RNS Number : 3203H
Atalaya Mining PLC
19 March 2024

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Atalaya Mining Plc.
("Atalaya" or "the Company")

2023 Annual Results

Lower costs and balance sheet strength position Atalaya for next growth phase

Atalaya Mining Plc (AIM: ATYM) is pleased to announce its audited consolidated financial results for the year ended 31 December 2023 ("FY2023" or the "Period").

Highlights

- Copper production of 51.7 kt at cash costs of $2.79/lb and AISC of $3.09/lb
- Improved financial results due primarily to lower costs
  - EBITDA of €73.1 million vs. €55.3 million in FY2022
  - Cash flows from operating activities of €64.7 million vs. €38.5 million in FY2022
- Maintained strong balance sheet, including €54.3 million in net cash, after investments in E-LIX, 50 MW solar plant and €11.5 million in dividend payments in calendar year 2023
- Final Dividend of $0.04/share proposed, bringing the Full Year Dividend to $0.09/share
- Capital expenditure budget for 2024 focused principally on San Dionisio early works
  - €42-46 million budgeted for continued San Dionisio stripping and road relocation
  - Further investments to complete and ramp-up E-LIX and 50 MW solar plant
- 2024 guidance of 51 - 53 kt Cu production at $3.00 - 3.20/lb AISC is consistent with FY2023

Q4 2023 and FY2023 Financial Results Summary

Period ended 31 December	**Unit**	**Q4 2023**	Q4 2022	**FY2023**	FY2022
Revenues from operations	*€k*	**85,591**	99,893	**340,346**	361,846
Operating costs	*€k*	**(71,703)**	(81,694)	**(267,246)**	(306,532)
EBITDA	***€k***	**13,888**	18,199	**73,100**	55,314
Profit for the period	*€k*	**5,215**	8,039	**36,663**	30,926
Basic earnings per share	*€ cents/share*	**4.5**	6.4	**27.7**	23.7
Dividend per share(1)	*US$/share*	**n/a**	n/a	**0.0900**	0.0745
Cash flows from operating activities	*€k*	**5,715**	20,931	**64,743**	38,503
Cash flows used in investing activities	*€k*	**(14,802)**	(17,525)	**(50,406)**	(53,529)
Cash flows from financing activities	*€k*	**13,069**	19,596	**(18,500)**	22,411
Net Cash position(2)	*€k*	**54,320**	53,085	**54,320**	53,085
Working capital surplus	*€k*	**68,618**	84,047	**68,618**	84,047
Average realised copper price (excluding QPs closed in the Period)	***US$/lb***	**3.78**	3.70	**3.80**	3.96
Cu concentrate produced	*tonnes*	**64,414**	68,908	**249,321**	249,543
Cu production	*tonnes*	**12,775**	13,969	**51,667**	52,269
Cash costs	***US$/lb payable***	**2.90**	2.90	**2.79**	3.16
All-In Sustaining Cost ("AISC")	***US$/lb payable***	**3.16**	3.12	**3.09**	3.37

(1) Consists of 2023 Interim Dividend (paid 28 September 2023) and proposed 2023 Final Dividend, which is subject to approval by shareholders at the Company's 2024 Annual General Meeting.

(2) Includes restricted cash and bank borrowings at 31 December 2023 and 31 December 2022.

Alberto Lavandeira, CEO, commented:

"*Atalaya made progress on several important strategic initiatives in 2023 and we are enthusiastic about the year ahead.*

We began 2023 by announcing the results of the Riotinto PEA, which set out our vision for the future of our flagship operation, including mining higher grade material from our existing deposits and leveraging our 15 Mtpa processing plant. We were then granted approval to expand our tailings capacity and mine footprint, and also to begin waste stripping at San Dionisio, which is an important component of the PEA mine plan. Similarly, we received the environmental authorisation and exploitation permit at Proyecto Masa Valverde, which could become another source of higher grade material for Riotinto.

We made substantial progress at our E-LIX Phase I plant, which has the potential to unlock significant value from complex ores found in the Iberian Pyrite Belt and beyond. First copper cathodes were produced in December and we look forward to providing further updates as plant ramp-up continues.

Regarding costs, European energy markets have continued to normalise, helping Atalaya achieve lower costs despite ongoing inflationary

Regarding costs, European energy markets have continued to normalise, helping Atalaya achieve lower costs despite ongoing inflationary pressures. The start-up of our 50 MW solar plant is expected to provide further stability and also help to lower our carbon footprint.

Finally, we continue to be optimistic about the outlook for Proyecto Touro, which could become a new source of copper production in Europe. The energy transition is accelerating the demand for copper, however, uncertainty around supply is growing as production falls from mature mines and new projects become increasingly complex. With our strong balance sheet and experienced team of mine builders and operators, Atalaya is well positioned to benefit from improving copper market dynamics."

Investor Presentation Reminder

Alberto Lavandeira (CEO) and César Sánchez (CFO) will be holding a live presentation relating to the 2023 Annual Results via the Investor Meet Company platform at 11:00am GMT today.

To register, please visit the following link and click "Add to Meet" Atalaya via:

https://www.investormeetcompany.com/atalaya-mining-plc/register-investor

Management will also answer questions that have been submitted via the Investor Meet Company dashboard.

Note to Readers

The financial information for the years ended 31 December 2023 and 2022 contained in this document does not constitute statutory accounts as defined in the Cyprus Companies Law Cap. 113. The financial information for the years ended 31 December 2023 and 2022 have been extracted from the consolidated financial statements of Atalaya Mining plc for the year ended 31 December 2023 which have been approved by the directors on 18 March 2024. The auditor's report on those financial statements was unqualified.

Q4 2023 and FY2023 Operating Results Summary

Units expressed in accordance with the international system of units (SI)	Unit	Q4 2023	Q4 2022	FY2023	FY2022
Ore mined	*t*	**3,742,814**	3,540,155	**14,944,638**	14,884,361
Waste mined	*t*	**7,362,657**	5,329,252	**32,182,904**	24,661,569
Ore processed	*t*	**4,138,368**	3,958,654	**15,790,098**	15,410,459
Copper ore grade	*%*	**0.36**	0.41	**0.38**	0.40
Copper concentrate grade	*%*	**19.83**	20.27	**20.72**	20.95
Copper recovery rate	*%*	**85.47**	86.24	**86.62**	85.84
Copper concentrate	*t*	**64,414**	68,908	**249,321**	249,543
Copper contained in concentrate	*t*	**12,775**	13,969	**51,667**	52,269
Payable copper contained in concentrate	*t*	**12,131**	13,280	**49,174**	49,773
Cash cost	*US$/lb payable*	**2.90**	2.90	**2.79**	3.16
All-in sustaining cost	*US$/lb payable*	**3.16**	3.12	**3.09**	3.37

Mining

Ore mined was 3.7 million tonnes in Q4 2023 (Q4 2022: 3.5 million tonnes) and 14.9 million tonnes in FY2023 (FY2022: 14.9 million tonnes).

Waste mined was 7.4 million tonnes in Q4 2023 (Q4 2022: 5.3 million tonnes) and 32.2 million tonnes in FY2023 (FY2022: 24.7 million tonnes). Increased waste mining was completed at Cerro Colorado in FY2023 to allow for the move of mining equipment to the San Dionisio area.

Processing

The plant processed ore of 4.1 million tonnes during Q4 2023 (Q4 2022: 4.0 million tonnes) and 15.8 million tonnes in FY2023 (FY2022: 15.4 million tonnes), again delivering plant performance above its 15 million tonne per annum nameplate capacity.

Copper grade was 0.36% in Q4 2023 (Q4 2022: 0.41%) and 0.38% in FY2023 (FY2022: 0.40%). The copper grade in Q4 2023 was impacted in part by intense rainfall in November which prevented access to higher grade areas of the Cerro Colorado pit and required the use of low-grade stockpiles to supplement plant feed.

Copper recovery was 85.47% in Q4 2023 (Q4 2022: 86.24%) and 86.62% in FY2023 (FY2022: 85.84%).

Production

Copper production was 12,775 tonnes in Q4 2023 (Q4 2022: 13,969 tonnes) and 51,667 tonnes in FY2023 (FY2022: 52,269 tonnes). Production for FY2023 was slightly below FY2022 as a result of lower grades, partly offset by higher ore throughput and recoveries.

On-site copper concentrate inventories were approximately 6,722 tonnes at 31 December 2023 (31 December 2022: 3,529 tonnes).

Copper contained in concentrates sold was 12,928 tonnes in Q4 2023 (Q4 2022: 14,027 tonnes) and 50,808 tonnes in FY2023 (FY2022: 52,323 tonnes).

Cash Costs and AISC Breakdown

$/lb Cu payable	Q4 2023	Q4 2022	FY2023	FY2022
Mining	**0.92**	0.70	**0.86**	0.79
Processing	**0.84**	1.11	**0.89**	1.31
Other site operating costs	**0.67**	0.59	**0.56**	0.54
Total site operating costs	**2.44**	2.40	**2.30**	2.65
By-product credits	**(0.11)**	(0.07)	**(0.09)**	(0.08)
Freight, treatment charges and other offsite costs	**0.57**	0.57	**0.58**	0.60
Total offsite costs	**0.47**	0.50	**0.49**	0.52
Cash costs	**2.90**	2.90	**2.79**	3.16
Cash costs	**2.90**	2.90	**2.79**	3.16
Corporate costs	**0.09**	0.09	**0.08**	0.08
Sustaining capital (excluding one-off tailings expansion)	**0.02**	0.06	**0.03**	0.06
Capitalised stripping costs	**0.08**	-	**0.12**	0.01
Other costs	**0.06**	0.08	**0.07**	0.06
Total AISC	**3.16**	3.12	**3.09**	3.37

Note: Some figures may not add up due to rounding.

Cash costs were $2.90/lb payable copper in Q4 2023 (Q4 2022: $2.90/lb) and $2.79/lb payable copper in FY2023 (FY2022: $3.16/lb), with the decrease mainly due to lower electricity costs despite lower production volumes.

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AISC were $3.16/lb payable copper in Q4 2023 (Q4 2022: $3.12/lb) and $3.09/lb payable copper in FY2023 (FY2022: $3.37/lb). The decrease in full year AISC was driven by the same factors that resulted in lower cash costs, but partly offset by higher capitalised stripping costs at Cerro Colorado. AISC excludes one-off investments in the tailings dam (consistent with prior reporting) and waste stripping at the San Dionisio area.

Q4 2023 and FY2023 Financial Results Highlights

Income Statement

Revenues were €85.6 million in Q4 2023 (Q4 2022: €99.9 million) and €340.3 million in FY2023 (FY2022: €361.8 million). Lower revenues in FY2023 were the result of lower copper sales and lower realised copper prices.

Operating costs were €71.7 million in Q4 2023 (Q4 2022: €81.7 million) and €267.2 million in FY2023 (FY2022: €306.5 million). Lower operating costs in FY2023 were mainly the result of lower electricity costs, partly offset by higher administrative and expensed exploration costs.

EBITDA was €13.9 million in Q4 2023 (Q4 2022: €18.2 million) and €73.1 million in FY2023 (FY2022: €55.3 million). Higher EBITDA in FY2023 resulted from lower operating costs, partly offset by lower revenues.

Profit after tax was €5.2 million in Q4 2023 (Q4 2022: €8.0 million) or 4.5 cents basic earnings per share (Q4 2022: 6.4 cents) and €36.7 million in FY2023 (FY2022: €30.9 million) or 27.7 cents basic earnings per share (Q4 2022: 23.7 cents).

Cash Flow Statement

Cash flows from operating activities before changes in working capital were €12.7 million in Q4 2023 (Q4 2022: €19.9 million) and €5.7 million after working capital changes (Q4 2022: €20.9 million). For FY2023, cash flows from operating activities before changes in working capital were €72.2 million (FY2022: €56.9 million) and €64.7 million after working capital changes (FY2022: €38.5 million).

Cash flows used in investing activities were €14.8 million in Q4 2023 (Q4 2022: €17.5 million) and €50.4 million in FY2023 (FY2022: €53.5 million). Key investments in FY2023 included €3.4 million in sustaining capex (FY2022: €6.2 million), €11.7 million in capitalised stripping (FY2022: €0.7 million), €13.7 million to extend the tailings dam (FY2022: €14.1 million), €12.9 million for the 50 MW solar plant (FY2022: €22.7 million) and €18.1 million for the E-LIX Phase I Plant (FY2022: €16.8 million), of which €9.1 million was booked as prepayments for service contract to Lain Technologies Ltd.

Cash flows from financing activities were positive €13.1 million in Q4 2023 (Q4 2022: positive €19.6 million) as a result of credit facility drawdowns, and negative €18.5 million in FY2023 (FY2022: positive €22.4 million) as a result of credit facility repayments and dividend payments.

Balance Sheet

Consolidated cash and cash equivalents were €121.0 million at 31 December 2023 (31 December 2022: €126.4 million). Net of current and non-current borrowings of €66.7 million, net cash was €54.3 million at 31 December 2023 (31 December 2022: €53.1 million).

Inventories of concentrate valued at cost were €8.4 million at 31 December 2023 (31 December 2022: €4.5 million). The total working capital surplus was €68.6 million at 31 December 2023 (31 December 2022: €84.0 million).

