RNS Number : 1146F
Aterian PLC
23 September 2024

23 September 2024

Interim Results for the six months ended 30 June 2024

Aterian Plc
("**Aterian**" or the "**Company**")

Aterian Plc (LSE: ATN), the critical and strategic metal-focused exploration and development company, is pleased to announce its unaudited interim results for the six months ended 30 June 2024.

This announcement contains information which, prior to its disclosure, was inside information as stipulated under Regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations 2019/310 (as amended).

For further information, please visit the Company's website:www.aterianplc.com or contact:

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Notes to Editors:

About Aterian plc

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Aterian plc is an LSE-listed exploration and development company with a diversified African portfolio of critical metals projects.

Aterian plc is actively seeking to acquire and develop new critical metal resources to strengthen its existing asset base whilst supporting ethical and sustainable supply chains as the world transitions to a sustainable, renewable future. The supply of these metals is vital for the development of the renewable energy, automotive and electronic manufacturing sectors that are playing an increasing role in reducing carbon emissions and meeting climate ambitions globally.

The Company entered into a joint venture agreement with Rio Tinto Mining and Exploration Limited for Rio Tinto to earn into the HCK project in southern Rwanda to explore and develop lithium-tantalum-niobium-tin mining operations. Aterian currently holds a portfolio of multiple copper-silver and base metal projects in the Kingdom of

Morocco, with a total area of 897 km2. In January 2024, the Company announced the acquisition of a 90 % interest in Atlantis Metals. This private Botswana registered company holds seven mineral prospecting licences for copper-silver in the Kalahari Copperbelt and three for lithium brine exploration in the Makgadikgadi Pans region. The total licence area in Botswana is 4,486 km2.

The Company's strategy is to seek new exploration and production opportunities across the African continent and to develop new sources of critical mineral assets for exploration, development, and trading.

Statement of Directors' Responsibilities in respect of the Condensed Consolidated Financial Statements

The directors confirm that these condensed interim financial statements have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

• an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

• material related-party transactions in the first six months and any material changes in the related-party transactions described in the last annual report.

The directors of Aterian Plc are listed in the Company's annual report for 31 December 2023 and the Company's website:https://aterianplc.com/ There have been no changes since 31 December 2023.

The Interim Financial Statements were approved by the Board of Directors and the above responsibility statement was signed on its behalf by:

Charles Bray

Director

20 September 2024

Chairman's statement

I am pleased to announce the unaudited Interim Results of the Group for the half-year ending 30 June 2024.

These accounts reflect a loss of £504,000 (2023:£858,000) arising from administrative costs; this corresponds to the Company's expenditure on overheads, operational and exploration expenses. Additional expenditure was incurred on mineral exploration in Morocco, Botswana, and Rwanda, where we are establishing a mineral trading business.

Our strategy focuses on responsibly exploring and developing critical mineral and metal resources across Africa, a region vital for a successful energy transition. The renewable energy, automotive, and electronic manufacturing sectors are currently driving the need to develop secure supply chains for critical metals. We firmly believe the long-term market fundamentals for copper are excellent and linked specifically to the anticipated growing demand for renewable energy and related transportation electrification globally. We also believe that long term supply demand dynamics bode well for lithium.

We currently have active projects in Rwanda, Morocco, and Botswana.

Rwanda Update

Aterian, through its 100% owned Rwanda registered subsidiary, Eastinco Limited ("Eastinco"), is actively engaged in mineral exploration and developing its portfolio of critical metals in Rwanda, focusing on the country's excellent hard rock lithium potential. The Company has two partnerships exploring and developing the lithium-tantalum (+niobium) and tin opportunities hosted within numerous mapped intrusive pegmatite dykes and sills. Eastinco Limited holds a mineral trading licence issued by the authorities in Rwanda, which allows for trading mineral concentrates from internal supply and third-party producers and suppliers. We continue to slowly develop this business with a focus on minimising capital costs and risks associated with trading.

Below is a brief description of the operational HCK project. The Musasa and Dynasty projects are pending licence approvals from the Rwandan authorities.

The HCK Project

The HCK Project covers 2,750 hectares in southern Rwanda with the licence held by Kinunga Mining Ltd, a Rwanda-registered joint venture company owned 70% by Eastinco Limited and 30% by HCK Mining Company Ltd. Aterian entered an earn-in Joint Venture Agreement with Rio Tinto Mining and Exploration Ltd ("Rio Tinto") over this project in August 2023. Under this joint venture, Rio Tinto can earn up to 75% interest in the project by funding a two-stage exploration programme with total committed expenditures of US$ 7.5 million.

A summary of activities being managed and operated by Rio Tinto is given below.

Rio Tinto's operational field teams have collected 277 rock chip surface samples from several mapping campaigns over the licence and 3,029 geochemical soil samples, with full assay results pending. Recent soil sampling has focused on tighter in-fill control over ten selected priority areas. Completing and interpreting ground magnetic

and radiometric geophysical surveys and geological mapping supports this work. Planning for the initial drilling campaign is well underway, with site access and drill pad preparatory work expected to start in August 2024. The drill programme is scheduled to commence in late Q3/2024.

Elemental Altus Royalty Corp holds a 1.25% to 1.4 % (depending on the Rwandan total exploration land holding) net smelter return ("NSR") over this project.

