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15 May 2023

Atalaya Mining Plc.

("Atalaya" or "the Company")

Q1 2023 Financial Results

Positive start to 2023 supports optimism for full year production and costs

Atalaya Mining Plc (AIM: ATYM) is pleased to announce its unaudited quarterly results for the three months ended 31 March 2023 ("Q1 2023" or "Period"), together with its unaudited interim financial statements for Q1 2023.

Highlights

- Positive financial performance including EBITDA of €24.4 million
- Copper production of 12.1 kt at AISC of $3.12/lb Cu, despite the decision to bring forward plant maintenance activities into Q1 2023
- The publication of the new Riotinto PEA and grant of environmental permits at Masa Valverde reinforce Atalaya's optionality and growth potential in the Riotinto District
- Continued investments made in growth, cost reductions and decarbonisation, including exploration, E-LIX Phase I and the 50 MW solar plant
- Balance sheet remains strong with net cash of €55.3 million
- On track to meet full year 2023 outlook due to steady operational performance and improved electricity prices

Q1 2023 Financial Results Summary

Period ended 31 March		**Q1 2023**	Q1 2022
Revenues from operations	€k	**91,171**	86,251
Operating costs	€k	**(66,766)**	(59,539)
EBITDA	**€k**	**24,405**	26,712
Profit for the Period	€k	**11,104**	18,257
Basic earnings per share	€ cents/share	**8.1**	13.5
Cash flows from operating activities	€k	**12,362**	28,298
Cash flows used in investing activities	€k	**(8,811)**	(7,552)
Cash flows from financing activities	€k	**(9,431)**	(2,378)
Net Cash position [(1)]	€k	**55,263**	86,836
Working capital surplus	€k	**85,336**	120,124
Average realised copper price (excluding QPs closed in the Period)	**US$/lb**	**4.00**	4.50
Cu concentrate produced	tonnes	**57,670**	54,209
Cu production	tonnes	**12,139**	11,461
Cash costs	**US$/lb payable**	**2.88**	3.33

All-In Sustaining Cost ("AISC")	**US$/lb payable**	**3.12**	3.59

(1) Includes restricted cash and bank borrowings at 31 March 2023 and 31 March 2022.

Alberto Lavandeira, CEO, commented:

"We are pleased to have begun 2023 with a positive first quarter. Our operational performance was consistent with expectations and significantly reduced electricity prices have helped to deliver lower AISC and solid EBITDA for the period.

We remain conscious of the ongoing input cost inflation that is affecting the mining sector, but we believe these pressures will provide support to the copper price over the medium and longer term.

Atalaya benefits from a diversified portfolio of growth projects in Spain, including higher grade orebodies such as San Dionisio and Masa Valverde, past producing projects like Touro and significant exploration ground in areas with established infrastructure and a long mining history. Together, these assets provide growth optionality at a time when high quality copper projects are becoming increasingly scarce."

Investor Presentation Reminder

Alberto Lavandeira (CEO) and César Sánchez (CFO) will be holding a live presentation relating to the Q1 2023 results via the Investor Meet Company platform on Friday, 19 May 2023 at 11:30 BST (previously scheduled for Thursday, 18 May 2023).

To register, please visit the following link and click "Add to Meet" Atalaya via:

https://www.investormeetcompany.com/atalaya-mining-plc/register-investor

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

Q1 2023 Operating Results Summary

Units expressed in accordance with the international system of units (SI)	**Unit**	**Q1 2023**	Q1 2022
Ore mined	t	**3,421,556**	3,954,647
Waste mined	t	**6,516,903**	6,838,631
Ore processed	t	**3,723,853**	3,547,487
Copper ore grade	%	**0.38**	0.37
Copper concentrate grade	%	**21.05**	21.14
Copper recovery rate	%	**86.88**	86.07
Copper concentrate	tonnes	**57,670**	54,209
Copper contained in concentrate	tonnes	**12,139**	11,461
Payable copper contained in concentrate	tonnes	**11,563**	10,918

Mining

Ore mined was 3.4 million tonnes in Q1 2023 (Q1 2022: 4.0 million tonnes).

Waste mined was 6.5 million tonnes in Q1 2023 (Q1 2022: 6.8 million tonnes).

Overall material movements in Q1 2023 were in line with budget, although waste mining was prioritised in order to align ore mining rates with plant capacity during the Period.

Processing

The plant processed 3.7 million tonnes of ore during Q1 2023 (Q1 2022: 3.5 million tonnes). Throughput rates during the Period were impacted by the decision to bring forward a scheduled plant maintenance shutdown from April 2023 to March 2023. The Q1 2022 quarter was impacted by temporary plant shutdown associated with the transport sector strike.

Copper grade was 0.38% in Q1 2023 (Q1 2022: 0.37%) as a result of pit sequencing into a previously mined-out area containing backfill during the Period.

Copper recoveries in Q1 2023 were 86.88% (Q1 2022: 86.07%) due to favourable ore characteristics during the Period.

Production

Copper production was 12,139 tonnes in Q1 2023 (Q1 2022: 11,461 tonnes). Production previously anticipated for Q1 2023 is now expected in Q2 2023, as a result of the rescheduling of plant maintenance activities.

On-site copper concentrate inventories at the end of Q1 2023 were approximately 1,564 tonnes. All concentrate in stock at the beginning of the Period was delivered to the port at Huelva.

Copper contained in concentrates sold was 12,501 tonnes in Q1 2023 (Q1 2022: 10,304 tonnes).

Cash Costs and AISC Breakdown

$/lb Cu payable	**Q1 2023**	Q1 2022
Mining	**0.83**	0.86
Processing	**0.97**	1.42
Other site operating costs	**0.52**	0.59
Total site operating costs	**2.32**	2.87
By-product credits	**(0.09)**	(0.07)
Freight, treatment charges and other offsite costs	**0.65**	0.53
Total offsite costs	**0.56**	0.46
Cash costs	**2.88**	3.33
Cash costs	**2.88**	3.33
Corporate costs	**0.07**	0.12
Sustaining capital (excluding one-off tailings expansion)	**0.01**	0.04
Capitalised stripping costs	**0.08**	0.03
Other costs	**0.08**	0.06
Total AISC	**3.12**	3.59

Cash costs were $2.88/lb payable copper in Q1 2023 (Q1 2022: $3.33), with the decrease due to lower costs associated with electricity and other supplies and higher production volumes, partially offset by higher offsite costs.

AISC were $3.12/lb payable copper in Q1 2023 (Q1 2022: $3.59/lb). The decrease in AISC was driven by the same factors that lowered cash costs, mainly lower electricity costs. AISC excludes one-off investments in the tailings dam, consistent with prior reporting.

Q1 2023 Financial Results Highlights

Income Statement

Revenues were €91.2 million in Q1 2023 (Q1 2022: €86.3 million). Higher revenues were the result of higher copper concentrate volumes sold during the Period, partially offset by lower realised copper prices.

The realised copper price (excluding QPs) was $4.00/lb in Q1 2023 (Q1 2022: $4.50/lb).

Operating costs were €66.8 million in Q1 2023 (Q1 2022: €59.5 million) due to higher input costs other than electricity, which has decreased since the peak levels were reached following the start of the conflict in Ukraine.

EBITDA was €24.4 million in Q1 2023 (Q1 2022: €26.7 million) as higher copper sales were offset by higher operating costs and a lower copper price.

Profit after tax was €11.1 million in Q1 2023 (Q1 2022: €18.3 million) or 8.1 cents per basic share (Q1 2022: 13.5 cents per basic share). Earnings were impacted by the same factors as EBITDA, as well as by adverse foreign exchange differences and higher finance costs.

Cash Flow Statement

Cash flows from operating activities before changes in working capital were positive €24.1 million in Q1 2023 (Q1 2022: positive €26.9 million) and positive €12.4 million after working capital changes (Q1 2022: positive €28.3 million).

Cash flows used in investing activities were €8.8 million in Q1 2023 (Q1 2022: €7.6 million). Investments in Q1 2023 included €0.3 million in sustaining capex (Q1 2022: €0.9 million), €1.9 million in capitalised stripping (Q1 2022: €0.7 million), €3.4 million to increase the capacity of the tailings dam (Q1 2022: €2.5 million), €1.6 million for the 50 MW solar plant (Q1 2022: €0.4 million) and €3.3 million for the E-LIX Phase I plant (Q1 2022: €4.6 million), of which €1.9 million was booked as long-term loans to Lain Technologies Ltd.

Cash flows from financing activities were negative €9.4 million in Q1 2023 (Q1 2022: negative €2.4 million) due to repayments made under the Company's credit facilities.

Balance Sheet

Despite ongoing input cost pressures and the investments in exploration and the E-LIX and 50 MW solar plants, the Company's balance sheet remains strong with consolidated cash and cash equivalents of €119.3 million at 31 March 2023.

Net of current and non-current borrowings of €64.1 million, net cash was €55.3 million as at 31 March 2023, compared with €53.1 million as at 31 December 2022.