Electricity Prices

Realised Prices

Market electricity prices in FY2023 improved significantly from the unprecedented levels experienced in FY2022 following Russia's conflict with Ukraine. Factors that contributed to the price normalisation in FY2023 include significantly lower gas prices, high gas inventory levels in Europe, mild weather in much of Europe and strong contributions from renewable power generation sources in Iberia. After including the contribution from the Company's 10-year power purchase agreement ("PPA"), realised electricity prices in FY2023 were approximately 60% lower than the Company's average realised electricity price in FY2022.

So far in FY2024, market electricity prices have continued to trend lower, reaching levels that are consistent with long run averages that existed in Spain until mid-2021.

50 MW Solar Plant

Construction continues to advance at the 50 MW solar plant at Riotinto. As a result of certain procurement and installation delays, the contractor has informed the Company that initial power generation is now expected to begin in Q2 2024.

In order to reduce exposure to the spot electricity market until the 50 MW solar plant is operating, the Company has entered into new short term PPAs such that the majority of Riotinto's electricity requirements for H1 2024 are now subject to fixed prices.

Once fully operational, the 50 MW solar plant is expected to provide approximately 22% of Riotinto's current electricity needs. Together, the 50 MW solar plant and 10-year PPA will provide over 50% of the Company's current electricity requirements at a rate well below historical prices in Spain.

Outlook for 2024

Production

As announced in the Company's Q4 2023 Operations Update, copper production guidance is 51,000 - 53,000 tonnes for FY2024, which is consistent with FY2023 production levels. As a result of the anticipated grade profile, FY2024 production is expected to be weighted slightly towards H2 2024.

Operating Costs

For the most part, the prices of key inputs stabilised in FY2023, following the significant inflationary pressures that were experienced in FY2022. However, the unit prices of consumables such as explosives, diesel and lime remain above 2021 levels. Positively, improving prices for spot market electricity and gas in Spain are expected to benefit Atalaya's cost position.

Cash cost and AISC guidance for FY2024 are consistent with FY2023 levels and are as follows:

Cash cost and AISC guidance for FY2024 are consistent with FY2023 levels and are as follows:

- Cash cost range of $2.80 - 3.00/lb copper payable in FY2024
- AISC range of $3.00 - 3.20/lb copper payable in FY2024

AISC excludes one-off investments in the tailings dam (consistent with prior reporting) and waste stripping at the San Dionisio area, which are included in capital expenditure guidance below.

Capital Expenditures

Atalaya remains focused on several strategic objectives including growing its production, increasing mine life, lowering its cost base and enhancing the long-term sustainability of its operations.

Accordingly, the Company plans to make the following non-sustaining capital investments in FY2024:

Item	**€ million**
Completion of 50 MW solar plant	€4 - 5
Completion and ramp-up of E-LIX Phase I Plant[(1)]	€5 - 7
San Dionisio waste stripping, dewatering and road relocation	€42 - 46
Expansion of existing Riotinto tailings facility	€13 - 15
Total non-sustaining capital investments	**€64 - 73**

(1) *A portion of this total will be accounted for as prepayments to Lain Technologies.*

Exploration

Atalaya considers early stage exploration to be an important component of its long-term strategy. The Company controls several large land packages across Spain, including in the Iberian Pyrite Belt (Riotinto District) and the Ossa Morena Metallogenic Belt (Proyecto Ossa Morena).

For FY2024, exploration expenditures of €5 - 7 million are expected and will focus on expanding current resources and making new discoveries at Proyecto Riotinto and Proyecto Masa Valverde, drill testing first-order geophysical anomalies at Proyecto Riotinto East, expanding and upgrading current resources at the Alconchel-Pallares copper-gold project and continue drill testing new targets elsewhere at Proyecto Ossa Morena.

2023 Final Dividend

Atalaya has a dividend policy that seeks to provide capital returns to its shareholders and allows for continued investments in the Company's portfolio of growth projects. The dividend policy consists of an annual pay-out of 30 - 50% of free cash flow generated during the applicable financial year and is payable in two half-yearly instalments.

The Board of Directors has proposed a final dividend for FY2023 of $0.04 per ordinary share ("Final Dividend"), which is equivalent to approximately 3.1 pence per share. Payment of the Final Dividend is subject to shareholder approval at the Company's 2024 Annual General Meeting ("AGM"). Should it be approved, the Final Dividend, together with the Interim Dividend paid in September 2023, would result in a Full Year Dividend of $0.09 per ordinary share, which is equivalent to approximately 7.1 pence per share. Further details on the timing of the potential payment of the Final Dividend will be provided ahead of the AGM.

Corporate Activities Update

Intention to Move to the Main Market

In November 2023, the Company announced its intention to apply for its ordinary shares to be admitted to the premium listing segment of the Official List maintained by the Financial Conduct Authority ("FCA") and to trading on the London Stock Exchange plc's main market for listed securities (together, "Admission").

On 21 December 2023, the Company announced the application process was ongoing, outlined that Admission remained subject to a number of conditions including the approval by the FCA of a prospectus and noted that Admission would not take place until after the announcement of the Company's 2023 Annual Results.

The Company continues to progress the application process and will provide further update on the potential timing of Admission in due course.

Re-domiciliation

In November 2023, Atalaya announced its intention to re-domicile the Company by transferring its registered office from the Republic of Cyprus to the Kingdom of Spain and convened an Extraordinary General Meeting ("EGM") to seek approval for various related matters.

On 12 December 2023, the Company held the EGM, at which all resolutions were approved by the Company's shareholders.

As a result, various procedural and legal steps are underway. Completion of the proposed re-domiciliation continues to be expected before the end of May 2024.

Asset Portfolio Update

Proyecto Riotinto

In April 2023, the Company was granted a substantial modification to the existing Unified Environmental Authorisation (or in Spanish, Autorización Ambiental Unificada ("AAU")) for Proyecto Riotinto by the Junta de Andalucía. The AAU allows for the expansion of tailings capacity and the mine footprint at Riotinto and represents an important step towards developing regional deposits such as San Dionisio and San Antonio.

The Company is advancing the permitting process associated with the San Dionisio final pit, which represents a key component of the integrated mine plan outlined in the 2023 Riotinto PEA. Waste stripping at San Dionisio began in Q4 2023 and will continue in 2024 in order to prepare the area for future mining phases.

E-LIX Phase I Plant

Final construction activities are in progress at the E-LIX Phase I plant. Initial copper cathodes were produced in December 2023 during the commissioning of portions of the plant. Full commissioning and ramp-up of the facility are expected during H1 2024.

Once fully operational, the E-LIX plant is expected to produce high-purity copper or zinc metals on site, allowing the Company to potentially achieve higher metal recoveries from complex polymetallic ores, lower transportation and concentrate treatment charges and a reduced carbon footprint.

Riotinto District - Proyecto Masa Valverde ("PMV")

In March 2023, the Company announced that PMV was granted an AAU by the Junta de Andalucía, following an application process that was initiated by the Company in December 2021. The AAU is an integrated process that combines the Environmental Impact Assessment and other authorisations and specifies requirements to avoid, prevent and minimise a project's impact on the environment and the area's cultural heritage. In November 2023, the exploitation permit for the Masa Valverde and Majadales deposits was officially granted.

Various evaluation and optimisation workstreams will continue in 2024. In addition, two exploration rigs will remain active at PMV.

Proyecto Touro

Atalaya remains fully committed to the development of the Touro copper project, which has the potential to provide substantial benefits to Galicia and also support the European Union's critical raw materials mandate.

Touro has the potential to become a new source of copper production for Europe. As such, the project could also be granted "Strategic Project" status by the EU, which can be awarded to projects "based on their contribution to the security of supply of strategic raw materials, their technical feasibility, sustainability and social standards", as part of the Critical Raw Materials Act. Copper was added to the list of "Strategic Raw Materials" owing to its importance for strategic sectors and technologies and due to the supply-demand imbalance that is expected in the near future.

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

The Company continues to successfully restore the water quality of the rivers around Touro and is operating its water treatment plant, which is addressing the legacy issues associated with acid water runoff from the historical mine, which closed in 1987. The field-work carried out by Atalaya has resulted in an immediate and visible improvement of the water systems surrounding the project, with the progress being recognised by local stakeholders and the media.

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

In 2023, exploration drilling continued with one rig at the Guijarro-Chaparral, La Hinchona and the Alconchel-Pallares copper-gold projects. One rig is expected to be active throughout 2024.

Proyecto Riotinto East

Drill testing of selected coincident FLEM and AGG anomalies is in progress with one rig.

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About Atalaya Mining Plc

Atalaya is an AIM-listed mining and development group which produces copper concentrates and silver by-product at its wholly owned Proyecto Riotinto site in southwest Spain. Atalaya's current operations include the Cerro Colorado open pit mine and a modern 15 Mtpa processing plant, which has the potential to become a central processing hub for ore sourced from its wholly owned regional projects around Riotinto that include Proyecto Masa Valverde and Proyecto Riotinto East. In addition, the Group has a phased earn-in agreement for up to 80% ownership of Proyecto Touro, a brownfield copper project in the northwest of Spain, as well as a 99.9% interest in Proyecto Ossa Morena. For further information, visit www.atalayamining.com

ATALAYA MINING PLC
MANAGEMENT'S REVIEW AND
EXTRACT OF THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

Notice to Reader

The accompanying consolidated financial statements of Atalaya Mining Plc have been prepared by and are the responsibility of Atalaya Mining Plc's management.

Introduction

This report provides an overview and analysis of the financial results of operations of Atalaya Mining Plc and its subsidiaries ("Atalaya" and/or "Group"), to enable the reader to assess material changes in the financial position between 31 December 2022 and 31 December 2023 and results of operations for the three and twelve months ended 31 December 2023 and 2022.

This report has been prepared as of 18 March 2024. The analysis hereby included is intended to supplement and complement the audited consolidated financial statements and notes thereto ("Financial Statements") as at and for the period ended 31 December 2023, which will be released together with the Company's 2023 Annual Report.

Atalaya prepares its Annual Financial Statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the EU and its Consolidated financial statements in accordance with International Accounting Standard 34: Interim Financial Reporting. The currency referred to in this document is the Euro, unless otherwise specified.

Forward-looking statements

This report may include certain "forward-looking statements" and "forward-looking information" under applicable securities laws. Except for statements of historical fact, certain information contained herein constitute 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 that all required third party regulatory and governmental approvals 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 prove to be correct. Factors that could 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.

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 2023.

In February 2023, Atalaya announced its application for the voluntary delisting of its ordinary shares from the Toronto Stock Exchange (the "TSX"). The delisting from the TSX took effect on 20 March 2023. Ordinary shares in the Company continue to trade on the AIM market of the London Stock Exchange under the symbol "ATYM".

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 Europe and Latin America.

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

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 northwest 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.

In November 2023, the exploitation permit for the Masa Valverde and Majadales deposits was officially granted.

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 East

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. Operating Review

Proyecto Riotinto

The following table presents a summarised statement of operations of Proyecto Riotinto for the three and twelve month periods ended 31 December 2023 and 2022.

Units expressed in accordance with the international system of units (SI)	**Unit**	**Q4 2023**	Q4 2022	**FY2023**	FY2022
Ore mined	t	**3,742,814**	3,540,155	**14,944,638**	14,884,361
Waste mined	t	**7,362,657**	5,329,252	**32,182,904**	24,661,569
Ore processed	t	**4,138,368**	3,958,654	**15,790,098**	15,410,459
Copper ore grade	%	**0.36**	0.41	**0.38**	0.40
Copper concentrate grade	%	**19.83**	20.27	**20.72**	20.95
Copper recovery rate	%	**85.47**	86.24	**86.62**	85.84
Copper concentrate	t	**64,414**	68,908	**249,321**	249,543
Copper contained in concentrate	t	**12,775**	13,969	**51,667**	52,269
Payable copper contained in concentrate	t	**12,131**	13,280	**49,174**	49,773
Cash cost	US$/lb payable	**2.90**	2.90	**2.79**	3.16
All-in sustaining cost*	US$/lb payable	**3.16**	3.12	**3.09**	3.37

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*

$/lb Cu payable	**Q4 2023**	Q4 2022	**FY2023**	FY2022
Mining	**0.92**	0.70	**0.86**	0.79
Processing	**0.84**	1.11	**0.89**	1.31
Other site operating costs	**0.67**	0.59	**0.56**	0.54
Total site operating costs	**2.44**	2.40	**2.30**	2.65
By-product credits	**(0.11)**	(0.07)	**(0.09)**	(0.08)
Freight, treatment charges and other offsite costs	**0.57**	0.57	**0.58**	0.60
Total offsite costs	**0.47**	0.50	**0.49**	0.52
Cash costs	**2.90**	2.90	**2.79**	3.16
Cash costs	**2.90**	2.90	**2.79**	3.16
Corporate costs	**0.09**	0.09	**0.08**	0.08
Sustaining capital (excluding one-off tailings expansion)	**0.02**	0.06	**0.03**	0.06
Capitalised stripping costs	**0.08**	-	**0.12**	0.01
Other costs	**0.06**	0.08	**0.07**	0.06
Total AISC	**3.16**	3.12	**3.09**	3.37

Note: Figures may not add up due to rounding.

Mining and Processing

Mining

Ore mined was 3.7 million tonnes in Q4 2023 (Q4 2022: 3.5 million tonnes) and 14.9 million tonnes in FY2023 (FY2022: 14.9 million tonnes).

