

**2019**

Annual report

From exploration  
to mining

# Company Profile

**GV Gold (Vysochaishy, PJSC) is a rapidly developing mining company with a high production efficiency level, a TOP-10 Russian gold miner.**

## The Company today

- ▼ Output of 260 koz of gold in 2019.
- ▼ 4 mines with a total processing capacity of c. 8 Mt of ore p.a.
- ▼ Diversified project portfolio of 20 mining and exploration licenses.
- ▼ Extensive resources base – 4.4 Moz of JORC-compliant P&P gold reserves.
- ▼ Own exploration team with extensive practical experience.
- ▼ Commitment to Russian and international environment, health and safety (EHS) standards. LTIFR was 0.4 in 2019.
- ▼ Confident financial highlights.
- ▼ Consistent payment of dividends of 30% of the EBITDA (IFRS).

## Main Company activities

- ▼ Prospecting, exploration
- ▼ Designing and construction of mines
- ▼ Mining and processing of ore
- ▼ Production and sale of gold

## Mission

GV Gold is focused on sustaining its position as one of Russia's most stable gold mining companies. The Company produces each ounce of gold with maximum return to shareholders, the maximum safety for its workers and the maximum care for the environment. The Company conducts its business in remote regions of the country, making its main objective the development of its production in conjunction with the improvement of the social and economic standards of living at each relevant settlement.

## Values

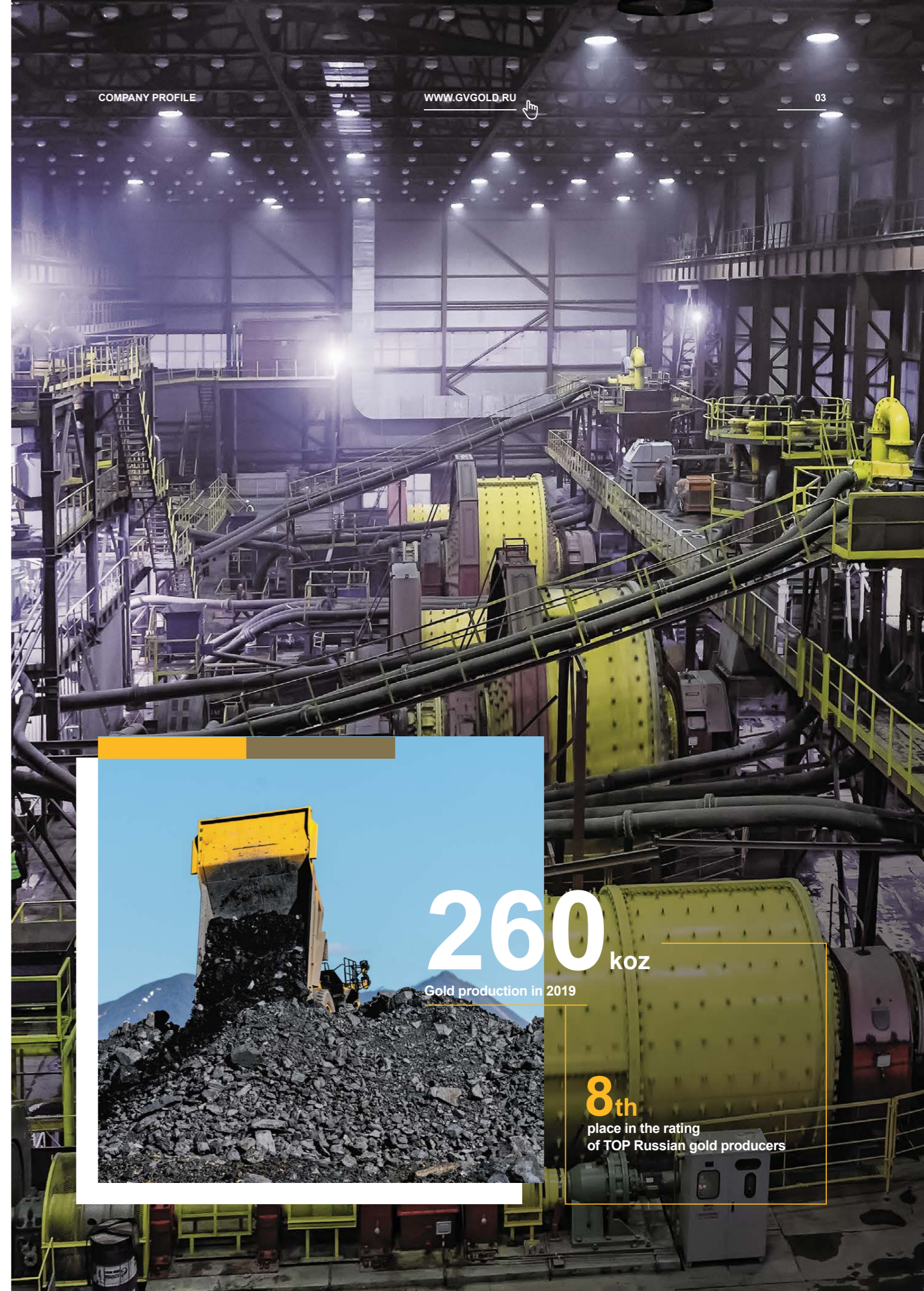
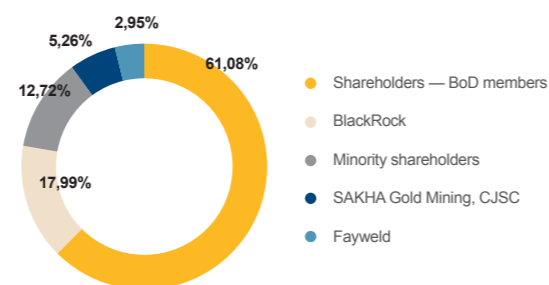
- ▼ Long-term sustainable development and continued growth of the business and its value for the benefit of shareholders and all stakeholders.
- ▼ Social and economic welfare of the people and the regions of Russia where the company operates

## Focus on Safety

Environment, health and safety (EHS) represent the basis for strategic planning and the current activity of GV Gold management. LTIFR was 0.40 in 2019.

The Company strives for a «zero injury rate» and will continue taking actions for the improvement of its health and safety culture.

## Equity structure



# Key Highlights

		2014	2015	2016	2017	2018	2019
<b>Index</b>	<b>Units</b>						
Gold produced	koz	176	181	164	225	304	<b>260</b>
Total cash costs (TCC)	USD/oz	661	417	462	530	541	<b>754</b>
Revenue	M USD	224	211	204	271	361	<b>335</b>
EBITDA	M USD	97	117	109	128	164	<b>120</b>
EBITDA margin	%	44	55	53	47	45	<b>36</b>



# Strategic Report

## Message from the Chairman of the Board of Directors



**Chairman of the Board of Directors  
GV Gold  
Sergey V. Dokuchaev**

**Dear shareholders, members of the Board, colleagues and partners!**

I am pleased to present the Annual Report of GV Gold for 2019.

In the reporting period, the Company actively progressed through planned organic growth and intense exploration. We intend to maintain a consistent position among the leaders of the Russian gold mining sector.

As in the previous years, the Company's top priority is the health and safety of the employees and contractors related to all mines of the Group. GV Gold has introduced strict internal standards in this area and does not tolerate any non-compliance therein.

Our strategic objectives are the improvement of operational efficiency, expansion of mineral resources through acquisition of new high-quality assets and the successful development of the Group's active companies.

We want GV Gold to render a long-term positive influence on the lives of people in those areas where the Company operates. In 2019, the Company traditionally supported local communities and demonstrated a responsible and sensitive commitment to the environment.

I would like to express my gratitude to all employees for their competence and commitment to the common goal. I am quite optimistic about our possibilities to develop the business in 2020 despite a complicated geopolitical situation and macroeconomic challenges. We have the required assets, clear strategy, well-shaped corporate governance standards and personnel to achieve the ambitious goals which we set!

## Message from the CEO



**CEO  
GV Gold  
Vladislav Barshinov**

**Dear colleagues and partners!**

In 2019, the Company demonstrated a confident production and financial performance retaining its positions among the TOP-10 gold producers in the Russian Federation.

We successfully completed another cycle of exploration, performed extensive work on production process optimization and determined the development strategy for all our assets until 2023, including the Svetlovskoye deposit — the new promising project within the Irkutsk business unit with reserves of more than 35 t of gold (proprietary assessment).

In 2019, 260 koz of gold were produced at GV Gold's production assets. The best result was shown by the Ugakhan Mine where the gold production increased by 33%, and the Bolshoy Kuranakh placer asset demonstrating a +6% y-o-y growth figure for the second year in a row. The Taryn Mine commenced a reconstruction of the open pit at the Drazhnoye deposit in order to develop the newly approved reserves of 50 t of gold. This task will be continued in 2020.

In the reporting period, the sales of gold totaled 242 koz of gold, including 16 koz of gold sold as the gravity and flotation concentrate. The average selling price of bar gold increased to USD 1,373 /oz. The total revenue of the Company from the sales of gold and the gravity and flotation concentrate is estimated at USD 335 M.

The Company still pays special attention to health and safety aspects and the development of corporate culture.

The Company will keep on building up its mineral resources base, improving the quality and efficiency of its production assets, while simultaneously paying special attention to health and safety aspects and the development of corporate culture.

**In 2020, we expect to produce 280-300 koz of gold.**

I'd like to thank the GV Gold Group's personnel for their competent and solid teamwork over the year. By developing our mines, we not only pave the Company's way to implementation of its strategic objectives, but also make an important contribution to the development of the regions where we operate.

# Development Strategy

**GV Gold's strategic objectives are to enter the TOP-5 Russian gold producers, to maintain a high operating efficiency and to increase the Company's capitalization.**

## The Company's development strategy

is based on both organic growth and the opportunities to acquire new licenses at State auctions and through possible M&A transactions. This allows the Company to expand its mineral resources and efficiently manage the subsurface.

## Balanced Assets Portfolio

GV Gold's portfolio of licenses contains both explored deposits and assets at the greenfield stage. At transition from one development stage to another, feasibility of the assets is weighed and the decision in respect to the project development priority is made based on a feasibility analysis.

During the transition to a new stage, each deposit is reviewed in the context of the Company's general development strategy, thereby providing a systematic replacement of retired assets. All this allows the Company to perform continuous advancement of projects: from prospecting to deciding on commercial development, from construction to production of the «first gold» and the subsequent production ramp-up.

The Company's portfolio consists of high-quality assets, meaning:

- ▼ The possibility to manage the mineral resource base in response to a changing economic environment.
- ▼ Most assets have high resource-base expansion potential.
- ▼ Assets of the Company are located in regions with developed transport infrastructure, access to power grids and year-round logistics.

## Combination of Organic Growth, Mineral Rights Acquisition and M&A Transactions

One of the key elements of the Company strategy is the balance between the organic growth and the acquisition of new assets on the open market. Similarly, when opportunities arise for acquisition of new assets, corresponding to the Company's profile, GV Gold may integrate them into its portfolio, which provides an increase in the value thereof.

### 1.

#### Organic growth

GV Gold increases the value of its portfolio by organic growth, demonstrating a confident long-term development.

### 2.

#### Mineral right acquisition

The Company attains a qualitatively new development level through the combination of new assets and earlier explored reserves.

### 3.

#### Consolidation

Possible participation in the M&A transactions to create some value.



## Key Factors of Successful Implementation of the GV Gold's Projects



Balanced assets portfolio



Combination of organic growth and mineral rights acquisition



Accelerated commissioning of the projects



Development of the regions where the Company operates



Solid track record of development and launch of new projects



Efficient cost management



## Accelerated Commissioning of the Projects

GV Gold successfully applies the concept of shortening the time between asset preparation stages. Commercial development and accelerated commissioning are achieved through the efficient combination of the principal stages of project implementation: exploration, design and construction.

The Company mitigates the risk of delays in projects implementation, in particular through the establishment of project offices, which carry out management of the project at all stages – from exploration to the launch of production. Detailed planning and supervision are essential for the efficient functioning of such a team.

A consolidated project team allows the Company to:

- ▼ Apply accumulated expertise in each new project.
- ▼ Introduce uniform corporate standards of management.
- ▼ Minimize costs through consistency of activities.

## Development of the Regions where the Company Operates

GV Gold develops projects in the regions where it operates, providing replacement of retired assets through an expansion of its resource base within areas adjacent to deposits. Owing to such a strategy, organic growth is possible. One of the vivid examples of such growth is the discovery of the major Ugakhan deposit close to the Golets Vysochaishy deposit.

In the course of its activity, the Company puts an emphasis not only on the production aspect but also on investment in socially significant projects, thereby providing social and economic development in the regions where it operates. The assistance is rendered within the framework of social and economic partnership agreements, signed between GV Gold or its subsidiaries and the Government of the Irkutsk Region and the Aldan and Oimyakon municipalities of the Republic of Sakha (Yakutia).

## Solid Track Record of Development and Launch of New Projects

Upon implementation of the projects, GV Gold establishes a project team that unites qualified specialists with a long record of service in the Company.

This allows the Company to:

- ▼ Establish and expand the uniform knowledge base.
- ▼ Maintain uniform approaches to the management of projects and to operating and financial activities of all assets, as well as in the corporate center.

Relevant professional experience and deep involvement of the management in the operating activity provides greater efficiency in decision making.

## Efficient Cost Management

Cost management and improvement in operating efficiency become determining factors in the Company's business efficiency.

### 1.

#### Strict operational management

- ▼ «Planned/Actual» reconciliation on a regular basis.
- ▼ Adjustment based on the results of each review every 10 days. Such frequency provides high accuracy for economic and operational planning and allows the Company to obtain relevant values of costs in real-time mode.

### 2.

#### Management of working assets

- ▼ Procurement plan optimization, inventory management.
- ▼ Efficient procurement procedure: procurement plan, centralization of acquisitions, control of price variations, collegial approval of acquisitions with the procurement committee.

## Investment History

Throughout its years in business, GV Gold has developed a clear growth strategy based on a combination of organic growth, acquisition of mineral rights and possible M&A transactions. This Approach allowed the Company to increase production significantly and enter the TOP-10 list of gold mining companies in Russia.

GV Gold maintains a balance between sustainable growth through a well-targeted assimilation of capital expenditures and implementation of development projects, on the one hand, and return for investors, on the other hand.

### Assets Screening Criteria

- ▼ Geography: preference is given to the regions where the Company operates.
- ▼ Infrastructure: transport communication, access to power grids.
- ▼ Resources: gold reserves of not less than 0.5 Moz and a significant exploration upside potential, open pit mining with low strip ratios (<10 t/t).
- ▼ Economic requirements: the possibility to launch production in the shortest possible time with the potential for gradual ramping up of the production capacity.



# Gold Market Overview



**367.9** t

Gold production of Russia in 2019

**+12%**

Y-o-y growth of the national gold production

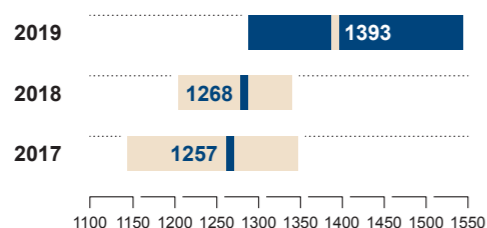
# Gold Market Overview

## Macroeconomic Environment

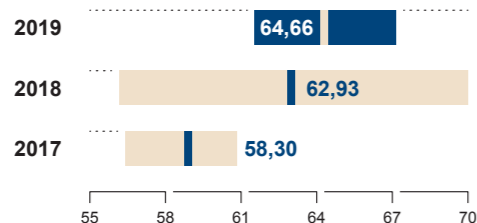
### Gold Price

In 2019, the average annual gold price grew to USD 1,393 /oz (+9.8% y-o-y). Over the year, the gold price ranged from USD 1,270 /oz to USD 1,546 /oz. In the RUB equivalent, the average annual gold price grew by 13.7% to RUB 2,902 /g.

