



ATALAYA MINING PLC – BOARD CHARTER

1. PURPOSE OF THE BOARD CHARTER

The Board of Atalaya Mining Plc ("Atalaya Mining" or "the Company") has the ultimate responsibility to its shareholders for the strategy and performance of the Company in general. The Board of Directors of Atalaya Mining (the "Board" or "Board of Directors") is dedicated to fulfilling these duties in a lawful and professional manner, and with the utmost integrity and objectivity. The Board is committed to high standards of corporate governance.

Good governance policies and processes are critical for ensuring that the Company is governed in the best interests of the Company as a whole. The purpose of this document is to articulate and formalise the corporate governance framework within which the Company operates in the form of a Board Charter (the "Board Charter").

This Board Charter is a written policy document that defines the respective roles, composition, responsibilities and authorities of the Board, both individually and collectively, and of management in setting the direction, management and control of the organisation. As such, it establishes the guidelines within which the Directors and Officers are to operate as they carry out their respective roles. It does not in any way constitute legal advice or act as a substitute for legal advice.

This Board Charter has been adopted by the Board to assist the Board and its committees in the exercise of their responsibilities. The principles and policies set out in this Board Charter are in addition to and not intended to change or interpret any laws or the application of the Company's constitution. Nothing in this Board Charter must conflict with the Company's Constitution ("Constitution"). If such a conflict occurs, the Constitution shall prevail.

The Board Charter outlines the functions and responsibilities of the Board and management. The Board gives direction and exercises judgement in setting the Company's objectives and overseeing their implementation. The Chief Executive Officer ("CEO") is responsible to the Board for the day-to-day management of the Company.

The Board Charter has four major sections:

Part A - Defining Governance Roles;

Part B - Improving Board Processes;

Part C - Key Board Functions; and

Part D - Continuing Improvement.

The Board of Directors will review this Board Charter annually, and, if appropriate, revise this Board Charter from time to time. It is the responsibility of the Company Secretary to ensure that the Board is consulted regarding any changes and updates, that the Board Charter is kept current and is reviewed and amended on a yearly basis, and that all Board members are provided with the latest versions of the Board Charter.

PART A - DEFINING GOVERNANCE ROLES

2. THE ROLE AND RESPONSIBILITIES OF THE BOARD

2.1 The Role of the Board

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

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

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

2.2 Responsibilities of the Board

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

The principal functions and responsibilities of the Board include the following:

Code of Business Conduct and Ethics

The Board shall provide leadership to the Company by:

- Guiding the development of an appropriate culture and values for the Company through the establishment and review of The Code of Business Conduct and Ethics (the "Code of Conduct"), rules and procedures to enforce ethical behaviour and provide guidance on appropriate work methods; and
- Always acting in a manner consistent with the Company's culture and Code of Conduct.

The Board shall review the Code of Conduct at least annually and will delegate compliance oversight to the CGNC Committee. The CGNC Committee will also review the process for administering the Code of Conduct every year.

Strategic Planning

- The Board shall set the corporate objectives and strategic direction of the Company and monitor the implementation of that strategy by management.

- The Board shall periodically review, amend or update and approve the Company's strategic planning process, as well as any major strategic initiatives, short- and long-term strategic and business plans prepared by management including annual corporate budgets and long-term budgets such as, operating budgets, capital expenditure budgets and cash flow budgets.
- The Board will at least annually, review management's implementation of the Company's strategic and business plans and, if necessary, approve any material amendments to, or variances from, these plans.

Risk Management

The Board shall, with the assistance of the Physical Risk Management Committee (the "PRC") and the Audit and Financial Risk Management Committee (the "AFRC"):

- identify the risks inherent in the business of the Company and review and approve management's risk philosophy and risk management policies necessary to address, as much as reasonably possible, those identified risks;
- review management reports demonstrating compliance with policies and confirm that management has taken reasonable steps to ensure compliance with standards; and
- ensure that robust and effective risk management, compliance and internal control systems (including legal compliance) are in place and operating effectively to manage principal risks faced by the Company.

Controls and Systems

The Board shall, with the assistance of the AFRC, verify that internal, financial, non-financial and business control, information systems and data security procedures have been established by management and that the Company is applying appropriate standards of corporate conduct for these controls.

Communications

- The Board will ensure corporate accountability to the shareholders primarily through adopting an effective shareholder communications strategy, encouraging effective participation at general meetings and, through the Chairman and CEO, being the key interfaces between the Company and its shareholders.
- The Board in conjunction with the CEO will periodically review the Company's overall communications strategy, including measures for receiving feedback from the Company's shareholders.

Financial Information

The Board shall, with the assistance of the AFRC, periodically:

- review the Company's internal controls relating to financial information and reports provided by management on material deficiencies in, or material changes to, these controls;

- review the integrity of the Company's financial information and systems, the effectiveness of internal controls and management's assertions on internal control and disclosure control procedures; and
- monitor operational and financial position and performance.

Human Resources

The Board shall, with the assistance of the CGNC Committee:

- Periodically review the Company's approach to human resource management and executive compensation.
- Position descriptions: The Board will review and approve position descriptions that set out the duties and responsibilities of the Chairman and each of the Board Committee Chairs. These position descriptions shall be reviewed annually by the CGNC Committee.
- Manage and periodically review succession plans for the Chairman of the Board, the CEO and senior management of the Company.
- Appoint, monitor and directly manage the performance of, and if necessary terminate the CEO;
- Oversee and ratify the appointment, the terms and conditions of the appointment and, where appropriate, removal of the Chief Financial Officer ("CFO") and the Company Secretary.