Waste mined was 7.4 million tonnes in Q4 2023 (Q4 2022: 5.3 million tonnes) and 32.2 million tonnes in FY2023 (FY2022: 24.7 million tonnes). Increased waste mining was completed at Cerro Colorado in FY2023 to allow for the move of mining equipment to the San Dionisio area.

Processing

The plant processed ore of 4.1 million tonnes during Q4 2023 (Q4 2022: 4.0 million tonnes) and 15.8 million tonnes in FY2023 (FY2022: 15.4 million tonnes), again delivering plant performance above its 15 million tonne per annum nameplate capacity.

Copper grade was 0.36% in Q4 2023 (Q4 2022: 0.41%) and 0.38% in FY2023 (FY2022: 0.40%). The copper grade in Q4 2023 was impacted in part by intense rainfall in November which prevented access to higher grade areas of the Cerro Colorado pit and required the use of low-grade stockpiles to supplement plant feed.

Copper recovery was 85.47% in Q4 2023 (Q4 2022: 86.24%) and 86.62% in FY2023 (FY2022: 85.84%).

Production

Copper production was 12,775 tonnes in Q4 2023 (Q4 2022: 13,969 tonnes) and 51,667 tonnes in FY2023 (FY2022: 52,269 tonnes). Production for FY2023 was slightly below FY2022 as a result of lower grades, partly offset by higher ore throughput and recoveries.

On-site copper concentrate inventories were approximately 6,722 tonnes at 31 December 2023 (31 December 2022: 3,529 tonnes).

Copper contained in concentrates sold was 12,928 tonnes in Q4 2023 (Q4 2022: 14,027 tonnes) and 50,808 tonnes in FY2023 (FY2022: 52,323 tonnes).

3. 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 recent geopolitical developments and the 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 2024 is as follows:

	Unit	Guidance 2024
Ore mined	million tonnes	**~19**
Waste mined	million tonnes	**~25**
Ore processed	million tonnes	**15.3 - 15.8**
Copper ore grade	%	**0.39 - 0.41**
Copper recovery rate	%	**84 - 86**
Contained copper	tonnes	**51,000 - 53,000**
Cash costs	$/lb payable	**2.80 - 3.00**
All-in sustaining cost	$/lb payable	**3.00 - 3.20**

Production

As announced in the Company's Q4 2023 Operations Update, copper production guidance is 51,000 - 53,000 tonnes for FY2024, which is consistent with FY2023 production levels. As a result of the anticipated grade profile, FY2024 production is expected to be weighted slightly towards H2 2024.

Operating Costs

For the most part, the prices of key inputs stabilised in FY2023, following the significant inflationary pressures that were experienced in FY2022. However, the unit prices of consumables such as explosives, diesel and lime remain above 2021 levels. Positively, improving prices for spot market electricity and gas in Spain are expected to benefit Atalaya's cost position.

Operating cost guidance for FY2024 are a cash cost range of $2.80 - 3.00/lb copper payable and an AISC range of $3.00 - 3.20/lb copper payable. AISC excludes one-off investments in the tailings dam (consistent with prior reporting) and waste stripping at the San Dionisio area, which are included in capital expenditure guidance below.

Capital Expenditures

Non-sustaining capital expenditure guidance for FY2024 is €64 - 73 million. This includes €4 - 5 million for completion of the 50 MW solar plant, €5 - 7 million for completion and ramp-up of the E-LIX Phase I Plant (a portion of which will be accounted for as prepayments to Lain Technologies), €42 - 46 million for San Dionisio waste stripping, dewatering and road relocation and €13 - 15 million for expansion of the existing Riotinto tailings facility.

Exploration

Atalaya's exploration guidance for FY2024 is €5 - 7 million.

4. Financial Review

Income Statement

The following table presents a summarised consolidated income statement for the three and twelve month periods ended 31 December 2023 and 31 December 2022.

(Euro 000's)	**Three month ended 31 Dec 2023**	Three month ended 31 Dec 2022	**Twelve month ended 31 Dec 2023**	Twelve month ended 31 Dec 2022
Revenues from operations	**85,591**	99,893	**340,346**	361,846
Cost of sales	**(65,038)**	(71,797)	**(247,290)**	(289,554)
Corporate expenses	**(4,713)**	(4,598)	**(12,741)**	(9,954)
Exploration expenses	**(1,311)**	(3,801)	**(6,467)**	(4,257)
Care and maintenance expenditure	**(1,199)**	(1,494)	**(2,384)**	(3,053)
Other income	**558**	(4)	**1,636**	286
EBITDA	**13,888**	18,199	**73,100**	55,314
Depreciation/amortisation	**(10,635)**	(8,775)	**(37,800)**	(34,119)
Net foreign exchange (loss)/gain	**(2,038)**	(4,181)	**(1,278)**	11,546
Net finance (cost)/income	**(422)**	1,030	**2,071**	(421)
Tax	**4,422**	1,766	**570**	(1,394)
Profit for the year	**5,215**	8,039	**36,663**	30,926

Three months financial review

Revenues for the three-month period ended 31 December 2023 amounted to €85.6 million (Q4 2022: €99.9 million). The decrease in revenues compared to the same quarter of the previous year was mainly driven by a decrease in concentrate sales volumes.

Realised prices excluding QPs were US$3.78/lb copper during Q4 2023 compared with US$3.70/lb copper in Q4 2022. The realised price during the quarter, including QPs, was approximately US$3.75/lb.

Cost of sales for the three months ended 31 December 2023 totalled €65.0 million, compared to €71.8 million in Q4 2022. The decrease in costs was mainly attributable to lower prices for electricity and steel grinding balls.

Cash costs of US$2.90/lb payable copper during Q4 2023 compared with US$2.90/lb payable copper in the same period last year. Cash costs

Cash costs of US$2.96/lb payable copper during Q4 2023 compared with US$2.96/lb payable copper in the same period last year. Cash costs remained consistent with the previous year, primarily due to the offsetting effect of a reduction in electricity costs (a decrease of approx. €8.8 million) in 2023, counterbalanced by an increase in earthworks waste. AISC for Q4 2023, excluding one-off investments in the tailings dam, were US$3.16/lb payable copper compared with US$3.12/lb payable copper in Q4 2022.

Sustaining capex for Q4 2023 amounted to €0.5 million compared with €1.6 million in Q4 2022. Sustaining capex mainly related to continuous enhancements in the processing systems of the plant. In addition, the Company invested €3.4 million in the project to increase the tailings dam during Q4 2023 (Q4 2022: €4.8 million). Stripping costs capitalised during Q4 2023 amounted to €2.0 million (Q4 2022: €nil).

In Q4 2023, the Capex for constructing the 50 MW solar plant was €2.2 million. Additionally, investments in the E-LIX Phase I plant totalled €5.2 million, of which €1.7 million was booked as prepayments for a service contract with Lain Technologies Ltd.

Corporate expenses for Q4 2023 totalled €4.7 million (Q4 2022: €4.6 million). This includes non-operating costs of the Cyprus office, corporate legal and consultancy costs, ongoing listing costs, officers and directors' emoluments, and salaries and related costs of the corporate office.

Exploration costs on Atalaya's project portfolio for the three-month period ended 31 December 2023 amounted to €1.3 million compared to €3.8 million in Q4 2022.

EBITDA for the three months ended 31 December 2023 amounted to €13.9 million compared with Q4 2022 of €18.2 million.

The main item below the EBITDA line is depreciation and amortisation of €10.6 million (Q4 2022: €8.8 million). In Q4 2023, net financing costs amounted to a negative €0.4 million (compared to positive €1.0 million in Q4 2022).

Twelve months financial review

Revenues for the twelve-month period ending 31 December 2023 totalled €340.3 million, compared to €361.8 million in FY 2022. This decline is primarily attributed to reduced realised prices and lower concentrates sold.

Copper concentrate production during the twelve-month period ended 31 December 2023 was 249,321 tonnes (FY 2022: 249,543 tonnes) with 246,128 tonnes of copper concentrates sold in the period (FY 2022: 251,268 tonnes). The production levels remained similar in FY 2023. Inventories of concentrates as at the reporting date were 6,722 tonnes (31 Dec 2022: 3,529 tonnes).

Realised copper prices, excluding QPs, for FY 2023 were US$3.80/lb copper compared with US$3.96/lb copper in the same period of 2022. Concentrates were sold under offtake agreements for the production not committed. The Company did not enter into any hedging agreements in 2023.

Cost of sales for the twelve-month period ended 31 December 2023 amounted to €247.3 million, compared with €289.6 million in FY 2022. Lower operating costs in 2023 were due to a reduction in input costs compared with the 2022 period, where the high cost of electricity, diesel and other supplies were the result of inflation and the geopolitical situation.

Cash costs of US$2.79/lb payable copper for FY 2023 show a decrease compared to US$3.16/lb payable copper in the corresponding period last year. This reduction in cash costs can be primarily attributed to a significant decrease in electricity costs (approximately €52.5 million lower) and other supplies, including freight prices. The AISC, excluding investment in the tailings dam for the twelve-month period, stood at US$3.09/lb payable copper, a decrease from US$3.37/lb payable copper in FY 2022. This decline is mainly a result of lower cash costs, although partly offset by higher capitalised stripping costs.

Sustaining capex for the twelve-month period ended 31 December 2023 amounted to €3.4 million, compared with €6.2 million in the same period the previous year. Sustaining capex related to enhancements in plant processing systems. In addition, the Company invested €13.7 million in the project to extend the tailings dam, compared with €14.1 million in 2022.

Capex associated with the construction of the 50 MW solar plant amounted to €12.9 million in FY 2023, while investments in the E-LIX Phase I plant totalled €18.1 million, of which €9.1 million was booked as prepayments for service contract to Lain Technologies Ltd.

Corporate costs for the period ended December 2023 were €12.7 million, compared with €10.0 million in FY 2022. Corporate costs mainly include the Company's overhead expenses.

Exploration costs related to Atalaya's project portfolio for the twelve months ended 31 December 2023 were €6.5 million compared to €4.3 million for the same period last year. The major exploration work costs were incurred at Proyecto Masa Valverde and Ossa Morena.

EBITDA for the twelve months ended 31 December 2023 amounted to €73.1 million, compared with €55.3 million in FY 2022.

Depreciation and amortisation amounted to €37.8 million for the twelve-month period ended 31 December 2023 (FY 2022: €34.1 million).

Net foreign exchange loss amounted to €1.3 million in FY 2023 (€11.5 million gain in FY 2022).

For FY 2023, net finance income amounted to positive €2.1 million, compared to net finance costs of €0.4 million in FY 2022. This increase is driven mainly by the €3.5 million of interest received as a result of the agreement reached with Astor on 17 May 2023.

Realised Copper Prices

The average prices of copper for 2023 and 2022 were:

$/lb		2023	2022
Realised copper price (excluding QPs)	$/lb	**3.80**	3.96
Market copper price per lb (period average)	$/lb	**3.85**	4.00

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 $3.82/lb.

5. Non-GAAP 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 cash operating 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 C1 cash cost.

AISC per pound of payable copper includes C1 Cash Costs plus royalties and agency fees, expenditures on rehabilitation, capitalised stripping costs, exploration and geology costs, corporate costs and recurring sustaining capital expenditures but excludes one-off sustaining capital projects, such as the tailings dam project.

Realised price 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 if any, expressed in USD per pound of payable copper and before silver credits, TC/RCs, penalties freights and other cost items included in the sales invoices and booked as revenues. Realised price is consistent with the widely accepted industry standard definition.

price is consistent with the widely accepted industry standard definition.

6. Liquidity and Capital Resources

Atalaya monitors factors that could impact its l5iquidity 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 2023 and 2022, and cash flows for the twelve months ended 31 December 2023 and 2022.

Liquidity Information

(Euro 000's)	**31 Dec 2023**	31 Dec 2022
Unrestricted cash and cash equivalents at Group level	**94,868**	108,550
Unrestricted cash and cash equivalents at Operation level	**26,139**	17,567
Restricted cash and cash equivalents at Operation level	**-**	331
Consolidated cash and cash equivalents	**121,007**	126,448
Net cash position	**54,320**	53,085
Working capital surplus	**68,618**	84,047

Unrestricted cash and cash equivalents as at 31 December 2023 decreased to €121.0 million from €126.1 million at 31 December 2022. The increase in cash balances is due to the cash outflows generated during 2023 mainly related to financing activities. Cash balances are unrestricted and include balances at operational and corporate level. Restricted cash amounted at 31 December 2022 to €0.3 million was held in escrow, which represented funds utilized by the Company to cover possible remaining costs due to Astor following litigation during 2022. However, due to the settlement reached with Astor on 17 May 2023 whereby Astor agreed to repay €3.5 million of interest previously paid to it to finalise the litigation, the previously restricted cash has now been released and reversed.

As of 31 December 2023, Atalaya reported a working capital surplus of €68.6 million, compared with a working capital surplus of €84.0 million at 31 December 2022. The decrease in working capital surplus in 2023 related to the decrease in current liabilities. Cash decreased compared to the previous year. At 31 December 2023, trade payables had decreased by 15.9% compared with the same period last year, mainly attributed to the lower inflation.

The Directors consider the 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.

