ALTYNGOLD

AltynGold plc

Annual Report and Consolidated Financial Statements

for the Year Ended 31 December 2023

WELCOME TO ALTYNGOLD PLC

AltynGold Plc (LSE: ALTN) is an exploration and development company, which listed on the main market segment of the London Stock Exchange in December 2014. To read more about AltynGold Plc please visit our website www.altyngold.uk.

At a glance

AltynGold's main asset is its 100% interest in the Sekisovskoye gold mine and its exploration site at Teren-Sai. Both mine sites are based in north east Kazakhstan. In the most recent CPR in 2019 (page 19 of the Annual Report) the Sekisovskoye site has measured reserves of 3.51moz and indicated reserves of 0.34moz. In 2023, the mine sold 32,765oz decreasing from the prior year of 34,499oz, production or ore and turnover have been increasing in line with the budgeted plan for the mine. The mining licence for Sekisovskoye is valid until 17 July 2029.

The Teren Sai Project is made up of a number of exploration targets in an area adjacent to the Sekisovskoye mine site. The original 6 year licence expired in May 2022 and only limited work was possible on site whilst the new licence was agreed. The Company used this period to plan and logistically organise its approach to develop the site and to ensure equipment and personnel would be available at the commencement of the project. In March 2024, the original licence was extended for a further 2 years from the date of the extension to continue with the exploration of the area with a view to bringing it into production in the near term.

At Teren-Sai the measured reserves amount to 0.82moz and indicated reserves of 0.66moz. This is based on one area that contains 4 breccia bodies known as area No.2 for which the CPR was obtained (see page 19 of the annual report). This is the principal target for exploration as the first stage of production will be from this area.

Key achievements in 2023

The key highlights are documented below:

Financial highlights

- Turnover increased in the year to US$64m (2022: US$62m).
- 32,765oz of gold sold (2022: 34,499oz).
- Average gold price achieved (including silver), US$1,967oz, (2022: US$1,762oz).
- The Group made a profit after tax of US$11.3m (2022: US$13.2m).
- Adjusted EBITDA (Earnings before interest, tax, depreciation and amortisation) of US$22.3m (2022: US$21.9m).
- The Group repaid borrowings of US$16.6m (2022: US$15m).

Operational highlights

- Ore processed 701,000t (2022: 527,000t)
- Gold poured 33,110oz, (2022: 34,023oz)
- Mined gold grade 2.01g/t, (2022: 2.17g/t).
- Operating cash cost US$1,041/oz, (2022: US$805/oz).
- Gold recovery rate 83.60% (2022: 83.43%).

Underground development & exploration

- Continuing development of the processing capacity to 1mtpa
- Development of the shaft and tunnelling amounted to 6,432 linear metres, (2022: 6,699 linear metres)
- Exploration drilling at Sekisovskoye amounted to 115,116 linear metres (2022: 129,928 linear metres)
- An extension to the mining licence was obtained for two years at Teren-Sai until March 2026.

To read more about AltynGold plc
please visit our website www.altyngold.uk

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History of the areas of exploration

1 Sekisovskoye

The Sekisovskoye deposit is the Company's flagship asset and is located close to the village of Sekisovka, approximately 40km from the north east Kazakhstan regional capital, Ust Kamenogorsk. The current licence expires in July 2029.

The mineral rights at Sekisovskoye are held by a 100% owned subsidiary of the Company, DTOO GRP Baurgold, and the processing plant is owned by a 100% owned subsidiary of the Company TOO GMK Altyn MM.

The Sekisovskoye deposit was discovered in 1833 with surface mining taking place during the periods 1833 to 1847, 1932 to 1935, and 1943 to 1946. From 1975 to 1986, a range of exploration work was carried out. Between 1978 and 1982 "AltaiZoloto" of the Ministry of Non-Ferrous Industry, KazSSR, mined the oxidised area of the ore body. In 2003, under Hambledon Mining's ownership (subsequently renamed to AltynGold Plc), further exploration work was undertaken and gold production from the mine and processing plant commenced in 2008.

In 2019, the Company released the findings of the mining consultant, Ernst and Young's Competent Persons Report on the mine, which demonstrated substantial JORC reserves and resources, see page 17 for further details. With new plant acquired in 2020 the Company is ramping up to significantly increase production. This will significantly increase the number of oz of gold produced, with the aim of achieving 100,000oz in the future. This will be achieved by increasing output and accessing higher grade reserves through the continued development of the underground mine. The group obtained additional funding in 2023 to expand the processing plant in order to increase its production capacity, with the aim to move to 1mtpa.

2 Teren-Sai Ore Fields

In May 2016, the Company was awarded the subsoil exploration contract to conduct exploration testing at the Teren-Sai ore field for the 6 year term, this expired in May 2022 and the Company that holds the licence in Kazakhstan applied to extend the licence for a further 2 years, which was granted in March 2024. During the period from expiry to the grant of the new licence the Company has been planning its approach to developing the project, and ensuring resources will be available on the grant of the licence.

The licence is for further exploration with the aim of bringing Area No.2 into production in the near term and will expire in March 2026.

The geological data that the Company acquired indicates that there are at least fifteen mineralised zones at Teren-Sai and this leads the Company to believe that this project has the potential to contain significant gold resources. A CPR was conducted in 2019 in one of the areas (Area No.2) see the report on page 19. The Company is continuing to validate the geological data by twinning previous drill holes and undertaking additional metallurgical testing on the other sites.

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CHAIRMAN'S STATEMENT

The Company's strategy has been focused on organic growth mainly developing the Sekisovskoye mine while gradually advancing Teren-Sai to production, aiming at an annual gold production of 100,000oz in the long term.

Following substantial investments in equipment and a significant increase in ore production, Sekisovskoye has entered into its final phase of development. Indeed, the processing plant capacity expansion is expected to come on stream in the second half of 2024. While the process has encountered some delays, overall we are pleased with the results so far achieved, and the professional manner in which our staff adapted to and resolved the technical issues that arose.

In relation to Teren-Sai, the final terms of the updated licence were agreed with the authorities in March 2024. Our aim is to bring the asset into production within the two-year exploration period. The Company sees Teren-Sai as a key development, not only would it increase productive capacity but also diversify it away from the reliance on a single site for production.

Our plan for the current period consists in consolidating AltynGold's strong growth profile while reducing its financial gearing. The Company has come a long way since its LSE listing in 2014, developing and executing an effective growth strategy and moving the Company into profit.

Our next challenge is to seek new growth opportunities to further expand and diversify the business.

I would like to thank my fellow directors for their invaluable input in the year assisting in developing and driving the strategic development of the Company. The employees have consistently performed well and we look forward to a higher level of output in the current year.

Kanat Assaubayev
Chairman
25 April 2024

CHIEF EXECUTIVE OFFICER'S REVIEW

Overview

With the majority of the new mining equipment for the extraction of ore commissioned and working on site, the Company has been able to increase mined ore by 33% to 701,000t. The ore has been stockpiled as the processing plant is currently being upgraded in order to bring planned processing capacity to 1mtpa. In addition, the production has been interrupted during the construction phase, which has extended over the initial planned period. The processing plant is now on target to be commissioned and in operation in the second half of 2024.

The development and maintenance works at the Sekisovskoye mine have continued with extensive works being carried out to extend the supplies of water and ventilation as the declines move further down as detailed below.

In the current year, gold poured reached 33,110oz, 2.7% lower from the record level achieved last year of 34,023oz, and by 12% from budgeted levels for 2023. This was as a result of the issues noted above as well as lower gold grade in the year. The grade is expected to increase as improved targeting and mining of ore bodies reduces the level of dilution.

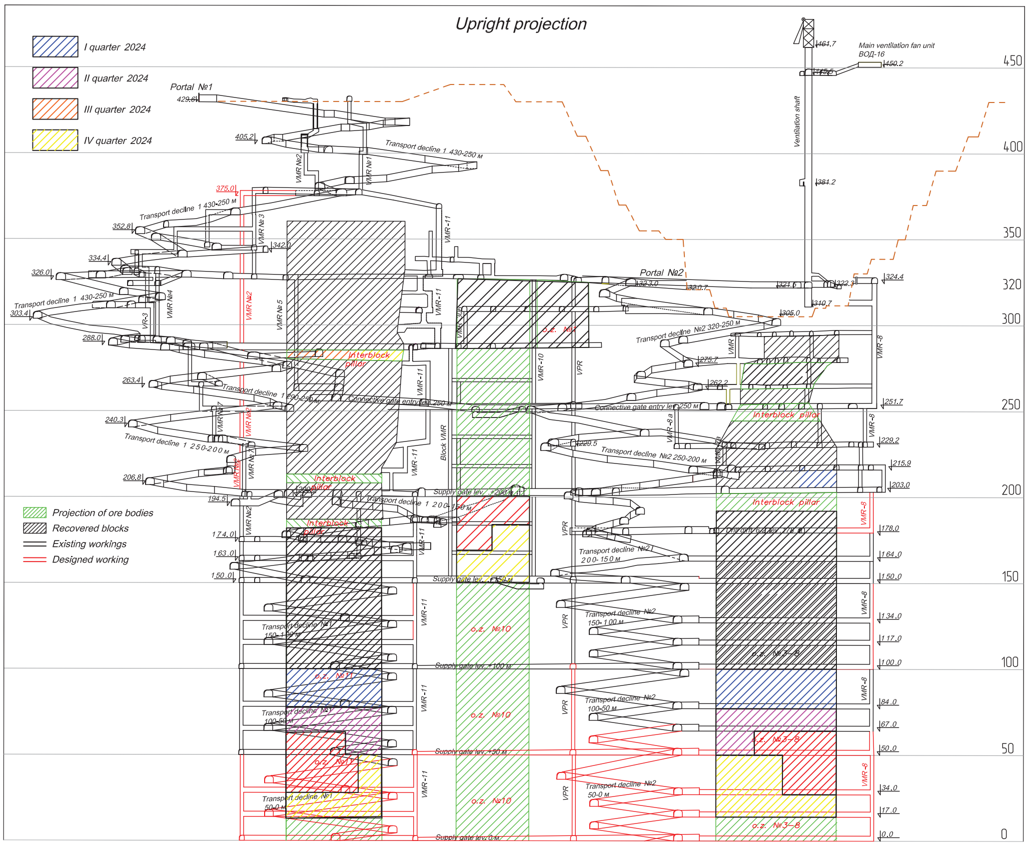
Regarding Teren-Sai, detailed discussions with the ministry involving revisions to the mining area and the proposed work plan, resulted in the extension of the exploration licence in March 2024 for a period of 2 years. Initial works have been planned to commence in area No.2 in order to develop the area with a view to bringing it into production in the near term.

Mine development

The principal development milestones achieved during the period were:

- Tunnelling and shaft sinking of 6,432 linear metres, (2022: 6,699). This included 1,239 linear metres of mining works to open up further reserves for exploitation in 2024.
- Blast hole drilling of 151,116 linear metres (2022: 129,928).
- Exploration drilling was carried out and amounted to 11,756 linear metres (2022: 13,928). The exploration drilling was carried out at horizons +174masl for ore body 11, +142masl, +117masl ore bodies 6-8 and +150masl in relation to ore body 10.
- Backfilling of voids was carried out as the declines are moving down and the blocks are mined.
- Both transport declines have been further developed No 1 to +49masl and No 2 to +64masl.

Underground development



CHIEF EXECUTIVE OFFICER'S REVIEW continued

The following capital and maintenance works were carried out at the mine site and surrounding areas:

- The main water flow inflow was completed at elevation +150masl. This involved running 170 running metres of pipe line that also connected up to outlets at +320masl.
- The central distribution centre was built at elevation +150masl.
- Work has been undertaken and is continuing in 2024 in order to provide new ventilation shafts at the lower levels.

Sekisovskoye planned operations in 2024

The plan for 2024 is to further increase ore extraction to 800,000t. Based on the ore bodies that have been targeted for extraction in 2024, it is anticipated that the average grade will be in the region of 2.05g/t. Planned output is set to increase in the second half of 2024 as the increased capacity of the processing plant becomes fully operational.

In addition, the 2024 plan allows for further drilling of exploration wells, blast holes and other mine workings of a capital and maintenance nature amounting to 19,200; 212,516 and 8,772 linear metres respectively.

Drilling chambers are planned at elevations +34masl in order to start the development and assessment of the reserves and resources up to -150masl.

Exploration – Teren-Sai

Exploration activity was limited in the period as the Company was in negotiations with the mining authorities to extend the exploration period of the licence, the addendum was agreed in March 2024 to extend the licence for a further two years until March 2026.

In summary in area No. 2, 25 major ore intersections were identified in 7 wells. In area No. 4, 15 major ore intersections were identified in 6 wells. In area No. 5, 14 major ore intersections were identified in 14 wells.

Planned works in 2024 include the following:

- The construction of two transport slopes
- Exploration works to be undertaken with three drilling rigs. The aim is to delineate the ore bodies in more detail with the anticipated length of the works estimated to be 600 linear metres.
- A holding warehouse will be constructed, with a capacity of 30 tons.
- Ventilation and other capital works will be undertaken on the basic infrastructure at Teren-Sai.

The key production figures are shown below:

Mining results ore extraction

		2023	2022
Ore mined	t	**701,465**	527,035
Gold grade	g/t	**2.01**	2.17
Silver grade	g/t	**2.14**	1.78
Contained gold	oz	**45,270**	36,835
Contained silver	oz	**48,199**	30,233

Mining results processing

		2023	2022
Crushing	T	**595,457**	574,614
Milling	T	**591,975**	585,480
Gold grade	g/t	**2.08**	2.17
Silver grade	g/t	**1.96**	1.64
Gold recovery	%	**83.60**	83.43
Silver recovery	%	**73.47**	72.37
Contained gold	oz	**39,607**	40,782
Contained silver	oz	**37,258**	30,927
Gold Poured	oz	**33,110**	34,023
Silver poured	oz	**27,372**	22,538

Capital requirements

The Company currently has sufficient plant and equipment in order to deliver the planned production going forward.

The capex budget as outlined below relates principally to the continued development of the mining works at Sekisovskoye relating to the developments of the declines and the final amounts payable in relation to the expansion of the processing plant and enhancement of the tailings dam. Prepayments have already been made in relation to a number of the items in the 2024 budget such as the amount payable in relation to the milling equipment required for the expansion of the processing plant capacity.

Regarding Teren-Sai, the current capex budget as outlined below relates to the committed capex works as agreed with the Kazakh mining authorities for the further exploration works that are envisaged in relation to the 2 year licence period.

Further advancement of the Teren-Sai project to full production will subsequently depend on raising additional funding.

Longer term plan

The budget for 2024 foresees ore production increasing to a run rate of 760,000-800,000t per annum in line with the projected expansion of the processing plant in the second half of 2024. The drilling and exploration targets for Sekisovskoye are set at a similar level to the prior year with continued development of the declines in order to access further reserves.

Development plans relating to the open pit operations at Teren-Sai are awaiting approval and require a minimal capital budget, as the Company has the necessary equipment in place to commence site preparation.

Projected capital expenditure

	Total US$m	2024 US$m	2025 US$m
Prospect drilling	**4**	3	1
Underground development	**19**	7	12
Infrastructure – ore handling/talings dam	**1**	1	–
Teran-Sai work program	**7**	3	4
Process plant incremental expansion	**4**	4	–
Total	**35**	18	17

The total capital required as outlined above amounts to US$35m and will be largely met from operating activities or funds raised in the year. Additional capital will be injected as necessary if funding allows an accelerated expansion.

The current tailings dam has capacity until 2025 for the planned production, hence it will be reviewed for redevelopment during 2024.

The pictures show the delivery of the milling plant in April 2024, and an aerial shots of the processing plant, and the ore stockpiles.

FINANCIAL PERFORMANCE

Annual gold sales (oz)

32,765

Annual gold poured (oz)

33,110

Revenue (US$m)

US$64

Operating cash cost of production (US$/oz)

US$1,043

EBITDA (US$m)

US$22.3

Net assets (US$m)

US$74.9

The revenue for the year increased as a result of a stronger gold price during the period. The extraction of ore also increased and was in line with expectations however the amount of gold processed was lower than that budgeted due to unanticipated disruptions during the processing plant upgrade.

During 2023, the Company sold 32,765oz of gold (2022:34,499oz) at an average price US$1,967per oz (2022: US$1,762). Revenue generated increased from US$62m to US$64m as a result. As last year, the total Company's output was taken by the Kazakh national refinery. The refining of the doré is carried out by the Kazakh national refinery, the costs of which have risen during the period. This factor has been reflected in the increased cost of sales, together with higher mineral extraction tax charged in the period. The Company is looking at ways to adopt a more efficient work program and decrease direct costs of production.

As in previous years, sales were translated using the spot US$ exchange rate at the point of sales. During the year, there was minimal effect due to exchange rate fluctuations of the Kazakh Tenge to the US Dollar.

Ore mined increased by 33% to 701,000t from last year's level of 527,000t. The increase was driven by investments in mining equipment in the prior year. The increase in the ore produced is being stockpiled to be utilised once the expanded processing capacity comes on stream.

Gold poured decreased 2.7% to 33,110oz (2022: 34,023oz). The initial plan was to pour 37,525oz, but delays and interruptions to the work flows led to the shortfall.

Recovery rate was in line with the prior year and budget at 83.6% (2022: 83.4%). The Company expects a small improvement in the recovery rate in the current year.

Total cash cost of production which includes administrative costs but excludes depreciation and provisions amounted to US$1,255/oz, (2022: US$1,160/oz). Operating cash cost excluding administrative costs amounted to US$1,043/oz (2022: US$805/oz). The key drivers for the increase in operating cash cost were the general inflation in commodity prices and labour costs as well as the rate hike in the mineral extraction tax from 5% to 7.5%. It is anticipated that the additional processing plant capacity and a higher level of production should reduce cash costs of production with economies of scale diluting the effect of fixed costs.

Administrative costs in 2023 were US$7.0m versus US$8.6m in 2022. The reduction is due to one off projects undertaken in 2022 relating to carbon offset programs and the feasibility study of the additional processing capacity as well as exceptional costs of US$3.6m relating to promotional and government led sponsorship schemes.

The Company realised a gross profit of US$23.3m (2022: US$29.3m) and net profit after tax of US$11.3m (2022: US$13.2m). The decrease in margin is being offset to a large extent by savings in the administrative costs as outlined above.

Adjusted EBITDA increased to US$22.3m (2022: US$21.9m). Details of the calculation are shown in note 13 of the financial statements.

Cash at year end was US$5.5m (2022: US$116,000). The movement in funds is principally due to the following:

- Cash generated from operations after movements in working capital amounted to US$14.7m (2022: US$12.2m)
- Funds utilisation included US$40.2m in relation to capital asset acquisitions (2022: US$8.9m)
- US$16.6m (2022: US$15m) in relation to repayment and servicing of debt and
- New loans raised amounted to US$51.5m (2022: US$11m), principally utilised to modernise and expand the processing plant.

MARKET REVIEW AND SHARE PRICE PERFORMANCE

FTSE 350 Mining Index

ALTN p per share

Gold price US$/oz

KZT/USD

Commentary

AltynGold share price commenced the year at a level of £0.88 and has been trading in a similar range for a large part of the year. The current price in April has started to increase above £1.00, the management are encouraged that the price will continue and start to reflect the true value of the Company.

The Company's strategy has been focused on growth by expanding its productive capacity. The first stages were completed in 2023 with a 33% increase in ore production due to investments in additional equipment and infrastructure development. This drive will be complemented in the second half of 2024 by a similar uplift in the processing capacity. These measures are expected to have a significant positive impact on revenue generation.

Management believes that the current share price underestimates the Company's growth potential, however market capitalisation is expected to rise as the positives effects of the growth initiatives materialise.

Charts below show that the gold price rose in the period moving into the US$1,900oz – US$2,000oz range. Consensus forecasts suggest that it will remain around this level in the midterm. Current gold price is above US$2,300/oz.

The US dollar remained in a similar range as the prior year at US$450 to Kazakh Tenge. Again no significant changes are anticipated.

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OUR STRATEGY AND BUSINESS MODEL

Develop

Continue to develop our high grade underground mine at Sekisovskoye

Grow

Production and asset base growth via the highly prospective Karasuyskoye Ore Fields

Progress

Continue to grow our business

Our business model is two-pronged, consisting in the continued development of the flagship underground Sekisovskoye mine while seeking further growth opportunities at the adjacent Teren-Sai Ore Fields. For Sekisovskoye, the short term target is to reach an annual ore extraction level of 1mtpa, which will be further increased to 2mtpa over the longer term. For Teren-Sai, the initial drilling tests have already indicated grades of 1.8g/t which will be extracted from open pit mining operations. In combination, our strategy aims to achieve a longer term target of 100,000oz annual gold production. In addition the Company is always evaluating other projects to complement existing operations with potential acquisitions.

The business strategy rests on four pillars:

Mining – The Company has a proven track record with its successful development of the Sekisovskoye mine. We intend to continue the expansion of Sekisovskoye mine in the most cost effective and efficient manner, while moving Teren-Sai to the production phase; initially open pit then underground.

Development – The underground mine and processing facility need to be further developed in order to access significant ore reserves at increased depth which should extend the life of the Sekisovskoye mine. The development of open pit operations at Teren-Sai should allow an increase in production towards 100,000oz annual gold production target.

Exploration – The Company has been conducting extensive exploration at the Teren-Sai site with the completed CPR and extraction of test production yielding good results.

Growth – We are committed to adding value to our shareholders by setting solid foundations for future production growth. As such, we frequently evaluate investment opportunities in Kazakhstan and Central Asia in case of potentially synergetic additions to our core assets.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company has reviewed the principal risks associated with the development of the Company, and there has been no material changes in the level or likelihood of the risks. The Company has considered the current situation in relation to, the effect of environmental factors, and the current political and economic environment, details of which are noted below:

Risk	Mitigation
Technical difficulties developing the underground mine at Sekisovskoye and exploration site at Teren-Sai	Encountering technical difficulties in further developing the underground mine at Sekisovskoye and developing the site at Teren-Sai to bring the prospective exploration site into production, would be negative for the future of the Company. To mitigate this, the Company uses external consultants as appropriate to provide technical assistance when required, and works to a mine plan and budget that is regularly checked and updated. The current test production at Teren-Sai indicates that the production of doré from the site is technically feasible. Further exploration work program is now in place to commence in the first half of 2024, and a production plan in relation to future development of the site is being prepared and will be refined once the exploration phase is completed at Area No.2.
Failure to achieve production estimates	Failure to achieve production estimates could arise due to various circumstances, not least mining issues, processing plant issues and breakdowns, and political and other disruptions. Given that Company revenues are dependent on producing gold and silver from the Sekisovskoye mine, failure to achieve production targets would adversely affect the Company's profitability and ability to generate cash. The Company mitigates this risk by careful operational planning and detailed technical appraisal work, as well as regular maintenance work. The Company's management has analysed the risks and uncertainties and has in place control systems that monitor daily the performance of the business via key performance indicators. Certain factors are beyond the control of the Company such as the fluctuations in the price of gold and possible political upheaval. However, the Company is aware of these factors and tries to mitigate these as far as possible. In relation to the gold price the Company is pushing to achieve a lower cost base in order to minimise possible downward pressure of gold prices on profitability. In addition it maintains close relationships with the Kazakhstan authorities in order to minimise bureaucratic delays and problems.
Fiscal changes in Kazakhstan	Given that Altyn operates solely in Kazakhstan, the Company is naturally at risk of adverse changes to the fiscal regime in the country. However, the country is outward looking and committed to attracting foreign direct investment. Kazakhstan has hosted international exhibitions and sporting events, and is positively encouraging investment, including relaxing visa requirements. We therefore believe that the Kazakh government is aligned with potential foreign investors and would be very cautious in implementing any fiscal changes which could deter investment. Recent tax audits of the subsidiary companies have not revealed any material discrepancies. The Company has consulted with the tax authorities and provided all necessary information as and when required, and will seek expert tax advice as and when necessary.
No access to capital	Funding Sekisovskoye – in order to continue with the underground development at Sekisovskoye, the Company must incur additional capital expenditure. The Capital raised recently has provided sufficient investment for the company to move towards its medium term target of increasing the productive capacity. In order to develop the site at Teren Sai and Sekisovskoye to their full potential the Company is dependent on cash from external sources to develop the mine after this point and therefore its future is at risk if funds from these external sources are unavailable. The Company is developing a number of lines of funding to provide the required level of funding. The Assaubayev family, who beneficially own the majority of the shares, has invested in and provided loans to the Company in the past and is keen to see the Company succeed. However, without further external funding to complete the underground mine, production would proceed at a much slower pace. The Company maintains good relations with its banks and bond holders who have proved to be a good source of funds at reasonable rates for the current expansion program.