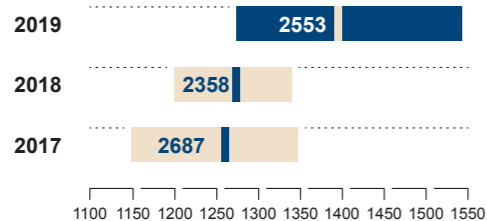
#### Gold Price, USD/oz\*



#### Exchange Rate, USD/RUB



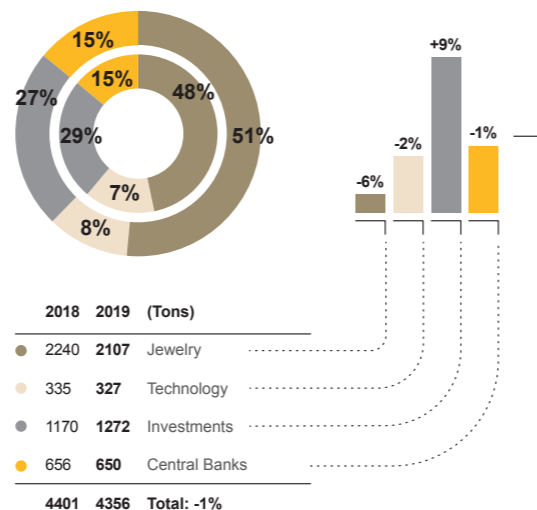
#### Gold Price, RUB/g



### Gold Demand and Supply

#### Demand in 2018 and 2019, %

In 2019, the global demand for gold totaled 4,356 t, which is 1% less than the respective index of the previous year, mainly owing to weaker demand for jewelry, technology and weaker demand from the central banks.



#### The demand for gold in the technology sector decreased by 2% y-o-y.

The demand for gold bullion and coins in the investment sector totaled 870.6 t (-20% or -223 t y-o-y).

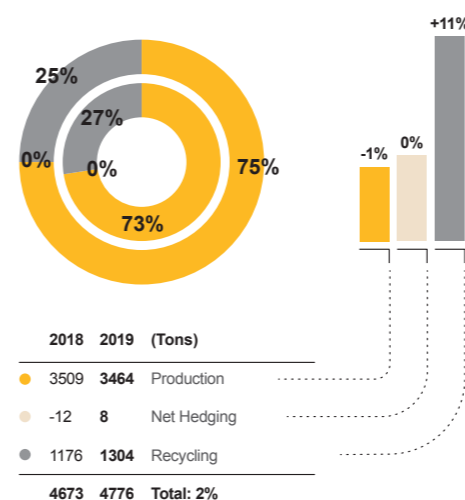
Investment demand on the part of the ETF funds significantly increased to 401 t as compared to 76.2 t in 2018. In monetary terms, the assets under the management of the funds grew by 24% to USD 141 B.

	2018	2019	%
<b>Investments, incl.:</b>	<b>1169.8</b>	<b>1271.7</b>	<b>9%</b>
Bullions and coins	1093.6	870.6	-20%
▼ India	162.4	145.8	-10%
▼ China	308.0	211.1	-31%
ETF	76.2	401.1	426%

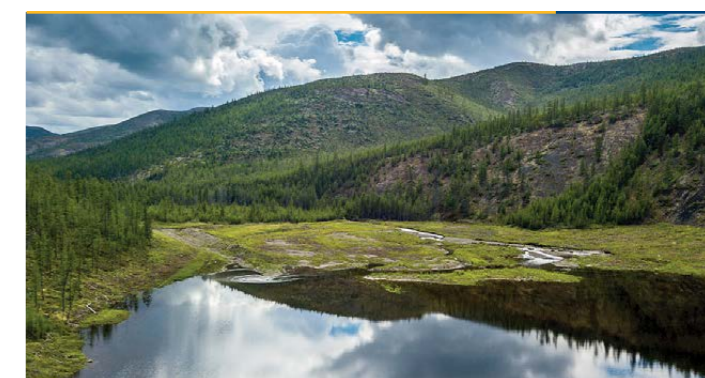
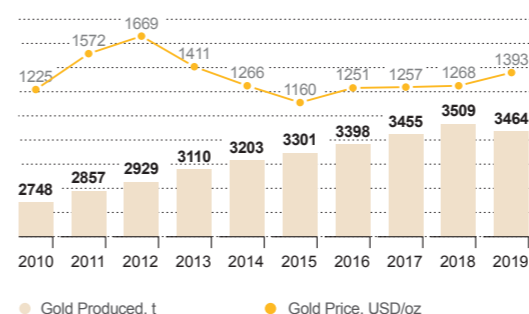
According to the WGC data, in 2019, there was a decline in the global gold production – for the first time since 2008. The global gold production decreased by 1% to 3,463.7 t. The production in China, the leading gold producer, declined for the third year in a row: in 2019, it decreased by 6%. A decline in the gold production also took place in Indonesia and the countries of South America and South Africa. Nevertheless, the growth of gold production in Russia (+12%), Australia (+3%) and Turkey (+66%) managed to offset the decline.

#### Supply in 2018 and 2019, %

In 2019, the total gold supply increased by 2% to 4,776 t.



#### Global Gold Production, 2010–2019



## Global Resources Development

### Exploration

In 2019, owing to a downturn in the price of gold, global producers continued to reduce exploration costs.

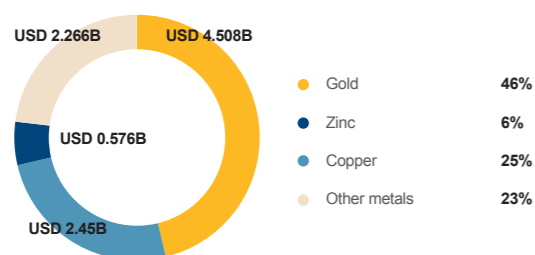
The global exploration budget of the gold mining industry decreased by USD 559 M (-12%) to USD 4.29 B. Another reason for reduction in exploration costs is associated with M&A events carried out between the end of 2018 – and the beginning of 2019 by Barrick-Randgold and Newmont-Goldcorp. Both mergers decreased their exploration costs by USD 103 M.

\* Source: World Gold Council

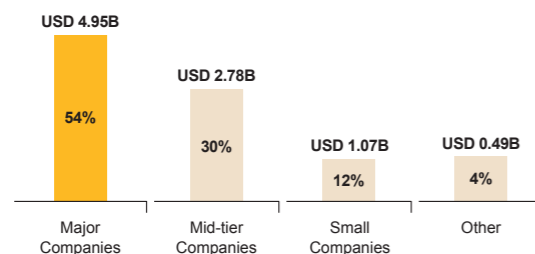
### Global Metals Exploration Costs

In 2019, the global costs for the exploration of non-ferrous metals decreased by 3.5% from USD 9.6B in 2018 to USD 9.3B. The exploration costs in Canada decreased by 18% to USD 2.9B; in Australia the relevant costs increased by 12 % to USD 1.9B. The exploration budget of other countries totaled USD 4.5B (+2% y-o-y). The exploration budget of companies which invested less than USD 100k totaled USD 0.51B.

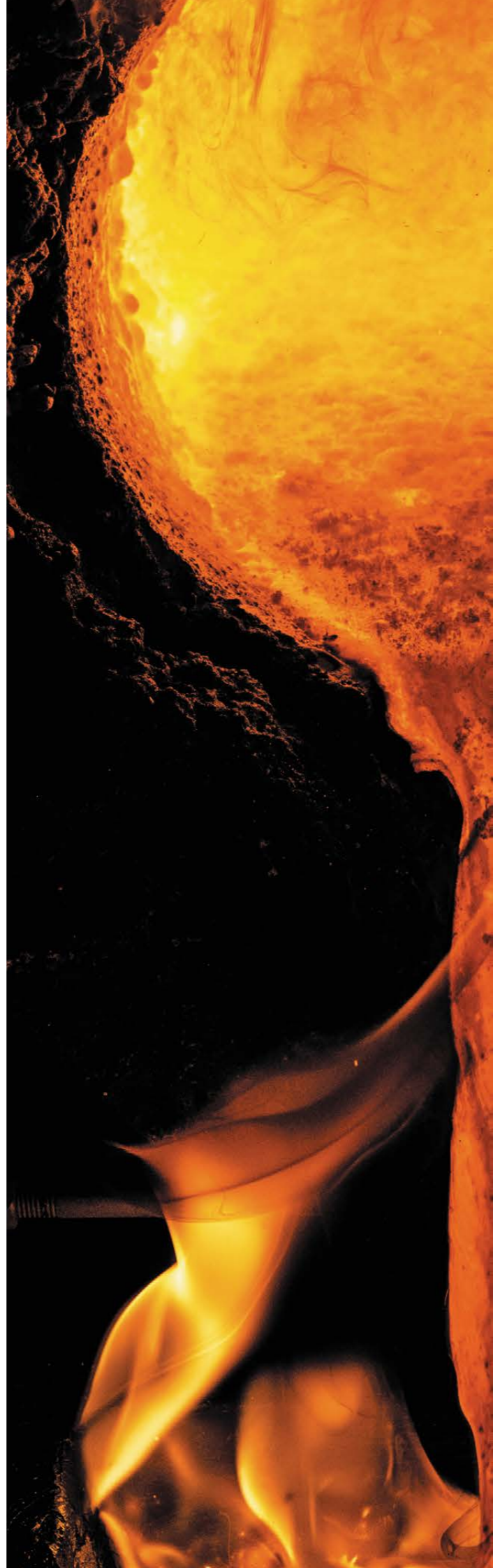
### Global Non-ferrous Metals Exploration Costs\*



### Global Exploration Costs



\* Source: S&P Global Market Intelligence.



## Gold Mining Industry in Russia

According to the Union of Gold Producers of Russia, the total gold production in Russia in 2019, increased by 12% to 367.9 t, including 329.5 t produced from the subsurface. The production of gold in the form of gold-bearing concentrates, sold on the domestic market or exported, increased by 46% and totaled 24,768 kg.

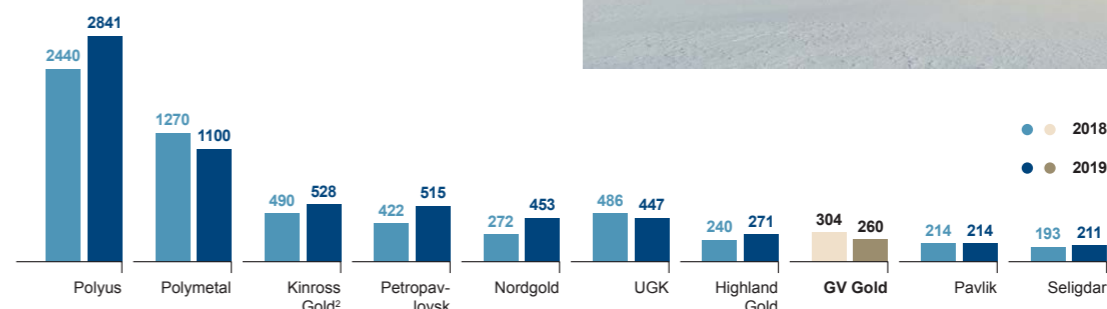
### Peer Comparison

Owing to the Company's control and optimization of costs, GV Gold holds one of the leading positions in financial performance among Russia's leading gold mining companies.

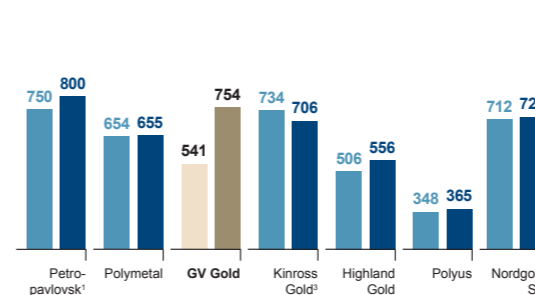
The TOP 25 gold producers provided the main growth of gold production in Russia in 2019. In the reporting period, GV Gold decreased the production of gold by 15% (y-o-y). In the TOP-10 rating of Russian gold producers, GV Gold occupies the 8th place.



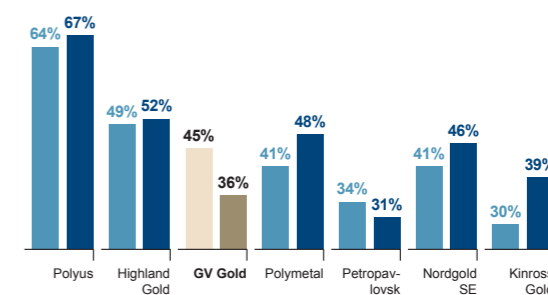
### Gold Production by Top Russian Gold Mining Companies in 2019, koz<sup>1</sup>



### Total Cash Costs, USD/oz



### EBITDA Margin, %



### Gold Production of Russia in 2018-2019

	2019	2018	+ _ %
Gold produced, kg			
mined	286 563	261 699	10
by-product	18 134	15 440	17,5
recycled	38 487	34 477	12
Total gold refined	343 184	311 616	10
Gold in the concentrates	24 768	16 995	46
<b>TOTAL</b>	<b>367 952</b>	<b>328 611</b>	<b>12</b>
incl.: from mineral stock	329 465	294 134	12
from recyclables	38 487	34 477	12

<sup>1</sup> Source: 2019 Review of the Union of Gold Producers of Russia.

<sup>2</sup> Gold and silver in gold equivalent.

# Results Overview



USD **335** M  
Revenue

**9.9** Mt  
Ore processed in 2019

Exploration

4.4

Moz, P&P reserves

7.0

Moz, M,I&I resources

Processing

9.9

Mt of ore p.a. – processing capacities

Production

260

koz of gold in 2019

Development and Optimization of Production

Irkutsk Business Unit

Vysochaishy, Marakan, Ugakhan

Exploration in the territory of the Bodaibo District of the Irkutsk Region.

**Vysochaishy Mine,** the Golets Vysochaishy deposit and the Ozhereliye deposit development.

**Marakan Mine,** the Ykanskoye deposit development.

**Ugakhan Mine,** the Ugakhan deposit development.

188

koz of gold in 2019

Svetlovskoye deposit exploration.

Taryn Business Unit

Taryn

Regional reconnaissance in the Oimyakon District of the Republic of Sakha (Yakutia).

**Taryn Mine,** the Drazhnoye deposit development

53

koz of gold in 2019

(incl. the gravity and flotation concentrate)

Capacity ramp-up to 1.4 Mt of ore p.a.

Aldan Business Unit

Bolshoy Kuranakh

In-mine exploration: Bolshoy Kuranakh placer deposit (buried placer) Aldan District of the Republic of Sakha (Yakutia).

Fleet of dredges:

- Two 400 L dredges
- One 250 L dredge

19

koz of gold

Further improvement of operating efficiency



## Exploration

The key factor of the Company's sustainable long term development is the development of its mineral resources base. GV Gold is aimed at the replenishment and expansion of the its mineral resource base.

In the reporting period, the Company completed a complex of operations on exploration and approval of earlier explored reserves in the State Reserves Committee GKZ. For instance, the C1+C2 category reserves of the Drazhnoye deposit within the Taryn business unit were expanded by 30% to 49.8 t (as of 01.01.2019). The Company already commenced a reconstruction of the Taryn Mine's open pit for the purpose of the subsequent commercial development thereof.

The Company started a new stage of the Svetlovskoye project development in the Bodaibo District of the Irkutsk Region. We are pleased to report that based on the results of the exploration operations carried out in 2019, the deposit was confirmed and the Company highly estimates its potential.

According to the proprietary assessment of the Company, the C1+C2 category reserves of the Svetlovskoye deposit total 35.4 t of gold (as at 31.12.2019). The average grade of gold in ore is estimated at 1.80 g/t. These results are obtained based on the drilling of only 18.6 thousand line m. According to the structural features, geochemical and geophysical results, an increment of the reserves may reach up to 60 t of gold.

At the moment, the Company reviews the budget for the completion of the exploration program required for the development of the Svetlovskoye deposit reserves. In 2020, the Company intends to continue further prospecting, appraisal and exploration, hydrogeological and metallurgical studies, and drafting of the cutoff grade estimation report (feasibility study of the temporary ore quality standards).

The Company plans to register the first reserves of the Svetlovskoye deposit on the state balance in the State Reserves Committee GKZ in the shortest possible time – until the end of 2021.

The Company will continue the implementation of the comprehensive program of exploration operations in 2020-2023 for the purpose of further replenishment of the reserves and improvement of the categorization of reserves at all assets.

