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22 March 2023

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

2022 Annual Results

Steady operational performance and improved cost outlook expected for 2023

Atalaya Mining Plc (AIM: ATYM) is pleased to announce its audited consolidated results for the year ended 31 December 2022 ("FY2022" or the "Period").

Highlights

- Improved performance in Q4 2022 provides the basis for stronger 2023 outlook
  - Improved copper production of 14.0 kt at AISC of $3.12/lb Cu
  - EBITDA of €18.2 million despite elevated input costs
- FY2022 included good operational performance and satisfactory financial results when considering the many external challenges
  - Copper production of 52.3 kt, partially impacted by the logistics strike in Q1 2022
  - EBITDA of €55.3 million following a ~€64 million increase in annual electricity costs
  - Net cash remains strong at €53.1 million after a period of significant investment
- Final Dividend of $0.0385 per ordinary share proposed, bringing Full Year Dividend to $0.0745 per ordinary share, consistent with dividend policy approved by the Company
- Investments in 2023 will continue to focus on growth, cost reductions and decarbonisation, including exploration, E-LIX Phase I and the 50 MW solar plant
- Improved performance is expected for 2023, due in part to lower forecast electricity prices
  - 2023 guidance: copper production of 53-55 kt at AISC of $3.00-3.20/lb Cu

Q4 2022 and FY2022 Financial Results Summary

Period ended 31 December		**Q4 2022**	Q4 2021	**FY2022**	FY2021
Revenues from operations	€k	**99,893**	101,452	**361,846**	405,717
Operating costs	€k	**(81,694)**	(50,549)	**(306,532)**	(206,603)
EBITDA	**€k**	**18,199**	50,903	**55,314**	199,114
Profit for the period	€k	**8,039**	28,027	**30,926**	132,226
Basic earnings per share	€ cents/share	**6.4**	20.8	**23.7**	96.7
Dividend per share(1)	US$/share	**n/a**	n/a	**0.0745**	0.395
Cash flows from operating activities	€k	**20,931**	19,629	**38,503**	148,841
Cash flows used in investing activities(2)	€k	**(17,525)**	(9,696)	**(53,529)**	(87,531)
Cash flows from financing activities	€k	**19,596**	(49,859)	**22,411**	1,851
Net Cash position(3)	€k	**53,085**	60,073	**53,085**	60,073
Working capital surplus	€k	**84,047**	102,430	**84,047**	102,430
Average realised copper price (excluding QPs closed in the Period)	US$/lb	**3.70**	4.40	**3.96**	4.22
Cu concentrate produced	tonnes	**68,908**	64,695	**249,543**	270,713

Cu production	tonnes	**13,969**	13,872	**52,269**	56,097
Cash costs	US$/lb payable	**2.90**	2.24	**3.16**	2.18
All-In Sustaining Cost ("AISC")	US$/lb payable	**3.12**	2.46	**3.37**	2.48

(1) *Consists of 2022 Interim Dividend (paid 20 September 2022) and proposed Final Dividend, which is subject to approval by shareholders at the Company's 2023 Annual General Meeting.*
(2) *FY2021 includes €53 million early payment of the Deferred Consideration to Astor.*
(3) *Includes restricted cash and bank borrowings at 31 December 2022 and 31 December 2021.*

Alberto Lavandeira, CEO, commented:

"There were many external headwinds in 2022, but our team effectively navigated these challenges and delivered good operating results for much of the year. We enter 2023 with a strong balance sheet and positive outlook for the year ahead.

In 2022, we were impacted by a significant increase in key input costs, especially in relation to electricity, but I am proud of the decisive action we took to enhance the resilience of our operations, including securing a long-term fixed price power purchase agreement that we have benefitted from since the beginning of 2023. Contribution from our 50 MW solar plant will provide additional price stability later this year.

As always, Atalaya remains focused on growing and enhancing its portfolio of copper assets in Spain. We have a unique portfolio of growth options located in regions with modern infrastructure and benefit from the human capital required to bring assets into production. We were pleased to publish the results of the new Riotinto PEA, which demonstrates the scale and potential economics of our processing hub strategy in the Riotinto District. Exploration activities continue at Proyecto Masa Valverde, which could be developed as another satellite deposit, while construction activities continue at our E-LIX Phase I plant, which has the potential to unlock value and reduce costs throughout the Iberian Pyrite Belt.

Finally, we remain committed to developing Proyecto Touro into a modern and sustainable mine that can provide Europe with a new source of domestic copper production. We were pleased that copper was declared a strategic raw material by the EU in its recent Critical Raw Materials Act, given its importance to the energy transition. As a proven Spanish copper producer with a track record of delivery, we are well placed to meet Europe's increasing demand for locally produced copper."

Investor Presentation Reminder

Alberto Lavandeira (CEO) and César Sánchez (CFO) will be holding a live presentation relating to the 2022 Annual Results via the Investor Meet Company platform at 12:00pm 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 year ended 31 December 2022 and 2021 contained in this document does not constitute statutory accounts as defined in section 435 of the Companies Act 2006. The financial information for the years ended 31 December 2022 and 2021 have been extracted from the consolidated financial statements of Atalaya Mining plc for the year ended 31 December 2022 which have been approved by the directors on 21 March 2023. The auditor's report on those financial statements was unqualified.

Q4 2022 and FY2022 Operating Results Summary

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

Mining

Ore mined was 3.5 million tonnes in Q4 2022 (Q4 2021: 3.5 million tonnes) and 14.9 million tonnes in FY2022 (FY2021: 13.5 million tonnes).

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

Processing

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

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

Copper recoveries were 86.24% in Q4 2022 (Q4 2021: 87.04%) and 85.84% in FY2022 (FY2021: 85.97%). Recoveries in certain periods in FY2022 were negatively impacted by the characteristics of the ore processed.

Production

Copper production was 13,969 tonnes in Q4 2022 (Q4 2021: 13,872 tonnes) and 52,269 tonnes in FY2022 (FY2021: 56,097 tonnes). Lower production for FY2022 was the result of lower grades (pit sequencing) and lower throughput (including the impact of the Q1 2022 plant maintenance stoppage).

On-site copper concentrate inventories at 31 December 2022 were approximately 3,529 tonnes (31 December 2021: 5,254 tonnes). All concentrate in stock at the beginning of the Period was delivered to the port at Huelva.

Copper contained in concentrates sold was 14,027 tonnes in Q4 2022 (Q4 2021: 13,568 tonnes) and 52,323 tonnes in FY2022 (FY2021: 61,662 tonnes).

Cash Costs and AISC Breakdown

$/lb Cu payable	**Q4 2022**	Q4 2021	**FY2022**	FY2021
Mining	**0.70**	0.67	**0.79**	0.64
Processing	**1.11**	0.56	**1.31**	0.61
Other site operating costs	**0.59**	0.61	**0.54**	0.54
Total site operating costs	**2.40**	1.83	**2.65**	1.79

By-product credits Freight, treatment charges and other offsite costs	**(0.07)** **0.57**	(0.08) 0.48	**(0.08)** **0.60**	(0.09) 0.49
Total offsite costs	**0.50**	0.40	**0.52**	0.39
Cash costs	**2.90**	2.24	**3.16**	2.18
Cash costs	**2.90**	2.24	**3.16**	2.18
Corporate costs Sustaining capital (excluding one-off tailings expansion) Capitalised stripping costs Other costs	**0.09** **0.06** **-** **0.08**	0.05 0.06 0.06 0.06	**0.08** **0.06** **0.01** **0.06**	0.07 0.06 0.10 0.07
Total AISC	**3.12**	2.46	**3.37**	2.48

Cash costs were \$2.90/lb payable copper in Q4 2022 (Q4 2021: \$2.24) and \$3.16/lb payable copper in FY2022 (FY2021: \$2.18/lb), with the increases due to significantly higher costs associated with electricity and other supplies and lower production volumes, partially offset by the weaker Euro.

AISC were \$3.12/lb payable copper in Q4 2022 (Q4 2021: \$2.46/lb) and \$3.37/lb payable copper in FY2022 (FY2021: \$2.48/lb). The increase in AISC in 2022 was driven by the same factors that increased cash costs, namely significantly higher electricity costs. AISC excludes one-off investments in the tailings dam, consistent with prior reporting.

Q4 2022 and FY2022 Financial Results Highlights

Income Statement

Revenues were €99.9 million in Q4 2022 (Q4 2021: €101.5 million) and €361.8 million in FY2022 (FY2021: €405.7 million). Lower revenues were the result of lower copper prices during the 2022 periods, as well as lower copper concentrate volumes sold in FY2022 compared to FY 2021.

The realised copper price (excluding QPs) was \$3.70/lb in Q4 2022 (Q4 2021: \$4.40/lb) and \$3.96/lb in FY2022 (FY2021: \$4.22/lb).

Operating costs were €81.7 million in Q4 2022 (Q4 2021: €50.5 million) and €306.5 million in FY2022 (FY2021: €206.6 million) as a result of significant increases in key input costs such as electricity, diesel, explosives, steel and lime. Compared to the prior periods in 2021, the increase in the cost of electricity in Q4 2022 and FY2022 was approximately €11.3 million and €63.8 million, respectively.

EBITDA was €18.2 million in Q4 2022 (Q4 2021: €50.9 million) and €55.3 million in FY2022 (FY2021: positive €199.1 million). The decrease in EBITDA was driven by the combination of lower revenues and significantly higher operating costs compared with the equivalent periods in 2021.

Profit after tax was €8.0 million in Q4 2022 (Q4 2021: €28.0 million) or 6.4 cents per basic share (Q4 2021: 20.8 cents per basic share) and €30.9 million in FY2022 (FY2021: €132.2 million) or 23.7 cents per basic share (FY2021: 96.7 cents per basic share).

Cash Flow Statement

Cash flows from operating activities before changes in working capital were positive €19.9 million in Q4 2022 (Q4 2021: positive €44.2 million) and positive €20.9 million after working capital changes (Q4 2021: positive €19.6 million). Working capital movements are mainly related to changes in account receivables and payables due to timing differences. For FY2022, cash flows from operating activities before changes in working capital were positive €56.9 million (FY2021: positive €200.3 million) and positive €38.5 million after working capital changes (FY2021: positive €148.8 million).

Cash flows used in investing activities were €17.5 million in Q4 2022 (Q4 2021: €9.7 million) and €53.5 million in FY2022 (FY2021: €87.5 million). Major investments in FY2022 included €22.7 million for the 50 MW solar plant (FY2021: nil), €6.2 million in sustaining capex (FY2021: €5.9 million) and €14.1 million to increase the tailings dam (FY2021: €14.1 million). The FY2021 period included the early payment of the deferred consideration to Astor.

Cash flows from financing activities were positive €19.6 million in Q4 2022 (Q4 2021: negative €49.9 million). Cash flows from financing activities were positive €22.4 million in FY2022 (FY2021: positive €1.9 million). In FY2022, unsecured debt facilities were drawn in order to finance the 50 MW solar plant, while €5.1 million in dividends were paid. In FY2021, unsecured debt facilities were drawn to fund the payment of deferred consideration to Astor, while €47.3 million in dividends were paid.

Balance Sheet

Despite cost inflation and the impact of unprecedented electricity costs in 2022, Atalaya's balance sheet remains strong with consolidated cash and cash equivalents of €126.4 million at 31 December 2022.

Net of current and non-current borrowings of €73.4 million, net cash was €53.1 million as at 31 December 2022, compared with €60.1 million as at 31 December 2021.

Total working capital was €84.0 million at 31 December 2022, compared to €102.4 million as at 31 December 2021.

