ATALAYA MINING

Annual Report 2024

For the year ended 31 December 2024

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Atalaya Mining Copper, S.A.
2024 Annual Report

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2024 **Annual Report**

For the year ended 31 December 2024

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Strategic Report

Performance Highlights

In 2024, we demonstrated resilience despite experiencing certain challenges:

Operational: We achieved a new annual record for ore processed, which helped to offset lower copper grade and copper recovery.

Financial: We exhibited good control of absolute costs, strong operational efficiency and maintained a solid balance sheet.

Operational Highlights

	Unit	2025	2024	2023
		Guidance	Actual	Actual
Ore mined	mt	15 – 16	**15.2**	14.9
Ore processed	mt	15.5 – 15.8	**15.9**	15.8
Copper concentrate produced	t	n/a	**252,165**	249,321
Copper production	t	48,000 – 52,000	**46,227**	51,667
Payable copper production	t	n/a	**43,706**	49,174

Key messages

Proyecto Riotinto produced 46 kt of copper in 2024 and we expect production to grow to approximately 50 kt in 2025.

We processed 15.9 Mt of ore in 2024, a new annual record, highlighting our operational efficiency and the reliability of our processing facilities.

We continue to make progress on our growth strategy, having advanced permitting and pre-development works at San Dionisio and Proyecto Masa Valverde, which have the potential to deliver higher grade material to the plant at Riotinto.

Proyecto Touro was awarded Strategic Industrial Project status by the Xunta de Galicia in June 2024, which represents an important permitting milestone.

Financial Highlights

	Unit	2024	2023
Revenues	€k	**326,797**	340,346
EBITDA	€k	**66,356**	73,1
Dividend per share (1)	$/share	**0.07**	0.09
Realised copper price (excluding QPs)	$/lb	**4.19**	3.80
Cash Cost	$/lb payable	**2.92**	2.79
All-in Sustaining Cost (AISC)	$/lb payable	**3.26**	3.09
Net cash position	€k	**35,091**	54,32
Cash at bank	€k	**52,878**	121,007

(1) Represents the total dividend for each fiscal year, consisting of an Interim Dividend (paid) and a proposed Final Dividend (subject to shareholder approval at the 2025 AGM)

Key messages

Delivered EBITDA of €66.4 million, which benefitted from good control of absolute costs.

Continued to return capital to shareholders via our dividend policy.

Cash Cost of US$2.92/lb and AISC of US$3.26/lb, which are competitive with Atalaya's copper producer peers.

Healthy liquidity position with €52.9 million cash at bank at 31 December 2024.

Company Overview

At Atalaya, we are a leading European copper producer listed on the London Stock Exchange's Main Market. We focus on sustainable growth and operational efficiency, striving to deliver long-term value to our shareholders through a high-quality portfolio of assets.

Our flagship operation, Proyecto Riotinto, is located in the Iberian Pyrite Belt in southern Spain, one of the world's most historically significant mining regions. With annual production of around 50,000 tonnes of copper, the Riotinto mine is the foundation of our success. We are committed to responsible resource management and minimising our environmental impact.

We operate our mining assets through innovation, efficiency, and a firm commitment to sustainability. By continuously optimising our production processes, controlling costs, and exploring new opportunities for expansion, we ensure that Atalaya remains competitive in the global marketplace. With a solid financial foundation, we are well-positioned to pursue strategic growth initiatives, including expansion projects and developing new resource opportunities both in Europe and beyond.

At the core of our strategy is our commitment to creating value for all our stakeholders, including our shareholders, employees, contractors and the communities in which we operate. Through responsible mining practices, a focus on reducing environmental impact, and active local engagement, we are working to shape a sustainable future in copper production.

Recent Company Events

April 2024

Admission of Atalaya's ordinary shares to the Main Market of the London Stock Exchange.

May 2024

Announced appointment of Neil Gregson as Non-Executive Chair, Kate Harcourt as Senior Independent Director and Carole Whittall as Independent Non-Executive Director.

June 2024

Cobre San Rafael, which owns Proyecto Touro, was awarded Strategic Industrial Project status by the Xunta de Galicia.

November 2024

Atalaya entered into two new agreements pursuant to which Atalaya can earn an initial 75% interest in two separate land packages in Sweden.

January 2025

Atalaya announces completion of re-domiciliation to Spain and appoints María del Coriseo González-Izquierdo Revilla as an Independent Non-Executive Director.

Proyecto Riotinto

Proyecto Riotinto is a mining and processing complex that produces copper concentrates. It is located between the municipalities of Minas de Riotinto, Nerva and El Campillo in the province of Huelva (Andalucía, Spain), approximately 65 km northwest of Seville and 70 km northeast of the port of Huelva. Atalaya owns and operates Proyecto Riotinto through its wholly owned subsidiary, Atalaya Riotinto Minera, S.L.U.

Proyecto Riotinto consists of an operating open pit mine (Cerro Colorado), the 15 Mtpa Riotinto Processing Plant and supporting infrastructure. In addition, the development stage San Dionisio and San Antonio deposits are located adjacent to the Cerro Colorado pit.

Riotinto District: Proyecto Masa Valverde ("PMV")

Proyecto Masa Valverde is a development stage volcanogenic massive sulphide ("VMS") type project located in the province of Huelva (Andalucía, Spain), approximately 80 km west-northwest of Sevilla and 32 km north northeast of the port of Huelva. Atalaya has owned PMV since October 2020 through its wholly owned subsidiary Atalaya Masa Valverde, S.L.U.

Development of PMV contemplates underground mining of the Masa Valverde and Majadales deposits, which would be accessed by constructing a ramp. Mined material would then be transported by public road to Riotinto for processing. This development scenario is consistent with Atalaya's strategy of developing the Riotinto 15 Mtpa Processing Plant into a central processing hub for Atalaya's assets in the Riotinto District.

Proyecto Riotinto East

In December 2020, Atalaya entered into a Memorandum of Understanding with Geotrex, S.L. to acquire a 100% beneficial interest in certain investigation permits, including two located immediately east of Proyecto Riotinto.

E-LIX Phase I Plant

The E-LIX Phase I Plant is an industrial-scale processing plant that utilises the E-LIX System and is located at Proyecto Riotinto. The plant is currently undergoing commissioning and ramp-up.

The E-LIX System is a newly developed and innovative electrochemical extraction process that utilises singular catalysts and physicochemical conditions to dissolve the valuable metals contained within sulphide concentrates in order to produce high-value copper and zinc metals from complex sulphide concentrates. The E-LIX System was developed by Lain Technologies Ltd ("Lain Tech") with the financial support of Atalaya.

Proyecto Touro

Proyecto Touro is a brownfield copper project located in the Galicia region of northwest Spain that is currently in the permitting process. Proyecto Touro is located in the "San Rafael" concession, which is an exploitation permit held by Cobre San Rafael. Atalaya exercised an option to acquire a 10% interest in Cobre San Rafael in February 2017 as part of an earn-in agreement that enables Atalaya to acquire up to an 80% ownership interest as certain development milestones are met.

In June 2024, Cobre San Rafael was awarded Strategic Industrial Project status by the Xunta de Galicia, which acts to simplify administrative procedures and intends to reduce permitting timelines.

Proyecto Ossa Morena

Proyecto Ossa Morena consists of a package of investigation permits that are strategically distributed along prospective zones of the Ossa Morena Metallogenic Belt in southwest Spain.

In December 2021, Atalaya announced the acquisition of a 51% interest in Atalaya Ossa Morena, S.L. (formerly, Rio Narcea Nickel, S.L.) and in 2022, increased its ownership interest to 99.9%.

Exploration activities at various projects and targets are ongoing.

Our Purpose

At Atalaya, our purpose is to responsibly extract and deliver the essential raw materials that power global economic growth and support the ongoing energy transition. We are dedicated to producing copper, a critical element in the shift toward cleaner energy, while prioritising sustainability, innovation, and long-term value creation for our shareholders, employees, contractors, and the communities in which we operate.

Our Strategy

Operational Expertise that Delivers Sustainable Growth

We continue to build on our success at Proyecto Riotinto, with the goal of becoming a multi-asset producer. Our strategy is centred on the development of sustainable, scalable, and low-risk assets in mining-friendly jurisdictions. This ensures that we maintain our competitive edge, minimise risk, and unlock new opportunities for growth.

Our focus is on expanding our operations using responsible mining practices, always evaluating the potential for growth consistent with environmental and social commitments. We actively explore new opportunities that enhance value for our stakeholders, with a disciplined approach to capital investment and risk management.

Diversification and Growth

Our long-term strategy involves expanding beyond Proyecto Riotinto, positioning us as a multi-asset company. By identifying and developing new assets, we aim to deliver sustainable production increases while maintaining a focus on reducing operational risk through diversification.

Our Mission

Responsibly Increasing Long-Term Value for All Stakeholders

At Atalaya Mining, our mission is to create lasting value for all stakeholders, ensuring stable and sustainable growth. We are committed to the responsible development of our assets, working to protect and enhance the interests of our shareholders, employees, communities, and partners.

We understand the vital role that copper plays in economic development and the green energy transition. As such, we view our role as more than just a mining company. We are partners in progress, contributing to society by delivering essential raw materials that enable cleaner energy technologies and drive industrial growth.

To achieve this, we focus on operational excellence, environmental stewardship, and community engagement. We continue to prioritise safety and efficiency in our operations, all while investing in sustainable mining practices that safeguard the environment and provide positive social impact.

Our Values

A Strong Commitment to a Safe, Ethical, and Transparent Working Environment

At Atalaya Mining, our values guide everything we do. We are committed to honesty, accountability, and transparency, ensuring that our operations are always aligned with the highest ethical standards. We believe in fostering a safe and inclusive working environment that promotes diversity and encourages innovation.

We work closely with all of our stakeholders, including local communities, to ensure that our activities are in harmony with their needs and expectations. Safety remains a top priority, and we are deeply committed to maintaining a workplace where everyone can thrive.

Environmental and Social Responsibility

We recognize the importance of environmental sustainability and are committed to minimizing our environmental footprint while contributing positively to the ecosystems and communities we engage with. Our proactive approach includes continuous improvement in waste management, water use, and energy efficiency to ensure that our mining activities are as sustainable as possible.

In every decision we make, we strive to embody the principles of responsible mining, ensuring that our long-term success is balanced with social responsibility and environmental protection.

At Atalaya, we believe that doing business the right way is the only way, and our core values of integrity, respect, and sustainability are deeply embedded in every aspect of our operations.

Atalaya at a Glance

Atalaya is a leading copper producer listed on the London Stock Exchange's Main Market, with its core operations based in Spain. Our strategic focus is on producing high-quality copper concentrates and advancing a pipeline of sustainable growth projects to solidify our position as a key player in the European mining sector.

Key Facts:

- **Primary Asset:** Proyecto Riotinto, a wholly owned open-pit copper mine in the Iberian Pyrite Belt, Andalusia, Spain.
- **Annual Production:** Around 50,000 tonnes of copper produced annually at Riotinto.
- **Ownership Structure:** Publicly listed company with a diverse range of shareholders, including institutional investors from the UK, Spain, Europe and North America.
- **Future Growth:** Potential to grow production at Riotinto by prioritising higher grade ore from deposits in the Riotinto District, and also through developing Proyecto Touro, a brownfield copper project in northwest Spain.

Strategic Focus:

- **Sustainable Growth Pipeline:** We are committed to expanding our portfolio with low-risk, high-return assets, while maintaining financial discipline and competitive capital intensity.
- **Operational Excellence:** With a strong management team of experienced miners and operators, Atalaya is focused on maximising efficiency and optimising costs across all operations.
- **ESG Leadership:** Environmental sustainability, social responsibility, and governance (ESG) principles are at the heart of our operations. We strive to minimize our environmental footprint and generate positive impacts for local communities.

Financial Health:

- **Robust Balance Sheet:** Our strong financial position allows us to fund future growth initiatives while providing consistent returns to shareholders.
- **Organic Cash Flow:** Consistent cash generation provides the foundation for continued investment in operational improvements and future projects.

Looking Ahead:

As we move forward, our strategy is to diversify into multiple assets and further expand our copper production base. We are actively exploring opportunities across Europe and Latin America, leveraging our operational expertise to capitalize on global demand for copper, particularly in the context of the energy transition and technological advancement.

For more information, visit www.atalayamining.com.

Cerro Colorado (Proyecto Riotinto)

Ownership	100%
Mine Activity	Open pit mining in operation
Commodity	Cu, Ag
Location	Huelva, Spain
Ore Reserve*	132.0 Mt at 0.37% Cu (P&P)
Resources	156.6 Mt at 0.37% Cu (M&I)
2024 actual Cu production	46,227 tonnes

* NI 43-101 compliant Reserves and Resources as at July 2023.

San Dionisio / San Antonio (Proyecto Riotinto)

Ownership	100%
Mine Activity	Potential for open pit and underground mining
Commodity	Cu, Zn, Pb, Ag
Location	Huelva, Spain
Ore Reserve	n/a
Resources*	**San Dionisio open pit:** - 57.4 Mt at 0.89% Cu and 1.12% Zn (M&I) **San Dionisio underground:** - 12.4 Mt at 1.01% Cu and 2.54% Zn (Inferred) **San Antonio underground:** - 11.8 Mt at 1.32% Cu and 1.79% Zn (Inferred)
Growth	Potential to increase production by increasing head grade

* NI 43-101 compliant Resources as at July 2023

Proyecto Riotinto is operated through Atalaya Riotinto Minera, S.L.U. a fully owned entity established under the laws of Spain.

Proyecto Masa Valverde (Riotinto District)

Ownership	100%
Mine Activity	Potential for underground mining. AAU and exploitation permit have been granted.
Commodity	Cu, Zn, Pb, Ag and Au
Location	Huelva, Spain
Resources*	**Masa Valverde:** - 16.9 Mt at 0.66% Cu, 1.55% Zn and 0.65% Pb (Indicated) - 73.4 Mt at 0.61% Cu, 1.24% Zn and 0.61% Pb (Inferred) **Majadales:** - 3.1 Mt at 0.94% Cu, 3.08% Zn and 1.43% Pb (Inferred)"
Growth	Strong exploration upside potential in the immediate surroundings.
Growth	Potential to increase production by increasing head grade

* NI 43-101 compliant Resource estimate as at March 2022

In 2020, Atalaya entered into a definitive purchase agreement to acquire the Masa Valverde polymetallic project in Huelva. The mining rights are owned by Atalaya Masa Valverde, S.L.U. a fully owned subsidiary of Atalaya.

In 2023, AMV was granted the Unified Environmental Authorisation (or in Spanish, Autorización Ambiental Unificada ("AAU")) by the Junta de Andalucía ("JdA").

Proyecto Touro

Ownership	10% with an earn-in agreement up to 80%
Mine Activity	Potential open pit mine; currently in the permitting stage
Commodity	Cu, Ag
Location	A Coruña, Spain
Ore Reserve*	90.9 Mt at 0.43% Cu (P&P)
Resources*	129.9 Mt at 0.39% Cu (M&I) and 46.5 Mt at 0.37% Cu (Inferred)
Growth	Option to acquire 100% of the adjacent exploration concessions

* NI 43-101 compliant Reserves and Resources as at September 2017

In 2017, Atalaya signed a phased, earn-in agreement for up to 80% ownership of Proyecto Touro, a brownfield copper project in northwest Spain. The mining rights are owned by Cobre San Rafael, S.L.

Proyecto Ossa Morena

Ownership	99.9%
Mine Activity	Exploration stage.
Commodity	Cu, Au and Fe
Location	Huelva, Spain
Resources*	**Alconchel:** - 7.8 Mt at 0.66% Cu and 0.17 g/t Au (M&I) and 15.0 Mt at 0.47% Cu and 0.14 g/t Au (Inferred)
Growth	Strong exploration upside potential throughout the overall land package.
Growth	Option to acquire 100% of the adjacent exploration concessions

* Historical data

In 2021, Atalaya announced the acquisition of a 51% interest in Rio Narcea Nickel, S.L., which owned a package of investigation permits in the Ossa Morena Metallogenic Belt, as well as several 100% owned investigation permits. In 2022, Atalaya increased its ownership in Rio Narcea Nickel, S.L. to 99.9% following the completion of a capital increase to fund exploration activities.

Letter from the Chair

Neil Gregson
Chair of Atalaya Mining Copper, S.A..

Dear Shareholder,

I am pleased to introduce the annual report of Atalaya Mining Copper, S.A. for the financial year ended 31 December 2024, my first since becoming Chair of the Board on 1 July 2024.

2024 was a year of change for the Company. Atalaya moved up from AIM to the Main Market of the London Stock Exchange on 29 April 2024 and the re-domiciliation from Cyprus to Spain took effect for Spanish corporate law purposes as from 27 December 2024, both representing major milestones for the Company.

We were also very pleased when Proyecto Touro, a key growth project, was declared a strategic industrial project by the Xunta de Galicia, given this status acts to simplify the administrative procedures associated with the development of industrial projects and intends to substantially reduce permitting timelines.

Performance

With respect to our sustainability performance, we have been making steady progress. In terms of safety, we reported a LTIFR of 3.33 in 2024 for our own employees and contractors, which represents an improvement from 3.94 in 2023 and 8.15 in 2022. We utilised recycled water for 81% of Riotinto's needs thanks to a variety of initiatives. The start-up of the first phase of our 50 MW solar plant will help to reduce our carbon emissions. Further, we continue to think locally with respect to hiring, procurement and community programmes.

From an operations perspective, performance was mixed during 2024. Lower grades resulted in a downward revision to copper production guidance at midyear, but positively, the processing plant ultimately achieved a new annual throughput record of 15.9 million tonnes, resulting in FY2024 copper production of 46,227 tonnes which was within the revised guidance range.

In terms of financial performance, we exhibited good cost control which helped to offset lower revenues. Our operations generated EBITDA of €66.4 million in FY2024, supporting our investments in growth, our ongoing dividend policy and our balance sheet.

Governance

As Chair, I am responsible for the running of the Board and for the Group's overall corporate governance. The Board and its committees play a key role in our governance framework by providing external and independent support and challenge. Further information regarding corporate governance at Atalaya can be found on pages 60 to 103.

Two members of our Board have served over nine years. I, together with my other Board colleagues, have carefully considered whether their independence has been impaired as a consequence of their extended tenure and we have concluded that it has not and that they remain independent and objective. Further details regarding how we have assessed their continued independence and reached our conclusion can be found on page 68.

Our first Directors' Remuneration Policy since moving up to the Main Market received 67% of votes in favour at our Annual General Meeting on 27 June 2024. Hussein Barma, Chair of our Remuneration Committee, and I sought engagement with 30 of our shareholders together holding almost 80% of our issued share capital. We are very grateful for the feedback we have received. The Directors' Remuneration Report on pages 86 to 103 provides more detail regarding the consultation process and our proposed new policy.

Board changes

I would like to welcome Carole Whittall, who joined the Board on 3 June 2024, as an independent non-executive director. Carole brings over 25 years of experience in the natural resources sector across a broad range of functions including management, finance and M&A.

I would also like to welcome María del Coriseo González-Izquierdo Revilla, who joined the Board on 14 January 2025. Coriseo is an accomplished executive with broad commercial and economic experience that will complement and enhance the skills of our Board. Coriseo will stand for election at the forthcoming annual general meeting. She replaces Roger Davey who stood down from the Board on 31 December 2024. On behalf of the Board, I would like to extend my thanks to Roger for his leadership of the Board throughout his many years of service.

Hussein Barma will not be seeking re-election at the forthcoming Annual General Meeting, having served on the Board since September 2015. Stephen Scott has also served on the Board for over nine years. At the request of the Board, he has agreed to defer his resignation until later in 2025 to preserve continuity. He will resign by no later than 31 December 2025.

Culture and values

Part of the Board's role involves assessing and monitoring culture. Atalaya's culture has developed over the last decade, with our workforce having doubled from around 250 employees in 2014 to nearly 500 today. We are committed to operating in a responsible and sustainable manner. Our core values include honesty, integrity, responsibility, and accountability. Information on how the Board monitors culture can be found on page 64.

Strategy

Atalaya remains focused on achieving operational excellence and on growing and diversifying its portfolio of copper assets located in Spain. Its key projects include the San Dionisio deposit and Proyecto Masa Valverde in the Riotinto District, which have the potential to increase production by delivering higher grade material to Riotinto's processing plant, as well as Proyecto Touro in Galicia, which could bring transformational growth for the Company. In addition, we believe that the E-LIX Phase I plant could unlock significant value from complex ores found in the Iberian Pyrite Belt and beyond. The Company also actively evaluates opportunities to further grow its portfolio including into new geographies, as shown by the recent earn-in agreement in Sweden.

Investors

The Directors are pleased to recommend a 2024 Final Dividend of $0.07 per ordinary share subject to shareholder approval at the 2025 Annual General Meeting. This brings the Full Year Dividend for FY2024 to $0.07 per ordinary share. This is consistent with the Company's dividend policy which seeks to provide returns to shareholders while allowing for continued investments in the Company's portfolio of low capital intensity growth projects.

During 2024, the Company's shares closed at an all-time high of 485.5p on 20 May 2024 following a rally in the copper price and related equities. Thereafter, the copper price softened and for the full calendar year, the share price performance of Atalaya and the Global X Copper Miners ETF (COPX) were effectively flat.

Looking ahead

Looking to the remainder of 2025, I am confident in the strength of our leadership team and the opportunities that lie before us. We are well-positioned to navigate challenges and deliver sustainable growth and long-term value for our shareholders. On behalf of the Board, I would like to express my thanks to our shareholders for their continued support.

In closing, I would like to thank my fellow board members for their engagement and advice to me since I became Chair. I would also like to thank our Chief Executive Officer, Alberto Lavandeira, and all Atalaya's employees and contractors for their dedication and hard work throughout the year.

Yours sincerely,

NEIL GREGSON

Chair of Atalaya Mining Copper, S.A.

17 March 2025

Letter from the Chief Executive Officer

Alberto Lavandeira Adán
Chief Executive Officer
of Atalaya Mining Copper, S.A..

Dear Shareholder,

Introduction

The past year was an active period for Atalaya, including across our asset portfolio and also at the corporate level. We are proud of the progress we made on several important strategic initiatives and are confident that our shareholders will enjoy the resulting benefits in the coming years.

Before moving to specifics on 2024, I would like to thank Roger Davey for his many years of service as Chair of Atalaya. Roger played an important role in establishing the company you see today. I would also like to acknowledge the contribution that Neil Gregson, our current Chair, has made since assuming the role. Further, we are pleased to have Carole Whittall and Coriseo González-Izquierdo Revilla as the latest additions to our Board.

Corporate activities

We completed two important corporate initiatives during 2024, both of which were part of our multi-year strategy. In April 2024, we moved up to the Main Market of the London Stock Exchange, representing an important milestone in Atalaya's history. Then in December 2024, our re-domiciliation from Cyprus to Spain took effect. Combined, these initiatives are expected to provide access to a broader range of institutional investors and potentially improve our trading liquidity.

Safety performance

The safety of our employees and contractors is our top priority. In recent years, we have made positive progress, reducing our LTIFR to 3.33 in 2024 from 8.15 in 2022, while also reducing the severity rate to 0.10 in 2024 from 0.22 in 2022. We will continue to focus on making further improvements in 2025.

Further information on our safety performance can be found in our 2024 Sustainability Report.

Sustainability performance

We are proud of the contribution we make to the local communities surrounding our operations. In 2024, 67% of Riotinto's workforce came from nearby villages, 93% of procurement came from Spain and the Atalaya Riotinto Foundation invested almost €1 million in local social initiatives. With respect to the environment, we look forward to reducing our carbon footprint thanks to the start-up of our solar plant and are pleased to report that recycled water accounted for 81% of Riotinto's needs in 2024.

In addition to the sustainability information that we provide on pages 48 to 53 of the Annual Report, further details can be found in our 2024 Sustainability Report.

Business performance

During 2024, our copper production was impacted by lower grades and lower recoveries, which dictated a downward revision to our operating guidance. Positively, strong plant performance helped to partly offset the grade decline and we ended the year having produced 46,227 tonnes. In 2025, we expect to see production increase as grades improve.

From a financial perspective, we demonstrated good cost control which provided support to our overall financial results. We continue to make meaningful investments across our operations and pay consistent dividends to our shareholders, while maintaining a robust balance sheet.

Further information on our business performance can be found in the Operating Review on pages 33 to 38 and in the Financial Review on pages 39 to 47.

Strategy

Our efforts are focused on growing Atalaya's copper production, diversifying our sources of production, extending mine life, delivering structural cost reductions and maximising overall asset optionality, while having a positive impact on our various stakeholders.

We are strong believers in the fundamentals of copper, which plays a critical role in economic growth and the energy transition. As the global population grows, societies increase in wealth and economies seek to decarbonise and pursue advanced technologies, more copper will be required. However, the mining industry faces enormous challenges as it seeks to deliver new copper supply due to increasing costs, regulations, infrastructure needs and social and environmental requirements.

This demand-supply dynamic is why Atalaya is excited about the years ahead. We have assembled a diversified portfolio of copper assets located in low risk jurisdictions, and are lucky to have an experienced team of explorers, developers and operators that have the skills to bring projects into production. Recent M&A activity involving long-dated projects that require significant capital investments highlights the robust outlook for copper and the increasing scarcity of high-quality assets.

Looking ahead

We are excited about 2025, which has the potential to be a transformational year for Atalaya. In the Riotinto District, we expect to process higher grades in the coming years as San Dionisio moves into commercial production. At Proyecto Masa Valverde, the planned start of ramp development will ultimately provide another source of higher grade material for processing at Riotinto. At the E-LIX Phase I plant, we continue to see promise for this unique leaching technology which could unlock value from many deposits in the Iberian Pyrite Belt and beyond.

At Proyecto Touro, we were very pleased when Proyecto Touro was declared a strategic industrial project by the Xunta de Galicia. Touro has the potential to become a modern and sustainable mine as well as a new source of copper for European industry. The declaration highlights the Xunta's commitment to promoting new investment and fostering innovation.

Combined, our asset portfolio could deliver significant production growth in the comings years at a capital intensity far below industry averages.

Conclusion

Finally, I would like to take this opportunity to reiterate the comments made by our Chair in relation to our employees and contractors and thank them for their hard work and dedication during the year.

Yours sincerely,

ALBERTO LAVANDEIRA ADÁN

Chief Executive Officer of Atalaya Mining Copper, S.A.

17 March 2025

Copper Market Overview

Supply Landscape

In 2024, global copper mine production increased by approximately 4%, with concentrate production rising by 2.8% and solvent extraction-electrowinning (SX-EW) growing by 9.2% (Source: ICSG).

Key producers such as Chile, Peru, and the Democratic Republic of the Congo (DRC) contributed significantly to this growth. Chile continued its recovery from weather-related disruptions experienced in 2023, while Peru benefited from the ramp-up of new mining projects. The DRC remained a pivotal player, particularly due to its copper-cobalt production for electric vehicle (EV) batteries.

Despite this production growth, concerns about longer-term supply persist. Few large scale mines are currently in development and many of the largest operations globally are experiencing grade decline and require significant investments in order to maintain copper production levels.

Demand Drivers and Growth

Demand for refined copper increased by 2.6% in 2024, reaching approximately 26 million tonnes (Mt) (*Source: IWCC*). This growth was driven by the ongoing transition to renewable energy and the expansion of electric vehicle production. Key sectors contributing to increased copper usage included:

- **EV production:** Copper remains a critical component in EV batteries, wiring, and charging infrastructure.
- **Renewable energy:** Wind and solar energy installations, both copper-intensive, expanded in key markets.
- **Infrastructure and construction:** Major infrastructure projects in Asia-Pacific, particularly in China, India, and ASEAN countries, boosted demand.

China continued to be the largest consumer of copper, accounting for a significant portion of global demand. Notable growth was also observed in North America, where copper consumption increased by 2.1%, driven by advancements in electronics and renewable energy infrastructure (Source: IWCC).

Market Trends and Regional Contributions

Global refined copper production in 2024 reached 26.2 Mt, driven by continued expansions in China's refining capacity (Source: Statista). Asia-Pacific remained the fastest-growing region for copper consumption, accounting for nearly three-quarters of global demand (Source: IWCC).

Secondary copper (recycled copper) played an increasingly important role in meeting demand, reflecting a growing emphasis on sustainability and circular economy practices in the copper industry.

Price Volatility and Market Dynamics

In Q1 2024, copper prices hovered around $8,344/t in January and $8,310/t in February, showing minimal fluctuation. This period reflected a balanced market with stable supply from key producers like Chile and Peru and steady demand from industrial sectors. The absence of significant price movement during these months was likely due to the seasonal slowdown in construction activity, particularly in China, which historically affects copper consumption early in the year. Additionally, the market remained cautious, awaiting clearer signals on global economic recovery and further actions from central banks regarding interest rates.

In March, copper prices jumped sharply, averaging $8,676/t, with a sustained upward trend throughout the month. This increase was driven by a noticeable pickup in demand from China following the Lunar New Year holiday. Reports of stronger-than-expected industrial output and a rebound in property investments bolstered sentiment, prompting increased purchases of copper for infrastructure and manufacturing. The market also saw speculative buying, anticipating tighter supply due to delayed shipments from South American producers facing port congestion.

Copper prices peaked in Q2, averaging $9,482/t in April and reaching a high of $10,129/t in May. This sharp surge was supported by several key factors:

- Increased EV and renewable energy investments in Europe and North America led to higher copper usage in grid infrastructure and battery production.
- Delays in new mine outputs in Peru and disruptions caused by strikes in Chile created temporary tightness in the market, amplifying price gains.
- The market experienced a brief speculative rally in late April as major commodity funds positioned themselves for a continued bull run on expectations of a supply deficit.

By July, prices began to stabilise, averaging $9,394/t, and continued to trend downward in August and September, reaching an average of $9,254/t in September. This correction was driven by:

- Recovery in supply: Key producers, including Chile and Peru, managed to increase output following the disruptions earlier in the year.
- Weaker-than-expected industrial growth in China during the summer months, particularly in the construction sector, led to reduced demand for copper.
- Increased inventories at key metal exchanges, reflecting improved availability, exerted downward pressure on prices.

Copper prices averaged $9,539/t in October, before softening further in November ($9,075/t) and December ($8,920/t). This decline was consistent with the typical seasonal slowdown in demand during the winter months. Additionally, major producers ramped up output in anticipation of year-end demand, leading to a temporary oversupply situation in the spot market.

Despite the decline, prices remained higher than the previous year's averages, underscoring the strong structural demand from green energy and electrification initiatives globally.

The copper market is expected to remain stable in 2025, with steady demand growth balanced by sufficient supply, though long-term trends suggest a tightening market in the years ahead.

2024 Market Copper Prices

Realised Copper Prices

The average prices of copper for 2024 and 2023 were:

$/lb[1]		2024	2023
Realised copper price (excluding QPs)	$/lb	**4.19**	3.80
Market copper price per lb (period average)	$/lb	**4.15**	3.85

(1) One tonne of copper is 2,204.62 pounds.

Realised copper prices for the reporting period noted above have been calculated using payable copper and excluding both provisional invoices and final settlements of quotation periods ("QPs") together. The realised price during 2024, including the QP, was approximately $4.06/lb.

Foreign Exchange Impact

The EUR/USD exchange rate fluctuated notably throughout 2024, reflecting changes in monetary policy expectations and varying macroeconomic conditions in the Eurozone and the United States. According to daily exchange rate data from the ECB:

Q1 Stability with Mild Depreciation: The year started with the exchange rate at 1.0956 USD/EUR on 2 January. Throughout January and February, the euro exhibited mild depreciation, with an average exchange rate of 1.090 USD/EUR during this period. The slight weakening of the euro reflected cautious sentiment around economic growth in the Eurozone, while the U.S. dollar maintained strength due to continued Federal Reserve tightening.

Mid-Year Appreciation and Peak: The euro strengthened steadily from March through September, driven by positive economic sentiment in the Eurozone and expectations of continued ECB rate hikes. The exchange rate peaked at 1.1196 USD/EUR on 30 September 2024, marking the highest level for the year. This appreciation was supported by improving industrial output and stronger-than-expected inflation data in the Eurozone.

Q4 Decline Amid Renewed Dollar Strength: The euro lost momentum in the final quarter, falling to 1.0389 USD/EUR on 31 December 2024, the lowest level of the year. This decline coincided with a resurgence in U.S. dollar strength as the Federal Reserve maintained its hawkish policy stance. Meanwhile, concerns over slowing Eurozone growth further pressured the euro.

The average EUR/USD exchange rate for 2024 was approximately 1.081 USD/EUR, based on ECB data. This volatility had a direct impact on Atalaya Mining's financial results, as the company's costs are largely denominated in euros, while its revenues are primarily in U.S. dollars. The strengthening of the dollar in the latter part of the year increased cost pressures on the business.

Atalaya remains vigilant in monitoring currency fluctuations and will continue evaluating potential risk management measures to mitigate future exchange rate impacts.

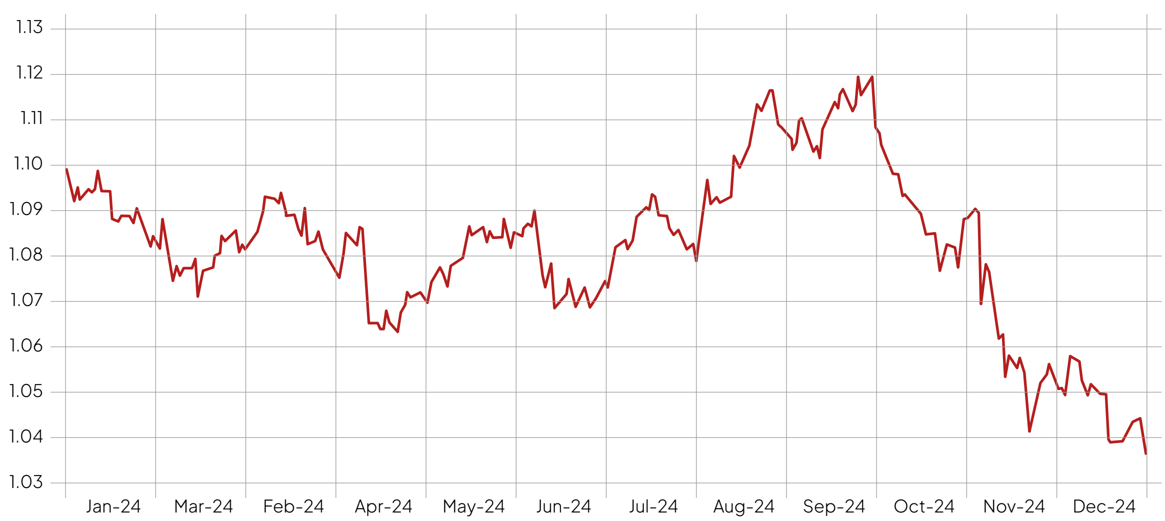
Atalaya's Strategic Response

Throughout 2024, Atalaya maintained its exposure to copper price fluctuations, with no hedging agreements in place. The Group focused on enhancing operational efficiency, sustainability, and exploration activities to position itself for long-term growth.

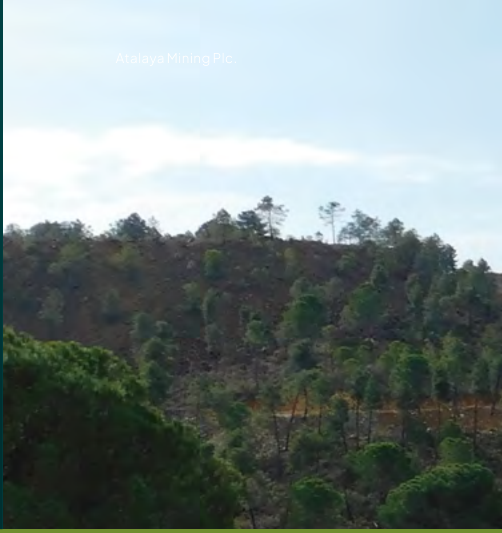
Outlook for 2025

Looking ahead, the outlook for copper remains positive, driven by its critical role in electrification, renewable energy, and infrastructure development. However, short-term market dynamics may continue to be influenced by economic uncertainty, geopolitical risks, and potential supply chain disruptions.

Atalaya remains well-positioned to capitalise on future opportunities in the copper market, with a focus on operational excellence, disciplined growth, and sustainability.



Strategic Framework



A Commitment to Responsible and Sustainable Growth

Atalaya is a European copper producer dedicated to long-term value creation through operational excellence, innovation, and sustainable practices. With a firm commitment to responsible mining, our strategy aligns with the global transition towards resource-efficient, low-impact operations, ensuring that we address the evolving needs of investors, communities, and regulators.

Our approach integrates resilience, growth, and environmental stewardship, allowing us to generate value across the mining lifecycle—from exploration and development to production and sale.

Through innovation, strong governance, and a deep-rooted commitment to sustainability, Atalaya is well-positioned to navigate the challenges of the modern mining sector while driving superior returns for shareholders.

People: Cultivating a Resilient, Inclusive Culture

Empowering Talent and Driving Cultural Transformation

Atalaya's workforce is at the heart of our success. We are committed to attracting, developing, and retaining top talent through structured leadership, technical, and safety programmes. Our Equality Plan, along with flexible benefits and employee development initiatives, fosters a collaborative and inclusive culture that promotes resilience and innovation across all levels of the organisation.

Building a High-Performance Organisation

Our people strategy is designed to align individual aspirations with Atalaya's strategic objectives, cultivating a performance-driven culture supported by transparent decision-making and open communication. These efforts enhance engagement, productivity, and operational efficiency, ensuring that Atalaya remains an employer of choice in the industry.

> Atalaya's workforce is at the heart of our success. We are committed to attracting, developing, and retaining top talent through structured leadership, technical, and safety programmes

Key Initiatives:

- Leadership Development Programme focused on technical and safety leadership to enhance team adaptability and resilience.
- Fundacion ARM expansion to support local education, health, and infrastructure projects.
- Implement a Workplace Well-being Programme with flexible working options and feedback platforms to improve employee engagement.

Community Engagement and Social Responsibility

Commitment to Local Communities

Atalaya recognises that active community engagement is fundamental to sustainable operations. We maintain strong, long-standing ties with our neighbours, built on a shared commitment to social, economic, and environmental prosperity.

As we expand our operations sustainably, we prioritise open and transparent communication, fostering a collaborative and trust-based relationship with local communities. At Proyecto Riotinto, we engage through the Atalaya Riotinto Foundation, while at Proyecto Touro, we work closely with the community through the TERRAS programme—an initiative focused on Transparency, Ethics, and Genuine Environmental and Social Responsibility.

In 2025, we will further strengthen these efforts, ensuring that our growth supports the long-term development and well-being of the communities that host our operations.

Socially Responsible Growth and Employment

In 2024, 72.5% of our workforce was locally employed, supported by new agreements with contractors to enhance regional workforce development. This strategy fosters strong community relationships and demonstrates our commitment to building long-term, mutually beneficial partnerships. By aligning our approach with industry best practices, we maintain our social licence to operate.

Portfolio: Strategic Growth and Asset Optimisation

Our portfolio management strategy is centred on optimising asset quality and advancing high-value growth projects. By aligning our assets with sustainable mining practices, we strengthen our competitive position and ensure investments are directed towards opportunities with the highest potential for long-term returns.

Commitment to Exploration and Resource Expansion

Exploration remains a core driver of Atalaya's growth strategy. Ongoing activities around Proyecto Riotinto leverage innovative, data-driven techniques to enhance resource availability and strengthen reserves. This approach ensures we meet the growing demand for critical metals essential for the global energy transition, reflecting industry trends prioritising sustainable resource expansion.

Innovation and Technological Integration

Pioneering Technology for Efficiency and Sustainability

Atalaya integrates cutting-edge technology to enhance operational efficiency, reduce costs, and meet sustainability goals. Recent initiatives include the installation of a 50 MW solar plant. Advanced digital systems and real-time monitoring tools further support operational insights, safety enhancements, and resource optimisation.

E-LIX System: Innovation in Mineral Extraction

Developed in collaboration with Lain Technologies, the E-LIX System is an innovative, electrochemical mineral extraction process designed to efficiently recover copper and zinc metals from complex sulphide concentrates. This proprietary technology operates under controlled physicochemical conditions, significantly reducing the need for traditional pyrometallurgical or hydrometallurgical processes.

The system offers several advantages:

» Higher metal recovery rates from polymetallic ores.

» Lower transportation and smelting costs by enabling on-site metal production.

» A reduced environmental footprint, as the process eliminates the need for high-temperature smelting, aligning with global decarbonisation goals.

Once fully operational, this technology is expected to unlock significant value from Atalaya's existing resources and position the Company as a leader in sustainable mineral processing

↘ Key Initiatives:

» Scale and commercialise the E-LIX System at Proyecto Riotinto, integrating it into Atalaya's core operations to enhance resource efficiency and sustainability.

» Advance research and optimisation efforts to further improve metal recovery rates and economic viability of the technology.

Environmental Stewardship: Responsible Water and Resource Management

Water Stewardship and Conservation

Operating in water-scarce regions, Atalaya has implemented robust water management strategies, including advanced treatment infrastructure at Proyecto Riotinto and a water plant at Proyecto Touro. Our commitment to water conservation ensures sustainable operations while preserving vital resources, aligning with industry-leading practices in ESG.

Sustainable Mining and Decarbonisation Goals

Atalaya is committed to reducing its environmental footprint and aligning with global decarbonisation efforts through the integration of renewable energy and resource-efficient practices. Our sustainability strategy prioritises energy efficiency, emissions reduction, and responsible resource management, reinforcing our leadership in sustainable mining.

A major milestone in 2024 was the successful commissioning of Phase I of our solar plant at Proyecto Riotinto, making it the first mine in Spain powered by solar energy. Full capacity is expected in 2025, after which the facility will supply approximately 22% of the mine's total energy needs, contributing to lower operational costs and reduced greenhouse gas (GHG) emissions. Additionally, Atalaya continues to advance its water conservation initiatives, further minimising its impact on local water resources.

↘ Key Initiatives:

» Expand renewable energy use through the full integration of the 50 MW Solar Plant at Proyecto Riotinto.

» Achieve further improvements in water reuse, targeting a higher recirculation rate through enhanced recycling systems.

» Implement a Biodiversity Action Plan to protect local ecosystems, promote reforestation, and enhance conservation efforts.

Pathway to Sustainable Growth and Innovation

Atalaya's comprehensive strategic framework is designed to balance operational excellence, community engagement, and environmental responsibility. By adopting best practices in mining and prioritising innovation, we are committed to setting a high standard for sustainable growth and long-term value creation. This approach positions Atalaya as a resilient and forward-thinking organisation, fully prepared to meet the challenges and opportunities of the evolving mining landscape.

Key Performance Indicators

We use a range of financial and operational key performance indicators (KPIs) to measure our performance and assess the progress of our strategy. These KPIs help us evaluate our operational efficiency, financial health, and sustainability goals, ensuring that we create value for our shareholders and achieve our long-term objectives. The KPIs outlined below are aligned with our business model and strategic priorities.

1. Financial KPIs

KPI	2024	2023
Revenue (€k)	**326,797**	340,346
EBITDA (€k)	**66,356**	73,1
Net Cash Position (€k)	**35,091**	54,32
Dividend per Share ($/share)*	**0.07**	0.09
Realised Copper Price ($/lb)	**4.19**	3.80

*Represents the total dividend for each fiscal year, consisting of an Interim Dividend (paid) and a proposed Final Dividend (subject to shareholder approval at the 2025 AGM).

These financial KPIs provide insight into the Group's financial health, profitability, and ability to return value to shareholders.

2. Operational KPIs

KPI	Guidance 2025	2024	2023
Copper Production (tonnes)	48,000 – 52,000	**46,227**	51,667
Ore Processed (Mt)	15.5 – 15.8	**15.9**	15.8
Cash Cost ($/lb)	2.70 – 2.90	**2.92**	2.79
All-In Sustaining Cost (AISC) ($/lb)	3.20 – 3.40	**3.26**	3.09
Payable Copper Production (tonnes)	n/a	**43,706**	49,174

Operational KPIs provide insight into our efficiency in extracting and processing copper, while also helping us monitor production costs and operational sustainability.

3. Sustainability & ESG KPIs

KPI	2024	2023
Scope 1&2 CO2 Emissions (tonnes)*	**98,447**	102,423
Surface Water Withdrawal (millions m^3)	**3.58**	4.23
Lost Time Injury Frequency Rate (LTIFR) (own employees + contractors)	**3.33**	3.94
Severity Rate	**0.10**	0.14
Community Investment (€m)	**1.0**	0.7

*Our 2024 CO_2 emissions is an estimate data using 2023 emission.

These KPIs reflect Atalaya's commitment to environmental responsibility and social governance, ensuring we maintain high standards of sustainability while engaging with and supporting local communities.

Risk Management and Principal Risk Factors

Atalaya is committed to identifying, assessing, and managing risks that may impact its strategic objectives, financial performance, operations, and compliance obligations.

Our risk management framework is embedded within the Company's corporate governance structure, ensuring that risks are effectively overseen, mitigated, and aligned with the Company's long-term growth and sustainability strategy.

By integrating risk management into decision-making processes, the Company proactively addresses operational, financial, regulatory, environmental, and external challenges, enabling it to adapt to changing market conditions, regulatory developments, and industry best practices.

The Company has an ongoing process for identifying, evaluating and managing the principal risks it faces. This process has been in place for the year under review and up to the date of approval of this Annual Report.

Atalaya's risk governance framework is structured to ensure that risk management is comprehensive, transparent, and aligned with industry standards. Its approach is based on clear roles and responsibilities across different levels of the organisation:

1. Board of Directors

The Board of Directors holds ultimate responsibility for Atalaya's risk management strategy. It considers the Company's risk appetite as part of its ongoing oversight of the business, provides oversight of internal controls, and ensures that Atalaya operates within a balanced risk-reward framework. The Board conducts an annual review of strategic and material business risks, ensuring alignment with corporate strategy and evolving external factors.

2. Audit Committee (AC)

The Audit Committee assesses financial risks arising from Atalaya's operations, including liquidity, market, and credit risks. It evaluates the adequacy of financial controls and risk mitigation measures, advising the Board on risk exposure and financial stability.

3. Physical Risk Committee (PRC)

The PRC oversees risks related to:

» Safety, health, and security across all operational sites.

» Enterprise-wide physical risk management, addressing infrastructure vulnerabilities and operational hazards.

> The Company proactively addresses operational, financial, regulatory, environmental, and external challenges, enabling it to adapt to changing market conditions.

4. Sustainability Committee (SC)

The SC monitors Atalaya's environmental and sustainability risks, ensuring alignment with ESG standards, decarbonisation efforts, and responsible mining practices.

5. Management and Risk Ownership

Atalaya's management team is responsible for designing, implementing, and monitoring risk management policies across all business units. Risk owners within each operational and corporate function ensure that risks are:

- Identified and assessed regularly.
- Effectively mitigated through tailored action plans.
- Monitored for changes that require strategic adjustments.

Management provides regular risk reports to the Board and Committees, ensuring continuous oversight and accountability.

Risk Management Process

Atalaya employs a structured, company-wide risk management process that enables us to identify, assess, and mitigate risks efficiently. This process includes:

1. Risk Identification

The Company continuously monitors internal and external risks, including market trends, regulatory changes, operational challenges, and geopolitical factors.

Regular risk assessments are conducted by management, ensuring potential threats are captured in a comprehensive risk register.

2. Risk Assessment and Prioritisation

Risks are evaluated based on impact and likelihood, allowing for effective prioritisation.

Each risk is assigned an 'owner' (a member of the management team). Each risk is also assigned oversight responsibility by either the Board or one of its committees.

Each risk is assessed against Atalaya's risk appetite, ensuring an appropriate balance between risk-taking and risk mitigation.

3. Risk Mitigation Strategies

Tailored risk management plans are developed for key risks, ensuring structured mitigation approaches.

Internal controls and operational adjustments are implemented to minimise exposure to critical risks.

4. Continuous Monitoring and Reporting

Risks are monitored throughout the year, with regular updates to the Board and Committees.

Emerging risks are evaluated, ensuring Atalaya remains proactive and adaptable in a changing risk environment.

Principal Risk Factors

Atalaya operates in a complex and dynamic industry, where various risks may impact our business performance, regulatory compliance, and long-term strategy. The principal risks we face include:

1. Strategic and Market Risks

» Commodity Price Volatility: Fluctuations in copper prices and exchange rates may impact revenue and profitability.

» Global Economic Uncertainty: Changes in macroeconomic conditions, inflation, and geopolitical tensions can affect demand for copper and impact supply chains.

» Growth and Investment Risks: The ability to expand operations, develop new projects, and secure financing is subject to market conditions and regulatory approvals.

2. Operational Risks

» Health, Safety, and Environmental (HSE) Risks: Mining operations inherently carry safety and environmental challenges. Atalaya prioritises compliance with strict safety protocols, regular audits, and continuous training.