PRINCIPAL RISKS AND UNCERTAINTIES continued

Risk	Mitigation
Commodity price risk	The Company generates its revenue from the sale of gold and silver that it has produced. While the Company has no control over commodity prices, it is in a fortunate position of having a very robust mine and development project in Sekisovskoye that can withstand prolonged weak precious metals prices. The Company is significantly increasing production, once further equipment is obtained. The lower resulting cash cost of production will provide a significant buffer from failing commodity prices. The Company is looking at alternative sources of supply on a regular basis, and extending and developing its supply chains to maintain quality but at keen prices.
Inflationary & Currency risk	Inflationary pressures are increasing throughout the world leading to higher commodity and overhead costs. In Kazaksthan this is balanced by the fact that some costs are paid in Kazakh Tenge, but the revenues are earned in dollars. The US Dollar has maintained a level in the current year at the level of KZT 450-KZT460. As the revenue is generated in US Dollars any strengthening of the US Dollar against the Kazkah Tenge will favour the Company, as a number of costs are being met locally in Kazakh Tenge. The Company will try to mitigate the effect as previously mentioned by expanding the sourcing of its supplies.
Reliance on operating in one country	Currently all of the Company's mining assets are in Kazakhstan. The Company believes that Kazakhstan has significant future mineral potential, hence the choice of jurisdiction. The Company makes it its business to be well informed of any in-country changes which may adversely affect the business. While the Company knows and understands Kazakhstan well and hence has a strong position in-country, it has stated that it would look at other opportunities in the future within the Central Asia region and this may mitigate risk.
Altyn's reliance on one operation	Currently, the Company only generates revenue from one mine – Sekisovskoye. The Group has recently extended the licence for a further two years at Teren-Sais, with a view to developing this asset to achieve production in the future. This will diversify the Company from the reliance on one site. The Company is also always looking to develop other business opportunities to complement the existing operations.
Political uncertainties	In the recent period the country has been stable there was some disruption and unrest in Kazakhstan early in 2022 but recent government policies appear to have helped stabilise the country, and the country is politically stable. Kazakhstan historically has close ties with Russia which at present under the continuing imposition of sanctions from a number of countries. ,In relation to the first point the Company maintains good relations with its workforce which is sourced locally near the mine and is largely insulated from the disruptions in the major cities. There have been no issues with supply chains, and the Company maintains good communications with its suppliers to ensure any issues are highlighted and dealt with early. In relation to the second issue the Company currently has no reliance in terms of trade or funding from Russia. The country is currently in compliance with the sanctions regime that is being applied to Russia. The Company will keep the situation under review.
Health, safety and environmental issues	The Company is aware of its obligations to all stakeholders in relation to maintaining a safe work environment. It liaises on a regular basis with the authorities and monitors and reports on a regular basis key environmental indicators such as air and water quality. There were no reporting incidences or accidents in the year at the mine. The Kazakh authorities have recently reviewed and updated the environmental code in Kazakhstan. This has imposed a number of new regulations and requirements on the Company. The Company has reviewed its obligations under the code to ensure that it monitors and complies with the new requirements. The Company is also aware of its longer term obligations in relation to reducing its carbon footprint and aims to ensure that this is considered in its decision making processes and the impact and costs to the wider environment. In this regard it has set up a board committee to monitor and progress its obligations. Further details in relation to the measures the Company is taking in relation to environmental issues are outlined in the sustainability information statement.

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

The Company has reviewed the principal risks associated with climate change and sustainability, covering the physical risks associated with the climatic change of higher temperatures and changing weather patterns, and the transition risks associated with a move to net zero in terms of new technology and working practices.

The Company is in the process of assessing the climate change factors and scenarios, that may affect the Company's ability to trade in greater detail in the forthcoming year. As part of this review they will look to obtain specialist advice to develop a strategy to enable the Company to deal with a range or combination of scenarios that may emerge as a result of climate change. Albeit internal reviews and discussions have been undertaken, there appears to be no immediate impact on the Company. The Company is now looking to develop a longer term strategic perspective on the issue.

KPI's are being developed in relation to its carbon monitoring the details of its emissions are on page 15. These will centre on its monitoring to reduce its emissions, by looking at purchasing more efficient technologies as the plant is upgraded, and more efficient work programs. As stated above the more targeted KPI's in relation to monitoring and promoting the Company's longer term aims of reducing and adapting to climate change are to be addressed as part of its overall strategic review.

As required by The Companies (strategic report) (climate related financial disclosure) Regulations 2022, and the listing rules, the Company's actions have been mapped against the recommendations as developed by the task force on climate-related financial disclosures.

The Company has an ecology department that is currently responsible for monitoring and reporting the Company's compliance with ecological and emission matters. The department is being reorganised to further deal with assessing the impact of climate related issues and communicating its recommendations to the relevant department/board. As noted below this is at an early stage and further external consultant expertise is to be accessed in the near term.

From the internal reviews conducted. In terms of supply chain risks, these are also not considered critical as the Company has a policy of maintaining sufficient quantities of spares and consumables for its operations to continue operations until alternative supplies can organised.

Governance arrangements in assessing and managing climate-related risks and opportunities

The Company sees this issue, as does the wider community, as growing in importance. In 2022 it appointed two independent Non-Executive Directors to oversee the Company's compliance with local environmental laws, and to assess the impact of climate change and the move to net zero on the Company. The two Directors Maryam Buribayeva and Vladimir Shkolnik have received initial reports on the Company's current environmental approach and plans to move towards net zero which are outlined below.

Process of identifying and assessing climate-related risks and opportunities identified and integrated into the overall operations of Company's management process

As the Company operates in a sensitive environmental industry in Kazakhstan it has a dedicated environmental department that deals with its obligations under its mining licences. This department has been charged with the remit of assessing the impact of any climatic changes that may occur in the future on the operations of the Company, together with the consideration of the risks and opportunities of the transition of the Company to net zero.

As part of this process the Company will consider the future plans in relation to development of the mine at Sekisovskoye and the exploration site at Teren-Sai. This will cover as part of the review purchasing of equipment and resources, development of the infrastructure, transport of materials to and from the site, energy usage, dealing with rehabilitation of the site in the future. At present this is being considered through internal evaluations. The Company has also been utilising external consultants to aid the Company in its evaluation processes.

Principal climate-related risks and opportunities

Physical risks

The two mining trading subsidiaries are both operating in Kazakhstan.

Kazakhstan is a land locked country. In the interior of the continent it experiences extremes in temperatures ranging from -30c to +30c in Sekisovskoye where the mine is operational. Any impact in relation to changes in the climate are not expected to impact the operational capabilities of the Company as it already operates in an extremely challenging environment.

In Almaty and Astana which are the administrative centres of the Company the temperatures are not so extreme, and there would be expected to be minimal operational impact on the Company from physical changes in the environment.

Transition risks of moving to lower carbon technology

Risk type	Risk	Opportunity
Policy	The regulations in the country may change, which results in additional administrative costs and also impacts production.	Use of government grants, incentives and support to switch to low carbon equipment.
Technology	New machinery may need to be acquired with a lower carbon technology, with impacts in relation to lead times, installation and training. High polluting assets may be retired early, with consequent knock on to further costs for replacement assets.	The newer machines will provide a cleaner working environment for the workforce.
Legal & reporting	Increased reporting requirements, the use of resources internally and possibly externally to fulfil reporting requirements.	Greater awareness of the challenges facing the Company and the wider community with regard to climate change.
Reputational	The move to a low carbon economy, and investor and wider public sentiment moving against those seen as high polluting companies may affect the ability of the Company to train and recruit people and ultimately result in a lowering on the value of the Company. As well as a reduction in demand from both investor and shareholder interest.	Embrace plans to review and move to low carbon working practices at all levels o the organisation including Company, customer and supply chain levels.

DIRECTORS' SECTION 172 STATEMENT

Statement by the directors in performance of their statutory duties in accordance with s172 (1) Companies Act 2006.

In summary the statement provides that a director of a Company must act in a way that he considers, in good faith, would be most likely to promote the long term success of the Company for the benefit of its members as a whole, and in doing so to have regard (amongst other matters) to various other stakeholder interests. The 6 key factors are:

- the likely consequences of any decision in the long term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and the environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly between members of the company.

The Board of Directors of AltynGold Plc both individually and collectively act in the way they consider in good faith would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and considerations set out in s172 (1) (a-f) of the Act). In decisions taken to the year ended 31 December 2023, we would reference our approach to our business plan, social and corporate responsibility and the supporting control environment which deliver good outcomes for the company and wider stakeholders. In achieving this, the following areas are highlighted:

The Company maintains good lines of communication with the workforce and relevant government bodies, and there have been no material disruptions in the year.

In making their decisions the Board carefully assessed the future long-term aim of growing the Company. It has made its decisions balanced against the need to maintain safe working practices for its employees, achieving the increase in production capacity at a reasonable cost of capital, being aware of the environmental consideration and to obtain a good return to shareholders.

The Board has maintained regular contact with the its principal customer and suppliers, as well as cooperating with the national and regional authorities to ensure all regulatory and legal requirements were met. Regular contact has also been maintained with bankers and suppliers on a personal level and with its refiner. Shareholders have been communicated, through the online messaging services and the website where presentations and Company broadcasts are available. The Company AGM also provides a portal where shareholders will be able to physically attend and ask any questions that they may have.

The Board made the following key decisions in the year;

a) Our Company's plans were designed to have a long-term beneficial impact on the Company and to contribute to the success in delivering the business of exploration and developing and operating a mine to produce gold and other precious metals as outlined in our strategy and business model on page 8, and in relation to our longer term plan in the Chief Executives' report on page 3. We continue to operate our business within a structured control environment and comply with all necessary regulated requirements necessary to maintain the operating licences. Key decisions in the year were:
   - The management agreed the budget for 2024 in order to increase ore mined, with the increased capacity coming on line in 2H 2024.
   - The contract with the subcontractor responsible for the extraction of ore and capital development of the underground mine was reviewed and updated with agreed costs.
   - The final terms of the licence at Teren-Sai were negotiated with the relevant authorities in the year, and the licence was renewed in March 2024.
   - The management renegotiated the off take agreement with its principal customer, detailing the quantity of doré to be supplied and payment terms for the period to December 2024, and revised costs of refining.
   - Discussions were held with principal banker to update the bank on operations and discuss future funding.

b) Our employees are fundamental to the delivery of our business. AltynGold wants to build teams that are loyal and committed to the long term success of the Company and create a pleasant work environment where all employees can thrive. We have put steps in place for workforce engagement, training and development, employee networks, and regular communication updates with senior management. During the year the company has worked closely with its employees and local authorities at both head office and the mine site to ensure that the staff were able to engage in the Company's activities in safe working environment.

   During the year the Company recognised its wider responsibilities to the wider community and assisted the development of the local community infrastructure, as well as supporting government led initiatives for the wider benefit of residents of Kazakhstan.

c) At AltynGold, we think about the implications of our decisions on everyone in our Group, our industry and our community, because we are committed to building a sustainable business with a legacy we can all be proud of. Our success depends on our relationships with employees, a network of experts, customers and suppliers beyond our business.

   The majority of the workforce live and work in Sekisovska village located next to the mine. The Company is aware of the need to foster good relationships with the local community and try to engage with them, keeping them informed of the business activities.

   All of our activities are informed by appropriate engagement with stakeholders to gain an understanding of our operating environment and the market in which we operate. At present the Company has a single customer for its gold output as regulated by the Kazakh authorities and it complies with all requirements for timings and deliveries as appropriate. We value our suppliers and maintain regular communication with them. The Board has regular meetings with key equipment suppliers, principal consumable suppliers and its sub-contractors to agree contract terms and to discuss any issues that may have arisen. It has also established a good line of communication with its principal finance providers at the bank and AIX, to ensure that operations run smoothly and they are kept abreast of Company developments.

d) Our plans take into account the impact of the company's operations on the community, the environment and wider societal responsibilities, some of which are mandated by government legislation but others are taken up by the Company voluntarily. The Company was able to grow employee numbers, aiding and supporting the local community in which the mine is the key employer.

   Further details on this and the Company's impact on the environment are as detailed in the Corporate Social Responsibility report on page 13. AltynGold aims to ensures that it plays a responsible part in society as a whole. We also evolve and adapt as regulation changes and public interest in emerging issues grow. The plans the Company has developed helps it to stay focused and make an impact and, it is keenly aware of the mines environmental impact and the dangers of not staying focused. It ensures the Company is pragmatic and consistent, and using local resources and people as necessary. There are regular checks made on the environmental parameters by independent third parties and government departments. No issues were highlighted in the year. See further details in the Corporate Social Responsibility Report on page 13.

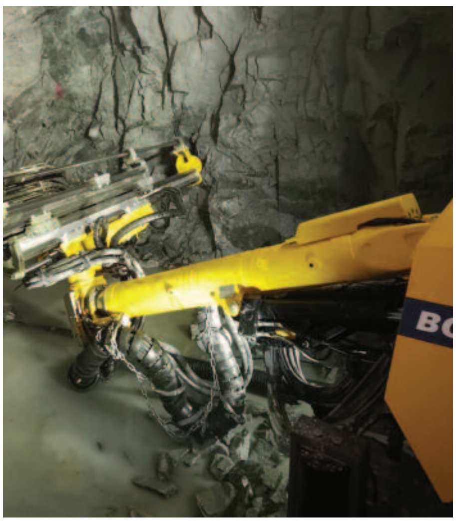
e) The Board of Directors' intention is to behave responsibly and ensure that the business operates in a responsible manner within the high standards of business conduct and good governance: Our Company ensures that we meet standards expected by our Regulators in order to ensure that our license to operate is maintained. The Company has regular contact with the environmental authorities to ensure the Company complies in all aspects with the government standards required for the operation of the mine in Kazakhstan.

   There is a policy in place for whistle blowing and this ensures that employees feel empowered to raise concerns in confidence and without fear of unfair treatment. Employees can report anonymously any areas that are of concern to the compliance officer in charge of monitoring fraud, money laundering and bribery.

   The Audit Committee as a whole ensures that the processes in place are adequate.

f) We aim to act fairly between members and act for all shareholders. The Company does have a controlling shareholder. However, their conduct is controlled by a relationship agreement which aims to ensure that they act in a fair, transparent and responsible manner. All shareholders are welcome at the Annual General Meeting to express their views. The Company website has a facility to obtain regular feedback from all shareholders.

CORPORATE SOCIAL RESPONSIBILITY



Human resources

The workforce at the Sekisovskoye mine site averaged 384 in the year (2022: 337), with the administration staff increased slightly at 93 (2022: 89). The total number of employees at the year end was 477 (2022: 426).

The Company remains committed to the local village, employing 80% of the population of the Glubokov district in East Kazakhstan region in which the Sekisovskoye and the Teren-Sai deposit are located.

As in the prior years outsourced labour is still being utilised, in order to develop the mine and for the extraction of ore.

Human rights

Whilst the Company does not have a specific human rights policy, it does have policies such as Equal Opportunities and an Anti-bribery policy that adhere to internationally proclaimed human rights principles.

Employment policies and diversity

The Company has an equality and diversity policy and has communicated it to its employees in a formal manner after consultation with the local authorities. It is fully supported by senior management and employee representatives The policy is monitored and reviewed annually to ensure that equality and diversity is continually promoted in the workplace.

The aim is to ensure that all employees and job applicants are given equal opportunity and that our organisation is representative of all sections of society. Each employee will be respected and valued and able to give their best as a result. This policy reinforces our commitment to providing equality and fairness to all in our employment and not provide less favourable facilities or treatment on the grounds of age, disability, gender, marriage and civil partnership, pregnancy and maternity, race, ethnic origin, colour, nationality, national origin, religion or belief, and sexual orientation.

The Company provides the following to staff:

- A medical station available to all employees.
- Free provision of canteen facilities.
- Bonuses/awards to staff as merited.

The Company is opposed to all forms of unlawful and unfair discrimination. All employees, no matter whether they are part-time, full-time, or temporary, will be treated fairly and with respect. The Company will enforce current work practice and work within the spirit of the law. When selecting candidates for employment, promotion, training, or any other benefit, it will be on the basis of their aptitude and ability.

The policy will aim to create an environment in which individual differences and the contributions of all team members are recognised and valued. to create a working environment that promotes dignity and respect for every employee. To not tolerate any form of intimidation, bullying or harassment, and to discipline those that breach this policy. To make training, development, and progression opportunities available to all staff. To promote equality in the workplace. To encourage anyone who feels they have been subject to discrimination to raise their concerns so we can apply corrective measures. To encourage employees to treat everyone with dignity and respect. The Company reviews on a regular basis the employment practices and procedures so that fairness is maintained at all times.

Employee involvement

Members of the management team regularly visit the site at Sekisovskoye and discuss matters of current interest and concern with members of staff.

Gender diversity

	Male	Female	Total
2023	**370**	**106**	**476**
2022	325	101	426

The table above shows the staff employment by gender. The Company places a great deal of emphasis on gender equality and diversity. At present there are 43 women in senior management positions (2022: 26), male senior managers in 2023 were 43 (2022: 40, including Directors). There is currently one female director serving at board level. The Company is looking to strengthen the board and increase diversity to employ more senior female employees, once suitable candidates are identified.

Company environmental checks

Each of the Company's facilities as is required by the government authorities was environmentally monitored on a quarterly basis by accredited outsourced companies. This included the following checks which were all within environmental standards set:

- Checks were made on the water at surface and sub-surface levels to ensure that it was within safe limits, within both the production site and the tailings dump site – no incidences were noted during the year and as at the date of this report.
- Checks were regularly made on the air quality at the production site, to include testing of the air extraction systems at the crushing and grinding plant, laboratory and transfer conveyors. Appropriate repairs were carried out during the year if there was any deviation from the accepted norms – no incidences noted.
- Soil samples were analysed at the tailings dumps to ensure that there was no adverse effects on the environment – no incidences noted.

CORPORATE SOCIAL RESPONSIBILITY continued

Of primary importance to the Company is to ensure that the tailings dam and water discharges are within environmentally safe limits. The facility has a system in place that provides treatment and discharge of mine water into the surface reservoir – quarterly testing is done to ensure all required standards are met. This is reported to the authorities on a quarterly basis, again there were no incidences to report.

The Company has systems to control the processing of waste in a controlled and environmentally compliant manner. All household waste produced is disposed of to specialised landfill sites. Tyres are temporarily stored prior to removal to a specialised site. Hazardous waste such as Mercury is carefully sent for recycling as are plastic waste from plastic packaging and other plastic waste from pipes cuttings and geomembrane to reduce the amount being sent to the landfill sites. Metal scraps and exhausted oils are recycled as far as possible on the production site.

The Company has complied with its environmental management obligations in all respects.

Health and safety

AltynGold is pleased to report that during 2023 there were no accidents at the Sekisovskoye mine. The Company maintains its first aid rooms to the highest standards and ensures that rescue contracts are in place for employees in the event of an emergency.

Our community

The support of the local community is key to the success of the Company, and the various initiatives and projects have been undertaken to ensure that the success of the mine is of a benefit to all parties. This is regarded as an ongoing commitment by the Company to the local community and has been formalised in a memorandum of co-operation by the Company with the authorities of the rural district. The company regularly contributes to local projects and participates in local events. Some of the activities that the Company participated in the year are as noted below:

- The Sekisovskoya region in winter has very large snow drifts, the Company regularly clears the road and access paths at Sekisovska village.
- Assisting in the regeneration of the local area and redevelopment of green spaces.
- Assisting in anti- flood measures and clean up operations.
- During the year the Company provided financial support for the charity fund, 'foundation for sustainable development, health of the nation', for the purchase of sports equipment for local children.
- Assisting and providing food for the elderly and pensioners in the local community.

Climate change and our approach to the environment

The Company's policies outline our commitment to environmental responsibility. Safeguarding the environment and training our employees to minimise the environmental impact of our activities

are important aspects of our business. We remain committed to achieving the highest environmental standards.

The Company has reviewed its obligations under the guidelines and framework as noted with in the Task Force on Climate-related Financial Disclosures (TCFD). The framework has been devised to allow companies to disclose the potential and actual impacts on the business of climate-related risks, see report on page 11.

As part of the review the Company has assessed the impact of the new environmental code in Kazakhstan that may have an impact on the operations, finances and reporting required by the Company. The environmental and ecology department in the Company reported that no significant issues were noted in relation to the reports sent on a regular basis to the relevant authorities on air, water and soil contamination levels.

The main points are listed below:

- Environmental violations are to be assessed over the much longer period of 30 years.
- Each Company is to be designated to a category based on the potential impact on the environment. Baurgold has been designated to the first category, and Altyn MM to the second. There are more stringent controls on the first category.
- The enterprises in category one are obliged to accept the best available technologies on a list that is approved by the government authorities, and failure to do so will result in penalties.
- The government has introduced a scaled increase in the charges for environmental pollution, from 2025 they will double, doubling again from the level in 2025 in 2028 and again in 2031 from the level in 2028.
- It is recommended that large polluters in category one (producing Co_2 in excess of 500tons) implement automated monitoring systems, Baurgold currently emits approximately 50tons of Co_2.
- Fines and penalties have been increased as well as the use of only licensed waste carriers.

From a review conducted by the Board the Company has complied with the requirements of the environmental law as outlined above. The Board remains committed to reduce its carbon footprint and will keep this constantly under review.

Greenhouse gas reporting

The calculations are prepared by the Minister of Environmental Protection in Kazakhstan, which has strict guidelines and statutory requirements in relation to the measurement of emissions. The emissions as recorded below relate entirely to the Company's activities in Kazakhstan. The head office function in the UK has a very small carbon foot print.

The Company's emissions by scope

The Company's emissions by scope

Scope		Source	**Tonnes CO_2 2023**	Tonnes CO_2 2022
Scope 1		Plant	**4,023**	4,120
Scope 2		Electricity	**1,669**	1,669
Scope 3		Other equipment	**11**	11
Total			**5,703**	5,800
Intensity 1	Tonnes per CO_2	Per US$ of revenue	**0.000088**	0.000055
Intensity 2	Tonnes per CO_2	Per oz of gold produced	**0.172**	0.168

The energy consumption used to calculate emissions was 75,223kwh (2022: 76,546kwh)

CORPORATE SOCIAL RESPONSIBILITY continued

Greenhouse gas emissions (GHG), are classified as either direct or indirect and which are divided further into Scope 1, Scope 2 and Scope 3 emissions. Direct GHG emissions are emissions from sources that are owned or controlled by the Company. Indirect GHG emissions are emissions that are a consequence of the activities of the Company but that occur at sources owned or controlled by other entities.