Executive Management

- The Board will delegate appropriate powers to the CEO, management and committees to ensure the effective day-to-day management of the business and monitoring the exercise of these powers. The Board will make all decisions outside the scope of these delegated powers including evaluating, approving and monitoring major capital expenditures, capital management and all major corporate transactions, including the issue of the Company's securities.

Disclosure

The Board will periodically review management's compliance with the Company's disclosure policies and procedures. The Board will, if necessary, approve material changes to the Company's disclosure policies and procedures.

Meetings

- Meetings of Non-Executive Directors
- The Board shall hold unscheduled or regularly scheduled meetings, or portions of regularly scheduled meetings, at which management is not present at least twice per year.

Attendance and Preparedness

Directors are expected to attend regularly scheduled Board meetings and to have prepared for the meetings by, at a minimum, reviewing in advance of the meeting the materials delivered in connection with the meeting.

Board Review of Charter

The Board shall periodically review the adequacy of the Board's Charter.

3. BOARD STRUCTURE

3.1 Size of the Board

In accordance with the Company's Articles, the Board will consist of a minimum number of two directors but shall not be subject to any maximum number. The composition of the Board shall reflect the particular skills and abilities necessary on the Board to carry out its mandate and successfully oversee and manage the Company's operations. The CGNC Committee shall annually assess the appropriate size and composition of the Board through the annual Board performance review conducted by the CGNC Committee to determine from time to time the size that is most effective.

3.2 Director Independence

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

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

At least annually, the Board shall, with the assistance of the CGNC Committee, determine the independence of each director and the independence of each AFRC member.

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

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

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

3.3 Appointment of Directors

The Board may at any time appoint any person as a Director either to fill a casual vacancy or as an additional Director. The newly appointed Director may hold office until the next annual general meeting and is eligible for re-election at that meeting.

3.4 Skills Required on the Board

The Board, through the CGNC Committee, will maintain a regularly reviewed capabilities matrix. This matrix shall include technical skills, director capabilities and personal attributes. It will normally review the Board's composition against this matrix and recommend any changes in Board composition on at least an annual basis. When considering vacancies, the Board will take into account a candidate's capacity to enhance the mix of skills and experience of the Board.

3.5 Duration of Appointment

Directors shall remain on the Board until required to vacate the office by law or as detailed in the Constitution. The terms and conditions for Directors are contained in their letter of appointment.

4. THE ROLE OF INDIVIDUAL DIRECTORS

As members of the peak decision-making body in the Company, Directors share ultimate responsibility for the Company's overall success. Therefore, Directors have an individual responsibility to ensure that the Board is undertaking its responsibilities as set out in this Board Charter. Directors need to ensure that the Board is providing:

- leadership to the Company, particularly in the areas of ethics and culture;
- a clear and appropriate strategic direction;
- accountability to key stakeholders, particularly shareholders;
- oversight of policies;
- oversight of all control and accountability systems including all financial operations and solvency, risk management and compliance;
- an effective senior management team and appropriate personnel policies; and
- timely and effective decisions on matters reserved to it.

4.1 Directors' Code of Conduct

The Company will maintain the Code of Conduct that governs the conduct of directors, officers and employees of the Company and its subsidiaries. The Code of Conduct contains rules and guidelines for ethical behaviour at the Company, the reporting of illegal or unethical behaviour, and also establishes mechanisms to facilitate the effective operation of the Code of Conduct. The Board will review the Code of Conduct at least annually and will delegate compliance oversight to the CGNC Committee. Such Committee will also review the process for administering the Code of Conduct every year.

In accordance with legal requirements and the Code of Conduct, Directors and key executives of the company:

- will act honestly, in good faith and in the best interests of the whole Company;
- owe a fiduciary duty to the Company as a whole;
- have a duty to use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office;
- will undertake diligent analysis of all proposals placed before the Board;
- will act with a level of skill expected from directors and key executives of a publicly listed company;

- will use the powers of office for a proper purpose, in the best interests of the Company as a whole;
- will demonstrate commercial reasonableness in decision making;
- will not make improper use of information acquired as Directors and key executives;
- will not disclose non-public information except where disclosure is authorised or legally mandated;
- will keep confidential, information received in the course of the exercise of their duties and such information remains the property of the Company from which it was obtained and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by the person from whom the information is provided, or is required by law;
- will not take improper advantage of the position of Director or use the position for personal gain or to compete with the Company;
- will not take advantage of Company property or use such property for personal gain or to compete with the Company;
- will protect and ensure the efficient use of the Company's assets for legitimate business purposes;
- will not allow personal interests, or the interests of any associated person, to conflict with the interests of the Company;
- have an obligation to be independent in judgement and actions, and Directors will take all reasonable steps to be satisfied as to the soundness of all decisions of the Board;
- will make reasonable enquiries to ensure that the Company is operating efficiently, effectively and legally towards achieving its goals;
- will not engage in conduct likely to bring discredit upon the company;
- will encourage fair dealing by all employees with the Company's customers, suppliers, competitors and other employees;
- will encourage the reporting of unlawful/unethical behaviour and actively promote ethical behaviour and protection for those who report violations in good faith;
- will give their specific expertise generously to the company; and
- have an obligation, at all times, to comply with the spirit, as well as the letter of the law and with the principles of the Code of Conduct.