» Production and Supply Chain Risks: Disruptions in raw material supply, equipment availability, or infrastructure failures can impact operational efficiency. Atalaya continuously evaluates procurement strategies and logistical resilience.

» Asset Integrity and Resource Management: Effective mine planning and resource optimisation are essential for ensuring long-term operational stability.

3. Legal and Regulatory Risks

» Evolving Mining Legislation: Changes in environmental laws, permitting requirements, and tax regimes can impact Atalaya's operations and cost structure.

» Environmental Compliance: Stricter emissions, waste management, and water usage regulations require continuous monitoring and adaptation.

» Community Relations and Social Licence to Operate: Maintaining strong relationships with local communities is essential to minimising social risks and ensuring project continuity.

4. Financial Risks

» Liquidity and Capital Allocation Risks: Effective cash flow management and access to financing are critical to supporting Atalaya's growth strategy.

» Foreign Exchange and Interest Rate Exposure: As a European mining company, Atalaya is exposed to currency fluctuations and interest rate changes, which require active financial risk management.

5. External and Emerging Risks

» Geopolitical Instability and Trade Barriers: International trade policies, conflicts, and sanctions may impact copper demand and global supply chains.

» Climate Change and Sustainability Regulations: Increasing focus on carbon reduction and energy efficiency presents both regulatory challenges and opportunities for innovation.

» Cybersecurity and Technological Risks: Growing reliance on digital systems and automation necessitates strong cybersecurity measures to protect data and operational integrity.

Annual Risk Review and Policy Updates

The Board conducts an annual review of its risk profile, ensuring the Company's risk management approach remains aligned with business objectives and external conditions. As part of this process:

↘ Management and key executives report to the Board and Committees on:

» Emerging material risks.
» Effectiveness of mitigation strategies.
» Implementation of internal controls.
» Compliance with risk management policies.

↘ The Board reviews Atalaya's risk appetite, making adjustments where necessary to ensure strategic alignment.

The Board has completed a robust assessment of the Company's current and emerging principal risks and the following are those that have been identified from that assessment as being the highest risk:

High Medium Low

Physical Risks – Excluding Tailings Dam

Description	The Company's operations are exposed to various physical risks that could disrupt production, endanger personnel, and impact financial performance. These include natural hazards such as forest fires, as well as human-induced risks such as equipment sabotage, intentional damage, and theft. Additionally, structural failures, including pit wall collapse, and equipment or fleet fires, post significant operational and safety risks. Failure to manage these risks effectively could result in operational delays, increased costs, regulatory scrutiny, and reputational damage.
Nature of Risk	The Company's operating mine is located in an area of increased risk from forest fire which could be triggered by natural causes, human activity, or climate-related factors. A fire could damage infrastructure, disrupt operations, and threaten worker safety. Theft of high-value equipment, fuel or materials can lead to financial losses and operational delays. Sabotage, whether by external or internal parties could result in deliberate damage to assets, security breaches, or production downtime. Heavy machinery and vehicles used in mining are susceptible to mechanical failures, fuel leaks, or electrical malfunctions that could cause fires. Such incidents may damage assets, endanger personnel, and disrupt production. Geotechnical instability due to weak rock formations, excessive rainfall, or inadequate slope management can lead to pit wall failure. This poses significant safety hazards with the potential to trap personnel and equipment, cause operational halts, and require costly remediation efforts.
Mitigation	Several measures are in place for all physical risks, including, but not limited to implementation of a forest fire prevention management plan, installation of fire suppression systems in the mobile mining fleet, inspection, design and rehabilitation of structures where risks are prevalent, strict control of reagent delivery and reinforcement of training on chemical reagents.
Probability	Likely
Impact	High

Physical Risks – Tailings Dam

Description	A tailings dam failure poses a significant threat to environmental safety, operational continuity, and regulatory compliance. The uncontrolled release of tailings material could lead to widespread environmental contamination, damage to nearby communities and infrastructure, financial and legal consequences, and reputational harm. Ensuring the structural integrity and proper management of the tailings storage facility is critical to preventing catastrophic failure.
Nature of Risk	Tailings dam failures can result from geotechnical instability, excessive water accumulation, seismic activity, extreme weather events, or poor construction and maintenance practices. Factors such as improper drainage, inadequate monitoring, or human error can increase the likelihood of dam instability, leading to dam overtopping, slope failure, or structural collapse. In the event of a failure, the rapid release of tailings material may cause loss of life, environmental degradation, water source contamination, and significant operational disruptions, potentially resulting in regulatory fines, litigation and loss of social licence to operate.
Mitigation	The Company mitigates this risk via engineering and design controls, water management and stability monitoring, inspection and maintenance protocols and emergency response plan.
Probability	Unlikely
Impact	Medium

Geopolitical Conflicts

Description	This risk relates to the impact of recent interstate conflicts on the global economic environment, volatility in regulated markets and inflationary pressures. Atalaya, which operates in a global context, is susceptible to the far-reaching consequences of geopolitical conflicts.
Nature of Risk	The nature of this risk stems from the external influence of geopolitical conflicts, which can disrupt global economic conditions, induce market volatility, and exert inflationary pressure. Atalaya's operations are exposed to the broad-ranging implications of these conflicts.
Mitigation	To mitigate this risk, Atalaya adopts a proactive stance. The Company closely monitors commodities prices, supplies prices, and international economic variations, aligning its strategies with the dynamic geopolitical landscape. By staying informed and responsive to market trends influenced by geopolitical conflicts, Atalaya aims to navigate potential challenges effectively.
Probability	Likely
Impact	High

Sustained and Significant Changes to Commodity Prices

Description	This risk pertains to the susceptibility of the Company´s business to sustained and significant changes in commodity prices, specifically a sustained decline in the price of copper and other metals in world markets. Commodity prices, known for their volatility, may experience fluctuations that could adversely impact Atalaya's overall business, operating results, and future prospects.
Nature of Risk	The nature of this risk is rooted in the external factor of global market dynamics, particularly the potential for unpredictable and substantial fluctuations in commodity prices. A decline in copper and other metal prices could directly affect the revenue and profitability of Atalaya's mining operations.
Mitigation	To address this risk, Atalaya has implemented proactive measures. The mine's cash costs are consistently maintained below the market price for copper, even during recent cyclical lows. Additionally, the Company adopts a vigilant approach by constantly monitoring commodity prices. Atalaya revisits and refines its hedging strategies and policies to navigate the impact of adverse changes in commodity prices.
Probability	Highly Likely
Impact	Medium

Single Asset Concentration

Description	Atalaya operates under a distinctive model, emphasising a singular asset—Proyecto Riotinto. This exclusive focus centres on copper concentrate production, with a concurrent silver by-product. A meticulous financial examination is crucial to comprehending associated risks and the strategic approaches employed by the Company.
Nature of Risk	The risk is inherent in Atalaya's concentrated operational structure, primarily depending on Proyecto Riotinto. The Company's heavy reliance on this single producing asset renders it financially sensitive. Any disruption or adverse event affecting Proyecto Riotinto directly influences the overall financial performance of the entire Group, creating vulnerability associated with dependence on a solitary revenue stream.
Mitigation	Atalaya has proactively implemented strategic measures to mitigate this inherent risk. Proyecto Riotinto has demonstrated operational resilience since its restart in 2016, consistently maintaining cash costs below the market price for copper, even during cyclical lows. Additionally, the Company actively pursues acquisitions in the mining sector to diversify its operational portfolio, thereby reducing reliance on a single asset. The Business Development Department evaluates growth opportunities and transactions, ensuring a structured decision-making process within established authority levels set by the Board. These measures collectively aim to enhance resilience and mitigate the impact of potential disruptions to the single producing asset.
Probability	Possible
Impact	High

Difficulty Maintaining Existing Financing or Obtaining Future Financing if Capex Projects are Over Budget

Description	Atalaya faces the risk of encountering difficulty in maintaining existing or securing additional financing in the event that existing capex projects surpass their allocated budgets. Including the E-LIX project, which Atalaya has funded since 2019 and has experienced some delays and overruns in during the construction of the industrial plant. This risk is influenced by various external factors, including heightened interest rates, recent global financial market volatility, geopolitical tensions, and inflationary pressures.
Nature of Risk	The nature of this risk lies in the potential inability of Atalaya to access the necessary funds required to complete planned development projects. Unforeseen circumstances such as increased interest rates or global financial instability could impede the Company's ability to secure additional financing, affecting the successful execution of capital projects.
Mitigation	Atalaya employs a proactive approach to mitigate this risk. The Company has a permanent contact with counterparties and potential counterparties to ensure the capacity of funding projects and continuously monitors the financial market conditions, including fluctuations in bank interest rates. This diligent monitoring allows Atalaya to stay informed about potential changes in the financial landscape and make timely, informed decisions to secure financing under favourable terms.
Probability	Possible
Impact	High

Rising Extraction Cost Over Time as Reserves Deplete

Description	The risk involves a potential escalation in extraction costs over time as reserves deplete combined with other operating issues such as, but not limited to, higher strip ratio, low grades, and low recoveries. The maturity of the Company's Cerro Colorado mine and the historical exploitation of low-grade minerals contribute to this risk, resulting in increased unit extraction costs due to longer hauling distances and the need to extract lower copper concentration minerals.
Nature of Risk	The nature of this risk is rooted in the challenges posed by the depletion of high-grade reserves at the mature Cerro Colorado mine. As the mine transitions to lower-grade minerals, the unit extraction costs are expected to rise, impacting the economic viability of continued mining operations.
Mitigation	To mitigate this risk, Atalaya employs a multi-faceted strategy. Regular monitoring of copper prices and mineral reserve estimates allows the Company to assess the economic feasibility of ongoing mining activities. Additionally, efforts are underway to seek administrative permits for accessing the mineral resources of the San Dionisio project, which holds high-grade ore. This strategic move aims to counterbalance the depletion of high-grade reserves at Cerro Colorado.
Probability	Possible
Impact	High

Personnel Safety

Description	The operation of a mine site exposes personnel to various physical risks and safety and health hazards including exposure to hazardous substances, heavy machinery accidents, traffic accidents, and other occupational risks. Failure to adequately manage these risks could result in serious injuries, fatalities, regulatory penalties, operational descriptions, and reputational damage.
Nature of Risk	Mining activities inherently involve working in high-risk environments where personnel may be exposed to dust inhalation, fire hazards, and mechanical failures. Additionally human factors such as fatigue, inadequate training, or non-compliance with safety protocols can heighten the risk of workplace incidents. Regulatory requirements also impose stringent safety obligations, and any failure to meet these standards could lead to enforcement actions, fines, or shutdowns.
Mitigation	The Company prioritises a strong safety culture through comprehensive risk assessments, regular training programmes, and strict adherence to health and safety regulations. Additionally, the Company engages in continuous improvement activities to enhance workplace safety.
Probability	Possible
Impact	High

Environmental – Acid Water

Description	The mining operation generates waste materials that may lead to the formation of acidic water. If not properly managed, uncontrolled acidic water discharge can result in environmental contamination, regulatory non-compliance, reputational damage, and potential financial liabilities.
Nature of Risk	Acidic water discharge occurs when sulphide minerals in waste rock and tailings react with oxygen and water, generating sulphuric acid. This acidic runoff can leach heavy metals from surrounding rock, contaminating local water sources and ecosystems. If containment and treatment systems fail or are inadequate, there is a risk of legal penalties, loss of environmental permits, and community opposition, all of which could significantly impact operational continuity and long-term sustainability.
Mitigation	The Company actively monitors and manages seepage levels to ensure that they remain within established design parameters. Regular inspections and upgrades of pumping systems are conducted as needed to maintain efficiency and reliability. Rainwater is segregated from acidic water and passive treatment methods are trialed to improve water acid management.
Probability	Likely
Impact	Medium

Dependency on Key Management and Critical Skills Loss

Description	The risk involves the likelihood of losing critical skills across various areas of Atalaya's business, including leadership/management, personnel, process/structure and technology.
Nature of Risk	This risk's nature lies in the potential loss of key skills and expertise critical to the organisation's smooth functioning. It extends to the leadership, personnel, processes, technology, and overall organizational culture.
Mitigation	To address this risk, Atalaya has implemented a succession plan for each key position, aiming to ensure a seamless transition in the event of skill losses. The Company focuses on talent development and retention strategies to minimise the impact of critical skill departures.
Probability	Low
Impact	Moderate

Viability Statement

In accordance with the requirements of Provision 31 of the 2018 UK Corporate Governance Code, the Board of Directors has assessed the long-term prospects of the Company over a five-year period. This period aligns with the Company's strategic planning cycle and provides an appropriate timeframe for assessing the impact of significant risks and uncertainties on the business.

Given the capital-intensive and cyclical nature of mining, the five-year period is particularly suitable for assessing Atalaya's resilience in the face of potential commodity price declines, input cost increases, operational disruptions, and capital project cost escalations. This period also aligns with typical investment cycles, project development timelines, and mine planning in the sector.

The Board considered the following key factors in its assessment:

Financial Position and Liquidity

The Board assessed Atalaya's financial resilience, with a primary focus on cash reserves, access to credit facilities, and the overall capital structure. As of 31 December 2024, Atalaya held €52.9 million in cash and cash equivalents, and it had total borrowings of €17.8 million. Of these borrowings, €6.9 million are repayable within the next 12 months, with the remaining €10.9 million extending beyond the five-year period, ensuring a balanced repayment schedule. Additionally, Atalaya's access to undrawn revolving credit facilities and renewed annually combined with its historical ability to secure long-term debt financing, suggest that potential funding remains available (subject to prevailing market conditions) providing a buffer to maintain liquidity even in severe economic downturns.

The assessment considered Atalaya's ability to maintain sufficient cash flow under adverse conditions. This analysis included a review of potential liquidity impacts, ensuring the Company's capacity to meet both operational and investment needs. The approach reflects the mining sector's best practices, where maintaining liquidity and flexibility to manage cash flow volatility is crucial due to unpredictable commodity price movements and project-related capital demands.

Business Model Resilience in a Mining Context

Atalaya's business currently consists of a single operating mine, Proyecto Riotinto, which derives effectively all of its revenue from the production of copper concentrates and other exploration and development projects which are not yet cash generating. As such, the business model of Atalaya is highly dependent on the price of copper and on the continuous operation of its only mine.

In order to mitigate the risks associated with this concentration, Atalaya's strategy is focused on avoiding operational disruptions and maximising profitability.

This strategy includes operational excellence, efficient extraction methods, cost management, and continuous innovation. Proyecto Riotinto has a proven production track record since its restart in 2015 and maintains an expected mine life of over 10 years.

The Company is currently in the process of obtaining the environmental permits for Proyecto Touro, which would provide diversification via a second operation.

Principal Risks in Mining Operations

The Board conducted a thorough review of Atalaya's key operational risks, focusing on strategic, market, environmental, regulatory, and operational factors. The following primary risks were modelled in our assessment on a stand-alone basis:

In addition, these scenarios were integrated into a series of severe yet plausible stress tests, including combinations of multiple adverse events, which were evaluated to assess Atalaya's resilience, focusing on key metrics such as liquidity, debt covenant compliance, and the Company's ability to meet operational and financial obligations. While individual risks were assessed separately, the Board recognises that simultaneous occurrence of multiple adverse events could amplify their impact. Accordingly, the Company remains focused on maintaining financial and operational resilience under a range of combined downside scenarios.

The stability and safety of our tailings storage facilities (TSFs) are critically important. Atalaya's TSFs are designed according to international best practices, using centreline construction methods to ensure enhanced stability. Regular inspections and monitoring are conducted to maintain compliance with strict environmental and operational standards. Although a catastrophic tailings failure was not included in the stress test due to the comprehensive design and oversight of these facilities, the Company remains vigilant in managing this and other environmental risks.

Based on this analysis, and while acknowledging that unforeseen external factors, including regulatory changes or extreme market conditions could influence this outlook, the Board has a reasonable expectation that Atalaya will be able to continue in operation and meet its liabilities as they fall due over the next five years. The Company's robust financial position, proactive risk management strategies, and commitment to operational resilience underpin our expectation of Atalaya's ability to navigate future challenges successfully.

Commodity Price Decrease	As the mining sector is heavily influenced by commodity prices, the Board assessed the impact of a 15% decrease in copper prices over a two-year recessionary period and recovered in the remaining three years within the five-year outlook.
Input Cost Increase	Reflecting on recent cost shocks, including the significant 2022 spike in electricity prices, a 15% increase in site operating expenses over a two-year inflationary period and decreasing to expected levels in the remaining three years was modelled.
Operational Shutdowns	Drawing on past shutdowns, such as those experienced during the COVID-19 pandemic due to supply chain disruptions, a three-month shutdown of the production site was modelled.
Capital Project Capex Escalation	Recognising recent trends in project cost inflation, the Board considered a 50% increase in capital expenditures for key approved projects at Riotinto over a two-year period and decreasing to expected levels in the remaining three years over a five-year period.
Lower Copper Head Grade	Recognising recent trends in project cost inflation, the Board considered a 50% increase in capital expenditures for key approved projects at Riotinto over a two-year period and decreasing to expected levels in the remaining three years over a five-year period.

Operating Review

Proyecto Riotinto

The following table presents a summarised statement of operations of Proyecto Riotinto for the three and twelve month periods ended 31 December 2024 and 2023.

Units expressed in accordance with the international system of units (SI)	Unit	Q4 2024	Q4 2023	FY2024	FY2023
Ore mined	tonnes	**3,507,203**	3,742,814	**15,176,009**	14,944,638
Waste mined[2]	tonnes	**10,200,079**	7,362,657	**32,824,156**	32,182,904
Ore processed	tonnes	**3,757,040**	4,138,368	**15,913,064**	15,790,098
Copper grade	%	**0.41**	0.36	**0.35**	0.38
Copper concentrate grade	%	**17.37**	19.83	**18.33**	20.72
Copper recovery	%	**78.15**	85.47	**83.06**	86.62
Copper concentrate produced	tonnes	**69,55**	64,414	**252,165**	249,321
Copper production	tonnes	**12,078**	12,775	**46,227**	51,667
Payable copper production	tonnes	**11,382**	12,131	**43,706**	49,174
Cash Cost	US$/lb payable	**2.79**	2.90	**2.92**	2.79
All-in Sustaining Cost	US$/lb payable	**3.28**	3.16	**3.26**	3.09

(2) Represents the Cerro Colorado pit only.

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

$/lb Cu payable	Q4 2024	Q4 2023	FY2024	FY2023
Mining	**1.05**	0.92	**1.07**	0.86
Processing	**0.88**	0.84	**0.90**	0.89
Other site operating costs	**0.66**	0.67	**0.64**	0.56
Total site operating costs	**2.58**	2.44	**2.61**	2.30
By-product credits	**(0.34)**	(0.11)	**(0.27)**	(0.09)
Freight, treatment charges and other offsite costs	**0.55**	0.57	**0.58**	0.58
Total offsite costs	**0.21**	0.47	**0.30**	0.49
Cash Cost	**2.79**	2.90	**2.92**	2.79
Cash Cost	**2.79**	2.90	**2.92**	2.79
Corporate costs	**0.11**	0.09	**0.10**	0.08
Sustaining capital (excluding tailings expansion)	**0.03**	0.02	**0.05**	0.03
Capitalised stripping costs[3]	**0.27**	0.08	**0.11**	0.12
Other costs	**0.09**	0.06	**0.09**	0.07
AISC	**3.28**	3.16	**3.26**	3.09

(3) Represents the Cerro Colorado pit only.

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

Mining and Processing

Mining

Ore mined was 3.5 million tonnes in Q4 2024 (Q4 2023: 3.7 million tonnes) and

15.2 million tonnes

in FY2024 (FY2023: 14.9 million tonnes).

Waste mined at Cerro Colorado was 10.2 million tonnes in Q4 2024 (Q4 2023: 7.4 million tonnes) and

32.8 million tonnes

in FY2024 (FY2023: 32.2 million tonnes). In addition, waste stripping activities continued at the San Dionisio area.

Processing

Ore processed was 3.8 million tonnes in Q4 2024 (Q4 2023: 4.1 million tonnes) and

15.9 million tonnes

in FY2024 (FY2023: 15.8 million tonnes), which represents a new annual throughput record.

Copper grade was 0.41% in Q4 2024 (Q4 2023: 0.36%) and

0.35%

in FY2024 (FY2023: 0.38%), with lower full-year grades as a result of pit sequencing.

Copper recovery was 78.15% in Q4 2024 (Q4 2023: 85.47%) and

83.06%

in FY2024 (FY2023: 86.62%), with the decrease due to a combination of lower grades and the characteristics of certain ores.

Production

Copper production was 12,078 tonnes in Q4 2024 (Q4 2023: 12,775 tonnes) and

46,227 tonnes

in FY2024 (FY2023: 51,667 tonnes). Production in FY2024 was below FY2023 as a result of lower copper grades and recoveries, although higher silver production helped to mitigate the impact on revenues.

On-site copper concentrate inventories were

21,815 tonnes

at 31 December 2024 (31 December 2023: 6,722 tonnes).

Copper contained in concentrates sold was 10,271 tonnes in Q4 2024 (Q4 2023: 12,928 tonnes) and

43,609 tonnes

in FY2024 (FY2023: 50,808 tonnes).

Asset Portfolio Update

Proyecto Riotinto

Waste stripping continues at San Dionisio in order to prepare the area for future mining phases. Total material mined was 1.9 million tonnes in Q4 2024 and 13.4 million tonnes in FY2024. Meanwhile, the permitting process associated with the San Dionisio final pit continues to advance.

Construction progress continues in relation to the planned relocation of the A-461 road that currently runs between Cerro Colorado and San Dionisio.

At San Antonio, an infill and step-out drilling programme is expected to begin in the coming months.

E-LIX Phase I Plant

Commissioning and ramp-up activities continue at the E-LIX Phase I plant. During Q4 2024, good progress was made in relation to rectifying issues in the conventional elements of the plant. The novel leaching section continues to perform well, where recent focus has been on leaching the zinc contained within Atalaya's copper concentrates given the low copper treatment charge environment.

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

50 MW Solar Plant

The 50 MW solar plant was connected to the substation at the end of October 2024. With Phase I complete, full capacity is expected to be reached in 2025 after which the facility is expected to provide approximately 22% of Riotinto's current electricity needs.

Together, the 50 MW solar plant and the Company's 10-year PPA will provide over 50% of the Company's current electricity requirements at a rate well below historical prices in Spain. The Company also continues to assess opportunities to enter into additional long-term PPAs in order to provide further price stability.

Riotinto District – Proyecto Masa Valverde

PMV has been granted the two key permits required for development – the Unified Environmental Authorisation (or in Spanish, Autorización Ambiental Unificada ("AAU") and the exploitation permit. The Company expects to start construction of the access ramp in H1 2025 once it has completed the purchase of certain surface rights.

At present, four drill rigs are testing the north extension of the copper veining stockwork mineralisation at the Masa Valverde deposit, while additional drilling was recently completed at other targets.

Proyecto Touro

On 24 June 2024, Atalaya announced that Proyecto Touro, via its local entity Cobre San Rafael, was declared a strategic industrial project by the Council of the Xunta de Galicia ("XdG"). Under legislation of the Autonomous Community of Galicia, the status of strategic industrial project (or in Spanish, Proyecto Industrial Estratégico ("PIE")) acts to simplify the administrative procedures associated with the development of industrial projects and intends to substantially reduce permitting timelines.

This declaration highlights the XdG's commitment to promoting new investment that will benefit the region and also support the objectives of the European Union. Copper is considered a strategic raw material by the EU and this project has the potential to become a new source of sustainable European copper production.

The XdG is continuing its review according to the simplified procedures afforded to projects with PIE status. The public information period, which serves to inform the surrounding communities and organisations about the proposed project, concluded on 31 January 2025. Cobre San Rafael is currently focused on analysing and responding to the feedback submitted during the public information period and assessing the sectoral reports issued by the various departments of the XdG.

In addition, the Company continues to engage with the many stakeholders in the region including through various recruitment initiatives, and is restoring the water quality of the rivers around Touro by operating its water treatment plant.

The Company also continues infill and step-out drilling programmes focused on areas captured in the initial mine plan and where mineralisation remains open.

Proyecto Ossa Morena

Once new permits are approved, drilling will be prioritised at the flagship Alconchel-Pallares copper-gold project and the Guijarro-Chaparral gold-copper project.

Riotinto District – Proyecto Riotinto East

A gravimetric ground survey will be carried out over selected areas to better define drill targets.

Skellefte Belt and Rockliden (Sweden)

On 19 November 2024, Atalaya announced that it had entered into two binding agreements with Mineral Prospektering i Sverige AB ("MPS") pursuant to which Atalaya can earn an initial 75% interest in two separate land packages in Sweden. The Skellefte Belt land package ("Skellefte Belt Project") and the Rockliden land package ("Rockliden Project") are located in two notable districts that host many large-scale volcanogenic massive sulphide ("VMS") deposits and mines owned by Boliden AB. Both regions are underexplored and could increase Atalaya's exposure to critical minerals in Europe.

In Q4 2024, activities focused on preparing for the winter drilling season. At the Rockliden Project, drilling commenced during the first week of January 2025, with an initial focus on extensional drilling at the "Target 1" prospect and other untested high priority regional Versatile Time-Domain Electromagnetic ("VTEM") anomalies. At the Skellefte Belt Project, drilling is underway and focused on known VTEM anomalies and infill and extensional drilling at the Bjurtraskgruvan prospect.

Corporate Activities Update

Move to the Main Market

On 29 April 2024, the Company announced the admission of its ordinary shares to the premium listing segment of the Official List maintained by the Financial Conduct Authority ("FCA") and to trading on London Stock Exchange's main market for listed securities, along with the cancellation of trading on AIM.

The move up marked a significant corporate milestone for Atalaya and reflected the Company's desire to expand its investor base and continue its growth trajectory.

New Listing Rules

On 29 July 2024, the FCA implemented a new simplified listing regime. As a result, the Company is now admitted to the equity shares (commercial companies) ("ESCC") category of the Official List, in place of the prior premium listing segment.

Re-domiciliation

On 10 January 2025, the Company announced the completion of its re-domiciliation from the Republic of Cyprus to the Kingdom of Spain.

As a result, trading in Atalaya's shares under the new registered name of Atalaya Mining Copper, S.A. became effective on 10 January 2025. In addition, the actions and initiatives noted in the Company's 6 January 2025 announcement became effective on 9 January 2025, with retrospective effect for Spanish corporate law purposes as from 27 December 2024.

The re-domiciliation to Spain, along with Atalaya's move to the Main Market, opened the possibility for Atalaya to be included in the FTSE UK Index Series and further expanded its access to new investors.

Indexation

On 5 March 2025, FTSE Russell announced the results of its March 2025 Quarterly Review for the FTSE UK Index Series. Atalaya is pleased that its shares will be added to the FTSE All-Share and FTSE SmallCap indices effective 24 March 2025. This milestone is expected to enhance the Company's visibility to institutional investors.

Board of Directors

During 2024 and early 2025, several updates took effect related to succession planning at the Company's Board of Directors:

- **Neil Gregson** was appointed Chair of Atalaya, succeeding Roger Davey
- **Kate Harcourt** was appointed Senior Independent Director
- **Carole Whittall** was appointed as an Independent Non-Executive Director
- **Roger Davey** retired from the Board
- **Coriseo González-Izquierdo** was appointed as an Independent Non-Executive Director

As a result of these updates, various changes were made to the composition of the Company's Board committees.

In addition, it is intended that Coriseo González-Izquierdo will succeed Hussin Barma as Chair of the Remuneration Committee no later than the date of the 2025 Annual General Meeting.

Operational Guidance

The forward-looking information contained in this section is subject to the risk factors and assumptions contained in the cautionary statement on forward-looking statements included in the Basis of Reporting. Should the Company consider the current guidance no longer achievable, then the Company will provide a further update.

Proyecto Riotinto operational guidance for 2025 is as follows:

	Unit	Guidance 2025
Ore mined	million tonnes	**15 – 16**
Waste mined[4]	million tonnes	**37 – 43**
Ore processed	million tonnes	**15.5 – 15.8**
Copper grade	%	**0.38 – 0.42**
Copper recovery	%	**78 – 82**
Copper production	tonnes	**48,000 – 52,000**
Cash Cost	$/lb payable	**$2.70 – 2.90**
All-in Sustaining Cost	$/lb payable	**$3.20 – 3.40**

(4) Represents the Cerro Colorado pit only.

Production

As announced in the Company's Q4 2024 Operations Update, copper production guidance is 48,000 – 52,000 tonnes for FY2025, which compares to FY2024 production of 46,227 tonnes. Production in FY2025 is expected to be weighted slightly towards H1 2025 as a result of pit sequencing.

Production in the initial months of 2025 has been encouraging and supports the Company's full-year 2025 outlook.

Operating Costs

The prices of several key consumables continued their downward trend in 2024 after having peaked in 2022, although unit prices remain above 2021 levels. Ongoing conflicts in several regions may continue to disrupt supply chains and impact energy prices, therefore further input price volatility is possible. With respect to electricity, the Company's long-term PPA and solar plant are expected to provide some price stability.

Cash Cost and AISC guidance for FY2025 are as follows:

Cash Cost range of
$2.70 – 2.90/lb
copper payable

- Compares with actual of $2.92/lb in FY2024

AISC range of
$3.20 – 3.40/lb
copper payable

- Includes capitalised stripping costs of ~$0.20/lb from Cerro Colorado
- Compares with actual of $3.26/lb in FY2024, which included $0.11/lb in capitalised stripping costs from Cerro Colorado

AISC guidance excludes investments in the tailings dam and ongoing waste stripping at the San Dionisio area, which are included in the non-sustaining capital investment guidance below.

Non-Sustaining Capital Investments

Atalaya continues to make investments that support its core strategic objectives of increasing its copper production, diversifying its sources of production, extending mine life, delivering structural cost reductions and maximising overall asset optionality.

The Company plans to make the following non-sustaining capital investments in FY2025:

Exploration Expenditures

Investing in early stage exploration remains a key component of Atalaya's long-term strategy. The Company has interests in several key land packages in Spain, including in the Iberian Pyrite Belt (Riotinto District), the Ossa Morena Metallogenic Belt (Proyecto Ossa Morena) and around Proyecto Touro, as well as new earn-in agreements in two VMS districts in Sweden.

In FY2025, the Company's exploration expenditure budget is €6 – 8 million. The main focus will be on expanding and upgrading resources at Cerro Colorado, San Antonio, Proyecto Masa Valverde and Proyecto Touro, as well as drill testing targets in Sweden and at Proyecto Masa Valverde.

Item	€ million
San Dionisio waste stripping, dewatering and road relocation[5]	€32 – 46
Proyecto Masa Valverde access ramp[6]	€8 – 12
E-LIX Phase I Plant	€5 – 7
50 MW solar plant	€3 – 5
Expansion of existing Riotinto tailings facility	€10 – 12
Total non-sustaining capital investments	**€58 – 82**

(5) Upon receipt of the final permit, a portion of this may be reclassified to Cash Cost and AISC
(6) Ramp development to begin once purchase of surface rights are completed

Financial Review

Income Statement

The following table presents a summarised consolidated income statement for the three and twelve month periods ended 31 December 2024 and 31 December 2023.

(Euro 000's)	Three month ended 31 Dec 2024	Three month ended 31 Dec 2023	Twelve month ended 31 Dec 2024	Twelve month ended 31 Dec 2023
Revenues from operations	**77,852**	85,591	**326,797**	340,346
Cost of sales	**(59,598)**	(65,038)	**(242,163)**	(247,290)
Corporate expenses	**(1,833)**	(4,713)	**(7,927)**	(12,741)
Exploration expenses	**(4,637)**	(1,311)	**(7,950)**	(6,467)
Care and maintenance expenditure	**1,269**	(1,199)	**(2,784)**	(2,384)
Other income	**(373)**	558	**383**	1,636
EBITDA	**12,680**	13,888	**66,356**	73,100
Depreciation/amortisation	**(10,625)**	(10,635)	**(43,565)**	(37,800)
Net Impairment reversals on Assets[7]	**5,744**	-	**5,744**	-
Net foreign exchange gain/(loss)	**2,532**	(2,038)	**3,090**	(1,278)
Net finance income/(cost)	**553**	(422)	**(102)**	2,071
Tax	**4,038**	4,422	**1,037**	570
Profit for the year	**14,922**	5,215	**32,560**	36,663

(7) Includes reversal of prior Touro impairment. Refer to Note 14.

Three months financial review

Revenues for Q4 2024 amounted to €77.9 million, down from €85.6 million in Q4 2023. The decline was primarily due to lower concentrate sales volumes and concentrate grades. Realised copper prices, excluding QPs, were US$4.10/lb in Q4 2024, compared with US$3.78/lb in Q4 2023. Including QPs, the realised price was approximately US$4.15/lb.

Copper contained in concentrates sold was 10,271 tonnes in Q4 2024 and 12,928 tonnes in FY2023.

Cost of sales for Q4 2024 totalled €59.6 million, compared to €65.0 million in Q4 2023. The decrease was mainly due to a higher volume of concentrate stock at the end of the period. Cash costs stood at US$2.79/lb payable copper, down from US$2.90/lb in the prior-year quarter, benefiting from silver credits despite lower copper payable. All-in Sustaining Costs (AISC) for Q4 2024, excluding investments in the tail-ings dam, were US$3.28/lb payable copper, compared with US$3.16/lb in Q4 2023. The increase was mainly due to higher capitalised stripping costs.

Three months financial review

Sustaining capex for Q4 2024 amounted to €0.4 million, compared with €0.5 million in Q4 2023, primarily related to plant processing system improvements. Investment in the tailings dam project during Q4 2024 was €4.0 million, €3.4 million in Q4 2023. Capitalised stripping costs for Cerro Colorado for Q4 2024 were €6.2 million, higher than previous year (€2.0 million). The 50 MW solar plant construction capex totalled €2.9 million in Q4 2024.

Corporate expenses for Q4 2024 totalled €1.8 million, compared with €4.7 million in Q4 2023. These expenses include non-operating costs of the Cyprus office, corporate legal and consultancy fees, listing costs, and salaries for corporate officers and directors. Exploration expenses for the three-month period ended 31 December 2024 were €4.6 million, compared to €1.3 million in Q4 2023.

EBITDA for Q4 2024 amounted to €12.7 million, down from €13.9 million in Q4 2023. Depreciation and amortisation remained stable at €10.6 million in both periods. Net foreign exchange gains in Q4 2024 were €2.5 million, compared with a loss of €2.0 million in Q4 2023. Net financing income in Q4 2024 were a positive €0.6 million, compared with a loss of €0.4 million in the prior-year quarter.

Twelve months financial review

Revenues for FY 2024 totalled €326.8 million, compared with €340.3 million in FY 2023. The decrease was mainly due to lower concentrate sales volumes and concentrate grades, partially offset by higher realised prices.

Copper concentrate production for FY 2024 was 252,165 tonnes, up from 249,321 tonnes in FY 2023, while sales totalled 237,072 tonnes, down from 246,128 tonnes in the previous year. Inventories of concentrates at year-end stood at 21,815 tonnes, compared with 6,722 tonnes at 31 December 2023. Copper contained in concentrates sold was 43,609 tonnes in FY 2024 and 50,808 tonnes in FY2023.

Realised copper prices, excluding QPs, averaged US$4.19/lb in FY 2024, compared with US$3.80/lb in FY 2023. The Company did not enter into any hedging agreements during 2024.

Cost of sales for FY 2024 amounted to €242.2 million, down from €247.3 million in 2023. The reduction in costs was mainly due to a positive impact from a higher year-end copper concentrate inventories despite of higher input costs. Cash costs for FY 2024 were US$2.92/lb payable copper, up from US$2.79/lb in 2023, mainly due to lower copper production. However, higher silver by-product credits helped offset part of the impact. AISC, excluding investment in the tailings dam, stood at US$3.26/lb payable copper in FY 2024, compared to US$3.09/lb in FY 2023, with the increase driven by higher capitalised stripping costs and corporate expenses.

Sustaining capex for the twelve-month period ended 31 December 2024 totalled €4.0 million, compared with €3.4 million in FY 2023, mainly for plant processing system upgrades. Investment in the tailings dam expansion was €14.8 million, compared with €13.7 million in 2023. The 50 MW solar plant construction capex amounted to €8.4 million in FY 2024, San Dionisio area €25.7 million, Capitalised stripping costs for Cerro Colorado €9.9 million while investments in the E-LIX Phase I plant totalled €12.4 million, of which €5.3 million was booked as a loan to Lain Technologies Ltd, €2.1 million to PPE and €5.0m as prepayments for service contracts.

Corporate expenses for FY 2024 amounted to €7.9 million, down from €12.7 million in FY 2023, reflecting lower overhead costs. Exploration expenses for the year totalled €7.9 million, compared with €6.5 million in 2023, with major exploration work carried out at Proyecto Masa Valverde and Riotinto.

EBITDA for FY 2024 was €66.4 million, down from €73.1 million in FY 2023. Depreciation and amortisation for the year amounted to €43.6 million, compared with €37.8 million in 2023. Net impairment reversals for FY 2024 were €5.7 million, compared with zero in FY 2023. The net foreign exchange gain for FY 2024 was €3.1 million, compared with a loss of €1.3 million in FY 2023.

Net finance costs for FY 2024 amounted to negative €0.1 million, compared with €2.1 million in FY 2023.

Profit after tax for FY 2024 was €32.6 million, down from €36.7 million in FY 2023. Tax expenses amounted to €1.0 million, compared to €0.6 million in 2023. Earnings per share for FY 2024 was 22.6 cents, compared with 27.7 cents in FY 2023. Diluted EPS was 21.8 cents, down from 26.9 cents in the prior year.

Financial Position

Assets

As of 31 December 2024, **total assets** amounted to €675.9 million, up from €670.6 million on 31 December 2023, representing an increase of €5.2 million. This increase is mainly driven by the growth in property, plant, and equipment, intangible assets, and trade receivables, partially offset by the reduction in cash and cash equivalents. The decrease in cash and cash equivalents is primarily due to increased investing activities, dividend payments, and loan repayments.

Non-current assets as of 31 December 2024 amounted to €531.3 million compared to €473.2 million in 2023. This includes property, plant, and equipment of €409.0 million in 2024, increasing from €384.7 million in 2023, intangible assets of €70.2 million in 2024 compared to €49.4 million in 2023, non-current trade and other receivables amounting to €35.9 million in 2024, up from €26.7 million in 2023, non-current financial assets remaining stable at €1.1 million, and deferred tax assets of €15.1 million, increasing from €11.3 million in 2023.

Current assets as of 31 December 2024 amounted to €144.5 million, decreasing from €197.3 million in 2023. Within this category, inventories increased significantly to €49.2 million from €33.3 million in 2023, while trade and other receivables remained stable at €36.9 million compared to €42.9 million in 2023. Tax refundable increased to €0.3 million from €0.1 million in 2023. Other financial assets were slightly reduced to €0.02 million from €0.03 million in 2023. Cash and cash equivalents significantly declined to €52.9 million, down from €121.0 million in 2023, mainly due to investing and financing activities. The most notable change in current assets was the substantial decrease in cash and cash equivalents, offset partially by the increase in inventories, reflecting a buildup of spare parts and unsold concentrates in stockpile.

(Euro 000's)	**31 Dec 2024**	**31 Dec 2023**
ASSETS		
Non-current assets	**531,306**	473,221
Other current assets	**91,400**	76,241
Tax refundable	**266**	100
Cash and cash equivalents	**52,878**	121,007
Total Assets	**675,850**	670,569
Shareholders' Equity	**518,537**	492,392
LIABILITIES		
Non-current liabilities	**57,497**	49,447
Current liabilities	**99,816**	128,730
Total Liabilities	**157,313**	178,177
Total Equity and Liabilities	**675,850**	670,569

Liabilities

Non-current liabilities amounted to €57.5 million, increasing from €49.4 million in 2023. The most significant component of non-current liabilities are provisions, which stood at €29.3 million in 2024, up from €27.2 million in 2023. In addition to the provision, non-current liabilities included borrowings of €10.9 million, a decrease from €16.1 million in 2023, lease liabilities of €3.3 million, down from €3.9 million in 2023, and trade and other payables amounting to €14.0 million, increasing from €2.2 million in 2023.

Current liabilities as of 31 December 2024 stood at €99.8 million, compared to €128.7 million in 2023. This includes borrowings of €6.9 million, a significant decrease from €50.6 million in 2023, trade and other payables of €90.1 million, up from €75.9 million in 2023, current tax liabilities of €1.4 million, increasing from €1.3 million in 2023, current provisions of €0.9 million, up from €0.4 million in 2023, and lease liabilities of €0.5 million, which remained stable compared to €0.5 million in 2023.

Total liabilities decreased to €157.3 million from €178.2 million in 2023, mainly due to the reduction in borrowings.

Total equity as of 31 December 2024 amounted to €518.5 million, up from €492.4 million in 2023, reflecting an increase of €26.1 million. Share capital stood at €12.7 million, decreasing from €13.6 million in 2023, while share premium increased to €321.9 million from €319.4 million in 2023. Other reserves rose significantly to €88.8 million from €70.5 million in 2023. Accumulated profit stood at €93.1 million, down from €98.0 million in 2023. Non-controlling interests amounted to €2.2 million, compared to €(9.1) million in 2023.

Overall, **total equity and liabilities** as of 31 December 2024 stood at €675.9 million, marking an increase from €670.6 million in the previous year.

Results

The Group's and Company´s consolidated results are set out on the Consolidated Statements of Comprehensive Income.

Liquidity and Capital Resources

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

The following is a summary of Atalaya's cash position as at 31 December 2024 and 2023, and cash flows for the twelve months ended 31 December 2024 and 2023.

Liquidity Information

(Euro 000's)	31 Dec 2024	31 Dec 2023
Unrestricted cash and cash equivalents at Group level	**43,184**	94,868
Unrestricted cash and cash equivalents at Operation level	**9,694**	26,139
Consolidated cash and cash equivalents	**52,878**	121,007
Net cash position	**35,091**	54,320
Working capital surplus	**44,728**	68,618

Unrestricted cash and cash equivalents as at 31 December 2024 decreased to €52.9 million from €121.0 million at 31 December 2023. The decrease in cash balances is primarily due to cash outflows during 2024, mainly related to financing and investing activities. Cash balances are unrestricted and include balances at both the operational and corporate levels. The net decrease in cash and cash equivalents for the year was €68.1 million, compared to a decrease of €4.2 million in 2023. This decline was driven by increased capital expenditures, net debt repayments, and dividend payments.

As of 31 December 2024, Atalaya reported a working **capital surplus** of €44.7 million, compared with a working capital surplus of €68.6 million at 31 December 2023. The decrease in working capital surplus in 2024 was mainly driven by changes in current liabilities and cash balances. Cash decreased significantly compared to the previous year, reflecting higher investments in property, plant, and equipment, as well as the repayment of borrowings and payment of dividends. At 31 December 2024, trade and other payables increased to €90.1 million, up from €75.9 million in 2023, while inventories also increased to €49.2 million from €33.3 million in the prior year. Trade and other receivables remained relatively stable at €36.9 million in 2024, compared to €42.9 million in 2023.

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

Overview of the Group's Cash Flows

(Euro 000's)	Twelve month ended 31 Dec 2024	Twelve month ended 31 Dec 2023
Cash flows from operating activities	**53,403**	64,743
Cash flows used in investing activities	**(66,073)**	(50,406)
Cash flows from financing activities	**(57,261)**	(18,500)
Net (decreased)/increase in cash and cash equivalents	**(69,931)**	(4,163)
Net foreign exchange differences	**1,802**	(1,278)
Total net cash flow for the period	**(68,129)**	(5,441)

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

In the twelve-month period ending 31 December 2024, **cash and cash equivalents** experienced a decrease of €69.9 million. This reduction resulted from cash generated by operating activities amounting to €53.4 million, offset by cash used in investing activities totalling €66.1 million and financing outflows amounting to €57.3 million, partially mitigated by a €1.8 million net positive foreign exchange impact.

Cash generated from operating activities before changes in working capital reached €66.4 million, compared with an EBITDA of €67.0 million. Atalaya increased its inventories by €15.0 million, while trade and other receivables decreased by €1.2 million, and trade and other payables increased by €5.6 million. The company incurred corporate tax payments totalling €0.8 million during this period.

Investing activities for the year 2024 amounted to €66.1 million, primarily directed towards capital expenditures related to ongoing projects, including plant improvements and infrastructure developments.

Financing activities in 2024 totalled negative €57.3 million, mainly driven by the repayment of borrowings amounting to €51.9 million, dividend payments of €10.3 million, and lease payments of €0.6 million, partially offset by proceeds from the issuance of share capital totalling €2.5 million and new borrowings of €3.0 million.

Dividends

Atalaya has a dividend policy that seeks to provide capital returns to its shareholders and allows for continued investments in the Company's portfolio of growth projects. Dividends are payable in two half-yearly instalments.

Dividends related to fiscal year 2023

In August 2023, a 2023 interim dividend of US$0.05 per ordinary share was declared by Atalaya's Board of Directors. In March 2024, the Board of Directors proposed a 2023 final dividend of US$0.04 per ordinary share. The 2023 final dividend was approved by the Company's shareholders at its 2024 Annual General Meeting, and paid on 9 August 2024 (Note 12).

Dividends related to fiscal year 2024

In August 2024, the Company's Board of Directors declared a 2024 interim dividend of US$0.04 per ordinary share, which was paid on 19 September 2024.

A 2024 final dividend of US$0.03 per share has been proposed for approval by shareholders at the 2025 Annual General Meeting. This would result in a total dividend in respect of 2024 of US$0.07 per share.

Our share price

Atalaya's share price was effectively unchanged for 2024, beginning the year at £3.61 and ending the year at £3.59, representing a modest decrease of 0.6%.

The Group's main stock market indicators in 2024 and 2023 were as follows:

Main stock market indicators	2024	2023
Shareholder remuneration ($/share)	**[0.07]**[8]	0.09
Share price at end of period (£/share)	**3.59**	3.61
Period average share price (£/share)	**3.78**	3.33
Period high share price (£/share)	**4.86**	3.80
Period low share price (£/share)	**3.09**	2.86
Number of shares outstanding at the end of the period	**140,759,043**	139,879,209
Market capitalisation at the end of period (£ million)	**505.3**	505.0
Dividend yield (%)	**[1.6]**[8]	2.0

(8) Estimated assuming the 2024 final dividend proposed by the Board of Directors is approved by the Shareholders meeting in June 2025.

Creditors' Payment Terms

Atalaya recognises its responsibilities to its supply chain partners and accepts the requirement to settle supplier payments on time.

Accordingly, the Company undertakes to:

» Pay suppliers on time by paying 95% of invoices within the agreed payment terms and without attempting to change terms retrospectively. We also aim to pay 95% of all invoices within 60 days, and 95% of invoices from businesses with fewer than 50 employees within 30 days.

» Give clear guidance to suppliers by making readily available clear guidance on payment procedures and invoicing.

» At on-boarding stage and on an ongoing basis, notify suppliers if there is any reason why an invoice may not be paid to the agreed terms of their contract.

» Inform suppliers of how they can raise complaints and disputes and provide suppliers with a point of contact for payment queries.

» Adopt and encourage good practice by confirming that lead suppliers have adopted good practice throughout their own supply chains.

» Avoid any practices that adversely affect the supply chain.

The Company's standard payment terms are 60 days for large enterprises and 30 days for small enterprises.

Treasury shares

As at 31 December 2024 and at the date of this report, the Company held nil (2023: nil) ordinary shares as treasury shares.

Foreign Exchange

In FY2024, Atalaya recognised a foreign exchange gain of €3.1 million (FY2023 loss: €1.3 million). The foreign exchange gain mainly related to variances in EUR and USD conversion rates during the period as all sales are settled and occasionally held in USD.

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

	Twelve months ended 31 Dec 2024	Twelve months ended 31 Dec 2023
Average rates for the periods		
GBP – EUR	**0.8587**	0.8698
USD – EUR	**1.091**	1.0813
Spot rates as at		
GBP – EUR	**0.8292**	0.8691
USD – EUR	**1.039**	1.105

During 2024 and 2023, Atalaya did not have any currency hedging agreements.

Basis of Reporting

The Board of Directors of Atalaya Mining Copper, S.A. (the "Company" or "Atalaya") presents its Group's Management Report with the audited consolidated financial statements (hereinafter "financial statements") of the Company and its subsidiaries (the "Group") for the year ended 31 December 2024. These documents can be found on the Atalaya website at www.atalayamining.com.

Atalaya is a Spanish company that owns and operates the Proyecto Riotinto complex in southwest Spain. The Company's shares trade on the London Stock Exchange's Main Market under the symbol "ATYM".

The consolidated financial statements of the Company have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), in compliance with the requirements of Spanish corporate law, including the provisions of the Commercial Code and the Capital Companies Act (Ley de Sociedades de Capital).

