

Atalaya Mining Plc

Payments to Governments

2017 TAX PAID REPORT

For the year ended 31 December 2017



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Chief Executive Officer's Statement



I am pleased to present the report on the economic contribution and payments to governments made by Atalaya Mining Plc. ("Atalaya").

This report sets out the taxes paid in 2017 by Atalaya and its subsidiaries relating to exploration and mining.

Our sole operating mine is located in Spain. During 2017, our total direct contribution to Spain amounted to €3.2 million. These payments were reflective of our extractive activities, as provided in accordance with the EU Transparency Directive.

A copy of the report can be found below and on the Company's website www.atalayamining.com

"Alberto Lavandeira"

A handwritten signature in black ink, appearing to read 'ALV', is positioned above the name and title of the Chief Executive Officer.

Alberto Lavandeira
Chief Executive Officer

Newgate Communications
4C Communications
Canaccord Genuity (NOMAD and Joint Broker)
BMO Capital Markets (Joint Broker)

Charles Chichester / James Ash / James Browne
Carina Corbett
Henry Fitzgerald-O'Connor / Martin Davison / James Asensio
Jeffrey Couch/Neil Haycock/Tom Rider

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Introduction

This report details payments to governments made by Atalaya Mining Plc and its subsidiaries (“Atalaya” or “the Group”) relating to activities involving the exploration, discovery, development and extraction of minerals, for the year ended 31 December 2017.

This report has been prepared as required by the Transparency Directive Amending Directive (2013/50/EU), with the disclosure of Payments to Governments, in line with Chapter 10 of the EU Accounting Directive (2013/34/EU), along with a voluntary additional report of payments by ‘regions and commodity’.

Figures are presented in thousand Euros. The amounts shown in this report have been rounded to the nearest €1,000.

Basis of Preparation

Scope of report

Disclosure of payments to governments is required in respect of payments arising from the exploration, discovery, development and extraction of minerals; the payments included within this report therefore relate only to Atalaya’s mining activities.

Groups are required to prepare a consolidated report disclosing payments made by the parent company and its subsidiaries. Accordingly, this report reflects payments made by the Group companies conducting mining and exploration activities, including Atalaya Riotinto Minera, S.L.U. and Cobre San Rafael, S.L., its main mining assets.

Atalaya Mining, Plc.

Atalaya is a fast-growing AIM and TSX-listed mining and development company which produces copper concentrates and silver by-product at its wholly owned Proyecto Riotinto site in southwest Spain, and is currently undertaking further expansion.

In addition, the Company has a phased, earn-in agreement to acquire up to 80% ownership of Proyecto Touro, a brown-field copper project in the northwest of Spain which is at the permitting stage.



Our approach to tax and transparency

Our economic contributions, including our royalty and licenses payments, are significant in the Andalusian region. These include providing direct and indirect employment for local communities and supporting local suppliers.

We are aware of our economic impact upon local communities and regions, and take a responsible and transparent approach to communicating this with all of our stakeholders. In addition, our licence to operate depends on ensuring that the benefits our stakeholders gain from our activities include the opportunity for a sustainable future. This includes acting responsibly over our tax affairs.

We believe that communities should have access to clear information on how much their government has earned from the extraction of natural resources. It is also vital that citizens can find out how these revenues contribute to the development of their society and their country's economic status. Ensuring that our host country and communities have transparent information about our payments to the government also reduces the potential for corruption by all parties.

A country that transparently and effectively allocates natural resource wealth for the benefit of its communities has the potential to attract greater, more responsible and longer-term business investment. It is imperative that businesses, governments and civil society work in partnership to support transparency. Behaving transparently and responsibly over our payments to governments is a fundamental part of Atalaya's core values. Our values reflect our purpose, our priorities and the intrinsic beliefs by which we conduct ourselves.

We pay all relevant royalties and licenses in amounts entirely determined by the legislation of relevant national, regional or local government.

The pricing of transactions between Group companies is based on a determination of fair market and arms-length commercial equivalent pricing and terms.

Unless noted otherwise in the report, the following terms have the meanings noted below:

» **Government:**

Any national, regional or local authority of a country and includes any department, agency or undertaking controlled by such an authority.

» **Corporate income tax:**

All taxes that are based on the taxable profits of a company.

» **Royalties:**

Payments to governments in respect of revenue or production related to the extraction of copper.

» **Property taxes:**

Payments to governments relating to the ownership of the property and lands of the operations.

» **Licenses:**

Payments to governments in respect of mining activities.



Materiality

Under the Regulations a payment need not be disclosed if it is a single payment of less than one thousand euros or a series of related payments in a single year whose total is less than this amount. For the purpose of this report, we have used this threshold and payments below one thousand euros are not included, although in some circumstances payments below this threshold have been voluntary included.

Our payments to governments

The payments disclosed in this report are presented on a cash basis during the reporting period. Any cash refunds for excess payments made in the previous year are offset against current year payments, and if the refunds exceed the payments the net refund is shown as a negative amount in this report. There are no in-kind payments.

The report includes all such payments for activities which relate to exploration, discovery, development and extraction of copper and other materials resulting from extracting activities of each of our operations, including joint operations. The report also excludes payments related to refining, processing, marketing and trading.

Atalaya Mining Plc. as parent of the group has prepared the report on a consolidated basis and reports the activity of any subsidiaries which are active in the extractive industry.

An analysis of payments by project is required where payments are attributable to specific projects. Projects are defined as operational activities which are governed by a single contract, license, lease, concession or similar legal agreement, and form the basis for payment liabilities with a government.

Where agreements are substantially interconnected in operating and geographical terms, with substantially similar terms, those agreements should be treated as a single project. Payments may be disclosed at an entity level where payments are made in respect of obligations imposed at that entity level rather than at a project level.

Payments to governments



Country / Entity	Project	Corporate income tax	Royalties	Property Taxes	Licenses	Total
€'000						
Cyprus		-	-	-	-	-
EMED Marketing Ltd		-	-	-	-	-
United Kingdom		25	-	-	-	25
Atalaya Minaseriotinto Project UK, Ltd		25	-	-	-	25
Spain		2,581	261	344	32	3,218
Atalaya Riotinto Minera SLU	Proyecto Riotinto	2,581	248	344	32	3,205
Cobre San Rafael, SL	Proyecto Touro	-	13	-	-	13