Overview of the Group's Cash Flows

(Euro 000's)	**Twelve month ended 31 Dec 2023**	Twelve month ended 31 Dec 2022
Cash flows from operating activities	**64,743**	38,503
Cash flows used in investing activities	**(50,406)**	(53,529)
Cash flows from financing activities	**(18,500)**	22,411
Net increase in cash and cash equivalents	**(4,163)**	7,385
Net foreign exchange differences	**(1,278)**	11,546
Total net cash flow for the period	**(5,441)**	18,931

In the twelve-month period ending 31 December 2023, cash and cash equivalents experienced a decrease of €5.4 million. This reduction resulted from cash generated by operating activities amounting to €64.7 million, offset by cash used in investing activities totalling €50.4 million and financing activities amounting to €18.5 million, along with a net foreign exchange negative impact of €1.3 million.

Cash generated from operating activities before changes in working capital reached €72.2 million, aligning with an EBITDA of €73.1 million. Atalaya reduced its trade receivables by €10.9 million and inventory levels by €5.5 million, while trade payables decreased by €14.9 million. The company incurred corporate tax payments totalling €5.2 million during this period.

Investing activities for the year 2023 amounted to €50.4 million, primarily directed towards capital expenditures related to the tailings dam project, the solar plant, and ongoing improvements to the processing systems of the plant.

Financing activities in 2023 totalled €18.5 million, reflecting a decrease in financing mainly attributed to dividends paid and the repayment of existing unsecured credit facilities.

Foreign Exchange

In FY2023, Atalaya recognised a foreign exchange loss of €1.3 million (FY2022 gain: €11.5 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:

	Twelve months ended 31 Dec 2023	Twelve months ended 31 Dec 2022
Average rates for the periods		
GBP - EUR	**0.8698**	0.8528
USD - EUR	**1.0813**	1.0530
Spot rates as at		
GBP - EUR	**0.8691**	0.8869
USD - EUR	**1.105**	1.0666

During 2023 and 2022, Atalaya did not have any currency hedging agreements.

7. Risk Factors

Due to the nature of Atalaya's business in the mining industry, the Group is subject to various risks that could materially impact the future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to Atalaya. Readers are encouraged to read and consider the risk factors detailed in Atalaya's audited, consolidated financial statements for the year ended 31 December 2023.

The Company continues to monitor the principal risks and uncertainties that could materially impact the Company's results and operations

The Company continues to monitor the principal risks and uncertainties that could materially impact the Company's results and operations, including the areas of increasing uncertainty such as inflationary pressure on goods and services required for the business and geopolitical developments worldwide.

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

The preparation of Atalaya's Financial Statements in accordance with IFRS requires 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 consolidated financial statements for the year ended 31 December 2023.

9. Other Information

Additional information about Atalaya Mining Plc. is available at www.atalayamining.com

Consolidated financial statements on subsequent pages

By Order of the Board of Directors

Consolidated and Company Statements of Comprehensive Income

for the year ended 31 December 2023

(Euro 000's)	Note	The Group 2023	The Company 2023	The Group 2022	The Company 2022
Revenue	5	**340,346**	**5,012**	361,846	57,756
Operating costs and mine site administrative expenses		**(246,630)**	**-**	(288,275)	-
Mine site depreciation, amortisation and impairment	13,14	**(37,800)**	**-**	(34,119)	-
Gross profit		**55,916**	**5,012**	39,452	57,756
Administration and other expenses		**(12,741)**	**(5,822)**	(9,954)	(3,601)
Share based benefits	23	**(661)**	**-**	(1,279)	-
Exploration expenses		**(6,467)**	**-**	(4,257)	-
Care and maintenance expenditure		**(2,384)**	**-**	(3,053)	-
Other income		**1,637**	**-**	286	286
Operating profit		**35,300**	**(810)**	21,195	54,441
Net foreign exchange (loss)/gain	4	**(1,278)**	**(390)**	11,546	3,439
Interest income from financial assets at fair value through profit and loss	8	**-**	**-**	-	9,157
Interest income from financial assets at amortised cost	8	**5,393**	**14,604**	624	3,779
Finance costs	9	**(3,322)**	**-**	(1,045)	-
Profit before tax		**36,093**	**13,404**	32,320	70,816
Tax	10	**570**	**(579)**	(1,394)	(617)
Profit for the year		**36,663**	**12,825**	30,926	70,199
Profit for the year attributable to:					
- Owners of the parent		**38,769**	**12,825**	33,155	70,199
- Non-controlling interests		**(2,106)**	**-**	(2,229)	-
		36,663	**12,825**	30,926	70,199
Earnings per share from operations attributable to ordinary equity holders of the parent during the year:					
Basic earnings per share (EUR cents per share)	11	**27.7**	**-**	23.7	-
Diluted earnings per share (EUR cents per share)	11	**26.9**	**-**	23.2	-
Profit for the year		**36,663**	**12,825**	30,926	70,199
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'	20	**(2)**	**(2)**	(6)	(6)
Total comprehensive income for the year		**36,661**	**12,823**	30,920	70,193
Total comprehensive income for the year attributable to:		**38,767**	**12,823**	33,149	70,193
- Owners of the parent		**(2,106)**	**-**	(2,229)	-
- Non-controlling interests		**36,661**	**12,823**	30,920	70,193

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 2023

(Euro 000's)	Note	31 Dec 2023 The Group	31 Dec 2023 The Company	31 Dec 2022 The Group	31 Dec 2022 The Company
Assets					
Non-current assets					
Property, plant and equipment	13	**384,739**	**-**	354,908	-
Intangible assets	14	**49,397**	**-**	53,830	-
Investment in subsidiaries	15	**-**	**292,135**	-	74,911
Trade and other receivables	19	**26,702**	**227**	16,362	259,904
Non-current financial asset	20	**1,101**	**-**	1,101	-
Deferred tax asset	17	**11,282**	**-**	7,293	-
		473,221	**292,362**	433,494	334,815
Current assets				-	-
Inventories	18	**33,314**	**-**	38,841	-
Trade and other receivables	19	**42,897**	**70,855**	64,155	48,831
Tax refundable		**100**	**-**	100	-
Other financial assets	20	**30**	**30**	33	33
Cash and cash equivalents	21	**121,007**	**58,958**	126,448	39,472
		197,348	**129,843**	229,577	88,336
Total assets		**670,569**	**422,205**	663,071	423,151
Equity and liabilities					
Equity attributable to owners of the parent					
Share capital	22	**13,596**	**13,596**	13,596	13,596
Share premium	22	**319,411**	**319,411**	319,411	319,411
Other reserves	23	**70,463**	**10,077**	69,805	9,419
Accumulated profit		**98,026**	**76,563**	70,483	75,216
		501,496	**419,647**	473,295	417,642
Non-controlling interests	24	**(9,104)**	**-**	(6,998)	-
Total equity		**492,392**	**419,647**	466,297	417,642
Liabilities					
Non-current liabilities					
Trade and other payables	25	**2,205**	**-**	2,015	-
Provisions	26	**27,234**	**-**	24,083	-
Lease liability	27	**3,877**	**-**	4,378	-
Borrowings	28	**16,131**	**-**	20,768	-
		49,447	**-**	51,244	-
Current liabilities				-	-
Trade and other payables	25	**75,922**	**2,369**	90,022	5,402
Lease liability	27	**501**	**-**	536	-
Current tax liabilities		**1,317**	**189**	1,425	107
Provisions	26	**434**	**-**	952	-
Borrowings	28	**50,556**	**-**	52,595	-
		128,730	**2,558**	145,530	5,509
Total liabilities		**178,177**	**2,558**	196,774	5,509
Total equity and liabilities		**670,569**	**422,205**	663,071	423,151

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 18 March 2024 and were signed on its behalf.

Roger Davey
Chair

Alberto Lavandeira
Chief Execute Officer

Consolidated Statement of Changes in Equity

for the year ended 31 December 2023

(Euro 000's)	Note	Share capital	Share premium (2)	Other reserves (1)	Accum. Profits	Total	NCI	Total equity
1 Jan 2023		**13,596**	**319,411**	**69,805**	**70,483**	**473,295**	**(6,998)**	**466,297**
Profit/(loss) for the period		**-**	**-**	**-**	**38,769**	**38,769**	**(2,106)**	**36,663**
Change in fair value of financial assets through other comprehensive income 'OCI'	20	**-**	**-**	**(3)**	**-**	**(3)**	**-**	**(3)**
Total comprehensive (loss)/income		**-**	**-**	**(3)**	**38,769**	**38,766**	**(2,106)**	**36,660**
Recognition of share-based payments	23	**-**	**-**	**661**	**-**	**661**	**-**	**661**
Other changes in equity		**-**	**-**	**-**	**252**	**252**	**-**	**252**
Dividends paid	12	**-**	**-**	**-**	**(11,478)**	**(11,478)**	**-**	**(11,478)**
31 Dec 2023		**13,596**	**319,411**	**70,463**	**98,026**	**501,496**	**(9,104)**	**492,392**

(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
Profit/(loss) for the period		-	-	-	33,155	33,155	(2,229)	30,926
Change in fair value of financial assets through other comprehensive income 'OCI'	20	-	-	(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		-	-	-	(485)	(485)	140	(345)
Dividends paid	12	-	-	-	(5,099)	(5,099)	-	(5,099)
31 Dec 2022		13,596	319,411	69,805	70,483	473,295	(6,998)	466,297

(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 2023

(Euro 000's)	Note	Share capital	Share premium (1)	Other reserves	Accum. Profits	Total
1 Jan 2022		13,447	315,916	8,146	10,116	347,625
Profit for the year		-	-	-	70,199	70,199
Change in fair value of financial assets through other comprehensive income 'OCI'	20	-	-	(6)	-	(6)
Total comprehensive income		-	-	(6)	70,199	70,193
Issuance of share capital	22	149	3,495	-	-	3,644
Recognition of share-based payments	23	-	-	1,279	-	1,279
Interim dividends paid		-	-	-	(5,099)	(5,099)
31 Dec 2022/1 Jan 2023		**13,596**	**319,411**	**9,419**	**75,216**	**417,642**
Profit for the period		**-**	**-**	**-**	**12,825**	**12,825**
Change in fair value of financial assets through other comprehensive income 'OCI'	20	**-**	**-**	**(3)**	**-**	**(3)**
Total comprehensive income		**-**	**-**	**(3)**	**12,825**	**12,822**
Recognition of share-based payments	23	**-**	**-**	**661**	**-**	**661**
Dividends paid		**-**	**-**	**-**	**(11,478)**	**(11,478)**
31 Dec 2023		**13,596**	**319,411**	**10,077**	**76,563**	**419,647**

(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 relevant tax law in Cyprus, within two years after the end of the relevant tax year, will be deemed to have distributed this amount as dividend on the 31 December of the second year. The amount of the deemed dividend distribution is reduced by any actual dividend already distributed by 31 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% when the entitled shareholders are natural persons tax residents of Cyprus and have their domicile in Cyprus. In addition, from 2019 General Healthcare System contribution at a rate of 1.7% - 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 2023

(Euro 000's)	Note	2023	2022
Cash flows from operating activities			
Profit before tax		**36,093**	32,320
Adjustments for:			
Depreciation of property, plant and equipment	13	**33,307**	29,637
Amortisation of intangible assets	14	**4,493**	4,482
Recognition of share based payments	23	**661**	1,279
Interest income	8	**(5,393)**	(244)
Interest expense	9	**2,607**	1,025
Unwinding of discounting	9	**690**	-
Legal provisions	26	**1**	(43)
Net foreign exchange differences		**1,278**	(11,546)
Unrealised foreign exchange (loss)/gain on financing activities		**(1,492)**	25
Cash inflows from operating activities before working capital changes		**72,245**	56,935
Changes in working capital:			
Inventories	18	**5,527**	(14,060)

Inventories	18	[illegible]	[illegible]
Trade and other receivables	19	**10,918**	(24,471)
Trade and other payables	25	**(14,924)**	24,662
Provisions	26	**(1,203)**	(91)
Cash flows from operations		**72,563**	42,975
Interest expense on lease liabilities	27	**(25)**	(20)
Interest paid		**(2,607)**	(1,025)
Tax paid		**(5,188)**	(3,427)
Net cash from operating activities		**64,743**	38,503
Cash flows from investing activities			
Purchases of property, plant and equipment	13	**(53,837)**	(52,650)
Purchases of intangible assets	14	**(460)**	(944)
Interest received	8	**3,891**	65
Net cash used in investing activities		**(50,406)**	(53,529)
Cash flows from financing activities			
Lease payment	27	**(536)**	(617)
Net (repayments)/proceeds from borrowings		**(6,486)**	24,484
Proceeds from issue of share capital		**-**	3,643
Dividends paid		**(11,478)**	(5,099)
Net cash (used in)/from financing activities		**(18,500)**	22,411
Net increase in cash and cash equivalents		**(4,163)**	7,385
Net foreign exchange difference		**(1,278)**	11,546
Cash and cash equivalents:			
At beginning of the year	21	**126,448**	107,517
At end of the year	21	**121,007**	126,448

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 2023

(Euro 000's)	Note	**2023**	2022
Cash flows from operating activities			
Profit before tax		**13,404**	70,816
Adjustments for:			
Interest income	8	**(518)**	(36)
Interest income from interest-bearing intercompany loans	8	**(14,087)**	(12,900)
Net foreign exchange difference		**390**	(3,439)
Unrealised foreign exchange loss on financing activities		**-**	(63)
Cash inflows (used in)/from operating activities before working capital changes		**(811)**	54,378
Changes in working capital:			
Trade and other receivables	19	**21,089**	(61,273)
Trade and other payables	25	**(3,030)**	3,950
Cash flows from operations		**17,247**	(2,945)
Tax paid		**(498)**	(311)
Net cash from/(used in) operating activities		**16,749**	(3,256)
Cash flows from investing activities			
Investment in subsidiaries	15	**(1)**	(9,461)
Interest received		**518**	36
Interest income from interest-bearing intercompany loans	8	**14,087**	12,900
Net cash from investing activities		**14,603**	3,475
Cash flows from financing activities			
Proceeds from issue of share capital	22	**-**	3,643
Dividends paid	12	**(11,477)**	(5,099)
Net cash used in financing activities		**(11,477)**	(1,456)
Net increase/(decrease) in cash and cash equivalents		**19,876**	(1,237)
Net foreign exchange difference		**(390)**	3,439
Cash and cash equivalents:			
At beginning of the year	21	**39,472**	37,270
At end of the year	21	**58,958**	39,472

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

For non-cash transactions refer to Note 15.