For the financial year ending 31 December 2024, IFRS as adopted by the EU is fully aligned with IFRS as issued by the International Accounting Standards Board (IASB). The financial statements are presented in Euros (EUR), unless otherwise specified.

Introduction

This report provides an overview and analysis of the financial results of operations of Atalaya Mining Copper, S.A. (the "Company") and its subsidiaries (the "Group"). It is intended to enable readers to assess material changes in the Group's financial position between 31 December 2023 and 31 December 2024, as well as to evaluate the results of operations for the twelve-month periods ended 31 December 2023 and 31 December 2024.

Forward Looking Statements

This report may include certain "forward-looking statements" and "forward-looking information" applicable under securities laws. Except for statements of historical fact, certain information contained herein constitutes forward-looking statements. Forward-looking statements are frequently characterised by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made and are based on a number of assumptions and subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Assumptions upon which such forward-looking statements are based include all required third party regulatory and governmental approvals that will be obtained. Many of these assumptions are based on factors and events that are not within the control of Atalaya and there is no assurance they will be correct.

Factors that cause actual results to vary materially from results anticipated by such forward-looking statements include changes in market conditions and other risk factors discussed or referred to in this report and other documents filed with the applicable securities regulatory authorities. Although Atalaya has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Atalaya undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements.

Alternative Performance Measures

Atalaya has included certain non-IFRS measures including "EBITDA", "Cash Cost per pound of payable copper" "All-In Sustaining Cost" ("AISC") and "realised prices" in this report. Non-IFRS measures do not have any standardised meaning prescribed under IFRS, and therefore they may not be comparable to similar measures presented by other companies. These measures are intended to provide additional information and should not be considered in isolation or as a substitute for indicators prepared in accordance with IFRS.

EBITDA includes gross sales net of penalties and discounts and all operating costs, excluding finance, tax, impairment, depreciation and amortisation expenses.

Cash Cost per pound of payable copper includes on-site cash operating costs, and off-site costs including treatment and refining charges ("TC/RC"), freight and distribution costs net of by-product credits. Cash Cost per pound of payable copper is consistent with the widely accepted industry standard established by Wood Mackenzie and is also known as the cash cost.

AISC per pound of payable copper includes the Cash Cost plus royalties and agency fees, expenditure on rehabilitations, stripping costs, exploration and geology costs, corporate costs, and sustaining capital expenditures.

Realised prices per pound of payable copper is the value of the copper payable included in the concentrate produced including the discounts and other features governed by the offtake agreements of the Group and all discounts or premiums provided in commodity hedge agreements with financial institutions, expressed in USD per pound of payable copper. Realised price is consistent with the widely accepted industry standard definition.

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

The preparation of Atalaya's Financial Statements in accordance with IFRS requires management to made estimates and assumptions that affected amounts reported in the Financial Statements and accompanying notes. There is a full discussion and description of Atalaya's critical accounting estimates and judgements in the audited financial statements for the year ended 31 December 2024 (Note 3.3).

Statement of Going Concern

These audited consolidated financial statements have been prepared based on accounting principles applicable to a going concern which assumes that the Group can reasonably be expected to 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 will generate sufficient cash and cash equivalents to continue operating for the next twelve months.

The Directors, after reviewing different scenarios with current commodities prices, 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 for a period of at least 12 months since the approval of these audited consolidated financial statements have a reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future. Accordingly, the consolidated financial statements continue to be prepared on a going concern basis (see Note 2.1(b)).

The Directors have assessed the going concern status of the Group, considering the period to 31 December 2024.

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

The Group's business activities, together with those factors likely to affect its future performance, are set out in the Strategic Report, and in particular within the Operating Review. Details of the cash flows of the Group during the period, along with its financial position at the period end, are set out in the Financial Review. The consolidated financial statements include details of the Group's cash and cash equivalents Note 21, and details of borrowings are set out in Note 28. When assessing the going concern status of the Group, the Directors have considered in particular its financial position, including its significant balance of cash and cash equivalents and the terms and remaining durations of the borrowing facilities in place. The Group had a strong financial position as at 31 December 2024, with combined cash and cash equivalents of €52.9 million. Total borrowings were €17.8 million, resulting in a net cash position of €35.1 million. Of the total borrowings, €6.9 million are repayable within one year, and €10.9 million are repayable between one to five years.

When assessing the going concern status of the Group, the Directors have considered various factors, impacting 2025 including: Copper price and foreign exchange forecasts, given their direct impact on revenue and profitability; expected production levels and the operating cost profile, ensuring that cost structures remain competitive; capital expenditure plans and ongoing development projects, particularly those critical to sustaining operations.

These forecasts are based on the Group's budgets and life-of-mine models, which are also used to determine key accounting estimates, including depreciation, deferred stripping, and closure provisions. The assessment focuses on the Group's existing asset base without factoring in potential new projects, ensuring a conservative approach when evaluating resilience in a potentially depressed economic environment.

The analysis includes only the drawdown of existing committed borrowing facilities and assumes no new debt financing arrangements. The Directors have assessed key risks that could impact the Group's financial stability, with the most significant risks being:

Copper Price Volatility. Copper market fluctuations can materially impact earnings and cash flow generation.

Geopolitical and Supply Chain Risks. Ongoing global trade tensions, logistical bottlenecks, and freight cost volatility pose risks to material availability and operational continuity. In response, the Group has diversified procurement strategies and enhanced supply chain monitoring.

Energy Market and Cost Stability. Although Atalaya has mitigated some exposure to electricity price volatility through the commissioning of a 50 MW Solar Plant at Proyecto Riotinto, external factors such as grid reliability, regulatory changes, and energy tariffs could still impact costs, and a 10-year PPA, securing predictable electricity costs and reducing exposure to market price volatility

Regulatory and Environmental Compliance. Evolving EU and Spanish environmental regulations, including sustainability reporting requirements and carbon pricing mechanisms, may lead to increased compliance and operational costs.

Foreign Exchange Risk (USD: EUR). As copper sales are denominated in USD, while a significant portion of operating costs is in EUR, fluctuations in the USD: EUR exchange rate could impact financial performance.

Copper Head Grade Sensitivity. Variability in ore quality could lead to fluctuations in copper head grade, affecting production efficiency, revenues, and operating margins. The Group has conducted sensitivity analyses to assess its resilience to potential declines in head grade and has implemented strategies to optimise resource extraction and processing.

Based on their assessment of the Group's prospects and viability, the Directors have formed a judgement, at the time of approving the financial statements, that there are no material uncertainties that the Directors are aware of that could reasonably be expected to cast doubt on the Group's going concern status and that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the period to 31 December 2024. The Directors therefore consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

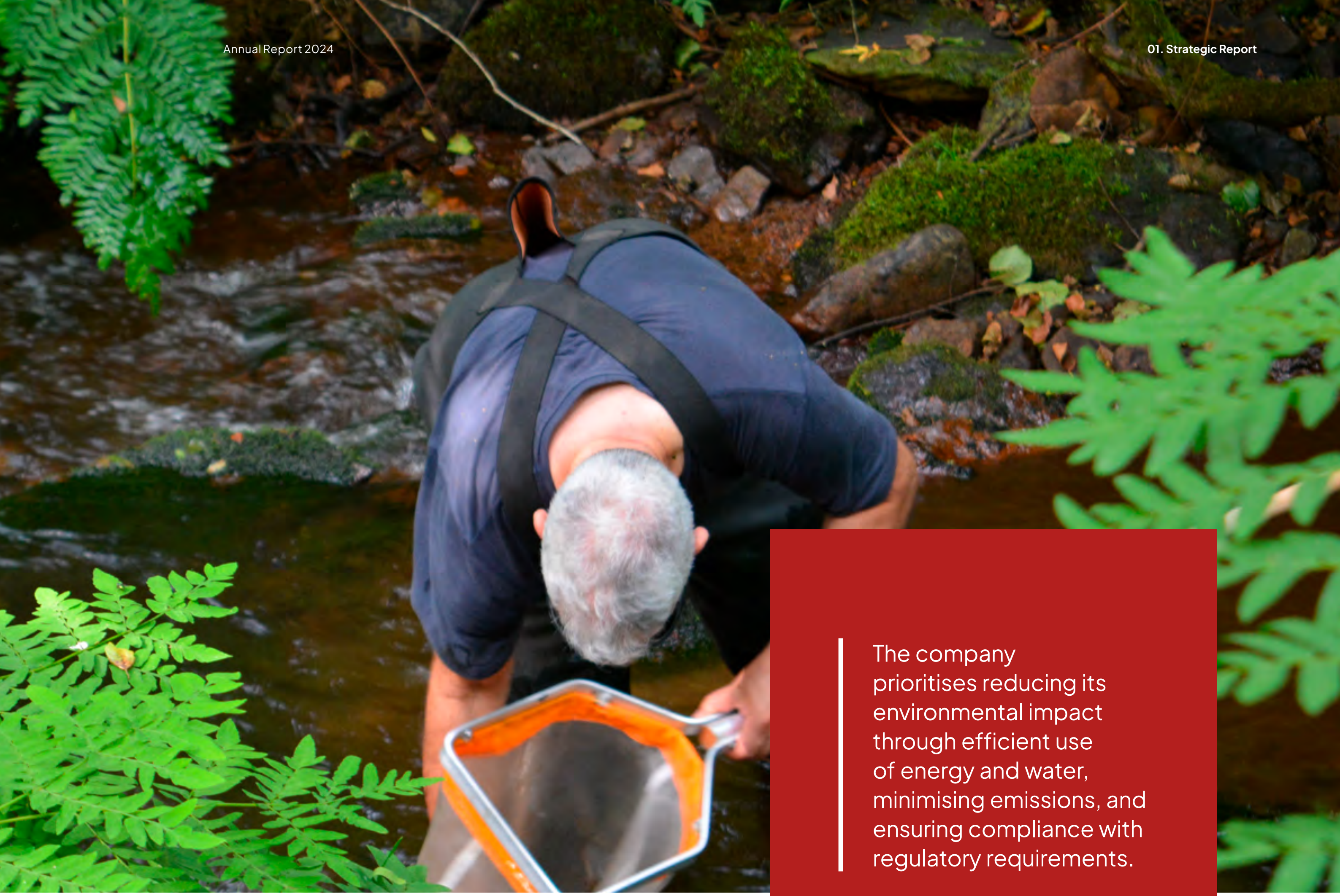
The Directors considered the Group's current strong financial position, its forecast future performance, the key risks which could impact the future results and reviewed robust down-side sensitivity analyses which all indicated results that could be managed in the normal course of business.

Sustainability Approach

Atalaya is committed to sustainable development and responsible mining, ensuring that environmental, social, and governance (ESG) considerations are embedded in every aspect of its operations. The company recognises that long-term value creation depends not only on operational excellence but also on its ability to manage resources responsibly, support local communities, and maintain strong governance structures. In 2024, Atalaya continued to advance its sustainability agenda, achieving key milestones in environmental management, fostering social progress, and adopting innovative technologies to reduce its environmental footprint.

Environmental Stewardship

Environmental protection and responsible resource management are central to Atalaya's sustainability approach. The company prioritises reducing its environmental impact through efficient use of energy and water, minimising emissions, and ensuring compliance with regulatory requirements.



The company prioritises reducing its environmental impact through efficient use of energy and water, minimising emissions, and ensuring compliance with regulatory requirements.

Key environmental achievements in 2024:

→ In 2024, 81% of total water used at Proyecto Riotinto to obtain copper concentrate was recycled. Furthermore, just 12% of our total consumption was drawn from surface sources outside the mine, down from 19.6% in 2021. (Sustainability Report *section: Water Management*).

→ Our solar plant is now operating (*Sustainability Report* *section: Energy and Climate Change*).

→ Achieved a reduction in our electricity intensity, 22.66KWh/tonne ore processed vs 23.29 in 2023 (*Sustainability Report* *section: Energy and Climate Change*).

→ Pending final data verification, we observe a 4% reduction in scope 1&2 CO_2 emissions: 98,447t of CO_2e Scope 1 & 2* (vs 102,423.47 in 2023 (*Sustainability Report* *section: Energy and Climate Change*).

→ Advanced biodiversity conservation efforts: in 2024 we created a new specialized bat refuge at Proyecto Riotinto, in collaboration with -scientist organisations (*Sustainability Report* *section: Nature and Biodiversity*).

→ We have continued to restore the brownfield mining sites (Touro and Riotinto), inherited from prior mining activities (*Sustainability Report* *section: Management of historic environmental liabilities*).

Looking ahead, Atalaya's key environmental priorities for 2025 include:

- Solar plant expected to be fully operational.
- Continue to implement measures to reduce surface water withdrawal.
- Continue to implement Water Stewardship Standard
- Extend restoration work on areas affected by previous mining activity Implement ISO 5001 Energy management system.

(*) Our 2024 carbon footprint is an estimate using 2023 emission factors at the time of publication.

Social Responsibility

Atalaya places great emphasis on fostering a positive social impact by supporting local communities, ensuring a safe and inclusive workplace, and contributing to regional socio-economic development.

Key social initiatives and achievements in 2024:

→ Increased female workforce participation through targeted recruitment and leadership development programmes (Sustainability Report *section: Workforce Diversity*).

→ Enhanced community engagement by supporting education, healthcare, and infrastructure development in nearby communities. Several projects, including scholarships and health initiatives, were launched in 2024 (Sustainability Report *section: Community Engagement*).

→ Strengthened occupational health and safety protocols, resulting in a lower Lost Time Injury Frequency Rate (LTIFR) compared to 2023. The company also expanded the use of virtual reality (VR) training for hazard identification and response (Sustainability Report *section: Health and Safety*).

Key social goals for 2025 include:

- Implementing the actions according to Equal Plan approved in 2023, with specific targets in 2025.
- Expanding the scope of community engagement programmes to further support local socio-economic development.
- Enhancing occupational health and safety measures by adopting advanced monitoring systems and increasing VR training.

Governance and Compliance

Strong governance is the foundation of Atalaya's sustainable growth. In 2024, the Company strengthened its governance framework to ensure robust oversight of ESG matters and enhanced transparency in reporting.

Key governance initiatives in 2024:

→ We started compiling the necessary data to align with EU Corporate Sustainability Reporting Directive (CSRD) (Sustainability Report *section: Our approach to sustainability*).

→ We continued work on the Global Industry Standard on Tailings Management (GISTM) (Sustainability Report *section: Our approach to sustainability*).

→ We completed board training on new European Union ESG regulatory requirements as a listed company on the LSE. (Sustainability Report *section: Our approach to sustainability*).

Governance priorities for 2025 include:

- Continue the work begun to align our reporting with CSRD requirements.
- Strengthening internal ESG risk management and enhancing stakeholder engagement on sustainability matters.
- Continuing to integrate ESG considerations into strategic decision-making processes.

Innovation and Technology

Innovation plays a critical role in Atalaya's sustainability strategy. The company invests in advanced technologies to improve operational efficiency, reduce environmental impact, and enhance safety.

Key innovation advancements in 2024:

→ Strategy for efficient water consumption developed, aimed at closing water cycles within the process and searching for alternative water sources. (Sustainability Report section: *Innovation and Technology*)

→ Continued process improvement, with focus on energy efficiency and production optimisation. (Sustainability Report section: *Innovation and Technology*)

→ Conducted several studies to process complex polymetallic ores with different international laboratories. (Sustainability Report section: *Innovation and Technology*)

Innovation goals for 2025 include:

- Innovation in treatment of acidic waters (Sustainability Report section: *Innovation and Technology*).
- Continue to expand external innovation and research collaborations (Sustainability Report section: *Innovation and Technology*).

Key technological Achievements in 2024

→ We have continued migrating our ERP to the new cloud version. (Sustainability Report section: *Innovation and Technology*).

→ An external audit of our cybersecurity processes has been conducted. (Sustainability Report section: *Innovation and Technology*).

→ A Security Information and Event Management (SIEM) service has been contracted for external 24-hour monitoring of cybersecurity events. (Sustainability Report section: *Innovation and Technology*).

Technological goals for 2025 include:

- Complete the process of migrating our Dynamics 365 to the cloud.
- Document all company cyber security policies and the IT Security Master Plan.
- Implement new IT security systems, including AI-controlled Network Detection and Response (NDR).
- Implement more robust blocking systems for ransomware attacks and implement anti-ransomware systems.

Outlook for 2025

As Atalaya moves forward, the company remains committed to driving sustainability across all its operations.

With clear goals for environmental stewardship, social responsibility, governance, and innovation, Atalaya aims to create long-term value for its stakeholders while minimising its environmental footprint and contributing to regional socio-economic progress.

In 2025, Atalaya will focus on:

- Meeting its sustainability targets and aligning with CSRD requirements.
- Enhancing community engagement and workforce development initiatives.
- Leveraging innovation to improve operational efficiency and reduce environmental impact.
- Atalaya's sustainability journey is a continuous process, driven by a commitment to responsible mining and a vision for a more sustainable future.

Task Force on Climate-related Financial Disclosures (TCFD) Reporting

Atalaya is committed to transparent and comprehensive reporting on climate-related risks and opportunities. UK Listing Rule LR 6.6.6(8) requires us to disclose whether our climate-related financial disclosures are consistent with the recommendations of TCFD.

We confirm that we have made disclosures in line with the TCFD recommendations. To provide a comprehensive and detailed assessment of climate-related risks and opportunities, we have presented our full TCFD disclosures in a dedicated Climate Change Report which is available on our website at www.atalayamining.com. That standalone report provides a detailed assessment of the climate-related risks, governance structures, strategy, risk management, and metrics and targets relevant to our business. We believe that a standalone report allows us to present climate-related financial information in a manner that reflects its increasing importance and provides stakeholders with a focused, in-depth analysis of our approach to climate risk and transition planning.

Information related to the required disclosures can be found on the following pages of the Climate Change Report:

Disclosure			Page Nº
Governance	**Board oversight**	Our board is ultimately responsible for the proper management of climate change, setting the objectives and supervising the implementation and fulfilment of the actions established in the sustainability strategy, which include climate change indicators and goals, through the Sustainability Committee.	**9–10**
	Management's role	Our sustainability/ESG management and finance department is responsible for executing all initiatives related to climate change, especially in terms of climate-related risks and opportunities.	**9–10**
Strategy	**Climate-related risks and opportunities**	The climate-related risk assessment was performed in 2023 using 2022 data as a baseline year. This included scenario analysis to assess the real and potential financial impact of the main risks and opportunities.	**11–12**
	Impact on Atalaya	Several physical and transition risks with a moderate to high impact on Atalaya's business have influenced strategy and financial planning.	**13–15**
	Resilience	Different scenarios have been used to assess risks and opportunities, considering global temperature increase of less and more than 2ºC. Two different time horizons were used for the analysis: medium (2030) and long-term (2050).	**13–15**
Risk Management	**Risk identification and assessment**	The risk assessment considers 9 hazards in identifying the physical risks. In identifying the transition risks, the TCFD transition categories were considered.	**13–15**
	Risk management	Mitigation measures have been established for the climate-related risks identified as material, and these are consistently monitored to control impacts.	**13–15**
	Integration of risk management	The management team assess and manage climate-related risks and opportunities systematically within operations as part of our recurrent risk management process. Climate-related risks have been integrated into overall risk management by the Physical Risk Committee.	**13–15**
Metrics and Targets	**Climate-related metrics**	Proyecto Riotinto annually assesses greenhouse gas (GHG) emissions, energy consumption and water consumption, among other relevant environmental KPIs. We will continue to evaluate other relevant metrics as we analyse the results of the climate risk assessment and implement actions stemming from our climate change strategy.	**16–24**
	Scope 1, Scope 2, and Scope 3	We report Scope 1, 2 and 3 emissions at Proyecto Riotinto, our only mine in operation. The GHG inventory is verified annually by an independent third-party against GHG Protocol	**16–24**
	Climate-related targets	The board of directors approved our climate change goals for Proyecto Riotinto in November 2023, published on our website. In 2025 we revised our climate goals, approved by our leadership team and the Sustainability Committee in March 2025.	**16–24**

Non-Financial Information Statement

The Non-Financial Information Statement has been prepared in accordance with the requirements of Spanish Law 11/2018, of 28 December, on non-financial and diversity information (amending the Commercial Code, the revised text of the Capital Companies Act approved by Royal Legislative Decree 1/2010 of 2 July, and Law 22/2015 of 20 July on Auditing). This statement aims to provide stakeholders with relevant information on the Group's environmental, social, and governance performance.

For a comprehensive overview of Atalaya's ESG performance, including environmental initiatives, social impact, employee relations, human rights policies, and anti-corruption measures, please refer to the Atalaya Sustainability Report 2024, which is published separately and provides detailed disclosures aligned with international reporting standards such as the Global Reporting Initiative (GRI) standards.

Atalaya remains committed to responsible mining, sustainable growth, and transparent communication with stakeholders, ensuring that ESG considerations are integrated into its business strategy to enhance long-term resilience and sustainability.

02

Governance

Board of Directors

Neil Gregson
Chair

Board independence:
Independent on appointment

Appointed:
10 February 2021 (Chair since 1 July 2024)

Key skills:
Mining, corporate finance, finance, UK Market, capital markets, international business, leadership, strategic, fund raising, M&A communications, sustainability

Education and qualifications:
- B.Sc. (Hons) in Mining Engineering from the University of Nottingham
- Diploma in Business Management from Damelin College, Johannesburg
- Mine Managers Certificate of Competency, South Africa

Previous experience:
Mr. Gregson has over 30 years of experience investing in mining and oil and gas companies. From 2010 to 2020, he was a Managing Director at J.P. Morgan Asset Management, where he was a member of the equity team and a portfolio manager investing in mining and energy companies globally. Previously, from 1990 to 2009, he was Head of Emerging Markets and Related Sector Funds (including natural resources funds) at Credit Suisse Asset Management. Prior to that, Mr. Gregson held various positions in mining companies, including a role as mining investment analyst with Gold Fields of South Africa.

Current external appointments:
- Independent Director of TSX-listed Meridian Mining UK Societas
- Non-executive Director of TSX-listed Uranium Royalty Corp

Committee membership:
NGC (Chair) ~ RC ~ PRC

Kate Harcourt
Senior Independent Director

Board independence:
Independent

Appointed:
17 May 2022 (SID since 1 July 2024)

Key skills:
Mining, sustainability, health, safety, environment

Education and qualifications:
- B.Sc. (Hons) in Environmental Science from the University of Sheffield
- M.Sc. in Environmental Technology from Imperial College, London
- Chartered Environmentalist (CEnv)
- Member of the Institution of Environmental Scientists

Previous experience:
Mrs. Harcourt has extensive experience as an independent sustainability consultant, including ESG Officer and ESG Adviser, at a range of UK-linked mining companies, including Cornish Lithium and Adriatic Metals, and has participated in several due diligence projects for mining assets as part of a multidisciplinary team. Prior to 2010, was Director of Health, Safety, Environment, Communities and Security at Mag Industries, Senior Environmental Scientist at Golder Associates (UK) Ltd, Senior Environmental Scientist at Wardell Armstrong and Environmental Scientist at SRK (UK) Ltd.

Current external appointments:
- Independent Director of TSX-listed Fortuna Mining Corp
- Director of TSX-listed Orezone Gold Corporation

Committee membership:
SC (Chair) ~ NGC ~ RC

Board of Directors

Alberto Lavandeira
Managing Director and Chief Executive Officer

Board independence:
Non-independent

Appointed:
14 April 2014

Key skills:
Mining, operations, processing, exploration, commercial, capital market, international business, leadership, strategic, fund raising, M&A, governance, project management, permitting, government relations, CEO, sustainability

Education and qualifications:
- Degree in Mining Engineering from the University of Oviedo, Spain

Previous experience:
Mr. Lavandeira brings over 40 years of experience operating and developing mining projects. He was previously President, CEO and COO of Rio Narcea Gold Mines which built three mines including Aguablanca and El Vallés-Boinas in Spain and Tasiast in Mauritania. He was also involved in the key stages of development of the Mutanda mine in the Democratic Republic of Congo. Earlier in his career, Mr. Lavandeira worked within group companies of Anglo American, Rio Tinto and Cominco (now Teck).

Current external appointments:
- Non-executive director of ASX-listed Black Dragon Gold Corp
- Non-executive director of ASX-listed Predictive Discovery Limited

Committee membership:
n/a

Hussein Barma
Non-executive Director

Board independence:
Independent (see page 68 for an explanation as to how the Board has determined this)

Appointed:
9 September 2015

Key skills:
Mining, corporate finance, finance and accounting, legal, UK Market, capital market, international business, leadership, strategic, fund raising, M&A communications, sustainability

Education and qualifications:
- Fellow of the Institute of Chartered Accountants in England and Wales
- Non-practising barrister and member of the Middle Temple
- D.Phil. in corporate law from the University of Oxford.

Previous experience:
Dr. Barma is a chartered accountant and qualified lawyer by background with over 25 years' experience in senior positions in the mining sector. He brings to Atalaya deep experience in accounting, internal control, governance, risk management, and compliance. He has significant FTSE-50 senior executive experience, gained over 15 years at Antofagasta plc, where he led its UK presence through a period of change and growth as the UK-based chief financial officer. He has also had earlier careers in professional services and academia.

Current external appointments:
- Non-executive director and audit committee chair of Fidelity Asian Values PLC
- Independent governor and deputy audit chair of the University of the Arts, London
- Principal at Barma Advisory

Committee membership:
RC (Chair) ~ AC ~ SC

Board of Directors

Jesús Fernández

Non-executive Director

Board independence:
Non-independent

Appointed:
23 June 2015

Key skills:
M&A, Mining, capital markets, UK Markets, International business, corporate finance, finance and accounting, legal, leadership, strategic, fund raising

Education and qualifications:

- M.Sc. in Finance and Investment from the University of Exeter, UK
- Licenciatura (Economics degree) from the Universidad de Cantabria, Spain

Previous experience:
Mr. Fernández was Head of Mergers and Acquisitions for Trafigura. He joined Trafigura in 2004 and has extensive experience in mergers and acquisitions and providing financing solutions to mining companies. He established the Trafigura Group's mining investment arm in 2005.

Prior to joining Trafigura, he worked in the project finance team at International Power plc in London.

Current external appointments:
None

Committee membership:
PRC

Coriseo González-Izquierdo

Non-executive Director

Board independence:
Independent

Appointed:
14 January 2025

Key skills:
Finance, geopolitics, international trade and economics, energy, government relations, accounting, human resources, governance, leadership, strategy, and sustainability

Education and qualifications:

- Master's-equivalent degrees in Law and in Economic and Business Sciences from the Universidad Pontificia de Comillas – ICADE
- Master's Degree in Public Administration from Harvard University

Previous experience:
Ms.González-Izquierdo was Chief Executive Officer of ICEX – Spain Trade and Investment and has held a number of economic and commercial executive roles in Spain, Japan, West Africa, U.S.A., the Middle East, and China. She has also served as a director on the boards of Instituto de Crédito (the Spanish Government's financial agency), CESCE (Spanish export credit agency), CDTI (Spanish agency for technology development) and HUNOSA (coal mining).

Current external appointments:

- Independent Director of Aena S.M.E., S.A., the Madrid-listed airports operator
- Senior executive at OMIE (Operador del Mercardo Ibérico de la Energía), the Iberian electricity market operator

Committee membership:
PRC

Board of Directors

Stephen Scott
Non-executive Director

Board independence:
Independent (see page 68 for a summary of how the Board has determined this)

Appointed:
9 September 2015

Key skills:
Mining, operations, processing, exploration, capital market, international business, leadership, strategic, fund raising, M&A, governance, project management, permitting, CEO

Education and qualifications:
- Bachelor of Business Accounting from Curtin University, Western Australia
- Graduate Certificate in Corporate Secretarial Practices from Curtin University, Western Australia

Previous experience:
Mr. Scott has held various global executive positions with the Rio Tinto Group (2000-2014). Mr. Scott is an experienced public company director.

Current external appointments:
- President and CEO of Entree Resources Limited

Committee membership:
PRC (Chair) ~ AC ~ RC ~ NGC

Carole Whittall
Non-executive Director

Board independence:
Independent

Appointed:
3 June 2024

Key skills:
Management, accounting, financing, banking and M&A in the mining industry

Qualifications:
- Bachelor of Science (B.Sc.) (Hons) in Geology from the University of Cape Town
- Master of Business Administration (MBA) from the London Business School

Previous experience:
Ms. Whittall is a senior executive with over 25 years of experience in the natural resources sector across a broad range of functions including management, finance and M&A. She was Vice President, Head of M&A at ArcelorMittal Mining and a member of its Mining Executive Team, responsible for global M&A (including acquisitions, divestments, joint ventures and portfolio company management and restructuring), government relations and corporate and social responsibility. Previously she was at Rio Tinto where she held various senior commercial and business development roles. Her prior career was with JP Morgan.

Current external appointments:
- Executive Director and Chief Financial Officer of AIM-quoted Yellow Cake plc
- Director and co-founder of Mining Strategies Limited, which provides M&A and transaction advisory services to the metals and mining sector

Committee membership:
AC (Chair), SC

Senior Management

Alberto Lavandeira
Managing Director and Chief Executive Officer

Appointed:
April 2014

Skills and experience:
See page 67

César Sánchez
Chief Financial Officer

Appointed:
June 2016

Skills:
Mining, capital markets, Canada and UK Markets, international business, corporate finance, finance and accounting, legal, leadership, strategic, fund raising, M&A, governance

Education and qualifications:
- Degree in Business Administration from the University of Seville, Spain
- Qualified Accountant
- Financial and banking courses at Dublin City University and ESIC Business & Marketing School
- Senior Management Programme (PADE) by IESE Business School

Experience:
Mr. Sánchez has experience as Chief Financial Officer of various companies in both the mining and financial industries, including Iberian Minerals Corp, where he participated in its equity and debt raisings and worked for Ernst & Young as an auditor and as a financial adviser to the industrial sector, where he gained experience in restructurings, initial public offerings, mergers and due diligence processes.

Enrique Delgado
General Manager of Proyecto Riotinto

Appointed:
May 2019

Skills:
Mining, operations, processing, exploration, international business, leadership, strategic, governance, project management and permitting

Education and qualifications:
- Graduate of the University of Seville, Spain
- Master of Senior Management of Leading Companies of the San Telmo International Institute of Sevilla, Spain
- Vice-President of Aminer, the Spanish Base Metal Mining Association
- Senior Management Programme at Instituto San Telmo, Seville, Spain

Experience:
Mr. Delgado's previous roles include metallurgist in Riotinto Mine and later with Freeport McMoRan, at Atlantic Copper smelter in Huelva, Spain, CEO of Tharsis Mining and director of Metallurgy and Environment at Cobre Las Cruces Mine (First Quantum). With First Quantum he also participated in the start-up of Kansanshi Mine smelter in Zambia.

Governance Introduction

Introductory letter from Company Chair

Dear Shareholder,

On behalf of the Board, I am pleased to present the corporate governance report for the year ended 31 December 2024. The report summarises the role of the Board in providing effective leadership to promote the long-term sustainable success of Atalaya.

Governance highlights during 2024

This year marked a significant milestone for the Company as we transitioned from the AIM Market to the Main Market of the London Stock Exchange. With this move we have adopted the UK Corporate Governance Code 2018 in place of the Quoted Companies Alliance Corporate Governance Code. We have worked diligently to align our governance framework with the enhanced expectations, including those regarding board independence, shareholder engagement, risk management, remuneration structures, and transparency.

Board composition, independence and diversity

We have a broad and diverse range of skills and experience on our Board. Carole Whittall joined the Board on 3 June 2024 as an independent non-executive director, bringing with her over 25 years of experience in the natural resources sector across a broad range of functions including management, finance and M&A.

In January this year we welcomed Coriseo González-Izquierdo to the Board. She is an accomplished executive with broad commercial and economic experience that will complement and enhance the skills of our existing Board.

Hussein Barma, Chair of our Remuneration Committee, and Stephen Scott, Chair of our Physical Risk Committee, have each served over nine years. I, together with my other Board colleagues, have carefully considered whether their independence has been impaired as a consequence of their extended tenure and we have concluded that it has not and that they remain independent and objective. Further details regarding how we have assessed their continued independence and reached our conclusion can be found on page 68.

Hussein Barma has communicated his intention to step down from the Board no later than the forthcoming Annual General Meeting, having served on the Board since September 2015. Stephen Scott has also served on the Board for over nine years. At the request of the Board, he has agreed to defer his resignation until later in 2025 to preserve continuity. He will resign by no later than 31 December 2025.

Governance

The summary report on our compliance with the UK Corporate Governance Code 2018 can be found on page 62. This year, we are reporting six deviations from the Code and a full explanation as to the rationale for the deviations has been provided. We expect to conform to all but two by the end of 2025.

The new UK Corporate Governance Code 2024 will apply to us from 1 January 2025. We will be assessing our compliance and will report to you on progress in our next annual report.

Our first Directors' Remuneration Policy since moving up to the Main Market received only 67% of votes in favour at our Annual General Meeting on 27 June 2024. Hussein Barma, Chair of our Remuneration Committee, and I sought engagement with 30 of our shareholders together holding almost 80% of our issued share capital. We are very grateful for the feedback we have received. The Directors' Remuneration Report on pages 86 to 103 provides more detail regarding the consultation process and our proposed new policy.

Risk management and accountability

Effective risk management and accountability are essential components of our governance framework. They ensure that we identify, assess, and respond to risks while seizing opportunities to drive our strategic objectives. Further information on the role of the Board and its Audit Committee in monitoring risk management and internal control can be found on pages 75 to 82 of this report.

Sustainability

Our governance framework supports sustainability by embedding environmental, social, and governance considerations into the Company's decision-making processes. This ensures that the business is resilient, adaptable, and prepared to address evolving global challenges such as climate change, regulatory change, and societal expectations. Through regular reviews and monitoring, the Board ensures that sustainability initiatives are measurable and integrated into the Company's operations.

Looking ahead

Looking ahead, we remain committed to maintaining the highest standards of corporate governance as we prepare to apply the revised UK Corporate Governance Code 2024. This update places a stronger emphasis on internal controls, board accountability, and enhanced transparency in reporting, reinforcing the importance of strong governance in delivering sustainable long-term success. We will continue to evolve our practices to align with these new expectations while ensuring that our governance framework supports the Company's strategic objectives and creates lasting value for all stakeholders.

Yours sincerely

NEIL GREGSON
Chair
17 March 2025

UK Corporate Governance Code 2018 – Compliance Statement

Atalaya's ordinary shares were admitted to the premium segment of the Official List maintained by the Financial Conduct Authority and to trading on London Stock Exchange plc's main market for listed securities on 29 April 2024.

Atalaya evaluates its governance against the principles and provisions contained in the UK Corporate Governance Code issued by the Financial Reporting Council ("**FRC**") in July 2018 (the "**Code**") which can be found on the website of the FRC www.frc.org.uk. This corporate governance statement together with the Board committee reports and the Directors' remuneration report detail how the Board applies the principles of good governance and best practice as set out in the Code.

The Directors consider that the Company has applied the principles and complied with the provisions of the Code during 2024 except for the following provisions:

Code Provision		Comment	Explanation for deviation
5	**Workforce engagement**	No specified mechanism adopted.	Page 64
15	**Executive director significant appointments**	The Chief Executive Officer holds more than one.	Page 69
19	**Chair not to remain in post beyond nine years from date of first appointment**	Roger Davey was appointed as a Non-Executive Director of the Company on 23 April 2010 and served as Chair from 24 December 2014 to 30 June 2024.	Page 72
20	**Appointment of Chair and NEDs**	Neither open advertising nor an external search consultancy was used to appoint Neil Gregson as Chair and Carole Whittall as a non-executive director.	Page 72
36	**Share award vesting and holding periods**	The award of share options made on 12 June 2024 did not have a five-year vesting and holding period of at least five years.	Page 98 (DRR)
41	**Workforce engagement regarding executive remuneration**	No engagement with the workforce has taken place to explain how executive remuneration aligns with wider company pay policy.	Page 90 (DRR)

Board Leadership and Company Purpose

Purpose, values and strategy

> The Board is committed to promoting the Company's objective to grow into a multi-asset copper producer, with a focus on developing sustainable, scalable and low-risk operations.

In pursuance of this objective, the Board has set clear strategic objectives that align with long-term value creation for shareholders and stakeholders. The Board regularly reviews the Company's performance against these objectives through regular updates from management.

The Board supports management's initiatives to embed the Company's core values of responsible and sustainable operation, honesty and accountability to ensure that decision-making at all levels reflects the Company's commitment to ethical conduct and sustainability.

Long-term value creation

The Board is committed to ensuring the long-term success and sustainability of the Company. In fulfilling its responsibilities, the Board has assessed the Company's business model, focusing on how value is generated and preserved over the long term.

The Board regularly reviews and evaluates the opportunities and risks that could impact the future success of the business. This includes monitoring changes in market conditions, regulatory developments, technological advancements, and stakeholder expectations. The Board has established robust risk management and internal control frameworks to identify, assess, and mitigate key risks while leveraging strategic opportunities.

The sustainability of the Company's business model is underpinned by its commitment to produce copper in a manner that provides benefits for those regions where it operates, without compromising the ability of future generations to meet their own needs. The Company's sustainability strategy pursues a two-fold objective:

- to provide society with the essential raw materials required for economic growth and energy transition; and
- to conduct responsible mining that positively impacts local communities, the environment and all the Company's stakeholders.

Strong governance is central to the effective delivery of our strategy. The Board ensures alignment between governance practices and strategic objectives by fostering transparency, accountability, and a culture of high integrity throughout the Group. Through its governance oversight, the Board continues to drive the implementation of initiatives that enhance operational efficiency, strengthen shareholder relationships, and support long-term value creation.

Culture

The Board actively monitors and assesses the Company's culture of prioritising safety and fostering openness, recognising that both are critical to long-term success in the mining sector. Through its site visits, Board members gain first-hand insight into safety practices. These visits allow the Board to reinforce the 'tone from the top' demonstrating leadership in safety-first principles and ensuring that a culture of continuous improvement is embedded at all levels of the Company. By setting clear expectations and holding management accountable, the Board promotes a workplace where safety is paramount.

Stakeholder Engagement

The Board recognises the importance of effective engagement with stakeholders and is committed to fostering meaningful dialogue to understand their views and inform decision-making. During the year, the Board has undertaken a range of activities to ensure stakeholder voices are heard and considered. Further details can be found in the Sustainability Report.

The Board remains committed to reviewing its engagement practices to enhance stakeholder trust.

Major Shareholder Engagement

Since his appointment on 1 July 2024, the Chair has, together with the Remuneration Committee Chair, undertaken a shareholder consultation exercise. Although the primary purpose of the consultation was executive remuneration, shareholders who engaged were invited to give, and did give, their views on other matters relating to the Company. The Chair has ensured that the Board as a whole has a clear understanding of the views of shareholders who engaged with the consultation process.

Shareholder Engagement following voting at 2024 Annual General Meeting

At the Annual General Meeting of the Company held on 27 June 2024 (the "**AGM**") all resolutions were successfully passed with the requisite majority of votes, although three resolutions, all of which related to remuneration, received less than 80% shareholder support. The Chair of the Remuneration Committee undertook a shareholder consultation exercise to understand the reasons behind the voting and an update was published on 20 December 2024. For further information regarding the consultation exercise, the feedback received and the impact it has had on the Remuneration Committee's decision-making can be found on pages 90 and 100 of the Directors' Remuneration Report.

Workforce engagement

Provision 5 of the Code recommends that boards adopt one of three specified mechanisms to engage with the workforce: appointing a director from the workforce, establishing a workforce advisory panel, or designating a non-executive director responsible for workforce engagement.

During the reporting period, the Board did not implement any of these mechanisms. The Board acknowledges the importance of meaningful workforce engagement and fully supports the principles outlined in Provision 5 of the Code. 2024 is the first year that the Company has applied the Code. The Boad has not yet had sufficient time to reach a decision on the approach to workforce engagement best suited to the Company's specific circumstances and culture.

Nevertheless, the Board is committed to ensuring that the views and interests of the workforce are effectively represented in its decision making. During 2025, the Board will give further consideration to this subject and will choose an approach that is tailored to the Company's specific circumstances and culture. Updates on progress will be provided in future reports.

Workforce ability to raise concerns

The Board has delegated to its Audit Committee responsibility for reviewing the effectiveness, adequacy and security of the Company's arrangements for its workforce to raise concerns in confidence and, if they wish, anonymously. For further details of how the Audit Committee has discharged its responsibility for this, please see page 82.

Conflicts of interest

Directors of the Company are required to disclose in writing to the Board any actual or potential conflicts of interest. In addition, at the outset of each Board meeting, all the Directors present are invited to identify any actual or potential conflicts of interest in the business before the meeting together with the nature and extent of any such actual or potential interest.

Board activities in 2024

	Areas reviewed or actioned in 2024	Outcome
Corporate	Move up from AIM to Main Market	Completed on 29 April 2024.
	Re-domiciliation from Cyprus to Spain	The re-domiciliation completed effective 27 December 2024.
	Board and management succession	One new independent non-executive director joined in June 2024 and another in January 2025.
Strategy	Project opportunities	Entry into of earn-in agreements for the Skellefte Belt and Rockliden Projects in Sweden.
Financial matters	2024 budget	Approved.
	2023 financial statements and annual report	Approved for recommendation to shareholders.
	2023 final and 2024 interim dividends	2023 final dividend approved for recommendation to shareholders and 2024 interim dividend approved.
	Q1, H1 and Q3 results	Approved.
Operations	Health and safety	Performance monitored.
	Exploration	Progress monitored.
	Mining	Progress monitored.
	Plant	Operation monitored
Capital projects	Solar power plant	Progress of all projects monitored.
	Road deviation	
	San Dionisio open pit	
	E-LIX phase I	
Governance	Risk management processes and internal control system	Reviewed as part of move-up to Main Market.
	Risk register	Reviewed and risks monitored.
	Need for internal audit function	On the recommendation of the Audit Committee, satisfaction that there is no immediate need for the establishment of a dedicated internal audit function, although this will be kept under review.
	Board's annual forward agenda planner	Approval with additional suggestions from the Board
	Performance of the Board	Concluded that was performing effectively with areas for improvement noted.

Division of Responsibilities

Governance Framework

The role of the Board is to promote the long-term success of the Company by providing strategic direction, ensuring sustainable value creation, monitoring performance, managing risks effectively, and fostering a culture of integrity and accountability that considers the long-term interests of shareholders and other stakeholders. The Board delegates certain of its responsibilities to its five committees:

	Nomination & Governance Committee	Remuneration Committee	Audit Committee	Physical Risk Committee	Sustainability Committee
Chair	Neil Gregson	Hussein Barma	Carole Whittall	Stephen Scott	Kate Harcourt
Membership	The Chair and two Independent* Non-Executive Directors	The Chair and three Independent* Non-Executive Directors	Three Independent* Non-Executive Directors	The Chair and three Non-executive Directors, two of whom are independent*	Three Non-executive Directors, all of whom are independent*
Primary responsibility	Leading the process for Board appointments, and succession planning for the Board and management	Reviews directors' and officers' compensation and performance	Oversees the integrity of the Company's financial reporting, the effectiveness of internal controls, risk management systems, and the independence and performance of the external auditor	Oversees safety, health, environment and security matters, and enterprise-wide physical risk management of the Company	Oversees the strategy and activities related to sustainable development and social responsibility
Further information	Page 69	Page 86	Page 76	Page 83	Page 85

* Independence as determined by the Board.

The Board delegates the day-to-day management of the Company to the Chief Executive Officer, including implementing the Board's strategic objectives, making operational decisions (within the Board delegation of authority), leading the executive team, managing resources, and ensuring that the Company's performance aligns with its goals and governance standards.

Board Roles

The Board recognises the importance of ensuring an appropriate combination of executive and non-executive directors and that a majority of its members are independent, such that no one individual or small group of individuals dominates the Board's decision-making.

At least half the Board, excluding the Chair, are non-executive directors whom the Board considers to be independent:

Name	Role	Independence*
Neil Gregson	Non-executive Chair	Independent on appointment
Kate Harcourt	Senior Independent Non-Executive Director	Independent
Alberto Lavandeira	Chief Executive Officer	Not independent
Hussein Barma	Non-executive Director	Independent
Jesús Fernández	Non-executive Director	Not independent
Coriseo González-Izquierdo	Non-executive Director	Independent
Stephen Scott	Non-executive Director	Independent
Carole Whittall	Non-executive Director	Independent

* Independence as determined by the Board.

The Board has approved a formal statement of the division of responsibilities between the Chair and the Chief Executive Officer. The Board has also approved a formal statement of the responsibilities of the Senior Independent Director. Both these documents are available on the Company's website at: www.atalayamining.com.

Chair

Neil Gregson was originally appointed as a Non-executive Director on 10 February 2021. He succeeded Roger Davey as Chair of the Company effective 1 July 2024. Mr. Gregson was independent on appointment when assessed against all the circumstances specified in Code provision 10 as being likely to impair or could appear to impair a non-executive director's independence. His key responsibilities as Chair include:

» the effective running of the Board;

» ensuring that the Board as a whole plays a full and constructive part in the development and determination of the Group's strategy and overall commercial objectives; and

» being the guardian of the Board's decision-making processes.

Senior Independent Director

Kate Harcourt was appointed by the Board to succeed Neil Gregson as Senior Independent Director effective 1 July 2024.

The key responsibilities of the Senior Independent Director include:

» acting as a sounding board for the Chair and providing support, particularly regarding governance matters and board dynamics;

» being available to meet with major shareholders to address concerns or discuss issues that cannot be resolved through standard channels; and

» leading the annual performance review of the Chair.

Chief Executive Officer

Alberto Lavandeira has served as Chief Executive Officer and Managing Director since 24 December 2014.

The key responsibilities of the Chief Executive Officer include:

» the running of the Group's business;

» proposing and developing the Group's strategy and overall commercial objectives; and

» implementation of the decisions of the Board and its committees.

Non-executive Directors

Each of the independent and non-independent non-executive directors bring different perspectives to the Board's decision-making and ensure that the viewpoints of the Company's key stakeholders are represented. They scrutinise and hold to account the performance of management against agreed performance objectives. They provide constructive challenge, strategic guidance and offer specialist advice within their individual fields of expertise. All non-executive directors are required to exercise their independent judgement and act in the best interests of the Company, taking into account the interests of its stakeholders, in their decision-making.

Independence

The Board has carefully considered the independence of all the non-executive directors, including against all the circumstances specified in Code provision 10 as being likely to impair or could appear to impair a non-executive director's independence (the "**Potentially Impairing Factors**").

Jesús Fernández was appointed by a significant shareholder who has a right to appoint under the shareholder agreement. As a result, the Board does not consider Jesús Fernández to be independent. However, he adds valuable insight as he can provide an investor perspective to the management team and challenge them accordingly.

The Board considers that all other non-executive directors are independent, including Hussein Barma and Stephen Scott who have both served more than nine years on the Board (the "**Extended-Tenure NEDs**") which is a Potentially Impairing Factor. Whilst extended tenure could give rise to concerns regarding independence, the Board has implemented safeguards to ensure that the Extended-Tenure NEDs remain independent and objective in their roles.

A sub-committee of the Nominations & Governance Committee consisting of Neil Gregson and Kate Harcourt conducted an in-depth assessment of the independence of each Extended-Tenure NED, which included a review of their contributions, conduct, and ability to challenge management effectively.

In addition, each Extended-Tenure NED has given a declaration to the Board:

» affirming their commitment to objectivity and impartiality; and

» confirming that they have no emotional, professional or personal ties with any member of the Atalaya management team that would inhibit him being objective and challenging and scrutinising management and serving the interests of the Company first.

Having carefully considered the issue of the continued independence of each Extended-Tenure NED, that sub-committee was satisfied that:

» their independence of judgement remained unimpaired;

» their extended tenure had not created familiarity bias, nor had it diminished their ability to bring a fresh perspective; and

» both Extended-Tenure NEDs continued to bring valuable experience and knowledge to the Board.

Upon the recommendation of the sub-committee, the Board has determined that the Extended-Tenure NEDs continue to be independent, and they should continue to serve on the Board as independent non-executive directors whilst succession planning arrangements are implemented to maintain a degree of continuity, preserving corporate knowledge and supporting effective decision making.

The Company has already commenced the process of identifying and appointing suitable independent non-executives. The Company anticipates completing these appointments by the end of 2025 and that both Extended-Tenure NEDs will have stood down by the end of 2025.