## JORC-Compliant Reserves and Resources

Deposit	01.01.2014				01.07.2017			
	Ore, kt	Grade, g/t	Gold, kg	Gold, koz	Ore, kt	Grade, g/t	Gold, kg	Gold, koz
<b>PROVED AND PROBABLE RESERVES</b>								
Golets Vysochaishy	33 750	1.08	36 458	1172	23 721	1.08	25 616	824
Ykanskoye	499	2.56	1277	41	2730	1.97	5373	173
Ozhereliye	544	2.14	1165	37	435	2.63	1143	37
Krasny*	—	—	—	—	7342	1.09	7999	257
Ugakhan	14 779	0.95	13 976	449	23 875	1.07	25 627	824
Drazhnoye	—	—	—	—	7651	3.09	23 602	759
<b>TOTAL hard rock gold</b>	<b>49 572</b>	<b>1.07</b>	<b>52 876</b>	<b>1700</b>	<b>65 754</b>	<b>1.36</b>	<b>89 360</b>	<b>2874</b>
Bolshoy Kuranakh**	—	—	—	—	212 243	226	47 970	1542
<b>TOTAL</b>			<b>52 876</b>	<b>1700</b>			<b>137 330</b>	<b>4415</b>
<b>MEASURED, INDICATED AND INFERRED RESOURCES</b>								
Golets Vysochaishy	30 954	1.27	39 246	1262	24 575	1.09	26 798	862
Ykanskoye	2491	2.47	6147	198	2875	2.23	6423	207
Ozhereliye	1676	2.62	4386	141	1198	3.21	3844	124
Krasny*	20 172	1.47	29 653	953	26 054	1.78	46 416	1492
Ugakhan	49 543	1.09	53 906	1733	38 466	1.11	42 810	1376
Drazhnoye	5815	4.22	24 533	789	9223	3.50	32 272	1038
<b>TOTAL hard rock gold</b>	<b>110 651</b>	<b>1.16</b>	<b>157 871</b>	<b>5076</b>	<b>103 591</b>	<b>1.50</b>	<b>158 563</b>	<b>4993</b>
Bolshoy Kuranakh**	199 598	320	63 880	2054	168 447	299	50 418	1962
<b>TOTAL</b>			<b>221 751</b>	<b>7130</b>			<b>208 981</b>	<b>6955</b>

\* No account taken of the ownership stake.

\*\* The volume of sands is measured in '000 m3 and the grade is measured in mg/m3. Only the gravity gold data were used in the statement.

## Operating Results

In 2019, the Group produced 260 koz of gold. A decrease of this index (y-o-y) is mainly resulting from the large scale reconstruction of the open pit of the Taryn Mine. The Ugakhan Mine and the Aldan business unit demonstrated high operating results. The Ugakhan Mine's gold production increased by 33% y-o-y, the Bolshoy Kuranakh placer asset's production increased by 7% y-o-y.

In 2020, the Company expects to produce 280-300 koz.

The Company will continue the implementation of its program of organic growth intended for the quality improvement of existing assets and the optimization of their operating efficiency.

# 9,986 kt

Ore throughput of the Group



### GV Gold Key Operating Highlights

	2018	2019	Y-o-Y
Rock mass, kt	44 959	83 809	86%
Overburden stripped, kt	36 967	72 468	96%
Ore mined, kt	7993	11 341	42%
Stripping ratio, t/t	4.6	6.4	39%
Ore processed, kt	8210	9986	22%
<b>Refined gold production, koz</b>	<b>266.3</b>	<b>233</b>	<b>-13%</b>
Gold in the gravity and flotation concentrate, koz	38	27	-29%
<b>Total gold production, koz</b>	<b>304.3</b>	<b>260</b>	<b>-15%</b>

### Gold Production, koz

	2018	2019	Y-o-Y
Golets Vysochaishy	130.7	107.0	-18%
Marakan	6.4	5.3	-17%
Ugakhan	56.8	75.6	33%
Taryn	55.0	26.2	-52%
Bolshoi Kuranakh (placer)	17.4	18.6	7%
<b>Refined gold production, koz</b>	<b>266.3</b>	<b>232.7</b>	<b>-13%</b>
Gold in the gravity and flotation concentrate, koz	38.0	27.1	-29%
<b>Total gold production, koz</b>	<b>304.3</b>	<b>259.7</b>	<b>-15%</b>

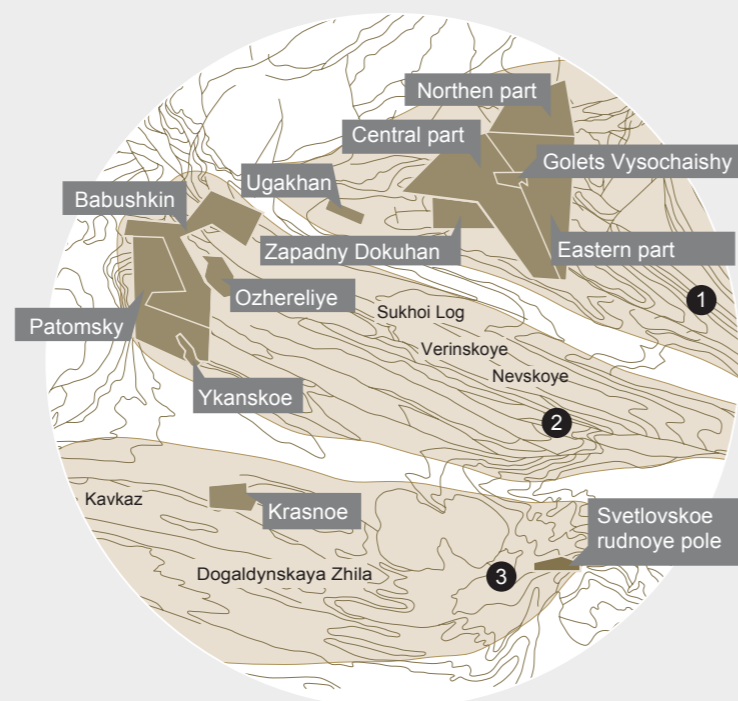
## Irkutsk Business Unit

The Irkutsk business unit deposits are located in the Bodaibo District – the Irkutsk Region's gold mining industry center.

### Golets Vysochaishy

The Golets Vysochaishy gold deposit is located 175 km from Bodaibo.

The Vysochaishy Mine includes three processing mills, a fire assay laboratory, an open pit-mining site, a placer gold mining site, and a mine camp. The deposit development is carried out with two open pits – the Western and the Eastern.



● GV Gold license areas

- ① Kuduli-Khomolkho ore cluster
- ② Marakhan-Tunguss ore cluster
- ③ Bodaibo ore cluster

# 106.9

koz

Vysochaishy Mine gold production

The mine applies open-pit dump trucks to transport overburden to the external dumps. Balance ores with a gold grade >1.9 g/t are delivered to Mill 2, balance ores with a gold grade ranging from 1.0 to 1.9 g/t – to Mill 3, and off-balance ores – to the off-balance ore stockpile.

The total processing capacity of the Vysochaishy Mine's mills is c. 4.5 Mt p.a. Mill 2 applies a gravity and flotation processing scheme with the flotation concentrate cyanidation. Mill 3 consists of gravity processing with further treatment of the gravity concentrate in the Mill 2 cyanidation plant.

The Golets Vysochaishy deposit eluvial-deluvial placer, is exploited as an open pit mine using a truck and shovel system. The sands are processed with the wash plants.

### Vysochaishy Mine

	2018	2019	Y-o-Y
Rock mass moved, kt	14 429	33 159	130%
Overburden stripped, kt	11 860	27 242	130%
Ore mined, kt	2569	5917	130%
Stripping ratio, t/t	4.6	4.6	0%
Ore processed, kt	4502	4865	8%
Grade of gold, g/t	1.08	0.80	-26%
Recovery Rate, %	83.4	79.6	-5%
<b>Refined gold production, koz</b>	<b>128.8</b>	<b>105</b>	<b>-18%</b>
Sands washed, '000 m3	94.1	82.7	-12%
Average grade, g/m3	0.69	0.7	4%
Refined gold production, koz	1.9	2	-8%
<b>Total gold production, koz</b>	<b>130.7</b>	<b>107.0</b>	<b>-18%</b>

In the reporting period, the Vysochaishy Mine produced 106.9 koz of gold. Production decreased in 2019 by 18 % due to the scheduled reduction of grades in ore (y-o-y). In order to improve the operating efficiency, the Mine implemented a complex of measures aimed at the improvement of the performance of the processing plants and strengthening of supervision over the metallurgical processes, leading to an increase in the throughput of ore by 8 %, which partially offset lower grades.

In 2019, the Company continued exploration of the flanks and deep levels of the deposit. The Company expects to obtain the cutoff grade estimation report (feasibility study of the permanent conditions) with the deposit reserves estimation, the metallurgical mapping results and the supplement development project in H1 2020.



## Marakan

The Ykanskoye gold deposit is located 130 km from Bodaibo. The deposit is developed with the open pit mining method.

# 5.3

koz

Marakan Mine gold production



The mine applies open-pit dump trucks to transport overburden to the external dumps. Balance ores with a gold grade >1.0 g/t are delivered to Mill 4, off-balance ores – to the off-balance ore stockpile.

### Marakan Mine Production Results

	2018	2019	Y-o-Y
Rock mass moved, kt	1362	3277	141%
Overburden stripped, kt	1224	3121	155%
Ore mined, kt	139	155	12%
Stripping ratio, t/t	8.8	20.1	127%
Ore processed, kt	125	144	15%
Grade of gold, g/t	1.77	1.45	-31%
Recovery Rate, %	76.7	78.5	2%
<b>Refined gold production, koz</b>	<b>6.4</b>	<b>5.3</b>	<b>-17%</b>

In 2019, the Mine produced 5.3 koz of precious metal (-17% y-o-y). A decrease of this index in 2019 is associated with a lower average grade of gold in ore and 2.5-times larger tonnage of stripped overburden associated with preparation of the Mine to the transition from seasonal mining to year-round exploitation. A decrease in the production did not render any material influence on the final result of GV Gold owing to its small input into the total production.

In the reporting period, for the purpose of expanding the Marakan Mine's mineral resources base, the Company carried out exploration of the Ozherelie and Ykanskoye deposits and the Medvezhy site. The drafting of the cutoff grade estimation report (feasibility study of the permanent conditions) with registration of the reserves on the state balance, are scheduled for H1 2020.

# 75.6

koz

Ugakhan Mine gold production



The Ugakhan deposit has an extensive mineral resource base, which, together with the shallow bedding of the ore body and favourable physical and chemical properties of the ore, substantially offsets the low average grade.

In 2019, the Ugakhan Mine produced 75.6 koz of gold (+ 33% y-o-y). A positive effect is achieved with the introduction of new technologies: The mills at the processing plant were reequipped with rubber lining, and new recovery methods for gold were tested. A fire assay laboratory was launched at the processing plant.

A complex of measures for the improvement of the operating speed of the dump trucks by 11% was completed. In September 2019, the mine equipment dispatching system was launched in a trial mode. The Company will continue implementing its improvement strategy, including consideration of initiatives proposed by staff within a corporate Think Tank system.

In order to improve the operational efficiency even further, the Ugakhan Mine will continue to take action on performance improvement at Mill 5.

## Ugakhan

Ugakhan is a development project of the Company in the Irkutsk Region. The deposit is located in the Bodaibo District of the Irkutsk Region, 25 km west of the Golets Vysochaishy deposit.

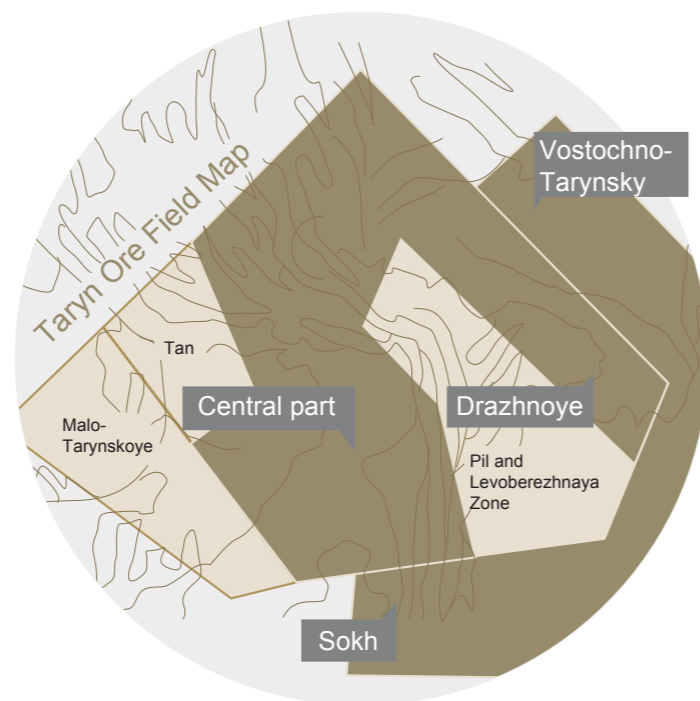
### Ugakhan Mine Production Results

	2018	2019	Y-o-Y
Rock mass moved, kt	17 419	24 117	38%
Overburden stripped, kt	13 085	20 156	54%
Ore mined, kt	4334	3961	-9%
Stripping ratio, t/t	3.0	5.1	69%
Ore processed, kt	2744	3492	27%
Grade of gold, g/t	0.91	0.81	-11%
Recovery Rate, %	70.8	81.1	15%
<b>Refined gold production, koz</b>	<b>56.8</b>	<b>75.6</b>	<b>33%</b>

# Taryn Business Unit

The Taryn business unit (TGMC, JSC) is engaged in the exploration and development of the Company's licenses in the Oymyakon District of the Republic of Sakha (Yakutia) – Russia's Pole of Cold.

The main development target of the Taryn project is the Drazhnoye deposit located within the Oymyakon District, 60 km southeast of Oymyakon and 70 km south of Ust-Nera. This is a remote part of the Republic of Sakha (Yakutia) with an underdeveloped infrastructure and severe climatic conditions.



● GV Gold license areas

## Taryn

In 2019, the mine produced 53.3 koz, including 27.1 koz of gold in the form of the gravity and flotation concentrate. A decrease of this index mainly results from more than doubling of overburden stripped as part of the reconstruction of the Taryn open pit projected for the commercial development of the new Drazhnoye deposit. By 2021, the Company intends to start the commercial development on the neighboring Peresheek and Terrasovoy sites; the relevant documentation has been already prepared.

The C1+C2 category balance reserves of the Drazhnoye deposit (as at 01.01.2019) increased by 30% to 49.8 t of gold. In 2020-2023, within the framework of a comprehensive exploration project carried out in the region, the Company will continue the surveying and follow-up exploration of the Drazhnoye deposit.

Owing to the comprehensive operational efficiency improvement program, the Taryn Mine processing plant's throughput was increased 1.5 times, thus allowing to adjust the production of gold. The Company will carry on introducing operational initiatives and projects in 2020.

## Taryn Mine Production Results

	2018	2019	Y-o-Y
Rock mass moved, kt	11 749	23 256	98%
Overburden stripped, kt	10 797	21 948	103%
Ore mined, kt	952	1308	37%
Stripping ratio, t/t	11.3	16.8	48%
Ore processed, kt	839	1402	67%
Grade of gold, g/t	3.87	1.45	-63%
Recovery Rate (total) %	89.0	81.9	-8%
<b>Refined gold production, koz</b>	<b>55.0</b>	<b>26</b>	<b>-52%</b>
Gold contained in the concentrate, koz	38.0	27	-29%
<b>Total gold production, koz</b>	<b>93.0</b>	<b>53</b>	<b>-43%</b>

**53.3** koz  
Taryn Mine gold production



## Aldan Business Unit

**Bolshoy Kuranakh (buried placer) is the largest placer gold deposit in Russia.**

The Bolshoy Kuranakh placer gold deposit (buried placer) located in the Aldan District of the Republic of Sakha (Yakutia) is developed by SAKHA Gold Mining, CJSC, the Aldan business unit of GV Gold. The fleet consists of three dredges: one 250-L dredge and two 400-L dredges. In accordance with the updated JORC-compliant statement as of 01.07.2017, the Proved and Probable reserves of the deposit total 1.5 Moz.