Scope 1 emissions

Direct emissions controlled by the Company arising from plant.

Scope 2 emissions

Indirect emissions attributable to the Company due to its consumption of purchased electricity.

Scope 3 emissions

Other indirect emissions associated with activities that support or supply towards the Company's operations.

MINERAL RESOURCES STATEMENT

Overview

Ernst and Young Advisory Services (Pty) Ltd ("EY") were commissioned by the directors of AltynGold Plc ("Altyn") in 2019 to prepare an Independent Competent Persons' Reports ("CPR") on the Sekisovskoye Gold Mine ("the Sekisovskoye Mine") and Teren- Sai gold project ("the Teren-Sai Project").

Both the Sekisovskoye Mine which is an operating mine targeting gold and silver, and Teren-Sai which is an exploration licence area are located in eastern Kazakhstan, adjacent to the Sekisovka village.

EY has compiled the reports in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 edition ("the JORC Code"). In the case of the Sekisovskoye mine it is an update of the CPR completed in 2014, entitled "Independent Competent Persons' Report on the Sekisovskoye Gold Project prepared for Goldbridges Global Resources Plc, (subsequently renamed AltynGold Plc)" as at 31 May 2014 by Venmyn Deloitte (Pty) Ltd ("Venmyn Deloitte") referred to as "the 2014 CPR". In the case of Teren-Sai this will be a maiden Mineral Resource and Ore Reserve estimate for the Project based on exploration completed by AltynGold since granting of the subsoil use contract in 2016.

The report describes reviews and documents the technical and economic parameters of the Sekisovskoye mine and Teren- Sai Project, in order to identify all factors of a technical and economic nature that would influence the future viability of the project.

Geological Setting

The sites are located in a complex geological setting that has been subject to much alteration and metamorphism. The projects are exploiting gold that is hosted in a number of pipe-like breccia bodies that have intruded into the Rudny Altai poly-metallic belt, which is part of the larger Central Asian Orogenic Belt.

Ten breccias have been mapped in and around the Sekisovskoye Mine. Of these, seven breccias fall within the Sekisovskoye Mine licence boundary. Mineralisation is hosted in the breccia bodies and includes free gold and gold sulphides. Gold is embedded in the cement of the explosive hydrothermal breccias and is smeared across the lithology. The breccias are cut by barren igneous dykes that are typically planar and dip steeply to the northeast.

The Teren-Sai Project is made up of 15 targets based on historical exploration. Of these 15 targets, Altyn has identified 3 areas for exploration that they see as significant within Areas No.2, 4 and 5, consisting of various identified targets. Altyn is currently focussed on exploration and development of one of these 15 targets, namely Area No.2. Area No.2 consists of four breccia bodies.

Exploration

Sekisovskoye

Recent exploration refers to all exploration carried out since the project was acquired by AltynGold (then known as Hambledon). The Sekisovskoye

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MINERAL RESOURCES STATEMENT continued

Mine has undergone numerous exploration programmes including geophysics, trenching and diamond drilling. Recent exploration has consisted of several drilling campaigns and a total of 1,490 drillholes have been completed. These drillholes include both surface and underground drilling but exclude all drilling prior to acquisition of the Sekisovskoye Mine by Hambledon. Of these drillholes, a total of 982 holes have been drilled between 2011 and 2019 and these form the basis of the orebody modelling and underground resource estimation used in the CPR. Exploration and orebody modelling has focussed increasingly on delineation of the orebody at depth and on infill drilling to improve geological confidence in the underground Mineral Resources since closure of the open pit. More recent exploration campaigns have consisted of almost exclusively underground drilling.

Teren-Sai

Recent exploration refers to all exploration carried out since the project was acquired by Altyn in 2016. Recent exploration carried out by AltynGold includes pitting, trenching and diamond drilling. Exploration has focussed on the two breccias within Area No.2 and includes a total of 41 drill holes completed by AltynGold. A further 12 historical drill holes are included in the geological database. These historical holes were drilled in 1993. The 53 drill holes drilled in Area No.2 form the basis of the geological modelling and resource estimation used in this CPR. Drilling has been completed to a depth of approximately 465m below surface.

In relation to the more recent exploration activities since 2019 these are detailed in the Chief Executives report on page 3.

Mineral Resource Estimates

Mineral Resource classification is based on the level of geoscientific confidence and primarily, drilling density. Due to the nature of the deposit, which is generally narrow and extending in a pipe-like deposit at depth, drilling and the resultant number of samples is denser near the surface and becomes less dense with depth.

Sekisovskoye

Measured and Indicated Resources are estimated from the current working depth of -185masl to a depth of -400masl. Inferred Mineral Resources have been estimated from -400masl to -800masl. An Exploration Result has been estimated from -800masl to -1,500masl.

Teren-Sai

Measured Resources from surface (approximately +490masl) to a depth of +260masl and Indicated Resources from +260masl to a depth of +25masl. No Inferred Mineral Resources have been estimated. An Exploration Result has been estimated from +25masl to -375masl. The open pit to underground boundary is at +350masl.

Sekisovskoye

31 May 2019 Resource Classification	Level Masl	Tonnage (Mt)	Cut-off Grade (g/t)	Average gold grade (g/t)	Contained Gold (Moz)	Average Silver Grade (g/t)	Contained Silver (Moz)
Measured	+250 to -400	29.03	1.50	3.76	3.51	6.2	5.79
Indicated	+250 to -400	3.48	1.50	3.03	0.34	5.08	0.57
Sub-total		32.51	1.50	3.68	3.85	6.08	6.35
Inferred	-400 to -800	37.15	1.50	2.37	2.83	3.99	4.77
Total mineral resources		**69.66**	**1.50**	**2.98**	**6.68**	**4.97**	**11.12**

Since 1 June 2019 to 31 December 2023 the Company has extracted 2.45mt of ore, at an average gold grade of 1.93g/t (152,872oz of contained gold) and an average silver grade of 1.80g/t (135,808oz of contained silver).

Teren-Sai

31 May 2019 Resource Classification	Level Masl	Tonnage (Mt)	Cut-off Grade (g/t)	Average gold grade (g/t)	Contained Gold (Moz)	Average Silver Grade (g/t)	Contained Silver (Moz)
Measured – open pit	+490 to +350	5.99	0.50	1.89	0.36	3.25	0.63
Measured – Underground	+350 to +25	3.80	1.50	3.75	0.46	6.13	0.75
Sub-total		9.79		2.61	0.82	4.37	1.37
Indicated – underground	+350 to +25	6.06	1.50	3.38	0.66	5.52	1.07
Total mineral Resources		**15.84**		**2.91**	**1.48**	**4.81**	**2.45**

The Teren-Sai CPR has measured Resources from surface (approximately +490masl) to a depth of +260masl and Indicated Resources from +260masl to a depth of +25masl. No Inferred Mineral Resources have been estimated. An Exploration Result has been estimated from +25masl to -375masl. The open pit to underground boundary is at +350masl.

Exploration Target Estimate

Sekisovskoye

31 May 2019 Resource Classification	Level Masl	Tonnage (Mt)	Cut-off Grade (g/t)	Average gold grade (g/t)	Contained Gold (Moz)	Average Silver Grade (g/t)	Contained Silver (Moz)
Exploration	-800 to -1,500	22.79	1.5	2.37	1.74	no estimate	no estimate

Teren-Sai

31 May 2019 Resource Classification	Level Masl	Tonnage (Mt)	Cut-off Grade (g/t)	Average gold grade (g/t)	Contained Gold (Moz)	Average Silver Grade (g/t)	Contained Silver (Moz)
Exploration	+25 to -375	9.28	1.50	3.46	1.03	no estimate	no estimate

Ore Reserve Estimate

Sekisovskoye

The Ore Reserves have been estimated from surface (approximately +430masl) to a depth of -400masl. All the Mineral Resource blocks that are above the Mineral Resource cut-off grade were included in the Ore Reserve, as no selective mining has been assumed for the Ore Reserve estimation.The Ore Reserve calculation includes a 5% dilution factor, 2% mining loss and 100% extraction factor. Based on the estimated Ore Reserves.

MINERAL RESOURCES STATEMENT continued

Sekisovskoye

31 May 2019 Reserves Classification	Tonnage (Mt)	Average gold grade (g/t)	Contained Gold (g/t)	Average Silver Grade (Moz)	Contained Silver (g/t)
Proved	29.87	3.61	3.47	5.88	5.65
Probable	3.58	2.91	0.33	4.81	0.55
Total	**33.45**	**3.53**	**3.80**	**5.77**	**6.20**

Teren-Sai

31 May 2019 Reserves Classification	Tonnage (Mt)	Average gold grade (g/t)	Contained Gold (g/t)	Average Silver Grade (Moz)	Contained Silver (g/t)
Proved – open pit	6.29	1.71	0.35	2.94	0.59
Proved – underground	3.91	3.60	0.45	5.87	0.74
Sub-total	10.20	2.43	0.80	4.06	1.33
Probable	6.23	3.25	0.65	5.33	1.07
Total	**16.43**	**2.74**	**1.45**	**4.54**	**2.40**

For Teren-Sai the ore reserve calculation includes a dilution factor, mining loss and extraction factor. The average estimated losses and dilution are mining losses of 5% for the open pit and 2% for the underground and mining dilution of 10% for the open pit and 5% for the underground. An average mining extraction factor of 90% has been utilised for the Ore Reserve estimation.

Mineral asset valuation

The assumption of no selective mining was informed by both the mining method and by guidance included in the Kazakhstan mining legislation, which does not allow for the selective mining of blocks above the cut-off grade approved by the Committee of Geology of Kazakhstan. Therefore, no pay limit was used for mining selectivity and the definition of Ore Reserves.

The key modifying factors used are as follows:

- long term prices for gold and silver of USD1,280/oz and USD17/oz, respectively; the current prices are above US$1,900/oz;
- a processing recovery of 83% for gold and 73% for silver, which is in line with the current production;
- an average underground mining cost of USD425/oz, which is based on a longer term projection based on an increased level of ore mined. The current cash cost is in the range of US$750/oz.

EY estimated the preferred value of Sekisovskoye Mine as the average value between the Income-based approach and the Market-based approach. Therefore, the preferred value for Sekisovskoye Mine is estimated between US$383m to US$415m and that of Teran-Sai as estimated as between US$92m and US$104m.

Summary

JORC gold mineral resources total 6.68Moz. In addition, a further 1.74Moz have been identified as an Exploration Result below the – 800masl. While these will require further exploration drilling to be potentially upgraded to Mineral Resources, this result does highlight the potential for a larger Mineral Resource than is currently estimated. Assuming that this potential were to be realised, the current projects as developed would contain approximately 8.42Moz of gold.

In addition the JORC gold resources at Teren-Sai total 1.48Moz with a further 1.03Moz as an exploration target.

Strategic report approved by the Board on 25 April 2024 and signed on its behalf by:

Aidar Assaubayev
Chief Executive Officer

CORPORATE GOVERNANCE STATEMENT

Our Corporate Governance Statement, explains how AltynGold's governance framework supports the principles of integrity, strong ethical values and professionalism integral to our business. The Board recognises that we are accountable to shareholders for good corporate governance, and this report, together with the Reports of the Audit and Remuneration Committees, seeks to demonstrate our commitment to high standards of governance that are recognised and understood by all.

The Company is keenly aware of its obligations under the London Stock Exchange disclosure and transparency rules and is continually reviewing its corporate structure. Given the size of the Company it has not adopted the 2018 UK Corporate Governance Code, however the Company believes that the policies in place ensures that there are high standards of accountability and corporate governance.

Full details in relation to the composition of the Board are given on pages 24 to 26. There are now in total four Non-Executive Directors on the Board, and two Executive Directors together with a Chairperson. The Company appointed its first female Director in 2022 and will continue to keep under review the composition of the Board and its committees to ensure that we have the right balance of skills, independence, experience and diversity. The Company is aware of the growing importance on climate change and appointed a new Board committee to monitor the Company's impact on the environment. The environmental social and governance committee is composed of Vladimir Shkolnik, a non-executive director on AltynGold's Board of Directors since 2017 and by Maryam Buribayeva. They will play an important role in assessing and reducing the Company's impact on the environment and reviewing the compliance with the relevant local laws.

In the opinion of the Directors these Annual Financial Statements present a fair, balanced and understandable assessment of the Group's position and prospects and provide the information necessary for shareholders to assess the Group's position and performance, business model and strategy. This is presented in more detail in the CEO review and review of financial performance on pages 3 to 6. The respective responsibilities of the Directors and the Auditor in connection with the Financial Statements are explained in the Statement of Directors' Responsibilities and the Auditor's Report.

The Board delegates specific responsibilities to the Audit and Remuneration Committees, full details of their responsibilities are detailed below. The Company currently does not have a Nomination Committee, and given its stage of development does not believe it is appropriate. Full details of the responsibilities of the committees are detailed below.

Day-to-day management and the implementation of strategies agreed by the Board are delegated to the Executive Directors. The Group's reporting structure below Board level is designed so that decisions are made by the most appropriate people in a timely manner. Management teams report to members of the Executive Committee. The Executive Directors and other managers give regular briefings to the Board in relation to business issues and developments. Clear and measurable KPIs are in place to enable the Board to monitor progress. These policies and procedures enable the Board to make informed decisions on key issues including strategy and risk management.

The Chair leads the Board and is responsible for its overall effectiveness, ensuring adequate time is available for discussion of all agenda items, in particular strategic issues, promoting openness and debate, ensuring all Directors, particularly the Non-Executive Directors, are able to contribute, and facilitating a constructive relationship between the Executive and Non-Executive Directors. The current Chair is not independent as he together with the two Executive Directors are the controlling shareholders of the Company. Their conduct is controlled by a relationship agreement that will ensure that they act in a way for the benefit of shareholders as a whole. The Non-Executive Directors will also ensure that the principles of the agreement are adhered to.

The Chief Executive Officer has responsibility for all operational matters which include the implementation of strategy and policies approved by the Board. The senior Independent Non Executive Directors provides a sounding board for the Chair and also acts as an intermediary for other Directors and shareholders.

In terms of culture and engagement the Executive Directors liaise on a regular basis with the workforce and key suppliers and customer and reports back to the Board. The human resources department has a framework to improve the way in which employee views are communicated to the Board, how employees engage with values and culture, and how we align strategy with our workforce development and reward policies. Details in relation to the Company's corporate social responsibility are given on page 13, and engagement with other stakeholders in the Directors S172 Statement on page 12.

The Board has adopted procedures for the identification, authorisation (where appropriate) and monitoring of situations which may give rise to a conflict of interest. There is a relationship agreement with the major shareholder which defines their responsibility if a situation arises. The Board has reviewed the procedures and is satisfied that they are operating effectively.

The Company's Articles of Association contain powers of removal, appointment, election and re-election of Directors and provide that at least one-third of the Board must retire at each Annual General Meeting and each Director must retire by rotation every 3 years.

There is no formal induction programme for new Directors, however they are given a full briefing and familiarised with all aspects of the Company's operations. The Company maintains directors' and officers' liability insurance to cover legal proceedings against Directors and Officers acting in that capacity.

The Group has a comprehensive financial review process, including detailed annual budgets, business plans and regular forecasting. There are a range of performance indicators which are tracked by management on a daily, weekly and monthly basis, and addressed through a programme of operational meetings and action plans. All Directors receive regular and timely information to enable them to perform their duties, including information on the Group's operational and financial performance, customer service, health and safety performance and forward trends. At each regular Board meeting the financial results are reviewed, taking account of performance indicators and the detailed annual business plan and budget. The Board also considers forward trends and performance against other key indicators, including areas where performance departs from forecasts, and contingency plans. The Board reviews medium and long-term strategy on a regular basis. In this way, the Board assesses the prospects of the Group using all the information at its disposal, and considering historical performance, forecast performance for the current year and longer-term forecasts over the 3-year business planning cycle as appropriate. Details of the Company's strategy and business model are given on page 8 of the Annual Report.

CORPORATE GOVERNANCE STATEMENT continued

The Board has responsibility for determining the nature and extent of the principal risks the Company is willing to take to achieve its strategic objectives, and for the Group's internal control framework. The Board has a well-established procedure to identify, monitor and manage risk, and has carried out reviews of the Group's risk management and internal control systems and the effectiveness of all material controls, including financial, operational and compliance controls. The principal risks facing the Group are detailed on page 9.

The Board places great emphasis on communication and engagement with the Company's shareholders. It is an area of focus that the Board wishes to strengthen in the future. The principal forum at present to engage with the shareholders given the stage of development of the Company is at the Annual General Meeting details of which are on pages 72 to 77.

In relation to engaging with our stakeholders the Board recognises the importance of our wider stakeholders in delivering our strategy and business sustainability and are conscientious on the responsibilities and duties to the stakeholders under section 172 of the Companies Act 2006.

We believe that effective corporate governance is critical to delivering our strategy and creating long-term value for our shareholders.

Board structure
The Board is comprised of the Executive Chairman, the CEO an Executive Director and four Non-Executive Directors, one of which is not independent as he holds shares in the Company. Their details appear on pages 24-26, which lists their experience and expertise. Although none of the Directors other than the currently employed Director Maryam Buribayeva have had any formal training in finance they have all had a great deal of experience operating at the top level of management in a number of companies dealing with all aspects of operating a business and will call in experts as and when required.

The Board is responsible to shareholders for the proper management of the Company. The statement of Directors' responsibilities in respect of the accounts is set out on page 30.

The Non-Executive Directors have a particular responsibility to ensure that the strategies proposed by the Executive Directors are fully considered. To enable the Board to discharge its duties, all Directors have full and timely access to all relevant information and there is a procedure for all Directors, in furtherance of their duties, to take independent professional advice, if necessary, at the expense of the Company. The Board has a formal schedule of matters reserved to it, and meets on a regular basis.

The Board is responsible for overall Group strategy, approval of major capital expenditure projects and consideration of significant financing matters.

Audit Committee
The Audit Committee is comprised of, Ashar Qureshi, Vladimir Shkolnik and Maryam Buribayevar. The Board reviews the composition of the Audit Committee on a regular basis, and will make changes as appropriate. A resolution for the reappointment of PKF Littlejohn LLP has been proposed at the Annual General Meeting.

The Audit Committee's prime tasks is to review the scope of the external audit, to receive regular reports from the Company's auditor and to review the half-yearly and annual accounts before they are presented to the Board, focusing in particular on accounting policies and areas of management judgement and estimation. The Committee is responsible for monitoring the controls which are in force to ensure the integrity of the information reported to the shareholders. The Committee acts as a forum for discussion of internal control issues and contributes to the Board's review of the effectiveness of the Company's internal control and risk management systems and processes.

The Audit Committee also undertakes a formal assessment of the auditor's independence each year which includes:

▲ a review of non-audit services provided to the Company and related fees;
▲ discussion with the auditors of a written report detailing all relationships with the Company and any other parties that could affect independence or the perception of independence;
▲ a review of the auditors' own procedures for ensuring the independence of the audit firm and partners and staff involved in the audit, including the regular rotation of the audit partner; and
▲ obtaining written confirmation from the auditors that, in their professional judgement, they are independent.

An analysis of the fees payable to the external audit firm in respect of both audit and non-audit services during the year is set out in Note 10 of the financial statements.

Remuneration Committee
The Remuneration Committee currently comprises of two Directors – Ashar Qureshi and Vladimir Shkolnik, which meets as required. It is responsible for determining the contract terms, remuneration and other benefits of the Executive Directors. The remuneration of the Non-Executive Directors is determined by the Board within the limits set out in the articles of association. None of the Committee members has any personal financial interest in the matters to be decided (other than as shareholders), potential conflicts of interest arising from cross-Directorships, or any day-to-day involvement in running the business. The Committee has access to professional advice from inside and outside the Company at the Company's expense.

Company Secretary

The Company Secretary is responsible for the scheduling and administration of Company meetings, updating of the statutory information, filing requirements at Companies House, and liaising with the relevant authorities at the FCA and London stock exchange as directed by the Board.

Board and Board committee meetings

The number of meetings during 2023 and attendance at regular Board meetings and Board committees was as follows:

	Meeting	Number held	Number attended
Kanat Assaubayev	Board	6	6
Aidar Assaubayev	Board	6	6
Sanzhar Assaubayev	Board	6	6
Ashar Qureshi	Board	6	6
	Audit Committee	2	1
Vladimir Shkolnik	Board	6	6
	Audit Committee	2	2
Maryam Buribayeva	Board	6	6
	Audit Committee	2	2
Andrew Terry	Board	6	6

Kanat Assaubayev
Chairman
25 April 2024

BOARD OF DIRECTORS

Non-Independent Chairman

Kanat Assaubayev

Appointment
Kanat Assaubayev was appointed to the Board as Chairman on 23 October 2013.

Experience
Kanat Assaubayev is one of Kazakhstan's leading entrepreneurs in the natural resources sector. Mr Assaubayev was the first Kazakh to get a doctorate in metallurgy. His early career was in academia where he was the Chairman of the Metallurgy and Mining Department of Kazakh National Polytechnic University. He subsequently began his business career in the 1990s and has led a number of natural resources enterprises to national and international success.

Non-Independent Executive Director

Aidar Assaubayev

Appointment
Aidar Assaubayev was appointed to the Board as Chief Executive Officer on 25 February 2013.

Experience
Aidar Assaubayev was formerly Executive Vice Chairman of KazakhGold Limited, the gold mining corporation, and he was also formerly Vice-President and a director of JSC MMC Kazakhaltyn. Mr. Assaubayev graduated from the Kazakh National Technical University in Almaty and he also holds a degree in Economics from the Institute of Systemic Analysis in Moscow.

Non-Independent Executive Director

Sanzhar Assaubayev

Appointment
Sanzhar Assaubayev was appointed to the Board as Executive Director on 29 February 2016.

Experience
Sanzhar Assaubayev was formerly Director of International Affairs of JSC MMC Kazakhaltyn and an Executive Director of KazakhGold Group Limited, the gold mining corporation. He was educated at the Leysin American School in Switzerland, where he specialised in management, and the American University in the United Kingdom. Sanzhar Assaubayev is the son of Kanat Assaubayev.

Non-Independent Non-Executive Director

Ashar Qureshi

Appointment
Ashar Qureshi was appointed to the Board as Non-Executive Director on 7 December 2012.

Experience
Ashar Qureshi is a London based US-qualified lawyer. He was formerly the Vice Chairman of Renaissance Group, where his position was a senior investment-banking role, and prior to that he worked with international firm, between Cleary, Gottlieb, Steen & Hamilton LLP. He is currently a partner at Fried, Frank, Harris. Shriver & Jacobson LLP. Mr. Qureshi holds a Juris Doctorate and is a graduate of Harvard Law School and Harvard College.

Independent Non-Executive Director

Vladimir Shkolnik

Appointment
Vladimir Shkolnik was appointed to the Board as Non-Executive Director on 21 November 2017.

Experience
Vladimir Shkolnik has held a number of high profile positions in the Kazakhstan government, and is currently advising the Kazakhstan government on industrial and energy matters.His previous positions included the office of Minister of Energy, Minister of Trade and Industry, and also Deputy Head of Presidential administration, reporting directly to the President. He is an academic with a doctorate in physics and has written a number of papers and books in the field of energy, natural resources and other scientific fields. He has been influential in setting up academic institutions, in the areas of mineral processing and also nuclear power in Kazakhstan, working with a number of leading Companies from Japan, France and Russia in setting up joint enterprises.

Independent Non-Executive Director

Maryam Buribayeva

Appointment
Maryam Buribayeva was appointed to the Board as Non-Executive Director on 24 January 2022.