Rwanda Metal Trading

In July 2024, post-reporting period, the Company announced the successful completion of a metal concentrates Off-take Agreement by its Rwandan subsidiary, Eastinco Limited, with a significant international trading house. This key strategic partnership allows for the sale and distribution of Eastinco's tantalum-niobium and tin concentrate secured from Rwandan-based artisanal and small-scale mining ("ASM") companies and cooperatives, significantly enhancing the company's ability to generate revenue from aggregating and upgrading ASM concentrate supplies.

In conjunction with this Agreement, Aterian has agreed on the terms for a US$ 1.0 million maximum secured trade finance debt facility from a financial investor. This Facility is a revolving debt facility with an approximately 14.4% annual interest rate, subject to the completion of due diligence and legal documentation. The Facility will provide the Company with the necessary working capital requirements for trading operations, ensuring seamless execution and operational efficiency. Confidentiality has been agreed amongst the parties to protect our mutual commercial interests in a highly competitive environment.

Aterian's trading business model is to partner with several suppliers in Rwanda to support their mining operations by providing mining and processing equipment, capital investment, and training. The first partner projects have been identified, and the Company is now conducting additional due diligence and technical planning. Basic mineral processing systems will be installed under a lease agreement, with the development of new access tunnels into the deeper levels of the mining areas. This new infrastructure and technical support should result in an immediate uplift in production by processing existing tailings material and a longer-term sustainable production uplift from accessing the deeper mineralised structures.

Morocco Update

The Company presently holds 897 km^2 under licence in the Kingdom of Morocco ("Morocco"). The licences primarily target critical minerals focusing on copper and silver and are held 100% by the Company's Moroccan subsidiaries. Elemental Altus Royalty Corporation has a 2.5 % NSR royalty over each of the licences held by Aterian in Morocco.

Most of the projects occur within the Anti-Atlas region in Morocco, a region known for its significant copper deposits, which have been mined since ancient times. The Anti-Atlas Mountains are part of the Precambrian crystalline basement of Morocco. Various types and styles of mineralisation characterise them due to their complex geological history involving multiple phases of tectonic activity and magmatism. Copper is primarily found in the form of sulphide minerals such as chalcopyrite, chalcocite, and bornite with deposits associated with Neoproterozoic volcanic and sedimentary rocks, often linked to ancient volcanic-sedimentary basins and rift zones. Sedimentary-hosted copper deposits in the Anti-Atlas region of Morocco are a significant aspect of the area's geology and mining industry, with copper mineralisation often hosted in sandstone, shale, and carbonate rocks. The host formations include the Adoudounian (and Cambrian aged) dolomites and limestones, well-known for hosting copper and other metals.

The Company is currently reviewing its existing portfolio to rationalise the Moroccan project assets, whether due to geology, geography and/or lack of existing infrastructure. Additionally, we await the Moroccan government licence review and expect the addition and subtraction of some licences. The government's feedback, combined with our internal assessment will allow the Company to focus its efforts on the most highly prospective projects.

Below is a brief description of the key projects in Morocco.

The Agdz Project

The Agdz Project covers 34.46 km^2 and comprises a single mining licence. The project is located within the Souss-Massa-Drâa region of the Anti-Atlas Mountains of central Morocco, approximately 350 km south of the capital, Rabat, and approximately 35 km east of the city of Ouarzazate, where high-standard infrastructure and services exist, including a regional airport. Agdz lies approximately 14 km southwest of the Bou Skour copper-silver mine, with the world-class Imiter silver mine located 80 km to the northeast, both operated by Managem Group.

A scout drill programme is scheduled for Q3/2024, targeting historical copper workings, geophysical anomalies, copper mineralisation identified in reconnaissance trenching, and copper observed in outcrops during surface geological mapping. The expected outcomes from this programme will provide indications of the economic potential of the copper-silver mineralisation, improved datasets to revise the geophysical interpretation, aid in refining the geological model, confirm the style of copper mineralisation, and allow planning for additional drilling to advance the project towards a mineral resource estimation.

The lithological package at Agdz broadly consists of mostly felsic-intermediate volcano-sedimentary rocks of the Ouarzazate Supergroup with large granodiorite plutons in the north and locally conglomeratic metasedimentary sequences in the south. The units are bisected by sub-parallel NE and NW striking brittle faults and alteration zones, several of which have been historically mined for copper. A re-interpretation of the available ground-based geophysics and ground geological mapping indicates that the main prospects identified occur in a potential dilutionary jog structural setting.

Five prospects, namely Makarn, Makarn North, Amzwaro, Miniere and Daoud, have been outlined on the project based on rock chip sampling (the best of which returned grades of up to 26.5 % Cu, 448 g/t Ag, and 3.74 g/t Au),

geological mapping and geophysical interpretation. These five significant Cu-Ag prospects cover an area of approximately 8 km2:

- The 2.80 km long Makarn - Markarn North prospects, with results up to 26.5 % Cu and 448 g/t Ag
- The 2.00 km long Amzwaro prospect, with results up to 4.82 % Cu and 189 g/t Ag
- The 0.15 km long Minière prospect, with results up to 14.75 % Cu and 13.8 g/t Ag
- The 0.70 km long Daoud prospect, with results up to 2.98 % Cu, 152 g/t Ag

576 m of reconnaissance trenching has been completed in 13 trenches across two of the five prospects. Results include 14.12 m at 0.65 % Cu and 36.54 g/t Ag at Makarn North and 13.70 m at 0.36 % Cu and 13.26 g/t Ag at Amzwaro.