4.2 Expectations of Directors in Board Process

Since the Board needs to work together as a group, Directors need to establish a set of standards for Board meetings. At the Company, it is expected that Directors shall, in good faith, behave in a manner that is consistent with generally accepted procedures for the conduct of meetings at all meetings of the Board. This will include, but not be limited to:

- behaving in a manner consistent with the letter and spirit of the Code of Conduct;
- acting in a businesslike manner;
- making reasonable efforts to attend all meetings of the Board, the annual general meeting of shareholders of the Company and of all the Board committees upon which they serve. Subject to extenuating circumstances, directors are expected to attend at least 75% of regularly scheduled Board and committee meetings. The CGNC Committee will review the circumstances that prevent any director from achieving the minimum level and report its findings to the Board.
- acting in accordance with the Constitution, the Board Charter and other Board policies;
- addressing issues in a confident, firm and friendly manner;
- preparing thoroughly for each Board or Committee event;
- using judgement, common sense and tact when discussing issues;
- minimising irrelevant conversation and remarks;
- ensuring that others are given a reasonable opportunity to put forward their views;
- refraining from interruption or interjection when a speaker has the floor; and
- being particularly sensitive in interpreting any request or direction from the Chairman that aims to ensure the orderly and good-spirited conduct of meetings.

Directors are expected to be forthright in Board meetings and have a duty to question, request information, raise any issue, and fully canvas all aspects of any issue confronting the Company, and cast their vote on any resolution according to their own judgement.

Outside the boardroom, however, Directors will support the letter and spirit of Board decisions in discussions with all stakeholders including any shareholders, special interest groups, customers, staff, suppliers and any other parties.

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

4.3 Conflict of Interest and Related Party Transactions

4.3.1 Conflicts of Interest

Directors must disclose to the Board actual or potential conflicts that may or might reasonably be thought to exist between the interests of the Director and the interests of the Company. On appointment, Directors will have an opportunity to declare any such interests and they will be entered into the Company's Register of Ongoing Conflicts of Interest.

Directors should update this disclosure by notifying the Company Secretary in writing as soon as they become aware of any conflicts. Directors are also expected to indicate to the Chairman any actual or potential conflict of interest situation as soon as it arises. To ensure Directors have an opportunity to disclose new conflicts of interest, the first

agenda item for each Board meeting will be the disclosure of any conflicts of interest. Any amendments to disclosures are to be tabled at this time and entered into the Register of Ongoing Conflicts of Interest.

The Board can request a Director to take reasonable steps to remove the conflict of interest. If a Director cannot, or is unwilling to, remove a conflict of interest, then the Director must absent himself or herself from the room when discussion and voting occur on matters to which the conflict relates.

The entry and exit of the Director concerned will be minuted by the Company Secretary. Directors do not have to absent themselves when either:

- (a) the conflict of interest relates to an interest common to all Directors/shareholders, or
- (b) the Board passes a resolution that identifies the Director, the nature and extent of the Director's interest and clearly states that the other Directors are satisfied that the interest should not disqualify the Director concerned from discussion and/or voting on the matter.

4.3.2 Related Party Transactions

Related party transactions include, among other things, any financial transaction between a Director or officer and the Company and will be reported in writing to each Board meeting.

Under AIM Rule 13, the directors are required to consult with the AIM Nominated Adviser on any related party transaction in order to establish that the terms of the transaction are fair and reasonable insofar as shareholders are concerned.

In general, corporate and securities legislation may require the related party transaction to be approved by shareholders; the Board may not be able to approve these transactions. All potential transactions with related parties will be considered by the Board in light of applicable corporate and securities laws.

The Company Secretary will maintain details of related party transactions in the corporate register.

4.4 Emergency Contact Procedures

As there is the occasional need for urgent decisions, Directors should leave with the Company Secretary any contact details, either for themselves or for a person who knows their location, so that all Directors can be contacted within 24 hours in cases of a written resolution or other business.

5. THE ROLE OF THE CHAIRMAN

The Chairman's role is a key one within the Company. The Chairman is considered the "lead" Director and utilises his/her experience, skills and leadership abilities to facilitate the governance processes. The Chairman will be selected on the basis of relevant experience, skill and leadership abilities that the Board recognises from time to time.

5.1 Specific duties of the chairman

The Chairman will:

- chair Board meetings;
- establish the agenda for Board meetings in consultation with the CEO and the Company Secretary;
- chair meetings of members, including all annual and extraordinary general meetings;
- provide guidance to other Board members about what is expected of them;
- ensure that Board meetings are effective in that:
 - the right matters are considered during the meeting (e.g. strategic and important issues);
 - matters are considered carefully and thoroughly;
 - all Directors are given the opportunity to effectively contribute; and
 - the Board comes to clear decisions and resolutions are noted;
- ensure that the decisions of the Board are implemented properly;
- ensure that the Board behaves in accordance with the Company's Code of Conduct;
- ensure the annual process of Board and Director evaluation is conducted;
- be the primary spokesperson for the Company at the annual general meeting. The Chairman and the CEO will agree between themselves as to their respective roles in relation to all meetings (formal and informal) with shareholders and all public relations activities;
- in consultation with the CEO, approve or delegate authority for the approval of all materials, including investor and shareholder releases, to be submitted to any relevant stock exchange or otherwise publicly filed in accordance with applicable securities laws;
- be the primary channel of communication and point of contact between the Board (and the Directors) and the CEO;
- be kept fully informed by the CEO of all material matters which may be relevant to directors, in their capacity as Directors;
- in conjunction with the CEO and such other appropriate members of senior management, review all matters material to the interests of the Company; and
- provide guidance and mentoring to the CEO.

