24 March 2022

Atalaya Mining Plc.
("Atalaya" or "the Company")
2021 Annual Results

Achieved new record production, EBITDA and cash flow as well as enhancing asset portfolio

Atalaya Mining Plc (AIM: ATYM, TSX: AYM) is pleased to announce its audited consolidated results for the year ended 31 December 2021 ("FY2021" or the "Period") and the publication of its Annual Report for the Period.

The Audited Consolidated Financial Statements and Annual Report for FY2021 are also available under the Company's profile on SEDAR at www.sedar.com and on Atalaya's website at www.atalayamining.com.

FY2021 Highlights

- Record annual copper production of 56,097 tonnes
- Record financial performance, including EBITDA of €199.1 million and cash flows from operating activities of €148.8 million
- Asset portfolio enhanced – Cerro Colorado reserves, optioned Riotinto East, acquired Ossa Morena, approved E-LIX Phase I and 50MW solar plant, Masa Valverde exploration
- Paid inaugural dividend of US$0.395 per ordinary share (~US$54.6 million) and announced future dividend policy
- Ended the Period with robust balance sheet including net cash of €60.1 million

FY2021 Financial Results Summary

Year ended 31 December		**2021**	2020	Var. (%)
Revenues from operations	€k	**405,717**	252,784	60.5
Operating costs	€k	**(206,603)**	(185,341)	11.1
EBITDA	€k	**199,114**	67,444	195.2
Profit after tax for the period	€k	**132,226**	30,390	335.1
Basics earnings per share	€ cents/share	**96.7**	22.9	322.3
Dividend per share	$/share	**0.395**	-	
Cash flows from operating activities	€k	**148,841**	62,916	136.6
Cash flows used in investing activities (1)	€k	**(87,531)**	(30,160)	190.2
Cash flows from in financing activities	€k	**1,851**	760	143.6
Net cash / (debt) position (2)	€k	**60,073**	(15,233)	n.a.
Working capital surplus	€k	**102,430**	(17,904)	n.a.
Average realised copper price	**$/lb**	**4.14**	2.70	53.3
Cu concentrate produced	(tonnes)	**270,713**	256,001	5.7
Cu production	(tonnes)	**56,097**	55,890	0.4
Cash costs	**$/lb payable**	**2.18**	1.95	11.8
All-In Sustaining Cost ("AISC")	**$/lb payable**	**2.48**	2.21	12.2

(1) Includes €53 million early payment of the Deferred Consideration to Astor.
(2) Includes restricted cash and bank borrowings at 31 December 2021 and 2020.

FY2021 Operating Results Summary

Units expressed in accordance with the international system of units (SI)	**Unit**	**2021**	2020

Ore mined	Mt	**13.5**	13.6
Ore processed	Mt	**15.8**	14.8
Copper ore grade	%	**0.41**	0.45
Copper concentrate grade	%	**20.72**	21.83
Copper recovery rate	%	**85.97**	84.53
Copper concentrate	t	**270,713**	256,001
Copper contained in concentrate	t	**56,097**	55,890
Payable copper contained in concentrate	t	**53,390**	53,330

Mining

Mining operations have continued normally despite COVID-19, with sufficient equipment on site to maintain the higher production levels required for the full operation of the expanded plant. Ore mined in 2021 was 13.5 million tonnes, in line with the previous year (13.6 million tonnes).

Processing

During FY2021, the plant continued to operate above nameplate capacity of 15 Mtpa and processed 15.8 million tonnes of ore with an average copper head grade of 0.41% and a recovery rate of 85.97%. In comparison to FY2020, the increased throughput and metallurgical recoveries more than offset the lower copper grades. In Q4 2021, 3.9 million tonnes of ore were processed, reporting a consistent quarterly throughput.

On-site concentrate inventories as at 31 December 2021 were approximately 5,254 tonnes (12,180 tonnes at 31 December 2020) which were fully sold in January 2022. All concentrate in stock was delivered to the port at Huelva.

Production

Concentrate production for FY2021 was 270,713 tonnes compared to 256,001 tonnes in FY2020. Contained copper was 56,097 tonnes compared to 55,890 tonnes in FY2020. Payable copper amounted to 53,390 tonnes from 53,330 tonnes in FY2020.

FY2021 Financial Results Highlights

Income Statement

Revenues for FY2021 increased to €405.7 million compared with €252.8 million for FY2020. Higher revenues were the result of increased realised copper prices and slightly larger volumes of concentrate sold.

The realised copper price for FY2021 was $4.14/lb compared to $2.70/lb in FY2020. Concentrates were sold under the offtake agreements in place and spot sales during the year. The Company did not enter into any hedging agreements in either 2021 or 2020.

Operating costs for FY2021 amounted to €206.6 million, compared to €185.3 million in FY2020. Higher costs in FY2021 were mainly attributable to the increase in production volumes plus more tonnes of waste extracted resulting in higher unit costs.

EBITDA increased 195% year on year to reach €199.1 million in FY2021, compared to EBITDA of €67.4 million for FY2020. The increase is mainly attributed to higher copper prices and larger volumes of concentrate sold, offset by higher cash costs.

Cash costs for FY2021 were $2.18/lb payable copper, above FY2020 of $1.95/lb payable copper. Higher cash costs in FY2021 are mainly attributable to higher mining costs that resulted from a

higher strip ratio compared to 2020, longer distances and, to a lower extent, higher freight rates. AISC for FY2021 were $2.48/lb payable copper compared to $2.21/lb payable copper in FY2020. Higher AISC mainly related to higher underlying cash costs as well as higher stripping costs and sustaining capex. Consistent with the calculation used in previous reportings, AISC excludes one-off investments in the tailings dam expansion that amounted to €14.1 million during the Period.

Balance Sheet

Unrestricted cash and cash equivalents as at 31 December 2021 increased to €95.7 million from €37.8 million at 31 December 2020. The increase in cash balances is due to the strong cash flows generated during FY2021. Unrestricted cash balances include balances at the operational and corporate level. Restricted cash of €15.4 million is related to the amount that the Company transferred to a trust account and represents the full amount of interest claimed by Astor Management AG ("Astor") to 30 June 2022, as detailed below and in note 29 of the Financial Statements (Deferred Consideration).

As of 31 December 2021, Atalaya reported a working capital surplus of €102.4 million, compared with a working capital deficit of €17.9 million as at 31 December 2020. The main liability of the working capital is trade payables related to Proyecto Riotinto suppliers and, to a lesser extent, payments due to Astor and short-term loans following the drawdown of credit facilities during Q1 2021. The increase in working capital resulted from higher cash balances as well as payment of the Deferred Consideration, which was included in current liabilities at the end of 2020, by utilising long-term credit facilities to fund the early payment of the Deferred Consideration. At 31 December 2021, trade payables have been decreased by 21% compared with the same period last year.

Cash Flow Statement

Cash and cash equivalents increased by €69.8 million in the twelve-month period ended 31 December 2021. This increase was due to cash from operating activities amounting to €148.8 million, cash used in investing activities amounting to €87.5 million and cash generated by financing activities totalling €1.9 million, and net foreign exchange of €6.6 million.

Cash generated from operating activities before working capital changes was €200.3 million in line with EBITDA of €199.1 million. Atalaya increased its trade receivables by €8.8 million and its inventory levels by €1.2 million and trade payables decreased in the period by €14.4 million. Corporate tax paid during the period was €25.8 million.

Investing activities in FY2021 amounted to €87.5 million, relating mainly to the €53 million early payment of the Deferred Consideration to Astor and the capitalised expenditures relating to the tailings dam project and continuous enhancements to the processing systems of the plant.

Financing activities in FY2021 amounted to €1.9 million. The Company increased its external financing by €49.4 million due to the use of existing unsecured credit facilities to pay the Deferred Consideration. The payment was financed by unsecured credit lines provided 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 €47.3 million.

Inaugural Dividend and Future Dividend Policy

In October 2021, the Company declared its inaugural dividend and announced a future dividend policy (the "Dividend Policy") that will take effect during FY2022.

The inaugural dividend of approximately $0.395 per share was paid on 1 December 2021 to Atalaya shareholders on record at the close of business on 5 November 2021.

The Dividend Policy will make an annual pay-out of 30 – 50% of free cash flow generated during the applicable financial year, and be paid in two half-yearly instalments that will be announced in conjunction with future interim and full year results.

Sustainability Reporting

Atalaya continues to focus on enhancing its disclosure around its sustainability practices.

Following the announcement made on 25 January 2022 where the Company published its "*Approach to Sustainability*" summary document, Atalaya expects to release its inaugural sustainability report for 2021 in the coming weeks.

Energy Market Developments in Spain

Current Situation

As described in the Company's announcement on 13 January 2022, Atalaya has been closely monitoring developments in Spain's energy market, which experienced elevated and volatile prices in late 2021 and early 2022.

Since the start of Russia's military invasion of Ukraine, the electricity prices in Spain have shown further increases in volatility and price spikes that recently reached unprecedented levels. The electricity price is now below prior peaks and has averaged above €200/MWh so far in 2022. For reference, in 2021, the Company's fixed price contract supplied electricity at a rate of €65/MWh including tolls and taxes and accounted for approximately 10% of cash costs.

Atalaya believes that current energy market dynamics are unusual and temporary, and notes media reports on discussions between Spain and the EU regarding potential changes to the current electricity pricing mechanism, which could reduce the influence of record high gas prices on the overall electricity price in Spain.

50MW Solar Plant and New Power Purchase Agreement ("PPA")

In line with its strategy to reduce its energy costs and exposure to market pricing, the Company has continued to progress the development of its 50MW solar plant and has secured long term pricing contract with national utilities.

Construction is now underway at the Company's 50MW solar plant project, with civil works being advanced and equipment orders in place. The solar plant is expected to come online in H1 2023 and will provide approximately 22% of the Company's power requirements going forward.

The Company has also entered into a new long-term PPA for approximately 31% of the Company's current electricity requirements. Under the 10-year agreement, deliveries will begin in 2023 and pricing is fixed at approximately 80% of the rate realised in 2021.

Other Initiatives Under Evaluation

In order to reduce the Company's long-term exposure to the spot electricity market, Atalaya continues to evaluate several other energy supply initiatives. These include the potential development of a local wind farm, the addition of solar capacity beyond the 50MW facility already under construction and establishing energy storage facilities. Each initiative, if implemented, would also serve to reduce Atalaya's overall carbon footprint.

As a result of the Company's balance sheet strength, its relationships with lenders in Spain, and the current and expected incentive structure for renewable energy project development, Atalaya

expects that any future initiatives would be financed by a combination of own cash generation and limited recourse debt at competitive terms.

Outlook for 2022

Production

As previously announced, production guidance for FY2022 is 54,000 to 56,000 tonnes of copper, which is consistent with Atalaya's record production in FY2021.

Whilst the Company maintains the production guidance, it expects that first quarter 2022 production will be lower than the remaining quarters of 2022, mainly due to the need to bring forward of certain plant maintenance to earlier in the year coupled with supply chain strikes in Spain.

The Company will continue to monitor the electricity market environment and may make temporary changes to its operating plan if prices were to increase materially from current levels and remain elevated for a sustained period.

Operating Costs

In line with our global mining sector peers, the Company is experiencing inflationary cost pressures in a number of key inputs, most notably those linked to natural gas and oil prices, which influence the cost of diesel, tyres, explosives, grinding media, lime and freight. In order to moderate some impact of these cost increases, the Company continues to identify opportunities to reduce consumption and source inputs from new suppliers.

As a result of actual electricity costs in early 2022, the Company is providing cash cost and AISC guidance that reflects a range of outcomes of potential energy costs for the full year and is as follows:

- 2022 cash cost range of $2.25 to $2.80/lb
- 2022 AISC range of $2.50 to $3.05/lb (net of 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 electricity annual average market price range of €100 to 200/MWh for the full year of 2022. Accordingly, a significant proportion of the guided cost increase over 2021 is attributable to the assumed increase in electricity prices.

The Company will continue to update the market on cost guidance as the energy situation globally, and particularly in Spain, normalises and the ability to forecast electricity prices improves.

Capital Expenditures

Atalaya remains committed to growing its production and enhancing the efficiency and sustainability of its operations.

For 2022, the Company will be making the following capital investments:

- €11.9 million for the 50 MW solar plant, out of the total budget of ~€28 million
- €15.0 million for the Phase I E-LIX plant
- €12.5 million for expansion of the Riotinto tailings facility

Exploration

Atalaya controls a large and strategic land package in the Iberian Pyrite Belt, where numerous high-quality discoveries have been made in recent years by Atalaya and its neighbours.

For 2022, the Company's exploration budget is approximately €10 million, with a focus on expanding and enhancing the resource at Proyecto Masa Valverde and testing prospective targets at Proyecto Riotinto East and Ossa Morena.

Approval of Phase I E-LIX Plant

In January 2022, the Company announced it had approved the construction of a Phase I industrial-scale plant that utilises the E-LIX System, which will produce high value copper and zinc metals from complex sulphide concentrates. The E-LIX System is expected to unlock significant value from Atalaya's portfolio of polymetallic resources in the Riotinto District by materially increasing metal recoveries, reducing transportation costs, treatment charges and penalties, while also reducing the Company's carbon footprint.