Notes to the Consolidated and Company Financial Statements

for the year ended 31 December 2023

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 2023.

In February 2023, Atalaya announced its application for the voluntary delisting of its ordinary shares from the Toronto Stock Exchange (the "TSX"). The delisting from the TSX took effect on 20 March 2023. Ordinary shares in the Company continue to trade on the AIM market of the London Stock Exchange under the symbol "ATYM".

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 Europe and Latin America.

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

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 northwest 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.

In November 2023, the exploitation permit for the Masa Valverde and Majadales deposits was officially granted.

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 East

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 material 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 2023, the standards applicable for IFRSs as adopted by the EU are aligned with the IFRSs 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 material 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 2023.

IFRS 17: Insurance Contracts

The standard is effective for annual periods beginning on or after 1 January 2023. 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. These standards had no impact on the consolidated and parent company financial statements.

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

IAS 12 Income taxes: International Tax Reform - Pillar Two Model Rules (Amendments)

The amendments are effective immediately upon issuance, but certain disclosure requirements are effective later. The Organisation for Economic Co-operation and Development's (OECD) published the Pillar Two model rules in December 2021 to ensure that large multinational companies would be subject to a minimum 15% tax rate. On 23 May 2023, the IASB issued International Tax Reform-Pillar Two Model Rules - Amendments to IAS 12. The amendments introduce a mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules and disclosure requirements for affected entities on the potential exposure to Pillar Two income taxes. The Amendments require, for periods in which Pillar Two legislation is (substantively) enacted but not yet effective, disclosure of known or reasonably estimable information that helps users of financial statements understand the entity's exposure arising from Pillar Two income taxes. To comply with these requirements, an entity is required to disclose qualitative and quantitative information about its exposure to Pillar Two income taxes at the end of the reporting period. The disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after 1 January 2023, but are not required for any interim period ending on or before 31 December 2023. These amendments had no impact on the consolidated financial statements of the Group as at 31 December 2023.

2.2.1 Standards issued but not yet effective and not yet adopted by 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 are 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 are not expected to have a material impact on the Group.

entity first applied IFRS 16. The amendments are not expected to have a material impact on the Group.

IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosure - Supplier Finance Arrangements (Amendments)

The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. The amendments supplement requirements already in IFRS and require an entity to disclose the terms and conditions of supplier finance arrangements. Additionally, entities are required to disclose at the beginning and end of reporting period the carrying amounts of supplier finance arrangement financial liabilities and the line items in which those liabilities are presented as well as the carrying amounts of financial liabilities and line items, for which the finance providers have already settled the corresponding trade payables. Entities should also disclose the type and effect of non-cash changes in the carrying amounts of supplier finance arrangement financial liabilities, which prevent the carrying amounts of the financial liabilities from being comparable. Furthermore, the amendments require an entity to disclose at the beginning and end of the reporting period the range of payment due dates for financial liabilities owed to the finance providers and for comparable trade payables that are not part of those arrangements. The amendments have not yet been endorsed by the EU. The amendments have not yet been endorsed by the EU and are not expected to have a material impact on the Group.

IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments)

The amendments are effective for annual reporting periods beginning on or after January 1, 2025, with earlier application permitted. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique. The amendments have not yet been endorsed by the EU and are 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
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 ARM	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	99.9%	Spain
Iberian Polimetal S.L.	Development	100%	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.

(2) The effective proportion of shares held as at 30 June 2023 and 31 December 2022 remained unchanged.

(3) Recursos Cuenca Minera is a joint venture with ARM, 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 proportionate 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.

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 Group reviews the estimated residual values and expected useful lives of assets at least annually. In particular, the Group considers the impact of health, safety and environmental legislation in its assessment of expected useful lives and estimated residual values. Furthermore, the Group considers climate-related matters, including physical and transition risks. Specifically, the Group determines whether climate-related legislation and regulations might impact either the useful life or residual values, e.g., by banning or restricting the use of the Group's fossil fuel-driven machinery and equipment or imposing additional energy efficiency requirements on the Group's buildings and office properties. An asset's carrying amount is and equipment or imposing additional energy efficiency requirements on the Group's buildings and office properties. 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 income" 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

(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.

(c) 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.

The Group assesses whether climate risks, including physical risks and transition risks could have a significant impact.

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.

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 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.

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission.

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. Material 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.

The impact of climate-related matters, such as changes in environmental regulations and other relevant legislation, is considered by the Group in estimating the rehabilitation provision on the manufacturing facility. Changes in the estimated future costs, or in the discount rate applied, are added to or deducted from the cost of the asset.

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 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

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise instruments convertible into ordinary shares and share options granted to employees.

2.28 Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

2.29 Amendment of financial statements after issue

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 Dec 2023				
Other current financial assets				
Financial assets at FV through OCI	**30**	**-**	**1,101**	**1,131**
Trade and other receivables				
Receivables (subject to provisional pricing)	**-**	**15,164**	**-**	**15,164**
Total	**30**	**15,164**	**1,101**	**16,295**
31 Dec 2022				
Other current financial assets				
Financial assets at FV through OCI	33	-	1,101	1,134
Receivables (subject to provisional pricing)	-	27,557	-	27,557
Total	33	27,557	1,101	28,691

THE COMPANY

(Euro 000's)	Level 1	Level 2	Level 3	Total
31 Dec 2023				
Non-current receivables				
Financial assets at FV through profit and loss (note 30.4)	**-**	**-**	**-**	**-**
Other current financial assets				
Financial assets at FV through OCI	**30**	**-**	**-**	**30**
Total	**30**	**-**	**-**	**30**
31 Dec 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

2.31 Climate-related matters

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the group due to both physical and transition risks. Even though the Group believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation. The items and considerations that are most directly impacted by climate-related matters are:

- Useful life of property, plant and equipment. When reviewing the residual values and expected useful lives of assets, the Group considers climate-related matters, such as climate-related legislation and regulations that may restrict the use of assets or require significant capital expenditures, based on the assessment on climate-related matters, there was no impact.
- Impairment of non-financial assets. The value-in-use may be impacted in several different ways by transition risk in particular, such as climate-related legislation and regulations and changes in demand for the Group products, based on the assessment on climate-related matters, there was no impact.
- In determining fair value measurement, the impact of potential climate-related matters, including legislation, which may affect the fair value measurement of assets and liabilities in the financial statements has been considered and based on the assessment on climate-related matters, there was no impact.
- Rehabilitation provision. The impact of climate-related legislation and regulations is considered in estimating the timing and future costs of rehabilitation of the Group facilities, based on the assessment on climate-related matters, there was no impact.

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 AC that advises on financial risks and the appropriate financial risk governance framework for the Group. The AC 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 Dec 2023							
Tax liability	**1,317**	**1,317**	**-**	**1,317**	**-**	**-**	**-**
Lease liability	**4,378**	**4,378**	**-**	**501**	**-**	**1,928**	**1,949**
Other financial liabilities	**66,687**	**65,406**	**-**	**50,556**	**16,131**	**-**	**-**
Non-current payables	**2,205**	**-**	**-**	**205**	**-**	**-**	**2,000**
Trade and other payables	**75,922**	**72,623**	**36,964**	**38,882**	**76**	**-**	**-**
	150,509	**143,724**	**36,967**	**91,458**	**16,207**	**1,928**	**3,949**
31 Dec 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	90,022	86,810	53,912	36,110	-	-	-
	171,738	166,511	53,912	90,680	10,812	11,913	4,421

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 Dec 2023							
Tax liability	**189**	**189**	**-**	**189**	**-**	**-**	**-**
Trade and other payables	**2,369**	**868**	**-**	**2,369**	**-**	**-**	**-**
	2,558	**1,057**	**-**	**2,558**	**-**	**-**	**-**
31 Dec 2022							
Tax liability	107	107	-	107	-	-	-
Trade and other payables	5,402	543	-	5,402	-	-	-
	5,509	650	-	5,509	-	-	-

(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 2023 increase/(decrease)**	Effect on profit before tax for the year ended 31 Dec 2022 increase/(decrease)
+5%	**17,454**	17,303
-5%	**(17,454)**	(17,303)

(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.

	Effect on profit before tax for the year ended 31 Dec 2023 increase/(decrease)	Effect on profit before tax for the year ended 31 Dec 2022 increase/(decrease)
	Eur 000's	Eur 000's
Increase/(decrease) in copper prices		
Increase $0.05/lb (2022: $0.05)	**5,138**	5,285
Decrease $0.05/lb (2022: $0.05)	**(5,138)**	(5,285)

(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 2023**	31 Dec 2022
Unrestricted cash and cash equivalents at Group level	**94,868**	108,550
Unrestricted cash and cash equivalents at Operation level	**26,139**	17,567
Restricted cash and cash equivalents at Operation level	**-**	331
Consolidated cash and cash equivalents	**121,007**	126,448
Net cash position (1)	**54,320**	53,085
Working capital surplus	**68,618**	84,047

(1) *Includes restricted cash and bank borrowings at 31 December 2022*

Restricted cash amounted at 31 December 2022 to €0.3 million was held in escrow, which represented funds utilized by the Company to cover possible remaining costs due to Astor following litigation during 2022. However, due to the settlement reached with Astor on 17 May 2023 whereby Astor agreed to repay €3.5 million of interest previously paid to it to finalise the litigation, the previously restricted cash has now been released and reversed (Note 8).

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 2023 and 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 interest bearing financial instruments was:

(Euro 000's)	**2023**	2022
Variable rate instruments		
Financial assets	**121,007**	126,448

An increase of 100 basis points in interest rates at 31 December 2023 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.

(Euro 000's)	**Equity**		**Profit or loss**	
	2023	2022	**2023**	2022
Variable rate instruments	**1,210**	1,264	**1,210**	1,264

(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 non compliance 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.

(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 non execution 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)	**31 Dec 2023**	31 Dec 2022
Total liabilities less cash	**57,170**	70,326
Total equity (excluding NCI)	**501,496**	473,295
Total capital	**558,666**	543,621
Gearing ratio	**10.23%**	12.94%

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 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. Segments

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 areas of operations

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.

The table below presents an analysis of revenue from external customers based on their geographical location, determined by the country of establishment of each customer.

Revenue - from external customers	2023	2022
	€'000	€'000
Switzerland	**340,346**	361,846

The table below presents revenues from external customers attributed to the country of domicile of the Company.

Revenue - from external customers	2023	2022
	€'000	€'000
Cyprus	**25,712**	30,662
Spain	**314,634**	331,184
	340,346	361,846

The geographical location of the specified non-current assets is based on the physical location of the asset in the case of property, plant and equipment and intellectual property and the location of the operation to which they are allocated in the case of goodwill.

Non-current assets	2023	2022
	€'000	€'000
Spain	**434,136**	408,738
	434,136	408,738

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.

(Euro 000's)	2023		2022	
	Segment	**€'000**	Segment	€'000
Offtaker 1	**Copper**	**80,031**	Copper	71,839
Offtaker 2	**Copper**	**76,688**	Copper	108,158
Offtaker 3	**Copper**	**183,596**	Copper	181,822

5. Revenue

THE GROUP

(Euro 000's)	2023	2022
Revenue from contracts with customers (1)	**344,940**	371,303
Fair value gain relating to provisional pricing within sales (2)	**(4,594)**	(9,457)
Total revenue	**340,346**	361,846

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.

(1) Included within 2023 revenue there is a transaction price of €9.8 million (€7.6 million in 2022) 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.