6. THE ROLE OF THE COMPANY SECRETARY

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

The tasks of the Company Secretary shall include:

Meetings and Minutes

- notifying the directors in writing in advance of a meeting of the Board as specified in the Constitution and the Board Charter;
- ensuring that the agenda and Board papers are prepared and forwarded to Directors prior to the Board meeting as set out in the Board Charter under Part B - Improving Board Processes;
- recording, maintaining and distributing the minutes of all Board and Board Committee meetings as required;
- maintaining a complete set of Board papers at the Company's main office;
- preparing for and attending all annual and extraordinary general meetings of the Company; and
- recording, maintaining and distributing the minutes of all general meetings of the Company.

Compliance

- overseeing the Company's compliance programme and ensuring all Company legislative obligations are met;
- ensuring all requirements of regulatory bodies are fully met; and
- providing counsel on corporate governance principles and Director liability.

Governance Administration

- maintaining the Register of Ongoing Conflicts of Interest and the Register of Related Party Transactions;
- maintaining a Register of Company Policies as approved by the Board;
- maintaining, updating and ensuring that all Directors have an up-to-date copy of the Board Charter and associated governance documentation;
- reporting at each Board meeting the documents executed under a power of attorney, documents executed in accordance with the Companies Law of Cyprus, Cap. 133 and reporting on the use of the Seal Register; and
- any other services the Chairman or Board may require.

7. THE ROLE OF THE CEO

7.1 The Position

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

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

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

7.2 Specific Duties of the CEO

The CEO will:

- develop with the Board, implement and monitor the short- medium- and long-term strategic and financial plans for the Company to achieve the Company's vision and overall business objectives;
- assess business opportunities of potential benefit to the Company;
- develop, implement and monitor the annual budgets and business plans;
- plan, implement and monitor all major capital expenditures, capital management and all major corporate transactions (including the issue of securities of the Company);
- develop all financial reports, and all other material reporting and external communications by the Company, including material announcements and disclosure, in accordance with the Company's Shareholder Communication Policy;
- manage the appointment of the Chief Operating Officer (“COO”), CFO, Company Secretary and other specific senior management positions;
- develop, implement and monitor the Company's risk management practices and policies;
- consult with the Chairman and the Company Secretary in relation to establishing the agenda for Board meetings;
- agree with the Chairman their respective roles in relation to all meetings (formal and informal) with shareholders and all public relations activities;
- in consultation with the Chairman, approve or delegate authority for the approval of all material stock exchange releases, and other investor and shareholder releases;
- be the primary channel of communication and point of contact between members of senior management and the Board (and the directors);
- keep the Chairman fully informed of all material matters which may be relevant to the Board and its members, in their capacity as directors;
- in conjunction with the Chairman and other appropriate members of senior management, review all matters material to the interests of the Company;
- provide strong leadership to, and effective management of, the Company in order to:
 - encourage co-operation and teamwork;
 - build and maintain staff morale at a high level; and
 - build and maintain a strong sense of staff identity with, and a sense of allegiance to, the Company;
- ensure a safe workplace for all personnel;
- ensure that the Company has regard to the interests of employees of the Company and the community and environment in which the company operates;
- advise the Board on the most effective organisational structure and overseeing its implementation;

- establishing and maintaining effective and positive relationships with Board members, shareholders, customers, suppliers and other government and business liaisons;
- ensure statutory, legal and regulatory compliance with corporate policies and standards; and
- otherwise carry out the day-to-day management of the Company.

7.3 Limitations on Authority Delegated to the CEO

The authority delegated to the CEO is determined by the Board and all matters outside the scope of those delegations shall be referred to the Board for approval.

The CEO is formally delegated by the Board to authorise all expenditures (including capital expenditures) as approved by the Board in the budget for the relevant year and the Delegation of Authority matrix, as approved by the Board.

8. THE ROLE OF THE CHIEF FINANCIAL OFFICER

The CFO influencing financial performance of the Company will:

- conduct their duties at the highest level of honesty and integrity, recognising that integrity is the benchmark against which the CFO must conduct all decision making;
- observe the rule and the spirit of the law and comply with any relevant ethical and technical standards;
- maintain the confidentiality of all information acquired in the course of conducting the role and not make improper use of, or disclose to third parties, any confidential information unless that disclosure has been authorised by the Board, or is required by law or by the rules of any relevant stock exchange;
- observe the principles of independence, accuracy and integrity in dealings with the Board, AFRC, other Board Committees, internal and external auditors and other members of senior management within the Company;
- disclose to the Board any actual or perceived conflicts of interest, whether of a direct or indirect nature, of which the CFO becomes aware and which the CFO reasonably believes may compromise the reputation or performance of the Company;
- maintain transparency in the preparation and delivery of financial information to both internal and external users;
- exercise diligence, skill and good faith in the preparation of financial information and ensure that such information is accurate, timely and represents a true and fair view of the financial performance and condition of the Company and complies with all relevant legislative requirements;
- ensure the maintenance of a sound system of internal controls to safeguard the Company's assets and to manage risk exposure through appropriate forms of risk control;
- set a standard of honesty, fairness, integrity, diligence and competency in respect of the position of CFO; and



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- observe, develop and implement the principles of this Board Charter in a conscientious, consistent and rigorous manner.

