RNS Number : 9412G
Aterian PLC
01 May 2025

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

Final Results for the Year Ended 31 December 2024

Aterian Plc (LSE: ATN) is pleased to announce its audited results for the period ended 31 December 2024.

Chairman's Statement:

Dear Shareholder,

The year 2024 was another year of growth for Aterian, marked by several significant milestones despite ongoing challenges in the capital markets.

In January, we acquired a 90% interest in Atlantis Metals, a Botswana-registered company, eventually expanding the Kalahari Copper world-renowned Belt portfolio from a single licence to seven mineral prospecting licences for copper and silver, as well as three licences for lithium brine exploration in the Makgadikgadi Pans region. This acquisition adds a total of 4,486 km^2 to our exploration footprint.

Our partnership with Rio Tinto Mining and Exploration Limited ("Rio Tinto"), established in late 2023, continues to progress. Rio Tinto has been actively evaluating the lithium-bearing pegmatite potential of our southern Rwanda licence. A short diamond drill program commenced in late 2024, and we eagerly anticipate laboratory results soon. As part of this collaboration, Rio Tinto has committed up to USD 7.5 million to explore and develop lithium opportunities in the HCK project. We also received a licence for 350 hectares in the western province which we look forward to exploring.

In Rwanda, our mineral trading operations are now set to begin after many months of delay. Following a successful trial trading phase in Q3 2024, we have optimised workflows and refined our trading team's compliance and traceability procedures and best practices. This phase demonstrated our ability to purchase minerals from third parties and sell mineral concentrates effectively to locally based international trading houses.

Meanwhile, in Morocco, we continued to advance our key projects, including Agdz, Tata, Azrar, and Jebilet Est. The Tata and Azrar projects yielded promising new copper discoveries. Additionally, a limited-scope scout reverse circulation (RC) drill program at Agdz tested several geological and geophysical targets across an 8 km^2 area. Encouraging copper and silver grades were returned from several near-surface intersections, and we look forward to further exploration in 2025.

At our Annual General Meeting in June, shareholders approved a share capital reorganisation aimed at enhancing marketability and liquidity. This process involved the subdivision and conversion of existing ordinary shares, followed by a consolidation, resulting in a more streamlined share structure.

These achievements reflect Aterian's commitment to expanding its critical metals portfolio, strengthening strategic partnerships, and driving long-term growth across Africa.

We remain dedicated to responsibly exploring and mining critical minerals, supporting the global energy transition. As demand for strategic metals continues to rise, driven by the renewable energy, automotive, and electronics sectors, securing sustainable supply chains is more crucial than ever. Copper, in particular, remains essential to renewable energy infrastructure and transportation electrification, reinforcing our confidence in its strong long-term market fundamentals.

Our vision is to become an ethical, fully integrated exploration, development, and trading company operating across multiple mineral assets and jurisdictions.

Rwanda Exploration

Rwanda is emerging as an attractive and increasingly industrialised mining destination, offering rich mineral resources, a stable political environment, and investor-friendly policies.

The country hosts significant deposits of tin, tantalum, tungsten (3Ts), lithium, niobium, and rare earth elements, all of which are critical components in global supply chains for technology, energy storage, and electronics.

With a strong commitment to ethical mining and sustainable resource development, Rwanda is positioning itself as a key hub for critical minerals essential to the global energy transition and technological advancements.

Aterian's primary asset in Rwanda is Eastinco Limited ("Eastinco"), a 100%-owned, Rwanda-registered exploration and mining company. Eastinco currently operates two projects through partnerships with local entities. On 1 August 2023, the Company entered into an Earn-In Investment and Joint Venture Agreement with Rio Tinto Mining and Exploration Ltd. to explore and develop lithium and associated by-products at the HCK Joint Venture project. Additionally, Eastinco is actively pursuing opportunities for portfolio expansion through potential new joint ventures.

Eastinco also holds a mineral trading licence in Rwanda, enabling it to purchase concentrates from third parties and export them directly to refiners or international trading houses. This trading business is expected to generate sufficient revenue to support self-funded exploration, strengthening the Company's long-term growth strategy.

Morocco Exploration

In 2024, we made significant progress across our key Moroccan projects at Agdz, Tata, Azrar, and Jebilet Est, delivering positive assay results at all sites. A limited scout drilling program at Agdz returned encouraging copper and silver grades from several shallow intersections. At Azrar, we identified a promising new copper-gold target extending over a 3.8 km strike length, hosted in quartz veins and fault breccia. The Tata project also demonstrated strong potential for sedimentary-hosted copper, with visible mineralisation and promising copper grades reported along a 32 km strike length. Additionally, a recent re-interpretation of historical airborne data has enhanced our targeting precision, further refining our exploration strategy.

As part of a strategic review, we assessed our Moroccan assets to streamline operations and focus on high-priority projects. Following this evaluation, we decided to relinquish several non-core research permits that were due for renewal, allowing us to concentrate our resources more effectively on Agdz, Azrar, Tata, and Jebilet Est, while maintaining the flexibility to pursue new opportunities within Morocco.

The progress and results achieved across our Moroccan portfolio reinforce our confidence in Morocco as a highly prospective mining jurisdiction quickly gaining attention from the mining community, particularly for critical minerals essential to the global energy transition.

Botswana Exploration

In January 2024, the Company announced the acquisition of a 90% interest in Atlantis Metals (Pty) Limited, a privately held, Botswana-registered company. Atlantis Metals now holds seven mineral prospecting licences for copper-silver exploration in the Kalahari Copperbelt and three licences for lithium brine exploration in the Makgadikgadi Pans region, covering a total of 4,486 km^2.

To advance exploration, we have completed desktop studies and target-generation exercises using available airborne geophysical and remote sensing data. Ground follow-up on these high-priority targets is planned for 2025.

Botswana is rapidly emerging as a key destination for battery metals, supported by a stable political environment, investor-friendly policies, and substantial mineral wealth. Traditionally known for its diamond industry, the country is now diversifying into critical battery metals, including lithium, nickel, copper, and manganese, which are essential for the global transition to electric vehicles (EVs) and renewable energy storage.

Financial Review

During the year under review, the Group made a loss before taxation of£1,632,000(2023: loss £1,062,000).

The increase in losses for the year is in large part due to the absence of the gains on disposal of property plant and equipment which in 2023 amounted to £272,000.

Administration costs increased from £1,471,000 in 2023 to £1,743,000 in 2024, reflecting an increase in staff and associated overhead costs which were partly offset by a reduction in legal and professional costs. Directors' remuneration increased from £224,000 to £256,000.

The losses for the year have been funded from the proceeds of borrowings, convertible loan notes and by new capital issues from Directors, management, existing shareholders and new investors through the issue of new shares.

Our Earn-In Investment and Joint Venture Agreement, signed with Rio Tinto in August 2023 for the exploration and development of lithium and by-products on the HCK Joint Venture project, is continuing to progress.

Loss per share for the year was 14.39 pence against 10.45 pence in 2023 (as restated to reflect the share consolidation during 2024).

Notwithstanding the progress made in 2024, the Group needs to raise further capital to undertake its exploration programme and to develop our mineral trading operations in Rwanda, which are now set to fully begin. The trading operations are expected to make a positive contribution to cash flows this year.

At the year-end, cash balances were £64,000. As at the date of this report, the Group's cash balances totalled £11,000.

Outlook

We maintain a highly positive outlook for Aterian and remain confident in the significant value potential of our existing asset portfolio for the company, its shareholders, and other stakeholders. Our strategic joint venture with Rio Tinto for lithium exploration in Rwanda further reinforces our conviction and positions us for long-term success, whether our partner ultimately partakes further in the partnership or not.

Looking ahead, 2025 stands to be a transformative year for Aterian - one filled with critical milestones, operational progress, and the potential to deliver meaningful value creation. As we continue to execute our growth strategy through focused exploration and trading initiatives, we anticipate significant developments across our portfolio that could materially enhance our position in the critical minerals space.

We are fully committed to maintaining open and transparent communication with shareholders as we move through this exciting chapter. With robust market fundamentals supporting our direction - particularly in the critical minerals and battery metals sectors - I am more confident than ever in the Company's trajectory.

On behalf of Aterian, I extend my sincere thanks to my fellow Board members, our dedicated employees, and our loyal shareholders for their continued support and patience. Together, we look forward to making 2025 a landmark year in Aterian's journey.

The Strategic Report was approved by the Board on 30 April 2025 and signed on its behalf by:

Charles G Bray

Chairman

Date: 30 April 2025

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.comor contact:

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER 2024

		Group	
	Notes	**Year to**	Year to
		31-Dec-24	31-Dec-23
		£'000	£'000
Revenue	4	**42**	-
Cost of sales		**(42)**	-
Gross profit / (loss)		**-**	-
Administrative expenses	7	**(1,728)**	(1,471)
Share-based payment expense	23	**(40)**	(1)
Disposal of net smelter royalty	19	**200**	-
Other income	5	**-**	192

Gains on disposal of property plant and equipment		**10**	272
Operating loss		**(1,558)**	(1,008)
Interest payable and similar charges	8	**(59)**	(54)
Loss before tax		**(1,617)**	(1,062)
Tax expense	9	**-**	-
Loss after tax		**(1,617)**	(1,062)
Other comprehensive income:			
Items that may be reclassified to profit or loss			
Loss on translation of foreign operations		**(232)**	(111)
Total comprehensive loss		**(1,849)**	(1,173)
Loss per share			
Basic and diluted loss per share (pence)	10	**(14.26)**	(10.45)*

All activities relate to continuing operations.

* Restated to reflect share consolidation during 2024.

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED AND COMPANY STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

		Group		Company	
	Notes	**31-Dec-24**	31-Dec-23	**31-Dec-24**	31-Dec-23
		£'000	£'000	**£'000**	£'000
Non-current assets					
Investments	11	-	-	**3,241**	3,206
Intangible exploration and evaluation assets	13	**3,405**	3,285	**-**	-
Property, plant and equipment	14	**139**	296	**7**	7
Total non-current assets		**3,544**	3,581	**3,248**	3,213
Current assets					
Trade and other receivables	16	**76**	557	**62**	218
Inventories	15	**17**	-	**-**	-

Cash and cash equivalents	17	**64**	73	**57**	17
Total current assets		**157**	630	**119**	235
Total assets		**3,701**	4,211	**3,367**	3,448
Equity and liabilities					
Share capital	22	**11,006**	10,892	**11,006**	10,892
Share premium	22	**2,753**	2,177	**2,753**	2,177
Share-based compensation reserve	23	**2,482**	2,442	**2,482**	2,442
Interest in shares in EBT	23	**(839)**	(839)	**(839)**	(839)
Translation reserve		**(656)**	(424)	**-**	-
Accumulated losses		**(13,647)**	(12,030)	**(14,543)**	(13,144)
Convertible loan notes - equity component	20	**15**	-	**15**	-
Merger relief reserve		**1,200**	1,200	**1,200**	1,200
Total equity		**2,314**	3,418	**2,074**	2,728
Current liabilities					
Trade and other payables	18	**560**	402	**466**	329
Provision for loss	24	**161**	-	**161**	-
Deferred consideration	19	**-**	166	**-**	166
Borrowings	20	**666**	225	**666**	225
Total current liabilities		**1,387**	793	**1,293**	720
Total equity and liabilities		**3,701**	4,211	**3,367**	3,448

The Company made a loss of £1,435,000 for the year 2024 (2023 - loss of £1,361,000).