Experience
Maryam Buribayeva is a finance professional with extensive experience and industry expertise gained while working for such companies as North Caspian Operating Company, KazMunayGaz and Mercury Properties. A graduate of KIMEP University in Almaty, Maryam also holds an MSc in International Accounting and Finance from Cass Business School in London.

BOARD OF DIRECTORS continued

Independent Non-Executive Director

Andrew Terry

Appointment
Andrew Terry was appointed to the Board as Non-Executive Director on 24 January 2022.

Experience
Andrew Terry is an English-qualified solicitor specialising in international corporate and personal taxation issues with a focus on clients from Kazakhstan, Russia, Ukraine, Georgia and Kyrgyzstan. He has extensive experience in setting up international holdings ahead of IPOs, debt finance transactions, private equity investments and trade sales. Andrew Terry currently practices as a tax partner at Keystone Law in London and is a member of the advisory board at Amber Lion Partners in Zurich.

DIRECTORS REPORT

for the Year Ended 31 December 2023

The directors present their report and the consolidated financial statements for the year ended 31 December 2023.

Principal activity and business review

The principal activity of the Company is that of a holding company and a provider of support and management services to its operating subsidiaries. Together with its subsidiaries, it is involved in the production of gold and other precious metals from its mine sites in Kazakhstan, together with the development of further suitable investment opportunities.

A review of the activities of the business throughout the year and up to April 2024 is set out in the Strategic report on pages 1 to 20 which includes information on the Company's risks, uncertainties and performance indicators. The Company accounts are prepared on a going concern basis.

Results and dividends

The Group's profit for the year after taxation amounts to US$11.3m (2022: US$13.2m). The results of the year are set out on page 43 in the consolidated income statement.

The Directors do not recommend the payment of a dividend for the year (2022: nil).

Financial instruments

The total Group borrowings as at 31 December 2023, including accrued interest is US$58.5m (2022: US$23.1m). Details in relation to the borrowings are as disclosed in note 22.

The principal loans held by the Group are the borrowings from JSC Bank Center Credit, the total borrowings at 31 December 2023 was US$48.9m (2022: US$23.1m), at rates ranging between 6%-7%, further details are given in note 25.

In April 2023 the Company raised US$10m (US$9.4m after fees) at a coupon rate of 10.5% on AIX in Kazakhstan.

The main risks arising from the financial instruments are liquidity risk, credit risk, foreign exchange risk and interest rate risk. Further details are provided in note 25 on pages 67 to 70 of the financial statements.

Share capital details of the Company's issued share capital, are set out in note 24 on page 66.

The Company has one class of ordinary share and they carry no right to fixed income. Each ordinary share carries the right to one vote at the general meetings of the Company. All issued ordinary shares are fully paid. There are no specific restrictions on the size of the holding or on the transfer of the ordinary shares, which are both governed by the general provisions of the articles of association and prevailing legislation. The Directors are not aware of any agreements between holders of the Company's ordinary shares that may result in restrictions on the transfer of securities or on voting rights. Certain Directors have an interest in the ordinary shares in the Company and these are disclosed below.

Qualifying indemnity provision

The Company has entered into an insurance policy to indemnify the Directors of the Company against any liability when acting for the Company.

Charitable and political donations

During the year the Company made no charitable contributions or political donations.

Annual General Meeting

The Annual General Meeting of the Company will be held at Langham Court Hotel, 31-35 Langham Street, London W1W 6BU, United Kingdom on 21 June 2024 at 11.00am.

The details of the resolutions are given on pages 72 to 73. The Directors consider that all of the resolutions to be put to the meeting are in the best interests of the Company and its shareholders as a whole. The Board recommends that shareholders vote in favour of all resolutions.

Takeover directive

The Company has one class of share capital, which are ordinary shares. Each ordinary share carries one vote. All the ordinary shares rank pari passu. There are no securities issued in the Company which carry special rights with regard to control of the Company. The identity of all substantial direct or indirect holders of securities in the Company and the size and nature of their holdings is shown under the "Substantial interests" section of this report below.

A relationship agreement (the "Relationship Agreement") that controls the conduct and voting restrictions was entered into between the Company and AGold Mining in regard to the arrangements between them whilst AGold Mining is a controlling shareholder of the Company.

There are no restrictions on voting rights or on the transfer of ordinary shares in the Company. The rules governing the appointment and replacement of Directors, alteration of the articles of association of the Company and the powers of the Company's Directors accord with usual English company law provisions. The Directors are re-elected on a rotational basis each year. The Company is not party to any significant agreements that take effect, alter or terminate upon a change

DIRECTORS REPORT continued

of control of the Company following a takeover bid. The Company is not aware of any agreements between holders of its ordinary shares that may result in restrictions on the transfer of its ordinary shares or on voting rights.

There are no agreements between the Company and its Directors or employees providing for compensation for loss of office or employment that occurs because of a takeover bid.

Directors' Section 172 statement'

Information on the Directors' Section 172 statement is given on page 12.

Environmental matters

Information on greenhouse emissions for the Group is shown on pages 15 to 16. The Company used very little energy during the period in the UK and offshore thus no SECR (Streamlined Energy and Carbon Reporting) disclosures are included.

Social and community issues

The Corporate Social Responsibility performance of the Company and its gender and diversity policy is detailed on pages 13 to 16.

Future developments and post balance sheet events

The Company's future plans are detailed in the Chief Executive Officer's review on pages 3 to 5.

Details of events after the end of the financial year are set out in note 27 on page 71 of the financial statements.

Communication with shareholders

Communications with shareholders are considered important by the Directors. The Directors regularly speak to investors and analysts during the year. Press releases have been issued throughout the year; the Company's website www.altyngold.uk is regularly updated and contains a wide range of information about the Company. Enquiries from individuals on matters relating to their shareholdings and the business of the Company are dealt with informatively and promptly. The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Internal control

The Directors are responsible for the Group's system of internal control and review of its effectiveness annually. The Board has designed the Group's system of internal control in order to provide the Directors with reasonable assurance that its assets are safeguarded, that transactions are authorised and properly recorded and that material errors and irregularities are either prevented or would be detected within a timely period.

The key elements of the control system in operation are:

- The Board meets regularly with a formal schedule of matters reserved to it for decision and has put in place an organisational structure with clearly defined lines of responsibility and with appropriate delegation of authority;
- There are established procedures for planning, approval and monitoring of capital expenditure and information systems for monitoring the Group's financial performance against approved budgets and forecasts;
- UK Financial reporting is closely monitored by members of the Board to enable them to assess risk and address the adequacy of measures in place for its monitoring and control. The Kazakh operations are closely supervised by the Board reviewing monthly, half yearly and annual financial reports from the Directors and senior officers in Kazakhstan. This is normally supplemented by regular visits of the UK based finance officer to Kazakh operations which include checking the integrity of financial information supplied to the UK. The financial officer is ultimately responsible for the preparation of the consolidated financial statements that are then reviewed by the Directors.

During the period, the Audit Committee has reviewed the effectiveness of internal controls as described above, no changes were required to be made to the existing procedures.

There are no significant issues disclosed in the Annual Report for the year ended 31 December 2023 (and up to the date of approval of the report) concerning material internal control issues. The Directors confirm that the Board has reviewed the effectiveness of the system of internal control as described during the period.

Going concern

The Group increased turnover in the year to US$64m, generating an EBITDA of US$22.3m (2022: US$21.9m), see note 13.

The Board have reviewed the Group's forecast cash flows for the period to June 2025, which include the capital and interest repayments to be made in relation to the Group's borrowings. Capital and operating costs are based on approved budgets and latest forecasts and development plans. These have been based on costs that have been fixed with suppliers where applicable and other costs that include inflationary allowance. The gold price used in the forecasts has been based on an average of consensus forecasts.

Based on the Group's cash flow forecasts, the Directors believe that the, net cash flows from operations, and increased production based on projections of future growth, are sufficient for the Group to achieve its current plans and cash requirements including the repayment of loans which are due for repayment in the period. In order to provide greater headroom the management agreed an extension to a repayment holiday on a US$10m loan from the bank extending the period from May 2024 to commence repayments in January 2025.

The Board have considered possible stress case scenarios that they consider most likely to impact on the Group's operations, financial position and forecasts. Possible likely scenarios are based around whether the productive capacity will come on stream as planned and budgets and forecasts have been flexed to account for different scenarios.

From the analysis undertaken the Board have concluded that Group will be able to continue to trade by the careful management of its existing resources. The stress tests included the following scenarios amongst others, a delay of three months to a delay of six months in relation to the upgrade of the processing capacity of the Company which is set to increase to 1/mty.

In each separate case the Group would not experience a cash shortfall, the Group would manage its resources, reducing or adjusting the timing of discretionary capital investment and managing its payables in order to maintain liquidity as appropriate.

The Board therefore considers it is appropriate to adopt the going concern basis of accounting in preparing these financial statements.

Directors interest in shares and substantial shareholdings

The following information in relation to shareholdings has been audited.

The interests of the Directors in the shares of the Company are shown below:

	Number	% owned
Ashar Qureshi	78,800	0.30

Neither Vladimir Shkolnik, Andrew Terry or Maryam Buribayeva hold any interests in the shares of the Company.

The following have advised that they have an interest in 3% or more of the issued share capital of the Company as at 24 April 2024.

	Number	% owned
AGold Mining Group Plc (formerly African Resources Limited)	17,920,545	65.6
JSC Freedom Finance	1,436,272	5.3

Kanat, Aidar and Sanzhar Assaubayev have a beneficial interest in the ultimate controlling party of AGold Mining Group Plc.

Reappointment of auditors

All Directors that are in office at the date of this report have confirmed that they are not aware of any relevant audit information of which the auditor is unaware. Each of the Directors has confirmed they have taken all reasonable steps they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor. A resolution to confirm the reappointment of PKF Littlejohn LLP will be proposed in the forthcoming Annual General Meeting.

Approved by the Board on 25 April 2024 and signed on its behalf by:

Aidar Assaubayev
Chief Executive Officer

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual report and the financial statements in accordance with UK adopted international accounting standards and applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the group financial statements and have elected to prepare the company financial statements in accordance with UK adopted international accounting standards. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss for the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business;
- prepare a directors' report, a strategic report and directors' remuneration report which comply with the requirements of the Companies Act 2006.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and Group that enables them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for ensuring that the annual report and accounts, taken as a whole, are fair, balanced, and understandable and provides the information necessary for shareholders to assess the Company's and Group's performance, business model and strategy.

Website publication

The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors' responsibilities pursuant to DTR4

The directors confirm to the best of their knowledge:

- The financial statements have been prepared in accordance with the applicable set of accounting standards, and give a true and fair view of the assets, liabilities, financial position and profit and loss of the group and company.
- The annual report includes a fair review of the development and performance of the business and the financial position of the Group and Company, together with a description of the principal risks and uncertainties that they face.

AUDIT COMMITTEE REPORT

The Committee's terms of reference have been approved by the Board and follow published guidelines, which are available from the Company Secretary. The Audit Committee comprises the Non-Executive Directors, Ashar Qureshi, Vladimir Shkolnik and Maryam Buribayeva.

The Audit Committee's prime tasks are to:

- review the scope of external audit, to receive regular reports from the auditor and to review the half-yearly and annual accounts before they are presented to the Board, focusing in particular on accounting policies and areas of management judgement and estimation;
- review key areas of the financial statements which are assessed as being the carrying values of the intangible and tangible assets.
- monitor the controls which are in force to ensure the integrity of the information reported to the shareholders;
- assess key risks and to act as a forum for discussion of risk issues and contribute to the Board's review of the effectiveness of the Group's risk management control and processes;
- act as a forum for discussion of internal control issues and contribute to the Board's review of the effectiveness of the Group's internal control and risk management systems and processes;
- consider each year the need for an internal audit function;
- advise the Board on the appointment of external auditors and rotation of the audit partner every five years, and on their remuneration for both audit and non audit work, and discuss the nature and scope of their audit work;
- participate in the selection of a new external audit partner and agree the appointment when required;
- undertake a formal assessment of the auditors' independence each year which includes:
  - a review of non-audit services provided to the Group and related fees;
  - discussion with the auditors of a written report detailing all relationships with the Company and any other parties that could affect independence or the perception of independence;
  - a review of the auditors' own procedures for ensuring the independence of the audit firm and partners and staff involved in the audit, including the regular rotation of the audit partner; and
  - obtaining written confirmation from the auditors that, in their professional judgement, they are independent.

Meetings

The Committee meets prior to the annual audit with the external auditors to discuss the audit plan and again prior to the publication of the annual results. Prior to bi-monthly Board meetings the members of the Committee meet on an informal basis to discuss any relevant matters which may have arisen. Additional formal meetings are held as necessary.

During the past year the Committee:

- met with the external auditors, and discussed their report to the Audit Committee;
- approved the publication of annual and half-year financial results;
- considered and approved the annual review of internal controls;
- decided that due to the size and nature of operation there was not a current need for an internal audit function and:
- agreed the independence of the auditors and approved their fees for audit services as set out in note 10 on page 57 of the financial statements.

Review of internal controls

Internal control procedures as noted in the annual report last year were adhered to, transactions that were not in the normal course of business or large in nature were communicated to the Board as a whole as part of the normal internal control process as part of the regular Board meetings, and to be formally documented, and no contract should be awarded if a tender process was required until signed off by the executive Director.

Fraud/money laundering

Internal reviews were made during the year in relation to the anti-corruption, fraud and money laundering policies. No changes were made to the employee hand book available for all staff. The policies cover detailed procedures in relation to staff duties in relation to fraud and bribery and a clear reporting lines to inform management or third parties in relation to the above. The policies in relation to both have been made available on the website, and distributed to all employees.

External auditors

PKF Littlejohn LLP reappointment will be confirmed at the Annual General Meeting to be held on 21 June 2024.

Maryam Buribayeva
Audit Committee
25 April 2024

REMUNERATION COMMITTEE – STATEMENT

The Remuneration Committee presents its report for the year ended 31 December 2023 which is presented in two parts.

The first part is the annual remuneration report which details remuneration awarded to Directors and Non-Executive Directors during the year. The shareholders will be asked to approve the annual remuneration report as an ordinary resolution (as in previous years) at the Annual General Meeting. Details in relation to voting at last years AGM in relation to approval of the remuneration report, the remuneration policy of the Company, (which is voted on tri-annually – was voted on in 2021) are detailed from pages 33 to 37, and will be voted on in 2024.

The second part is the remuneration policy report which details the remuneration policy for Directors.

The Remuneration Committee reviewed the existing policy and deemed no changes necessary to the current arrangements.

Both of the above reports have been prepared in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2018.

The Company's auditors, are required by law to audit certain disclosures and where disclosures have been audited they are indicated as such.

Ashar Qureshi
Remuneration Committee
25 April 2024

ANNUAL REMUNERATION REPORT

Remuneration Committee
The Remuneration Committee currently comprises of two Directors – Ashar Qureshi and Vladimir Shkolnik. The Committee, which meets as required, is responsible for determining the contract terms, remuneration and other benefits of the Executive Directors. The remuneration of the Non-Executive Directors is determined by the Board within the limits set out in the articles of association. None of the Committee members has any personal financial interest in the matters to be decided (other than as shareholders), potential conflicts of interest arising from cross-Directorships, or any day-to-day involvement in running the business. The Committee has access to professional advice from inside and outside the Company at the Company's expense.

Details of the remuneration paid in the year are shown below.

Approach to recruitment remuneration
All appointments to the Board are made on merit. The components of a new Director's remuneration package would comprise at present a base salary. The Company will pay such levels of remuneration to new Directors that would enable the Company to attract appropriately skilled and experienced individuals that is not in the opinion of the Remuneration Committee excessive.

Service contracts
All Executive Directors have full-time contracts of employment with the Company. Non-Executive Directors have contracts of service. No Director has a contract of employment or contract of service with the Company, its joint venture or associated companies with a fixed term which exceeds three years. Directors' notice periods are set in line with market practice and of a length considered sufficient to ensure an effective handover of duties should a Director leave the Company.

All Directors' "contracts" as amended from time to time, have run from the date of appointment. Service contracts are kept at the registered office.

Summary of Directors' terms

	Date of contract	Unexpired term	Notice period months
Executive Directors			
Kanat Assaubayev	23 October 2017	Continuing	3
Aidar Assaubayev	20 February 2013	Continuing	3
Sanzhar Assaubayev	29 February 2017	Continuing	3
Non-Executive Directors			
Ashar Qureshi	7 December 2015	Continuing	3
Vladimir Shkolnik	21 November 2018	Continuing	3
Maryam Buribayeva	24 January 2022	Continuing	3
Andrew Terry	24 January 2022	Continuing	3

Policy on payment for loss of office
There are no contractual provisions agreed that could impact on a termination payment. Termination payments will be calculated in accordance with the existing contract of employment or service contract. It is the policy of the Remuneration Committee to issue employment contracts to Executive Directors with normal commercial terms and without extended terms of notice which could give rise to extraordinary termination payments.

Consideration of employment conditions elsewhere in the Group
In setting this policy for Directors' remuneration the Remuneration Committee has been mindful of the Company's objective to reward all employees fairly according to their role, performance and market forces. In setting the policy for Directors' remuneration the Remuneration Committee has considered the pay and employment conditions of the other employees within the Group. No formal consultation has been undertaken with employees in drawing up the policy. The Remuneration Committee has not used formal comparison measures.

Consideration of shareholder views
Shareholder views have been taken into account when formulating this policy, and was approved at the Annual General Meeting in 2021, and will be voted on again at the AGM in 2024.

ANNUAL REMUNERATION REPORT continued

Remuneration

The total Directors fees and salaries of US$301,320 (2022: US$285,670) shown in the table below has been audited.

Directors salaries and fees (Audited)	2023 US$	2022 US$
Executive Directors		
Kanat Assaubayev	**37,200**	37,500
Aidar Assaubayev	**93,000**	79,688
Sanzhar Assaubayev	**37,200**	37,500
Non-Executive Directors		
Ashar Qureshi	**33,480**	33,750
Vladimir Shkolnik	**33,480**	33,750
Andrew Terry	**33,480**	31,741
Maryam Buribayeva	**33,480**	31,741
Total	**301,320**	285,670

The total amount remaining unpaid with respect to Directors' remuneration amounted to US$49,000 (2022: US$149,000). The total directors' remuneration for 2023 and 2022 includes only salaries and fees.

The Directors' remuneration in total will be in the range of US$300,000 in the forthcoming year.

Statement of implementation of remuneration policy in the following year

The policy was approved at the Annual General Meeting in June 2021, and will be voted on again at the AGM in 2024.

The vote on the remuneration policy is binding in nature. The Company may not then make a remuneration payment or payment for loss of office to a person who is, is to be, or has been a Director of the Company unless that payment is consistent with the approved remuneration policy, or has otherwise been approved by a resolution of members.

Consideration by the Directors of matters relating to Directors' remuneration

There were no changes to the level of remuneration from the prior year.

Shareholder voting

At the Annual General Meeting (AGM), in June 2021, there was a vote to approve the Directors remuneration policy which is considered on a tri-annual basis with the next vote to be conducted in the year 2024. At that AGM out of the eligible votes of 22,332,934, 11,722,422 voted in favour of the policy and 12,626 against.

Details of the Directors remuneration policy can be found on the Company's website www.altyngold.uk. The results of shareholder voting to approve the Directors remuneration report at the AGM's on the 22 June 2023 and 30 June 2022 are shown below:

	Votes in favour No 2023	**Votes against No 2023**	**No Maximum votes**	Votes in favour No 000's 2022	Votes against No 000's 2022	No 000's Maximum votes
Voting to approve the Directors' remuneration report	**18,539,886**	**7,285**	**27,332,934**	11,776,889	8,593	27,332,934

Members of the Remuneration Committee

The following Directors are members of the Remuneration Committee:

Ashar Qureshi and Vladimir Shkolnik.

Pension schemes and incentives

No Directors are members of the Company pension scheme.

Share option schemes

There are no share option schemes currently in the Company.

Payments to past Directors

No payments were made to past Directors during the year.

Payments for loss of office

No payments for loss of office were made in the year ended 31 December 2023.

Statement of Directors' shareholding and share interest

The interests of the Directors in the shares of the Company, including family and trustee holdings are disclosed on page 29 of the Annual Report.

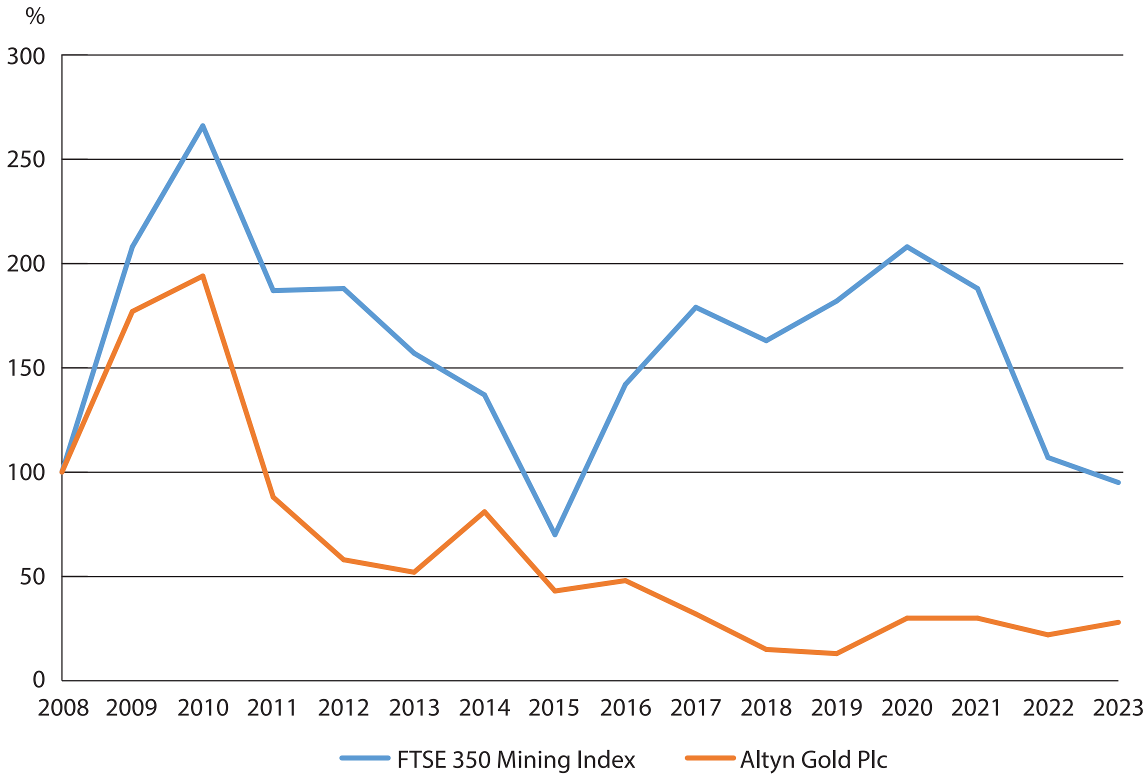
Performance targets

There are no performance measure targets associated with the Directors Remuneration.

Performance graph

The following information is unaudited.

Shown below is Altyngold's performance against the FTSE 350 mining index, which the Directors believe is the most appropriate market measure to judge the performance of the Company against.



Directors interest in shares and substantial shareholdings

The information which has been audited is disclosed on page 29 of the Directors' Report.