Electricity Market in Spain

FY2022 Average Prices

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

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

Prices in 2023

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

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

Renewable Energy Projects

The Company continues to advance construction of its 50 MW solar plant at Riotinto, which is expected to provide approximately 22% of its current electricity needs when fully operational. All major materials are on site and civil works are underway. Start-up of the 50 MW solar plant is now expected to be in late 2023. Combined, the 50 MW solar plant and long-term PPA will provide over 50% of the Company's current electricity requirements at a rate below historical prices in Spain.

As previously disclosed, the Company continues to evaluate additional renewable power initiatives that could deliver further low cost and carbon-free electricity for its operations at Riotinto, including wind turbines. Following the installation of an evaluation tower in September 2022, new wind measurements are now being compared to the extensive historical ground level data in order to establish confidence in the area's wind characteristics and determine the viability of developing a small wind farm at Riotinto dedicated to self-consumption.

Outlook for 2023

Production

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

Operating Costs

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

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

Accordingly, cash cost and AISC guidance for 2023 are as follows:

- 2023 cash cost range of $2.80 to $3.00/lb copper payable
- 2023 AISC range of $3.00 to $3.20/lb copper payable (excluding the one-off project to increase the capacity of the tailing dam; see below for further information)

These cost guidance ranges are based on an assumed market electricity price range of €100 to 150/MWh and also include the benefit of the Company's PPA.

Capital Expenditures

Atalaya continues to focus on growing its production, reducing its cost structure and enhancing the long-term sustainability of its operations.

For 2023, the Company will be making the following non-sustaining capital investments:

- €12.6 million for the 50 MW solar plant, resulting in a total investment of ~€35 million
- €4 million for the E-LIX Phase I Plant, resulting in a total project investment of ~€20 million, out of which ~€15 million will be accounted for as loans to Lain Technologies
- €13 million for expansion of the existing Riotinto tailings facility

Exploration

Atalaya controls large and strategic land packages across Spain, including in the Iberian Pyrite Belt (Riotinto District) and the Ossa Morena Metallogenic Belt (Proyecto Ossa Morena).

Following the promising results from drilling campaigns in 2022, the Company looks forward to continuing and expanding its exploration efforts in the coming year. As a result, Atalaya's exploration budget for 2023 is approximately €10 million and will focus on expanding current resources and making new discoveries at Proyecto Masa Valverde, drill testing priority anomalies at Proyecto Riotinto East, expanding and upgrading current resources at the Alconchel Cu-Au project and continue drill testing new targets at Proyecto Ossa Morena.

2022 Final Dividend

In 2021, Atalaya implemented a dividend policy that seeks to provide capital returns to its shareholders and allows for continued investments in its portfolio of low capital intensity 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 2022 of US$0.0385 per ordinary share ("Final Dividend"), which is equivalent to approximately 3.15 pence per share. Payment of the Final Dividend is subject to shareholder approval at the Company's 2023 Annual General Meeting ("AGM"). Should it be approved, the Final Dividend, together with the Interim Dividend paid in September 2022, would result in a Full Year Dividend of US$0.0745 per ordinary share, which is equivalent to approximately 6.28 pence per share. Further details on the timing of the potential payment of the Final Dividend will be provided ahead of the AGM.

Asset Portfolio Update

Proyecto Riotinto

On 23 February 2023, the Company announced the results of a new preliminary economic assessment for the Cerro Colorado, San Dionisio and San Antonio deposits at Proyecto Riotinto ("Riotinto PEA"). The objective of the Riotinto PEA was to incorporate these deposits into a new integrated mine plan in order to quantify the benefits of the Company's planned processing hub strategy for its 15 Mtpa processing plant.

The Riotinto PEA demonstrated strong potential economic results, including a $1.07 billion after-tax NPV(8%) at $3.50/lb copper (Base Case) and a $1.57 billion after-tax NPV(8%) at $4.03/lb copper (Sensitivity Case). In addition, the Riotinto PEA illustrated the potential uplift in copper equivalent production to ~90 ktpa (2027+) as a result of processing higher grade material, as well as a potential reduction in cash costs.

The Riotinto PEA serves as a foundation for further optimisation and the Company will continue to evaluate opportunities to enhance value, including the potential application of the E-LIX System, considering a revised mining sequence to bring forward the highest value material and studying the refurbishment of existing processing equipment at Riotinto in order to reduce the capital costs associated with plant modifications.

E-LIX Phase I Plant

Construction activities at the E-LIX Phase I plant continue to make good progress. With most equipment on site or in transit, commissioning activities are now expected in H2 2023.

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

Riotinto District – Proyecto Masa Valverde ("PMV")

Three core rigs continue to be active and are focused on step-out drilling at the Masa Valverde deposit, resource definition drilling at the Campanario Trend and step out drilling around the new discovery made at the Mojarra Trend. A comprehensive update on recent exploration results at these targets was announced in November 2022.

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

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

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

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

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

Proyecto Touro

Atalaya remains fully committed to the development of the Touro copper project in Galicia, which could become a new source of copper production for Europe.

In March 2023, the European Union announced the Critical Raw Materials Act, which seeks to “address the EU's dependency on imported critical raw materials by diversifying and securing a domestic and sustainable supply of critical raw materials”. Copper was added to the list of “Strategic Raw Materials” as a result of the challenges associated with substituting copper metal in electrical applications.

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

The Company is operating its new water treatment plant at Touro, which is addressing the legacy issues associated with acid water runoff from the historical mine, which closed in 1987. The construction of the treatment plant was contemplated in the original project proposal, but Atalaya volunteered to fix the historical acid water issues prior to the new Environmental Impact Assessment (“EIA”) in order to demonstrate its operating philosophy and the benefits of modern operating systems. The field work carried out by Atalaya has resulted in an immediate and visible improvement of the water systems surrounding the project.

Atalaya continues to be confident that its approach to Touro, which includes fully plastic lined thickened tailings with zero discharge, is consistent with international best practice and will satisfy the most stringent environmental conditions that may be imposed by the authorities prior to the development of the project.

Proyecto Ossa Morena

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

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

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

Proyecto Riotinto East

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

This announcement contains information which, prior to its publication constituted inside information for the purposes of Article 7 of Regulation (EU) No 596/2014.

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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 centralised 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 2022

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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 2021 and 31 December 2022 and results of operations for the three and twelve months ended 31 December 2022 and 2021.

This report has been prepared as of 21 March 2023. 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 2022, which will be released together with the Company's 2022 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 description of the 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 ("AIM") in May 2005 under the symbol ATYM. The Company continued to be listed on AIM as at 31 December 2022.

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

Proyecto Riotinto

On 23 February 2023, the Company announced the results of a new preliminary economic assessment for the Cerro Colorado, San Dionisio and San Antonio deposits at Proyecto Riotinto ("Riotinto PEA"). The objective of the Riotinto PEA was to incorporate these deposits into a new integrated mine plan in order to quantify the benefits of the Company's planned processing hub strategy for its 15 Mtpa processing plant.

The Riotinto PEA demonstrated strong potential economic results, including a $1.07 billion after-tax NPV(8%) at $3.50/lb copper (Base Case) and a $1.57 billion after-tax NPV(8%) at $4.03/lb copper (Sensitivity Case). In addition, the Riotinto PEA illustrated the potential uplift in copper equivalent production to ~90 ktpa (2027+) as a result of processing higher grade material, as well as a potential reduction in cash costs.

The Riotinto PEA serves as a foundation for further optimisation and the Company will continue to evaluate opportunities to enhance value, including the potential application of the E-LIX System, considering a revised mining sequence to bring forward the highest value material and studying the refurbishment of existing processing equipment at Riotinto in order to reduce the capital costs associated with plant modifications.

E-LIX Phase I Plant

Construction activities at the E-LIX Phase I plant continue to make good progress. With most equipment on site or in transit, commissioning activities are now expected in H2 2023.

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

Riotinto District – Proyecto Masa Valverde

Three core rigs continue to be active and are focused on step-out drilling at the Masa Valverde deposit, resource definition drilling at the Campanario Trend and step out drilling around the new discovery made at the Mojarra Trend. A comprehensive update on recent exploration results at these targets was announced in November 2022.

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

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

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

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

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

Proyecto Touro

Atalaya remains fully committed to the development of the Touro copper project in Galicia, which could become a new source of copper production for Europe.

In March 2023, the European Union announced the Critical Raw Materials Act, which seeks to "address the EU's dependency on imported critical raw materials by diversifying and securing a domestic and sustainable supply of critical raw materials". Copper was added to the list of "Strategic Raw Materials" as a result of the challenges associated with substituting copper metal in electrical applications.

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

The Company is operating its new water treatment plant at Touro, which is addressing the legacy issues associated with acid water runoff from the historical mine, which closed in 1987. The construction of the treatment plant was contemplated in the original project proposal, but Atalaya volunteered to fix the historical acid water issues prior to the new Environmental Impact Assessment ("EIA") in order to demonstrate its operating philosophy and the benefits of modern operating systems. The field work carried out by Atalaya has resulted in an immediate and visible improvement of the water systems surrounding the project.

Atalaya continues to be confident that its approach to Touro, which includes fully plastic lined thickened tailings with zero discharge, is consistent with international best practice and will satisfy the most stringent environmental conditions that may be imposed by the authorities prior to the development of the project.

Proyecto Ossa Morena

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

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

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

Riotinto District – Proyecto Riotinto East

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

Electricity Market in Spain

FY2022 Average Prices

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

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

Prices in 2023

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

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

Renewable Energy Projects

The Company continues to advance construction of its 50 MW solar plant at Riotinto, which is expected to provide approximately 22% of its current electricity needs when fully operational. All major materials are on site and civil works are underway. Start-up of the 50 MW solar plant is now expected to be in late 2023. Combined, the 50 MW solar plant and long-term PPA will provide over 50% of the Company's current electricity requirements at a rate below historical prices in Spain.

As previously disclosed, the Company continues to evaluate additional renewable power initiatives that could deliver further low cost and carbon-free electricity for its operations at Riotinto, including wind turbines. Following the installation of an evaluation tower in September 2022, new wind measurements are now being compared to the extensive historical ground level data in order to establish confidence in the area's wind characteristics and determine the viability of developing a small wind farm at Riotinto dedicated to self-consumption.

Corporate Updates 2022

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

2. Overview of Operational Results

<u>Proyecto Riotinto</u>

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

Units expressed in accordance with the international system of units (SI)	**Unit**	**Q4 2022**	Q4 2021	**FY2022**	FY2021
Ore mined	t	**3,540,155**	3,494,222	**14,884,361**	13,535,470
Waste mined	t	**5,329,252**	7,287,352	**24,661,569**	30,533,174
Ore processed	t	**3,958,654**	3,846,559	**15,410,459**	15,822,610
Copper ore grade	%	**0.41**	0.41	**0.40**	0.41
Copper concentrate grade	%	**20.27**	21.44	**20.95**	20.72
Copper recovery rate	%	**86.24**	87.04	**85.84**	85.97
Copper concentrate	t	**68,908**	64,695	**249,543**	270,713
Copper contained in concentrate	t	**13,969**	13,872	**52,269**	56,097

Payable copper contained in concentrate	t	**13,280**	13,225	**49,773**	53,390
Cash cost	US$/lb payable	**2.90**	2.24	**3.16**	2.18
All-in sustaining cost	US$/lb payable	**3.12**	2.46	**3.37**	2.48

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

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

Mining and Processing

Mining

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

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

Processing

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

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

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

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

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

3. Outlook

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

Proyecto Riotinto operational guidance for 2023 is as follows:

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

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

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

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

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

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

4. Overview of the Financial Results

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

(Euro 000's)	**Three month ended 31 Dec 2022**	Three month ended 31 Dec 2021	**Twelve month ended 31 Dec 2022**	Twelve month ended 31 Dec 2021
Revenues from operations	**99,893**	101,452	**361,846**	405,717
Cost of sales	**(71,797)**	(43,835)	**(289,554)**	(192,972)

Corporate expenses	**(4,598)**	(4,403)	**(9,954)**	(9,715)
Exploration expenses	**(3,801)**	(978)	**(4,257)**	(1,800)
Care and maintenance expenditure	**(1,494)**	(1,333)	**(3,053)**	(2,116)
Other income	**(4)**	-	**286**	-
EBITDA	**18,199**	50,903	**55,314**	199,114
Depreciation/amortisation	**(8,775)**	(8,642)	**(34,119)**	(32,276)
Net foreign exchange gain/(loss)	**(4,181)**	1,622	**11,546**	6,589
Net finance cost	**1,030**	(12,814)	**(421)**	(13,600)
Tax	**1,766**	(3,042)	**(1,394)**	(27,601)
Profit for the year	**8,039**	28,027	**30,926**	132,226

Three months financial review

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

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

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

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

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

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

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

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

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

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

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

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

Twelve months financial review

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Copper prices

The average realised copper price excluding QPs decreased by 6.0% from $4.22 per pound in FY2021 to $3.96 per pound in FY2022.

