



GV GOLD

**ANNUAL REPORT
2014**

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Message from the Chairman of the Board

Dear shareholders, colleagues and partners!



I would like to take this opportunity to review the results of our joint work in 2014, which was a challenging year. However, despite all the difficulties, we managed to enhance the success that GV Gold had achieved in previous years. The Company successfully fulfilled its production and financial plans, continued long-term projects implementation and maintained its status as one of the leaders in Russian gold mining industry.

In 2014 the Group of Companies produced 176 koz (5.5 t of Au) and the revenue from gold sales grew by 9% to RUB 8.5 b. The EBITDA margin increased to 44%. The IFRS net profit reached RUB 1.1 b. The Company also managed to decrease the total cash costs to RUB

805/g and to retain dividend payments at a stable high level.

Current cash flows allow the Company to continue to develop successfully. Under the current financing conditions in Russia, our high solvency level still lets us to raise external bank financing for implementation of our major investment projects.

In the preceding year the Company successfully completed equipment modernization at existing production facilities and continued the implementation of two key development

projects: Ugakhan and Taryn. Commissioning of these new mines in late 2016 – early 2017 will allow the Company to increase production to 546 koz (17 t of Au) by 2020.

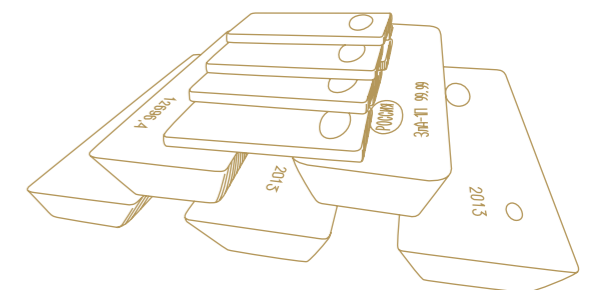
We continued expanding the resource base in the regions of our presence – in Irkutsk Region and the Sakha (Yakutia) Republic. The milestone event of 2014 was the state balance registration of the Ugakhan deposit with approved reserves of 1.5 Moz (49 t of Au). Also the Company acquired the controlling interest in the Krasny site development project and the geological survey licenses for a number of new sites.

In 2015 the Company plans to maintain the current gold production and preserve its high efficiency, continue exploration operations, complete construction and commission of the new mines as well as to provide further stable growth of shareholder value of the Company. We have a well-prepared base to achieve the stated goals due to the solid base created in 2014.

In conclusion, I'd like to express my gratitude to all management and colleagues for their competence and responsibility and to our partners and shareholders – for their trust and support.

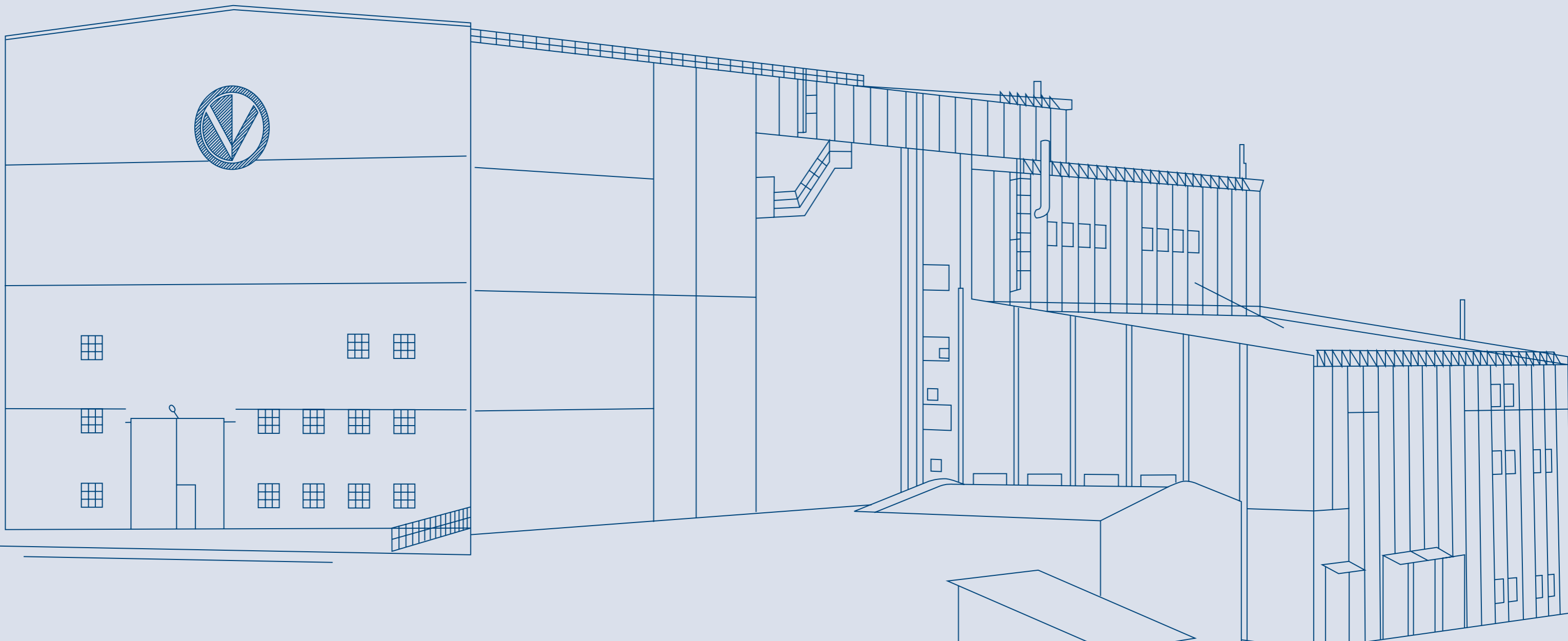
GV Gold Chairman of the Board

Sergey V. Dokuchaev



GENERAL INFORMATION

- Company at a glance
- Mission
- Strategy
- Business Footprint
- Company Development Milestones
- Company Position in the Industry



General Information

Company at a glance

GV Gold (Vysochaishy, OJSC)* is a dynamically developing Company with a high production efficiency level – it is the 8th largest gold producer in Russia. The Company produces 176 koz (5.5 t of Au) and has a balanced portfolio of mining and exploration assets.

GV Gold’s investment program is aimed at modernization of the existing facilities, new projects’ implementation and resource base expansion in the areas where the Company operates: Irkutsk Region and the Sakha (Yakutia) Republic.

Mission

Stable long-term development, forward growth of the business and its value for the benefit of the shareholders and all stakeholders, implementation of social and environmental welfare of the people and places associated with the Company’s activity.

Strategy

The Company’s strategy is based on organic growth and the consolidation of opportunities, which allow the Company to achieve stable resource base expansion and gold production growth as well as to maintain high efficiency in its operations.

After two new projects commissioning in 2016–2017 GV Gold plans to triple gold production by 2020 reaching a level of 546 koz (17 t) p. a.

Key Highlights	2013		2014	
Gold produced	175.5 koz	5 457.7 kg	176.4 koz	5 487.4 kg
Total cash costs	US\$815/oz	RUB 835/g	US\$ 660/oz	RUB 805 /g
Revenue	US\$244 M	RUB 7.4 b	US\$ 224 M	RUB 8.5 b
EBITDA margin	US\$96 M (39%)	RUB 3 b (39%)	US\$ 97 M (44%)	RUB 3.7 b (44%)

*In this Annual Report terms “GV Gold (Vysochaishy, OJSC)”, “Group of Companies”, “Group”, “Company”, “Vysochaishy” are referred to the Open Joint-Stock Company GV Gold (Vysochaishy, OJSC) as both the stand-alone legal entity and the entity comprising its subsidiary and related companies, the results of which are consolidated by GV Gold (Vysochaishy, OJSC).

2013



REVENUE

US\$ 244 M



EBITDA

US\$ 96M

EBITDA MARGIN

39%

2014



REVENUE

US\$ 224 M



EBITDA

US\$ 97M

EBITDA MARGIN

44%

Business Footprint

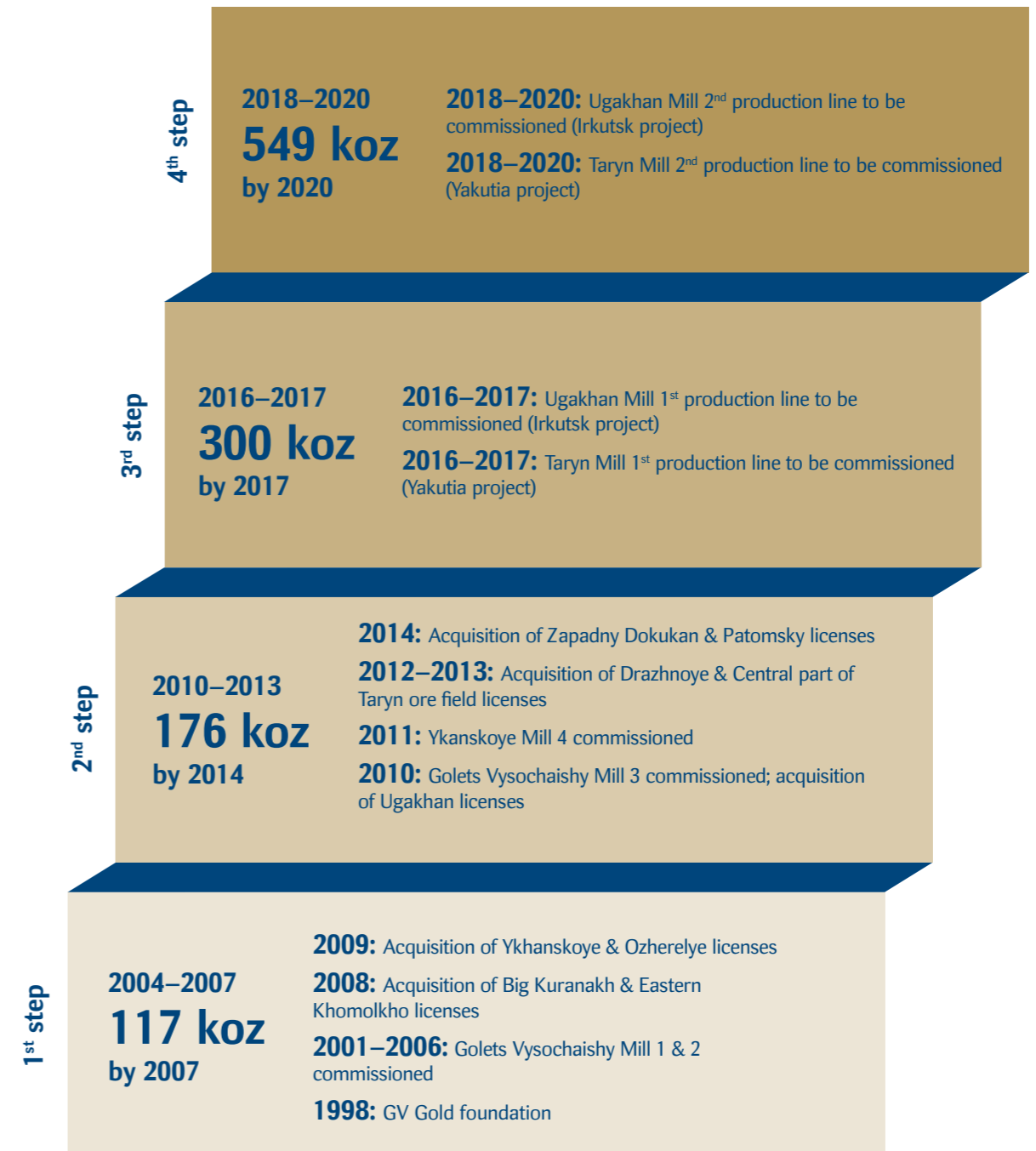
GV Gold operates in two regions of Russia. Production and large-scale exploration operations are carried out in Irkutsk Region and the Sakha (Yakutia) Republic.

Stage	Irkutsk Project	Yakutia Project
Production	Golets Vysochaishy deposit Khomolkho ore field	Big Kuranakh placer deposit Buried placer
	Ykanskoeye deposit Marakan ore field	
Development	Ugakhan deposit Verkhny-Ugakhan ore field	Drazhnoye deposit Taryn ore field
Exploration	Marakan-Tunguss ore cluster: Ozherye deposit; Babushkin deposit; Patomsky site	Central Part of the Taryn Ore Field Taryn ore field
	Khomolkho ore cluster: Central, Eastern and Northern parts; Zapadny Dokukan site	
	Krasny site Bodaibo ore cluster	

Business Footprint



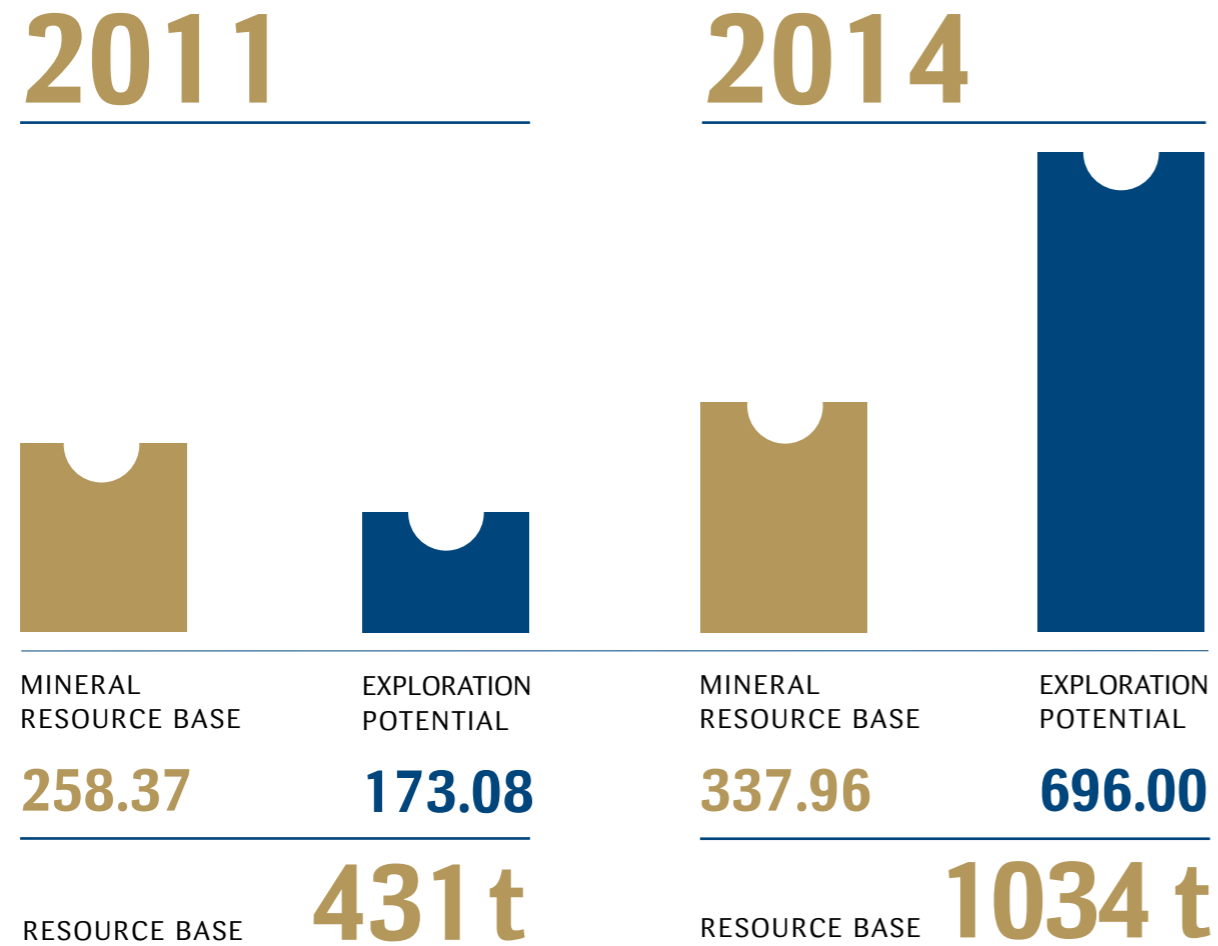
Company Development Milestones



Investments

BlackRock, 2007: acquisition of 20% stake, valuing GV Gold at US\$ 500M
EBRD, 2011: acquisition of 5% stake, valuing GV Gold at US\$ 1b

GV Gold Group Resource Base Development



Source: Company's data

Company Position in the Industry

In 2014 the tonnage of gold mined in Russia grew by 16% in comparison with 2013 and totalled 9.3 Moz (288 t). In the top global gold producers rating, led by China, Russia ranked in the second place, leaving Australia behind. The share of Russia's top gold producers in the country's total production remained at a level of 70 %.

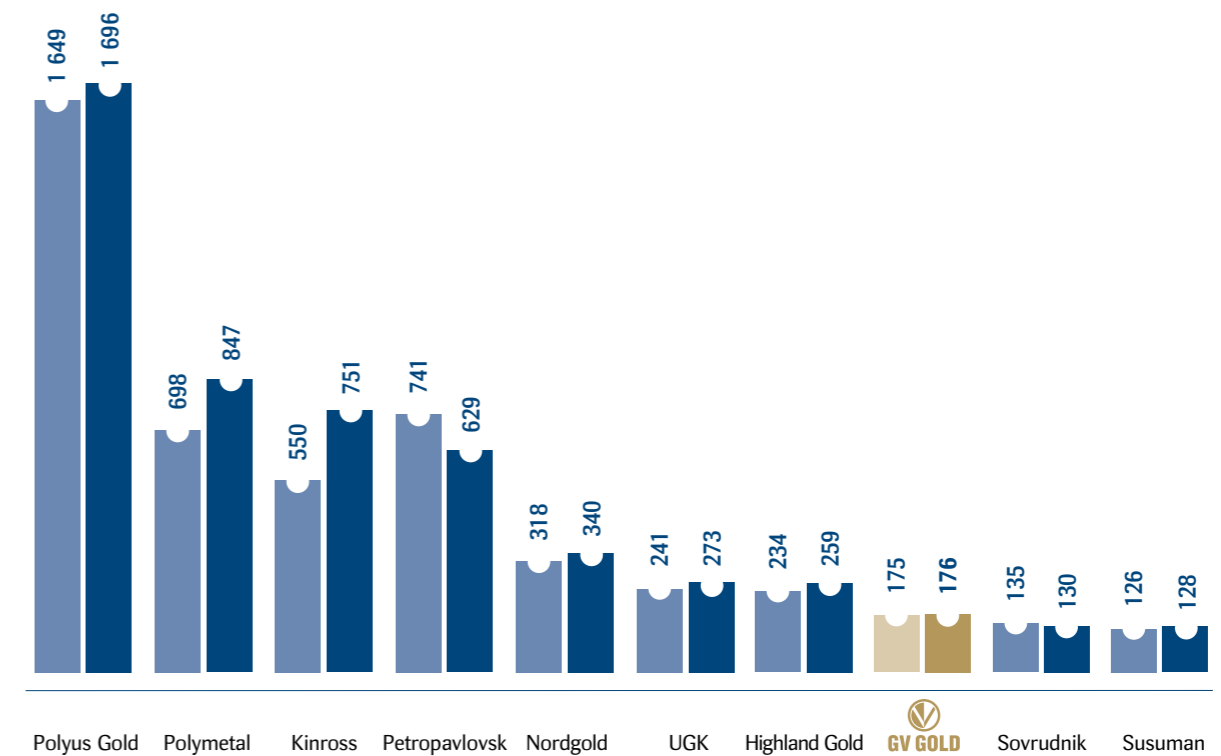
Based on the 2014 results, GV Gold maintained gold production levels of the previous year: 176.4 koz (5 487.4 kg of Au).

In 2014 the average global gold price decreased by 10% in comparison with the preceding year to

US\$ 1266 /oz. However, a significant increase in the RUB gold price, which occurred by the end of 2014 as a result of the national currency depreciation, had a positive effect on the revenue and the profit margin of Russian gold mining companies. The majority of the Russian companies increased their EBITDA margin in comparison with 2013.

The depreciation effect also contributed to the growth of the Russian companies competitive strength on the global market due to reduction in production costs in US\$ equivalent. In 2014 the Company's total cash costs decreased by 19% to US\$ 660/oz.