Remuneration of the Chief Executive Officer over the last ten years

The table below demonstrates the remuneration of the CEO for the last ten years

Year	Chief Executive Officer	Total remuneration US$000
2023	Aidar Assaubayev	93
2022	Aidar Assaubayev	79
2021	Aidar Assaubayev	41
2020	Aidar Assaubayev	38
2019	Aidar Assaubayev	38
2018	Aidar Assaubayev	83
2017	Aidar Assaubayev	201
2016	Aidar Assaubayev	215
2015	Aidar Assaubayev	175
2014	Aidar Assaubayev	82

ANNUAL REMUNERATION REPORT continued

Relative importance of spend on pay

The total expenditure of the Company on remuneration to all employees in shown in note 7 to the financial statements and in the table below.

Remuneration	2023 US$000	2022 US$000
Directors emoluments	**301**	236
Employee salaries	**4,325**	3,087
Employer social tax and national insurance	**1,160**	761
Total	**5,786**	4,084

As the Company is currently not making distributions the relative importance of pay has been measured against debt repayments in the year. In 2023 the salaries represented 0.35 times the amount paid back in loan repayments in the year (2022: 0.29 times).

Annual change in compensation for members of the Board and the remuneration of average employees over the last five years

	2019 $	2020 $	2021 $	2022 $	2023 $
Remuneration fees Kanat Assaubayev					
– appointed on 23 October 2013	–	–	41,400	37,500	37,200
– Year-on-year difference	–	–	41,400	(3,900)	(300)
– Year-on-year difference – %	–	–	100	(9)	(0.1)
Remuneration fees Aidar Assaubayev					
– appointed 20 February 2013	38,400	38,400	41,400	79,688	93,000
– Year-on-year difference	(45,552)	–	3,000	38,288	13,312
– Year-on-year difference – %	(54)	–	8	92	17
Remuneration fees Sanzhar Assaubayev					
– appointed on 29 February 2016	–	–	41,400	37,500	37,200
– Year-on-year difference	–	–	41,400	(3,900)	(300)
– Year-on-year difference – %	–	–	100	(9)	(0.1)
Remuneration fees Ashar Qureshi					
– appointed 7 December 2012	34,560	34,560	37,260	33,750	33,480
– Year-on-year difference	(1,339)	–	2,700	(3,510)	(270)
– Year-on-year difference – %	(4)	–	8	(9)	(0.1)
Remuneration fees Vladimir Shkolnik					
– appointed 22 November 2017	34,560	34,560	37,260	33,750	33,480
– Year-on-year difference	(1,339)	–	2,700	(3,510)	(270)
– Year-on-year difference – %	(4)	–	8	(9)	(0.1)
Remuneration fees Maryam Buribayeva					
– appointed 24 January 2022	–	–	–	31,741	33,480
– Year-on-year difference	–	–	–	–	1,739
– Year-on-year difference – %	–	–	–	–	5
Remuneration fees Andrew Terry					
– appointed 24 January 2022	–	–	–	31,741	33,480
– Year-on-year difference	–	–	–	–	1,739
– Year-on-year difference – %	–	–	–	–	5
Remuneration of average employees	6,285	4,984	7,585	7,776	9,086
– Year-on-year difference	(1,033)	(1,301)	2,600	191	1,310
– Year-on-year difference – %	(14)	(21)	52	3	17

The average remuneration of employees is based on group employees numbers employed in Kazakhstan, in part the changes in average pay will also be a function of changes in exchange rates as the salaries are paid in Kazakh Tenge.

REMUNERATION POLICY REPORT

The remuneration policy of the Company was approved by a binding vote at the Annual General Meeting held on 24 June 2021, see details on page 32. As the policy is determined tri-annually the next vote to determine the remuneration policy of Company will be in 2024.

At present the only remuneration payable to the Directors is that of a base salary. In setting the policy the Remuneration Committee has taken the following into account:

- the need to attract, retain and motivate individuals of a calibre who will ensure successful leadership and management of the Company;
- the Company's general aim of seeking to reward all employees fairly according to the nature of their role and their performance;
- remuneration packages offered by similar companies in the same sector;
- the need to align the interests of the shareholders with the long term growth and interests of the Company;
- the need to be flexible and adjust with operational changes throughout the term of the policy.

The remuneration of the Non-Executive Directors is determined by the Board, and takes into account additional remuneration for services outside the scope of the ordinary duties of the Non-Executive Directors.

The details in relation to the Directors remuneration policy are available on the website www.altyngold.uk

INDEPENDENT AUDITOR'S REPORT

Opinion
We have audited the financial statements of Altyn Gold Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Parent Company Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2023 and of the group's profit for the year then ended;
- the group's financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- Testing the integrity of management's forecast model, checking the mathematical accuracy of the model, including challenging the appropriateness of key assumptions and inputs with reference to empirical data and external evidence with specific focus on the following key assumptions: gold price, production, costs, gold grade, recoveries and foreign exchange rates and assessed their consistency with approved budgets and the mine development plan, as applicable;
- Comparing budgets to actual figures achieved to assess the reliability of management's forecasts;
- Evaluating management's sensitivity analysis and performing our own sensitivity analysis in respect of the key assumptions and inputs underpinning the forecasts. We assessed the validity of any mitigating actions identified by management; and
- Confirming the terms of all borrowing facilities in place and that the terms are not breached and reviewing the repayments of loans and ensuring that they were reflected in the cash flow forecast.
- Assessing if the going concern disclosures in the financial statements are appropriate and in accordance with the revised ISA UK 570 going concern standard.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality
The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures.

Materiality applied to the group financial statements was $1.1m (2022: $0.975m). This amount was based upon 1% of the group's total assets and is consistent with the prior year basis for materiality. Our determination was considered appropriate as the group's main asset is its 100% interest in the Sekisovskoye gold mine and its exploration site at Teren- Sai in Northeast Kazakhstan. The underlying driver of activity in the business is the gold deposits in Kazakhstan which are encapsulated within property, plant & equipment and intangible assets. We believe gross assets to be the key metric in determining materiality.

The performance materiality applied at the group level was $0.77m (2022: $0.585m), being 70% (2022: 60%) of group materiality. We have increased the performance materiality from 60% to 70% of overall materiality as this is our second year as appointed auditors and no significant control deficiencies were identified in the prior year.

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatement. At the planning stage, materiality is used to determine the financial statement areas that are included within the scope of our audit.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes.

In determining performance materiality, we considered the following factors:

- the consistency in the level of judgement required in key accounting estimates;
- the stability in key management personnel; and
- the level of centralisation in the group's financial reporting controls and processes.

For each significant component in the scope of our audit, we allocated a component materiality based on the maximum aggregate component materiality. The range of materiality allocated across significant components was between $0.575m and $0.775m, with performance materiality between $0.4m and $0.54m. These represent a percentage of between 52% and 70% of overall group and performance materiality respectively.

We agreed with the audit committee that we would report all individual audit differences identified for the group during the course of our audit in excess of $0.055m (2022: $0.049m). We also agreed to report any other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

Materiality applied to the parent company's financial statements was $0.85m (2022: $0.828m). The benchmark for determining materiality of the parent company was 0.6% (2022: 0.7%) of the parent company's gross assets and equates to 77% (2022: 85%) of group materiality. Our determination was considered appropriate as total assets are the primary measure used by the shareholders in assessing the performance of the parent company.

The performance materiality applied to the company was $0.595m (2022: $0.497), being 70% (2022: 60%) of company materiality. We have increased the performance materiality from 60% to 70% of overall materiality as this is our second year as appointed auditors and no significant control deficiencies were identified in the prior year.

We agreed with the audit committee that we would report all individual audit differences identified for the parent company during the course of our audit in excess of $0.042m (2022: $0.041m) together with any other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

Our approach to the audit

In designing our audit, we determined materiality, as above, and assessed the risk of material misstatement in the financial statements. In particular, we looked at areas involving significant accounting estimates and judgement by the directors and considered future events that are inherently uncertain.

We note that the group has significant carrying values in both intangible assets and property, plant & equipment which is underpinned by the quantity and quality of resources being mined. Both of these areas are inherently complicated and require a significant amount of judgement by management. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by management that represented a risk of material misstatement due to fraud.

Of the group's 4 components, including the parent company, 2 were considered material, financially significant and subject to full scope audit for group purposes. The remaining components were not considered material and we performed a limited scope analytical review together with substantive testing, as appropriate. The parent company was subject to full scope audit in order to opine separately on it.

Two of the material and significant components were located in Kazakhstan and audited by the same component auditor. All work with respect to these two components has been performed by the component auditor under our instruction and we reviewed the component auditor's in person and via virtual conferences. The parent company audit was conducted by us using a team with specific experience of auditing mining entities and publicly listed entities. The Senior Statutory Auditor interacted regularly with the component audit team during all stages of the audit and was responsible for the scope and direction of the audit process. This, in conjunction with additional procedures performed, gave us sufficient and appropriate audit evidence to support the audit opinion of the group and parent company financial statements.

INDEPENDENT AUDITOR'S REPORT continued

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our scope addressed this matter
Carrying value of Mining Assets (Note 15) Property, plant & equipment amounts to \$70.6m (2022: \$36.9m) and includes \$18.3m (2022: \$14.4m) of mining assets and \$13.2m (2022: \$2.3m) of assets under construction. There is a significant risk that the carrying value of these assets are not recoverable and that these amounts should be impaired. There are further risks that licenses and mining rights may be discontinued or non-renewed. The value in these assets is derived from the rights and obligations of the mining licenses at Sekisovskoye and Teren-Sai. This is considered to be a key audit matter due to the material nature of the balance and the level of significant estimation and judgement required by management when assessing the carrying value of these assets.	Our work in this area included: ▲ Assessing and reviewing indicators of impairment as per IAS 36, *Impairment of Assets* and considering whether any apply to the group; ▲ Obtaining, reviewing and challenging management's present value calculations for indicators of impairment; ▲ Assessing the appropriateness of key assumptions and inputs used in management's value-in-use model, including commodity price, production, operating costs, capital costs, discount rates, and foreign exchange rates, including obtaining corroborating and contradictory evidence for management's key assumptions and inputs; ▲ Comparing the proven and probable reserves included in the models to the independent Competent Person's report and performing audit procedures to assess their independence; competence and objectivity; ▲ Engaging an auditor's expert to assess the mining operations and mining plans prepared by management to determine reasonableness of the company's plans; and ▲ Physically attending the mine site and observing operations. **Key Observation:** Based on audit procedures performed, the carrying value of the mining asset is reasonable as at 31 December 2023.

Key Audit Matter	How our scope addressed this matter
Valuation of capitalised exploration costs capitalised as intangible assets under IFRS 6 (group - Note 14) Intangible assets comprise of geological data and exploration and evaluation costs in relation to the Teren-Sai ore fields and are valued at \$13.7m (2022: \$12.7m). The recoverability of these intangible assets is key to the long-term success of the group. There is a significant risk that the carrying values of these assets are not recoverable and that these amounts should be impaired. This is considered to be a key audit matter due to the material nature of the balance and the level of estimation and judgement required by management when they are assessing the carrying value of these assets.	Our work in this area included: ▲ Obtaining the current exploration licences and the validity of the licences; ▲ Reviewing the indicators of impairment criteria as listed in IFRS 6, *Exploration for and Evaluation of Mineral Resources*. which included a review of internal / external drilling results produced during the year; ▲ Reviewing the key external reports for indicators of impairment; ▲ Enquiring of management over the future plans for each license including obtaining cashflow projections where necessary; ▲ Reviewing the exploration and evaluation expenditures to assess their eligibility for capitalisation under IFRS 6 by corroborating to the original source documentation; and ▲ Comparing the proven and probable reserves included in the models to the independent Competent Person's report and performing procedures to assess their independence, competence and objectivity. **Key Observation:** Based on the audit procedures performed, we do not consider intangible assets as at 31 December 2023 to be materially misstated.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the group and parent company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent company financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through detailed discussions with management about and potential instances of non-compliance with laws and regulations both in the UK and in overseas subsidiaries. We also selected a specific audit team based on experience with auditing entities within this industry of a similar size;
- We determined the principal laws and regulations relevant to the group and parent company to include elements of the significant laws and regulations relating to the industry, financial reporting framework, listing rules, tax legislation and environmental regulations in the UK and Kazakhstan;
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:
  - Holding discussions with management and those charged with governance to determine any known or suspected instances of non-compliance with laws and regulations or fraud identified by them;
  - Reviewing legal and professional fees for evidence of any litigation or claims against the group;

INDEPENDENT AUDITOR'S REPORT continued

- Review of legal and regulatory correspondence; and
- Review of Board minutes.

- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the potential for management bias was identified in relation to the carrying value of mining assets – group and the valuation of capitalised exploration costs capitalised as intangible assets under IFRS 6 – group. (see Key audit matters section above).
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business with a focus on any prepayments made in respect of mining development.
- A local network firm was engaged to act as component auditors for group reporting purposes. As part of the group audit, we have communicated with component auditors the fraud risks associated with the group and the need for the component auditors to address the risk of fraud in their testing. To ensure that this has been completed, we have reviewed component auditor working papers in this area and obtained responses to our group instructions from the component auditors.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address
We were appointed by the Audit committee on 19 January 2023 to audit the financial statements for the period ending 31 December 2022 and subsequent financial periods. Our total uninterrupted period of engagement is 2 years, covering the periods ending 31 December 2022 to 31 December 2023.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joseph Archer (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

25 April 2024

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2023

	Note	2023 $000	2022 $000
Revenue	5	**64,434**	62,037
Cost of sales		**(41,102)**	(32,697)
Gross profit		**23,332**	29,340
Administrative expenses		**(6,977)**	(8,590)
Administrative expenses – sponsorship programs		**–**	(3,654)
Impairments	8	**(439)**	(82)
Operating profit		**15,916**	17,014
Foreign exchange		**252**	(504)
Finance expense		**(4,283)**	(3,096)
Total finance cost	9	**(4,031)**	(3,600)
Profit before tax	10	**11,885**	13,414
Taxation expense	11	**(546)**	(181)
Profit for the year attributable to the equity holders of the parent		**11,339**	13,233
Profit per ordinary share	12		
Basic		**41.48c**	48.42c
Diluted		**41.48c**	48.42c

The notes on pages 50 to 71 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2023

	Note	2023 $000	2022 $000
Profit for the year		**11,339**	13,233
Items that may be reclassified subsequently to the income statement			
Currency translation differences arising on translations of foreign operations		**1,210**	(4,822)
Currency translation differences on translation of foreign operations relating to tax		**(4,075)**	(1,408)
		(2,865)	(6,230)
Total comprehensive profit for the year		**8,474**	7,003
Total comprehensive profit attributable to:			
Equity holders of the parent		**8,474**	7,003

The notes on pages 50 to 71 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2023

(Registration number: 05048549)	Note	2023 $000	2022 $000
Assets			
Non-current assets			
Intangible assets	14	**13,661**	12,698
Property, plant and equipment	15	**70,593**	36,975
Deferred tax assets	11	**1,419**	6,052
Trade and other receivables	18	**18,354**	14,600
Restricted cash		**33**	50
		104,060	70,375
Current assets			
Inventories	17	**17,464**	11,260
Trade and other receivables	18	**18,465**	16,623
Cash and cash equivalents		**5,502**	116
		41,431	27,999
Total assets		**145,491**	98,374
Equity and liabilities			
Current liabilities			
Trade and other payables	19	**9,658**	6,254
Provisions	21	**324**	263
Loans and borrowings	22	**18,132**	13,611
		28,114	20,128
Non-current liabilities			
VAT payable	19	**114**	332
Other Tax payables	19	**133**	688
Provisions	21	**6,089**	5,517
Loans and borrowings	22	**40,359**	9,501
		46,695	16,038
Total liabilities		**74,809**	36,166
Equity			
Share capital	24	**4,267**	4,267
Share premium		**152,839**	152,839
Merger reserve		**(282)**	(282)
Foreign currency translation reserve		**(60,507)**	(57,642)
Accumulated losses		**(25,635)**	(36,974)
Equity attributable to owners of the company		**70,682**	62,208
Total equity and liabilities		**145,491**	98,374

Approved by the Board on 25 April 2024 and signed on its behalf by:

Aidar Assaubayev
Chief Executive Officer

Sanzhar Assaubayev
Executive Director

The notes on pages 50 to 71 form an integral part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION

as at 31 December 2023

(Registration number: 05048549)	Note	2023 $000	2022 $000
Assets			
Non-current assets			
Investments in subsidiaries	16	**48,132**	48,131
Loans due from subsidiaries	16	**80,967**	72,997
		129,099	121,128
Current assets			
Trade and other receivables	18	**14**	15
Cash and cash equivalents		**4,413**	72
		4,427	87
Total assets		**133,526**	121,215
Equity and liabilities			
Current liabilities			
Trade and other payables	19	**1,213**	973
Non-current liabilities			
Loans and borrowings	22	**9,582**	–
Loans due to subsidiary	22	**–**	31,119
		9,582	31,119
Total liabilities		**10,795**	32,092
Equity			
Share capital	24	**4,267**	4,267
Share premium		**152,839**	152,839
Foreign currency translation reserve		**(16,338)**	(16,338)
Accumulated losses		**(18,037)**	(51,645)
Total equity		**122,731**	89,123
Total equity and liabilities		**133,526**	121,215

The parent Company is claiming the exemption under the Companies Act 2006 s408 not to present its individual income statement. The Company made a profit of US$33,606,795 in the year (2022: US$12,891,000).

Approved by the Board on 25 April 2024 and signed on its behalf by:

Aidar Assaubayev
Chief Executive Officer

Sanzhar Assaubayev
Executive Director

The notes on pages 50 to 71 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2023

	Share capital $000	Share premium $000	Merger reserve $000	Currency translation reserve $000	Accumulated losses $000	Total equity $000
At 1 January 2022	4,267	152,839	(282)	(51,412)	(50,208)	55,204
Profit for the year	–	–	–	–	13,234	13,234
Other comprehensive loss	–	–	–	(6,230)	–	(6,230)
Total comprehensive loss	–	–	–	(6,230)	13,234	7,004
At 31 December 2022	4,267	152,839	(282)	(57,642)	(36,974)	62,208
At 1 January 2023	4,267	152,839	(282)	(57,642)	(36,974)	62,208
Profit for the year	–	–	–	–	11,339	11,339
Other comprehensive income	–	–	–	(2,865)	–	(2,865)
Total comprehensive income	–	–	–	(2,865)	11,339	8,474
At 31 December 2023	**4,267**	**152,839**	**(282)**	**(60,507)**	**(25,635)**	**70,682**

Group Reserves

Share capital	Amount of the contributions made by shareholders in return for issue of shares at their nominal value.
Share premium	Amount subscribed for share capital in excess of nominal value.
Merger reserve	Reserve created on application of merger accounting in prior years.
Currency translation reserve	Gains/losses arising on re-translating the net assets of overseas operations into US Dollars.

The notes on pages 50 to 71 form an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2023

	Share capital $000	Share premium $000	Currency translation reserve $000	Accumulated losses $000	Total $000
At 1 January 2022	4,267	152,839	(16,338)	(64,535)	76,233
Profit for the year	–	–	–	12,890	12,890
Total comprehensive income	–	–	–	12,890	12,890
At 31 December 2022	4,267	152,839	(16,338)	(51,645)	89,123
At 1 January 2023	4,267	152,839	(16,338)	(51,645)	89,123
Profit for the year	–	–	–	33,608	33,608
Total comprehensive income	–	–	–	33,608	33,608
At 31 December 2023	**4,267**	**152,839**	**(16,338)**	**(18,037)**	**122,731**

Company reserves

Share capital	Amount of the contributions made by shareholders in return for the issue of shares at their nominal value.
Share premium	Amount subscribed for share capital in excess of nominal value.
Currency translation reserve	Gains/losses arising on re-translating the net assets of overseas operations into US Dollars.

The notes on pages 50 to 71 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2023

	Note	2023 $000	2022 $000
Cash flows from operating activities			
Net cash flow from operating activities	23	**14,651**	12,234
Cash flows from investing activities			
Acquisitions of property plant and equipment		**(40,171)**	(8,948)
Acquisition of intangible assets	14	**(766)**	(240)
Net cash flows from investing activities		**(40,937)**	(9,188)
Cash flows from financing activities			
Interest paid	23	**(3,228)**	(2,388)
Loans received		**51,481**	11,025
Loans repaid		**(16,581)**	(15,028)
Net cash flows from financing activities		**31,672**	(6,391)
Net increase/(decrease) in cash and cash equivalents		**5,386**	(3,345)
Cash and cash equivalents at 1 January		**116**	3,593
Effect of exchange rate fluctuations on cash held		**–**	(132)
Cash and cash equivalents at 31 December		**5,502**	116

The notes on pages 50 to 71 form an integral part of these financial statements.

COMPANY STATEMENT OF CASH FLOWS

for the year ended 31 December 2023

	Note	2023 $000	2022 $000
Cash flows from operating activities			
Net cash outflow from operating activities	23	**(603)**	(1,096)
Net cash flow from operating activities		**(603)**	(1,796)
Cash flows from investing activities			
Loans paid to subsidiaries		**(3,636)**	–
Cash flows from financing activities			
Loans received		**9,370**	10,182
Interest repaid		**(788)**	(842)
Loans repaid		**–**	(10,000)
Net cash flows from financing activities		**8,582**	(660)
Net increase/(decrease) in cash and cash equivalents		**4,343**	(1,756)
Cash and cash equivalents at 1 January		**70**	1,826
Cash and cash equivalents at 31 December		**4,413**	70

The notes on pages 50 to 71 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2023

1 General information

AltynGold Plc (the "Company") is a Company incorporated in England and Wales under the Companies Act 2006. The address of its registered office, and place of business of the Company and its subsidiaries is set out within the Company information on page 78 of this annual report. The principal activities of the Company and subsidiaries are set out on page 27 and the strategic review within this annual report.

2 Basis of preparation

The annual report is for the year ended 31 December 2023 and includes the consolidated and parent company's financial statements. The financial statements have been prepared in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The financial statements have been prepared using accounting policies set out in note 4 which are consistent with all applicable IFRSs and with those parts of the Companies Act 2006 applicable to companies reporting under IFRSs. For these purposes, IFRSs comprises the standards issued by the International Accounting Standards Board and interpretations issued by the International Financial Reporting Interpretations Committee as adopted by the United Kingdom. The financial statements have been prepared under the historical cost convention, and at fair value for financial and non-financial asset and liabilities as appropriate. The financial statements are prepared on a going concern basis.

Going concern

The Group increased turnover in the year to US$64m, generating an EBITDA of US$22.3m (2022: US$21.9m), see note 13.

The Board have reviewed the Group's forecast cash flows for the period to June 2025, which include the capital and interest repayments to be made in relation to the Group's borrowings. Capital and operating costs are based on approved budgets and latest forecasts and development plans. These have been based on costs that have been fixed with suppliers where applicable and other costs that include inflationary allowance. The gold price used in the forecasts has been based on an average of consensus forecasts.

Based on the Group's cash flow forecasts, the Directors believe that the, net cash flows from operations, and increased production based on projections of future growth, are sufficient for the Group to achieve its current plans and cash requirements including the repayment of loans which are due for repayment in the period. In order to provide greater headroom the management agreed an extension to a repayment holiday on a US$10m loan from the bank extending the period from May 2024 to commence repayments in January 2025.

The Board have considered possible stress case scenarios that they consider most likely to impact on the Group's operations, financial position and forecasts. Possible likely scenarios are based around whether the productive capacity will come on stream as planned and budgets and forecasts have been flexed to account for different scenarios.

From the analysis undertaken the Board have concluded that Group will be able to continue to trade by the careful management of its existing resources. The stress tests included the following scenarios amongst others, a delay of three months to a delay of six months in relation to the upgrade of the processing capacity of the Company which is set to increase by 33%.