Board and committee meeting attendance in 2024

There were 14 Board meetings held during the year and a further 32 meetings of the Board's committees. These meetings were attended as follows (the numbers in brackets indicating the number of meetings a director was eligible to attend):

	Board	AC	RC	NGC	PRC	SC
Total Nº of meetings	**13**	**6**	**10**	**10**	**2**	**4**
H Barma[9]	13 (13)	6 (6)	2 (2)			4 (4)
R Davey	13 (13)				2 (2)	3 (4)
J Fernández	5 (13)				0 (2)	
N Gregson[10]	12 (13)	2 (2)	10 (10)	10 (10)	2 (2)	
K Harcourt	13 (13)		10 (10)	10 (10)		4 (4)
A Lavandeira	12 (13)					
S Scott	13 (13)	6 (6)	10 (10)	10 (10)	2 (2)	
C Whittall[11]	5 (5)	4 (4)				

(9) Dr. Barma joined the Remuneration Committee on 1 July 2024.
(10) Mr. Gregson stepped down from the Audit Committee on 1 July 2024.
(11) Ms. Whittall Joined the Board on 3 june 2024 and the Audit Committee on 1 July 2024.

Time commitment

Non-executive directors are required to seek the agreement of the Chair before accepting additional commitments that might affect the time they are able to devote to their role as a non-executive director of the Company. Details of directors' external commitments are contained within their individual biographies on pages 55 to 58.

When considering the appointment of Carole Whittall during the year, the Board considered the demands on her time of her full-time executive role. None of the other Non-executive Directors has taken on any additional appointments during the year.

External commitments

Details of directors' external commitments are contained within their individual biographies on pages 55 to 58. The Nomination & Governance Committee considers each director's external commitments and the impact on the ability of each to devote sufficient time to the Company's affairs annually.

When considering the appointment of Carole Whittall during the year, the Board considered the demands on her time of her executive role. None of the other Non-executive Directors has taken on any additional appointments during the year. The Board is satisfied that, having considered the demands of the external appointments of each Non-executive Director and the time requirements from the Company, each Non-executive Director standing for re-election at the forthcoming Annual General Meeting continues to contribute effectively to the operation of the Board.

Provision 15 of the Code recommends that full-time executive directors should not take on more than one non-executive directorship in a FTSE 100 company or other significant appointment.

The Chief Executive Officer, Alberto Lavandeira, has been a non-executive director of ASX-listed Black Dragon Corp, since 10 July 2017. On 17 June 2024 he was appointed as a non-executive director of ASX-listed Predictive Discovery Limited. Prior to Mr. Lavandeira accepting the second appointment, the Board considered:

- the demands of Mr. Lavandeira's role as Chief Executive Officer of the Company;
- the expected time commitment from the two non-executive directorships;
- whether there were any perceived or actual conflicts of interest;
- public perception of Mr. Lavandeira's ability to focus on his primary executive responsibilities;
- the robustness of the executive team to handle additional pressures if Mr. Lavandeira's focus was occasionally diverted; and
- delegation mechanisms in place to manage any absence.

The Committee also considered the potential benefits to Atalaya, in terms of expanded networks, additional insights, and broader market intelligence.

The Board determined that two non-executive listed-company appointments would not impair Mr. Lavandeira's effectiveness in leading the Company. This determination was based on Mr. Lavandeira's proven capacity to manage such commitments effectively, supported by the delegation structure within the executive team. The Board will review this arrangement periodically to ensure that it remains appropriate and in the best interests of Atalaya.

Information and support for directors

Company Secretary

Inter Jura CY (Services) Limited served as the Company Secretary throughout the year under review. On 21 January 2025, following completion of the re-domiciliation of the Company from Cyprus to Spain, Mrs. Frances Robinson was appointed Company Secretary and Mr. Ignacio Moreno was appointed Deputy Company Secretary. Their appointment and removal are a matter for the whole Board. All directors have a right of access to the Company Secretary, who is accountable to the Board, through the Chair, on all governance matters.

Induction

Upon appointment, all new directors undergo a comprehensive induction programme tailored to familiarise them with their role and responsibilities. This programme includes meetings with existing directors, key members of the senior management team, and the Company's professional advisors. In addition, to provide firsthand insight into the Company's operations, new directors are afforded the opportunity to visit Atalaya's facilities in Spain, gaining a deeper understanding of its operational dynamics.

During the year under review, Carole Whittall was given a comprehensive induction programme which included meetings with the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Sustainability Manager, and Laboratory Manager. It also included a visit to the Company's Cerro Colorado open pit mine, plant and laboratory. This was in addition to her induction as a member of the Audit Committee, details of which can be found on page 82.

Training

The Board maintains a good working knowledge of the copper mining industry and how the Company operates within that industry as well as being aware of upcoming developments in the wider legal and regulatory environment.

Directors attend external seminars and briefings in areas considered appropriate for their own professional development. During the year, this included cyber security, executive remuneration, and audit committee technical update.

During the year the Company invited Salterbaxter Communications Limited and Environmental Resources Management (ERM) Iberia to deliver Board training in, respectively, ESG regulations for UK listed companies and ESG regulations in Spain. Canaccord Genuity Limited delivered training on the changes to the UK Listing Rules and continuing obligations as a director of a UK listed company. In addition, Linklaters LLP and BMO delivered further training to the Board.

Independent professional advice

The directors are entitled to seek independent professional advice in furtherance of their duties if they consider this necessary.

Directors' and officers' liability insurance

The Company maintains directors' and officers' liability insurance, which provides appropriate legal cover for legal action brought against its directors.

Composition, Succession and Evaluation

Nomination and Governance Committee

Committee composition

The Board has established a Nomination and Governance Committee which consists of two independent non-executive directors and the Company Chair. Information on the skills and the experience of all Committee members can be found on pages [55 to 58].

Committee membership and attendance at meetings

	Attendance in 2024	Member since:
N Gregson (Chair)	10 (10)	29 November 2022
K Harcourt	10 (10)	29 November 2022
S Scott	10 (10)	29 November 2022

Role of the Committee

The Committee's role is to lead the process for Board appointments, ensure plans are in place for orderly succession to Board and senior management positions, and oversee the development of a diverse pipeline for succession. The Committee's terms of reference, which are reviewed annually, are available on the Company's website at www.atalayamining.com/sustainability/good-governance.

How the Committee operates

The Committee meets at least three times a year. Time is made available at each meeting to allow the Committee to discuss matters amongst themselves without management being present.

Meetings are held in advance of the Board meetings to allow the Committee Chair to provide a report to the Board on the key matters discussed and for the Board to consider any recommendations made.

Committee activities in 2024

The Committee met 10 times during the year under review and all Committee members attended all meetings that they were eligible to attend.

The table below summarises the areas that the Committee reviewed or actioned in 2024 and the outcome. Further detail can be found on pages [72 and 73] below.

Areas reviewed or actioned in 2024	Outcome
Appointment of Chair	Appointment of Neil Gregson who was re-elected at the 2024 AGM
Appointment of Senior Independent Director	Appointment of Kate Harcourt who was re-elected by shareholders at the 2024 AGM
Appointment of Non-Executive Directors	Appointment of Carole Whittall who was elected by shareholders at the 2024 AGM
	Appointment of Coriseo González-Izquierdo who will be submitted for election by shareholders at the 2025 AGM.
Governance	
- Committee's annual forward agenda planner	Approval with additional suggestions from Committee.
- Committee's terms of reference	Inclusion of matters in Committee's annual forward agenda planner.
Performance of Committee	The Committee conducted a review of how it had met its terms of reference during the year and its performance and concluded that it had met its terms of reference and continued to perform effectively.

Annual re-election of Directors

In accordance with provision 18 of the Code, all directors subject themselves to annual re-election. The Annual General Meeting circular contains an explanation as to the reasons why each director's contribution is, and continues to be, important to the Company's long-term sustainable success.

Board appointments

Appointment of Chair

Roger Davey had served as a Non-Executive Director of the Company since 23 April 2010 and as Chair since 24 December 2014. The Board was mindful of provision 19 of the Code which provides that the Chair should not remain in post beyond nine years from date of their first appointment. For this reason, the Board took steps to identify a successor to Mr. Davey as soon as practicable following the Company's move to the Main Market on 29 April 2024.

On 20 May 2024, the Company announced that Neil Gregson, the then Senior Independent Director, would succeed Mr. Davey as Chair with effect from 1 July 2024 and that Mr. Davey would retire from the Board on 31 December 2024.

Provision 20 of the Code provides that open advertising and/or an external search consultancy should generally be used for the appointment of the chair.

In the interest of ensuring continuity, the Board determined that appointing an existing independent non-executive director as chair was in the best interests of the Company and its stakeholders. Stephen Scott led the Board discussions regarding potential eligible internal candidates for chair succession. Neil Gregson emerged as the most suitable eligible candidate who was able to assume the role and thereafter recused himself from all further discussions on the subject. Mr. Gregson has served as an independent non-executive director since 10 February 2021 and has consistently demonstrated exemplary leadership in his committee chair roles, governance expertise and a thorough understanding of the Company's operations. His appointment was unanimously endorsed by the Board. The Board believes that this approach balanced the principles of good governance with the needs of the Company at the time. It ensures a seamless transition of leadership, continuity of oversight and retention of corporate memory.

Appointment of Non-executive Director

Provision 20 of the Code also provides that open advertising and/or an external search consultancy should generally be used for the appointment of non-executive directors.

The Board decided to leverage the networks of the existing non-executive directors to identify and appoint Carole Whittall as a new non-executive director. This approach was chosen to ensure that the selected candidate possessed the specific skills, experience and cultural alignment required to complement the existing Board composition. The appointment process involved a rigorous internal evaluation of potential candidates identified through these networks, ensuring transparency, objectivity, and alignment with the Company's strategic needs and in accordance with the Company's board diversity policy.

Carole Whittall was identified as an outstanding candidate due to her extensive experience in the natural resources sector and particularly in accounting and finance. The Board is confident that this targeted approach has resulted in the appointment of a highly qualified individual who will contribute significantly to the Company's success.

The Board remains committed to the principles of the Code and for the subsequent and current ongoing non-executive director search process, an external search firm is being used.

Succession planning

In anticipation of the retirement of Roger Davey on 31 December 2024, the Committee engaged with three external search consultancy firms with a view to appointing one of them to assist with the search process. Following consideration of each firm's proposal, the Committee resolved to appoint Cripps Leadership Advisors Ltd ("CLA") to assist with the search. With the support of CLA, the Committee formulated the key attributes and core competencies required for the role. CLA then presented to the Committee profiles of 23 potential candidates who met all or some of the required attributes. The Committee reviewed each of the profiles and thereafter seven candidates were shortlisted for interview. Following the interview process, the Committee recommended to the Board that Coriseo González-Izquierdo be appointed.

For the purposes of the management succession plan, the Committee engaged a third-party consultant to assess the individuals who had been identified by the Committee as potential suitable internal successors to the existing c-suite roles. This process resulted in the identification of internal successors to each of the three c-suite roles.

Board evaluation

In January 2025, the Board conducted a formal effectiveness review encompassing an evaluation of the Board as a whole, its committees and individual directors. The review was led by the Chair.

The evaluation comprised a combination of questionnaires, individual one-on-one conversations and a general group discussion amongst Board members:

» For the purposes of the review of the performance of each individual NED, each independent NED completed a detailed questionnaire regarding their own individual performance, that of the Board and each of its committees and submitted it to the Chair. That questionnaire was then discussed in a private meeting between the Chair and the independent NED. Any feedback relating to the performance of individual committees was fed back to the relevant committee chair.

» For the purposes of the review of the performance of the Chair, the Senior Independent Director sought feedback from all other Board members. The Senior Independent Director then discussed the feedback with the Chair in a private meeting.

» For the purposes of the review of the performance of the CEO, the Chair sought feedback from all other directors. In addition, the CEO was requested to complete a bespoke questionnaire. The Chair and the CEO then held a private meeting to discuss the completed questionnaire, feedback received from the Board and feedback which the CEO wished to give to the Board.

The Chair presented an overall summary of the findings from the evaluation process to the Board for discussion. This included recommendations made by individual directors. The Board discussed these and agreed that it, its committees and individual directors were operating effectively, whilst also noting areas for improvement including:

» strengthening oversight mechanisms to ensure that key projects are effectively monitored and aligned with strategic objectives;

» enhancing risk management processes and reporting to ensure a more proactive approach to identifying and mitigating key risks;

» assessing and refining the composition of the Board and its committees to ensure an appropriate distribution of committee work; and

» expanding Board briefings on key topics of interest to support informed decision-making and enhance Board engagement.

The Board recognises the importance of regular and effective evaluation to enhance its performance. In line with the UK Corporate Governance Code, the Board is mindful of the recommendation to undertake an externally facilitated evaluation at least every three years. During the year, the Board's Nomination & Governance Committee considered whether to commission an external evaluation but concluded that it would not be appropriate at this stage. This decision was based on the fact that the Company adopted the Code part way through the year upon becoming listed on the Main Market and that the Board's composition is undergoing planned changes. One director retired in 2024 and a further two retirements are expected in 2025. Given this ongoing transition, the Board believes that an externally facilitated review would be more effective once these changes have been implemented. In the interim, the Board will continue to conduct internal evaluations to assess its effectiveness and will revisit the timing of an external review in due course to ensure it delivers maximum value.

Diversity and inclusion

The Board recognises the benefits of diversity in its broadest sense and believes that the Board's effectiveness is improved by a diverse balance of age, gender, ethnicity, sexual orientation, disability, educational, professional and socio-economic backgrounds, and cognitive and personal strengths. Together, this brings the widest possible breadth of perspectives, insights and challenge to the decision-making process, ultimately ensuring the Board and senior management are equipped to promote the long-term success of the Company.

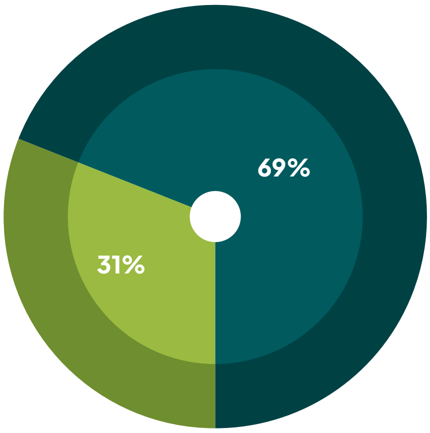
The Company has a Board Diversity Policy which sets out the approach to diversity on the Board and across the senior management population. While the policy does not separately extend to the Audit, Remuneration, and Nomination & Governance Committees, all members of these committees are directors and are therefore already subject to the Board's diversity principles. The Board considers all aspects of diversity when reviewing its composition.

Gender balance

The gender balance of those in senior management and their direct reports as at 31 December 2024 was as follows:

31% Female

69% Male



Diversity disclosures pursuant to Listing Rules 6.6.6R(9) and (10)

The Listing Rules require companies to state whether they have met certain targets on board diversity. The information in the table below is as at 31 December 2024. The targets set out in the Listing Rules are that:

» at least 40% of the individuals on its board of directors are women

» at least one of the following senior positions on its board of directors is held by a woman (the chair, SID, CEO, or CFO); and

» at least one individual on its board of directors is from a minority ethnic background.

As at 31 December 2024 the Company met two of the three targets. Since 31 December 2024, Roger Davey retired from the Board and Coriseo González-Izquierdo was appointed in his place, increasing the percentage of women on the Board to 37.5%. In line with regulatory and governance expectations, the Company is committed to ensuring at least 40% of its Board is composed of women, Given the Company's Board size of eight members, this equates to either 37.5% or 50%. The Board's Nomination & Governance Committee continues to prioritise diversity and inclusion in future appointments, ensuring that gender representation remains a key consideration while balancing the need for the right mix of skills and experience.

Gender diversity	Nº of Board members	% of the Board	Nº of senior positions on Board	Nº in executive management	% of executive management
Men	6	75%	2	3	100%
Women	2	25%	1	0	0%
Not specified / prefer not to say	0	0%	0	0	0%

Ethnic background diversity	Nº of Board members	% of the Board	Nº of senior positions on Board	Nº in executive management	% of executive management
White British or other White (including minority-white groups)	7	75%	3	3	100%
Mixed/Multiple ethnic groups	0	0%	0	0	0%
Asian/Asian British	1	12.50%	0	0	0%
Black/African/Caribbean/Black British	0	0%	0	0	0%
Other ethnic group	0	0%	0	0	0%
Not specified / prefer not to say	0	12.50%	0	0	0%

Each Board or member of executive management has confirmed their gender and ethnic background and the above data has been collated from those confirmations.

Audit, Risk and Internal Control

Introductory letter from Audit Committee Chair

Dear Shareholder,

I am pleased to introduce Atalaya's Audit Committee report for the financial year ended 31 December 2024. The report summarises the areas of focus and work conducted by the Committee over the course of the last year in fulfilment of its responsibilities.

I assumed the role of Audit Committee Chair at the end of October 2024 as we began planning for the external audit for the year under review. On behalf of the Board, I would like to extend my thanks to Hussein Barma for his dedicated leadership of the Committee. Neil Gregson stood down as a member of the Committee on 1 July 2024 following his appointment as Company Chair. On behalf of the Committee, I would like to thank him for his contributions to the Committee over his years of service.

External auditor tender

In anticipation of completion of the Company's re-domiciliation from Cyprus to Spain, the Committee undertook a comprehensive tender process for the appointment of the external auditor. Following this process, PricewaterhouseCoopers Auditors, S.L. (Spain) was appointed as the Company's new external auditor. Further details of the tender process can be found on page 79.

Review of material issues

The Committee's primary objective is to support the Board in overseeing the integrity of financial reporting and ensuring effective risk management and control.

During the year, our areas of focus included ensuring our annual report provides a fair, balanced, and clear assessment of the Company's performance, strategy, and risks and establishing that the financial statements provide a true and fair view of the Group's financial affairs. As part of this process, we considered the significant financial judgements made during the year, together with other key financial reporting issues. Further details can be found on page 78.

We also considered the scope for management override of controls, the risk of revenue recognition (including the potential for fraud therein), and valuation of mining assets. We found no concerns arising from this review.

A description of the material issues that the Committee considered during the year can be found on pages 77 to 82.

Viability and going concern

The Committee considered the going concern statements in the interim and full-year financial statements. The Committee also conducted a detailed review of the Company's viability statement in the Annual Report. This included consideration of the appropriateness of the five-year viability assessment period, the assumptions, the principal risks and uncertainties considered, and the sensitivities tested. Following this review, the Committee was satisfied that management had conducted robust viability and going concern assessments and recommended approval of these to the Board. Further information on how the viability statement was developed can be found on page 78. The viability and going concern statements can be found on pages 31 and 47.

Risk, control, and assurance

The Committee ensures the effectiveness of the Company's risk management framework and internal controls. This included oversight of key risks, both financial and operational. Further information regarding the Committee's oversight role can be found on page 81

Looking ahead

The Committee will continue to focus on maintaining high standards of financial integrity and governance. We will consider the changes to the UK Corporate Governance Code, particularly the new requirements with respect to risk management and internal controls which will impact future reporting periods.

On behalf of the Audit Committee, I would like to thank the management team, our former auditors, Ernst & Young Cyprus Ltd, and our new auditors, PricewaterhouseCoopers Auditores, S.L. (Spain) and PricewaterhouseCoopers Limited (Cyprus), for their support and constructive engagement throughout the year.

Yours sincerely

CAROLE WHITTALL
Chair of Audit Committee
17 March 2025

Audit Committee Report

Committee membership and attendance at meetings

	Attendance in 2024	Member since
Carole Whittall (Chair since 26 October 2024)	4/4	1 Jul. 2024
Hussein Barma (Chair until 26 October 2024)	6/6	24 Nov. 2015
Stephen Scott	6/6	11 Oct. 2023
Neil Gregson (Member until 1 July 2024)	2/2	25 Oct. 2022

Committee composition

The Committee is composed solely of non-executive directors. The current Committee Chair is independent. Although the other current Committee members have served more than nine years on the Board and therefore do not meet the presumptive independence criteria set out in provision 10 of the UKCGC, the Board has considered their extended tenure in the context of their independence and has concluded that they remain independent and objective and that it is appropriate that they remain as members of the Committee whilst Board succession planning arrangements are implemented in order to maintain a degree of continuity. For more information regarding the Board's consideration of their independence, please see page 68. The Board is satisfied that the Committee Chair has recent and relevant financial experience as required by the UKCGC and that the Committee as a whole has competence relevant to the sector in which the Company operates. More information on the skills and the experience of all Committee members can be found on pages 55 to 58.

Role of the Committee

The Committee's role is to provide oversight of the Company's financial and narrative reporting statements, to monitor the effectiveness of systems of internal control and risk management, to monitor the integrity of the Group's external audit processes, and to keep under review the need for an internal audit function. The Committee's terms of reference, which are reviewed annually, are available on the Company's website at www.atalayamining.com/sustainability/good-governance.

How the Committee operates

The Committee meets at least three times a year. In addition to Committee members, the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Company Secretary, and representatives of the external auditor also attend Committee meetings by invitation where appropriate. Time is made available at each meeting to allow the Committee to discuss matters amongst themselves or with the external auditor without management being present.

An annual planner of matters for the Committee to review informs the agendas for each Committee meeting. The Committee receives information in advance of its meetings including information and reports from the external auditor and the Chief Financial Officer and his team.

Committee meetings are scheduled to coincide with key dates in the Company's financial reporting and audit cycle calendar. Meetings are held in advance of the Board meetings to allow the Committee Chair to provide a report to the Board on the key matters discussed and for the Board to consider any recommendations made. The Committee Chair also meets regularly with representatives of the external auditor.

Committee activities in 2024

The Committee met six times during the year under review and all Committee members attended all meetings that they were eligible to attend. A representative of the external auditor attended all meetings of the Committee during the year. The Committee met in closed session without management present on one occasion during the year.

The table below summarises the areas that the Committee reviewed or actioned in 2024 and the outcome. Further detail can be found on pages 79 to 85 below.

	Areas reviewed or actioned in 2024	Outcome
Financial and narrative reporting	Full year, half-year, and quarterly reports	Recommendation to the Board for approval.
	Key accounting judgements and estimates	Agreement with management's key judgements and estimates.
	Going concern and viability statements	Satisfaction that statements provide a balanced and transparent view and that there were no gaps or weaknesses that had been identified that required additional analysis or disclosure.
	Fair, balanced and understandable assessment	Recommendation that annual report and financial statements taken as a whole were fair, balanced and understandable.
External audit	Conduct of tender process	PricewaterhouseCoopers Auditores, S.L. (Spain) was appointed by shareholders as the external auditor for the financial year ended 31 December 2024 subject to the cross-border conversion to Spain taking effect prior to 31 December 2024.
	Reports from external auditor (including external audit findings)	Assurance that external audit was effective.
	Full-year audit plan and significant audit risks	Assurance that external audit sufficiently robust.
	External auditor's independence and expertise	Satisfaction that there were no matters impacting the auditor's independence or objectivity and satisfaction that there was not lack of expertise that might impact audit quality.
	Policy on employment of former employees of the external auditor	Enhancement of assurance of independence of external audit and compliance with Committee terms of reference.
	Effectiveness of external audit process	The Committee was satisfied that the external audit remained effective.
Internal control and risk management	Risk management processes and internal control system	The Committee confirmed to the Board that it had reviewed the effectiveness of the Group's systems of internal control and risk management for the period under review
	Risk register	No changes to the principal risks were made.
	Need for internal audit function	Satisfaction that there is no immediate need for the establishment of a dedicated internal audit function, although this will be kept under review.
Governance	Training	Circulation of relevant briefings and Inclusion of relevant matters in Committee's forward agenda planner.
	Committee's annual forward agenda planner	Approval with additional suggestions from Committee.
	Committee's terms of reference	Inclusion of matters in Committee's annual forward agenda planner.
	Performance of Committee	The Committee concluded that it continued to perform effectively.

Financial and narrative reporting – significant areas considered

Key accounting judgements and estimates

» **Revenue recognition**

Revenue recognition is a key area of focus, in particular the risk of material error in relation to revenue recognition for sales of concentrate. The Committee reviewed the external auditor's audit procedures for addressing this risk and findings. The Committee considered the appropriateness of the recognition and was comfortable with the conclusions reached.

» **Carrying value of mining assets and investments**

The Committee considered the carrying value of the Group's mining assets in Spain.

- Riotinto operating project: The Committee considered the impairment testing work that had been carried out by management together with the review work that had been carried out by the external auditor, particularly with regard to capitalisation of €7,567k of expenses related to the implementation of ELIX (owned by Lain Technologies). The Committee challenged management's confidence in the technology's ability to contribute to the Company's growth and operational efficiency in the future. The Committee also considered and challenged management's financial model which estimated the potential returns that could be realised from the technology over time. The Committee concluded that management's recognition of the capitalisation of Lain Technologies expenses was reasonable and was satisfied that that the related disclosures in the financial statements provided a clear and transparent explanation of the rationale and its impact.
- Touro development project: The Committee considered and challenged management's reversal of a €6,948k impairment made in 2019 in relation to this project and the decision to record the assets and liabilities of the project in the expectation of the Company exercising its right to acquire up to 80% ownership of the project. Following discussion with management and the external auditor and noting that an independent expert valuation had been carried out as at 31 December 2024 (the method and hypotheses used having been evaluated by the external auditor), the Committee concluded that it was appropriate to reverse the previous impairment charge and to record assets and liabilities in the expectation of the Company exercising its right to acquire up to 80% of the project. The Committee was also satisfied that the related disclosure in the financial statements provided a clear and transparent explanation of the rational for the reversal.
- Masa Valverde and Ossa Morena development projects: The Committee was satisfied that no impairment was required.

» **Scope for management override of controls**

Management override of controls is a general presumptive audit risk. The external auditor reported to the Committee that it had not identified any instances of material fraud or of management override of controls. In connection with the Company's move up to the Main Market during the year the Committee reviewed the adequacy of the Company's financial position and prospects procedures and reviewed management's assessment of internal financial controls, forecasting processes, and risk management including challenging management's assumptions. The Committee believes that there is a culture of ethical behaviour across the Group and a strong control environment that both deters and prevents fraud.

Going concern and viability statements

» **Going concern**

The Committee reviewed and challenged management's forecasts for 2025 and 2026 and considered risks to the projections and underlying assumptions and judgements. The Committee also reviewed the adequacy of the disclosures in Note 3 to the financial statements relating to going concern. The Committee concluded that it was satisfied that it remained appropriate to prepare the financial statements on a going concern basis. The going concern statement can be found on page 47 of the Annual Report.

» **Viability statement**

The Committee reviewed management's work in conducting a thorough assessment of those risks which could threaten the business model and the Company's future viability. This assessment included identifying severe but plausible risk events for each of the Group's principal risks as well as considering interdependencies and the overall impact from multiple risks being realised. For those risks severe enough to impact the viability of the Group, a sensitivity analysis was performed to understand the potential impact which the Committee considered. The Committee considered the findings from this analysis together with the proposed text of the viability statement and concluded that the viability statement appropriately reflected:

- the principal risks and uncertainties facing the business, including their potential impact on the Company's solvency and liquidity; and
- the scenario analyses performed to support the statement.

The Committee also reviewed the five-year viability assessment period and concluded that it was appropriate. The Committee therefore recommended approval of the viability statement to the Board. The viability statement can be found on page 31 of the Annual Report.

Fair, balanced and understandable

On behalf of the Board, the Committee has considered whether, in its opinion, the Annual Report and Financial Statements (the "**AR&FS**"), taken as a whole, is fair, balanced and understandable and whether it provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

To do this, the Committee considered a draft of the AR&FS at an early stage to enable sufficient time for comment and review to check the overall balance and consistency. As part of this process, the Committee considered and, where appropriate, challenged management as to whether:

» the narrative in the annual report and the financial reporting in the financial statements was consistent;

» the key judgements referred to in the narrative reporting and the significant accounting issues included in the audit committee report were consistent with the disclosures in the financial statements;

» important messages were highlighted appropriately throughout the AR&FS;

» there were any omissions that should have been included;

» KPIs were appropriate disclosed based on the financial reporting;

» key messages in the narrative were reflected in the financial reporting;

» statutory and adjusted measures were explained clearly with appropriate prominence;

» there was any inconsistency with the matters that the external auditor intended to include in its report.

External audit

External audit tender

» **Background**

Ernst & Young Cyprus Limited were appointed auditors to the Company on 31 May 2017 and audited the financial statements of the Company up to and including those in respect of the year ended 31 December 2023. It was reported in the Company's 2023 annual report that the Board expected to conduct a tender process for the appointment of a new auditor consequent upon the re-domiciliation of the Company from Cyprus to Spain.

» **Planning**

The Committee resolved to appoint a selection sub-committee authorised to carry out the tender process and make recommendations to the Committee. That sub-committee consisted of Hussein Barma, the then chair of the Committee, Neil Gregson, then a member of the Committee, Kate Harcourt, chair of the Sustainability Committee, and César Sánchez, the Chief Financial Officer. The chair of the Sustainability Committee was included as a member of the sub-committee because, in addition to tendering for the external audit, the Company was simultaneously conducting a tender for an independent assurance engagement for the Company's sustainability report.

The corporate department prepared the formal request for proposals document pursuant to which five firms were invited to submit proposals. This document was reviewed and approved by the sub-committee.

» **Selection criteria**

The sub-committee prepared a list of key selection criteria for both tenders which, in respect of the audit tender, included:

- mining sector experience;
- audit quality and process;
- integration of UK and Spanish teams to accommodate the Company's move to the main market and re-domiciliation to Spain;
- conflicts and independence;
- fees, value for money and cost management; and
- understanding of, and culture fit with the Company.

» **Presentations and review of proposals**

Five firms made two presentations, one to the members of the finance team and the other to the rest of the sub-committee including the Chief Financial Officer. The content of each of the presentations and each firm's proposal document was considered in detail by the sub-committee. The sub-committee also considered feedback received from members of the Chief Financial Officer's finance team who had met with team members of the potential audit firms. Following the presentations and internal discussions, two firms were shortlisted based on their experience, mining expertise and fees.

» **Recommendation to the Board**

The sub-committee proposed two firms to the Committee for consideration. The Committee and the Sustainability Committee both resolved to recommend to the Board the appointment of Pricewaterhouse-Coopers for, respectively, the external audit and the sustainability assurance provision.

Effective, objective, independent and quality audit

» **Role of the Committee**

The Committee's role is to ensure that the annual external audit is effective, objective, independent, appropriately priced and of a high quality.

» **Effectiveness**

The Committee considered several factors when determining the effectiveness of the external audit, including whether:

- the audit plan was comprehensive;
- the audit team was appropriately resourced;
- the audit team demonstrated competence, technical expertise and mining industry knowledge;
- accurate and perceptive advice on key accounting and audit judgements, technical issues, and best practice was provided;
- the auditor worked effectively with management;
- the auditor applied professional scepticism and provided constructive challenge to management;
- useful areas for improvements in company procedures were highlighted; and
- audit work was completed to schedule and within the agreed fee.

Following completion of its review, the Committee concluded that it was satisfied with the effectiveness of the external audit and the effectiveness of PricewaterhouseCoopers.

» **Audit fees**

The Committee considered the level of audit fees proposed to be charged by the external auditor at the time of the audit tender. It also considered a supplementary audit fee so that additional work could be carried out on the valuation of the Company's subsidiaries. The Committee concluded that the level of fees proposed to be charged for the audit was appropriate to enable an effective and high-quality audit to be conducted.

» **Non-audit fees**

The Committee has approved a policy on the provision of non-audit services by the external audit to mitigate any threat related to the external auditor's independence. This policy is reviewed regularly by the Committee to safeguard the ongoing independence of the external auditor.

Details of the fees paid to PricewaterhouseCoopers for audit and non-audit services are shown in Note 31 to the financial statements. The non-audit services provided by PricewaterhouseCoopers related to sustainability assurance services and reviewing the Company's interim results to 30 June 2024.

» **Independence**

The external auditor has explained to the Committee its processes for maintaining independence.

The external auditor has also provided the relevant information to the Committee so that it can monitor the level of fees paid by the Company compared to the overall fee income of the firm, office and partner.

To further safeguard the external auditor's independence, during the year the Committee agreed with the Board a policy on the employment of former employees of the external auditor.

PricewaterhouseCoopers has confirmed to the Committee its independence and objectivity from the Company and both the Committee and the Board are satisfied that:

- PricewaterhouseCoopers has adequate policies and safeguards in place to ensure that its objectivity and independence are maintained; and
- There are no matters impacting PricewaterhouseCoopers' independence or objectivity.

The Committee's role is to ensure that the annual external audit is effective, objective, independent, appropriately priced and of a high quality.

Risk management and internal controls

Principal features of internal control and risk management systems in relation to financial reporting

The Company has established a comprehensive internal control and risk management framework to ensure the integrity, accuracy, and reliability of its financial reporting process. These controls are designed to safeguard the Company's assets, ensure compliance with applicable laws and regulations, and provide reasonable assurance over the preparation of financial statements.

Key features of the Company's internal control and risk management systems in relation to the financial reporting process include:

- **Governance and oversight:** The Board, supported by the Committee, oversees the financial reporting process and the effectiveness of internal controls.
- **Financial reporting policies and procedures:** The Company has established clear accounting policies, aligned with International Financial Reporting Standards and a structured financial reporting framework to ensure consistency and compliance. There is a formalised timetable and reporting calendar that governs the preparation and review of financial reports, including quarterly, interim and annual statements.
- **Risk assessment and management:** The Company maintains a risk management framework to identify, assess, and manage financial reporting risks, including fraud, misstatements, and regulatory compliance risks. Regular risk assessments are conducted to evaluate emerging financial risks, with appropriate mitigating actions implemented.
- **Internal controls and compliance:** A system of internal controls is in place to ensure the completeness, accuracy, and validity of financial data, including segregation of duties, approval thresholds, and reconciliations. The Company also operates a whistleblowing mechanism to enable employees and stakeholders to report concerns related to financial integrity and fraud. See page 82 below for further information regarding the whistleblowing mechanism.
- **External audit and assurance:** The Company engages an independent external auditor to conduct an annual audit of its financial statements, ensuring compliance with regulatory and accounting standards. The Committee oversees the external audit process, reviewing findings and recommendations to enhance financial reporting integrity. See pages 78 and 79 above for further information regarding financial narrative reporting and the external audit.
- **IT and financial systems controls:** Robust IT controls are in place to protect financial data, including access restrictions, cybersecurity measures, and automated system validations.

Role of the audit committee

The Board has delegated to the Committee responsibility for:

- monitoring and managing relevant risks; and
- reviewing and challenging where necessary the effectiveness and adequacy of the Company's internal financial systems that identify, assess, manage and monitor financial risks, and other internal control and risk management systems.

The Company has several processes in place to provide effective internal control including various compliance and business integrity policies and a risk management framework under which controls, and their effectiveness, are managed and evaluated.

A description of the Group's risk management framework and process together with a summary of the principal risks and uncertainties to which the Company is exposed can be found on pages 24 to 30 of the Strategic Report.

How the Committee fulfilled its role in 2024

The Committee:

- regularly reviewed the Company's risk registers with a focus on its financial and strategic risks and associated mitigation plans and, where appropriate, the Committee challenged management regarding risk scores;
- considered the Company's approach to identifying and managing emerging risks;
- Prior to the Company's move-up to the Main Market, the Committee considered management's review of the Company's compliance and business integrity policies. During the year there have been no reported breaches of any of those policies.

During the year an independent firm of accountants was engaged to prepare a report on the Financial Position and Prospects Procedures (FPPP) for the Group in connection with the Company's move from AIM to the Main Market. That engagement provided an additional level of comfort for the Committee and the Board regarding the adequacy of the Group's internal control environment.

The Committee has confirmed to the Board that it has reviewed the effectiveness of the Group's systems of internal control and risk management for the period under review and that it has not identified any significant failings or weaknesses.

Whistleblowing

The Board has delegated to the Committee responsibility for reviewing the effectiveness, adequacy and security of the Company's whistleblowing arrangements for its employees, contractors and external parties to raise concerns, in confidence, about possible wrongdoing in financial reporting and other matters.

There have been no significant reports made under the whistleblowing policy during the period under review.

The Committee has reviewed the clarity, accessibility, scope and the extent to which confidentiality and anonymity can be afforded to those who might wish to make a report under the policy. The Committee has also considered the awareness and communication of the policy, ease of use and whether there are specific departments that are at higher risk for unreported misconduct.

The Committee has concluded that there are no further enhancements to be made which might encourage reporting under the policy, which is available in Spanish and English, being the mother tongues of more than 99% of the Group's employees, contractors, and suppliers.

Internal audit

The Group does not currently have a dedicated internal audit function. Currently, activities that would typically be carried out by an internal audit function are carried out by members of the Group's finance team. The Committee reviews the need for an internal audit function and/or a head of internal audit annually. This year the Committee considered the nature, scale and complexity of the Group's business and concluded that they were not such that they warranted a dedicated function or individual and accordingly recommended so to the Board which approved the recommendation. The Committee will, however, keep the need for a dedicated internal audit function or individual under review.

Governance

Committee member induction and ongoing training

Prior to joining the Committee, Carole Whittall received briefings from the then Committee chair and the Chief Financial Officer regarding the key elements of the Committee's work. It has been agreed that relevant bulletins issued by the 'big four' accounting firms will be circulated to Committee members by way of ongoing training. In addition, briefings regarding changes to the FRC's Corporate Governance Code, the FCA's Listing Rules, and the FCA's Disclosure Guidance and Transparency Rules sourcebook relevant to the Committee will also be provided.

Committee terms of reference

The Committee adopted new terms of reference in November 2023, in anticipation of its move up to the Main Market during 2024. The Committee conducted a review of adherence to those new terms of reference. That review highlighted a few non-material areas of non-adherence, all of which have now been rectified.

Committee performance

Questions on the performance of the Committee were included in the questionnaire circulated as part of the Board effectiveness review. Those questions related to the ability to think and act independently without undue influence from management, understanding of roles and responsibilities, and suitability of skills. The responses were considered and discussed by the Committee. The Committee concluded that it continued to perform effectively.

Physical Risk Committee Report

Committee membership and attendance at meetings

	Attendance in 2024	Member since
Stephen Scott (Chair since 25 October 2022)	2/2	9 Sep. 2015
Roger Davey (retired 31 December 2024)	2/2	21 Dec. 2015
Jesús Fernández	0/2	25 Oct. 2022
Neil Gregson	2/2	23 Jun. 2021

Coriseo González-Izquierdo, an independent non-executive director, joined the Committee on her appointment to the Board on 14 January 2025.

Committee composition

The Committee is currently composed solely of non-executive directors, two of whom the Board considers to be independent. Although the Committee Chair has served more than nine years on the Board and therefore does not meet the presumptive independence criteria set out in provision 10 of the UKCGC, the Board has considered his extended tenure in the context of his independence and has concluded that he remains independent and objective and that it is appropriate that he remains as Chair and a member of the Committee whilst Board succession planning arrangements are implemented in order to maintain a degree of continuity. For more information regarding the Board's consideration of the Committee Chair's independence, please see pages page 68. More information on the skills and the experience of all Committee members can be found on pages 55 to 58.

Role of the Committee

The Committee's role is one of oversight. The Committee:

» oversees safety, health, environmental and security matters relating to the Group;

» oversees enterprise-wide physical risk management; and

» reviews compliance with legal and regulatory obligations relating to safety, health, and the environment.

It is recognised that the non-executive directors who are members of the Committee are not full-time employees of the Company and generally do not represent themselves as experts in the fields of safety, health, environment, security or risk management. It is not the responsibility of the individual Committee members personally to conduct safety, health, environment, security, or risk reviews.

The Committee's terms of reference, which are reviewed annually, are available on the Company's website at www.atalayamining.com/sustainability/good-governance.

How the Committee operates

The Committee usually meets at least three times a year. In addition to Committee members, the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, the chair of the Sustainability Committee, and the Company Secretary also attend Committee meetings by invitation where appropriate.

Meetings are held in advance of the Board meetings to allow the Committee Chair to provide a report to the Board on the key matters discussed and for the Board to consider any recommendations made.

Committee activities in 2024

The Committee met twice during the year under review. Committee member meeting attendance is disclosed in the table above.

One of these meetings included a site visit to the Company's producing mine and processing facility in Andalucía. Feedback given by the Committee to management following the site visit included:

- the need to reiterate to contractors the requirement of strict compliance with the Company's site safety rules and regulations which could be supplemented by having Company personnel working more closely with contractor personnel when carrying out site inspections;
- observations regarding the E-LIX project construction.

At both its meetings, the Committee received a presentation from the Proyecto Riotinto General Manager regarding the Group's:

- physical risk matrix and the updates made by management, including those relating to:
  - tailings storage facility;
  - water discharge;
  - dust emissions;
  - legionella;
  - forest fire management plan;
  - IT systems penetration, and
- safety statistics and preventative measures, including:
  - accidents;
  - alcohol and drug testing;
  - training; and
  - safety culture.

Information regarding the Company's approach to safety and its safety performance in 2024 can be found in the Sustainability Report 2024.

Information regarding the Company's approach to environmental sustainability and related performance can be found in the Sustainability Report 2024.

Sustainability Committee Report

Committee membership and attendance at meetings

	Attendance in 2024	Member since
Kate Harcourt (Chair since 25 October 2022)	4/4	25 Oct. 2022
Hussein Barma	4/4	25 Oct. 2022
Roger Davey (retired 31 December 2024)	3/4	25 Oct. 2022

Carole Whittall was appointed as a member of the Committee on 14 January 2025.

Committee composition

The Committee is composed solely of non-executive directors. More information on the skills and the experience of all Committee members can be found on pages 55 to 58.

Role of the Committee

The Committee:

- oversees the strategy and activities related to sustainable development and social responsibility; and
- develops and regularly reviews the policies, programmes, practices, targets, and initiatives of the Group relating to sustainability matters.

The Committee's terms of reference, which are reviewed annually, are available on the Company's website at www.atalayamining.com/sustainability/good-governance.

How the Committee operates

The Committee usually meets at least three times a year. In addition to Committee members, the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Sustainability Manager, and the Company Secretary also regularly attend Committee meetings.

Meetings are held in advance of the Board meetings to allow the Committee Chair to provide a report to the Board on the key matters discussed and for the Board to consider any recommendations made.

Committee activities in 2024

The Committee met four times during the year under review. Committee member meeting attendance is disclosed in the table above.

Matters reviewed by the Committee during the year included:

- the sustainability report and associated data book;
- the climate change report;
- progress on preparations for reporting under the EU Corporate Sustainability Reporting Directive; and
- progress with activities planned for 2024 under the Company's ESG roadmap.

During the year the Committee Chair and other regular attendees of Committee meetings attended external training regarding Spanish and UK sustainability regulatory reporting requirements.

Information regarding the Company's approach to sustainability and related performance can be found on pages 48 to 53 of the Strategic Report and in our Sustainability Report 2024.

Remuneration

Introductory letter from Remuneration Committee Chair

Dear shareholders,

I am pleased to introduce Atalaya's Directors' Remuneration Report for the financial year ended 31 December 2024. Having assumed the role of Committee Chair on 1 July 2024, I would like to take this opportunity to outline our approach to remuneration during the year for the business, as well as to share how we have engaged with shareholders to shape our future policy.

UK Corporate Governance Code compliance

This is our first Directors' Remuneration Report since moving up from AIM to the Main Market on 29 April 2024. We have reviewed our compliance with Part 5 of the UK Corporate Governance Code 2018 (the "**Code**") for the financial year under review. We are committed to maintaining high standards of corporate governance.

However, we acknowledge that our 2024 remuneration framework was not in full compliance with the Code throughout the year, specifically in relation to Code provision 36 (total vesting and holding period of at least five years for long-term incentives and a policy on post-employment shareholding requirements) and Code provision 41 (workforce engagement). The Committee has addressed Code provision 36 and will be compliant with both elements in 2025 save in relation to a one-off transitional incentive award designed to bridge the gap between the Company's historical long-term incentive ("LTI") awards and its proposed new performance-related LTI awards. The Committee will consider Provision 41 how to address workforce engagement during 2025. Further information regarding the Company's non-compliance during the year with Code provisions 36 and 41 can be found on pages 98 and 90 below.

Business performance and shareholder experience

2024 presented some challenges for the Company. Despite this we have remained focused on delivering long-term value. At the start of the year, our share price stood at 361p. Despite reaching a high of 485.5p in May 2024, it closed down at 359p on 31 December 2024. Notwithstanding the challenges faced by the business, the Company has continued to pay dividends. We recognise the importance of aligning executive remuneration with shareholder experience and continue to structure our policies accordingly.

Executive Director remuneration outcomes

The Committee carefully assessed Executive Director performance against our remuneration framework and determined that the CEO's annual bonus payout for 2024 would be 58% (2023: 67%) of the maximum opportunity (100% of annual base salary). We believe this outcome appropriately reflects the Company's financial and operational performance and delivery of strategic objectives and ensures alignment with the principles of our remuneration policy. For further details on remuneration outcomes for the financial year, please see pages 96 to 98 below.

Shareholder engagement and future policy

Our first Directors' Remuneration Report and Directors' Remuneration Policy since moving up to the Main Market received only 72% and 67% respectively of votes in favour at our Annual General Meeting on 27 June 2024 (the "**2024 AGM**"). Our Company Chair, Neil Gregson, and I undertook an extensive shareholder engagement exercise to understand investor perspectives. We sought engagement with 30 of our shareholders together holding almost 80% of our issued share capital and met with all who requested meetings.

The Committee has carefully reflected on the feedback and insights received when formulating the new Directors' Remuneration Policy which will be presented for shareholder approval at the 2025 Annual General Meeting. We are very grateful for the time, insights, and feedback provided by those shareholders and proxy advisory services who participated in this engagement.

Full details of the voting outcome on the three remuneration-related resolutions put to the 2024 AGM can be found on page 89. The Directors' Remuneration Report on pages 88 to 103 provides more detail regarding the consultation process and our proposed new Directors' Remuneration Policy.

Conclusion

The Committee remains committed to ensuring that our remuneration framework supports the Company's strategy, drives performance, and aligns with the long-term interests of our shareholders. We appreciate your continued engagement and look forward to your support as we progress into 2025.

Yours sincerely

HUSSEIN BARMA

Chair of Remuneration Committee

17 March 2025

Remuneration Committee Report

Committee membership and attendance at meetings

	Attendance in 2024	Member since
Hussein Barma (Chair since 1 July 2024)	2/2	1 Jul. 2024
Neil Gregson (Chair until 1 July 2024)	10/10	25 Oct. 2022
Kate Harcourt	10/10	25 Oct. 2022
Stephen Scott	10/10	25 Oct. 2022

Committee composition

The Committee is composed solely of independent non-executive directors. The Committee was re-constituted following the Company's move from AIM to the Main Market and the Board's decision to adopt the Code in place of the Quoted Companies Alliance Corporate Governance Code. Mr. Gregson became Chair of the Company on 1 July 2024 and was therefore no longer eligible to chair the Committee. Having been independent upon appointment, Mr. Gregson continues to be a member of the Committee. Dr. Barma was appointed Committee Chair to ensure continuity during a period of Board change and as part of succession planning until a new independent non-executive had been appointed and had settled in. Prior to his appointment as Committee Chair, Dr. Barma had served on a remuneration committee of another quoted company for at least 12 months and on Atalaya's former Corporate Governance, Nomination & Compensation Committee. The Board considers that the current Committee Chair and the other Committee members are independent. Although Dr. Barma and Mr. Scott have served more than nine years on the Board and therefore do not meet the presumptive independence criteria set out in provision 10 of the Code, the Board has considered their extended tenure in the context of their independence and has concluded that they remain independent and objective and that it is appropriate that they remain as members of the Committee whilst Board and Committee succession planning arrangements are implemented in order to maintain a degree of continuity. For more information regarding the Board's consideration of their independence, please see page 68. It is intended that Ms. González-Izquierdo, who was appointed to the Board in January 2025, will take over as Committee Chair no later than the date of the 2025 Annual General Meeting. More information on the skills and the experience of all current and intended Committee members can be found on pages 55 to 58.

Role of the Committee

The Committee's role is to ensure that executive directors and other key employees of the Company are fairly rewarded for their individual contribution to the overall performance of the Company. The Committee's terms of reference, which are reviewed annually, are available on the Company's website at www.atalayamining.com/sustainability/good-governance.

How the Committee operates

The Committee meets at least three times a year. In addition to Committee members, the Company Secretary and and other members of the Board and external advisers also attend Committee meetings by invitation where appropriate.

An annual planner of matters for the Committee to review informs the agendas for each Committee meeting. The Committee receives information in advance of its meetings including information and reports from the Company Secretary and external advisers.

Committee activities in 2024

The Committee met 10 times during the year under review and all Committee members attended all meetings that they were eligible to attend.

The table below summarises the areas that the Committee reviewed or actioned in 2024 and the outcome. Further detail can be found on pages 89 to 103 below.