The plant has a construction budget of €15 million Phase I plant has been designed to produce 3,000 tonnes of copper metal or 10,000 tonnes of zinc metal per year depending on the nature of the concentrate feed. Construction activities are under way and the plant is expected to reach steady-state production in H2 2022.

Update on Asset Portfolio

Riotinto District – Cerro Colorado

In June 2021, the Company announced a new independent reserve estimate for the Cerro Colorado open pit at Proyecto Riotinto, which confirmed its status as a long-life mine. Independent consultants are currently finalising the supporting NI 43-101 compliant technical report for Proyecto Riotinto.

Riotinto District – San Dionisio and San Antonio

Following the June 2021 announcement of an internal resource estimate for the San Dionisio deposit, consultants were engaged to produce independent NI 43-101 compliant resource estimates for both the San Dionisio and San Antonio deposits. The estimates will be incorporated in the new Proyecto Riotinto NI 43-101 compliant technical report described above.

San Dionisio and San Antonio are located adjacent to the existing Cerro Colorado open pit. It is expected that a significant portion of San Dionisio could be mined via open pit methods, while San Antonio could be mined using underground methods. Both deposits could provide material that is significantly higher in grade than the ore currently being mined at Cerro Colorado, potentially allowing the Company to increase production without the need to further expand capacity at Riotinto's 15 Mtpa plant.

Riotinto District – Proyecto Masa Valverde ("PMV")

PMV consists of two polymetallic deposits, Masa Valverde and Majadales, and several drill-ready targets that are located less than 30 kilometres from Proyecto Riotinto. It is expected that the Masa Valverde and Majadales deposits could be mined via underground methods following the construction of a ramp. Thereafter, ore would be trucked to Riotinto, consistent with the Company's strategy to utilise its existing 15 Mtpa mill as a central processing hub for material sourced from its deposits in the region.

In 2021, the Company continued exploration work at the Masa Valverde and Majadales deposits, and at the 5km long, shallow Campanario prospect. At present, three rigs are conducting exploration drilling to the west of Masa Valverde and at Campanario. Initial indications from the drilling campaign have been encouraging, with infill drilling at the Masa Valverde deposit returning long intersections of continuous and high-grade copper mineralisation as well as polymetallic mineralisations with associated high gold grades.

Technical consultants are currently finalising a new independent NI 43-101 compliant resource estimate and technical report for PMV. In addition, in August 2021, the Company submitted application for an exploitation concession with the Junta de Andalucía.

Riotinto District – Proyecto Riotinto East

In May 2021, the Company announced the acquisition of an option on three new investigation permits located immediately east of Riotinto. Exploration work has commenced on the three permits including mapping, rock sampling, soil geochemistry and geophysics (airborne EM survey). Several coincident geochemical and geophysical anomalies were defined which will be drill tested once all the permits are in place.

Proyecto Touro

Proyecto Touro is a high quality past producing copper project located in Galicia, northwest Spain, and is in the permitting process.

In 2021, the Company focused on engaging with local and regional stakeholders on a variety of matters. As part of this engagement, the Company began during the Period, the construction of a new water treatment and monitoring system that will restore the legacy water runoff from the historical mine.

The Company continues to be confident that its development approach to Proyecto Touro is in line with international best practice and is working towards the submission of the Environmental Impact Evaluation for the new enhanced project design.

Proyecto Ossa Morena ("POM")

In December 2021, the Company announced the acquisition of a 51% interest in Rio Narcea Nickel, S.L., establishing a presence in the Ossa Morena Metallogenic Belt in the southwest of Spain. The district has strong exploration potential for a range of base and precious metals. For 2022, the Company approved an exploration budget for up to €2 million, with a focus on the priority targets of Alconchel, Pallares, Vicaria and Guijarro.

Update on Corporate Developments

Judgment on Astor Litigation

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.

The Judgment, which puts an end to the litigation between the parties, clarifies the basis for calculating the interest due and confirms that it is payable by the Company. As a result, Atalaya expects the interest to be paid to be in the range of €10 million to €11.7 million. Any amount payable to Astor will be paid from the €15.4 million trust account already establish by Atalaya on

15 July 2021. As at 31 December 2021, the Company has accrued in its profit and lost account the maximum exposure as interest cost.

Plans to Establish Atalaya's Parent Company in the United Kingdom

The Company is considering re-domiciliation from Cyprus to the United Kingdom through the incorporation of a new holding company incorporated in England and Wales.

The Company will provide further information on the process in due course.

Alberto Lavandeira, CEO, commented:

"I am very pleased with all aspects of Atalaya's performance in 2021. Once again, we demonstrated our ability to operate in a sustainable and safe manner while achieving record production, highlighting the strength of our people. Our operations generated record cash flow, providing the Company with the financial strength to make investments in our growth pipeline, pursue initiatives that will enhance our sustainability, pay an inaugural dividend and further strengthen our balance sheet.

"We look forward to 2022, where another good year of production is expected. We see the industry-wide inflationary pressures as being supportive for copper fundamentals and expect that energy prices in Spain will return to normalised levels as Europe enters the spring.

"We remain excited about our portfolio of growth and exploration projects, which have the potential to significantly increase our production in Spain, providing our customers with a reliable, sustainable and ethical source of copper to support the modern economy and the energy transition."

Investor Presentation Reminder

Alberto Lavandeira (CEO) and César Sánchez (CFO) will be holding a live presentation relating to the FY2021 results via the Investor Meet Company platform at 11:00am GMT today.

To register, please visit the following link and click "Add to Meet" Atalaya via:
https://www.investormeetcompany.com/atalaya-mining-plc/register-investor

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

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

Contacts:

SEC Newgate UK	Elisabeth Cowell / Axaule Shukanayeva / Max Richardson	+ 44 20 3757 6882
4C Communications	Carina Corbett	+44 20 3170 7973
Canaccord Genuity (NOMAD and Joint Broker)	Henry Fitzgerald-O'Connor / James Asensio	+44 20 7523 8000
BMO Capital Markets (Joint Broker)	Tom Rider / Andrew Cameron	+44 20 7236 1010

Peel Hunt LLP (Joint Broker)	Ross Allister / David McKeown	+44 20 7418 8900

About Atalaya Mining Plc

Atalaya is an AIM and TSX-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. For further information, visit www.atalayamining.com

Consolidated and Company Statements of Comprehensive Income

for the year ended 31 December 2021

(Euro 000's)	Note	**The Group 2021**	**The Company 2021**	The Group 2020	The Company 2020
Revenue	5	**405,717**	**65,849**	252,784	1,442
Operating costs and mine site administrative expenses		**(192,073)**	**-**	(175,484)	-
Mine site depreciation, amortisation and impairment	13,14	**(32,276)**	**-**	(31,683)	-
Gross profit		**181,368**	**65,849**	45,617	1,442
Administration and other expenses		**(9,715)**	**(2,422)**	(6,854)	(1,935)
Share based benefits	22	**(899)**	**-**	(816)	-
Exploration expenses		**(1,800)**	**-**	(1,661)	-
Impairment loss on other receivables		**-**	**-**	(49)	(45)
Care and maintenance expenditure		**(2,116)**	**-**	(525)	-
Operating profit/(loss)	6	**166,838**	**63,427**	35,712	(538)
Net foreign exchange gain/(loss)	4	**6,589**	**1,450**	(3,826)	16
Interest income from financial assets at fair value through profit and loss	8	**-**	**12,854**	-	13,607
Interest income from financial assets at amortised cost	8	**57**	**2,398**	197	2,516
Finance costs	9	**(13,657)**	**-**	(341)	-
Profit before tax		**159,827**	**80,129**	31,742	15,601
Tax	10	**(27,601)**	**(862)**	(1,352)	(928)
Profit for the year		**132,226**	**79,267**	30,390	14,673

Profit for the year attributable to:

	Note				
- Owners of the parent		**133,644**	**79,267**	31,479	14,673
- Non-controlling interests		**(1,418)**	-	(1,089)	-
		132,226	**79,267**	30,390	14,673
Earnings per share from operations attributable to equity holders of the parent during the year:					
Basic earnings per share (EUR cents per share)	11	**96.7**	**-**	22.9	
Diluted earnings per share (EUR cents per share)	11	**94.4**	**-**	22.4	
Profit for the year		**132,226**	**79,267**	30,390	14,673
Other comprehensive income:		**-**			-
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):					
Change in fair value of financial assets through other comprehensive income 'OCI'	20	**(47)**	**(47)**	44	44
Total comprehensive income for the year		**132,179**	**79,220**	30,434	14,717
Total comprehensive income for the year attributable to:					
- Owners of the parent		**133,597**	**79,220**	31,523	14,717
- Non-controlling interests		**(1,418)**	-	(1,089)	-
		132,179	**79,220**	30,434	14,717

The notes are an integral part of these consolidated and Company financial statements.

Consolidated and Company Statements of Financial Position
As at 31 December 2021

		As at 31 December		As at 31 December	
(Euro 000's)	Note	**The Group 2021**	**The Company 2021**	The Group 2020	The Company 2020
Assets					
Non-current assets					
Property, plant and equipment	13	**333,096**	**-**	327,174	-
Intangible assets	14	**57,368**	**-**	59,816	-
Investment in subsidiaries	15	**-**	**64,171**	-	5,448
Trade and other receivables	19	**5,330**	**245,744**	2,715	318,857
Non-current financial asset	20	**1,101**	**-**	1,101	-

	Note				
Deferred tax asset	17	**5,564**	**-**	8,805	-
		402,459	**309,915**	399,611	324,305
Current assets					
Inventories	18	**24,781**	**-**	23,576	-
Trade and other receivables	19	**50,128**	**4,433**	43,191	10,737
Tax refundable		**483**	**-**	815	-
Other financial assets	20	**39**	**39**	86	86
Cash and cash equivalents	21	**107,517**	**37,270**	37,767	2,049
		182,948	**41,742**	105,435	12,872
Total assets		**585,407**	**351,657**	505,046	337,177
Equity and liabilities					
Equity attributable to owners of the parent					
Share capital	22	**13,447**	**13,447**	13,439	13,439
Share premium	22	**315,916**	**315,916**	315,714	315,714
Other reserves	23	**52,690**	**8,146**	40,049	7,295
Accumulated profit/(losses)		**58,754**	**10,116**	(15,512)	(21,863)
		440,807	**347,625**	353,690	314,585
Non-controlling interests	24	**(4,909)**	**-**	(3,491)	-
Total equity		**435,898**	**347,625**	350,199	314,585
Liabilities					
Non-current liabilities					
Trade and other payables	25	**3,450**	**-**	1,448	-
Provisions	26	**26,578**	**-**	25,264	-
Lease liability	27	**4,913**	**-**	4,796	-
Borrowings	28	**34,050**	**-**	-	-
		68,991	**-**	31,508	-
Current liabilities					
Trade and other payables	25	**66,191**	**4,032**	68,437	13,002
Lease liability	27	**597**	**-**	592	-
Current tax liabilities	10	**336**	**-**	1,310	473
Deferred consideration	29	**-**	**-**	53,000	9,117
Borrowings	28	**13,394**	**-**	-	-
		80,518	**4,032**	123,339	22,592
Total liabilities		**149,509**	**4,032**	154,847	22,592

Total equity and liabilities	**585,407**	**351,657**	505,046	337,177

The notes 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 23 March 2022 and were signed on its behalf.

Consolidated Statement of Changes in Equity
for the year ended 31 December 2021

		Attributable to owners of the parent						
(Euro 000's)	Note	Share capital	Share Premium[(2)]	Other reserves[(1)]	Accumulated Profit/(losses)	Total	Non-controlling interest	Total equity
At 1 January 2020		13,372	314,319	**22,836**	**(30,669)**	**319,858**	**(2,402)**	**317,456**
Profit / (loss) for the year		-	-	-	31,479	31,479	(1,089)	30,390
Change in fair value of financial assets through OCI	20	-	-	44	-	44	-	44
Total comprehensive income		-	-	44	31,479	31,523	(1,089)	30,434
Transactions with owners								
Issuance of share capital	22	67	1,395	-	-	1,462	-	1,462
Depletion factor	23	-	-	14,155	(14,155)	-	-	-
Recognition of share-based payments	23	-	-	816	-	816	-	816
Recognition of non distributable reserve	23	-	-	2,198	(2,198)	-	-	-
Other changes in equity	23	-	-	-	31	31	-	31
At 31 December 2020/ 1 January 2021		**13,439**	**315,714**	**40,049**	**(15,512)**	**353,690**	**(3,491)**	**350,199**
Profit / (loss) for the year		**-**	**-**	**-**	**133,644**	**133,644**	**(1,418)**	**132,226**
Change in fair value of financial assets through OCI	20	**-**	**-**	**(47)**	**-**	**(47)**	**-**	**(47)**
Total comprehensive income / (loss) for the year		**-**	**-**	**(47)**	**133,644**	**133,597**	**(1,418)**	**132,179**
Transactions with owners								
Issuance of share capital	22	**8**	**202**	**-**	**-**	**210**	**-**	**210**
Depletion factor	23	**-**	**-**	**6,100**	**(6,100)**	**-**	**-**	**-**
Recognition of share-based payments								

	Note							
	23	-	-	**899**	-	**899**	-	**899**
Recognition of non-distributable reserve	23	-	-	**2,372**	**(2,372)**	-	-	-
Recognition of distributable reserve		-	-	**3,317**	**(3,317)**	-	-	-
Other changes in equity	23	-	-	-	**(299)**	**(299)**	-	**(299)**
Interim dividends paid		-	-	-	**(47,290)**	**(47,290)**	-	**(47,290)**
At 31 December 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 are an integral part of these consolidated and company financial statements.