For the second year in a row, Aldan demonstrated high gold production results. Over the season of 2019, the Bolshoy Kuranakh placer mine produced 18.6 koz of gold (+6% y-o-y). The sands throughput increased by 21 % to 3,756 thousand m3, the average grade of gold increased by 18%. High performance represents a result of the implementation of the operational efficiency improvement program by the team of the Aldan business unit.

**3,756** thousand m<sup>3</sup>  
Sands throughput

### Aldan Business Unit Production Results

	2018	2019	Y-o-Y
Sands washed, '000 m3	3113	3756	21%
Average grade, mg/m3	234	206	18%
Refined gold production, koz	17.4	18.6	7%

**18.6** koz

Aldan business unit gold production in 2019



## Financial Results

### Key Highlights

	2018	2019	Y-o-Y, %
<b>Financial Performance</b>			
Gold sold, koz, including	299	242	-19%
▼ Bar gold, koz	263	226	-14%
▼ Gold in the gravity and flotation concentrate, koz	36	16	-54%
Average refined bar gold selling price, USD /oz	1267	1399	11%
Revenue, M USD, incl.:	361	335	-7%
▼ Revenue from gold sales, M USD	333	316	-5%
▼ Revenue from concentrate sales, M USD	27	16	-38%
Operating profit, M USD	127	75	-57%
Net profit, M USD	80	72	-10%
Adj. EBITDA, M USD	164	120	-27%
Adj. EBITDA margin, %	45%	36%	-9 p.p.
Net cash inflow from operations, M USD	256	13	-95%
Capital expenditures, M USD	86	69	-19.8%
Total cash cost (TCC), USD /oz	541	754	39%
All-in sustaining cash cost (AISC), USD /oz	679	909	34%
<b>Financial Position</b>			
Cash and cash equivalents, M USD	100	34	-66%
Net debt, M USD	72	202	180%
Net debt/EBITDA, x	0.5	1.6	
<b>Operating Highlights</b>			
Ore mined, kt	7993	11 341	42%
Ore processed, kt	8217	9903	21%
Total refined gold production, koz	304	260	-15%

## Revenue

In 2019, the Company's revenue from sales of gold and the gravity and flotation concentrate totalled USD 335M (- 7% y-o-y). In 2019, the Company commenced exporting of the gravity and flotation concentrate to improve the profit margin of the sales. Owing to challenging climatic and, consequentially, transport conditions in the Republic of Sakha (Yakutia), as well as the specifics of export procedures, sales of a significant part of the concentrate produced in the reporting period are rescheduled for 2020.

## Total Cash Costs (TCC)

In 2019, the total cash costs of the GV Gold Group increased by 48% (y-o-y) to USD 754 /oz.

This increase is resulting from a decrease in the average grade of gold in the processed ore and an increase in the tonnage of overburden stripped to provide access to the ore body in the subsequent periods of time. In this regard, the main impact was rendered by the Taryn Mine, where the open pit reconstruction operations were commenced in 2019. Owing to the operational efficiency improvement program, the Company decreased the total cash costs of the Ugakhan and the Bolshoy Kuranakh mines by 6% and 7%, respectively.

## Total Cash Costs (TCC), USD/oz

	2018	2019	Y-o-Y, %
Golets Vysochaishy	493	764	48%
Marakan	851	823	-3%
Ugakhan	680	657	-3%
Taryn	437	920	110%
Bolshoy Kuranakh	796	742	-7%
<b>GV Gold</b>	<b>541</b>	<b>754</b>	<b>39%</b>

USD **335** M

Revenue from sales of bar gold and the concentrate in 2019

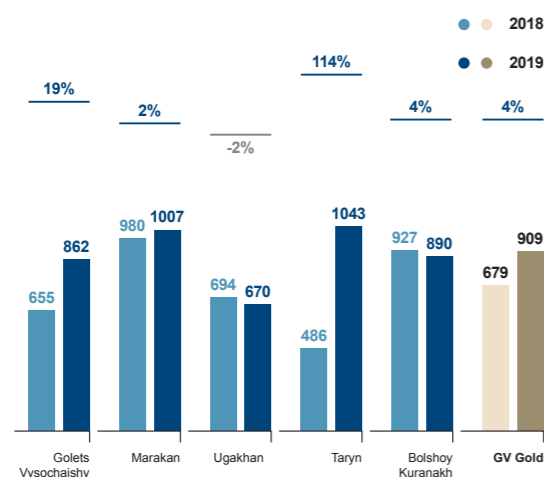
\$ **754** /OZ

Total cash costs (TCC)

## All-in Sustaining Costs (AISC)

In 2019, all-in sustaining costs increased by 34% (y-o-y) to USD 909 /oz. The growth of the AISC in 2019 is associated with the growth of the TCC.

### All-in Sustaining Costs (AISC), USD /oz



### EBITDA

In 2019, the adjusted EBITDA decreased by 27% and totalled USD 120M against the backdrop of the reducing gold production and commencement of the Taryn Mine open pit reconstruction project implementation. The adjusted EBITDA margin was 36%.

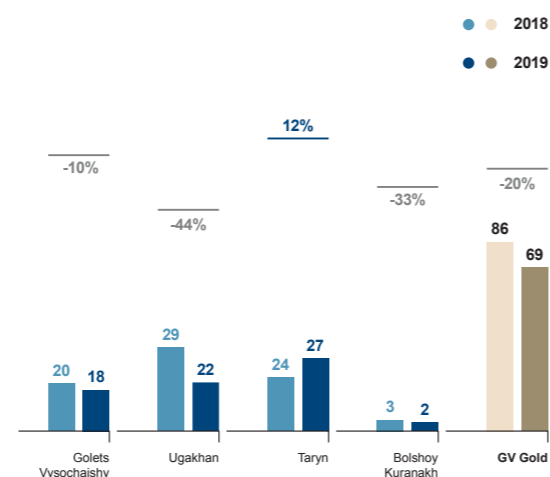
### Capital Expenditures

In 2019, capital expenditures were reduced by 20% to USD 69M. The key elements of the capital expenditures program in the reporting period were a continuation of the Company's resources base development through the exploration, procurement of the Taryn Mine's loading equipment and pit transport to complete the target scopes of mining operations and development of the infrastructure.

The Company continued the strategy of intense exploration, carried out the areal surveying to generate a structural model of the Svetlovskoye deposit. USD 15M were spent on exploration.

In 2019, the Company carried out the actions on mitigation of the environmental risks (ISO Program), commenced an establishment of the automated mining equipment dispatching system, completed construction of two new hostels at the Taryn mine camp.

### Capital Expenditures, M USD



### Financial Position

The net debt as at the end of 2019 totalled USD 202M. The Net debt / EBITDA ratio at the end of the reporting period was 1.6x.

### Golets Vysochaishy



In USD terms, the TCC increased by 48%. The main factors responsible for the growth of costs are larger tonnages of stripping required to maintain the design utilization of the processing plant and the scheduled reduction of grades in the processed ore.

### Ugakhan



In 2019, the Ugakhan Mine demonstrated high performance, and, inter alia, managed to decrease the TCC by 6% to USD 637 /oz. The unit costs decreased owing to the lower grid power rate and higher ore throughput.

### Marakan



At the Marakan Mine, the TCC decreased by 3% (y-o-y) to USD 823/oz owing to the improved performance.

### Bolshoy Kuranakh



The TCC of the Bolshoy Kuranakh Mine decreased by 7% (y-o-y) to USD 742 /oz.

### Taryn



The TCC of the Taryn Mine significantly increased as the result of the open pit reconstruction. The relevant operations will be continued in 2020.

# Sustainable Development



# Sustainable Development

**Acknowledging our responsibility to the environment and to the conservation of life, health and welfare of people, we made environmental commitments, managing them at all corporate levels, from the design stage to production.**

**Sustainable development of the Company is based on the following aspects:**

- ▼ environment protection;
- ▼ economic growth;
- ▼ social development in the regions where we operate.

Environment protection represents a component of sustainable business development. Reasonable and well-considered use of natural resources as well as the rational planning of the procurement process (resources and materials) represent the essential aspect of the business. Compliance with the legislative norms and guidelines, well-thought technical solutions in the production activity, all that will help to achieve an equilibrial and sustainable development.

In the course of expanding productive capacities and constructing new mines, GV Gold renders an impact on the social and economic development of the regions where it operates through the financing of regional social projects, creating new jobs and paying taxes to the local governments.

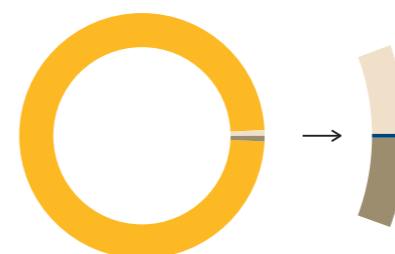
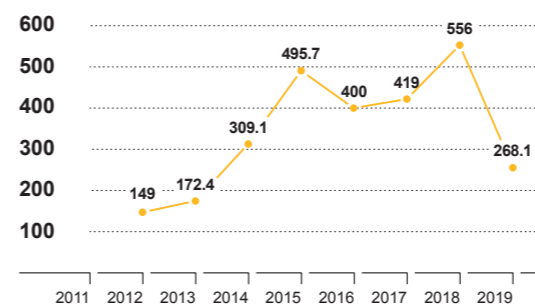


## Environment Protection

At the beginning of 2019, the Company completely reconsidered the fundamentals of the environment quality management system within its environmental risks assessment methodology in order to improve the relevance of management decisions. Within the framework of dynamically changing legislation and strengthened state supervision, the Company analyzed the compliance of its production activity and performance with the best practices of the gold mining industry. This exercise precedes the development and obtaining of complex environmental permits (hereinafter – the CEP). At the moment, there are four facilities referred to the first category of negative environmental impact within the GV Gold Group. Subsequently, all of them will obtain the CEPs. A combination of the above factors and specifics of the mining industry demand both a high level of qualification from the environment protection personnel and a high environmental awareness of staff and management.

Implementation of the environment protection activities required significant financing used for the construction and exploitation of waste disposal facilities (tailings storage facilities, solid waste landfills). The Company is committed to the safety of its tailings storage facilities that is why the actions are aimed at emergency risks mitigation.

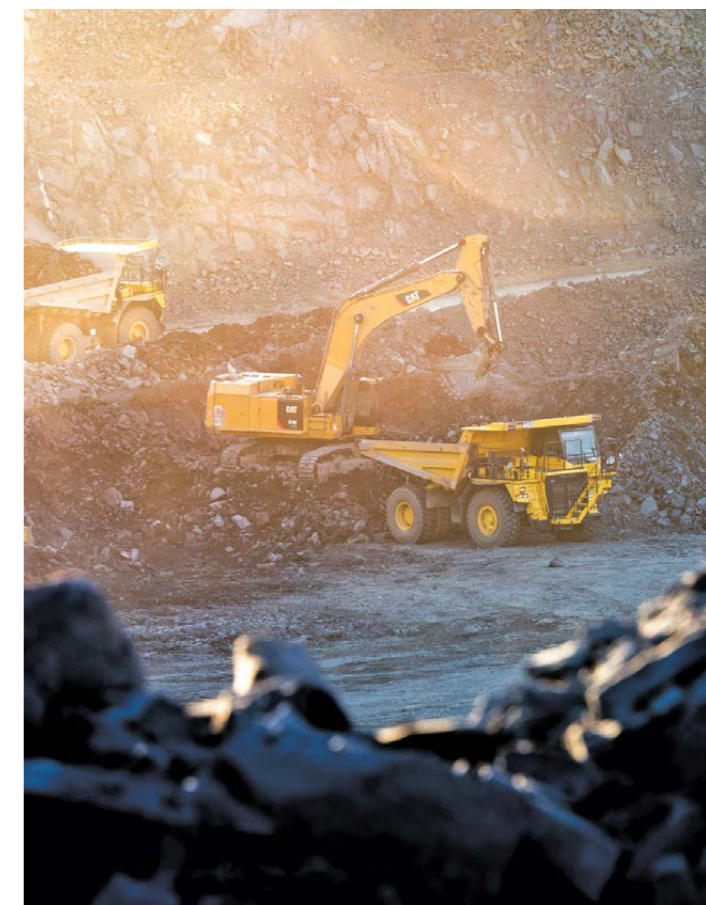
## GV Gold Environment Protection Costs, M RUB



## Structure of the Environment Protection Costs, k RUB\*

	SGM	TGMC	GV Gold
Payments for the negative environmental impacts	0.7	8.0	3.0
Wastes disposal (incl. removal)	0.4	1.0	7.4
Landfills construction	0	0	1.8
Equipment	0	0	1.8
Water use	2.6	0.2	2.6
Permits (incl. reference notes and requests for the designing purpose)	0	1.0	0.9
Training	0.08		0.2
Capital expenditures	0	2.5	233.9
<b>Total</b>	<b>3.8</b>	<b>12.74</b>	<b>251.6</b>
<b>Total for GV Gold</b>			<b>268.1</b>

\* An increase in the relevant costs is associated with the construction and exploitation of waste disposal facilities (tailings storage facilities, solid waste landfills) and exploitation of wastewater treatment facilities.



## Water Resources

To mitigate the negative impact on the environment, in 2019, the Company continued the modernization and reconstruction of the wastewater treatment facilities.

A large volume of organizational and technical measures were taken to ensure the rational use of water resources. Lower water consumption is associated with the application of the closed water cycle or partial recycling of the process waters.

### Golets Vysochaishy, Ugakhan, Drazhnoye

The closed water cycle of the mills allows for the wastewaters produced by the Company to be re-used, without subsequent disposal into water bodies. Fresh water taken from water bodies is used both for the mine camp's needs and metallurgical processes in the mills in accordance with granted permits and approvals.

### Total Volume of Water Consumed with Mines, '000 m<sup>3</sup>

	2016	2017	2018	2019
Golets Vysochaishy	515.8	654.7	532.0	490.87
Ugakhan	—	225.9	147.9	136.57
Marakan	44.31	42.68	50.69	44.65
Drazhnoye	5.3	140.1	186.8	333.40*

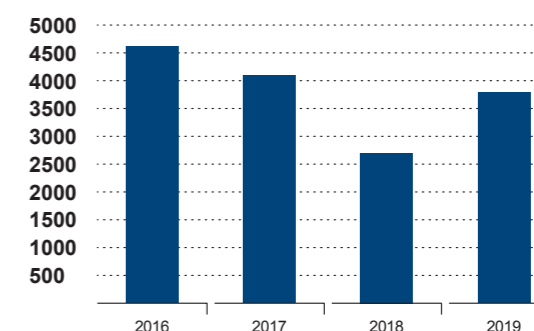
### Bolshoy Kuranakh

At this deposit, the gold mining operations are carried out with the dredging method, which provides for the inclusion of the Bolshoy Kuranakh River basin into the production process.

SAKHA Gold Mining CJSC carries out its activity within the framework of the environment protection legislation. Environmental monitoring and water drainage monitoring are carried out on an annual basis.

## Ambient Air

### GV Gold's Total Air Emissions in 2019, t



The structure of ambient air emissions did not essentially change. Most emissions come from non-organic dust: carbon dioxide – 70%.

### Total Volume of Water Consumed and Recycled, '000 m<sup>3</sup>

	2016	2017	2018	2019
Water Consumed	2955.5	3129.4	3477.1	3897.9
Water Recycled	4314.0	4583.6	4853.3	25 005.06
<b>Total</b>	<b>7269.5</b>	<b>7713.0</b>	<b>8330.4</b>	<b>28 902.96</b>

In 2019, the content of pollutants in the water samples did not exceed the permitted limits. The actual volumes of water consumption and water disposal did not exceed the limits set by the permit documentation. In the summer period, the Company implemented compensation measures for the rehabilitation of aquatic biological resources at the Ugakhan Mine and SAKHA Gold Mining, CJSC, by releasing juvenile peled (northern whitefish) into the water drainages.

\* In Q3 2019, a water use agreement was signed to satisfy the needs of the processing plant associated with the production program expansion

Reasonable environment protection policy allows the Company to evade a great number of penalties from the supervisory authorities (Federal Service for Supervision of Natural Resource Usage Rosprirodnadzor, Federal Service for Consumer Rights Protection and Human Welfare Rospotrebnadzor, Federal Agency for Fishery Rosrybolovstvo, Ministry of the Environment Protection).