The Tata Project

The Tata Project covers 154.4 km^2 and is located within the western Anti-Atlas Mountains of Morocco. It occurs 30 km south of the Company's Azrar copper-silver project. The Project is approximately 465 km south of Rabat's capital, 165 km southeast of the port city of Agadir, and 50 km southeast of the Managem Group-operated Tizert copper mine.

Carbonate-rich sediments from the Late Ediacaran to early Cambrian Adoudou Formation occur within the Project along the margins of the Palaeoproterozoic Tagragra de Tata Inlier. Exploration work on the Project has identified copper mineralisation hosted within Adoudou sediments and the younger overlying Cambrian Tata Group sediments.

The Adoudou Formation comprises sediments known to host significant sedimentary copper deposits in the Western and Central Anti-Atlas, including the Tizert mine. The Tizert deposit is considered the largest copper deposit in the Western Anti-Atlas, with resources estimated to be 57 Mt grading 1.03 % Cu and 23 g/t Ag (Managem Group).

The results, to date, indicate the presence of stratiform sedimentary copper along a strike length of 18 km, with an unexplored strike length of c.26 km within the Adoudou Formation and 9 km along the Tata Group sediments remaining untested. Exploration results from rock chip sampling have reported up to 7.02 % Cu from bedding parallel, disseminated mineralisation occurring in siltstones within the lower Adoudou Formation.

Additional mapping and sampling have occurred (results pending), including several cross-sections traversing the local stratigraphy in more detail.

The company recently acquired airborne geophysical data from the Ministry of Mines and has contracted out the re-processing of this data to an independent consultant. The area covered by the historical airborne surveys includes the Tata and Azrar projects. The results of this interpretation are anticipated to allow for more focused ground follow-up, which will include detailed geological mapping and ground-based geophysical surveys to define potential drill targets.

The Azrar Project

The Azrar Project is situated in the western Anti-Atlas Mountains. It comprises an area of 99.3 km^2 and is located 155 km southeast of the port city of Agadir and 45 km southeast of the Tizert copper mine.

Fieldwork has identified high-grade copper and silver from multiple locations, including 3.79 % Cu and 23 g/t Ag from an NE-SW trending fault-related breccia cutting across the project's central area. More recently, a sample collected from an 8 m thick carbonate bed with disseminated malachite observed along bedding plane surfaces and cross-cutting fractures and joints reported 4.01 % Cu with 26.9 g/t Ag, highlighting the potential for stratiform sediment-hosted copper-silver mineralisation. Additional sedimentary hosted copper mineralisation was observed from prospecting in the western area, with three individual samples collected over a strike length of 1 km reporting copper grades of 1.21 %, 0.57 % and 0.54 % Cu from Adoudounian age sedimentary sequences. Several structures hosting mineralised quartz veining and fault breccia are observed. Two samples from spoil material adjacent to old artisanal workings returned good copper and associated gold (1.19 % Cu with 0.50 g/t Au, 1.22 % Cu with 0.33 g/t Au) from the quartz-specular hematite veins. The workings are sub-vertical shafts and pits, up to 7 m deep and 2 m wide, with veins up to 1.2m wide. Another vein sample was collected 1.8 km south from the artisanal workings and returned 0.54 % Cu and 0.19 g/t Au along the same structural trend.

Additional sampling and mapping have been undertaken (with results pending), and plans include ground-based geophysical surveys, detailed geological mapping and trenching to define drill targets.

The Jebilet Est Project

This project covers 73.6 km^2 and lies approximately 200 km south of the capital city of Rabat, 35 km northeast of Marrakech, and 15 km from a rail line to the port of Casablanca. The Project occurs approximately 15 km east of the historic Bir N'Hass copper mine, with several known base metal and copper deposits and occurrences identified within the district.

The Jebilet Est Project is underlain by Palaeozoic metamudstones and quartzites proximal to Variscan (Hercynian)-age granite and mafic intrusive bodies. Initial reconnaissance has identified a significant network of copper-bearing veins and breccia zones. Multiple parallel quartz-carbonate veins with a general ENE orientation are mapped across the licences with the largest vein zone, up to 10 m wide, striking discontinuously for over 3.25 km. High copper grades, including 4.43 % Cu and 3.11 % Cu, have been returned from outcrop sampling, with an extensive vein system mapped in the western project area.

Additional sampling and mapping have been undertaken (with results pending), and plans include ground-based geophysical surveys and trenching to define drill targets.

The Jafra Project

The Jafra Project covers 29.0 km^2 in the Western Meseta of north-central Morocco, 36 km northeast of Marrakech, 35 km east of the historic Roc Blanc silver mine, and 32 km from the rail line to the port of Casablanca. The project is located on the eastern margin of an intrusive pluton within the metamorphic aureole. It hosts a historically mapped lead occurrence, coincident with apparent former artisanal mining associated with fault zones and a quartz-carbonate vein system. The Project lies 14km south of the Company's Jebilet Est Copper Project.

Reconnaissance has concentrated on two areas within the centre of the project on a prominent topographic hill, where several artisanal workings are identified. All mapped workings appear to exploit quartz veins and fault zone breccia with visible sulphide mineralisation.