Areas reviewed or actioned in 2024	Outcome
Shareholder remuneration consultation	Understanding shareholder views and taking them into account for the purposes of proposing amendments to the Company's remuneration policy.
In- and post-employment shareholding requirements	Decision to increase the in-employment requirement and to implement a formal post-employment requirement policy both with effect from 1 January 2025. The Company is now in compliance with Code provision 36 in respect of developing a formal policy for post-employment shareholding requirements.
Review of external advisers to the Committee	Appointment of FIT Remuneration Consultants LLP.
Review of Remuneration Policy	Recommendation to shareholders of amendments for approval at the 2025 AGM.
Remuneration outcomes for the 2023 short-term incentive	Recommendation to the Board for approval.
Grant of options under long-term incentive plan ("LTIP")	Recommendation to the Board for approval.
Performance measures for 2024 short-term incentive	Recommendation to the Board for approval.
Performance measures for 2025 short-term incentive	Recommendation to the Board for approval.
New performance-related LTIP for 2025 and beyond	Recommendation to the Board for approval.
One-off transitional award to bridge gap between old-style LTIP and new performance-related LTIP	Recommendation to the Board for approval.
Committee's annual forward agenda planner	Approval with additional suggestions from Committee.
Committee's terms of reference	Satisfied that the Committee had met them during the year and that no amendments required.
Performance of Committee	Concluded that the Committee continued to perform effectively.

Advisers

After considering a number of alternatives, in October 2024 the Committee appointed FIT Remuneration Consultants LLP ("**FIT**") as the independent adviser to the Committee. FIT's fees are calculated on a time expended basis by reference to an hourly rate. FIT's fees in respect of advice to the Committee in the year under review were £6,500. FIT has no connection with the Company and has not provided any other services to the Company during the year. The Committee, based on its experience, is satisfied that the advice it received from FIT was objective and independent.

Committee effectiveness

The Board evaluation questionnaire invited directors to comment on the performance of each of the Board's committees, including the Committee. The Board endorsed the Committee's focus during 2024 on developing a competitive remuneration structure with enhanced disclosure that would meet the requirements of the Code. Future areas for focus included ensuring suitable benefits for senior executives are in place. The Board concluded that the Committee had operated effectively during 2024, with appropriate experience and skills in its membership and sufficient resources to discharge its responsibilities.

2024 AGM shareholder voting

	For		Against		Withheld	
Resolutions	**Nº of shares**	**as a % of votes cast**	**Nº of shares**	**as a % of votes cast**	**Nº of shares**	**as a % of votes cast**
Remuneration Report	68,102,204	72%	26,575,624	28%	1,185	n/a
Remuneration Policy	63,485,819	67%	31,192,009	33%	1,185	n/a
Grant of Share Options	68,798,135	76%	21,519,133	24%	4,361,745	n/a

* A withheld vote is not a vote in law.

Please see page 90 for details of the Company's response to the voting outcome.

Directors’ Remuneration Policy

Introduction

The Directors’ Remuneration Policy (the “**2025 Policy**”), set out below, is subject to a shareholder vote at the Company’s 2025 annual general meeting (“**2025 AGM**”). This Policy will take effect from the date it is approved by shareholders, replacing the policy approved at last year’s AGM. The 2025 Policy is expected to apply for three years.

As the Company is incorporated in Spain, the vote on the 2025 Policy will be advisory rather than binding (which is the case for UK incorporated companies). Nevertheless, the Board will only authorise payments to Directors that are consistent with the 2025 Policy (as approved by shareholders).

The Group’s policy on Directors’ remuneration has been set with the objective of attracting, motivating and retaining high calibre directors, in a manner that is consistent with best practice and aligned with the interests of the Group’s shareholders. The policy on Directors’ remuneration is that the overall remuneration package should be sufficiently competitive to attract and retain individuals of a quality capable of achieving the Group’s objectives. Remuneration policy is designed such that individuals are remunerated on a basis that is appropriate to their position, experience and value to the Company.

Consideration of employment conditions elsewhere in company

In setting the remuneration policy for Directors, the pay and conditions of other Group employees are taken into account. The Committee is provided with data on the remuneration structure for senior members of staff below the Executive Director level and uses this information to ensure consistency of approach throughout the Group. The Committee does not directly engage with the workforce on executive remuneration but, the workforce has the opportunity to raise any issues (including those on executive remuneration) in the employee engagement initiatives.

Workforce engagement

Provision 41 of the Code requires the remuneration committee report to state what engagement with the workforce has taken place to explain how executive remuneration aligns with wider company pay policy.

Since the Company moved up to the Main Market on 29 April 2024 and became subject to the Code, steps have been taken to be able to report compliance with Code provision 41. Given the extensive shareholder engagement exercise undertaken in relation to executive remuneration in the autumn of this year (see page 90) and the consequent formulation of a revised Directors’ Remuneration Policy, there has been no direct engagement with the workforce to explain how executive remuneration aligns with wider company pay policy during the year although consideration has been taken of pay and employment conditions across the Group in ensuring executive remuneration aligns with wider company pay policy. The Remuneration Committee will consider direct workforce engagement regarding executive remuneration during 2025. In the meantime, the Committee can confirm that the Company’s approach to salary increases is aligned throughout Atalaya.

Statement of consideration of shareholder views

Shareholders views are considered when evaluating and setting remuneration strategy. Opportunities to discuss the remuneration strategy are available during individual meetings with institutional shareholders when requested or as part of a shareholder consultation process as well as by voting on the report at the AGM.

During the final quarter of 2024, the Committee carried out a detailed review of the Remuneration Policy that had been approved at the Company’s 2024 AGM:

- noting last year’s AGM took place just three months following the Company’s move from AIM to the Main Market whilst the Company was in the midst of a process to redomicile from Cyprus to Spain; and
- in the light of feedback received.

The Committee also took further independent advice from FIT.

Feedback received from shareholders and the main shareholder representatives at the time of the AGM was largely centred around a desire for greater levels of disclosure in respect of annual and long-term incentives (such as quantum, performance metrics, and targets) and a requirement for greater shareholder protections (such as the operation of bonus deferral, post vesting holding periods, and in- and post-employment shareholding requirements).

Following consideration of shareholder feedback, the Committee formulated the outline of a new Directors’ Remuneration Policy and sought engagement on the proposed approach with the Company’s 30 largest shareholders (comprising almost 80% of the Company’s current issued share capital) and the main shareholder representatives.

During the engagement process, the Committee received written feedback, and the Committee Chair, Company Chair and Company Secretary attended a number of meetings with major shareholders.

Changes to the Directors’ Remuneration Policy

A summary of the key changes is set out below.

Annual bonus

↘ On-target and maximum potential aligned to market

On-target and maximum annual bonus potential for Executive Directors will be set at 150% of salary with on target performance being rewarded at 50% of the maximum. This compares to maximum potential for 2024 set at 100% of salary with on target performance rewarded at 75% of this lower maximum.

↘ Introduction of bonus deferral

Compulsory bonus deferral will be introduced such that one third of any bonus awarded to Executive Directors who have not met their in-employment shareholding requirement will be deferred into shares for two years. The Committee retains discretion to defer a greater proportion of any bonus award into shares where considered appropriate.

Long-term incentive plan (“LTIP”) awards

↘ Introduction of a market aligned annual LTIP Policy

An annual LTIP grant policy will be introduced whereby Executive Directors will receive annual awards capped at 200% of salary (300% of salary in exceptional circumstances) albeit the CEO’s 2025 LTIP award will be limited to 175% of salary. LTIPs will normally vest three years from grant, subject to continued employment and the achievement of three-year performance conditions. Post vesting, a two-year holding period will operate for awards granted to Executive Directors.

Shareholder protections

↘ Introduction of discretion

The Committee will retain discretion to adjust bonus payments / LTIP vestings if formulaic outcomes do not reflect the Committee’s assessment of overall business performance including consideration of shareholder experience and the individual executive’s performance.

↘ Increase to in-employment shareholding requirements

In-employment requirements for Executive Directors will be increased from 100% to 200% of salary. New appointments will normally have a five-year period from their date of appointment to build up their minimum shareholding requirement.

↘ Introduction of post cessation shareholding requirements

Post-cessation shareholding requirements will be introduced for Executive Directors, set at 200% of salary (or, if lower, the actual shareholding on departure) for two years post cessation.

Executive Directors’ remuneration policy table

continue →

Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Fixed Remuneration			
Base salary			
Core element of remuneration. To set at a level which is sufficiently competitive to recruit and retain individuals of the appropriate calibre and experience.	Basic salary is normally reviewed annually as at 1 January with reference to company performance; the performance of the individual Executive Director; the individual Executive Director’s experience and responsibilities; market conditions and pay and conditions throughout the Company.	There is no prescribed maximum annual base salary or salary increase. The Committee is guided by the general increase for the broader employee population but has discretion to decide a lower or a higher increase.	n/a
Pension			
To help recruit and retain high performing Executive Directors. To provide market competitive benefits.	The Company may offer pension provision and/or a cash supplement in lieu of pension.	10% of salary.	n/a
Benefits			
To help recruit and retain high performing Executive Directors. To provide market competitive benefits.	To date a Company car has been provided. The Company intends to introduce private medical and life insurance during the life of the Policy. Additional benefits may be provided if the Committee decides that this is appropriate.	There is no prescribed annual maximum cost.	n/a

Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Performance-Related Variable Remuneration			
Short-term incentive			
To incentivise the achievement of a range of short-term performance targets that are key to the success of the Company. To align the interests of the Executives and shareholders to the annual targets.	Executive Directors are eligible to participate in the Company's annual bonus scheme under which an annual bonus is earned subject to achievement of performance measures over the financial year against targets set by the Committee; and continued employment (see below). One third of any bonus awarded to Executive Directors who have not met their in-employment shareholding requirement will be deferred into shares for two years. The Committee retains discretion to defer a greater proportion of any bonus award into shares where considered appropriate. Malus and clawback provisions operate – see below.	Maximum of 150% of salary. Threshold up to 25% of maximum. On target: 50% of maximum.	Performance measures will be majority financial / operational and minority strategic / personal. Performance measures and weightings are reviewed annually to ensure that they continue to support the achievement of the Company's key strategic priorities. Financial targets are set with reference to internal plans and published guidance. The Committee retains discretion to adjust bonus payments if formulaic outcomes do not reflect the Committee's assessment of overall business performance including consideration of shareholder experience and the individual executive's performance.
Long-term incentives			
To support retention, long-term performance and increase alignment between the executives and shareholders. The Company intends to make awards under this structure annually.	Awards are normally made on an annual basis and normally vest three years from grant subject to continued employment and the satisfaction of challenging three-year performance targets. Awards may be structured as conditional awards, nominal cost options and/or forfeitable shares. A two-year holding period following LTIP vesting applies to grants to Executive Directors. In total, this results in a five-year combined vesting and holding period. Malus and clawback provisions operate – see below.	Up to 200% of base salary (300% of salary in exceptional cases).	Performance measures will include financial, operational measures, strategic measures and/or Total Shareholder Return (TSR). Subject to the Committee's discretion to override formulaic outturns, awards will normally vest as to 25% for threshold performance, increasing to 100% for maximum performance. The measures will be designed to balance commercial success, operational efficiency, and sustainable practices so as to ensure long-term value creation for the Company and its shareholders. Performance will normally be measured over a three-year period. The Committee retains discretion to adjust vesting levels should any formulaic outcome not reflect the Committee's assessment of the overall business performance, including consideration of shareholder and other stakeholder experience.
Shareholding policy			
Encourages Executive Directors to build a meaningful shareholding to further align interests with the Company and shareholders.	**In-employment minimum requirement** Shareholding requirements for Executive Directors are 200% of base annual salary. New appointees will normally have a five-year period from the date of their appointment to build up the minimum shareholding requirement. Until the shareholding requirement is met: » one third of the Executive Director's annual cash bonus will be deferred into shares; and » the Executive Director will be required to retain up to 50% of the net of tax shares they receive under any share incentive arrangement. **Post-employment minimum requirement** Post-employment shareholding requirements for Executive Directors are 200% of base annual salary for two years post cessation. If the Executive Director has not met the relevant shareholding requirement at the point of cessation of employment, they will be required to retain their full pre-cessation shareholding for the two-year period.		

Non-Executive Directors' remuneration policy table

Purpose and link to strategy	Operation	Maximum opportunity	Performance metrics
Non-Executive Directors' Remuneration			
To attract and retain high calibre non-executives with the necessary experience. To provide fees appropriate to time commitments and responsibilities of each role.	Non-Executive Directors are paid a basic fee. An additional fee is paid for additional time and responsibility such as but not limited to chairing or being a member of a committee.	Fee levels reflect market conditions and are reviewed annually on 1 January each year.	n/a

Other elements of remuneration policy

↘ Discretion

The Committee will operate the Company's incentive plans according to their respective rules and consistent with normal market practice, including flexibility in a number of regards. These include making awards and setting performance criteria each year, dealing with leavers, and adjustments to awards and performance criteria following acquisitions, disposals, special dividends, changes in share capital and to take account of the impact of other merger and acquisition activity or other significant events, and to settle awards in cash.

The Committee also retains discretion within the policy to adjust the targets, set different measures and/or alter weightings for the annual bonus plan and share awards, pay dividend equivalents and, in exceptional circumstances, under the rules of the Atalaya Long-Term Incentive Plan 2020 to adjust performance conditions to ensure that the awards fulfil their original purposes.

All assessments of performance are ultimately subject to the Committee's judgement. Any discretion exercised, and the rationale, will be disclosed in the Annual Remuneration Report.

↘ Malus and clawback

Malus and clawback provisions which operate in respect of the annual bonus and LTIP are as follows:

<table>
<tr><th></th><th>Malus</th><th>Clawback</th></tr>
<tr><td>Annual Bonus</td><td>If, prior to payment of the annual bonus, there is reasonable evidence of gross misconduct or gross negligence by an Executive Director and/or there is reasonable evidence of a material breach by an Executive Director of any of the Company's policies relating to business integrity and ethics, and/or there is reasonable evidence of conduct by an Executive Director which results in significant losses or reputational damage to the Atalaya group, the Committee has discretion to reduce or cancel payment of the annual bonus.</td><td>Any annual bonus will be subject to clawback if there is a restatement of the Company's financial results (other than a restatement caused by a change in applicable accounting rules or interpretations), to the extent that the amount of the annual bonus paid would have been a materially lower amount had it been calculated based on the restated results or if the Executive Director has been involved in a wrongful act. The lookback period for clawback will be a three-year period preceding the date on which the Company determines that it is required to restate materially non-compliant financial statements or discovers that an Executive Director has been involved in a wrongful act.</td></tr>
<tr><td>LTIP</td><td>If the Board considers that:
» there has been a significant downward restatement of the financial results of the Company; and/or
» there is reasonable evidence of gross misconduct or gross negligence by the Executive Director; and/or
» there is reasonable evidence of material breach by the Executive Director of the Company's Code of Business Principles or the Company's Code Policies (or equivalent); and/or
» there is reasonable evidence of conduct by the Executive Director which results in significant losses or reputational damage to the Company or the Group, and/or
» the Executive Director is in breach of any applicable restrictions on competition, solicitation or the use of confidential information (whether arising out of the Executive Director's employment contract, his termination arrangements or any internal policies),
it may, in its discretion, at any time prior to vesting, or exercise of an option, decide that:
» an award will lapse wholly or in part;
» the delivery of shares will be delayed until any action or investigation is completed; and/or
» vesting of the award or delivery of the shares will be subject to additional conditions.</td><td>If the Board considers there has been a significant downward restatement of the financial results of the Company, it may, in its discretion, within two years of an Award Vesting:
» require a Participant to transfer to the Company (or as the Company directs), for nominal or nil consideration, some or all of the after-tax number of Shares which have previously Vested, or pay to the Company (or as the Company directs) an amount equal to the value of those Shares (as determined by the Board); and/or
» require the Company to withhold from, or offset against, the grant or Vesting of any other Award to which the Participant may be or become entitled in connection with their employment with the Group such an amount as the Board considers appropriate.</td></tr>
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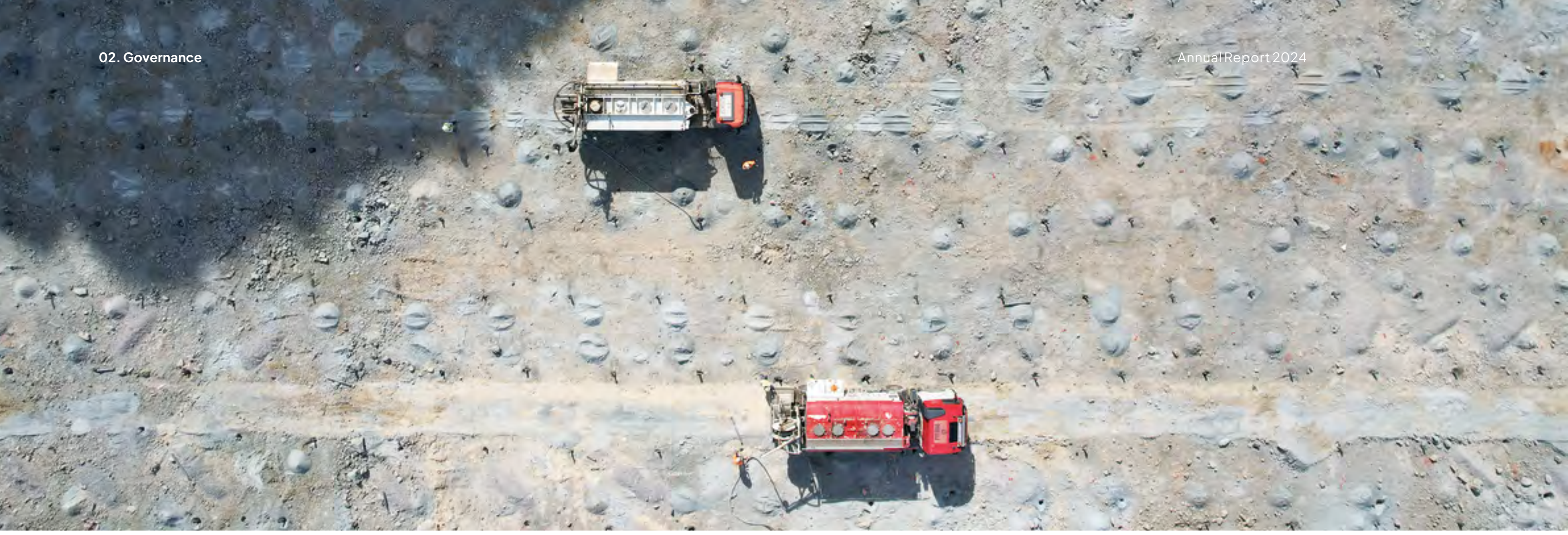


Approach to recruitment and promotion remuneration

The recruitment package for a new Executive Director will be set in accordance with the Directors' Remuneration Policy (the "**Policy**").

- Base annual salary: On recruitment the salary may be set below the normal market rate, with phased increases as the Executive Director demonstrates performance within the Company.
- Benefits: The Policy enables the Committee to include those benefits it deems appropriate for an Executive Director. On recruitment, this may include benefits such as relocation or housing expenses. In arriving at a benefits package, the Committee's prevailing consideration will be to pay only what is considered necessary and appropriate, taking into account the importance of securing the right candidate for the job, acting in the best interests of the Company's stakeholders and limiting certain benefits to a specified time period where possible.
- Annual bonus opportunity: This will reflect the period of service for the year. The maximum will be in accordance with the Policy.
- Long-term incentive: The Committee retains discretion to make an award shortly after an appointment if the usual annual award date has passed. The exceptional limit of 300% of salary is for the Company to be able to attract and secure the right candidate if required.
- Variable pay: With internal appointments, any variable pay element awarded in respect of the individual's prior role will normally be allowed to continue according to its terms.
- Compensation for lost arrangements with previous employer: Any replacement share awards would be made under the Company's Long-Term Incentive Plan 2020 and as permitted under the UK Listing Rule 9.3.2.

Any new awards would take account of the structure of the awards being forfeited (cash or shares), the amount foregone, the extent to which performance conditions apply, the likelihood of meeting any existing performance conditions, and the time left to vesting.

Service contracts: duration and payment obligations

↘ CEO's Service contract

The service contract of the CEO, Alberto Lavandeira, dated 14 March 2014 (as amended on 25 March 2014 and 21 September 2023) is available for inspection at the Company's registered office at Paseo de las Delicias, 1, 3, 41001, Sevilla, Spain. The details are:

Date of appointment	14 April 2024
Notice period from Company to CEO	6 months
Notice period from CEO to Company	3 months
Unexpired term of contract	Rolling contract
Potential termination payment	On a change of control*

* Mr. Lavandeira's service contract includes a change of control provision whereby in the event that there is a change of control and within 12 months after the event (i) the contract is terminated by the Company; or (ii) the employee terminates his contract with at least three months' notice due to a pre-agreed good reason, the executive will receive the equivalent to 24 months' base salary less any payment made in lieu of notice and any legal severance payment.

↘ NEDs' Letters of appointment

NEDs have letters of appointment with the Company for an initial three-year period, thereafter renewable with the agreement of both the Company and the NED. The letters of appointment are available for inspection at the Company's registered office at Paseo de las Delicias, 1, 3, 41001, Sevilla, Spain. The details are:

Non-Executive Director	Date of appointment	Notice Period
Hussein Barma	9 September 2015	3 months
Stephen Scott	9 September 2015	3 months
Jesús Fernández	23 June 2015	3 months
Neil Gregson	10 February 2021	3 months
Kate Harcourt	19 May 2022	3 months
Carole Whittall	3 June 2024	3 months
Coriseo González-Izquierdo	14 January 2025	3 months

Policy on setting notice periods

The Company seeks to balance the need to attract and retain high-calibre Executive Directors with best practice in corporate governance. The standard notice period for Executive Directors will not normally exceed six months. The Board may approve a shorter or longer (up to a maximum of 12 months) notice period where it is justified by commercial reasons or market practice.

NEDs are appointed for fixed terms of up to three years, subject to annual re-election by shareholders in accordance with the Code. Their letters of appointment include a notice period of up to three months by either party.

Policy on payments for loss of office

The Company will not provide any payment for loss of office beyond what is contractually required unless it is in the best interests of the Company and its shareholders. Payments will be determined in accordance with the terms of the individual's service contract and applicable employment law. The Company will seek to limit payments on termination to reflect only contractual entitlements, including salary, pension contributions, and benefits during the notice period.

In respect of annual bonus awards, an Executive Director must still be employed by the Company at the time of payment and must not have served or been served notice to terminate employment prior to payment. The Committee retains discretion to allow payments to Executive Directors who do not meet the continued employment requirement at the time of payment because they have died, suffered ill health, injury, or disability, have retired (with the agreement of the Company) or any other reason at the discretion of the Committee if the Committee is of the view that a payment (whether full or partial) is fair and reasonable in all the circumstances.

If an Executive Director leaves employment before vesting, share awards will normally lapse.

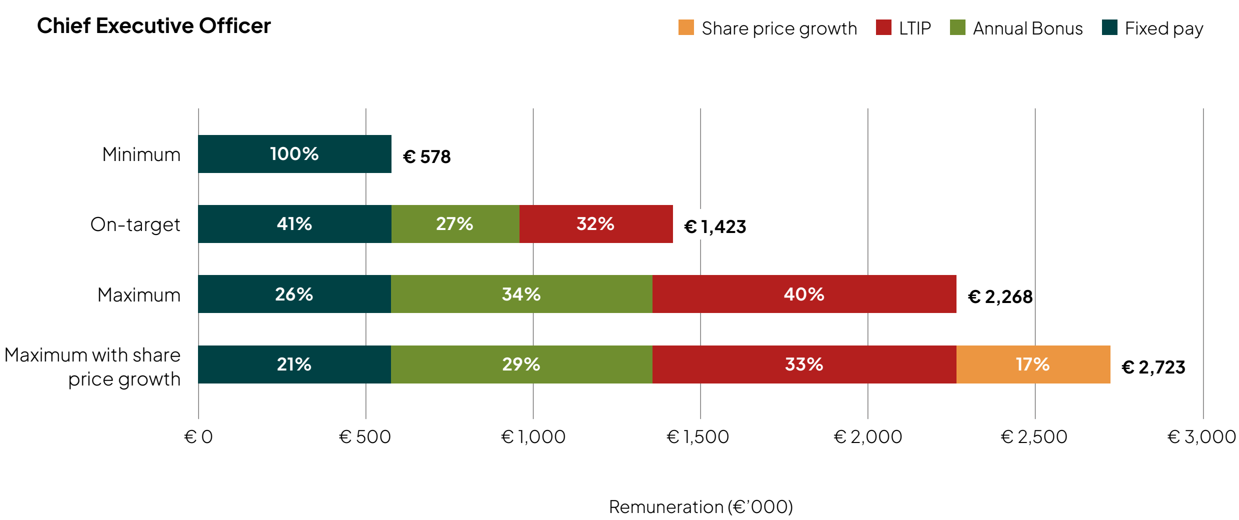
However, if an Executive Director leaves employment before vesting due to death, ill health, injury, disability, retirement (with the agreement of the Company) or another reason at the discretion of the Board:

- Unvested share awards will vest to the extent that any performance condition has been satisfied on the date of vesting and, unless the Board decides otherwise, the level of vesting will be reduced pro rata to reflect that proportion of the performance period during which the Executive Director was not employed by the Company. The Board may decide that it is appropriate to permit early vesting in which case it will determine the extent to which any performance condition is satisfied.
- Unvested share options will be exercisable for six months from the later of the date on which the option vests and the date on which the Executive Director left.

If an Executive Director leaves employment for any reason (except for misconduct or breach of employment terms) after share options have vested, their share options will be exercisable for six months from the date on which the Executive Director left.

Policy on fees from external appointments

The Company recognises that external appointments can broaden the knowledge and experience of Executive Directors for the benefit of the Company. Therefore, Executive Directors may accept external appointments as long as they do not lead to a conflict of interest and do not impair their effectiveness in their roles with the Company. Executive Directors are allowed to retain any fees from such external appointments where the appointment is personal and independent of their executive role. The CEO's external appointments are detailed in his biography on page 56 of the Governance Report.



The charts above for the CEO are based on the following:

	Minimum	On-target	Maximum	Maximum with share price
Fixed pay	Base salary at 1 January 2025 Benefits estimated at €6,000 10% pension provision assumed			
Annual bonus CEO max: 150% of salary	0%	50% of max	100% of max	100% of max
LTIP CEO max: 175% of salary*	0%	50% of max	100% of max	100% of maximum with a 50% share price growth assumption on LTIPs

* 175% is the percentage for the first year of the Policy. The maximum potential is 200% of salary (300% of salary exceptional limit) under the Policy.

Annual Report on Remuneration

The Committee has applied the principles of good governance set out in the Code.

Implementation of Existing Policy in 2024

Executive Director's single remuneration figure

The table below presents a single remuneration figure for the Chief Executive Officer ("CEO") who is the Company's sole Executive Director for the years ended 31 December 2023 and 31 December 2024.

Base Salary

The Committee reviewed the CEO's annual base salary during the year under review, and the Committee determined to increase it by 3.5% with effect from 1 July 2024.

Pension

The CEO has an employer pension contribution equal to 10% of base salary (which was introduced at the start of 2024).

Taxable Benefits

Taxable benefits for the CEO comprised a company car.

	Fixed Pay (€)				Variable Pay (€)			Total (€)
A. Lavandeira	**Salary**	**Pension***	**Benefits****	**Total fixed**	**Cash bonus*****	**Share options******	**Total variable**	
FY 2024	498,188	50,531	5,580	554,299	293,787	409,000	702,787	**1,257,086**
FY 2023	481,000	0	6,000	487,000	327,000	190,000	517,000	**1,004,000**

* As indicated in the 2023 Annual Report, a defined contribution pension plan has been put in place from the beginning of 2024.
** Company lease car benefit in kind (inclusive of taxes paid by the Company).
*** The 2024 cash bonus was earned in respect of the financial year ended 31 December 2024 and will be paid in 2025. The 2023 cash bonus was earned in respect of the financial year ended 31 December 2023 and was paid in 2024.
**** The amount relates to the non-cash expense recognised in accordance with IFRS 2 Share Based Payments.
The vesting and exercise of share options is subject to continued employment as described on page 101.
On 11 June 2024 Mr. Lavandeira was granted options over 400,000 Ordinary Shares in the capital of the Company at an exercise price of 413.5 pence per share (being the market value at grant). 133,334 vested on grant and the balance will vest in two equal tranches on the first and second anniversaries of grant.
On 22 May 2023 Mr. Lavandeira was granted options over 400,000 Ordinary Shares in the capital of the Company at an exercise price of 327.0 pence per share (being the market value at grant). 133,334 vested on grant, 133,333 vested on the first anniversary of grant and the balance will vest on the second anniversary of grant.

Short-term incentive plan

The CEO's annual bonus opportunity in 2024 was:

Performance*		
Threshold	On Target	Maximum
35% of maximum opportunity	75% of maximum opportunity	100% of base annual salary

* For performance between threshold, target, and maximum, vesting is on a straight-line basis where the performance measure permits.

Performance measures related to copper production, cost performance, capital expenditure, cash flow and safety performance.

The table below sets out the performance measures and the outcome of each:

Measure	Performance Targets					Actual performance	Outcome (% of maximum)
	Weighting	Unit of measurement	Threshold (35% of maximum)	Target	Maximum		
Financial and operational targets							
Throughput	4.5%	M Tonnes	15.0	15.5	16.0	15.9	4.28%
Recovery	4.5%	Percentage	83.0%	85.0%	87.0%	83.1%	1.63%
Cu metal produced	6.0%	Tonnes	47,000	52,000	57,000	48,227*	2.69%
On-site cost per tonne processed	6.0%	€/tonne processed	16.20	15.70	15.20	14.63	6.00%
AISC in $/lb Cu payable	9.0%	$/lb Cu	3.30	3.10	2.90	3.26	3.87%
Capex incurred/ execution	6%	k€	80,000	64,000-73,000	60,000	66,062	3.90%
Audited net cash flows	15%	k€	(15,000)	nil	10,000	(69,931)	0.00%
H&S frequency	4.5%	LTIFR	6.25	5.25	4.25	3.33	4.50%
H&S severity	4.5%	Severity rate	0.26	0.21	0.16	0.10	4.50%
Sub-total	**60.0%**						**31.36%**
Strategic, project and growth targets							
E-LIX plant progress**	10.0%	The Committee considered carefully the progress made with E-LIX during the year. Although commercial production was not achieved during the year, the technology and the installation have been proven to function.					4.00%
Growth projects evaluation	10.0%	A number of growth opportunities were evaluated during the year. Including the Swedish joint ventures that were announced on 19 November 2024.					7.50%
Shareholder diversification and interaction	10.0%	The move-up from AIM to the Main Market and the re-domiciliation from Cyprus to Spain were both completed during the year which together with a detailed programme of investor meetings and communications served to diversify the shareholder base.					7.50%
Sub-total	**30.0%**						**19.00%**
Individual personal targets							
Organisation development	5.0%	An evaluation of the top five potential executives for inclusion on the Company's succession plan was undertaken which included identification of skills and areas for development. Planning work for the move from one to two operations was also well advanced during the year.					3.75%
Direct report blended personal targets	5.0%	The Committee considered the outcome of the performance of the CFO and Rio Tinto General Manager during the year. The CFO and GM's targets comprised a combination of operational, financial, ESG and strategic targets for which each was responsible. The blended outcome of these performances resulted in 80% achievement under this metric.					4.03%
Sub-total	**10.0%**						**7.78%**
Grand total	**100.0%**						**58.14%**

* During the year, the Riotinto operation modified its plan to mine and process ores with higher silver content to compensate for the lower copper ore grade, which had the effect of increasing copper equivalent production and revenues. Accordingly, in assessing actual performance, the Committee considered 2,000 tonnes of copper equivalent of the incremental silver production in assessing performance under this metric.

** This metric considers both the absolute level of capex incurred compared with target as well as an assessment of expenditure with a focus on timing and cost efficiency. Considering these factors, the Committee's final assessment was 65% of maximum bonus for this metric notwithstanding that the absolute level of expenditure was within the target range which would otherwise have implied an outcome of 75%.

The Committee considered the formulaic outcomes in the context of the Company's overall business performance, including consideration of shareholder experience and the CEO's individual performance. The Committee determined that the formulaic outcomes were fair and reasonable, and that the CEO's bonus payment did not need to be adjusted.

Therefore, performance against the measures (adjusted as described above in the notes to the operational performance targets table) result in a bonus for the CEO for 2024 as follows (with 2023 figures in brackets for comparison):

Year	Maximum opportunity (% of base annual salary)	Maximum opportunity (€)	% of maximum payable	Total bonus
2024	100%	€505,308	58.14%	€293,787
2023	100%	€488,220	67.00%	€327,000

Long-term incentive plan

The CEO was granted options over 400,000 ordinary shares in the Company on 11 June 2024 pursuant to the 2020 LTIP (the "**2024 Options**") at an exercise price of 413.5 pence per ordinary share being the mid-market price on the grant date. There are no performance conditions attached to the exercise of the 2024 Options.

One third of the 2024 Options vested on the Grant Date. The balance of the 2024 Options will vest in two equal tranches on the first and second anniversary of the Grant Date. The 2024 Options will lapse on the fifth anniversary of the Grant Date if not already exercised.

Provision 36 of the Code provides that share awards should be subject to a total vesting and holding period of five years or more. The award of the 2024 Options was not in accordance with Code provision 36. As noted in the Remuneration Policy section, the Committee has formulated a revised Directors' Remuneration Policy which will be put to shareholders at the 2025 AGM. That policy, once implemented, will address the minimum five-year vesting period, save for a one-off transitional award of share options expected to take place during 2025. For further details regarding the proposed transitional award, please see page 100 below.

As at 31 December 2024, the CEO held the following options over ordinary shares in the Company under the rules of the 2020 LTIP:

Date of Grant	Interest as at 1 January 2024	Nº granted in year	Exercise price	Expiry date	Vested in year	Total vested	Exercised in year	Lapsed in year	Outstanding as at 31 December 2024
29-May-19	600,000	0	201.5p	28-May-24	0	600,000	600,000*	0	0
30-Jun-20	400,000	0	147.5p	29-Jun-30	0	400,000	0	0	400,000
24-Jun-21	400,000	0	309.0p	23-Jun-31	0	400,000	0	0	400,000
22-Jun-22	400,000	0	357.5p	30-Jun-27	133,333	400,000	0	0	400,000
22-May-23	400,000	0	327.0p	21-May-28	133,333	266,667	0	0	400,000
11-Jun-24	0	400,000	413.5p	11-Jun-29	133,334	133,334	0	0	400,000

*On 22 May 2024 Mr. Lavandeira exercised options over 600,000 ordinary shares in the capital of the Company when the market price was 482.45 pence per ordinary share.

Non-Executive Directors' Single Remuneration Figure

The table below presents a single remuneration figure for each non-executive director ("**NED**") for the years ended 31 December 2024 and 31 December 2023 in respect of performance during the years ended on those dates.

NED (€'000)	2024 fees	2023 fees
Hussein Barma*	**107**	94
Roger Davey*	**117**	139
Jesús Fernández	**83**	74
Neil Gregson*	**138**	107
Kate Harcourt	**103**	93
Stephen Scott	**120**	98
Carole Whittall*	**53**	-

* Dr. Barma became Remuneration Committee Chair on 1 July 2024 and retired as Audit Committee Chair on 28 October 2024.

* Mr. Davey retired as Chair on 1 July 2024.

* Mr. Gregson became Chair on 1 July 2024.

* Ms. Whittall joined the Board on 3 June 2024, became a member of the Audit Committee on 1 July 2024 and became Audit Committee Chair on 28 October 2024.

Implementation of the new Policy in 2025

Base salary

The Committee reviewed the CEO's annual base salary at the beginning of 2025 and determined to increase it by 3% to €520k with effect from 1 January 2025, in line with the general overall increases awarded to the wider workforce of 3%.

Taxable benefits

The Company may introduce private healthcare and/or life insurance for the benefit of the Executive Director.

Annual bonus

Subject to shareholder approval of the revised policy, the annual bonus opportunity for the CEO for 2025 will be capped at 150% of salary. Performance measures will be based on financial and operational targets linked to copper production, capital expenditure, audited net cash flow, health and safety and community engagement (60% of potential) and strategic, project and growth targets (30% of potential) and personal targets (10% of potential).

The targets are considered to be commercially sensitive and therefore will be disclosed retrospectively in next year's report.

LTIP awards

Following the preliminary announcement of the Company's 2024 full-year results, the Committee intends to grant the CEO a 2025 LTIP award over shares equal to 175% of salary (i.e. within the normal 200% of salary normal individual limit) which will vest three years from grant and subject to a two year post vesting holding period. Awards will be structured as nil or nominal cost awards. The performance targets, which will be measured over the three years ending 31 December 2027 will be as follows:

Performance Measure	Weighting	Performance Range	
		Threshold	Maximum
Relative Performance	**60%**		
Total Shareholder Return vs. bespoke comparator group[12]	30%	Median	Upper quartile
TSR vs. Global X Copper Miners ETF	30%	In line with benchmark	30% out-performance over three-year performance period

Performance Measure	Weighting	Performance Range[13]		
		Threshold	On Target	Maximum
Absolute Performance	**40%**			
Strategic	**30%**			
Project performance – Northern Spain: Development of Touro project to commercial operation	15%	50% constructed	Fully constructed and first concentrate production	Fully constructed with sustainable full nameplate processing levels achieved
Project performance – Southern Spain: Advancement of four projects[14] to provide ore for treatment at Riotinto plant	15%	Completion of two of four projects[14]	Completion of three of four projects[14]	Completion of all four projects[14]
Sustainability	**10%**			
Decarbonisation: Reduction in scope 1 and 2 emissions for concentrate production from 1 January 2022 baseline	5%	15%	25%	30%
Tailings management – Completion of three projects[15] to further improve management of tailings at Riotinto operation	5%	Completion of one of three projects[15]	Completion of two of three projects[15]	Completion of all three projects[15]

(12) Antofagasta plc, Capstone Copper Corp., Central Asia Metals Ltd, Ero Copper Corp, Freeport-McMoRan Inc., Hudbay Minerals Inc., Lundin Mining Corporation, MAC Copper Ltd, Sandfire Resources Ltd, Southern Copper Corporation, and Taseko Mines Ltd.

(13) Pro-rata vesting between: (i) threshold and maximum in respect of TSR; and (ii) threshold, target and maximum in respect of the strategic/sustainability targets where applicable.

(14) » San Dionisio – develop of upper copper zone, define processing method for polymetallic ore and complete mine plan for underground section
» San Antonio – complete of drilling programme, define the processing method for polymetallic ore and complete mine plan for underground section.
» Masa Valverde – complete access to reach high copper zone and complete development to access ore.
» Cerro Colorado – establish final pit limits.

(15) » Optimise capacity of current tailings storage facility and establish an improved reclamation plan.
» Identify additional capacity, complete the design of, and obtain permitting for a new tailings storage facility.
» Achieve compliance with Global Industry Standard on Tailings Management (GISTM) with independent assurance and publication of annual report in line with principle 15.1.B of GISTM.

Rationale for selection of performance measures

For 60% of the 2025 awards, the Committee decided to use a dual Total Shareholder Return ("**TSR**") approach with half measured against a bespoke comparator group and half measured against the Global X Copper Miners ETF (the "**ETF**") so that there is a balanced and fair assessment of performance:

» Measuring TSR against a bespoke comparator group incentivises direct outperformance against similar mining companies facing similar macroeconomic conditions and provides focused industry-specific benchmarking. Measuring TSR against the ETF ensures that broader market competitiveness is maintained. Using both these relative measures offers a broader sector-wide benchmark, ensuring that performance is not just measured against a selected comparator group but also against overall market trends in the copper mining industry.

» Using a combination of TSR vs. the bespoke comparator group and vs. the ETF ensures that the Company remains competitive on a global scale, avoiding a situation where outperforming a weak comparator group still results in suboptimal shareholder returns.

» Due to the cyclical nature of the copper industry, external factors such as copper price fluctuations can disproportionately impact TSR. Measuring performance against the ETF neutralises the impact of broader commodity price movements, ensuring that the CEO is rewarded for company-specific value creation rather than general sector tailwinds.

For the remaining 40% of the 2025 awards, the Committee has decided to use a combination of strategic measures designed to create long-term sustainable shareholder value:

» The project performance metric reinforces accountability for disciplined project execution and operational excellence.

» Decarbonisation is a strategic priority for the mining industry driven by the industry's role in enabling the global energy transition. Including this as a performance measure underscores the Company's commitment to reducing its carbon footprint and enhancing operational efficiency and fosters accountability for achieving sustainability goals.

» The management of tailings is a critical ESG issue, directly impacting operational sustainability, regulatory compliance, and stakeholder confidence. Including this as a performance metric reinforces the Company's commitment to responsible mining practices and risk mitigation and drives accountability and progress in implementing best-in-class tailings management measures.

One-off transitional award

As stated above, annual LTIP awards are proposed from 2025 onwards. However, assuming the initial LTIP award is granted after approval by the Board of this Annual Report, there will be no vesting event until 2028 (i.e. three years from grant), notwithstanding that the CEO has been in role for more than 10 years. Had similar long-term incentive awards been granted in earlier years instead of the market value options which are now being replaced, vesting opportunities would have occurred between 2025 and 2027.

As retention of the CEO is crucial for the Company at this stage, the Committee believes that it is appropriate to make a final 'transitional award' of market value options to ensure vesting events take place in 2025, 2026, and 2027.

The Committee considered various alternatives for the design of the transitional award:

» Restricted Share Awards with no performance conditions with staggered vesting over 2025, 2026, and 2027, but with a significant reduction to the face value of the award in recognition of the fact that the award would have a more certain outcome for the CEO;

» Market Value Options ("**MVOs**") with staggered vesting over 2025, 2026, and 2027;

» Relative share price performance LTI measured over one, two, and three years; and

» Performance-related transitional LTI measured over one, two, and three years.

The Committee carefully considered a performance award. However, as there would be a one-year short-term incentive and a three-year long-term incentive, both with performance criteria; to try and overlay additional performance criteria to fit between the two was challenging.

Having considered the pros and cons of the alternative approaches and consulting with major shareholders, the Committee's preference was to grant a final award of MVOs consistent with the existing long-term incentive arrangement. The rationale for and principle of this received broad support from those shareholders whom the Committee met with as part of its consultation exercise. In response to shareholder feedback, the Committee will apply a performance 'underpin' to the vesting of the MVOs. Factors which the Committee will take into consideration when applying the discretionary 'underpin' include:

» the Company's overall performance in terms of share price growth and total shareholder return;

» key financial and operational metrics;

» whether there have been material impairments or exceptional losses; and

» whether there have been significant environmental, social or reputational issues.

When proposing the quantum of the transitional award to the CEO, the Committee considered the total number of share options that would have vested in each of 2025, 2026 and 2027 (i.e. 400,000 MVOs each year) had further MVO awards been made on the same basis as in recent years. To deliver this vesting profile, an MVO award over 800,000 shares would be required, with 1/6th vesting in 2025, 1/3rd vesting in 2026 and 50% vesting in 2027. The Committee has considered the value of the MVOs and is comfortable that they are in line with the expected value of LTIs that would have been granted had the new scheme already been in place.

Provision 36 of the Code provides that share awards should be subject to a total vesting and holding period of five years or more. The proposed one-off transitional award would not be in compliance with Provision 36. However, it is considered necessary to bridge the vesting gap between the previous MVO approach and the proposed annual three-year LTI policy.

Given that this would be a 'one-off' award, it has not been included in the new Policy. However, a resolution authorising the grant of one final award of MVOs over 800,000 shares for the CEO in 2025 will be put to the forthcoming Annual General Meeting for shareholder approval. This transitional award of MVOs will be subject to the leaver provisions in the Rules of the Long-Term Incentive Plan 2020 as summarised on page 95.

NED fees

Current NED fees (denominated in Sterling), which remain unchanged from 1 January 2024 are as follows:

Chair fee	£114,300
Base NED fee	£66,300
Audit Chair fee	£17,000
Other Committee Chair fee	£12,000
Committee member fee	£4,500

NEDs receive no benefits and do not participate in any of the Company's short- or long-term incentive plans.

Additional information

Payments to past directors

There were no payments made to past directors during 2024.

Payments for loss of office

No payments in lieu of notice or for loss of office were made during 2024.

Statement of directors' shareholding and share interests

Directors' interests in shares as at 31 December 2024 are set out in the table below.

	Nº of shares			Nº of unvested share options			Nº of vested share options			Shareholding requirements
Executive Director										
	17Mar25	**31Dec24**	**31Dec23**	**17Mar25**	**31Dec24**	**31Dec23**	**17Mar25**	**31Dec24**	**31Dec23**	**31Dec24**
A Lavandeira	880,000	880,000	430,000	400,000	400,000	400,000	1,600,000	1,600,000	1,800,000	Met*
Non-Executive Directors										
	17Mar25	**31Dec24**	**31Dec23**	**17Mar25**	**31Dec24**	**31Dec23**	**17Mar25**	**31Dec24**	**31Dec23**	**31Dec24**
H Barma	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a
R Davey	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a
J Fernández	**106,412	**106,412	65,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a
N Gregson	12,800	10,000	5,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a
K Harcourt	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a
S Scott	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a
C Whittall	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a

* As at 31 December 2024, the CEO's shareholding requirement was 100% of his annual base salary. As at 31 December 2024 his shareholding of 880,000 was worth €3.82m which represented more than 800% of his base annual salary as at that date.

** Mr. Fernández is the appointee of Urion Holdings (Malta) Ltd which holds 30,821,213 shares in the Company (excluding Mr. Fernández's personal holding of 106,412 shares).

CEO pay history

The total remuneration of the CEO, Alberto Lavandeira, for the past five years:

	Fixed Pay				Variable Pay			Total
	Salary	Pension	Benefits*	Total fixed	Cash bonus**	Share Options***	Total variable	
FY2024	498,188 €	50,531 €	5,580 €	**554,299 €**	293,787 €	409,000 €	**702,787 €**	**1,257,086 €**
FY2023	481,000 €	0 €	6,000 €	**487,000 €**	327,000 €	190,000 €	**517,000 €**	**1,004,000 €**
FY2022	467,000 €	0 €	9,000 €	**476,000 €**	322,999 €	426,000 €	**748,999 €**	**1,224,999 €**
FY2021	452,000 €	0 €	9,000 €	**461,000 €**	357,000 €	321,000 €	**678,000 €**	**1,139,000 €**
FY2020	440,000 €	0 €	8,000 €	**448,000 €**	438,000 €	291,000 €	**729,000 €**	**1,177,000 €**

* Lease car benefit in kind + taxes paid by Atalaya.

**This is the bonus earned in respect of the relevant financial year - but it will not be / was not paid until the following year.

*** The amount relates to the non-cash expense recognised in accordance with IFRS 2 Share Based Payments.

On 11 June 2024 granted options over 400,000 Ordinary Shares at an exercise price of 413.5 pence per share (being the market value at grant). 133,334 vested on grant and the balance will vest in two equal tranches on the first and second anniversaries of grant. They expire on 11 June 2029.

On 22 May 2023 granted options over 400,000 Ordinary Shares at an exercise price of 327.0 pence per share (being the market value at grant). 133,334 vested on grant, 133,333 vested on the first anniversary of grant and the balance will vest on the second anniversary of grant. They expire on 21 May 2028.

On 22 June 2022 granted options over 400,000 Ordinary Shares at an exercise price of 357.5 pence per share (being the market value at grant). 133,334 vested on grant, 133,333 vested on the first anniversary of grant and the balance vested on the second anniversary of grant. They expire on 30 June 2027.

On 24 June 2021 granted options over 400,000 Ordinary Shares at an exercise price of 309.0p per share (being the market value at grant). All have now vested, and they expire on 23 June 2031.

On 30 June 2020 granted options over 400,000 Ordinary Shares at an exercise price of 147.5p per share (being the market value at grant). All have now vested, and they expire on 29 June 2030.

Total shareholder return performance graph and table

The chart below shows the value by 31 December 2024 of a hypothetical £100 invested in Atalaya shares on 31 December 2014 compared with the value of £100 vested in the FTSE 250 index over the same period. Although Atalaya was first listed on the London Stock Exchange on 29 April 2024 and prior to that had been listed on AIM, the FTSE 250 was selected because it is considered to be the best comparator group for Atalaya going forward.