These financial statements were approved by the Board and were authorised for issue on 30 April 2025 and signed on their behalf by:

Charles G Bray
Chairman

Company number: 07496976

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2024

	Share capital	Share premium	Share based compensation reserve	Interest in shares in EBT	Translation reserve	Convertible loan notes equity component	Merger relief reserve	Accumu-lated losses	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 year	-	-	-	-	-	-	-	(1,062)	(1,062)
Other comprehensive loss	-	-	-	-	(111)	-	-	-	(111)
Transactions with owners:									
Share based compensation	-	-	1	-	-	-	-	-	1
Issue of new shares	1,245	-	-	-	-	-	-	-	1,245
At 31 December 2023	**10,892**	**2,177**	**2,442**	**(839)**	**(424)**	**-**	**1,200**	**(12,030)**	**3,418**
Loss for the year	-	-	-	-	-	-	-	(1,617)	(1,617)
Other comprehensive loss	-	-	-	-	(232)	-	-	-	(232)
Transactions with owners:									
Issue of convertible loan notes (Note 20)	-	-	-	-	-	15	-	-	15
Share based compensation	-	-	40	-	-	-	-	-	40
Cost of share issues	-	(35)	-	-	-	-	-	-	(35)
Issue of new shares (Note 22)	114	611	-	-	-	-	-	-	725
At 31 December 2024	**11,006**	**2,753**	**2,482**	**(839)**	**(656)**	**15**	**1,200**	**(13,647)**	**2,314**

COMPANY STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2024

	Share capital	Share premium	Share-based compensation reserve	Interest in shares in EBT	Convertible loan notes equity component	Merger relief reserve	Accumulated losses	Tot
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'0
At 1 January 2023	9,647	2,177	2,441	(839)	-	1,200	(11,783)	2,8
Loss for the year	-	-	-	-	-	-	(1,361)	(1,3
Transactions with owners:								
Share based compensation	-	-	1	-	-	-	-	
Issue of new shares	1,245	-	-	-	-	-	-	1,2
At 31 December 2023	**10,892**	**2,177**	**2,442**	**(839)**	**-**	**1,200**	**(13,144)**	**2,7**
Loss for the year	-	-	-	-	-	-	(1,399)	(1,3
Transactions with owners:								
Issue of convertible loan notes (Note 20)	-	-	-	-	15	-	-	
Share based compensation	-	-	40	-	-	-	-	
Cost of share issues	-	(35)	-	-	-	-	-	(
Issue of new shares (Note 22)	114	611	-	-	-	-	-	7
At 31 December 2024	**11,006**	**2,753**	**2,482**	**(839)**	**15**	**1,200**	**(14,543)**	**2,0**

Reserves	**Description and purpose**
Share capital	Nominal value of the contributions made by shareholders in return for the issue of shares.

Share premium	Amount subscribed for share capital in excess of nominal value.
Share-based compensation reserve	Cumulative fair value of the charge/(credit) in respect of share options granted and recognised as an expense in the Income Statement.
Translation reserve	The translation reserve comprises translation differences arising from the translation of financial statements of the Group's foreign entities into Sterling (£).
Merger relief reserve	The merger relief reserve comprises differences between the fair value and at par value of shares issued for the acquisition of subsidiary
Interest in shares in Employees Benefit Trust (EBT)	The Company set up an Employees Benefit Trust on 6 March 2015 (the Equatorial EBT) for the benefit of its employees. The cost of shares held by the EBT are presented as a deduction from entity
Convertible loan note- equity component	The proceeds of convertible debt allocated to the conversion option
Accumulated losses	Accumulated losses represents cumulative profits and losses, net of dividends and other adjustments.

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED AND COMPANY STATEMENTS OF CASH FLOWS
YEAR ENDED 31
DECEMBER 2024

	Note	Group		Company	
		31-Dec-24	31-Dec-23	**31-Dec-24**	31-Dec-23
		£'000	£'000	**£'000**	£'000
Cash flow from operating activities					
Loss after tax		**(1,617)**	(1,062)	**(1,399)**	(1,361)
Adjustments for:					
Depreciation		**24**	16	**1**	-
Share-based payment expense	23	**40**	1	**40**	1
Liabilities settled by issue of shares	22	**95**	339	**95**	339
Interest expense	8	**59**	54	**59**	54
Provision for loss	24	**161**	-	**161**	-
Cost of share issue		**(35)**		**(35)**	
Gain on disposal of Net Smelter Royalty		**(200)**	-	**(200)**	-
Gains on disposal of property plant and equipment		**(10)**	(272)	**-**	-
Farm-out gain		**-**	(119)	**-**	-
Discount on deferred consideration	11	**-**	(35)	**-**	-
Operating loss before working capital changes		**(1,483)**	(1,078)	**(1,278)**	(967)
Changes in working capital:					
Increase in inventories		**(17)**	-	**-**	-

Decrease/ (Increase) in trade & other receivables		**250**	(87)	**156**	52
(Decrease) / increase in trade & other payables		**108**	7	**142**	(35)
Net cash outflows from operating activities		**(1,142)**	(1,158)	**(980)**	(950)
Cash flow from investing activities					
Purchase of plant and equipment		**(7)**	(5)	**(1)**	-
Proceeds from disposal of plant and equipment		**231**	89	**-**	-
Capitalised E&E expenditure		**(112)**	(89)	**-**	-
Net cash from / (used in) investing activities		**112**	(5)	**(1)**	-
Cash flow from financing activities					
Proceeds from borrowings	20	**181**	342	**181**	342
Proceeds from issue of loan notes	20	**785**	-	**785**	-
Net proceeds from director loans		**-**	127	**-**	127
Interest paid		**(31)**	(22)	**(31)**	(22)
Cash proceeds from issue of shares	22	**86**	679	**86**	479
Net cash flow from financing activities		**1,021**	1,126	**1,021**	926
Net(decrease) / increase in cash & cash equivalents		**(9)**	(37)	**40**	(24)
Cash & cash equivalents at beginning of the year		**73**	110	**17**	41
Exchange (losses)/gains on cash and cash equivalents		**-**	-	**-**	-
Cash and cash equivalents at end of the year		**64**	73	**57**	17

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 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, lithium, tin and tungsten exploration company and Aterian Resources Limited which holds copper-silver and base metal exploration projects in the Kingdom of Morocco. In January 2024, the Company completed the acquisition of a 90% interest in Atlantis Metals (Pty) Limited. This private Botswana registered company holds one mineral prospecting licence for copper-silver in the Kalahari Copperbelt and three for lithium brine exploration in the Makgadikgadi Pans region.

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 was admitted to the 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 England and Wales. The address of its registered office is 27-28 Eastcastle Street, London W1W 8DH.

The registered number of the Company is 07496976.

The consolidated financial information represents the consolidated results of the Company and its subsidiaries, (together referred to as "the Group").

2. Basis of preparation

2.1 General

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS and IFRIC interpretations) as adopted for use in the United Kingdom ("UK adopted IFRS") and the Companies Act 2006. The financial statements have been prepared under the historical cost convention except for the valuation of assets acquired in an asset acquisition which are measured at fair value.

The financial statements have been rounded to the nearest thousand pounds.

The Company has taken the exemption under s408 Companies Act 2006 and has therefore not published its own profit and loss account in these financial statements.

These consolidated financial statements have been prepared in accordance with the accounting policies set out below, which have been consistently applied to all the years presented.

The financial statements of the Group are presented in Pounds Sterling, which is also the functional currency of the Company. The individual financial statements of each of the Company's wholly owned subsidiaries are prepared in the currency of the primary economic environment in which it operates (its functional currency).

2.2 New standards, interpretations and amendments adopted from 1 January 2024

A number of new standards, interpretations and amendments are in issue which and which are summarised below:

New currently effective requirements

The table below lists the recent changes to Accounting Standards that are required to be applied for accounting periods beginning on or after 1 January 2024. None of these changes have had a material impact on the Group's financial statements.

	Effect annual periods beginning before or after
Classification of Liabilities as Current or Non-current - Amendments to IAS 1	1st January 2024
Non-current Liabilities with Covenants - Amendments to IAS 1	1st January 2024
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16	1st January 2024
Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	1st January 2024

Standards and interpretations in issue but not yet effective or not yet relevant

At the date of authorisation of these financial statements the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective. The most significant of these are as follows:

	Effect annual periods beginning before or after
Lack of Exchangeability (Amendment to IAS 21: The Effects of Changes in Foreign Exchange Rates)	1st January 2025
Amendments to the Classification and Measurement for Financial Instruments (Amendments to IFRS 9 and IFRS 7)	1st January 2026
Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)	1st January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	1st January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1st January 2027

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the Group's financial statements.

3. Material accounting policies

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of Aterian Plc and its subsidiaries as at 31 December 2024. Subsidiaries are entities controlled by the Group. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has all of the following:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns
- Generally, there is a presumption that a majority of voting rights results in control. When the Group has less than a majority of the voting, or similar, rights of an investee, it considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- The contractual arrangements with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights

The relevant activities are those which significantly affect the subsidiary's returns. The ability to approve the operating and capital budget of a subsidiary and the ability to appoint key management personnel are decisions that demonstrate that the Group has the existing rights to direct the relevant activities of a subsidiary.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins

when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full, on consolidation.

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

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

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

Business combinations are accounted for under the acquisition method. Under the acquisition method, the results of the subsidiaries acquired or disposed of are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the Consolidated Financial Statements. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination, and directly expensed.

Any excess of the purchase consideration of the business combination over the fair value of the identifiable assets and liabilities acquired is recognised as goodwill. Goodwill, if any, is not amortised but reviewed for impairment at least annually.

Intra-group transactions, balances and unrealised gains on transactions are eliminated; unrealised losses are also eliminated unless the cost cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

3.2 Business combinations

A business combination is defined as an acquisition of assets and liabilities that constitute a business and is accounted for using the acquisition method. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities. A business consists of inputs, including non-current assets, and

processes, including operational processes, that when applied to those inputs, have the ability to create outputs that provide a return to the Company and its shareholders. A business also includes those assets and liabilities that do not necessarily have all the inputs and processes required to produce outputs but can be integrated with the inputs and processes of the Company to create outputs.

When acquiring a set of activities or assets in the exploration and development stage, which may not have outputs, the Company considers other factors to determine whether the set of activities or assets is a business.

The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 and IAS 19 respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date (see below); and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 are measured in accordance with that Standard.

Acquisition-related costs of a business combination, other than costs to issue equity securities, are expensed as incurred.

3.3 Asset acquisitions

Asset acquisitions

Where the Company has determined that the assets acquired do not meet the definition of a business, the transaction is accounted for as an asset acquisition. In such cases, the Company identifies and recognises the individual assets acquired and liabilities assumed. The cost to the Group is allocated to the individual identifiable assets and liabilities on the basis of their fair values at the date of purchase. Such a transaction does not give rise to goodwill. At the Group level, the transaction is an acquisition of exploration and evaluation assets. At the Company level, the acquisition is treated as an investment.

When determining the initial measurement of an asset acquisition, the Company assesses both the fair value of the consideration paid as well as the fair value of each asset acquired and liability assumed. The consideration is presumed to equal to the fair value of the net assets acquired unless there is evidence to the contrary. The fair value of the consideration determines the cost to be allocated over the group of assets acquired and liabilities assumed. The fair values of the individual assets and liabilities are used to determine the proportional amount of that cost to be allocated to the identifiable assets and liabilities that make up the transaction. No provision for deferred tax is recognised on the acquisition.

