the estimated future sales price of the product the entity expects to realise when the product is processed and sold, less estimated costs to complete production and bring the product to sale. Where the time value of money is material, these future prices and costs to complete are discounted.

(h) Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities.

The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

(i) Contingent liabilities

A contingent liability arises where a past event has taken place for which the outcome will be confirmed only by the occurrence or non-occurrence of one or more uncertain events outside of the control of the Group, or a present obligation exists but is not recognised because it is not probable that an outflow of resources will be required to settle the obligation.

A provision is made when a loss to the Group is likely to crystallise. The assessment of the existence of a contingency and its likely outcome, particularly if it is considered that a provision might be necessary, involves significant judgment taking all relevant factors into account.

(j) Share-based compensation benefits

Share based compensation benefits are accounted for in accordance with the fair value recognition provisions of IFRS 2 "Share-based Payment". As such, share-based compensation expense for equity-settled share-based payments is measured at the grant date based on the fair value of the award and is recognised as an expense over the vesting period. The fair value of such share-based awards at the grant date is measured using the Black Scholes pricing model. The inputs used in the model are based on management's best estimates for the effects of non-transferability, exercise restrictions, behavioural considerations and expected volatility. Please refer to Note 23.

(k) Consolidation of Cobre San Rafael

Cobre San Rafael, S.L. is the entity which holds the mining rights of Proyecto Touro. The Group controls Cobre San Rafael, S.L. as it is exposed to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. The control is proven as: one of the two Directors belongs to the Group and management of the financial books and the capacity to appoint the key personnel is controlled by Atalaya.

(l) Classification of financial assets

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through OCI, or fair value through profit or loss.

The Group and Company exercises judgement upon determining the classification of its financial assets upon considering whether contractual features including interest rate could significantly affect future cash flows. Furthermore, judgment is required when assessing whether compensation paid or received on early termination of lending arrangements results in cash flows that are not 'solely payments of principal and interest (SPPI).

(n) Determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms of three to five years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy). The Group included the renewal period as part of the lease term for leases of plant and machinery due to the significance of these assets to its operations. These leases have a short non-cancellable period (i.e., three to five years) and there will be a significant negative effect on production if a replacement is not readily available. The renewal options for leases of motor vehicles were not included as part of the lease term because the Group has a policy of leasing motor vehicles for not more than five years and hence not exercising any renewal options.

4. Business and geographical segments

Business segments

The Group has only one distinct business segment, that being mining operations, which include mineral exploration and development.

Copper concentrates produced by the Group are sold to three offtakers as per the relevant offtake agreement (Note 30.3).

Geographical segments

The Group's mining activities are located in Spain. The commercialisation of the copper concentrates produced in Spain is carried out through Cyprus. Sales transactions to related parties are on arm's length basis in a similar manner to transaction with third parties. Accounting policies used by the Group in different locations are the same as those contained in Note 2.

(Euro 000's)	Cyprus	Spain	Other	Total
2022				
Revenue – from external customers	30,662	331,184	-	361,846
Earnings/(loss)before Interest, Tax, Depreciation and Amortisation	19,714	35,867	(267)	55,314
Depreciation/amortisation charge	-	(34,119)	-	(34,119)
Net foreign exchange gain	5,368	6,178	-	11,546
Finance income	36	588	-	624
Finance cost	(1)	(1,044)	-	(1,045)
Profit/(loss) before tax	25,117	7,470	(267)	32,320
Tax	(3,352)	1,958	-	(1,394)
Profit/(loss) for the period	21,765	9,428	(267)	30,926
Total assets	108,486	528,829	25,756	663,071
Total liabilities	(3,772)	(193,002)	-	(196,774)
Depreciation of property, plant and equipment	-	29,637	-	29,637
Amortisation of intangible assets	-	4,482	-	4,482
Total net additions of non-current assets	-	74,695	-	74,695
2021				
Revenue	40,827	364,890	-	405,717
Earnings/(loss)before Interest, Tax, Depreciation and Amortisation	30,284	168,880	(50)	199,114
Depreciation/amortisation charge	-	(32,276)	-	(32,276)
Net foreign exchange gain	2,301	4,285	3	6,589
Finance income	-	57	-	57
Finance cost	-	(13,657)	-	(13,657)
Profit/(loss) before tax	32,585	127,289	(47)	159,827
Tax	(3,776)	(23,825)	-	(27,601)
Profit for the year	28,809	103,464	(47)	132,226
Total assets	77,750	506,523	1,134	585,407
Total liabilities	(1,934)	(147,567)	(8)	(149,509)
Depreciation of property, plant and equipment	-	27,680	-	27,680
Amortisation of intangible assets	-	4,596	-	4,596
Total additions of non-current assets	-	41,040	-	41,040

Revenue represents the sales value of goods supplied to customers; net of value added tax. The following table summarises sales to customers with whom transactions have individually exceeded 10.0% of the Group's revenues.

	2022		2021	
(Euro 000's)	Segment	€'000	Segment	€'000
Offtaker 1	**Copper**	**71,839**	Copper	130,642
Offtaker 2	**Copper**	**108,158**	Copper	91,651
Offtaker 3	**Copper**	**181,822**	Copper	173,904

5. Revenue

The Group

(Euro 000's)	2022	2021
Revenue from contracts with customers[1]	**371,303**	399,966
Fair value gain relating to provisional pricing within sales[2]	**(9,457)**	5,751
Total revenue	**361,846**	405,717

(1) Included within 2022 revenue there is a transaction price of €7.6 million (€2.8 million in 2021) related to the freight services provided by the Group to the customers arising from the sales of copper concentrate under CIF incoterm.

(2) Provisional pricing impact represented the change in fair value of the embedded derivative arising on sales of concentrate.

All revenue from copper concentrate is recognised at a point in time when the control is transferred. Revenue from freight services is recognised over time as the services are provided.

The Company

(Euro 000's)	2022	2021
Sales of services to related companies (Note 30.3)	**2,756**	1,849
Dividends	**55,000**	64,000
Other income	**286**	-
	58,042	65,849

6. Expenses by nature

The Group

(Euro 000's)	2022	2021
Operating costs	**246,840**	150,954
Rents (Note 27)	**5,678**	5,752
Care and maintenance expenditure	**15,603**	13,720
Exploration expenses	**3,723**	1,800
Employee benefit expense (Note 7)	**24,556**	23,793
Compensation of key management personnel	**2,189**	2,335
Auditors' remuneration – audit	**345**	283
Other accountants' remuneration	**138**	86
Consultants' remuneration	**1,087**	921
Depreciation of property, plant and equipment (Note 13)	**29,637**	27,680
Amortisation of intangible assets (Note 14)	**4,482**	4,596
Travel costs	**282**	105
Share option-based employee benefits	**1,279**	899
Shareholders' communication expense	**305**	251
On-going listing costs	**533**	352
Legal costs	**1,469**	1,086
Public relations and communication development	**1,035**	650
Insurances	**83**	90
Other expenses and provisions	**1,673**	3,526
Total	**340,937**	238,879

The Company

(Euro 000's)	2022	2021
Key management remuneration	**540**	547
Auditors' remuneration – audit	**139**	146
Other accountants' remuneration	**57**	42
Consultants' remuneration	**224**	222
Management fees (Note 30.3)	**66**	61
Travel costs	**2**	3
Shareholders' communication expense	**305**	251
On-going listing costs	**533**	352
Legal costs	**1,258**	667
Insurances	**84**	91
Other expenses and provisions	**393**	40
Total	**3,600**	2,422

7. Employee benefit expense

The Group

(Euro 000's)	2022	2021
Wages and salaries	**18,438**	17,652
Social security and social contributions	**5,659**	5,583
Employees' other allowances	**16**	17
Bonus to employees	**443**	541
	24,556	23,793

The average number of employees and the number of employees at year end by office are:

	Average		At year end	
Number of employees	2022	2021	2022	2021
Spain – Full time	**473**	406	**462**	422
Spain – Part time	**4**	91	**3**	81
Cyprus – Full time	**1**	1	**1**	1
Cyprus – Part time	**2**	2	**2**	2
Total	**480**	500	**468**	506

The Company

The company had no employees during the year ended 31 December 2022 and 2021.

8. Finance income

The Group

(Euro 000's)	2022	2021
Interest income	**244**	57
Unwinding of discount on mine rehabilitation provision (Note 26)	**380**	-
	624	57

The Company

(Euro 000's)	2022	2021
Interest income from interest-bearing intercompany loans at fair value through profit and loss (Note 30.3)	**9,157**	12,854
Interest income from interest-bearing intercompany loans at amortised cost (Note 30.3)	**3,743**	2,398
Other interest income	**36**	-
	12,936	15,252

Interest income relates to interest received on bank balances.