Company Statement of Changes in Equity for the year ended 31 December 2021

(Euro 000's)	Note	Share capital	Share premium(2)	Other reserves(1)	Accumulated losses	Total
At 1 January 2020		13,372	314,319	6,435	(36,535)	297,591
Profit for the year		-	-	-	14,673	14,673
Change in fair value of financial assets through OCI	20	-	-	44	-	44
Total comprehensive income		-	-	44	14,673	14,717
Issuance of share capital	22	67	1,395	-	-	1,462
Recognition of share-based payments	23	-	-	816	-	816
At 31 December 2020/1 January 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**
Interim dividends paid					**(47,290)**	**(47,290)**
At 31 December 2021		**13,447**	**315,916**	**8,146**	**10,116**	**347,625**

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

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

The Company pays special defence contribution on behalf of the shareholders over the amount of the deemed dividend distribution at a rate of 17% (applicable since 2014) when the entitled shareholders are natural persons tax residents of Cyprus and have their domicile in Cyprus. In addition, from 2019 (deemed dividend distribution of year 2017 profits), the Company pays on behalf of the shareholders General Healthcare System (GHS) contribution at a rate of 2.65% (31 December 2020: 2.65%), when the entitled shareholders are natural persons tax residents of Cyprus, regardless of their domicile.

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

Consolidated Statement of Cash Flows for the year ended 31 December 2021

(Euro 000's)	Note	2021	2020
Cash flows from operating activities			
Profit before tax		**159,827**	31,742
Adjustments for:			
Depreciation of property, plant and equipment	13	**27,680**	25,766
Amortisation of intangible assets	14	**4,596**	4,941
Impairment of intangibles	14	**-**	985
Recognition of share-based payments	23	**899**	816
Interest income	8	**(57)**	(197)
Interest expense	9	**846**	180
Unwinding of discounting	9	**1,063**	144
Finance provisions	9	**11,737**	-
Other provisions		**417**	-
Legal provisions	26	**(61)**	238
Impairment loss on other receivables	19	**-**	49
Net foreign exchange differences		**(6,692)**	3,779
Cash inflows from operating activities before working capital changes		**200,255**	68,443
Changes in working capital:			
Inventories	18	**(1,205)**	(2,246)
Trade and other receivables	19	**(8,807)**	(10,356)
Trade and other payables	25	**(14,400)**	11,747
Provisions	26	**(343)**	-
Cash flows from operations		**175,500**	67,588
Interest expense on lease liabilities	27	**(11)**	(17)
Interest paid		**(846)**	(180)
Tax paid		**(25,802)**	(4,475)
Net cash from operating activities		**148,841**	62,916
Cash flows from investing activities			

Purchases of property, plant and equipment	13	**(32,440)**	(27,046)
Purchases of intangible assets	14	**(2,148)**	(3,311)
Payment of deferred consideration		**(53,000)**	-
Interest received	8	**57**	197
Net cash used in from investing activities		**(87,531)**	(30,160)
Cash flows from financing activities			
Lease payment	27	**(463)**	(618)
Net proceeds from borrowings		**49,446**	-
Proceeds from issue of share capital		**158**	1,378
Dividends paid		**(47,290)**	-
Net cash from financing activities		**1,851**	760
Net increase in cash and cash equivalents		**63,161**	33,516
Net foreign exchange difference		6,589	(3,826)
Cash and cash equivalents:			
At beginning of the year	21	**37,767**	8,077
At end of the year	21	**107,517**	37,767

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

Company Statement of Cash Flows for the year ended 31 December 2021

(Euro 000's)	Note	2021	2020
Cash flows from operating activities			
Profit before tax		**80,129**	15,601
Adjustments for:			
Interest income	8	-	(16)
Interest income from interest-bearing intercompany loans	8	**(15,252)**	(16,123)
Impairment loss on other receivables		-	(45)
Unrealised foreign exchange loss on financing activities		-	20
Cash used in operating activities before working capital changes		**64,877**	(563)
Changes in working capital:			
Trade and other receivables	19	**81,713**	(15,549)
Trade and other payables	25	**(20,103)**	2,728
Cash flows from / (used in) operations		**126,487**	(13,384)
Tax paid		**(1,614)**	(2,194)
Net cash from / (used in) operating activities		**124,873**	(15,578)
Cash flows from investing activities			
Investment in subsidiaries	15	**(57,824)**	(2)

	Note	2021	2020
Interest income from interest-bearing intercompany loans	8	**15,252**	16,123
Net cash (used in) / from investing activities		**(42,572)**	16,121
Cash flows from financing activities			
Proceeds from issue of share capital	22	**210**	1,378
Dividends paid	12	**(47,290)**	-
Net cash (used in) / from financing activities		**(47,080)**	1,378
Net increase/(decrease) in cash and cash equivalents		**35,221**	1,921
Cash and cash equivalents:			
At beginning of the year	21	**2,049**	128
At end of the year	21	**37,270**	2,049

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

Notes to the Consolidated and Company Financial Statements Year ended 31 December 2021

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 and on the TSX on 20 December 2010 under the symbol AYM. The Company continued to be listed on AIM and the TSX as at 31 December 2021.

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 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.

Proyecto Ossa Morena

In December 2021, Atalaya announced the acquisition of a 51% interest in Rio Narcea Nickel, S.L., which owns 17 investigation permits. The acquisition also provided a 100% interest in three investigation permits that are also located along the Ossa-Morena Metallogenic Belt.

2. Summary of significant accounting policies

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.

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 2021, 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 including any potential future impact of the COVID-19 pandemic; (ii) market volatility in commodity 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 is assessing the impact of geopolitical developments as described in note 35 (Events after the reporting period). Currently no significant impact is expected in the operations of the Group.

2.2 Changes in accounting policy and disclosures

The Group has adopted all the new and revised IFRSs and International Accounting Standards (IASs) which are relevant to its operations and are effective for accounting periods commencing on 1 January 2021.

Several other amendments and interpretations apply for the first time in 2021, 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.

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

The amendments are effective for annual periods beginning on or after January 1, 2023 with earlier application permitted. In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12 and specify how companies should account for deferred tax on transactions such as leases and decommissioning obligations. Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal. The Amendments have not yet been endorsed by the EU. The amendment is not expected to have a material impact on the Group.

Covid-19-Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment was intended to apply until 30 June 2021, but as the impact of the pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 1 April 2021. However, the Group has not received Covid-19-related rent concessions but plans to apply the practical expedient if it becomes applicable within allowed period of application.

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.

Temporary relief provided to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments had no impact on the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the financial statements are disclosed below. Some of them were adopted by the European Union and others not yet. The Group and the Company intend to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period

- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation. The amendment is not expected to have a material impact on the Group.

Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

The amendment is not expected to have a material impact on the Group.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the Group.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". 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 contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The amendment is not expected to have a material impact on the Group.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. The fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The amendment is not expected to have a material impact on the Group.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Group.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Group is currently assessing the impact of the amendments to determine the impact they will have on the Group's accounting policy disclosures.

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

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

- **IFRS 3 Business Combinations (Amendments)** update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without 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 amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise 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.
- **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

The Amendments have not yet been endorsed by the EU. The amendment is not expected to have a material impact on the Group.

2.3 Consolidation

(a) Basis of consolidation

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

(b) Subsidiaries

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

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

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

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

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

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

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

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

Entity name	Business	%[3]	Country
Atalaya Mining, Plc	Holding	n/a	Cyprus
EMED Marketing Ltd.	Marketing	100%	Cyprus
EMED Mining Spain, S.L. [5]	Dormant	100%	Spain
Atalaya Riotinto Minera, S.L.U.	Operating	100%	Spain
Recursos Cuenca Minera, S.L. [4]	Operating	50%	Spain
Atalaya Minasderiotinto Project (UK), Ltd.	Holding	100%	United Kingdom
Eastern Mediterranean Exploration & Development, S.L.U.	Operating	100%	Spain
Atalaya Touro (UK), Ltd.	Holding	100%	United Kingdom
Fundación Atalaya Riotinto	Trust	100%	Spain
Cobre San Rafael, S.L. [1]	Development	10%	Spain
Atalaya Servicios Mineros, S.L.U.	Dormant	100%	Spain
Atalaya Masa Valverde, S.L.U.	Development	100%	Spain
Atalaya Financing Ltd.	Financing	100%	Cyprus
Rio Narcea Nickel S.L. [2]	Development	51%	Spain

Notes

[1] Cobre San Rafael, S.L. is the entity which holds the mining rights of the Proyecto Touro. The Group has control in the management of Cobre San Rafael, S.L., including one of the two Directors, management of the financial books and the capacity to appoint the key personnel. Refer to Note 30 for details on the acquisition of Cobre San Rafael, S.L.

[2] Rio Narcea Nickel S.L. is the entity which holds 17 investigation permits. This group of 17 permits will be known collectively as Proyecto Ossa Morena ("POM") and are strategically distributed along prospective zones of the Ossa Morena Metallogenic Belt, and in particular, along the southern flank of the major Olivenza-Monesterio Antiform ("OMA"). Refer to Note 30 for details on the acquisition of Atalaya Ossa Morena, S.L.

[3] The effective proportion of shares held as at 31 December 2021 and 2020 remained unchanged.

[4] Recursos Cuenca Minera is a joint venture with Atalaya Riotinto Minera SLU, see note 16.

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

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

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

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

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

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

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

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

(e) Disposal of subsidiaries

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

(f) Associates and joint ventures

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

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

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

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

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

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

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

(g) Functional currency

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

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

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

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

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

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

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

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

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

2.5 Interest in joint arrangements

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

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

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

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

2.6 Segment reporting

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

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

2.7 Inventory

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

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

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

2.8 Assets under construction

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

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

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

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

2.9 Property, plant and equipment

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

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

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

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

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

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

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

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

(a) Mineral rights

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

(b) Deferred mining costs – stripping costs

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

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

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

i. it is probable that the future economic benefit associated with the stripping activity will be realised;
ii. the component of the ore body for which access has been improved can be identified and;
iii. the costs relating to the stripping activity associated with the improved access can be reliably measured.

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

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

(c) Exploration costs

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

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

(d) Major maintenance and repairs

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

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

(e) Borrowing costs

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

(f) Restoration, rehabilitation and decommissioning

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

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

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

2.10 Intangible assets

(a) Business combination and goodwill

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

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

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

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

An impairment loss in respect of goodwill is not reversed.

(b) Permits

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

Other intangible assets include computer software.

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

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

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

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

2.11 Impairment of non-financial assets

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

2.12 Financial assets and liabilities

2.12.1 Classification

From 1 January 2019, the Group classifies its financial assets in the following measurement categories:

- those to be measured at amortised cost.
- those to be measured subsequently at fair value through OCI, and.
- those to be measured subsequently at fair value through profit or loss.

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

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

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

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

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

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

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

2.12.2 Amortised cost

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

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

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

2.12.3 Fair value through other comprehensive income

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

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

2.12.4 Equity instruments designated as fair value through other comprehensive income

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

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

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

2.12.5 Assets at fair value through profit and loss

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

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

2.12.6 De-recognition of financial assets

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

2.12.7 Impairment of financial assets

From 1 January 2019, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. Expected credit losses are based on the difference between the contractual cash flows

due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

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

2.12.8. Financial liabilities and trade payables

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

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

2.13 Current versus Non-current Classification

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

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

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

Or

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

All other assets are classified as non-current.

(b) A liability is current when either:

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

Or

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

The Group classifies all other liabilities as non-current.

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

2.14 Cash and cash equivalents

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

2.15 Provisions

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

2.16 Interest-bearing loans and borrowings

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

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

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

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

2.17 Deferred consideration

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

2.18 Share capital

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

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

2.19 Current and deferred income tax

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

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

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

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

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

2.20 Share-based payments

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

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

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

2.21 Rehabilitation provisions

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

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

2.22 Leases

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

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

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

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

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

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

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

d) There is a substantial change to the asset.

Group as a lessee

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

Accounting policy - leases

Right-of-use assets

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

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

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

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

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

Lease liabilities

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

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

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

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

Short-term leases and leases of low-value assets

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

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms of three to five years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy). The Group included the renewal period as part of the lease term for leases of plant and machinery due to the significance of these assets to its operations. These leases have a short non-cancellable period (i.e., three to five years) and there will be a significant negative effect on production if a replacement is not readily available. The renewal options for leases of motor vehicles were not included as part of the lease term because the Group has a policy of leasing motor vehicles for not more than five years and hence not exercising any renewal options.

2.23 Revenue recognition

(a) Revenue from contracts with customers

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

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

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

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

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

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

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

(c) Freight services

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

The revenue from freight services is a separate performance obligation under IFRS 15 and therefore is recognised as the service is provided, hence at year end a portion of revenue must be deferred as well as the insurance costs associated.