Surface scree covers much of the high ground, obscuring most outcrops. However, individual structures can be traced over 100 m along strike from the workings. Several breccia zones with variable widths up to 3 m have been identified and are typically composed of roughly parallel quartz-carbonate veins and breccia. Veins range from 1 to 30 cm wide with a general NE trend, cross-cutting the host metasiltstones. Rock chip sampling has reported high-grade silver and lead values up to 170 g/t Ag, 22.2 % Pb and 157 g/t Ag, 21.2 % Pb.

Recent work has involved channel sampling across the mineralised structures and a geochemical orientation survey over the flat ground to the north of the hill to explore for hidden or blind extensions to the mineralisation identified in the old surface workings. The results of this work are pending.

Botswana Update

In April 2024, the Company announced the completion of the acquisition of a 90% interest in Atlantis Metals (Pty) Ltd, a privately owned company registered in Boswana and the holder of ten prospecting licences in Botswana. Atlantis holds a portfolio of seven strategically located copper-silver licences in the world-renowned Kalahari Copperbelt (**"KCB"**) and three lithium brine licences in the Makgadikgadi Pans, covering a total land area of 4,486.11 km^2.

The Kalahari Copperbelt is one of the world's most prospective areas for yet-to-be-discovered sediment-hosted copper deposits (USGS, 2020) and hosts several large stratabound, sediment-hosted copper-silver deposits. The KCB is a northeast-trending Meso- to Neoproterozoic belt that occurs discontinuously from western Namibia and stretches into northern Botswana along the northwestern edge of the Paleoproterozoic Kalahari Craton. It is approximately 1,000 km long by up to 250 km wide. It contains copper-silver mineralisation, generally stratabound, hosted in metasedimentary rocks that have been folded, faulted and metamorphosed to greenschist facies during the Damara Orogeny. Typically, the deposits comprise stratabound disseminated to structurally controlled ore bodies 5 to 40 m thick with strike lengths ranging from 1.5 to 4 km. The main target horizon for copper mineralisation is towards the base of the D'Kar Formation, close to the contact of the underlying red beds of the Ngwako Pan Formation.

One of the Atlantis licences is situated approximately 50 km east of Khoemacau Copper Mine ("**KCM"**) Zone 5 deposit (92.9 million tonnes grading 2.0 % Cu and 21 g/t Ag), designed to produce 60,000 to 65,000 tonnes per annum of copper and 2 million ounces per annum of silver metal in concentrate. Furthermore, the Zone 9 Cu-Ag prospect, owned by KCM, is within 30 km of this license area. Another licence is 7 km west of the KCM Banana zone, which hosts 157 million tonnes grading 0.86% Cu and 11 g/t Ag. In March 2024, MMG Limited, listed on the Hong Kong Stock Exchange, completed the acquisition of Cuprous Capital Ltd, the parent company of the Khoemacau Copper Mine, for US$ 1.73 billion.

Atlantis holds three licences, covering a combined 2,516.93 km^2, which is considered highly prospective for lithium brine. The licences are located along the eastern and southern shores of Sua Pan, within the Central District, with Sua Pan comprising one of three pans forming the Makgadikgadi Salt Pans. As a means of boosting exploration investment, the Makgadikgadi Pans region has been officially declared a "Lithium Zone" by the Ministry of Mines and Energy since 2022 due to a history of known lithium brine occurrence and the emergence of new Direct Lithium Extraction (DLE) technologies capable of rendering once-thought uneconomic deposits, economic, typically having lower CAPEX and OPEX compared to conventional evaporation methods. Historical data reported in a 1980s study of the Sua Pan brines by the US Trade and Development Program indicated anomalous lithium values. The samples were collected from the northern area of Sua Pan and returned values of 103, 117, and 223 mg/l Li (note that the precise sample locations are unknown at this time).

Target generation is underway, with independent consultants acquiring and reprocessing airborne geophysical and remote sensing data for the licences.

Strategically, we aim to explore and develop the asset portfolio in joint ventures with partners with the expertise and capital to advance or eliminate the projects as prospective. Unfortunately, Brexit has resulted in the fragmentation of UK and EU capital markets, which in turn has diminished the depth and fluidity of capital flows, especially for smaller capitalisation companies. The resulting reduction in share prices and market capitalisations has fed through sectors such as mining. These lower valuations hamper the market's ability to invest, even while increasing the opportunity set for those companies able to identify undervalued assets.

Charles Bray
Executive Chairman
20 September 2024

Principal Risks and Uncertainties

The Board considers strategic, operational and financial risks and identifies actions to mitigate those risks. These risk profiles are updated at least annually. The principal risks and uncertainties can be found in the Group's risk profile analysis can be found on pages 17 to 21 of our Annual Report for the year ended 31 December 2023, available from the Aterian plc website: https://aterianplc.com/

The principal risks and uncertainties which may impact results and prospects over the second half of the year and a summary of the key measures taken to mitigate those risks are as follows:

- Trading business

Eastinco Limited holds a metal trading licence issued by the authorities in Rwanda, which will allow for trading metal concentrates from internal supply and third-party producers and suppliers. Our trading business model is to partner with several suppliers in Rwanda to support their mining operations by providing mining and processing equipment, capital investment and training. The first partner projects have been identified, and the Company is now conducting additional due diligence and technical planning. The outcome of these procedures will have an impact on the timing and level of revenues which might be generated before the year end.