Expenses incurred directly in relation to the acquisition are capitalised as part of the cost of the assets acquired.

3.4 Going concern

The financial statements have been prepared on a going concern basis. The Group has not yet earned significant revenues and as at 31 December 2024 and the Group's assets in Morocco, Rwanda and Botswana 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.

The Company expects to raise additional equity capital to fund both day-to-day expenditure and potential growth. Such funding will be required although there can be no certainty that such funding will be forthcoming. The Company is reliant on fundraising activities which if not secured in the next month will require the directors to source funding through alternative means or provide capital injection, otherwise this may impact the Group's ability to operate as a going concern.

As at 31 December 2024, the Group had cash and cash equivalents of £64,000 and a working capital facility which is fully utilsed. As at the date of this report, cash balances were approximately £11,000.

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 can 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.

The Directors have concluded that these circumstances give rise to a material uncertainty relating to going concern, arising from events or conditions that may cast significant doubt on the entity's ability to continue as a going concern if a further fund raise was unsuccessful. However, 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 finance, realise its assets and discharge its liabilities in the normal course of business.

3.5 Revenue recognition

Revenue represents the value of mineral product supplied in the provision of the Group's metal trading activities.

Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring product to a customer net of sales taxes and discounts.

Revenue from contracts with customers is recognised using the revenue recognition principals of IFRS 15 Revenue from Contracts with Customers.Revenue is recognised when performance obligations are satisfied, which occurs on delivery of the mineral to the customer. Payment is typically due immediately after delivery, aligning with the timing of revenue recognition.Typically, a 90% payment will be made by the customer after receipt of bills of lading and associated documents. The balance is made following completion of the inspection results.

In order to meet the core principle, IFRS 15 adopts a five-step model which are assessed in turn.

1- Identify the contracts(s) with a customer.

2- Identify the performance obligations in the contract.

3- Determine the transaction price.

4- Allocate the transaction price to performance obligations.

5- Recognise revenue when (or as) performance obligations are satisfied.

The Company considers that a performance obligation is satisfied at a point in time when the ore product is shipped to a customer, whether by air or by sea. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

The underlying contract for each sale involves the delivery of Coltan, which constitutes the primary performance obligation. Payment terms are standard, with amounts due on the day of delivery, in most cases. There is no significant financing component beyond the funding cost for the capital while in transit prior to delivery.

The consideration is generally fixed, with minimal variability. Any adjustments, such as discounts or price fluctuations are assessed and estimated at the point of sale.

The Company guarantees all products are from non-conflict sources and complies with RBA (RMI) requirements and OECD Due Diligence Guidance. As seller, the Company bears the inland transportation from the place of origin to port and Rwandan export costs. If certification at Origin of mineral content is lower than contracted, the Buyer has the right to renegotiate the price of the cargo.

3.6 Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenue and expenses relating to transactions with other components of the same entity) whose operating results are reviewed regularly by the entity's chief operating decision maker to make decision about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Directors are of the opinion that the Group is engaged in three operating segments being exploration activity in Morocco, Rwanda and Botswana.The Company operates in Morocco, Rwanda and Botswana, and has its Corporate management team in the UK. Note 25 provides the Company's

results by operating segment in the way information is provided to and used by the Company's CEO as the chief operating decision maker to make decisions about the allocation of resources to the segments and assess their performance.The Company considers each of its exploration projects in Morocco, Rwanda and Botswana each form a segment. Corporate legal entities are aggregated and presented together as part of the "other" segment on the basis of them sharing similar economic characteristics.

3.7 Accounting for interest in own shares held though an Employees Benefit Trust

The funds advanced to acquire the shares have been accounted for under IFRS as a deduction from equity rather than as an asset.

3.8 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of on entity and a financial liability or equity instrument of another.

(a) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income, or fair value through profit and loss.

The classification of financial assets at initial recognition that are debt instruments depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost

This category is the most relevant to the Group.

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Interest received is recognised as part of finance income in the statement of profit or loss and other comprehensive income. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost include trade receivables (not subject to provisional pricing) and other receivables.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Convertible loan notes

The proceeds received on issue of the Group's convertible debt are allocated into their liability and equity components. The amount initially attributed to the debt component equals the discounted cash flows using a market rate of interest that would be payable on a similar debt instrument that does not include an option to convert. Subsequently, the debt component is accounted for as a financial liability measured at amortised cost until extinguished on conversion or maturity of the loan note. The remainder of the proceeds is allocated to the conversion option and is recognised in equity in the Convertible Loan Note reserve.

Impairment of financial assets

The Group recognises an allowance for allowance for expected credit losses ("ECLs'') for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables (not subject to provisional pricing) and other receivables due in less than 12 months, the Group applies the simplified approach in calculating ECLs, as permitted by IFRS 9.

Therefore, the Group does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date.

The Group considers a financial asset in default when contractual payments are 90 days past due.

However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity. At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

(b) Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, accruals and loan notes.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below.

Loans and borrowings, trade and other payables, and accruals.

After initial recognition, interest-bearing loans and borrowings, trade and other payables, and accruals are subsequently measured at amortised cost using the effective interest method ("EIR") method. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognised, as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss and other comprehensive income. This category generally applies to trade payables, other payables and accruals.

Derecognition

A financial liability is derecognised when the associated obligation is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss and other comprehensive income.

3.9 Taxation

Current tax is calculated according to local tax rules, using tax rates and laws enacted or substantively enacted at the reporting date.Current and deferred tax is recognised in profit or loss unless it relates to an item recognised in other comprehensive income or equity in which case the related current tax or deferred tax is recognised in other comprehensive income or equity respectively.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, determined using tax rates and laws that are substantively enacted at the reporting date and are expected to apply as or when the temporary differences reverse. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

3.10 Property, plant and equipment

Property, plant, and equipment (PPE) is carried at cost less depreciation and accumulated impairment losses. Where parts of an item of PPE have different useful lives, they are accounted for as separate items of PPE. The Group assesses at each reporting date whether items of PPE are impaired.

Depreciation is provided on PPE, at rates calculated to write off the cost less the estimated residual value of each asset, on a straight-line basis, over their expected useful lives as follows:

Mining equipment	10 years
Mining Assets	8 years
Office equipment	4 years
Motor vehicles	5 years
Computer equipment	2 years
Land	not depreciated
Mine site	not depreciated

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the Group expects to consume an asset's future economic benefits.

The Company capitalises expenditures incurred in exploration and evaluation (E&E) activities as project costs, categorised as intangible assets (exploration and evaluation assets), when those costs are associated with finding specific mineral resources. Expenditure included in the initial measurement of project costs and which are classified as intangible assets relate to the acquisition of rights to explore.

Capitalisation of pre-production expenditure ceases when the mining property is capable of commercial production. Project costs are recorded and held at cost and no amortisation is recorded

prior to commencement of production. An annual review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise and carry forward project costs in relation to that area of interest, in accordance with the indicators of impairment as set out in IFRS 6. No impairment provision has been made in the year ended 31 December 2024 (2023: £nil), as more fully described in Note 14.

3.11 Intangible assets - Goodwill

Goodwill represents the excess of the cost of a business combination over the Group's interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired.

Cost comprises the fair value of assets given, liabilities assumed, and equity instruments issued, plus the amount of any non-controlling interests in the acquiree. Contingent consideration is included in cost at its acquisition date fair value and, in the case of contingent consideration classified as a financial liability, remeasured subsequently through profit or loss.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to profit or loss. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the consolidated statement of comprehensive income on the acquisition date. No impairment provision has been made in the year ended 31 December 2024 (2023: £nil) as goodwill was fully impaired in 2022.

3.12 Impairment of non-financial assets (excluding inventories and deferred tax assets)

Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ('CGUs').

Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from a business combination that gives rise to the goodwill. Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income. An impairment loss recognised for goodwill is not reversed.

3.13 Investment in subsidiaries

The Company, through its 100% owned Rwanda registered subsidiary, Eastinco Limited which was acquired on 15 October 2019, is actively engaged in mineral exploration and development of its portfolio of critical and strategic metals in Rwanda, with the focus on extracting and recovery of lithium, tantalum and tin.

Eastinco Limited also holds a metal trading licence, issued by the authorities in Rwanda, which allows for the trading of metals from our mine supply and third-party producers and suppliers.The Company also holds a portfolio of 15 highly prospective copper-silver and other base metal exploration projects in Morocco through its 100% owned Moroccan subsidiary, Aterian Resources Limited.

In January 2024, the Company announced the acquisition of a 90% interest in Atlantis Metals. This private Botswana registered company holds one mineral prospecting licence for copper-silver in the Kalahari Copperbelt and three for lithium brine exploration in the Makgadikgadi Pans region.

The Directors have reviewed evidence which might suggest whether the investments in the subsidiaries have become impaired.

In particular, the Directors reviewed whether there exist:

- significant financial difficulty in the subsidiaries;
- a breach of contract, such as a default or past-due event;
- it is becoming probable that the subsidiaries will enter bankruptcy or another financial reorganisation;
- the disappearance of any market for the debt of the subsidiaries because of financial difficulties; or
- the financial liabilities of the subsidiaries trade at a deep discount that reflects likely incurred credit losses.

As more fully described in Note 11, the Directors have considered the evidence in respect of the Company's investments in its subsidiaries and concluded that there were no indicators of impairment. The Company made full impairment against its investment in its Rwandan subsidiaries in the year ended 31 December 2022, amounting to £2,261,000.

3.14 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand and deposits held at call with financial institutions and deposits with maturities of three months or less from inception.

3.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is based on the weighted average principle and includes expenditure incurred in acquiring the inventories and other costs in bringing them to their existing location and condition.

3.16 Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the reporting date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating result.

On consolidation of a foreign operation, assets and liabilities are translated at the closing rate at the reporting date, income and expenses where the average rate is not materially different to the rates of exchange ruling at the dates of the transactions are translated at average exchange rates. All resulting exchange differences shall be recognised in other comprehensive income and are accumulated in a separate component of equity.

On disposal of the foreign operation the accumulated gains or losses previously recognised in entity are transferred to profit or loss and are recognised as a part of the overall profit or loss on disposal of the foreign operation.

3.17 Share-based payment arrangements

Equity-settled share-based payments are measured at fair value at the date of issue.

Aterian Plc has granted both share options and warrants that will be settled through the issuance of shares of the Company.

The cost of equity-settled transactions is measured by reference to the fair value at the date on which they were granted and is recognised as an expense over the vesting period,

which ends on the date the recipient becomes fully entitled to the award. Fair value is determined by using the Black-Scholes option pricing model.

In valuing equity-settled transactions, no account is taken of any service and performance conditions (vesting conditions), other than performance conditions linked to the price of the shares of the Company

(market conditions). Any other conditions which are required to be met in order for the recipients to become fully entitled to an award are considered to be non-vesting conditions. Market performance conditions and non-vesting conditions are taken into account in determining the grant date's fair value.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market or non-vesting condition, which are vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance or service conditions are satisfied.

At each reporting date before vesting, the cumulative expense is calculated; representing the extent to which the vesting period has expired and management's best estimate of the number of equity instruments that will ultimately vest. The movement in the cumulative expense since the previous reporting date is recognised in profit and loss, with a corresponding entry in equity.