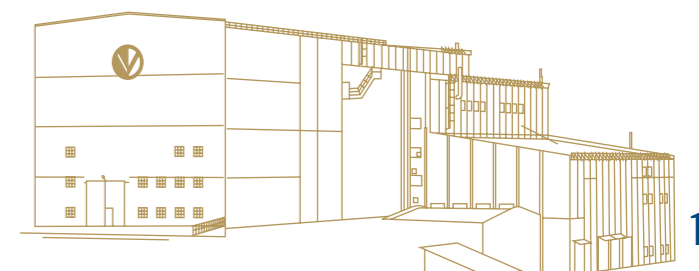
Gold production of the Top Russian Gold Mining Companies, koz



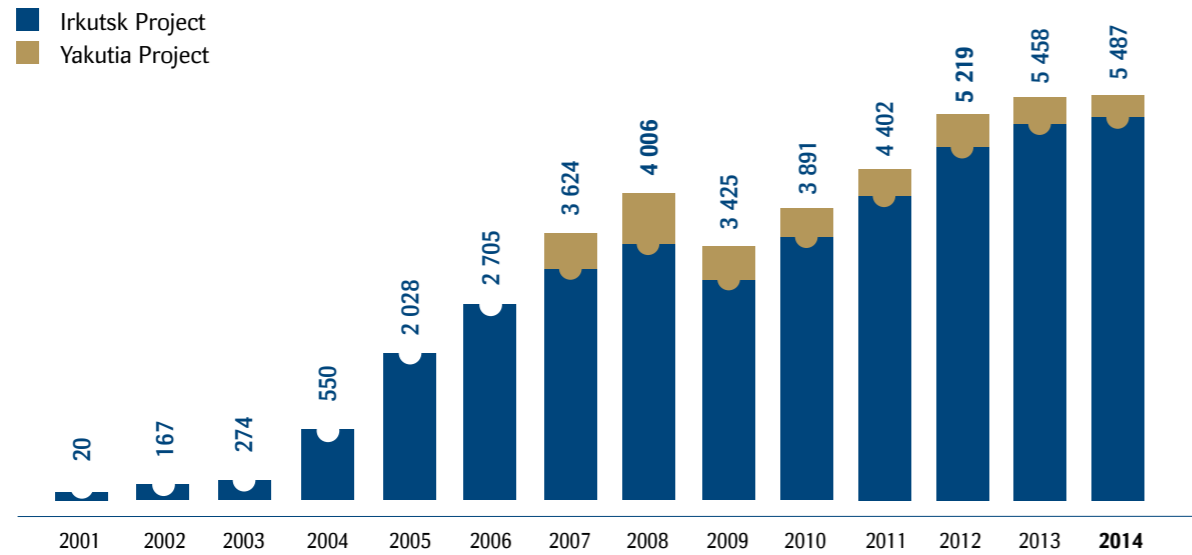
Source: Official data of the companies

Note: Only the output of the deposits located on the territory of the Russian Federation was taken into account

2013
2014

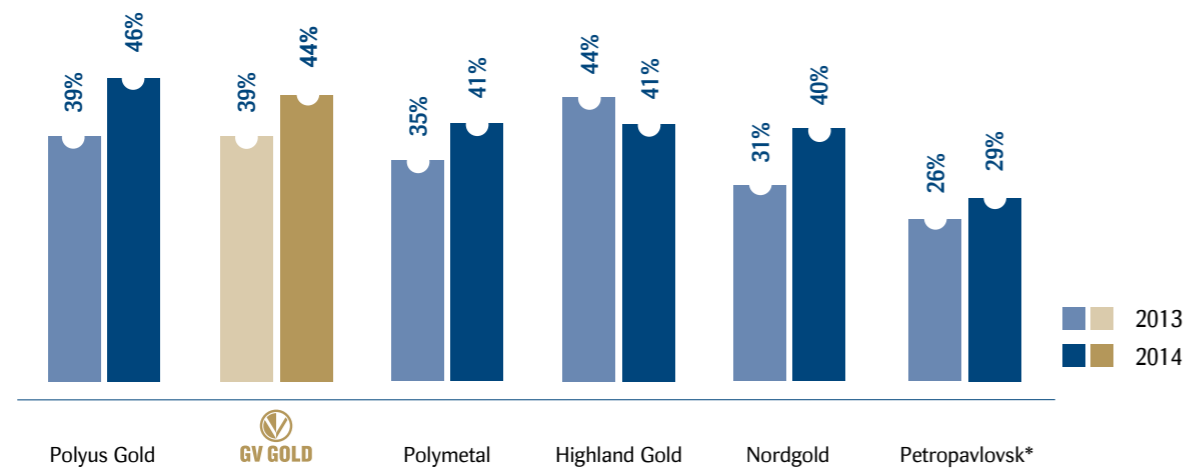


GV Gold Production Profile, koz



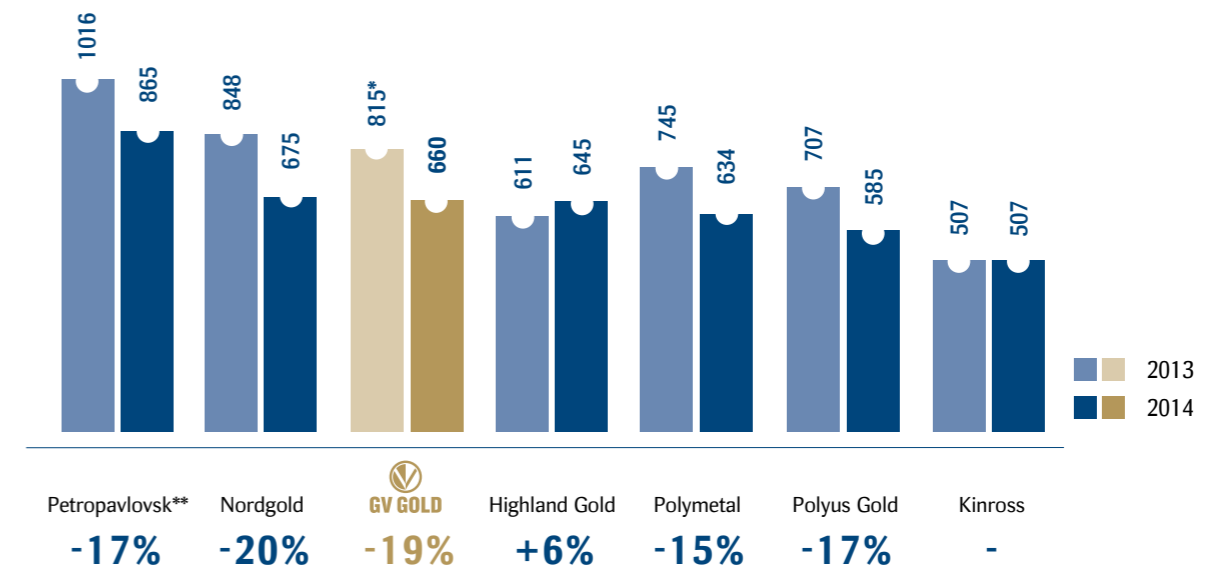
Source: Company data

EBITDA Margin, %



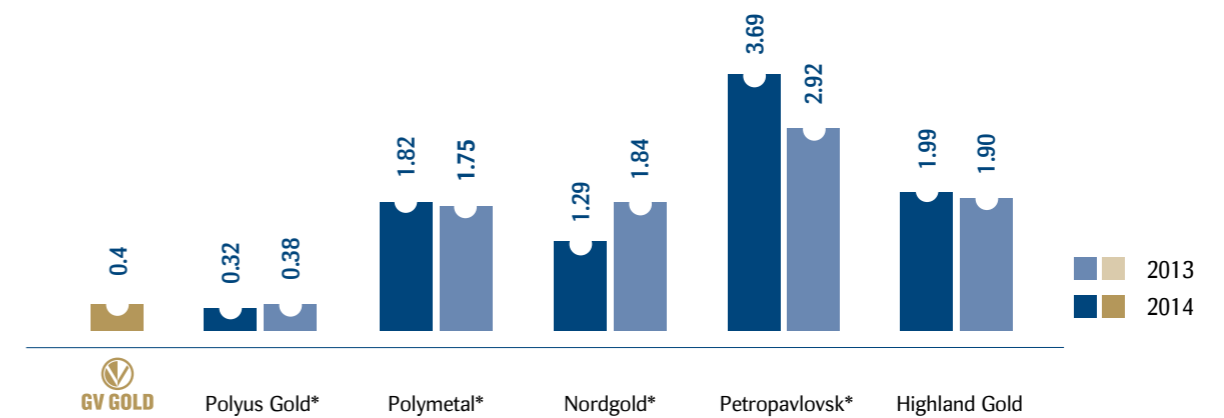
Source: Official data of the companies
*Preliminary results according to the market analysis

Total Cash Costs, USD/oz

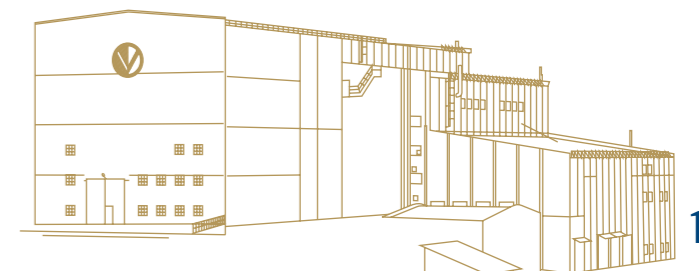


Source: Official data of the companies
*Adjusted data 2013
**Preliminary results according to the market analysis

Net debt/EBITDA Ratio



Source: Official data of the companies
*Adjusted EBITDA is taken for calculation



COMPANY'S PROJECTS

IRKUTSK PROJECT

- General Information
- Production Assets:
 - Golets Vysochaishy Deposit
 - Ykanskoye Deposit
- Development Projects:
 - Ugakhan Deposit
 - Exploration Projects
- Development program



Company's Projects

Irkutsk Project

General Information

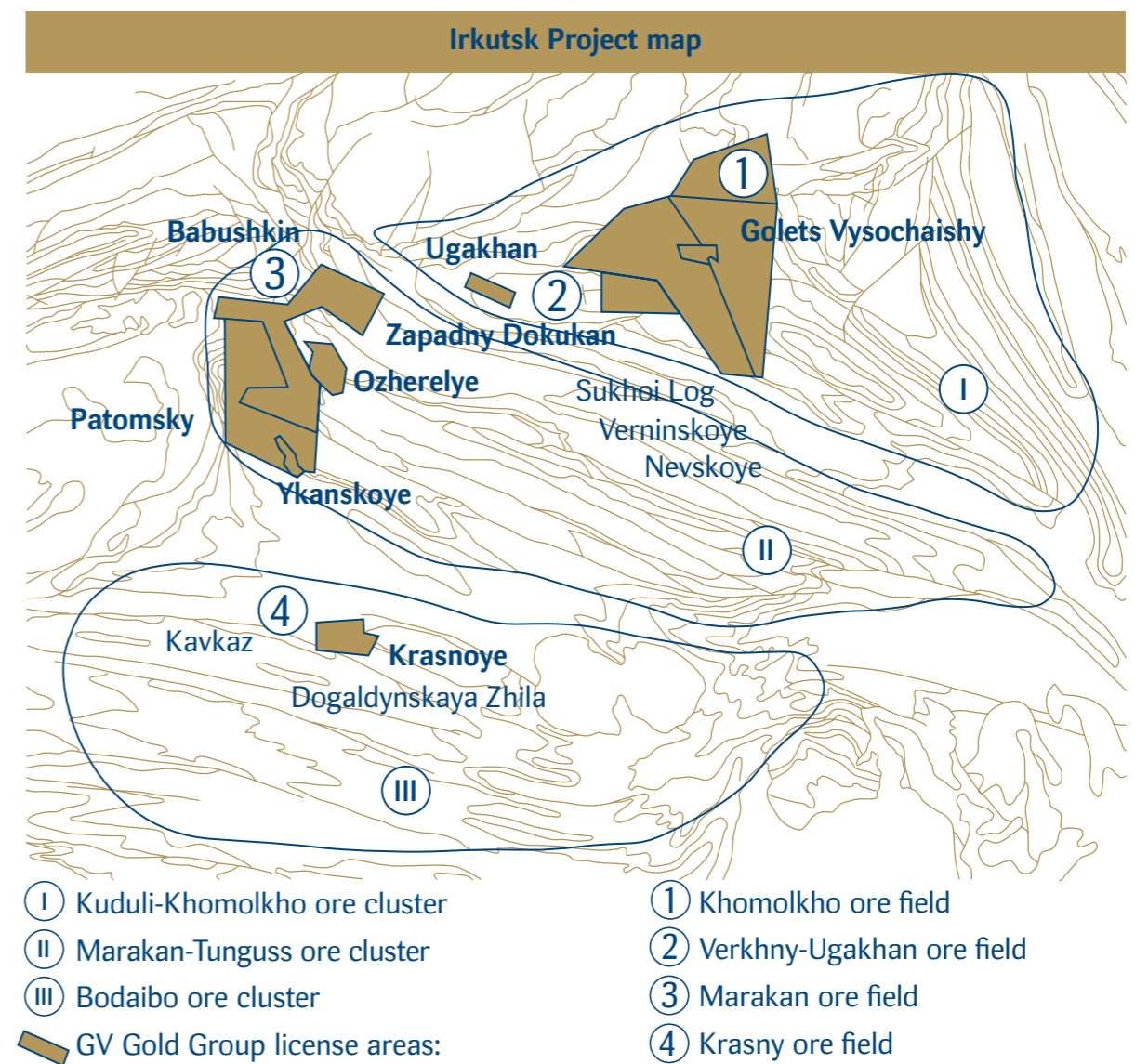
GV Gold Irkutsk project deposits are located in Bodaibo Area - the region's gold mining industry centre. More than 643 koz (20 t of Au) of alluvial and hard-rock gold are produced here every year.

The Company holds 12 licenses for subsurface plots located within the major hardrock-alluvial clusters of this region: Khomolkho, Sukholozhsky, Marakan-Tunguss and Bodaibo ones.

The Irkutsk project will preserve its significance for the Company for at least 10 more years. The exploration results, which have been carried out at the Ugakhan deposit over the last three years, prove that the new deposit reserves (1.5 Moz (49 t of Au)) are sufficient for replacing the depleting Golets Vysochaishy deposit reserves.

The Irkutsk project reserves total 4.89 Moz (152.6 t of Au), the exploration potential is 2.05 Moz (64 t of Au).

Stage	Irkutsk Project
Production	Golets Vysochaishy deposit Khomolkho ore field
	Ykanskoye deposit Marakan ore field
Development	Ugakhan deposit Verkhny-Ugakhan ore field
Exploration	Marakan ore cluster: Ozherelye deposit Babushkin site Patomsky site
	Khomolkho ore cluster: Central, Eastern and Northern parts Zapadny Dokukan site
	Krasny site Bodaibo ore cluster



Irkutsk Project Production Assets

Golets Vysochaishy Deposit

The Golets Vysochaishy gold deposit is located 40 km to the North of Kropotkin settlement and 175 km from Bodaibo, at the distance of 400 km from the Taksimo railway station of the Baikal-Amur Mainline.

The largest hard-rock gold deposit in Russia, namely Sukhoi Log is located 30 km to the south of the mine.

The deposit area has a well-developed infrastructure: dirt motorway, including the road leading from the Taksimo railway station and passing through Bodaibo, settlements and the power grid of Vitim Energo, CJSC. The mine is equipped with its own backup diesel power generators with a total capacity of 17.2 MW.

In 2014 the mine produced 164.2 koz (5 107.7 kg of Au).

The Golets Vysochaishy Mine accounts for:

- 3 processing mills, assay laboratory
- Open pit and placer gold mining sites
- Construction, assembling, mechanical repair and power supply departments
- Rotation camp

The Golets Vysochaishy deposit development is carried out with two open pits - the Western and the Eastern. The mine employs motor-service to transport overburden to external dumps. Balance ore with gold grades >1.9 g/t is delivered to Mill 1 and Mill 2, balance ore with gold grades ranging from 1.0 to 1.9 g/t – to Mill 3, and off-balance ore – to off-balance ore stockpile.

The Company has a fleet of foreign and domestic mining and transport equipment sufficient for implementation of the design production program.

Ore is processed at 3 processing plants with a total capacity of 4.2 Mt of ore p.a. In October 2013 the Company closed Mill 3, where the first 19 kg of gold was produced in 2011. Within 13 years of its exploitation 1.3 Mt of ore were processed and 99 koz (3.1 t of Au) were produced.

Processing Facilities	Capacity
Mill 1	100 kt of ore p.a.
Mill 2	1.2 Mt of ore p.a.
Mill 3	2.6 Mt of ore p.a.
Sluicing complex	135 thousand m3 of sands p.a.

Taking into account straightforward metallurgical properties of ores, the processing facilities of Mill 1 and Mill 2 apply the gravity processing flow sheet with the further middlings subjected to cyanidation in accordance with the 'carbon in pulp' flow sheet.

In 2014 the Company commissioned the flotation department.

Gravity processing is applied on Mill 3 with the further middlings subjected processing in the Mill 2 cyanidation department.

The eluvial-deluvial placer sands are processed by the sluice complex.

Ykanskoye Deposit

The Ykanskoye gold deposit is located 18 km from the Marakan settlement, at a close distance from the road, connecting it with this settlement (130 km).

Deposit development is carried out with an open pit.

The mine uses motor-service to transport overburden to the external dumps, balance ore with gold grades >1.0 g/t - to Mill 4, off-balance ore – to the off-balance ore stockpile.

In 2014 the mine produced 5.8 koz (179.8 kg of Au).

Development Projects

Ugakhan Deposit

The Ugakhan deposit is GV Gold key development project in the region. The deposit is located in Bodaibo Area, 25 km west of the Golets Vysochaishy deposit.

In 2014 the Company finished the Ugakhan exploration program, approved the cutoff grade estimation report and reserves in the State Reserves Committee (GKZ) of 1576 koz (49 019 kg of Au) by Protocol №3892 dated 24.10.2014.

Within the framework of the supplement to the exploration project for drifting of the trench and collection of the bulk sample, GV Gold carried out stripping operations.

In January 2014 the Company put into operation a 25 km road between the Golets Vysochaishy Mine and the Ugakhan site.

In 2014 GV Gold received permission for construction of the Ugakhan deposit rotation camp and concluded the contract for designing, fabrication and delivery of the construction materials for the rotation camp buildings.

In 2015 GV Gold plans to complete mine design operations, start construction of the mill building and complete Stage 1 of the rotation camp construction. The mining and transport machinery as well as the processing equipment will be delivered to the site.

In accordance with the Company Development Program, commissioning of the first processing line at Mill 5 with a capacity of 1.3 Mt of ore p.a. is scheduled for August 2016.

The total capacity of the plant will account for 2.6 Mt of ore p.a.

After the mine attains its full capacity in 2018, gold production is expected to achieve 96 koz (3 t of Au) p.a.

Exploration Projects

GV Gold carries out exploration operations within four major hard-rock placer clusters of Bodaibo Area.

1. Prognostic reserves of the Khomolkho hard-rock placer cluster exploration areas are 1.4 Moz (~44 t of Au).

In 2013-2014 this territory was covered with a complex of prospecting operations: geological surveying,

airborne geophysical surveying of the license areas, which allowed to determine the prospecting sites for further detailed exploration and lithogeochemical surveying. In 2015 the Company will continue the operations within the prospecting sites identified in accordance with the previous studies.

2. In 2012-2013 the Company completed exploration of the Ozherelye deposit within the Marakan-Tunguss hard-rock placer cluster.

Reserves of the deposit were approved in the Irkutsknedra Territorial Reserves Committee (TKZ) (Protocol №1072 dated 23.01.2014) and put on the balance of the Company. Balance ore C1+C2 are 3 364.9 kg of Au with average grade 1.9 g/t and off-balance ore C2 are 792.6 kg of Au with average grade 2.7 g/t.

In the preceding year GV Gold carried out prospecting operations at the Babushkin site, which has a resource potential of 514 koz (16 t of Au). The implementation of the Babushkin site exploration program will result in the reserves increment of 322 koz (~10 t of Au). The deposit will serve as an additional mineral stock base for the Mill 4 capacities due to the close proximity to the Ykanskoye deposit.

Prognostic resources of the Marakan-Tunguss cluster exploration areas are 643 koz (20 t of Au).

3. In the reference period the Company completed the exploration operation within the Ugakhan deposit. It defended the cutoff grade estimation report in the State Reserves Committee (GKZ) and approved reserves of 1.5 Moz (49 t of Au) (Protocol №3892 dated 24.10.2014).

The Company completed drilling and trenching operations within the site, and collected a number of process samples, on the basis of which the ore processing regulation was prepared. Geologists established the scale of mineralization, identified five ore beds of sheet-like shape sub-concordant to the host rocks.

In 2015 GV Gold plans to carry out the pilot production operations on the gold recovery technology development.

4. In 2014 the exploration operations were carried out at the Krasny site (Bodaibo ore cluster). It was the first part of the exploration program aimed at verification of the estimated reserves and process sample collection.

In 2015 within the framework of Stage 2 of the exploration operations, it is planned to prepare the explored reserves for state balance registration, to approve the cutoff grade estimation report and to commence designing of Stage 1 mine construction. Prognostic resources of the license area are 611 koz (19 t of Au).

Development Program

In 2014 GV Gold continued the implementation of its long-term development program. The Company carried out active exploration operations, ramped-up the ore throughput and upgraded the existing facilities.

In accordance with the adopted Irkutsk project development concept, the top priority objective for 2015 is to start an accelerated development of the Ugakhan deposit – the Company's major regional project. The Ugakhan Mine will be commissioned at the end of 2016. The successful project implementation will allow for increase the level of gold production to 200 koz (6.3 t of Au) in the long-term perspective. The Company plans to develop and expand the Marakan project processing capacities through the ramp-up of the Ykanskoye deposit ore output, commissioning of the explored Ozherelye deposit, as well as the increment of the Babushkin site and other prospects within this ore cluster reserves.

In 2014 GV Gold joined Kopy Goldfields in the Krasny development project, where the exploration operations will be continued. The Company also acquired the licenses for the Patomsky and the Zapadny Dokukan sites, aimed at increasing the Irkutsk project resource base. In 2015 the geological surveying will be conducted.

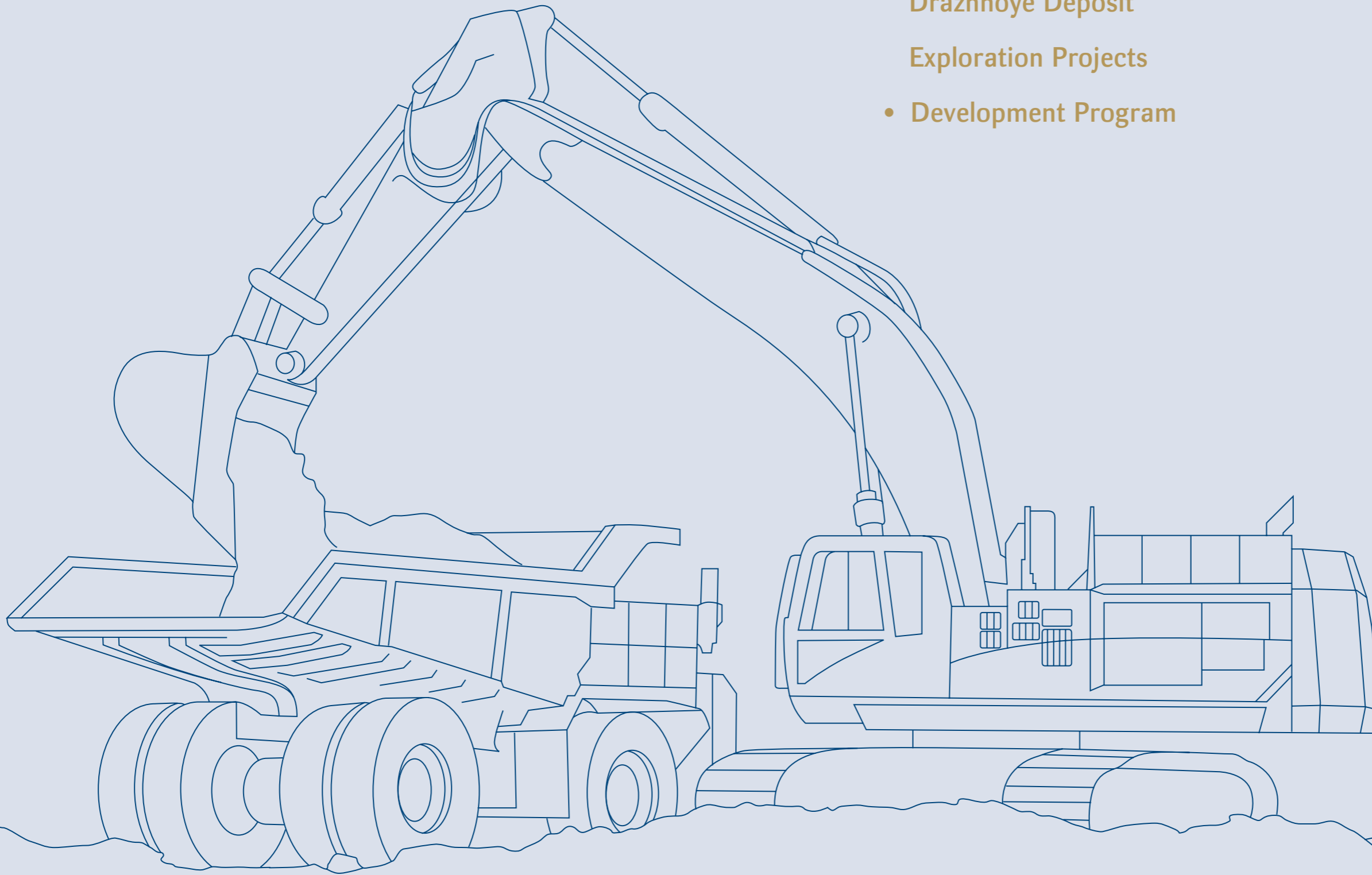
In accordance with the Irkutsk project investment program, in 2015 the amount of investments will total over RUB 2.5 b. Most of funds will be directed to the Ugakhan Mine construction – the estimated amount of capital investments for 2015 is ~RUB 1.7 b. The total amount of funds to be invested in this project in 2013-2016 is estimated at more than RUB 5 b.