Total working capital was €85.3 million at 31 March 2023, compared to €84.0 million as at 31 December 2022.

Energy Prices

Realised Prices During the Period

In Q1 2023, market electricity prices were significantly lower than the levels experienced during 2022, thanks to lower gas prices in Europe and mild weather.

When including the contribution from the Company's 10-year power purchase agreement ("PPA") which entered into effect at the start of 2023, realised electricity prices in Q1 2023 were around 50% lower than the Company's average realised electricity price in 2022.

Renewable Energy Projects

The Company continues to advance construction of its 50 MW solar plant at Riotinto, which is expected to provide approximately 22% of its current electricity needs when fully operational. All major materials are on site, civil works are under way and start-up is expected in late 2023. Combined, the 50 MW solar plant and long-term PPA will provide over 50% of the Company's current electricity requirements at a rate below historical prices in Spain. The 50 MW solar plant will also have a significant positive impact on Atalaya's Scope 2 GHG emissions and will contribute to the decarbonisation of the operations.

The Company also continues to evaluate additional renewable power initiatives that could deliver further low cost and carbon-free electricity for its operations at Riotinto, including the installation of wind turbines. These initiatives could further reduce the Company's overall GHG emissions.

Outlook for 2023

The Company remains on track to achieve the full year 2023 guidance it announced in March 2023 as part of its 2022 Annual Results, including copper production guidance of 53,000 to 55,000 tonnes of copper at cash costs of $2.80 to $3.00/lb copper payable and AISC of $3.00 to $3.20/lb copper payable.

Asset Portfolio Update

Proyecto Riotinto

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

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

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

In April 2023, the Company was granted a substantial modification of the existing Unified Environmental Authorisation (or in Spanish, Autorización Ambiental Unificada ("AAU")) for Proyecto Riotinto by the Junta de Andalucía. This allows for the expansion of tailings capacity at Riotinto and represents an important step towards developing regional deposits such as San Dionisio and San Antonio.

E-LIX Phase I Plant

Construction activities at the E-LIX Phase I plant continue, with commissioning activities expected in H2 2023.

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

Riotinto District - Proyecto Masa Valverde ("PMV")

In March 2023, the Company announced that PMV was granted the AAU by the Junta de Andalucía, following an application process that was initiated by the Company in December 2021. The AAU is an integrated process that combines the Environmental

Impact Assessment and other authorisations and specifies requirements to avoid, prevent and minimise a project's impacts on the environment and the cultural heritage of the area.

The Company will now file for the exploitation permit which, once granted, will allow for project development to begin. Meanwhile, evaluation work will continue including further metallurgical testing.

In addition, three core rigs are active and focused on step-out drilling at the Masa Valverde deposit, resource definition drilling at the Campanario Trend and step-out drilling around the new discovery made at the Mojarra Trend. The last comprehensive update on recent exploration results at these targets was announced in November 2022.

An airborne gravity gradiometry ("AGG") and magnetic survey covering the entirety of PMV has been completed. Final results were received, and first drill testing of selected anomalies is planned to begin during Q2 2023.

Proyecto Touro

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

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

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

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

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

Proyecto Ossa Morena

Drilling continued to progress with one rig at the Guijarro-Chaparral gold-copper project, located in the central part of the district. Drilling at the flagship Alconchel-Pallares copper-gold project is expected to commence during Q3 2023.

Proyecto Riotinto East

An airborne gravity gradiometry and magnetic survey covering the entire project was completed. Final results were received and first drill testing of selected anomalies is planned to start during Q2 2023.

Corporate Matters

During the Period, the Company's ordinary shares were delisted from the Toronto Stock Exchange ("TSX") following a voluntary application made by the Company. The objective was to reduce the financial costs and administrative requirements associated with the TSX listing, where minimal trading volumes have taken place in recent years. The TSX delisting has no impact on the Company's ordinary shares, which continue to trade on the AIM market of the London Stock Exchange.

Financial Statements

The Unaudited Interim Condensed Consolidated Financial Statements for the three months ended 31 March 2023 are also available under the Company's profile on SEDAR at www.sedar.com and on Atalaya's website at www.atalayamining.com.

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About Atalaya Mining Plc

Atalaya is an AIM-listed mining and development group which produces copper concentrates and silver by-product at its wholly owned Proyecto Riotinto site in southwest Spain. Atalaya's current operations include the Cerro Colorado open pit mine and a modern 15 Mtpa processing plant, which has the potential to become a central processing hub for ore sourced from its wholly owned regional projects around Riotinto that include Proyecto Masa Valverde and Proyecto Riotinto East. In addition, the Group has a phased earn-in agreement for up to 80% ownership of Proyecto Touro, a brownfield copper project in the northwest of Spain, as well as a 99.9% interest in Proyecto Ossa Morena. For further information, visit www.atalayamining.com

ATALAYA MINING PLC
MANAGEMENT'S REVIEW AND

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
31 March 2023

Management's review

(All amounts in Euro thousands unless otherwise stated)
For the three months period ended 31 March 2023 and 2022 - (Unaudited)

Notice to Reader

The accompanying unaudited, condensed, interim consolidated financial statements of Atalaya Mining Plc have been prepared by and are the responsibility of Atalaya Mining Plc's management.

Introduction

This report provides an overview and analysis of the financial results of operations of Atalaya Mining Plc and its subsidiaries ("Atalaya" and/or "Group"), to enable the reader to assess material changes in the financial position between 31 December 2022 and 31 March 2023 and results of operations for the three months ended 31 March 2023 and 2022.

This report has been prepared as of 15 May 2023. The analysis, hereby included, is intended to supplement and complement the unaudited interim condensed consolidated financial statements and notes thereto ("Financial Statements") as at and for the period ended 31 March 2023. The reader should review the Financial Statements in conjunction with the review of this report and with the audited, consolidated financial statements for the year ended 31 December 2022. These documents can be found on Atalaya's website at www.atalayamining.com.

Atalaya prepares its Annual Financial Statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by EU and its Unaudited Interim Condensed Consolidated Financial Statements in accordance with International Accounting Standards 34: Interim Financial Reporting. The currency referred to in this document is the Euro, unless otherwise specified.

Forward-looking statements

This report may include certain "forward-looking statements" and "forward-looking information" under applicable securities laws. Except for statements of historical fact, certain information contained herein 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 that all required third party regulatory and governmental approvals will be obtained. Many of these assumptions are based on factors and events that are not within the control of Atalaya and there is no assurance they will prove to be correct. Factors that could cause actual results to vary materially from results anticipated by such forward-looking statements include changes in market conditions and other risk factors discussed or referred to in this report and other documents filed with the applicable securities regulatory authorities. Although Atalaya has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Atalaya undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements.

1. Incorporation and description of the Business

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

The Company was listed on AIM of the London Stock Exchange ("AIM") in May 2005 under the symbol ATYM. The Company continued to be listed on AIM as at 31 March 2023.

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

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

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

Proyecto Riotinto

The Company owns and operates through a wholly owned subsidiary, "Proyecto Riotinto", an open-pit copper mine located in the Iberian Pyrite Belt, in the Andalusia region of Spain, approximately 65 km northwest of Seville. A brownfield expansion of this mine was completed in 2019 and successfully commissioned by 31 March 2020.

Proyecto Touro

The Group has an initial 10% stake in Cobre San Rafael, S.L., the owner of Proyecto Touro, as part of an earn-in agreement which will enable the Group to acquire up to 80% of the copper project. Proyecto Touro is located in Galicia, north-west Spain. Proyecto Touro is currently in the permitting process.

In November 2019, Atalaya executed the option to acquire 12.5% of Explotaciones Gallegas del Cobre, S.L. the exploration property around Touro, with known additional mineralisation, which will add to the potential of Proyecto Touro.

Proyecto Masa Valverde

On 21 October 2020, the Company announced that it entered into a definitive purchase agreement to acquire 100% of the shares of Cambridge Mineria España, S.L. (since renamed Atalaya Masa Valverde, S.L.U.), a Spanish company which fully owns the Masa Valverde polymetallic project located in Huelva (Spain). Proyecto Masa Valverde is currently in the permitting process.

Proyecto Riotinto Este

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

Proyecto Ossa Morena

In December 2021, Atalaya announced the acquisition of a 51% interest in Rio Narcea Nickel, S.L., which owns 17 investigation permits. The acquisition also provided a 100% interest in three investigation permits that are also located along the Ossa-Morena Metallogenic Belt. In July 2022, Atalaya increased its stake in the company to 99.9% as a result of an equity raise to fund the exploration activities under the investigation permits.

2. Overview of Operational Results

Proyecto Riotinto

The following table presents a summarised statement of operations of Proyecto Riotinto for the three months ended 31 March 2023 and 2022, respectively.