Other Incoterms commonly used by the Group are FOB, where the Group has no responsibility for freight or insurance once control of the products has passed at the loading port, Ex works where control of the goods passes when the product is picked up at seller´s promises, and CIP where control of the goods passes when the product is delivered to the agreed destination. For arrangements which have these Incoterms, the only performance obligations are the provision of the product at the point where control passes.

(d) Sales of services

The Group sells services in relation to maintenance of accounting records, management, technical, administrative support and other services to other companies. Revenue is recognised in the accounting period in which the services are rendered.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. The Group does not have any contract assets as performance and a right to consideration occurs within a short period of time and all rights to consideration are unconditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

From time to time, the Group recognises contract liabilities in relation to some metal in concentrate sales which are sold under CIF Incoterms, whereby a portion of the cash may be received from the customer before the freight services are provided.

2.24 Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group and the Company reduce the carrying amount to its recoverable amount, the estimated future cash flow is discounted at the original effective interest rate of the instrument and the discount continues unwinding as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

2.25 Dividend income

Dividend income is recognised when the right to receive payment is established.

2.26 Dividend distribution

Dividend distributions to the Company's shareholders are recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.27 Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year by the weighted average number of ordinary shares outstanding during the year. The basic and diluted earnings per share are the same as there are no instruments that have a dilutive effect on earnings.

2.28 Comparatives

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

2.29 Amendment of financial statements after issue

The consolidated and company financial statements were authorised for issue by the Board of Directors on 23 March 2022. The Board of Directors and shareholders has no right to amend the Financial Statements after they are authorised.

2.30 Fair value estimation

The fair values of the Group's financial assets and liabilities approximate their carrying amounts at the reporting date.

The fair value of financial instruments traded in active markets, such as publicly traded and available-for-sale 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 and company statement of financial position

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

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

THE GROUP

(Euro 000's)	Level 1	Level 2	Level 3	Total
31 December 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**
31 December 2020				
Other current financial assets				
Financial assets at FV through OCI	86	-	1,101	1,187
Trade and other receivables				
Receivables (subject to provisional pricing)	-	24,250	-	24,250
Total	86	24,250	1,101	25,437

THE COMPANY

(Euro 000's)	Level 1	Level 2	Level 3	Total
31 December 2021				
Non-current receivables				
Financial assets at FV through profit and loss (note 31.4)	**-**	**-**	**176,292**	**176,292**
Other current financial assets				
Financial assets at FV through OCI	**39**	**-**	**-**	**39**
Total	**39**	**-**	**176,292**	**176,331**
31 December 2020				
Non-current receivables				
Financial assets at FV through profit and loss (note 31.4)	-	-	243,557	243,557
Other current financial assets				
Financial assets at FV through OCI	86	-	-	86
Total	86	-	243,557	243,643

3. Financial Risk Management and Critical accounting estimates and judgements

3.1 Financial risk factors

The Group manages its exposure to key financial risks in accordance with its financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets while protecting future financial security. The main risks that could adversely affect the Group's financial assets, liabilities or future cash flows are market risks comprising: commodity price risk, interest rate risk and foreign currency risk; liquidity risk and credit risk; operational risk, compliance risk and litigation risk. Management reviews and agrees policies for managing each of these risks that are summarised below.

The Group's senior management oversees the management of financial risks. The Group's senior management is supported by the AFRC that advises on financial risks and the appropriate financial risk governance framework for the Group. The AFRC provides assurance to the Group's senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. Currently, the Group does not apply any form of hedge accounting.

(a) Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability but can also increase the risk of losses. The Group has procedures with the object of minimising such losses such as maintaining sufficient cash to meet liabilities when due. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group finance. Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes principal cash flows.

THE GROUP

(Euro 000's)	Carrying amounts	Contractual cash flows	Less than 3 months	Between 3 – 12 months	Between 1 – 2 years	Between 2 – 5 years	Over 5 years
31 December 2021							
Tax liability	**336**	**336**	**-**	**336**	**-**	**-**	**-**
Other financial liabilities	**47,444**	**47,444**	**-**	**13,394**	**28,425**	**5,625**	**-**
Trade and other payables	**69,641**	**53,977**	**32,593**	**33,613**	**-**	**-**	**3,435**
Lease liability	**5,510**	**5,510**	**-**	**597**	**-**	**2,014**	**2,899**
	122,931	**107,267**	**32,593**	**47,940**	**28,425**	**7,639**	**6,334**
31 December 2020							
Tax liability	1,310	1,310	-	1,310	-	-	-
Deferred consideration	53,000	53,000	53,000	-		-	-
Trade and other payables	69,885	69,885	27,077	41,360	13	1,435	-
Lease liability	6,046	6,046	154	463	619	1,623	3,187
	130,241	130,241	80,231	43,133	632	3,058	3,187

THE COMPANY

(Euro 000's)	Carrying amounts	Contractual cash flows	Less than 3 months	Between 3 – 12 months	Between 1 – 2 years	Between 2 – 5 years	Over 5 years
31 December 2021							
Trade and other payables	**2,013**	**493**	**-**	**2,013**	**-**	**-**	**-**
	2,013	**493**	**-**	**2,013**	**-**	**-**	**-**
31 December 2020							
Tax liability	473	473	-	473	-	-	-
Deferred consideration	9,117	9,117	-	9,117		-	-
Trade and other payables	12,485	12,485	-	12,485	-	-	-
	22,075	22,075	-	22,075	-	-	-

(b) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's measurement currency. The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar and the British Pound. The Group's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the foreign exchange rate, with all other variables held constant, of the Group's profit before tax due to changes in the carrying value of monetary assets and liabilities at reporting date:

(Euro 000's)	**Effect on profit before tax for the year ended 31 Dec 2021 increase/(decrease)**	Effect on profit before tax for the year ended 31 Dec 2020 increase/(decrease)
+5%	**15,045**	12,867
-5%	**(15,045)**	(12,867)

(c) Commodity price risk

Commodity price is the risk that the Group's future earnings will be adversely impacted by changes in the market prices of commodities, primarily copper. Management is aware of this impact on its primary revenue stream but knows that there is little it can do to influence the price earned apart from a hedging scheme.

Commodity price hedging is governed by the Group´s policy which allows to limit the exposure to prices. The Group may decide to hedge part of its production during the year.

Commodity price sensitivity

The table below summarises the impact on profit before tax for changes in commodity prices on the fair value of derivative financial instruments and trade receivables (subject to provisional pricing). The impact on equity is the same as the impact on

profit before income tax as these derivative financial instruments have not been designated as hedges and are classified as held-for-trading and are therefore fair valued through profit or loss.

The analysis is based on the assumption that the copper prices move $0.05/lb with all other variables held constant. Reasonably possible movements in commodity prices were determined based on a review of the last two years' historical prices.

	Effect on profit before tax for the year ended 31 Dec 2021 increase/(decrease)	Effect on profit before tax for the year ended 31 Dec 2020 increase/(decrease)
	Eur 000's	Eur 000's
Increase/(decrease) in copper prices		
Increase $0.05/lb (2021: $0.05)	**4,920**	4,629
Decrease $0.05/lb (2021: $0.05)	**(4,920)**	(4,629)

(d) Credit risk

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Group has no significant concentration of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables. The Group has policies to limit the amount of credit exposure to any financial institution.

Except as detailed in the following table, the carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the maximum credit exposure without taking account of the value of any collateral obtained:

(Euro 000's)	**2021**	2020
Unrestricted cash and cash equivalent at Group	**48,375**	24,519
Unrestricted cash and cash equivalent at operating entity	**43,722**	13,248
Restricted cash and cash equivalents at operating entity	**15,420**	-
Consolidates cash and cash equivalents	**107,517**	37,767
Net cash / (debt) position (1)	**60,073**	(15,233)
Working capital surplus / (deficit)	**102,430**	(17,904)

(1) Includes bank borrowings and Deferred Consideration at 31 December 2020.

Besides of the above, there are no collaterals held in respect of these financial instruments and there are no financial assets that are past due or impaired as at 31 December 2021.

(e) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

At the reporting date the interest rate profile of interest-bearing financial instruments was:

(Euro 000's)	2021	2020
Variable rate instruments		
Financial assets	**107,517**	37,767

An increase of 100 basis points in interest rates at 31 December 2021 would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. For a decrease of 100 basis points there would be an equal and opposite impact on the profit and other equity.

	Equity		Profit or loss	
(Euro 000's)	2021	2020	2021	2020
Variable rate instruments	**1,075**	378	**1,075**	378

(f) Operational risk

Operational risk is the risk that derives from the deficiencies relating to the Group's information technology and control systems as well as the risk of human error and natural disasters. The Group's systems are evaluated, maintained and upgraded continuously.

(g) Compliance risk

Compliance risk is the risk of financial loss, including fines and other penalties, which arises from non-compliance with laws and regulations. The Group has systems in place to mitigate this risk, including seeking advice from external legal and regulatory advisors in each jurisdiction.

(h) Litigation risk

Litigation risk is the risk of financial loss, interruption of the Group's operations or any other undesirable situation that arises from the possibility of non-execution or violation of legal contracts and consequentially of lawsuits. The risk is restricted through the contracts used by the Group to execute its operations.

3.2 Capital risk management

The Group considers its capital structure to consist of share capital, share premium and share options reserve. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group is not subject to any externally imposed capital requirements.

In order to maintain or adjust the capital structure, the Group issues new shares. The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The AFRC reviews the capital structure on a continuing basis.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The Group monitors capital on the basis of the gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as provisions plus deferred consideration plus trade and other payables less cash and cash equivalents.

(Euro 000's)	2021	2020
Total liabilities less cash	**41,992**	117,080
Total equity	**440,807**	353,690
Total capital	**482,799**	470,770
Gearing ratio	**8.7%**	24.9%

(1) *Net debt includes non-current and current liabilities net of cash and cash equivalent.*

3.3 Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the consolidated financial statements. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Group has identified a number of areas where significant judgements, estimates and assumptions are required.

(a) Capitalisation of exploration and evaluation costs

Under the Group's accounting policy, exploration and evaluation expenditure is not capitalised until the point is reached at which there is a high degree of confidence in the project's viability, and it is considered probable that future economic benefits will flow to the Group. Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. If a project proves to be unviable, all irrecoverable costs associated with the project net of any related impairment provisions are written off.

(b) Stripping costs

The Group incurs waste removal costs (stripping costs) during the development and production phases of its surface mining operations. Furthermore, during the production phase, stripping costs are incurred in the production of inventory as well as in the creation of future benefits by improving access and mining flexibility in respect of the orebodies to be mined, the latter being referred to as a stripping activity asset. Judgement is required to distinguish between the development and production activities at surface mining operations.

The Group is required to identify the separately identifiable components or phases of the orebodies for each of its surface mining operations. Judgement is required to identify and define these components, and also to determine the expected volumes (tonnes) of waste to be stripped and ore to be mined in each of these components. These assessments may vary between mines because the assessments are undertaken for each individual mine and are based on a combination of information available in the mine plans, specific characteristics of the orebody, the milestones relating to major capital investment decisions and the type and grade of minerals being mined.

Judgement is also required to identify a suitable production measure that can be applied in the calculation and allocation of production stripping costs between inventory and the stripping activity asset. The Group considers the ratio of expected volume of waste to be stripped for an expected volume of ore to be mined for a specific component of the orebody, compared to the current period ratio of actual volume of waste to the volume of ore to be the most suitable measure of production.

These judgements and estimates are used to calculate and allocate the production stripping costs to inventory and/or the stripping activity asset(s). Furthermore, judgements and estimates are also used to apply the units of production method in determining the depreciable lives of the stripping activity asset(s).

(c) Ore reserve and mineral resource estimates

The Group estimates its ore reserves and mineral resources based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the ore body and suitable production techniques and recovery rates.

Such an analysis requires complex geological judgements to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements and production costs, along with geological assumptions and judgements made in estimating the size and grade of the ore body.

The Group uses qualified persons (as defined by the Canadian Securities Administrators' National Instrument 43-101) to compile this data. Changes in the judgments surrounding proven and probable reserves may impact as follows:

- The carrying value of exploration and evaluation assets, mine properties, property, plant and equipment, and goodwill may be affected due to changes in estimated future cash flows;
- Depreciation and amortisation charges in the consolidated and company statements of comprehensive income may change where such charges are determined using the UOP method, or where the useful life of the related assets change;
- Capitalised stripping costs recognised in the statement of financial position as either part of mine properties or inventory or charged to profit or loss may change due to changes in stripping ratios;
- Provisions for rehabilitation and environmental provisions may change where reserve estimate changes affect expectations about when such activities will occur and the associated cost of these activities;
- The recognition and carrying value of deferred income tax assets may change due to changes in the judgements

regarding the existence of such assets and in estimates of the likely recovery of such assets.

(d) Impairment of assets

Events or changes in circumstances can give rise to significant impairment charges or impairment reversals in a particular year. The Group assesses each Cash Generating Unit ("CGU") annually to determine whether any indications of impairment exist. If it was necessary management could contract independent expert to value the assets. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered the higher of the fair value less cost to sell and value-in-use. An impairment loss is recognised immediately in net earnings. The Group has determined that each mine location is a CGU.