COMPANY'S PROJECTS

YAKUTIA PROJECT

- General Information
- Production Assets:
 - Big Kuranakh Buried Placer Deposit
- Development Projects:
 - Drazhnoye Deposit
 - Exploration Projects
- Development Program



Company's Projects

Yakutia Project

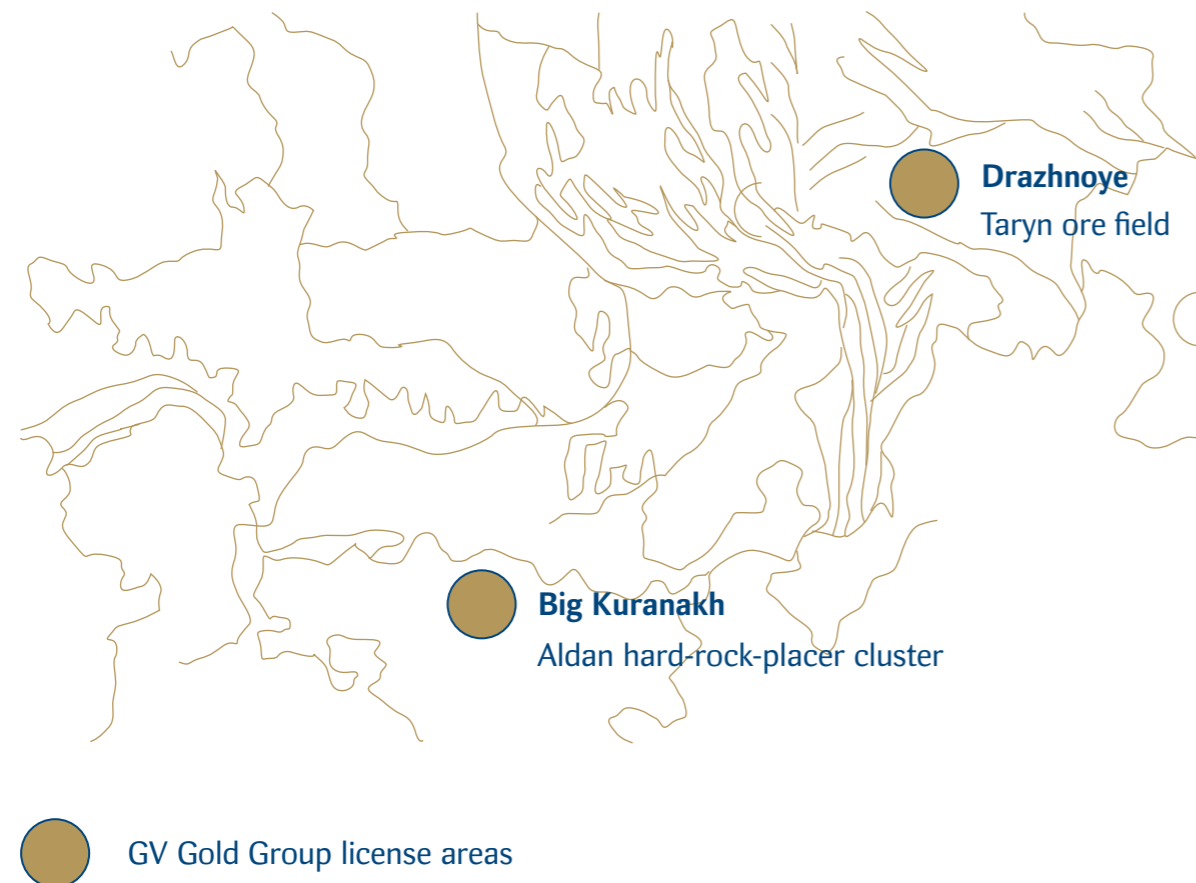
General Information

Yakutia project includes exploration and development of the deposits located in several areas of the Sakha (Yakutia) Republic:

- the Big Kuranakh placer deposit (buried placer) in Aldan Area
- the Drazhnoye hard-rock gold deposit
- the Central Part of the Taryn Ore Field in Oimyakon Area.

The reserves of the Yakutia project are 5.96 Moz (185.4 t of Au), the exploration potential – 20.32 Moz (632 t of Au).

Yakutia project map



Stage	Yakutia Project
Production	Big Kuranakh placer deposit Aldan, buried placer
Development	Drazhnoye deposit Taryn ore field
Exploration	Central Part site Taryn ore field

Yakutia Project Production Asset

Big Kuranakh Placer Deposit (Buried Placer)

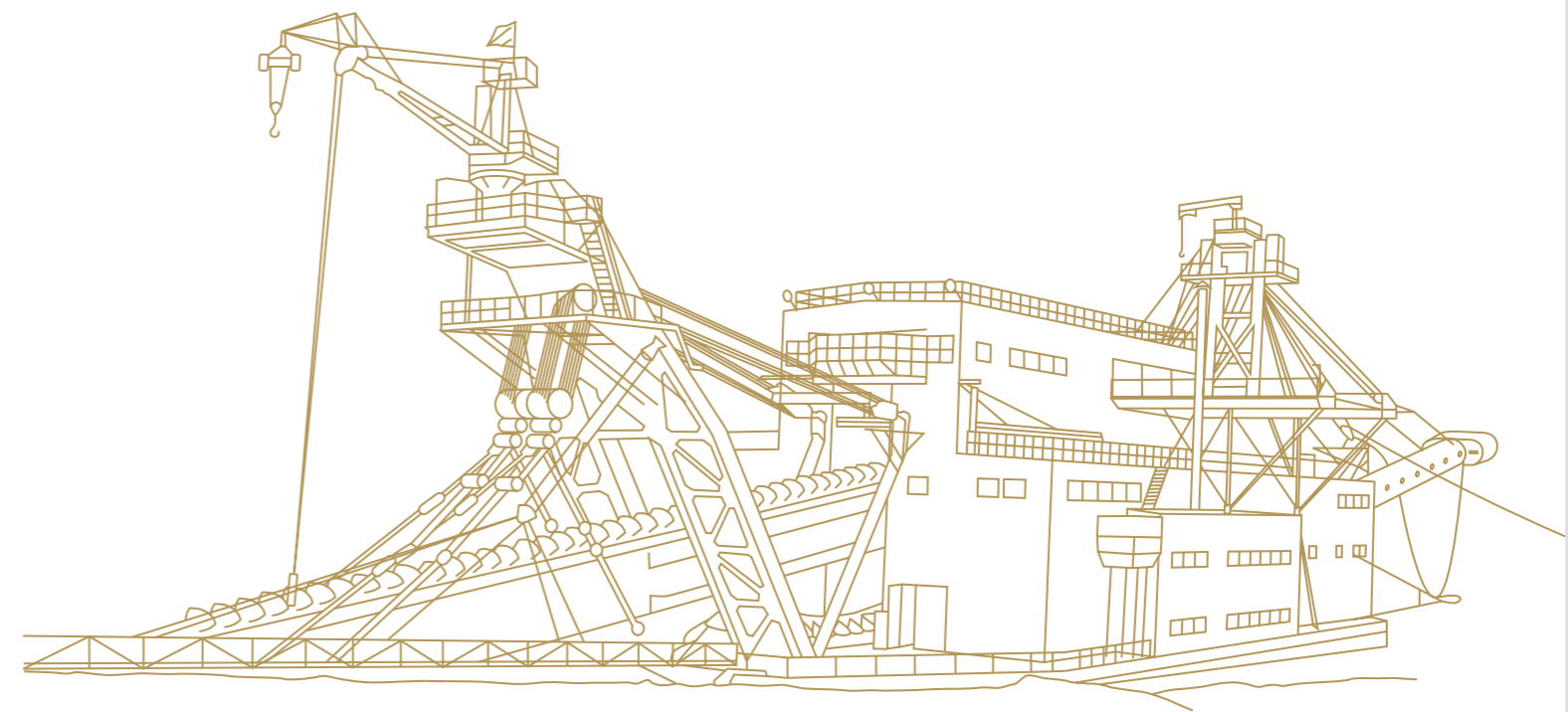
Big Kuranakh (Buried Placer) is the largest alluvial gold deposit in Russia. The asset is located in Aldan Area, 20 km from Aldan.

The area has a well-developed infrastructure including an airport, railroad, motorway and power grids.

In 2014 the Company produced 6.4 koz (200 kg of Au) at the deposit.

- Gold production was carried out by two dredges:
- Dredge with a bucket capacity of 250 L and a digging depth of 12 m
 - Dredge with a bucket capacity of 400 L and a digging depth of 30 m

The enterprise has auxiliary machinery and equipment, supporting the production.



Development Projects

Drazhnoye Deposit

The Drazhnoye deposit of the Taryn ore field is the main development target of the Yakutia project. The deposit is located in the central part of the mining province in Oimyakon Area, 70 km to the south of Ust-Nera.

The Company carried out the preparatory operations for installation of the equipment and construction of the mine in 2015.

The Company constructed the mine intersite roads between the open pit and the mill as well as between the open pit and the rotation camp. The contract for manufacturing and transportation of the rotation camp for 400 employees was signed.

In 2015 GV Gold plans to complete all designing operations, commence construction of the mill building and section 1 of the tailings pond, construction of the power lines and installation of the boiler facilities. The bulk of processing equipment will be delivered to the site. Its installation is scheduled for the winter season of 2015-2016.

Commissioning of Stage 1 of the mine is scheduled for the end of 2016 – beginning of 2017. The project capacity is 700 kt of ore p.a.

Exploration Projects

Drazhnoye Deposit and the Central Part of the Taryn Ore Field

Exploration operations of 2014 included the prospect evaluation surveying of the entire Taryn ore field license area.

Within the Drazhnoye deposit, the Company carried out mining and exploration operations, as well as soil surveying aimed at the Taryn Mine construction.

In 1H 2014, the Supplement to the project for the prospect evaluation surveying and the bulk process sample collection from the Drazhnoye deposit was drafted and underwent expert examination. The Company commenced drifting of the stripping line and soil surveying for the Taryn Mine construction.

In 2014 the Company completed a number of

prospecting traverses and carried out the grab and test pit sampling within the license area of the Central Part of the Taryn Ore Field. A complex of airborne geophysical surveys was carried out within the license area.

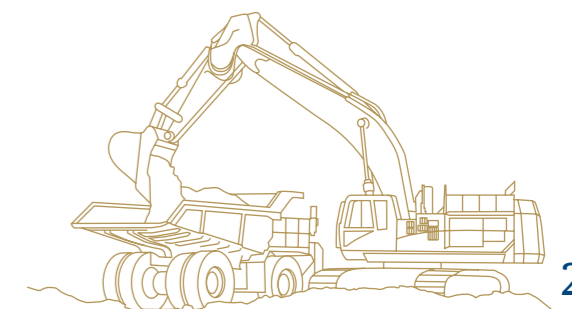
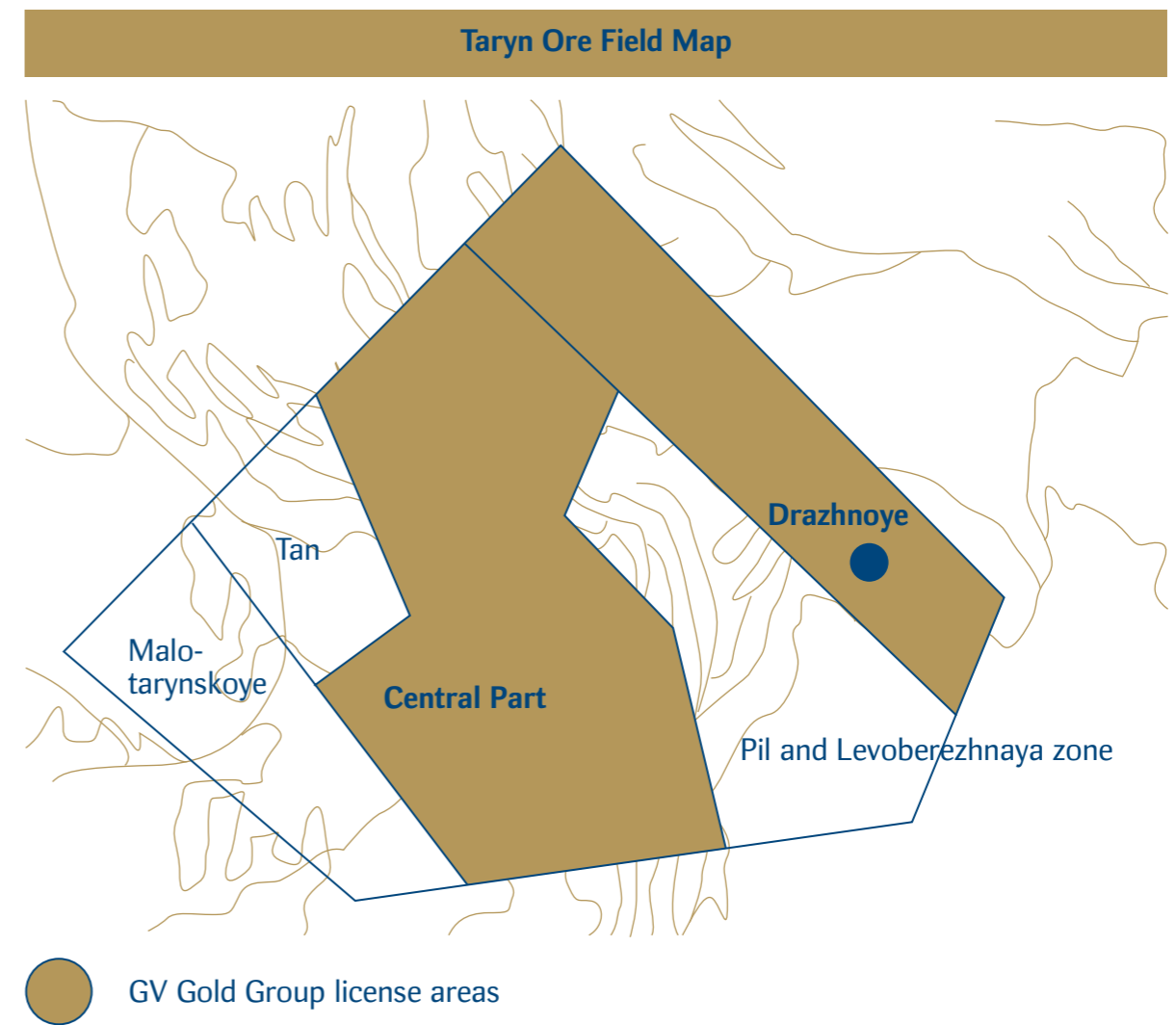
Development Program

The Yakutia project investment program is aimed at the expansion of the mineral-resource base at the expense of the existing deposits reserves increment, growth of throughput rates at the existing facilities and commissioning of the new production units.

The Company is implementing the complex development program at the Big Kuranakh buried placer deposit.

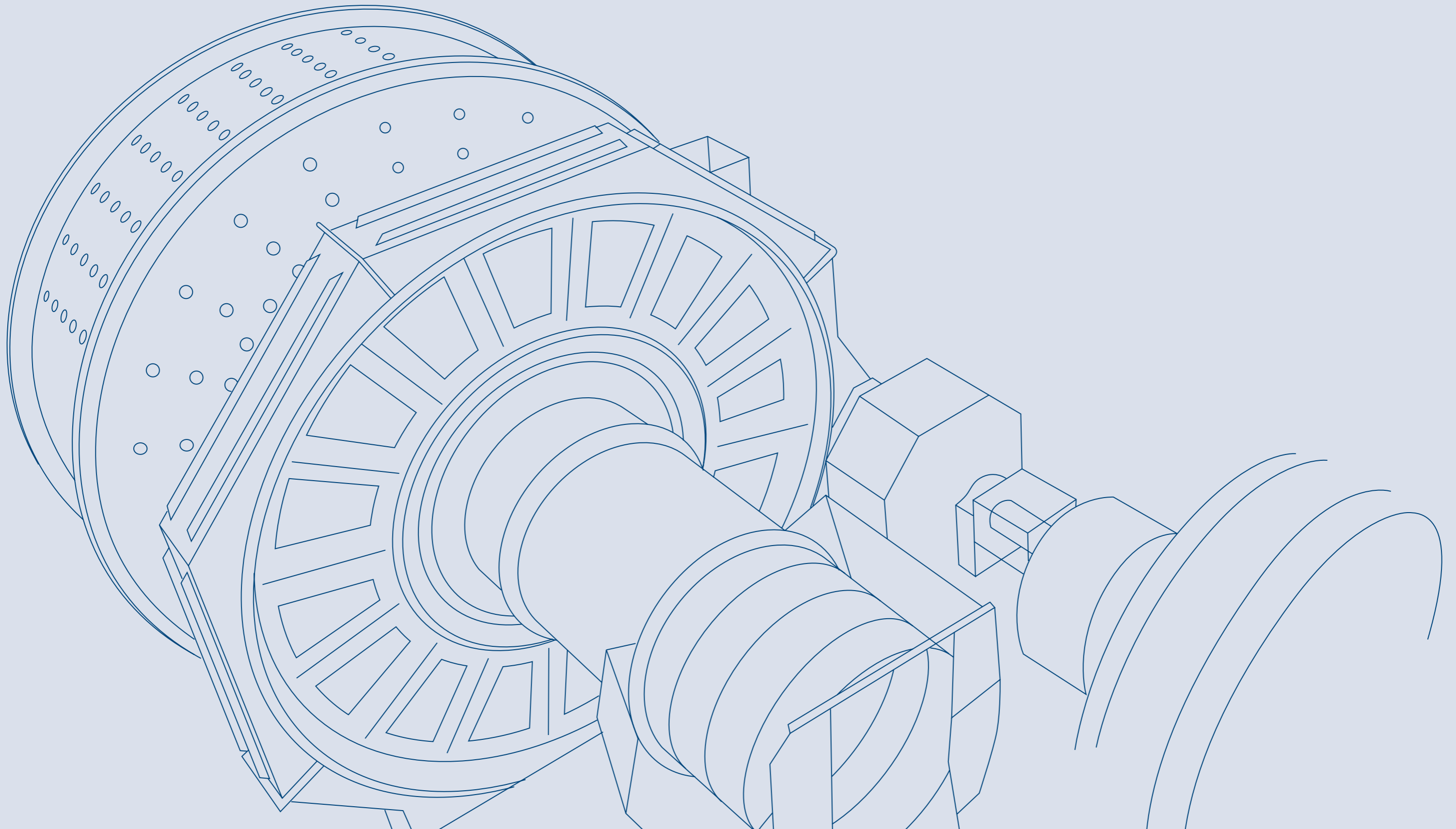
The development program provides for the complex development of the Drazhnoye deposit and involves implementation of the large-scale exploration operations at the deposit, as well as the construction and commissioning of the Taryn Mine with the capacity of 10 t of Au p.a.

Implementation of the Drazhnoye project is carried out in accordance with the approved schedule. At the moment the mine is being designed, the equipment is being acquired and the remaining territory of the license is being explored.



ANNUAL RESULTS

- Production Activity Results
- Mineral Resource Development
- Financial Results



Annual Results

Production Activity Results

In 2014 GV Gold successfully fulfilled its set goals of gold production. In total the Group of Companies produced 176 koz (5 487.4 kg of Au).

The Irkutsk project assets produced 170 koz (5 287.5 kg of Au) in 2014 and processed 4.3 Mt of ore with the average grade of 1.57 g/t (recovery - 78.2%).

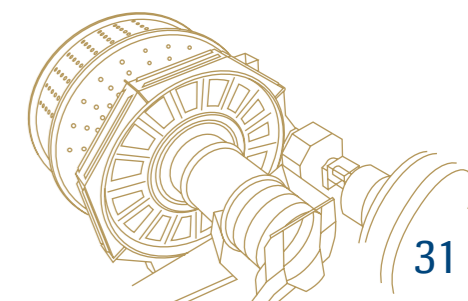
- Mill 1 processed 0.08 Mt of ore with the average grade of 2.94 g/t (recovery - 79.2%) and produced 186.1 kg of Au
- Mill 2 processed 1.1 Mt of ore with the average grade of 2.65 g/t (recovery - 80.2%) and produced 2 401.5 kg of Au
- Mill 3 processed 2.9 Mt of ore with the average grade of 1.09 g/t (recovery - 76.2%) and produced 2 452.9 kg of Au
- In 2014 Mill 4 processed 0.1 Mt of ore with the average grade of 1.97 g/t (recovery - 79.7%) and produced 179.8 kg of Au

In the reference period, the assets of the Yakutia project produced 6.4 koz (200 kg of Au).