Where the terms of the equity-settled award are modified, or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if the difference is negative.

Where an equity-based award is cancelled (including when a non-vesting condition within the control of the entity or employee is not met), it is treated as if it had vested on the date of the cancellation, and the cost not yet recognised in profit and loss for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity, with any excess over fair value being treated as an expense.

3.18 Retirement and termination benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. Payments made to state-managed retirement benefit plans are accounted for as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

3.19 Exploration, evaluation and development expenditures

Exploration expenditure

Exploration expenditures reflect the costs related to the initial search for mineral deposits with economic potential or obtaining more information about existing mineral deposits. Exploration expenditures typically include costs associated with the acquisition of mineral licences, prospecting, sampling, mapping, geophysical survey, laboratory work, diamond drilling and other work involved in searching for mineral deposits.

These assets relate to the exploration and evaluation expenditures incurred in respect of resource projects that are in the exploration and evaluation stage.

Exploration and evaluation expenditures include costs which are directly attributable to acquisition and evaluation activities, assessing technical feasibility and commercial viability.

These expenditures are capitalised using the full cost method until the technical feasibility and commercial viability of extracting the mineral resource of a project are demonstrable. During the exploration period, exploration and evaluation assets are not amortised.

Drilling and related costs that are for general exploration, incurred on sites without an existing mine, or on areas outside the boundary of a known mineral deposit which contains proven and probable reserves are classified as greenfield exploration expenditures and capitalised in accordance with IFRS 6.

Drilling and related costs incurred to define and delineate a mineral deposit that has not been classified as proven and probable reserves at a development stage or production stage mine are classified as brownfield activities and are capitalised as part of the carrying amount of the related property in the period incurred, when management

determines that there is sufficient evidence that the expenditure will result in a future economic benefit to the Group.

Evaluation expenditure

Evaluation expenditures reflect costs incurred at projects related to establishing the technical and commercial viability of mineral deposits identified through exploration or acquired through a business combination or asset acquisition.

Evaluation expenditures include the cost of:

- establishing the volume (tonnage) and grade of deposits through drilling of core samples, trenching and sampling activities for an ore body that is classified as either a mineral resource or a proven and probable reserve;
- determining the optimal methods of extraction and metallurgical and treatment processes;
- studies related to surveying, transportation and infrastructure requirements;
- permitting activities; and
- economic evaluations to determine whether development of the mineralised material is commercially viable, including scoping, prefeasibility and final feasibility studies.

Evaluation expenditures are capitalised if management determines that there is evidence to support probability of generating positive economic returns in the future. A mineral resource is considered to have economic potential when it is expected that the technical feasibility and commercial viability of extraction of the mineral resource can be demonstrated considering long-term metal prices. Therefore, prior to capitalising such costs, management determines that the following conditions have been met:

- There is a probable future benefit that will contribute to future cash inflows;
- The Group can obtain the benefit and control access to it; and
- The transaction or event giving rise to the benefit has already occurred.

The evaluation phase is complete once technical feasibility of the extraction of the mineral deposit has been determined through the preparation of a reserve and resource statement, including a mining plan as well as receipt of required permits and approval of the Board of Directors to proceed with development of the mine. On such date, capitalised evaluation costs are assessed for impairment and reclassified to development costs.

The Group classifies its E&E assets as intangible assets.

Development expenditure

Development expenditures are those that are incurred during the phase of preparing a mineral deposit for extraction and processing. These include pre-stripping costs and underground or open-pit development costs to gain access to the ore that is suitable for sustaining commercial mining, preparing land, construction of plant, equipment and buildings and costs of commissioning the mine and processing facilities. It also includes proceeds received from pre-commercial production.

Expenditures incurred on development projects continue to be capitalised until the mine and mill move into the production stage.

The Group assesses each mine construction project to determine when a mine moves into the production stage. The criteria used to assess the start date are determined based on the nature of each mine construction project, such as the complexity of a plant or its location.

Various relevant criteria are considered to assess when the mine is substantially complete and ready for its intended use and moved into the production stage.

The criteria considered include, but are not limited to, the following:

- the level of capital expenditures compared to construction cost estimates;
- the completion of a reasonable period of testing of mine plant and equipment;
- the ability to produce minerals in saleable form (within specification); and
- the ability to sustain ongoing production of minerals.

If the factors that impact the technical feasibility and commercial viability of a project change and no longer support the probability of generating positive economic returns in the future, expenditures will no longer be capitalised and the capitalised development costs will be assessed for impairment.

3.20 Farm-outs in the exploration and evaluation stage

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") and Kinunga Mining Ltd ("Kinunga"). The Agreement is for the exploration and development of lithium and by-products at its HCK Joint Venture project ("Project") holding the HCK licence (the "Licence") in the Republic of Rwanda. For accounting purposes, the agreement has been treated as a farm-out arrangement.

RIO 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 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 due upon completion of satisfactory due diligence by RIO, and an additional payment of US$100,000 will be due at the start of Stage 2.

Upon earning a 51% interest in the Licence, RIO can earn an additional 24% interest in the Licence by funding additional work expenditures of US$4.5 million over a three-year period ("Stage 2"). After Stage 2 RIO will, provided it contributes the additional funding, hold a 75% interest in the Licence.

RIO has agreed to a 2% net smelter royalty (NSR) over the project with a US$50 million cap that will be due by the future Joint Venture between RIO and Kinunga to a holder/holders to be notified by Aterian to RIO prior to the NSR agreement being entered into and such holder/holders to be subject to completion of satisfactory due diligence by RIO.No production had commenced as at 31 December 2024 and therefore no royalty was earnt in that period.

Under the terms of the Agreement, RIO has an exclusivity option to invest into Aterian's two other existing Rwandan projects, which are subject to their own separate agreements. A management committee comprising representatives of both RIO and Aterian has been formed to provide financial and operational oversight. RIO acts as the operator for the Project.Management has determined that the fair value of the option is immaterial at 31 December 2024 on the basis that the agreement is in its early stages and the ultimate likelihood of a successful outcome to the arrangement is uncertain. Accordingly, no value has been recognised in respect of the option.

In effect, the Group has entered into a farm-out agreement with RIO whereby in return for a working interest in the Project. RIO is responsible for and will contribute up to US$7.5m of operating costs and capital expenditure. RIO has been appointed as operator.

With effect from the Execution Date, Rio Tinto will undertake, operate and manage all exploration activities on the Project as Operator as approved by the Management Committee.

The Operator shall charge an operator fee, which shall be calculated as five percent (5%) of all Project Expenditures (the "Operator Fee").

The Operator Fee will form part of Project Expenditure required to be spent by Rio Tinto to earn its Participating Interest. If the Joint Venture Entity is formed, the Operator Fee shall be charged to the Joint Venture Entity.

The Group does not record any expenditure made by RIO (the "farmee'') on its account. It also does not recognise any gain or loss on its exploration and evaluation farm-out arrangements but redesignates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained. Any cash consideration received directly from the farmee is credited against costs previously capitalised in relation to the whole interest with any excess accounted for by the Company (as "farmor'') as a gain on disposal.

In developing an accounting policy for such farm-out arrangements, the Company has considered IFRS 6 which effectively provides two options. Either:

(a) Develop an accounting policy under IAS 8

(b) Develop an accounting policy under IFRS 6

Aterian has used the second option by developing and applying an accounting policy to these arrangements.

As farmor, Aterian accounts for the farm-out arrangement as follows:

- The Company does not record any expenditure made by the farmee on its behalf.
- Management has determined that the fair value of the option is immaterial at 31 December 2024 on the basis that the agreement is in its early stages and the ultimate likelihood of a successful outcome to the arrangement is uncertain. Accordingly, no value has been recognised in respect of the option;
- The Company does not recognise a gain or loss on the farm-out arrangement but rather, redesignates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained; and
- Any cash consideration received is credited against costs previously capitalised in relation to the whole interest with any excess accounted for by the Company as a gain on disposal.

The initial payment of US$ 200,000 (approximately £164,000) received from RIO in 2023 was credited against £45,000 of costs previously capitalised in relation to the whole interest with the excess of £119,000 accounted for by the Company as a gain on disposal.No further amounts were received in 2024 but an additional payment of US$100,000 will be due at the start of Stage 2.

3.21 Critical accounting estimates and judgements

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities at the date of the consolidated financial statements.

Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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

assumptions are required. Further information on each of these areas and how they impact the various

accounting policies are described and highlighted separately with the associated accounting policy note within the related qualitative and quantitative note, as described below.

Key judgements, estimates and assumptions:

a) Exploration and evaluation expenditure

The application of the Group's accounting policy for E&E expenditure requires judgement to determine whether future economic benefits are likely from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves.

In addition to applying judgement to determine whether future economic benefits are likely to arise from the Group's E&E assets or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Group has to apply a number of estimates and assumptions.

The determination of a resource is itself an estimation process that involves varying degrees of uncertainty depending on how the resources are classified (i.e., measured, indicated or inferred). The estimates directly impact when the Group defers E&E expenditure.

The deferral policy requires management to make certain estimates and assumptions about future events and circumstances, particularly, whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the relevant capitalised amount is written off to the statement of profit or loss and other comprehensive income in the period when the new information becomes available.

b) Investments

The Company's investments in its subsidiaries are stated at cost less impairment provisions. Management has applied judgement in a review assessing whether or not its investments are impaired.

As noted below, in the year ended 31 December 2022, the review concluded that the recoverable amount of the Rwandan assets did not support either the Company's investment carrying value of £2,261,000 or the Group's goodwill of £2,168,000. In 2024, the review concluded that there were no indicators of impairment to the Group's investment in its Moroccan or Botswanan subsidiaries and no provision has been made.

c) Farm-out arrangements in the exploration phase

The Group undertakes certain of its business activities through farm-out arrangements. A farm-out arrangement typically involves an entity (the farmor) agreeing to provide a working interest in a mining property to a third party (the farmee), provided that the farmee makes a cash payment to the farmor and/or incurs certain expenditures on the property to earn that interest.

In developing an accounting policy for such arrangements, management has made a judgement in applying the terms of the agreement with RIO and considers that there is no joint control arising out of the arrangement, as RIO effectively manages expenditure and related committee and will ultimately gain control of the licence / Kinunga if they continue in the agreement via the two stages. As such the agreement is not regarded as a joint arrangement under IFRS 11.

The Group recognises only cash payments received and does not recognise any consideration in respect of the value of the work to be performed by the farmee and instead carries the remaining interest at the previous cost of the full interest reduced by the amount of any cash consideration received for entering the agreement. The effect is that there is no gain recognised on the disposal unless the cash consideration received exceeds the carrying value of the entire asset held.

Management has also considered the position that RIO has an option to either request Kinunga to transfer the licence to a newly formed company or for Kinunga to issue shares to RIO so that the latter obtains 51% at stage 1 or up to 75% for stage 2. If RIO exercises its Purchase Option right in accordance with the Earn-In and Joint Venture Agreement, RIO shall be entitled to acquire all the Participating Interests held by Kinunga at the fair market value of such Participating Interests.

Management has determined that the fair value of the option is immaterial at 31 December 2024 on the basis that the agreement is in its early stages and the ultimate likelihood of a successful outcome to the arrangement is uncertain. Accordingly, no value has been recognised in respect of the option.

d) Going concern

In their assessment of going concern, the Directors have prepared cash flow forecasts which require a number of judgments to be made including the Directors' ability to access further financing and to implement cost saving and deferral measures, where necessary.