CEO pay ratio table

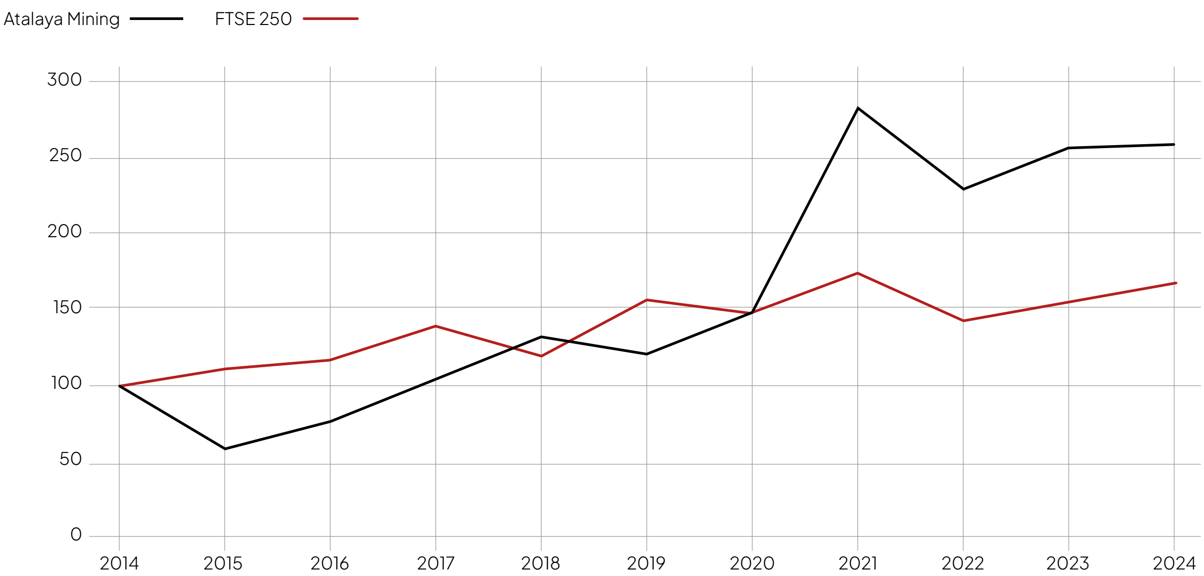
The Company has one employee employed in the UK and, as a result is exempt from the gender pay and average employee: CEO pay disclosure requirements.

Relative importance of spend on pay

The table below show the amount of dividends, and capital expenditure against employee costs for the last two financial years.

	2024 €'m	2023 €'m	Change %
Total employee costs	27.9	25.8	9%
Dividends paid	10.3	11.5	(10%)
Capital expenditure	66.1	54.3	22%

Total Shareholder Return Value (£)



APPROVAL

This report was approved by the Board of Directors on 17 March 2025 and signed on its behalf by:

HUSSEIN BARMA

Remuneration Committee Chair

17 March 2025

Directors' Report

The Directors present their report, together with the audited financial statements for the year ended 31 December 2024.

In addition to the information set out herein, this Directors' Report incorporates by reference the following sections of the Annual Report:

- Strategic report
- Governance report
- Additional directors' report disclosures
- Financial statements

In accordance with the requirements of Spanish corporate law for the preparation of consolidated financial statements, Atalaya Mining Copper, S.A. includes a Management Report as an integral part of this Annual Report. The information required under Article 262 of the Spanish Capital Companies Act (Ley de Sociedades de Capital) and Article 49 of the Commercial Code has been incorporated into the Strategic Report and the Governance Report.

These sections provide a comprehensive overview of the Group's business performance, financial position, principal risks and uncertainties, outlook, and non-financial information, ensuring full compliance with applicable Spanish regulatory requirements. Accordingly, the Annual Report, in its entirety, serves as the Group's Management Report, fulfilling all legal disclosure obligations.

Listing Rule 6.6.4R

Information required to be disclosed under the Financial Conduct Authority's Listing Rule 6.6.1R can be found in the following note to the financial statements:

		Note
LR 6.6.1R	Statement of capitalised interest	8

There is no further information to be disclosed pursuant to LR 6.6.1R.

Members of the Board of Directors

The Directors of the Company in office at the date of this report, together with their biographical and independence details, are listed on pages 55 to 58. The Directors of the Company who served during the year under review are listed below:

Hussein Barma	
Roger Owen Davey	Chair until 1 July 2024. Retired from the Board on 31 December 2024
Jesús Fernández Lopez	
Neil Dean Gregson	Chair from 1 July 2024
Kate Jane Harcourt	Senior Independent Director from 1 July 2024
Alberto Arsenio Lavandeira Adán	Chief Executive Officer & Managing Director
Stephen Victor Scott	
Carole Helene Whittall	Appointed 3 June 2024

Principal activity

The principal activity of the Group is the production and sale of copper and other critical metals.

Results

The Group's results for the year ended 31 December 2024 are detailed in the Financial Review on page 39, and the consolidated income statement is provided on page 115.

Dividends

An interim dividend of US$0.04 per ordinary shares was paid on 19 September 2024 (2023: US$0.05) to shareholders on the register on 23 August 2024. The Board is recommending the payment of a final dividend of US$0.03 per ordinary share.

Information given to the auditor

Each Director has confirmed that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware. Furthermore, each Director has taken the necessary steps to ensure that they are aware of any relevant audit information.

Political donations and expenditure

The Group made no political donations during the year ended 31 December 2024 (2023: €nil). The Company's policy prohibits the payment of political donations and expenditure.

Important events since year end

Details of any important events that occurred after the balance sheet date are provided in note 35 to the financial statements on page 169.

Future developments

The Company is focused on expanding its asset base, particularly through advancing exploration and development activities at Proyecto Touro and Proyecto Masa Valverde. Further details about these initiatives and our future growth strategy are outlined in the Strategic Report.

Research and development activities

R&D projects are an essential driver for increase the capacity and the Life of Mine ("LOM") of the actual mines with more sustainable energy models and meeting the challenge of decarbonisation in industrial production.

In recent years, Atalaya have made efforts to create a specific department for Innovation to collaborate internally and with our external partners.

Main current activities are related to developing technologies for the treatment of acidic waters, recovery of metals and co-products from acidic waters and implement magnetic aggregation technology in the flotation circuit to increase metallurgical yields. Some of these activities have been granted with European funds and executed in collaboration with universities and international companies.

For further information, see our Sustainability Report 2024.

Acquisition of own shares

The Company did not acquire any of its own shares during the period under review.

Branches

The Company does not operate any branches either inside or outside the UK.

Financial risk management

The required disclosure can be found in Note 3 to the financial statements.

Directors' responsibilities

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations. They ensure that the financial statements give a true and fair view of the state of the Company and are prepared in line with International Financial Reporting Standards (IFRS) as adopted by the European Union. A full statement of Directors' responsibilities is provided on page 116.

Employee Engagement

Our employees are at the heart of our operations. The ways in which we engage with our workforce are discussed in the sustainability report, ensuring open communication, safety, and well-being across all operations.

Supplier and customer engagement

Information on the Board's engagement with its suppliers and customers is detailed in our Sustainability Report 2024.

Share capital

- Structure

  The Company has one class of ordinary shares which, until 27 December 2024, were denominated as shares of GBP 7.5 pence each nominal value and since 27 December 2024 have been denominated as ordinary shares of EUR 0.09 each nominal value.

  Details of the Company's authorised and issued share capital, together with movements in the issued share capital during the year, can be found in Note 23 to the financial statements on page 158.

- Restrictions

  There are no specific restrictions on the size of a holding or on the transfer of shares, which are both governed by the provisions of the Company's articles of association and prevailing Spanish legislation.

- Major shareholdings

  As of 31 December 2024, the Company has been advised of the following major holdings in its issued share capital, in accordance with DTR 5.

	Ordinary Shares	%
Urion Holdings (Malta) Ltd (subsidiary of Trafigura Group Pte. Ltd.)	30,821,212	21.93%
Cobas Asset Management, SGIIC, S.A.	21,170,270	15.04%
Ithaki Limited	8,420,633	6.02%
Hamblin Watsa Investment Counsel (subsidiary of Fairfax Financial Holding Ltd.)	8,251,795	5.87%

  The interests in the table above are as stated by the shareholder at the time of the notification and current interests may vary.

  Between 31 December 2024 and the date of this Report, the Company has not been advised of any changes to its major shareholders.

- Special rights relating to control of the Company

  No person has any special rights with regard to the control of the Company's share capital and all issued shares are fully paid.

No shares relating to The Atalaya Mining Long-Term Incentive Plan 2020 have rights with regard to control of the Company that are not exercisable directly by the employees.

↘ Restrictions on voting rights

Each share carries the right to one vote at general meetings of the Company.

↘ Agreements between shareholders restricting transferability

The Directors are not aware of any agreements between holders of the Company's shares that may have resulted in restrictions on the transfer of shares or on voting rights.

Directors' interests in shares

Details of Directors' beneficial interests in the Company's shares are outlined in the Directors' Remuneration Report on page 101.

Appointment and replacement of directors

It is the Board's policy that all Directors should retire and, should the Director wish to continue in office, seek election or re-election annually.

The Company's articles of association provide that directors serve for a term of one year, although they may be re-elected for further terms of the same maximum duration.

If a director leaves their position before the end of their term, the Board of Directors can appoint a replacement to serve only for the remaining term of the departing director. The appointment of the replacement director is only temporary and must be ratified at the next general shareholder's meeting.

Directors may be removed from office at any time by shareholders, even if their removal is not on the agenda of a general meeting.

Amendment to Articles of Association

Under the Spanish Companies Act (Ley de Sociedades de Capital), any amendment to a company's articles of association (estatutos sociales) must be approved by shareholders at a validly constituted general meeting (junta general).

For a general meeting to be validly constituted for this purpose, shareholders together holding at least 50% of all the shares in the capital of the Company which carry voting rights (the "**Voting Share Capital**") must be present in person or by proxy.

If this quorum is met, an absolute majority of the votes cast must be in favour for the amendment to be approved.

If this quorum is not met, a further general meeting may be held. That adjourned meeting will be validly constituted if it is attended by shareholders in person or by proxy representing at least 25% of the Voting Share Capital. In that event, the amendment will require:

» at least two-thirds of the votes cast to be in favour (where between 25% and 50% of the Voting Share Capital is represented); or

» an absolute majority of the votes cast to be in favour (where more than 50% of the Voting Share Capital is represented).

Directors' powers

The powers of the Directors are determined by the Company's Articles of Association (estatutos sociales) and the Spanish Companies Act (Ley de Sociedades de Capital).

Change of control

The following significant agreements could allow counterparties to terminate or alter arrangements in the event of a change of control:

» the Group's borrowing facilities; and

» Arrangements with Lain Technologies Ltd., the owner of the E-LIX technologies.

The Rules of the Long-Term Incentive Plan 2020 contain provisions as a result of which options and awards may vest and become exercisable on a change of control of the Company in accordance with the rules of that plan.

The CEO's service contract includes a change of control provision whereby in the event that there a change of control and within 12 months after the event (i) the contract is terminated by the Company; or (ii) the employee terminates his contract with at least three months' notice due to a pre-agreed good reason, the executive will receive the equivalent to 24 months' base salary less any payment made in lieu of notice and any legal severance payment.

In addition, five other members of the management team have similar provisions in their employment agreements.

Directors' liabilities

The Company has purchased insurance against Directors' and Officers' liability for the benefit of directors and officers of the Company and its subsidiaries.

The Company has provided indemnities to each Director in respect of liabilities in connection with the performance of their duties. These indemnities remained in place throughout the year and continue as of the date of this report.

Auditor

Following a comprehensive tender process led by the Audit Committee, the Board appointed a new auditor for the Group, effective for the three financial years starting 1 January 2024 and ending on 31 December 2027. This appointment reflects the recent relocation of the Company's domicile to Spain. Shareholders approved the new auditor's appointment at the time that they approved the re-domiciliation of the Company, and the appointment was subject to the condition that the cross-border conversion took effect before the end of 2024. Further details regarding the tender process can be found on page 79.

Annual General Meeting

The Annual General Meeting of the Company will be held at Hamilton House, 1 Temple Avenue, London EC4Y 0HA, United Kingdom on Tuesday, 24 June 2025 at 11am. The notice convening the meeting will be given in a separate document and will include a commentary on the business of the AGM, will explain how shareholders can take part and will include notes to help shareholders exercise their rights at the meeting.

NEIL GREGSON
Chair
Atalaya Mining Copper, S.A.
17 March 2025

Responsibility Statement of the Directors in respect of the Annual Report and Financial Statements

The Directors are responsible for preparing the Annual Report (which comprises the Strategic Report, the Governance Report, and Other Disclosures), and Financial Statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and applicable laws and regulations.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and Group's transactions and which disclose with reasonable accuracy at any time the financial position of the Company and of the Group and enable them to ensure that the financial statements comply with applicable law and regulations. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that, to the best of their knowledge:

- suitable accounting policies have been selected and applied;
- judgements and estimates made have been reasonable, relevant and reliable;
- the Financial Statements comply with IFRS as adopted by the European Union;
- the Company and Group's ability to continue as a going concern has been assessed and it is appropriate that the financial statements have been prepared on the going concern basis.

The Annual Report and Financial Statements are the responsibility of, and have been approved by, the Directors. Each of the Directors named on pages 54 to 59 confirms that to the best of his/her knowledge:

- the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- the consolidated financial statements, prepared in accordance with IFRS as adopted by the EU and the relevant provisions of Spanish law, give a true and fair view of the assets, liabilities, financial position and profit of the Company and the undertakings included in the consolidation taken as a whole; and
- the Annual Report includes a fair review of the development and performance of the business and the position of the Group and Company and the undertakings included in the consolidation taken as a whole, together with a description of the risks and uncertainties that they face.

This responsibility statement was approved by the Board of Directors on 17 March 2025 and is signed on its behalf by

NEIL GREGSON
Chair
Atalaya Mining Copper, S.A.
17 March 2025

03

Financial Statements

Independent Auditor's Report

Independent auditor's report

To the shareholders of Atalaya Mining Copper, S.A.

Opinion

We have audited the consolidated financial statements of Atalaya Mining Copper, S.A. (the Parent company) and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in equity, and statement of cash flows, all consolidated, for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2024, as well as its financial performance and cash flows, all consolidated, for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers Auditores, S.L., C/ Concejal Francisco Ballesteros, 4, 41018 Sevilla España
Tel.: +34 954 981 300 / +34 902 021 111, Fax: +34 954 981 320, www.pwc.es

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Atalaya Mining Copper, S.A. and its subsidiaries

Key audit matter	*How our audit addressed the key audit matter*
Measurement of mining assets As detailed in note 1 of the accompanying notes to the consolidated financial statements, the Group has interests in four mining projects: Proyecto Riotinto, Proyecto Touro, Proyecto Masa Valverde and Proyecto Ossa Morena, the first of which is currently in operation. The Group has determined that each mine is a Cash Generating Unit (CGU), which is the smallest identifiable group of assets capable of generating independent cash flows. Thus, the Group has recognised in the accompanying consolidated statement of financial position property, plant and equipment and intangible assets for amounts of 409,032 thousand euro, and 70,209 thousand euro, respectively, the disclosures of which are included in notes 13 and 14 of the accompanying notes to the consolidated financial statements. The accounting policies applied to these assets are set out in notes 2.8 and 2.9 of the aforementioned notes. Furthermore, as detailed in notes 13 and 20 of the accompanying notes to the consolidated financial statements, in addition to the amounts registered in other line items of the accompanying consolidated financial statements, the Group has granted prepayments amounting to 29,662 thousand euro associated with the contract entered into between the Group and Lain Technologies Ltd for the construction of an industrial plant using E-LIX technology, which is currently under construction, at Proyecto Riotinto. According to the agreement, once this industrial plant is operational, the Group will have access to the use of E-LIX technology, enabling it to commercialise the metal produced by Lain Technologies Ltd., and it will have exclusivity in the use of this technology within the Iberian Pyrite Belt as stated in note 3.3.(j) of the accompanying notes to the consolidated financial statements. As indicated in notes 2.10 and 3.3.(f) of the accompanying notes to the consolidated financial statements, annually for CGUs with intangible assets that are not yet available for use and at year end if there is any indication of impairment in respect of the Riotinto CGU, the Group estimates their recoverable amounts, which is the higher of their fair value less costs	Our auditing procedures included, firstly, the understanding of the Group's accounting policies in relation to the process of recording and measuring the costs incurred in each mining project, distinguishing the accounting treatment followed according to the stage of development in which each project is finds itself. We have evaluated the consistency in the accounting treatment given to the costs incurred and capitalised in the year in line with the Group's accounting policies, and that these policies are in accordance with the applicable accounting framework. In addition, we have carried out detailed tests on a sample of the additions to property, plant and equipment and intangible assets for the year, checking the associated supporting documentation and, where appropriate, the reasonableness of the capitalised expense. In relation to Proyecto Riotinto, we have obtained the plan of the expected cash flows approved by management, confirming that they are sufficient for the recoverability of the associated mining assets. In addition, we have evaluated the reasonableness of the main assumptions and inputs to the discounted cash flow model, as well as the associated calculations. In addition, we have obtained the valuation report prepared by the independent expert of the Group's management in relation to the valuation of the mining assets of the projects that are not yet in operation, and we have evaluated their competence, capacity and objectivity. We have also evaluated the reasonableness of the valuation methods used, of the main hypotheses used, as well as the conclusions reached with the help of our internal specialists. On the other hand, in relation to the E-LIX project, we have read and understood the various contractual agreements between the parties, confirming their adequate accounting treatment. Likewise, we have obtained confirmation of the amount of the advance from Lain Technologies Ltd., and we have obtained from management the assumptions and the financial model that support the recovery of the amounts registered at the balance sheet date, evaluating the reasonableness of the hypotheses used and the arithmetic accuracy

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Atalaya Mining Copper, S.A. and its subsidiaries

Key audit matter	*How our audit addressed the key audit matter*
of sale, considering, if applicable, the valuation of an independent expert, and their value in use. Any identified impairment losses, which arise when the carrying value of a CGU exceeds its recoverable amount, are immediately recognised in the consolidated statement of comprehensive income. In the same way, assets (other than goodwill) that suffered impairment in previous years are reviewed for possible reversal of the impairment at each reporting date. These evaluations require the use of estimates and assumptions, such as raw material prices, discount rates, future capital requirements, potential for exploration and operating performance. We focus on this area because of the relevance of mining assets in the context of the accompanying consolidated financial statements as a whole, as well as the uncertainty associated with the estimates used to assess the measurement of mining assets recorded year end.	of the calculations. As a result of our procedures, we consider that the criteria adopted by the Group to determine the measurement of its mining projects are reasonable and are supported by the available evidence.
Revenue recognition for sales of concentrate As indicated in note 2.22 of the accompanying notes to the consolidated financial statements, the Group is mainly engaged in the business of producing copper concentrate. As can be seen in the accompanying consolidated statement of comprehensive income, revenue for the year amounted to 326,797 thousand euro, the disclosures relating to which are set out in note 5 of the accompanying notes to the consolidated financial statements. Note 2.22 of the accompanying notes to the consolidated financial statements sets out the accounting policies in relation to revenue recognition. In this regard, proceeds from the sales of concentrate are recognised at a point in time, when control of the metal in concentrated form is transferred, which depends on the commercial conditions agreed between the parties. The majority of the Group's sales of metal in concentrated form allow for price adjustments based on the market price at the end of the relevant QP (quotation period). For these arrangements, any changes that occur during the QP are included in the trade receivables	We have understood the Group's accounting policies for the recognition of revenue from the sales of concentrate. In this regard, we have evaluated the design and implementation of key controls related to revenue recognition. We have read and understood the sales contracts that the Group has signed with its main customers, considering the accounting implications of the main clauses of such agreements. We have obtained direct confirmation from the Group's customers of the total volume of concentrate sales for the year and checked the reconciliations to the responses received where these confirmations do not coincide with the information recorded by the Group. Likewise, for all concentrate sales for the year, we have reviewed the associated supporting documentation, consisting of invoices, weight and quality certificates, as well as the associated payments received. We have also obtained the future price of copper as at 31 December 2024, reperforming the calculations to estimate the fair value of all the QPs open at the

Atalaya Mining Copper, S.A. and its subsidiaries

Key audit matter	How our audit addressed the key audit matter
balance, which are therefore measured at fair value through profit or loss from initial recognition to the settlement date. Changes in fair value during the period and until the end of the QP are estimated with reference to updated market prices for copper. We consider this area to be a key aspect of our audit because the accuracy of the recognition of revenue is based on variable factors subject to estimation, such as the future price of copper, as well as the importance of recording revenue in the correct period. We also highlight this area due to the quantitative relevance of sales revenues within the consolidated statement of comprehensive income for the year.	end of the year, and contrasting these calculations with those made by the Group's management. In addition, we have carried out audit procedures on the final sales of the 2024 financial year and the first sales of the 2025 financial year, to ensure that the transactions were recorded in the correct accounting period. To this end, we have reviewed the appropriate supporting documentation to evidence the point in time of the transfer of control of the concentrate, depending on the commercial conditions agreed upon in the sale. As a result of our procedures, we did not observe any significant aspects which need to be highlighted.

Emphasis of matter

We draw attention to note 1 of the consolidated financial statements, which describes that the change in the name and registered office of the Group's Parent company became effective on 27 December 2024. The Parent company is now called Atalaya Mining Copper, S.A. (previously Atalaya Mining Plc), and its registered office changed from Cyprus to Spain. Thus, at the end of the 2024 financial year, the Group is, for all purposes, a Spanish group. The aforementioned change has had no impact on the Group's consolidated financial statements prepared in accordance with IFRS-EU. Our opinion is not modified in respect of this matter.

Other matters

Separate consolidated annual accounts prepared and audited in accordance with Spanish mercantile requirements

The Parent company´s directors have prepared consolidated annual accounts separately for the year ended 31 December 2024, in accordance with IFRS-EU and other provisions of the financial reporting framework applicable in Spain, in respect of which we issued a separate auditor's report in the terms provided in the legislation governing the audit practice in Spain, dated 17 March 2025, in which we expressed an unmodified opinion.

As a result, the accompanying consolidated financial statements have not been prepared by virtue of legal requirements in Spain and have been audited applying ISAs, so this report in no case can be understood to be an audit report in the terms provided in the legislation governing the audit practice in Spain.

Prior year information audited by other auditors

On 18 March 2024, other auditors issued their audit report on the consolidated financial statements for the 2023 financial year in which an unmodified opinion was expressed.

Atalaya Mining Copper, S.A. and its subsidiaries

Other information

The Parent company's directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors and the audit committee for the consolidated financial statements

The Parent company's directors are responsible for the preparation and fair presentation of the accompanying consolidated financial statements in accordance with IFRS-EU, and for such internal control as the aforementioned directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Parent company's directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the aforementioned directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Parent Company´s audit committee is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

Atalaya Mining Copper, S.A. and its subsidiaries

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent company's directors.

- Conclude on the appropriateness of the Parent company's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Parent company´s audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Parent company's audit committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Parent company´s audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers Auditores, S.L.

Luis Fernández Prieto

17 March 2025

Consolidated Financial Statements

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2024

(Euro 000's)	Note	2024	2023
Revenue	5	**326,797**	340,346
Operating costs and mine site administrative expenses		**(240,784)**	(246,630)
Mine site depreciation, amortisation and impairment	13,14	**(36,617)**	(37,800)
Gross profit		**49,396**	55,916
Administration and other expenses		**(7,927)**	(12,741)
Share based benefits	24	**(1,379)**	(661)
Impairment loss on financial and contract assets	15	**(1,204)**	-
Exploration expenses		**(7,950)**	(6,467)
Care and maintenance expenditure		**(2,784)**	(2,384)
Other income		**383**	1,637
Operating profit		**28,535**	35,300
Net foreign exchange gain/(loss)	4	**3,090**	(1,278)
Interest income from financial assets at amortised cost	8	**1,887**	5,393
Finance costs	9	**(1,989)**	(3,322)
Profit before tax		**31,523**	36,093
Tax	10	**1,037**	570
Profit for the year		**32,560**	36,663
Profit for the year attributable to:			
» Owners of the parent	25	**31,738**	38,769
» Non-controlling interests	25	**822**	(2,106)
		32,560	36,663
Earnings per share from operations attributable to ordinary equity holders of the parent during the year:			
Basic earnings per share (EUR cents per share)	11	**22.6**	27.7
Diluted earnings per share (EUR cents per share)	11	**21.8**	26.9
Profit for the year		**32,560**	36,663
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'	21	**(7)**	(2)
Total comprehensive income for the year		**32,553**	36,661
Total comprehensive income for the year attributable to:			
» Owners of the parent	25	**31,731**	38,767
» Non-controlling interests	25	**822**	(2,106)

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

Consolidated Statement of Financial Position

As at 31 December 2024

(Euro 000's)	Note	31 Dec 2024	31 Dec 2023
Non-current assets			
Property, plant and equipment	13	**409,032**	384,739
Intangible assets	14	**70,209**	49,397
Loans	19	**2,627**	-
Trade and other receivables	20	**33,252**	26,702
Non-current financial asset	21	**1,101**	1,101
Deferred tax asset	17	**15,085**	11,282
		531,306	473,221
Current assets			
Inventories	18	**49,162**	33,314
Loans	19	**5,352**	-
Trade and other receivables	20	**36,863**	42,897
Tax refundable		**266**	100
Other financial assets	21	**23**	30
Cash and cash equivalents	22	**52,878**	121,007
		144,544	197,348
Total assets		**675,850**	670,569
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital	23	**12,668**	13,596
Share premium	23	**321,856**	319,411
Other reserves	24	**88,774**	70,463
Accumulated profit		**93,085**	98,026
		516,383	501,496
Non-controlling interests	25	**2,154**	(9,104)
Total equity		**518,537**	492,392
Liabilities			
Non-current liabilities			
Trade and other payables	26	**13,983**	2,205
Provisions	27	**29,328**	27,234
Lease liability	28	**3,320**	3,877
Borrowings	29	**10,866**	16,131
		57,497	49,447
Current liabilities			
Trade and other payables	26	**90,090**	75,922
Lease liability	28	**481**	501
Current tax liabilities		**1,408**	1,317
Provisions	27	**916**	434
Borrowings	29	**6,921**	50,556
		99,816	128,730
Total liabilities		**157,313**	178,177
Total equity and liabilities		**675,850**	670,569

The notes on subsequent pages are an integral part of these consolidated financial statements.
The consolidated financial statements were authorised for issue by the Board of Directors on 17 March 2025 and were signed on its behalf.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2024

(Euro 000's)	Note	Share capital	Share premium	Other reserves[16]	Accum. Profits	Total	NCI	Total equity
1 Jan 2024		**13,596**	**319,411**	**70,463**	**98,026**	**501,496**	**(9,104)**	**492,392**
Profit for the period		**-**	**-**	**-**	**31,738**	**31,738**	**822**	**32,560**
Change in fair value of financial assets through other comprehensive income 'OCI'	**21**	**-**	**-**	**(7)**	**-**	**(7)**	**-**	**(7)**
Total comprehensive (loss)/income		**-**	**-**	**(7)**	**31,738**	**31,731**	**822**	**32,553**
Issuance of share capital	**23**	**76**	**2,445**	**-**	**-**	**2,521**	**-**	**2,521**
Recognition of depletion factor	**24**	**-**	**-**	**8,949**	**(8,949)**	**-**	**-**	**-**
Recognition of non-distributable reserve	**24**	**-**	**-**	**1,843**	**-**	**1,843**	**-**	**1,843**
Recognition of distributable reserve	**24**	**-**	**-**	**142**	**(142)**	**-**	**-**	**-**
Recognition of share-based payments	**24**	**-**	**-**	**7,385**	**(7,385)**	**-**	**-**	**-**
Other changes in equity		**(1,004)**	**-**	**(1)**	**542**	**(463)**	**-**	**(463)**
Revaluation of non-controlling interest		**-**	**-**	**-**	**(10,439)**	**(10,439)**	**10,436**	**(3)**
Dividends paid	**12**	**-**	**-**	**-**	**(10,306)**	**(10,306)**	**-**	**(10,306)**
31 Dec 2024		**12,668**	**321,856**	**88,774**	**93,085**	**516,383**	**2,154**	**518,537**

(Euro 000's)	Note	Share capital	Share premium	Other reserves[12]	Accum. Profits	Total	NCI	Total equity
1 Jan 2023		13,596	319,411	69,805	70,483	473,295	(6,998)	466,297
Profit/(loss) for the period		-	-	-	38,769	38,769	(2,106)	36,663
Change in fair value of financial assets through other comprehensive income 'OCI'	21	-	-	(3)	-	(3)	-	(3)
Total comprehensive (loss)/income		-	-	(3)	38,769	38,766	(2,106)	36,660
Recognition of share-based payments	24	-	-	661	-	661	-	661
Other changes in equity		-	-	-	252	252	-	252
Dividends paid	12	-	-	-	(11,478)	(11,478)	-	(11,478)
31 Dec 2023		13,596	319,411	70,463	98,026	501,496	(9,104)	492,392

(16) Refer to Note 23.

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

Consolidated Statement of Cash Flows

for the year ended 31 December 2024

(Euro 000's)	Note	2024	2023
Cash flows from operating activities			
Profit before tax		**31,523**	36,093
Adjustments for:			
Depreciation of property, plant and equipment	13	**39,658**	33,307
Amortisation of intangible assets	14	**3,907**	4,493
Recognition of share based payments	24	**1,379**	660
Interest income	8	**(1,887)**	(5,392)
Interest expense	9	**1,161**	2,607
Unwinding of discounting	9	**828**	690
Legal provisions	27	**(1,255)**	1
Impairment loss on financial and contract assets	6	**1,205**	-
Reversal of Intangible Asset Impairment	14	**(6,948)**	-
Net foreign exchange differences		**(3,090)**	1,278
Unrealised foreign exchange (loss)/gain on financing activities		**(85)**	(1,492)
Cash inflows from operating activities before working capital changes		**66,396**	72,245
Changes in working capital:			
Inventories	18	**(14,958)**	5,527
Trade and other receivables	20	**(1,247)**	10,918
Trade and other payables	26	**5,595**	(14,924)
Provisions	27	**(434)**	(1,203)
Cash flows from operations		**55,352**	72,563
Interest expense on lease liabilities	28	**(30)**	(25)
Interest paid		**(1,131)**	(2,607)
Tax paid		**(788)**	(5,188)
Net cash from operating activities		**53,403**	64,743
Cash flows from investing activities			
Purchases of property, plant and equipment	13	**(60,212)**	(53,837)
Purchases of intangible assets	14	**(1,198)**	(460)
Payments for investments	19	**(5,305)**	-
Interest received	8	**642**	3,891
Net cash used in investing activities		**(66,073)**	(50,406)
Cash flows from financing activities			
Lease payment	28	**(577)**	(536)
Proceeds from borrowings	29(a)	**3,000**	36,810
Repayment of borrowings	29(a)	**(51,900)**	(43,296)
Proceeds from issue of share capital		**2,522**	-
Dividends paid	12	**(10,306)**	(11,478)
Net cash (used in)/from financing activities		**(57,261)**	(18,500)
Net decrease in cash and cash equivalents		**(69,931)**	(4,163)
Net foreign exchange difference		**1,802**	(1,278)
Cash and cash equivalents:			
At beginning of the year	22	**121,007**	126,448
At end of the year	22	**52,878**	121,007

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

Notes to the consolidated financial statements.

1. Incorporation and summary of business

Atalaya Mining Plc 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 was at 1 Lampousa Street, Nicosia, Cyprus.

The Company was first listed on the Alternative Investment Market (AIM) of the London Stock Exchange in May 2005.

Change of name and share consolidation (2015)

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. The Company's trading symbol became "ATYM".

On 29 April 2024, the Company was admitted to trading on the main market of the London Stock Exchange.

Cross-border conversion (re-domiciliation) (2024-2025)

On 10 January 2025, the Company successfully completed a cross-border conversion, resulting in its re-domiciliation from the Republic of Cyprus to the Kingdom of Spain. This process was carried out in accordance with the Company's strategic objectives to align its corporate structure with its operational base in Spain.

A cross-border conversion deed was executed on 23 December 2024 and subsequently filed with the Spanish Commercial Registry on 27 December 2024. Under Spanish corporate law, the re-domiciliation became legally effective from the date of registration with the Spanish Commercial Registry, i.e., 27 December 2024. However, for administrative and procedural purposes, the final formalities were completed on 9 January 2025, with the official public announcement being made on 10 January 2025. Following this change:

- Atalaya's corporate seat was transferred from Cyprus to Spain, and Atalaya became a Spanish public limited company (Sociedad Anónima) under the laws of the Kingdom of Spain;
- Atalaya's registered name changed from Atalaya Mining Plc to Atalaya Mining Copper, S.A.; and;
- Atalaya's registered address changed from 1, Lampousas Street, 1095 Nicosia, Cyprus to Paseo de las Delicias, 1, 3, 41001, Sevilla, Spain.

The Company's shares commenced trading under "Atalaya Mining Copper, S.A." on 10 January 2025 at 8:00 am (London time) and the nominal value of the Company's shares were also adjusted from 7.5p to €0.09 per share.

Principal activities

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

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

Additional information about the Company is available at www.atalayamining.com.

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 brown-field expansion of this mine was completed in 2019 and successfully commissioned by Q1 2020.

Proyecto Touro

The Group initially acquired a 10% stake in Cobre San Rafael, S.L. ("CSR"), the owner of Proyecto Touro, as part of an earn-in agreement, which was designed to enable the Group to acquire up to 80% of the copper project. Proyecto Touro is located in Galicia, north-west Spain, and is currently in the permitting process.

In July 2017, the Group announced that it had executed the option to acquire 10% of the share capital of CSR, a wholly owned subsidiary of Explotaciones Gallegas S.L. This acquisition was part of an earn-in agreement, structured in four phases, allowing the Group to progressively increase its stake in CSR up to 80%:

» **Phase 1:** The Group paid €0.5 million to secure the exclusivity agreement and committed to funding up to a maximum of €5.0 million to support the permitting and financing stages.

» **Phase 2:** Upon receipt of permits, the Group is required to pay €2.0 million to acquire an additional 30% interest in the project (cumulative 40%).

» **Phase 3:** Once development capital is secured and construction commences, the Group is required to pay €5.0 million to acquire an additional 30% interest in the project (cumulative 70%).

» **Phase 4:** Upon declaration of commercial production, the Group purchases an additional 10% interest (cumulative 80%) in exchange for a 0.75% Net Smelter Return royalty, with a buyback option.

The Agreement was structured to ensure that each phase and corresponding payment would only occur once the project was de-risked, permitted, and operational..

On 24 June 2024, Atalaya announced that Proyecto Touro, via its local entity Cobre San Rafael, was declared a strategic industrial project by the Council of the Xunta de Galicia ("XdG"). Under legislation of the Autonomous Community of Galicia, the status of strategic industrial project (or in Spanish, Proyecto Industrial Estratégico ("PIE")) acts to simplify the administrative procedures associated with the development of industrial projects and intends to substantially reduce permitting timelines.

This declaration highlights the XdG's commitment to promoting new investment that will benefit the region and also support the objectives of the European Union. Copper is considered a strategic raw material by the EU and this project has the potential to become a new source of sustainable European copper production.

The XdG is continuing its review according to the simplified procedures afforded to projects with PIE status. The public information period, which serves to inform the surrounding communities and organisations about the proposed project, concluded on 31 January 2025. Cobre San Rafael is currently focused on analysing and responding to the feedback submitted during the public information period and assessing the sectoral reports issued by the various departments of the XdG.

As a result of the changes occurred during the year, the Group considers that it is likely that phases 2, 3 and 4 of the Touro project may be completed, and therefore, in application of the Group's policy on contingent payments (Note 2.31), it has recorded an intangible asset amounting to €16.5 million at the end of the year (Note 14), as well as the corresponding contingent liabilities (note 26).

In line with the Group's policy on non-controlling interests (note 2.3), the Group has allocated 20% of this new intangible asset in non-controlling interests, amounting to €3.3 million (Note 25).

As described in note 14 and linked to the Group's expectation that future phases may be completed, the Group has reversed an impairment recorded in 2019 on intangible fixed assets amounting to €6.9 million, which corresponded to capitalised expenses associated with Proyecto Touro.

In addition, the Company continues to engage with the many stakeholders in the region including through various recruitment initiatives, and is restoring the water quality of the rivers around Touro by operating its water treatment plant.

The Company also continues infill and step-out drilling programmes focused on areas captured in the initial mine plan and where mineralisation remains open.

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.

n November 2023, the exploitation permit for the Masa Valverde and Majadales deposits was officially granted. Following this milestone, in January 2024, the Company made a payment of €0.7 million as part of the process associated with the granted permits.

Proyecto Ossa Morena

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

Atalaya will pay a total of €2.5 million in cash in three instalments and grant a 1% net smelter return ("NSR") royalty over all acquired permits. The first payment of €0.5 million was 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. In accordance with the agreement, these outstanding instalments are disclosed as a non-current payable to the sellers (Note 26).

Proyecto Riotinto East

In December 2020, Atalaya entered into a Memorandum of Understanding with a local private Spanish company to acquire a 100% beneficial interest in three investigation permits (known as Peñas Blancas, Cerro Negro and Herreros investigation permits), which cover approximately 12,368 hectares and are located immediately east of Proyecto Riotinto. After a short drilling campaign, the Los Herreros investigation permit was rejected in June 2022. Proyecto Riotinto East consists of the remaining two investigation permits, Peñas Blancas and Cerro Negro, totalling 10,016 hectares.

Skellefte Belt Project and Rockliden Project

During the year, the Group entered into agreements with Mineral Prospektering i Sverige AB in relation to the Skellefte Belt Project and the Rockliden Project, both situated in well-established volcanogenic massive sulphide districts renowned for their mineral resource potential. In 2024, a total of €1.2 million in funding was provided to MPS in relation to preparatory work for the planned winter drilling campaigns and to compensate for certain past expenditures incurred by MPS (Note 15).

Overview of assets by mining projects

The following table presents the allocation of assets across the Company's mining operations, distinguishing between mining assets, which include exploration, development, and production-related investments, and non-mining assets, covering infrastructure, equipment, and other supporting assets.

Net book value (€'000)	Proyecto Touro	Proyecto Ossa Morena	Proyecto Masa Valverde	Proyecto Riotinto	Proyecto Riotinto East	Total
Mining assets	31,894	2,101	3,842	441,295	50	**479,182**
Non-mining assets	-	-	-	59	-	**59**
	31,894	2,101	3,842	441,354	50	**479,241**

2. Summary of material accounting policies

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

2.1. Basis of preparation

(a) Overview

The consolidated financial statements of Atalaya Mining Copper, S.A. and its subsidiaries (together, the "Group") have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union (EU). IFRS comprise the standards issued by the International Accounting Standards Board ("IASB"), as endorsed by the EU for application by publicly listed companies.

The consolidated financial statements are presented in Euros (€), with all amounts rounded to the nearest thousand (€'000), unless otherwise stated.

As a Spanish company operating under EU regulations, the Group also complies with the requirements of Spanish corporate law, including the Commercial Code (Código de Comercio) and the Spanish Capital Companies Act (Ley de Sociedades de Capital), where applicable. These regulations govern the preparation and disclosure of consolidated financial statements.

The definition of Public Interest Entity ("PIE") is set out in Article 2.13 of Directive 2006/43/EC, amended by Article 1 of Directive 2014/56/EU, that states that it is considered to be PIEs: (a) entities governed by the law of a Member State whose transferable securities are admitted to trading on a regulated market of any Member State; (b) credit institutions as defined in point 1 of Article 3(1) of Directive 2013/36/EU; (c) insurance undertakings within the meaning of Article 2(1) of Directive 91/674/EEC; and (d) entities designated by Member States as public-interest entities. As the company is not included in any of the categories above, it is not considered to be a PIE.

The preparation of these financial statements in conformity with IFRS requires the application of critical accounting estimates and judgements. Management must exercise its best judgement when applying the Group's accounting policies, particularly in areas involving complex transactions, estimates, and assumptions. The key areas requiring significant judgment or estimates are disclosed in Note 3.3.

(b) Going concern

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will continue to operate and meet its financial obligations in the normal course of business.

The Directors have assessed the Group's financial position, operational performance, and external market conditions for a period of at least 12 months from the date of approval of these financial statements. This assessment considered: Copper price volatility and foreign exchange fluctuations, given their direct impact on revenue and profitability; production levels and cost profile, ensuring the Group maintains operational efficiency and financial resilience; capital expenditure and ongoing development projects, aligning with the Group's strategic and operational needs; liquidity and borrowing facilities, confirming the Group's ability to meet financial obligations as they fall due; energy cost stability, supported by the commissioning of a solar power plant and a long-term PPA to mitigate electricity price volatility, regulatory and geopolitical risks, ensuring compliance with evolving industry regulations and addressing potential global market disruptions; copper head grade variability, with sensitivity analyses conducted to evaluate the impact of potential fluctuations in ore quality.

Following a comprehensive review of forecasts, financial resources, and stress-tested downside scenarios, the Directors have concluded that there are no material uncertainties that could reasonably be expected to cast significant doubt on the Group's ability to continue operating as a going concern. Accordingly, the going concern basis of accounting remains appropriate for the preparation of these consolidated financial statements.

The Directors and Management will continue to monitor external factors, including market conditions and regulatory developments, to ensure the Group remains well-positioned to navigate potential challenges.

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 2024.

- IFRS 16 (Amendment) – Lease Liability in a Sale and Leaseback

  The amendment to IFRS 16 clarifies how a company should account for a sale and leaseback transaction after the transaction date. While IFRS 16 already includes requirements on how to recognise a sale and leaseback at the transaction date, it did not previously specify how to record the transaction thereafter. The amendment provides additional guidance on how entities should measure lease liabilities that arise in a sale and leaseback transaction. This amendment became effective from 1 January 2024. After assessment, management has concluded that this amendment has no material impact on the Group's consolidated financial statements.

- IAS 1 (Amendment) – Classification of Liabilities as Current or Non-Current and IAS 1 (Amendment) – Non-Current Liabilities with Covenants

  The amendments to IAS 1 clarify that the classification of liabilities as current or non-current depends on the rights that exist at the reporting date, rather than management's expectations or post-balance sheet events (e.g., waivers or covenant breaches). Additionally, the amendments improve disclosure requirements when the right to defer the settlement of a liability is conditional on meeting covenants within 12 months after the reporting date. These amendments became effective on 1 January 2024 and must be applied retrospectively under IAS 8 ("Accounting Policies, Changes in Accounting Estimates, and Errors"). After assessment, management has concluded that this amendment has no material impact on the Group's consolidated financial statements.

- IAS 7 (Amendment) and IFRS 7 (Amendment) – Supplier Finance Arrangements ("Confirming")

  The IASB has amended IAS 7 and IFRS 7 to enhance disclosure requirements for supplier finance arrangements ("confirming") and their impact on liabilities, cash flows, and liquidity risk exposure. These amendments address investor concerns regarding the lack of transparency in the reporting of supplier finance arrangements. This amendment became effective on 1 January 2024. After assessment, management has concluded that this amendment has no material impact on the Group's consolidated financial statements.

Standards issued but not yet effective and not yet adopted by the Group

The following amendment has been issued but is not yet effective for the Group. While its mandatory application begins on 1 January 2025, early adoption is permitted.

- IAS 21 (Amendment) – Lack of Exchangeability

  The IASB has amended IAS 21 to introduce new requirements to help entities determine whether a currency is exchangeable into another currency and, if not, how to determine the appropriate spot exchange rate to use. When a currency is not exchangeable, an entity must estimate the spot exchange rate on the valuation date, reflecting the rate at which an orderly exchange transaction between market participants would occur under prevailing economic conditions.

  Upon initial application of this amendment, entities are not required to restate comparative information. Instead, affected balances must be translated using the estimated spot exchange rate at the initial application date, with the resulting adjustment recognised in reserves.

  This amendment becomes effective on 1 January 2025, with early adoption permitted. Following our assessment, we have determined that this amendment does not have a material impact on the Group's consolidated financial statements.

Standards, Interpretations, and Amendments to Existing Standards Not Yet Endorsed by the European Union or Not Available for Early Adoption

As of the date of preparation of these consolidated financial statements, the IASB and the IFRS Interpretations Committee have issued the following standards, amendments, and interpretations that are still pending endorsement by the European Union.

Since these standards cannot yet be adopted, we have assessed their potential impact on the Group's consolidated financial statements once they become applicable.

- IFRS 10 (Amendment) and IAS 28 (Amendment) – Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture

  These amendments clarify the accounting treatment for sales and contributions of assets between an investor and its associates or joint ventures, depending on whether the non-monetary assets transferred constitute a "business" under IFRS 3. If the assets qualify as a business, the investor must recognise the full gain or loss on the transaction. Otherwise, the investor recognises only the portion of the gain or loss attributable to other investors.

  Originally, these amendments were set to be applied prospectively from 1 January 2016, but in late 2015, the IASB postponed their effective date indefinitely, pending a broader review of the accounting treatment for associates and joint ventures. As these amendments remain indefinitely deferred and pending EU endorsement, their potential impact on the Group has adopted the following accounting policy in accordance with IAS 8:

  Since the Group does not engage in business combinations, the sale or contribution of assets to a joint venture is accounted for by recognising only the portion of the gain or loss attributable to other investors in the joint venture.

- IFRS 18 – Presentation and Disclosures in Financial Statements

  IFRS 18 is a newly issued standard that replaces IAS 1 (Presentation of Financial Statements) while retaining many of its core principles. However, it introduces key changes, including:

  - A structured format for the income statement, requiring specific totals and subtotals and categorising items into five sections: operating, investing, financing, income taxes, and discontinued operations.
  - Disclosure requirements for performance measures reported in financial statements (management-defined performance measures).
  - Enhanced aggregation and disaggregation principles applicable to both primary financial statements and notes.

  Although IFRS 18 does not affect recognition or measurement principles, it may alter how entities present their operating result.

  This standard becomes effective from 1 January 2027, including interim financial statements, and requires retrospective application. Early adoption is permitted, but it is still pending EU endorsement.

  Following our preliminary assessment, IFRS 18 is expected to impact the presentation and disclosures in the Group's consolidated financial statements but will not affect recognition or measurement principles.

- IFRS 19 – Subsidiaries Without Public Accountability: Disclosures

  IFRS 19 is a new standard designed for subsidiaries without public accountability whose parent company applies full IFRS in its consolidated financial statements. It allows such subsidiaries to follow IFRS recognition and measurement principles while applying reduced disclosure requirements.

  This voluntary standard applies to subsidiaries preparing consolidated, separate, or individual financial statements, provided that local regulations permit its use.

  IFRS 19 becomes effective from 1 January 2027, with early adoption permitted, but it is still pending EU endorsement.

  This standard is not expected to have a material impact on the Group's consolidated financial statements, as its applicability depends on the status of subsidiaries and local regulatory requirements.

↘ IFRS 9 (Amendment) and IFRS 7 (Amendment) – Classification and Measurement of Financial Instruments

These amendments clarify and refine the classification and derecognition of certain financial instruments, including:

- Clarification of the recognition and derecognition date for specific financial assets and liabilities, with a new exception for certain liabilities settled through electronic cash transfer systems.
- Additional guidance on assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion.
- New disclosure requirements for financial instruments with contractual terms that can alter cash flows, including ESG-linked financial instruments.
- Updates to disclosure requirements for equity instruments measured at fair value through other comprehensive income (FVOCI).

While the amendments related to the SPPI criterion mainly affect financial institutions, the changes regarding recognition, ESG-linked instruments, and disclosures are relevant to all entities.

These amendments become effective from 1 January 2026, with early adoption permitted but pending EU endorsement. The amendments may introduce additional disclosure requirements, but they are not expected to have a significant impact on the Group's recognition and measurement of financial instruments.

↘ IFRS Annual Improvements – Volume 11

The IASB's Annual Improvements process addresses minor amendments to IFRS to eliminate inconsistencies and improve clarity. The 11th volume includes changes to the following standards:

- IFRS 1 – First-time Adoption of IFRS
- IFRS 7 – Financial Instruments: Disclosures
- IFRS 9 – Financial Instruments
- IFRS 10 – Consolidated Financial Statements
- IAS 7 – Statement of Cash Flows

These amendments become effective from 1 January 2026, pending EU endorsement. The impact of these improvements is expected to be limited, as they primarily clarify existing guidance rather than introduce substantial changes.

↘ IFRS 9 (Amendment) and IFRS 7 (Amendment) – Electricity Supply Contracts Linked to Natural Variability

These amendments address the accounting for electricity supply contracts dependent on natural conditions (e.g., wind and solar energy), helping entities reflect these contracts more accurately in their financial statements. The key changes include:

- Clarification of the "own use" exemption for electricity contracts.
- Allowing hedge accounting for certain contracts when used as hedging instruments.
- New disclosure requirements to improve transparency regarding the financial impact of such contracts.

These amendments become effective from 1 January 2026, pending EU endorsement. The amendments may require additional disclosures, particularly if the Group enters into renewable energy contracts, but they are not expected to have a material impact on recognition or measurement principles.

2.3 Consolidation

The consolidated financial statements include the financial statements of Atalaya Mining Copper, S.A. and its subsidiaries, each prepared up to 31 December, together with the attributable share of results and reserves of associates and joint ventures, adjusted where necessary to conform to the Group's accounting policies.

Subsidiaries are consolidated from the date of acquisition, which is the date on which the Group obtains control and continue to be consolidated until the date such control ceases. Control exists when the Group is exposed to, or has rights to, variable returns from its involvement with an entity and has the ability to affect those returns through its power over the entity.