- Rio Tinto Joint Venture

On 31 July 2023, the Company signed a definitive Earn-In Investment and Joint Venture Agreement ("Agreement") with Rio Tinto Mining and Exploration Ltd ("Rio Tinto") and Kinunga Mining Ltd ("Kinunga"). The Agreement is for the exploration and development of lithium and by-products at its HCK Joint Venture project holding the HCK licence (the "Licence") in the Republic of Rwanda.

Rio Tinto has the option to incur work expenditure of US$3 million over a two-year period ("Stage 1") to earn an initial 51% interest in the Licence. Rio Tinto will also make cash payments to Aterian, totalling US$300,000, to reimburse previous operational expenses incurred by Aterian. An initial payment of US$200,000 was made on completion of satisfactory due diligence by Rio Tinto, and an additional payment of US$100,000 will be due at the start of Stage 2.

The outcome of these procedures may impact on the prospects for and funding of this project.

- Funding of the Group

The Group has not yet earned revenues and as at 30 June 2024 was in the feasibility, optimisation and commissioning phase of its ore processing and trading facility in Rwanda. In Morocco and Botswana, each of its assets are in the early stages of exploration and feasibility assessment. Continuing operations of the Group are currently financed from funds raised from shareholders and this will likely continue to be the case until revenue is generated from mining and/or trading and subsequent ore sales.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
SIX MONTHS ENDED 30 JUNE 2024

	Notes	6 months to 30-Jun-24 (Unaudited) £'000	6 months to 30-Jun-23 (Unaudited) £'000
Revenue		-	-
		-	-
Administrative expenses	5	(684)	(813)
Share-based payment expense	17	-	(36)
Other income	6	200	-
Operating loss		(484)	(849)
Interest payable and similar charges	7	(20)	(9)
Loss before tax		(504)	(858)
Tax expense	8	-	-
Loss after tax		(504)	(858)
Other comprehensive income:			
Items that may be reclassified to profit or loss			
Gain/ (loss) on translation of foreign operations		24	(84)

Total comprehensive loss		**(480)**	(942)
Loss per share			
Basic and diluted loss per share (pence)	**9**	**(4.62)**	(8.78)

All activities relate to continuing operations.

The accompanying notes form part of these interim condensed financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Notes	30-Jun-24 (Unaudited) £'000	31-Dec-23 (Audited) £'000
Non-current assets			
Intangible exploration and evaluation assets	**10**	**3,437**	3,285
Property, plant and equipment	**11**	**342**	296
Total non-current assets		**3,779**	3,581
Current assets			
Trade and other receivables	**12**	**188**	557
Cash and cash equivalents		**110**	73
Total current assets		**298**	630
Total assets		**4,077**	**4,211**
Equity and liabilities			
Share capital	**16**	**10,969**	10,892
Share premium	**16**	**2,642**	2,177
Share based compensation reserve		**2,442**	2,442
Interest in shares in EBT		**(839)**	(839)
Translation reserve		**(400)**	(424)
Accumulated losses		**(12,534)**	(12,030)
Merger relief reserve		**1,200**	1,200
Total equity		**3,480**	3,418
Current liabilities			
Trade and other payables	**13**	**372**	402
Deferred consideration	**14**	**-**	166
Borrowings	**15**	**225**	225
Total current liabilities		**597**	793
Total equity and liabilities		**4,077**	**4,211**

The Interim Condensed Financial Statements were approved and authorised for issue by the Board of Directors on 20 September 2024.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Share capital	Share premium	Share-based compensation reserve	Interest in shares in EBT	Translation reserve	Other Reserve	Merger relief reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2023	9,647	2,177	2,441	(839)	(313)	-	1,200	(10,968)	3,345
Loss for the period	-	-	-	-	-	-	-	(858)	(858)
Other comprehensive loss	-	-	-	-	(84)	-	-	-	(84)
Transactions with owners:									
Share-based compensation	-	-	36	-	-	-	-	-	36
Issue of new shares	245	-	-	-	-	-	-	-	245
At 30 June 2023	**9,892**	**2,177**	**2,477**	**(839)**	**(397)**	**-**	**1,200**	**(11,826)**	**2,684**
At 1 January 2024	10,892	2,177	2,442	(839)	(424)	-	1,200	(12,030)	3,418
Loss for the period	-	-	-	-	-	-	-	(504)	(504)
Other comprehensive income	-	-	-	-	24	-	-	-	24
Transactions with owners:									
Issue of new shares	77	465	-	-	-	-	-	-	542
At 30 June 2024	**10,969**	**2,642**	**2,442**	**(839)**	**(400)**	**-**	**1,200**	**(12,534)**	**3,480**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

SIX MONTHS ENDED 30 JUNE 2024

	6 months to 30-Jun-24 (Unaudited)	6 months to 30-Jun-23 (Unaudited)

Cash flow from operating activities	**£'000**	**£'000**
Loss before tax	**(504)**	(858)
Adjustments for:		
Depreciation	**16**	11
Share-based payment expense	**-**	36
Interest expense	**20**	9
Foreign exchange (gains)/losses	**(31)**	17
Costs settled by the issue of shares	**42**	245
Operating loss before working capital changes	**(457)**	(538)
Changes in working capital:		
Decrease in trade & other receivables	**161**	78
(Decrease) / increase in trade & other payables	**(249)**	43
Net cash outflows flow from operating activities	**(545)**	(419)
Cash flow from investing activities		
Purchase of property, plant and equipment	**-**	(4)
Capitalised E&E expenditure	**(97)**	-
Acquisition of subsidiary	**(21)**	-
Net cash used in investing activities	**(118)**	(4)
Cash flow from financing activities		
Net proceeds from issue of convertible loan notes	**500**	342
Interest paid	**(20)**	-
Net cash flow from financing activities	**480**	342
Net decrease in cash & cash equivalents	**(183)**	(81)
Cash & cash equivalents at beginning of the period	**73**	110
Effect of exchange rate movements on cash	**-**	(3)
Cash & cash equivalents at end of the period	**110**	26