9. Finance costs

The Group

(Euro 000's)	2022	2021
Interest expense:		
Other interest	**1,025**	846
Interest expense on lease liabilities	**20**	11
Other finance expenses	**-**	11,737
Unwinding of discount on mine rehabilitation provision (Note 26)	**-**	1,063
	1,045	13,657

Other finance expense is related to the interest calculation proposed by Astor.

10. Tax

The Group

(Euro 000's)	2022	2021
Current income tax charge	**3,123**	24,359
Deferred tax related to utilization of losses for the year (Note 17)	**-**	3,856
Deferred tax income relating to the origination of temporary differences (Note 17)	**(4,544)**	(2,986)
Deferred tax expense relating to reversal of temporary differences (Note 17)	**2,815**	2,372
	1,394	27,601

The tax on the Group's results before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

The Group

(Euro 000's)	2022	2021
Accounting profit before tax	**32,318**	159,827
Tax calculated at the applicable tax rates of the Company – 12.5%	**4,040**	19,978
Tax effect of expenses not deductible for tax purposes	**1,029**	2,743
Tax effect of tax loss for the year	**3,819**	359
Tax effect of allowances and income not subject to tax	**(7,857)**	(2,629)
Effect of higher tax rates in other jurisdictions of the group	**2,092**	7,764
Tax effect of tax losses brought forward	**-**	(3,856)
Deferred tax (Note 17)	**(1,729)**	3,242
Tax charge	**1,394**	27,601

The Company

(Euro 000's)	2022	2021
Current income tax charge	**617**	862
	617	862

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Tax losses carried forward

As at 31 December 2022, the Group had tax losses carried forward amounting to €0.2 million from the Spanish subsidiaries for the period 2008 to 2015 and €4.1 million for the period 2022.

Cyprus

The corporation tax rate is 12.5%. Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17% for 2014 and thereafter. Under current legislation, tax losses may be carried forward and be set off against taxable income of the five succeeding years.

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 20% for the tax years 2012 and 2013 and 17% for 2014 and thereafter will be payable on such deemed dividends to the extent that the shareholders (companies and individuals) are Cyprus tax residents and Cyprus domiciled. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

Spain

The corporation tax rate for 2022 and 2021 is 25%. The Spanish tax reform approved in 2014 reduced the general corporation tax rate from 30% to 28% in 2015 and to 25% in 2016, and introduced, among other changes, a 10% reduction in the tax base subject to equity increase and other requirements. Under current legislation, tax losses may be carried forward and be set off against taxable income with no limitation.

11. Earnings per share

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

(Euro 000's)	2022	2021
Parent company	**(676)**	(1,773)
Subsidiaries	**33,831**	135,417
Profit attributable to equity holders of the parent	**33,155**	133,644
Weighted number of ordinary shares for the purposes of basic earnings per share ('000)	**139,757**	138,196
Basic profit per share (EUR cents/share)	**23.7**	96.7
Weighted number of ordinary shares for the purposes of diluted earnings per share ('000)	**142,834**	141,526
Diluted profit per share (EUR cents/share)	**23.2**	94.4

At 31 December 2022, there are 3,543,500 options (Note 23) and nil warrants (Note 22) (At 31 December 2021: 3,841,750 options and nil warrants) which have been included when calculating the weighted average number of shares for FY2022.

12. Dividends paid

Cash dividends declared and paid during the year:

(Euro 000's)	31 Dec 2022	31 Dec 2021
Inaugural dividend	**-**	47,290
Interim dividend declared and paid	**5,099**	-
Total cash dividends paid in the year to ordinary shareholders	**5,099**	47,290

The Board of Directors has proposed a final dividend for 2022 of US$0.0385 per ordinary share, which is equivalent to approximately 3.15 pence per share totalling €5.0 million. Payment of the Final Dividend is subject to shareholder approval at the Company's 2023 Annual General Meeting.

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Dividend Policy

Following the expansion of Proyecto Riotinto's processing capacity to 15 Mtpa, Atalaya has been generating robust cash flow as a result of the plant consistently operating above nameplate capacity, coupled with the strong copper price environment.

Accordingly, on 27 October 2021, Atalaya initiated a sustainable dividend policy that will allow for continued investments in its portfolio of low capital intensity growth projects, such as the San Dionisio deposit, Proyecto Masa Valverde and Proyecto Touro.

Consistent with its strategy to create and deliver shareholder value, the Company approved a Dividend Policy that will make an annual pay-out of between 30% and 50% of free cash flow generated during the applicable financial year.

The Dividend Policy took effect during the 2022 financial year. The annual Ordinary Dividend will be paid in two half-yearly instalments and announced in conjunction with interim and full year results.

The declaration and payment of all future dividends under the new policy will remain subject to approval by the Board of Directors.

13. Property, plant and equipment

(Euro 000's)	Land and buildings	Right of use assets[5]	Plant and equipment	Assets under construction[3]	Deferred mining costs[2]	Other assets[1]	Total
2022							
Cost							
At 1 January 2022	65,003	7,076	283,346	22,860	51,667	801	430,753
Additions	2,383	-	1,262	49,473	691	-	53,809
Increase in rehab. provision	1,727	-	-	-	-	-	1,727
Reclassifications[4]	15,300	-	6,727	(22,098)	-	71	-
Advances	103	-	-	-	-	-	103
Write-off	(4,190)	-	-	-	-	-	(4,190)
At 31 December 2022	80,326	7,076	291,335	50,235	52,358	872	482,202
Depreciation							
At 1 January 2022	16,026	1,546	67,991	-	11,380	714	97,657
Charge for the year	4,428	452	21,191	-	3,541	25	29,637
At 31 December 2022	20,454	1,998	89,182	-	14,921	739	127,294
Net book value at 31 December 2022	59,872	5,078	202,153	50,235	37,437	133	354,908
2021							
Cost							
At 1 January 2021	64,034	6,569	268,051	15,828	41,868	801	397,151
Additions	270	507	1,941	20,386	9,799	-	32,903
Increase in rehab. provision	655	-	-	-	-	-	655
Reclassifications	-	-	13,354	(13,354)	-	-	-
Advances	44	-	-	-	-	-	44
At 31 December 2021	65,003	7,076	283,346	22,860	51,667	801	430,753
Depreciation							
At 1 January 2021	11,671	956	48,134	-	8,528	688	69,977
Charge for the year	4,355	590	19,857	-	2,852	26	27,680
At 31 December 2021	16,026	1,546	67,991	-	11,380	714	97,657
Net book value at 31 December 2021	48,977	5,530	215,355	22,860	40,287	87	333,096

(1) Includes motor vehicles, furniture, fixtures and office equipment which are depreciated over 5-10 years.
(2) Stripping costs
(3) Assets under construction at 31 December 2022 amounted to €50.2 million (2021: €22.9 million). It includes the capitalisation of costs related sustaining capital expenses (€6.3 million), tailing dams (€14.1 million) and solar plant (€22.8m).
(4) Transfers related to sustaining Capex (€6.8 million) and the Tailing Dam Project (€15.3 million) which were finalised works.
(5) See leases in Note 27.

The Group

The above fixed assets are mainly located in Spain.

The Company

(Euro 000's)	Other assets[1]	Total
2022		
Cost		
At 1 January 2022	15	15
At 31 December 2022	15	15
Depreciation		
At 1 January 2022	15	15
Charge for the year	-	-
At 31 December 2022	15	15
Net book value at 31 December 2022	-	-
2021		
Cost		
At 1 January 2021	15	15
At 31 December 2021	15	15
Depreciation		
At 1 January 2021	15	15
Charge for the year	-	-
At 31 December 2021	15	15
Net book value at 31 December 2021	-	-

(1) Includes furniture, fixtures and office equipment which were depreciated over 5-10 years.

14. Intangible assets

The Group

(Euro 000's)	Permits [1]	Licences, R&D and Software	Total
2022			
Cost			
On 1 January 2022	80,358	8,595	88,953
Additions	897	47	944
At 31 December 2022	81,255	8,642	89,897
Amortisation			
On 1 January 2022	23,214	8,371	31,585
Charge for the year	4,413	69	4,482
At 31 December 2022	27,627	8,440	36,067
Net book value at 31 December 2022	53,628	202	53,830

(Euro 000's)	Permits [1]	Licences, R&D and Software	Total
2021			
Cost			
On 1 January 2021	78,210	8,595	86,805
Additions	2,148	-	2,148
At 31 December 2021	80,358	8,595	88,953
Amortisation			
On 1 January 2021	18,683	8,306	26,989
Charge for the year	4,531	65	4,596
At 31 December 2021	23,214	8,371	31,585
Net book value at 31 December 2021	57,144	224	57,368

(1) Permits include the mining rights of Proyecto Touro, Masa Valverde and Ossa Morena

The ultimate recovery of balances carried forward in relation to areas of interest or all such assets including intangibles is dependent on successful development, and commercial exploitation, or alternatively the sale of the respective areas.