These assessments require the use of estimates and assumptions such as commodity prices, discount rates, future capital requirements, exploration potential and operating performance. Fair value is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value for mineral assets is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, which includes estimates such as the cost of future expansion plans and eventual disposal, using assumptions that an independent market participant may take into account. Cash flows are discounted at an appropriate discount rate to determine the net present value. For the purpose of calculating the impairment of any asset, management regards an individual mine or works site as a CGU.

Although management has made its best estimate of these factors, it is possible that changes could occur in the near term that could adversely affect management's estimate of the net cash flow to be generated from its projects.

(e) Provisions for decommissioning and site restoration costs

Accounting for restoration provisions requires management to make estimates of the future costs the Group will incur to complete the restoration and remediation work required to comply with existing laws, regulations and agreements in place at each mining operation and any environmental and social principles the Group is in compliance with. The calculation of the present value of these costs also includes assumptions regarding the timing of restoration and remediation work, applicable risk-free interest rate for discounting those future cash outflows, inflation and foreign exchange rates and assumptions relating to probabilities of alternative estimates of future cash outflows.

Management uses its judgement and experience to provide for and (in the case of capitalised decommissioning costs) amortise these estimated costs over the life of the mine. The ultimate cost of decommissioning and timing is uncertain and cost estimates can vary in response to many factors including changes to relevant environmental laws and regulations requirements, the emergence of new restoration techniques or experience at other mine sites. As a result, there could be significant adjustments to the provisions established which would affect future financial results. Refer to Note 26 for further details.

(f) Income tax

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and Company recognise liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Judgement is also required to determine whether deferred tax assets are recognised in the consolidated statements of financial position. Deferred tax assets, including those arising from unutilised tax losses, require the Group to assess the probability that the Group will generate sufficient taxable earnings in future periods, in order to utilise recognised deferred tax assets.

Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These estimates of future taxable income are based on forecast cash flows from operations (which are impacted by production and sales volumes, commodity prices, reserves, operating costs, closure and rehabilitation costs, capital expenditure, dividends and other capital management transactions). To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets could be impacted.

In addition, future changes in tax laws in the jurisdictions in which the Group operates could limit the ability of the Group to obtain tax deductions in future periods.

(g) Inventory

Net realisable value tests are performed at each reporting date and represent the estimated future sales price of the product the entity expects to realise when the product is processed and sold, less estimated costs to complete production and bring the product to sale. Where the time value of money is material, these future prices and costs to complete are discounted.

(h) Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific

estimates (such as the subsidiary's stand-alone credit rating).

(i) Contingent liabilities

A contingent liability arises where a past event has taken place for which the outcome will be confirmed only by the occurrence or non-occurrence of one or more uncertain events outside of the control of the Group, or a present obligation exists but is not recognised because it is not probable that an outflow of resources will be required to settle the obligation.

A provision is made when a loss to the Group is likely to crystallise. The assessment of the existence of a contingency and its likely outcome, particularly if it is considered that a provision might be necessary, involves significant judgment taking all relevant factors into account.

(j) Share-based compensation benefits

Share based compensation benefits are accounted for in accordance with the fair value recognition provisions of IFRS 2 "Share-based Payment". As such, share-based compensation expense for equity-settled share-based payments is measured at the grant date based on the fair value of the award and is recognised as an expense over the vesting period. The fair value of such share-based awards at the grant date is measured using the Black Scholes pricing model. The inputs used in the model are based on management's best estimates for the effects of non-transferability, exercise restrictions, behavioural considerations and expected volatility. Please refer to Note 23.

(k) Consolidation of Cobre San Rafael

Cobre San Rafael, S.L. is the entity which holds the mining rights of Proyecto Touro. The Group controls Cobre San Rafael, S.L. as it is exposed to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. The control is proven as: one of the two Directors belongs to the Group and management of the financial books and the capacity to appoint the key personnel is controlled by Atalaya.

(l) Consolidation of Rio Narcea Nickel

Rio Narcea Nickel S.L. is the entity which holds 17 investigation permits. This group of 17 permits will be known collectively as Proyecto Ossa Morena ("POM") and are strategically distributed along prospective zones of the Ossa Morena Metallogenic Belt, and in particular, along the southern flank of the major Olivenza-Monesterio Antiform ("OMA").

(m) Classification of financial assets

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value

through OCI, or fair value through profit or loss.

The Group and Company exercises judgement upon determining the classification of its financial assets upon considering whether contractual features including interest rate could significantly affect future cash flows. Furthermore, judgment is required when assessing whether compensation paid or received on early termination of lending arrangements results in cash flows that are not 'solely payments of principal and interest (SPPI).

4. Business and geographical segments

Business segments

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

Copper concentrates produced by the Group are sold to three offtakers as per the relevant offtake agreement (Note 31.3)

Geographical segments

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

2021				
(Euro 000's)	**Cyprus**	**Spain**	**Other**	**Total**
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/(loss)	**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				**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				
Amortisation of intangible assets	**-**	**4,596**	**-**	**4,596**
Total additions of non-current assets	**-**	**41,040**	**-**	**41,040**

2020				
(Euro 000's)	**Cyprus**	**Spain**	**Other**	**Total**
Revenue	30,848	221,936	-	252,784
Earnings/(loss)before Interest, Tax, Depreciation and Amortisation	22,324	45,277	(157)	67,444
Depreciation/amortisation charge	(2)	(31,681)	-	(31,683)
Net foreign exchange gain/(loss)	(960)	(2,870)	4	(3,826)
Impairment of other receivables	(49)	-	-	(49)
Finance income	-	197	-	197
Finance cost	(1)	(340)	-	(341)
Profit/(loss) before tax	21,312	10,583	(153)	31,742
Tax	(2,036)	684	-	(1,352)
Profit for the year				30,390
Total assets	37,284	466,605	1,157	505,046

Total liabilities	(12,271)	(142,545)	(31)	(154,847)
Depreciation of property, plant and equipment	2	25,741	-	25,743
Amortisation of intangible assets	-	4,941	-	4,941
Total additions of non-current assets	2	58,650	-	58,652

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)	**2021**		2020	
	Segment	**€'000**	Segment	€'000
Offtaker 1	**Copper**	**130,642**	Copper	50,611
Offtaker 2	**Copper**	**91,651**	Copper	67,012
Offtaker 3	**Copper**	**173,904**	Copper	119, 491

5. Revenue

THE GROUP

(Euro 000's)	**2021**	2020
Revenue from contracts with customers [(1)]	**399,966**	249,438
Fair value gain relating to provisional pricing within sales [(2)]	**5,751**	3,346
Total revenue	**405,717**	252,784

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 2021 revenue there is a transaction price of €2.8 million (€3.0 million in 2020) 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)	**2021**	2020
Sales of services to related companies (Note 31.3)	**1,849**	1,442_
Dividends	**64,000**	-_
	65,849	1,442_

6. Expenses by nature

THE GROUP

(Euro 000's)	2021	2020
Operating costs	**150,954**	150,253
Rents (Note 27)	**5,752**	4,509
Care and maintenance expenditure	**13,720**	369
Exploration expenses	**1,800**	1,661
Employee benefit expense (Note 7)	**23,793**	21,194
Compensation of key management personnel	**2,335**	2,100
Auditors' remuneration – audit	**283**	229
Other auditors´ services	**-**	19
Other accountants' remuneration	**86**	111
Consultants' remuneration	**921**	1,174
Depreciation of property, plant and equipment (Note 13)	**27,680**	25,744
Amortisation of intangible assets (Note 14)	**4,596**	4,941
Travel costs	**105**	140
Share option-based employee benefits	**899**	816
Shareholders' communication expense	**251**	178
On-going listing costs	**352**	235
Legal costs	**1,086**	689
Public relations and communication development	**650**	492
Insurances	**90**	112
Impairment of intangible assets (Note 14)	**-**	985
Impairment loss on other receivables	**-**	49
Other expenses and provisions	**3,526**	1,069
Total cost of operation, corporate, share based benefits, care and maintenance, and exploration expenses	**238,879**	217,069

THE COMPANY

(Euro 000's)	2021	2020
Key management remuneration	**547**	656
Auditors' remuneration – audit	**146**	118
Other auditors´ services	**-**	17
Other accountants' remuneration	**42**	80
Consultants' remuneration	**222**	60
Management fees (Note 31.3)	**61**	55
Travel costs	**3**	4

Shareholders' communication expense	**251**	178
On-going listing costs	**352**	235
Legal costs	**667**	661
Insurances	**91**	113
Impairment loss on other receivables	**-**	45
Other expenses and provisions	**40**	(242)
Total cost of corporate, share based benefits and impairment	**2,422**	1,980

7. Employee benefit expense

THE GROUP

(Euro 000's)	**2021**	2020
Wages and salaries	**17,652**	15,675
Social security and social contributions	**5,583**	5,054
Employees' other allowances	**17**	20
Bonus to employees	**541**	445
	23,793	21,194

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

	Average		**At year end**	
Number of employees	**2021**	2020	**2021**	2020
Spain – Full time	**406**	482	**422**	482
Spain – Part time	**91**	6	**81**	6
Cyprus – Full time	**1**	1	**1**	1
Cyprus – Part time	**2**	1	**2**	1
Total	**500**	490	**506**	490

THE COMPANY

(Euro 000's)	**2021**	2020
Wages and salaries	**-**	-
Social security and social contributions	**-**	-
	-	-

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

	Average		**At year end**	
Number of employees	**2021**	2020	**2021**	2020
Cyprus – Full time	**-**	-	**-**	-
Total	**-**	-	**-**	-

8. Finance income

THE GROUP

(Euro 000's)	2021	2020
Interest income	**57**	197
	57	197

THE COMPANY

(Euro 000's)	2021	2020
Interest income from interest-bearing intercompany loans at fair value through profit and loss (Note 31.3)		1
	12,854	3,607
Interest income from interest-bearing intercompany loans at amortised cost (Note 31.3)		
	2,398	2,516
Interest income	**-**	16
	17,271	16,139

Interest income relates to interest received on bank balances.

9. Finance costs

THE GROUP

(Euro 000's)	2021	2020
Interest expense:		
Other interest	**846**	180
Interest expense on lease liabilities	**11**	17
Other finance expenses (Note 29)	**11,737**	-
Unwinding of discount on mine rehabilitation provision (Note 26)	**1,063**	144
	13,657	341

Other finance expense is related to the interest calculation proposed by Astor (Note 29).

10. Tax

THE GROUP

(Euro 000's)	2021	2020
Current income tax charge	**24,359**	3,582
Deferred tax related to utilization of losses for the year (Note 17)	**3,856**	777
Deferred tax income relating to the origination of temporary differences (Note 17)	**(2,986)**	(3,320)
Deferred tax expense relating to reversal of temporary differences (Note 17)	**2,372**	313
	27,601	1,352

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)	2021	2020

	2021	2020
Accounting profit before tax	**159,827**	31,742
Tax calculated at the applicable tax rates of the Company – 12.5%	**19,978**	3,968
Tax effect of expenses not deductible for tax purposes	**2,743**	2,334
Tax effect of tax loss for the year	**359**	662
Tax effect of allowances and income not subject to tax	**(2,629)**	(3,502)
Effect of higher tax rates in other jurisdictions of the group	**7,764**	897
Tax effect of tax losses brought forward	**(3,856)**	(777)
Deferred tax (Note 17)	**3,242**	(2,230)
Tax charge	**27,601**	1,352

THE COMPANY

(Euro 000's)	**2021**	2020
Current income tax charge	**862**	928
	862	928

Tax losses carried forward

As at 31 December 2021, the Group had tax losses carried forward amounting to €0.3 million from the Spanish subsidiary for the period 2008 to 2015.

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 2021 and 2020 is 25%. The recent Spanish tax reform approved in 2014 reduced the general corporation tax rate from 30% to 28% in 2015 and to 25% in 2016, and introduced, among other changes, a 10% reduction in the tax base subject to equity increase and other requirements. Under current legislation, tax losses may be carried forward and be set off against taxable income with no limitation.

11. Earnings per share

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

(Euro 000's)	**2021**	2020
Parent company	**(1,773)**	(2,842)

Subsidiaries	**135,417**	34,321
Profit attributable to equity holders of the parent	**133,644**	31,479
Weighted number of ordinary shares for the purposes of basic earnings per share ('000)	**138,196**	137,359
Basic profit per share (EUR cents/share)	**96.7**	22.9
Weighted number of ordinary shares for the purposes of diluted earnings per share ('000)	**141,526**	140,511
Diluted profit per share (EUR cents/share)	**94.4**	22.4

At 31 December 2021, there are 3,841,750 options (Note 23) and nil warrants (Note 22) (At 31 December 2020: 2,787,000 options and nil warrants) which have been included when calculating the weighted average number of shares for FY2021.

12. Dividends paid

Cash dividends declared and paid during the year:

(Euro 000's)	31 Dec 2021	31 Dec 2020
Interim dividend for 2021:	**47,290**	-
Total cash dividends paid in the year to ordinary shareholders	**47,290**	-

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 will take effect in financial year 2022. The annual Ordinary Dividend will be paid in two half-yearly instalments and announced in conjunction with future 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.

Inaugural Dividend

Also on 27 October 2021, the Board of Directors elected to declare an Inaugural Dividend of US$0.395 per ordinary share, which was equivalent to £0.294 per share or €0.345 per share.