THE COMPANY

(Euro 000's)	2023	2022
Sales of services to related companies (Note 30.3)	**5,012**	2,756
Dividends	**-**	55,000
Total revenue	**5,012**	57,756

6. Expenses by nature

THE GROUP

(Euro 000's)	**2023**	2022
Operating costs	**208,416**	246,840
Care and maintenance expenditure	**11,511**	15,603
Exploration expenses	**5,103**	3,723
Employee benefit expense (Note 7)	**25,756**	24,556
Compensation of key management personnel (Note 30.2)	**2,230**	2,189
Auditors' remuneration - audit	**584**	345
Other assurance	**20**	-
Other accountants' remuneration	**385**	138
Consultants' remuneration	**4,977**	1,087
Depreciation of property, plant and equipment (Note 13)	**33,307**	29,637
Amortisation of intangible assets (Note 14)	**4,493**	4,482
Share option-based employee benefits (Note 23)	**661**	1,279
Shareholders' communication expense	**232**	305
On-going listing costs	**521**	533
Legal costs	**1,779**	1,469
Public relations and communication development	**711**	1,035
Rents (Note 27)	**5,682**	5,678
Other expenses and provisions	**314**	2,038
Total	**306,682**	340,937

THE COMPANY

(Euro 000's)	**2023**	2022
Key management remuneration (Note 30.2)	**605**	540
Auditors' remuneration - audit	**263**	139
Other accountants' remuneration	**341**	57
Consultants' remuneration	**1,352**	224
Management fees (Note 30.3)	**19**	66
Travel costs	**5**	2
Shareholders' communication expense	**232**	305
On-going listing costs	**521**	533
Legal costs	**1,771**	1,258
Insurances	**82**	84
Other expenses and provisions	**631**	392
Total	**5,822**	3,600

7. Employee benefit expense

THE GROUP

(Euro 000's)	**2023**	2022
Wages and salaries	**18,836**	18,438
Social security and social contributions	**6,246**	5,659
Employees' other allowances	**18**	16
Bonus to employees	**656**	443
Total	**25,756**	24,556

The average number of employees and the number of employees at year end by office are:

	Average		**At year end**	
Number of employees	**2023**	2022	**2023**	2022
Spain - Full time	**479**	492	**476**	489
Spain - Part time	**6**	4	**6**	5
Cyprus - Full time	**1**	1	**1**	1
Cyprus - Part time	**2**	2	**2**	2
Total	**488**	499	**485**	497

THE COMPANY

The company had no employees during the year ended 31 December 2023 and 2022.

8. Finance income

THE GROUP

(Euro 000's)	**2023**	2022
Financial interests	**1,501**	244
Other received interests	**3,892**	-
Unwinding of discount on mine rehabilitation provision (Note 26)	**-**	380
Total	**5,393**	624

THE COMPANY

(Euro 000's)	**2023**	2022

Interest income from interest-bearing intercompany loans at fair value through profit and loss (Note 30.3)	**-**	9,157
Interest income from interest-bearing intercompany loans at amortised cost (Note 30.3)	**14,087**	3,743
Financial interests	**517**	36
Total	**14,604**	12,936

Financial interests relate to interest received on bank balances.

Other received interests mainly comprise the €3.5 million interest received as a result of the agreement reached with Astor in May 2023.

9. Finance costs

THE GROUP

(Euro 000's)	**2023**	2022
Interest expense:		
Other interest	**2,607**	1,025
Interest expense on lease liabilities	**25**	20
Unwinding of discount on mine rehabilitation provision (Note 26)	**690**	-
	3,322	1,045

Other interests include the financing costs related to Astor and Solar plant facilities.

10. Tax

THE GROUP

(Euro 000's)	**2023**	2022
Current income tax charge	**3,419**	3,123
Deferred tax income relating to the origination of temporary differences (Note 17)	**(6,852)**	(4,544)
Deferred tax expense relating to reversal of temporary differences (Note 17)	**2,863**	2,815
	(570)	1,394

The tax on the Group's results before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

(Euro 000's)	**2023**	2022
Accounting profit before tax	**36,093**	32,320
Tax calculated at the applicable tax rates of the Company - 12.5%	**4,512**	4,040
Tax effect of expenses not deductible for tax purposes	**3,290**	1,029
Tax effect of tax loss for the year	**(1,271)**	3,819
Tax effect of allowances and income not subject to tax	**(4,381)**	(7,857)
Effect of higher tax rates in other jurisdictions of the group	**993**	2,092
Tax effect of tax losses brought forward	**276**	-
Deferred tax (Note 17)	**(3,989)**	(1,729)
Tax (credit)/ charge	**(570)**	1,394

THE COMPANY

(Euro 000's)	**2023**	2022
Current income tax charge	**579**	617
	579	617

Tax losses carried forward

As at 31 December 2023, the Group had tax losses carried forward amounting to €6 million from the Spanish subsidiaries.

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 2023 and 2022 is 25%. The recent 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)	2023	2022

(Euro 000's)	2023	2022
Parent company	**(6,255)**	(676)
Subsidiaries	**45,024**	33,831
Profit attributable to equity holders of the parent	**38,769**	33,155
Weighted number of ordinary shares for the purposes of basic earnings per share ('000)	**139,880**	139,757
Basic earnings per share (EUR cents/share)	**27.7**	23.7
Weighted number of ordinary shares for the purposes of diluted earnings per share ('000)	**144,224**	142,834
Diluted earnings per share (EUR cents/share)	**26.9**	23.2

At 31 December 2023 there are nil warrants and 4,848,500 options (Note 22) (31 December 2022: nil warrants and 3,543,500 options) which have been included when calculating the weighted average number of shares for FY2023.

12. Dividends

Cash dividends declared and paid during the year:

(Euro 000's)	2023	2022
Final dividends declared and paid	**4,956**	-
Interim dividends declared and paid	**6,522**	5,099
	11,478	5,099

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

In March 2023, the Board of Directors proposed a final dividend for 2022 of US$0.0385 per ordinary share, which was equivalent to approximately 3.15 pence per share. Following the approval of Resolution 10 by the Company's shareholders at its 2023 Annual General Meeting, which took place on 28 June 2023, the 2022 final dividend was paid on 8 August 2023.

On 9 August 2023, the Company's Board of Directors declared an Interim Dividend for 2023 of US$0.05 per ordinary share, which is equivalent to approximately 3.9 pence per share. The Interim Dividend was paid on 28 September 2023 using foreign exchange rates announced on 12 September 2023.

A final dividend of US$0.04 per share has been proposed for approval by shareholders at the 2024 Annual General Meeting. This would give a total dividend in respect of 2023 of US$0.09 per share.

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
2023							
Cost							
At 1 January 2023	**80,326**	**7,076**	**291,335**	**50,235**	**52,358**	**872**	**482,202**
Additions	**36**	**-**	**6,011**	**42,149**	**11,714**	**79**	**59,782**
Increase in rehab. Provision (Note 26)	**3,145**	**-**	**-**	**-**	**-**	**-**	**3,145**
Reclassifications (4)	**-**	**-**	**21,783**	**(21,783)**	**-**	**-**	**-**
Advances	**10**	**-**	**-**	**-**	**-**	**-**	**10**
31 Dec 2023	**83,517**	**7,076**	**319,129**	**70,601**	**64,072**	**951**	**545,346**
Depreciation							
At 1 January 2023	**20,454**	**1,998**	**89,182**	**-**	**14,921**	**739**	**127,294**
Adjustments	**-**	**-**	**6**	**-**	**-**	**-**	**6**
Opening adjusted	**20,454**	**1,998**	**89,188**	**-**	**14,921**	**739**	**127,300**
Charge for the year	**4,248**	**533**	**24,359**	**-**	**4,142**	**25**	**33,307**
31 Dec 2023	**24,702**	**2,531**	**113,547**	**-**	**19,063**	**764**	**160,607**
Net book value at 31 December 2023	**58,815**	**4,545**	**205,582**	**70,601**	**45,009**	**187**	**384,739**
2022							
Cost							
1 Jan 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	15,300	-	6,727	(22,098)	-	71	-
Advances	103	-	-	-	-	-	103
Write-off	(4,190)	-	-	-	-	-	(4,190)
31 Dec 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
31 Dec 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

(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 2023 amounted to €70.6 million (2022: €50.2 million) which include sustaining capital expenditures, tailings dams project, ELIX plant and solar plant.

(4) Transfers including sustaining Capex (€20.6 million).

(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
2023		
Cost		
At 1 January 2023	15	15
At 31 December 2023	15	15
Depreciation		
At 1 January 2023	15	15
Charge for the year	-	-
At 31 December 2023	15	15
Net book value at 31 December 2023	**-**	**-**
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	-	-

(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
2023			
Cost			
On 1 January 2023	**81,255**	**8,642**	**89,897**
Additions	**144**	**116**	**260**
Disposals	**(200)**	**-**	**(200)**
At 31 December 2023	**81,199**	**8,758**	**89,957**
Amortisation			
On 1 January 2023	**27,627**	**8,440**	**36,067**
Charge for the year	**4,453**	**40**	**4,493**
At 31 December 2023	**32,080**	**8,480**	**40,560**
Net book value at 31 December 2023	**49,119**	**278**	**49,397**
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

(1) Permits also 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 2023.

15. Investment in subsidiaries

(Euro 000's)	2023	2022
THE COMPANY		
Opening amount at cost minus provision for impairment	74,910	64,171
Increase of investment (1) (2) (3)	217,225	10,739
Closing amount at cost less provision for impairment	292,135	74,910

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 2023(2)	Effective proportion of shares held in 2022(2)
Atalaya Touro (UK) Ltd	10 March 2017	Holding	United Kingdom	100%	100%
AMP (1)	10 Sep 2008	Holding	United Kingdom	100%	100%
EMED Marketing Ltd	8 Sep 2008	Trading	Cyprus	100%	100%
Atalaya Financing Ltd (3)	16 Sep 2020	Financing	Cyprus	100%	100%

(1) €0.7 million related to share-based payment expense (FY2022: €10.8 million).

(2) The effective proportion of shares held as at 31 December 2023 and 2022 remained unchanged.

(3) €216.5 million attributable to the transfer of intercompany loans from ATYM to Atalaya Financing Ltd. through a share capital raise. (FY2022: €nil) (note 19 & 30.4).

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, ARM initiated a 50/50 joint venture with Rumbo to assess and leverage the potential of class B resources within the tailings dam and waste areas at The Proyecto Riotinto. Pursuant to the joint venture agreement, ARM served as the operator and reimbursed Rumbo for the expenses linked to the classification application for the Class B resources. ARM covered the initial expenses for a feasibility study, with a maximum funding limit of €2.0 million. Subsequent costs were shared 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)	31 Dec 2023	31 Dec 2022
Intangible assets	94	94
Trade and other receivables	3	2
Cash and cash equivalents	19	21
Trade and other payables	(115)	(115)
Net assets	1	2
Revenue	-	-
Expenses	-	-
Net profit/(loss) after tax	-	-

17. Deferred tax

	Consolidated statement of financial position		Consolidated income statement	
(Euro 000's)	2023	2022	2023	2022
THE GROUP				
Deferred tax asset				
At 1 January	7,293	5,564	-	-
Deferred tax income relating to the origination of temporary differences (Note 10)	6,852	4,544	(6,852)	(4,544)
Deferred tax expense relating to reversal of temporary differences (Note 10)	(2,863)	(2,815)	2,863	2,815
At 31 December	11,282	7,293		
Deferred tax income/(expense) (Note 10)			(3,989)	(1,729)

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 Group held tax losses amounted to €6 million in Spain (2022: €4.4 million).

18. Inventories

(Euro 000's)	31 Dec 2023	31 Dec 2022
THE GROUP		

THE GROUP		
Finished products	**8,416**	4,547
Materials and supplies	**21,852**	31,330
Work in progress	**3,046**	2,964
	33,314	38,841

As at 31 December 2023, copper concentrate produced and not sold amounted to 6,722 tonnes (FY2022: 3,529 tonnes). Accordingly, the inventory for copper concentrate was €8.4 million (FY2022: €4.5 million). During the year 2023 the Group recorded cost of sales amounting to €247.3 million (FY2022: €289.6 million).

Materials and supplies relate mainly to machinery spare parts. Work in progress represents ore stockpiles, which is ore that has been extracted and is available for further processing.

19. Trade and other receivables

(Euro 000's)	**2023**	2022
THE GROUP		
Non-current trade and other receivables		
Deposits	**307**	256
Loans	**233**	-
Prepayments for service contract	**23,476**	12,865
Other non-current receivables	**2,686**	3,241
	26,702	16,362
Current trade and other receivables		
Trade receivables at fair value - *subject to provisional pricing*	**10,110**	14,757
Trade receivables from shareholders at fair value - *subject to provisional pricing* (Note 30.5)	**5,054**	12,800
Other receivables from related parties at amortised cost (Note 30.4)	**56**	56
Deposits	**37**	37
VAT receivable	**21,003**	28,856
Tax advances	**-**	9
Prepayments	**5,855**	5,845
Other current assets	**782**	1,795
	42,897	64,155
Allowance for expected credit losses	**-**	-
Total trade and other receivables	**69,599**	80,517

(Euro 000's)	**2023**	2022
THE COMPANY		
Non-current trade and other receivables		
Receivables from own subsidiaries at amortised cost (Note 30.4)	**227**	245,657
Receivables from own subsidiaries at fair value through profit and loss (Note 30.4)	**-**	14,247
	227	259,904
Current trade and other receivables		
Receivables from own subsidiaries at amortised cost (Note 30.4)	**70,797**	48,774
Other receivables	**58**	57
Total current trade and other receivables	**70,855**	48,831

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 (€250k at 31 December 2022) as a collateral for bank guarantees, which was recorded as restricted cash (or deposit).

The prepayments for the service contract relate to an agreement entered into between the Group and Lain Technologies Ltd for the construction of an industrial plant using the E-LIX technology, which is currently under construction at Proyecto Riotinto. This technology system is a newly developed electrochemical extraction process that utilises singular catalysts and physiochemical conditions to dissolve the valuable metals contained within sulphide concentrates. Lain Technologies Ltd. developed and fully owns the E-LIX System. According to the agreement, once the Industrial Plant at Proyecto Riotinto is operational, the Group will have access to (i) the use of E-LIX Technology to extract cathodes and (ii) exclusivity in the use of the E-LIX Technology on concentrates extracted from the Iberian Pyrite Belt for eight years.