The average prices of copper for 2022 and 2021 were:

$/lb		2022	2021
Realised copper price (excluding QPs)	$/lb	**3.96**	4.22

Market copper price per lb (period average)	$/lb	**4.00**	4.23

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

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.

6. Liquidity and Capital Resources

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

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

Liquidity Information

(Euro 000's)	**31 Dec 2022**	31 Dec 2021
Unrestricted cash and cash equivalents at Group level	**108,550**	48,375
Unrestricted cash and cash equivalents at Operation level	**17,567**	43,722
Restricted cash and cash equivalents at Operation level	**331**	15,420
Consolidated cash and cash equivalents	**126,448**	107,517
Net cash position [(1)]	**53,085**	60,073
Working capital surplus	**84,047**	102,430

Unrestricted cash and cash equivalents as at 31 December 2022 increased to €126.4 million from €92.1 million at 31 December 2021. The increase in cash balances is due to the cash flows generated during 2022. Cash balances are unrestricted and include balances at operational and corporate level. Restricted cash of

€0.3 million represented the amount in escrow out of which the Company has paid interest of €9.6 million on 7 and 8 April 2022 (following the trial in February and March 2022) and €1.1 million on 16 May 2022 to Astor under the Master Agreement. Following the payment made in May 2022, the balance (less an amount representing £280,000, or~€350k being the remaining potential liability to Astor on costs) reverted to the Company and it has been classified as unrestricted cash.

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

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

Overview of the Group's Cash Flows

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

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

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

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

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

Foreign exchange

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

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

	Twelve months ended 31 Dec 2022	Twelve months ended 31 Dec 2021

Average rates for the periods		
GBP – EUR	**0.8528**	0.8596
USD – EUR	**1.0530**	1.1827
Spot rates as at		
GBP – EUR	**0.8869**	0.8403
USD – EUR	**1.0666**	1.1326

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

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 2022.

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

9. Other Information

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

Consolidated financial statements on subsequent pages

By Order of the Board of Directors

Consolidated and Company Statements of Comprehensive Income

(All amounts in Euro thousands unless otherwise stated)
For the period ended 31 December 2022 and 2021

(Euro 000's)	Note	**The Group 2022**	**The Company 2022**	The Group 2021	The Company 2021
Revenue	5	**361,846**	**57,756**	405,717	65,849
Operating costs and mine site administrative expenses		**(288,275)**	**-**	(192,073)	-
Mine site depreciation, amortisation and impairment	13,14	**(34,119)**	**-**	(32,276)	-
Gross profit		**39,452**	**57,756**	181,368	65,849
Administration and other expenses		**(9,954)**	**(3,601)**	(9,715)	(2,422)
Share based benefits	23	**(1,279)**	**-**	(899)	-

Exploration expenses		**(4,257)**	**-**	(1,800)	-
Care and maintenance expenditure		**(3,053)**	**-**	(2,116)	-
Other income		**286**	**286**	-	-
Operating profit	6	**21,195**	**54,441**	166,838	63,427
Net foreign exchange gain	4	**11,546**	**3,439**	6,589	1,450
Interest income from financial assets at fair value through profit and loss	8	**-**	**9,157**	-	12,854
Interest income from financial assets at amortised cost	8	**624**	**3,779**	57	2,398
Finance costs	9	**(1,045)**	**-**	(13,657)	-
Profit before tax		**32,320**	**70,816**	159,827	80,129
Tax	10	**(1,394)**	**(617)**	(27,601)	(862)
Profit for the year		**30,926**	**70,199**	132,226	79,267
Profit for the year attributable to:					
- Owners of the parent		**33,155**	**70,199**	133,644	79,267
- Non-controlling interests		**(2,229)**	**-**	(1,418)	-
		30,926	**70,199**	132,226	79,267
Earnings per share from operations attributable to equity holders of the parent during the year:					
Basic earnings per share (EUR cents per share)	11	**23.7**	**-**	96.7	-
Diluted earnings per share (EUR cents per share)	11	**23.2**	**-**	94.4	-
Profit for the year		**30,926**	**70,199**	132,226	79,267
Other comprehensive income:		**-**	**-**	-	-
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):					
Change in fair value of financial assets through other comprehensive income 'OCI'		**(6)**	**(6)**	(47)	(47)
Total comprehensive income for the year	20	**30,920**	**70,193**	132,179	79,220
Total comprehensive income for the year attributable to:		**33,148**	**70,193**	133,597	79,220
- Owners of the parent		**(2,229)**	**-**	(1,418)	-
- Non-controlling interests		**30,920**	**70,193**	132,179	79,220

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

Consolidated and Company Statements of Financial Position

(All amounts in Euro thousands unless otherwise stated)
As at 31 December 2022 and 2021

(Euro 000's)	Note	**31 Dec 2022 The Group**	**31 Dec 2022 The Company**	31 Dec 2021 The Group	31 Dec 2021 The Company
Assets					
Non-current assets					
Property, plant and equipment	13	**354,908**	**-**	333,096	-
Intangible assets	14	**53,830**	**-**	57,368	-
Investment in subsidiaries	15	**-**	**74,911**	-	64,171
Trade and other receivables	19	**16,362**	**259,904**	5,330	245,744
Non-current financial asset	20	**1,101**	**-**	1,101	-
Deferred tax asset	17	**7,293**	**-**	5,564	-

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

The notes on subsequent pages are an integral part of these consolidated and company financial statements.
The consolidated and company financial statements were authorised for issue by the Board of Directors on 21 March 2023 and were signed on its behalf.

Consolidated Statement of Changes in Equity

(All amounts in Euro thousands unless otherwise stated)
For the period ended 31 December 2022 and 2021

(Euro 000's)	Note	Share capital	Share premium (2)	Other reserves (1)	Accum. Profits	Total	NCI	Total equity
1 Jan 2022		**13,447**	**315,916**	**52,690**	**58,754**	**440,807**	**(4,909)**	**435,898**
Adjustment prior year		**-**	**-**	**-**	**(53)**	**(53)**	**-**	**(53)**
Opening balance adjusted		**13,447**	**315,916**	**52,690**	**58,701**	**440,754**	**(4,909)**	**435,845**
Profit/(loss) for the period		**-**	**-**	**-**	**33,155**	**33,155**	**(2,229)**	**30,926**
Change in fair value of financial assets through OCI		**-**	**-**	**(6)**	**-**	**(6)**	**-**	**(6)**

Total comprehensive (loss)/ income		-	-	(6)	33,155	33,149	(2,229)	30,920
Issuance of share capital	22	149	3,495	-	-	3,644	-	3,644
Recognition of depletion factor	23	-	-	12,800	(12,800)	-	-	-
Recognition of share-based payments	23	-	-	1,279	-	1,279	-	1,279
Recognition of non-distributable reserve	23	-	-	316	(316)	-	-	-
Recognition of distributable reserve	23	-	-	2,726	(2,726)	-	-	-
Other changes in equity		-	-	-	(432)	(432)	140	(292)
Dividends paid		-	-	-	(5,099)	(5,099)	-	(5,099)
31 Dec 2022		**13,596**	**319,411**	**69,805**	**70,483**	**473,295**	**(6,998)**	**466,297**

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

[1] Refer to Note 23
[2] The share premium reserve is not available for distribution.

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

Company Statement of Changes in Equity

(All amounts in Euro thousands unless otherwise stated)
For the period ended 31 December 2022 and 2021

(Euro 000's)	Note	Share capital	Share premium [1]	Other reserves	Accum. Profits	Total
1 Jan 2021		13,439	315,714	7,294	(21,861)	314,586
Profit for the year		-	-	-	79,267	79,267
Change in fair value of financial assets through OCI	20	-	-	(47)	-	(47)
Total comprehensive income		-	-	(47)	79,267	79,220
Issuance of share capital	22	8	202	-	-	210
Recognition of share-based payments	23	-	-	899	-	899
Dividends paid		-	-	-	(47,290)	(47,290)
31 Dec 2021/1 Jan 2022		**13,447**	**315,916**	**8,146**	**10,116**	**347,625**
Profit for the period		**-**	**-**	**-**	**70,199**	**70,199**

Change in fair value of financial assets through OCI	20	-	-	(6)	-	(6)
Total comprehensive income		-	-	(6)	70,199	70,193
Transactions with owners						
Issuance of share capital	22	**149**	**3,495**	-	-	**3,644**
Recognition of share-based payments	23	-	-	**1,279**	-	**1,279**
Dividends paid		-	-	-	**(5,099)**	**(5,099)**
31 Dec 2022		**13,596**	**319,411**	**9,419**	**75,216**	**417,642**

(1) Refer to Note 23
(2) The share premium reserve is not available for distribution.

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

Consolidated Statement of Cash Flows

(All amounts in Euro thousands unless otherwise stated)
For the period ended 31 December 2022 and 2021

(Euro 000's)	Note	**2022**	2021
Cash flows from operating activities			
Profit before tax		**32,320**	159,827
Adjustments for:			
Depreciation of property, plant and equipment	13	**29,637**	27,680
Amortisation of intangible assets	14	**4,482**	4,596
Recognition of share-based payments	23	**1,279**	899
Interest income	8	**(244)**	(57)
Interest expense	9	**1,025**	846
Unwinding of discounting	9	**-**	1,063
Finance provisions	9	**-**	11,737
Other provisions		**-**	417
Legal provisions	26	**(43)**	(61)
Net foreign exchange differences		**(11,546)**	(6,692)
Unrealised foreign exchange loss on financing activities		**25**	-
Cash inflows from operating activities before working capital changes		**56,934**	200,255
Changes in working capital:			
Inventories	18	**(14,060)**	(1,205)
Trade and other receivables	19	**(24,471)**	(8,807)
Trade and other payables	25	**24,662**	(14,400)
Provisions	26	**(91)**	(343)
Cash flows from operations		**42,975**	175,500
Interest expense on lease liabilities	27	**(20)**	(11)
Interest paid		**(1,025)**	(846)
Tax paid		**(3,427)**	(25,802)
Net cash from operating activities		**38,503**	148,841
Cash flows from investing activities			
Purchases of property, plant and equipment	13	**(52,650)**	(32,440)
Purchases of intangible assets	14	**(944)**	(2,148)
Payment of deferred consideration		**-**	(53,000)
Interest received	8	**65**	57
Net cash used in investing activities		**(53,529)**	(87,531)
Cash flows from financing activities			

Lease payment	27	**(617)**	(463)
Net proceeds from borrowings		**24,484**	49,446
Proceeds from issue of share capital		**3,643**	158
Dividends paid		**(5,099)**	(47,290)
Net cash from financing activities		**22,411**	1,851
Net increase in cash and cash equivalents		**7,385**	63,161
Net foreign exchange difference		**11,546**	6,589
Cash and cash equivalents:			
At beginning of the year	21	**107,517**	37,767
At end of the year	21	**126,448**	107,517

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

Company Statement of Cash Flows

(All amounts in Euro thousands unless otherwise stated)
For the period ended 31 December 2022 and 2021

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

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

1. Incorporation and summary of business

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

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

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

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

Change of name and share consolidation

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

Principal activities

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

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

Proyecto Riotinto

The Company owns and operates through a wholly owned subsidiary, "Proyecto Riotinto", an open-pit copper mine located in the Iberian Pyrite Belt, in the Andalusia region of Spain, approximately 65 km 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. Proyecto Masa Valverde is currently in the permitting process.