Over the last few years, there was a reduction of the ambient air pollutions driven by measures for the abatement of air pollution and protection of ambient air:

- ▼ Spraying of disintegrated rock mass at its loading.
- ▼ Sprinkling of mine roads with water (reduces the emissions of dust by 80%).
- ▼ Cleaning of ventilation air in the production premises.

An increase of this number in 2019 is associated with larger tonnages of ore mined and processed.

## Wastes

Disposal of wastes was carried out in strict accordance with the utilization rates and disposal limits established by and agreed with the Federal Service for the Supervision of Natural Resource Usage Rosprirodnadzor. Wastes of the hazard classes 4–5 were disposed within the wastes disposal facilities

### Ambient Air Pollution Monitoring Costs, '000 RUB

	2018	2019
Golets Vysochaishy	389.72	964.08
Ugakhan	68.8	148.38
Drazhnoye	0	0
Bolshoy Kuranakh	0	0
<b>Total</b>	<b>458.52</b>	<b>1112.46</b>

(solid domestic waste landfills, tailings storage facilities), the zone of which was permanently monitored in accordance with the environmental monitoring program. Wastes of the hazard classes 1–3 were handed over to specialized organizations for recycling.

### Generated Wastes, t

	Golets Vysochaishy		Ugakhan		Drazhnoye		SGM	
	2018	2019	2018	2019	2018	2019	2018	2019
Hazard Class 1	0.619	0.436	0.085	0.085	0.05	0.045	0.059	0.065
Hazard Class 2	6.427	10.4	1.5	5.61	0.16	4	0.132	0.33
Hazard Class 3	129.45	200.7	516.84	208.7	21.7	0.18	9.532	10.695
Hazard Class 4	526.57	581.8	251.4	681.6	274.9	68.01	21.632	18.428
Hazard Class 5	823.2	5 056 752.9	191.2	3 492 802	13.8	23357.26	432.105	73.07
<b>Total</b>	<b>1486.27</b>	<b>5 057 546.3</b>	<b>960.96</b>	<b>3 493 698</b>	<b>310.61</b>	<b>838.449</b>	<b>463.46</b>	<b>102.584</b>

## Energy Consumption and Energy Efficiency

The GV Gold energy resources consumption data are indicative since the Company rents office premises from third parties and the existing rent agreements don't provide for an allocation of rent separately from the reimbursement of payment of the consumed energy resources by the lessor.

### Aldan Business Unit

	Units	2017			2018			2019		
		Consumption in Physical Terms	Consumption in '000 RUB	Consumption in Tons of Reference Fuel	Consumption in Physical Terms	Consumption in '000 RUB	Consumption in Tons of Reference Fuel	Consumption in Physical Terms	Consumption in '000 RUB	Consumption in Tons of Reference Fuel
Atomic energy		0	0	0	0	0	0	0	0	0
Heat	Gcal	1136.0	6386.1	168.8	1036.2	4673.5	154.0	1036.2	5497.6	154.0
Electric power:	MW*h	28 759.5	121 230.8	9907.6	28 230.4	98 679.4	9725.4	30 361.7	120 276.7	10 459.6
▼ from eternal power grid	MW*h	28 759.5	121 230.8	9907.6	28 230.4	98 679.4	9725.4	30 361.7	120 276.7	10 459.6
▼ from diesel generators	MW*h	0	0	0	0	0	0	0	0	0
Electromagnetic energy		0	0	0	0	0	0	0	0	0
Oil		0	0	0	0	0	0	0	0	0
Petrol	t	84.5	4379.5	125.9	78.0	2351.3	116.2	63.8	3516.5	95.1
Diesel	t	521.8	25 292.8	756.6	778.0	39 213.0	1128.1	1043.4	56 285.8	1512.9
Furnace oil		0	0	0	0	0	0	0	0	0
Natural gas		0	0	0	0	0	0	0	0	0
Coal	t	656.0	2583.0	503.8	803.0	3297.7	616.7	640.0	3178.3	491.5
Oil shales		0	0	0	0	0	0	0	0	0
Peat		0	0	0	0	0	0	0	0	0
Other:		0	0	0	0	0	0	0	0	0
<b>Total</b>			<b>159 872.3</b>	<b>11 462.8</b>		<b>148 215.0</b>	<b>11 740.4</b>		<b>188 754.8</b>	<b>12 713.1</b>

## Taryn Business Unit

	2017			2018			2019			
	Units	Consumption in Physical Terms	Consumption in '000 RUB	Consumption in Physical Terms	Consumption in '000 RUB	Consumption in Physical Terms	Consumption in '000 RUB	Consumption in Physical Terms	Consumption in '000 RUB	
Atomic energy		0	0	0	0	0	0	0	0	
Heat	Gcal	564.0	2767.8	83.8	564.3	2790.3	83.9	535.12	2732.04	79.52
Electric power:	MW*h	27 122.9	108 490.6	9343.8	37 994.7	175 000.7	13 089.2	55 387.42	264 396.71	19 080.97
▼ from eternal power grid	MW*h	27 122.9	108 490.6	9343.8	37 395.0	164 059.3	12 882.6	55 046.50	258 183.73	18 963.52
▼ from diesel generators	MW*h	0	0	0	599.7	10 941.4	206.6	340.92	6212.99	117.45
Electromagnetic energy		0	0	0	0	0	0	0	0	0
Oil		0	0	0	0	0	0	0	0	0
Petrol	t	19.6	1063.9	29.2	52.9	3321.8	78.9	108.08	5959.07	161.05
Diesel	t	4090.2	231 499.7	5930.7	6388.0	422 210.1	9262.6	12 379.07	887 469.25	17 949.66
Furnace oil		0	0	0	0	0	0	0	0	0
Natural gas		0	0	0	0	0	0	0	0	0
Coal	t	1806.8	8244.3	1387.6	2020.1	9311.4	1551.4	1602.72	7705.94	1230.89
Oil shales		0	0	0	0	0	0	0	0	0
Peat		0	0	0	0	0	0	0	0	0
Other: TS-1 Kerosene		0	0	0	16,1	1221.3	23.7	28.43	1582.30	41.79
<b>Total</b>			<b>352 066.3</b>	<b>16 775.2</b>		<b>613 855.6</b>	<b>24 089.5</b>		<b>1 169 845</b>	<b>38 543.87</b>

## Ugakhan

In 2019, the Ugakhan Mine switched to electric power acquired from the grid. The Company signed a relevant agreement with Vitimenergoby, JSC and obtained the electricity rate equal to that of the Irkutsk Region's electricity consumers. As the result the electricity rate was reduced threefold from RUB 7.9/kW\*h to RUB 2.6 /kW\*h. In 2019, the Company achieved the cost savings of RUB 336M.

## Irkutsk Business Unit

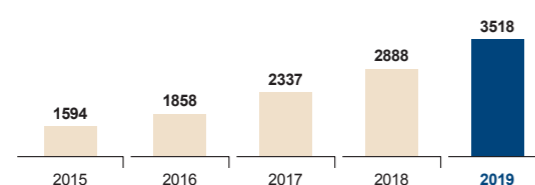
	2017			2018			2019			
	Units	Consumption in Physical Terms	Consumption in '000 RUB	Consumption in Physical Terms	Consumption in '000 RUB	Consumption in Physical Terms	Consumption in '000 RUB	Consumption in Physical Terms	Consumption in '000 RUB	
Atomic energy		0	0	0	0	0	0	0	0	
Heat	Gcal	38 153	83 411	5669.5	45 743	91 284	6797.4	57 406	88 980	8530
Electric power:	MW*h	179 970	945 489	62 000	239 652.0	1 449 854	82 560	250 430	841 258	86 273
▼ from eternal power grid	MW*h	118 935	260 271	40 973.1	180 282.0	625 585	62 107.1	224 574	483 486	77 366
▼ from diesel generators	MW*h	61 035	685 218	21 027	59 370	824 269	20 453	25 856	357 771	8907
Electromagnetic energy		0	0	0	0	0	0	0	0	0
Oil		0	0	0	0	0	0	0	0	0
Petrol	t	0	0	0	286,0	14 275	426.2	276	15 501	411
Diesel (in total for the company)	t	15 491	602 670	22 462	21 263.0	1 057 159	30 831	29 967	1 553 137	43 452
Furnace oil		0	0	0	0	0	0	0	0	0
Natural gas		0	0	0	0	0	0	0	0	0
Coal	t	7336	43 832	5634	8090.9		5882	11 280	41 448	8201
Oil shales		0	0	0	0	0	0	0	0	0
Peat		0	0	0	0	0	0	0	0	0
Other: spent motor oil (used as the fuel)	t	142	26 712	184.6	158	31 228	205.5	169	38 343	219
<b>Total</b>			<b>1 702 114</b>	<b>95 950</b>		<b>2 643 800</b>	<b>126 702</b>		<b>2 578 667</b>	<b>147 086</b>

## Human Resources Management

GV Gold is a dynamically developing company and the number of personnel increases with its growth. In 2019, the number of people employed by the Company totaled 3,500. The commissioning of two new mines, Ugakhan Mine in the Bodaibo District of the Irkutsk Region and the Taryn Mine in the Oimyakon District of the Republic of Sakha (Yakutia), acted as the key growth factor. The Company plans to expand production even further and, consequently, expand its staff. To facilitate sustainable progress in the active projects and the development program, the Company pays great attention to the search and selection of specialists in the gold mining industry.

The conditions offered by the Company to its specialists allow us to recruit the most qualified professionals in Russia's gold mining industry. In 2019, the Company continued its transition to the rotational method of employment to improve the attractiveness of the workplaces, competitiveness of the Company in the industry's labour market and recruitment and retention of highly qualified personnel.

### Dynamics of the Total Number of Personnel, pers.



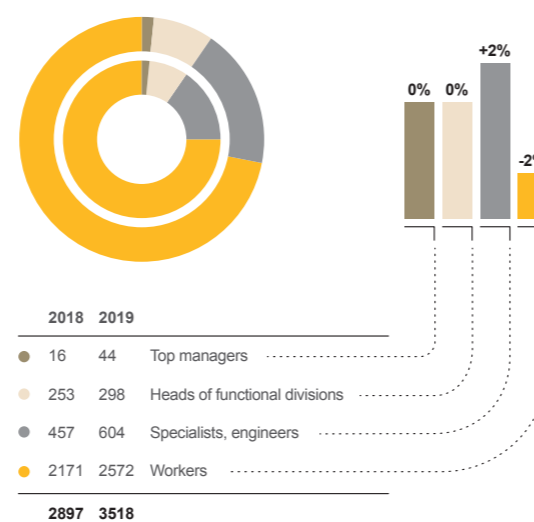
### Personnel Geographic Structure, %

	%	2018	%	2019
Bodaibo District, Irkutsk Region	63%	1813	64%	2240
Oimyakon District, Republic of Sakha (Yakutia)	23%	676	24%	831
Aldan District, Republic of Sakha (Yakutia)	11%	306	9%	326
Moscow Representative Office (Corporate Center)	4%	102	3%	121
<b>Total</b>	<b>100%</b>	<b>2897</b>	<b>100%</b>	<b>3518</b>

### Personnel Gender Structure, %

	%	2018	%	2019
Male	83%	2412	83%	2915
Female	17%	485	17%	603
<b>Total</b>	<b>100%</b>	<b>2897</b>	<b>100%</b>	<b>3518</b>

### Personnel Functional Structure, %



### Personnel Age Structure, %

	%	2018	%	2019
< 25 y.o.	7%	201	8%	298
26-35 y.o.	30%	880	31%	1078
36-55 y.o.	50%	1457	50%	1771
> 56 y.o.	12%	359	11%	371
<b>Total</b>	<b>100%</b>	<b>2897</b>	<b>100%</b>	<b>3518</b>



The Company provides competitive wages and social benefits to its employees, including lump-sum financial assistance and annual performance bonuses.

An important component of staff motivation is the development of a culture of dialogue with employees through the tools of internal corporate communications. To cover an audience of all the Company's subsidiaries, the Company publishes a quarterly corporate newspaper «Golden News» and the feedback process is established through the newspaper's e-mail box [GVesti@gvgold.ru](mailto:GVesti@gvgold.ru).

Training and improvement of personnel qualification represents the most important component of the Company's HR policy. GV Gold subsidiaries introduced a system of tutoring new employees and a program of training and skill improvement. The Company employees take part in practical seminars, conferences and mining industry trade shows.

# Occupational Health and Safety

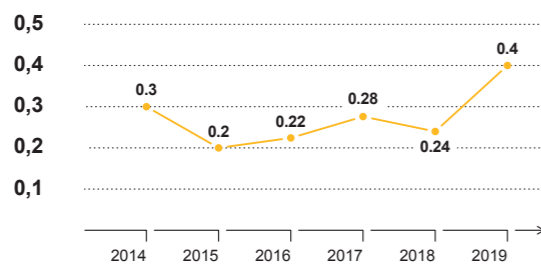
GV Gold provides safe labour conditions for its employees. For this purpose, the Company takes complex measures in the following areas:

- ▼ assessment of the OHS risks and development of risk mitigation measures;
- ▼ training;
- ▼ improvement of personnel competence and OHS trainings;
- ▼ provision of overalls and personal protective equipment for workers;
- ▼ implementation of internal OHS inspections.

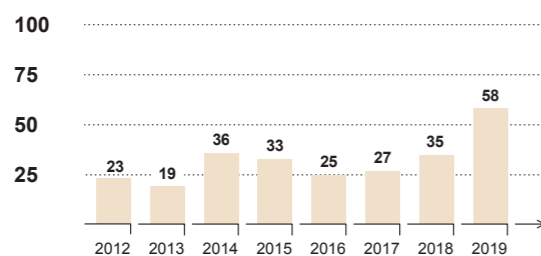
The Company has the Regulation for Reporting and Investigation of Accidents, according to which each accident is subjected to a thorough investigation and identification of immediate and system-wide causes.

In 2019, the lost time injury frequency rate (LTIFR per 200,000 man-hours) was 0.40, in 2018 – 0.24.

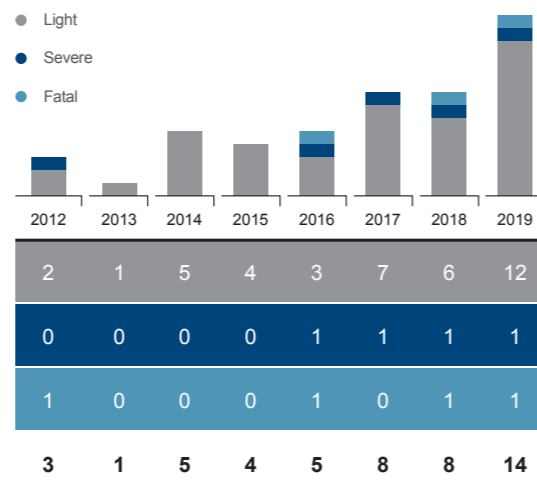
### LTIFR Dynamics<sup>1</sup>



### Number of Incidents<sup>2</sup>



### Work-Related Injury Statistics, pers.



Since 12.10.2018, the incidents have been registered in accordance with the incidents classifier based on the procedure for reporting of the current information on the incidents, aimed at the prompt and reliable reporting of each and every incident.

The Company takes action to improve the corporate OHS culture. In the reporting period, there were 14 injuries of the Company's staff. Unfortunately, these statistics include one fatality. The Company expresses its deepest condolences to the family and relatives of the deceased worker.

The main causes of incidents and accidents were personal carelessness, violation of the OHS requirements.

All accidents and incidents were appropriately investigated and the main causes were identified. The Company strengthened its control over the safety, including compliance with relevant rules of safe work practices.

### Accident Prevention Measures

Introduction of additional interlocking systems and implementation of the «Power Source Insulation» Standard.

Supervision over the compliance with earlier introduced safety standards and procedures and amendment thereof.

Establishment of uniform OHS training requirements.

Development of Safety Culture.

Introduction of a behavioral safety auditing practice.