The Directors have prepared a cash flow forecast to September 2026 which assumes that the Group is not able to raise additional funds within the going concern period and if that was the case, the forecasts demonstrate that mitigating measures can be implemented, or significant project expenditure delayed to reduce the cash outflows to the minimal contracted and committed expenditure while also maintaining the Group's licences and permits.

In this going concern analysis, the base case cash flow forecast has been prepared on the following bases:

- Separate budgets have been prepared for each of the projects in Morocco, Rwanda and Botswana, as well as the Rwanda trading operations and corporate expenditure for the period to September 2026.
- Each project has an assumed a limited exploration programme with supporting overhead functions and capital expenditure in a phased approach.
- Corporate expenditure is assumed to continue at current levels.
- New debt or equity funds are not assumed although the Directors are in discussion with advisors and investors for an additional funding round. We have similarly excluded fundraising costs.
- Inflationary assumptions have not been specifically factored into revenue or costs as the impact is not considered material.

The significant judgements involved in this going concern assessment included consideration of a heightened inflationary environment and the availability of working capital facilities. In the Directors' judgement, many of the Group's expenditures are fixed in nature and consequently inflation doesn't represent a significant source of estimation uncertainty.

The Directors have concluded that these circumstances give rise to a material uncertainty relating to going concern, arising from events or conditions that may cast significant doubt on the entity's ability to continue as a going concern if a further fund raise was unsuccessful. However, considering recent successful fund raises the Directors are confident that they can continue to adopt the going concern basis in preparing the financial statement. The Company is reliant on fundraising activities which if not secured in the next month will require the directors to source funding through alternative means or provide capital injection, otherwise this may impact the Group's ability to operate as a going concern.

Based on their assessment of the financial position, the Directors have a reasonable expectation that the Group will be able to continue in operational existence for the next twelve months and continue to adopt the going concern basis of accounting in preparing these financial statements. Management uses internal estimates to forecast operating costs and capital expenditure for future periods, which are subject to various uncertainties. These are based on current and anticipated levels of activity.

e) Impairment of goodwill and exploration and evaluation assets

The Group tests annually for impairment or more frequently if there are indications that the Company's investments or the Group's goodwill and exploration and evaluation assets might be impaired.

IFRS requires management to test for impairment if events or changes in circumstances indicate that the carrying amount of a finite life asset may not be recoverable.

For the year ended 31 December 2024, the Group performed a review for indicators of impairment in the values of its intangibles and evaluated key assumptions. These included considering any revisions to the mine plan, including current estimates of recoverable mineral reserves and resources, recent operating results and future expected production. This review concluded that no impairment was necessary.

In the year ended 31 December 2022, the review concluded that the recoverable amount of the Rwandan assets did not support either the Company's investment carrying value of £2,261,000 or the Group's goodwill of £2,168,000. Management determined that all expenditure capitalised in relation to the Group's Musasa Project should be fully impaired on the basis that all production activity has been suspended. Accordingly, the Group's goodwill of £2,168,000 and the Company's investment in Eastinco ME Limited, amounting to £2,261,000 were fully impaired in 2022.

The Group's review for the year ended 31 December 2024 has concluded that there has been no change to these circumstances and that no reversal of such impairment should be made.

Assumptions used in estimating recoverable amounts included future commodity prices, future operating expenses and capital expenditure estimates and fiscal regimes.

The Directors have not conducted detailed impairment testing of its exploration and evaluation assets at 31 December 2024 as no impairment triggers have been identified during the year. The data generated since acquisition and published on the Company's website demonstrates the strong potential for economic discovery.

f) Share-based payments

The Group accounts for equity-settled share-based payments at fair value at the date of issue.

The Board has exercised judgement in determining whether the warrants issued during the year should be treated as a financial instrument (IAS 32) or share based payments (IFRS 2). IFRS 2 applies to any transaction in which an entity receives goods or services as part of a share-based payment arrangement. That determination requires careful consideration of all the facts and circumstances, such as the respective rights of the warrant holders.

The board has determined that all of the 362,685 warrants issued to investors during 2024 were for the purpose of obtaining funding via equity and debt from investors. Accordingly, these warrants issued to shareholders and investors do not fall within the scope of IFRS 2.

f) Convertible loan notes

The convertible loan notes issued in the year are considered to be a hybrid financial instrument comprising a financial liability (loan) and an embedded derivative (share option).

The Board has considered the key conversion terms in the loan notes as to whether they meet the definition of a derivative. Convertible loan notes can only be classified as equity if they meet the definition of equity, commonly referred to as the fixed for fixed criterion. As the derivative may be settled by the Company exchanging a fixed amount of cash for a fixed number of its own equity instruments, this element is considered to be equity rather than a liability.

The analysis of each component part means that the loan notes are compound instruments containing both liability and equity components. As noted above, the standard approach under IFRS requires that a convertible instrument is dealt with by an issuer as having two 'components', being a liability host contract plus a separate conversion feature which, in the case of the convertible loan notes issued to date, are to be classified as a fair value liability.

Convertible loan notes have an embedded derivative given the option to convert into cash. On initial recognition, the contractual cash flows are discounted at the interest rate that would apply to a note without a conversion feature, which the Company has estimated to be 20%. This is in order to calculate the fair value of the liability component of the compound financial instrument. The fair value of the liability component has then deducted from the fair value of the compound financial instrument as a whole, with the balance being taken directly to equity.

4. Revenue

	2024	2023
	£'000	£'000
Sale of ore	42	-
	42	-

All sales in the year ended 31 December 2024 were made to the same customer.

5. Other income

	2024	2023
	£'000	£'000
Drone survey services	-	32
Gain on farm-out (Note 3.20)	-	119
Others	-	41
	-	192

6. Directors' remuneration

Director salaries	Fees and salaries	Other benefits	2024 Totals	2023 Totals
	£'000	£'000	£'000	£'000
Executive Directors				
Charles Bray	108	1	109	66
Simon Rollason	96	-	96	106

Non-Executive Directors				
Devon Marais	28	-	28	28
Alister Hume	12	-	12	12
Kasra Pezeshki	12	-	12	12
	256	1	257	224

In addition to the remuneration paid to directors of the Company, Tshepo Janie, a director of Atlantis Metals (Pty) Ltd received remuneration of £22,000 for the year ended 31 December 2024.

7. Administrative expenses

	2024	2023
	£'000	£'000
Directors' remuneration	256	224
Staff costs	250	115
Auditor's remuneration	125	114
Travel expenses	101	24
Metallurgical tests	-	4
Legal expenses	99	84
Professional fees	260	513
Accounting fees	50	45
Provision for loss (Note 24)	161	-
Depreciation	24	16
Other expenses	402	332
	1,728	1,471

Auditor's remuneration

	2024	2023
	£'000	£'000
Auditors' remuneration:		
- Audit fee for the current year	82	77
- Under provision in respect of prior year	43	37
	125	114
Auditors' remuneration:		
- Amounts paid to Group auditor	113	109
- Amounts paid to auditors overseas	12	5
	125	114

Staff costs

During the year the average number of employees (including Directors) was 21 (2023: 24).

Aggregate staff costs including directors comprise:	2024	2023
	£'000	£'000
Salaries and wages	428	290
Staff welfare	1	1
Social security and pension contributions	77	48
	506	339

Key management personnel of the Group comprised the directors of Aterian Plc.

8. Finance costs

	2024	2023
	£'000	£'000
Interest expense on loan notes	8	-
Interest expense on Timberdale loan	20	-
Interest on related party loan	31	54
	59	54

9. Taxation

	2024	2023
	£'000	£'000
Current tax:		
UK taxation	-	-
Overseas taxation	-	-
Total tax	-	-

Reconciliation of income tax

	2024	2023

	£'000	£'000
Loss before tax	(1,617)	(1,022)
UK corporation tax rate	25.0%	23.5%
Tax at expected rate of corporation tax	(404)	(249)
Effects of:		
Effect of overseas tax rates	(16)	(16)
Unutilised tax losses carried forward	420	265
Total tax	-	-

Since 1 April 2023, there has no longer been a single Corporation Tax rate in the United Kingdom for non-ring fence profits. The main rate for Corporation Tax increased from 19% to 25% from this date for profits above £250,000. A small profits rate of 19% was also announced for companies with profits of £50,000 or less. Companies with profits between £50,000 and £250,000 pay tax at the main rate, reduced by a marginal relief. This provides a gradual increase in the effective Corporation Tax rate. Rwanda has a 30% tax rate and Morocco has a 31% tax rate.

The Group had losses for tax purposes of approximately £9.1 million as at 31 December 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 £2.1 million (£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 year 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.

10. Loss per share

The calculation of the basic and diluted loss per share is based on the following data:

	2024	2023
Earnings	**£'000**	£'000
Loss from continuing operations for the year attributable to the equity holders of the Company	**(1,617)**	(1,062)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	**11,342,198**	10,158,535
Basic and diluted earnings per share (pence)	**(14.26)**	(10.45)

The earnings per share for the year ended 31 December 2023 has been restated and presented in line with retrospective adjustments as per IAS 33, on the basis of the share consolidation approved in June 2024, as described in Note 22.

The potential number of shares which could be issued following the exercise of convertible loan notes, options and warrants currently outstanding amounts to 5,470,805.

Dilutive earnings per share equals basic earnings per share as, due to the losses incurred, there is no dilutive effect from the existing share options and warrants or convertible loan notes.

11. Investments

	Investment in Subsidiaries	
	2024	**2023**
	£'000	**£'000**
Investment		
Cost:		
At the beginning of the year	**5,502**	5,502
Additions	**35**	-
At 31 December	**5,537**	5,502
Impairment		
At the beginning of the year	**(2,296)**	(2,261)
Impairment provision	**-**	-
Discounting effect on deferred consideration (Note 19)	**-**	(35)
At 31 December	**(2,296)**	(2,296)
CarryingAmount		
At 31 December	**3,241**	3,206

The Company's subsidiaries as at 31 December 2024 were as follows:

	Shareholding	**Nature of Business**	**Country of Incorporation**
Held directly:			
Eastinco Limited	**100%**	Mining & exploration	Rwanda
Eastinco ME Ltd	**100%**	Mining & exploration	UK
Aterian Resources Ltd	**100%**	Mining & exploration	UK
Held indirectly:			
Musasa Mining Ltd	**85%**	Dormant	Rwanda
Kinunga Mining Ltd	**70%**	Mining & exploration	Rwanda
Atlantic Minerals Ltd	**100%**	Mining & exploration	Seychelles
Adrar Resources S.A.R.L.A.U.	**100%**	Mining & exploration	Morocco
Azru Resources S.A.R.L.A.U.	**100%**	Mining & exploration	Morocco
Strat Co Limited	**100%**	Dormant	Isle of Man
Atlantis Minerals (Pty) Ltd	**90%**	Mining & exploration	Botswana
Future Frontier Limited	**100%**	Dormant	Rwanda
Stratum Limited	**100%**	Dormant	Rwanda

Notes:

(i) The registered office of each of the UK subsidiaries is: Eastcastle House, 27/28 Eastcastle Street, London, United Kingdom, W1W 8DH.

(ii) The registered office of each of the Rwandan subsidiaries is: Remera, Gasabo, Umujyi wa Kigali, Rwanda.