The Group conducts impairment testing in case there is an indicator of impairment. Atalaya assessed its assets concluding that there are no indicators of impairment for either Proyecto Riotinto or any other as of 31 December 2022.

15. Investment in subsidiaries

The Company

(Euro 000's)	2022	2021
Opening amount at cost minus provision for impairment	**64,171**	5,448
Increase of investment[2]	**10,739**	58,723
Closing amount at cost less provision for impairment	**74,910**	64,171

The directly owned subsidiaries of the Group, the percentage of equity owned and the main country of operation are set out below. These interests are consolidated within these financial statements.

Subsidiary companies	Date of incorporation/ acquisition	Principal activity	Country of incorporation	Effective proportion of shares held in 2022[3]	Effective proportion of shares held in 2021[3]
Atalaya Touro (UK) Ltd	10 March 2017	Holding	United Kingdom	100%	100%
Atalaya Minasderiotinto Project (UK) Ltd[1]	10 Sep 2008	Holding	United Kingdom	100%	100%
EMED Marketing Ltd	08 Sep 2008	Trading	Cyprus	100%	100%
EMED Mining Spain SLU[2]	12 April 2007	Exploration	Spain	-	100%
Atalaya Financing Ltd	16 Sep 2020	Financing	Cyprus	100%	100%

(1) The increase of €10.8 million related to a share capital increase of Atalaya Minasderiotinto Project (UK) Ltd. amounting to €9.5 million and share-based payment expense of €1.3 million (2021: €0.9 million).
(2) EMED Mining Spain, S.L. was disposed on 4 January 2022
(3) The effective proportion of shares held as at 31 December 2022 and 2021 remained unchanged.

16. Investment in joint venture

Company name	Principal activities	Country of incorporation	Effective proportion of shares held at 31 December 2015
Recursos Cuenca Minera S.L.	Exploitation of tailing dams and waste areas resources	Spain	50%

In 2012 Atalaya Riotinto Minera, S.L.U. entered into a 50/50 joint venture with Rumbo to evaluate and exploit the potential of the class B resources in the tailings dam and waste areas at The Proyecto Riotinto. Under the joint venture agreement, ARM will be the operator of the joint venture and will reimburse Rumbo for the costs associated with the application for classification of the Class B resources. Atalaya Riotinto Minera will fund the initial expenditure of a feasibility study up to a maximum of €2.0 million. Costs are then borne by the joint venture partners in accordance with their respective ownership interests.

The Group's significant aggregate amounts in respect of the joint venture are as follows:

(Euro 000's)	2022	2021
Intangible assets	**94**	94
Trade and other receivables	**2**	2
Cash and cash equivalents	**21**	21
Trade and other payables	**(115)**	(115)
Net assets	**2**	2
Revenue	**-**	-
Expenses	**-**	-
Net profit/(loss) after tax	**-**	-

17. Deferred tax

	Consolidated statement of financial position		Consolidated income statement	
(Euro 000's)	2022	2021	2022	2021
The Group				
Deferred tax asset				
At 1 January	5,564	8,805	-	-
Deferred tax related to utilization of losses for the year (Note 10)	-	(3,856)	-	3,856
Deferred tax income relating to the origination of temporary differences (Note 10)	4,544	2,986	(4,544)	(2,986)
Deferred tax expense relating to reversal of temporary differences (Note 10)	(2,815)	(2,371)	2,815	2,371
At 31 December	7,293	5,564		
Deferred tax (expense)/income (Note 10)			(1,729)	3,241

Deferred tax assets are recognised for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available in the future against which the unused tax losses/credits can be utilised. The Company held tax losses amounted to €4.4 million in Spain.

18. Inventories

The Group

(Euro 000's)	2022	2021
Finished products	**4,547**	5,185
Materials and supplies	**31,330**	18,216
Work in progress	**2,964**	1,380
	38,841	24,781

As at 31 December 2022, copper concentrate produced and not sold amounted to 3,529 tonnes (FY2021: 5,254 tonnes). Accordingly, the inventory for copper concentrate was €4.5 million (FY2021: €5.2 million). During the year 2022 the Group recorded cost of sales amounting to €289.0 million (FY2021: €192.1 million).

Materials and supplies relate mainly to machinery spare parts. Work in progress represents ore stock-piles, which is ore that has been extracted and is available for further processing.

19. Trade and other receivables

(Euro 000's)	2022	2021
The Group		
Non-current trade and other receivables		
Deposits	**256**	303
Loans	**12,865**	2,332
Other non-current receivables	**3,241**	2,695
	16,362	5,330
Current trade and other receivables		
Trade receivables at fair value – *subject to provisional pricing*	**14,757**	8,865
Trade receivables from shareholders at fair value – *subject to provisional pricing (Note 30.5)*	**12,800**	20,283
Other receivables from related parties at amortised cost (Note 30.3)	**56**	56
Deposits	**37**	21
VAT receivable	**28,856**	17,300
Tax advances	**9**	-
Prepayments	**5,845**	3,303
Other current assets	**1,795**	300
	64,155	50,128
Allowance for expected credit losses	**-**	-
Total trade and other receivables	**80,517**	55,458
The Company		
Non-current trade and other receivables		
Receivables from own subsidiaries at amortised cost (Note 30.4)	**245,657**	69,452
Receivables from own subsidiaries at fair value through profit and loss (Note 30.4)	**14,247**	176,292
	259,904	245,744
Current trade and other receivables		
Tax advances CIT	**-**	279
Receivables from own subsidiaries at amortised cost (Note 30.4)	**48,774**	2,084
Other receivables	**57**	52
Total current trade and other receivables	**48,831**	2,415

Trade receivables are shown net of any interest applied to prepayments. Payment terms are aligned with offtake agreements and market standards and generally are 7 days on 90% of the invoice and the remaining 10% at the settlement date which can vary between 1 to 5 months. The fair value of trade and other receivables approximate their book values.

Non-current deposits included €250k (YTD 2021: €250k) as a collateral for bank guarantees, which was recorded as restricted cash (or deposit). Restricted cash related to the collateral was reclassified to non-current trade and other receivables since the deposit is considered to be long term.

Loans are related to an agreement entered by the Group and Lain Technologies Ltd in relation to the construction of the pilot plan to develop the E-LIX System. The Loan is secured with the pilot plant, has a grace period of up to four years and repayment terms depending on future investments on the system. Amounts drawn down bear interest at 2%. The increase is resulted from the drawdowns withdraw required for the pilot plant construction.

20. Other Financial assets at FVOCI

The Group

(Euro 000's)	2022	2021
Financial asset at fair value through OCI (see (a)) below)	**1,134**	1,140
Total current	**33**	39
Total non-current	**1,101**	1,101

The Company

(Euro 000's)	2022	2021
Financial asset at fair value through OCI (see (a)) below)	**33**	39
Total current	**33**	39

a) Financial assets at fair value through OCI

The Group

(Euro 000's)	2022	2021
At 1 January [(1)]	**1,140**	1,187
Fair value change recorded in equity (Note 23)	**(6)**	(47)
At 31 December	**1,134**	1,140

The Company

(Euro 000's)	2022	2021
At 1 January [(1)]	**39**	86
Fair value change recorded in equity (Note 23)	**(6)**	(47)
At 31 December	**33**	39

(1) The Group decided to recognise changes in the fair value through other comprehensive income ('OCI'), as explained in Note 2.12.

Company name	Principal activities	Country of incorporation	Effective proportion of shares held at 31 December 2022
Explotaciones Gallegas del Cobre SL	Exploration company	Spain	12.5%
KEFI Minerals Plc	Exploration and development mining company listed on AIM	UK	0.19%
Prospech Limited	Exploration company	Australia	0.53%

21. Cash and cash equivalents

The Group

(Euro 000's)	31 Dec 2022	31 Dec 2021
Unrestricted cash and cash equivalents at Group level	**108,550**	48,375
Unrestricted cash and cash equivalents at Operation level	**17,567**	43,722
Restricted cash and cash equivalents at Operation level	**331**	15,420
Consolidated cash and cash equivalents	**126,448**	107,517

As at 31 December 2022, the Group's operating subsidiary held restricted cash of €0.3 million of a provision for legal costs related to Astor.