PART B - IMPROVING BOARD PROCESSES

9. BOARD MEETINGS

9.1 Meeting Frequency

The Board will meet approximately 8 times per year or as determined by the Board. Committees will meet as prescribed by their respective charters, but generally will meet on a quarterly basis, unless otherwise agreed.

9.2 Meeting Time and Location

The Company Secretary shall provide adequate notification to Directors as to time and place for each Board meeting. Board meetings may be held by conference call. The Company Secretary is responsible for arranging the tele-conferencing facility.

9.3 Meeting Cycle

To assist the smooth running of Board processes, the Board has adopted an indicative monthly cycle as follows. The indicative cycle gives Board members seven days to review the agenda and Board papers to save valuable time at meetings by being prepared for discussions and allowing them to seek clarification or further information in advance on ambiguous items.

Under normal circumstances, Board meetings shall follow the following monthly cycle:

Item	Day
Draft agenda prepared by the Company Secretary	-7
Company Secretary updates actions arising from the previous meeting	-5
Company Secretary reviews the proposed agenda with the Chairman	-5
Board papers and agenda are finalised	-4
Board papers are printed (where necessary)	-4
All Board papers are circulated to Board meeting attendees	-4
Board meeting	0
Draft minutes sent to Chairman	+5 to +10
Draft minutes sent to Directors	+10 to +20

Please note, that this is an indicative cycle only. The actual timing of events in the lead up to and follow up from Board meetings will be dependent upon the circumstances surrounding each individual meeting.

9.4 Conduct of Meeting

The Chairman will determine the degree of formality required at each meeting while maintaining the decorum of such meetings. As such, the Chairman will:

- ensure that all members are heard;
- retain sufficient control to ensure that the authority of the Chairman is recognised. This may require a degree of formality to be introduced if this is necessary to advance the discussion;
- take care that the decisions are properly understood and well recorded; and
- ensure that the decisions and debate are completed with a formal resolution recording the conclusions reached.

If the Chairman is not present in person, or by tele-conference in the event the meeting is held by conference call, within 15 minutes after the time appointed for the holding of that meeting, a Director chosen by a majority of Directors present shall assume the role.

9.5 Quorum and Voting at Meetings

In order for a decision of the Board to be valid, a quorum of Directors must be present. As provided in clause 117 of the Company's Articles, the Directors have fixed the quorum necessary for the transaction of the business of the Directors as a majority of the Directors attending in person or through the telephone. Questions arising at Board meetings are to be decided by a majority of votes of Directors who are present and entitled to vote. In case of an equality of votes, the Chairman shall have a second or casting vote.

9.6 Decision Making - Written Resolutions

Other matters may be dealt with by "circular (written) resolution". Circular (written) resolutions should, where possible, be approved by the Chairman before being circulated.

In accordance with clause 124 of the Company's Articles, a resolution in writing signed or approved by letter, email, facsimile or other form of electronic transmission by each Director shall be as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held and when signed may consist of several documents each signed by one or more of the persons aforesaid.

9.7 Board Meeting Agenda

An agenda will be prepared for each Board and Committee meeting by the Company Secretary, in consultation with the Chairman and the CEO. However, any Director may request items to be added to the agenda for upcoming meetings. The Company Secretary circulates the agenda to all Directors with the Board papers at least seven days prior to the meeting.

Each Director is free to raise at any Board meeting subjects that are not on the agenda for that meeting.

10. BOARD PAPERS

10.1 Preparation and Circulation of Board Papers

The Company Secretary together with the CEO is responsible for the preparation and circulation of Board papers. The Board papers will be circulated to Directors prior to the Board meeting.

10.2 Retention of Board Papers

The Company Secretary maintains a complete set of Board papers at the Company's headquarters. However, individual Directors may retain their own Board papers in a secure location.

11. BOARD MINUTES

The Company Secretary, his or her designate or any other person the Board requests, shall act as secretary of Board meetings. Minutes of Board meetings shall be recorded and maintained by the Company Secretary and subsequently presented to the Board for approval.

Minutes are to be a concise summary of the matters discussed at a Board Meeting. Minutes will contain a brief reference to relevant Board papers tabled plus any official resolutions adopted by Directors. All decisions will be recorded in the minutes by means of a formal resolution.

12. BOARD CALENDAR

In order to provide an even distribution of work over each financial year, the Board will adopt a twelve-month Board Calendar. Included will be all scheduled Board and Committee meetings as well as major corporate and Board activities, such as strategic planning and the CEO's evaluation, to be carried out in particular months. It will be updated and approved prior to the start of each calendar year.

13. COMMITTEES

Committees Established

The Board may establish Committees to assist it in carrying out its responsibilities. The Board has the ability to alter the roles of each Committee as it sees fit. Each of the Committees of the Board shall be comprised of a minimum of three directors and chaired by an independent Non-Executive Director. In the case of the AFRC, all members will be independent.