(iii) The registered office of each of the Morrocann subsidiaries is: 18 Rue Jabel Tazekka, 4ème Etage, Appt 9, Agdal, Rabat, Morocco.

(iv) The registered office of Strat Co Limited is:Alma House, 7 Circular Road, Douglas, Isle of Man, IM1 1AF.

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(v) The registered office of Atlantis Minerals (Pty) Ltd is Plot 56740, Block 10, Gaborone, Botswana.

(vi) The registered office of Atlantic Minerals Ltd is Suite 24, First Floor, Eden Plaza, Edensland, Victoria, PO Box 438, Mahé, Seychelles.

Mining activity at the Group's Musasa Project was suspended in 2022. Management concluded that the mine assets capitalised in Eastinco Limited should be fully impaired. Accordingly, the carrying value of the Company's investment was considered be fully impaired on the basis that the carrying value represented the Company's investment cost in acquiring the Musasa Project. Accordingly, an impairment provision of the full carrying value of £2,261,000 was recognised in the year ended 31 December 2022. The Directors have considered evidence in respect of the Company's other investments and concluded that there were no indicators of impairment.

12. Acquisition of Atlantis Minerals (Pty) Ltd

On 8 January 2024, the Company entered into a Sale and Purchase Agreement (SPA) to acquire a controlling 90% interest in Atlantis Metals (Pty) Ltd ("Atlantis"), a private Bostwana registered entity holding mineral prospecting licences in the Republic of Botswana. Atlantis currently holds four licences covering a combined area of 3,516 km2, with one licence targeting copper in the Kalahari Copperbelt and three licences for lithium brine exploration within the Makgadikgadi region of northern Botswana. On the basis of the above, management has concluded that the acquired set of activities and assets is not a business. The consideration of US$30,000 was settled by the issue of shares in the Company.

The SPA was subject to certain conditions precedent, including the change of control approval by the relevant authorities, completion of financial and corporate due diligence and the transfer of shares in Atlantis to a nominated subsidiary of Aterian. Change of Control approval was received from the Ministry of Minerals and Energy in April 2024 allowing the Company to formally complete the acquisition of its interest in Atlantis. Atlantis was also awarded six new prospecting licences totalling 970.08 km2 in the Kalahari Copperbelt bringing its portfolio to ten strategically located copper-silver ("Cu-Ag") and lithium (''Li'') projects in Botswana, covering 4,486.11 km2.

The holder of the outstanding 10% interest in Atlantis is a private Botswana citizen who is a professional geologist is retained to provide management and exploration services. Exploration expenditure commitments, acquisition consideration, and professional service fees totalled a minimum of US$ 80,000 and was payable over the 12 months following the signing of the Sale and Purchase Agreement.

13. Intangible E&E Assets

	Rwandan Assets	Moroccan Assets	Botswana Assets	Other Assets	Total
Cost	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
At 1 January 2024	-	3,285	-	-	3,285
Additions	2	92	21	5	120
At 31 December 2024	2	3,377	21	5	3,405
Impairment					
At 1 January 2024	-	-	-	-	-
Charge for the year	-	-	-	-	-
At 31 December 2024	-	-	-	-	-
Net book value					
At 31 December 2024	**2**	**3,377**	**-**	**26**	**3,405**

Cost	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
At 1 January 2023	-	3,241	-	-	3,241
Additions	45	44	-	-	89

Farmed-out	(45)	-	-	-	(45)
At 31 December 2023	-	3,285	-	-	3,285
Impairment					
At 1 January 2023	-	-	-	-	-
Charge for the year	-	-	-	-	-
At 31 December 2023	-	-	-	-	-
Net book value					
At 31 December 2023	-	3,285	-	-	3,285

14. Property, plant and equipment

Group

	Mine	Mining Equipment	Office Equipment	Motor vehicles	Computer Equipment	Processing Equipment	Land	Total
Cost	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
At 1 January 2024	624	299	6	6	5	1	27	968
Foreign exchange adjustment	-	(123)	-	-	(1)	-	(6)	(130)
Disposals		(10)						(10)
Additions		-	1	6	-	-	-	7
At 31 December 2024	624	166	7	12	4	1	21	835
Depreciation								
At 1 January 2024	624	40	6	-	2	-	-	672
Charge for the year	-	18	1	2	2	1	-	24
At 31 December 2024	624	58	7	2	4	1	-	696
Net book value								
At 31 December 2024	-	108	-	10	-	-	21	139

	Mine	Mining Equipment	Office Equipment	Motor vehicles	Computer Equipment	Processing Equipment	Land	Total
Cost	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
At 1 January 2023	624	671	7	6	2	3	32	1,345
Foreign exchange adjustment	-	(27)	(1)	-	1	(2)	(5)	(34)
Disposals	-	(348)	-	-	-	-	-	(348)
Additions	-	3	-	-	2	-	-	5

At 31 December 2023	624	299	6	6	5	1	27	968
Depreciation								
At 1 January 2023	624	295	4	-	1	-	-	924
Charge for the year	-	13	2	-	1	-	-	16
Disposals	-	(268)	-	-	-	-	-	(268)
At 31 December 2023	624	40	6	-	2	-	-	672
Net book value								
At 31 December 2023	-	259	-	6	3	1	27	296

The Property, Plant and Equipment held by the Company is immaterial.

Impairment reviews

IFRS requires management to undertake an annual test for impairment of indefinite lived assets and, for finite lived assets, to test for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

At the end of June 2022, the Company temporarily suspended operations on the Musasa Project based on the recommendation of Quiver Ltd, an independent processing consultancy, to undertake additional metallurgical test work to improve overall metal recoveries.

On the basis that mining was suspended and low metal recovery, management has concluded that the mine assets capitalised in Eastinco Limited should be fully impaired on the basis they related specifically to capitalised exploration costs of the Musasa mine site, which is now essentially halted. Accordingly, an impairment provision of the full PPE mine site and associated equipment value of £877,000 was considered necessary in 2022.

In 2023, certain of the wash plant assets were sold for a sum of US$400,000 (approximately equal to £320,000) and the impairment provision was reversed in 2023. A total of £89,000 had been received as at 31 December 2023 and £231,000 was received in 2024.

15. Inventories

	Group		Company	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Ore concentrate	**17**	-	**-**	-
	17	-	**-**	-

Inventories are stated at the lower of cost and net realisable value.

In the year ended 31 December 2024 inventories recognised as an expense within cost of sales amounted to £42,000 (2023: £nil).

16. Trade and other receivables

	Group		Company	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000

Amounts owed by group undertakings*	**-**	-	**-**	-
Other debtors	**6**	347	**-**	33
Amounts due from farmee (Note 3.20)	**-**	157	**-**	157
Taxes receivable	**43**	28	**62**	28
Prepayments	**27**	25	**-**	-
	76	557	**62**	218

*Amounts owed by group undertakings are stated net of a provision of £3,163,000 (2023: £2,812,000), summarised as follows:

	Group		**Company**	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Gross value of loans to group undertakings	**-**	-	**3,163**	2,812
ECL provision brought forward	**-**	-	**(2,812)**	(2,444)
ECL expense for the year	**-**	-	**(351)**	(368)
Net value of loans to group undertakings	**-**	-	**-**	-

17. Cash and cash equivalents

	Group		**Company**	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Cash at bank and in hand	**64**	73	**57**	17

There are no restrictions imposed on the cash balances.

18. Trade and other payables

	Group		**Company**	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Trade payables	**206**	194	**112**	94
Other payables	**281**	99	**281**	88
VAT payable	**-**	34	**-**	-
Amounts due by group undertakings due in less than one year	**-**	-	**-**	72
Accruals				
	73	75	**73**	75
	560	402	**466**	329

19. Deferred consideration

	Group		Company	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Deferred consideration	**-**	166	**-**	166
	-	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.

20. Borrowings

	Group		Company	
				2023
Loan from related party	**2024**	2023	**2024**	
	£'000	£'000	**£'000**	£'000
Current liability	**225**	225	**225**	225
	225	225	**225**	225

	Group		Company	
				2023
Loan - others	**2024**	2023	**2024**	
	£'000	£'000	**£'000**	£'000
Current liability				
Trade finance loan	**159**	-	**159**	-
Convertible loan notes	**282**	-	**282**	-
	441	-	**441**	-
Total borrowings	**666**	225	**666**	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.

The facility was secured by a fixed and floating charge over all the property or undertaking of the Company. Interest of 2% per annum accrued on undrawn amounts and interest of Base Rate + 7.5% per annum on drawn amounts.

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, as described in Note 22 below. Interest of £31,357 was payable for the year ended 31 December 2024.

Trade Finance Loan issued with warrants

On 28 August 2024, the Company entered into a trade finance funding agreement for an aggregate amount of $250,000 (equivalent to approximately £193,000), being the First Advance under the Agreement (and, subject to agreement between the parties, further amounts up to a maximum aggregate amount of $1,000,000). The initial term for the First Advance was 3 months, which was subsequently extended. The maturity date for each subsequent advance is 24 months from the applicable drawdown date. The embedded derivative element of the loan is considered to be trivial and therefore has not been separately valued.

As described in Note 22, with respect to the First Advance, which was made on 25 September 2024, the Company granted warrants over the Company's ordinary shares representing 30% of the First Advance at 70 pence per ordinary share, exercisable at £1 per Warrant. The warrants have a 36-month term from the date of grant. Accordingly, the Company granted the investor 81,256 warrants to subscribe for new ordinary shares, exercisable at £1.00 per share at any time until 30 August 2027.

Upon each subsequent drawdown date for a further advance, the Noteholders shall be granted such number of warrants which represents 30% of the Advance divided by the applicable Reference Price (70 pence for the initial drawdown and the average of the daily VWAPs for the five trading days prior to the date of each subsequent drawdown date). The warrants will have a 36-month term from the date of grant and will be exercisable at a 40% premium to the relevant reference price.

An Implementation Fee equal to 5% of the principal amount of the First Advance was settled in shares (such number of shares being calculated using the Reference Price). On the First Advance, such fee amounted to $12,500, equating to £9,497 for which 13,567 shares were issued at the Reference Price of 70 pence per share.An additional agreement fee of $12,500 was charged and deducted from the loan proceeds.

The loan accrues a fixed coupon of 3.5% of the gross advance on the drawdown date, In addition, an additional 1.333% per month ("Default Rate") shall apply to any and all outstanding principal, interest and fees.

Conversion clause

The Noteholders shall be entitled to convert any amount of the loan and/or any interest and/or fees under this Agreement as has not been settled in cash into shares by serving a subscription notice on the Company on the following terms:

(a) During the term of the agreement the Noteholders may convert any part of the loan at the Fixed Premium Placing Price (for the First Advance being £1.00 per Share and, with respect to any Further Advance, being a 40% premium to the relevant Reference Price); and

(b) From the expiry of the Initial Term (being 3 months from the drawdown date) as a result of an elected missed repayment by the Company and until the balance of the loan is settled in full, the Noteholders may convert any part of the loan at the Adjusted Subscription Price (being an amount equal to 95 per cent. of the average of the five lowest daily VWAPs (as chosen by the Noteholder) in the ten trading days prior to the date of the relevant subscription).

This conversion component is considered to be a derivative because:

- Its value changes in response to the Company's share price
- It requires a net investment that is smaller than otherwise would be required

The conversion feature also meets the definition of a liability because the variable amount to be settled varies in responses to the foreign exchange rate.

The conversion feature has therefore been classified as a derivative liability.