Proyecto Ossa Morena

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

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

Proyecto Riotinto Este

In December 2020, Atalaya entered into a Memorandum of Understanding with a local private Spanish company to acquire a 100% beneficial interest in three investigation permits (known as Peñas Blancas, Cerro Negro and Herreros investigation permits), which cover approximately 12,368 hectares and are located immediately east of Proyecto Riotinto.

2. Summary of significant accounting policies

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

2.1 Basis of preparation

(a) Overview

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

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

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

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

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

(b) Going concern

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

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

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

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

2.2 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the unaudited condensed interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of new standards effective as of 1 January 2022.

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

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

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

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

- IFRS 3 Business Combinations (Amendments) update a reference in IFRS 3 to the previous version of the IASB's Conceptual Framework for Financial Reporting to the current version issued in 2018 without significantly changing the accounting requirements for business combinations.
- IAS 16 Property, Plant and Equipment (Amendments) prohibit a company from deducting from the cost of property, plant and equipment any proceeds from the sale of items produced while bringing the asset to the location and condition necessary for it be capable of operating in the manner intended by management. Instead, a company recognizes such sales proceeds and related cost in profit or loss.
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments) specify which costs a company includes in determining the cost of fulfilling a contract for the purpose of assessing whether a contract is onerous. The amendments clarify, the costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to the contract activities.
- Annual Improvements 2018-2020 make minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases.

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

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

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

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

2.3 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 trading and other financial 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 statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, Grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

THE GROUP

(Euro 000's)	Level 1	Level 2	Level 3	Total
31 December 2022				
Other current financial assets				
Financial assets at FV through OCI	**33**	**-**	**1,101**	**1,134**
Trade and other receivables				
Receivables (subject to provisional pricing)	**-**	**27,557**	**-**	**27,557**
Total	**33**	**27,557**	**1,101**	**28,691**
31 December 2021				
Other current financial assets				
Financial assets at FV through OCI	39	-	1,101	1,140
Trade and other receivables				
Receivables (subject to provisional pricing)	-	29,148	-	29,148
Total	39	29,148	1,101	30,288

THE COMPANY

(Euro 000's)	Level 1	Level 2	Level 3	Total
31 December 2022				
Non-current receivables				
Financial assets at FV through profit and loss (note 30.4)	**-**	**-**	**14,247**	**14,247**
Other current financial assets				
Financial assets at FV through OCI	**33**	**-**	**-**	**33**
Total	**33**	**-**	**14,247**	**14,280**
31 December 2021				
Non-current receivables				
Financial assets at FV through profit and loss (note 30.4)	-	-	176,292	176,292

Other current financial assets				
Financial assets at FV through OCI	39	-	-	39
Total	39	-	176,292	176,331

2.4 Critical accounting estimates and judgements

The preparation of the consolidated financial statements require 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.

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 a reliable estimate of the amount can be made. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A full analysis of critical accounting estimates and judgements is set out in Note 3.3 to the 2022 audited financial statements.

3. Business and geographical segments

Business segments

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

Copper concentrates produced by the Group are sold to three off-takers as per the relevant offtake agreements. In addition, the Group has spot agreements for the concentrates not committed to off-takers.

Geographical segments

The Group's mining activities are located in Spain. The commercialisation of the copper concentrates produced in Spain is carried out through Cyprus. Sales transactions to related parties are on arm's length basis in a similar manner to transaction with third parties. Accounting policies used by the Group in different locations are the same as those contained in Note 2.

(Euro 000's)	Cyprus	Spain	Other	Total
2022				
Revenue – from external customers	**30,662**	**331,184**	**-**	**361,846**
Earnings/(loss)before Interest, Tax, Depreciation and Amortisation	**19,714**	**35,867**	**(267)**	**55,314**
Depreciation/amortisation charge	**-**	**(34,119)**	**-**	**(34,119)**
Net foreign exchange gain	**5,368**	**6,178**	**-**	**11,546**
Finance income	**36**	**588**	**-**	**624**
Finance cost	**(1)**	**(1,044)**	**-**	**(1,045)**
Profit/(loss) before tax	**25,117**	**7,470**	**(267)**	**32,320**
Tax	**(3,352)**	**1,958**	**-**	**(1,394)**
Profit/(loss) for the period	**21,765**	**9,428**	**(267)**	**30,926**
Total assets	**108,486**	**528,829**	**25,756**	**663,071**
Total liabilities	**(3,772)**	**(193,002)**	**-**	**(196,774)**
Depreciation of property, plant and equipment	**-**	**29,637**	**-**	**29,637**
Amortisation of intangible assets	**-**	**4,482**	**-**	**4,482**
Total net additions of non-current assets	**-**	**74,695**	**-**	**74,695**

(Euro 000's)	Cyprus	Spain	Other	Total
2021				
Revenue	40,827	364,890	-	405,717
Earnings/(loss)before Interest, Tax, Depreciation and Amortisation	30,284	168,880	(50)	199,114
Depreciation/amortisation charge	-	(32,276)	-	(32,276)
Net foreign exchange gain	2,301	4,285	3	6,589
Finance income	-	57	-	57
Finance cost	-	(13,657)	-	(13,657)
Profit/(loss) before tax	32,585	127,289	(47)	159,827
Tax	(3,776)	(23,825)	-	(27,601)
Profit for the year	28,809	103,464	(47)	132,226
Total assets	77,750	506,523	1,134	585,407
Total liabilities	(1,934)	(147,567)	(8)	(149,509)
Depreciation of property, plant and equipment	-	27,680	-	27,680
Amortisation of intangible assets	-	4,596	-	4,596
Total additions of non-current assets	-	41,040	-	41,040

4. Business and geographical segments

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)	**2022**		2021	
	Segment	**€'000**	Segment	€'000
Offtaker 1	**Copper**	**71,839**	Copper	130,642
Offtaker 2	**Copper**	**108,158**	Copper	91,651
Offtaker 3	**Copper**	**181,822**	Copper	173,904

5. Revenue

THE GROUP

(Euro 000's)	**2022**	2021
Revenue from contracts with customers [1]	**371,303**	399,966
Fair value gain relating to provisional pricing within sales [2]	**(9,457)**	5,751
Total revenue	**361,846**	405,717

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 2022 revenue there is a transaction price of €7.6 million (€2.8 million in 2021) related to the freight services provided by the Group to the customers arising from the sales of copper concentrate under CIF incoterm.

(2) Provisional pricing impact represented the change in fair value of the embedded derivative arising on sales of concentrate.

THE COMPANY

(Euro 000's)	2022	2021
Sales of services to related companies (Note 30.3)	**2,756**	1,849
Dividends	**55,000**	64,000
Other income	**286**	-
	58,042	65,849

6. Expenses by nature

THE GROUP

(Euro 000's)	2022	2021
Operating costs	**246,840**	150,954
Rents (Note 27)	**5,678**	5,752
Care and maintenance expenditure	**15,603**	13,720
Exploration expenses	**3,723**	1,800
Employee benefit expense (Note 7)	**24,556**	23,793
Compensation of key management personnel	**2,189**	2,335
Auditors' remuneration – audit	**345**	283
Other accountants' remuneration	**138**	86
Consultants' remuneration	**1,087**	921
Depreciation of property, plant and equipment (Note 13)	**29,637**	27,680
Amortisation of intangible assets (Note 14)	**4,482**	4,596
Travel costs	**282**	105
Share option-based employee benefits	**1,279**	899
Shareholders' communication expense	**305**	251
On-going listing costs	**533**	352
Legal costs	**1,469**	1,086
Public relations and communication development	**1,035**	650
Insurances	**83**	90
Other expenses and provisions	**1,673**	3,526
Total	**340,937**	238,879

THE COMPANY

(Euro 000's)	2022	2021
Key management remuneration	**540**	547
Auditors' remuneration – audit	**139**	146
Other accountants' remuneration	**57**	42
Consultants' remuneration	**224**	222
Management fees (Note 30.3)	**66**	61
Travel costs	**2**	3
Shareholders' communication expense	**305**	251
On-going listing costs	**533**	352
Legal costs	**1,258**	667
Insurances	**84**	91
Other expenses and provisions	**393**	40
Total	**3,600**	2,422

7. Employee benefit expense

THE GROUP

(Euro 000's)	2022	2021
Wages and salaries	**18,438**	17,652
Social security and social contributions	**5,659**	5,583
Employees' other allowances	**16**	17
Bonus to employees	**443**	541
	24,556	23,793

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

	Average		At year end	
Number of employees	**2022**	2021	**2022**	2021
Spain – Full time	**473**	406	**462**	422
Spain – Part time	**4**	91	**3**	81
Cyprus – Full time	**1**	1	**1**	1
Cyprus – Part time	**2**	2	**2**	2
Total	**480**	500	**468**	506

THE COMPANY

The company had no employees during the year ended 31 December 2022 and 2021.

8. Finance income

THE GROUP

(Euro 000's)	**2022**	2021
Interest income	**244**	57
Unwinding of discount on mine rehabilitation provision (Note 26)	**380**	-
	624	57

THE COMPANY

(Euro 000's)	**2022**	2021
Interest income from interest-bearing intercompany loans at fair value through profit and loss (Note 30.3)	**9,157**	12,854
Interest income from interest-bearing intercompany loans at amortised cost (Note 30.3)	**3,743**	2,398
Other interest income	**36**	-
	12,936	15,252

Interest income relates to interest received on bank balances.

9. Finance costs

THE GROUP

(Euro 000's)	**2022**	2021
Interest expense:		
Other interest	**1,025**	846
Interest expense on lease liabilities	**20**	11
Other finance expenses	**-**	11,737
Unwinding of discount on mine rehabilitation provision (Note 26)	**-**	1,063
	1,045	13,657

Other finance expense is related to the interest calculation proposed by Astor.

10. Tax

THE GROUP

(Euro 000's)	**2022**	2021
Current income tax charge	**3,123**	24,359
Deferred tax related to utilization of losses for the year (Note 17)	**-**	3,856

Deferred tax income relating to the origination of temporary differences (Note 17)	**(4,544)**	(2,986)
Deferred tax expense relating to reversal of temporary differences (Note 17)	**2,815**	2,372
	1,394	27,601

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

(Euro 000's)	2022	2021
Accounting profit before tax	**32,318**	159,827
Tax calculated at the applicable tax rates of the Company – 12.5%	**4,040**	19,978
Tax effect of expenses not deductible for tax purposes	**1,029**	2,743
Tax effect of tax loss for the year	**3,819**	359
Tax effect of allowances and income not subject to tax	**(7,857)**	(2,629)
Effect of higher tax rates in other jurisdictions of the group	**2,092**	7,764
Tax effect of tax losses brought forward	**-**	(3,856)
Deferred tax (Note 17)	**(1,729)**	3,242
Tax charge	**1,394**	27,601

THE COMPANY

(Euro 000's)	2022	2021
Current income tax charge	**617**	862
	617	862

Tax losses carried forward

As at 31 December 2022, the Group had tax losses carried forward amounting to €0.2 million from the Spanish subsidiaries for the period 2008 to 2015 and €4.1 million for the period 2022.