Units expressed in accordance with the international system of units (SI)	**Unit**	**Three month period ended 31 Mar 2023**	Three month period ended 31 Mar 2022
Ore mined	t	**3,421,556**	3,954,647
Waste mined	t	**6,516,903**	6,838,631
Ore processed	t	**3,723,853**	3,547,487
Copper ore grade	%	**0.38**	0.37
Copper concentrate grade	%	**21.05**	21.14
Copper recovery rate	%	**86.88**	86.07
Copper concentrate	t	**57,670**	54,209
Copper contained in concentrate	t	**12,139**	11,461
Payable copper contained in concentrate	t	**11,563**	10,918
Cash cost*	US$/lb payable	**2.88**	3.33
All-in sustaining cost*	US$/lb payable	**3.12**	3.59

(*) Refer to section 5 of this Management Review

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

$/lb Cu payable	**Q1 2023**	Q1 2022
Mining	**0.83**	0.86
Processing	**0.97**	1.42
Other site operating costs	**0.52**	0.59
Total site operating costs	**2.32**	2.87
By-product credits	**(0.09)**	(0.07)
Freight, treatment charges and other offsite costs	**0.65**	0.53
Total offsite costs	**0.56**	0.46
Cash costs	**2.88**	3.33
Cash costs	**2.88**	3.33

Corporate costs	**0.07**	0.12
Sustaining capital (excluding one-off tailings expansion)	**0.01**	0.04
Capitalised stripping costs	**0.08**	0.03
Other costs	**0.08**	0.07
Total AISC	**3.12**	3.59

Three months operational review

During Q1 2023, a total of 3,723,853 tonnes of ore were processed with an average copper head grade of 0.38% and a recovery rate of 86.88%. Compared with Q1 2022, throughput increased 6.4%. Throughput rates during the Period were impacted by the decision to bring forward a scheduled plant maintenance shutdown from April 2023 to March 2023.

Copper production was 12,139 tonnes in Q1 2023 (Q1 2022: 11,461 tonnes), compared with 13,969 tonnes in Q4 2022. Production previously anticipated for Q1 2023 is now expected in Q2 2023, as a result of the rescheduling of plant maintenance activities.

On-site copper concentrate inventories at the end of Q1 2023 were approximately 1,564 tonnes. All concentrate in stock at the beginning of the Period was delivered to the port at Huelva.

Copper contained in concentrates sold was 12,501 tonnes in Q1 2023 (Q1 2022: 10,304 tonnes)

3. Outlook

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

Operational guidance

Guidance for Proyecto Riotinto is unchanged from previously announced outlook.

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

As announced in the Company's Q1 2023 Operations Update, production guidance for 2023 remained in 53,000 to 55,000 tonnes of copper.

Inflationary pressures continue to impact the global mining industry. The prices of many key inputs, including diesel, tyres, explosives, grinding media and lime, increased materially in 2022 as a result of higher global energy prices and logistics constraints. Since then, prices have stabilised for certain items.

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

4. Overview of the Financial Results

The following table presents summarised consolidated income statements for the three months ended 31 March 2023, with comparatives for the three months ended 31 March 2022.

(Euro 000's)	**Three month period ended 31 Mar 2023**	Three month period ended 31 Mar 2022
Revenues	**91,171**	86,251
Costs of sales	**(63,003)**	(54,789)
Administrative and other expenses	**(2,033)**	(3,583)
Exploration expenses	**(1,533)**	(452)
Care and maintenance expenditure	**(295)**	(715)
Other income	**98**	-
EBITDA	**24,405**	26,712
Depreciation/amortisation	**(8,762)**	(7,520)
Net foreign exchange (loss)/gain	**(1,222)**	2,573
Net finance cost	**(844)**	(315)
Tax	**(2,473)**	(3,193)
Profit for the period	**11,104**	18,257

Three months financial review

Revenues for the three-month period ended 31 March 2023 amounted to €91.2 million (Q1 2022: €86.3 million). Higher revenues are mainly due to an increase in copper concentrate volume sold despite lower realised copper prices.

Realised prices excluding QPs were US$4.00/lb copper during Q1 2023 compared with US$4.50/lb copper in Q1 2022. The realised price, including QPs were approximately $3.94/lb during the quarter ($4.42/lb in Q1 2022).

Cost of sales for the three-month period ended 31 March 2023 amounted to €63.0 million, compared with €54.8 million in Q1 2022. Although unit operating costs were lower in Q1 2023 compared to Q1 2022, this improvement was offset by the impact of a lower variation in stock at the end of the period.

Cash costs of US$2.88/lb payable copper during Q1 2023 compared with US$3.33lb payable copper in the same period last year. Lower cash costs were mainly due to the significantly reduction in cost of electricity (€12.1 million lower) and the stronger US Dollar/Euro rate in Q1 2023 despite of higher prices in other supplies, which partially offset the lower operating costs in Q1 2023. AISC excluding investment in tailings dam expansion for Q1 2023 were US$3.12/lb payable copper compared to US$3.59/lb payable copper in Q1 2022. The increase was mainly driven by the impacts derived from the cash costs and lower sustaining capex invested in Q1 2023.

Sustaining capex for Q1 2023 amounted to €0.3 million compared with €0.9 million in Q1 2022. Sustaining capex was mainly related to continuous enhancements in the processing systems of the plant. In addition, the Company invested €3.4 million in the project to increase the tailings dam during Q1 2023.

Capex associated with the construction of the 50 MW solar plant amounted to €1.6 million in Q1 2023, while investments in the E-LIX Phase I plant totalled €3.3 million, of which €1.9 million was booked as long term loans to Lain Technologies Ltd.

Administrative and other expenses amounted to €2.0 million (Q1 2022: €3.6 million) and include non-operating costs of the Cyprus office, corporate legal and consultancy costs, on-going listing costs, officers and directors' emoluments, and salaries and related costs of the corporate office. The decrease in costs during the period was primarily due to the absence of one-off legal expenses related to the Astor litigation case, which occurred in Q1 2022.

Exploration costs for the three-month period ended 31 March 2023 amounted to €1.5 million, higher than Q1 2022 (€0.5 million).

EBITDA for the three months ended 31 March 2023 amounted to €24.5 million compared with Q1 2022 of €26.7 million.

The main item below the EBITDA line is depreciation and amortisation of €8.8 million (Q1 2022: €7.5 million).

Net foreign exchange differences have a negative impact due to the weaker US Dollar/Euro rate in Q1 2023 compared to Q4 2022.

Net financing costs for Q1 2023 amounted to €0.8 million compared with €0.3 million in Q1 2022.

Copper prices

The average realised copper price (excluding QPs) decreased 11% from US$4.50 per pound in Q1 2022 to US$4.00 per pound in Q1 2023.

The average prices of copper for the three months ended 31 March 2023 and 2022 are summarised below:

$/lb	**Three month period ended 31 Mar 2023**	Three month period ended 31 Mar 2022
Realised copper price excluding QPs closed	**4.00**	4.50
Market copper price per lb (period average)	**4.05**	4.53

Realised copper prices for the reporting period noted above have been calculated using payable copper and excluding both provisional invoices and final settlements of quotation periods ("QPs") together. The realised price during the year, including the QP, was approximately $3.94/lb.

5. Non-GAAP Measures

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

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

Cash Cost per pound of payable copper includes cash operating costs, including treatment and refining charges ("TC/RC"), freight and distribution costs net of by-product credits. Cash Cost per pound of payable copper is consistent with the widely accepted industry standard established by Wood Mackenzie and is also known as the C1 cash cost.

AISC per pound of payable copper includes C1 Cash Costs plus agency fees, expenditures on rehabilitation, capitalised stripping costs, exploration and geology costs, corporate costs and sustaining capital expenditures, but excludes one-off sustaining capital projects, such as the tailings dam project.

Realised price per pound of payable copper is the value of the copper payable included in the concentrate produced including the discounts and other features governed by the offtake agreements of the Group and all discounts or premiums provided in commodity hedge agreements with financial institutions if any, expressed in USD per pound of payable copper and before silver credits, TC/RCs, penalties freights and other cost items included in the sales invoices and booked as revenues. Realised price is consistent with the widely accepted industry standard definition.

6. Liquidity and Capital Resources

Atalaya monitors factors that could impact its liquidity as part of Atalaya'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 and cash flows as at 31 March 2023 and 31 December 2022.

Liquidity information

(Euro 000's)	**31 Mar 2023**	31 Dec 2022
Unrestricted cash and cash equivalents at Group level	**105,519**	108,550
Unrestricted cash and cash equivalents at Operation level	**13,496**	17,567
Restricted cash and cash equivalents at Operation level	**331**	331
Consolidated cash and cash equivalents	**119,346**	126,448
Net cash position [1]	**55,263**	53,085
Working capital surplus	**85,336**	84,047

(1) *Includes borrowings*

Unrestricted cash and cash equivalents (which include cash at both Group level and Operation level) as at 31 March 2023 decreased to €119.0 million from €126.4 million at 31 December 2022. The decrease in cash balances is the result of net cash flow generated in the period and drawdown of debt to fund development of the 50 MW solar plant. Restricted cash of €0.3 million represented the amount in escrow out of which the Company paid interest of €9.6 million on 7 and 8 April 2022 (following the trial in February and March 2022) and €1.1 million on 16 May 2022 to Astor under the Master Agreement. Following the payment made in May 2022, the balance (less an amount representing £280,000, or~€350k being the remaining potential liability to Astor on costs) reverted to the Company and has been classified as unrestricted cash.