Repayment in November 2024

On 8 November 2024, the Company made a partial repayment of $58,750, pursuant to the terms of the Agreement, comprising $50,000 of principal and $8,750 of interest. This repayment was settled through the issuance of 100,000 ordinary shares of the Company. As 31 December 2024, $200,000 of principal remained outstanding and due according to the terms and conditions of the Agreement.

Extension of maturity

The term or maturity of the loan was extended to 28 January 2025 in exchange for the grant of 50,000 warrants with a maturity of no less than one year from their issue date and an exercise price of 70

pence per share.

Trade finance loan - summary of movements	**Group**		**Company**	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Proceeds received from First Advance	**193**	-	**193**	-
Implementation fee	**(9)**		**(9)**	
Interest accrued	**20**	-	**20**	-
Repaid by issue of shares	**(45)**	-	**(45)**	-
Balance carried forward	**159**	-	**159**	-

Convertible loan notes

Convertible loan notes issued to shareholders

On 3 May 2024, the Company issued £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.

The Company therefore converted the £500,000 of CLNs at 70 pence per share in exchange for the issue of an aggregate of 714,286 new ordinary shares of 10p each in the Company.

Convertible loan notes due June 2025:

On 9 July 2024, the Company completed the issue of convertible loan note instruments for an aggregate amount of £140,000.

Any Noteholder has the right (but not the obligation) to serve a conversion notice on the Company to convert all of the Notes that they hold that are outstanding and accrued interest into fully paid Ordinary Shares at a fixed Conversion Price of £0.70 per ordinary share.The Loan Notes fall due for repayment on 30 June 2025.

The Loan Notes bear interest:

(i) at the rate of 1% per calendar month from the first calendar day falling one month after the Issue Date: and

(ii) at an increased rate of 2% per calendar month from the first calendar day falling 5 calendar months after the Issue Date.

Convertible notes are financial instruments that fall within the scope of IAS 32 Financial Instruments: Presentation and IFRS 9 Financial Instruments.On initial recognition, the contractual cash flows are discounted at the interest rate that would apply to a note without a conversion feature, which the Company estimated to be 25%. This is in order to calculate the fair value of the liability component of the compound financial instrument.

The equity component on initial recognition was £7,840.

Issue of three-month convertible bonds and warrants

On 30 December 2024, the Company completed the issue of £150,000 of three-month convertible bonds alongside the granting of associated warrants to existing key shareholders. The convertible bonds fall due for repayment on 29 March 2025 and was structured to provide Aterian with short-term funding to support its strategic and operational objectives.

The convertible bonds have a 12% per annum coupon rate and convert into new ordinary shares of £0.10 each in the Company at a fixed price of £0.70 per share.

The equity component on initial recognition was £7,357.

The convertible bond subscribers also received 231,429 three-year warrants allowing for exercise into an equivalent number of shares at £0.70 per ordinary share, as provided for by the Convertible Bonds' terms and more fully described in Note 23.

Equity instruments granted by a borrower to a lender as part of a financing agreement may fall within the scope of IFRS 2 if they were issued in exchange for services provided by the lender, as opposed to forming part of the overall return to the lender (which would fall under IFRS 9 instead). Management has considered whether the equity instruments transferred are remuneration for a distinct service versus the fees that form part of the lender's return. In these circumstances, the issue of warrants was considered to fall outside the scope of IFRS 2 and no share-based payment has been recognised on the warrants issued.

Convertible loan notes - summary of movements	**Group**		**Company**	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Proceeds received from issue of loan notes	**790**	-	**790**	-
Interest accrued	**7**	-	**7**	-
Equity component of loan notes	**(15)**	-	**(15)**	-
Loans notes converted to share capital	**(500)**	-	**(500)**	-
Balance carried forward	**282**	-	**282**	-

21. Financial instruments

Categories of financial instruments	**Group**		**Company**	
	2024	2023	**2024**	2023
Financial assets measured at amortised cost	**£'000**	£'000	**£'000**	£'000
Receivables	**49**	532	**62**	218
Cash and cash equivalents	**64**	73	**57**	17
	113	605	**119**	235
Financial liabilities measured at amortised cost				
Trade and other payables	**560**	402	**466**	329
Provision for litigation	**161**	-	**161**	-
Deferred consideration	**-**	166	**-**	166
Borrowings	**384**	225	**384**	225
Convertible loan notes	**282**	-	**282**	-
	1,387	793	**1,293**	720

Financial risk management objectives and policies

The Group is exposed through its operations to credit risk and liquidity risk. In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments.

This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout this financial information.

General objectives, policies and processes

The Directors have overall responsibility for the determination of the Group's risk management objectives and policies. Further details regarding these policies are set out below:

Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of issued capital, reserves and retained earnings. The Directors review the capital structure on a semi-annual basis. As a part of this review, the Directors consider the cost of capital, the risks associated with each class of capital and overall capital structure risk management through the new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

The Group is not subject to externally imposed capital requirements.

Market price risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The development and success of any project of the Group will be primarily dependent on the future prices of various minerals being exploited. Mineral prices are subject to significant fluctuation and are affected by a number of factors which are beyond the control of the Company.

Future production from the projects is dependent on mineral prices that are adequate to make the projects economic. The Group reviews current and anticipated future mineral prices and adjusts the allocation of financial resources accordingly.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables and cash and cash equivalents.

The Group manages its exposure to credit risk by the application of monitoring procedures on an ongoing basis. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

Interest rate risk

A majority of the Group's borrowings are at non-variable rates. Accordingly, the Group is not exposed to material interest rate risk.

Liquidity risk

Liquidity risk arises from the Company's management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. The principal liabilities of the Group arise in respect of trade payables and borrowings which are all payable within 12 months. At 31 December 2024, total payables and borrowings due within one year were £1,203,000, which is more than the Group's cash held at the year-end of £65,000. The Board monitors cash flow projections on a regular basis as well as information on cash balances, and manages such cash flows through short-term borrowings, including a working capital facility, and the raising of equity to support long-term expenditure.

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to theRwandan Franc("RWF").

Foreign exchange risk arises from future commercial transactions, recognised monetary assets and liabilities and net investments in foreign operations.

At 31 December 2024, had the exchange rate between the Sterling and RWF increased or decreased by 10% with all other variables held constant, the increase or decrease respectively in net assets would amount to approximately £24k/£(29k).Similarly, the exchange rate between the Sterling and MAD increased or decreased by 10% with all other variables held constant, the increase or decrease respectively in net assets would amount to approximately £14k/(£17k). Also the exchange rate between the Sterling and BWP increased or decreased by 10% with all other variables held constant, the increase or decrease respectively in net assets would amount to approximately £3.5k/(£4k).The Group does not hedge against foreign exchange movements.

22. Share capital

The Ordinary Shares issued by the Company have a 10p par value.The Ordinary Shares rank pari passu in all respects, including the right to attend and vote in general meetings, to receive dividends and any return of capital.

Details of changes in the year ended 31 December 2024 are summarised in the table below.

	Year ended 31 December 2024				
	Number of ordinary shares of £0.01	Number of ordinary shares of £0.10	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 (Note (a))	(1,089,170,115)	1,089,170,115	1,089,170,115	-	-
Share consolidation (Note (b))	-	(1,078,278,405)	-	-	-
Shares issued in the year (Notes (c)-(f))	-	1,145,334	-	114	576
As at 31 December 2024	**-**	**12,037,044**	**1,089,170,115**	**11,006**	**2,753**

	Year ended 31 December 2023		
	Number of shares of £0.01	Share Capital £'000	Share Premium £'000
Brought forward at 1 January	964,694,093	9,647	2,177
Shares issued in the year	124,476,022	1,245	-
As at 31 December 2023	1,089,170,115	10,892	2,177

Notes:

a) 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 Ordinary Shares") and one deferred share of £0.009 each ("Deferred Shares").

b) On the same date, every existing 100 New 0.1p Ordinary Shares 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.

c) On 3 May 2024, the Company issued £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.

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.

d) On 19 September 2024, the Company issued 13,534 new ordinary shares of 10p at a price of 70p per share to a financial investor as part of a trade finance funding arrangement. The Company also granted the investor 81,256 warrants to subscribe for new ordinary shares, exercisable at £1.00 per share at any time until 30 August 2027.

e) On 8 November 2024, holders of the Company's warrants were given the opportunity to voluntarily accept a change to their terms such that the exercise price was lowered from 150 pence to 50 pence and the expiration date amended to 14 November 2024. The holders of 170,834 warrants elected to accept these amended terms with the remainder choosing to remain on the original terms.Consequently, the Company issued a total of 170,834 shares at a price of 50 pence per share from the exercise of warrants and issued an additional 86,400 ordinary shares at 50 pence per share to certain suppliers in lieu of outstanding fees.

f) On the same date, the Company made a partial repayment of $58,750, pursuant to the terms a convertible loan note agreement comprising $50,000 of principal and $8,750 of interest (equal to approximately £50,000). This repayment was settled through the issuance of 100,000 ordinary shares.

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.

	2024	**2023**
Summary of share issue proceeds:	**£'000**	**£'000**
Shares issued for cash	**86**	479
Non-cash:		
Shares issued in lieu of cash compensation	**95**	245
Payables settled by issue of shares	**-**	94
Conversion of loan notes	**500**	-
Director's loan converted to equity	**-**	127
Short-term debt converted to equity	**44**	300
Total proceeds from share issues	**725**	**1,245**

23. Share-based payment arrangements

Options

Equity settled share-option plan

The Company has established a trust for the benefit of the employees and former employees of the Company's Group and their dependants. The EBT is managed by a Trustee, who exercises independent decision making with respect to any voting of shares on behalf of Summerhill Trust. The following changes have occurred during the year ended 31 December 2024:

- A total 13,257,400 options in issue expired without being exercised during 2024.
- On 10 June 2024, following the resolution which approved the sub-division and conversion of each existing ordinary share described in Note 22 above,every 100

existing options in issue were consolidated into one new EBT option for each new ordinary share of £0.10 each.

- On 20 June 2024, the Company granted 130,000 new EBT options to Directors, Employees and former Directors. 58% of each new option shall become available for exercise after twelve months from the Date of Grant of the Option (the first "Anniversary Date") with a further 11% of the options exercisable as the twenty four month Anniversary Date.31% of the options have no vesting period. The options may be exercised up to30 December 2030 at a price of £0.10 per ordinary share.

The fair values of the new options granted for services have been calculated using Black-Scholes model assuming the inputs shown below:

Share price	£0.59
Exercise price	£0.10
Time to maturity	6.42 years
Risk free rate	4.05%
Volatility	30.0%
Value	£0.5181

The total expense recognised in the Statement of Comprehensive Income during the period in respect of options over Ordinary Shares was £40,151 (2023: £nil).

Summary of EBT Options	**2024**	**2023**
	Number of EBT Options	Number of EBT Options
Outstanding at beginning of year	96,397,400	96,397,400
Expired during the year	(13,257,400)	
Adjustment on share consolidation	(82,308,600)	-
Granted during the year	130,000	-
Outstanding at end of the year	**961,400**	**96,397,400**

The weighted average remaining life of the options at the end of 2024 was 6.0 years (2023: 5.70 years).