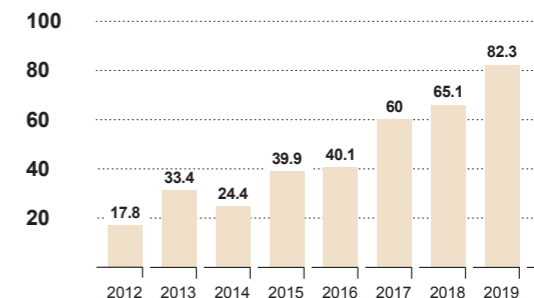
Development and introduction of programs for medical support at operations.

Organization of hazardous operations.

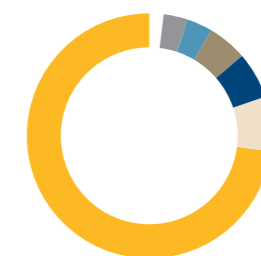
Development of a OHS risks management system.

The Company's personnel health care system is established at all production facilities. To promote proper health, the Company has established on-site medical stations, staffed with highly qualified medical personnel and equipped with all equipment required for rendering medical aid to the workers, including regular vaccination from cold-related and viral infections. Over the last 5 years, no occupational diseases were registered at the GV Gold production facilities.

### Total OHS Costs, M RUB



### OHS Costs Structure, %



Category	Y-o-y, %
Overalls and safety footwear	77%
Safety signs, plates and posters	8%
Medications, first aid kits	6%
Training, safety certification, first aid certification	4%
Safety training and examination software	2%
Hazardous and harmful factors mitigation	2%
Labour conditions assessment	1%

The OHS trainings and knowledge assessments were carried out in accordance with the Russian legislation requirements. The training in «Leadership and Safety Culture» was provided to GV Gold managers, and GV Gold employees were acquainted with requirements of the developed EHS management system documents.

<sup>1</sup> LTIFR is calculated per 200,000 man-hours.

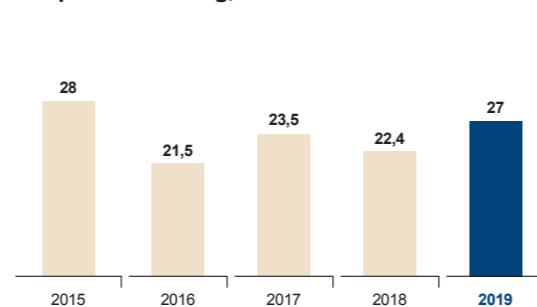
<sup>2</sup> Incident – unsafe event related to work or taking place in the course of work but not resulting in an accident.

## Social Development in the Regions of Presence

While carrying out its production activity, GV Gold strives to promote the social and economic development of the regions where it operates. This involves not only contributions to taxes and social security but also direct investments into social and economic development made within the framework of social and economic partnership agreements. Such agreements are signed with the Government of the Irkutsk Region, administrations of the Aldan and Oimyakon municipalities of the Republic of Sakha (Yakutia).

The main trends of the social and economic partnership are the development and support of the municipal educational and pre-school institutions, financing of healthcare and sport facilities, sponsorship support of children's sport and creative events and support of the poor and socially vulnerable groups of the population. The social and economic partnership programs are developed with the direct involvement of the stakeholders.

Scope of Financing, M RUB



## Procurement

The interaction of GV Gold with its counterparties is aimed at the development of long-term, mutually-beneficial relations. Counterparties of the Company supplying goods, performing work and providing services are chosen in a centralized way on a tender basis.

The applied approach to interaction with counterparties allows the Company to:


- ▼ provide the maximum economic efficiency and transparency of procurement;
- ▼ achieve the optimum competitiveness among the potential tender participants;
- ▼ provide a justified and impartial process for the determination of the tender winner.

The basic criterion used for the counterparty selection is an optimal combination of price, quality, delivery or execution time, reliability of the counterparty, availability of the relevant technical and labour resources, availability of references, and knowledge of mining industry specifics.

One of the key partner selection criteria is the compliance of the counterparty with the EHS rules adopted by the Company.



# Corporate Governance



RUB **3.1** B  
Total dividends paid for 2018

**30%**  
EBITDA

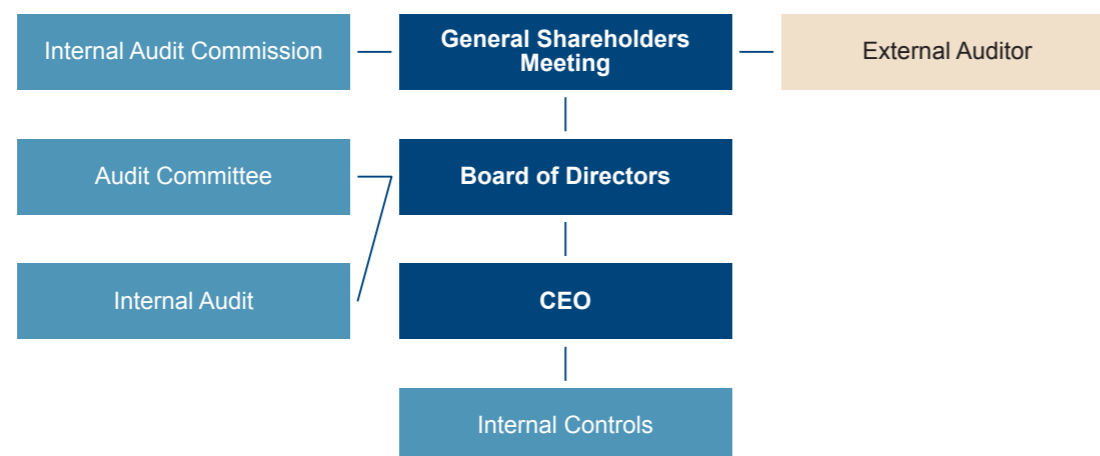
## Corporate Governance System

Maintaining high corporate governance standards is one of the key objectives of the GV Gold Group. In its activity, the Company strives to follow the principles established within the Corporate Governance Code published in 2014 and recommended for introduction by the Bank of Russia.

The Company has not officially approved the internal Corporate Governance Code or any other similar document, however, GV Gold provides its shareholders all opportunities for participation in the Company management and familiarization with the company business information in accordance with the Federal Law «On the Joint Stock Companies», the Federal Law «On the Securities Market» and the regulatory enactments of the Bank of Russia.

The Company builds its relationships with the shareholders and investors on the basis of the key principle of a reasonable balance between the interests of the company as an economic entity and its interests as a joint-stock company to protect the legitimate interests of its shareholders.

### Governing and Regulatory Bodies



The Company is guided by the following principles of the Corporate Governance Code approved by the Bank of Russia:

- ▼ equal and fair treatment for all its shareholders in the exercise by them of their rights to participate in the Company management;
- ▼ equal and fair opportunities to participate in the profits of the Company by receiving dividends;
- ▼ reliable and efficient methods of recording shareholders rights in shares as well as the opportunity to dispose of such shares freely and without hindrance;
- ▼ the shareholders have a right for the regular and timely obtainment of full and reliable information in regard to the GV Gold business in accordance with the provisions of the Federal Law «On the Joint Stock Companies»;
- ▼ GV Gold exercises full control over the usage of confidential and insider information.

## General Shareholders Meeting

In accordance with the Federal Law «On the Joint Stock Companies» and the Charter of GV Gold, the General Shareholders Meeting is the supreme governing body of the Company.

The Annual General Shareholders Meeting is held every year not earlier than March 01 and not later than June 30. All general meetings other than the Annual General Shareholders Meeting shall be deemed extraordinary general meetings. Extraordinary General Shareholders Meetings are held upon the decision of the Board of Directors of the Company at its own initiative, or upon the request of the Internal Audit Commission of the Company, the Auditor of the Company and the shareholder(s) of the Company holding, in aggregate, not less than 10 (Ten) percent of the total number of voting shares of the Company at the date of request

The Meeting procedure is established with the legislation of the Russian Federation, the Charter and the Regulation on the General Shareholders Meeting of the Company.

The following is deemed to be within the scope of responsibility of the General Shareholders Meeting:

- ▼ charter capital variation;
- ▼ re-organization or liquidation of the Company;
- ▼ determination of the quantitative composition of the Board of Directors, the Internal Audit Commission of the Company, election of their members and premature termination of their powers;
- ▼ approval of the Company's auditor;
- ▼ approval of annual reports, annual accounts (financial statements) and distribution of profit, including payment (announcement) of dividends and losses according to the results of the financial year;
- ▼ approval of interested party transactions in the cases provided for by the Federal Law «On the Joint Stock Companies»;
- ▼ resolution of other matters provided for by the Federal Law «On the Joint Stock Companies» and the Charter.



### In 2019, the Company held three General Shareholders Meetings:

**On April 09, 2019** an Extraordinary General Shareholders Meeting was held to discuss approval of the new editions of the Company's internal documents: the Charter, the Regulation on the General Shareholders Meeting (Minutes №OS/V- 59 dated 09.04.2019).

**On June 25, 2019** the Annual General Shareholders Meeting was held and elected the Board of Directors and the Internal Audit Commission, approved the Auditor, the Annual Report and the annual accounts (financial statements) of the Company for 2018. The General Shareholders Meeting also made a decision on distribution of the Company's profit for 2018, inter alia on the payment (announcement) of the dividends for 2018, and approved the interested party transactions with JSCB Lanta-Bank (JSC) (Minutes №OS/V-60 dated 25.06.2019).

**On September 30, 2019** an Extraordinary General Shareholders Meeting was held to discuss the payment of dividends for 6m 2019 (Minutes №OS/V- 61 dated 30.09.2019).



Internal documents governing the Company activity are published on the GV Gold website:  
<http://e-disclosure.ru/portal/files.aspx?id=8394&type=1>

## Board of Directors

The Board of Directors carries out general management of the Company except for the issues referred to the competence of the General Shareholders Meeting.

The members of the Company's Board of Directors are elected at the annual or extraordinary General Meeting for a term up to the next Annual General Meeting. The Company's Board of Directors is composed of 8 (Eight) members. The number of members of the Board of Directors may be changed upon the decision of the General Shareholders Meeting, however, it may not be less than 5 (Five) members.

Meetings of the Board of Directors are held in compliance with the Charter of the Company as often as may be necessary but at least once in a quarter. The quorum for a meeting of the Company's Board of Directors shall be not less than a half of the elected members of the Company's Board of Directors.

The following is deemed to be within the scope of responsibility of the Board of Directors:

- ▼ determination of the concept and strategy of the Company's development, methods of implementation, approval of the Company's plans and budgets and amendments thereto;
- ▼ recommendations on the amount of dividends of the shares and procedure of payment thereof, as well as the date on which the list of persons entitled to the dividends is determined;
- ▼ formation of the sole executive body of the Company – the CEO (General Director), early termination of his/her powers, determination of the amount of remuneration and compensation paid to him/her, approval and amendment of the contract with him/her;
- ▼ other issues provided for by the Federal Law «On the Joint Stock Companies» and the Charter.

Meetings of the Board of Directors are mainly convened in absentia to solve issues that require its approval in accordance with the legislation and the internal regulations of the Company.

### Annual meetings in praesentia are held:

- ▼ in April – for the end-of-the-year review, review of the annual statements, the Annual Report, making of a decision on convocation of the Annual General Shareholders Meeting, preparation of a proposal for the resolutions of the Annual General Shareholders Meeting, discussion of a size of the dividends;
- ▼ in December – for approval of the Company budget for the next year;
- ▼ in other cases upon the request of the Board of Directors or other persons.

### Performance Report of the Board of Directors for 2019

In 2019, the Board of Directors held 20 meetings: 2 in praesentia and 18 in absentia.

## Structure of the Board of Directors

In 2019, the following variations in the structure of the GV Gold Board of Directors took place: (Minutes № OS/V-60 dated June 25, 2019):

### 1.

Elizabeth Ann Kirkwood left the Board of Directors;

### 2.

Sergey A. Filippov joined the Board of Directors (a retired member of the Board of Directors since September 17, 2019).

On June 25, 2019, the Annual General Shareholders Meeting (Minutes № OS/V-60 dated June 25, 2019) elected the Board of Directors.

8 persons became the members of the Board of Directors including the Chairman and three Independent Directors.



**Sergey V. Dokuchaev**

Chairman of the Board of Directors

**Year of birth:** 1957

**Education:** Kuibyshev Novosibirsk Civil-Engineering Institute, specialty: Industrial and Civil Construction.

Plekhanov Russian Academy of Economy, specialty: Finance and Credit.

#### Positions occupied over the last 5 years

Period	Company Name Position
2014–2017	Sanofi-Aventis Investments B.V. Director
2014 – present time	JSCB Lanta-Bank (JSC). Chairman of the Management Board (primary place of employment)
2014 – present time	Russian Gems, PJSC Chairman of the Board of Directors.
2014 – present time	GV Gold (Vysochaishy, PJSC). Chairman of the Board of Directors.
2016–2016	BMC, LLC. Member of the Board of Directors.

Equity stake — 20,36%.  
Ordinary shares — 20,36%.



**Natalia V. Opaleva**

Member of the Board of Directors

**Year of birth:** 1969

**Education:** Lomonosov Moscow State University, specialty: Economist, Professor of the Political Economics.  
Ph.D. in Economics.

#### Positions occupied over the last 5 years

Period	Company Name Position
2014 – present time	LT-Resource, JSC. Financial Director
2015 – present time	JSCB Lanta-Bank (JSC). Deputy Chairman of the Management Board (primary place of employment).
2015 – present time	Russian Gems, PJSC. Member of the Board of Directors.
2015 – present time	GV Gold (Vysochaishy, PJSC). Member of the Board of Directors. Member of the Board of Directors. Audit Committee (as a part of the Board of Directors membership).
2015 – present time	Private Foundation «AZ Fine Arts Museum». General Director.
2016–2016	BMC, LLC. Member of the Board of Directors.
2018 – present time	«AZ» Cultural Initiatives Foundation. General Director. Chairman of the Management Board. Member of the Supervisory Board.
2018–2019	GV Gold (Vysochaishy, PJSC). Member of the Board of Directors Human Resources and Remuneration Committee (as a part of the Board of Directors membership).
2018–2019	GV Gold (Vysochaishy, PJSC). Chairman of the Board of Directors Strategy and Investments Committee (as a part of the Board of Directors membership).

Equity stake — 20,36%.  
Ordinary shares — 20,36%.



**Valerian A. Tikhonov**

Member of the Board of Directors

**Year of birth:** 1951

**Education:** Novosibirsk State University, specialty: History.

#### Positions occupied over the last 5 years

Period	Company Name Position
2015 – present time	LT-Resource, JSC. CEO (primary place of employment).
2015 – present time	Russian Gems, PJSC. Member of the Board of Directors.
2015 – present time	GV Gold (Vysochaishy, PJSC). Member of the Board of Directors.
2016–2016	BMC, LLC. Member of the Board of Directors.

Equity stake — 20,36%.  
Ordinary shares — 20,36%.

**German R. Pikhoya**

Member of the Board  
of Directors

**Year of birth:** 1970

**Education:** Ekaterinburg Urals State University, specialty: History; Russian Academy of State Service, specialty: Economy and Finance; Bowdoin College (Brunswick, Maine, USA), exchange program, History major.

**Positions occupied over the last 5 years**

Period	Company Name Position
2015–2017	Interminerals Management, LLC. Supervisory Board Member.
2015–2017	Renova Manganese Investments (Pty) Ltd. Supervisory Board Member.
2015–2016	Management Company «ROSNANO», LLC. Deputy Head of Investment Division.
2016–2017	Management Company «ROSNANO», LLC. Deputy Chairman of the Executive Board, Head of Investment Division.
2017–2019	GV Gold (Vysochaishy, PJSC). CEO.
2017 – present time	GV Gold (Vysochaishy, PJSC). Member of the Board of Directors.
2018–2019	GV Gold (Vysochaishy, PJSC). Member of the Board of Directors Strategy and Investments Committee (as a part of the Board of Directors membership).

Equity stake — 0%.  
Ordinary shares — 0%.

**Nikolai V. Gavrilov**

Member of the Board  
of Directors (Independent  
Director)

**Year of birth:** 1959

**Education:** Lomonosov Moscow State University, specialty: International Economic Relations, majors: Economist-Orientalist, Arabic Language Translator.