As of 31 March 2023, Atalaya reported a working capital surplus of €85.3 million, compared with a working capital surplus of €84.0 million at 31 December 2022. The main liability of the working capital is trade payables related to Proyecto Riotinto contractors and, to a lesser extent, short-term loans following the drawdown of credit facilities during Q1 2023. The increase in working capital resulted from lower payable balances.

Overview of the Group's cash flows

(Euro 000's)	**Three month period ended 31 Mar 2023**	Three month period ended 31 Mar 2022
Cash flows from operating activities	**12,457**	28,298
Cash flows used in investing activities	**(8,811)**	(7,552)
Cash flows used in financing activities	**(9,431)**	(2,378)
Net (decrease) / increase in cash and cash equivalents	**(5,785)**	18,368
Net foreign exchange differences	**(1,222)**	2,573
Total net cash flow for the period	**(7,007)**	20,941

Three months cash flows review

Cash and cash equivalents were €119.3 million at 31 March 2023. This was due to the net results of cash generated from operating activities amounting to €12.5 million, the cash used in investing activities amounting to €8.8 million, the cash used from financing activities totalling €9.4 million and net foreign exchange differences of negative €1.2 million.

Cash generated from operating activities before working capital changes was €24.1 million. Trade receivables in the period decreased by €7.4 million, inventory levels decreased by €3.9 million and trade payables decreased by €21.0 million.

Investing activities during the quarter consumed €8.8 million, relating mainly to the tailings dams project and continuous enhancements in the processing systems of the plant.

Financing activities during the quarter used €9.4 million driven by repayments of existing unsecured credit facilities.

Foreign exchange

Foreign exchange rate movements can have a significant effect on Atalaya's operations, financial position and results. Atalaya's sales are denominated in U.S. dollars ("USD"), while Atalaya's operating expenses, income taxes and other expenses are mainly denominated in Euros ("EUR"), and to a much lesser extent in British Pounds ("GBP").

Accordingly, fluctuations in the exchange rates can potentially impact the results of operations and carrying value of assets and liabilities on the balance sheet.

During the three months ended 31 March 2023, Atalaya recognised a foreign exchange loss of €1.2 million (€2.6 million foreign exchange profit in Q1 2022). Foreign exchange losses mainly related to change in the period end EUR and USD conversion rates, as all sales are cashed and generally held in USD.

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

(Euro 000's)	**Three month period ended 31 Mar 2023**	Three month period ended 31 Mar 2022
Average rates for the periods		
GBP - EUR	**0.8831**	0.8459
USD - EUR	**1.0730**	1.1217
Spot rates as at		
GBP - EUR	**0.8792**	0.8364
USD - EUR	**1.0875**	1.1101

7. Sustainability

Corporate Social Development

During the first quarter of this year, Atalaya and its wholly owned subsidiary, Fundación Atalaya Riotinto, have been actively working on developing programs to fulfil their social responsibilities. The Foundation has completed the classroom sessions for the third iteration of its training program, designed for local unemployed individuals. This program is supported by Riotinto Mine's principal contractors and has now commenced its practical portion, which includes four weeks of on-the-job training to equip participants with the necessary skills for industrial work conditions. The program will also provide hands-on experience in blasting and hauling activities, which will result in formal qualifications for the participants, thanks to the involvement of some of the company's primary contractors. The previous program was successfully completed, and almost half of the participants are now employed by different companies.

As part of the partnership agreement signed with all the nearby towns, the Foundation has initiated discussions with neighbouring municipalities to identify the fundamentals of individual projects for the year. The agreement aims to provide funding for joint activities addressing social, environmental, and infrastructure problems. In addition to this, the Foundation is also providing funding for several projects, including supporting the local golf club, a running team, and a poetry reading event. Furthermore, the Foundation is sponsoring the development of a book that brings together numerous writings by various specialists on historical copper mining.

Alongside these initiatives, the Atalaya Foundation is also supporting Athenea, a local association devoted to assisting people with disabilities. These efforts demonstrate our commitment to upholding our social responsibilities and supporting the communities in which we operate.

Health and Safety

Regarding the results of the first quarter of 2023, the positive trend of the first months of the year has continued and has improved compared to the previous year, with a 3.89 in the Frequency Index and 0.03 for the Severity Index, with two minor accidents recorded in this quarter.

Annual reports of technical specialties in occupational risk prevention, the prevention plan, and the safety and health document accompanying the Work Plan were prepared, as well as the planning of preventive activity for the year 2023.

Regarding Industrial Hygiene measurements, almost all of those planned for the first quarter were carried out. As for the first intervention brigade, training for the volunteers of the Brigade in the handling of the High-Pressure equipment installed on a pick-up truck, which allows direct support in fire extinguishing until the arrival of public fire services in case of emergency, was conducted.

Environmental Management

During the first quarter of 2023, the Environmental Department continued its execution of environmental monitoring actions for activity and natural environment management. Here are the key points for the quarter:

- A total of 72.2 l/m2 of rainfall was recorded in Q1 2023, which is approximately 47% less than the same period in the previous year. However, the total rain collected for the hydrological year (October 2022 to September 2023) was 340.4 l/m2, an 8% increase compared to the previous hydrological year (same period).
- On 3 March 2023, a request for modification of the current water concession document was submitted. Additionally, Annual Mandatory Reports were submitted to the Environmental Administration, including the Annual Waste Report (Hazardous and Non-Hazardous), E-PRTR (pollutant emissions), and

protected species (*Erica andevalensis* and *E. chiropterous*) management reports.

- During the first quarter, the Unified Environmental Authorization of Proyecto Valverde (Environmental Permit) was granted and received on March 14th, 2023.
- Additional measures in the action plan against dust continued to be implemented, including intensifying periodic irrigation, implementing new coordination measures, and carrying out exhaustive monitoring of the emissions generated during operation.
- All regular internal controls of diffuse emissions into the atmosphere were carried out, and the results of the controls remained within the limit values set out in the regulations. The rest of the periodic and mandatory controls were carried out without incidents, and several reports were handed to the Administration bodies during the quarter.
- Daily environmental inspections were conducted, with a focus on chemical storage and handling, housekeeping, waste management, uncontrolled releases, and environmentally friendly practices carried out in the project by ARM's and contractors' personnel. Additionally, dust control and drainage system inspections were regularly performed, totalling 68 inspections in the first quarter, including plant, mine area, and the contractors' camps.

8. Risk Factors

Due to the nature of Atalaya's business in the mining industry, the Group is subject to various risks that could materially impact the future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to Atalaya. Readers are encouraged to read and consider the risk factors detailed in Atalaya's audited, consolidated financial statements for the year ended 31 December 2022.

The Company continues to monitor the principal risks and uncertainties that could materially impact the Company's results and operations, including the areas of increasing uncertainty such as inflationary pressure on goods and services required for the business and geopolitical developments worldwide.

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

The preparation of Atalaya's Financial Statements in accordance with IFRS requires management to make estimates, judgements and assumptions that affect amounts reported in the Financial Statements and accompanying notes. There is a full discussion and description of Atalaya's critical accounting policies in the audited consolidated financial statements for the year ended 31 December 2022.

As at 31 March 2023, there are no significant changes in critical accounting policies or estimates to those applied in 2022.

10. Other Information

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

Unaudited Interim Condensed Consolidated Financial Statements on subsequent pages.

By Order of the Board of Directors,

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Roger Davey
Chairman
Nicosia, 15 May 2023

Unaudited Interim Condensed Consolidated Income Statements

(All amounts in Euro thousands unless otherwise stated)
For the period ended 31 March 2023 and 2022

(Euro 000's)	Note	**Three month period ended 31 Mar 2023**	Three month period ended 31 Mar 2022
Revenue	4	**91,171**	86,251
Operating costs and mine site administrative expenses		**(62,927)**	(54,611)
Mine site depreciation and amortisation		**(8,762)**	(7,520)
Gross profit		**19,482**	24,120
Administration and other expenses		**(2,033)**	(3,583)
Share-based benefits	15	**(76)**	(178)
Exploration expenses		**(1,533)**	(452)
Care and maintenance expenditure		**(295)**	(715)
Operating profit		**15,545**	19,192
Other income		**98**	-
Net foreign exchange (loss)/gain	3	**(1,222)**	2,573
Net finance costs	5	**(844)**	(315)
Profit before tax		**13,577**	21,450
Tax	6	**(2,473)**	(3,193)
Profit for the period		**11,104**	18,257
Profit for the period attributable to:			
- Owners of the parent	7	**11,369**	18,824
- Non-controlling interests		**(265)**	(567)
		11,104	18,257
Earnings per share from operations attributable to equity holders of the parent during the period:			
Basic earnings per share (EUR cents per share)	7	**8.1**	13.5
Fully diluted earnings per share (EUR cents per share)	7	**7.9**	13.2
Profit for the period		**11,104**	18,257
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):			
Change in fair value of financial assets through other comprehensive income 'OCI'		**6**	-
Total comprehensive income for the period		**11,110**	18,257
Total comprehensive income for the period attributable to:			

- Owners of the parent	7	**11,375**	18,824
- Non-controlling interests		**(265)**	(567)
		11,110	18,257

The notes on the subsequent pages are an integral part of these Unaudited Interim Condensed Consolidated Financial Statements.