Group Production Highlights for 2014

Item	Units	2013	2014	YoY, %
Irkutsk Project				
Overburden stripped	'000 m3	6 266.2	5 097	-18.66
Balance ore mined (> 1.9 g/t)	'000 m3	439.1	421.4	-4.03
	'000 t	1 185.5	1 136.9	-4.10
Balance ore mined (1.0-1.9 g/t)	'000 m3	915.8	828.2	-9.57
	'000 t	2 470.8	2 232.6	-9.64
Off-balance ore mined (< 1.0 g/t)	'000 m3	273.2	270.3	-1.06
	'000 t	737.7	729.4	-1.13
Ore processed	'000 t	4 025.5	4 277.1	6.25
Mill 1 (Golets Vysochaishy)	'000 t	100.2	79.9	-20.26
Mill 2 (Golets Vysochaishy)	'000 t	1 064.7	1 129.2	6.06
Mill 3 (Golets Vysochaishy)	'000 t	2 747.8	2 942.6	7.09
Mill 4 (Ykanskoye)	'000 t	112.8	125.4	11.17
Sand processed				-
Sluicing complex	'000 m3	-	74.4	-

Item	Units	2013	2014	YoY, %
Average grade of gold in ore	g/t	1.74	1.57	-9.77
Mill 1 (Golets Vysochaishy)	g/t	2.55	2.94	15.29
Mill 2 (Golets Vysochaishy)	g/t	2.57	2.65	3.11
Mill 3 (Golets Vysochaishy)	g/t	1.37	1.09	-20.44
Mill 4 (Ykanskoye)	g/t	2.16	1.97	-8.80
Average grade of gold in sands				-
Sluicing complex	g/m ³	-	0.99	-
Gold recovery	%	74.67	78.2	4.73
Mill 1 (Golets Vysochaishy)	%	79.3	79.2	-0.13
Mill 2 (Golets Vysochaishy)	%	80.6	80.2	-0.50
Mill 3 (Golets Vysochaishy)	%	70.1	76.2	8.70
Mill 4 (Ykanskoye)	%	73.4	79.7	8.58
Sluicing complex	%	-	91.07	-
Gold produced	kg	5 222.1	5 287.5	1.25
	koz	167.9	170	1.25
Mill 1 (Golets Vysochaishy)	kg	202.2	186.1	-7.96
Mill 2 (Golets Vysochaishy)	kg	2 204.3	2 401.5	8.95
Mill 3 (Golets Vysochaishy)	kg	2 641.2	2 452.9	-7.13
Mill 4 (Ykanskoye)	kg	174.3	179.8	3.16
Sluicing complex	kg	-	67.2	-
Gold sold	kg	5 163.8	5 316.4	2.96
Yakutia Project				
Gold produced	kg	235.6	199.9	-15.10
	koz	7.5	6.4	-15.10
Gold sold	kg	244.4	202.3	-17.23
In Total for the GV Gold Group				
Gold produced	kg	5 457.7	5 487.4	0.54
	koz	175.5	176.4	0.51
Gold sold	kg	5 408.2	5 518.7	2.04



Key Highlights of the Irkutsk Project Production Activity

Years	Overburden stripped, '000 m3	Off-balance ore mined, '000 t	Ore mined, '000 t	Sands processed, '000 m3	Ore processed, '000 t	Grade of gold, g/t	Sands processed, '000 m3	Grade of gold, g/m3	Recovery, %	Gold produced, kg
2001	0		17.8		17.8	2.00			55.70	19.6
2002	0		78.8		75.7	3.37			65.40	166.9
2003	46.1		97.3		97.3	3.80			74.30	274.3
2004	168.5		388.5		338.5	3.56			80.80	972.7
2005	528.5		661.8		669.5	3.74			81.0	2 028.5
2006	739.0		988.5		971.0	3.40			81.3	2 705.0
2007	1 298.4		1 235.0		1 158.4	3.34			82.50	3 200.3
2008	873.3	786.5	1 953.1		1 254.1	3.48			81.72	3 557.2
2009	2 396.5	826.6	2 212.8		1 259.8	2.95			80.70	3 055.1
2010	2 918.8	1 503.9	2 783.7		1 919.2	2.36			79.96	3 621.7
2011	3 589.2	1 695.2	2 954.6		3 385.1	1.67			73.56	4 165.2
2012	5 976.0	267.8	2 165.3		4 042.8	1.59			75.51	4 865.6
2013	6 266.2	737.7	4 394.0		4 025.5	1.74			74.67	5 222.1
2014	5 097.0	729.4	4 098.9	74.4	4 277.1	1.57	74.4	0.99	78.20	5 287.5
Итого	29 897.5	6 547.1	17 483.1	74.4	23 491.8		74.4			39 141.7

Electric Power Consumption in 2014

	Units	Irkutsk project	Yakutia project
Electric power consumption	'000 kW/h	134 647	15 962
from the power grid	'000 kW/h	116 888	15 962
from the diesel power generators	'000 kW/h	17 759	-
Cost of electric power (net of VAT)	'000 RUB	340 521	82 865
from the power grid	'000 RUB	172 519	82 865
from the diesel power generators	'000 RUB	168 002	-

Mineral Resource Base Development

	Resources					
	Geological Reserves		Exploration Potential		Total	
	t	Moz	t	Moz	t	Moz
Irkutsk Project						
Golets Vysochaishy Site						
Golets Vysochaishy ^(a)	39.25	1.26			39.25	1.26
Ugakhon ^(a)	53.91	1.73			53.91	1.73
Northern Part of Khomolkho Ore Field			8.00	0.26	8.00	0.26
Central Part of Khomolkho Ore Field			12.00	0.38	12.00	0.38
Eastern Part of Khomolkho Ore Field			18.00	0.58	18.00	0.58
Zapadny Dokukan ^(b)			6.00	0.19	6.00	0.19
Marakan Site						
Ozherelye ^(a)	4.39	0.14			4.39	0.14
Ykanskoye ^(a)	6.15	0.19			6.15	0.19
Patomsky ^(b)			4.00	0.13	4.00	0.13
Babushkin			16.00	0.51	16.00	0.51
Krasny Site						
Krasny ^(e)	48.90	1.57			48.90	1.57
In Total for Irkutsk Project	152.60	4.89	64.00	2.05	216.6	6.94
Якутский проект						
Taryn Project						
Drazhnoye ^(c)	24.53	0.79	388.0	12.47	412.53	13.26
Central Part			244.0	7.85	244	7.85
Aldan Project						
Big Kuranakh ^(d)	160.85	5.17			160.85	5.17
In Total for Yakutia Project	185.384	5.96	632.0	20.32	817.38	26.28
In Total for GV Gold Group	338.0	10.85	696.0	22.37	1 034.0	33.22

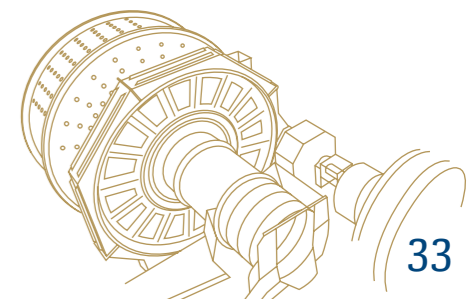
a – JORC-compliant, as at 01.01.2014

b – Real time calculation of 2014 as at 01.01.2015

c – JORC-compliant, as at 01.01.2013

d – JORC-compliant, as at 01.01.2009, minus the production

e – JORC-compliant, as at 20.02.2013



Financial Results

Item	Units	2014	2013	Variation	%
Revenue from gold sales	M RUB	8 438	7 736	702	9%
	M US\$	222	243	-21	-9%
Unit price	RUB/g	1 529	1 430	99	7%
	US\$/oz	1 266	1 399	-133	-10%
Gold sold	kg	5 519	5 408	110	2%
	koz	177	174	3	1%
Total cash costs	RUB/g	805	835	-30	-3%
	US\$/oz	660	815	-155	-19%
Gross profit	M RUB	4 140	3 376	764	22%
	M US\$	109	106	1	2%
EBITDA	M RUB	3 695	3 060	635	20%
	M US\$	97	96	1	1%
EBITDA margin	%	44%	39%	3%	-
AISC (All-in Sustaining costs)	RUB/g	901	908	-7	-1%
	US\$/oz	738	894	-156	-17%
Net Debt/EBITDA	x	0.4	-	-	-
Net debt/(Net cash position)	M RUB	1 474	-294	1 768	-
	M US\$	26	-9	35	-
Average US\$ exchange rate	RUB/US\$	37.97	31.82	6	19%

Operating Results

In 2014 the average gold sale price in USD equivalent decreased from US\$ 1399 /oz to US\$ 1266/oz (-10%) and in RUB equivalent it increased from RUB 1 430/g to RUB 1 529/g. Due to the growth of the gold sales and the RUB/US\$ exchange rate, the GV Gold revenue from gold sales in RUB equivalent increased by RUB 702 M (+9%) from RUB 7.7 b in 2013 to RUB 8.4 b in 2014.

Operating costs quoted in RUB and are less sensitive to the RUB/US\$ exchange rate depreciation. In 2014 cost of

sales remained at the same level compared with 2013 and amounted to RUB 4 351 M (RUB 4 395 M in 2013).

EBITDA increased from RUB 3 060 M in 2013 to RUB 3 695 M in 2014 (+20%). The revenue growth whilst maintaining the former level of costs allowed for achieving a better operating result compared with 2013. EBITDA margin was 44% (39% in 2013).

Total cash costs showed a decrease and amounted RUB 805 /g compared with RUB 835/g in 2013.

GV Gold Revenue

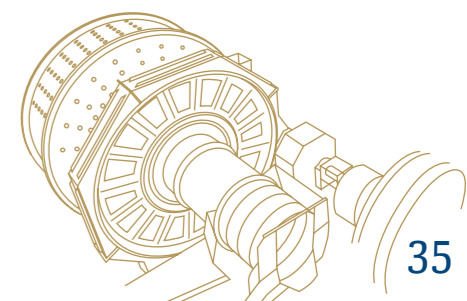
Item	Units	2014	2013	Variation	%
Irkutsk Project					
Revenue from gold sales	M RUB	8 118	7 396	722	9%
	M US\$	214	232	-18	-8%
Unit price	RUB/g	1 527	1 432	95	7%
	US\$/oz	1 266	1 401	-135	-10%
Gold sold	kg	5 316	5 164	153	3%
	koz	171	166	5	3%
Yakutia Project					
Revenue from gold sales	M RUB	320	340	-20	-5%
	M US\$	8	11	-2	-27%
Unit price	RUB/g	1 583	1 391	192	14%
	US\$/oz	1 251	1 353	-102	-8%
Gold sold	kg	202	244	-42	-17%
	koz	7	8	-2	-25%

Item	Units	2014	2013*	Variation	%
Cost of sales	M RUB	4 351	4 395	44	-1%
	M US\$	115	138	-23	-17%
Unit cost	RUB/g	788	813	-25	-3%
	US\$/oz	646	793	-147	-19%

EBITDA calculation

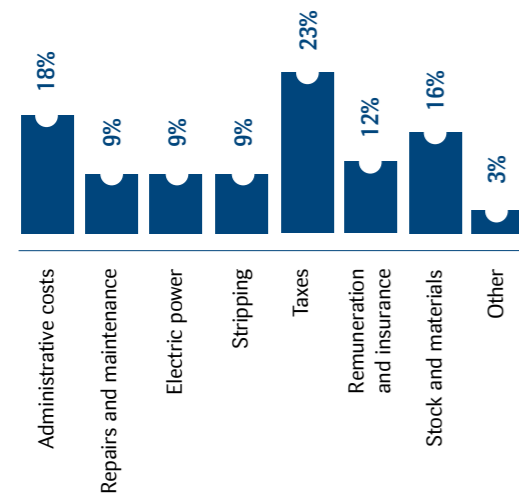
Item, M RUB	2014	2013	Variation
Net profit	1 072	1 501	-429
+ Financial profit/(loss)	1 573	-34	1 607
+ Income tax expenses	217	516	-299
+ Depreciation	723	684	39
+ Impairment	-	291	-291
+ Other adjustments	110	102	8
EBITDA	3 695	3 060	635

*The previous year figures were changed due to the re-calculation of operating and administrative costs

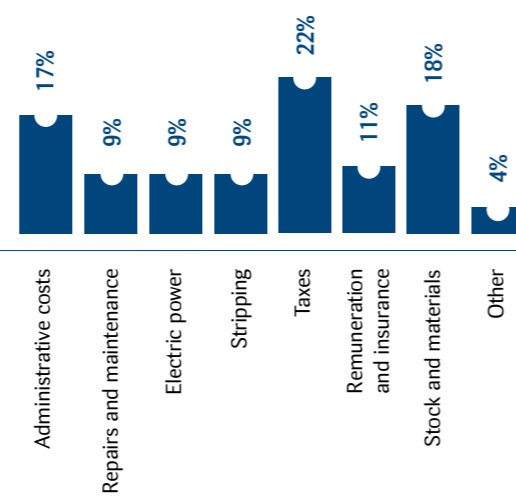


GV Gold Group Total Cash Costs

2014



2013

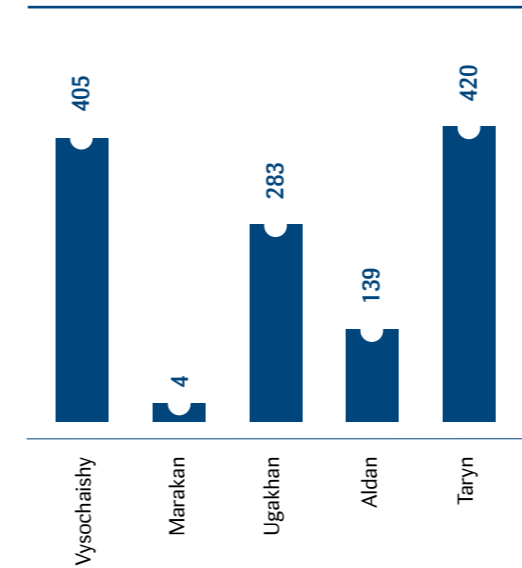


RUB 805/g

RUB 835/g

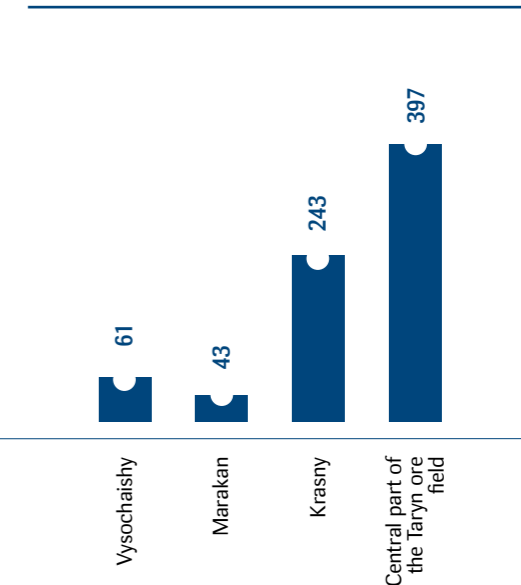
Item	2014	2013	Variation
Cost of sales, M RUB	4 351	4 395	-44
Administrative costs, M RUB	844	836	8
depreciation, M RUB	-723	-684	-15
payment to the Board of Directors, M RUB	-28	-34	29
Total cash costs, M RUB	4 444	4 513	-15
Gold sold, kg	5 487	5 458	-44
Total cash costs after reclassification, RUB/g	805	835	-30
Reclassification, RUB /g		-17	
Total cash costs before reclassification, RUB/g	805	818	-13

GV Gold Group Investment Costs



RUB 1 251 M

GV Gold Group Exploration Costs



RUB 744 M

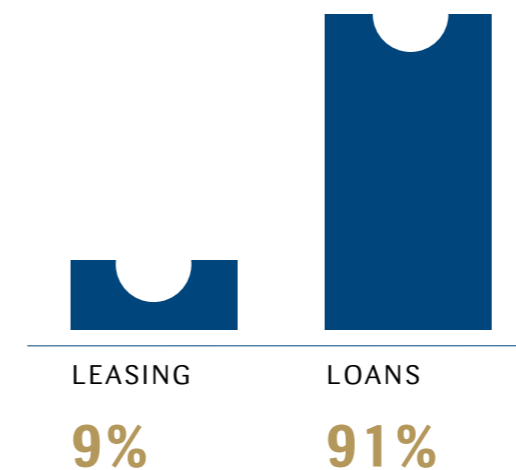
Investment Activity Results

In 2014 the capital investments in the projects amounted to RUB 1 251 M, which exceeds the corresponding figure of the previous year by 21%. The Company continued implementation of two major investment projects: construction

of the Ugakhan Mine within the framework of the Irkutsk project (RUB 283 M) and construction of the Taryn Mine within the framework of the Yakutia project (RUB 420 M). The investments were also used for the Golets Vysochaishy deposit's processing facilities' modernization (RUB 405 M).

The exploration costs amounted to RUB 744 M (+167% compared with 2013), including RUB 397 M (53%) for the Central part of the Taryn ore field and RUB 243 M (33%) for the Krasny project.

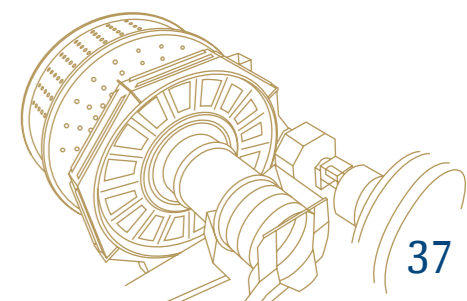
Financial Liabilities, 2014



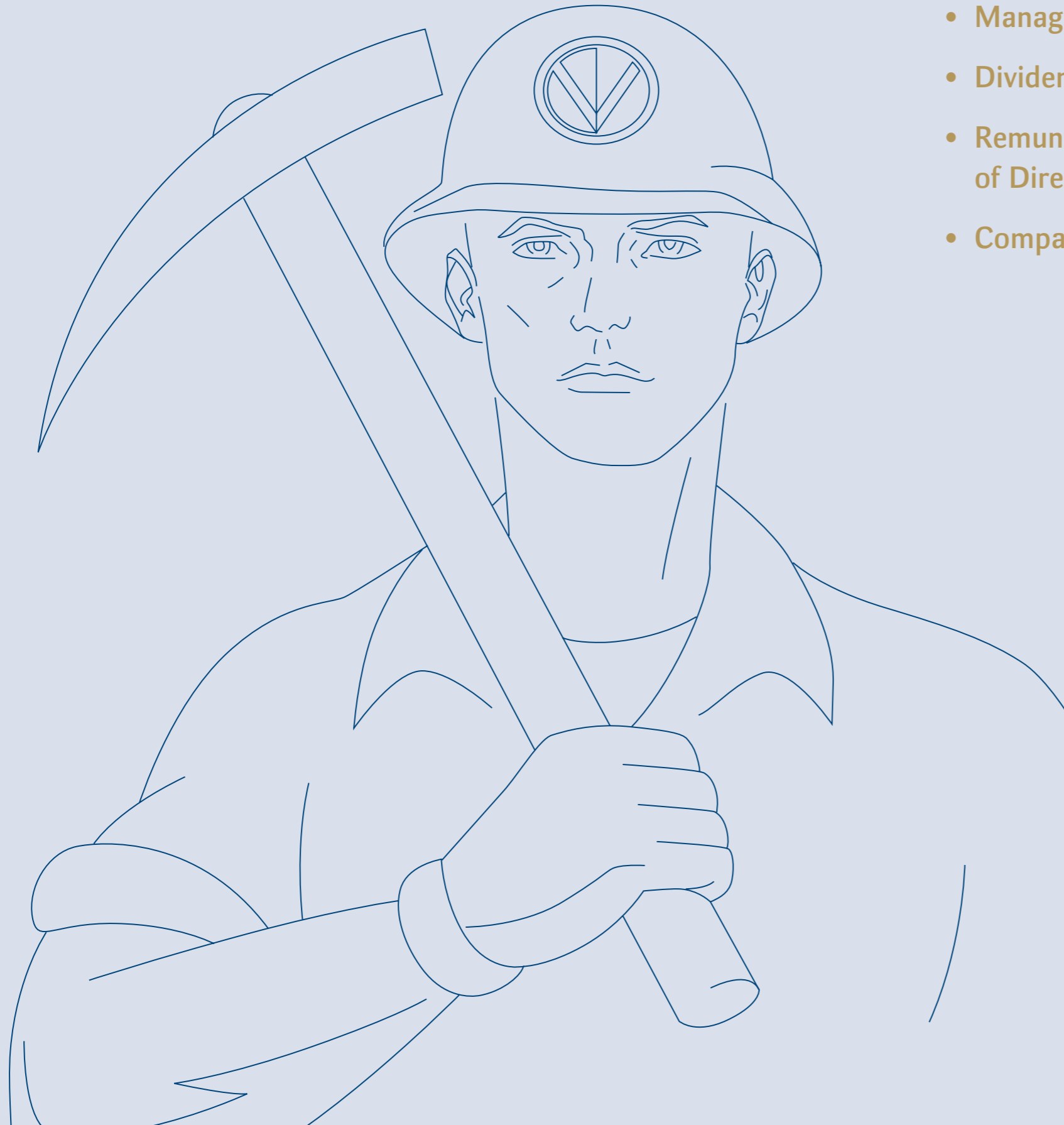
Structure of Financial Liabilities

In 2014 the Company and CJSC UniCredit Bank signed two loan agreements for the total amount of US\$ 75 M. Raised cash resources are intended for refinancing of the existing loan and the new projects development, with US\$ 25 M allocated for the Taryn project financing.

Besides in 2014, the Company acquired mining machinery for the Taryn project development on the leasing terms.



CORPORATE GOVERNANCE



- Shareholders
- Board of Directors
- Management
- Dividend Policy
- Remuneration Payable to the Members of the Board of Directors and the CEO
- Company Structure

Corporate Governance

Shareholders

As of 31.12.2014, GV Gold shareholders are represented with individuals: Sergei V. Dokuchaev, Natalia V. Opaleva, Valerian A. Tikhonov, Vladimir S. Kochetkov, Sergey A. Vasilyev, and legal entities: Brishurt Ltd. Company, Black Rock Ltd. Group, the European Bank for Reconstruction and Development (EBRD) and FAYWELD HOLDINGS LTD.