Cyprus

The corporation tax rate is 12.5%. Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17% for 2014 and thereafter. Under current legislation, tax losses may be carried forward and be set off against taxable income of the five succeeding years.

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 20% for the tax years 2012 and 2013 and 17% for 2014 and thereafter will be payable on such deemed dividends to the extent that the shareholders (companies and individuals) are Cyprus tax residents and Cyprus domiciled. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

Spain

The corporation tax rate for 2022 and 2021 is 25%. The Spanish tax reform approved in 2014 reduced the general corporation tax rate from 30% to 28% in 2015 and to 25% in 2016, and introduced, among other changes, a 10% reduction in the tax base subject to equity increase and other requirements. Under current legislation, tax losses may be carried forward and be set off against taxable income with no limitation.

11. Earnings per share

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

(Euro 000's)	2022	2021
Parent company	**(676)**	(1,773)
Subsidiaries	**33,831**	135,417
Profit attributable to equity holders of the parent	**33,155**	133,644
Weighted number of ordinary shares for the purposes of basic earnings per share ('000)	**139,757**	138,196
Basic profit per share (EUR cents/share)	**23.7**	96.7
Weighted number of ordinary shares for the purposes of diluted earnings per share ('000)	**142,834**	141,526
Diluted profit per share (EUR cents/share)	**23.2**	94.4

At 31 December 2022, there are 3,543,500 options (Note 23) and nil warrants (Note 22) (At 31 December 2021: 3,841,750 options and nil warrants) which have been included when calculating the weighted average number of shares for FY2022.

12. Dividends paid

Cash dividends declared and paid during the year:

(Euro 000's)	31 Dec 2022	31 Dec 2021
Inaugural dividend	**-**	47,290
Interim dividend	**5,099**	-
Total cash dividends paid in the year to ordinary shareholders	**5,099**	47,290

The Board of Directors has proposed a final dividend for 2022 of US$0.0385 per ordinary share, which is equivalent to approximately 3.15 pence per share totalling €5.0 million. Payment of the Final Dividend is subject to shareholder approval at the Company's 2023 Annual General Meeting.

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

Dividend Policy

Following the expansion of Proyecto Riotinto's processing capacity to 15 Mtpa, Atalaya has been generating robust cash flow as a result of the plant consistently operating above nameplate capacity, coupled with the strong copper price environment.

Accordingly, on 27 October 2021, Atalaya initiated a sustainable dividend policy that will allow for continued investments in its portfolio of low capital intensity growth projects, such as the San Dionisio deposit, Proyecto Masa Valverde and Proyecto Touro.

Consistent with its strategy to create and deliver shareholder value, the Company approved a Dividend Policy that will make an annual pay-out of between 30% and 50% of free cash flow generated during the applicable financial year.

The Dividend Policy took effect during the 2022 financial year. The annual Ordinary Dividend will be paid in two half-yearly instalments and announced in conjunction with interim and full year results.

The declaration and payment of all future dividends under the new policy will remain subject to approval by the Board of Directors.

13. Property, plant and equipment

(Euro 000's)	Land and buildings	Right of use assets[5]	Plant and equipment	Assets under construction [3]	Deferred mining costs [2]	Other assets [1]	Total
2022							
Cost							
At 1 January 2022	**65,003**	**7,076**	**283,346**	**22,860**	**51,667**	**801**	**430,753**
Additions	**2,383**	**-**	**1,262**	**49,473**	**691**	**-**	**53,809**
Increase in rehab. provision	**1,727**	**-**	**-**	**-**	**-**	**-**	**1,727**
Reclassifications[4]	**15,300**	**-**	**6,727**	**(22,098)**	**-**	**71**	**-**
Advances	**103**	**-**	**-**	**-**	**-**	**-**	**103**
Write-off	**(4,190)**	**-**	**-**	**-**	**-**	**-**	**(4,190)**
At 31 December 2022	**80,326**	**7,076**	**291,335**	**50,235**	**52,358**	**872**	**482,202**
Depreciation							
At 1 January 2022	**16,026**	**1,546**	**67,991**	**-**	**11,380**	**714**	**97,657**
Charge for the year	**4,428**	**452**	**21,191**	**-**	**3,541**	**25**	**29,637**
At 31 December 2022	**20,454**	**1,998**	**89,182**	**-**	**14,921**	**739**	**127,294**
Net book value at 31 December 2022	**59,872**	**5,078**	**202,153**	**50,235**	**37,437**	**133**	**354,908**
2021							
Cost							
At 1 January 2021	64,034	6,569	268,051	15,828	41,868	801	397,151
Additions	270	507	1,941	20,386	9,799	-	32,903
Increase in rehab. provision	655	-	-	-	-	-	655
Reclassifications	-	-	13,354	(13,354)	-	-	-
Advances	44	-	-	-	-	-	44
At 31 December 2021	65,003	7,076	283,346	22,860	51,667	801	430,753
Depreciation							
At 1 January 2021	11,671	956	48,134	-	8,528	688	69,977
Charge for the year	4,355	590	19,857	-	2,852	26	27,680
At 31 December 2021	16,026	1,546	67,991	-	11,380	714	97,657
Net book value at 31 December 2021	48,977	5,530	215,355	22,860	40,287	87	333,096

(1) Includes motor vehicles, furniture, fixtures and office equipment which are depreciated over 5-10 years.

(2) Stripping costs

(3) Assets under construction at 31 December 2022 amounted to €50.2 million (2021: €22.9 million). It includes the capitalisation of costs related sustaining capital expenses (€6.3 million), tailing dams (€14.1 million) and solar plant (€22.8m).

(4) Transfers related to sustaining Capex (€6.8 million) and the Tailing Dam Project (€15.3 million) which were finalised works.

(5) See leases in Note 27.

The Group

The above fixed assets are mainly located in Spain.

THE COMPANY

(Euro 000's)	**Other assets**[1]	**Total**
2022		
Cost		
At 1 January 2022	**15**	**15**
At 31 December 2022	**15**	**15**
Depreciation		
At 1 January 2022	**15**	**15**
Charge for the year	**-**	**-**
At 31 December 2022	**15**	**15**
Net book value at 31 December 2022	**-**	**-**
2021		
Cost		
At 1 January 2021	15	15
At 31 December 2021	15	15
Depreciation		
At 1 January 2021	15	15
Charge for the year	-	-
At 31 December 2021	15	15
Net book value at 31 December 2021	-	-

[1] Includes furniture, fixtures and office equipment which were depreciated over 5-10 years.

14. Intangible assets

THE GROUP

(Euro 000's)	**Permits** [1]	**Licences, R&D and Software**	**Total**
2022			
Cost			
On 1 January 2022	**80,358**	**8,595**	**88,953**
Additions	**897**	**47**	**944**
At 31 December 2022	**81,255**	**8,642**	**89,897**
Amortisation			
On 1 January 2022	**23,214**	**8,371**	**31,585**
Charge for the year	**4,413**	**69**	**4,482**
At 31 December 2022	**27,627**	**8,440**	**36,067**
Net book value at 31 December 2022	**53,628**	**202**	**53,830**
2021			
Cost			
On 1 January 2021	78,210	8,595	86,805
Additions	2,148	-	2,148
At 31 December 2021	80,358	8,595	88,953
Amortisation			

On 1 January 2021	18,683	8,306	26,989
Charge for the year	4,531	65	4,596
At 31 December 2021	23,214	8,371	31,585
Net book value at 31 December 2021	57,144	224	57,368

(1) *Permits include the mining rights of Proyecto Touro, Masa Valverde and Ossa Morena*

The ultimate recovery of balances carried forward in relation to areas of interest or all such assets including intangibles is dependent on successful development, and commercial exploitation, or alternatively the sale of the respective areas.

The Group conducts impairment testing in case there is an indicator of impairment. Atalaya assessed its assets concluding that there are no indicators of impairment for either Proyecto Riotinto or any other as of 31 December 2022.

15. Investment in subsidiaries

(Euro 000's)	**2022**	2021
THE COMPANY		
Opening amount at cost minus provision for impairment	**64,171**	5,448
Increase of investment [2]	**10,739**	58,723
Closing amount at cost less provision for impairment	**74,910**	64,171

The directly owned subsidiaries of the Group, the percentage of equity owned and the main country of operation are set out below. These interests are consolidated within these financial statements.

Subsidiary companies	Date of incorporation/ acquisition	Principal activity	Country of incorporation	Effective proportion of shares held in 2022[3]	Effective proportion of shares held in 2021[3]
Atalaya Touro (UK) Ltd	10 March 2017	Holding	United Kingdom	100%	100%
Atalaya Minasderiotinto Project (UK) Ltd[1]	10 Sep 2008	Holding	United Kingdom	100%	100%
EMED Marketing Ltd	08 Sep 2008	Trading	Cyprus	100%	100%
EMED Mining Spain SLU[2]	12 April 2007	Exploration	Spain	-	100%
Atalaya Financing Ltd	16 Sep 2020	Financing	Cyprus	100%	100%

[1] The increase of €10.8 million related to a share capital increase of Atalaya Minasderiotinto Project (UK) Ltd. amounting to €9.5 million and share-based payment expense of €1.3 million (2021: €0.9 million).

[2] EMED Mining Spain, S.L. was disposed on 4 January 2022

[3] The effective proportion of shares held as at 31 December 2022 and 2021 remained unchanged.

16. Investment in joint venture

Company name	Principal activities	Country of incorporation	Effective proportion of shares held at 31 December 2015

Recursos Cuenca Minera S.L.	Exploitation of tailing dams and waste areas resources	Spain	50%

In 2012 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 The Proyecto Riotinto. Under the joint venture agreement, ARM will be the operator of the joint venture and will reimburse Rumbo for the costs associated with the application for classification of the Class B resources. ARM will fund the initial expenditure of a feasibility study up to a maximum of €2.0 million. Costs are then borne by the joint venture partners in accordance with their respective ownership interests.

The Group's significant aggregate amounts in respect of the joint venture are as follows:

(Euro 000's)	**2022**	2021
Intangible assets	**94**	94
Trade and other receivables	**2**	2
Cash and cash equivalents	**21**	21
Trade and other payables	**(115)**	(115)
Net assets	**2**	2
Revenue	**-**	-
Expenses	**-**	-
Net profit/(loss) after tax	**-**	-

17. Deferred tax

(Euro 000's)	**Consolidated statement of financial position 2022**	2021	**Consolidated income statement 2022**	2021
THE GROUP				
Deferred tax asset				
At 1 January	**5,564**	8,805	**-**	-
Deferred tax related to utilization of losses for the year (Note 10)	**-**	(3,856)	**-**	3,856
Deferred tax income relating to the origination of temporary differences (Note 10)	**4,544**	2,986	**(4,544)**	(2,986)
Deferred tax expense relating to reversal of temporary differences (Note 10)	**(2,815)**	(2,371)	**2,815**	2,371
At 31 December	**7,293**	5,564		
Deferred tax (expense)/income (Note 10)			**(1,729)**	3,241

Deferred tax assets are recognised for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available in the future against which the unused tax losses/credits can be utilised. The Company held tax losses amounted to €4.4 million in Spain.

18. Inventories

(Euro 000's)	**2022**	2021
THE GROUP		
Finished products	**4,547**	5,185
Materials and supplies	**31,330**	18,216

Work in progress	**2,964**	1,380
	38,841	24,781

As at 31 December 2022, copper concentrate produced and not sold amounted to 3,529 tonnes (FY2021: 5,254 tonnes). Accordingly, the inventory for copper concentrate was €4.5 million (FY2021: €5.2 million). During the year 2022 the Group recorded cost of sales amounting to €289.0 million (FY2021: €192.1 million).