Unaudited Interim Condensed Consolidated Statement of Financial Position

(All amounts in Euro thousands unless otherwise stated)
As at 31 March 2023 and 2022

(Euro 000's)	Note	31 Mar 2023	31 Dec 2022
Assets		**Unaudited**	Audited
Non-current assets			
Property, plant and equipment	9	**357,604**	354,908
Intangible assets	10	**52,777**	53,830
Trade and other receivables	12	**18,456**	16,362
Non-current financial assets	2.3	**1,101**	1,101
Deferred tax asset		**7,074**	7,293
		437,012	433,494
Current assets			
Inventories	11	**34,911**	38,841
Trade and other receivables	12	**54,626**	64,155
Tax refundable		**100**	100
Other financial assets	2.3	**38**	33
Cash and cash equivalents	13	**119,346**	126,448
		209,021	229,577
Total assets		**646,033**	663,071
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital	14	**13,596**	13,596
Share premium	14	**319,411**	319,411
Other reserves	15	**69,811**	69,805
Accumulated profit		**81,852**	70,483
		484,670	473,295
Non-controlling interests		**(7,263)**	(6,998)
Total equity		**477,407**	466,297
Liabilities			
Non-current liabilities			
Trade and other payables	16	**2,015**	2,015
Provisions	17	**24,756**	24,083
Lease liabilities	19	**4,253**	4,378
Borrowings	18	**13,917**	20,768
		44,941	51,244
Current liabilities			
Trade and other payables	16	**69,850**	90,022
Lease liabilities	19	**517**	536
Borrowings	18	**50,166**	52,595
Current provisions	17	**804**	952
Current tax liabilities		**2,348**	1,425
		123,685	145,530
Total liabilities		**168,626**	196,774
Total equity and liabilities		**646,033**	663,071

The notes on the subsequent pages are an integral part of these Unaudited Interim Condensed Consolidated Financial Statements.

Unaudited Interim Condensed Consolidated Statements of Changes in Equity

(All amounts in Euro thousands unless otherwise stated)
For the period ended 31 March 2023 and 2022

(Euro 000's)	Note	Share capital	Share premium [1]	Other reserves	Accum. Profits	Total	NCI	Total equity
At 1 January 2023		**13,596**	**319,411**	**69,805**	**70,483**	**473,295**	**(6,998)**	**466,297**
Profit for the period		**-**	**-**	**-**	**11,369**	**11,369**	**(265)**	**11,104**
Change in fair value of financial assets through OCI		**-**	**-**	**6**	**-**	**6**	**-**	**6**
Total comprehensive income		**-**	**-**	**6**	**11,369**	**11,375**	**(265)**	**11,110**
Transactions with owners								
Issuance of share capital	14	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Recognition of depletion factor	15	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Recognition of share-based payments	15	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Recognition of non-distributable reserve	15	**-**	**-**	**-**	**-**	**-**	**-**	-
Recognition of distributable reserve	15	**-**	**-**	**-**	**-**	**-**	**-**	**-**
At 31 March 2023		**13,596**	**319,411**	**69,811**	**81,852**	**484,670**	**(7,263)**	**477,407**

(Euro 000's)	Note	Share capital	Share premium [1]	Other reserves	Accum. Profits	Total	NCI	Total equity
At 1 January 2022		13,447	315,916	52,690	58,754	440,807	(4,909)	435,898
Profit for the period		-	-	-	18,824	18,824	(567)	18,257
Change in fair value of financial assets through OCI		-	-	-	-	-	-	-
Total comprehensive income		-	-	-	18,824	18,824	(567)	18,257
Transactions with owners								
Issuance of share capital	14	147	3,458	-	-	3,605	-	3,605
Recognition of share-based payments	15	-	-	178	-	178	-	178
Recognition of depletion factor	15	-	-	12,800	(12,800)	-	-	-
Recognition of non-distributable reserve	15	-	-	316	(316)	-	-	-
Recognition of-distributable reserve	15	-	-	2,726	(2,726)	-	-	-
Other changes in equity		-	-	-	16	16	-	16
At 31 March 2022		13,594	319,374	68,710	61,752	463,430	(5,476)	457,954

(Euro 000's) Audited	Note	Share capital	Share premium [1]	Other reserves	Accum. Profits	Total	NCI	Total equity
At 1 January 2022		13,447	315,916	52,690	58,754	440,807	(4,909)	435,898
Adjustment prior year		-	-	-	(53)	(53)	-	(53)
Opening balance adjusted		13,447	315,916	52,690	58,701	440,754	(4,909)	435,845
Profit for the period		-	-	-	33,155	33,155	(2,229)	30,926

Change in fair value of financial assets through OCI		-	-	(6)	-	(6)	-	(6)
Total comprehensive income		-	-	(6)	33,155	33,149	(2,229)	30,920
Transactions with owners								
Issuance of share capital	14	149	3,495	-	-	3,644	-	3,644
Recognition of depletion factor	15	-	-	12,800	(12,800)	-	-	-
Recognition of share-based payments	15	-	-	1,279	-	1,279	-	1,279
Recognition of non-distributable reserve	15	-	-	316	(316)	-	-	-
Recognition of distributable reserve	15	-	-	2,726	(2,726)	-	-	-
Other changes in equity		-	-	-	(432)	(432)	140	(292)
Dividends paid	8	-	-	-	(5,099)	(5,099)	-	(5,099)
At 31 December 2022		13,596	319,411	69,805	70,483	473,295	(6,998)	466,297

(1) The share premium reserve is not available for distribution

The notes on the subsequent pages are an integral part of these Unaudited Interim Condensed Consolidated Financial Statements.

Unaudited Interim Condensed Consolidated Statement of Cash Flows

(All amounts in Euro thousands unless otherwise stated)
For to the period ended 31 March 2023 and 2022

(Euro 000's)	Note	**Three month period ended 31 Mar 2023**	Three month period ended 31 Mar 2022
Cash flows from operating activities			
Profit before tax		**13,577**	21,450
Adjustments for:			
Depreciation of property, plant and equipment	9	**7,678**	6,489
Amortisation of intangibles	10	**1,084**	1,031
Recognition of share-based payments	15	**76**	178
Interest income	5	**(226)**	(1)
Interest expense	5	**510**	238
Unwinding of discounting on mine rehabilitation provision	17	**553**	73
Other provisions	17	**53**	-
Net foreign exchange differences	3	**1,222**	(2,573)
Unrealised foreign exchange loss on financing activities		**(404)**	44
Cash inflows from operating activities before working capital changes		**24,123**	26,929
Changes in working capital:			
Inventories	11	**3,930**	(13,028)
Trade and other receivables	12	**7,435**	5,177
Trade and other payables	16	**(20,994)**	9,660
Provisions	17	**(148)**	-

Cash flows from operations		**14,346**	28,738
Tax paid		**(1,467)**	(197)
Interest on leases liabilities	5	**(7)**	(5)
Interest paid	5	**(510)**	(238)
Net cash from operating activities		**12,362**	28,298
Cash flows from investing activities			
Purchase of property, plant and equipment	9	**(8,845)**	(7,251)
Purchase of intangible assets	10	**(31)**	(302)
Payment of deferred consideration		**-**	-
Interest received	5	**65**	1
Net cash used in investing activities		**(8,811)**	(7,552)
Cash flows from financing activities			
Lease payments	19	**(151)**	(160)
Net repayments from borrowings		**(9,280)**	(5,822)
Proceeds from issuance of shares	14	**-**	3,604
Dividends		**-**	-
Net cash from financing activities		**(9,431)**	(2,378)
Net (decrease) / increase in cash and cash equivalents		**(5,880)**	18,368
Net foreign exchange difference	3	**(1,222)**	2,573
Cash and cash equivalents:			
At beginning of the period		**126,448**	107,517
At end of the period		**119,346**	128,458

The notes on the subsequent pages are an integral part of these Unaudited Interim Condensed Consolidated Financial Statements.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

(All amounts in Euro thousands unless otherwise stated)
For the period ended 31 March 2023 and 2022

1. Incorporation and Summary of Business

Country of incorporation

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

The Company was listed on AIM of the London Stock Exchange ("AIM") in May 2005 under the symbol ATYM. The Company continued to be listed on AIM as at 31 March 2023.