Warrants

	2024		**2023**	
	Average exercise price per warrant	Number of warrants	Average exercise price per warrant	Number of warrants
Outstanding at beginning of year	1.64p	389,531,345	2.04p	289,531,345
Adjustment on share consolidation	162.36p	(385,636,031)	-	-
Issued during the year	76.72p	362,685	1.12p	104,000,000
Exercised during the year	(50.0)p	(170,834)	-	-
Lapsed during the year	(211.9)p	(1,134,903)	(1.5p)	(4,000,000)
Outstanding at end of the year	154.74p	2,952,262	1.64p	389,531,345

The following changes have occurred during the year ended 31 December 2024:

- On 10 June 2024, every existing 100 warrants in issue were consolidated into one warrantfor each new ordinary share of £0.10 eachas a result of the share consolidation described in Note 22.

- A total of 1,134,903 warrants expired without being exercised.

- In September 2024, the Company issued in aggregate 81,256 new warrants over Ordinary Shares as described in Note 22.

- In November 2024, holders of 1,295,718 were offered warrants to subscribe for new ordinary shares of 10 pence each at an exercise price of 150 pence, exercisable at any time until 30 December 2025 were given the opportunity to voluntarily accept a change to these terms such that the exercise price was lowered to 50 pence and the expiration date amended to 14 November 2024.

- The holders of 170,834 warrants elected to accept these amended terms with the remainder choosing to remain on the original terms. Consequently, the Company issued a total of 170,834 shares at a price of 50 pence per share from the exercise of such warrants as described in Note 22. Those warrant holders not taking up the offer retained their warrant positions which remain as they were prior to the offer.

- In December 2024, the Company issued of £150,000 of three-month convertible bonds (as described in Note 20 above) alongside the granting of 231,429 associated warrants to existing key shareholders. The Convertible Bond subscribers receive 231,429 three-year warrants allowing for exercise into an equivalent number of shares at £0.70 per share.

- The term or maturity of the trade finance loan was extended to 28 January 2025 in exchange for the grant of 50,000 warrants with a maturity of no less than one year from their issue date and an exercise price of 70 pence per share.

- In aggregate, the Company issued 362,685 new warrants over Ordinary Shares as described in Note 22.

The total share-based payment expense recognised in respect of warrants in the Statement of Comprehensive Income during the year was £nil (2023: £946). The weighted average remaining life of the warrants at the end of 2024 was 1.61 years (2023: 2.00 years).

24. Provision for loss

In 2024 Aterian suffered an adverse judgment in the Rwandan employment court regarding claims brought by Mr. Daniel Hogan, the former Managing Director of Eastico Limited, despite the existence of a signed waiver agreement which, in Aterian's view, explicitly released all claims arising from or in connection with his engagement. This breach of the waiver terms has prompted Aterian to act prudently by recognising a provisional loss of £161,000, reflecting the amount of the initial judgment. Simultaneously, Aterian will pursue redress in the UK courts to recover both the claim amount, damages, and associated legal costs, asserting its contractual rights under the waiver. In parallel, Aterian intends to lodge an appeal in Rwanda, challenging the employment court's decision and reaffirming the validity and enforceability of the waiver agreement executed with Mr. Hogan.

25. Notes to statement of cash flows

Changes in liabilities arising from financing activities:

Company and Consolidated cash flows	Borrowings	Total
Year ended 31 December 2024	**£'000**	**£'000**
At 1 January 2024	225	225
Proceeds from borrowings	181	181
Proceeds from issue of loan notes	785	785
Payment of interest	(31)	(31)
Net proceeds	**1,160**	**1,160**
Non-cash items:		
Converted to equity (Note 22)	(500)	(500)
Shares issued to Timberdale as repayment of loan	(50)	(50)
Loan costs	(9)	(9)
Equity component of loan notes	(15)	(15)
Accrued interest	80	80
Total liabilities from financing activities at 31 December 2024	**666**	**666**
Current	**666**	**666**

Year ended 31 December 2023	**£'000**	**£'000**
At 1 January 2023	151	151
Cash proceeds	342	342
Payment of interest	(22)	(22)
Net proceeds	**471**	**471**
Non-cash items:		
Converted to equity (Note 22)	(300)	(300)
Accrued interest	54	54
Total liabilities from financing activities at 31 December 2023	**225**	**225**
Current	**225**	**225**

26. Operating segments

The Directors are of the opinion that the Group is engaged in a three operating segments being exploration activity in Morocco, Rwanda and Botswana. The Company operates in Morocco, Rwanda and Botswana and has its Corporate management team in the UK.

The table below provides the Company's results by operating segment in the way information is provided to and used by the Company's CEO as the chief operating decision maker to make decisions about the allocation of resources to the segments and assess their performance.

The Company considers its exploration projects in Morocco, Rwanda and Botswana each form a segment. Corporate legal entities are aggregated and presented together as part of the "other" segment on the basis of them sharing similar economic characteristics.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment and is considered to be the Group's Chief Operating Decision Maker (CODM). Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

However, the Group's financing (including finance costs and finance income) and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The accounting policies used by the Group in reporting segments internally are the same as those contained in Note 3 and the respective quantitative and qualitative notes of the financial statements.

	Moroccan segment	Rwandan segment	Botswana segment	Other	Group Year to
	31-Dec-24	31-Dec-24	31-Dec-24	31-Dec-24	31-Dec-24
	£'000	£'000	£'000	£'000	£'000
Revenue	-	42		-	42
Cost of sales	-	(42)	-	-	(42)
Administrative expenses	(177)	(291)	(40)	(1,220)	(1,728)
Share-based payment expense	-	-	-	(40)	(40)
Other income	-	-	-	210	210
Gains on disposal of property plant and equipment	-	-	-	-	-
Operating loss	(177)	(291)	(40)	(1,050)	(1,558)
Interest payable and similar charges	-	-	-	(59)	(59)
Loss before tax	(177)	(291)	(40)	(1,109)	(1,617)
Tax expense	-	-	-	-	-
Loss after tax	(177)	(291)	(40)	(1,109)	(1,617)
Segment assets	92	160	27	3,422	3,701
Segment liabilities	-	(94)	-	(1,293)	(1,387)

	Moroccan segment	Rwandan segment	Other	Group Year to
	31-Dec-23	31-Dec-23	31-Dec-23	31-Dec-23
	£'000	£'000	£'000	£'000
Revenue	-	-	-	-
Administrative expenses	(62)	(297)	(1,112)	(1,471)

Share-based payment expense	-	-	(1)	(1)
Other income	-	27	165	192
Gains on disposal of property plant and equipment	-	272	-	272
Operating loss	(62)	2	(948)	(1,008)
Interest payable and similar charges	-	-	(54)	(54)
Loss before tax	(62)	2	(1,002)	(1,062)
Tax expense	-	-	-	-
Loss after tax	(62)	2	(1,002)	(1,062)
Segment assets	61	674	3,476	4,211
Segment liabilities	(3)	(135)	(655)	(793)

27. Related party transactions

Transactions with subsidiary companies

Eastinco Ltd is a subsidiaryand during the year, paid total funds of £3,372 (2023: £254,661) from the Company. Eastinco Ltd owes £2,641,075 (before impairment provisions) to Aterian PLC at the end of the year (2023: £2,477,476).

Eastinco ME Ltd is a subsidiaryand is owed £6,501 by Aterian PLC at the end of the year (2023: £50,746).

Transactions with Directors

Directors' remuneration is disclosed in Note 6 above.In addition to the remuneration paid to directors of the Company, Tshepo Janie, a director of Atlantis Metals (Pty) Ltd received remuneration of £22,000 for the year ended 31 December 2024.

Charles Bray is a Director of the Company and during the year, Charles Bray received total fees of £107,736 (2023: £65,914). Charles Bray is owed £1,124 by the Company at the end of the year (2023: £3,041).

The Company received loans totalling £nil (2023: £342,000) from IQ EQ (Jersey) Limited, trustee of The Charles Bray Transfer Trust. IQ EQ is owed £3,280 by the Company at the end of the year (2023: £nil).

Simon Rollasonis a Director of the Company and during the year, Simon Rollason received total fees of £95,489 (2023: £106,000: £81,000 in cash and £25,000 settled by the issue of 2,500,000 ordinary shares). The Company is owed £1,054 by Simon Rollason at the end of the year (2023: £nil).

On 3 May 2024, the Company issued £42,666 of Convertible Loan Notes (CLNs) to Mr. Simon Rollason, the Company's CEO. On 26 June 2024, the Company announced that it had received notices to convert the full amount of outstanding CLNs issued.

At the year end, Directors held interests in Ordinary Shares, warrants and options as below:

Name	No. of Warrants	No. of Options	No. of Shares
Charles Bray	140,667	222,500	1,260.700
Edlin Holdings Limited*	133,333	-	-
IQ EQ (Jersey) Limited**	151,443	-	300,000
Kasra Pezeshki	-	20,000	100,000
Alister Masterton-Hume	-	20,000	-
Simon Rollason	12,500	-	225,000
Devon Marais	-	60,000	-
Reba Global Pty Ltd***	-	-	146,700

*: 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.

**: IQ EQ (Jersey) Limited is a trustee of The Charles Bray Transfer Trust.

***: Devon Marais is the founder and beneficial owner of Reba Global Pty Ltd.

Other transactions

Included in trade payables at 31 December 2024 is an amount of £4,800 owing to Graham Duncan Limited, a company owned by Graham Duncan who is the Group CFO and a shareholder in the Company.

The Company is an associated company of Elemental Altus Royalties Corporation to whom the Company sold a portion of its Net Smelter Royalty for £200,000 as described in Note 19 above. The transaction was made in the normal course of business and at terms that correspond to those on normal arms-length transactions with third parties.

Aterian is an associate in the group for which Elemental Altus is a member of as Altus Exploration Management Ltd holds 20% of the Company.

28. Ultimate controlling party

The Directors consider that there is no controlling or ultimate controlling party of the Company.

29. Capital commitments

As at 31 December 2024, the were no capital commitments entered into by the Group (31 December 2023: nil).

30. Contingencies

As at 31 December 2024, the were no contingent liabilities requiring disclosure in these financial statements.

31. Events after the reporting date

In February 2025, the Company announced that it had completed a small private placement of 200,000 new ordinary shares of 10p each at a price of 70 pence per share, raising gross proceeds of £140,000.

Additionally, the Company issued 365,000 new shares to the Company's Employee Benefit Trust for use as incentive and compensation for its senior executives and directors. As part of the Placing, the investors also received a total of 100,000 warrants, with each warrant exercisable at a strike price of 70 pence per ordinary share and a maturity date of 30 December 2027.

The EBT allocation was subsequently raised from 365,000 shares to 565,000 shares, reflecting the Company's commitment to aligning the interests of senior executives and directors with shareholders through long-term equity incentives.

The additional EBT shares will be used as part of the Company's ongoing incentive and compensation framework, reinforcing its strategy to reward and retain key personnel as it advances its critical metals projects.

On 22 April 2025, the Company signed a trade finance agreement with a global commodity trading and financial house ("Financier"). This Agreement marks a transformational step forward for Aterian's trading division and represents a tangible execution of the Company's strategic vision to build a

scalable, revenue-generating platform supporting its exploration and development activities across Africa.

Under the terms of the agreement, the Financier will provide a USD 4,500,000 operational trading facility ("Trade Facility") to provide funding of traded minerals and will be utilised immediately to fund the additional trading of tantalum, niobium, and cassiterite. The Trade Facility has an interest rate of 1-month SOFR (Secured Overnight Financing Rate) plus 3.5%. The Agreement has a five-year facility period.

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