The record date for the Inaugural Dividend was 5 November 2021 and the shares became ex-dividend on 4 November 2021.

The Inaugural Dividend was paid on 1 December 2021 in US Dollars, with an option for shareholders to elect to receive the dividend in Sterling or Euros. Shareholders were required to communicate their currency election to the Company by no later than 11 November 2021. The exchange rates for payments in Sterling and Euros were fixed by Atalaya on 15 November 2021 and subsequently announced.

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
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[4]**	**(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**
2020							
Cost							
At 1 January 2020	46,063	6,421	248,221	16,517	34,013	781	352,016
Additions	-	148	2,278	16,863	7,855	20	27,164
Increase in rehab. provision	17,954	-	-	-	-	-	17,954
Reclassifications	-	-	17,552	(17,552)	-	-	-
Advances	17	-	-	-	-	-	17
At 31 December 2020	64,034	6,569	268,051	15,828	41,868	801	397,151
Depreciation							

At 1 January 2020	8,257	402	28,876	-	6,061	627	44,201
Charge for the year	3,414	554[6]	19,257	-	2,467	63	25,744
Disposals	-	-	5	-	-	5	10
At 31 December 2020	11,671	956	48,134	-	8,528	688	69,977
Net book value at 31 December 2020	52,363	5,613	219,917	15,828	33,340	113	327,174

[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 2021 amounted to €22.9 million (2020: €15.8 million). It includes the capitalisation of costs related sustaining capital expenses (€5.9 million) and tailing dams (€14.1 million).

[4] Transfers related to sustaining Capex (€4.0 million) and the Tailing Dam Project (€9.4 million).

[5] See leases in Note 27.

[6] Depreciation includes an adjustment of previous year amounted to €11k.

The Group

The above fixed assets are mainly located in Spain.

THE COMPANY

(Euro 000's)	Other assets[1]	Total
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	**-**	**-**
2020		
Cost		
At 1 January 2020	15	15
At 31 December 2020	15	15
Depreciation		

At 1 January 2020	15	15
Charge for the year	-	-
At 31 December 2020	15	15
Net book value at 31 December 2020	-	-

(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
2021			
Cost			
On 1 January 2021	**78,210**	**8,595**	**86,805**
Additions	**2,148[(3)]**	**-**	**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**
2020			
Cost			
On 1 January 2020	76,538	7,610	84,148
Additions	1,672[(2)]	1,312	2,984
Disposals	-	(327)	(327)
At 31 December 2020	78,210	8,595	86,805
Amortisation			
On 1 January 2020	13,808	7,255	21,063
Charge for the year	4,875	66	4,941
Impairment charge (Note 7)	-	985	985
At 31 December 2020	18,683	8,306	26,989
Net book value at 31 December 2020	59,527	289	59,816

(1) Permits include an amount of €5.0 million that relate to the Proyecto Touro mining rights.
(2) Addition resulting from the acquisition of Atalaya Masa Valverde SLU.
(3) Addition resulting from the acquisition of 51% of Rio Narcea Nickel SL

The useful life of the intangible assets is estimated to be not less than fourteen years from the start of production (the revised Reserves and Resources statement which was announced in July 2016 increased the life of mine to 16 ½ years). In July 2018, the Company announced an updated technical report on the mineral resources and reserves of the Proyecto Riotinto. The Report increased the open pit mineral reserves by 29% and stated the life of mine as 13.8 years, considering the on-going expansion of the processing plant.

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 on an annual basis unless indicators of impairment are not present at the reporting date. Atalaya assessed its assets concluding that there are no indicators of impairment for either Proyecto Riotinto or any other as of 31 December 2021.

15. Investment in subsidiaries

(Euro 000's)	**2021**	2020
THE COMPANY		
Opening amount at cost minus provision for impairment	**5,448**	4,630
Increase of investment [(2)]	**58,723**	818
Closing amount at cost less provision for impairment	**64,171**	5,448

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 2021[(5)]	Effective proportion of shares held in 2020[(5)]
Atalaya Touro (UK) Ltd[(1)]	10 March 2017	Holding	United Kingdom	100%	100%
Atalaya Minasderiotinto Project (UK) Ltd[(2)]	10 Sep 2008	Holding	United Kingdom	100%	100%
EMED Marketing Ltd	08 Sep 2008	Trading	Cyprus	100%	100%
EMED Mining Spain SLU[(3)]	12 April 2007	Exploration	Spain	100%	100%
Atalaya Financing Ltd[(4)]	16 Sep 2020	Financing	Cyprus	100%	100%

As security for the obligation on ARM to pay consideration to Astor under the Master Agreement and the Loan Assignment Agreement, Atalaya Minasderiotinto Project (UK) Ltd. has granted pledges to Astor Resources AG over the issued capital of ARM and granted a pledge to Astor over the issued share capital of Eastern Mediterranean Exploration and Development S.L.U. and the Company has provided a parent company guarantee (Note 28).

(1) On 10 March 2017, Atalaya Touro (UK) Limited was incorporated. Atalaya Mining Plc is its sole shareholder.

(2) The increase of €58.7 million related to a share capital increase of Atalaya Minasderiotinto Project (UK) Ltd. amounting to €57.8 million and share-based payment expense of €0.9 million (2020: €0.8 million).

(3) In December 2017, EMED Mining Spain S.L.U. increased its capital by €300k from its sole shareholder. This investment increase was fully impaired in the year.

[4] On 16 September 2020 the Group established a new company in Cyprus under the name of Atalaya Financing, Limited. The activity of the new company is financing. The audited consolidated financial statements include the results of the entity since its establishment date.

[5] The effective proportion of shares held as at 31 December 2021 and 2020 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)	2021	2020
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 2021	Consolidated statement of financial position 2020	Consolidated income statement 2021	Consolidated income statement 2020
THE GROUP				
Deferred tax asset				
At 1 January	**8,805**	6,576	**-**	-
Deferred tax related to utilization of losses for the year (Note 10)	**(3,856)**	(777)	**3,856**	777
Deferred tax income relating to the origination of temporary differences (Note 10)	**2,986**	3,320	**(2,986)**	(3,320)
Deferred tax expense relating to reversal of temporary differences (Note 10)				

	(2,371)	(313)	**2,371**	313
At 31 December	**5,564**	8,805		
Deferred tax income/(expense) (Note 10)			**3,241**	(2,230)

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 €0.3 million in Spain.

18. Inventories

(Euro 000's)	**2021**	2020
THE GROUP		
Finished products	**5,185**	8,642
Materials and supplies	**18,216**	13,764
Work in progress	**1,380**	1,170
	24,781	23,576

As at 31 December 2021, copper concentrate produced and not sold amounted to 5,254 tonnes (FY2020: 12,180 tonnes). Accordingly, the inventory for copper concentrate was €5.2 million (FY2020: €8.6 million). During the year 2021 the Group recorded cost of sales amounting to €192.1 million (FY2020: €175.5 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)	**2021**	2020
THE GROUP		
Non-current trade and other receivables		
Deposits	**303**	48
Loans	**2,332**	2,667
Other non-current receivables	**2,695**	-
	5,330	2,715
Current trade and other receivables		
Trade receivables at fair value – *subject to provisional pricing*	**8,865**	20,304
Trade receivables from shareholders at fair value – *subject to provisional pricing* (Note 31.5)	**20,283**	3,946
Other receivables from related parties at amortised cost (Note 31.3)	**56**	56
Deposits	**21**	21
VAT receivable	**17,300**	15,826
Tax advances	**-**	9

Prepayments	**3,303**	2,507
Other current assets	**300**	522
	50,128	43,191
Allowance for expected credit losses	**-**	-
Total trade and other receivables	**55,458**	45,906

(Euro 000's)	**2021**	2020
THE COMPANY		
Non-current trade and other receivables		
Receivables from own subsidiaries at amortised cost (Note 31.4)	**69,452**	75,300
Receivables from own subsidiaries at fair value through profit and loss (Note 31.4)	**176,292**	243,557
	245,744	318,857
Current trade and other receivables		
Tax advances CIT	**279**	-
Receivables from own subsidiaries at amortised cost (Note 31.4)	**2,084**	10,737
Other receivables	**52**	-
Total current trade and other receivables	**2,415**	10,737

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 2020: €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%.

20. Other Financial assets

THE GROUP

(Euro 000's)	**2021**	2020
Financial asset at fair value through OCI (see (a)) below)	**1,140**	1,187
Total current	**39**	86
Total non-current	**1,101**	1,101

THE COMPANY

(Euro 000's)	2021	2020
Financial asset at fair value through OCI (see (a)) below)	**39**	86
Total current	**39**	86

a) Financial assets at fair value through OCI

THE GROUP

(Euro 000's)	2021	2020
At 1 January [1]	**1,187**	1,143
Fair value change recorded in equity (Note 23)	**(47)**	44
At 31 December	**1,140**	1,187

THE COMPANY

(Euro 000's)	2021	2020
At 1 January [1]	**86**	42
Fair value change recorded in equity (Note 23)	**(47)**	44
At 31 December	**39**	86

Company name	Principal activities	Country of incorporation	Effective proportion of shares held at 31 December 2021
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 of available-for-sale investments in Other Comprehensive Income ('OCI'), as explained in Note 2.12.

21. Cash and cash equivalents

THE GROUP

(Euro 000's)	31 December 2021	31 December 2020
Unrestricted cash and cash equivalents at Group level	**48,375**	24,519
Unrestricted cash and cash equivalents at Operation level	**43,722**	13,248

Restricted cash and cash equivalents at Operation level	**15,420**	-
Consolidated cash and cash equivalents	**107,517**	37,767

As at 31 December 2021, the Group's operating subsidiary held restricted cash of €15.4 million related to the amount that the Company transferred to a trust account representing the full amount of interest claimed by Astor to 30 June 2022, as detailed in the note on Deferred Consideration.

Cash and cash equivalents denominated in the following currencies:

(Euro 000's)	**2021**	2020
Euro – functional and presentation currency	**30,145**	2,431
Great Britain Pound	**36**	2,019
United States Dollar	**77,336**	33,317
	107,517	37,767

THE COMPANY

(Euro 000's)	**2021**	2020
Cash at bank and on hand	**37,270**	2,049

Cash and cash equivalents denominated in the following currencies:

Euro – functional and presentation currency	**22**	62
Great Britain Pound	**36**	1,985
United States Dollar	**37,212**	2
	37,270	2,049

22. Share capital

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

Issued and fully paid	**000's**	**Euro 000's**	**Euro 000's**	**Euro 000's**
1 January 2020	137,340	13,372	314,319	327,691

Issue Date	Price (£)	Details

22 Dec 2020	2.015	Exercised share options [e]	228	19	491	510
22 Dec 2020	1.475	Exercised share options [e]	41	3	65	68
22 Dec 2020	1.440	Exercised share options [e]	499	42	758	800
22 Dec 2020	2.302	Bonus share to former Key management	33	3	81	84
31 December 2020/1 January 2021			**138,141**	**13,439**	**315,714**	**329,153**
12 Feb 2021	2.015	Exercised share options[a]	41	4	91	95
18 May 2021	2.015	Exercised share options[b]	20	1	45	46
18 May 2021	1.475	Exercised share options[b]	10	1	15	16
15 Dec 2021	1.475	Exercised share options[c]	9	2	43	45
15 Dec 2021	2.015	Exercised share options[c]	15	-	8	8
31 December 2021			**138,236**	**13,447**	**315,916**	**329,363**

Authorised capital

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

Issued capital

FY2021

(a) 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.

(b) 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.

(c) 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.

FY2020

a) On 22 December 2020, the Company was notified that certain employees exercised options over 768,250 ordinary shares of £0.075 at a price between £1.44 to £2.015, thus creating a share premium of €1,314k.

b) On 22 December 2020, the Company granted a bonus share to a former Key management of 33,333 ordinary shares of £0.075 at a price £2.302.

23. Other reserves

THE GROUP

(Euro 000's)	Share option	Bonus share	Fair value reserve of financial assets at FVOCI [2]	Total

			Depletion factor [1]		Non-distributable reserve [3]	Distributable reserve[4]	
At 1 January 2020	7,371	208	10,878	(1,144)	3,430	2,093	22,836
Recognition of depletion factor	-	-	14,155	-	-	-	14,155
Recognition of non-distributable reserve	-	-	-	-	2,198	-	2,198
Recognition of distributable reserve	-	-	-	-	-	-	-
Recognition of share based payments	816	-	-	-	-	-	816
Change in fair value of financial assets at fair value through OCI (Note 20)	-	-	-	44	-	-	44
Other changes in reserves	-	-	-	-	-	-	-
At 31 December 2020	**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**

THE COMPANY

(Euro 000's)	Share option	Bonus share	Fair value reserve of financial assets at FVOCI [(2)]	Total
At 1 January 2020	7,371	208	(1,144)	6,435
Adjustment for initial application of IFRS 9	-	-	-	-
Recognition of share based payments	816	-	-	816
Change in fair value of financial assets at fair value through OCI (Note 20)	-	-	44	44
At 31 December 2020	**8,187**	**208**	**(1,100)**	**7,295**
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**

(1) Depletion factor reserve
During the twelve month period ended 31 December 2021, the Group has disposed €6.1 million (FY2020: €14.2 million) as a depletion factor reserve as per the Spanish Corporate Tax Act.