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

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

Change of name and share consolidation

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

Principal activities

Atalaya is a European mining and development company. The strategy is to evaluate and prioritise metal production opportunities in several jurisdictions throughout the well-known belts of base and precious metal mineralisation in Spain, elsewhere in 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 three investigation permits at Proyecto Riotinto Este.

Proyecto Riotinto

The Company owns and operates through a wholly owned subsidiary, "Proyecto Riotinto", an open-pit copper mine located in the Iberian Pyrite Belt, in the Andalusia region of Spain, approximately 65 km northwest of Seville. A brownfield expansion of this mine was completed in 2019 and successfully commissioned by Q1 2020.

Proyecto Touro

The Group has an initial 10% stake in Cobre San Rafael, S.L., the owner of Proyecto Touro, as part of an earn-in agreement which will enable the Group to acquire up to 80% of the copper project. Proyecto Touro is located in Galicia, north-west Spain. Proyecto Touro is currently in the permitting process.

In November 2019, Atalaya executed the option to acquire 12.5% of Explotaciones Gallegas del Cobre, S.L. the exploration property around Touro, with known additional reserves, which will provide high potential to the Proyecto Touro.

Proyecto Masa Valverde

On 21 October 2020, the Company announced that it entered into a definitive purchase agreement to acquire 100% of the shares of Cambridge Mineria España, S.L. (since renamed Atalaya Masa Valverde, S.L.U.), a Spanish company which fully owns the Masa Valverde polymetallic project located in Huelva (Spain). Proyecto Masa Valverde is currently in the permitting process.

Proyecto Riotinto Este

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

Proyecto Ossa Morena

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

2. Basis of Preparation and Accounting Policies

2.1 Basis of preparation

(a) Overview

The unaudited interim condensed consolidated financial statements for the period ended 31 March 2023 have been prepared in accordance with International Accounting Standards

34: Interim Financial Reporting. IFRS comprise the standard issued by the International Accounting Standard Board ("IASB"), and IFRS Interpretations Committee ("IFRICs") as issued by the IASB. Additionally, the unaudited interim condensed consolidated financial statements have also been prepared in accordance with the IFRS as adopted by the European Union (EU), using the historical cost convention, except for the revaluation of certain financial instruments that are measured at fair value at the end of each reporting period, as explained below.

These unaudited interim condensed consolidated financial statements include the financial statements of the Company and its subsidiary undertakings. They have been prepared using accounting bases and policies consistent with those used in the preparation of the consolidated financial statements of the Company and the Group for the year ended 31 December 2022. These unaudited interim condensed consolidated financial statements do not include all the disclosures required for annual financial statements, and accordingly, should be read in conjunction with the consolidated financial statements and other information set out in the Group's annual report for the year ended 31 December 2022. The accounting policies are unchanged from those disclosed in the annual consolidated financial statements for the year ended 31 December 2022.

(b) Going concern

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

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

2.2 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the unaudited condensed interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2023, but do not have a material impact on the unaudited condensed interim consolidated financial statements of the Group.

<u>IFRS 17 Insurance Contracts</u>

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)

- A simplified approach (the premium allocation approach) mainly for short-duration contracts

The amendments had no impact on the Group's unaudited condensed interim consolidated financial statements.

Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Group's unaudited condensed interim consolidated financial statements.

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

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

The amendments had no impact on the Group's unaudited condensed interim consolidated financial statements. but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Group's unaudited condensed interim consolidated financial statements.

2.3 Fair value estimation

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

The fair value of financial instruments traded in active markets, such as publicly traded trading and other financial assets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price. The appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The group uses a variety of methods, such as estimated discounted cash flows, and makes assumptions that are based on market conditions existing at the reporting date.

Fair value measurements recognised in the consolidated statement of financial position

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

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

Financial assets or liabilities	**Level 1**	**Level 2**	**Level 3**	**Total**
(Euro 000's)				
31 Mar 2023				
Other financial assets				
Financial assets at FV through OCI	**38**	**-**	**1,101**	**1,139**
Trade and other receivables	-	-	-	**-**
Receivables (subject to provisional pricing)	**-**	**15,637**	**-**	**15,637**
Total	**38**	**15,637**	**1,101**	**16,776**
31 Dec 2022				
Other financial assets				
Financial assets at FV through OCI	38	-	1,101	1,139
Trade and other receivables	-	-	-	-
Receivables (subject to provisional pricing)	-	11,669	-	11,669
Total	38	11,669	1,101	12,808

2.4 Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the unaudited condensed interim consolidated financial statements. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.
Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

3. Business and Geographical Segments

Business segments

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

Copper concentrates produced by the Group are sold to three off-takers as per the relevant offtake agreement (Note 21.3). in addition, the Group has spot agreements for the concentrates not committed to off-takers.

Geographical segments

(Euro 000's)	Cyprus	Spain	Other	Total
Three month period ended 31 Mar 2023				
Revenue - from external customers	**6,589**	**84,582**	**-**	**91,171**
EBITDA	**3,857**	**20,548**	**-**	**24,405**
Depreciation/amortisation charge	**-**	**(8,762)**	**-**	**(8,762)**
Net foreign exchange (loss)/gain	**(286)**	**(936)**	**-**	**(1,222)**
Finance income	**70**	**156**	**-**	**226**
Finance cost	**-**	**(1,070)**	**-**	**(1,070)**
Profit before tax	**3,641**	**9,936**	**-**	**13,577**
Tax	**(769)**	**(1,704)**	**-**	**(2,473)**
Profit for the period	**2,872**	**8,232**	**-**	**11,104**
Total assets	**113,123**	**529,417**	**3,493**	**646,033**
Total liabilities	**(2,930)**	**(165,696)**	**-**	**(168,626)**
Depreciation of property, plant and equipment	**-**	**7,678**	**-**	**7,678**
Amortisation of intangible assets	**-**	**1,084**	**-**	**1,084**
Total net additions of non-current assets	**-**	**19,237**	**-**	**19,237**

(Euro 000's)	Cyprus	Spain	Other	Total
Three month period ended 31 Mar 2022				
Revenue - from external customers	11,830	74,421	-	86,251
EBITDA	8,967	17,752	(7)	26,712
Depreciation/amortisation charge	-	(7,520)	-	(7,520)
Net foreign exchange gain	1,170	1,403	-	2,573
Finance income	-	1	-	1
Finance cost	-	(316)	-	(316)
Profit/(loss) before tax	10,137	11,320	(7)	21,450
Tax	(1,024)	(2,169)	-	(3,193)
Profit/(loss) for the period	9,113	9,151	(7)	18,257
Total assets	81,725	531,625	1,178	614,528
Total liabilities	(2,617)	(153,949)	(8)	(156,574)
Depreciation of property, plant and equipment	-	6,489	-	6,489
Amortisation of intangible assets	-	1,031	-	1,031
Total net additions of non-current assets	-	18,876	-	18,876

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

4. Revenues

(Euro 000's)	Three months ended 31 March 2023	Three months ended 31 March 2022
Revenue from contracts with customers (1)	**88,313**	81,769
Fair value gains relating to provisional pricing within sales (2)	**2,858**	4,482
Total revenue	**91,171**	86,251

All revenue from copper concentrate is recognised at a point in time when the control of the product is transferred. Revenue from freight services is recognised over time as the services are provided.

1. Included within Q1 2023 revenue, there is a transaction price of €2.4 million (€1.4 million in Q1 2022) related to the freight services provided by the Group to the customers arising from the sales of copper concentrate under CIF incoterm.
2. Provisional pricing impact represents the change in fair value of the embedded derivative arising on sales of concentrate.

5. Net Finance Costs

(Euro 000's)	Three month period ended 31 Mar 2023	Three month period ended 31 Mar 2022
Other interest	**(510)**	(238)
Interest on lease liabilities	**(7)**	(5)
Unwinding of discount on mine rehabilitation provision (Note 17)	**(553)**	(73)
Interest income	**226**	1
Total interest expense	**(844)**	(315)

6. Tax

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the unaudited interim condensed consolidated statement of profit or loss are:

(Euro 000's)	Three months ended 31 March 2023	Three months ended 31 March 2022
Income taxes		
Current income tax expense	**2,473**	3,193
Income tax expense recognised in statement of profit and loss	**2,473**	3,193

7. Earnings per share

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

(Euro 000's)	**Three month period ended 31 Mar 2023**	Three month period ended 31 Mar 2022
Profit attributable to equity holders of the parent	**11,369**	18,824
Weighted number of ordinary shares for the purposes of basic earnings per share (000's)	**139,880**	139,407
Basic earnings per share (EUR cents/share)	**8.1**	13.5
Weighted number of ordinary shares for the purposes of fully diluted earnings per share (000's)	**143,423**	142,163
Fully diluted earnings per share (EUR cents/share)	**7.9**	13.2

As at 31 March 2023, there are nil warrants (Note 14) and 3,543,500 options (Note 15) (31 March 2022: nil warrants and 2,341,000 options). Warrants and options are included when calculating the weighted average number of shares for the period.