Cash and cash equivalents denominated in the following currencies:

(Euro 000's)	2022	2021
Euro – functional and presentation currency	**84,146**	30,145
» Great Britain Pound	**895**	36
» United States Dollar	**41,407**	77,336
	126,448	107,517

The Company

(Euro 000's)	2022	2021
Cash at bank and on hand	**39,472**	37,270

Cash and cash equivalents denominated in the following currencies:

(Euro 000's)	2022	2021
Euro – functional and presentation currency	**38,496**	22
» Great Britain Pound	**879**	36
» United States Dollar	**97**	37,212
	39,472	37,270

22. Share capital

Authorised			Nr. of Shares '000's	Share capital £ 000's	Share Premium £ 000's	Total £ 000's
Ordinary shares of £0.075 each			200,000	15,000	-	15,000
Issued and fully paid			**000's**	**Euro 000's**	**Euro 000's**	**Euro 000's**
1 January 2021			138,141	13,439	315,714	329,153
Issue Date	**Price (£)**	**Details**				
12-Feb-21	2.015	Exercised share options[c]	41	4	91	95
18-May-21	2.015	Exercised share options[d]	20	1	45	46
18-May-21	1.475	Exercised share options[d]	10	1	15	16
15 Dec 2021	1.475	Exercised share options[e]	9	2	43	45
15 Dec 2021	2.015	Exercised share options[e]	15	-	8	8
31 December 2021 / 1 January 2022			**138,236**	**13,447**	**315,916**	**329,363**
22 Jan 2022	1.44	Exercised share options[b]	314	28	512	540
22 Jan 2022	2.015	Exercised share options[b]	321	29	746	775
22 Jan 2022	2.045	Exercised share options[b]	400	36	941	977
22 Jan 2022	1.475	Exercised share options[b]	451	42	754	796
22 Jan 2022	3.09	Exercised share options[b]	135	12	505	517
23 June 2022	1.475	Exercised share options[a]	23	2	37	39
31 December 2022			**139,880**	**13,596**	**319,411**	**333,007**

The Company´s share capital at 31 December 2022 is 139,879,209 ordinary shares (138,235,959 in 2021) of Stg £0.075 each.

Authorised capital

The Company's authorised share capital is 200,000,000 ordinary shares of £0.075 each.

Issued capital

(a) On 23 June 2022, the Company announced that it has issued 22,500 ordinary shares of 7.5p in the Company ("Option Shares") pursuant to an exercise of share options by an employee.

(b) On 26 January 2022, the Company announced that is was notified that PDMRs exercised a total of 1,350,000 options. Further details (including details of sales of shares following the exercise of options) are given in Note 23.

(c) On 12 February 2021, the Company was notified that certain employees exercised options over 40,750 ordinary shares of £0.075 at a price of £2.015, thus creating a share premium of €91k.

(d) On 18 May 2021, the Company was notified that certain employees exercised options over 30,000 ordinary shares of £0.075 at a price between £1.475 and £2.015, thus creating a share premium of €61k.

(e) On 15 December 2021, the Company was notified that certain employees exercised options over 24,500 ordinary shares of £0.075 at a price between £1.475 and £2.015, thus creating a share premium of €50k.

Details of share options outstanding as at 31 December 2022:

Grant date	Expiry date	Exercise price £	Share options
29 May 2019	28 May 2024	2.015	666,500
30 June 2020	29 June 2030	1.475	516,000
24 June 2021	23 June 2031	3.090	1,016,000
26 January 2022	25 January 2032	4.160	120,000
22 June 2022	30 June 2027	3.575	1,225,000
Total			**3,543,500**

	Weighted average exercise price £	Share options
At 1 January 2022	**2.154**	**3,841,750**
Granted options during the year	3.627	**1,345,000**
Options executed during the year	1.844	**(1,643,250)**
31 December 2022	**2.857**	**3,543,500**

23. Other reserves

The Group

(Euro 000's)	Share option	Bonus share	Depletion factor (1)	FV reserve of financial assets at FVOCI (2)	Non-distributable reserve (3)	Distributable reserve(4)	Total
At 1 January 2021	8,187	208	25,033	(1,100)	5,628	2,093	40,049
Recognition of depletion factor	-	-	(55)	-	-	6,155	6,100
Recognition of non-distributable reserve	-	-	-	-	2,372	-	2,372
Recognition of distributable reserve	-	-	-	-	-	3,317	3,317
Recognition of share based payments	899	-	-	-	-	-	899
Change in fair value of financial assets at fair value through OCI (Note 20)	-	-	-	(47)	-	-	(47)
Other changes in reserves	-	-	-	-	-	-	-
At 31 December 2021	**9,086**	**208**	**24,978**	**(1,147)**	**8,000**	**11,565**	**52,690**
Recognition of depletion factor	**-**	**-**	**12,800**	**-**	**-**	**-**	**12,800**
Recognition of non-distributable reserve	**-**	**-**	**-**	**-**	**316**	**-**	**316**
Recognition of distributable reserve	**-**	**-**	**-**	**-**	**-**	**2,726**	**2,726**
Recognition of share based payments	**1,279**	**-**	**-**	**-**	**-**	**-**	**1,279**
Change in fair value of financial assets at fair value through OCI (Note 20)	**-**	**-**	**-**	**(6)**	**-**	**-**	**(6)**
Other changes in reserves	**-**	**-**	**-**	**-**	**-**	**-**	**-**
At 31 December 2022	**10,365**	**208**	**37,778**	**(1,153)**	**8,316**	**14,291**	**69,805**

The Company

(Euro 000's)	Share option	Bonus share	Fair value reserve of financial assets at FVOCI (2)	Total
At 1 January 2021	8,187	208	(1,100)	7,295
Adjustment for initial application of IFRS 9	-	-	-	-
Recognition of share based payments	899	-	-	899
Change in fair value of financial assets at fair value through OCI (Note 20)	-	-	(47)	(47)
At 31 December 2021	**9,086**	**208**	**(1,147)**	**8,147**
Recognition of share based payments	**1,278**	**-**	**-**	**1,278**
Change in fair value of financial assets at fair value through OCI (Note 20)	**-**	**-**	**(6)**	**(6)**
At 31 December 2022	**10,364**	**208**	**(1,153)**	**9,419**

(1) Depletion factor reserve: During the twelve month period ended 31 December 2022, the Group has increase €12.8 million (FY2021: disposal of €6.1 million) as a depletion factor reserve as per the Spanish Corporate Tax Act.

(2) Fair value reserve of financial assets at FVOCI: The Group decided to recognise changes in the fair value of certain investments in equity securities in OCI. These changes are accumulated within the FVOCI reserve under equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

(3) Non-distributable reserve: As required by the Spanish Corporate Tax Act, the Group classified a non-distributable reserve of 10% of the profits generated by the Spanish subsidiaries until the reserve is 20% of share capital of the subsidiary.

(4) Distributable reserve: As result of the 2018 profit generated in Atalaya Riotinto Minera, S.L.U., the Group decided to record a distributable reserve in order to comply with the Spanish Corporate Tax Act.

In general, option agreements contain provisions adjusting the exercise price in certain circumstances including the allotment of fully paid ordinary shares by way of a capitalisation of the Company's reserves, a subdivision or consolidation of the ordinary shares, a reduction of share capital and offers or invitations (whether by way of rights issue or otherwise) to the holders of ordinary shares.

The estimated fair values of the options were calculated using the Black Scholes option pricing model. The inputs into the model and the results are as follows:

Grant Date	Weighted average share price £	Weighted average exercise price £	Expected volatility	Expected life (years)	Risk Free rate	Expected dividend yield	Estimated Fair Value £
23 Feb 2017	1.440	1.440	51.80%	5	0.6%	Nil	0.666
29 May 2019	2.015	2.015	46.90%	5	0.8%	Nil	0.66
8 July 2019	2.045	2.045	46.90%	5	0.8%	Nil	0.66
30 June 2020	1.475	1.475	50.32%	10	0.3%	Nil	0.60
23 June 2021	3.090	3.090	50.91%	10	0.7%	Nil	0.81
26 January 2022	4.160	4.160	49.18%	10	1.149%	Nil	1.12
22 June 2022	3.575	3.575	34.12%	5	2.748%	Nil	0.71

The volatility has been estimated based on the underlying volatility of the price of the Company's shares in the preceding twelve months.