Board of Directors

In 2014, the following changes were introduced into the structure of GV Gold Board of Directors:

1. The number of members of the Board was decreased to 8 representatives (Resolution of Extraordinary General Meeting of GV Gold Shareholders dated 29.04.2014, Protocol № OS/V-41 dated 29.04.2014, Charter (rev. 12) registered on 12.05.2014)

2. Mikhail I. Leskov joined the Board (Resolution of the Annual General Meeting of GV Gold Shareholders dated 30.06.2014, Protocol № OS/V-42 dated 30.06.2014); Ulmas A. Musaliev, Aidar N. Mardanshin, Sergei A. Filippov and Maxim A. Gorlachev left the Board

On 30.06.2014 the Annual General Meeting of Shareholders (Protocol №OS/V-42 dated 30.06.2014) elected the Board of Directors.

The Board of Directors consists of 8 members including the Chairman and two Independent Directors.

1. Sergei V. Dokuchaev – Chairman of the Board of Directors

Chairman of the Management Board of OJCB Lanta-Bank (JSC)

Year of birth: 1957

Education: Tertiary education

Kuibyshev Novosibirsk Civil-Engineering Institute

Specialty: Industrial and Civil Construction

Plekhanov Russian Academy of Economy

Specialty: Finance and Credit

Equity stake - 20.36%, ordinary shares - 20.36%

2. Natalia V. Opaleva – Member of the Board of Directors

Deputy Chairman of the Management Board of OJCB Lanta-Bank (JSC)

Member of GV Gold Board of Directors Audit Committee (as a part of GV Gold Board of Directors membership)

Chairman of GV Gold Board of Directors Strategy and Investments Committee (as a part of the GV Gold Board of Directors membership)

CEO of the Private Foundation "Anatoly Zverev Fine Arts Museum"

Year of birth: 1969

Education: Tertiary education

Lomonosov Moscow State University

Specialty: Professor of the Political Economics

Ph.D. in Economics

Equity stake - 20.36%, ordinary shares - 20.36%

3. Valerian A. Tikhonov – Member of the Board of Directors

CEO of LT- Resource, CJSC

Year of birth: 1951

Education: Tertiary education

Novosibirsk State University

Specialty: History

Equity stake - 20.36%, ordinary shares - 20.36%

4. Sergey A. Vasilyev – Member of the Board of Directors

GV Gold CEO

Year of birth: 1957

Education: Tertiary education

Ordzhonikidze Moscow Exploration Institute

Specialty: Geology, Surveying, Prospecting and Exploration of Mineral Deposits

Equity stake - 0.91%, ordinary shares - 0.91%

5. Vladimir S. Kochetkov – Member of the Board of Directors

No positions in other entities

Year of birth: 1941

Education: Tertiary education

Irkutsk Polytechnic Institute

Specialty: Mine Electric Engineering, Development of Mineral Deposits

Equity stake - 5.46%, ordinary shares - 5.46%

6. Reinhard Joseph Schmoelz – Member of the Board of Directors

Independent Investment Counselor of Cunningham Loewenstein Asset Management

Board member of Lombard Media

Before 09.07.2013 - Chairman of GV Gold Board of Directors Audit Committee

After 09.07.2013 - Member of GV Gold Board of Directors Audit Committee (as a part of GV Gold Board of Directors membership)

Year of birth: 1942

Education: Secondary education

Equity stake - 0%, ordinary shares - 0%

7. Sergei G. Popov – Member of the Board of Directors (Independent Director)

Financial Director of Slavkaliy, LLC.

Member of GV Gold Board of Directors Strategy and Investments Committee (as a part of GV Gold Board of Directors membership)

Before 09.07.2013 - Member of GV Gold Board of Directors Audit Committee

After 09.07.2013 - Chairman of GV Gold Board of Directors Audit Committee (as a part of GV Gold Board of Directors membership)

Year of birth: 1958

Education: Tertiary education

Lomonosov Moscow State University

Specialty: Political Economics

Equity stake - 0%, ordinary shares - 0%

8. Mikhail I. Leskov – Member of the Board of Directors (Independent Director)

Member of GV Gold Board of Directors Audit Committee (as a part of GV Gold Board of Directors membership)

Project Manager in Lermontovsky GOK, LLC

Year of birth: 1959

Education: Tertiary education

Moscow Steel and Alloys Institute

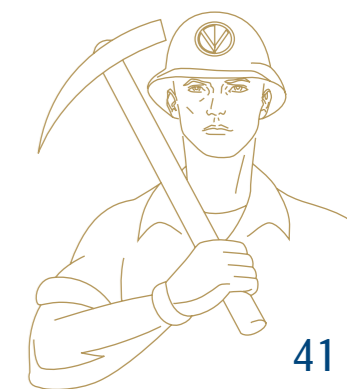
Specialty: Processing of Minerals, Specialization:

Processing Facilities Design

Equity stake - 0%, ordinary shares - 0%

Information on GV Gold Equity Acquisition or Sale Transactions Concluded by the Members of the Board of Directors

In 2014 the members of the Board of Directors effected no transactions related with GV Gold equity.



Information Pertaining to the Person, Holding a Position of the Sole Executive Body of the Company

CEO	Sergey A. Vasilyev
Birth Date	23.10.1957
Education	Tertiary education Ordzhonikidze Moscow Exploration Institute
Diploma Specialty	Geology, Surveying, Prospecting and Exploration of Mineral Deposits
Diploma Qualification	Mining Engineer – Geologist
Previous Positions:	
1980–1987	Senior Technician Geologist, Geologist, Senior Geologist of the Yanskaya (Zapolyarnaya) Exploration Expedition of Production Geological Enterprise YakutskGeology
1987–1990	Chief Geologist of the Mining and Processing Complex KularZoloto of Production Association YakutZoloto, Ministry of Non-Ferrous Metals, USSR
1990–1991	Specialist of the 1st Category of the Geological Department of GlavAlmazZoloto of the Council of Ministers, USSR
1991–1994	Administrative Assistant, Deputy Director of the Investment Programs Department of JSC Regional Committee AlmazZoloto
1994–1995	Deputy CEO of Azkol, CJSC
1995–1996	CEO of ImperialZoloto, CJSC; VestZoloto, LLC
1996–1997	Deputy Head of the Department of Precious Metals and Gem Stones of the Ministry of Industry of the Russian Federation
1997–2004	Divisional Manager, Head of the Department of Technical and Economic Development, Head of the Expert Group of the JSCB Lanta-Bank (CJSC) Stock Market Transactions Department
2001–2005	Director of Pervenets, OJSC
2005–2008	Chairman of the Board of Directors of Inakit, CJSC
2000 – present day	GV Gold CEO
2000 – present day	GV Gold Board of Directors Member

Equity stake - 0.91%, ordinary shares - 0.91%.

In 2014 the person, holding a position of the sole executive body of the Company effected no transactions related with acquisition or selling of GV Gold equity.

Management

GV Gold (Vysochaishy, OJSC), Bodaibo Alexander I. Lazuta – Executive Director

Education: tertiary education
Krasnoyarsk State Institute of Non-ferrous Metals and Gold, Department of the Underground Development of Mineral Deposits
Specialty: Mining Engineer
Has been working in the Company since 2001

Nadezhda I. Verkhoturova – Chief Accountant

Education: specialized secondary education
Bodaibo Mining College
Specialty: Accountant
Has been working in the Company since 2001

SAKHA Gold Mining, CJSC, Aldan Igor A. Menshikov – CEO

Education: tertiary education
Irkutsk State Technical University
Specialty: Open Pit Mining Engineer
Occupies the position still 19.01.2015

Taryn Gold Mining Company, CJSC Alexander N. Tuluptsov – CEO

Education: tertiary education
Irkutsk State Technical University
Specialty: Mine Survey
Has been working in the Company since 2001

GV Gold Moscow Representative Office Aidar N. Mardanshin – Deputy CEO for Legal Matters, Head of Moscow Representative Office

Education: tertiary education
Gubkin State Academy of Oil and Gas
Specialty: Law
Has been working in the Company since 2011

Vadim V. Dubovik – Deputy CEO for Financial Matters, CFO

Education: tertiary education
St. Petersburg State University of Economics and Finances
Specialty: Global Finances
Passau State University, Germany
Specialty: Global Economics
Otto-Friedrich University, Germany
Specialty: Global Economics
Has been working in the Company since 2013

Tatiana V. Demyanova – Deputy CEO for PR & IR

Education: tertiary education
Lomonosov Moscow State University, Department of Economics
Postgraduate Studentship of the Moscow State University Department of Economics
Specialty: Economist, Professor of the Political Economy
Has been working in the Company since 2006

Natalia M. Andreyeva – Deputy Moscow Representative Office Director for Financial Matters

Education: tertiary education
Saratov State Economic University
Specialty: International Economy
Has been working in the Company since 2006

Dividend Policy

GV Gold Board of Directors (Protocol SD/V-30 dated 09.01.2007) approved the Regulations “On the Dividend Policy of GV Gold (Vysochaishy, OJSC)”.

In accordance with Item 4.2 of the given Regulations, the Company Board of Directors at determination of both the size of dividends per one ordinary share, and the percentage of the Company net profit to be distributed as the dividends, recommended for the General Meeting of Shareholders, proceeds from the principle, that the amount of funds representing the dividend payment will be, as a rule, equal to not less than 25 % of the Company net profit for the corresponding period determined on the basis of the financial statements prepared in accordance with the requirements of the legislation of Russian Federation, on condition, that at determination of the recommended size of dividends, the Company financial results for the corresponding period, its capital expenditures and other factors, being material for making of a reasonable decision, are also taken into consideration.



Main Provisions of GV Gold Remuneration and Reimbursement Policy

Remuneration of the CEO is paid upon the terms outlined in the Labour Contract concluded with him on 25.10.2013 and approved by the Board of Directors on 23.10.2013.

The Extraordinary General meeting of the shareholders of the Company (Minutes No. OC/B-31 dated April, 05 2011) has taken the following decisions:

- To set the remuneration for execution of the functions of the Board of Directors' member, payable to each member of the Board of Directors starting from April 01st, 2011, equal to US\$ 7500 (seven thousand five hundred) (or its equivalent in other currency) per month.

- The maximum amount of the expenses reimbursable by the Company to each member of the Company's Board of Directors remains unchanged, i.e. US\$ 50000 (fifty thousand) (or its equivalent in other currency) per calendar year of execution of the Board of Directors member's duties.

The procedure of the receipt of fees and a reimbursement by the Director, which are to be paid to the Director for the execution of his duties as a member of the Board of Directors, are set out below:

1. The Company shall pay fees to the Director in the amount equivalent to US\$ 7 500 (Seven thousand and five hundred) per each month, for a period containing three expired calendar months of executing by Director of his duties as a member of the Board of Directors of the Company within 10 working days by the end of each calendar quarter within his term as the member of the Board of Directors of the Company.

2. The Company shall reimburse the Director for the documentary confirmed expenses (for example: travel, accommodation, meals, translation services) related to the execution of his duties as a member of the Board of Directors of the Company and member of any committees of the Board of Directors of the Company as the case may be. The maximum amount of expenses, which shall be reimbursed by the Company, shall be limited to the sum equivalent to US\$ 50 000 (Fifty thousand) per each year of executing by

Director of his duties as a member of the Board of Directors of the Company.

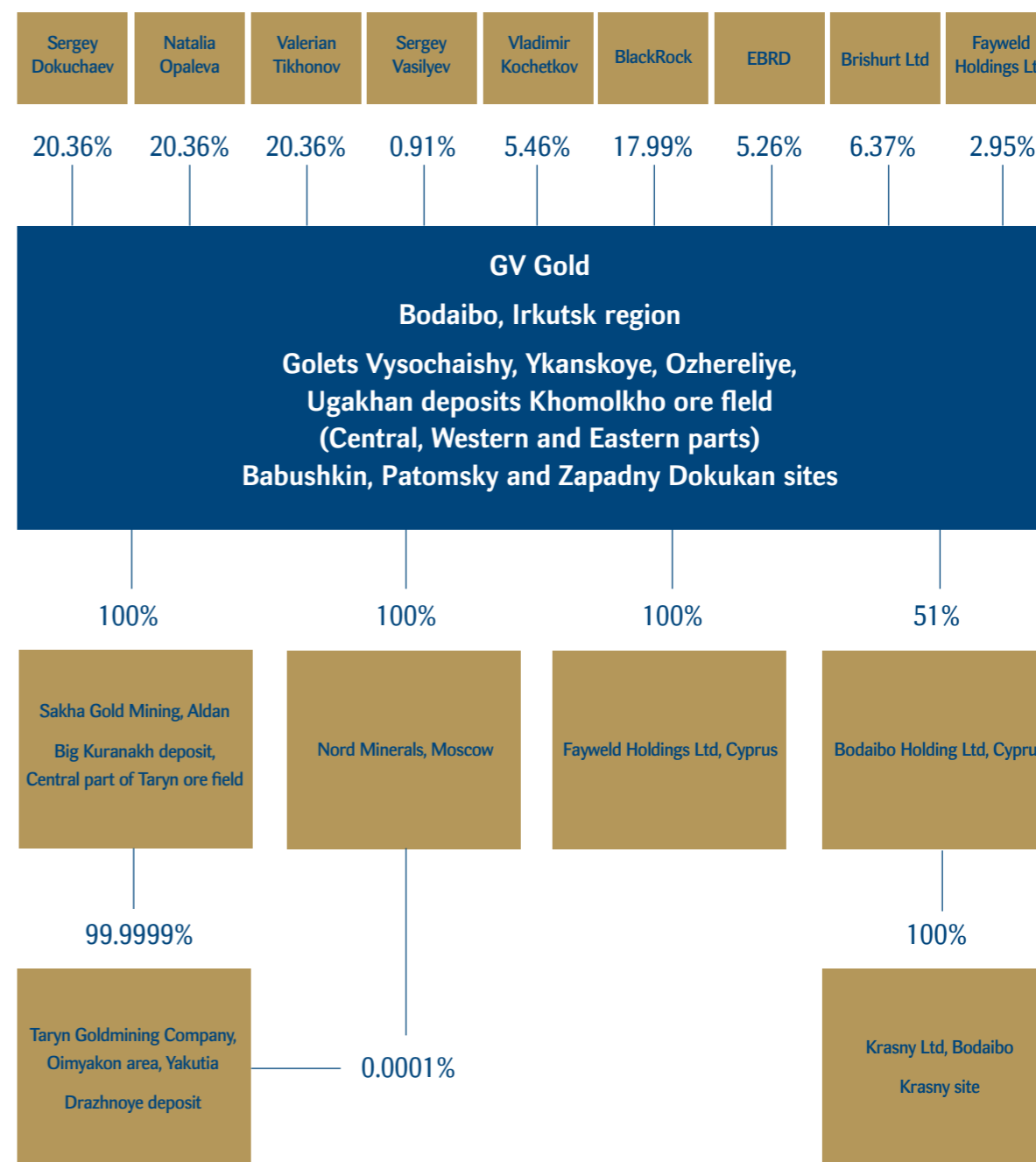
3. The reimbursement of expenses by the Company according to paragraph 2 above is conducted only after presentation by the Director of relevant documents confirming such expenses incurred, on a quarterly basis within ten working days of the end of the correspondent quarter.

Remuneration and Other Payment Paid to the Board of Directors in 2014

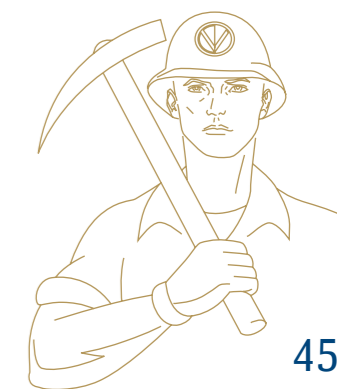
The amount of all kinds of the remuneration (including the salary of the joint stock company management body members, representing employees of the joint stock company, including those holding more than one office, bonuses, brokerage fees, rewards, separately paid for participation in the corresponding management body, other types of remuneration) totalled US\$ 825 000.

The amount of expenses associated with performance of the duties of the joint stock company management body members, reimbursed by the Company in the reference year amounted to US\$ 46 000.

Company Structure



*Information presented as of 31.12.2014



CORPORATE SOCIAL RESPONSIBILITY

- Human Resources
 - Education policy
 - Healthcare maintaining
- Health and Safety
- Environment Protection
- Social Policy and Charity



Corporate Social Responsibility

Corporate social responsibility is an integral part of GV Gold development strategy. The Group positions itself as a responsible and efficient Company assessing the adopted resolutions with regard its own personnel and its safety, the environment and the local communities.

In 2014 the Company underwent the International Cyanide Management Code pre-certification audit. Within the framework of the audit all GV Gold facilities handling cyanides were inspected. The main objective of the pre-certification audit was to improve the cyanide handling practices of the Company, so that to minimize the risks for the personnel, local population and environment, associated with the production, transportation and application of cyanides, as well as to engage and inform the impacted communities and external stakeholders expressing their concerns in respect to the application of cyanides.

All management levels are engaged in the corporate social responsibility matters: the corporate level, the project level and the level of separate major sites of the Company. For instance, a position of the corporate EHSS manager was established in GV Gold Moscow Representative Office. The Company has established the structural departments supervising corporate social responsibility matters on the project level or the subsidiary level. On the site level (sites Golets Vysochaishy, Marakan, etc.), the Company has also introduced the positions responsible for supervision and observation of the EHS requirements.

Human Resources

GV Gold management acknowledges the key role of the personnel in the Company development and the production targets achievement. The HR development policy includes incentivization of the personnel, compliance with the labour legislation, provision of the social and living conditions to the workers at the remote sites, provision of social benefits and guarantees, in excess of the level required with the legislation, development and training of the personnel.

In 2014 the total number of GV Gold Group personnel amounted to ca. 1500 employees.

The Company provides a competitive remuneration and social benefits to the employees, including compensation of the fare to the place where the worker spends his/her vacation, non-recurrent financial assistance rendered to the worker in difficult financial circumstances, financial assistance for the health resort treatment, annual performance bonuses.

Every year, on the Metallurgist Day, GV Gold personnel are awarded with corporate rewards for production excellence and dedicated work.

The Company places special emphasis on the on-site living conditions of its workers. Workers live in well-furnished dormitories, 3-4 persons in each room; the enterprise is equipped with the laundry room, dining hall, gym and tanning facility. St. Great Martyr Varvara Chapel (Miner's Patroness and Protector) was constructed and consecrated on the territory of Vysochaishy site. In 2014 the Company commenced designing and procurement of the equipment for the comfortable rotation camps of the Ugakhan and Drazhnoye deposits.

In 2014 the total amount spent on construction, renovation and improvement of the social and living conditions of workers totalled ca. RUB 300 M.

Education policy

Training and improvement of the personnel's qualification represent the most important constituent part of the Company HR policy. In 2002 the Integrated Training Center was established at the Company. In 2014, 56 workers underwent the occupational training on its basis. Upon completion of the training they received competence certificates of the established standard.

In 2014 the Company acted as a partner of the II All-Russian Championship in resolution of the mining-related cases, aimed at development of mining education, provision of practical mining knowledge and experience to students and postgraduates, establishment of the HR pool for the Company and attraction of young specialists into the mining sector.

Healthcare maintaining

For the health promotion purposes, the Company established on-site medical stations, staffed with highly qualified medical personnel and equipped with all equipment required for rendering of medical aid to the workers. Regular vaccination from cold-related and virus infections are carried out on the regular basis.

In accordance with the EBRD requirements, a grievance mechanism enabling any worker to express his/her substantiated complaints related to their labour activity is present in the company. For this purpose an e-mail box for communication of grievances to the management was created.

Health and Safety

The Company strives to maintain safe labour conditions at its enterprises and for this purpose it takes complex measures in order to accomplish the compliance with Russian legislation and international OHS requirements:

- Assessment of the OHS risks and development of the risk mitigation measures
- Training
- Improvement of the personnel's competence and OHS trainings
- Provision of overalls and personal protective equipment for workers
- Implementation of the internal and external OHS inspections.

In 2014 five minor accidents were registered at Irkutsk and Yakutia projects. All accidents were appropriately investigated and the causes were identified. Preventive and corrective measures were introduced and taken as a result of the investigations. No occupational diseases were registered in the Company.

In 2014 the supervisory authorities carried out 19 OHS-related inspections at the facilities of GV Gold and its subsidiaries. The inspections identified no significant violations.



No emergencies or incidents were registered at the Company's hazardous production facilities. In the reference year, no fines or other enforced recoveries were imposed by the authorized state agencies for violation of the OHS legislation.

In order to improve the OHS awareness of its personnel, GV Gold carries out the annual trainings in accordance with the legislation of the Russian Federation. The OHS certification of the personnel is carried out with participation of representatives from the local Administrations of the Federal Service of Environmental, Technological and Nuclear Supervision.

In 2014 the Company spent RUB 24.4 M on the OHS-related arrangements.

Environment Protection

The Company acknowledges that development of its production activity inevitably leads to the growth of its negative impact on the environment, thereby; the environment protection issues are already reviewed on the pre-designing and designing stages.

In the Company environmental policy the following trends are regarded as the top-priority ones:

- Reduction of tonnage of generated wastes through the wastes utilization and resources conservation measures
- Reduction of the water resources consumption through establishment of the recycling water supply system at all enterprises of the Company
- Rational utilization of land resources
- Minimization of the ambient air pollution

In 2014 the state authorities for environmental and sanitary supervision conducted an inspection, which identified no violations of the environment protection legislation. There were no fines imposed for the environmental legislation violation.

There were no accidents resulting in the environmental consequences at the Company facilities. The bulk of generated wastes (more than 95%) is represented with the mining wastes – overburden, gravity and processing tailings. Mining wastes are referred to the 5th hazard class and are practically harmless to the environment.

In order to dispose solid domestic wastes of the Golets Vysochaishy deposit remote facilities safely, the Company constructed a solid wastes landfill, which is

fully compliant with the requirements of sanitary and environmental legislation. It is planned to construct solid wastes landfills for disposal of the 4-5th hazard class wastes at the Ugakhan and the Drazhnoye deposits. Safe disposal of wastes is also achieved through conveyance of wastes to specialized organizations, which have corresponding licenses.

Gold mining is a water consuming process. In order to decrease the consumption of water resources, all acting processing plants of the Company adopted the recycling water supply system. Introduction of this system allowed to significantly decrease the volume of consumed and, as a consequence, mitigate a negative impact on the water bodies and aquatic bioresources.

In accordance with the flowsheet, adopted for the Golets Vysochaishy Mine and the Ykanskoje Mine, all treated domestic wastewaters and rainfall are directed into the tailings pond and further used for production purposes. This allows not only to decrease the water consumption from water bodies, but also to eliminate the relevant ingress of pollutants into the water bodies. Similar flow sheets will be adopted at the facilities under construction.