8. Dividends paid

Cash dividends declared and paid during the period:

(Euro 000's)	**Three month period ended 31 Mar 2023**	Three month period ended 31 Mar 2022
Dividends declared and paid	**-**	-
Total cash dividends paid to ordinary shareholders	**-**	-

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

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

9. Property, Plant and Equipment

(Euro 000's)	Land and buildings	Right-of-use assets [4]	Plant and machinery	Assets under construction [1]	Deferred mining costs [2]	Other assets [3]	Total
Cost							
At 1 January 2022	65,003	7,076	283,346	22,860	51,667	801	430,753
Additions	2,383	-	244	3,950	671	-	7,248
Reclassifications	-	-	2,376	(2,376)	-	-	-
Increase in rehab. Provision	54	-	-	-	-	-	54

Advances	3	-	-	-	-	-	3
At 31 March 2022	67,443	7,076	285,966	24,434	52,338	801	438,058
Additions	-	-	1,018	45,523	20	-	46,561
Increase in rehab. Provision	1,673	-	-	-	-	-	1,673
Reclassifications	15,300	-	4,351	(19,722)	-	71	-
Advances	100	-	-	-	-	-	100
Disposals	(4,190)	-	-	-	-	-	(4,190)
At 31 December 2022	**80,326**	**7,076**	**291,335**	**50,235**	**52,358**	**872**	**482,202**
Additions	**-**	**-**	**1,409**	**6,977**	**1,868**	**-**	**10,254**
Increase in rehab. Provision	**120**	**-**	**-**	**-**	**-**	**-**	**120**
Reclassifications	**-**	**-**	**1,543**	**(1,543)**	**-**	**-**	**-**
At 31 March 2023	**80,446**	**7,076**	**294,287**	**55,669**	**54,226**	**872**	**492,576**
Depreciation							
At 1 January 2022	16,026	1,546	67,991	-	11,380	714	97,657
Charge for the period	1,001	140	4,466	-	875	7	6,489
At 31 March 2022	14,974	1,402	62,482	-	10,566	708	90,132
Charge for the period	3,427	312	16,725	-	2,666	18	23,148
At 31 December 2022	**20,454**	**1,998**	**89,182**	**-**	**14,921**	**739**	**127,294**
Charge for the period	**984**	**603**	**5,277**	**-**	**816**	**(2)**	**7,678**
At 31 March 2023	**21,438**	**2,601**	**94,459**	**-**	**15,737**	**737**	**134,972**
Net book value							
At 31 March 2023	**59,008**	**4,475**	**199,828**	**55,669**	**38,489**	**135**	**357,604**
At 31 December 2022	59,872	5,078	202,153	50,235	37,437	133	354,908

(1) Assets under construction at 31 March 2023 were €55.7 million (Q1 2022: €24.1 million) which include sustaining capital expenditures and tailings dams project.

(2) Stripping costs

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

(4) See leases in Note 19.

The above fixed assets are mostly located in Spain.

10. Intangible Assets

(Euro 000's)	Permits (1)	Licences, R&D and software	Total
Cost			
At 1 January 2022	80,358	8,595	88,953
Additions	302	-	302
At 31 March 2022	80,660	8,595	89,255

Additions	595	47	642
At 31 December 2022	**81,255**	**8,642**	**89,897**
Additions	**31**	**-**	**31**
At 31 March 2023	**81,286**	**8,642**	**89,928**
Amortisation			
At 1 January 2022	23,214	8,371	31,585
Charge for the period	1,015	16	1,031
At 31 March 2022	24,229	8,387	32,616
Charge for the period	3,398	53	3,451
At 31 December 2022	**27,627**	**8,440**	**36,067**
Charge for the period	**1,066**	**18**	**1,084**
At 31 March 2023	**28,693**	**8,458**	**37,151**
Net book value			
At 31 March 2023	**52,593**	**184**	**52,777**
At 31 December 2022	53,628	202	53,830

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

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

The Group conducts impairment testing in case there is an indicator of impairment. Atalaya assessed its assets concluding that there are no indicators of impairment for either Proyecto Riotinto or any other projects or operation as of 31 March 2023.

11. Inventories

(Euro 000's)	**31 Mar 2023**	31 Dec 2022
Finished products	**2,080**	4,547
Materials and supplies	**29,720**	31,330
Work in progress	**3,111**	2,964
Total inventories	**34,911**	38,841

As at 31 March 2023, copper concentrate produced and not sold amounted to 1,564 tonnes (31 Dec 2022: 3,529 tonnes). Inventory for copper concentrate is valued at cost and was €2.1 million as at 31 March 2023 (31 Dec 2022: €4.5 million).

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

12. Trade and Other Receivables

(Euro 000's)	**31 Mar 2023**	31 Dec 2022
Non-current		
Deposits	**256**	256
Loans	**15,510**	12,865
Other non-current receivables	**2,690**	3,241
	18,456	16,362
Current		

Trade receivables at fair value - *subject to provisional pricing*	**14,632**	14,757
Trade receivables from shareholders at fair value - *subject to provisional pricing* (Note 21.3)	**1,005**	12,800
Other receivables from related parties at amortised cost (Note 21.3)	**56**	56
Deposits	**37**	37
VAT receivables	**34,421**	28,856
Tax advances	**10**	9
Prepayments	**3,253**	5,845
Other current assets	**1,212**	1,795
	54,626	64,155
Allowance for expected credit losses	**-**	-
Total trade and other receivables	**73,082**	80,517

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 values of trade and other receivables approximate to their book values.

Non-current deposits included €250k (€250k at 31 December 2022) as a collateral for bank guarantees, which was recorded as restricted cash (or deposit). Restricted cash related to the collateral was reclassified to noncurrent trade and other receivables since the deposit is considered to be long term.

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

13. Cash and cash equivalents

(Euro 000's)	**31 Mar 2023**	31 Dec 2022
Unrestricted cash and cash equivalents at Group level	**105,519**	108,550
Unrestricted cash and cash equivalents at Operation level	**13,496**	17,567
Restricted cash and cash equivalents at Operation level	**331**	331
Consolidated cash and cash equivalents	**119,346**	126,448

As at 31 March 2023, the Group's operating subsidiary held restricted cash of €0.3 million of a provision for legal costs related to Astor (€0.3m at 31 December 2022).

Cash and cash equivalents denominated in the following currencies:

(Euro 000's)	**31 Mar 2023**	31 Dec 2022
Euro - functional and presentation currency	**61,034**	84,146
Great Britain Pound	**198**	895
United States Dollar	**58,114**	41,407
Consolidated cash and cash equivalents	**119,346**	126,448

14. Share Capital and Share Premium

	Shares 000's	Share Capital Stg£'000	Share premium Stg£'000	Total Stg£'000
Authorised				
Ordinary shares of Stg £0.075 each*	200,000	15,000	-	15,000

Issued and fully paid			Shares	Share Capital	Share premium	Total
Issue Date	**Price (£)**	**Details**	000's	€'000	€'000	€'000
31 December 2021/1 January 2022			**138,236**	**13,447**	**315,916**	**329,363**
22-Jan-22	1.44	Exercised share options (a)	314	28	512	540
22-Jan-22	2.015	Exercised share options (a)	321	29	746	775
22-Jan-22	2.045	Exercised share options (a)	400	36	941	977
22-Jan-22	1.475	Exercised share options (a)	451	42	754	796
22-Jan-22	3.09	Exercised share options (a)	135	12	505	517
31 March 2022			**139,857**	**13,594**	**319,374**	**332,968**
23-June-22	1.475	Exercised share options (b)	23	2	37	39
31 December 2022/ 31 March 2023			**139,880**	**13,596**	**319,411**	**333,007**

Authorised capital

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

Issued capital

2023

No share issuance has taken place thus far in 2023.

The Company's share capital at 31 March 2023 is 139,879,209 ordinary shares of Stg £0.075 each.

2022

(a) On 23 June 2022, the Company announced that it has issued 22,500 ordinary shares of 7.5p in the Company ("Option Shares") pursuant to an exercise of share options by an employee.

(b) On 26 January 2022, the Company announced that is was notified that PDMRs exercised a total of 1,350,000 options.

Warrants

As at 31 March 2023 and 2022, there were no warrants.

Options

In general terms, share 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.