24. Non-controlling interest

(Euro 000's)	31 Dec 2022	31 Dec 2021
Opening balance	**(4,909)**	(3,491)
On acquisition of a subsidiary	**140**	-
Share of total comprehensive income for the year	**(2,229)**	(1,418)
Closing balance	**(6,998)**	(4,909)

The Group has a 10% interest in Cobre San Rafael, S.L. acquired in July 2017 while the remaining 90% is held by a non-controlling interest (Note 2.3 (b) (1)). The significant financial information with respect to the subsidiary before intercompany eliminations as at and for the twelve month period ended 31 December 2022 is as follows:

(Euro 000's)	31 Dec 2022	31 Dec 2021
Non-current assets	**6,976**	5,155
Current assets	**551**	315
Non-current liabilities	**14,478**	-
Current liabilities	**824**	9,481
Equity	**(7,776)**	(5,299)
Revenue	**-**	-
Loss for the year and total comprehensive income	**(2,477)**	(1,420)

Cobre San Rafael, S.L. was established on 13 June 2016.

* 10% interest in Cobre San Rafael, S.L. was acquired by the Group in July 2017.

25. Trade and other payables

The Group

(Euro 000's)	31 Dec 2022	31 Dec 2021
Non-current trade and other payables		
Other non-current payables	**2,000**	3,435
Government grant	**15**	15
	2,015	3,450
Current trade and other payables		
Trade payables	**85,038**	49,712
Accruals	**3,322**	16,267
VAT payable	**259**	74
Other	**1,403**	138
	90,022	66,191

The Company

Non-current trade and other payables		
Suppliers	**284**	47
Accruals	**1,034**	1,259
Payable to own subsidiaries (Note 30.4)	**3,825**	634
VAT payable	**259**	74
	5,402	2,014

Other non-current payables are related with the acquisition of Atalaya Masa Valverde formerly Cambridge Minería España, SL and Atalaya Ossa Morena formerly Rio Narcea Nickel, SL (see Note 29).

Trade payables are mainly for the acquisition of materials, supplies and other services. These payables do not accrue interest and no guarantees have been granted. The fair value of trade and other payables approximate their book values.

The Group's exposure to currency and liquidity risk related to liabilities is disclosed in Note 3.

Trade payables are non-interest-bearing and are normally settled on 60-day terms.

26. Provisions

(Euro 000's)	Other provisions	Legal costs	Rehabilitation costs	Total costs
At 1 January 2021	-	626	24,638	25,264
Additions	-	26	655	681
Used of provision	-	(286)	(57)	(343)
Reversal of provision	-	(87)	-	(87)
Finance cost (Note 9)	-	-	1,063	1,063
At 31 December 2021	**-**	**279**	**26,299**	**26,578**
Additions	**-**	**30**	**1,033**	**1,063**
Reclassification	**1,435**	**-**	**-**	**1,435**
Used of provision	**-**	**(10)**	**(81)**	**(91)**
Reversal of provision	**-**	**(73)**	**(3,497)**	**(3,570)**
Finance income (Note 9)	**-**	**-**	**(380)**	**(380)**
At 31 December 2022	**1,435**	**226**	**23,374**	**25,035**

(Euro 000's)	31 Dec 2022	31 Dec 2021
Non-Current	**24,083**	26,578
Current	**952**	-
Total	**25,035**	26,578

Rehabilitation provision

Rehabilitation provision represents the estimated cost required for adequate restoration and rehabilitation upon the completion of production activities. These amounts will be settled when rehabilitation is under-taken, generally over the project's life.

During 2020, Management engaged an independent consultant to review and update the rehabilitation liability. The updated estimation includes the expanded capacity of the plant and its impact on the mining project.

The discount rate used in the calculation of the net present value of the liability as at 31 December 2022 was 3.41% (2021: 1.12%), which is the 15-year Spain Government Bond rate for 2022. An inflation rate of 1%-5.70% (2021: 1%-1.96%) is applied on annual basis.

In June 2021, the Company announced a new independent reserve estimate for Cerro Colorado open pit at Proyecto Riotinto. Cerro Colorado open pit reserve of 186 Mt at 0.38% and the life of mine over 12 years.

The expected payments for the rehabilitation work are as follows:

(Euro 000 's)	Between 1 – 5 Years	Between 6 – 10 Years	More than 10 years
Expected payments for rehabilitation of the mining site, discounted	7,843	2,685	12,846

Legal provision

The Group has been named as defendant in several legal actions in Spain, the outcome of which is not determinable as at 31 December 2022. Management has reviewed individually each case and made a provision of €226k (€279k in 2021) for these claims, which has been reflected in these consolidated financial statements.

Other provisions

Other provisions are related with the called-up equity holdings of Atalaya Masa Valverde S.L.

27. Leases

(Euro 000's)	31 Dec 2022	31 Dec 2021
Non-current		
Leases	**4,378**	4,913
	4,378	4,913
Current		
Leases	**536**	597
	536	597

The Group entered into lease arrangements for the renting of land, laboratory equipment, a building and vehicles which are subject to the adoption of all requirements of IFRS 16 Leases (Note 2.2). The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets.

Amounts recognised in the statement of financial position and profit or loss

Set out below are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the period:

(Euro 000's)	Right – of-use assets Lands and buildings	Vehicles	Laboratory equipment	Total	Lease liabilities
As at 1 January 2022	**5,417**	**14**	**99**	**5,530**	**5,510**
Additions	-	-	-	**-**	**-**
Depreciation expense	(369)	(14)	(69)	**(452)**	**-**
Interest expense	-	-	-	**-**	**20**
Payments	-	-	-	**-**	**(616)**
As at 31 December 2022	**5,048**	**-**	**30**	**5,078**	**4,914**

The amounts recognised in profit or loss, are set out below:

(Euro 000's)	Twelve month ended 31 Dec 2022	Twelve month ended 31 Dec 2021
As at 31 December		
Depreciation expense of right-of-use assets	**(452)**	(590)
Interest expense on lease liabilities	**(20)**	(11)
Total amounts recognised in profit or loss	**(472)**	**(601)**

The Group recognised rent expense from short-term leases (Note 6).

Depreciation expense regarding leases amounts to €0.5 million (2021: €0.6) for the twelve month period ended 31 December 2022.

The duration of the land and building lease is for a period of twelve years. Payments are due at the beginning of the month escalating annually on average by 1.5%. At 31 December 2022, the remaining term of this lease is eleven years. (Note 2)

The duration of the motor vehicle and laboratory equipment lease is for a period of four years, payments are due at the beginning of the month escalating annually on average by 1.5%. At 31 December 2022, the remaining term of laboratory equipment lease is a half year.

(Euro 000's)	31 Dec 2022	31 Dec 2021
Minimum lease payments due:		
» Within one year	**536**	597
» Two to five years	**1,957**	2,014
» Over five years	**2,421**	2,899
Less future finance charges	**-**	-
Present value of minimum lease payments due	**4,914**	5,510
Present value of minimum lease payments due:		
» Within one year	**536**	597
» Two to five years	**1,957**	2,014
» Over five years	**2,421**	2,899
	4,914	**5,510**

(Euro 000's)	Lease liability
Balance 1 January 2022	**5,510**
Additions	-
Interest expense	20
Lease payments	(616)
Balance at 31 Dec 2022	**4,914**
Balance at 31 Dec 2022	
» Non-current liabilities	4,378
» Current liabilities	536
	4,914

28. Borrowings

(Euro 000's)	31 Dec 2022	31 Dec 2021
Non-current borrowings		
Credit facilities	**20,768**	34,050
	20,768	34,050
Current borrowings		
Credit facilities	**52,595**	13,394
	52,595	13,394

The Group had uncommitted credit facilities totalling €119.3 million (€111.0 million at 31 December 2021). During 2022, Atalaya drawn down some of its existing credit facilities to financing the construction of 50 MW solar plant (payable amount of €19.5 million at 31 December 2022) and in 2021 to pay the Deferred Consideration. Interest rates for existing credit facilities, including facilities used to pay the Deferred Consideration, range from 1.10% to 2.45% and the average interest rate on all facilities used and unused is 1.69%. The maximum term of the facilities is six years. All borrowings are unsecured.

At 31 December 2022, the Group had used €73.4 million of its facilities and had undrawn facilities of €46.0 million.

29. Acquisition, incorporation and disposals of subsidiaries

2022

Acquisition and incorporation of subsidiaries

On 31 January 2022, Atalaya established a new entity, Iberian Polimetal S.L.U.