In 2014 the Company acquired the wastewater biological treatment station with the capacity of 100 m3/day for the Taryn Mine rotation camp. It will provide the treatment of domestic wastewaters to the norms set for the fishery water bodies. It is planned to acquire similar station for the Ugakhan Mine as well.

All GV Gold projects carry out environmental monitoring in accordance with the programs approved by the state regulatory agencies. Results of the monitoring prove that the rendered impact is within the permissible rate.

In 2014 the environmental costs of all companies of the Group amounted to RUB 309.1 M, including the wastes disposal facilities design and construction costs.

Social Policy and Charity

GV Gold is one of the largest taxpayers and employers in the Bodaibo Area. Over the last 6 years, the Company has been repeatedly awarded by Irkutsk Region government for its significant contribution in the social and economic development of the region. Every year GV Gold is among the awardees of the Irkutsk Region economic entities rating.

Development of the local communities and charity support are provided by the Company within the framework of the social and economic partnership agreements, signed with the Government of Irkutsk Region and administrations of the Municipal Entity "Aldan Area" of the Sakha (Yakutia) Republic and the Municipal Entity "Oimyakon Area" of the Sakha (Yakutia) Republic.

The main trends of the Group social and economic partnership are the development and support of the municipal educational and pre-school institutions, financing of the healthcare and sport facilities, sponsor support of the children's sport and creative events, support of the poor and socially-vulnerable groups of population.

The social and economic partnership programs are developed in close cooperation with the stakeholders.

Over the years of participation in the region's social life the amounts of money spent on the social and economic development of the region increased by 6.5 times: from RUB 3.5 M in 2006 to RUB 22.8 M in 2014.

Within the framework of this cooperation the Company rendered its assistance to the healthcare, educational and cultural institutions of the Bodaibo Area, provided financial aid to the Great Patriotic War veterans, co-financed construction of the accommodation for the personnel of the Bodaibo budgetary institutions.

Permanent participation in the Presidential Project on restoration of St. Innocentius Chapel in Anga settlement of the Irkutsk Region represents an important and honourable mission for the Company. GV Gold has been taking active part in this project for two years; the money it provided have been used to restore the wooden chapel; further it is planned to acquire the icon screen and the bell.

The Company renders social support beyond the framework of the social and economic partnership agreement as well. GV Gold sponsors the convention of young geologists which takes place in Tomsk every two years: sponsors the event and covers the fare of orphaned children and children from troubled families of Irkutsk Region to the event.

2006

RUB 3.5 M

2014

RUB 22.8 M



OTHER INFORMATION

- [Risks Overview](#)
- [Major Transactions and Interested Party Transactions](#)
- [Compliance with the Corporate Governance Code](#)
- [Information on Payment of the Dividends](#)
- [Register of the Licenses](#)



Other Information

Risks Overview

Specific character of the Company business presumes a number of risks accompanying its activity.

Legal Risks

Due to the fact that GV Gold business is regulated with the current legislation on subsurface management, taxation, environment protection and a number of other types of legislation, there is a risk of adoption of a new legislative acts which could restrict the exploitation of resources owned by the Company or increase the fiscal burden, which may increase the gold production costs.

Sanctions, introduced by western countries against a number of individuals and state companies of Russia, cause certain difficulties for the business. They give rise to risks, associated with the limitation in attracting the project development investments and possible embargo on foreign mining machinery and spare parts shipments to Russia. This may result in the growth of prices for less reliable equipment and the extension of the project implementation period due to failed deliveries and possible absence of foreign spare parts. Therefore, a program of appropriate import replacement must be implemented.

Therefore, a program of appropriate import replacement must be implemented.

Production Risks

Remote location of the Company facilities and insufficient development of the infrastructure may lead to the untimely elimination of accidents, replacement and repairing of the broken-down equipment, interruptions of supply and communication.

Social Risks

Changes introduced into the legislation with regard to the increase in the insurance and compensation payments, or tightening of the approval and permitting procedures, may increase the Company costs. Due to

remoteness of the productive facilities from towns and cities and severe climatic conditions, a deficit of qualified labour may occur.

Economic Risks

Market Risk

Market risk represents the risk of alteration of the market prices, such as the foreign currency exchange rates, interest rates, commodity prices and cost of capital, which renders its impact on GV Gold activity results and the cost of financial instruments it holds.

The Company is subjected to the following market risks: gold price variation (commodity prices variation risk), foreign currency exchange rate variation, interest rates variation, which may render a negative impact on the cost of financial assets and liabilities or the expected future cash flows. In 2014, as the result of political sanctions introduced against the Russian Federation, market risks increased significantly.

Gold Price Variation Risk

Variation of the gold prices renders a significant impact on the Group results. In accordance with the signed gold sale agreement, the price for gold is determined on the basis of the morning London fixing, set by the members of the London Bullion Market Association (Gold Fixing Price)*.

Gold trading is carried out in a centralized manner. The Company reduces the gold price variation risk exposure with the help of three instruments:

1. Target revenue highlights are established on the basis of the conservative gold price forecast
2. Investment costs are adjusted in accordance with the expected variations of gold price and US\$ exchange rate
3. Measures on the optimization and reduction of cash costs are taken to maintain a stable profit margin of the commodity sales

*In March 2015 the morning London fixing ceased to exist and was replaced with the gold price determined by the members of the London Bullion Market Association (LBMA Gold Price). The Company does not expect any significant impact on the sale price associated with this variation.

Foreign Exchange Risk

In the course of its financial and business activity, the Group is exposed to the risk of foreign exchange rates' fluctuations, mainly the US\$/RUB rate. The foreign exchange rate risk is mostly associated with the future business operations as well as the existing assets and liabilities, nominated in currencies other than RUB.

A part of the operating and investment costs is linked to foreign currencies. However, due to the fact that the Company revenue is linked to US\$, GV Gold has a possibility to raise debt funds in foreign currency safely. For foreign exchange risk mitigation purposes, depending on the market situation, the Company allocates bank deposits in foreign currency.

Major Transactions and Interested Party Transactions

In 2014 the Company concluded the following transactions, which in accordance with the Federal Law "On the Joint-stock Companies" are recognized as the interested party transactions, and the following major transactions:

Contract details – Agreement № 14/003 dated 31.01.2014 (interested party transaction)

Contract party – JSCB Lanta-Bank (CJSC)

Contract subject – GV Gold (Vysochaishy, OJSC) places a monetary amount (deposit) in JSCB Lanta-Bank (CJSC) and JSCB Lanta-Bank (CJSC) accepts it and undertakes to return it to GV Gold (Vysochaishy, OJSC) and pay the interest on the deposit's amount on the maturity date

Interested party – Member of the Board of Directors, Company shareholder Mr. Dokuchaev S.V., Member of the Board of Directors,

Company shareholder Mrs. Opaleva N.V.

Value of the property (proprietary rights), representing the transaction subject – RUB 400 000 000

Size of the transaction in percentage of the balance sheet value of the assets – 2.62 %

Management approval of the transaction - Protocol №OS/V-39 of the Annual General Meeting of Shareholders dated 28.06.2013

Contract details – Agreement № 14/011 dated 01.04.2014 (interested party transaction)

Contract party – JSCB Lanta-Bank (CJSC)

Contract subject – GV Gold (Vysochaishy, OJSC) places a monetary amount (deposit) in JSCB Lanta-Bank (CJSC) and JSCB Lanta-Bank (CJSC) accepts it and undertakes to return it to GV Gold (Vysochaishy, OJSC) and pay the interest on the deposit's amount on the maturity date

Interested party – Member of the Board of Directors, Company shareholder Mr. Dokuchaev S.V., Member of the Board of Directors,

Company shareholder Mrs. Opaleva N.V.

Value of the property (proprietary rights), representing the transaction subject – RUB 300 000 000

Size of the transaction in percentage of the balance sheet value of the assets – 1.9 %

Management approval of the transaction – Protocol №OS/V-39 of the Annual General Meeting of Shareholders dated 28.06.2013

Contract details – Board Member Indemnity Agreement dated 01.07.2014 (interested party transaction)

Contract party – Mikhail I. Leskov - member of the Board of Directors

Contract subject – GV Gold (Vysochaishy, OJSC) indemnifies the member of the GV Gold Board of Directors against any losses, which he may incur in the context of the resolutions he adopted on behalf of GV Gold (Vysochaishy, OJSC) as a member of the Board of Directors

Interested party – member of the Board of Directors Mikhail I. Leskov.

Value of the property (proprietary rights), representing the transaction subject – US\$ 20 000 000 (twenty million) within the calendar year

Size of the transaction in percentage of the balance sheet value of the assets – does not exceed 4.35% of balance sheet value of the

Company assets in accordance with its financial statements as at the latest reporting date preceding the transaction – conclusion of the Agreement (31.03.14)

Management approval of the transaction – Protocol №OS/V-15 of the Extraordinary General Meeting of the Board of Directors dated 30.01.2007



Contract details – Supplement Agreement dated 14.07.2014 to the Gold Bullion Purchase and Sale Agreement № 1090/13-OR dated 25.12.2013 (interested party transaction)

Contract party – JSCB Lanta-Bank (CJSC)

Contract subject – Amendment of the Gold Bullion Purchase and Sale Agreement № 1090/13-OR dated 25.12.2013 (Essence of the amendment: increase of the amount of gold with the fineness of not less than 99.99 to be sold to JSCB Lanta-Bank (CJSC) in accordance with the Gold Bullion Purchase and Sale Agreement № 1090/13-OR dated 25.12.2013 by 2 000 (two thousand) kg, i.e. to 5000 (five thousand) kg to be delivered before 31.12.2014).

Interested parties – member of the Board of Directors, Company shareholder Mr. Dokuchaev S.V., member of the Board of Directors,

Company shareholder Mrs. Opaleva N.V.

Value of the property, representing the transaction's subject – more than RUB 2 915 220 000. Due to peculiar terms of the contract it is impossible to present the exact size of the transaction now.

Size of the transaction in percentage of the balance sheet value of the assets – more than 18.8% of the balance sheet value of the GV Gold assets according to the financial statements as at 31.03.2014.

Management approval of the transaction – Protocol №OS/V-42 of the Annual General Meeting of Shareholders dated 30.06.2014.

Contract details – Agreement № 14/0031 dated 19.08.2014 (interested party transaction)

Contract party – JSCB Lanta-Bank (CJSC)

Contract subject – GV Gold (Vysochaishy, OJSC) places a monetary amount (deposit) in JSCB Lanta-Bank (CJSC) and JSCB Lanta-Bank (CJSC) accepts it and undertakes to return it to GV Gold (Vysochaishy, OJSC) and pay the interest on the deposit's amount on the maturity date

Interested party – Member of the Board of Directors, Company shareholder Mr. Dokuchaev S.V., Member of the Board of Directors, Company shareholder Mrs. Opaleva N.V.

Value of the property (proprietary rights), representing the transaction subject – RUB 50 000 000

Size of the transaction in percentage of the balance sheet value of the assets – 0.33 %

Management approval of the transaction – Protocol №OS/V-42 of the Annual General Meeting of Shareholders dated 30.06.2014

Contract details – Agreement № 14/0032 dated 19.08.2014 (interested party transaction)

Contract party – JSCB Lanta-Bank (CJSC)

Contract subject – GV Gold (Vysochaishy, OJSC) places a monetary amount (deposit) in JSCB Lanta-Bank (CJSC) and JSCB Lanta-Bank (CJSC) accepts it and undertakes to return it to GV Gold (Vysochaishy, OJSC) and pay the interest on the deposit's amount on the maturity date

Interested party – Member of the Board of Directors, Company shareholder Mr. Dokuchaev S.V., Member of the Board of Directors, Company shareholder Mrs. Opaleva N.V.

Value of the property (proprietary rights), representing the transaction subject – RUB 50 000 000

Size of the transaction in percentage of the balance sheet value of the assets – 0.33 %

Management approval of the transaction - Protocol №OS/V-42 of the Annual General Meeting of Shareholders dated 30.06.2014

Contract details – Agreement № 14/0033 dated 19.08.2014 (interested party transaction)

Contract party – JSCB Lanta-Bank (CJSC)

Contract subject – GV Gold (Vysochaishy, OJSC) places a monetary amount (deposit) in JSCB Lanta-Bank (CJSC) and JSCB Lanta-Bank (CJSC) accepts it and undertakes to return it to GV Gold (Vysochaishy, OJSC) and pay the interest on the deposit's amount on the maturity date

Interested party – Member of the Board of Directors, Company shareholder Mr. Dokuchaev S.V., Member of the Board of Directors, Company shareholder Mrs. Opaleva N.V.

Value of the property (proprietary rights), representing the transaction subject – RUB 50 000 000

Size of the transaction in percentage of the balance sheet value of the assets – 0.33 %

Management approval of the transaction - Protocol №OS/V-42 of the Annual General Meeting of Shareholders dated 30.06.2014

Contract details – Agreement № 14/0034 dated 19.08.2014 (interested party transaction)

Contract party – JSCB Lanta-Bank (CJSC)

Contract subject – GV Gold (Vysochaishy, OJSC) places a monetary amount (deposit) in JSCB Lanta-Bank (CJSC) and JSCB Lanta-Bank (CJSC) accepts it and undertakes to return it to GV Gold (Vysochaishy, OJSC) and pay the interest on the deposit's amount on the maturity date

Interested party – Member of the Board of Directors, Company shareholder Mr. Dokuchaev S.V.,

Member of the Board of Directors, Company shareholder Mrs. Opaleva N.V.

Value of the property (proprietary rights), representing the transaction subject – RUB 50 000 000

Size of the transaction in percentage of the balance sheet value of the assets – 0.33 %

Management approval of the transaction – Protocol №OS/V-42 of the Annual General Meeting of Shareholders dated 30.06.2014

Contract details – Agreement № 14/0035 dated 19.08.2014 (interested party transaction)

Contract party – JSCB Lanta-Bank (CJSC)

Contract subject – GV Gold (Vysochaishy, OJSC) places a monetary amount (deposit) in JSCB Lanta-Bank (CJSC) and JSCB Lanta-Bank (CJSC) accepts it and undertakes to return it to GV Gold (Vysochaishy, OJSC) and pay the interest on the deposit's amount on the maturity date.

Interested party - Member of the Board of Directors, Company shareholder Mr. Dokuchaev S.V., Member of the Board of Directors, Company shareholder Mrs. Opaleva N.V.

Value of the property (proprietary rights), representing the transaction subject – RUB 50 000 000

Size of the transaction in percentage of the balance sheet value of the assets – 0.33 %

Management approval of the transaction - Protocol №OS/V-42 of the Annual General Meeting of Shareholders dated 30.06.2014

Contract details – Amended and Reworded Deed of Guarantee and Indemnity dated 09.09.2014 (major transaction), and Amended and Reworded Deed of Undertakings, Warranties and Indemnities dated 09.09.2014 (major transaction (set of associated transactions)).

Contract parties – GV Gold (Vysochaishy, OJSC) (“Company”); European Bank for Reconstruction and Development (“EBRD”), SAKHA Gold Mining, CJSC (“SGM”)

Contract subject – The Company provides the guarantee and indemnity, as well as the exemption from liability to the EBRD.

Value of the property, representing the transaction subject – size of the Company's obligations under the Deed is not limited, in this regard the size of the transaction may amount to more than 50% of the balance sheet value of the GV Gold assets as of 30.06.2014

Size of the transaction in percentage of the balance sheet value of the assets – may amount to more than 50% of the balance sheet value of the GV Gold assets as of 30.06.2014

Management approval of the transaction - Protocol №OS/V-43 of the Annual General Meeting of Shareholders dated 25.08.2014

Contract details – Deed of Guarantee and Indemnity dated 09.09.2014 (major transaction which is interested party transaction)

Contract parties – (1) GV Gold (Vysochaishy, OJSC) (“Company”), SAKHA Gold Mining, CJSC (“SGM”); (2) Mr. Dokuchaev S.V., Mrs. Opaleva N.V., Mr. Tikhonov V.A. (“Controlling Shareholders”).

Contract subject – The Company and SGM together indemnify the Controlling Shareholders.

Interested parties – member of the Board of Directors, Company shareholder Mr. Dokuchaev S.V., member of the Board of Directors, Company shareholder Mrs. Opaleva N.V., member of the Board of Directors, Company shareholder Mr. Tikhonov V.A.

Value of the property, representing the transaction's subject – size of the Company's obligations under the Deed is not limited, in this regard the size of the transaction may amount to more than 50% of the balance sheet value of the GV Gold assets as of 30.06.2014

Size of the transaction in percentage of the balance sheet value of the assets – may amount to more than 50% of the balance sheet value of the GV Gold assets as of 30.06.2014

Management approval of the transaction – Protocol №OS/V-43 of the Extraordinary General Meeting of the Board of Directors dated 25.08.2014

Contract details – Supplement Agreement dated 13.10.2014 to the Gold Bullion Purchase and Sale Agreement № 1090/13-OR dated 25.12.2013 (interested party transaction)

Contract party – JSCB Lanta-Bank (CJSC)

Contract subject – Amendment of the Gold Bullion Purchase and Sale Agreement № 1090/13-OR dated 25.12.2013 (Essence of the amendment: increase of the amount of gold with the fineness of not less than 99.99 to be sold to JSCB Lanta-Bank (CJSC) in accordance with the Gold Bullion Purchase and Sale Agreement



№ 1090/13-OR dated 25.12.2013 by 200 (two hundred) kg, i.e. to 5200 (five thousand two hundred) kg to be delivered before 31.12.2014).

Interested parties – member of the Board of Directors, Company shareholder Mr. Dokuchaev S.V., member of the Board of Directors, Company shareholder Mrs. Opaleva N.V.

Value of the property, representing the transaction's subject – more than RUB 318 416 000. Due to peculiar terms of the contract it is impossible to present the exact size of the transaction now.

Size of the transaction in percentage of the balance sheet value of the assets – more than 2 % of the balance sheet value of the GV Gold assets according to the financial statements as at 30.06.2014.

Management approval of the transaction – Protocol №OS/V-42 of the Annual General Meeting of Shareholders dated 30.06.2014.

Contract details – Life and Health Insurance Agreement №1486A83U00392 dated 24.11.2014 (interested party transaction)

Contract party – Insurance Open Joint-Stock Company VSK (the Insurer)

Contract subject – For the insurance premium specified with the Agreement, the Insurer undertakes to pay the insurance indemnity to the Insured upon the occurrence of the insurance event in his life, and in case of the Insured persons' death – to pay the insurance indemnity to the person nominated by the Insured.

Interested parties – CEO, member of the Board of Directors Mr. Vasilyev S.A.

Value of the property (proprietary rights), representing the transaction's subject – RUB 991 830

Size of the transaction in percentage of the balance sheet value of the assets – 0.005 %

Management approval of the transaction – Protocol №SD/V-155 of the Absent Meeting of the Board of Directors dated 24.10.2014

Contract details – Supplement Agreement № 1 dated 16.12.2014 to the Silver Bullion Purchase and Sale Agreement № 1091/13-OR dated 25.12.2013 (interested party transaction)

Contract party – JSCB Lanta-Bank (CJSC)

Contract subject – Amendment of the Silver Bullion Purchase and Sale Agreement № 1091/13-OR dated 25.12.2013 (Essence of the amendment: increase of the amount of silver with the fineness of not less than 99.99 to be sold to JSCB Lanta-Bank (CJSC) in the form of the standard bullions to the total ligature mass of 910 kg

Interested parties – member of the Board of Directors, Company shareholder Mr. Dokuchaev S.V., member of the Board of Directors, Company shareholder Mrs. Opaleva N.V.

Value of the property, representing the transaction's subject – c. RUB 29 138 200

Size of the transaction in percentage of the balance sheet value of the assets – c. 0.173%

Management approval of the transaction – Protocol №OS/V-42 of the Annual General Meeting of Shareholders dated 30.06.2014

Contract details – Supplement Agreement № 1 dated 16.12.2014 to the Gold Bullion Purchase and Sale Agreement № 1090/13-OR dated 25.12.2013 (interested party transaction)

Contract party – JSCB Lanta-Bank (CJSC)

Contract subject – Amendment of the Gold Bullion Purchase and Sale Agreement № 1090/13-OR dated 25.12.2013 (Essence of the amendment: increase of the amount of gold with the fineness of not less than 99.99 to be sold to JSCB Lanta-Bank (CJSC) in accordance with the Gold Bullion Purchase and Sale Agreement № 1090/13-OR dated 25.12.2013 by 120 (one hundred twenty) kg, i.e. to 5320 (five thousand three hundred twenty) kg to be delivered before 31.12.2014).

Interested parties – member of the Board of Directors, Company shareholder Mr. Dokuchaev S.V., member of the Board of Directors, Company shareholder Mrs. Opaleva N.V.

Value of the property, representing the transaction's subject – more than RUB 272 545 200. Due to peculiar terms of the contract it is impossible to present the exact size of the transaction now.

Size of the transaction in percentage of the balance sheet value of the assets – more than 1.6 % of the balance sheet value of the GV Gold assets according to the financial statements as at 30.09.2014.

Management approval of the transaction – Protocol №OS/V-42 of the Annual General Meeting of Shareholders dated 30.06.2014.

Contract details – Silver Bullion Purchase and Sale Agreement № 1191/14-OR dated 29.12.2014 (interested party transaction)

Contract party – JSCB Lanta-Bank (CJSC)

Contract subject – JSCB Lanta-Bank (CJSC) purchases from GV Gold (Vysochaishy, OJSC) silver with the fineness of not less than 99.99) in the form of the standard bullions with the total ligature mass of 910 kg.

Interested party – member of the Board of Directors, Company shareholder Mr. Dokuchaev S.V., member of the Board of Directors, Company shareholder Mrs. Opaleva N.V.

Value of the property (proprietary rights), representing the transaction's subject – c. RUB 24 005 800

Size of the transaction in percentage of the balance sheet value of the assets – c. 0.142 %

Management approval of the transaction – Protocol №OS/V-42 of the Annual General Meeting of Shareholders dated 30.06.2014

Contract details – Supplement Agreement dated 29.12.2014 to the Gold Bullion Purchase and Sale Agreement № 1090/13-OR dated 25.12.2013 (interested party transaction which is major transaction)

Contract party – JSCB Lanta-Bank (CJSC)

Contract subject – Amendment of the Gold Bullion Purchase and Sale Agreement № 1090/13-OR dated 25.12.2013 (Essence of the amendment: increase of the amount of gold with the fineness of not less than 99.99 to be sold to JSCB Lanta-Bank (CJSC) in accordance with the Gold Bullion Purchase and Sale Agreement № 1090/13-OR dated 25.12.2013 by 2000 (two thousand) kg, i.e. to 5000 (five thousand) kg to be delivered before 31.12.2014).