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

19. Trade and other receivables

(Euro 000's)	2022	2021
THE GROUP		
Non-current trade and other receivables		
Deposits	**256**	303
Loans	**12,865**	2,332
Other non-current receivables	**3,241**	2,695
	16,362	5,330
Current trade and other receivables		
Trade receivables at fair value – *subject to provisional pricing*	**14,757**	8,865
Trade receivables from shareholders at fair value – *subject to provisional pricing* (Note 30.5)	**12,800**	20,283
Other receivables from related parties at amortised cost (Note 30.3)	**56**	56
Deposits	**37**	21
VAT receivable	**28,856**	17,300
Tax advances	**9**	-
Prepayments	**5,845**	3,303
Other current assets	**1,795**	300
	64,155	50,128
Allowance for expected credit losses	**-**	-
Total trade and other receivables	**80,517**	55,458

(Euro 000's)	2022	2021
THE COMPANY		
Non-current trade and other receivables		
Receivables from own subsidiaries at amortised cost (Note 30.4)	**245,657**	69,452
Receivables from own subsidiaries at fair value through profit and loss (Note 30.4)	**14,247**	176,292
	259,904	245,744
Current trade and other receivables		
Tax advances CIT	**-**	279
Receivables from own subsidiaries at amortised cost (Note 30.4)	**48,774**	2,084
Other receivables	**57**	52
Total current trade and other receivables	**48,831**	2,415

Trade receivables are shown net of any interest applied to prepayments. Payment terms are aligned with offtake agreements and market standards and generally are 7 days on 90% of the invoice and the remaining 10% at the settlement date which can vary between 1 to 5 months. The fair value of trade and other receivables approximate their book values.

Non-current deposits included €250k (YTD 2021: €250k) as a collateral for bank guarantees, which was recorded as restricted cash (or deposit). Restricted cash related to the collateral was reclassified to non-current trade and other receivables since the deposit is considered to be long term.

Loans are related to an agreement entered by the Group and Lain Technologies Ltd in relation to the construction of the pilot plan to develop the E-LIX System. The Loan is secured with the pilot plant, has a grace period of up to four years and repayment terms depending on future investments on the system. Amounts drawn down bear interest at 2%. The increase is resulted from the drawdowns withdraw required for the pilot plant construction.

20. Other Financial assets at FVOCI

THE GROUP

(Euro 000's)	**2022**	2021
Financial asset at fair value through OCI (see (a)) below)	**1,134**	1,140
Total current	**33**	39
Total non-current	**1,101**	1,101

THE COMPANY

(Euro 000's)	**2022**	2021
Financial asset at fair value through OCI (see (a)) below)	**33**	39
Total current	**33**	39

a) Financial assets at fair value through OCI

THE GROUP

(Euro 000's)	**2022**	2021
At 1 January [(1)]	**1,140**	1,187
Fair value change recorded in equity (Note 23)	**(6)**	(47)
At 31 December	**1,134**	1,140

THE COMPANY

(Euro 000's)	**2022**	2021
At 1 January [(1)]	**39**	86
Fair value change recorded in equity (Note 23)	**(6)**	(47)
At 31 December	**33**	39

Company name	Principal activities	Country of incorporation	Effective proportion of shares held at 31 December 2022
Explotaciones Gallegas del Cobre SL	Exploration company	Spain	12.5%

KEFI Minerals Plc	Exploration and development mining company listed on AIM	UK	0.19%
Prospech Limited	Exploration company	Australia	0.53%

(1) 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 2022**	31 Dec 2021
Unrestricted cash and cash equivalents at Group level	**108,550**	48,375
Unrestricted cash and cash equivalents at Operation level	**17,567**	43,722
Restricted cash and cash equivalents at Operation level	**331**	15,420
Consolidated cash and cash equivalents	**126,448**	107,517

As at 31 December 2022, the Group's operating subsidiary held restricted cash of €0.3 million of a provision for legal costs related to Astor.

Cash and cash equivalents denominated in the following currencies:

(Euro 000's)	**2022**	2021
Euro – functional and presentation currency	**84,146**	30,145
Great Britain Pound	**895**	36
United States Dollar	**41,407**	77,336
	126,448	107,517

THE COMPANY

(Euro 000's)	**2022**	2021
Cash at bank and on hand	**39,472**	37,270

Cash and cash equivalents denominated in the following currencies:

Euro – functional and presentation currency	**38,496**	22
Great Britain Pound	**879**	36
United States Dollar	**97**	37,212
	39,472	37,270

22. Share capital

Authorised	**Nr. of Shares '000's**	**Share capital £ 000's**	**Share Premium £ 000's**	**Total £ 000's**
Ordinary shares of £0.075 each	200,000	15,000	-	15,000

Issue Date	Price (£)	Issued and fully paid Details	000's	Euro 000's	Euro 000's	Euro 000's
1 January 2021			138,141	13,439	315,714	329,153
12-Feb-21	2.015	Exercised share options[c]	41	4	91	95
18-May-21	2.015	Exercised share options[d]	20	1	45	46
18-May-21	1.475	Exercised share options[d]	10	1	15	16
15 Dec 2021	1.475	Exercised share options[e]	9	2	43	45
15 Dec 2021	2.015	Exercised share options[e]	15	-	8	8
31 December 2021/1 January 2022			**138,236**	**13,447**	**315,916**	**329,363**
22 Jan 2022	1.44	Exercised share options[b]	314	28	512	540
22 Jan 2022	2.015	Exercised share options[b]	321	29	746	775
22 Jan 2022	2.045	Exercised share options[b]	400	36	941	977
22 Jan 2022	1.475	Exercised share options[b]	451	42	754	796
22 Jan 2022	3.09	Exercised share options[b]	135	12	505	517
23 June 2022	1.475	Exercised share options[a]	23	2	37	39
31 December 2022			**139,880**	**13,596**	**319,411**	**333,007**

The Company´s share capital at 31 December 2022 is 139,879,209 ordinary shares (138,235,959 in 2021) of Stg £0.075 each.

Authorised capital
The Company's authorised share capital is 200,000,000 ordinary shares of £0.075 each.

Issued capital

a) On 23 June 2022, the Company announced that it has issued 22,500 ordinary shares of 7.5p in the Company ("Option Shares") pursuant to an exercise of share options by an employee.
b) On 26 January 2022, the Company announced that is was notified that PDMRs exercised a total of 1,350,000 options. Further details (including details of sales of shares following the exercise of options) are given in Note 23.
c) On 12 February 2021, the Company was notified that certain employees exercised options over 40,750 ordinary shares of £0.075 at a price of £2.015, thus creating a share premium of €91k.
d) On 18 May 2021, the Company was notified that certain employees exercised options over 30,000 ordinary shares of £0.075 at a price between £1.475 and £2.015, thus creating a share premium of €61k.
e) On 15 December 2021, the Company was notified that certain employees exercised options over 24,500 ordinary shares of £0.075 at a price between £1.475 and £2.015, thus creating a share premium of €50k.

Details of share options outstanding as at 31 December 2022:

Grant date	Expiry date	Exercise price £	Share options
29 May 2019	28-May-2024	2.015	666,500
30 June 2020	29 June 2030	1.475	516,000
24 June 2021	23 June 2031	3.090	1,016,000
26 January 2022	25 January 2032	4.160	120,000
22 June 2022	30 June 2027	3.575	1,225,000
Total			3,543,500

	Weighted average exercise price £	Share options
At 1 January 2022	2.154	**3,841,750**
Granted options during the year	3.627	**1,345,000**
Options executed during the year	1.844	**(1,643,250)**
31 December 2022	2.857	**3,543,500**

23. Other reserves

THE GROUP

(Euro 000's)	Share option	Bonus share	Depletion factor [1]	FV reserve of financial assets at FVOCI [2]	Non-distributable reserve [3]	Distributable reserve[4]	Total
At 1 January 2021	8,187	208	25,033	(1,100)	5,628	2,093	40,049
Recognition of depletion factor	-	-	(55)	-	-	6,155	6,100
Recognition of non-distributable reserve	-	-	-	-	2,372	-	2,372
Recognition of distributable reserve	-	-	-	-	-	3,317	3,317
Recognition of share based payments	899	-	-	-	-	-	899
Change in fair value of financial assets at fair value through OCI (Note 20)	-	-	-	(47)	-	-	(47)
Other changes in reserves	-	-	-	-	-	-	-
At 31 December 2021	**9,086**	**208**	**24,978**	**(1,147)**	**8,000**	**11,565**	**52,690**
Recognition of depletion factor	**-**	**-**	**12,800**	**-**	**-**	**-**	**12,800**
Recognition of non-distributable reserve	**-**	**-**	**-**	**-**	**316**	**-**	**316**
Recognition of distributable reserve	**-**	**-**	**-**	**-**	**-**	**2,726**	**2,726**
Recognition of share based payments	**1,279**	**-**	**-**	**-**	**-**	**-**	**1,279**
Change in fair value of financial assets at fair value through OCI (Note 20)	**-**	**-**	**-**	**(6)**	**-**	**-**	**(6)**
Other changes in reserves	**-**	**-**	**-**	**-**	**-**	**-**	**-**
At 31 December 2022	**10,365**	**208**	**37,778**	**(1,153)**	**8,316**	**14,291**	**69,805**

THE COMPANY

(Euro 000's)	Share option	Bonus share	Fair value reserve of financial assets at FVOCI [2]	Total
At 1 January 2021	8,187	208	(1,100)	7,295
Adjustment for initial application of IFRS 9	-	-	-	-
Recognition of share based payments	899	-	-	899
Change in fair value of financial assets at fair value through OCI (Note 20)	-	-	(47)	(47)
At 31 December 2021	**9,086**	**208**	**(1,147)**	**8,147**
Recognition of share based payments	**1,278**	**-**	**-**	**1,278**
Change in fair value of financial assets at fair value through OCI (Note 20)	**-**	**-**	**(6)**	**(6)**
At 31 December 2022	**10,364**	**208**	**(1,153)**	**9,419**

(1) Depletion factor reserve

During the twelve month period ended 31 December 2022, the Group has increase €12.8 million (FY2021: disposal of €6.1 million) as a depletion factor reserve as per the Spanish Corporate Tax Act.

[(2)] <u>Fair value reserve of financial assets at FVOCI</u>
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)] <u>Non-distributable reserve</u>
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)] <u>Distributable reserve</u>
As result of the 2018 profit generated in ARM, the Group decided to record a distributable reserve in order to comply with the Spanish Corporate Tax Act.

In general, option agreements contain provisions adjusting the exercise price in certain circumstances including the allotment of fully paid ordinary shares by way of a capitalisation of the Company's reserves, a subdivision or consolidation of the ordinary shares, a reduction of share capital and offers or invitations (whether by way of rights issue or otherwise) to the holders of ordinary shares.