(2) Fair value reserve of financial assets at FVOCI
The Group decided to recognise changes in the fair value of certain investments in equity securities in OCI. These changes are accumulated within the FVOCI reserve under equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

(3) Non-distributable reserve
As required by the Spanish Corporate Tax Act, the Group classified a non-distributable reserve of 10% of the profits generated by the Spanish subsidiaries until the reserve is 20% of share capital of the subsidiary.

(4) Distributable reserve
As result of the 2018 profit generated in ARM, the Group decided to record a distributable reserve in order to comply with the Spanish Corporate Tax Act.

Details of share options outstanding as at 31 December 2021:

Grant date	Expiry date	Exercise price £	Share options
23 Feb 2017	22 Feb 2022	1.440	314,000
29 May 2019	28-May-2024	2.015	988,250
8 July 2019	7 July 2024	2.045	400,000
30 June 2020	29 June 2030	1.475	989,500
24 June 2021	23 June 2031	3.090	1,150,000
Total			**3,841,750**

	Weighted average exercise price £	Share options
At 1 January 2021	1.759	**2,787,000**
Granted options during the year	3.090	**1,150,000**
Options executed during the year	1.907	**(95,250)**
31 December 2021	2.154	**3,841,750**

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.

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.

On 25 June 2021, the Company announced a grant of 1,150,000 share options (the "Options") to Person Discharging Managerial Responsibilities ("PDMRs") and key management in accordance to the Company's approved Share Option Plan 2020 (the "Option Plan"). The Options expire ten years from the date of grant (23 June 2031), have an exercise price of 309.0 pence per ordinary share, based on the minimum share price in the five days preceding the grant date, and vest in two equal tranches, half on grant and half on the first anniversary of the granting date.

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.

On 30 June 2020, the Company announced a grant of 1,050,000 share options (the "Options") to Person Discharging Managerial Responsibilities ("PDMRs") and key management in accordance to the Company's approved Share Option Plan 2020 (the "Option Plan"). The Options expire ten years from the date of grant (30 June 2031), have an exercise price of 147.5 pence per ordinary share, based on the minimum share price in the five days preceding the grant date, and vest in two equal tranches, half on grant and half on the first anniversary of the granting date.

On 22 December 2020, the Company was notified that certain employees exercised options over 768,250 ordinary shares of £0.075 at a price between £1.44 to £2.015 (Note 21 (b)).

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

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)	**2021**	2020
Opening balance	**(3,491)**	(2,402)
Share of total comprehensive income for the year	**(1,418)**	(1,089)
Closing balance	**(4,909)**	(3,491)

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 2021 is as follows:

(Euro 000's)	**2021**	2020
Non-current assets	**5,155**	5,111
Current assets	**315**	706
Non-current liabilities	**-**	-
Current liabilities	**9,481**	9,697
Equity	**(5,299)**	(3,879)
Revenue	**-**	-
Loss for the year and total comprehensive income	**(1,420)**	(1,210)

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.

The Group has a 51% interest in Río Narcea Nickel, S.L. acquired in December 2021 while the remaining 49% 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 2021 is as follows:

(Euro 000's)	**2021**	2020
Non-current assets	**1**	-
Current assets	**78**	-
Non-current liabilities	**-**	-
Current liabilities	**16**	-
Equity	**64**	-
Revenue	**-**	-
Loss for the year and total comprehensive income	**(287)**	-

25. Trade and other payables

THE GROUP

(Euro 000's)	2021	2020
Non-current trade and other payables		
Other non-current payables	**3,435**	1,435
Government grant	**15**	13
	3,450	1,448
Current trade and other payables		
Trade payables	**49,712**	63,946
Accruals	**16,267**	4,355
VAT payable	**74**	60
Other	**138**	76
	66,191	68,437

THE COMPANY

(Euro 000's)	2021	2020
Current trade and other payables		
Suppliers	**47**	753
Accruals	**1,257**	809
Payable to own subsidiaries (Note 31.4)	**634**	11,380
VAT payable	**74**	60
	2,012	13,002

Other non-current payables are related with the acquisition of Atalaya Masa Valverde formerly Cambridge Minería España, SL and Rio Narcea Nickel, SL (see Note 31).

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.

Accruals included an interest payable amounted to €11.7 million for the Group representing the interest calculation proposed by Astor (Note 29).

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

THE GROUP

(Euro 000's)	Legal	Rehabilitation	Total
1 January 2020	388	6,553	6,941
Additions	311	-	311

(Reduction) / addition of provision	(73)	17,941	17,868
Finance cost (Note 9)	-	144	144
31 December 2020/1 January 2021	**626**	**24,638**	**25,264**
Additions	**26**	**655**	**741**
Used of provision	**(286)**	**(57)**	**(403)**
Reversal of provision	**(87)**	**-**	**(87)**
Finance cost (Note 9)	**-**	**1,063**	**1,063**
31 December 2021	**279**	**26,299**	**26,578**

(Euro 000's)	**2021**	2020
Non-Current	**26,578**	25,264
Current	**-**	-
Total	**26,578**	25,264

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 2021 was 1.12% (2020: 1.36%), which is the average of the 15-year Spain Government Bond rate from 2017 to 2021. An inflation rate of 1%-1.96% is applied on annual basis.

In July 2018, the Company announced an updated technical report on the mineral resources and reserves of the Proyecto Riotinto. The Report increased the open pit mineral reserves by 29% and stated the life of mine as 13.8 years, considering the on-going expansion of the processing plant.

The expected payments for the rehabilitation work are as follows:

(Euro 000 's)	Between 1 – 5 Years	Between 6 – 10 Years	Between 10 – 20 Years
Expected payments for rehabilitation of the mining site, discounted	5,128	3,637	17,534

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 2021. Management has reviewed individually each case and made a provision of €279k (€626k in 2020) for these claims, which has been reflected in these consolidated financial statements. (Note 31)

27. Leases

(Euro 000's)	**31 Dec 2021**	31 Dec 2020
Non-current		
Leases	**4,913**	4,796
	4,913	4,796

Current		
Leases	**597**	592
	597	592

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

Amounts recognised in the statement of financial position and profit or loss

Set out below are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the period:

(Euro 000's)	Right – of-use assets				Lease liabilities
	Lands and buildings	**Vehicles**	**Laboratory equipment**	**Total**	
As at 1 January 2021	**5,416**	**29**	**168**	**5,613**	**5,388**
Additions	507	-	-	**507**	**729**
Depreciation expense	(506)	(15)	(69)	**(590)**	**-**
Interest expense	-	-	-	**-**	**11**
Payments	-	-	-	**-**	**(618)**
As at 31 December 2021	**5,417**	**14**	**99**	**5,530**	**5,510**

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

(Euro 000's)	**Twelve month ended 31 Dec 2021**	Twelve month ended 31 Dec 2020
As at 31 December		
Depreciation expense of right-of-use assets	**(590)**	(553)
Interest expense on lease liabilities	**(11)**	(17)
Total amounts recognised in profit or loss	**(601)**	(570)

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

Depreciation expense regarding leases amounts to €0.6 million (2020: €0.5) for the twelve month period ended 31 December 2021.

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 2021, the remaining term of this lease is twelve 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 2021, the remaining term of this motor vehicle and laboratory equipment lease is two years and two and half years respectively.

(Euro 000's)	31 Dec 2021	31 Dec 2020
Minimum lease payments due:		
- Within one year	**597**	592
- Two to five years	**2,014**	2,068
- Over five years	**2,899**	2,728

Less future finance charges	**-**	-
Present value of minimum lease payments due	**5,510**	5,388

Present value of minimum lease payments due:		
- Within one year	**597**	592
- Two to five years	**2,014**	2,068
- Over five years	**2,899**	2,728
	5,510	5,388

(Euro 000's)	**Lease liability**
Balance 1 January 2021	**5,388**
Additions	**729**
Interest expense	**11**
Lease payments	**(618)**
Balance at 31 Dec 2021	**5,510**
Balance at 31 Dec 2021	
- Non-current liabilities	**4,913**
- Current liabilities	**597**
	5,510

28. Borrowings

(Euro 000's)	**31 Dec 2021**	31 Dec 2020
Non-current borrowings		
Credit facilities	**34,050**	-
	34,050	-
Current borrowings		
Credit facilities	**13,394**	-
	13,394	-

The Group had uncommitted credit facilities totalling €111.0 million. During Q1 2021, Atalaya drew down some of its existing credit facilities to pay the Deferred Consideration (Note 29). Interest rates of existing credit facilities, including facilities used to pay the Deferred Consideration, range from 1.60% to 2.45% and the average interest rate on all facilities used and unused is 1.75%. The maximum term of the facilities is three years. As of 31 December 2021, the Company had used €47.4m in existing credit facilities. At as 31 December 2021 the Group had undrawn credit facilities of €63.6m.

29. Deferred Consideration

In September 2008, the Group moved to 100% ownership of Atalaya Riotinto Mineral S.L. ("ARM") (and thus full ownership of Proyecto Riotinto) by acquiring the remaining 49% of the issued capital of ARM. At the time of the acquisition, the Group signed a Master Agreement (the "Master Agreement") with Astor Management AG ("Astor") which included a deferred

consideration of €43.9 million (the "Deferred Consideration") payable as consideration in respect of the acquisition among other items. The Company also entered into a credit assignment agreement at the same time with a related company of Astor, Shorthorn AG, pursuant to which the benefit of outstanding loans was assigned to the Company in consideration for the payment of €9.1 million to Shorthorn (the "Loan Assignment").

The Master Agreement has been the subject of litigation in the High Court and the Court of Appeal that concluded in November 2018. As a consequence, ARM was obliged to apply any excess cash (after payment of operating expenses, sustaining capital expenditure, any senior debt service requirements and up to US$10 million per annum (for non-Proyecto Riotinto related expenses)) to pay the consideration due to Astor (including the Deferred Consideration and the amount of €9.1 million payable under the Loan Assignment). "Excess cash" is not defined in the Master Agreement leaving ambiguity as to how it was to be calculated.

On 2 March 2020, the Company filed an application in the High Court to seek clarity on the definition of “Excess Cash”. The Company and Astor exchanged statements of case to set out their formal position. The trial was listed to be heard from 21 February 2022 (the “Trial”). Following the filing of the statements of case for the Trial, Astor applied to Court seeking an early determination (without the need for a full trial) of the dispute in relation to the “Excess Cash” (the “Summary Judgment application”). The Summary Judgment application was heard on 14-15 June 2021. The Court dismissed Astor’s application meaning the proceedings would continue to Trial.

As previously announced, during December 2020 the Board had discussions and considered an early payment of the Deferred Consideration and the Loan Assignment provided certain conditions could be met. Conditions included among others the execution of credit facilities agreements to fund the payment.

In March 2021, the Company fulfilled all conditions required by the Board and made the early payment of €53 million to Astor. The payment was fully funded by unsecured credit facilities.

The payment of the Deferred Consideration did not end the ongoing litigation as the issue as to whether any residual interest may or may not be payable remained unresolved. On 15 July 2021, the Company transferred €15.4 million to the Company's solicitors representing the full amount of interest claimed by Astor (as at that date) covering the period up to 30 June 2022. The Company's solicitors provided an undertaking to Astor's solicitors to hold the full amount until settlement of the claim to interest or judgment following the Trial. The Company understands the monies held on client account by the Company's solicitors safeguard the maximum outstanding liability to Astor in relation to the Master Agreement. On that basis, and because the Consideration has been paid in full in accordance with the Master Agreement, the Company treats itself as free of the obligations set out at clauses 6(g)(iv)(A) and 6(g)(iv)(B) in the Master Agreement.

On 21 March 2022, further to the Trial which took place between 21 February and 1 March 2022, Judgment was handed down. The Judgment deals with matters of principle. The points that the Judge has decided will dictate the amount of interest that is payable.

On the basis of the principles set out in the Judgment, the parties are in the process of determining the correct interest calculation. It is clear that an amount will be payable in respect of interest. A consequential hearing is due to be listed on the earliest convenient date after 28 March 2022. The Company has agreed to pay Astor's costs of the proceedings.

As at 31 December 2021, the Group had accrued interest amounting to €11.7 million, representing the interest calculation proposed by Astor (Note 25). Atalaya is currently working to calculate the correct interest figure with a view to agreeing the amount with Astor in accordance with the Judgment. Atalaya expects the interest due to Astor following the Judgment to be in the range of approximately €10 million to €11.7 million.

Both parties have a right to appeal the Judgment if granted leave to do so.

30. Acquisition, incorporation and disposals of subsidiaries

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.

2020

Acquisition and incorporation of subsidiaries

On 16 September 2020 the Group established a new company in Cyprus under the name of Atalaya Financing, Limited. The activity of the new company is financing.

On 15 October 2020, the Company acquired 100% of the voting shares of Cambridge Minería España, SL, a company located in Huelva (Spain) that holds exploration permits for Masa Valverde polymetallic project located in Huelva (Spain) for €1.4 million payable in two instalments.

Disposals of subsidiaries

There were no disposals of subsidiaries during the year.

Wind-up of subsidiaries

There were no operations wound-up during FY2021 and FY2020.