Details of share options outstanding as at 31 March 2023:

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

	Weighted average exercise price £	Share options
At 1 January 2023	2.857	3,543,500
Granted options during the year	-	-
Options executed during the year	-	-
31 March 2023	2.857	**3,543,500**

15. Other Reserves

(Euro 000's)	Share option	Bonus share	Depletion factor (1)	FV reserve of financial assets at FVOCI (2)	Non-Distributable reserve (3)	Distributable reserve (4)	Total
At 1 January 2022	9,086	208	24,978	(1,147)	8,000	11,565	52,690
Recognition of share-based payments	178	-	-	-	-	-	178
Recognition of depletion factor	-	-	12,800	-	-	-	12,800
Recognition of non-distributable reserve	-	-	-	-	316	-	316
Recognition of distributable reserve	-	-	-	-	-	2,726	2,726
At 31 March 2022	9,264	208	37,778	(1,147)	8,316	14,291	68,710
Recognition of share-based payments	1,101	-	-	-	-	-	1,101
Change in fair value of financial assets at fair value through OCI	-	-	-	(6)	-	-	(6)
At 31 December 2022	**10,365**	**208**	**37,778**	**(1,153)**	**8,316**	**14,291**	**69,805**
Change in fair value of financial assets at fair value through OCI	**-**	**-**	**-**	**6**	**-**	**-**	**6**
At 31 March 2023	**10,365**	**208**	**37,778**	**(1,147)**	**8,316**	**14,291**	**69,811**

1. Depletion factor reserve
2. At 31 March 2023, the Group has recognised €nil (disposed €12.8 million at 31 March 2022) as a depletion factor reserve in order to fulfil with the Spanish Corporate Tax Act.
3. Fair value reserve of financial assets at FVOCI
4. The Group has elected to recognise changes in the fair value of certain investments in equity securities in OCI, as explained in (1) above. These changes are accumulated within the FVOCI reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.
5. Non-distributable reserve
6. To comply with Spanish Law, the Group needed to record a reserve when profit generated equal to a 10% of profit/(loss) for the year until 20% of share capital is reached.
7. Distributable reserve
8. The Group reclassified 10% of the profit of 2021 to distributable reserves.

16. Trade and Other Payables

(Euro 000's)	31 Mar 2023	31 Dec 2022
Non-current		
Other non-current payables	**2,000**	2,000
Government grant	**15**	15
	2,015	2,015
Current		
Trade payables	**65,769**	85,038
Accruals	**3,460**	3,322
VAT payables	**222**	259
Other	**399**	1,403
	69,850	90,022

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

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.

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

17. Provisions

(Euro 000's)	Other provisions	Legal costs	Rehabilitation costs	Total costs
At 1 January 2022	-	279	26,299	26,578
Revision of provision	-	-	54	54
Finance cost	-	-	73	73
At 31 March 2022	-	279	26,426	26,705
Additions	-	30	1,033	1,063
Reclassification	1,435	-	-	1,435
Used of provision	-	(10)	(135)	(145)
Reversal of provision	-	(73)	(3,497)	(3,570)
Finance cost	-	-	(453)	(453)
At 31 December 2022	**1,435**	**226**	**23,374**	**25,035**
Used of provision	**-**	**-**	**(148)**	**(148)**
Reversal of provision	**-**	**-**	**120**	**120**
Finance cost	**-**	**-**	**553**	**553**
At 31 March 2023	**1,435**	**226**	**23,899**	**25,560**

(Euro 000's)	31 Mar 2023	31 Dec 2022
Non-current	**24,756**	24,083

Current	**804**	952
Total	**25,560**	25,035

Rehabilitation provision

Rehabilitation provision represents the accrued cost required to provide 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 March 2023 was 3.41% (31 Dec 2022: 3.41%), which is the 15-year Spain Government Bond rate for 2022. An inflation rate of 1%-5.70% is applied on annual basis.

Legal provision

The Group has been named a defendant in several legal actions in Spain, the outcome of which is not determinable as at 31 March 2023. Management has individually reviewed each case and made a provision of 226k (€226k million at 31 Dec 2022) for these claims, which has been reflected in these unaudited condensed interim consolidated financial statements.

18. Borrowings

(Euro 000's)	**31 Mar 2023**	31 Dec 2022
Non-current borrowings		
Credit facilities	**13,917**	20,768
	13,917	20,768
Current borrowings		
Credit facilities	**50,166**	52,595
	50,166	52,595

The Group has credit approval for facilities totalling €114.0 million. During 2023, Atalaya drew down on its existing credit facilities to finance the construction of the 50MW solar plant. Interest rates of existing credit facilities, including facilities used to pay the Deferred Consideration, range from 1.10% to 2.45% and the average interest rate on all facilities used and unused is 1.71%. Euribor is referred to by some of these facilities. The maximum term of the facilities is six years. All borrowings are unsecured.

At 31 March 2023, the Group had used €64.1 million of its facilities and had undrawn facilities of €49.9 million.

19. Lease liabilities

(Euro 000's)	**31 Mar 2023**	31 Dec 2022
Non-current		
Lease liabilities	**4,253**	4,378
	4,253	4,378
Current		
Lease liabilities	**517**	536
	517	536

Finance leases

The Group entered into lease arrangements for the renting of land and building, laboratory equipment and vehicles which are subject to the adoption of all requirements of IFRS 16 Leases. 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. Depreciation expense regarding leases amount to €0.6 million (Q1 2022: €0.1 million) for the three month period ended 31 March 2023. 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 March 2023, the remaining term of this lease is ten years.

The duration of laboratory equipment lease is for a period of four years, payments are due at the beginning of the month escalating annually on average by 1.5%. At 31 March 2023, the remaining term of laboratory equipment lease is two months.

(Euro 000's)	31 Mar 2023	31 Dec 2022
Minimum lease payments due:		
- Within one year	**517**	536
- Two to five years	**1,950**	1,957
- Over five years	**2,303**	2,421
Present value of minimum lease payments due	**4,770**	4,914

(Euro 000's)	Lease liabilities
At 1 January 2023	**4,914**
Interest expense	**7**
Lease payments	**(151)**
At 31 March 2023	**4,770**
At 31 March 2023	
Non-current liabilities	**4,253**
Current liabilities	**517**
	4,770

20. Acquisition, Incorporation and Disposal of Subsidiaries

2023

Acquisition and incorporation of subsidiaries

There were no acquisition or incorporation of subsidiaries during the three months period ended 31 March 2023.

Disposals of subsidiaries

There were no disposals of subsidiaries during the three months period ended 31 March 2023.

Wind-up of subsidiaries

There were no operations wound up during the three months period ended 31 March 2022.

2022

Acquisition and incorporation of subsidiaries

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

Disposals of subsidiaries
There were no disposals of subsidiaries during the three months period ended 31 March 2022.

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

21. Related Party Transactions

The following transactions were carried out with related parties:

21.1 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)	**Three month period ended 31 Mar 2023**	Three month period ended 31 Mar 2022
Directors' remuneration and fees	**360**	258
Share option-based benefits and other benefits to directors	**20**	64
Key management personnel fees	**204**	141
Share option-based and other benefits to key management personnel	**20**	61
	604	524

21.2 Share-based benefits

The directors and key management personnel have not been granted any options during the three-month period ended 31 March 2023 (Q1 2022: nil).

21.3 Transactions with related parties/shareholders

i) Transaction with shareholders

(Euro 000's)	**Three month period ended 31 Mar 2023**	Three month period ended 31 Mar 2022
Trafigura- Revenue from contracts	**12,294**	8,218
Freight services	**-**	-
	12,294	8,218
Gain relating provisional pricing within sales	**2,103**	1,395
Trafigura - Total revenue from contracts	**14,397**	9,613

ii) Period-end balances with related parties

(Euro 000's)	**31 Mar 2023**	31 Dec 2022
Receivables from related parties:		
Recursos Cuenca Minera S.L.	**56**	56
Total (Note 12)	**56**	56

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

iii) Period-end balances with shareholders

(Euro 000's)	**31 Mar 2023**	31 Dec 2022
Trafigura - Debtor balance - subject to provisional pricing	**1,005**	12,800
Total (Note 12)	**1,005**	12,800

The above debtor balance arising from sales of goods and other balances bear no interest and is repayable on demand.

22. Contingent Liabilities

Legal 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.

23. 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.

24. Significant Events

The events in Ukraine since 24 February 2022 and the monetary policy being implemented by major central banks are impacting the global economy but cannot yet be predicted in full. The main concern now is the volatility in prices for energy, fuel and other raw materials and rising inflation, which may affect household incomes and business operating costs. The financial effect on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage.

- On 12 January 2023, the Company was notified that Allianz Global Investors GmbH, shareholder of the Company, decreased its voting rights from 4.93% to 3.98%.
- On 20 February 2023, Atalaya announced a voluntary delisting of its ordinary shares from the Toronto Stock Exchange (the "TSX") which was effective from the closing of trading on 20 March 2023. Ordinary shares in the Company continue to trade on the AIM market of the London Stock Exchange under the symbol "ATYM".
- Delisting from the TSX took effect at the close of trading on 20 March 2023.
- On 23 February 2023, Atalaya announced the results from a new preliminary economic assessment ("PEA") for the Cerro Colorado, San Dionisio and San Antonio deposits at its Proyecto Riotinto operation in Spain.
- On 28 March 2023, Atalaya announced that Proyecto Masa Valverde was granted the Unified Environmental Authorisation (or in Spanish, Autorización Ambiental Unificada ("AAU")) by the Junta de Andalucía.

25. Events After the Reporting Period

No significant events occurred after the reporting period.