In each separate case the Group would not experience a cash shortfall, the Group would manage its resources, reducing or adjusting the timing of discretionary capital investment and managing its payables in order to maintain liquidity as appropriate.

The Board therefore considers it is appropriate to adopt the going concern basis of accounting in preparing these financial statements.

3 Adoption of new and revised standards

A number of new standards, amendments to standards and interpretations, are effective for annual periods beginning on or after 1 January 2023. They have been adopted and applied in preparing these financial statements as appropriate.

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- IFRS 17 Insurance Contracts and amendments to IFRS 17
- Initial Application of IFRS 17 and IFRS 9 Comparative Information Definition of Accounting Estimates (Amendments to IAS 8)
- Definition of Accounting Estimates (Amendments to IAS 8)

Standards and interpretations published, but not yet applicable for the annual period beginning on 1 January 2024, have not been applied in preparing these financial statements. The Company is reviewing the new standards, amendments to standards and interpretations as noted to assess the potential impact on the financial statements they have not been applied in preparing these financial statements.

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information

- There were no material impact on the adoption of new or revised standards on the results in December 2023
- IFRS S2 Climate-related Disclosures
- Classification of Liabilities as Current or Non-current
- Deferral of Effective Date (Amendment to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Non-current Liabilities with Covenants (Amendments to IAS 1)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Lack of Exchange ability (Amendments to IAS 21)

4 Accounting policies

Basis of consolidation

Where a company has control over an investee, the investee is classified as a subsidiary. A company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The consolidated financial statements present the results of the company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are de-consolidated from the date on which control ceases.

Revenue recognition

Revenue represents amounts received for goods provided in the normal course of business, net of VAT and any other sales related taxes.

The Company's revenue is generated entirely from the sale of the gold and silver ("Precious Metal") content of doré. The doré was delivered to a precious metal refiner, based in Kazakhstan during 2023 and 2022, which also purchased all precious metal that was refined. Title of the precious metal passes upon acceptance of the delivery from the Company to the refiner. Sales of precious metal are only recognised when the delivery has been accepted and title for the precious metal has accordingly been passed to the refiner. The Company does not hedge or otherwise enter into any derivatives in respect of its sales of doré. Sales are recorded at the actual selling price of the doré which is based on current market prices. The Company receives 90% less fees of the revenue on delivery of the same doré with inflexion to the refiner based on the spot dollar and gold and silver prices on the day of delivery. The balance is paid once the same doré with inflexion is refined into gold or silver and is usually paid with 14 days, based on the original gold price or silver price and spot price of the US dollar on the day of settlement.

Foreign currencies

The Company has prepared its financial statements in United States Dollars (US$). The functional currency of the companies in Kazakhstan is the Kazakhstan Tenge (KZT). The functional currency of the Company and AltynGold Holdings Limited (formerly Hambledon Mining Company Limited) is the United States Dollars (US$).

The rates used to convert Pound Sterling and Kazakhstan Tenge into United States Dollar in these financial statements are as follows:

US$ to Pound Sterling closing 1.27 (2022: 1.21), average 1.24 (2022: 1.24),

US$ to Kazakh Tenge closing 454.56 (2022: 465.65) average 456.31 (2022: 460.48).

The year end and average rates used for the Kazakh Tenge have been obtained from the National Bank of Kazakhstan.

Transactions denominated in currencies other than the functional currency of each respective entity are recorded at the rate of exchange prevailing at the date of the transaction. Monetary assets and liabilities are translated into the relevant functional currency at the closing rates of exchange at the reporting date. Exchange differences arising from the restatement of monetary assets and liabilities at the closing rate of exchange at the reporting date or from the settlement of monetary transactions at a rate different from that at which the asset or liability was recorded are dealt with through the statement of profit or loss.

On consolidation, the results of overseas operations are translated into US dollars, the Group's presentational currency, at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the balance sheet date. Exchange differences arising on translating the opening net assets at the opening rate and the results of overseas operations at the actual rate are recognised directly in the consolidated statement of other comprehensive income. The intercompany loans form a part of the Company's investment in a foreign operation. The exchange difference arising on the intercompany loans on translation in the company income statement is being recognised in other comprehensive income which on consolidation is recognised in a separate component of equity until disposal of the foreign operations.

In the individual Parent Company financial statements foreign exchange gains/losses are recognised in the income statement.

Intangible assets

Externally acquired intangible assets are initially recognised at cost and subsequently amortised on a straight-line basis over their expected economic life. In the Directors' opinion this is over the licence period expiring in March 2026 being the licenced period of the Teren-Sai exploration project. There is no effect on the income statement as amortisation costs of the geological data are capitalised in line with the accounting policy on exploration and evaluation costs.

Exploration and evaluation costs

All costs incurred prior to obtaining the legal right to undertake exploration and evaluation activities on a project are written off as incurred. All costs associated with mineral exploration and investments are capitalised on a project by project basis, pending determination of the feasibility of the project. Costs incurred include appropriate technical and administrative expenses. If an exploration project is successful and the project is determined to be commercially viable, the related costs will be transferred to mining assets and amortised over the estimated life of the mineral reserves on a unit of production basis. Where a project is relinquished, abandoned, or is considered to be of no further commercial value to the Group, the related costs are written off. Impairment reviews performed under IFRS 6 'Exploration for and evaluation of mineral resources' are carried out on a project by project basis, with each project representing a potential single cash generating unit. An impairment review is undertaken when indicators of impairment arise; typically when one of the following circumstances applies:

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2023

4 Accounting policies continued

- sufficient data exists that render the resource uneconomic and unlikely to be developed;
- title to the asset is compromised;
- budgeted or planned expenditure is not expected in the foreseeable future;
- insufficient discovery of commercially viable resources leading to the discontinuation of activities.

Property, plant and equipment

Mining properties comprise previously capitalised exploration, evaluation and development expenditure incurred during the exploration and development stages of the Company's mining projects.

Other items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost include directly attributable costs and estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognised within provisions.

Assets under construction represent assets under development that are not at the stage that can be used commercially to generate revenues, no depreciation is applied to these assets.

Depreciation

Depreciation of property, plant and equipment is calculated on a straight line or units of production basis, as appropriate. Assets are fully depreciated over their economic lives, or over the remaining life of the mine if shorter.

Assets under construction and freehold land are not depreciated.

Asset class	Depreciation method and rate
Buildings	8-10 per cent per annum straight line basis
Equipment, fixtures and fittings	10-40 percent per annum straight line basis
Plant, machinery and vehicles	7-30 per cent. per annum straight line basis
Mining properties	Unit of production based on the proven reserves

Impairment of non-current assets

Property, plant and equipment and intangible assets are assessed for impairment at each reporting date when events or a change in circumstances suggest that the carrying amount of an asset may exceed the recoverable amount.

Where there has been an indication of a possible impairment, management assesses the recoverability of the carrying value of the asset by comparing it with the estimated discounted future net cash flows generated by the asset based on management's expectation of future production and selling prices. Any identified impairment is charged to the statement of profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount but such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss is recognised in the profit or loss immediately.

Inventories

Inventories are valued at the lower of cost or net realisable value. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Spare parts and consumables	– Purchase costs on a first in, first out basis;
Ore stockpiles, work in progress and finished gold	– Dependent on the current stage in the production cycle, the cost will reflect cost of direct materials, power, labour and a proportion of overhead, to bring the product to its current state.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

4 Accounting policies continued

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for by using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged to other comprehensive income or credited directly to equity, in which case the deferred tax is also dealt within equity. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements and on unused tax losses or tax credits in the group. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Financial Instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group becomes party to the contractual provisions of the instrument.

Trade and other receivables

Trade and other receivables are recognised initially at their transaction price in accordance with IFRS 9 and are subsequently measured at amortised cost. The Group applies the simplified approach to providing for expected credit losses (ECL) prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables measured on a collection basis. Expected credit losses are assessed on a forward looking basis, using information such as the expected future currency, commodity and inflation rates. The loss allowance is measured at initial recognition and throughout its life at an amount equal to lifetime ECL. Any impairment is recognised in the income statement. Detail sin relation to the ECL provision are given in note 16.

If there is no reasonable expectation of recovery after assessing the ability of the debtor to repay the amount due it will be written off but further legal action may be taken to recover the amount due subject to a cost benefit assessment of the amounts involved. The Company will deem an amount to go into default if the terms of the contractual payment are breached and the subsequent follow up to remedy the breach and agree a revised repayment schedule is unsatisfactory.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits, and other short-term highly liquid investments with original maturities of less than three months and which are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value, for the purposes of statement of cash flow.

Cash retained for the purposes of restoration of the land after the end of the licence period is not included within cash resources and is included in a separate fund see note 21.

Investments

Investment in subsidiaries are included at cost less impairment.

Loans and receivables from subsidiaries

Loans to subsidiary undertakings are subject to IFRS 9's expected credit loss model. The intercompany loans are repayable on deferred basis, and a three year notice of repayment can only be given after full repayment of the Bank Center Credit loan, which is repayable in October 2026. The earliest the loans can be repaid is October 2029.

The intercompany loans at present are considered to be in stage 2, and have been assessed as indicated in the IFRS 9 ECL model, with extensions being made on the repayment terms of the original loans that were given. As the loans are considered to be in stage 2 a lifetime ECL is determined using all relevant, reasonable and supportable historical, current and forward-looking information that provides evidence about the risk that the subsidiaries will default on the loan and the amount of losses that would arise as a result of that default.

Financial liabilities

The Group classifies its financial liabilities into one of two categories discussed below, depending on the purpose for which the liability was acquired.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2023

4 Accounting policies continued

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with changes in fair value recognised in the consolidated income statement. The Group does not have any liabilities held for trading nor has it designated any other financial liabilities as being at fair value through profit or loss.

Other financial liabilities

Other financial liabilities comprise borrowings, trade payables and other short-term monetary liabilities. These are initially measured at fair value and subsequently recognised at amortised cost using effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Group's obligations are discharged, cancelled, or they expire.

Fair value measurement hierarchy

The Group classifies its financial assets and financial liabilities measured at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the fair value measurement. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2);
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3);
- the level in the fair value hierarchy within the financial asset or financial liability is determined on the basis of the lowest level input that is significant to the fair value measurement.

Compound instruments

The component parts of compound instruments (convertible notes and loans with detachable warrants) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non convertible instruments. This amount is subsequently recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option or detachable warrant classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently re-measured. Gains or losses are recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the compound instruments are allocated to the liability and equity components in proportion to the fair value of the debt and equity components. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the compound instruments using the effective interest method.

Share capital

Financial instruments used by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's ordinary shares are classified as equity instruments and are recorded as proceeds received, net of direct issue costs.

Provision for commitments and contingencies

Provisions are recognised when the Company has a present obligation at the reporting date, which occurred as a result of a past event, and it is probable that the Company will be required to settle that obligation and the amount of the obligation can be reliably estimated.

Possible obligations that are less than probable, and commitments to make purchases and incur expenditure in future periods, are not recognised as provisions but are disclosed as commitments and contingencies.

Provision for site rehabilitation and decommissioning costs and the associated asset is recorded at the present value of the expected expenditure required to settle the Company's future obligations. Actual outcomes may vary. Details regarding the provision for site rehabilitation and decommissioning costs are set out in note 21 to the financial statements.

4 Accounting policies continued

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the Directors have made judgements and estimates that may have a significant effect on the amount recognised in the financial statements. These include:

- carrying value of property, plant and equipment, including estimates made in respect of reserves and resources, discount rate and future gold prices (note 15):

  Costs capitalised as mining assets in property, plant and equipment, and intangible assets are assessed for impairment when circumstances suggest that the carrying value may exceed its recoverable value. As part of this assessment, management has not carried out an impairment test, as no indicators of impairment have been identified. This test compares the carrying value of the assets at the reporting date with the expected discounted cash flows. For the discounted cash flows to be calculated, management has used a production profile based on its best estimate of proven and probable reserves of the assets and a range of assumptions, including an estimated price of gold and a discount rate which, taking into account other assumptions used in the calculation, management considers to be reflective of the risks. This assessment involves judgement as to (i) the likely commerciality of the asset, (ii) proven, probable reserves which are estimated, (iii) future revenues and estimated development costs pertaining to the asset, (iv) the discount rate to be applied for the purposes of deriving a recoverable value.

There were no impairment indicators identified, therefore a full impairment test was not carried out.

- recoverability of inventories (note 17):

  The recoverability of inventories is dependent upon the future production of the Company, and future prices achievable, which will determine if any provision is required against inventories. The directors have assessed the impairment indicators, and made judgements in reflection to future prices achievable and production and make impairments as appropriate.

- carrying value of provisions (note 21):

  Estimates of the cost of future decommissioning and restoration of production facilities are based on current legal and constructive requirements, technology and price levels, while estimates of when decommissioning will occur depend on assumptions made regarding the economic life of fields which in turn depend on such factors as gold prices, decommissioning costs, discount rates and inflation rates. The management reviewed the estimation process and the basis for the principal assumptions underlying the cost estimates, noting in particular the reasons for any major changes in estimates as compared with the previous year. The Company was satisfied that the approach applied was fair and reasonable. The Company was also satisfied that the discount and inflation rates used to calculate the provision were appropriate.

- recognition of deferred taxation assets (note 11):

  Deferred tax assets are recognised only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse, and a judgement as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the level of deferred tax assets recognised that can result in a charge or credit in the period in which the change occurs;

- carrying value of intangible assets (note 14):

  The carrying value for intangible exploration and evaluation assets, represent the costs of active exploration projects the commerciality of which is unevaluated until reserves can be appraised. Where properties are appraised to have no commercial value, the associated costs are treated as an impairment loss in the period in which the determination is made. The recoverability of intangible exploration assets is assessed by comparing the carrying value to estimates of the present value of projects where indicators of impairment have been identified on an asset. The present values of intangible exploration assets are inherently judgmental. Exploration and evaluation costs will be written off to the income statement unless commercial reserves are established or the determination process is not completed and there are no indications of impairment. The outcome of ongoing exploration, and therefore whether the carrying value of exploration and evaluation assets will ultimately be recovered, is inherently uncertain.

There were no impairment indicators identified, therefore a full impairment test was not carried out.

- Provision for taxation (note 11 and 18)

  Management make judgements in relation to the recognition of various taxes payable by the Group and VAT recoverability for which the recoverability and timing of recovery is assessed. The Group operates in jurisdictions which necessarily require judgement to be applied when assessing the applicable tax treatment for transactions and the Group obtains professional advice where appropriate to ensure compliance with applicable legislation; and

- Estimation of credit losses (note 16)

  Management make judgements in relation to the future recoverability of receivables, in relation to the parent Company there are substantial loans to the subsidiaries. The management has used the guidance as noted in IFRS9 to make judgements in relation to the future risk of default, the ability of the Company to achieve its production targets and achieve a sufficient level of profits to repay the loans, inherent in this model are a number of judgements. The management has estimated that a provision was required of US$23.6m at the year end. (2022 US$22m)

- Extension of licence (note 14 and 15)

  The management has recently secured an extension to the exploration licence at Teren-Sai to run to March 2026 and has a licence for the deposit at Sekisovskoye which runs to 2029 Inherent in this process for the application for renewal and beyond are judgements of determining if the conditions can be satisfied for future licence extensions.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2023

5 Revenue

The analysis of the Group's revenue for the year from continuing operations is as follows:

	2023 US$000	2022 US$000
Sale of gold and silver	**63,748**	61,053
Other sales	**686**	984
	64,434	62,037

Included in revenues from sale of gold and silver are revenues of US$63,748,000 (2022: US$61,053,000) which arose from sales of precious metals to one customer based in Kazakhstan. Other sales amounted to US$686,000 (2022: US$984,000) and related to lease and rental income.

6 Segmental information

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

The Board of Directors consider there to be two operating segments, the exploration and development of mineral resources at Sekisovskyoe and at Teren-Sai, both based in one geographical segment, being Kazakhstan. All sales were made in Kazakhstan from the mine at Sekisovskoye.

However in relation to Teren-Sai as there is discrete financial information available and the assets account for greater than 10% of the combined total assets of all segments it is considered to be a separate operating segment.

Teren-Sai is an exploration asset, details of the carrying value of the asset are shown in note 14. There is currently no turnover or other associated costs in relation to this asset.

7 Staff number and costs

Group

The aggregate remuneration comprised:

	2023 US$000	2022 US$000
Directors' emoluments	**301**	286
Employee wages and salaries	**4,325**	3,266
Employer social tax and national insurance	**1,160**	866
	5,786	4,418

The average number of employees (including Directors) was:

	2023	2022
Production	**384**	337
Administration	**93**	89
	477	426

Company

The average number of employees (including Directors) was:

	2023	2022
Administration	**7**	6

Further details in relation to Directors remuneration and wages and salaries is given in the Remuneration Report.

The aggregate remuneration comprised:

	2023 US$000	2022 US$000
Directors' emoluments	**301**	286
Employer social tax and national insurance	**22**	21
	323	307

8 Impairments

	2023 US$000	2022 US$000
Impairments provided – ore	–	62
Impairment provided – other	**439**	20
	439	82

The other impairment of total US$439.000, relates to a provision for the estimated credit loss on receivables US$151,000 and provision against spare parts of US$288,000.

9 Finance income and costs

	2023 $000	2022 $000
Finance costs		
Foreign exchange gain/(loss)	**252**	(504)
Unwinding of discount on provisions	**(472)**	(343)
Interest expense	**(3,590)**	(2,320)
Unwinding of discount other financial liabilities	**(221)**	(433)
Total finance costs	**(4,031)**	(3,600)

10 Profit before taxation

The profit on ordinary activities before taxation is stated after (crediting/charging)

	2023 US$000	2022 US$000
Staff costs (note 7)	**5,786**	4,418
Depreciation and amortisation of assets	**6,990**	4,591
Cost of inventories recognised as an expense	**13,624**	7,651
Provision of impairment of receivables and inventory (note 8)	**439**	62
Provision of impairment of ore (note 8)	–	20
Irrecoverable VAT written off	**46**	184
Penalties and fines	**756**	514
Fees payable to the Company's auditors for the audit of the Company	**55**	28
Fees payable to the Company's auditors for the audit of the Group financial statements	**192**	150

11 Income tax

Tax charged in the income statement

	2023 $000	2022 $000
Deferred taxation		
Arising from origination and reversal of temporary differences	**546**	181

The tax on profit before tax for the year is lower than the standard rate of tax in Kazakhstan (2022 – lower than the standard rate of tax in Kazakhstan) of 20% (2022 – 20%).

The differences are reconciled below:

	2023 $000	2022 $000
Profit before tax	**11,885**	13,415
Corporation tax at standard rate	**2,377**	2,683
Effect of different UK tax rates on some earnings	**(336)**	(129)
Effect of expenses not deductible in determining taxable profit	**1,326**	720
Current year tax losses and other temporary differences not recognised	**817**	141
Foreign exchange allowable losses in subsidiary	**(3,638)**	(3,234)
Total tax charge	**546**	181

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2023

11 Income tax continued

Deferred tax

Group

Deferred tax assets and liabilities are offset were they arise within the subsidiaries in Kazakhstan. The Group has recognised the deferred tax asset only to the extent that it is probable that the taxable profit will be available against which the deductible temporary difference can be utilised. The future tax profits are expected to derive from the gold mining operations in Kazakhstan. The tax losses arising in the prior periods will reduce the Company's and its subsidiaries' future tax liabilities. Deferred tax assets are recognised as the Directors believe that sufficient taxable profits will be made against which the carried forward losses can be utilised.

Unutilised taxation losses arising in Kazakhstan of US$14.5m (2022: US$34.6m) are available to carry forward for a maximum of 10 years. It is estimated that the tax losses available to carry forward will be utilised by 2024. Unutilised tax losses arising in the UK amount to US6.2m (2022: US$7.7m).

Expiry of tax losses in Kazakhstan

Unrecognised deferred taxation assets

	2023 US$000	2022 US$000
Taxation losses	**1,160**	1,808

The unrecognised taxable losses above arise in relation to the parent Company, this amount has been carried forward as the Directors are uncertain if there will be sufficient taxable profits in the foreseeable future to offset the losses incurred.

	Taxation losses US$000	Accelerated taxation depreciation US$000	Other timing differences US$000	Total US$000
1 January 2022	8,908	(228)	(491)	8,189
Credit/(debit) to income	–	163	(344)	(181)
Debit to other comprehensive income	(1,407)	–	–	(1,407)
Currency translation	(576)	12	15	(549)
31 December 2022 and 1 January 2023	6,925	(53)	(820)	6,052
Debit to income	–	(517)	(29)	(546)
Debit to other comprehensive income	(4,075)	–	–	(4,075)
Currency translation	54	(49)	(17)	(12)
31 December 2023	**2,904**	**(619)**	**(866)**	**1,419**

12 Earnings per ordinary share

The calculation of basic and diluted earnings per share from continuing operations is based upon the retained profit from continuing operations for the financial year of US$11.3m (2022: US$13.2m).

The weighted average number of ordinary shares for calculating the basic earnings per share in 2023 and 2022 is shown below.

	2023 No.	2022 No.
Basic	**27,332,934**	27,332,934
Diluted	**27,332,934**	27,332,934

13 Adjusted EBITDA

The Directors of the Company have presented the performance measure adjusted EBITDA (earnings before interest, tax, and depreciation) as they monitor this performance measure at a consolidated level, and the Directors believe it is relevant to measuring the Groups performance. Adjusted EBITDA is calculated by adjusting the net profit for interest, tax and depreciation.

13 Adjusted EBITDA continued

Adjusted EBITDA is not a defined performance measure in IFRS. The Group's definition of adjusted EBITDA may not be comparable with similarly titled performance measures as disclosed by other entities.

Reconciliation of adjusted EBITDA to profit after tax

	2023 US$000	2022 US$000
Profit after tax	**11,339**	13,233
Income tax expense	**546**	181
Finance expense	**4,283**	3,096
Foreign exchange	**(252)**	504
Depreciation and amortisation	**6,989**	4,936
Fair value adjustment on loan	**(630)**	–
Adjusted EBITDA	**22,275**	21,950

14 Intangible assets

Group

	Teren-Sai geological data $000	Teren-Sai Exploration and evaluation costs $000	Other intangible assets $000	Total $000
Cost or valuation				
At 1 January 2022	8,801	9,825	–	18,626
Additions	–	240	–	240
Amortisation capitalised	–	541	–	541
Currency translation	(589)	(654)	–	(1,243)
At 31 December 2021	8,212	9,952	–	18,164
At 1 January 2023	8,212	9,952	–	18,164
Additions	–	7	759	766
Amortisation capitalised	–	546	–	546
Currency translation	146	179	61	386
At 31 December 2023	**8,358**	**10,684**	**820**	**19,862**
Amortisation				
At 1 January 2022	5,122	146	–	5,268
Amortisation charge	541	–	–	541
Currency translation	(343)	–	–	(343)
At 31 December 2022	**5,320**	**146**	**–**	**5,466**
At 1 January 2023	5,320	146	–	5,466
Amortisation charge	546	–	75	621
Currency translation	97	–	17	114
At 31 December 2023	**5,963**	**146**	**92**	**6,201**
Carrying amount				
At 31 December 2023	**2,395**	**10,538**	**728**	**13,661**
At 31 December 2022	**2,892**	**9,806**	**–**	**12,698**
At 1 January 2022	**3,679**	**9,825**	**–**	**13,504**

The intangible assets relate to the historic geological information pertaining to the Teren-Sai ore fields. The ore fields are located in close proximity to the current mining operations of Sekisovskoye. The Company obtained a licence for exploration and evaluation on the site in May 2016 from the Kazakh authorities, the addendum to the licence was extended for a two year period in March 2024. Funds have been allocated in the 2024 budget to continue the planned exploration work based on the agreed work program with the Kazakh authorities.