Disposals of subsidiaries

On 4 January 2022, the subsidiary EMED Mining Spain, S.L. was wound up.

2021

Acquisition and incorporation of subsidiaries

On 21 December 2021 Atalaya announced the acquisition of a 51% interest in Río Narcea Nickel, S.L., which owns 17 investigation permits.

Disposals of subsidiaries

There were no disposals of subsidiaries during the year.

Wind-up of subsidiaries

There were no operations wound-up during the year.

30. Group information and related party disclosures

30.1 Information about subsidiaries

These audited consolidated financial statements include:

Subsidiary companies	Parent	Principal activity	Country of incorporation	Effective proportion of shares held
Atalaya Touro (UK) Ltd	Atalaya Mining Plc	Holding	United Kingdom	100%
Atalaya Financing Limited	Atalaya Mining Plc	Financing	Cyprus	100%
Atalaya MinasdeRiotinto Project (UK) Limited	Atalaya Mining Plc	Holding	United Kingdom	100%
EMED Marketing Ltd	Atalaya Mining Plc	Trading	Cyprus	100%
Atalaya Riotinto Minera, S.L.U.	Atalaya MinasdeRiotinto Project (UK) Limited	Production	Spain	100%
Eastern Mediterranean Exploration and Development S.L.U.	Atalaya MinasdeRiotinto Project (UK) Limited	Dormant	Spain	100%
Cobre San Rafael, S.L. (1)	Atalaya Touro (UK) Limited	Exploration	Spain	10%
Recursos Cuenca Minera S.L.U.	Atalaya Riotinto Minera, S.L.U.	Dormant	Spain	J-V
Fundacion Atalaya Riotinto Minera	Atalaya Riotinto Minera, S.L.U.	Trust	Spain	100%
Atalaya Servicios Mineros, S.L.U.	Atalaya MinasdeRiotinto Project (UK) Limited	Holding	Spain	100%
Atalaya Masa Valverde S.L.U. (2)	Atalaya Servicios Mineros, S.L.U.	Exploration	Spain	100%
Atalaya Ossa Morena S.L. (3)	Atalaya Servicios Mineros, S.L.U.	Exploration	Spain	99.9%
Iberian Polimetal S.L.U.	Atalaya Servicios Mineros, S.L.U.	Dormant	Spain	100%

(1) Cobre San Rafael, S.L. is the entity which holds the mining rights of Proyecto Touro. The Group has control in the management of Cobre San Rafael, S.L., including one of the two Directors, management of the financial books and the capacity of appointment the key personnel (Note 2.3 (b) (1)).

(2) Cambridge Mineria Espana, S.L.U. changed its name to Atalaya Masa Valverde, S.L.U on 28 November 2020.

(3) Rio Narcea Nickel, S.L.U. changed its name to Atalaya Ossa Morena, S.L.U on 31 January 2022. In July 2022, Atalaya increased its ownership interest in Proyecto Ossa Morena to 99.9%, up from 51%, following completion of a capital increase that will fund exploration activities.

The following transactions were carried out with related parties:

30.2 Compensation of key management personnel

The total remuneration and fees of Directors (including executive Directors) and other key management personnel was as follows:

	The Group		The Company	
(Euro 000's)	2022	2021	2022	2021
Directors' remuneration and fees	**1,028**	1,019	**540**	547
Director's bonus (1)	**357**	438	**-**	-
Share option-based benefits to Directors	**426**	321	**-**	-
Key management personnel remuneration (2)	**571**	522	**-**	-
Key management bonus (1)	**239**	265	**-**	-
Share option-based and other benefits to key management personnel	**417**	327	**-**	-
	3,038	2,892	**540**	547

(1) These amounts related to the approved performance bonus for 2021 by the Board of Directors following the proposal of the Remuneration Committee. The 2022 estimates recorded are not included in the table above as this is yet to be approved by the Board of Directors. There is no certainty or guarantee that the Board of Directors will approve a similar amount for 2022 performance.

(2) Includes wages and salaries of key management personnel of €551k (2021: €505k) and other benefits of €20k (2021: €17k).

At 31 December 2022 amounts due to Directors, as from the Group, are €nil (€nil at 31 December 2021) and €nil (€nil at 31 December 2021) to key management.

At 31 December 2022 amounts due to Directors, as from the Company, are €nil (€nil at 31 December 2021) and €nil (€nil at 31 December 2021) to key management.

Share-based benefits

In 2022, 1,345,000 options (2021: 1,150,000 options) were granted at a price of 357.5 pence, of which 800,000 (2021: 800,000 options) were granted to Directors and key management personnel (see note 23).

During 2022 the Directors and key management personnel have not been granted any bonus shares (2021: nil).

30.3 Transactions with shareholders and related parties

The Group

(Euro 000's)	2022	2021
Trafigura – Revenue from contracts	**77,005**	125,912
Freight services	**-**	-
	77,005	125,912
Gains/(losses) relating provisional pricing within sales	**(5,165)**	4,730
Trafigura – Total revenue from contracts	**71,840**	130,642
	71,840	130,642

The Company

(Euro 000's)	2022	2021
Sales of services (Note 5):		
» EMED Marketing Limited	**1,404**	978
» Atalaya Riotinto Minera, S.L.U.	**1,352**	-
» Atalaya Minasderiotinto Project (UK) Limited	**-**	871
	2,756	1,849
Purchase of services (Note 6):		
» Atalaya Riotinto Minera, S.L.U.	**(66)**	(61)
Other services (Note 6):		
» Atalaya Riotinto Minera, S.L.U.	**-**	208
» EMED Marketing Limited	**-**	208
Finance income (Note 8):		
Atalaya Minasderiotinto Project (UK) Limited – Finance income from interest-bearing loan:		
» Credit agreement – at amortised cost	**989**	941
» Participative loan – at fair value through profit and loss	**9,157**	12,854
» Credit facility – at amortised cost	**1,465**	1,457
» Restructuring loan – at amortised cost	**1,289**	-
	12,900	15,252

The Group

(Euro 000's)	2022	2021
Current assets - Receivable from related parties (Note 19):		
» Recursos Cuenca Minera S.L.	**56**	56
	56	56

The above balances bear no interest and are repayable on demand.

30.4 Year-end balances with related parties

The Company

(Euro 000's)	2022	2021
Non-current assets – Loan from related parties at FV through profit and loss (Note 19):		
Atalaya MinasdeRiotinto Project (UK) Limited – Participative Loan PRT(1)	-	173,930
Atalaya MinasdeRiotinto Project (UK) Limited – Eastern Loan(5)	-	12
Atalaya Masa Valverde SL – Participative Loan(6)	6,150	1,850
Atalaya Ossa Morena SL – Participative Loan(6)	3,100	500
Touro Project – Participative Loan(4)	4,997	-
Total	**14,247**	176,292
Non-current assets – Loans and receivables from related parties at amortised cost (Note 19):		
Atalaya MinasdeRiotinto Project (UK) Limited – Restructuring loan(1)	245,258	-
Atalaya MinasdeRiotinto Project (UK) Limited – Credit Expansion Loan(2)	-	41,535
Atalaya MinasdeRiotinto Project (UK) Limited – Credit Agreement(3)	-	26,354
EMED Marketing Limited(4)	-	1,164
Atalaya MinasdeRiotinto Project (UK) Limited– Group cost sharing(4)	399	399
Total	**245,657**	69,452
Current assets – Loans and receivables from related parties at amortised cost (Note 19):		
Atalaya Riotinto Minera, S.L.U.(4)	1,352	208
EMED Marketing Limited(4)	664	208
Atalaya Touro (UK) Limited(4)	1,650	1,634
Atalaya MinasdeRiotinto Project (UK) Limited	45,000	-
Atalaya Financing Ltd	108	34
Total	**48,774**	2,084

(1) This balance bears interest of EURIBOR 12month plus 3.50%. The Participative loan was cancelled on 30 November 2022. The Group signed on 1 December 2022 a new Loan Restructuring Agreement for the amount due of the Participative Loan bearing a EURIBOR 12month plus 3.50% interest and maturing on 30 November 2028.

(2) This balance bears interest of EURIBOR 6month plus 4% (2021: LIBOR 6month + 4.00%).

(3) This balance bears interest of EURIBOR 12month plus 4% (2021: 12month plus 4%). The Note Facility Agreement expired on 29 September 2019. The Group signed on 30 September 2019 a new Credit Agreement for the amount due of the Note Facility Agreement bearing a EURIBOR 12month plus 4% interest and maturing on 30 September 2024

(4) These receivables bear no interest. These balances are repayable on demand. However, management will not claim any repayment in the following twelve months period after the release of the current consolidated financial statements.