Interested parties – member of the Board of Directors, Company shareholder Mr. Dokuchaev S.V., member of the Board of Directors, Company shareholder Mrs. Opaleva N.V.

Value of the property, representing the transaction subject – more than RUB 2 915 220 000. Due to peculiar terms of the contract it is impossible to present the exact size of the transaction now.

Size of the transaction in percentage of the balance sheet value of the assets – more than 18.8% of the balance sheet value of the GV Gold assets according to the financial statements as at 31.03.2014.

Management approval of the transaction – Protocol №OS/V-42 of the Annual General Meeting of Shareholders dated 30.06.2014.

Compliance with the Corporate Governance Code

In its activity GV Gold strives to follow the principles established by the Corporate Governance Code recommended with the Letter of the Bank of Russia №06-52/2463 dated 10.04.2014 "On the Corporate Governance Code".

* In 2015 JSCB Lanta-Bank (CJSC) is renamed in JSCB Lanta-Bank (JSC)



Information on Payment of the Declared (Accrued) Dividends upon the Company Shares

In 2014 the Company adopted the following resolutions on payment of dividends upon the shares:

(a) The Annual General Meeting of GV Gold (Vysochaishy, OJSC) Shareholders, which summarized the results of 2013, adopted the resolution on payment of the dividends upon the ordinary registered uncertificated shares of the Company:

Stock category: ordinary registered uncertificated shares.

Amount of declared (accrued) dividends per one share and in total for all the shares belonging to the same category (type):

- RUB 12.449 (twelve roubles 44.9 kopecks) per one ordinary share, net of the taxes payable in accordance with the legislation of the Russian Federation (which amounts to RUB 684 494 000). Taking into account the earlier paid interim dividends upon the ordinary shares of the Company following the results of the 1st half of 2013 amounting to RUB 198 382 000 (RUB 3.608 (three roubles 60.8 kopecks) per one ordinary share, net of the taxes payable in accordance with the legislation of the Russian Federation), to pay the final dividends in the amount of RUB 8.841 (eight roubles 84.1 kopecks) per one ordinary share, net of the taxes payable in accordance with the legislation of the Russian Federation (which amounts to RUB 486 113 000);

- RUB 684 494 000 in total for all the shares.

Management body, which adopted the resolution (declared) on payment of the dividends upon the shares: General Meeting of Shareholders.

Date of the management body meeting, at which the resolution on payment (declaring) of the dividends was adopted, date and number of the corresponding meeting's protocol: 30.06.2014, Protocol N°OS/V-42 of the Annual General Meeting of GV Gold (Vysochaishy, OJSC) Shareholders dated 30.06.2014.

Terms of payment of the dividends declared upon the shares:

The Annual General Meeting of the Shareholders adopted a resolution on payment of the dividends within the following timeframe:

To set the date at which the persons entitled to the dividends will be identified: 15.07.2014.

The form and other terms of the dividends payment: the payment is effected in the monetary form.

Reference period (year, quarter) for which the declared dividends are paid (were paid): 2013;

The total amount of the dividends payable upon all shares belonging to the same category (type) in 2013: as at the Annual Report approval date, the total amount of the dividends actually paid for 2013 amounted to RUB 684 494 000 including:

RUB 486 113 000 – following the results of 2013 net of the interim dividends following the results of the 1st half of 2013 paid in 2013.

(b) The Extraordinary General Meeting of GV Gold (Vysochaishy, OJSC) Shareholders, which summarized the results of the 1st half of 2014, adopted the resolution on payment of the dividends upon the ordinary registered uncertificated shares of the Company:

Stock category: ordinary registered uncertificated shares

Amount of declared (accrued) dividends per one share and in total for all the shares belonging to the same category (type):

- RUB 7.9636 (seven roubles 96.36 kopecks) per one ordinary share of the Company, net of the taxes payable in accordance with the legislation of the Russian Federation;

- RUB 437 869 706 in total for all the shares.

Management body, which adopted the resolution (declared) on payment of the dividends upon the shares: General Meeting of Shareholders

Date of the management body's meeting, at which the resolution on payment (declaring) of the dividends was adopted, date and number of the corresponding meeting's protocol: 16.09.2013, Protocol N°OS/V-44 of the Extraordinary General Meeting

of GV Gold (Vysochaishy, OJSC) Shareholders as of 25.09.2014.

Terms of payment of the declared dividends upon the Company's shares:

The Extraordinary General Meeting of GV Gold (Vysochaishy, OJSC) Shareholders adopted a resolution on payment of the dividends within the following timeframe:

To set the date at which the persons entitled to the dividends will be identified: 07.10.2014

The form and other terms of the dividends payment: the payment is effected in the monetary form.

Reference period (year, quarter) for which the declared dividends are paid: 1st half of 2014.

The total amount of the dividends paid upon all the Company shares belonging to the same category (type): as at the Annual Report approval date, the total amount of the dividends actually paid for the 1st half of 2014 was RUB 437 869 706.

Other information pertaining to the dividends declared and/or paid upon the Company shares: absent.

Register of the Licenses

Subsurface use licenses, held by GV Gold (Vysochaishy, OJSC), its subsidiaries and affiliated companies as of 01.01.2015:

Irkutsk Project Licenses

1. Geological surveying and production of gold from the Golets Vysochaishy hardrock gold deposit and its eluvial-deluvial placer

Legal entity which obtained the license: GV Gold (Vysochaishy, OJSC)

Land plot area: 9.72 km².

License number: IRK 11537 BR

Issued on: 19.05.2003

Valid until: 01.06.2020

2. Geological surveying and production of gold from the mining dumps of the Golets Vysochaishy deposit

Legal entity which obtained the license: GV Gold (Vysochaishy, OJSC)

Land plot area: 0.86 km².

License number: IRK 02669 BR

Issued on: 26.03.2010

Valid until: 15.12.2015

3. Geological surveying, exploration and production of hard rock gold from the Central part of the Khomolkho Ore Cluster

Legal entity which obtained the license: GV Gold

(Vysochaishy, OJSC)

Land plot area: 217 km²

License number: IRK 02178 BR

Issued on: 07.06.2005

Valid until: 01.04.2030

4. Geological surveying (prospecting, exploration) and production of hard rock gold from the Eastern part of Khomolkho Ore Cluster

Legal entity which obtained the license: GV Gold

(Vysochaishy, OJSC)

Land plot area: 168 km²

License number: IRK 02604 BR

Issued on: 29.01.2009

Valid until: 01.02.2034

5. Geological surveying, exploration and production of hard rock gold from the Northern part of Khomolkho Ore Cluster

Legal entity which obtained the license: GV Gold

(Vysochaishy, OJSC)

Land plot area: 87.9 km²

License number: IRK 02686 BR

Issued on: 26.04.2010

Valid until: 25.04.2035

6. Exploration and production of hard rock gold from Ozherlie deposit (Irkutsk Region)

Legal entity which obtained the license: GV Gold

(Vysochaishy, OJSC)

Land plot area: 24.1 km².

License number: IRK 14897 BE

Issued on: 09.04.2010

Valid until: 01.09.2026

7. Exploration and production of hard rock gold from Ykanskoye deposit (Irkutsk Region)

Legal entity which obtained the license: GV Gold

(Vysochaishy, OJSC)

Land plot area: 7.2 km².

License number: IRK 14896 BE

Issued on: 09.04.2010

Valid until: 01.09.2026



8. Geological surveying, exploration and production of hard rock gold from Verkhne-Ugakhansky site

Legal entity which obtained the license: GV Gold (Vysochaishy, OJSC)
 Land plot area: 14.4 km².
 License number: IRK 02727 BR
 Issued on: 07.10.2010
 Valid until: 10.10.2035

9. Geological surveying, exploration and production of hard rock gold from Babushkin site

Legal entity which obtained the license: GV Gold (Vysochaishy, OJSC)
 Land plot area: 164 km².
 License number: IRK 03054 BR
 Issued on: 28.01.2014
 Valid until: 25.06.2033

10. Geological surveying (prospecting, exploration) of hard rock gold at the Patomsky site

Legal entity which obtained the license: GV Gold (Vysochaishy, OJSC)
 Land plot area: 125.61 km²
 License number: IRK 03116 BP
 Issued on: 14.10.2014
 Valid until: 15.10.2019

11. Geological surveying (prospecting, exploration) of hard rock gold at the Western Dokukan site

Legal entity which obtained the license: GV Gold (Vysochaishy, OJSC)
 Land plot area: 28.11 km²
 License number: IRK 03117 BP
 Issued on: 14.10.2014
 Valid until: 15.10.2019

12. Geological surveying, exploration and production of hard rock gold from Krasny site*

Legal entity which obtained the license: Krasny, LLC
 Land plot area: 31.05 km².
 License number: IRK 02804 BR
 Issued on: 18.07.2011
 Valid until: 25.04.2035

*GV Gold (Vysochaishy, OJSC) owns 51% equity stake

Yakutia Project Licenses

1. Production of gold from Bolshoy Kuranakh placer deposit (buried placer)

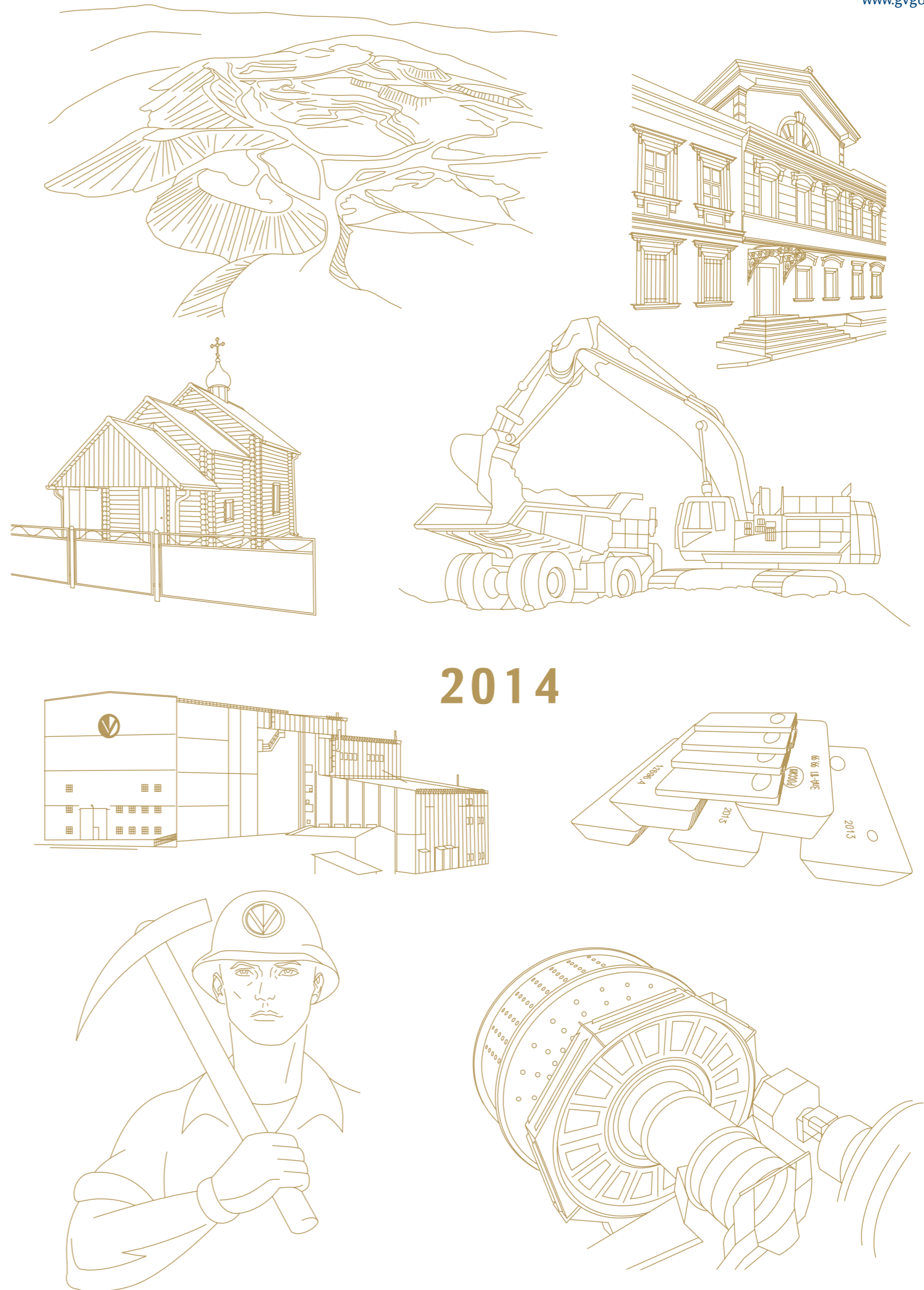
Legal entity which obtained the license: SAKHA Gold Mining, CJSC
 Land plot area: 2212 ha
 License number: YaKU 04077 BE
 Issued on: 26.11.2014
 Valid until: 31.12.2015

2. Geological surveying, exploration and production of hard rock gold and silver from the Central Part of the Taryn Ore Field

Legal entity which obtained the license: SAKHA Gold Mining, CJSC
 Land plot area: 89.09 km²
 License number: YaKU 03653 BR
 Issued on: 16.09.2013
 Valid until: 01.10.2038

3. Geological surveying, exploration and production of hard rock gold and silver from the Drazhnoye deposit, located within the Taryn Ore Field (Sakha (Yakutia) Republic)

Legal entity which obtained the license: Taryn Gold Mining Company, OJSC
 Land plot area: 47.64 km²
 License number: YaKU 15584 BR
 Issued on: 21.06.2013
 Valid until: 05.10.2037



2014

FINANCIAL STATEMENTS

- Audit Report
- Balance Sheet
- Financial Results, RAS
- Consolidated Financial Results, IFRS



Financial Results, RAS

Audit Report

On the financial statements of GV Gold (Vysochaishy, OJSC), summarizing the results for 2014, prepared for GV Gold (Vysochaishy, OJSC) shareholders in accordance with the Russian rules of financial reporting.

Information on the Audited Entity

Name: GV Gold (Vysochaishy Open Joint Stock Company)

GV Gold (Vysochaishy, OJSC) was registered by the Municipal Unit of Bodaibo and the district of the Irkutsk Region. The State Registration Certificate № 451-p was issued on May 29, 2001.

The Certificate 38 №000275650 on the Entry into the Unified State Register of Legal Entities enlisting legal entities registered prior to July 1, 2002, was issued on November 19, 2002 by the Interregional Inspectorate № 3 of the Ministry of Taxation of the Russian Federation in the Irkutsk Region; the entry was assigned the primary state registration number 1023800732878.

Location: 666902, Irkutsk Region, Bodaibo, Berzovaya Str., 17.

Information on the Auditor

Name: VostSibAudit, LLC.

VostSibAudit, LLC is registered by the Interregional Inspectorate №17 of the Federal Tax Service in the Irkutsk Region on June 08, 2011 under the primary state registration number 1113850020790. The Certificate 38 № 003253475 on the entry into the Unified State Register of Legal Entities pertaining to establishment of the legal entity was issued.

Location: 664047, Irkutsk, Sovetskaya Str., 3, office 301.

Phone: (395)72-45-25, 25-22-15

Phone/Fax: (395)25-22-15, 28-02-27

E-mail: info@vsaudit.ru

Director – Nadezhda P. Knyazkova

VostSibAudit, LLC is a member of the self-regulated auditors union - the Nonprofit Partnership "Institute of Professional Auditors", the entry registration number is 11202028694.

Nadezhda P. Knyazkova, the Director, acting on the basis of the Articles of Association, is authorized to sign the Audit Report.

Structure of the Audited Financial Statements

We have performed auditing of the attached financial statements of GV Gold (Vysochaishy, OJSC) consisting of the Balance Sheet as at 31.12.2014, Statement of Financial Results, Statement of Changes in Equity, Cash Flow Statements, Explanatory Note to the Statements for 2014.

Responsibility of the Audited Entity for the Financial Statements

In accordance with the requirements of the Russian Federation legislation regulating the financial statements preparation procedures, responsibility for the authenticity of the specified financial statements and the internal control system, required for preparation of the financial statements free from any material corruptions resulting from an unfair practice or error, rests on the management of the Company.

Responsibility of the Auditor

Our responsibility is to express an opinion on authenticity of the financial statements on the basis of the performed Audit. We carried out the Audit in accordance with the federal auditing standards. The above mentioned standards require observance of the applicable ethic norms, proper planning and implementation of the Audit allowing to obtain a reasonable assurance that the financial statements do not contain any material corruptions.

The Audit included implementation of the procedures aimed at reception of the audit evidence supporting numeric values in the financial statements and the disclosure of information in them. Selection of the auditing procedures represents a matter of our judgment based on estimation of the risk of material corruptions resulting from an unfair practice or error. In the course of the given risk estimation we reviewed the internal control system, providing soundness and authenticity of the financial statements, in order to select the appropriate auditing procedures, but not in order to express any opinion regarding the internal control system efficiency.

Opinion

The Audit also included estimation of propriety of the applied accounting policy and soundness of the estimated figures produced by the audited entity management as well as the estimation of the presented financial statements in general.

We believe that the audit evidence produced in the course of the Audit provide a sufficient basis for expressing the opinion regarding the financial statements authenticity.

In our opinion, the submitted financial statements provide an authentic reflection of GV Gold (Vysochaishy, OJSC) financial position as at December 31, 2014, results of its financial and business activity and cash flows for 2014, in accordance with the requirements of the Russian Federation legislation for preparation of the financial statements.

Director of the VostSibAudit, LLC

March 24, 2015



Nadezhda P. Knyazkova

(Auditor's Qualification Certificate №006745 granting the right to carry out the general auditing activity)

RAS Financial Statements
Balance Sheet as at December 31, 2014
GV Gold (Vysochaishy, OJSC)

Item	Code	As at December 31, 2014	As at December 31, 2013	As at December 31, 2012
Assets				
I. Non-current assets				
Intangible assets	1110	393 873	72 374	659 060
including:				
Intangible assets owned by the company	11101	356 766	48 207	659 060
Acquisition of intangible assets	11102	37 107	24 167	-
Results of research and development studies	1120	-	-	-
Intangible prospecting assets	1130	982 155	1 122 720	1 054 583
Tangible prospecting assets	1140	-	-	-
Fixed assets	1150	3 201 052	3 039 405	2 965 148
including:				
Equipment to be installed	11501	80 370	127 855	23 095
Fixed assets construction	11502	907 752	581 739	439 273
Fixed assets acquisition	11503	-	-	21 249
Fixed assets owned by the company, incl.:	11504	2 212 930	2 329 811	2 481 531
Machinery and equipment	11505	923 362	992 521	1 255 532
Buildings	11506	475 435	501 475	247 335
Transfer mechanisms	11507	-	-	79 200
Structures	11508	230 121	134 195	82 042
Vehicles	11509	296 839	334 570	271 145
Other fixed assets	11510	287 173	367 050	546 277
Income-bearing investments in tangible assets	1160	-	-	-
Financial investments	1170	2 715 378	2 399 652	2 095 983
including:				
Shares	11701	907 603	1 504 122	1 002 327
Loans	11702	1 407 775	895 530	1 093 656
Deposit accounts	11703	400 000	-	-
Deferred tax assets	1180	165 087	103 056	81 463
Other non-current assets	1190	2 520 125	3 121 648	964 888
Including:				
Loans	11901	1 648 220	2 900 811	359 573
Advances made	11902	794 816	191 537	602 402
Accounts receivable	11903	68 719	26 007	-
Deferred expenses	11904	8 370	3 293	2 913
Total for section I	1100	9 977 670	9 858 854	7 821 125

RAS Financial Statements
Balance Sheet as at December 31, 2014
GV Gold (Vysochaishy, OJSC)

Item	Code	As at December 31, 2014	As at December 31, 2013	As at December 31, 2012
II. Current assets				
Reserves	1210	1 458 606	1 425 790	1 355 423
including:				
Materials	12101	855 351	831 152	855 683
Core production	12102	541 060	508 005	439 567
Semifinished products of produced in house	12103	62 195	86 633	60 143
Value added tax for valuables acquired	1220	44 547	38 797	26 295
Accounts receivable	1230	1 569 397	839 881	1 637 000
including:				
Settlements with suppliers and contractors	12301	188 059	119 624	401 975
Settlements with purchasers and clients	12302	23 680	301 976	134 564
Settlements in respect of taxes and levies	12303	643 161	358 826	648 855
Settlements in respect of social insurance and social security	12304	908	365	55
Settlements with accountable persons	12305	323	966	739
Settlements with staff in respect of other operations	12306	623	1 105	1 678
Settlements with debtors and creditors	12307	712 643	57 019	449 134
Financial investments (excluding cash equivalents)	1240	317 863	3 321 179	1 216 900
including:				
Loans	12401	67 863	272 261	16 900
Deposit accounts	12402	250 000	3 048 918	1 200 000
Cash and cash equivalents	1250	1 994 744	37 030	298 987
Including:				
Company cash account	12501	218	161	79
Settlement and foreign currency accounts	12502	76 641	36 817	298 579
Deposit accounts	12503	1 917 528	-	-
Other special accounts	12504	357	52	329
Other current assets	1260	164	12 735	838
Total for section II	1200	5 385 321	5 675 412	4 535 443
Balance	1600	15 362 991	15 534 266	12 356 568

RAS Financial Statements
Balance Sheet as at December 31, 2014
GV Gold (Vysochaishy, OJSC)