The value of the geological data purchased is in the opinion of the Directors the value that would have been incurred if the drilling had been undertaken by a third party (or internally). The Company has continued to develop the site with a CPR completed in 2019 on one of the fifteen target zones area 2, which includes 3 potential targets, and further exploration works in the other areas. Full details are given in the mineral resources statement included as part of the Annual Report. The directors consider that no impairment is required taking into account the CPR results, exploration and planned production in the future. The write off of the geological data is being made over the exploration licence term, the costs amortised are capitalised as part of the exploration asset in line with the Company's accounting policy.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2023

14 Intangible assets continued

The bank loan from Bank Center Credit is secured on the assets of the Group see note 22.

15 Property, plant and equipment

Group

	Mining properties $000	Freehold Land and buildings $000	Equipment, fixtures and fittings $000	Plant, machinery and buildings $000	Assets under construction $000	Total $000
Cost or valuation						
At 1 January 2022	16,009	25,034	13,069	9,710	2,822	66,644
Additions	3,936	42	837	6	4,295	9,116
Disposals	–	–	(476)	(33)	–	(509)
Transfers	–	4,387	187	65	(4,639)	–
Transfer from inventories	–	–	–	–	(16)	(16)
Currency translation	(1,584)	(1,673)	(929)	(674)	(183)	(5,043)
At 31 December 2022	18,361	27,790	12,688	9,074	2,279	70,192
At 1 January 2023	18,361	27,790	12,688	9,074	2,279	70,192
Additions	4,971	349	7,312	10,708	15,818	39,158
Disposals	–	(6)	(592)	(17)	–	(615)
Transfers	–	5,586	–	–	(5,586)	–
Transfer from inventories	–	–	–	–	682	682
Currency translation	487	516	178	163	19	1,363
At 31 December 2023	**23,819**	**34,235**	**19,586**	**19,928**	**13,212**	**110,780**
Depreciation						
At 1 January 2022	3,350	13,319	9,105	5,520	–	31,294
Charge for year	800	2,128	893	770	–	4,591
Eliminated on disposal	–	–	(464)	(33)	–	(497)
Currency translation	(227)	(986)	(590)	(368)	–	(2,171)
Transfers	–	–	–	–	–	–
At 31 December 2022	3,923	14,461	8,944	5,889	–	33,217
At 1 January 2023	3,923	14,461	8,944	5,889	–	33,217
Charge for the year	1,452	2,474	1,250	1,739	–	6,915
Eliminated on disposal	–	(6)	(555)	(41)	–	(602)
Currency translation	125	280	152	100	–	657
Transfers	–	–	–	–	–	–
At 31 December 2023	**5,500**	**17,209**	**9,791**	**7,687**	**–**	**40,187**
Carrying amount						
At 31 December 2023	**18,319**	**17,026**	**9,795**	**12,241**	**13,212**	**70,593**
At 31 December 2022	**14,438**	**13,329**	**3,744**	**3,185**	**2,279**	**36,975**
At 1 January 2022	**12,659**	**11,715**	**3,964**	**4,190**	**2,822**	**35,350**

Capitalised cost of mining property are written off over the life of the licence from commencement of production on a unit of production basis. This basis uses the ratio of production in the period compared to the mineral reserves at the end of the period. Mineral reserves estimates are based on a number of underlying assumptions, which are inherently uncertain. Mineral reserves estimates take into consideration estimates by independent geological consultants. However, the amount of mineral that will ultimately be recovered cannot be known until the end of the life of the mine. Details of the reserves of the Company are included in the mineral resources statement on page 17.

Any changes in reserve estimates are, for depreciation purposes, treated on a prospective basis. The recovery of the capitalised cost of the Group's property, plant and equipment is dependent on the development of the underground mine.

The Directors are required to consider whether the non-current assets comprising, mineral properties, plant and equipment have suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the choice of a discount rate in order to calculate the present value of the cash flows. The directors considered entity specific factors such as available finance, cost of production, grades achievable, and sales price. The directors have concluded that no adjustment is required for impairment. The discount rate applied has been calculated using the factors and financing relevant to the Company and industry, and based at a level of 12-13%. Expansion and growth of the Company has been considered as a key factor, details of which are expanded upon in the Chief Executives Review on page 3.

The bank loan from Bank Center Credit is secured on the assets of the Group see note 22.

The additions to tangible assets in the year includes an amount of US$553,000 in relation to capitalised interest.

16 Investments

Summary of the company investments

Name	Percentage held	Country of registration & operation
Directly held		
AltynGold Holdings Limited	100	British Virgin Islands
TOO GMK Altyn MM	100	Kazakhstan
Indirectly held		
DTOO Gornorudnoe Predpriatie Baurgold	100	Kazakhstan

The principal activity of all companies relates to gold mining and production with the exception of AltynGold Holdings Limited which is an investment holding Company and is currently dormant, its registered address is Palm Grove House, P O Box 438, Road Town, Tortola, British Virgin Islands.

Both trading companies are based in Republic of Kazakhstan, the registered office address for both is Building 19, Amangeldi Imanov Street, Baikonyr district, Astana.

	Shares US$000	Contribution to investment adjustment US$000	Subsidiaries loans US$000	Total US$000
1 January 2022	225	50,114	63,795	114,134
Repayment of loans from subsidiary	–	–	(10,182)	(10,182)
Adjustment as a result of loan repayment		(2,207)	2,207	–
Management charges and interest	–	–	5,815	5,815
Impairment reversal – IFRS9	–	–	11,361	11,361
31 December 2022	225	47,907	72,996	121,128
Payment of loans to subsidiary	–	–	3,636	3,636
Management charges and interest	–	–	5,672	5,672
Impairment charge – IFRS9	–	–	(1,337)	(1,337)
31 December 2023	225	47,907	80,967	129,099

	Total US$000
Movement of expected credit loss	
1 January 2022	33,580
Impairment – IFRS9	(11,361)
31 December 2022	22,219
Impairment reversal – IFRS9	1,337
31 December 2023	23,556

The investments together with the loans which are denominated in US Dollars represent the investments into the subsidiaries and in the opinion of the directors the aggregate value of the investments in the subsidiaries is not less than the amount shown in these financial statements. The directors review the intercompany borrowings on a regular basis, together with the associated cash flows of each company, and assess under the expected credit loss (ECL) model as required by IFRS 9.

The loans to subsidiaries are charged at a interest rates ranging from interest free to a range of 5-7%. The intercompany loans are repayable at the earliest in October 2029 as the parent Company needs to give a three year formal request for repayment after the Bank Center Credit loan has been repaid which is due for payment in October 2026.

The Company has applied IFRS 9 in the current period and estimates that there is a charge to the ECL calculated of US$1,337,000 (2022: reversal US$11,361,000) on the receivables from the subsidiaries. The total ECL as at 31 December 2023 is US$23.6m (2022: US$22.2m).

The intercompany loans at present are considered to be in stage 2, and have been assessed as indicated in the IFRS 9 ECL model. As the loans are considered to be in stage 2 a lifetime ECL is determined using all relevant, reasonable and supportable historical, current and forward-looking information that provides evidence about the risk that the subsidiaries will default on the loan and the amount of losses that would arise as a result of that default. The Company applied a spread of sensitivities ranging from full recovery estimated at 15%, to a recovery of 80% of the loans at a 80% probability, based on a weighted average of the probabilities the Company estimated a total ECL to be provided of US$23.6m. If the probability of recoverability worsened by 10% the ECL would increase by US$3.0m.

The impairment is recognised in the income statement within administrative expenses.

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17 Inventories

	Group 2023 $000	Group 2022 $000
Ore	**9,791**	6,184
Raw materials and consumables	**4,686**	2,578
Work in progress	**708**	379
Finished goods and goods for resale	**2,279**	2,119
	17,464	11,260

The value of inventories above is stated net of a provision for low grade ore and spare parts of US$1.4.m (2022: US$1.1m). The increase of provisions of US$288,000 is due to an additional provisions made against spare parts.

The movement in inventories recognised as an expense in the income statement is US$13.6m (2022: US$7.6m) see note 10.

18 Trade and other receivables

Non-current

	Group 2023 US$000	Group 2022 US$000	Company 2022 US$000	Company 2021 US$000
VAT recoverable	**3,714**	1,870	**–**	–
Prepayments – advances for equipment	**14,640**	12,730	**–**	–
	18,354	14,600	**–**	–

Current

	Group 2023 $000	Group 2022 $000	Company 2023 $000	Company 2022 $000
Trade receivables	**1,973**	1,992	**–**	–
Provision for impairment of trade receivables	**(320)**	(165)	**–**	–
Net trade receivables	**1,653**	1,827	**–**	–
VAT recoverable	**10,672**	6,655	**7**	9
Prepayments	**6,257**	8,914	**7**	6
Prepayments – provision	**(164)**	(795)	**–**	–
Other receivables – recoverable	**47**	22	**–**	–
	18,465	16,623	**14**	15
Total current trade and other receivables	**18,465**	16,623	**14**	15

The trade receivables are stated at full carrying value and their ageing is less than 30 days old. The Directors consider that the carrying value of trade receivables approximates to their fair value.

Prepayments recoverable in more than one year relate to amounts to be capitalised for plant and mining services prepaid in advance. Value Added Tax, recoverable in more than one year is expected to be recovered by offset against VAT payable in future periods.

19 Trade and other payables

Non-current

	Group 2023 US$000	Group 2022 US$000	Company 2023 US$000	Company 2022 US$000
VAT payable	**114**	332	**–**	–
Other taxes payable	**133**	688	**–**	–
	247	1,020	**–**	–

Current

	Group 2023 $000	Group 2022 $000	Company 2023 $000	Company 2022 $000
Trade payables	**1,890**	1,590	**10**	12
Other taxes payable	**6,164**	2,906	**16**	50
Other payables	**1,604**	1,758	**1,187**	911
	9,658	6,254	**1,213**	973

19 Trade and other payables continued

Trade creditors and accruals principally comprise amounts outstanding for trade purchases of goods and services. The majority of the trade creditors relate to the Company's trading subsidiaries in Kazakhstan. For most suppliers, interest is not charged on trade payables. The Company regularly reviews all outstanding payables to ensure they are paid within the appropriate time frame. VAT payable relates to amounts due and payable and scheduled for payment to the Kazakh tax authorities.

The Company has agreed a payment plan with the Kazakh authorities in relation to the payment of royalties which are due. The portion agreed to be paid within one year is US$5.2m (2022: US$2.6m) the balance due of US$133,000 (2022: US$688,000) is payable in more than one year.

The Directors consider that the carrying amount of trade payables approximates to their fair value.

20 Related party transactions

Remuneration of key management personnel

The remuneration of the Directors, who are the key management personnel of the Company, is set out below in aggregate for each of the categories specified in IAS 24 – "Related Party Disclosures". The total amount remaining unpaid with respect to remuneration of key management personnel amounted to US$49,000 in the current year (2022: US$149,000). Further information about the remuneration of the individual directors is set out in the audited section of the report on directors' remuneration on page 34.

	Group 2023 US$000	Group 2022 US$000	**Company 2023 US$000**	Company 2022 US$000
Short term employee benefits	**301**	286	**301**	286
Social security costs	**22**	21	**22**	21
	323	307	**323**	307

Related party transactions

The transactions between the Company and the subsidiaries are disclosed in Note 16. These relate to management and interest charges on services/loans from the parent to the subsidiaries in Kazakhstan.

During the year the following transactions were carried out with companies controlled by the Assaubayev family by virtue of their controlling shareholdings in the companies:

- Asia Mining Group (AMG), a company controlled by the Assaubayev family supplied equipment and spares to the Company in prior years. At the year end an amount of US$79,617 was due to AMG (2022: US$78,234);
- Amounts due by the Group to Amrita Investments Limited a company controlled by the Assaubayev family, total US$644 (US$1,000). This is repayable on demand;
- Baurgold made sales of services to Altyn Group Qazaqstan LLP of US$581,000 (2022: US$Nil) in the year. Of this amount US$650,000 (2022: US$Nil) was outstanding at 31 December 2023.
- Altyn MM made no sales of services to Altyn Group Qazaqstan LLP in the year (2022: US$279,000). Outstanding balance is in amount of US$437,500 (2022: US$430,000) as at 31 December 2023.
- US$1,000 (2022: US$1,000) is due to Bolat Assaubayev a family member.
- During the year an amount of US$460,000 was paid to MM Petroleum to purchase oil and related products from its subsidiary 5A Oil LLP. No amounts are outstanding at the year end.

21 Provisions

	Abandonment & restoration US$000	Holiday pay US$000	Total US$000
Group			
I January 2022	5,453	232	5,685
Change in estimate of provision	–	195	195
Unwinding of discount	440	–	440
Paid during the year	–	(143)	(143)
Currency translation adjustment	(376)	(21)	(397)
31 December 2022 & 1 January 2023	5,517	263	5,780
Change in estimate of provision		250	250
Unwinding of discount	481	–	481
Paid during the year	–	(193)	(193)
Currency translation adjustment	91	4	95
31 December 2023	6,089	324	6,413

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2023

21 Provisions continued

	Abandonment & restoration US$000	Holiday pay US$000	Total US$000
31 December 2023			
Current	–	324	324
Non-current	6,089	–	6,089
	6,089	324	6,413
31 December 2022			
Current	–	263	263
Non-current	5,517	–	5,517
	5,517	263	5,780

Abandonment and restoration costs

In accordance with the provisions of the subsoil use contract (the "Contract"), DTOO GRP Baurgold is liable for site restoration costs upon completion of production activities. It is not possible to predict accurately the amount which might ultimately be payable for site restoration as it includes assumptions such as inflation in Kazakhstan over the life of the Contract which are inherently uncertain. An estimate of the future cost of restoration has been discounted and a provision recognised. The discounted amount for cost of restoration has been capitalised within mining properties as a tangible fixed asset (note 15) and will be amortised using the unit of production method over the life of the mine. The key estimates in the calculation of the restoration provision are the initial costs of restoration to include labour, materials and equipment, from the initial study an inflationary factor has been applied to bring it up to current prices which has then been discounted at a rate of 8%-9% over the period to the end of the licence period in 2029.

In accordance with the subsoil use agreement, DTOO GRP Baurgold has established a cash fund to pay for the cost of restoration. The cash fund is maintained in a separate bank account in the name of DTOO GRP Baurgold. DTOO GRP Baurgold is required to contribute each year an amount equal to 1% of its operating expenses, (being the cost of sales of DTOO GRP Baurgold in extracting the ore) to this fund. Any transfers from the bank account require the authorisation of the Government of Kazakhstan. This fund will be used to pay for the costs of restoration as and when they become due. If the funds in the account are insufficient to pay for the costs, DTOO GRP Baurgold will be required to pay any deficit. If there are funds surplus to those required for restoration these will be returned to DTOO GRP Baurgold.

At the year end the amount in the fund amounted to US$33,000 (2022: US$50,000). The Company has an obligation to contribute to the restricted cash fund as stipulated in its licence, and has been in communication with the relevant authorities to restore the fund to the required level in future periods. The failure to comply in the year with certain administrative requirements of the licence including the maintenance of the cash fund may result in a penalty estimated to be less than US$2,000.

22 Loans and borrowings

	Group 2023 US$000	Group 2022 US$000	**Company 2023 US$000**	Company 2022 US$000
Current loans and borrowings				
Bonds	**–**	–	**–**	–
Bank loans	**18,130**	13,609	**–**	–
Related party loans (see note 20)	**2**	2	**–**	–
Other borrowings	**–**	–	**–**	–
Total current loans and borrowings	**18,132**	13,611	**–**	–
Due one – two years				
Bond	**9,582**	–	**9,582**	–
Bank loans	**12,523**	3,482	**–**	–
	22,105	3,482	**9,582**	–
Due two – five years				
Bank loans	**18,264**	6,019	**–**	–
Due more than five years				
Amount due to subsidiary Company	**–**	–	**–**	31,119
Total non-current loans and borrowings	**40,359**	9,501	**9,582**	31,119
Total borrowings	**58,491**	23,112	**9,582**	31,119

Bond Listed on Astana International Exchange

Bonds to the value of US$10m at a coupon rate of 10.5% were raised in March 2023, repayable in March 2025. At the year end the carrying value of US$9.6m approximates to their fair value.

22 Loans and borrowings continued

Bank loans

In September 2019 the Company agreed a facility with JSC Bank Center Credit (BCC) for an amount of US$17m. The bank loan is repayable in instalments and bears interest at 6%-7%, with the final instalment due in 2026. At the year end US$6.2m was outstanding.

In December 2020 the Company agreed a facility with BCC of US$5.5m (2.3bn Tenge), The loan is denominated in Kazakh Tenge with interest at 15.5% repayable in instalments with the final instalment due in 2025, at the year end 1.1bn Kazakh Tenge was outstanding, (US$2.4m).

Additional finance from Bank Center Credit was obtained in 2022 for US$40m, of this amount US10m was a direct cash injection and US$30m as a credit line administered by the bank to purchase additional machinery.

The initial loan of US$10m was drawn down in November 2022, the loan is on a rolling basis and incurs interest at a fixed rate of 7.2%, repayments are commencing in May 2024.

The US$30m credit line has a capital repayment holiday until January 2024, and incurs interest at 7% with a 3% draw-down charge on each tranche. In December 2023 the Company signed the addendum to this credit line for an additional US$7m on the same terms during 2023 US$3.8m was drawn down of the additional facility.

The bank loans are secured over the assets of the Company by a floating charge.

The total borrowings of the Group disclosing the scheduled repayments of capital and interest are disclosed in note 25.

Amount owed to subsidiary

The amount due by the Company to the subsidiary was waived by the subsidiary in the year.

23 Notes to the cash flow statement

	Group 2023 US$000	Group 2022 US$000	Company 2023 US$000	Company 2022 US$000
Profit before taxation	**11,885**	13,414	**33,607**	12,891
Adjusted for:				
Finance income	**–**	–	**(2,484)**	(2,771)
Finance expenses	**3,582**	2,320	**788**	2,502
Unwinding of discount	**701**	776	**(2,794)**	(2,270)
Depreciation and amortisation of fixed assets	**6,989**	4,589	**–**	–
Provisions (reversal)/provision	**440**	277	**1,248**	(11,292)
(Increase) in inventories	**(6,971)**	(2,796)	**–**	–
(Increase) in trade and other receivables	**(3,326)**	(7,486)	**(90)**	(78)
Loss on disposal	**13**	13	**–**	–
Decrease/(increase) in trade and other payables	**1,590**	623	**241**	(78)
Waiver of intercompany balance	**–**	–	**(31,119)**	–
Foreign currency translation	**(252)**	504	**–**	–
Cash inflow/(outflow) from operations	**14,651**	12,234	**(603)**	(1,096)

Reconciliation of movement of loans and borrowings

Group	1 January 2023 B/fwd US$000	Cashflow New loans US$000	Cashflow Loans repaid US$000	Cash changes Interest repaid US$000	Non-cash changes Interest charges and discount US$000	Non-cash changes Foreign exchange US$000	Non-cash changes Receivables net-off US$000	31 December 2023 C/fwd US$000
Loan element of Kazakhstan listed bond	–	9,370	–	(788)	1,000	–	–	**9,582**
Other borrowings	23,110	42,111	(16,581)	(2,440)	2,811	(104)	–	**48,907**
Related party borrowings	2	–	–	–	–	–		**2**
Net cash outflow from financing activities	**23,112**	**51,481**	**(16,581)**	**(3,228)**	**3,811**	**(104)**	**–**	**58,491**
Due within one year	13,511							**18,132**
Due after one year	9,501							**40,359**
	23,012							**58,491**

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2023

23 Notes to the cash flow statement continued

Details in relation to related party loans are disclosed in note 20.

Company	1 January 2023 B/fwd US$000	Cashflow: New loans US$000	Cashflow: Loans repaid US$000	Cash changes: interest repaid US$000	Non-cash changes: interest charges and discount US$000	Non-cash changes: Foreign exchange US$000	Non-cash changes: Receivables net-off US$000	31 December 2023 C/fwd US$000
Loan element of Kazakhstan listed bond*	–	9,370	–	(788)	1,000	–	–	9,582
Net cash outflow from financing activities	**–**	**9,370**	**–**	**(788)**	**1,000**	**–**	**–**	**9,582**
Due within one year	–							–
Due after one year	–							9,582
	–							**9,582**

* Loan received of US$10m s net of a broker fee of $630,000.

Group	1 January 2022 B/fwd US$000	Cashflow: New loans US$000	Cashflow: Loans repaid US$000	Cash changes: Interest repaid US$000	Non-cash changes: Interest charges US$000	Non-cash changes: Foreign exchange US$000	Non-cash changes: Receivables net-off US$000	31 December 2022 C/fwd US$000
Loan element of Kazakhstan listed bond	9,723	–	(10,000)	(900)	1,177	–	–	–
Other borrowings	17,573	11,025	(5,018)	(1,488)	1,522	(504)	–	23,110
Related party borrowings	12	–	(10)	–	–	–	–	2
Net cash outflow from financing activities	**27,308**	**11,025**	**(15,028)**	**(2,388)**	**2,699**	**(504)**	**–**	**23,112**
Due within one year	15,087							13,611
Due after one year	12,221							9,501
	27,308							**23,112**

Company	1 January 2022 B/fwd US$000	Cashflow: New loans US$000	Cashflow: Loans repaid US$000	Cash changes: Interest repaid US$000	Non-cash changes: Interest charges and unwinding of discount US$000	Non-cash changes: Foreign exchange US$000	Non-cash changes: Receivables net-off US$000	31 December 2022 C/fwd US$000
Loan element of Kazakhstan listed bond	9,723	–	(10,000)	(900)	1,177	–	–	–
Net cash outflow from financing activities	**9,723**		**(10,000)**	**(900)**	**1,177**	**–**	**–**	**–**
Due within one year	**9,723**							**–**
Due after one year	**–**							**–**
	9,723							**–**

24 Share capital

Issued and fully paid

	Number	US$000
At 31 December 2023 – Ordinary shares of £0.10 each	27,332,933	4,267
At 31 December 2022 – Ordinary shares of £0.10 each	27,332,933	4,267

The rights attaching to the shares are detailed in the Directors report on page 27.

25 Financial instruments

Financial instruments by category

Financial assets	Group 2023 US$000	Group 2022 US$000	Company 2023 US$000	Company* 2022 US$000
Cash and cash equivalents	**5,502**	116	**4,413**	70
Other receivables and advance payments	**16,340**	14,590	**–**	–
Intercompany loans	**–**	–	**80,967**	72,996
	21,842	14,706	**85,380**	73,066

Financial instruments by category

Financial liabilities	Group 2023 US$000	Group 2022 US$000	Company 2023 US$000	Company 2022 US$000
Trade and other payables	**2,444**	1,592	**163**	12
Loans and borrowings	**58,491**	23,112	**9,582**	–
Intercompany borrowings	**–**	–	**–**	31,119
	60,935	24,704	**9,745**	31,131

Financial assets and liabilities are measured at amortised cost, and at fair value through the profit or loss statement.

Policy on financial risk management

The Company's principal financial instruments comprise cash and cash equivalents, trade receivables, trade and other payables, other financial liabilities and borrowings. The Company's accounting policies and methods adopted, including the criteria for recognition, the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are set out in note 4 – "accounting policies". The Company does not use financial instruments for speculative purposes. The carrying value of all financial assets and liabilities approximates to their fair value.