ATERIAN PLC

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

1. General information

Aterian plc ("the Company") is an investment company, focussed on African mineral resource investment opportunities. The Company operates through its 100% owned subsidiary, Eastinco Limited ("EME Ltd"), a Rwandan tantalum, tin and tungsten exploration company, Aterian Resources Limited which holds copper-silver and base metal exploration projects in the Kingdom of Morocco and its 90% interest in Atlantis Metals (Pty) Ltd, a Bostwana registered entity holding mineral prospecting licences in the Republic of Botswana.

The condensed interim financial statements for the period ended 30 June 2024 do not constitute statutory accounts as defined in section 434 of the Companies Act 2006. These financial statements have been prepared in accordance with the accounting policies set out in, and are consistent with, the audited consolidated financial statements for the twelve months ended 31 December 2023. A copy of the statutory accounts for the year ended 31 December 2023 has been delivered to the Registrar of Companies. The auditor's report on those accounts was unqualified and did not contain statements under Section 498 (2) or (3) of the Companies Act 2006 but drew

attention, by way of emphasis, without qualifying the report, to the Company's assumptions on going concern which stated that the Group and Parent Company's operational existence is reliant on the ability to raise further funding through equity placing or through the support of the directors through an injection of capital. The impact of this together with other matters indicated that a material uncertainty existed that may cast significant doubt on their ability to continue as a going concern. The auditor's opinion was not modified in respect of this matter.

On 29 July 2024, the Listing Rules were replaced by the UK Listing Rules ("UKLR") under which the existing Standard Listing category was replaced by the Equity Shares (transition) category under Chapter 22 of the UKLR. Consequently, with effect from that date the Company is admitted to Equity Shares (transition) category of the Official List under Chapter 22 of the UKLR and to trading on the London Stock Exchange's Main Market for listed securities.

The Company is incorporated and domiciled in the UK. The address of its registered office is 27-28 Eastcastle Street, London W1W 8DH.

The registered number of the Company is 07496976.

2. Basis of preparation

The material accounting policies applied in the preparation of the Company's Financial Statements are set out below. These policies have been consistently applied to the period presented, unless otherwise stated.

This condensed consolidated interim financial statements for the half-year reporting period ended 30 June 2024 have been prepared in accordance with the UK-adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements do not include all of the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2023, which has been prepared in accordance with UK-adopted international accounting standards and the requirements of the Companies Act 2006, and any public announcements made by Aterian Plc during the interim reporting period.

The condensed interim financial statements are unaudited and have not been reviewed by the auditors and were approved by the Board of Directors on 20 September 2024.

The Financial Statements are presented in £'000 unless otherwise stated which is the Company's functional and presentational currency.

3. Going concern

The financial statements have been prepared on a going concern basis. The Group has not yet earned revenues and as at 30 June 2024 was in the feasibility, optimisation and commissioning phase of its ore processing and trading facility in Rwanda. In Morocco and Botswana, each of its assets are in the early stages of exploration and feasibility assessment.

Continuing operations of the Group are currently financed from funds raised from shareholders and this will likely continue to be the case until revenue is generated from mining and/or trading and subsequent ore sales. In the short term the Chairman of the Company has made available to the Company a working capital facility, but the Group will likely need to raise further funds in order to progress the Group from the exploration phase into feasibility and eventually into production of revenues.

As at 30 June 2024, the Group had cash and cash equivalents of £110,000 and a working capital facility of £500,000 which is fully utilised. As at the date of this report, cash balances were approximately £175,000. The Companyhopes to generate revenues and/or raise further equity to fund both day-to-day expenditure and potential growth although there can be no certainty that such funding will be forthcoming.

As part of their assessment, the Directors have prepared financial cash-flow forecasts on the basis that cost reduction and cost deferral measures can be implemented over the going concern period. The Company's base case financial projections show that the Group will continue to operate within the available facilities throughout the next 12 months. Much of the

Group's planned exploration expenditure is discretionary and, if necessary, could be scaled back to conserve cash should circumstances coincide with our expectations.

The Directors have agreed, if circumstances require, to defer payment of their fees until such time as adequate funding is received and if necessary, scale back all discretionary expenditure including exploration expenditure.

Considering recent successful fund raises the Directors are confident that they can continue to adopt the going concern basis in preparing the financial statements.

The financial statements do not include any adjustment that may arise in the event that the Group is unable to raise additional finance, realise its assets and discharge its liabilities in the normal course of business.

4. New standards, interpretations and amendments adopted from 1 January 2024

A number of new or amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

Standards issued but not yet effective:

At the date of authorisation of these interim financial statements, certain standards and interpretations relevant to the Group and which have not been applied in these financial statements, were in issue but were not yet effective. In some cases these standards and guidance have not been endorsed for use in the UK.

The directors are evaluating the impact that these standards will have on the financial statements of the Group.