**Positions occupied over the last 5 years**

Period	Company Name Position
2015–2016	VTB Bank, PJSC. Senior Vice-President.
2018 – present time	Rusatom Energy International, JSC. First Deputy CEO for the Economics, Finance and Investments.
2018 – present time	GV Gold (Vysochaishy, PJSC). Member of the Board of Directors.
2018–2019	GV Gold (Vysochaishy, PJSC). Chairman of the Board of Directors Human Resources and Remuneration Committee (as a part of the Board of Directors membership).

Equity stake — 0%.  
Ordinary shares — 0%.

**Sergei G. Popov\***

Member of the Board  
of Directors (Independent  
Director)

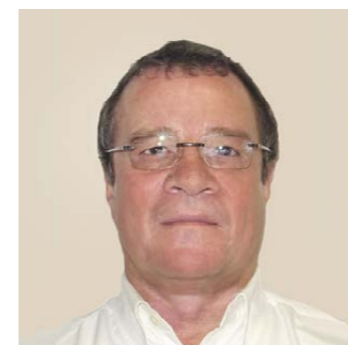
**Year of birth:** 1958

**Education:** Lomonosov Moscow State University, specialty: Economist, Professor of the Political Economics.

**Positions occupied over the last 5 years**

Period	Company Name Position
2015 – present time	GV Gold (Vysochaishy, PJSC). Chairman of the Board of Directors Audit Committee (as a part of the Board of Directors membership).
2015–2018	Slavkaliy Ltd. Chief Financial Officer.
2017–2018	Slavkaliy Ltd. Member of the Board of Directors.
2017–2017	BINBANK, PJSC. Member of the Board of Directors.
2017–2017	ROST BANK, JSC. Member of the Board of Directors.
2018 – present time	Slavkaliy Ltd. Chief Executive Officer.
2018–2019	GV Gold (Vysochaishy, PJSC). Member of the Board of Directors Strategy and Investments Committee (as a part of the Board of Directors membership).

Equity stake — 0%.  
Ordinary shares — 0%.

**Antony James Nieuwenhuys\***

Member of the Board  
of Directors (Independent  
Director)

**Year of birth:** 1954

**Education:** University of Cape Town (SAR), specialty: Engineering.  
**Further education:** Graduate School of Business Leadership (SAR), Management Advance Training Program.

**Positions occupied over the last 5 years**

Period	Company Name Position
2015–2016	Polyus Gold China. Chief Representative.
2016 – present time	Lesego Platinum. CEO.
2018–2020	GV Gold (Vysochaishy, PJSC). Member of the Board of Directors. Member of the Board of Directors Audit Committee (as a part of the Board of Directors membership).
2018–2019	GV Gold (Vysochaishy, PJSC). Member of the Board of Directors Human Resources and Remuneration Committee (as a part of the Board of Directors membership).

Equity stake — 0%.  
Ordinary shares — 0%.

**Sergey A. Filippov**

(retired member of the Board  
of Directors since 17.09.2019)

**Year of birth:** 1952

**Education:** Moscow Technological Institute of Food Industry, specialty: Process Engineer.

**Positions occupied over the last 5 years**

Period	Company Name Position
2015–2019	JSCB Lanta-Bank (JSC). Deputy Chairman of the Management Board.
2015–2019	Russian Gems, OJSC. Member of the Board of Directors.
2015–2018	GV Gold (Vysochaishy, OJSC). Member of the Board of Directors Strategy and Investments Committee (as a part of the Board of Directors membership).
2015–2018	GV Gold (Vysochaishy, OJSC). Member of the Board of Directors.
2018–2019 <sup>1</sup>	GV Gold (Vysochaishy, OJSC). Member of the Board of Directors.

<sup>1</sup> Since 17.09.2019 – retired member of the Board of directors owing to the death.  
Equity stake — 0%.  
Ordinary shares — 0%.

\* Member of the Board of Directors before 17.02.2020.

In 2019, the members of the Board of Directors effected no transactions related with acquisition or carving-out of the GV Gold shares.

## Corporate Secretary (Secretary) Board Committees

The Corporate Secretary is elected by the Board of Directors for a term of 1 (One) year. The powers of the Secretary may be prematurely terminated upon the decision of the Board of Directors.

The following issues are referred to the competence of the Corporate Secretary:

- ▼ verification of compliance of the bodies and the officers of the Company with the requirements of the procedures ensuring rights and interests of the Company's shareholders;
- ▼ monitoring the preparation and holding of the General Shareholder Meeting in compliance with the requirements of the current legislation of the Russian Federation, this Charter, and internal documents of the Company;
- ▼ supervision over the disclosure (submission) of information upon requests of the shareholders, the Bank of Russia, and other government authorities;
- ▼ other issues provided for by the Charter.

### Anna A. Denisova

#### Corporate Secretary

**Year of birth:** 1979

**Education:** Lomonosov Moscow State University.  
**Specialty:** Law.

#### Positions occupied over the last 5 years

Период	Наименование организации Должность
2009–2019	GV Gold (Vysochaishy, OJSC). Corporate Secretary of the Company (Secretary of the Company). Head of the Corporate Management and Corporate Information Department.
2019–2020	GV Gold (Vysochaishy, OJSC). Acting Deputy CEO for the Legal Matters.

### Audit Committee

The Committee acts as an auxiliary body of the Board of Directors, established for preliminary reviewing of the issues associated with supervision of the Company's financial and economic activity, referred by the Charter to the competence of the Board of Directors.

The Committee was established to improve the efficiency of the Board's supervision over the Company's financial and economic activity through preliminary reviewing and development of recommendations to the Board of Directors.

The Committee consists of not less than 3 members, being independent directors only, and in case this is impossible, being independent directors and directors who are not executive officers of the Company.

#### Audit Committee structure in 2019:

- ▼ Sergei G. Popov – Chairman of the Committee, Independent Director.
- ▼ Natalia V. Opaleva – Non-executive Director.
- ▼ Antony James Nieuwenhuys – Independent Director.

#### In 2019, the Audit Committee held 4 meetings to discuss the following issues:

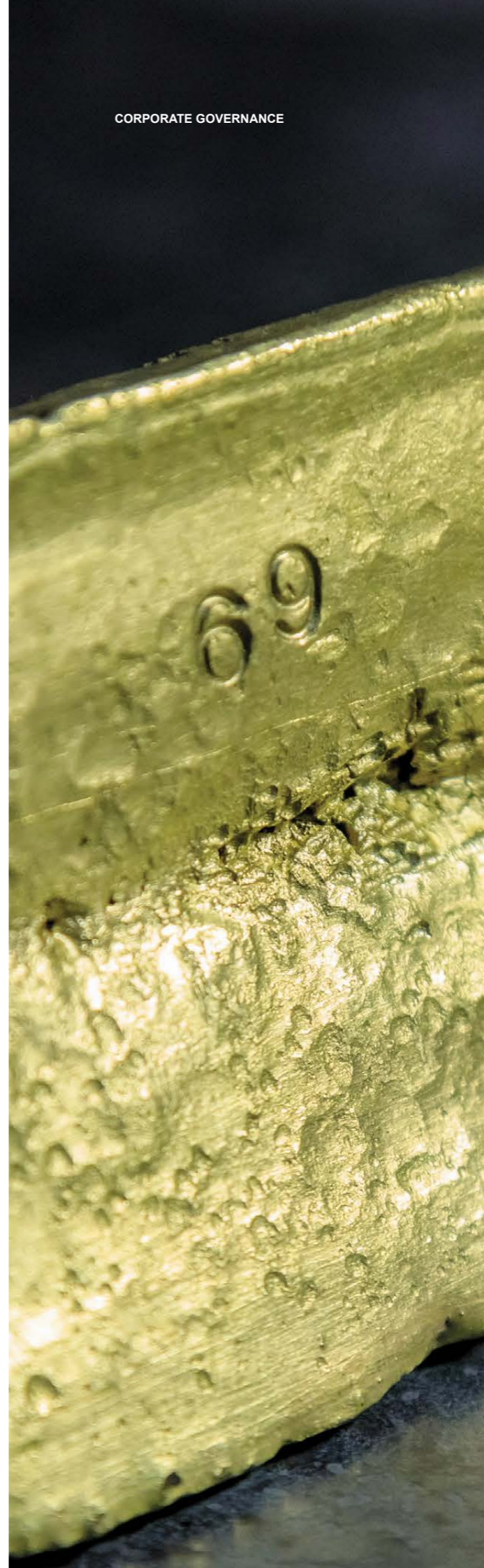
- ▼ review of the RAS and IFRS financial statements including the audit report and the Internal Audit Commission report;
- ▼ review of the Internal Audit Commission report on authenticity of the data presented in the Company reports for 2018 (Annual Report, annual financial statements and report on the interested party transactions concluded in 2018);
- ▼ conflict and independence check of the Company's auditor, assessment of the quality of auditing of the Company's annual financial statements;
- ▼ review of the Internal Audit Department reports and its schedule;  
review of the terms of the interested party transactions (incl. those concluded with JSCB Lanta-Bank (JSC);

- ▼ preliminary review of the new editions of the Company's internal regulations (Risk Management Regulation, Internal Control Regulation);
- ▼ risk management;
- ▼ review of the Internal Audit Department reports and its schedule and budget for the next year;
- ▼ review of the approach of the Company's external auditor to the auditing of the GV Gold Group IFRS statements for 2019;
- ▼ foreign exchange risk mitigation mechanisms;
- ▼ inventory turnover analysis;
- ▼ other issues.

## CEO

Management of the Company's current activity is carried out by the CEO (the sole executive body of the Company).

The CEO makes arrangements for the fulfillment of the decisions of the General Meeting and the Board of Directors of the Company. All issues of operating control of the current activity of the Company shall fall within the competence of the CEO of the Company except for the issues referred to the competence of the General Meeting and the Board of Directors of the Company in compliance with the provisions of the Federal Law «On the Joint Stock Companies» and the Charter.



## Remuneration of the Management Bodies Members

Size of the remuneration payable to the members of the Board of Directors following the results of the year is determined by the resolution of the GV Gold General Shareholders Meeting:

- ▼ To set the remuneration for execution of the functions of the Board member, payable to each Board member starting from April 01, 2011, equal to USD 7,500 (seven thousand five hundred) (or the equivalent in other currency) per month;
- ▼ The maximum amount of the expenses reimbursable by the Company to each Board member remains unchanged, i.e. USD 50,000 (fifty thousand) (or the equivalent in other currency) per calendar year of execution of the Board member's duties.

The Annual General Shareholders Meeting (Minutes OS/V-55 dated June 25, 2018) revised the earlier payment procedures and adopted the following resolutions:

- ▼ To set the remuneration for execution of the functions of the Board member, payable to each Board member starting from July 01, 2018, equal to USD 90,000 (Ninety thousand) (or the equivalent in other currency).
- ▼ To set the additional annual remuneration payable to the Board members starting from July 01, 2018, as follows:
  - for execution of the functions of the Chairman of the Board of Directors – USD 60,000 (Sixty thousand) (or the equivalent in other currency);
  - for execution of the functions of the Chairman of the Audit Committee – USD 30,000 (Thirty thousand) (or the equivalent in other currency);
  - for execution of the functions of a member of the Audit Committee – USD 15,000 (Fifteen thousand) (or the equivalent in other currency);
  - for execution of the functions of the Chairman of other Board Committee – USD 20,000 (Twenty thousand) (or the equivalent in other currency);

- for execution of the functions of a member of other Board Committee – USD 10,000 (Ten thousand) (or the equivalent in other currency);

- ▼ The maximum amount of expenses reimbursable by the Company to each Board member shall remain unchanged and equal to USD 50,000 (Fifty thousand) (or the equivalent in other currency) per each year of the Board member duties execution.

The procedure for reimbursement of relevant costs and payment of the remuneration to the Director for the execution of his duties as a member of the Board of Directors is set out below:

### 1.

On a quarterly basis, the Company pays the fees to the Director in the amount, determined in accordance with the above rates, for a period covering three expired calendar months of the execution of duties by the Chairman/ Board member/ Board committee member within 10 business days after the end of each calendar quarter within his/her term as the Chairman/ Board member/ Board committee member.

### 2.

The Company reimburses the Director for the documented and confirmed expenses related to the execution of his/her duties as the Board member and the member of any committees of the Board of Directors of the Company as the case may be (for example: travel, accommodation, meals, translation services). The maximum amount of expenses which shall be reimbursed by the Company shall be limited to USD 50,000 (Fifty thousand) (or the equivalent in other currency) per each year of the Board member duties execution.

### 3.

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

Reimbursement of the expenses of the members of the Board of Directors for the execution of the relevant functions is carried out on the basis of the Minutes OS/V-55 of the Annual General Shareholders Meeting dated June 25, 2018. The Company reimburses the costs associated with the acquisition of air tickets, travel expenses, accommodation within the framework of participation in international conferences and exhibitions. In the reporting period, RUB 49.5M were reimbursed to the members of the Board of Directors.

- ▼ other issues provided for with the Regulation on the Internal Audit Commission of the Company.

#### Internal Audit Commission structure:

- ▼ Irina E. Batomunkueva
- ▼ Irina A. Leshina
- ▼ Tatiana V. Svetova

## Internal Control Department

The Internal Control Department supervises the Company's financial and economic activity, including the fulfillment of its financial and economic plan by the structural subdivisions and management bodies of the Company.

Head of the Internal Control Department –  
**Svetlana V. Berezovskaya.**

## Supervisory Bodies

### Internal Audit Commission

The Internal Audit Commission supervises the Company's financial and economic activity, its compliance with the requirements of the current legislation of the Russian Federation and resolutions of the management bodies.

The following issues are referred to the competence of the Internal Audit Commission:

- ▼ audit of the Company's financial records, accounting reports, opinions of the property inventory committee, and comparison of such records with the underlying accounting data; verification of the legitimacy of the contracts concluded on behalf of the Company, deals made, settlements with counter-parties;
- ▼ verification of conformity of the accounting records, tax accounting, management and statistic accounting maintenance with the existing statutory regulations, conformity with the statutory acts, regulations and other applicable requirements for financial and business activities; analysis of the financial condition of the Company, its solvency, liquidity of its assets, debt to equity ratio and net assets to charter capital ratio, identifying ways to improve the economic condition of the Company, and elaboration of recommendations for the management bodies of the Company;
- ▼ notification of the Board of Directors of the Company on the revealed facts of violation of the procedure established by the legal acts of the Russian Federation for accounting record maintenance, presenting the financial statements and carrying out financial and business activities;



## Internal Audit

In March 2018, the Company established a separate structural department to carry out the internal audit – 'the Internal Audit and Control Department'.

The main function of the internal audit is an assessment of the internal control system, risk management system and corporate management efficiency. In the functional respect, the Internal Audit Department reports to the Audit Committee of the Board and promotes an enhancement of the Group's value. This department performs internal audits based on the risk-oriented approach, provides recommendations and monitors implementation of the actions based on the audit findings.

**Head of the Internal Audit and Control Department** – Andrey V. Parfyonov.

## External Audit

PricewaterhouseCoopers Audit, JSC acted as the Auditor of the Company carrying out the audit and confirming its financials for 2019 in accordance with the Russian Accounting Standards (RAS) and in accordance with the International Financial Reporting Standards (IFRS).

## Risk Management

The specific character of the GV Gold business presumes a number of risks that, in certain circumstances, may render a significant impact on the results of its financial and economic activity.