- ✓ The Board currently has three committees:
- ✓ Audit and Financial Risk Management Committee;
- ✓ Corporate Governance, Nominating and Compensation Committee; and
- ✓ Physical Risk Management Committee.

Committee Charters

The Board has approved charters for each Board Committee and shall approve charters for any new Board Committee. Each charter shall be reviewed by its respective committee as well as the CGNC Committee on an annual basis, and, based on recommendations of the relevant Committee and the Chairman of the Board, be approved by the Board.

Committee Reporting to Board

To facilitate communication between the Board and its Committees, each Committee Chair shall provide a report to the Board on material matters considered by the



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Committee at the next Board meeting after each meeting of the Committee and provide access to Committee papers.

PART C - KEY BOARD FUNCTIONS

14. THE BOARD AND STRATEGY

Each year the Board will approve a formal strategic planning process that articulates the respective roles and levels of involvement of the Board, Senior Management and other employees and will review the strategic plan for the Company Group.

15. CONTACTS AND ADVISORY ROLE

15.1 CEO/Managing Director Advisory Role

It is recognised that a key directorial duty is providing a sounding board for the CEO's ideas and challenges. Recognising that the CEO's relationship with the Board is critical to effective corporate governance, Directors should provide frank and honest advice to the CEO. It is expected that the Chairman will play a key part of this role and will maintain regular contact with the CEO.

All advice should be constructive in nature and provided in a positive manner. Where appropriate, Directors should recommend possible alternative advisers if they do not feel adequately trained to assist.

Under AIM Rule 31 the Company must seek advice from its nominated adviser regarding its compliance with the AIM rules whenever appropriate and take that advice into account. The Company must provide its nominated adviser with any information it reasonably requests or requires in order for that nominated adviser to carry out its responsibilities under the AIM rules and the AIM Rules for Nominated Advisers, including any proposed changes to the board of directors and provision of draft notifications in advance.

15.2 Protocol for Interaction with Internal and External Parties

15.2.1 Media Contact and Comment

The Board has designated the CEO or the Chairman (where appropriate) to speak to the press on matters associated with the Company. In speaking to the press, the CEO or the Chairman will not comment on price sensitive information that has not already been publicly disclosed in accordance with the rules of any relevant stock exchange or applicable securities laws; however, they may clarify previously released information. To assist in safeguarding against the inadvertent disclosure of price sensitive information, the CEO and the Chairman will be informed of what the Company has previously disclosed to the market on any issue prior to briefing anyone outside the Company.

The CEO or the Chairman may delegate (where appropriate) on Company's officers or Senior Management to speak to the press on external parties.

Provided that the information or disclosure is not "material information" that has not otherwise been publicly disclosed or that necessitates the issuance of a press release in order to comply with timely disclosure requirements, or would otherwise constitute "selective disclosure":

- i. The Chairman is authorised to comment on:
 - Annual and half-yearly results at the time of the release of the annual or half-yearly report;
 - Resolutions to be put to General Meetings of the Company shareholders;
 - Changes in Directors, any matter related to the composition of the Board or Board processes;
 - Any speculation concerning Board meetings or the outcomes of Board meetings; and
 - Other matters specifically related to shareholders.
- ii. The CEO is authorised to comment on:
 - Annual and half-yearly results at the time of the release of the annual or half-yearly report;
 - The Company's future outlook;
 - Any operational matter;
 - Other media queries concerning operational issues which reflect either positively or negatively on the Company;
 - Proposed or actual legal actions; and
 - Queries and general discussions concerning the Company's industry.

There will be times when Directors and employees will be approached by the media for public comment. On such occasions, the Director(s) or employee(s) should comply with the following:

- a. Refer the person to the CEO or Chairman of the Board as appropriate for comment;
- b. Refrain from disclosing any information, documents or other forms of data to the person without the prior consent of the CEO or the Chairman of the Board; and
- c. Report the person who contacted the Director/employee, the reason (explicit or inferred) for the contact and a summary of any other relevant information as soon as possible to the CEO or the Chairman.

15.2.2 External Communications including Analyst Briefings and Responses to Shareholder Questions

The Company discloses its financial and operational results to the market each half year/quarter and informs the market of other events throughout the year as they occur. Financial reports, media releases and shareholder meeting addresses and presentations will be lodged and/or publicly filed, in accordance with the policies of any relevant stock exchanges and applicable securities laws and subsequently posted to the Company's website. As all financial information will be disclosed, in accordance with the policies of the relevant stock exchanges and applicable securities laws, the Company will only comment on factual errors in information and underlying assumptions when commenting on market analysts' financial projections, rather than commenting on the projections themselves.

In addition to the above disclosures, the Company does conduct briefings and discussions with analysts and institutional investors. However, price sensitive

information will not be discussed unless that particular information has been previously formally disclosed to the market in accordance with the policies of the relevant stock exchanges and applicable securities laws. Slides and presentations used in briefings will also be released immediately prior to the briefing to the market in accordance with the policies of the relevant stock exchanges and applicable securities laws and posted on the Company's website.

After the conclusion of each briefing or discussion, it will be reviewed to determine whether any price sensitive information has been inadvertently disclosed. If any price sensitive information was disclosed, it will be publicly announced immediately in accordance with the policies of the relevant stock exchanges and applicable securities laws and then posted on the Company's website.