5. Operating expenses by nature

Administrative expenses	**Six months ended 30-Jun-24 (Unaudited) £'000**	Six months ended 30-Jun-23 (Unaudited) £'000
Directors' salaries	**(122)**	(120)
Staff costs	**(110)**	(58)
Auditor's remuneration	**(23)**	(52)
Travel expenses	**(27)**	(6)
Metallurgical tests	**-**	(4)
Legal expenses	**(24)**	(24)
Professional fees	**(189)**	(318)
Accounting fees	**(38)**	(60)
Depreciation	**(16)**	(11)
Geological survey costs	**(8)**	(19)
Trading expenses	**(2)**	(49)
Security costs	**(9)**	(8)
Rent	**(13)**	(2)
Other expenses	**(103)**	(84)
	(684)	(813)

Director salaries	**Fees and salaries**	**Share-based payment expense**	**Six months ended 30 June 2024 Totals**	**Six months ended 30 June 2023 Total**
	£'000	**£'000**	**£'000**	**£'000**
Executive Directors				
Charles Bray	48	-	48	48
Simon Rollason	48	-	48	48
Non-Executive Directors				
Devon Marais	14	-	14	14
Alister Hume	6	-	6	5

Kasra Pezeshki	6	-	6	5
	122	-	122	120

6. Other income

	Six months ended 30-Jun-24 (Unaudited) £'000	Six months ended 30-Jun-23 (Unaudited) £'000
Disposal of NSR (Note 14)	**200**	-
	200	-

7. Interest payable and similar charges

	Six months ended 30-Jun-24 (Unaudited) £'000	Six months ended 30-Jun-23 (Unaudited) £'000
Interest on related party loan	**20**	9
	20	9

8. Taxation

Tax expense	**Six months ended 30-Jun-24 (Unaudited) £'000**	Six months ended 30-Jun-23 (Unaudited) £'000
Current tax:		
UK taxation	**-**	-
Overseas taxation	**-**	-
Deferred tax	**-**	-
	-	-

The Group has made no provision for taxation as it has not yet generated any taxable income.

The Group had losses for tax purposes of approximately £8.2 million as at 30 June 2024 (£7.5 million as at 31 December 2023) which, subject to agreement with taxation authorities, are available to carry forward against future profits. Such losses have no expiry date. The tax value of such losses amounted to approximately £2.0 million as at 30 June 2024 (£1.8 million as at 31 December 2023). A deferred tax asset has not been recognised in respect of such losses carried

forward at the period end, as there is insufficient evidence that taxable profits will be available in the foreseeable future against which the deductible temporary difference can be utilised.

9. Loss per share

Basic loss per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

For diluted loss per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

The calculation of basic and diluted loss per share is based on the following figures.

	Six months ended 30-Jun-24 (Unaudited)	Six months ended 30-Jun-23 (Unaudited)
	£'000	£'000
Earnings		
Loss from continuing operations for the period attributable to the equity holders of the Company	(504)	(858)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	10,912,989	9,768,708
Basic and diluted earnings per share (pence)	**(4.62p)**	(8.78p)

The earnings per share for the period ended 30 June 2023 has been restated and presented on the basis of the share consolidation approved in June 2024, as described in Note 16.

10. Intangible exploration and evaluation assets

Cost	**Rwandan assets £'000**	**Moroccan assets £'000**	**Total £'000**
At 1 January 2024	-	3,285	3,285
Acquisitions	-	118	118
Foreign exchange adjustments	-	34	34
At 30 June 2024	-	3,437	3,437
Impairment			
At 1 January 2024	-	-	-
Charge for the period	-	-	-
At 30 June 2024	-	-	-
Net book value			
At 30 June 2024	**-**	**3,437**	**3,437**
At 1 January 2024	-	3,285	3,285

11. Property, plant and equipment

Cost	Mine £'000	Mining Equipment £'000	Office Equipment £'000	Motor Vehicles £'000	Computer Equipment £'000	Processing Equipment £'000	Land £'000	Total £'000
At 1 January 2024	624	299	6	6	5	1	27	968
Foreign exchange adjustments	-	54	1	6	-	5	(4)	62
At 30 June 2024	624	353	7	12	5	6	23	1,030
Depreciation								
At 1 January 2024	624	40	6	-	2	-	-	672
Charge for the period	-	14	1	1	-	-	-	16
At 30 June 2024	624	54	7	1	2	-	-	688
Net book value								
At 30 June 2024	**-**	**299**	**-**	**11**	**3**	**6**	**23**	**342**
At 1 January 2024	-	259	-	6	3	1	27	296

12. Trade and other receivables

	30-Jun-24 (Unaudited) £'000	31-Dec-23 (Audited) £'000
Taxes receivable	**36**	28
Amounts due from farmee	**-**	157
Other debtors	**129**	347
Prepayments	**23**	25
	188	557

13. Trade and other payables

	30-Jun-24 (Unaudited) £'000	31-Dec-23 (Audited) £'000
Trade payables	**238**	194
VAT payable	**111**	34
Other payables	**-**	99
Accruals	**23**	75
	372	402

14. Deferred consideration

	30-Jun-24 (Unaudited)	31-Dec-23 (Audited)

	£'000	£'000
Deferred consideration	-	166
	-	166

Deferred consideration was payable to Altus Exploration Management Ltd in respect of the acquisition of Aterian Resources Limited. In April 2024, the Company reached an agreement for the disposal of its portion of the Net Smelter Return Royalty ("NSR") over the HCK Project in Rwanda for a £200,000 gross consideration. Under the agreement the Company sold its interest of 1.40 % of the Rio Tinto Joint Venture NSR to Elemental Altus Royalties Corporation ("Elemental Altus") in exchange for a repayment in full of the total debt consideration owing to Elemental Altus by the Company. This royalty reduces to 1.25% upon the Musasa licence being issued The debt relates to historical exploration costs in Morocco owing to Elemental Altus following the acquisition of the Moroccan exploration portfolio.