The Group reassesses control whenever facts and circumstances indicate that one or more of the elements of control may have changed.

A subsidiary is an entity that is controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity to obtain benefits from its activities. This control is typically achieved through ownership of more than 50% of the voting rights, either directly or indirectly.

The Group also considers the existence of potential voting rights, which are currently exercisable or convertible, in its assessment of control. Additionally, de facto control may exist where the Group's voting rights, relative to the size and dispersion of other shareholders, give it the power to direct the financial and operating policies of the entity.

If the Group's ownership interest in a subsidiary change but control is retained, the transaction is accounted for as an equity transaction.

If the Group loses control of a subsidiary, it:

» Derecognises the subsidiary's assets, liabilities, non-controlling interests, and other equity components.
» Recognises any resulting gain or loss in profit or loss.
» Recognises any retained investment at fair value on the date control is lost.

All intragroup balances, transactions, income, and expenses, including unrealised profits and losses on transactions within the Group, are eliminated in full in preparing the consolidated financial statements.

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

Entity name	Business	%[17]	Country
Atalaya Mining Copper, S.A. (former Atalaya Mining Plc)	Holding	n/a	Spain
EMED Marketing Ltd.	Trade	100%	Cyprus
Atalaya Riotinto Minera, S.L.U.	Operating	100%	Spain
Recursos Cuenca Minera, S.L.[18]	Dormant	50%	Spain
Atalaya Minasderiotinto Project (UK), Ltd.	Holding	100%	United Kingdom
Eastern Mediterranean Exploration & Development, S.L.U.	Dormant	100%	Spain
Atalaya Touro (UK), Ltd.	Holding	100%	United Kingdom
Fundación ARM	Trust	100%	Spain
Cobre San Rafael, S.L.[19]	Development	10%	Spain
Atalaya Servicios Mineros, S.L.U.	Holding	100%	Spain
Atalaya Masa Valverde, S.L.U.	Development	100%	Spain
Atalaya Financing Ltd.	Financing	100%	Cyprus
Atalaya Ossa Morena, S.L.	Development	99.9%	Spain
Iberian Polimetal S.L.	Development	100%	Spain

(17) The effective proportion of shares held as at 31 December 2024 and 31 December 2023 remained unchanged.

(18) Recursos Cuenca Minera is a joint venture with ARM, see note 16.

(19) 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.

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position.

If there are contractual arrangements that determine the attribution of earnings, such as a profit-sharing agreement or the attribution specified by the arrangement the non-controlling interest will be presented accordingly. Otherwise, the relative ownership interests in the entity should be used if the parent's ownership and the non-controlling interest's ownership in the assets and liabilities are proportional.

When contractual profit-sharing arrangement changes over time, the earnings allocation to the non-controlling interest should be based on its present entitlement.

(a) 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.

(b) 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.

(c) 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.

(d) 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.

(e) 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.

(f) Care and Maintenance Expenditure

Care and maintenance expenditure includes costs incurred to maintain assets and infrastructure in an operationally ready state during periods of reduced or suspended activity. These costs may relate to preparatory works for potential projects, ongoing maintenance of assets not currently in active production, or regulatory compliance obligations.

Under IFRS, these expenditures are classified below gross profit in the statement of comprehensive income because they are not directly attributable to revenue-generating operations. Instead, they represent period costs incurred while assets are not in active use, and therefore, are recognised as an operating expense rather than part of cost of sales.

2.4 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.

2.5 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.

2.6 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.

2.7 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.

↘ Revenue and costs from pre-commissioning sales

In accordance with IAS 16 (Amendment, paragraph 20A), proceeds from selling any product produced during the testing phase are recognised as revenue in the statement of profit or loss, and the related production costs are recognised in accordance with IAS 2 Inventories. These proceeds are not offset against the cost of assets under construction.

↘ Capitalisation of development expenditure

Development expenditure, including expenditure on intangible assets, is capitalised when it meets the recognition criteria under IFRS. Specifically, expenditure is capitalised when:

- It is directly attributable to preparing the asset for its intended use, including feasibility studies, pilot plant costs, engineering and design costs, and other costs necessary for the development of the asset.
- The technical and commercial feasibility of the project has been demonstrated, and it is probable that the expenditure will generate future economic benefits.

- The project is determined to be commercially viable, based on an assessment of project economics, including market conditions, resource estimates, expected operating and capital costs, and management's strategic intent.
- For intangible assets, capitalisation applies to development-phase expenditures when the future economic benefits of the asset are probable. Costs incurred before feasibility is demonstrated, or those related to general research activities, are expensed as incurred.
- The project is determined to be commercially viable, based on an assessment of project economics, including market conditions, resource estimates, expected operating and capital costs, and management's strategic intent.

↘ Reversal of Impairment

An impairment loss previously recognised on an asset, including capitalised intangible expenditure, is reversed when there is an indication that the impairment conditions no longer exist or have changed. The reversal occurs when:

- There is new evidence supporting the recoverability of the asset, such as technological or economic developments, improved market conditions, or additional data confirming its future economic benefits.
- The asset's recoverable amount, determined as the higher of fair value less costs of disposal and value in use, exceeds its previously impaired carrying amount.
- The initial impairment was not due to obsolescence or permanent damage that would prevent the asset from generating future economic benefits.

The reversal is recognised in the income statement up to the amount that would have been recognised had the original impairment not occurred, in line with IAS 36 Impairment of Assets.

↘ Depreciation commencement

Depreciation is not recognised until the assets are substantially complete and ready for productive use. At that point, all capitalised amounts within "Assets under Construction" are transferred to the relevant asset categories and depreciation begins in accordance with the Group's accounting policy.

2.8 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:

Land and buildings	UOP
Deferred mining costs	UOP
Plant and equipment	UOP
Other assets: Furniture/fixtures/office equipment/Motor vehicles	5 – 10 years
Right of use assets (IFRS 16)	UOP

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "Other income" in the income statement.

(a) Mineral rights

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

(b) Deferred mining costs – stripping costs

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

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

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

i. it is probable that the future economic benefit associated with the stripping activity will be realised;

ii. the component of the ore body for which access has been improved can be identified and;

iii. the costs relating to the stripping activity associated with the improved access can be reliably measured.

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

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

(c) Exploration costs

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

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

(d) Major maintenance and repairs

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

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

(e) Borrowing costs

Borrowing costs directly and indirectly 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.

2.9 Intangible assets

(a) Permits

Permits represent legal rights, licences, and authorisations required to advance mining projects from the pre-development stage to production. Costs directly attributable to obtaining and securing these permits are capitalised as intangible assets, provided they meet the recognition criteria of IAS 38 – Intangible Assets. These costs typically include application fees, environmental and engineering studies, legal expenses, and other necessary expenditures incurred to obtain the permits.

No amortisation is recognised on these intangible assets until the associated project transitions into commercial production. Once the Group receives the required permits and commences production, the capitalised permit costs are amortised using the UOP method, based on the commercially recoverable reserves of the related mining project.

If at any stage it is determined that the permit will not be utilised due to project discontinuation or regulatory changes, the capitalised costs are immediately impaired and recognised as an expense in the consolidated statement of profit or loss. The Group will recurrently evaluate the status of the project. Should subsequently evaluation of the project determine the underlying reasons to determine the permit would not be utilised are reasonable reversed or mitigated, the Group may reverse the impairment consequently.

(b) 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.

2.10 Impairment of non-financial assets

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

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

2.11 Financial assets and liabilities

(a) Classification

The Group classifies its financial assets in the following measurement categories:

» those to be measured at amortised cost.

» those to be measured subsequently at fair value through OCI, and.

» those to be measured subsequently at fair value through profit or loss.

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

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

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

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

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

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

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

(b) 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.

(c) 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.

(d) 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.

(e) Assets at fair value through profit and loss

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

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

(f) 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.

(g) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

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

(h). 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

2.12 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.

2.13 Cash and cash equivalents

In the consolidated statements of cash flows, cash and cash equivalents includes cash in hand and cash at bank, as well as short-term deposits with banks that have an original maturity of less than three months from the date of acquisition.

2.14 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.

2.15 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.

2.16 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.

2.17 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.

2.18 Current and deferred income tax

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

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

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

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

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

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

2.19 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 24).

2.20 Rehabilitation provisions

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

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

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

2.21 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.

↘ Right-of-use assets

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

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

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

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

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

↘ Lease liabilities

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

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

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

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

↘ Short-term leases and leases of low-value assets

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

2.22 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.

2.23 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.

2.24 Dividend income

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

2.25 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.

2.26 Earnings per share

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

2.27 Comparatives

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

2.28 Amendment of financial statements after issue

The Board of Directors and shareholders has no right to amend the Financial Statements after they are authorised.

2.29 Fair value estimation

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

The fair value of financial instruments traded in active markets, such as publicly traded and fair value through profit and loss assets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price. The appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods, such as estimated discounted cash flows, and makes assumptions that are based on market conditions existing at the reporting date.

- Fair value measurements recognised in the consolidated and company statement of financial position

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

  - Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

(Euro 000's)	Level 1	Level 2	Level 3	Total
31 Dec 2024				
Other current financial assets				
Financial assets at FV through OCI	**23**	**-**	**1,101**	**1,124**
Trade and other receivables				
Receivables (subject to provisional pricing)	**-**	**10,769**	**-**	**10,769**
Total	**23**	**10,769**	**1,101**	**11,893**
31 Dec 2023				
Other current financial assets				
Financial assets at FV through OCI	30	-	1,101	1,131
Receivables (subject to provisional pricing)	-	15,164	-	15,164
Total	30	15,164	1,101	16,295

- 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).

2.30 Climate-related matters

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

» Useful life of property, plant and equipment. When reviewing the residual values and expected useful lives of assets, the Group considers climate-related matters, such as climate-related legislation and regulations that may restrict the use of assets or require significant capital expenditures, based on the assessment on climate-related matters, there was no impact.

» Impairment of non-financial assets. The value-in-use may be impacted in several different ways by transition risk in particular, such as climate-related legislation and regulations and changes in demand for the Group products, based on the assessment on climate-related matters, there was no impact.

» In determining fair value measurement, the impact of potential climate-related matters, including legislation, which may affect the fair value measurement of assets and liabilities in the financial statements has been considered and based on the assessment on climate-related matters, there was no impact.

» Rehabilitation provision. The impact of climate-related legislation and regulations is considered in estimating the timing and future costs of rehabilitation of the Group facilities, based on the assessment on climate-related matters, there was no impact.

2.31 Contingent liabilities in assets acquisitions

The Group has adopted the approach set out in IFRIC 1 (International Financial Reporting Interpretations Committee) for contingent payments related to asset acquisitions. When acquiring intangible assets with contingent payments that depend on future events, such as the Touro, Masa Valverde, and Ossa Morena projects (see Note 1), the Group assesses whether these payments are directly attributable to the cost of the acquired asset. If the analysis concludes that the payment is linked to the acquisition cost, the Group recognises an intangible asset reflecting the fair value of the acquired rights and a corresponding liability based on the best estimate of the expected future payment, including anticipated undetermined costs.

If the contingent payment is not directly related to the acquisition cost of the asset, it is recognised as an expense in the period it is incurred.

Subsequent changes in the estimated liability due to revisions in assumptions, project feasibility, or economic factors are recognised against the carrying amount of the intangible asset. If at a later stage there is uncertainty regarding the continuation of the project, leading to a reassessment of the probability of making the contingent payment, the Group adjusts the liability accordingly and recognises the change against the asset's carrying amount.

For intangible assets where non-controlling interests exist, the Group assigns the corresponding portion of the asset to non-controlling interest holders, ensuring that any valuation adjustments to contingent liabilities are reflected appropriately. This policy is applied consistently across all projects to ensure compliance with IFRS and alignment with industry practices.

3. Financial Risk Management and Critical accounting estimates and judgements

3.1 Financial risk factors

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

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

(a) Liquidity risk

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

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

(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.

The table below presents the Group's balances denominated in foreign currencies as at 31 December 2024 and 31 December 2023, categorised by currency and nature of balance:

(Euro 000's)	2024	2023
USD		
Cash and cash equivalents	**15,513**	70,496
Trade and other receivables	**10,769**	31,580
	26,282	102,075
GBP		
Cash and cash equivalents	**70**	41

(Euro 000's)	Carrying amounts	Contractual cash flows	Less than 3 months	Between 3–12 months	Between 1–2 years	Between 2–5 years	Over 5 years
31 Dec 2024							
Other financial liabilities	**17,787**	**18,983**	**1,519**	**6,015**	**5,670**	**5,779**	**-**
Non-current payables	**12,492**	**13,750**	**-**	**-**	**750**	**11,000**	**2,000**
Trade and other payables	**90,090**	**90,255**	**52,929**	**37,266**	**60**	**-**	**-**
	124,170	**127,311**	**54,448**	**43,800**	**6,999**	**18,335**	**3,729**
31 Dec 2023							
Lease liability	4,378	4,841	-	519	1,037	1,556	1,729
Other financial liabilities	66,687	67,896	1,749	51,171	9,912	5,064	-
Non-current payables	2,003	2,750	-	-	750	-	2,000
Trade and other payables	75,922	75,922	36,964	38,882	76	-	-
	148,990	151,409	38,713	90,572	11,775	6,620	3,729

For better understanding and comparability, the 2023 figures have been broken down in line with the 2024 presentation.

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 2024 increase/(decrease)	Effect on profit before tax for the year ended 31 Dec 2023 increase/(decrease)	Effect on equity for the year ended 31 Dec 2024 increase/(decrease)	Effect on equity for the year ended 31 Dec 2023 increase/(decrease)
(+5%)	**20,364**	17,454	**16,698**	14,312
(-5%)	**(20,364)**	(17,454)	**(16,698)**	(14,312)

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 that are 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 under IFRS 9. Instead, they are classified as held-for-trading and are therefore fair valued through profit or loss.

The derivative financial instruments referenced in this sensitivity analysis are economic derivatives rather than hedge derivatives. These instruments arise from the Group's provisional pricing arrangements, whereby copper concentrate sales are initially recorded at provisional prices and are subsequently adjusted based on market prices at the end of the quotational period (QP), as per the terms of offtake agreements. As a result, the fair value of trade receivables fluctuates with commodity price movements, creating an embedded derivative that is accounted for separately.

This derivative is not designated as a hedge and is classified as held-for-trading, meaning its fair value fluctuations are recognised in profit or loss. Since this pricing adjustment is directly linked to revenue, the impact on profit before tax (PBT) and equity is the same.

The analysis is based on the assumption that copper prices move by $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.

A $0.05/lb movement in copper prices was determined as a reasonably possible change based on historical volatility over the past two years.

(c) 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.

(Euro 000's)	Effect on profit before tax for the year ended 31 Dec 2024 increase/(decrease)	Effect on profit before tax for the year ended 31 Dec 2023 increase/(decrease)	Effect on equity for the year ended 31 Dec 2024 increase/(decrease)	Effect on equity for the year ended 31 Dec 2023 increase/(decrease)
Increase/(decrease) in copper prices				
Increase $0.05/lb (2023: $0.05)	**5,012**	5,138	**4,110**	4,213
Decrease $0.05/lb (2023: $0.05)	**(5,012)**	(5,138)	**(4,110)**	(4,213)

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

(Euro 000's)	31 Dec 2024	31 Dec 2023
Unrestricted cash and cash equivalents at Group level	**43,184**	94,868
Unrestricted cash and cash equivalents at Operation level	**9,694**	26,139
Consolidated cash and cash equivalents	**52,878**	121,007
Net cash position	**35,091**	54,320
Working capital surplus	**44,728**	68,618

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 2024 and 2023.

The table below presents the Group's financial assets exposed to credit risk as at 31 December 2024 and 31 December 2023, classified by type of asset.

(Euro 000's)	2024	2023
Non-current financial assets		
Non-current loans	**2,768**	233
Non-current deposits	**611**	307
	3,379	540
Current financial assets		
Current loans	**5,352**	-
Current receivables	**11,458**	16,039
	16,810	16,039
Total	**20,189**	16,579

(d) 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)	2024	2023
Variable rate instruments		
Financial assets	**52,878**	121,007

An increase of 100 basis points in interest rates at 31 December 2024 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)	2024	2023	2024	2023
Variable rate instruments	**529**	1,210	**529**	1,210

(e) 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.

(f) 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.

(g) 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 AC reviews the capital structure on a continuing basis.

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

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

(Euro 000's)	31 Dec 2024	31 Dec 2023
Total liabilities less cash	**104,433**	57,170
Total equity (excluding NCI)	**516,384**	501,496
Total capital	**620,187**	558,666
Gearing ratio	**16.82%**	10.23%

3.3 Critical accounting judgements and Key sources of estimation uncertainty

The preparation of the Group's financial statements requires management to apply judgements, estimates, and assumptions that affect the recognition and measurement of assets, liabilities, revenues, and expenses. These judgements and estimates are based on management's experience, industry knowledge, and expectations of future events that are considered reasonable under the circumstances.

Under IAS 1 – Presentation of Financial Statements, the Group distinguishes between critical accounting judgements and key sources of estimation uncertainty, as they have different disclosure requirements:

» **Critical accounting judgements** involve decisions made by management in applying accounting policies that have the most significant impact on the financial statements (IAS 1, paragraph 122). These judgements do not involve estimation uncertainty but require management to make subjective assessments in applying IFRS.

» **Key sources of estimation uncertainty** involve assumptions about the future that create a significant risk of material adjustment to the carrying amounts of assets and liabilities within the next financial year (IAS 1, paragraph 125). These estimates are subject to inherent uncertainty, and actual results may differ from those originally assumed.

Management continuously evaluates these judgements and estimates to ensure they remain appropriate and reflect the latest available information. Significant accounting judgements and critical estimates identified by the Group are outlined below, along with their potential financial impact.

Critical accounting judgments

(a) Consolidation of Cobre San Rafael

Cobre San Rafael, S.L. is the entity that holds the mining rights for Proyecto Touro. Although the Group initially owned only a 10% equity interest, management has exercised judgement under IFRS 10 – Consolidated Financial Statements and determined that Atalaya controls Cobre San Rafael, S.L. and should consolidate up to 80% of its interest in the Group's financial statements.

This judgement is based on the following key factors:

→ Power Over Relevant Activities

- Atalaya has substantive rights that enable it to direct key operational and financial decisions.
- The Group has the ability to appoint key personnel, including senior management and operational leadership.
- One of the two Directors of Cobre San Rafael, S.L. is appointed by Atalaya, allowing it to influence strategic decisions.

- Exposure to Variable Returns
  - Atalaya bears financial risks through contractual obligations that require it to absorb Cobre San Rafael, S.L.'s losses, exceeding its initial ownership percentage.
  - The Group provides funding and financial support to maintain the subsidiary's operations, reinforcing its economic exposure.
- Control and Increased Consolidation Up to 80%
  - Under IFRS 10, control is determined by power over the entity, exposure to variable returns, and the ability to affect those returns.
  - Due to Atalaya's contractual rights, financial obligations, and decision-making authority, management has determined that the Group exercises control over Cobre San Rafael, S.L.
  - As a result, the Group has elected to consolidate up to 80% of its interest, in line with its milestone-based acquisition framework, which allows for an increase in ownership over time.

This assessment represents a significant judgement, as control is not based solely on the percentage of ownership but rather on the ability to direct relevant activities and bear associated financial risks. Management continues to monitor changes in contractual arrangements, funding obligations, and decision-making rights to assess whether control remains appropriate under IFRS 10.

Management has exercised judgement in determining that Atalaya controls Cobre San Rafael, S.L., despite holding only a 10% equity interest. Under IFRS 10 – Consolidated Financial Statements, control exists when an entity has power over relevant activities, exposure to variable returns, and the ability to affect those returns.

Atalaya has the ability to appoint key personnel and influence strategic decisions through board representation. Additionally, it bears the financial risks of the subsidiary due to contractual obligations requiring it to absorb its losses. Based on these factors, Atalaya consolidates up to 80% of its interest in the Group's financial statements.

Contingent Liabilities Related to Cobre San Rafael

In addition to the consolidation judgement, the Group evaluated whether any contingent liabilities exist in relation to Cobre San Rafael or other entities. Under IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, a contingent liability arises when a past event creates a possible obligation, but its settlement depends on uncertain future events outside the Group's control.

As of 31 December 2024, the Group does not have any significant contingent liabilities other than those related to Cobre San Rafael. The main risks associated with CSR include potential legal and environmental obligations related to Proyecto Touro's permitting process, which remain subject to ongoing regulatory developments.

Management continues to assess whether any additional provisions or contingent liabilities should be recognised, considering legal, regulatory, and operational risks affecting the Group's interests.

(b) 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.

Judgement is required to determine when exploration and evaluation costs should be capitalised. The Group only capitalises expenditure once there is a high degree of confidence in a project's viability, and future economic benefits are considered probable. Until this point, costs are expensed.

(c) Classification of financial instruments

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).

The classification of financial instruments requires judgement in assessing whether contractual terms meet the Solely Payments of Principal and Interest (SPPI) test under IFRS 9 – Financial Instruments. Certain financial assets contain features such as early termination options or linked interest rates, which require management to assess their classification as amortised cost, fair value through OCI, or fair value through profit or loss.

(d) 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).

(e) 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.

(f) 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.

The assessment of impairment indicators and the recoverable amount of assets requires management to estimate future cash flows, discount rates, and market conditions. After performing sensitivity calculations, a 10% decrease in copper prices would not result in an impairment charge.

Key sources of estimation uncertainty

(g) Ore reserve and mineral resource estimates

The estimation of ore reserves and mineral resources impacts various accounting estimates in the Group's financial statements that requires critical accounting judgement. . While ore reserve estimates are based on geological, technical, and economic assessments performed by qualified persons, they are not standalone accounting estimates under IFRS. Instead, they act as key assumptions that influence multiple financial statement areas, including:

» Depreciation and amortisation, particularly for assets depreciated using the unit-of-production (UOP) method.

» Impairment assessments, as future expected cash flows depend on estimated recoverable reserves.

» Capitalisation of stripping costs, which determines whether waste removal costs should be recognised as an asset or expensed.

» Rehabilitation and decommissioning provisions, as reserve estimates affect the timing and expected costs of site restoration.

The Group estimates its ore reserves and mineral resources based on geological and technical data relating to the size, depth, shape, and grade of the ore body, along with suitable production techniques and recovery rates. These assessments require complex geological judgements, including:

» Long-term copper price assumptions.

» Foreign exchange rate forecasts affecting project viability.

» Production costs, capital expenditure requirements, and expected recovery rates.

» Mining recovery and dilution factors.

» Environmental and regulatory considerations.

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.

Update in Ore Reserves and Its Financial Impact

In May 2024, Atalaya incorporated an update of its ore reserves based on an independent expert analysis in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Definition Standards on Mineral Resources and Mineral Reserves adopted by the CIM Council (the "CIM Standards"). This update has some impact on our financial statements and accounting estimates and reflects a revised understanding of the economic potential and operational requirements of our mining assets.

→ Judgements and Assumptions:

The update in ore reserves requires significant judgments and assumptions, particularly in estimating the quantity and quality of the ore, the economic viability of extraction, and the life of the mine. These estimates impact various accounting measures, including depreciation schedules, cost allocations, and capitalisation policies. Our management has applied considerable expertise and relied on independent expert opinions to ensure these estimates are robust and reflect the best available information.

→ Impact on Profit and Loss Statement:

The update of ore reserves has resulted in some changes to our accounting practices in relation to depreciation, stripping costs and capitalisation. Specifically, these changes result in a total decrease in net profit of €1.5 million, comprising €0.7 million from increased depreciation, €0.1 million from increased depreciation of stripping costs and €0.7 million from reduced capitalisation of stripping costs. These changes help to maintain the accuracy of our financial statements and ensure that they give a fair view of the financial position and performance of our business.

→ Accumulated Depreciation of Mining Assets:

The revised ore reserve estimates have led to an increase in the accumulated depreciation of our mining assets by €0.7 million during the year. This change is due to the adjustment in the useful life and depletion rate of these assets, which are now expected to be utilised over a shorter timeframe than previously estimated. The new ore reserve data has provided a more accurate basis for calculating depreciation, ensuring our financial records accurately reflect the wear and tear on these assets over their updated useful lives.

→ Stripping Costs: depreciation

The reserves update also resulted in an increase in depreciation of €0.1 million during the period. Depreciation, which covers the allocation of the cost of assets over their useful lives, has been adjusted to reflect the new ore reserve estimates. The reassessment of reserves has impacted the level and timing of depreciation, reflecting the updated operational requirements to access the newly defined ore bodies.

→ Capitalisation of Stripping Costs:

In conjunction with the increase in stripping costs, there is a reduction in the capitalisation of stripping costs amounting to €0.7 million. This adjustment arises from the revised criteria for capitalising stripping costs under the updated ore reserve estimates. With a clearer understanding of the ore body and its economic feasibility, certain costs previously capitalised are now expensed, aligning our financial practices with the current and more accurate projections of our mining operations.

→ Compliance with Reporting Standards:

The Group reports its Mineral Resources and Mineral Reserves in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Definition Standards on Mineral Resources and Mineral Reserves adopted by the CIM Council (the "CIM Standards"). This ensures that our reporting is consistent with internationally recognised guidelines, providing transparency and comparability for our stakeholders.

(h) 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.

The discount rate used in the calculation of the net present value of the liability as at 31 December 2024 was 3.23% (2023: 3.62%), which corresponds to the 15-year Spain Government Bond rate for 2024. An inflation rate of 2%-2.80% (2023: 1%-3.10%) was applied on an annual basis.

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 27 for further details.

Provisions are based on estimates of future costs, inflation rates, discount rates, and the timing of restoration activities. Changes in environmental laws or unexpected site conditions could significantly affect these estimates. A 1% increase in the discount rate would reduce the provision by €2.1 million, while a 1% decrease would increase the provision by €2.1 million.

(i) 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.

Copper concentrate inventories are valued at the lower of cost or NRV. This estimate is based on forecasted commodity prices and production costs. A 10% decrease in copper prices would not result in any impairment, as inventory values would still exceed cost.

(j) Recoverability of Assets Related to the E-LIX Project

The new E-LIX technology represents a source of estimation uncertainty due to the significant assumptions involved in assessing the recoverability of Atalaya's investment in the project. The Group has invested and funded Lain various phases of development, including the construction of a pilot plant, feasibility studies testing, and the development of an industrial-scale plant to apply the E-LIX electrochemical extraction technology to complex sulphide ores.

The recoverability of these investments depends on several factors, including:

- Successful commercialisation of the E-LIX Technology – The technology must demonstrate continued operational effectiveness and economic scalability in full-scale production.
- Market conditions for copper and zinc – Long-term price trends impact the financial viability of the project.
- Production efficiency and cost assumptions – The plant's ability to achieve projected recovery rates and cost efficiencies is critical.
- Exclusivity agreements – The Group holds limited exclusive rights to the E-LIX technology within the Iberian Pyrite Belt, supporting long-term value generation.

Given these factors, management assesses the recoverability of the investment based on projected future cash flows from the plant's operations. The key estimation uncertainties relate to:

- The finalisation of the ramp-up and expected operational efficiency running the Industrial Plant at continuously production pace – Any delays or underperformance could impact future cash flow generation.
- Commodity price fluctuations – Variations in copper and zinc prices could significantly influence revenue projections.
- Regulatory and operational risks – The project requires ongoing compliance with environmental and industrial regulations.

Sensitivity Analysis:

A reasonable range of changes in these key assumptions could result in a material impact on the estimated recoverability of the investment. After performing sensitivity calculations, a 10% decrease in zinc prices has resulted in a 3.21% reduction in the IRR of the project. Or delays in the ramp-up with an increase in €10 million cost, has resulted in a 3.4% reduction in the IRR. Management monitors these factors closely and assesses whether impairment indicators exist at each reporting date.

At 31 December 2024, no impairment indicators have been identified. However, due to the inherent estimation uncertainty, the Group will continue to monitor operational performance and market conditions, reassessing the valuation of the investment as necessary.

4. Segments

Segments

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

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

Geographical areas of operations

The Group has only one distinct business segment, which is mining operations, including mineral exploration and development.

The Group's copper concentrate production takes place in Spain, while its commercialisation is carried out through Cyprus via its subsidiary, EMED Marketing Limited. The production of copper concentrate is undertaken by Atalaya Riotinto Minera, S.L.U. in Spain. Once produced, the copper concentrate is sold to international clients under the Group's offtake agreements, which are managed by EMED Marketing Limited, a subsidiary based in Cyprus.

EMED Marketing Limited holds the offtake agreements with customers and is responsible for the promotion and sale of the copper concentrate. Under these agreements, it provides marketing services, including coordinating and managing the ordering and delivery of the copper concentrate. However, EMED Marketing Limited does not control the concentrate before it is transferred to customers, as the production and provision of the product are undertaken by Atalaya Riotinto Minera, S.L.U. Since it does not have the ability to direct the use of the concentrate or obtain benefits from it before the transfer to customers, EMED Marketing Limited acts as an agent in these transactions.

The transfer of control over the marketing services provided by EMED Marketing Limited occurs at the moment the customer receives the copper concentrate. This is the point in time when the customer benefits from EMED Marketing Limited's role in arranging for the provision of the concentrate. Consequently, revenue from these sales is recognised at that point.

Sales transactions between Group companies are conducted at arm's length, in accordance with transfer pricing regulations, ensuring comparability with third-party transactions. The accounting policies applied by the Group in Spain and Cyprus are consistent with those outlined in Note 2.

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

Revenue – from external customers	2024	2023
	€'000	€'000
Switzerland	256,243	260,284
Singapore	69,676	80,031
Spain	878	31
	326,797	340,346

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

Revenue – from external customers	2024	2023
	€'000	€'000
Cyprus	25,404	25,712
Spain	301,393	314,634
	326,797	340,346

The geographical location of the specified non-current assets is based on the physical location of the asset in the case of property, plant and equipment as well as intellectual property.

Non-current assets	2024	2023
	€'000	€'000
Spain	479,241	434,136
	479,241	434,136

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.

	2024		2023	
	Segment	€'000	Segment	€'000
Offtaker 1	Copper	69,676	Copper	80,031
Offtaker 2	Copper	91,849	Copper	76,688
Offtaker 3	Copper	164,394	Copper	183,596

5. Revenue

(Euro 000's)	2024	2023
Revenue from contracts with customers[20]	**341,787**	344,940
Fair value gain/(loss) relating to provisional pricing within sales[21]	**(15,868)**	(4,594)
Other income[22]	**878**	-
Total revenue	**326,797**	340,346

(20) Included within 2024 revenue there is a transaction price of €11,709 thousand (€9,783 thousand in 2023) related to the freight services provided by the Group to the customers arising from the sales of copper concentrate under CIF incoterm.
(21) Provisional pricing impact represented the change in fair value of the embedded derivative arising on sales of concentrate.
(22) Other income mainly represents scraps.

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.

The decrease in revenues was mainly due to lower concentrate sales volumes and concentrate grades, partially offset by higher realised prices. Inventories of concentrates at year-end was 21,815 tonnes, compared with 6,722 tonnes in 2023.

6. Expenses by nature

(Euro 000's)	2024	2023
Operating costs**	**197,793**	208,416
Care and maintenance expenditure	**16,723**	11,511
Exploration expenses	**4,975**	5,103
Employee benefit expense (Note 7)	**27,868**	25,756
Compensation of directors and key management personnel	**2,397**	2,230
Auditors' remuneration – audit (Note 32)	**401**	452
Other accountants' remuneration	**1,291**	385
Consultants' remuneration	**1,775**	4,977
Depreciation of property, plant and equipment (Note 13)	**39,658**	33,307
Amortisation of intangible assets (Note 14)	**3,907**	4,493
Share option-based employee benefits (Note 24)	**1,379**	660
Shareholders' communication expense	**125**	232
On-going listing costs	**1,114**	521
Legal costs	**368**	1,779
Public relations and communication development	**963**	711
Rents (Note 28)	**5,492**	5,682
Other expenses and provisions	**(1,841)**	467
Reversal of impairment losses* (Note 14)	**(6,948)**	-
Impairment loss on trade receivables and contract assets	**1,205**	-
Total	**298,645**	306,682

(*) An impairment charge for the same amount was recorded in the same caption: mine site depreciation, amortisation and impairment, in the consolidated statement of comprehensive income of 2019.
The reduction in costs was mainly due to lower input costs and an increase in copper concentrate stock at the end of the period. The increase in amortisation mainly due to the change of stripping ratio from 1.84 to 2.10.
(**) Operating costs primarily include mining and processing costs related to the Proyecto Riotinto operation. These comprise costs for raw materials (€56.2m), utilities (€31.4m), professional and contract services (€92.9m), maintenance (€13.3m) and other direct production expenses incurred in the extraction and processing of copper concentrate.

7. Employee benefit expense

(Euro 000's)	2024	2023
Wages and salaries	**20,430**	18,836
Social security and social contributions	**6,613**	6,246
Employees' other allowances	**24**	18
Bonus to employees	**801**	656
Total	**27,868**	25,756

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

	Average		At year end	
Number of employees	**2024**	**2023**	**2024**	**2023**
Spain – Full time	**492**	479	**490**	476
Spain – Part time	**3**	6	**3**	6
Cyprus – Full time	**1**	1	**1**	1
Cyprus – Part time	**2**	2	**2**	2
United Kingdom – Full time	**–**	-	**1**	-
Total	**498**	488	**497**	485

8. Finance income

(Euro 000's)	2024	2023
Financial interest	**1,887**	1,501
Other received interest	**–**	3,892
	1,887	5,393

Financial interests include interest received on bank balances of €0.6 million (2023: €0.5 million) and €1.3 million related to E-LIX project funding (Note 13)

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

9. Finance costs

(Euro 000's)	2024	2023
Interest expense:		
Interest payable for borrowings	**1,131**	2,607
Interest expense on lease liabilities	**30**	25
Unwinding of discount on mine rehabilitation provision (Note 27)	**828**	690
	1,989	3,322

Interest payable for borrowings include the financing costs related to Solar plant, other long-term debt and other operating facilities.

10. Tax

(Euro 000's)	2024	2023
Current income tax charge	**2,732**	3,419
Deferred tax income relating to the origination of temporary differences (Note 17)	**(6,297)**	(6,852)
Deferred tax expense relating to reversal of temporary differences (Note 17)	**2,528**	2,863
	(1,037)	(570)

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)	2024	2023
Accounting profit before tax	**31,523**	36,093
Tax calculated at the applicable tax rates of the Company –25% Spain (2023: 12.5% Cyprus)	**7,881**	4,512
Tax effect of expenses not deductible for tax purposes	**–**	3,290
Tax effect of tax loss for the year	**4,018**	(1,271)
Tax effect of allowances and income not subject to tax	**(5,769)**	(4,381)
Effect of lower tax rates in other jurisdictions of the group	**(2,921)**	993
Tax effect of tax losses brought forward	**–**	276
Deferred tax (Note 17)	**(4,246)**	(3,989)
Tax (credit)/ charge	**(1,037)**	(570)

Tax losses carried forward

As at 31 December 2024, the Group had tax losses carried forward amounting to €9.7 million from the Spanish subsidiaries.

Applicable tax

With regard to taxation and, in particular, income tax, the Group is subject to the regulations of several tax jurisdictions due to the broad geographical activities carried out by the companies comprising the Group. For this reason, the Group effective tax rate is shaped by the breakdown of earnings obtained in each of the countries where it operates and, occasionally, by the taxation of these earnings in more than one country (double taxation).

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.

Spain

Most of the entities resident in Spain for tax purposes are subject to taxation for corporate income tax under Spain's consolidated tax regime. Under this regime, the companies comprising the tax group jointly determine the Group's taxable profit and tax liability.

Atalaya Mining Copper, S.A. is the parent of Consolidated Tax Group, which comprises all of the companies resident in Spain that are at least 75%-owned, directly or indirectly, by the parent and that meet certain prerequisites. This Consolidated Tax Group was composed of 7 companies in 2024, the most significant of which are: Atalaya Mining Copper, S.A., Atalaya Riotinto Minera, S.L.U. and Atalaya Masa Valverde S.L.U.

The rest of the companies resident in Spain for tax purposes that are not included in the above tax group determine their income tax individually.

Spanish companies, whether taxed individually or on a consolidated basis, were subject to a general tax rate of 25% in 2024.

The corporate income tax rate in Spain for 2024 is 25% (25% in 2023), in accordance with the Spanish General Tax Law.

Government and legal proceedings with tax implications

The years for which the Group companies have their tax returns open for audit with regard to income tax and the main applicable taxes are as follows:

Country	Years
Spain	2020-2024
Cyprus	2019-2024
United Kingdom	2019-2024

The Group hasn't recognized tax provisions related to Administrative and judicial proceedings with tax implications in 2024 (2023: €nil).

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)	2024	2023
Parent company	**(2,468)**	(6,255)
Subsidiaries	**34,206**	45,024
Profit attributable to equity holders of the parent	**31,738**	38,769
Weighted number of ordinary shares for the purposes of basic earnings per share ('000)	**140,404**	139,880
Basic earnings per share (EUR cents/share)	**22.6**	27.7
Weighted number of ordinary shares for the purposes of diluted earnings per share ('000)	**145,457**	144,224
Diluted earnings per share (EUR cents/share)	**21.8**	26.9

At 31 December 2024 there are nil warrants and 5,423,666 options (Note 23) (31 December 2023: nil warrants and 4,848,500 options) which have been included when calculating the weighted average number of shares for FY2024.

12. Dividends

Cash dividends declared and paid during the year:

(Euro 000's)	2024	2023
Final dividends declared and paid	**5,243**	4,956
Interim dividends declared and paid	**5,063**	6,522
	10,306	11,478

FY 2023

A final dividend of US$0.04 per ordinary share, which is equivalent to approximately £0.031 per share, was proposed on 18 March 2024 for approval by shareholders at the 2024 AGM, which gave a total dividend for 2023 of US$0.09 per share. Following the approval of Resolution 11 by the Company's shareholders at the 2024 AGM, which took place on 27 June 2024, the final dividend which (based on as exchange rates used for conversion after the record date) amounted to €5.2 million was approved and the dividend was paid on 9 August 2024.

FY 2024

On 13 August 2024, the Company's Board of Directors elected to declare an interim dividend of US$0.04 per share, which was equivalent to approximately 3.1 pence per share. The interim dividend was paid on 19 September 2024.

A final dividend of US$0.03 per share has been proposed for approval by shareholders at the 2025 Annual General Meeting. This would give a total dividend for 2024 of US$0.07 per share.

12. Property, plant and equipment

(Euro 000's)	Land and buildings	Right of use assets[27]	Plant and equipment	Assets under construction[25]	Deferred mining costs[24]	Other assets[23]	Total
2024							
Cost							
At 1 January 2024	**83,517**	**7,076**	**319,129**	**70,601**	**64,072**	**951**	**545,346**
Adjustments	**–**	**–**	**5**	**–**	**–**	**–**	**5**
Opening adjusted	**83,517**	**7,076**	**319,134**	**70,601**	**64,072**	**951**	**545,351**
Additions[30]	**233**	**–**	**332**	**52,801**	**9,902**	**–**	**63,268**
Increase in rehab. Provision (Note 27)	**3,274**	**–**	**–**	**–**	**–**	**–**	**3,274**
Reclassifications[26]	**–**	**–**	**21,050**	**(21,969)**	**–**	**29**	**(890)**
Other transfer	**(572)**	**–**	**–**	**(2,586)[30]**	**–**	**–**	**(3,158)**
Write-off	**–**	**(148)**	**–**	**–**	**–**	**–**	**(148)**
Advances	**–**	**–**	**–**	**1,601[29]**	**–**	**–**	**1,601**
31 Dec 2024	**86,452**	**6,928**	**340,516**	**100,448**	**73,974**	**980**	**609,298**
Depreciation							
At 1 January 2024	**24,702**	**2,531**	**113,547**	**–**	**19,063**	**764**	**160,607**
Adjustments	**–**	**–**	**1**	**–**	**–**	**–**	**1**
Opening adjusted	**24,702**	**2,531**	**113,548**	**–**	**19,063**	**764**	**160,608**
Charge for the year[28]	**6,192**	**497**	**27,328**	**–**	**5,655**	**43**	**39,715**
Write-off	**–**	**(57)**	**–**	**–**	**–**	**–**	**(57)**
31 Dec 2024	**30,894**	**2,971**	**140,876**	**–**	**24,718**	**807**	**200,266**
Net book value at 31 December 2024	**55,558**	**3,957**	**199,640**	**100,448**	**49,256**	**173**	**409,032**
2023							
Cost							
1 Jan 2023	80,326	7,076	291,335	50,235	52,358	872	482,202
Additions	36	-	6,011	42,149	11,714	79	59,782
Increase in rehab. provision	3,145	-	-	-	-	-	3,145
Reclassifications	-	-	21,783	(21,783)	-	-	-
Advances	10	-	-	-	-	-	10
31 Dec 2023	83,517	7,076	319,129	70,601	64,072	951	545,346
Depreciation							
At 1 January 2023	20,454	1,998	89,182	-	14,921	739	127,294
Adjustments	-	-	6	-	-	-	6
Opening adjusted	20,454	1,998	89,188	-	14,921	739	127,300
Charge for the year	4,248	533	24,359	-	4,142	25	33,307
31 Dec 2023	24,702	2,531	113,547	-	19,063	764	160,607
Net book value at 31 December 2023	58,815	4,545	205,582	70,601	45,009	187	384,739

The above fixed assets are mainly located in Spain.

(23) Includes motor vehicles, furniture, fixtures and office equipment which are depreciated over 5-10 years.
(24) Stripping costs related to Cerro Colorado (note 2.9 (b))
(25) Assets under construction at 31 December 2024 amounted to €100.4 million (2023: €70.6 million), this balance include €30.6 million related to San Dionisio where €4.7 million are road deviation, €41.0 million Solar plant, €7.0 million sustaining capital, €13.0 million E-LIX plant and €28.2 million tailing dams capital expenditure. Additions include sustaining capital expenditures with an investment of €4.0 million (2023: €3.4 million), tailings dams project €14.8 million (2023: €13.7 million), E-LIX plant amounted to €2.1 million (€8.9 million in 2023) San Dionisio area spending €25.7 million (2023, €4.8 million) and solar plant €8.4 million (2023, €12.9 million).
(26) Reclassifications of €21.1 million to plant and equipment are associated with sustaining capex. Additionally, €0.9 million related to low-rotation stock were reclassified to inventories (material supplies).
(27) See leases in Note 28.
(28) Increase of depreciation due to the update of its ore reserves in May 2024 in the subsidiary ARM.
(29) Advances related to E-LIX plant.
(30) During the year ended 31 December 2024, the Group capitalised €1.0 million of borrowing costs related to the construction of the solar plant in accordance with IAS 23. The average effective interest rate applied was 1.5%. The tax deductibility of these capitalised borrowing costs will be realised over the asset's useful life through depreciation deductions, rather than as an immediate tax relief.

E-LIX Project

In May 2019, after approx. 4 years of laboratory work, Atalaya initiated a partnership with Lain Technologies Ltd. (hereinafter "Lain") for the development of technology known as E-LIX. The E-LIX Technology is a new-developed technology invented and owned by Lain which is protected by industrial secret. Atalaya's rights on the E-LIX technology is limited to its use on favourable terms and other benefits but excluding the ownership.

E-LIX is an innovative electrochemical extraction process developed by Lain to assess the production of zinc and copper cathodes, as well as other derivatives of these metals, from complex sulphide ores.

Lain and Atalaya have worked on a partnership to develop the E-LIX technology from 2019 to date. During these years, the collaboration has progressed through different phases, summarised as follows:

» **Phase 0:** Preliminary work and research.

» **Phase 1:** Construction and commissioning of the Pilot Plant.

» **Phase 2:** Operation of the Pilot Plant and feasibility studies of the project.

» **Phase 3:** Construction and commissioning of an Industrial Plant.

As a result of the successful laboratory tests carried out by Atalaya on the E-LIX technology during Phase 0, in July 2020, Atalaya and Lain executed a memorandum of understanding ("MOU"), with the first step being the construction of a pilot plant (the "Pilot Plant") fully funded by Atalaya via loans.

The Pilot Plant was built during 2021 and confirmed the feasibility of E-LIX, proving the capacity of leaching selective metals from concentrates and achieving high recovery rates for copper and zinc through a more efficient and sustainable process compared to traditional methods.

In December 2021, the Company's Board of Directors approved the construction and financing of a Phase 1 of a larger-scale plant with a significantly greater processing capacity than the Pilot Plant (the "Industrial Plant").

As of 31 December 2024, the construction of the Industrial Plant was close to be completed and Lain was in the process of bringing the Industrial Plant into operation at a commercial production rate. Once the plant is fully ramped up it is intended that the plant will operate at normal commercial levels..

Throughout the partnership from 2019 and aligned with the MOU signed between Atalaya and Lain, several agreements have been signed, including:

» Construction of the fixed assets required for the use of the E-LIX technology;

» Exclusivity agreements

» Funding agreements for the construction and the commissioning of the Pilot Plant

» Funding agreements for the construction and commissioning of the Industrial Plant; and

» Operational agreements for the construction of the Industrial Plant.

As of 31 December 2024, Atalaya has the following balances relating to the pilot plant and the industrial plant arising from the agreements with Lain:

Description	Caption	Note	Amount (€k)
Pilot plant	Non-current loan	19	**2,627**
Industrial Plant	Non-current Receivables (prepayment)	20	**29,662**
Industrial Plant	PPE	13	**12,978**
Convertible Loan	Current loan	19	**5,352**
			50,619

Recoverability of Assets

The E-LIX technology has demonstrated positive results in the recovery of pure zinc and copper, as well as their derivatives, in a technologically efficient manner. The E-LIX technology has the potential to unlock the production of metals from complex ore in a financially and sustainable viable manner and its use at an industrial scale could potentially increase significantly the life of the mine at Proyecto Riotinto.

As of the reporting date, Atalaya has a reasonable expectation that the E-LIX technology can operate a commercial scale. During 2024, the construction of the Industrial Plant and the ramp up experienced certain delays but unrelated to the E-LIX technology.

Atalaya has considered both external and internal factors that support the strength of the project and has assessed the recoverability of the assets associated with E-LIX technology based on a financial model that demonstrates its long-term sustainability.

The main production assumptions used in the base case financial model zinc model are as follows for the balances relating to the pilot and industrial plant:

Main assumptions for the E-LIX model		
Total investment*	€million	45
Processing capacity	Tpa cons	74,500
Zinc metal produced	tpa Zn	6,700
Zinc recovery rate	%	90
Zinc grade in concentrate	%	10

(*) Excluding convertible loan which is guaranteed with equity of Lain.

The assessment carried out by the Company on the zinc base case financial model results on an after-tax NPV (8%) of €18.8 million a 14% IRR and a payback period of 7 years estimated using long-term prices of 3,000 US$/tonne.

Whilst the ramp-up of the Industrial Plant is not completed and the production assumptions are yet to be proven, the Company has enough information to consider the above production assumptions as reasonable. In addition, various adverse scenarios were tested to determine whether, as at 31 December 2024, the asset related to the E-LIX technology should be impaired, including lower recovery rates, higher sustaining capex and sensitivity on zinc prices ranging +/- 15% of the base case price and additional delays of the ramp-up with a €10 million extra investment.

Based on the base case financial model analysis, and while acknowledging that unforeseen delays in the ramp up or unfavourable market conditions could influence this outlook, the Board has a reasonable expectation that Atalaya will be able to recover the balances relating to Lain and therefore, no impairment indicators have been identified.

14. Intangible assets

(Euro 000's)	Permits[31]	Licences, R&D and Software	Other intangible assets	Total
2024				
Cost				
At 1 January 2024	**81,199**	**8,758**	**-**	**89,957**
Additions	**-**	**-**	**17,771[32]**	**17,771**
Reclassification	**(3,128)**	**(6,948)**	**10,076**	**-**
31 Dec 2024	**78,071**	**1,810**	**27,847**	**107,728**
Amortisation				
At 1 January 2024	**32,080**	**8,480**	**-**	**40,560**
Charge for the year	**3,878**	**29**	**-**	**3,907**
Reversal of impairment losses	**-**	**(6,948)**	**-**	**(6,948)**
31 Dec 2024	**35,958**	**1,561**	**-**	**37,519**
Net book value at 31 December 2024	**42,113**	**249**	**27,847**	**70,209**
2023				
Cost				
1 Jan 2023	81,255	8,642	-	89,897
Additions	144	116	-	260
Disposals	(200)	-	-	(200)
31 Dec 2023	81,199	8,758	-	89,957
Amortisation				
1 Jan 2023	27,627	8,440	-	36,067
Charge for the year	4,453	40	-	4,493
31 Dec 2023	32,080	8,480	-	40,560
Net book value at 31 December 2023	49,119	278	-	49,397

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

(32) Additions include €16.7 million at fair value related to the interest to acquire the 80% of the shares of Cobre San Rafael, SL, as per the Share-holders' Agreement, including €16.5 million (note 26) and €0.2 million related to capitalisation expenses according with the policy of the Group once the Touro Project was granted as Strategic Industrial Project (PIE).