The estimated fair values of the options were calculated using the Black Scholes option pricing model. The inputs into the model and the results are as follows:

Grant Date	Weighted average share price £	Weighted average exercise price £	Expected volatility	Expected life (years)	Risk Free rate	Expected dividend yield	Estimated Fair Value £
23 Feb 2017	1.440	1.440	51.8%	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

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)	**2022**	2021
Opening balance	**(4,909)**	(3,491)
On acquisition of a subsidiary	**140**	-
Share of total comprehensive income for the year	**(2,229)**	(1,418)
Closing balance	**(6,998)**	(4,909)

The Group has a 10% interest in Cobre San Rafael, S.L. acquired in July 2017 while the remaining 90% is held by a non-controlling interest (Note 2.3 (b) (1)). The significant financial information with respect to the subsidiary before intercompany eliminations as at and for the twelve month period ended 31 December 2022 is as follows:

(Euro 000's)	**2022**	2021
Non-current assets	**6,976**	5,155
Current assets	**551**	315

Non-current liabilities	**14,478**	-
Current liabilities	**824**	9,481
Equity	**(7,776)**	(5,299)
Revenue	**-**	-
Loss for the year and total comprehensive income	**(2,477)**	(1,420)

Cobre San Rafael, S.L. was established on 13 June 2016.
* 10% interest in Cobre San Rafael, S.L. was acquired by the Group in July 2017.

25. Trade and other payables

THE GROUP

(Euro 000's)	**2022**	2021
Non-current trade and other payables		
Other non-current payables	**2,000**	3,435
Government grant	**15**	15
	2,015	3,450
Current trade and other payables		
Trade payables	**85,038**	49,712
Accruals	**3,322**	16,267
VAT payable	**259**	74
Other	**1,403**	138
	90,022	66,191

THE COMPANY

(Euro 000's)	**2022**	2021
Current trade and other payables		
Suppliers	**284**	47
Accruals	**1,034**	1,259
Payable to own subsidiaries (Note 30.4)	**3,825**	634
VAT payable	**259**	74
	5,402	2,014

Other non-current payables are related with the acquisition of Atalaya Masa Valverde formerly Cambridge Minería España, SL and Atalaya Ossa Morena formerly Rio Narcea Nickel, SL (see Note 29).

Trade payables are mainly for the acquisition of materials, supplies and other services. These payables do not accrue interest and no guarantees have been granted. The fair value of trade and other payables approximate their book values.

The Group's exposure to currency and liquidity risk related to liabilities is disclosed in Note 3.

Trade payables are non-interest-bearing and are normally settled on 60-day terms.

26. Provisions

(Euro 000's)	Other provisions	Legal costs	Rehabilitation costs	Total costs
At 1 January 2021	-	626	24,638	25,264

Additions	-	26	655	681
Used of provision	-	(286)	(57)	(343)
Reversal of provision	-	(87)	-	(87)
Finance cost (Note 9)	-	-	1,063	1,063
At 31 December 2021	**-**	**279**	**26,299**	**26,578**
Additions	**-**	**30**	**1,033**	**1,063**
Reclassification	**1,435**	**-**	**-**	**1,435**
Used of provision	**-**	**(10)**	**(81)**	**(91)**
Reversal of provision	**-**	**(73)**	**(3,497)**	**(3,570)**
Finance income (Note 9)	**-**	**-**	**(380)**	**(380)**
At 31 December 2022	**1,435**	**226**	**23,374**	**25,035**

(Euro 000's)	**2022**	2021
Non-Current	**24,083**	26,578
Current	**952**	-
Total	**25,035**	26,578

Rehabilitation provision

Rehabilitation provision represents the estimated cost required for adequate restoration and rehabilitation upon the completion of production activities. These amounts will be settled when rehabilitation is 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 2022 was 3.41% (2021: 1.12%), which is the 15-year Spain Government Bond rate for 2022. An inflation rate of 1%-5.70% (2021: 1%-1.96%) is applied on annual basis.

In June 2021, the Company announced a new independent reserve estimate for Cerro Colorado open pit at Proyecto Riotinto. Cerro Colorado open pit reserve of 186 Mt at 0.38% and the life of mine over 12 years.

The expected payments for the rehabilitation work are as follows:

(Euro 000 's)	Between 1 – 5 Years	Between 6 – 10 Years	More than 10 years
Expected payments for rehabilitation of the mining site, discounted	7,843	2,685	12,847

Legal provision

The Group has been named as defendant in several legal actions in Spain, the outcome of which is not determinable as at 31 December 2022. Management has reviewed individually each case and made a provision of €226k (€279k in 2021) for these claims, which has been reflected in these consolidated financial statements.

Other provisions

Other provisions are related with the called-up equity holdings of Atalaya Masa Valverde S.L.

27. Leases

(Euro 000's)	**31 Dec 2022**	31 Dec 2021
Non-current		
Leases	**4,378**	4,913
	4,378	4,913
Current		

Leases	**536**	597
	536	597

The Group entered into lease arrangements for the renting of land, laboratory equipment, a building and vehicles which are subject to the adoption of all requirements of IFRS 16 Leases (Note 2.2). The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets.

<u>Amounts recognised in the statement of financial position and profit or loss</u>

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 2022	**5,417**	**14**	**99**	**5,530**	**5,510**
Additions	-	-	-	**-**	**-**
Depreciation expense	(369)	(14)	(69)	**(452)**	**-**
Interest expense	-	-	-	**-**	**20**
Payments	-	-	-	**-**	**(616)**
As at 31 December 2022	**5,048**	**-**	**30**	**5,078**	**4,914**

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

(Euro 000's)	**Twelve month ended 31 Dec 2022**	Twelve month ended 31 Dec 2021
As at 31 December		
Depreciation expense of right-of-use assets	**(452)**	(590)
Interest expense on lease liabilities	**(20)**	(11)
Total amounts recognised in profit or loss	**(472)**	(601)

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

Depreciation expense regarding leases amounts to €0.5 million (2021: €0.6) for the twelve month period ended 31 December 2022.

The duration of the land and building lease is for a period of twelve years. Payments are due at the beginning of the month escalating annually on average by 1.5%. At 31 December 2022, the remaining term of this lease is eleven years. (Note 2)

The duration of the motor vehicle and laboratory equipment lease is for a period of four years, payments are due at the beginning of the month escalating annually on average by 1.5%. At 31 December 2022, the remaining term of laboratory equipment lease is a half year.

(Euro 000's)	**31 Dec 2022**	31 Dec 2021
Minimum lease payments due:		
- Within one year	**536**	597
- Two to five years	**1,957**	2,014

- Over five years	**2,421**	2,899
Less future finance charges	**-**	-
Present value of minimum lease payments due	**4,914**	5,510

Present value of minimum lease payments due:		
- Within one year	**536**	597
- Two to five years	**1,957**	2,014
- Over five years	**2,421**	2,899
	4,914	5,510

(Euro 000's)	Lease liability
Balance 1 January 2022	**5,510**
Additions	**-**
Interest expense	**20**
Lease payments	**(616)**
Balance at 31 Dec 2022	**4,914**
Balance at 31 Dec 2022	
- Non-current liabilities	**4,378**
- Current liabilities	**536**
	4,914

28. Borrowings

(Euro 000's)	31 Dec 2022	31 Dec 2021
Non-current borrowings		
Credit facilities	**20,768**	34,050
	20,768	34,050
Current borrowings		
Credit facilities	**52,595**	13,394
	52,595	13,394

The Group had uncommitted credit facilities totalling €119.3 million (€111.0 million at 31 December 2021). During 2022, Atalaya drawn down some of its existing credit facilities to financing the construction of 50 MW solar plant (payable amount of €19.5 million at 31 December 2022) and in 2021 to pay the Deferred Consideration. Interest rates for existing credit facilities, including facilities used to pay the Deferred Consideration, range from 1.10% to 2.45% and the average interest rate on all facilities used and unused is 1.69%. The maximum term of the facilities is six years. All borrowings are unsecured.

At 31 December 2022, the Group had used €73.4 million of its facilities and had undrawn facilities of €46.0 million.

29. Acquisition, incorporation and disposals of subsidiaries

2022

Acquisition and incorporation of subsidiaries

On 31 January 2022, Atalaya established a new entity, Iberian Polimetal S.L.U.

Disposals of subsidiaries

On 4 January 2022, the subsidiary EMED Mining Spain, S.L. was wound up.

2021

Acquisition and incorporation of subsidiaries

On 21 December 2021 Atalaya announced the acquisition of a 51% interest in Río Narcea Nickel, S.L., which owns 17 investigation permits.

Disposals of subsidiaries
There were no disposals of subsidiaries during the year.
Wind-up of subsidiaries
There were no operations wound-up during the year.

30. Group information and related party disclosures

30.1 Information about subsidiaries

These audited consolidated financial statements include:

Subsidiary companies	Parent	Principal activity	Country of incorporation	Effective proportion of shares held
Atalaya Touro (UK) Ltd	Atalaya Mining Plc	Holding	United Kingdom	100%
Atalaya Financing Limited	Atalaya Mining Plc	Financing	Cyprus	100%
Atalaya MinasdeRiotinto Project (UK) Limited	Atalaya Mining Plc	Holding	United Kingdom	100%
EMED Marketing Ltd	Atalaya Mining Plc	Trading	Cyprus	100%
ARM S.L.U.	Atalaya MinasdeRiotinto Project (UK) Limited	Production	Spain	100%
Eastern Mediterranean Exploration and Development S.L.U.	Atalaya MinasdeRiotinto Project (UK) Limited	Dormant	Spain	100%
Cobre San Rafael, S.L. (1)	Atalaya Touro (UK) Limited	Exploration	Spain	10%
Recursos Cuenca Minera S.L.U.	ARM SLU	Dormant	Spain	J-V
Fundacion ARM	ARM SLU	Trust	Spain	100%
Atalaya Servicios Mineros, S.L.U.	Atalaya MinasdeRiotinto Project (UK) Limited	Holding	Spain	100%
Atalaya Masa Valverde S.L.U. (2)	Atalaya Servicios Mineros, S.L.U.	Exploration	Spain	100%
Atalaya Ossa Morena S.L. (3)	Atalaya Servicios Mineros, S.L.U.	Exploration	Spain	99.9%
Iberian Polimetal S.L.U.	Atalaya Servicios Mineros, S.L.U.	Dormant	Spain	100%

(1) Cobre San Rafael, S.L. is the entity which holds the mining rights of Proyecto Touro. The Group has control in the management of Cobre San Rafael, S.L., including one of the two Directors, management of the financial books and the capacity of appointment the key personnel (Note 2.3 (b) (1)).

(2) Cambridge Mineria Espana, S.L.U. changed its name to Atalaya Masa Valverde, S.L.U on 28 November 2020.

(3) Rio Narcea Nickel, S.L.U. changed its name to Atalaya Ossa Morena, S.L.U on 31 January 2022. In July 2022, Atalaya increased its ownership interest in Proyecto Ossa Morena to 99.9%, up from 51%, following completion of a capital increase that will fund exploration activities.

The following transactions were carried out with related parties:

30.2 Compensation of key management personnel

The total remuneration and fees of Directors (including executive Directors) and other key management personnel was as follows:

	The Group	The Company

(Euro 000's)	2022	2021	2022	2021
Directors' remuneration and fees	**1,028**	1,019	**540**	547
Director's bonus [1]	**357**	438	**-**	-
Share option-based benefits to Directors	**426**	321	**-**	-
Key management personnel remuneration [2]	**571**	522	**-**	-
Key management bonus [1]	**239**	265	**-**	-
Share option-based and other benefits to key management personnel	**417**	327	**-**	-
	3,038	2,892	**540**	547

[1] These amounts related to the approved performance bonus for 2021 by the Board of Directors following the proposal of the Remuneration Committee. The 2022 estimates recorded are not included in the table above as this is yet to be approved by the Board of Directors. There is no certainty or guarantee that the Board of Directors will approve a similar amount for 2022 performance.

[2] Includes wages and salaries of key management personnel of €551k (2021: €505k) and other benefits of €20k (2021: €17k).

At 31 December 2022 amounts due to Directors, as from the Group, are €nil (€nil at 31 December 2021) and €nil (€nil at 31 December 2021) to key management.

At 31 December 2022 amounts due to Directors, as from the Company, are €nil (€nil at 31 December 2021) and €nil (€nil at 31 December 2021) to key management.