15.3 Hospitality and Gifts

While the Company recognises the need from time to time to give or accept customary business courtesies in accordance with ethical business practices, Directors and officers will not solicit such courtesies and will not accept gifts, services, benefits or hospitality that might influence, or appear to influence, the Directors' and officers' conduct in representing the Company.

16. MONITORING

Another essential function of the Board is to monitor the performance of the organisation in implementing its strategy and overall operational performance. This is achieved by measuring actual results during the year with budgets and business plans that have been approved by the Board as part of the Company's planning and budgeting processes.

17. COMPLIANCE

The Board is charged with overseeing, reviewing and ensuring the integrity and effectiveness of the Company's compliance systems. The Board has established the CGNC Committee that is responsible for overseeing the Company's compliance systems and reporting to the Board on those systems.

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18. RISK MANAGEMENT

Since risk management is a complex and critical component of the Company's governance, the Board has established a PRC to oversee and guide the details of this topic.

The CEO is charged with implementing appropriate risk systems within the Company. Aspects of this process may be delegated.

Therefore, the primary objectives of the risk management system at the Company are to ensure:

- all major sources of potential opportunity for and harm to the Company (both existing and potential) are identified, analysed and treated appropriately;

- business decisions throughout the Company appropriately balance the risk and reward trade-off;
- regulatory compliance and integrity in reporting are achieved; and
- senior management, the Board and investors understand the risk profile of the Company.

The PRC reviews all major strategies and purchases for their impact on the risk facing the Company and makes appropriate recommendations to the Board. The Company also undertakes an annual review of operations to update its risk profile. This normally occurs in conjunction with the strategic planning process.

The Board receives a quarterly report on those areas of risk identified by the PRC.

19. DELEGATION OF AUTHORITY

Directors are responsible for any delegations of their responsibilities with regard to corporate operations. As such, they decide as a Board what Company matters are delegated to either specific Directors or management. In addition, they outline what controls are in place to oversee the operation of these delegated powers. Consequently, individual non-executive Directors have no individual authority to participate in the day-to-day management of the Company including making any representations or agreements with member companies, suppliers, customers, employees or other parties or organisations.

The exception to this principle occurs where the Board through resolution explicitly delegates an authority to the Director individually. Additionally, it is recognised that all Executive Directors will carry significant delegated authority by virtue of their management positions as outlined in a relevant Board resolution.

Similarly, Committees and their members require specific delegations from the Board as a whole and these will be contained in each Committee's respective charters.

19.1 General Delegations

A summary list of delegations and authorities is provided to all operating units and company locations, while a complete list is held in the Company's safe custody at the Company's head office and regional offices as necessary.

In general, the Board delegates all powers and authorities required to effectively and efficiently carry out the Company's business. Listed below are the exceptions to these delegations, whereby the Board or appropriate Committee reserves the powers, as indicated.

19.2 Decisions Requiring Board Approval

The following decisions (some of which are also included in the Delegation of Authority Matrix), which must be referred to the Board for approval include, but are not limited to the following:

- Acquiring or selling shares of the Company;
- Acquiring, selling or otherwise disposing of property in excess of the amount stated in the DOA Matrix of the Company;

- Founding, acquiring or selling subsidiaries of or any company within the Company, participating in other companies or dissolving or selling the Company's participation in other companies (including project joint ventures);
- Acquiring or selling patent rights, rights in registered trademarks, licences or other intellectual property rights of the Company;
- Founding, dissolving or relocating branch offices or other offices, plants and facilities;
- Starting new business activities, terminating existing business activities or initiating major changes to the field of the Company's business activities;
- Approving and/or altering the annual business plan (including financial planning) for the Company or any part of the Company;
- Taking or granting loans which exceed the amount stated in the DOA Matrix (including, without limitation, the placing of credit orders, issuing of promissory notes or loans against IOUs);
- Granting securities of any type;
- Granting loans to Company officers or employees and taking over guarantees for the Company's officers and employees;
- Determining the balance sheet strategy for the Company or any part of the Company;
- Entering into agreements for recurring, voluntary, or additional social benefits, superannuation agreements or agreements for general wage and salary increases;
- Determining the total amount of bonuses and gratuities for Company officers and employees;
- Determining the appointment, termination, prolongation of employment or amendment to conditions of employment of members of the Board of Directors; and
- Granting or revoking a power of attorney or limited authority to sign and/or act on behalf of the Company.

PART D - CONTINUING IMPROVEMENT

20. DIRECTOR PROTECTION

20.1 Information Seeking Protocol

Directors will adhere to the following protocol when seeking information:

- a. Approach the CEO or Company Secretary to request the required data.
- b. If the data is not forthcoming, approach the Chairman.
- c. If the information is still not forthcoming, write a letter to all Board members and the CEO detailing the information that is required, the purpose of the information, and who the Director intends to approach in order to obtain the information.

20.2 Access to Independent Professional Advice

A Director of the Company is expected to exercise considered and independent judgement on the matters before them. To discharge this expectation, a Director may from time to time need to seek independent, expert opinion on matters before them.

All Directors are entitled to seek independent professional advice (including but not limited to legal, accounting and financial advice) at the Company's expense on any matter connected with the discharge of his responsibilities in accordance with the procedures set out below.

A Director must seek the prior approval of the Chairman and inform the Chairman about:

- the nature of the opinion or information sought;
- the reason for the advice;
- the terms of reference for the advice;
- the estimated cost of the advice; and
- details of the advisor the Director proposes to engage.