15. Borrowings

Current liabilities	**30-Jun-24 (Unaudited) £'000**	31-Dec-23 (Audited) £'000
Loan from related party	**225**	225
	225	225

Loan from a related party

On 17 October 2022, the Company entered into a working capital facility with the trustees of the C Bray Transfer Trust pursuant to which the C Bray Transfer Trust agreed to make available to the Company a working capital facility of up to £500,000.

Up to £150,000 can be drawn down under the facility each quarter starting from 25 October 2022. The facility will be available for two years. The facility is secured by a fixed and floating charge over all the property or undertaking of the Company. Interest of 2% per annum accrues on undrawn amounts and interest of Base Rate + 7.5% per annum will accrue on drawn amounts.

Interest will roll up and is repayable with the outstanding principal on the second anniversary of Admission. An arrangement fee of £10,000 was payable and has been added to the principal outstanding. C Bray, a director, is a beneficiary of the C Bray Transfer Trust. On 9 August 2023, £300,000 of the loan balance was converted to Ordinary Shares. Interest of £19,734 was payable for the period ended 30 June 2024.

16. Share capital

	Six months ended 30 June 2024				
	Number of ordinary shares of £0.01	Number of ordinary shares of £0.001	Number of deferred shares of £0.009	Share Capital £'000	Share Premium £'000
Brought forward at 1 January 2024	1,089,170,115	-	-	10,892	2,177
Share split	(1,089,170,115)	1,089,170,115	1,089,170,115	-	-
Share consolidation	-	(1,078,278,405)	-	-	-

Shares issued in the period	-	774,566	-	77	465
As at 30 June 2024	**-**	**11,666,276**	**1,089,170,115**	**10,969**	**2,642**

During the period ended 30 June 2024, the following changes to the Company's share capital took place:

- By way of an ordinary resolution passed at the Company's AGM on 10 June 2024, every one ordinary share of £0.01 each ("Existing Ordinary Shares") was split into one ordinary share of £0.001 each ("New 0.1p Ords") and one deferred share of £0.009 each ("Deferred Shares").

- On the same date, every existing 100 New 0.1p Ords in issue were consolidated into one ordinary share of £0.10 each ("New Ordinary Shares") such New Ordinary Shares having the same rights, and being subject to the same restrictions, as the Existing Ordinary Shares.

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- On 3 May 2024, the Company announced the issue of £500,000 of Convertible Loan Notes (CLNs) to two existing shareholders, Altus Exploration Management Ltd., a subsidiary of Elemental Altus Royalties Corp., a substantial shareholder in the Company, and Mr. Simon Rollason, the Company's CEO.On 26 June 2024,the Company announced that it had received notices to convert £500,000 or the full amount of outstanding CLNs, issued and announced on 3 May 2024. Additionally, following requests from three suppliers seeking an increased shareholding in Aterian, the Company agreed to convert £42,197 of creditor balances. The Company therefore converted an aggregate of £542,197 at 70 pence per share in exchange for the issue of 774,566 new ordinary shares of 10p each in the Company.

The Deferred Shares have no right to vote or participate in the capital of the Company save in respect of insolvency and the Company has not issued any certificates or credited CREST accounts in respect of them. The Deferred Shares have not been admitted to trading on any exchange.

17. Share-based payment arrangements

On 20 June 2024, the Company granted 130,000 EBT options to Directors, Employees and former Directors and/or employees following the expiration of existing EBT options.

The total expense recognised in the Statement of Comprehensive Income during the period in respect of warrants over Ordinary Shares was £nil (2023: £36,000). No warrants were issued, exercised or expired during the period ended 30 June 2024.

18. Related party transactions

Transactions with directors:

Charles Bray is owed £2,096 by the Company at 30 June 2024 (31 December 2023: £3,041 owed by the Company).

The Company had a loan of £225,000 due to IQ EQ (Jersey) Limited, the trustees of the C Bray Transfer Trust as more fully described above in Note 15.

Edlin Holdings Limited is an Isle of Man company which invests and operates non-US based investments. The ultimate beneficial owners of Edlin Holdings Limited are Bray family members.

As described in Note 16, the Company issued Convertible Loan Notes (CLNs) totalling £42,666 to Simon Rollason on 3 May 2024. On 26 June 2024, these CLNs were converted for an aggregate of £60,952 at 70 pence per share in exchange for the issue of 60,952 new ordinary shares of 10p each in the Company.

Details of Directors' remuneration is set out above in Note 5.

19. Seasonality of the Group's business

There are no seasonal factors which materially affect the operations of the Group's business.

20. Subsequent events

There are no events occurring subsequent to 30 June 2024 requiring disclosure in these interim financial statements.

21. Reports

A copy of this half year interim report, as well as the annual statutory accounts to 31 December 2023 are available on the Company's website atwww.aterianplc.com

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