(5) This balance bears interest of 3.00% (2021: 3.00%).

(6) This balance bears no interest.

The Company

(Euro 000's)	2022	2021
Payable to related party (Note 25):		
EMED Marketing Limited	3,825	-
EMED Mining Spain S.L.	-	262
Atalaya Riotinto Minera, S.L.U.	-	372
	3,825	634

The above balances bear no interest and are repayable on demand.

30.5 Year-end balances with shareholders

(Euro 000's)	2022	2021
Receivable from shareholders (Note 19):		
Trafigura – Debtor balance –subject to provisional pricing	**12,800**	20,283
	12,800	20,283

The above debtor balance arising from the pre-commissioning sales of goods bear no interest and is repayable on demand.

31. Contingent liabilities

Judicial and administrative cases

In the normal course of business, the Group may be involved in legal proceedings, claims and assessments. Such matters are subject to many uncertainties, and outcomes are not predictable with assurance. Legal fees for such matters are expensed as incurred and the Group accrues for adverse outcomes as they become probable and estimable.

32. Commitments

There are no minimum exploration requirements at Proyecto Riotinto. However, the Group is obliged to pay local land taxes which currently are approximately €235,000 per year in Spain and the Group is required to maintain the Riotinto site in compliance with all applicable regulatory requirements.

In 2012, Atalaya Riotinto Minera, S.L.U. entered into a 50/50 joint venture with Rumbo to evaluate and exploit the potential of the class B resources in the tailings dam and waste areas at Proyecto Riotinto (mainly residual gold and silver in the old gossan tailings). Under the joint venture agreement, ARM will be the operator of the joint venture, will reimburse Rumbo for the costs associated with the application for classification of the Class B resources and will fund the initial expenditure of a feasibility study up to a maximum of €2.0 million. Costs are then borne by the joint venture partners in accordance with their respective ownership interests.

33. Significant events

The events in Ukraine from 24 February 2022 are impacting the global economy but cannot yet be predicted in full. The main concern now is the rising prices for energy, fuel and other raw materials and rising inflation, which may affect household incomes and business operating costs. The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage.

The main significant events disclosed during the nine months ended 30 September 2022 were:

» On 4 January 2022 the subsidiary EMED Mining Spain, S.L. was winded down (refer to Note 21).

» On 6 January 2022, the Company announced the approval of the construction of the first phase of an industrial scale plant ("Phase I") that utilises the E-LIX System ("E-LIX"), which will produce high value copper and zinc metals from the complex sulphide concentrates sourced from Proyecto Riotinto.

» Through the year, the Company announced share dealings from persons discharging managerial responsibilities ("PDMR") as follows:

  - On 26 January 2022, executed certain options by PDMRs;.
  - On 22 February 2022, certain PDMRs had sold ordinary shares of the Company;
  - On 25 August 2022, purchased of 65,000 ordinary shares in Atalaya by a PDMR.

» On 27 January 2022, Atalaya announced that, in accordance with the Company's Long Term Incentive Plan 2020, it had granted 120,000 share options. Further, on 24 June 2022, it was announced the Company has granted 1,225,000 share options to PDMRs and other employees.

» On 3 February 2022, the Company announced the results of five additional drill holes from its ongoing resource definition drilling programme at Proyecto Masa Valverde.

» On 24 March 2022, Atalaya announced that Mr. Harry Liu has stepped down as a Non-Executive Director of the Company with immediate effect.

» On 4 April 2022, funds managed by Hamblin Watsa Investment Counsel Ltd. acquired 5.08% of voting rights.

» The Company has been notified on the following transaction by Allianz Global Investors GmbH ("Allianz"):

  – On 4 April 2022, increased its % of voting rights from below 3% to 3.92%;

  – On 4 May 2022, increased its % of voting rights from 3.92% to 4.07%;

  – On 23 August 2022, increased its % of voting rights from 4.07% to 5.09%; and

  – On 29 September 2022, decreased its share of voting rights from 5.09% to 4.93%.

  – On 10 November 2022, decreased its share of voting rights from 4.93% to 3.98%.

» On 5 April 2022, Atalaya announced a new Mineral Resource Estimate, prepared in accordance with CIM guidelines and disclosure requirements of NI 43-101, for its 100% owned Proyecto Masa Valverde.

» On 7 April 2022, the Company noted the announcement on 1 April 2022 by ICBC Standard Bank Plc ("ICBCS") confirming the sale of the entire holding of Yanggu Xiangguang Copper Co. Ltd ("XGC") (via its subsidiary, Hong Kong Xiangguang International Holdings Ltd), in Atalaya.

» On 8 April 2022 and 9 May 2022, the Company transferred €9.6 million and €1.2 million to Astor from the trust account already established by Atalaya on 15 July 2021 (refer to Note 13).

» On 13 April 2022, Atalaya announced new Mineral Resource Estimates, prepared in accordance with CIM guidelines and disclosure requirements of NI 43-101, for its San Dionisio and San Antonio deposits.

» On 25 April 2022, the Company announced the publication of its inaugural Sustainability Report for the year ended 31 December 2021.

» On 19 May 2022 the Board of Directors appointed Kate Harcourt as an independent Non-Executive Director of the Company.

» On 22 June 2022, the 2022 Annual General Meeting was held, and all the resolutions proposed were dully passed.

» On 23 June 2022, the Company has issued 22,500 ordinary shares of 7.5p in the Company pursuant to an exercise of share options by an employee.

» In July 2022, Atalaya increased its ownership interest in Proyecto Ossa Morena to 99.9%, up from 51%, following completion of a capital increase that will fund exploration activities.

» On 1 November 2022, the Company announced that the Company's Board of Directors established a Sustainability Committee.

» The Company has been notified on the following transaction by BlackRock Inc ("BlackRock") On 9 November 2022, increased its % of voting rights to 4.03%;

» The Company announced that it was notified on 9 November 2022, that Enrique Delgado, a person discharging managerial responsibilities ("PDMR"), had sold 300,000 ordinary shares in Atalaya, respectively, at a price of 272.25 pence per share.

» On 24 November 2022, the Company provided an update on its ongoing exploration programme at its southern Spain projects, including Proyecto Masa Valverde ("PMV"), Proyecto Ossa Morena ("POM"), and Proyecto Riotinto East ("PRE"). Currently, there are four rigs active, three at PMV and one at POM.

Dividends

The Company's Board of Directors elected to declare an interim dividend for H1 2022 of US$0.036 per ordinary share, which was equivalent to 3.13 pence per share and amounted to €5.1 million.

The interim dividend was paid on 20 September 2022.

The Board of Directors has proposed a final dividend for 2022 of US$0.0385 per ordinary share, which is equivalent to approximately 3.15 pence per share totalling €5.0 million. Payment of the Final Dividend is subject to shareholder approval at the Company's 2023 Annual General Meeting. Should it be approved, the Final Dividend, together with the Interim Dividend paid in September 2022, would result in a Full Year Dividend of US$0.0745 per ordinary share, which is equivalent to approximately 6.28 pence per share. Further details on the timing of the potential payment of the Final Dividend will be provided ahead of the AGM.

Further details are given in Note 12.

34. Events after the reporting period

- On 12 January 2023, the Company was notified that Allianz Global Investors GmbH decreased its share of voting rights from 4.93% to 3.98%.
- On 20 February 2023, Atalaya announced that applied a voluntary delisting of its ordinary shares from the Toronto Stock Exchange (the “TSX”) with effective date of the closing of trading on 7 March 2023. Ordinary shares in the Company continue to trade on the AIM market of the London Stock Exchange under the symbol “ATYM”.
- On 23 February 2023, Atalaya announced the results from a new preliminary economic assessment (“PEA”) for the Cerro Colorado, San Dionisio and San Antonio deposits at its Proyecto Riotinto (“Riotinto”) operation in Spain.

Delisting from TSX took effect at the close of trading on 20 March 2023.

08 Shareholder Information

CONTENT 08:

8.1

Glossary of terms

The following definitions and terms are used throughout this Annual Report.