Where more than one Director is seeking advice about a single issue, the Chairman shall endeavour to coordinate the provision of the advice.

The Chairman has delegated authority to authorise expenditures up to €20,000. If the Chairman withholds authorisation, the Director has the right to seek authority from the Board at the next Board meeting.

If the cost of professional advice is likely to exceed €20,000, then the Board must approve the engagement of an external expert.

Advice so received should be received on behalf of the Board as a whole.

20.3 Access to Board Papers

For the discharge of their duties, Directors shall have free and unrestricted access at all times, either directly or through its duly appointed representatives, to officers of the Company and to the relevant books, records and systems of the Company as considered appropriate.

20.4 Insurance

The Company holds a Directors' and Officers' Insurance Policy which insures Directors against costs and expenses which may be incurred in defending proceedings and against other liabilities which may arise from their positions.

20.5 Deed of Indemnity and Access

The Company shall enter into a Deed of Indemnity and Access with each Director.

21. BOARD AND SENIOR EXECUTIVE EVALUATION

21.1 Evaluation Process

The Board considers the evaluation of its own and senior executive performance as fundamental to establishing a culture of performance and accountability. With the assistance of the Corporate Governance, Nomination and Compensation Committee, the Board will periodically consider how directors maintain the skill and knowledge necessary to meet their obligations as directors, including through continuing education programmes, and evaluate the performance of the Board, each of its committees and each of the Directors.

21.2 Board and Director Evaluations

The Board considers the ongoing development and improvement of its own performance as a critical input to effective governance. At least once in each financial year, there must be a performance evaluation and review.

The review is based on a number of goals established for the Board and individual Directors including those for the upcoming year. The goals are based on corporate requirements and any areas for improvement identified in previous reviews.

The Chairman provides each Director with confidential feedback on his or her performance. This feedback is used to develop a development plan for each Director. The Board does not endorse the reappointment of a Director who is not satisfactorily performing the role.

21.3 Board Committee Evaluations

At the annual review, the Board sets a number of expectations of its Committees. These expectations are derived after considering the results of previous reviews, an assessment of the Company's current and future needs, and a review of each Committee's Charter or purpose. As a result of this review, the Board may amend or revoke a Committee's Charter.

The results of the review are a key input into the expectations set by the Board for the coming year.

21.4 Senior Executive Evaluations

All senior executives at the Company are subject to an annual performance evaluation. At least once in each financial year, senior executives (including the CEO) establish a set of performance targets with her or his superior. These targets are aligned to overall business goals and the Company's requirements of the position. In the case of the CEO,

these targets are negotiated between the CEO and the CGNC Committee and signed off by the whole Board.

An informal assessment of progress is carried out and a full evaluation of the executive's performance against the agreed targets including those for the upcoming year takes place at least once in each financial year. Since the Company is committed to continuous improvement and the development of its people, the results of the evaluation form the basis of the executive's development plan. Performance pay components of executives' packages are dependent on the outcome of the evaluation.

22. NON-EXECUTIVE DIRECTOR COMPENSATION

22.1 Fees

Non-executive Directors are paid their fees out of the maximum aggregate amount approved by shareholders for the compensation of non-executive Directors. The sum each non-executive Director is paid is determined by the CGNC Committee from time to time. Additional fees may be paid for chairing and participating on Board Committees.

22.2 Performance-Based Bonus

Non-executive Directors do not receive performance-based bonuses.

22.3 Equity-Based Compensation

The Company's employee option plan and employee share plan do not exclude non-executive directors from participation. Non-executive Directors may choose to receive shares in the Company as part of their compensation instead of receiving cash and may participate in equity schemes of the Company such as option plans, that are designed to encourage enhanced performance by the participant.

22.4 Other Benefits

In addition, non-executive Directors have their indemnity insurance paid by the Company.

23. DIRECTOR DEVELOPMENT

The Company is committed to the continuing development of its Directors and executives. In line with this commitment, there is an expectation that all Directors and senior executives will commit to at least 2 days of professional development each year. The Board allocates an annual budget of €15,000 to encourage Directors to participate in training and development programmes. Any Director wishing to undertake either specific directorial training or personal development courses is expected to approach the Chairman for approval of the proposed course. Development may be in both governance and governance processes or in the Company's industry.

24. DIRECTOR INDUCTION

New Directors will undergo an induction process in which they will be given a full briefing on the Company. This will include meeting with key executives, site visits as the Board determines appropriate from time to time, an induction package and presentations. Information conveyed to the new Director will include:

- details of the roles and responsibilities of a Director with an outline of the qualities required to be a successful Director;
- formal policies on Director appointment as well as conduct and contribution expectations;
- details of all relevant legal requirements;
- a copy of the Board Charter;
- guidelines on how the Board processes function;
- details of past, recent and likely future developments relating to the Board including anticipated regulatory changes;
- background information on and contact information for key people in the organisation including an outline of their roles and capabilities;
- an analysis of the Company including:
 - core competencies of the Company;
 - an industry background briefing;
 - a recent competitor analysis;
 - details of past financial performance;
 - current financial structure; and
 - any other important operating information;
- a synopsis of the current strategic direction of the Company including a copy of the current strategic plan and annual budget;
- a copy of the Constitution of the Company; and
- Directors Deed of Indemnity and Right of Access to Documents, if applicable.