31. Group information and related party disclosures

31.1 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%
EMED Mining Spain S.L.U.	Atalaya Mining Plc	Exploration	Spain	100%
Atalaya Riotinto Minera S.L.U.	Atalaya MinasdeRiotinto Project (UK) Limited	Production	Spain	100%
Eastern Mediterranean Exploration and Development S.L.U.	Atalaya MinasdeRiotinto Project (UK) Limited	Exploration	Spain	100%
Cobre San Rafael, S.L. (1)	Atalaya Touro (UK) Limited	Exploration	Spain	10%
Recursos Cuenca Minera S.L.U.	Atalaya Riotinto Minera SLU	Exploration	Spain	J-V
Fundacion Atalaya Riotinto	Atalaya Riotinto Minera SLU	Trust	Spain	100%
Atalaya Servicios Mineros, S.L.U.	Atalaya MinasdeRiotinto Project (UK) Limited	Dormant	Spain	100%
Atalaya Masa Valverde S.L.U. (2)	Atalaya Servicios Mineros, S.L.U.	Exploration	Spain	100%
Rio Narcea Nickel, S.L.	Atalaya Servicios Mineros, S.L.U.	Exploration	Spain	51%

(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.

The following transactions were carried out with related parties:

31.2 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)	**2021**	2020	**2021**	2020
Directors' remuneration and fees	**1,019**	1,044	**547**	572
Director's bonus [(1)]	**438**	305	**-**	-
Share option-based benefits to Directors	**321**	291	**-**	-
Key management personnel remuneration [(2)]	**522**	522	**-**	-
Key management bonus [(1)]	**265**	182	**-**	-
Key management share bonus [(3)]	**-**	84	**-**	-
Share option-based and other benefits to key management personnel [(4)]	**327**	374	**-**	-
	2,892	2,802	**547**	572

[(1)] These amounts related to the approved performance bonus for 2020 by the Board of Directors following the proposal of the CGNC Committee. The 2021 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 2021 performance.

[(2)] Includes wages and salaries of key management personnel of €505k (2020: €506k) and other benefits of €17k (2020: €16k).

[(3)] In December 2020, a former key management employee was granted with 33,333 shares.

[(4)] In 2020 includes share option of a former key management employee.

At 31 December 2021 amounts due to Directors, as from the Group, are €nil (€nil at 31 December 2020) and €nil (€nil at 31 December 2020) to key management.

At 31 December 2021 amounts due to Directors, as from the Company, are €nil (€nil at 31 December 2020) and €nil (€nil at 31 December 2020) to key management.

Share-based benefits

In 2021, 1,150,000 options were granted at a price of 309.0 pence, of which 800,000 were granted to Directors and key management personnel (2020: 1,050,000 options) (see note 23).

During 2021 the Directors and key management personnel have not been granted any bonus shares (2020: nil).

31.3 Transactions with shareholders and related parties

THE GROUP

(Euro 000's)	2021	2020
Trafigura – Revenue from contracts	**125,912**	49,775
Freight services	**-**	-
	125,912	49,775
Gains relating provisional pricing within sales	**4,730**	837
Trafigura – Total revenue from contracts	**130,642**	50,612
	130,642	50,612

THE COMPANY

(Euro 000's)	2021	2020
Sales of services (Note 5):		
• EMED Marketing Limited	**978**	749
• Atalaya MinasdeRiotinto Project (UK) Limited	**871**	693
	1,849	1,442
Purchase of services (Note 6):		
• Atalaya Riotinto Minera SLU	**(61)**	(55)
Other services (Note 6)		
• Atalaya Riotinto Minera 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	**941**	970
• Participative loan – at fair value through profit and loss	**12,854**	13,607
• Credit facility – at amortised cost	**1,457**	1,546
	15,252	16,123

THE GROUP

(Euro 000's)	2021	2020
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.

[(1)] This balance representing the interest calculation for the Company proposed by Astor (Note 29).

31.4 Year-end balances with related parties

THE COMPANY

(Euro 000's)	**2021**	2020
Non-current assets – Loan from related parties at FV through profit and loss (Note 19):		
Atalaya MinasdeRiotinto Project (UK) Limited – Participative Loan [1]	**173,930**	243,545
Atalaya MinasdeRiotinto Project (UK) Limited – Eastern Loan [5]	**12**	12
Atalaya Masa Valverde SL – Participative Loan [6]	**1,850**	-
Río Narcea Nickel SL – Participative Loan [6]	**500**	-
Total	**[illegible]**	243,557
Non-current assets – Loans and receivables from related parties at amortised cost (Note 19):		
Atalaya MinasdeRiotinto Project (UK) Limited – Credit Expansion Loan [2]	**41,535**	45,138
Atalaya MinasdeRiotinto Project (UK) Limited – Credit Agreement [3]	**26,354**	27,412
EMED Marketing Limited [4]	**1,164**	892
Atalaya MinasdeRiotinto Project (UK) Limited [4]	**399**	1,858
Total	**69,452**	75,300
Current assets – Loans and receivables from related parties at amortised cost (Note 19):		
Atalaya Riotinto Minera SLU [4]	**208**	9,117
EMED Marketing Limited [4]	**208**	-
Atalaya Touro (UK) Limited [4]	**1,634**	1,618
Atalaya Financing Ltd	**34**	2
Total	**2,084**	10,737

[1] This balance bears interest of 6.75% (2020: 6.75%).

[2] This balance bears interest of EURIBOR 6month plus 4% (2020: LIBOR 6month + 4.00%).

[3] This balance bears interest of EURIBOR 12month plus 4% (2020: 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% (2020: 3.00%).

[6] This balance bears no interest.

THE COMPANY

(Euro 000's)	**2021**	2020
Payable to related party (Note 25):		

EMED Marketing Limited	**-**	10,808
EMED Mining Spain S.L.	**262**	262
Atalaya Riotinto Minera S.L.U.	**372**	310
	634	11,380

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

31.5 Year-end balances with shareholders

(Euro 000's)	**2021**	2020
Receivable from shareholders (Note 19):		
Trafigura – Debtor balance –subject to provisional pricing	**20,283**	3,946
	20,283	3,946

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

32. 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.

33. 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.

34. Significant events

On 10 February 2021, the Company announced that its Board of Directors had appointed Mr. Neil Gregson as an independent Non-Executive Director of the Company.

On 12 February 2021, the Company was notified that certain employees exercised options over 40,750 ordinary shares of £0.075.

On 1 March 2021, Atalaya received the formal communication from Xunta de Galicia of the negative Environmental Impact Declaration on Proyecto Touro.

On 15 March 2021, Atalaya announced that it has made the payment of the €53 million (the "Deferred Consideration") to Astor Management following the approval of its Board of Directors. This amount arises from arrangements entered with Astor in 2008 in relation to Proyecto Riotinto. The payment was financed with unsecured credit lines by four major Spanish banks having a three-year tenure and an average annual interest rate of approximately two per cent.

On 25 March 2021, the Company announced that Dr. José Nicolas Sierra retired as Independent Non-Executive Director and as Chair of the Physical Risk Committee of Atalaya, with an effective date of 31 March 2021. From this date Mr. Neil Gregson is the Chair of the Physical Risk Committee of Atalaya.

On 12 April 2021, the Company announced that Mr. Damon Barber stepped down as a Non-Executive Director of the Company

with immediate effect.

On 17 May 2021, the Company was notified that Harry Liu, Director of the Company, sold 5,000 ordinary shares in Atalaya at an average price of 356.0 pence per share.

On 18 May 2021, the Company was notified that Harry Liu, Director of the Company, sold 3,698 ordinary shares in Atalaya at an average price of 358.0 pence per share.

On 26 May 2021, Liberty Metals & Mining Holdings, LLC, shareholder of the Company, reduced its share of voting rights from 14.17% to 12.97%.

On 25 June 2021, the Company announced that in accordance with the Company's Long Term Inventive Plan 2020, which was approved by shareholders at the Annual General Meeting on 25 June 2020, it had granted 1,150,000 share options to Persons Discharging Managerial Responsibilities and other management.

The Options expire ten years from the deemed date of grant (24 June 2021), have an exercise price of 309.0 pence per ordinary share, based on the average of the mid-market closing prices for the five dealing days immediately preceding the grant date, and vest in two equal tranches, half on grant and half on the first anniversary of the granting date.

On 29 June 2021, the Company was notified that Harry Liu, Director of the Company, sold 5,000 ordinary shares in Atalaya at an average price of 310.0 pence per share. On 1 July 2021 the Company announced that it was notified that Harry Liu, Director of the Company, sold 192 ordinary shares in Atalaya at an average price of 308.0 pence per share.

On 5 July 2021, the Company announced that it was notified, that Alberto Lavandeira, Chief Executive Officer and Managing Director of the Company, purchased 40,000 ordinary shares at an average price of 310.0 pence per share. The Company was also notified on 3 July 2021, that Harry Liu, Director of the Company, sold, on 1 July 2021, 170 ordinary shares in Atalaya at an average price of 309.0 pence per share.

Following the above transactions Mr. Lavandeira and Mr. Liu are interested in an aggregate of 280,000 and 386,019 ordinary shares of the Company representing 0.20% and 0.28% of the current issued share capital, respectively.

On 13 August 2021, the Company was notified that Harry Liu, Director of the Company, sold 11,000 ordinary shares in Atalaya at an average price of 324.0 pence per share.

On 4 August 2021, Liberty Metals & Mining Holdings, LLC, shareholder of the Company, reduced its share of voting rights from 11.79% to 10.94%. On 18 August 2021, Liberty Metals & Mining Holdings, LLC, shareholder of the Company, reduced its share of voting rights to nil.

On 20 August 2021, Polar Capital LLP notified the Company that it held 5.08% of voting rights.

On 6 October 2021, the Company announced that the recent drilling campaign has intersected broad intervals of massive and stockwork type polymetallic sulphide mineralization including significant high-grade intercepts at both Masa Valverde and Majadales.

Dividends

The Board of Directors declared an Inaugural Dividend of US$0.395 per ordinary share, which was equivalent to approximately 29 pence per share, and amounted to €47.3 million.

The interim dividend was paid on 1 December 2021

Further details are given in Note 12.

35. Events after the reporting period

Depending on the duration of the COVID-19 pandemic and any related negative impact on economic activity, the Group may experience negative results, liquidity restraints or incur impairments on its assets in 2022. The exact impact on the Group's activities in 2022 thereafter cannot be predicted. In the period since 31 December 2021 the Group has not incurred losses due to impairments. Refer to note 19.

The recent events in Ukraine from 24 February 2022 may have consequences for the Global Economy, which cannot yet be predicted, but the main concern at the moment 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 event is considered as a non-adjusting event and is therefore not reflected in the recognition and measurement of the assets and liabilities in the financial statements as at 31 December 2021.

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

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.

On 26 January 2022, the Company announced that it was notified that PDMRs executed options as follow:

- Alberto Lavandeira, Chief Executive Officer and Managing Director of the Company executed 150,000 options. Following the above transactions Mr. Lavandeira is interested in an aggregate of 430,000 ordinary shares of the Company representing 0.30% of the current issued share capital.
- Enrique Delgado, General Manager of Proyecto Riotinto, executed 550,000 options. Following the above transactions Mr. Delgado is interested in an aggregate of 550,000 ordinary shares of the Company representing 0.39% of the current issued share capital.
- César Sánchez, Chief Financial Officer, executed 650,000 options. Following the above transactions Mr. Sánchez is interested in an aggregate of 650,000 ordinary shares of the Company representing 0.46% of the current issued share capital.

On 22 February, the Company was notified that César Sánchez and Enrique Delgado, both persons discharging managerial responsibilities ("PDMR"), had sold 300,000 and 250,000 ordinary shares in Atalaya, respectively, at a price of 440.0 pence per share. Following the sale of these shares Mr. Sanchez is interested in an aggregate of 350,000 ordinary shares of the Company representing 0.250% of the current issued share capital. Mr. Delgado is interested in an aggregate of 300,000 ordinary shares of Atalaya representing 0.215% of the current issued share capital.

On 27 January 2022, the Company announced that in accordance with the Company's Long Term Inventive Plan 2020, which was approved by shareholders at the Annual General Meeting on 25 June 2020, it had granted 120,000 share options to an employee.

On 3 February 2022, Atalaya announced the results of five additional drill holes from its ongoing resource definition drilling programme at Proyecto Masa Valverde ("PMV").

On 21 March 2022, further to the Trial which took place between 21 February and 1 March 2022, the Judgment was handed down. The Judgment deals with matters of principle. The points that the Judge has decided will dictate the amount of interest that is payable.

On the basis of the principles set out in the Judgment, the parties are in the process of determining the correct interest calculation. It is clear that an amount will be payable in respect of interest. A consequential hearing is due to be listed on the earliest convenient date after 28 March 2022. The Company has agreed to pay Astor's costs of the proceedings.

As at 31 December 2021, the Group had accrued interest amounting to €11.7 million, representing the interest calculation proposed by Astor. Atalaya is currently working to calculate the correct interest figure with a view to agreeing the amount with Astor in accordance with the Judgment. Atalaya expects the interest due to Astor following the Judgment to be in the range of approximately €10 million to €11.7 million.

Both parties have a right to appeal the Judgment if granted leave to do so.