20. Other Financial assets

THE GROUP

(Euro 000's)	**31 Dec 2023**	31 Dec 2022
Financial asset at fair value through OCI (see (a) below)	**1,131**	1,134
Total current	**30**	33
Total non-current	**1,101**	1,101

THE COMPANY

(Euro 000's)	**31 Dec 2023**	31 Dec 2022
Financial asset at fair value through OCI (see (a) below)	**30**	33
Total current	**30**	33

a) Financial assets at fair value through OCI

THE GROUP

(Euro 000's)	**31 Dec 2023**	31 Dec 2022
At 1 January	**1,134**	1,140
Fair value change recorded in equity (Note 23)	**(3)**	(6)
At 31 December	**1,131**	1,134

THE COMPANY

(Euro 000's)	**31 Dec 2023**	31 Dec 2022
At 1 January	**33**	39
Fair value change recorded in equity (Note 23)	**(3)**	(6)
At 31 December	**30**	33

Company name	Principal activities	Country of incorporation	Effective proportion of shares held at 31 December 2023
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%

The Group decided to recognise changes in the fair value through Other Comprehensive Income ('OCI'), as explained in Note 2.12.

21. Cash and cash equivalents

THE GROUP

(Euro 000's)	**31 Dec 2023**	31 Dec 2022
Unrestricted cash and cash equivalents at Group level	**94,868**	108,550
Unrestricted cash and cash equivalents at Operation level	**26,139**	17,567
Restricted cash and cash equivalents at Operation level	**-**	331
Consolidated cash and cash equivalents	**121,007**	126,448

Restricted cash amounted at 31 December 2022 to €0.3 million was held in escrow, which represented funds utilized by the Company to cover interest payments 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. However, due to the settlement reached with Astor on 17 May 2023 whereby Astor agreed to repay €3.5 million of interest previously paid to it to finalise the litigation, the previously restricted cash has now been released and reversed.

Cash and cash equivalents denominated in the following currencies:

(Euro 000's)	**31 Dec 2023**	31 Dec 2022
Euro - functional and presentation currency	**50,470**	84,146
Great Britain Pound	**52**	895
United States Dollar	**70,485**	41,407
	121,007	126,448

THE COMPANY

(Euro 000's)	**31 Dec 2023**	31 Dec 2022
Cash at bank and on hand	**58,958**	39,472
Cash and cash equivalents denominated in the following currencies:		
Euro - functional and presentation currency	**36,191**	38,496
Great Britain Pound	**41**	879
United States Dollar	**22,726**	97
	58,958	**39,472**

22. Share capital

	Shares 000's	**Share Capital Stg£'000**	**Share premium Stg£'000**	**Total Stg£'000**
Authorised				
Ordinary shares of Stg £0.075 each*	200,000	15,000	-	15,000

Issued and fully paid			Shares	Share Capital	Share premium	Total
Issue Date	Price (£)	Details	000's	€'000	€'000	€'000
31 December 2021/1 January 2022			**138,236**	**13,447**	**315,916**	**329,363**
22-Jan-22	1.44	Exercised share options (b)	314	28	512	540
22-Jan-22	2.015	Exercised share options (b)	321	29	746	775
22-Jan-22	2.045	Exercised share options (b)	400	36	941	977
22-Jan-22	1.475	Exercised share options (b)	451	42	754	796
22-Jan-22	3.09	Exercised share options (b)	135	12	505	517
23-Jun-22	1.475	Exercised share options (a)	23	2	37	39
31-Dec-22			**139,880**	**13,596**	**319,411**	**333,007**
31-Dec-23			**139,880**	**13,596**	**319,411**	**333,007**

* The Company´s share capital at 31 December 2023 is 139,879,209 ordinary shares (139,879,209 in 2022) 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

No share issuance has taken place in FY2023.

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.

23. Other reserves

THE GROUP

(Euro 000's)	Share option [5]	Bonus share	Depletion factor [1]	FV reserve of financial assets at FVOCI [2]	Non-distributable reserve [3]	Distributable reserve [4]	Total
At 1 January 2022	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[5]	1,279	-	-	-	-	-	1,279
Change in fair value of financial assets at fair value through OCI (Note 20)	-	-	-	(6)	-	-	(6)
At 31 December 2022	**10,365**	**208**	**37,778**	**(1,153)**	**8,316**	**14,291**	**69,805**
Recognition of share based payments	**661**	**-**	**-**	**-**	**-**	**-**	**661**
Change in fair value of financial assets at fair value through OCI (Note 20)	**-**	**-**	**-**	**(3)**	**-**	**-**	**(3)**
At 31 December 2023	**11,026**	**208**	**37,778**	**(1,156)**	**8,316**	**14,291**	**70,463**

THE COMPANY

(Euro 000's)	Share option [5]	Bonus share	Fair value reserve of financial assets at FVOCI [2]	Total
At 1 January 2022	9,086	208	(1,147)	8,147
Recognition of share based payments[5]	1,279	-	-	1,279
Change in fair value of financial assets at fair value through OCI (Note 20)	-	-	(6)	(6)
At 31 December 2022	**10,365**	**208**	**(1,153)**	**9,420**
Recognition of share based payments	**661**	**-**	**-**	**661**
Change in fair value of financial assets at fair value through OCI (Note 20)	**-**	**-**	**(2)**	**(2)**
At 31 December 2023	**11,026**	**208**	**(1,155)**	**10,079**

(1) Depletion factor reserve

During the twelve month period ended 31 December 2023, the Group has recognised €nil (FY2022: addition of €12.8 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

The Group reclassified at least 10% of the profit of 2022 to distributable reserves.

(5) Share options

Details of share options outstanding as at 31 December 2023:

Grant date	Expiry date	Exercise price £	Share options
29 May 2019	28-May-2024	2.015	666,500
30 Jun 2020	30 Jun 2030	1.475	516,000
24 Jun 2021	23 Jun 2031	3.090	1,016,000
26 Jan 2022	25 Jan 2032	4.160	120,000
22 Jun 2022	30 Jun 2027	3.575	1,225,000
22 May 2023	21 May 2028	3.270	1,305,000
Total			**4,848,500**

	Weighted average exercise price £	Share options
At 1 January 2023	2.857	**3,543,500**
Granted options during the year	3.270	**1,305,000**
Options executed during the year	-	-
31 December 2023	**2.968**	**4,848,500**

On 23 May 2023, the Company announced that in accordance with the Company's Long Term Incentive Plan 2020, it granted 1,305,000 share options to Persons Discharging Managerial Responsibilities ("PDMRs") and other employees.

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.

On 26 January 2022, the Company announced that is was notified that PDMRs exercised a total of 1,350,000 options.

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	51.8%	5	0.6%	Nil	0.666
29 May 2019	2.015	2.015	46.9%	5	0.8%	Nil	0.66
8 July 2019	2.045	2.045	46.9%	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
22 May 2023	3.270	3.270	38.15%	5	4.219%	Nil	0.88

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)	2023	2022
Opening balance	**(6,998)**	(4,909)
On acquisition of a subsidiary	**-**	140
Share of total comprehensive income for the year	**(2,106)**	(2,229)
Closing balance	**(9,104)**	(6,998)

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 2023 and 2022 is as follows:

(Euro 000's)	2023	2022
Non-current assets	**7,273**	6,976
Current assets	**601**	551
Non-current liabilities	**17,096**	14,478
Current liabilities	**697**	824
Equity	**(9,918)**	(7,776)
Revenue	**-**	-
Loss for the year and total comprehensive income	**(2,341)**	(2,477)

Cobre San Rafael, S.L. was established on 13 June 2016.

25. Trade and other payables

THE GROUP

(Euro 000's)	**31 Dec 2023**	31 Dec 2022
Non-current trade and other payables		
Other non-current payables	**2,003**	2,000
Government grant	**202**	15
	2,205	2,015
Current trade and other payables		
Trade payables	**70,303**	84,806
Trade payables to shareholders (Note 30.5)	**179**	232
Accruals	**3,395**	3,322
VAT payable	**391**	259
Other	**1,654**	1,403
	75,922	90,022

THE COMPANY

(Euro 000's)	**31 Dec 2023**	31 Dec 2022
Current trade and other payables		
Suppliers	**477**	284
Accruals	**1,501**	1,034
Payable to own subsidiaries (Note 30.4)	**-**	3,825
VAT payable	**391**	259
	2,369	5,402

Other non-current payables are related with the acquisition of Atalaya Masa Valverde SL formerly Cambridge Minería España, SL and Atalaya Ossa Morena SLU formerly Rio Narcea Nickel, SL.

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 2022	-	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 8)	-	-	(380)	(380)
At 31 December 2022	**1,435**	**226**	**23,374**	**25,035**
Additions	**-**	**1**	**-**	**1**
Used of provision	**(685)**	**-**	**(518)**	**(1,203)**
Increase of provision	**-**	**-**	**3,145**	**3,145**
Finance cost (Note 9)	**-**	**-**	**690**	**690**
At 31 December 2023	**750**	**227**	**26,691**	**27,668**

(Euro 000's)	**2023**	2022
Non-Current	**27,234**	24,083
Current	**434**	952
Total	**27,668**	25,035

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 undertaken, 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 2023 was 3.62% (2022: 3.41%), which is the 15-year Spain Government Bond rate for 2023. An inflation rate of 1%-5.70% (2022: 1%-5.70%) is applied on annual basis.

The reserves for Proyecto Riotinto are derived from the comprehensive technical report on the mineral resources and reserves, titled "Technical Report On the Riotinto Copper Project." The report, dated September 2022, supersedes the previous December 2020 reference, offering the latest and most accurate data available. It includes detailed assessments by qualified experts, ensuring a reliable foundation for the project's proven and probable reserves, as well as measured and indicated resources.

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	8,563	3,275	14,853

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 2023. Management has reviewed individually each case and made a provision of €227k (€226k in 2022) 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 2023	31 Dec 2022
Non-current		
Leases	**3,877**	4,378
	3,877	4,378
Current		
Leases	**501**	536
	501	536

The Group entered into lease arrangements for the renting of land and a warehouse 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:

	Right - of-use assets				
(Euro 000's)	Lands and buildings	Vehicles	Laboratory equipment	Total	Lease liabilities
As at 1 January 2023	**5,048**	**-**	**30**	**5,078**	**4,914**
Additions	-	-	-	-	-
Depreciation expense	(503)	-	(30)	**(533)**	**-**
Interest expense	-	-	-	-	**25**
Payments	-	-	-	-	**(561)**
As at 31 December 2023	4,545	-	-	4,545	4,378

The amounts recognised in profit or loss, are set out below.

(Euro 000's)	Twelve month ended 31 Dec 2023	Twelve month ended 31 Dec 2022
As at 31 December		
Depreciation expense of right-of-use assets	**(533)**	(452)
Interest expense on lease liabilities	**(25)**	(20)
Total amounts recognised in profit or loss	**(558)**	(472)

The Group recognised rent expense from short-term leases (Note 6).

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 2023, the remaining term of this lease is six years. (Note 2)

The duration of the motor vehicle and laboratory equipment lease was 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 2023, motor vehicle and laboratory equipment lease have been terminated.

Present value of minimum lease payments due	**31 Dec 2023**	31 Dec 2022
	€'000	€'000
Within one year	**501**	536
2 to 5 years	**1,928**	1,957
Over 5 years	**1,949**	2,421
	4,378	4,914

Minimum lease payments due	**31 Dec 2023**	31 Dec 2022
	€'000	€'000
Within one year	**531**	561
2 to 5 years	**2,125**	2,125
Over 5 years	**2,285**	2,818
	4,941	5,504

(Euro 000's)	Lease liability
Balance 1 January 2023	**4,914**
Additions	**-**
Interest expense	**25**
Lease payments	**(561)**
Balance at 31 Dec 2023	**4,378**
Balance at 31 Dec 2023	
- Non-current liabilities	**3,877**

- Current liabilities	**501**
	4,378

28. Borrowings

(Euro 000's)	31 Dec 2023	31 Dec 2022
Non-current borrowings		
Credit facilities	**16,131**	20,768
	16,131	20,768
Current borrowings		
Credit facilities	**50,556**	52,595
	50,556	52,595

The Group had credit approval for unsecured facilities totalling €103.8 million (€119.3 million at 31 December 2022). During 2023, Atalaya drew down some of its existing credit facilities to financing the construction of 50 MW solar plant (payable amount of €20.0 million at 31 December 2023) and in 2021 to pay the Deferred Consideration.

Borrowing with fixed interest rates range from 1.75% to 2.45% with an average fixed interest rate of 2.00%. Margins on borrowing with variable interest rates, usually 12 months EURIBOR, range from 0.95% to 2.00% with an average margin of 1.25%.

At 31 December 2023, the Group had used €65.3 million of its facilities and had undrawn facilities of €38.5 million. Non-current borrowings include €1.2 million of an interest-free loan received from the Ministerio de Ciencia e Innovacion and €0.2 million of accrued interest related to solar plant facilities.