Capital risk management

The Company's primary objective when managing risk is to ensure there is sufficient capital available to support the Company's funding requirements, including capital expenditure, in a way that optimises the cost of capital maximises shareholders' returns and ensures the Company's ability to continue as a going concern. There were no changes to the Company's capital management approach in the year.

The Company may make adjustments to the capital structure as opportunities arise, as and when borrowings mature or as and when funding is required. This may take the form of raising equity, debt finance, equipment supplier credit or a combination thereof.

The Company monitors capital on the basis of the gearing ratio, which is defined as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the consolidated statement of financial position) less cash and cash equivalents (which excludes restricted cash). Total capital is calculated as equity as shown in the consolidated statement of financial position plus net debt. While the Company does not set absolute limits on the ratio, the Company believes that a ratio of 30%-40% is acceptable as the Company continues the development of the underground of the Sekisovskoye mine and the exploration site at Teren-Sai, and that optimally this should reduce to and remain below 25% thereafter. The increase above 40% in the current period i s due in a large part to the expansion of the processing plan, this ratio is planned to reduce in 2024 as the loans are repaid. The Company's policy in respect of capital risk management is the same as that of the Group.

	2023 US$000	2022 US$000
Group		
Total borrowings	**58,491**	23,112
Less: cash and cash equivalents	**(5,502)**	(116)
Net debt	**52,989**	22,996
Total equity	**70,682**	62,208
Total Capital	**123,671**	85,204
Gearing ratio	**42.8%**	27.0%

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NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2023

25 Financial instruments continued

	2023 US$000	2022 US$000
Company		
Borrowings	9,582	–
Intercompany loans	–	31,119
Less: cash and cash equivalents	(4,413)	(70)
Net debt	5,169	31,049
Total equity	122,731	89,123
Total Capital	127,900	120,172
	4.04%	25.84%

Derivatives, financial instruments and risk management

The Company does not use derivative instruments or other financial instruments to manage its exposure to fluctuations in foreign currency exchange rates, interest rates and commodity prices.

Foreign currency risk management

The Company and its subsidiaries have transactional currency exposures. Such exposures arise from sales or purchases by the Company's two subsidiaries in Kazakhstan in currencies other than the Company's functional currency. The functional currency of TOO GMK Altyn MM and DTOO Gornorudnoe Predpriatie Baurgold is the Kazakh Tenge. The currency transactions giving rise to this foreign currency risk are primarily USD denominated revenues, USD denominated borrowings and other financial liabilities and certain USD denominated trade payables. The Company and its subsidiaries do not enter into hedging positions in respect of its exposure to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated net monetary assets and monetary liabilities at 31 December 2023, are as follows:

Group

	2023 US$000			2022 US$000		
	Functional currency			Functional currency		
Currency of monetary asset/liability	US$	KZT	Total	US$	KZT	Total
US Dollar	(5,183)	(45,470)	(50,653)	(5)	(19,405)	(19,410)
British Pound	(150)	–	(150)	65	–	65
Kazakhstan Tenge	–	11,710	11,710	–	(3,188)	(3,188)
Net Monetary position			(39,093)			(22,533)

Company

	2023 US$000		2022 US$000	
	Functional currency		Functional currency	
Currency of monetary asset/liability	US$	Total	US$	Total
US Dollar	(5,183)	(5,183)	41,873	41,873
British Pound	(150)	(150)	65	65
Net Monetary position		(5,333)		41,938

Sensitivity analysis

The analysis below shows the effect a 10% strengthening, or weakening, of any one of the above currencies against the US Dollar. The Directors are of the opinion that the Kazakh Tenge may recover from this devaluation but not to any great extent. As the Company earns it revenues in US Dollars and incurs significant expenditure in Kazakh Tenge, the devaluation is seen as benefiting the overall financial position of the Company.

Group	2023 US$000	2022 US$000
10% weakening/strengthening of Kazakh Tenge against the US Dollar	(3,376)	(2,279)

Commodity price risk

The Company is exposed to the effect of fluctuations in the price of gold and silver which are quoted in US Dollars on the international markets. The Company prepares annual budgets and periodic forecasts including sensitivity analyses in respect of various levels of prices of these metals.

The Company's only significant sales during the years ended 31 December 2023 and 2022 were sales of gold doré containing gold and silver. The sales proceeds for gold doré is fixed by reference to the gold and silver prices on the day of sale. The Company does not plan in the future to hedge its exposure to the risk of fluctuations in the price of gold or silver and therefore it held no financial instruments that are sensitive to commodity price changes at either reporting date.

25 Financial instruments continued

Credit risk

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in a financial loss to the Company. The Group has adopted a policy of only dealing with creditworthy counter-parties. The Group's exposure and the credit ratings of its counter-parties are monitored by the Board of Directors to ensure that the aggregate value of transactions is spread amongst approved counter-parties. In the current climate of uncertainty and the situation regarding sanctions being imposed on Russia, the Company is aware that there may be issues in relation to recoverability and safe guarding of its assets and has built this into their assessments of the creditworthiness of counter-parties. The Company currently has no trading with Russia and there are no material assets at risk.

The Group's principal financial assets are cash and cash equivalents, trade debtors and other accounts receivables. Cash equivalents include amounts held on deposit with financial institutions.

The Group is mainly exposed to credit risk on its cash equivalents and trade and other receivables as per the balance sheet. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet which at the year end amounted to a total of US$21.8m (2022: $14.7m). These include significant prepayments for mining and capital works which are being recovered as work progresses and equipment is delivered during 2024, principally relating to the processing plant upgrade.

Although the full tax audits have been completed in the prior years and showed no material issues, there is always the possibility of fiscal change in the country. There have been a number of fiscal changes in recent years, which in some cases related to the mining industry, this may become more prevalent as all countries adapt to climate change.

The credit risk on liquid funds held in current accounts and available on demand is limited because the Group's counter-parties are mainly banks with high credit ratings assigned by international credit-rating agencies.

It is often impractical in Kazakhstan to carry out a check of creditworthiness of suppliers before making the contracted prepayments. However significant contracts have to go through a tender process prior to the contract being awarded in the subsidiary that holds the mining licence. In order to apply under the tender process the creditworthiness of the supplier will be assessed as part of the procedures. There were no significant balances at 31 December 2023 and 2022 in respect of which suppliers had defaulted on their obligations.

The parent Company's maximum exposure to credit risk is limited to the carrying amount of loans recorded in the financial statements. The majority of the loans are on fixed repayment terms in relation to intercompany borrowings the Company has applied IFRS 9 which resulted in a significant impairment in the prior periods. The loans are reviewed on a regular basis and provisions made in line with IFRS 9.

Liquidity risk

During the year ended 31 December 2023, the Company was financed by internally generated funds, and other borrowings principally from bank borrowings. The Company manages its liquidity risk, the Directors monitor cash flow and cash flow forecasts on a regular basis and ensure that the loan commitments and working capital commitments are adequately funded.

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

Group	Borrowings US$000	Trade and other payables US$000	Total US$000
31 December 2023			
From two to five years	**20,629**	**–**	**20,629**
From one to two years	**24,215**	**–**	**24,215**
Due after more than one year	**44,844**	**–**	**44,844**
Due within one year	**21,433**	**2,443**	**23,876**
	66,277	**2,443**	**68,720**

Group	Borrowings US$000	Trade and other payables US$000	Total US$000
31 December 2022			
From two to five years	9,769	–	9,769
For one to two years	4,593	–	4,593
Due after more than one year	14,362	–	14,362
Due within one year	6,673	1,581	8,254
	21,035	1,581	22,616

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2023

25 Financial instruments continued

Company	Intercompany loan US$000	Borrowings US$000	Trade and other payables US$000	Total US$000
31 December 2023				
Due between one and two years	**–**	**10,131**	**–**	**10,131**
Due within one year	**–**	**–**	**163**	**163**
	–	**–**	**163**	**10,294**

Company	Intercompany loan US$000	Borrowings US$000	Trade and other payables US$000	Total US$000
31 December 2022				
Due after more than five years	47,995	–	–	47,995
Due within one year	–	–	12	12
	47,995	–	12	48,007

Borrowings and interest rate risk

There is no exposure to interest rate risk as the current principal borrowings in the Company and its subsidiaries are at fixed rates. The bank borrowings are predominately at average interest rates of 6-7%, see note 22.

The significant commitments and contingencies in relation to the group are as noted below:

(a) Contractual liabilities

Subsoil use rights are not provided to the Company on an indefinite basis, and each renewal shall be applied for before the current contract or license expires. These rights can be cancelled by the Government of the Republic of Kazakhstan (hereinafter referred to as "the Government") if the Company does not fulfil contractual liabilities.

Deposit development costs

In accordance with the subsoil use contract, the Company has an approved working programme which may be reviewed and reconsidered depending on the economic viability and operational conditions of the deposit. The management of the Company believes it has fulfilled the requirements of the Contract.

Training for Kazakhstani specialists

In accordance with the terms of the contract the Company is liable for the annual costs incurred in respect of the professional training of the Kazakhstani personnel involved in the work. The costs are estimated to be at least 1% of the operational costs during the development and operational process.

Development of the social sphere of the region

According to the terms of the contract, the Company is liable for supporting the development and ensuring social support for the activity of the communities near the area of operations of the Company. As at 31 December 2023, the Company has met all the conditions of the Contract.

Liabilities on the restoration of the mine

Within eighty calendar days upon the expiration of the contract the Company is liable for the development of the mine restoration programme and its inspection by the competent authority of the Government of the Republic of Kazakhstan. The Company is liable for implementation of the programme upon its approval.

(b) Taxation risks

The tax system of Kazakhstan, being relatively new, is characterised by frequent changes to the legal norms, official interpretations and court decisions, which are often not explicit and can be contradictory. This leads to differing interpretations by the tax authorities. The examination and investigations of the accounts to ensure that the tax payable is accurate are carried out by several regulatory bodies. These bodies have the power to impose heavy fines and penalties. The accuracy of the tax computation can be investigated five calendar years after the end of the accounting period. In certain circumstances this period can be increased.

(c) Insurance

In accordance with the subsoil use contract the Company is liable for the development of the insurance programme and its submission for approval by the competent authority. The Company has several contracts of obligatory insurance including insurance of the vehicle owners, the employer's liability and insurance of the subsoil users' liability where the activity of such subsoil users is connected to the damage to third parties.

(d) Court proceedings

The claims on the Company are periodically set out in the courts along with the Company's activities. As at the reporting date, there are no material claims against the Company.

26 Parent and ultimate parent undertaking

The controlling party and parent entity of the Company is AGold Mining Group Plc (formerly African Resources Limited), by virtue of the fact that at the date of this report it owns 65.6% (2022: 65.6%) of the voting rights in the Company. There is no requirement to prepare consolidated accounts for AGold Mining Group Plc, which is registered in the British Virgin Islands.

The ultimate controlling party are the Assaubayev family, by virtue of the fact that they are the controlling party of AGold Mining Group Plc.

27 Non adjusting events after the financial period and capital commitments

In March 2024 the Company received the addendum to the original exploration licence allowing a further two years exploration works to be carried out at Teren-Sai.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of the AltynGold Plc (the "Company") will be held at Langham Court Hotel, 31-35 Langham Street, London W1W 6BU, United Kingdom on 21 June 2024 at 11.00am in order to consider and, if thought fit, pass resolutions 1 to 7 as ordinary resolutions and resolution 8 as a special resolution:

ORDINARY RESOLUTIONS

1. To receive the audited accounts and the reports of the Directors and auditors for the year ended 31 December 2023.

2. To approve the Directors' remuneration report and policy.

3. To re-elect Aidar Assaubayev as a Director of the Company.

4. To re-elect Andrew Terry as a Director (Executive) of the Company.

5. To re-elect Maryam Buribayeva as a Director (Non-Executive) of the Company.

6. To confirm the re-appointment of PKF Littlejohn LLP as the Company's auditors to hold office until the conclusion of the next annual general meeting at which the annual accounts are to be laid before the Company, and to authorise the Audit Committee of the Board to determine the auditors' remuneration.

7. That, in accordance with section 551 of the Companies Act 2006 (as amended) (the "Act") the directors be generally and unconditionally authorised to allot Relevant Securities (as defined in the notes to this Notice):

   a. comprising equity securities (as defined by section 560 of the Act) up to an aggregate nominal amount of £911,000 (such amount to be reduced by the nominal amount of any Relevant Securities allotted under paragraph 8b. below) in connection with an offer by way of a rights issue:

      i. to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and

      ii. to holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and

   b. in any other case, up to an aggregate nominal amount of £911,000 (such amount to be reduced by the nominal amount of any equity securities allotted in excess of £911,000 under 7a), provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the date which is 18 months after the date on which this resolution is passed or, if earlier, the date of the next annual general meeting of the Company save that the Company may, before such expiry, make offers or agreements which would or might require Relevant Securities to be allotted and the directors may allot Relevant Securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This resolution revokes and replaces all unexercised authorities previously granted to the directors to allot Relevant Securities but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

SPECIAL RESOLUTION

8. That, conditional on the passing of Resolution 7, the directors be given the general power to allot equity securities (as defined by section 560 of the Companies Act 2006 (as amended) (the "Act") for cash, either pursuant to the authority conferred by resolution 7 or by way of a sale of treasury shares, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:
   a. the allotment of equity securities in connection with an offer of equity securities (but, in the case of the authority granted under 7b., by way of a rights issue only):
      i. to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and
      ii. to holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and
   b. the allotment (otherwise than pursuant to paragraph 8a. above) of equity securities up to an aggregate nominal amount of £273,000.

The power granted by this resolution will expire on the date which is 18 months after the date on which this resolution is passed or, if earlier, the conclusion of the Company's next annual general meeting (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may, before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

This resolution revokes and replaces all unexercised powers previously granted to the directors to allot equity securities as if section 561(1) of the Act did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities.

By order of the Board

Rajinder Basra
Company Secretary

Registered Office:
28 Eccleston Square
London
SW1V 1NZ

Dated 25 April 2024

Company Number: 05048549

NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

Relevant Securities means:

- Shares in the Company other than shares allotted pursuant to:
  - an employee share scheme (as defined by section 1166 of the Act);
  - a right to subscribe for shares in the Company where the grant of the right itself constituted a Relevant Security; or
  - a right to convert securities into shares in the Company where the grant of the right itself constituted a Relevant Security.
- Any right to subscribe for or to convert any security into shares in the Company other than rights to subscribe for or convert any security into shares allotted pursuant to an employee share scheme (as defined by section 1166 of the Act). References to the allotment of Relevant Securities in the resolution include the grant of such rights.

Entitlement to attend and vote

1. Only those shareholders registered in the Company's register of members at:
   - 6.00pm on Wednesday 19 June 2024; or,
   - if this meeting is adjourned, at 6.00 pm on the day two days prior to the adjourned meeting, shall be entitled to attend and vote at the meeting. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

Appointment of proxies

2. If you are a shareholder who is entitled to attend and vote at the meeting, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

3. If you are not a member of the Company but you have been nominated by a member of the Company to enjoy information rights, you do not have a right to appoint any proxies under the procedures set out in this "Appointment of proxies" section. Please read the section "Nominated persons" below.

4. A proxy does not need to be a shareholder of the Company but must attend the meeting to represent you. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, each proxy must be appointed on a separate proxy form. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the chairman) and give your instructions directly to them.

5. Shareholders can:
   - appoint a proxy and give proxy instructions by returning the enclosed proxy form by post (see note 7);
   - register their proxy appointment electronically (see note 8);
   - if a CREST member, register their proxy appointment by utilising the CREST electronic proxy appointment service (see note 9).

   Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting and vote in person, your proxy appointment will automatically be terminated.

6. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

Appointment of proxy by post

7. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

   To appoint a proxy using the proxy form, the form must be:
   - completed and signed;
   - sent or delivered to Neville Registrars (the "Registrar"), at Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD; and
   - received by the Registrar no later than 11.00am on 19 June 2024.

In the case of a shareholder which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form. If you have not received a proxy form and believe that you should have one, or if you require additional proxy forms, please contact the Registrar on +44 (0) 121 585 1131.

Appointment of proxies electronically

8. As an alternative to completing the hard-copy proxy form, you can appoint a proxy electronically online at www.sharegateway.co.uk and completing the authentication requirements as set out on the proxy form. For an electronic proxy appointment to be valid, your appointment must be received by the Registrar no later than 11.00 am on 19 June 2024.

Appointment of proxies through CREST

9. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) of it by using the procedures described in the CREST Manual (available via www.euroclear.com). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

   In order for a proxy appointment made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & International Limited's (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the Registrar ID 7RA11 no later than 11.00 am on 19 June 2024, or, in the event of an adjournment of the meeting, 48 hours before the adjourned meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular message. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member, or has appointed a voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Appointment of proxy by joint members

10. In the case of joint holders, where more than one of the joint holders completes a proxy appointment, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

11. Shareholders may change proxy instructions by submitting a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact the Registrar on +44 (0) 121 585 1131.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

12. A shareholder may change a proxy instruction but to do so you will need to inform the Company in writing by:

- Sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Neville Registrars, at Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD. In the case of a shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

The revocation notice must be received by the Registrar no later than 11.00 am on 19 June 2024.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified, your original proxy appointment will remain valid unless you attend the meeting and vote in person.

Corporate representatives

13. A corporation which is a shareholder can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

Issued shares and total voting rights

14. As on date of signing of the accounts, the Company's issued share capital comprised 27,332,934 ordinary shares of £ 0.10 each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company is 27,332,934.

The Company's website, www.altyngold.uk will include information on the number of shares and voting rights.

Notification of shareholdings

15. Any person holding 3% or more of the total voting rights of the Company who appoints a person other than the Chairman of the Annual General Meeting as their proxy will need to ensure that both they, and their proxy, comply with their respective disclosure obligations under the Disclosure Rules and Transparency Rules.

Questions at the meeting

16. Any member attending the meeting has the right to ask questions. The Company must answer any question you ask relating to the business being dealt with at the meeting unless:

- answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; the answer has already been given on a website in the form of an answer to a question; or it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING continued

Nominated persons

17. If you are a person who has been nominated under section 146 of the Companies Act 2006 to enjoy information rights (Nominated Person):

- You may have a right under an agreement between you and the shareholder of the Company who has nominated you to have information rights (Relevant Shareholder) to be appointed or to have someone else appointed as a proxy for the meeting.
- If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Shareholder to give instructions to the Relevant Shareholder as to the exercise of voting rights.
- Your main point of contact in terms of your investment in the Company remains the Relevant Shareholder (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.

Documents on display

18. Copies of the service contracts of the executive directors and the non-executive directors' contracts for services are available for inspection at the Company's registered office during normal business hours and at the place of the meeting from at least 15 minutes prior to the meeting until the end of the meeting.

Communication

19. Except as provided above, shareholders who have general queries about the meeting should use the following means of communication (no other methods of communication will be accepted):

- Contact the Company by e-mail to info@altyngold.uk.

EXPLANATION OF RESOLUTIONS

An explanation of each of the resolutions is set out below.

ORDINARY BUSINESS

Resolutions 1 to 7 will be proposed as ordinary resolutions and will be passed if more than 50% of shareholders' votes cast are in favour.

Resolution 1: To receive the 2023 Report and Accounts
The directors of the Company (the 'Directors') must present their Annual Report and Accounts of the Company for the year ended 31 December 2023 (the 'Annual Report') to shareholders for formal adoption at the Annual General Meeting.

Resolution 2: Directors' remuneration report and policy
The Directors' remuneration report is set out in the Annual Report. In accordance with the provisions of the Act the Directors' remuneration report is the Annual Report contains:

- a statement by the Chairman of the Remuneration Committee;
- the Directors' remuneration policy in relation to future payments to the Directors and former Directors'; and the Annual Report on remuneration, which sets out payments made in the financial year ending 31 December 2023.

The statement by the Remuneration Committee Chairman and the Annual Report on remuneration will be put to an annual advisory shareholder vote by ordinary resolution. Accordingly, Resolution 2 is the ordinary resolution to approve the Directors' remuneration report. As it is an advisory vote it does not affect the actual remuneration paid to any Director.

Resolutions 3 to 5: To re-elect the Directors
Under the Company's articles of association, one third of the Directors or, if their number is not a multiple of three, then the number nearest to but not less than one-third must retire from office and then stand for re-election.

Biographical details of directors to be re-elected are set out in the Annual Report and are also available for viewing on the Company's website at www.altyngold.uk

Resolution 6: To confirm the re-appointment of the auditors and authorise the Audit Committee of the Board to determine their remuneration
The Company is required to appoint auditors at each annual general meeting at which the annual accounts and report are to be laid before the Company, to hold office until the conclusion of the next such meeting. The Audit Committee has reviewed the effectiveness, independence and objectivity of the external auditors, PKF Littlejohn LLP, on behalf of the Board which now proposes their re-appointment as auditors of the Company. Resolution 6 also authorises the Audit Committee of the Board, in accordance with standard practice, to negotiate and agree the remuneration of the auditors.

SPECIAL BUSINESS

As well as the ordinary business of the meeting outlined above, a number of special matters will be dealt with at the Annual General Meeting. Resolution 7 will be proposed as an ordinary resolution and will be passed if more than 50% of shareholders' votes cast are in favour. Resolution 8 will be proposed as a special resolution. For this resolution to be passed, at least 75% of shareholders' votes cast must be in favour.

Resolution 7: Directors' authority to allot shares
At the 2023 Annual General Meeting in June 2023 the Directors were given authority to allot shares in the Company, and Resolution 7 seeks to renew this authority for a period until the date which is 18 months after the date on which this resolution is passed or, if earlier, the date of the next annual general meeting of the Company.

This resolution would give the Directors authority to allot ordinary shares, and grant rights to subscribe for or convert any security into shares in the Company, up to an aggregate nominal value of £911,000. This amount represents approximately one-third (33.33%) of the issued ordinary share capital of the Company, as at 28 April 2024, the last practicable date prior to the publication of this document. The Company does not currently hold any shares in treasury. The extent of the authority follows the guidelines issued by institutional investors.

The Directors consider that it is appropriate for this authority and these powers to be granted to preserve maximum flexibility for the future.

Resolution 8: Disapplication of pre-emption rights
Section 561 of the Companies Act 2006 gives all shareholders the right to participate on a pro-rata basis in all issues of equity securities for cash, unless they agree that this right should be disapplied. The effect of this resolution is to empower the Directors, until the date which is 18 months after the date on which this resolution is passed or, if earlier, the date of the next annual general meeting of the Company, to allot equity securities for cash, without first offering them on a pro-rata basis to existing shareholders, but only up to a maximum nominal amount of £273,000 representing approximately 10% of the Company's issued ordinary share capital on 24 April 2024 (being the latest practicable date before the date of this document). In addition, the resolution empowers the Directors to deal with fractional entitlements and any practical problems arising in any overseas territory on any offer made on a pro-rata basis. The Directors consider that it is appropriate for this authority and these powers to be granted to preserve maximum flexibility for the future.

COMPANY INFORMATION

Directors

Mr Kanat Assaubayev	(Chairman)
Mr Aidar Assaubayev	(Chief Executive Officer)
Mr Sanzhar Assaubayev	(Executive Director)
Mr Ashar Qureshi	(Non-Executive Director)
Mr Vladimir Shkolnik	(Non-Executive Director)
Mr Andrew Charles Terry	(Non-Executive Director)
Ms Maryam Buribayeva	(Non-Executive Director)

Company secretary
Mr Rajinder Basra

Registered office & Company number
28 Eccleston Square
London
SW1V 1NZ
Company number :05048549

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10 Novostroyevskaya
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