Item	Code	As at December 31, 2014	As at December 31, 2013	As at December 31, 2012
Liabilities				
III. Capital and reserves				
Charter capital (share capital, statutory fund, partners' contributions)	1310	110	110	110
Treasury shares	1320	-	-	-
Revaluation of non-current assets	1340	-	-	-
Added capital (without revaluation)	1350	1 912 488	1 912 488	1 912 488
Reserve capital	1360	110	110	110
Retained profit (pending loss)	1370	9 510 327	10 411 170	9 274 702
including:				
Interim dividends	13701	(437 870)	(198 382)	(503 158)
Total for section III	1300	11 423 035	12 323 878	11 187 410
IV. Long-term liabilities				
Debt funds	1410	2 812 920	1 363 717	202 485
including:				
Long-term credits (in foreign currency)	14101	2 812 920	1 363 717	202 485
Deferred tax liabilities	1420	447 919	342 466	362 090
Estimated liabilities	1430	-	-	-
Other liabilities	1450	-	-	-
Total for section IV	1400	3 260 839	1 706 183	564 575
V. Short-term liabilities				
Debt funds	1510	6 983	1 093 710	206 217
including:				
Short-term credits (in foreign currency)	15101	-	1 090 973	202 485
Interest on credits (in foreign currency)	15102	6 983	2 737	3 732
Accounts payable	1520	635 615	376 579	378 871
including:				
Settlements with suppliers and contractors	15201	59 250	74 141	74 265
Settlements in respect of taxes and levies	15202	60 623	63 372	67 127
Settlements in respect of social insurance and social security	15203	38 856	47 497	43 187
Settlements with staff in respect of labour compensation	15204	174 798	167 473	173 378
Settlements with accountable persons	15205	179	66	77
Settlements with debtors and creditors	15206	301 909	24 030	20 837
Deferred revenues	1530	-	-	-
Estimated liabilities	1540	36 519	33 916	19 495
Other liabilities	1550	-	-	-
Total for section V	1500	679 117	1 504 205	604 583
Balance	1700	15 362 991	15 534 266	12 356 568

CEO

March 16, 2015



Sergey A. Vasilyev

Statement of Financial Results for the Period Starting on January 1 and Ending on December 31, 2014
GV Gold (Vysochaishy, OJSC)

Item	Code	Jan - Dec 2014	Jan - Dec 2013
Revenue	2110	8 208 131	7 416 411
including:			
Sales of gold	21101	8 117 537	7 396 096
Sales of silver	21102	20 476	20 315
Drazhnoye deposit contract operations	21103	70 118	-
Cost of goods sold	2120	(3 703 766)	(3 604 767)
including:			
Gold	21201	(3 641 874)	(3 604 767)
Drazhnoye deposit contract operations	21202	(61 891)	-
Gross profit (loss)	2100	4 504 365	3 811 644
Selling expenses	2210	-	-
Administrative expenses	2220	(700 992)	(706 845)
Sales profit (loss)	2200	3 803 373	3 104 799
Profit from participation in other companies	2310	1 717	-
Interest receivable	2320	255 960	182 392
Interest payable	2330	(80 830)	(80 163)
Other income	2340	602 455	1 412 762
including:			
Exchange rate differences	23401	413 006	222 453
Other non-operating income	23402	189 449	1 190 309
Other expenses	2350	(2 200 622)	(1 887 597)
including:			
Exchange rate differences	23507	(1 699 581)	(284 092)
Other operating expenses	23509	(501 041)	(1 603 505)
Profit (loss) before tax	2300	2 382 053	2 732 193
Current profit tax	2410	(329 378)	(539 370)
Incl. constant tax liabilities (assets)	2421	7 900	(80 456)
Change in deferred tax liabilities	2430	(59 748)	53 540
Change in deferred tax assets	2450	(95 184)	21 593
Other	2460	(18)	13 696
Net profit (loss)	2400	1 897 725	2 281 652
For reference			
Results of non-current assets revaluation not included into the net profit (loss) of the period	2510	-	-
Result of other operations not included into the net profit (loss) of the period	2520	-	-
Cumulative financial result of the period	2500	1 897 725	2 281 652
Basic profit (loss) per share	2900	-	-
Diluted profit (loss) per share	2910	-	-

CEO

March 16, 2015



Sergey A. Vasilyev



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Moscow, 117587, Russia

Consolidated Financial Results, IFRS

Independent Auditor's Report

To the Shareholders and the Board of Directors of OJSC "GV GOLD"

We have audited the accompanying consolidated financial statements of OJSC "GV GOLD" and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2014, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of OJSC "GV GOLD" and its subsidiaries as at 31 December 2014, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

General Director

27 April 2015



V. Poguliaev

GV Gold Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2014

(in thousands of Russian Roubles, unless otherwise stated)

Item	For the year ended 31 December	
	2014	2013
Revenue	8 491 084	7 770 905
Cost of sales	(4 351 413)	(4 394 677)*
Gross profit	4 139 671	3 376 228
Administrative expenses	(844 459)	(836 497)*
Impairment of goodwill	-	(129 209)
Impairment of property, plant and equipment	-	(161 900)
Other operating expenses, net	(433 401)	(265 493)*
Operating profit	2 861 811	1 983 129
Finance income	691 431	414 182
Finance costs	(2 264 022)	(380 220)
Profit before tax	1 289 220	2 017 091
Income tax expense	(216 825)	(515 671)
Net profit for the year	1 072 395	1 501 420
Other comprehensive income		
Translation reserve	32 694	-
Total other comprehensive income	1 105 089	1 501 420
Net profit for the year attributable to:		
Shareholders of the parent company'	1 087 096	1 501 420
Non-controlling interest	(14 701)	-
Total comprehensive income attributable to:		
Shareholders of the parent company'	1 119 790	1 501 420
Non-controlling interest	(14 701)	-
Basic earnings per share (RUB)	20,37	28,14

*The previous year figures were changed due to the re-calculation of operating and administrative costs

GV Gold

Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2014 (in thousands of Russian Roubles, unless otherwise stated)

Item	As at 31 December	
	2014	2013
Assets		
Non-current assets		
Goodwill	158 402	-
Property, plant and equipment	4 710 287	4 729 903
Construction-in-progress	2 485 259	1 513 702*
Mine under development	2 367 724	-
Intangible assets	54 199	58 757*
Exploration and evaluation assets	656 482	1 967 049*
Loans issued	489 218	49 819
Trade and other receivables	-	2 151
Deferred tax assets	13 922	4
Total non-current assets	10 935 493	8 321 385
Current assets		
Inventories	1 651 863	1 652 866
Trade and other receivables	354 582	361 723
Taxes receivable	809 056	604 277
Prepaid income tax	351 497	88 326
Loans issued and other financial assets	129 516	914 412
Cash and cash equivalents	2 546 099	2 737 653
Total current assets	5 842 613	6 359 257
Total assets	16 778 106	14 680 642
Equity and liabilities		
Equity		
Share capital	110	110
Treasury shares	(3)	(3)
Share premium	1 032 078	1 032 078
Retained earnings	10 051 550	9 861 219
Translation reserve	32 694	-
Equity attributable to shareholders of the Company	11 116 429	10 893 404
Non-controlling interests	310 201	-
Total capital	11 426 630	10 893 404
Non-current liabilities		
Loans and borrowings	3 659 769	1 360 143
Obligations under finance lease	260 337	-
Decommissioning provision	229 749	150 560
Deferred tax liabilities	555 084	624 164
Total non-current liabilities	4 704 939	2 134 867

*The previous year figures were changed due to the re-calculation of operating and administrative costs

GV Gold

Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2014 (in thousands of Russian Roubles, unless otherwise stated)

Item	As at 31 December	
	2014	2013
Current liabilities		
Loans and borrowings	11 022	1 083 574
Obligations under finance lease	88 925	-
Derivative financial instruments	-	5 595
Trade and other payables	331 888	431 656
Taxes payable	110 149	131 546
Obligations occurred during business combination	104 553	-
Total current liabilities	646 536	1 652 371
Total equity and liabilities	16 778 106	14 680 642

Notes from Consolidated Statement of Comprehensive Income for the year ended 31 December 2014

Revenue

Item	For the year ended 31 December	
	2014	2013
Revenue from sales of precious metals	8 459 137	7 756 298
including:		
Revenue from sales of gold	8 437 714	7 735 983
Revenue from sales of silver	21 423	20 315
Revenue from other sales	31 947	14 607
Total	8 491 084	7 770 905

In 2014, revenue from sales of gold increased by RUB 701,731 thousand or 9% compared to 2013 due to the growth of gold prices in RUB and volumes sold. In the reporting period, the gold prices in RUB increased by 7%, the volumes of gold sold grew by 2%.

Cost of Sales

Item	For the year ended 31 December	
	2014	2013
Cost of precious metals, total	4 345 887	4 387 586
including:		
Wages, salaries and insurance contributions	1 005 362	991 056
Raw materials and consumables	728 767	822 992
Depreciation and amortisation	701 051	669 165
Taxes	530 764	521 869
Contractual stripping work	417 334	402 260
Electricity costs	410 178	411 493
Repair and maintenance expenses	407 388	408 013
Other services of outside parties	51 583	59 098
Security costs	35 846	36 676
Refining costs	30 775	36 480
Rent expenses	26 232	28 117
Other costs	607	567
Costs of other sales	5 526	7 091
Total	4 351 413	4 394 677

In the reporting period, the cost of precious metals decreased by RUB 41,699 thousand or 1%.
The cost mainly decreased due to a decrease in the following expenses: raw materials and consumables (11%).

Administrative Expenses

Item	For the year ended 31 December	
	2014	2013
Wages, salaries and insurance contributions	569 001	558 830
Operating lease	75 778	72 758
Consulting and other professional services	53 761	33 757
Expenses for shareholders' meeting and board of directors	27 897	34 116
Depreciation and amortisation	22 573	15 032
Travel expenses	21 865	25 401
Entertainment expenses	19 078	12 936
Communication expenses	16 042	16 050
Cost of materials	13 570	12 187
Electricity costs	5 430	6 719
Audit fees	5 065	6 623
Security expenses	3 853	4 558
Repair and maintenance expenses	3 660	30 862
Taxes	1 671	1 121
Other administrative expenses	5 215	5 547
Total	844 459	836 497

In the reporting period, administrative expenses increased by RUB 7 962 thousand or 1% mainly brought about by the following expenses: consulting and other professional services (59%) in case with evaluation of reserves. Expenditures for repairs and maintenance for the 12 months ended December 31, 2013, in the amount of RUB 30 862 thousand, associated with the repair of the administrative building in Bodaibo

Other Operating Expenses, Net

Item	For the year ended 31 December	
	2014	2013
Gain/(loss) on disposal property, plant and equipment	930	(37 802)
(Increase) in allowance for financial investments	(178 665)	-
Direct write-off of inventories	(92 474)	-
Social development	(46 021)	(99 876)
Change in allowance for doubtful debts and written-off receivables	(40 358)	(1 323)
(Loss) on foreign currency transactions	(18 025)	(49 683)
Change in allowance for advances given for exploration work	(16 537)	-
Bank services	(13 562)	(7 113)
Change in decommissioning provisions	(8 059)	(4 708)
(Increase)/decrease in allowance for inventories	(828)	2 763
Refund of mineral extraction tax	-	8 977
Exploration expenses	-	(66 897)
Other operating expenses, net	(19 802)	(9 831)
Total	(433 401)	(265 493)

Finance Income and Finance Costs

Item	For the year ended 31 December	
	2014	2013
Finance income		
Foreign exchange gain	457 023	222 731
Interest income	234 408	191 451
Total	691 431	414 182
Finance costs		
Foreign exchange loss	(2 108 164)	(284 348)
Interest expenses	(136 480)	(87 250)
Unwinding of discount on provision	(19 378)	(8 622)
Total	(2 264 022)	(380 220)

Income Tax Expense

Item	For the year ended 31 December	
	2014	2013
Current income tax expense	331 230	545 546
Adjustments for income tax of prior periods	(31 408)	(50 467)
Deferred income tax expense	(82 998)	20 592
Total	216 825	515 671

The Russian companies' applicable tax rate is 20%; FAYWELD HOLDINGS LTD – 12.5%.
Reconciliation between the theoretical and the actual taxation charge is provided below.

Item	For the year ended 31 December	
	2014	2013
Profit before tax	1 289 220	2 017 091
Income tax at the rate of 20%	257 844	403 418
Unrecognised tax asset	-	61 625
Use of unrecognized tax losses and tax benefits prior periods	(85 018)	-
Effect of different income tax rates	(1 358)	(1 052)
Effect of permanent tax differences	45 357	51 680
Total	216 825	515 671
Effective income tax rate	17%	26%

In 2014, referring to the reorganization of GDK Aldgold, JSC by joining the Company have been implemented previously unrecognized deferred tax assets of the company, formed as a result of the formation of tax losses of previous periods in the amount of RUB 85 018 thousand.

Earnings per Share

Below is the information on profit and number of shares used in calculations of basic and diluted earnings per share.

Item	For the year ended 31 December	
	2014	2013
Weighted average number of shares	53 364 213	53 364 213
Net profit for the year attributable to shareholders of the parent company	1 087 096	1 501 420
Basic earnings per share, RUB	20,37	28,14

Property, Plant and Equipment

Item	Buildings and structures	Plant and equipment	Mining assets	Motor vehicles and other	Total
Initial cost					
At 31 December 2012	1 358 986	2 987 162	2 281 436	534 868	7 162 452
Additions	267 872	766 610	-	125 212	1 159 694
Change in decommissioning provisions	1 495	-	10 559	-	12 054
Disposals	(49 180)	(19 597)	-	(1 677)	(70 454)
At 31 December 2013	1 579 173	3 734 175	2 291 995	658 403	8 263 746
Additions	244 784	472 095	-	69 984	786 863
Change in decommissioning provisions	6 417	-	45 334	-	51 751
Disposals	(1 922)	(6 400)	-	(2 013)	(10 335)
At 31 December 2014	1 828 452	4 199 870	2 337 329	726 374	9 092 025
Accumulated depreciation and impairment					
At 31 December 2012	(399 097)	(1 253 324)	(823 888)	(218 676)	(2 676 985)
Depreciation charge	(201 818)	(305 024)	(164 629)	(64 078)	(735 549)
Depreciation on disposals	20 844	18 918	-	1 008	40 770
Impairment	-	(60 349)	(101 551)	-	(161 900)
At 31 December 2013	(580 071)	(1 581 779)	(1 090 068)	(281 746)	(3 533 664)
Depreciation charge	(238 911)	(394 008)	(144 472)	(79 508)	(856 899)
Depreciation on disposals	1 299	4 569	-	2 957	8 825
At 31 December 2014	(817 683)	(1 971 218)	(1 234 540)	(358 297)	(4 381 738)
Net book value					
At 31 December 2013	999 102	2 152 396	1 201 927	376 657	4 729 903
At 31 December 2014	1 010 769	2 228 652	1 102 789	368 077	4 710 287

As at 31 December 2014 and 2013, the Group's fixed assets were not pledged or used as collateral for fulfilment of any obligation.

As at 31 December 2014, no impairment of property plant and equipment has been identified.

Construction-in-Progress

Item	As at 31 December	
	2014	2013
At 31 December 2013	1 513 702	1 152 228
Additions (including advances given)	1 762 128	1 007 918
Transfers to property, plant and equipment and mine under development	(790 571)	(637 639)
Disposals	-	(8 805)
Total	2 485 259	1 513 702

The growth of the construction-in-progress assets due to an increase in future production since the beginning of exploitation in areas "Ugahan", "Ozherelie" and "Drazhnoe".

As a result of the impairment test as of December 31, 2014 Impairment of assets under construction are not identified.

Mine under development

Item	As at 31 December	
	2014	2013
At 31 December 2013	-	-
Additions (including advances given)	719 375	-
Transfers from exploration and evaluation assets	1 648 349	-
Total	2 367 724	-

At December 31, 2014 in the mine under development including costs incurred in the areas "Verhne-Ugahansky", "Ozherelie" and "Drazhnoe" which reaches commercial level of production in 2014. Commercial production of gold in these fields will be made upon completion of construction and completion of infrastructure to improve access to the ore body.

As a result of the impairment test as of December 31, 2014 impairment of assets of mine under development have been identified.

Exploration and Evaluation assets

Item	As at 31 December	
	2014	2013
At 31 December 2013	1 967 049	1 608 921
Expenditure occurred in case of business combinations	242 713	-
Expenditure on exploration and evaluation for the reporting period (including advances given)	108 519	491 922
Acquisition of exploration and production licenses	3 087	-
Disposals, total	(1 648 349)	(66 897)
including:		
Write-off	-	(66 897)
Transfer to mine under development	(1 648 349)	-
Allowance for impairment of advances given	(16 537)	-
At 31 December 2014	656 482	1 967 049

On 15 October 2014 the Company obtained 5-year licenses for geological survey of the Patomski and Zapadny Dokukan sites in the Bodaibo district of Irkutsk region.

In 2014 the capitalised exploration and evaluation costs of the «Ozherelie», «Drazhnoe» and «Verhne –Ugahansky» sites were transferred to mines under construction in connection with the proof of commercial feasibility of production.

In 2014, the Group's management decided to create a provision for impairment of advances given to counterparties, the probability of exploration and evaluation which is low.

Loans Issued and Other Financial Assets

Item	As at 31 December	
	2014	2013
Long-term loans issued		
Deposits (RUB)	400 000	-
Loans issued	261 422	49 819
Other	6 461	-
Allowance for impairment of financial investments	(178 665)	-
Total	489 218	49 819
Short-term loans issued and other financial assets		
Deposits (RUB)	-	500 000
Loans issued	129 516	414 412
Total	129 516	914 412

In 2013 and 2012, interest rates on loans issued amounted to 8.25% - 10.0%, maturities of short-term loans issued – December, 2015, long-term loans issued – 2017 year.

The interest rate on long-term deposits amounted to 8.0%, term accommodation before February 1, 2016.

Short-term and long-term RUB deposits as of December 31, 2014 and 2013 are located in the AKB Lanta Bank, JSC.

In 2014, due to low probability of return of loans which are registered as long-term investments in the amount of RUB 261 422 thousand the Group's management decided to create a provision for impairment of these financial assets in the amount of RUB 178 665 thousand. Amounts are not included in the reserve will be returned to the Group as a pledged property plant and equipment of counterparties.

Inventories

Item	As at 31 December	
	2014	2013
Raw materials and consumables	990 817	973 381
Work in progress	765 135	690 272
Write-off of stripping balances	(92 474)	-
Allowance for impairment of inventories	(11 615)	(10 787)
Total	1 651 863	1 652 866

In 2014, as a result of physical inventory counts on the field "B. Kuranah" (Yakutia project), stripping and mining balances were written off in the amount of RUB 92,474 thousand.

Movements in allowance for impairment of inventories are as follows.

Item	As at 31 December	
	2014	2013
Balance as at the beginning of the year	10 787	13 550
Increase in allowance	828	-
Recovery of allowance	-	(2 763)
Balance as at the end of the year	11 615	10 787

Trade and Other Receivables

Item	As at 31 December	
	2014	2013
Long-term trade and other receivables		
Interest receivable	35 286	2 151
Allowance for doubtful debts	(35 286)	-
Total	-	2 151
Short-term trade and other receivables		
Advances given	170 414	283 470
Assignment of claims of debt	104 931	-
Interest receivable	42 136	56 397
Trade receivables	17 910	11 609
Other receivables	24 263	12 029
Allowance for doubtful debts	(6 854)	(1 782)
Total	354 582	361 723

In 2014, due to low probability of return of long-term financial investments, the Group's management decided to create a provision for impairment of these financial assets and the interest on them, accounted as long-term receivables in the amount of RUB 35 286 thousand roubles.

Below is the movement in the allowance for doubtful debts.

Item	As at 31 December	
	2014	2013
Balance as at the beginning of the year	1 782	1 197
Charge for the year	40 358	899
Utilised	-	(314)
Balance as at the end of the year	42 140	1 782

Cash and Cash Equivalents

Item	Bank	As at 31 December	
		2014	2013
Deposits (USD)	Unicredit Bank, JSC	1 350 128	14 888
Deposits (RUB)		870 946	2 609 030
including	Unicredit Bank, JSC	450 000	1 016 530
	AKB Lanta Bank, JSC	403 546	192 500
	Sberbank, OJSC (Baikal branch)	17 400	-
	VTB 24	-	1 100 000
	Moscow credit bank, OJSC	-	300 000
Current accounts (RUB)		263 394	113 495
including	AKB Lanta Bank, JSC	92 119	56 012
	Unicredit Bank, JSC	166 278	49 639
Current accounts (Foreign currency)	Unicredit Bank, JSC	61 405	13
Cash on hand	-	226	227
Total		2 546 099	2 737 653

Due to the availability of cash received the Group placed these funds in foreign currency and rouble deposits. As at 31 December 2014 Foreign currency deposit rates were 4.35%, and Rouble deposit rates – 6.1% - 17.0% (as at 31 December 2013: Foreign currency deposit rates ranged between 5.44%-7.0%, and Rouble deposit rates – 6.0% - 7.8%).

As at 31 December 2014 and 31 December 2013, the Group had no cash and cash equivalents unavailable for use.

Loans and Borrowings

Item	As at 31 December	
	2014	2013
Long-term loans and borrowings		
Bank loans	3 659 769	1 360 143
Total	3 659 769	1 360 143
Short-term loans and borrowings		
Interest payable on long-term loans and borrowings	11 022	-
Current portion of long-term bank loans	-	1 083 574
Total	11 022	1 083 574

On 2 June 2014 the Group and UniCreditBank, JSC, entered into a loan agreement in the amount RUB 1 756 990 thousand (USD 50,000 thousand). The loan was provided to refinance the previously granted loan. The property rights to receive the Group's revenue under a gold purchase/sale contract in the total amount of RUB 67 633 thousand are used as collateral for the fulfilment of the loan agreement.

On 25 July 2014 the Group and UniCreditBank, JSC, entered into a loan agreement in the amount RUB 612 004 thousand (USD 25 000 thousand). The property rights to receive the Group's revenue under a gold purchase/sale contract in the total amount of RUB 33,782 thousand are used as collateral for the fulfilment of the loan agreement.

The interest rates under the loan agreements were 3-month LIBOR plus 3.25%.

Finance Lease Obligations

The Group leases property, plant and equipment under a number of finance lease contracts. The average lease term is 5 years. For the year ended 31 December 2014, the weighted average effective interest rate was 6.71-10.49%. The payments under the signed contracts are fixed and denominated in US Dollars.

As of December 31, 2014, the carrying value of fixed assets owned under finance leases is RUB 198 813 thousand (31 December 2013. – RUB 0 thousand). All fixed assets leased under finance leases represent mining equipment.

Payments under the finance lease are fixed and are denominated in USD.

Item	Minimum lease payments as at 31 December		Present value of minimum lease payments as at 31 December	
	2014 года	2013 года	2014 года	2013 года
Within 1 year	108 979	-	260 337	-
Between 2 and 5 years	290 221	-	88 296	-
Less: future finance charges	(49 938)	-	-	-
Present value of lease obligations	349 262	-	349 262	-
Total non-current portion			260 337	-
Total current portion			88 269	-

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 All-Russian Classifier of Economy Branches: 12411
 All-Russian Classifier of Types of Economic Activity: 13.20.41, 74.20.2
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