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

The Group conducts impairment testing in case there is an indicator of impairment. Atalaya assessed its assets concluding that there are no indicators of impairment for either Proyecto Riotinto or any other as of 31 December 2024 and 2023.

Reversal of Impairment on Intangible Assets

On 29 January 2020, the Company released an update on Proyecto Touro. The Company announced a recent press released by the regional government of Galicia ("Xunta de Galicia") in relation to the permitting process, where the General Directorate to the Mines, Energy and Industry Department announced a negative Environmental Impact Statement for Proyecto Touro.

As a result of the announcement made by the Xunta de Galicia, the Company re-assessed the uncertainty about the feasibility of obtaining the necessary permits for Touro, impacting the project's development prospects.

As at result of the re-assessment, the Company booked as at 31 December 2019 an impairment of €6.9 million related to the capitalised cost incurred by the Company to the date according to its accounting policy. However, the Company retained the value of the mining rights at €5.0 million, as these rights remained in force.

Since 2019, the Company had actively worked with stakeholders to advance the permitting process and improve the regulatory framework for Proyecto Touro. In 2024, the permitting and operational environment for the project had improved significantly, leading to a reassessment of its technical and financial feasibility.

A key development had been the designation of Proyecto Touro as a Strategic Industrial Project ("PIE") by the Xunta de Galicia. This designation had granted priority status, accelerated administrative procedures, and reduced regulatory uncertainties, removing the primary risk factor that had led to the initial impairment.

In compliance with IAS 36 – Impairment of Assets, the Company had conducted an impairment test as at 31 December 2024, concluding that the conditions that had led to the impairment in 2019 no longer existed. The impairment test had been carried out by evaluating both technical and financial feasibility, confirming that the project was in a position to generate economic benefits in line with initial expectations.

The impairment assessment had considered:

» Technical viability, based on updated resource and reserve estimates, engineering reports, and environmental compliance advancements.

» Financial feasibility, including updated cash flow projections, capital expenditure forecasts, and a revised financing strategy that had demonstrated the project's ability to meet investment requirements.

» Projected long-term copper prices, in line with industry benchmarks and independent market forecasts.

» Capital and operating cost projections, supported by recent feasibility studies

To further validate the assessment, an independent third-party valuation of the mining assets had been conducted. The valuation had confirmed that the estimated fair value of the project was higher than the total carrying amount of the intangible assets associated with Proyecto Touro, reinforcing the recoverability of the asset.

As a result, the impairment loss of €6.9 million had been fully reversed as at 31 December 2024, reflecting the improved expectations for the project and supporting the recoverability of the asset in accordance with IAS 36 – Impairment of Assets.

This assessment had demonstrated that there had been no doubts regarding the technical and financial viability of Proyecto Touro as at the reporting date, further supporting the impairment reversal.

15. Non-current assets

During the year, the Group entered into agreements with Mineral Prospektering i Sverige AB ("MPS") in relation to the Skellefte Belt Project and the Rockliden Project, both located in established volcanogenic massive sulphide ("VMS") districts known for their potential mineral resources.

The Group entered into earn-in agreements with MPS to acquire an initial 75% interest in these projects, structured as follows:

» An initial funding commitment of US$3 million per project, to be invested over a 24-month period.

» Stage 1 option to provide additional funding of US$3 million per project to secure a 51% ownership interest.

» Stage 2 option to provide additional funding of US$6 million per project, and complete scoping studies, to secure a 75% ownership interest.

During 2024, a total of €1.2 million in funding was provided to MPS in relation to preparatory work for the planned winter drilling campaigns and to compensate for certain past expenditures incurred by MPS.

The following table summarises the movement in exploration and evaluation assets during the year:

(Euro 000's)	2024	2023
Opening balance as of 1 January	**–**	-
Additions during the year	**1,205**	-
Impairment losses	**(1,205)**	-
Closing balance as of 31 December	**–**	-

As of 31 December 2024, the carrying amount of exploration and evaluation assets was reviewed for impairment. Following management's assessment, the Company recognised a full impairment of €1.2 million, as these projects remain in the early exploration stage and are still far from obtaining operating mining permits.

16. Investment in joint venture

Company name	Principal activities	Country of incorporation	Effective proportion of shares held at 31 December 2015
Recursos Cuenca Minera S.L.	Exploitation of tailing dams and waste areas resources	Spain	50%

In 2012, ARM initiated a 50/50 joint venture with Rumbo to assess and leverage the potential of class B resources within the tailings dam and waste areas at Proyecto Riotinto. Pursuant to the joint venture agreement, ARM served as the operator and reimbursed Rumbo for the expenses linked to the classification application for the Class B resources. ARM covered the initial expenses for a feasibility study, with a maximum funding limit of €2.0 million. Subsequent costs were shared by the joint venture partners in accordance with their respective ownership interests.

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

(Euro 000's)	31 Dec 2024	31 Dec 2023
Intangible assets	**94**	94
Trade and other receivables	**4**	3
Cash and cash equivalents	**15**	19
Trade and other payables	**(115)**	(115)
Net assets	**2**	1
Revenue	**-**	-
Expenses	**-**	-
Net profit/(loss) after tax	**-**	-

17. Deferred tax

	Consolidated statement of financial position		Consolidated income statement	
(Euro 000's)	2024	2023	2024	2023
Deferred tax asset				
At 1 January	**11,282**	7,293	**-**	-
Deferred tax income relating to the origination of temporary differences (Note 10)	**6,297**	6,852	**(6,297)**	(6,852)
Deferred tax asset due to losses available against future taxable income overprovision previous years	**34**	-	**-**	-
Deferred tax expense relating to reversal of temporary differences (Note 10)	**(2,528)**	(2,863)	**2,528**	2,863
At 31 December	**15,085**	11,282		
Deferred tax income/(expense) (Note 10)			**(3,769)**	(3,989)

Deferred tax assets are recognised for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available in the future against which the unused tax losses/credits can be utilised. The Group held tax losses amounted to €9.7 million in Spain (2023: €6.0 million).

18. Inventories

(Euro 000's)	31 Dec 2024	31 Dec 2023
Finished products	**19,732**	8,416
Materials and supplies	**25,540**	21,852
Work in progress	**3,890**	3,046
	49,162	33,314

As at 31 December 2024, copper concentrate produced and not sold amounted to 21,815 tonnes (FY2023: 6,722 tonnes), due to timing on shipments. Accordingly, the inventory for copper concentrate was €19.7 million (FY2023: €8.4 million). During the year 2024 the Group recorded cost of sales amounting to €242.2 million (FY2023: €247.3 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. Loans

(Euro 000's)	2024	2023
Non-current loans		
Loans	**2,627**	-
Current loans		
Loans	**5,352**	-
	5,352	-

During 2024, the Company reassessed the classification of a loan related to the funding of the E-LIX pilot plant. This loan, originally classified as prepayments for service contract under trade receivables, has been reclassified as a non-current loan, as it is now considered more probable that the recoverability will be in cash rather than through the use of the E-LIX technology.

The original agreement with Lain Technologies Ltd. contemplated both possibilities—repayment in cash or recovery through the use of the E-LIX technology. Initially, the Company expected to recover the amount through the use of the technology; however, following a reassessment, it has now been concluded that repayment in cash is the more probable outcome.

This change in classification is a reclassification and not a correction of an error, as the previous classification was based on the Company's best estimate at the time. Given the updated assessment of the expected recovery method, the loan has been presented accordingly in 2024.

Non-current loans are referred to the loan with Lain Technologies regarding the Pilot Plant. Includes principal for €2.3 million plus €0.3 million of interest accumulated (see note 13). This balance bears interest of EURIBOR 12M + 2%. This amount has been reclassified from prepayments regarding the previous year.

On 30 September 2024 the Company signed a convertible loan, granting a credit facility of up to a maximum amount of €10 million. This facility was granted for a fixed term up to 31 December 2025. This balance bears interest of EURIBOR 3M + 2%. This balance includes €5.3 million referred to the convertible loan with Lain Technologies Ltd plus €0.1 million of interest accumulated (see note 13).

20. Trade and other receivables

(Euro 000's)	2024	2023
Non-current trade and other receivables		
Deposits	**611**	307
Loans	**141**	233
Prepayments for service contract[33]	**29,662**	23,476
Other non-current receivables	**2,838**	2,686
	33,252	26,702
Current trade and other receivables		
Trade receivables at fair value – subject to provisional pricing	**9,727**	10,110
Trade receivables from shareholders at fair value – subject to provisional pricing (Note 31.5)	**1,042**	5,054
Other receivables from related parties at amortised cost (Note 31.4)	**–**	56
Deposits	**35**	37
VAT receivable	**20,898**	21,003
Prepayments	**4,507**	5,855
Other current assets	**654**	782
	36,863	42,897
Allowance for expected credit losses	**–**	-
Total trade and other receivables	**70,115**	69,599

(33) On 28 January 2022 the Company signed a loan for €15 million and on 8 May 2023 an amendment up to €20 million to the construction of the first phase of the industrial-scale plant ("Phase I") that utilises the E-LIX System. This loan was granted for a fixed term of 10 years since the start of commercial production. This balance includes capitalised interest, and repayment will be made through the use of the E-LIX technology.
This balance also includes €7.6 million refer additional costs classified as prepayments related to Industrial Plant of Proyecto E-LIX (see note 13).

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

Non-current deposits included €250k (€250k at 31 December 2023) as a collateral for bank guarantees, which was recorded as restricted cash (or deposit) in Proyecto Riotinto and €334k related to Proyecto Masa Valverde.

21. Other Financial assets

(Euro 000's)	31 Dec 2024	31 Dec 2023
Financial asset at fair value through OCI (see (a) below)	**1,124**	1,131
Total current	**23**	30
Total non-current	**1,101**	1,101

a) Financial assets at fair value through OCI

(Euro 000's)	31 Dec 2024	31 Dec 2023
At 1 January	**1,131**	1,134
Fair value change recorded in equity (Note 24)	**(7)**	(3)
At 31 December	**1,124**	1,131

Company name	Principal activities	Country of incorporation	Effective proportion of shares held at 31 December 2024
Explotaciones Gallegas del Cobre SL	Exploration company	Spain	12.5%
KEFI Minerals Plc	Exploration and development mining company listed on AIM	UK	0.19%
Prospech Limited	Exploration company	Australia	0.53%

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

As per Note 2.29, the Group's investment in Explotaciones Gallegas del Cobre S.L., amounting to €1,101k, is classified as a Level 3 financial instrument, as its fair value is based on unobservable inputs.

The fair value is determined using valuation techniques that reflect the asset's nature and the absence of an active market. The primary methodology applied is a market-based approach, considering comparable transactions within the mining exploration sector. Where such data is unavailable, management applies an adjusted cost approach, incorporating estimates of resource potential and exploration progress.

The valuation is reviewed periodically, considering changes in market conditions, commodity prices, and exploration results.

22. Cash and cash equivalents

(Euro 000's)	31 Dec 2024	31 Dec 2023
Unrestricted cash and cash equivalents at Group level	**43,184**	94,868
Unrestricted cash and cash equivalents at Operation level	**9,694**	26,139
Consolidated cash and cash equivalents	**52,878**	121,007

Cash and cash equivalents denominated in the following currencies:

(Euro 000's)	31 Dec 2024	31 Dec 2023
Euro – functional and presentation currency	**37,299**	50,470
Great Britain Pound	**70**	52
United States Dollar	**15,509**	70,485
	52,878	121,007

23. Share capital

	Shares 000's	Share Capital €'000	Share premium €'000	Total €'000
Authorised				
Ordinary shares of €0.09 each*	200,000	18,000	-	18,000

Issued and fully paid

Issue Date	Price (£)	Details	Shares 000's	Share Capital €'000	Share premium €'000	Total €'000
31 December 2022/ 1 January 2023			139,880	13,596	319,411	**333,007**
31-Dec-23			139,880	13,596	319,411	**333,007**
9-Feb-24	3.090	Exercised share options (a)	20	3	71	**74**
7-May-24	2.015	Exercised share options (b)	67	6	151	**157**
22-May-24	2.015	Exercised share options (c)	600	53	1,368	**1,421**
27-Jun-24	4.160	Exercised share options (d)	120	11	570	**581**
27-Jun-24	3.575	Exercised share options (d)	36	3	149	**152**
27-Jun-24	3.270	Exercised share options (d)	36	3	136	**139**
26- Dec 24		Capital increase**		272		**272**
26- Dec 24		Capital decrease**	-	(1,279)	-	**(1,279)**
31-Dec-24			140,759	12,668	321,856	**334,524**

*The Company´s share capital at 31 December 2024 is 140,759,043 ordinary shares (139,879,209 in 2023) of €0.09 each.
** Decrease of capital from 7.5p to €0.09 per share

Authorised capital

The Company's authorised share capital is 200,000,000 ordinary shares After the re-domiciliation of Atalaya to Spain, in order to comply with Spanish law, redenominate it to euros, thereby increasing the share capital (represented by 140,759,043 ordinary shares) to 12,395,853.02 euros, instead of 10,556,928.2 GBP, and the nominal value per ordinary share to 0.088065 EUR instead of 0.075 GBP (all applying the exchange rate of 0.85165 EUR/GBP. In order to round the nominal value of the shares following the Cross-Border Transformation, the shareholders have agreed to increase the Company's share capital, currently amounting to €12,395,853.02, by €272,460.85. This has resulted in an increase of €0.001935 in the nominal value of each share, thereby setting the nominal value per share at €0.09. The share capital increase has been carried out using distributable reserves.

Issued capital

(a) On 9 February 2024, the Company announced that it has issued 20,000 ordinary shares of 7.5p in the Company ("Option Shares") pursuant to an exercise of share options by an employee.

(b) On 7 May 2024, Atalaya announced that it has issued 66,500 ordinary shares of 7.5p in the Company ("Option Shares") pursuant to an exercise of share options by an employee.

(c) On 22 May 2024, the Company announced that it has issued 600,000 ordinary shares of 7.5p in the Company ("Option Shares") pursuant to an exercise of share options by a person discharging managerial responsibilities ("PDMR").

(d) On 27 June 2024, Atalaya announced that it has issued 193,334 ordinary shares of 7.5p in the Company ("Option Shares") pursuant to the exercise of share options by an employee. These options were issued as part of the Company's long term incentive plan.

No shares were issued in FY2023.

24. Other reserves

(Euro 000's)	Share option	Bonus share	Depletion factor[34]	FV reserve of financial assets at FVOCI[35]	Non-distributable reserve[36]	Distributable reserve[37]	Total
1 Jan 2023	10,365	208	37,778	(1,153)	8,316	14,291	**69,805**
Recognition of share based payments	661	-	-	-	-	-	**661**
Change in fair value of financial assets at fair value through OCI (Note 21)	-	-	-	(3)	-	-	**(3)**
31 Dec 2023/1 Jan 2024	11,026	208	37,778	(1,156)	8,316	14,291	**70,463**
Recognition of depletion factor	**-**	**-**	**8,949**	**-**	**-**	**-**	**8,949**
Recognition of non-distributable reserve	**-**	**-**	**-**	**-**	**142**	**-**	**142**
Recognition of distributable reserve	**-**	**-**	**-**	**-**	**-**	**7,848**	**7,848**
Recognition of share based payments	**1,379**	**-**	**-**	-	**-**	**-**	**1,379**
Change in fair value of financial assets at fair value through OCI (Note 21)	**-**	**-**	**-**	**(7)**	**-**	**-**	**(7)**
Other changes in reserves	**464**	**-**	**-**	-	**-**	**(464)**	**-**
31 Dec 2024	**12,869**	**208**	**46,727**	**(1,163)**	**8,458**	**21,675**	**88,774**

(34) See the "Depletion factor reserve" section below.
(35) See the "Fair value reserve of financial assets at FVOCI" section below.
(36) See the "Non-distributable reserve" section below.
(37) See the "Distributable reserve" section below.
(38) See the "Share options" section below.

Depletion factor reserve

During the twelve month period ended 31 December 2024, the Group has recognised €8.9 million (FY2023: addition of €nil) as a depletion factor reserve as per the Spanish Corporate Tax Act.

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.

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 for an amount of €8.0m.

Distributable reserve

This heading includes the transfer from income for the year attributable to the parent for 2024.

Share options

Details of share options outstanding as at 31 December 2024:

Grant date	Expiry date	Exercise price £	Share options
30 Jun 2020	30 Jun 2030	1.475	516,000
24 Jun 2021	23 Jun 2031	3.090	996,000
22 Jun 2022	30 Jun 2027	3.575	1,188,333
22 May 2023	21 May 2028	3.270	1,268,333
11 June 2024	10 Jun 2029	4.135	1,305,000
22 Dec 2024	21 Dec 2029	3.335	150,000
Total			**5,423,666**

	Weighted average exercise price £	Share options
At 1 January 2024	2.968	4,848,500
Granted options during the year	4.053	1,455,000
Options executed during the year	2.449	(879,834)
31 December 2024	**3.343**	**5,423,666**

On 12 June 2024, the Company announced that in accordance with the Company's Long Term Incentive Plan 2020, it granted 1,305,000 share options to Persons Discharging Managerial Responsibilities ("PDMRs") and other employees and, on 22 December was granted 150,000 share options (the "Options") to an employee.

On 9 February 2024, the Company announced that it has issued 20,000 ordinary shares of 7.5p in the Company ("Option Shares") pursuant to an exercise of share options by a former employee.

On 7 May 2024, the Company announced that it has issued 66,500 ordinary shares of 7.5p in the Company ("Option Shares") pursuant to an exercise of share options by non-PDMr. employees and on 22 May announced that 600,000 ordinary

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

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

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

Grant date	Weighted average share price £	Weighted average exercise price £	Expected volatility	Expected life (years)	Risk free rate	Expected dividend yield	Estimated Fair Value £
23 Feb 2017	1.440	1.440	51.8%	5	0.6%	Nil	0.666
29 May 2019	2.015	2.015	46.9%	5	0.8%	Nil	0.66
8 July 2019	2.045	2.045	46.9%	5	0.8%	Nil	0.66
30 June 2020	1.475	1.475	50.32%	10	0.3%	Nil	0.60
23 June 2021	3.090	3.090	50.91%	10	0.7%	Nil	0.81
26 Jan 2022	4.160	4.160	49.18%	10	1.149%	Nil	1.12
22 June 2022	3.575	3.575	34.12%	5	2.748%	Nil	0.71
22 May 2023	3.270	3.270	38.15%	5	4.219%	Nil	0.88
11 June 2024	4.135	4.135	39.28%	5	4.149%	2.13%	0.93
22 Dec 2024	3.335	3.335	39.28%	5	4.322%	2.13%	0.79

The volatility has been estimated based on the underlying volatility of the price of the Company's shares in the preceding twelve months.

25. Non-controlling interest

(Euro 000's)	2024	2023
Opening balance	**(9,104)**	(6,998)
Share of total comprehensive income for the year	**822**	(2,106)
Revaluation of NCI	**10,436**	-
Closing balance	**2,154**	(9,104)

The non-controlling interest corresponds to the partner involved in Sociedad Cobre San Rafael, the owner of the Touro project.

Change of controlling interest

Atalaya held an initial 10% stake in Cobre San Rafael S.L., which, under normal circumstances, would classify it as a non-controlling investment with limited influence over the company's operations. However, to determine of the effective control of the company it has been considered the substantive contractual arrangements between Atalaya and the other shareholders according to note 2.3.

As a result of the changes in project Touro that have occurred during the current year (note 1) , Group considers it likely that phases 2, 3 and 4 of the Touro project will be completed, and therefore, it has been recorded the associated impact in Non-controlling interest, according with the shareholders agreement, due to the impact that the project's phase change has on the responsibilities agreed between the parties as outlined in notes 1, as well as the allocation of the intangible asset that also emerged during the 2024 fiscal year.

The significant financial information with respect to the subsidiary before intercompany eliminations as at and for the twelve-month period ended 31 December 2024 and 2023 is as follows:

(Euro 000's)	2024	2023
Non-current assets	15,322	7,273
Current assets	1,636	601
Non-current liabilities	(21,624)	(17,096)
Grants	(177)	-
Current liabilities	(960)	(697)
Equity	9,915	7,578
(Profit)/loss for the year and total comprehensive income	(4,112)	2,341

26. Trade and other payables

(Euro 000's)	31 Dec 2024	31 Dec 2023
Non-current trade and other payables		
Other non-current payables	12,492	2,003
Government grant	1,491	202
	13,983	2,205
Current trade and other payables		
Trade payables	78,965	70,303
Trade payables to shareholders (Note 31.5)	109	179
Accruals	2,505	3,395
VAT payable	-	391
Other	8,511	1,654
	90,090	75,922

As of 31 December 2024, other non-current payables include €9.7 million reflecting the liabilities related to the potential acquisition of 80% of the shares of Cobre San Rafael, SL, as per the Shareholders' Agreement (note 14). In addition, there are €2.8 million related with the acquisition of Atalaya Masa Valverde SL formerly Cambridge Minería España, SL and Atalaya Ossa Morena SLU formerly Rio Narcea Nickel, SL (note 1).

Other current payables include €6.8 million also related to the potential increase in the stake of Cobre San Rafael, S.L., under the Shareholders' Agreement (note 14). This amount has been classified as current, as the likelihood of reaching the associated milestone is high, making settlement probable within 2025.

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

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

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

Information on the average period of payment to suppliers in Spain

The disclosures made in relation to the average period of payment for trade payables in Spain are presented below in accordance with that established in applicable law.

Average payment days to suppliers

Days	2024	2023
Average payment days for payment to suppliers	**28**	27
Ratio of transactions paid	**31**	29
Ratio of transactions outstanding for payment	**15**	25

(€m)	2024	2023
Total payments made	**187.8**	363.2
Total payments made within the legal term	**115.3**	339.7
Percentage over total payments	**80%**	94%
Total payments outstanding	**50.8**	36.3

Number of invoices	2024	2023
Number of invoices within the legal term	**7,013**	11,524
Percentage over total invoices	**85%**	88%

27. Provisions

(Euro 000's)	Other provisions	Legal costs	Rehabilitation costs	Total
31 Dec 2022/1 Jan 2023	1,435	226	23,374	25,035
Additions	-	1	-	1
Used of provision	(685)	-	(518)	(1,203)
Increase of provision	-	-	3,145	3,145
Finance cost (Note 9)	-	-	690	690
31 Dec 2023/1 Jan 2024	**750**	**227**	**26,691**	**27,668**
Additions	**-**	**230**	**-**	**230**
Used of provision	**-**	**(62)**	**(944)**	**(1,006)**
Transfer to other non-current Payables	**(750)**	**-**	**-**	**(750)**
Increase of provision	**-**	**-**	**3,274**	**3,274**
Finance cost (Note 9)	**-**	**-**	**828**	**828**
31 Dec 2024	**-**	**395**	**29,849**	**30,244**

(Euro 000's)	2024	2023
Non-Current	**29,328**	27,234
Current	**916**	434
Total	**30,244**	27,668

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 2024 was 3.23% (2023: 3.62%), which is the 15-year Spain Government Bond rate for 2024. An inflation rate of 2%-2.80% (2023: 1%-3.10%) is applied on annual basis.

In May 2024, Atalaya incorporated an update of its ore reserves based on an independent expert analysis in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Definition Standards on Mineral Resources and Mineral Reserves adopted by the CIM Council (the "CIM Standards"). This update has some impact on our financial statements and accounting estimates and reflects a revised understanding of the economic potential and operational requirements of our mining assets.

The expected payments for the rehabilitation work are as follows:

(Euro 000 's)	Between 1 – 5 Years	Between 6 – 10 Years	More than 10 years
Expected payments for rehabilitation of the mining site, discounted	5,167	19,612	5,070

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 2024. Management has reviewed individually each case and made a provision of €395k (€227k in 2023) for these claims, which has been reflected in these consolidated financial statements.

28. Leases

(Euro 000's)	31 Dec 2024	31 Dec 2023
Non-current		
Leases	**3,320**	3,877
	3,320	3,877
Current		
Leases	**481**	501
	481	501

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

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

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

	Right – of-use assets				
(Euro 000's)	Lands and buildings	Vehicles	Laboratory equipment	Total	Lease liabilities
As at 1 January 2024	**4,545**	**-**	**-**	**4,545**	**4,378**
Additions	-	-	-	-	-
Depreciation expense	(440)	-	-	(440)	-
Interest expense	-	-	-	-	30
Payments	-	-	-	-	(519)
Write-off	(148)			(148)	(88)
As at 31 December 2024	**3,957**	**-**	**-**	**3,957**	**3,801**

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

(Euro 000's) As at 31 December	Twelve month ended 31 Dec 2024	Twelve month ended 31 Dec 2023
Depreciation expense of right-of-use assets	**(440)**	(533)
Interest expense on lease liabilities	**(30)**	(25)
Total amounts recognised in profit or loss	**(470)**	**(558)**

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

The duration of the land and building lease is for a period of twelve years. Payments are due at the beginning of the month escalating annually on average by 1.5%. At 31 December 2024, the remaining term of this lease is six years. (Note 2).

Present value of minimum lease payments due	31 Dec 2024	31 Dec 2023
	€'000	€'000
Within one year	481	501
2 to 5 years	1,856	1,928
Over 5 years	1,464	1,949
	3,801	4,378

Minimum lease payments due	31 Dec 2024	31 Dec 2023
	€'000	€'000
Within one year	518	531
2 to 5 years	2,075	2,125
Over 5 years	1,729	2,285
	4,322	4,941

(Euro 000's)	Lease liability
Balance 1 January 2024	**4,378**
Additions	-
Interest expense	30
Lease payments	(519)
Write-off	(88)
Balance at 31 Dec 2024	**3,801**
Balance at 31 Dec 2024	
» Non-current liabilities	3,320
» Current liabilities	481
	3,801

29. Borrowings

(Euro 000's)	2024	2023
Non-current borrowings		
Credit facilities - fix interest	-	-
Credit facilities - variable interest	10,866	16,131
	10,866	16,131
Current borrowings		
Credit facilities - fix interest	-	5,626
Credit facilities - variable interest	6,921	44,930
	6,921	50,556

The Group had credit approval for unsecured facilities totalling €97.4 million (€103.8 million at 31 December 2023). During 2024, Atalaya drew down some of its existing credit facilities to finance the solar plant, payable amount of €13.9 million at 31 December 2024 (2023: €20.0m) and for the construction of a new part of the processing plant payable amount of €2.8 million at 31 December 2024 (2023: €nil).

Borrowing with fixed interest rates in 2023 was between a range of 2.00% and 2.45%. Margins on borrowings with variable interest rates, usually 3 months EURIBOR and 12 months EURIBOR, range from 0.75% to 2.25% with an average margin of 1.25%.

At 31 December 2024, the Group had used €17.8 million of its facilities and had undrawn facilities of €79.5 million.

29(a) Net debt reconciliation

Reconciliation of Liabilities Arising from Financing Activities

In accordance with IAS 7 paragraph 44D, the reconciliation below provides information on changes in liabilities arising from financing activities, including both cash and non-cash changes.

€'000	2024	2023
Cash and cash equivalents	52,878	121,007
Borrowings – repayable within one year	(6,921)	(50,556)
Borrowings – repayable after one year	(10,866)	(16,131)
Lease	(3,801)	(4,378)
Net debt	**31,290**	49,942

€'000	Cash	Borrowings	Lease	Total
Net debt as at 1 January 2023	**126,448**	**(73,363)**	**(4,914)**	**48,171**
Financing cash flows	(4,504)	-	-	(4,504)
Proceeds from borrowings	-	(36,730)	-	(36,730)
Repayment of borrowings	-	43,216	536	43,752
Foreign exchanges adjustments	(937)	-	-	(937)
Other changes				
Interest paid	-	2,607	25	2,632
Interest expense	-	(2,417)	(25)	(2,442)
Net debt as at 31 December 2023	**121,007**	**(66,687)**	**(4,378)**	**49,942**
Financing cash flows	(69,931)	-	-	(69,931)
Proceeds from borrowings	-	(3,000)	-	(3,000)
Repayment of borrowings	-	51,900	519	52,419
Foreign exchanges adjustments	1,802	-	-	1,802
Other changes				
Interest paid	-	1,131	30	1,161
Interest expense	-	(1,131)	(30)	(1,161)
Other changes	-		58	58
Net debt as at 31 December 2024	**52,878**	**(17,787)**	**(3,801)**	**31,290**

(*) The comparative figures of the cash flow statement includes further breakdown in respect comparative figures, breaking down loan proceeds and repayments for a better understanding of the movement.

30. Acquisition, incorporation and disposals of subsidiaries

2024

Acquisition and incorporation of subsidiaries

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

Disposals of subsidiaries

There were no disposals of subsidiaries during the year.

Wind-up of subsidiaries

There were no disposals of subsidiaries during the year.

2023

Acquisition and incorporation of subsidiaries

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

Disposals of subsidiaries

There were no disposals of subsidiaries during the year.

Wind-up of subsidiaries

There were no disposals of subsidiaries during the year.

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 Copper SA	Holding	United Kingdom	100%
Atalaya Financing Ltd	Atalaya Mining Copper SA	Financing	Cyprus	100%
Atalaya MinasdeRiotinto Project (UK) Ltd	Atalaya Mining Copper SA	Holding	United Kingdom	100%
EMED Marketing Ltd	Atalaya Mining Copper SA	Trading	Cyprus	100%
Atalaya Riotinto Minera S.L.U.	Atalaya MinasdeRiotinto Project (UK) Ltd	Production	Spain	100%
Eastern Mediterranean Exploration and Development S.L.U.	Atalaya MinasdeRiotinto Project (UK) Ltd	Dormant	Spain	100%
Cobre San Rafael, S.L.[39]	Atalaya Touro (UK) Ltd	Exploration	Spain	10%
Recursos Cuenca Minera S.L.U.	Atalaya Riotinto Minera SLU	Dormant	Spain	J-V
Fundacion Atalaya Riotinto	Atalaya Riotinto Minera SLU	Trust	Spain	100%
Atalaya Servicios Mineros, S.L.U.	Atalaya MinasdeRiotinto Project (UK) Ltd	Holding	Spain	100%
Atalaya Masa Valverde S.L.U.	Atalaya Servicios Mineros, S.L.U.	Exploration	Spain	100%
Atalaya Ossa Morena S.L.U.[40]	Atalaya Servicios Mineros, S.L.U.	Exploration	Spain	99.9%
Iberian Polimetal S.L.U.	Atalaya Servicios Mineros, S.L.U.	Dormant	Spain	100%

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

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

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

The following transactions were carried out with related parties:

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:

(Euro 000's)	2024	2023
Directors' remuneration and fees	**1,275**	1,092
Director's bonus[41]	**294**	322
Share option-based benefits to Directors	**409**	190
Key management personnel remuneration[42]	**598**	588
Key management bonus[41]	**325**	221
Share option-based and other benefits to key management personnel	**409**	190
	3,215	2,603

(41) These amounts related to the performance bonus for 2024 (and 2023 in respect of the comparatives) approved by the Board of Directors following the proposal of the Remuneration Committee.

In the 2023 financial statements, the amount disclosed related to the bonus paid in the year in respect of the preceding year as the 2023 bonus had not yet been decided by the Board of Directors at the time the financial statements were approved. As the bonus for 2024 has been approved as explained above, this amount has been disclosed for 2024. The bonus disclosed for 2023 remains stated at the amount actually paid in that year in respect of 2022. The bonus in respect of 2023 was €327k for the Executive Director and €247k for other key management.

(42) Includes wages and salaries of key management personnel of €568k (2023: €568k) and other benefits of €30k (2023: €20k).

At 31 December 2024 amounts due to Directors, as from the Company, are €nil (€nil at 31 December 2023) and €nil (€nil at 31 December 2023) to key management.

Share-based benefits

In 2024, the Company granted a total of 800,000 share options to Persons Discharging Managerial Responsibilities (PDMRs) with an exercise price of 413.5 pence per share and an expiry date of 10 June 2029 under the Long Term Incentive Plan 2020 (LTIP20), which was approved by share-holders at the Annual General Meeting on 25 June 2020.

In 2023, the Company granted a total of 800,000 share options to Persons Discharging Managerial Responsibilities (PDMRs) with an exercise price of 327.0 pence per share and an expiry date of 21 May 2028 under the Long Term Incentive Plan 2020 (LTIP20), which was approved by shareholders at the Annual General Meeting on 25 June 2020.

Both grants vest in three equal tranches—one-third on grant, with the remaining balance vesting equally on the first and second anniversaries of the grant date.

During 2024 the Directors and key management personnel have not been granted any bonus shares (2023: nil).

Conflict of interest

In order to avoid situations of conflict of interests of the parent company, during the year Directors who have held positions as company director have complied with the obli-gations provided for in article 228 of the Revised Text of the Spanish Capital Enterprises Act. Furthermore, Directors or related to them have abstained from incurring in the cases of conflict of interest provided for in article 229 the Spanish Capital Enterprises Act, except in cases where the corre-sponding authorization has been obtained.

31.3 Transactions with shareholders and related parties

(Euro 000's)	2024	2023
Trafigura Pte Ltd – Revenue from contracts (a)	**73,433**	78,723
Gains/(Losses) relating provisional pricing within sales	**(3,757)**	1,308
	69,676	80,031
Impala Terminals Huelva S.L.U. - Port Handling and Warehousing services (b)	**(2,201)**	(2,431)
Related parties - total amounts from contracts	**67,475**	77,600

(a) Offtake agreement and spot sales to Trafigura

Offtake agreement

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

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

During 2024, the Company completed 10 sales transactions under the terms of the Offtake Agreements valued at €71.6 million (2023: 6 sales valued at €36.9 million).

Spot Sales Agreements

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

In 2024, the Company did not complete any spot sales with Trafigura; however, €1.0 million in sales was recognised through amendments to its existing offtake agreement following QP closures during the year. (2023: 2 spot sales valued at €43.1 million).

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

(b) Port Handling and Warehousing services

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

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

As at year end 31 December 2024 and 2023, Impala Termi-nals was part of the Trafigura Group, under joint control.

During 2023, management carried out a reassessment of its relationship with Impala Terminals in accordance with IAS 24 requirements and concluded that Impala Terminals is a related party of the Group. These transactions with related parties are at arm's length basis in a similar manner to trans-actions with third parties.

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

31.4 Year-end balances with shareholders and their joint ventures

(Euro 000's)	31 Dec 2024	31 Dec 2023
Receivable from shareholder (Note 20)		
Trafigura Pte. Ltd		
» Debtor balance- subject to provisional pricing	**1,042**	5,054
	1,042	5,054
Payable from joint venture of shareholder (Note 26)		
Impala Terminals Huelva S.L.U. - Payable balance	**(109)**	(179)
	(109)	(179)

The above debtor balance arising from the agreements between Trafigura and Impala (Note 31.3), bear no interest and is repayable on demand.

32. Auditor's remuneration

The fees for the years to 31 December 2024 and 31 December 2023, for audit and non-audit services provided by the auditor of the Group's consolidated financial statements and of certain individual financial statements of the consolidated companies, PricewaterhouseCoopers Auditores, S.L., and by companies belonging to PwC's network, were as follows:

(Euro 000's)	2024	2023*
Fees payable for the audit of the Group and individual accounts	**401**	**452**
Other non-audit services**	**70**	-
	471	452

* For the year 2023, the Group's auditor was Ernst & Young Cyprus Limited, along with companies within the EY network.

** Included Non-Financial Information Statement and Transfer Pricing Report in 2024. These reports were contracted and performed before PwC's appointment.

For the year 2024, the audit services related to the audit of the British subsidiaries were performed by Rayner Essex LLP, amounting to GBP 35 thousand.

33. 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.

34. 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.

35. Significant events

Ongoing geopolitical events are impacting the global economy, but the full implications cannot yet be predicted. Key impacts include higher and more volatile input costs and disruptions to freight and logistics. The financial consequences of these events cannot be estimated with any reasonable degree of certainty at this stage.

- On 9 February 2024, the Company issued 20,000 ordinary shares of 7.5p in the Company pursuant to an exercise of share options by a former employee.
- On 25 April 2024, BlackRock, Inc., shareholder of the Company, decreased its voting rights from 4.07% to 4.05%, and on 26 April decreased its voting rights to 3.97%.
- Following the publication the prospectus in relation to the admission of its ordinary shares ("Ordinary Shares") to the premium listing segment of the Official List of the Financial Conduct Authority ("FCA"), which took place on 24 April 2024, Atalaya was admitted to the premium listing segment and to trading on London Stock Exchange plc's main market for listed securities (together, "Admission") on 29 April and cancelled from trading on AIM.
- On 7 May 2024, the Company issued 66,500 ordinary shares of 7.5p in the Company pursuant to an exercise of share options by non-PDMr. employees.
- On 22 May 2024, the Company issued 600,000 ordinary shares of 7.5p in the Company pursuant to an exercise of share options by a PDMr. employee.
- On 12 June 2024, the Company announced that in accordance with the Company's Long Term Incentive Plan 2020 which was approved by shareholders at the Annual General Meeting on 25 June 2020, it has granted 1,305,000 share options to PDMr. and other management.
- On 27 June 2024, the Company issued 193,334 ordinary shares of 7.5p in the Company pursuant to an exercise of share options by an employee.
- On 17 July 2024, Cobas Asset Management SGIIC, S.A., shareholder of the Company, increased its voting rights from 10.04% to 15.04%.
- Following the approval of Resolution 10 by the Company's shareholders at its 2024 Annual General Meeting, which took place on 27 June 2024, the 2023 Final Dividend of US$0.04 per ordinary share was paid on 9 August 2024.
- On 13 August 2024, the Company's Board of Directors elected to declare a 2024 Interim Dividend of US$0.04 per ordinary share, which is equivalent to approximately 3.1 pence per share. Dividend was paid on 19 September 2024.
- On 15 October 2024, the Company announced that Neil Gregson, Chairman of the Company, purchased 5,000 ordinary shares in Atalaya at an average price of 343.0 pence per share.
- On 29 October 2024, the Company announced that Carole Whittall was succeeding Hussein Barma as Chair of the Audit Committee of its Board of Directors with immediate effect.
- On 19 November 2024, the Company entered into two binding agreements with Mineral Prospektering i Sverige AB ("MPS") to earn a 75% interest in the Skellefte Belt Project and Rockliden Project in Sweden, both located in highly prospective VMS districts. Atalaya committed US$3 million over 24 months, with the option to invest up to a further US$9 million in each project. Initial exploration identified key targets, with drilling planned for the winter season.
- On 2 December 2024, Atalaya was notified that Jesús Fernández, a PDMR, purchased 13,912 ordinary shares at an average price of 350.0 pence per share. Following this purchase, Mr. Fernández held a total of 106,412 ordinary shares, representing 0.076% of the Company's issued share capital.
- On 22 December 2024, the Company granted 150,000 share options under its Long Term Incentive Plan 2020 (LTIP2020), approved by shareholders on 25 June 2020. The options expire on 21 December 2029, have an exercise price of 333.50 pence per share, and vest in three equal tranches—one-third on grant, with the remainder vesting equally on the first and second anniversaries of the grant date.

36. Events after the reporting period

- On 10 January 2025, Atalaya Mining Copper, S.A. (formerly Atalaya Mining Plc) completed its re-domiciliation to Spain. Trading under the new name became effective at 8:00 AM, and the nominal value of shares changed from 7.5p to €0.09.
- On 15 January 2025, the Board announced the appointment of María del Coriseo ("Coriseo") González-Izquierdo Revilla as an independent non-executive director, effective 14 January 2025.
- On 31 January 2025, Atalaya received notification that Neil Gregson, Non-Executive Chair, purchased 2,800 ordinary shares of €0.09 nominal value at an average price of 347.28 pence per share.

04 Additional information

Glossary of Terms

The following definitions and terms are used throughout this Annual Report.

Currency abbreviations

US$ / USD or $
US Dollars

$000
Thousand US dollars

$m
Million US Dollars

£
Sterling Pound

£000
Thousand Sterling Pounds

£m
Million Sterling Pounds

€ / EUR
Euro

€000 / €k
Thousand Euros

€m
Million Euros

€nil
Zero Euros

FY2024
Twelve month period ended 31 December 2024

FY2023
Twelve month period ended 31 December 2023

Definitions and conversion table

lb
Pound

Oz
Troy ounce

‘000 m^3
Thousand cubic metres

t
Tonne

DMT
Dry Metric Tonne

‘000 tonnes
Thousand metric tonnes

1 Kilogramme/ (kg)
2.2046 pounds

1000 Kilogrammes/ (´000 kg)
2,204.6 pounds

1 Kilometre (km)
0.6214 miles

1 troy ounce
31.1 grams

Ha
Hectare

ft
Foot

Chemical Symbols

Cu
Copper

Ag
Silver

Au
Gold

Fe
Iron

Business, Finance and Accounting Definitions and conversion table

AAU
Autorización Ambiental Unificada (Unified Environmental Declaration)

Atalaya or the Company
Atalaya Mining Copper, S.A.

Atalaya Group or Group
Atalaya Mining Copper, S.A. and its subsidiaries

AC
Audit Committee

AGM
Annual General Meeting

AIM
Alternative Investment Market of the London Stock Exchange

AISC
All-in Sustaining Cost

AMV
Atalaya Masa Valverde, S.L.

AR
Annual Report

ARM
Atalaya Riotinto Minera, S.L.U.

AMP
Atalaya Minasderiotinto Project (UK) Limited

Articles
The articles of association of Atalaya Mining Plc.

ATYM
Atalaya Mining Plc

Average head grade
Average ore grade fed into the mill, expressed in % of weight

BoD or Board of Directors
The Board of Directors of the Company

CAPEX
Capital Expenditure

Cash Cost
The cost to produce one pound of copper

CEO
Chief Executive Officer

C. Eng
Chartered Engineer

CFO
Chief Financial Officer

COO
Chief Operational Officer

COF
Cost of Freight

CIF
Cost Insurance and Freight

CIT
Corporate Income Tax

CIP
Carriage and Insurance paid to

CGU
Cash Generating Unit

CGNCC
Corporate Governance, Numeration and Compensation Committee

Code of Conduct
Atalaya's Code of Business Conduct and Ethics

Cont.
Continued

CSR
Cobre San Rafael S.L.

Directors
The Directors of Atalaya for the reporting period

EBITDA
Earnings Before Interest Tax Depreciation and Amortisation

ECL
Expected Credit Loss

EeA
Ecologistas en Accion

EGC
Explotaciones Gallegas del Cobre S.L.

EGM
Extraordinary General Meeting

EIR
Effective Interest Rate Method

E-LIX
E-LIX System

EMED TARTESSUS
Eastern Mediterranean Exploration & Development TARTESSUS S.L.

Etc.
Et cetera

EU
European Union

FCA
Financial Conduct Authority

FIFO
First In First Out

Financial statements
Consolidated and company financial statements of Atalaya Mining Plc.

FOB
Free on Board

FV
Fair Value

FVOCI
Fair Value Through Other Comprehensive Income

FVPL
Fair Value Through Profit or Loss

FY
Fiscal year

GAAP
Generally Accepted Accounting Policies

Group
Atalaya Mining plc and its subsidiaries

H1, H2
Six month periods ending 30th June and 31st December

IAS
International Accounting Standards

ie.
Id est (explanatory information)

IFRS
International Financial Reporting Standards

Impala Terminals
Impala Terminals Huelva S.L.U.

IPO
Initial Public Offering

JdA
Junta de Andalucía

KPI´s
Key Performance Indicators

LDC
Louis Dreyfus Company

LIBOR
The British Bankers' Association Interest Settlement Rate for the relevant currency

LITFR
Lost Injury Time Frequency Rate

Ltd.
Limited

LLC
Limited Liability Company

LP
Limited partnership

LOM
Life of mine

London Stock Exchange / LSE
London Stock Exchange plc

MBA
Master's in Business Administration

n.a.
Not available

NED´s
Non-Executive Directors

NGC
Nomination and Governance Committee

NPV
Net Present Value

Nr
Number

N/A
Non Applicable

OCI
Other Comprehensive Income

Ordinary Shares
Ordinary Shares of 10 pence each in the capital of the Company

PDMR
Persons Discharging Managerial Responsibilities

PEA
Preliminary Economic Assessment

Phase I
The first phase of an industrial-scale plant that utilises the E-LIX System

Ph.D.
Doctor of Philosophy

PRC
Physical Risk Committee

PFS
Pre-Feasibility Study

Plc.
Public limited company

POM
Proyecto Ossa Morena

PP&E
Plant, property and equipment

P&L
Profit and Loss

P&P reserves
Proven and Probable reserves

Q1, Q2, Q3, Q4
Three month periods ending 31st March, 30th June, 30th September and 31st December

QCA
Quoted Companies Alliance

QP
Quotation Period

RC
Remuneration Committee

RNN
Rio Narcea Nickel, S.L.

SIC
Standard Interpretations Committee which was endorsed by the IAS

Shareholders
Holders of Ordinary Shares

SL
Sociedad Limitada (private limited company)

SLU
Sociedad Limitada Unipersonal (limited partnership)

SC
Sustainability Committee

TSX
Toronto Stock Exchange

UK Corporate Governance Code
the 2018 UK Corporate Governance Code published by the Financial Reporting Council, as amended from time to time

United Kingdom or UK
the United Kingdom of Great Britain and Northern Ireland

United States or US
the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia

UOP
Unit of Production

VAT
Value Added Tax

WC
Working Capital

XGC
Yanggu Xiangguang Copper Co. Ltd

Mining terms

Average head grade
Average ore grade fed into the mill, expressed in % of weight

Concentrate
A fine powdery product of the milling process containing a high percentage of valuable metal

Contained copper
Represents total copper in a mineral reserve before reduction to account for tonnes not able to be recovered by the applicable metallurgical process

Grade
The amount of metal in each tonne of ore, expressed as a percentage of valuable metal

Mtpa
Million tonnes per annum

NI 43-101
National Instrument 43-101, standard of disclosure for mineral projects according to Canadian guidelines

Open pit
A mine where the minerals are mined entirely from the surface. Also referred to as open-cut or open-cast mine

Ore body
A sufficiently large amount of ore that can be mined economically

P&P Reserves
Proven and Probable reserves

Stripping
Removal of overburden or waste rock overlying an ore body in preparation for mining by open pit methods

Tailings
Materials left over after the process of separating the valuable fraction from the uneconomic fraction of an ore

TC/RC
Treatment Charge and Refinement Charge

VTEM
Versatile Time Electomagnetic Mapping

3D
Three Dimensional

Shareholder Enquiries

Registered office:

Atalaya Mining Copper, S.A.
Paseo de las Delicias, 1, 3
41001, Sevilla (Spain)

Board of Directors:

Neil Gregson.................................. Independent Non-executive Chair
Kate Harcourt................................. Senior Independent Non-executive Director
Alberto Lavandeira......................... Managing Director and CEO
Hussein Barma............................... Independent Non-executive Director
Jesús Fernández............................ Non-executive Director
Coriseo Gonzalez-Izquierdo.......... Independent Non-executive Director
Stephen Scott................................ Independent Non-executive Director
Carole Whittall.............................. Independent Non-executive Director

Frances Robinson .... Non-director Company secretary

Corporate brokers

Canaccord Genuity Limited
88 Wood Street
London EC2V 7QR
+44 (0)20 7523 4500

BMO Capital Markets
100 Liverpool Street
London, EC2M 2RH
+44 (0) 20 7236 1010

Peel Hunt LLP
100 Liverpool Street
London, EC2M 2AT
+44 (0)20 7418 8900

Investor Relations

Michael Rechsteiner
Hamilton House
1 Temple Avenue
London EC4Y 0HA
+34 959 59 28 50

Public Relations

Elisabeth Cowell
SEC Newgate UK Limited
14 Greville Street
London EC1N 8SB
+44 (0)20 3757 6882

Registrars

Sociedad de Gestión de los Sistema de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear)
Plaza de la Lealtad, 1
28014 Madrid
Spain

Depositary / transfer agent

Europe:
Euroclear SA/NV
1 Boulevard du Roi Albert II
1210 Brussels
Belgium

United Kingdom
Euroclear UK & International Ltd.
33 Cannon Street
London
EC4M 5SB

Group Auditor:

PricewaterhouseCoopers Auditores, S.L.
Paseo de la Castellana, nº259
28046 Madrid
Spain

2024

Annual Report

For the year ended 31 December 2024

ATALAYA MINING

Spain office
La Dehesa s/n
Minas de Riotinto,
21660 - Huelva, Spain

Registered office
Atalaya Mining Copper, S.A.
Paseo de las Delicias, 1, 3
41001, Sevilla (Spain)

Cyprus office
121 Prodromou Street, 7th Floor
Office 705, 2064
Strovolos - Nicosia, Cyprus

atalayamining.com