29. Acquisition, incorporation and disposals of subsidiaries

2023

Acquisition and incorporation of subsidiaries

There were no acquisition or incorporation of subsidiaries during the year.

Disposals of subsidiaries

There were no disposals of subsidiaries during the year.

Wind-up of subsidiaries

There were no disposals of subsidiaries during the year.

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 disposed.

Wind-up of subsidiaries

In 2022 the subsidiary EMED Mining Spain, S.L. was wounded up.

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 Ltd	Atalaya Mining Plc	Financing	Cyprus	100%
Atalaya MinasdeRiotinto Project (UK) Ltd	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) Ltd	Production	Spain	100%
Eastern Mediterranean Exploration and Development S.L.U.	Atalaya MinasdeRiotinto Project (UK) Ltd	Dormant	Spain	100%
Cobre San Rafael, S.L. (1)	Atalaya Touro (UK) Ltd	Exploration	Spain	10%
Recursos Cuenca Minera S.L.U.	Atalaya Riotinto Minera SLU	Dormant	Spain	J-V
Fundacion Atalaya Riotinto	Atalaya Riotinto Minera SLU	Trust	Spain	100%
Atalaya Servicios Mineros, S.L.U.	Atalaya MinasdeRiotinto Project (UK) Ltd	Holding	Spain	100%
Atalaya Masa Valverde S.L.U.	Atalaya Servicios Mineros, S.L.U.	Exploration	Spain	100%
Atalaya Ossa Morena S.L.U. (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 government, key management and other key business aspects 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)).

Transactions between Atalaya and Cobre San Rafael are not disclosed as related party interest as they are fully eliminated as part of the consolidation process (Note 2.3 (b)).

(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)	**2023**	2022	**2023**	2022
Directors' remuneration and fees	**1,092**	1,028	**605**	540
Director's bonus (1)	**322**	357	**-**	-
Share option-based benefits to Directors	**190**	426	**-**	-
Key management personnel remuneration (2)	**588**	571	**-**	-
Key management bonus (1)	**221**	239	**-**	-
Share option-based and other benefits to key management personnel	**190**	417	**-**	-
	2,603	3,038	**605**	540

(1) These amounts related to the approved performance bonus for 2022 by the Board of Directors following the proposal of the Remuneration Committee. The 2023 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 2023 performance.

(2) Includes wages and salaries of key management personnel of €568k (2022: €551k) and other benefits of €20k (2022: €20k). At 31 December 2023 amounts due to Directors, as from the Group, are €nil (€nil at 31 December 2022) and €nil (€nil at 31 December 2022) to key management.

At 31 December 2023 amounts due to Directors, as from the Company, are €nil (€nil at 31 December 2022) and €nil (€nil at 31 December 2022) to key management.

Share-based benefits

On 23 May 2023, the Company announced that in accordance with the Company's Long Term Incentive Plan 2020 which was approved by shareholders at the Annual General Meeting on 28 June 2023, it had granted 1,305,000 share options, of which 800,000 to Persons Discharging Managerial Responsibilities and 505,000 to other management.

The Options expire on 21 May 2028, five years from the deemed date of grant (22 May 2023), have an exercise price of 327 pence per ordinary share, being the last mid-market closing price on the grant date, and vest in three equal tranches, one third on grant and the balance equally on the first and second anniversary of the grant date (see note 23).

During 2023 the Directors and key management personnel have not been granted any bonus shares (2022: nil).

30.3 Transactions with shareholders and related parties

THE GROUP

(Euro 000's)	**2023**	2022
Trafigura Pte Ltd - Revenue from contracts (a)	**78,723**	77,005
Gains/(Losses) relating provisional pricing within sales	**1,308**	(5,165)
	80,031	71,840
Impala Terminals Huelva S.L.U. - Port Handling and Warehousing services (b)	**2,431**	1,824
Related parties - total amounts from contracts	**82,462**	73,664

(a) Offtake agreement and spot sales to Trafigura

Offtake agreement

In May 2015, the Company agreed terms with key stakeholders in a capitalisation exercise to finance the re-start of Proyecto Riotinto (the "2015 Capitalisation").

As part of the 2015 Capitalisation, the Company entered into offtake agreements with some of its large shareholders, one of which was Trafigura Pte Ltd ("Trafigura"), under which the total forecast concentrate production from Proyecto Riotinto was committed ("2015 Offtake Agreements").

During 2023, the company completed 6 sales transactions under the terms of the Offtake Agreements valued at €36.9m (2022: 7 sales valued at €57.7m).

Spot Sales Agreements

Due to various expansions implemented at Proyecto Riotinto in recent years, volumes of concentrate have been periodically available for sale outside of the Company's various offtake agreements.

In 2023, the Company completed 2 spot sales valued at €43.1m with Trafigura through amendments to its existing offtake agreement (2022: 2 spot sales valued at €14.2m).

Sales transactions with related parties are at arm's length basis in a similar manner to transactions with third parties.

(b) Port Handling and Warehousing services

In September 2015, Atalaya entered into a services agreement with Impala Terminals Huelva S.L.U. ("Impala Terminals") for the handling, storage and shipping of copper concentrates produced from Proyecto Riotinto.. The agreement covered total export concentrate volumes produced from Proyecto Riotinto for three years for volumes not committed to Trafigura under its offtake agreement and for the life of mine for the volumes committed to Trafigura under its offtake agreement.

In September 2018, the Company entered into an amendment to the 2015 Port Handling Agreement, which included improved financial terms and a five year extension.

As at year end 31 December 2023 and 2022, Impala Terminals was part of the Trafigura Group, under joint control.

The Company noted that the fees payable to Impala Terminals were not included in the related party disclosure notes of the Groups's financial statements in previous years. During 2023, management has carried out a reassessment of its relationship with Impala Terminals in accordance with IAS 24 requirements and has concluded that Impala Terminals is a related party of the Group. The required disclosures of transactions and balances with Impala Terminals for the year ended 31 December 2023 and 2022 have been included. These transactions with related parties are at arm's length basis in a similar manner to transactions with third parties.

In December 2023, the Company entered into an extension of the service agreement with Impala Terminals for the handling, storage and shipping of copper concentrates produced from Proyecto Riotinto on similar terms than the 2015 agreement and the extension in 2018. This extension has a term of approximately five years and covers the concentrate volumes produced for export from Proyecto Riotinto that are not already committed to the Trafigura Group under its offtake agreement.

THE COMPANY

(Euro 000's)	2023	2022
Sales of services (Note 5):		
EMED Marketing Ltd	**2,540**	1,404
Atalaya Riotinto Minera SLU	**2,472**	1,352
	5,012	2,756
Purchase of services (Note 6):		
Atalaya Riotinto Minera SLU	**(19)**	(66)
	(19)	(66)
Finance income (Note 8):		
Atalaya Minasderiotinto Project (UK) Ltd - Finance income from interest-bearing loan:		
Credit agreement - at amortised cost	**-**	989
Participative loan - at fair value through profit and loss	**-**	9,157
Credit facility - at amortised cost	**-**	1,465
Restructuring loan - at amortised cost	**14,087**	1,289
	14,087	12,900

30.4 Year-end balances with related parties

THE GROUP

(Euro 000's)	31 Dec 2023	31 Dec 2022
Current assets - Receivable from related parties (Note 19):		
Recursos Cuenca Minera S.L.	**56**	56
Total	**56**	56

The above balances bear no interest and are repayable on demand.

THE COMPANY

(Euro 000's)	31 Dec 2023	31 Dec 2022
Non-current assets - Loan from related parties at FV through profit and loss (Note 19):		
Atalaya Masa Valverde SL - Participative Loan (2) (3)	-	6,150
Atalaya Ossa Morena SL - Participative Loan (2) (3)	-	3,100
Atalaya Touro UK Ltd - Participative Loan (2) (3)	-	4,997
	-	14,247

Non-current assets - Loans and receivables from related parties at amortised cost (Note 19):		
Atalaya MinasdeRiotinto Project (UK) Ltd - Restructuring Loan (1)	-	245,258
Atalaya MinasdeRiotinto Project (UK) Ltd - Group cost sharing	**227**	399
	227	245,657
Current assets - Loans and receivables from related parties at amortised cost (Note 19):		
Atalaya Riotinto Minera SLU - Group cost sharing	**3,824**	1,352
EMED Marketing Ltd - Group cost sharing	**3,686**	664
EMED Marketing Ltd (2)	**15,390**	-
Atalaya Touro (UK) Ltd (2)	**1,654**	1,650
Atalaya MinasdeRiotinto Project (UK) Ltd	**45,000**	45,000
Atalaya Financing Ltd	**1,243**	108
	70,797	48,774

(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. On 29 December 2023, the loan with a remaining balance of €195 million was transferred to Atalaya Financing Limited in exchange for share capital raised (Note 15).

(2) This balance bears no interest.

(3) On 29 December 2023, these loans with remaining balances of €21.3 million were transferred to Atalaya Financing Limited in exchange for share capital raised (Note 15).

THE COMPANY

(Euro 000's)	31 Dec 2023	31 Dec 2022
Payable to related party (Note 25):		
EMED Marketing Ltd	-	3,825
	-	3,825

The above balances bear no interest and are repayable on demand.

30.5 Year-end balances with shareholders and their joint ventures

(Euro 000's)	31 Dec 2023	31 Dec 2022
Receivable from shareholder (Note 19)		
Trafigura Pte. Ltd - Debtor balance- subject to provisional pricing	**5,054**	12,800
	5,054	12,800
Payable from joint venture of shareholder (Note 25)		
Impala Terminals Huelva S.L.U. - Payable balance	**(179)**	(232)
	(179)	(232)

The above debtor balance arising from the agreements between Trafigura and Impala (Note 30.3), 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, ARM 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 having an impact on the global economy, but the full implications cannot yet be predicted.

Recent events in Israel since October 2023 have had an effect on the global economy, causing an increase in oil prices, disruptions to transport and logistics, rising freight costs and uncertain delivery schedules.

The financial consequences of the current crisis on the global economy and business activity as a whole cannot be estimated with any reasonable degree of certainty at this stage.

- On 12 January 2023, the Company was notified that Allianz Global Investors GmbH, shareholder of the Company, decreased its voting rights from 4.93% to 3.98%.
- On 20 February 2023, Atalaya announced a voluntary delisting of its ordinary shares from the TSX which was effective from the closing of trading on 20 March 2023.
- On 23 February 2023, Atalaya announced the results from a new PEA for the Cerro Colorado, San Dionisio and San Antonio deposits at its Proyecto Riotinto operation in Spain.
- On 28 March 2023, Atalaya announced that Proyecto Masa Valverde was granted the Unified Environmental Authorisation AAU by the Junta de Andalucía. On 26 January 2022, executed certain options by PDMRs;.
- On 23 May 2023, the Company announced that in accordance with the Company's Long Term Incentive Plan 2020, it granted 1,305,000 share options to PDMR and other employees.
- On 26 June 2023, the Company announced that the Ontario Securities Commission, as principal regulator, granted Atalaya's request to cease to be a reporting issuer in the Canadian Jurisdictions.
- On 10 July 2023, a PMDR sold 250,000 ordinary shares.
- Following the approval of Resolution 10 by the Company's shareholders at its 2023 Annual General Meeting, which took place on 28 June 2023, the 2022 Final Dividend of US$0.0385 per ordinary share was paid on 8 August 2023.
- On 9 August 2023, the Company's Board of Directors declared an Interim Dividend for 2023 of US$0.05 per ordinary share,

which is equivalent to approximately 3.9 pence per share. The Interim Dividend was paid on 28 September 2023 using foreign exchange rates announced on 12 September 2023.

- On 10 October 2023, Atalaya announced that a PDMR purchased 5,000 ordinary shares.
- On 13 November 2023, Atalaya announced its intention to apply for the Company's ordinary shares to be admitted to the premium listing segment of the Official List maintained by the FCA and to trading on the London Stock Exchange plc's main market for listed securities.
- On 14 November 2023, Atalaya announced its intention to re-domicile the Company by transferring its registered office from the Republic of Cyprus to the Kingdom of Spain.
- On 17 November 2023, the Company was notified that BlackRock, Inc., shareholder of the Company, decreased its voting rights from 4.03% to 3.99%. On 18 December 2024 the Company was notified that BlackRock, Inc. increased its voting rights from 3.99% to 4.01%.
- On 12 December 2023, the Company hosted a 2023 Extraordinary General Meeting in London to approve the re-domiciliation.
- On 14 December 2023, The Company announced that it entered into an extension of the service agreement with Impala Terminals for the handling, storage and shipping of copper concentrates produced from Proyecto Riotinto.
- On 20 December 2023, the Company was notified that Ithaki Limited., a shareholder of the Company, acquired 6.02% of the voting rights.
- On 21 December 2023, Atalaya announced that in relation to its application to the FCA to admission of its Ordinary Shares to the premium listing segment of the Official List and to trading on the main market for listed securities of the London Stock Exchange's, as announced on 13 November 2023, the Company has continued to progress the application process and admission remains subject to a number of conditions including the approval of a prospectus by the FCA.

34. Events after the reporting period

- On 10 January 2024, Atalaya paid €0.7m following the acquisition of the Masa Valverde polymetallic project after receiving the exploitation permits and restoration plan.
- On 9 February 2024, Atalaya announced that it issued 20,000 ordinary shares of 7.5p in the Company pursuant to an exercise of share options by a former employee.

END

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