Share-based benefits

In 2022, 1,345,000 options (2021: 1,150,000 options) were granted at a price of 357.5 pence, of which 800,000 (2021: 800,000 options) were granted to Directors and key management personnel (see note 23).

During 2022 the Directors and key management personnel have not been granted any bonus shares (2021: nil).

30.3 Transactions with shareholders and related parties

THE GROUP

(Euro 000's)	2022	2021
Trafigura – Revenue from contracts	**77,005**	125,912
Freight services	**-**	-
	77,005	125,912
Gains/(losses) relating provisional pricing within sales	**(5,165)**	4,730
Trafigura – Total revenue from contracts	**71,840**	130,642
	71,840	130,642

THE COMPANY

(Euro 000's)	2022	2021
Sales of services (Note 5):		
• EMED Marketing Limited	**1,404**	978
• ARM SLU	**1,352**	-
• Atalaya Minasderiotinto Project (UK) Limited	**-**	871
	2,756	1,849
Purchase of services (Note 6):		
• ARM SLU	**(66)**	(61)
Other services (Note 6)		
• ARM SLU	**-**	208
• EMED Marketing Limited	**-**	208
Finance income (Note 8):		

Atalaya Minasderiotinto Project (UK) Limited – Finance income from interest-bearing loan:		
• Credit agreement – at amortised cost	**989**	941
• Participative loan – at fair value through profit and loss	**9,157**	12,854
• Credit facility – at amortised cost	**1,465**	1,457
• Restructuring loan – at amortised cost	**1,289**	-
	12,900	15,252

THE GROUP

(Euro 000's)	**2022**	2021
Current assets - Receivable from related parties (Note 19):		
Recursos Cuenca Minera S.L.	**56**	56
	56	56

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

30.4 Year-end balances with related parties

THE COMPANY

(Euro 000's)	**2022**	2021
Non-current assets – Loan from related parties at FV through profit and loss (Note 19):		
Atalaya MinasdeRiotinto Project (UK) Limited – Participative Loan PRT(1)	**-**	173,930
Atalaya MinasdeRiotinto Project (UK) Limited – Eastern Loan (5)	**-**	12
Atalaya Masa Valverde SL – Participative Loan (6)	**6,150**	1,850
Atalaya Ossa Morena SL – Participative Loan (6)	**3,100**	500
Touro Project – Participative Loan (4)	**4,997**	-
	14,247	176,292
Non-current assets – Loans and receivables from related parties at amortised cost (Note 19):		
Atalaya MinasdeRiotinto Project (UK) Limited – Restructuring loan (1)	**245,258**	-
Atalaya MinasdeRiotinto Project (UK) Limited – Credit Expansion Loan (2)	**-**	41,535
Atalaya MinasdeRiotinto Project (UK) Limited – Credit Agreement (3)	**-**	26,354
EMED Marketing Limited (4)	**-**	1,164
Atalaya MinasdeRiotinto Project (UK) Limited– Group cost sharing (4)	**399**	399
Total	**245,657**	69,452
Current assets – Loans and receivables from related parties at amortised cost (Note 19):		
ARM SLU (4)	**1,352**	208
EMED Marketing Limited (4)	**664**	208
Atalaya Touro (UK) Limited (4)	**1,650**	1,634
Atalaya MinasdeRiotinto Project (UK) Limited	**45,000**	
Atalaya Financing Ltd	**108**	34
Total	**48,774**	2,084

(1) This balance bears interest of EURIBOR 12month plus 3.50%. The Participative loan was cancelled on 30 November 2022. The Group signed on 1 December 2022 a new Loan Restructuring Agreement for the amount due of the Participative Loan bearing a EURIBOR 12month plus 3.50% interest and maturing on 30 November 2028.

(2) This balance bears interest of EURIBOR 6month plus 4% (2021: LIBOR 6month + 4.00%).

(3) This balance bears interest of EURIBOR 12month plus 4% (2021: 12month plus 4%). The Note Facility Agreement expired on 29 September 2019. The Group signed on 30 September 2019 a new Credit Agreement for the amount due of the Note Facility Agreement bearing a EURIBOR 12month plus 4% interest and maturing on 30 September 2024

(4) These receivables bear no interest. These balances are repayable on demand. However, management will not claim any repayment in the following twelve months period after the release of the current consolidated financial statements.
(5) This balance bears interest of 3.00% (2021: 3.00%).
(6) This balance bears no interest.

THE COMPANY

(Euro 000's)	**2022**	2021
Payable to related party (Note 25):		
EMED Marketing Limited	**3,825**	-
EMED Mining Spain S.L.	**-**	262
ARM S.L.U.	**-**	372
	3,825	634

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

30.5 Year-end balances with shareholders

(Euro 000's)	**2022**	2021
Receivable from shareholders (Note 19):		
Trafigura – Debtor balance –subject to provisional pricing	**12,800**	20,283
	12,800	20,283

The above debtor balance arising from the pre-commissioning sales of goods bear no interest and is repayable on demand.

31. Contingent liabilities

Judicial and administrative cases

In the normal course of business, the Group may be involved in legal proceedings, claims and assessments. Such matters are subject to many uncertainties, and outcomes are not predictable with assurance. Legal fees for such matters are expensed as incurred and the Group accrues for adverse outcomes as they become probable and estimable.

32. Commitments

There are no minimum exploration requirements at Proyecto Riotinto. However, the Group is obliged to pay local land taxes which currently are approximately €235,000 per year in Spain and the Group is required to maintain the Riotinto site in compliance with all applicable regulatory requirements.

In 2012, 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 impacting the global economy but cannot yet be predicted in full. The main concern now is the rising prices for energy, fuel and other raw materials and rising inflation, which may affect household incomes and business operating costs. The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage.

The main significant events disclosed during the nine months ended 30 September 2022 were:

- On 4 January 2022 the subsidiary EMED Mining Spain, S.L. was winded down (refer to Note 21).
- On 6 January 2022, the Company announced the approval of the construction of the first phase of an industrial scale plant ("Phase I") that utilises the E-LIX System ("E-LIX"), which will produce high value copper and zinc metals from the complex sulphide concentrates sourced from Proyecto Riotinto.
- Through the year, the Company announced share dealings from persons discharging managerial responsibilities ("PDMR") as follows
    - On 26 January 2022, executed certain options by PDMRs;.
    - On 22 February 2022, certain PDMRs had sold ordinary shares of the Company;
    - On 25 August 2022, purchased of 65,000 ordinary shares in Atalaya by a PDMR.
- On 27 January 2022, Atalaya announced that, in accordance with the Company's Long Term Inventive Plan 2020, it had granted 120,000 share options. Further, on 24 June 2022, it was announced the Company has granted 1,225,000 share options to PDMRs and other employees.
- On 3 February 2022, the Company announced the results of five additional drill holes from its ongoing resource definition drilling programme at Proyecto Masa Valverde.
- On 24 March 2022, Atalaya announced that Mr. Harry Liu has stepped down as a Non-Executive Director of the Company with immediate effect.
- On 4 April 2022, funds managed by Hamblin Watsa Investment Counsel Ltd. acquired 5.08% of voting rights.
- The Company has been notified on the following transaction by Allianz Global Investors GmbH ("Allianz"):
    - On 4 April 2022, increased its % of voting rights from below 3% to 3.92%;
    - On 4 May 2022, increased its % of voting rights from 3.92% to 4.07%;
    - On 23 August 2022, increased its % of voting rights from 4.07% to 5.09%; and
    - On 29 September 2022, decreased its share of voting rights from 5.09% to 4.93%.
    - On 10 November 2022, decreased its share of voting rights from 4.93% to 3.98%.
- On 5 April 2022, Atalaya announced a new Mineral Resource Estimate, prepared in accordance with CIM guidelines and disclosure requirements of NI 43-101, for its 100% owned Proyecto Masa Valverde.
- On 7 April 2022, the Company noted the announcement on 1 April 2022 by ICBC Standard Bank Plc ("ICBCS") confirming the sale of the entire holding of Yanggu Xiangguang Copper Co. Ltd ("XGC") (via its subsidiary, Hong Kong Xiangguang International Holdings Ltd), in Atalaya.
- On 8 April 2022 and 9 May 2022, the Company transferred €9.6 million and €1.2 million to Astor from the trust account already established by Atalaya on 15 July 2021 (refer to Note 13).
- On 13 April 2022, Atalaya announced new Mineral Resource Estimates, prepared in accordance with CIM guidelines and disclosure requirements of NI 43-101, for its San Dionisio and San Antonio deposits.
- On 25 April 2022, the Company announced the publication of its inaugural Sustainability Report for the year ended 31 December 2021.
- On 19 May 2022 the Board of Directors appointed Kate Harcourt as an independent Non-Executive Director of the Company.

- On 22 June 2022, the 2022 Annual General Meeting was held, and all the resolutions proposed were dully passed.
- On 23 June 2022, the Company has issued 22,500 ordinary shares of 7.5p in the Company pursuant to an exercise of share options by an employee.
- In July 2022, Atalaya increased its ownership interest in Proyecto Ossa Morena to 99.9%, up from 51%, following completion of a capital increase that will fund exploration activities.
- On 1 November 2022, the Company announced that the Company's Board of Directors established a Sustainability Committee.
- The Company has been notified on the following transaction by BlackRock Inc ("BlackRock") On 9 November 2022, increased its % of voting rights to 4.03%;
- The Company announced that it was notified on 9 November 2022, that Enrique Delgado, a person discharging managerial responsibilities ("PDMR"), had sold 300,000 ordinary shares in Atalaya, respectively, at a price of 272.25 pence per share.
- On 24 November 2022, the Company provided an update on its ongoing exploration programme at its southern Spain projects, including Proyecto Masa Valverde ("PMV"), Proyecto Ossa Morena ("POM"), and Proyecto Riotinto East ("PRE"). Currently, there are four rigs active, three at PMV and one at POM.

Dividends

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

The interim dividend was paid on 20 September 2022.

The Board of Directors has proposed a final dividend for 2022 of US$0.0385 per ordinary share, which is equivalent to approximately 3.15 pence per share totalling €5.0 million. Payment of the Final Dividend is subject to shareholder approval at the Company's 2023 Annual General Meeting. Should it be approved, the Final Dividend, together with the Interim Dividend paid in September 2022, would result in a Full Year Dividend of US$0.0745 per ordinary share, which is equivalent to approximately 6.28 pence per share. Further details on the timing of the potential payment of the Final Dividend will be provided ahead of the AGM.

Further details are given in Note 12.

34. Events after the reporting period

- On 12 January 2023, the Company was notified that Allianz Global Investors GmbH decreased its share of voting rights from 4.93% to 3.98%.
- On 20 February 2023, Atalaya announced that applied a voluntary delisting of its ordinary shares from the Toronto Stock Exchange (the "TSX") with effective date of the closing of trading on 7 March 2023. Ordinary shares in the Company continue to trade on the AIM market of the London Stock Exchange under the symbol "ATYM".
- On 23 February 2023, Atalaya announced the results from a new preliminary economic assessment ("PEA") for the Cerro Colorado, San Dionisio and San Antonio deposits at its Proyecto Riotinto ("Riotinto") operation in Spain.
- Delisting from TSX took effect at the close of trading on 20 March 2023.
- On 21 March 2023, the Company's Board of Directors proposed a Final Dividend of $0.0385 per ordinary share, which is subject to approval by shareholders at the Company's 2023 Annual General Meeting. Should it be approved, the Final Dividend, together with the Interim Dividend paid in September 2022, would result in a Full Year Dividend of US$0.0745 per ordinary share, which is equivalent to approximately 6.28 pence per share.