CURRENCY ABBREVIATIONS		
1	**US$ / USD or $**	US Dollars
2	**$000**	Thousand US dollars
3	**$m**	Million US Dollars
4	**£**	Sterling Pound
5	**£000**	Thousand Sterling Pounds
6	**£m**	Million Sterling Pounds
7	**€ / EUR**	Euro
8	**€000 / €k**	Thousand Euros
9	**€m**	Million Euros
10	**€nil**	Zero Euros
11	**FY2022**	Twelve month period ended 31 December 2022
12	**FY2021**	Twelve month period ended 31 December 2021
DEFINITIONS AND CONVERSION TABLE		
13	**lb**	Pound
14	**Oz**	Troy ounce
15	**'000 m^3**	Thousand cubic metres
16	**t**	Tonne
17	**DMT**	Dry Metric Tonne
18	**'000 tonnes**	Thousand metric tonnes
19	**1 Kilogramme/ (kg)**	2.2046 pounds
20	**1000 Kilogrammes/ (´000 kg)**	2,204.6 pounds
21	**1 Kilometre (km)**	0.6214 miles
22	**1 troy ounce**	31.1 grams
23	**Ha**	Hectare
24	**ft**	Foot
CHEMICAL SYMBOLS		
25	**Cu**	Copper
26	**Ag**	Silver
27	**Au**	Gold
28	**Fe**	Iron
BUSINESS, FINANCE AND ACCOUNTING		
29	**AAU**	Autorización Ambiental Unificada (Unified Environmental Declaration)
30	**Atalaya or the Company**	Atalaya Mining Plc, a company incorporated in Cyprus under the Companies law, cap. 113
31	**Atalaya Group or Group**	Atalaya Mining Plc and its subsidiaries
32	**AFRC**	Audit and Financial Risk Committee

33	**AGM**	Annual General Meeting
34	**AIM**	Alternative Investment Market of the London Stock Exchange
35	**AISC**	All In Sustaining Cost
36	**AMV**	Atalaya Masa Valverde, S.L.
37	**AR**	Annual Report
38	**ARM**	Atalaya Riotinto Minera, S.L.U.
39	**Articles**	The articles of association of Atalaya Mining Plc.
40	**Average head grade**	Average ore grade fed into the mill, expressed in % of weight
41	**BoD or Board of Directors**	The Board of Directors of the Company
42	**CAPEX**	Capital Expenditure
43	**Cash Cost**	The cost to produce one pound of copper
44	**CEO**	Chief Executive Officer
45	**C. Eng**	Chartered Engineer
46	**CFO**	Chief Financial Officer
47	**COO**	Chief Operational Officer
48	**COF**	Cost of Freight
49	**CIF**	Cost Insurance and Freight
50	**CIT**	Corporate Income Tax
51	**CIP**	Carriage and Insurance paid to
52	**CGU**	Cash Generating Unit
53	**CGNCC**	Corporate Governance, Numeration and Compensation Committee
54	**Code of Conduct**	Atalaya's Code of Business Conduct and Ethics
55	**Cont.**	Continued
56	**CSR**	Cobre San Rafael S.L.
57	**Directors**	The Directors of Atalaya for the reporting period
58	**EBITDA**	Earnings Before Interest Tax Depreciation and Amortisation
59	**ECL**	Expected Credit Loss
60	**EeA**	Ecologistas en Accion
61	**EIR**	Effective Interest Rate Method
62	**E-LIX**	E-LIX System
63	**EMED TARTESSUS**	Eastern Mediterranean Exploration & Development TARTESSUS S.L.
64	**Etc.**	Et cetera
65	**EU**	European Union
66	**FIFO**	First In First Out
67	**Financial statements**	Consolidated and company financial statements of Atalaya Mining Plc.
68	**FOB**	Free on Board
69	**FV**	Fair Value
70	**FVOCI**	Fair Value Through Other Comprehensive Income
71	**FVPL**	Fair Value Through Profit or Loss
72	**FY**	Fiscal year
73	**GAAP**	Generally Accepted Accounting Policies
74	**Group**	Atalaya Mining plc and its subsidiaries
75	**H1, H2**	Six month periods ending 30th June and 31st December
76	**IAS**	International Accounting Standards
77	**ie.**	Id est (explanatory information)
78	**IFRS**	International Financial Reporting Standards

79	IPO	Initial Public Offering
80	JdA	Junta de Andalucía
81	KPI´s	Key Performance Indicators
82	LDC	Louis Dreyfus Company
83	LIBOR	The British Bankers' Association Interest Settlement Rate for the relevant currency
84	LITFR	Lost Injury Time Frequency Rate
85	Ltd.	Limited
86	LLC	Limited Liability Company
87	LP	Limited partnership
88	London Stock Exchange / LSE	London Stock Exchange plc
89	MBA	Master's in Business Administration
90	NED´s	Non-Executive Directors
91	NPV	Net Present Value
92	Nr	Number
93	OCI	Other Comprehensive Income
94	Ordinary Shares	Ordinary Shares of 10 pence each in the capital of the Company
95	Phase I	The first phase of an industrial-scale plant that utilises the E-LIX System
96	Ph.D.	Doctor of Philosophy
97	PRC	Physical Risk Committee
98	PFS	Pre-Feasibility Study
99	Plc.	Public limited company
100	POM	Proyecto Ossa Morena
101	PP&E	Plant, property and equipment
102	P&L	Profit and Loss
103	P&P reserves	Proven and Probable reserves
104	Q1, Q2, Q3, Q4	Three month periods ending 31st March, 30th June, 30th September and 31st December
105	QCA	Quoted Companies Alliance
106	QP	Quotation Period
107	RNN	Rio Narcea Nickel, S.L.
108	SIC	Standard Interpretations Committee which was endorsed by the IAS
109	Shareholders	Holders of Ordinary Shares
110	SL	Sociedad Limitada (private limited company)
111	SLU	Sociedad Limitada Unipersonal (limited partnership)
112	TSX	Toronto Stock Exchange
113	United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland
114	United States or US	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
115	UOP	Unit of Production
116	VAT	Value Added Tax
117	WC	Working Capital
118	XGC	Yanggu Xiangguang Copper Co. Ltd

MINING TERMS

119	Average head grade	Average ore grade fed into the mill, expressed in % of weight
120	Concentrate	A fine powdery product of the milling process containing a high percentage of valuable metal
121	Contained copper	Represents total copper in a mineral reserve before reduction to account for tonnes not able to be recovered by the applicable metallurgical process

122	**Grade**	The amount of metal in each tonne of ore, expressed as a percentage of valuable metal
123	**Mtpa**	Million tonnes per annum
124	**NI 43-101**	National Instrument 43-101, standard of disclosure for mineral projects according to Canadian guidelines
125	**Open pit**	A mine where the minerals are mined entirely from the surface. Also referred to as open-cut or open-cast mine
126	**Ore body**	A sufficiently large amount of ore that can be mined economically
127	**P&P Reserves**	Proven and Probable reserves
128	**Stripping**	Removal of overburden or waste rock overlying an ore body in preparation for mining by open pit methods
129	**Tailings**	Materials left over after the process of separating the valuable fraction from the uneconomic fraction of an ore
130	**TC/RC**	Treatment Charge and Refinement Charge
131	**VTEM**	Versatile Time Electomagnetic Mapping
132	**3D**	Three Dimensional

8.2

Shareholder Enquiries

BOARD OF DIRECTORS:

Roger Davey
Chair. Independent non-executive Chair

Alberto Lavandeira
Managing director and CEO

Jesus Fernandez
Non-executive director

Dr. Hussein Barma
Independent Non-executive director

Neil Gregson
Independent Non-executive director

Stephen Scott
Independent Non-executive director

Kate Harcourt
Independent Non-executive Director

CORPORATE BROKERS:

Canaccord Genuity Limited
88 Wood Street
London EC2V 7QR

BMO Capital Markets
100 Liverpool Street
London, EC2M 2RH

Peel Hunt LLP
100 Liverpool Street
London, EC2M 2AT

NOMAD:

Canaccord Genuity Limited
88 Wood Street London EC2V 7QR

INVESTOR RELATIONS:

Carina Corbett
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Hudson House
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PUBLIC RELATIONS:

Elisabeth Cowell
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REGISTRARS:

Cymain registrars Ltd.
26 Vyronos Avenue
1096 Nicosia, Cyprus

DEPOSITARY / TRANSFER AGENT:

United Kingdom
Computershare Investor Services Plc.
The Pavilions
Bridgwater
Bristol BS13 8AE

Canada
Computershare Investor Services Inc.
100 University Avenue
8th Floor, North Tower
Toronto, Ontario M5J 2Y1

COMPANY SECRETARY:

Inter Jura CY (Services) Limited
1 Lampousa Street,
1095 Nicosia, Cyprus

GROUP AUDITOR:

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Jean Nouvel Tower,
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REGISTERED OFFICE:

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ANNUAL REPORT

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atalayamining.com

ATALAYA MINING

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