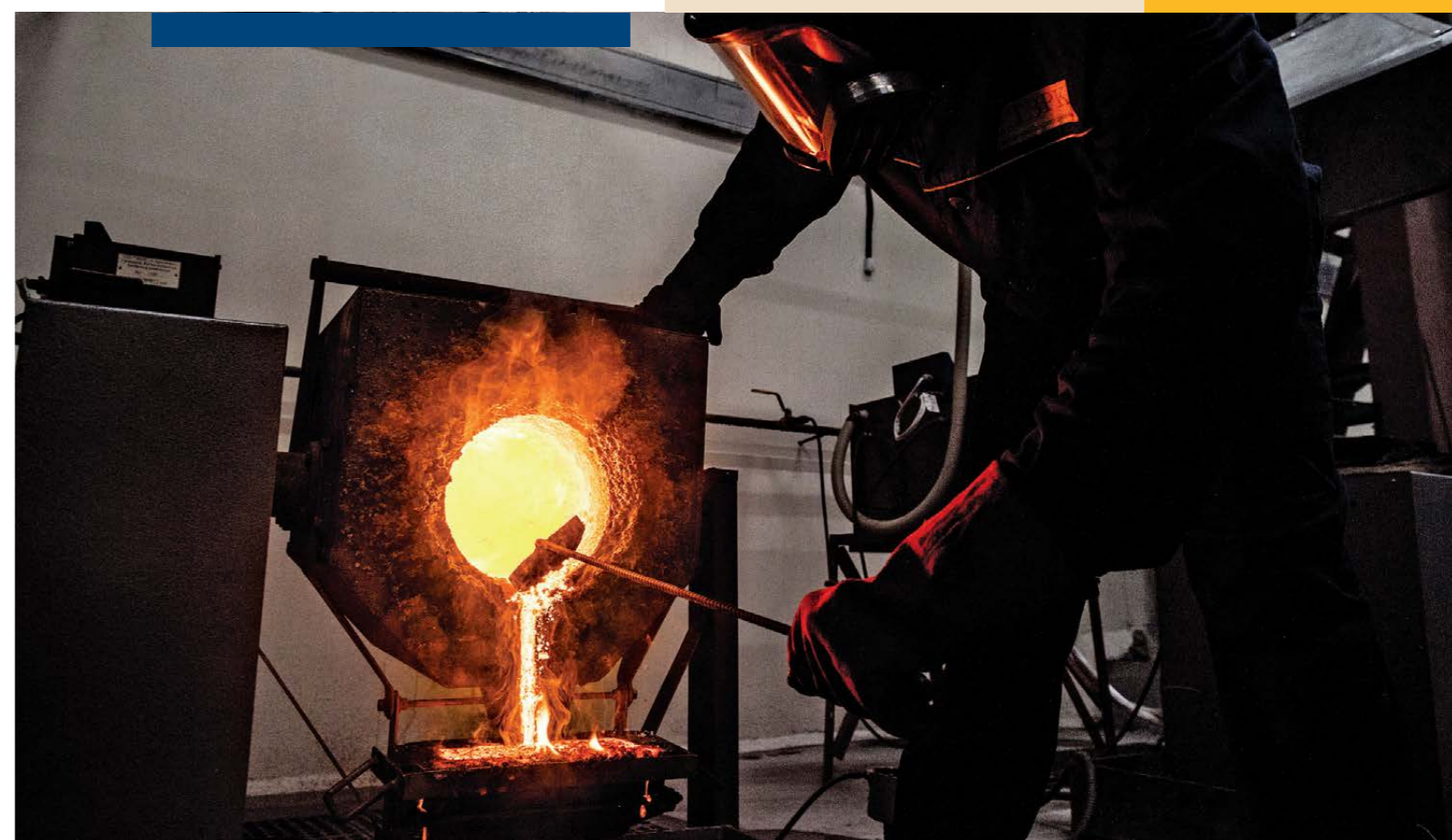
In the field of risk management, the Company strives to improve the efficiency of management decisions via timely identification and analysis of risks and provision of maximum efficiency of the risk management activities. For this purpose, the Company established the Internal Control Department.



## Basic Risks

No	Risk	Consequences	Mitigation measures	Risk Probability	Risk Severity	Mitigation Possibility
<b>Operational risks</b>						
1	Errors in the reserves and resources estimates	Non-fulfillment of targeted production  Larger scopes of mining and higher costs	Auditing of the resources and reserves by independent experts  On-going estimation of the resources and reserves by the GV Gold geological service, preparation of reports and presentations based on the exploration results  In-mine exploration and grade control	Medium	High	Medium
2	Unscheduled downtime of the equipment	Non-fulfillment of target production	Reduction of the repair time at the expense of introduction of the Company's own repair service  Engagement of new contractors	Medium	Medium	High
3	Non-fulfillment of deliverables in mining operations by contractors	Lagging of ore block preparation	Engagement of several reliable contractors on a competitive basis, timely monitoring of their progress and understanding of their lagging	Medium	Medium	High
4	Interruptions in power supply from the external power grid	Complete shutdown of the equipment for the time of switchover to power supply from diesel generators  Downtime of a part of the equipment due to the absence of a possibility to generate the required power from diesel generators  Increase in the cost of the commodity due to the necessity to generate power using diesel generators	Timely and quality maintenance of the step-down substation and the power line  Compliance with the requirements of the rules governing the technical operation of electric equipment	High	High	Medium

No	Risk	Consequences	Mitigation measures	Risk Probability	Risk Severity	Mitigation Possibility
<b>Operational risks</b>						
5	Suspension of the operations due to the spread of COVID-19 in the mine camps	Non-fulfillment of targeted production, suspension of the operations  Disruptions in the delivery of equipment and materials  Challenging logistics of the mine staff	Establishment of the emergency response center for coordination of the operations threatened with the spread of COVID-19  Regular medical monitoring of the incoming mine staff  14-day lockdown of the incoming mine staff  Stronger sanitary and hygienic arrangements at the facilities and the offices, provision of the staff with the PPEs	Medium	High	Medium



No	Risk	Consequences	Mitigation measures	Risk Probability	Risk Severity	Mitigation Possibility
<b>Financial risks</b>						
6	Gold price sagging risk	Decline in profits	Maintenance and increase in produced gold  Optimization of expenses and reduction of cash costs  Establishment of adequate reserves for financing of working capital in the event of a decline in profits  Hedging of gold prices and control over the sales of gold from the metal accounts	Medium	High	Medium
7	Foreign exchange risk	A decline in the USD exchange rate leads to a reduction of the RUB gold price at which the Company sells produced gold  Growth of the USD exchange rate increases the loss of the Company via alteration of the value of foreign exchange liabilities, including credit expenses in foreign currency  Growth of the USD exchange rate increases the investment costs for the acquisition of foreign equipment resulting in a decrease of the economic efficiency of projects	Optimization of expenses and reduction of cash costs  Debt portfolio kept in USD as the Company's revenues are linked to USD  Assessment of possibilities for import substitution of expensive core equipment  Ongoing forecasting of foreign exchange rates for the timely taking of required steps  Hedging	High	High	Medium

No	Risk	Consequences	Mitigation measures	Risk Probability	Risk Severity	Mitigation Possibility
<b>Financial risks</b>						
8	Inflation risk	Growth of the RUB inflation rate increases the cost of power, fuels and lubricants, spare parts and other goods and services participating in the costs calculation  Growth of costs decreases the Company's economic margin  Growth of the RUB inflation rate increases the cost of equipment, building, installation and other operations required for construction of new mines and exploration	Permanent monitoring of costs, inflation dynamics and the profit margin of the Company  Optimization of costs, reduction of the amount and the age of accounts receivable	High	Medium	Low
9	Liquidity risk	More burdensome debt financing terms due to the growth of interest rates and reduction of credit terms from the bank lending market	Interaction with the maximum number of partner banks to review competitive lending proposals  Application of long term loans for mitigation of the short term interest rate fluctuations, optimization of the capital structure	Medium	Low	High

No	Risk	Consequences	Mitigation measures	Risk Probability	Risk Severity	Mitigation Possibility
<b>Legal risks</b>						
10	Alteration of the requirements covering licensing of primary activities (operational licenses) and subsurface use licensing	Suspension of the Company's activity in areas subjected to licensing  Limitation, suspension or premature termination of the subsurface use rights	Monitoring of active licenses and licensing requirements  Maintenance of the licenses register  Monitoring of the timely execution of license agreements' terms	Medium	Medium	Medium
11	Risk of denial or late issue of exploration licenses	Adjustment of the exploration program or complete cancellation of the program  Risk of alteration of the strategic production plans in the regions where the Company operates  Risk of overpayment for the resource base expansion in the event of a necessity to acquire licenses from the third party companies	Advance investigation of possible restrictions of operations within identified areas  Preparation of a comprehensive set of documentation for submission of applications in accordance with the requirements of the Rosnedra Subsurface Use Agency	Medium	Medium	Medium
12	Defaulting of the obligations by counter-parties	Non-fulfillment of transactions due to difficult financial positions  Seizure of money transferred to the contractor by the tax authority and/ or third persons	Examination of the contractors' solvency by the Security Service at the execution of contracts  Request for charter documents and the legal analysis of them  Post-payment terms, security mechanisms  Introduction of penalty sanctions for defaulting on contract terms	Medium	Medium	High

No	Risk	Consequences	Mitigation measures	Risk Probability	Risk Severity	Mitigation Possibility
<b>Legal risks</b>						
		Voidance of the transaction and impossibility to fulfill the contractual obligations leading to the failure of achieving project execution timeframes  Inability to return moneies paid under such transactions and other incurred expenses (real damage)				
13	Risk of nationalization and expropriation	Revocation of a mining license will lead to a complete termination of production activity and loss of revenue from an asset  Partial or complete nationalization of the Company will lead to a loss of the Company value for shareholders	Ongoing monitoring of the subsurface use legislation for timely response to any alterations  Engagement of the Company's GR service for resolution of any issues.	Low	High	Low
14	Provision of false information by M&A transactions participants	Losses equivalent to investments made into a project	Use of the deferred payments mechanism  Use of the best international practices	Medium	Medium	High

No	Risk	Consequences	Mitigation measures	Risk Probability	Risk Severity	Mitigation Possibility
<b>Environmental risks</b>						
15	Negative impact on the environment (emissions, wastes, etc.)	In case the set limits are exceeded, penal sanctions of the environment protection authorities may reach significant amounts  In case the amendments of the acting legislation are adopted, fines for the negative impact may increase 10-fold and more	Compliance with the terms of the license agreements, international environmental norms and requirements of the Russian legislation  Exercising of regular environmental monitoring and internal industrial environmental monitoring  Introduction of the ISO 14001 and OHSAS 18001 management systems at all operations  Obtainment of all required environmental permissions for all stages of project life  Construction of the wastes disposal facilities (solid domestic waste landfill, tailings storage facilities) in accordance with the acting legislative requirements  Storing and transportation of hazardous materials, including cyanides and explosives, in accordance with the regulatory requirements  Recycling of wastes. Utilization of mining wastes for the reclamation of disturbed lands  Construction of wastewater treatment facilities  Implementation of power- and resource-saving activities at Company facilities	Medium	High	High
16	Emergency situations at the operations	In accordance with the law, the damage inflicted as a result of an emergency situation is calculated by actual data	Insurance of hazardous industrial facilities in accordance with the industrial legislation requirements  Carrying out of emergency drills to ensure readiness to emergency situations	Medium	Medium	High

No	Risk	Consequences	Mitigation measures	Risk Probability	Risk Severity	Mitigation Possibility
<b>Cyber risks</b>						
17	Interruptions in the production process resulting from cyber threats	Non-fulfillment of the target production owing to unscheduled downtime  Damage to expensive equipment  Damage to reputation	Mandatory supervision of all projects with IT components by the IT security service  Development and upgrading of a risk-oriented IT security management system	Medium	High	Medium
18	Non-compliance with IT security legislation requirements	Fines  Damage to reputation	Ongoing monitoring of the IT security legislation for timely reaction on any alterations	Low	Medium	High
19	Risk of losing M&A transactions opportunities due to the leakage of confidential information	Loses equivalent to investments made into a project	Establishment of a non-disclosure regime  Regimentation and control of the distribution of confidential information	Medium	Medium	Medium

## Shareholders and Investors Information

The Company was established by the General Shareholders Meeting (Minutes № 1 dated February 03, 1998) of CB Lanta-Bank (CJSC) and Lenzoloto, OJSC for the purpose of developing the Golets Vysochaishy gold deposit in the Bodaibo District of the Irkutsk Region.

### Charter capital of GV Gold (Vysochaishy, PJSC):

- ▼ RUB 109,967.78 comprised the nominal value of the Company shares.
- ▼ 54,983,890 of ordinary registered shares with the nominal value of RUB 0.002.

### Shareholding Structure in Dynamics

As of December 31, 2019, GV Gold shareholders include individuals and legal entities.

In 2019, there were no changes to the shareholding structure.

### Dividend Policy

The dividend policy is intended to establish a transparent and efficient mechanism for determination of the size of dividends and payment thereof, as well as the determination of the Board's strategy for drawing up recommendations in regard to the size of dividends and the terms and procedures of payment. In making its decisions in regard to dividend payments, the Company follows the principle of balance between the growth of capitalization with the growth of dividends resulting from the size of the net profit for the respective period, and the Group's production and investment activity development needs.

In April 2018, the Board of Directors approved the new dividend policy (Minutes №SD/V-218 dated April 27, 2018), according to which the Company aims to pay 30% of EBITDA. Resolutions on payment (announcement) of the dividends, including the size of dividends and the form of payment thereof, are adopted by the General Shareholders Meeting by the majority vote of the shareholders holding voting shares in the Company and taking part in the General Shareholders Meeting. The size of the dividends cannot exceed that recommended by the Board of Directors.

Payment of dividends in monetary form is made by bank transfer, either by the Company or, upon its instruction, by the Registrar of the Company maintaining the Shareholders Register of the Company, or by a credit organization. Payment of dividends in monetary form to the individuals whose rights to shares are recorded in the Shareholders Register of the Company is made by money order or upon respective instruction of the said persons, by bank transfer to the account of such persons, and to the legal entities whose rights to shares are recorded in the Shareholders Register of the Company is made by bank transfers to their bank accounts. The obligation of the Company to make payment of dividends to these persons is deemed discharged from the date of acceptance of the transferred funds by the organization of the federal postal service or from the date of receipt of funds by the credit organization where a person entitled for the dividends has a bank account.

Persons entitled to dividends, whose rights to shares are recorded at the nominal holder of the shares, receive the dividends in monetary form and in the manner provided for by the current legislation of the Russian Federation covering securities.

However, if the nominal holder who received dividends fails to fulfill his/her obligation on the transfer thereof, as provided for by the legislation of the Russian Federation on securities, due to reasons beyond his/her control, he/she is obliged to return the funds to the Company within 10 (Ten) days after a one month period following the date of completion of a dividend payment.

A person who failed to receive payable dividends has the right to put forward a payment claim for such dividends (unclaimed dividends) within three years from the date of decisions of payment thereof. Upon expiry of such period, the announced but unclaimed dividends are entered into books as retained profits of the Company and the obligations of the Company with respect to dividend payments shall be discharged.

### Report on Payment of the Declared (Accrued) Dividends on the GV Gold Shares.

#### Dividends for 2018

On September 29, 2018, the Extraordinary General Shareholders Meeting of GV Gold (Vysochaishy, PJSC) (Minutes №OS/V-56 dated October 01, 2018) adopted the resolution on payment of the dividends for H1 2018 upon the ordinary registered uncertificated shares of the Company in the amount of RUB 18.551942 per one ordinary share of the Company, net of the taxes payable in accordance with the legislation of the Russian Federation.

On December 28, 2018, the Extraordinary General Shareholders Meeting of GV Gold (Vysochaishy, PJSC) (Minutes №OS/V-58 dated December 28, 2018) adopted the resolution covering the payment of dividends for 9m 2018 based upon registered uncertificated ordinary shares of the Company to the amount of RUB 53.3859481 per one ordinary share of the Company, net of the taxes payable in accordance with the legislation of the Russian Federation (taking into account the earlier paid interim dividends for H1 2018 to the amount of RUB 18.551942 per one ordinary share).

On June 25, 2019, the Annual General Shareholders Meeting of GV Gold (Vysochaishy, PJSC) (Minutes №OS/V-60 dated June 25, 2019) adopted the resolution on payment of dividends for 2019 upon the registered uncertificated ordinary shares of the Company in the amount of RUB 56.2859 per one ordinary share of the Company, net of the taxes payable in accordance with the legislation of the Russian Federation (taking into account the earlier paid interim dividends for H1 and 9m 2018 to the amount of RUB 53.3859481 per one ordinary share, the final payment of the dividends was effected to the amount of RUB 2.89992945 per one ordinary share of the Company, net of the taxes payable in accordance with the legislation of the Russian Federation).

The total amount of dividends paid for 2018 was RUB 3,094,816,000, including:

- ▼ RUB 159,449,000 – for 2018, excluding the interim dividends for H1 and 9m 2018 paid in 2018
- ▼ RUB 1,020,058,000 – interim dividends for H1 2018
- ▼ RUB 1,915,309,000 – interim dividends for 9m 2018

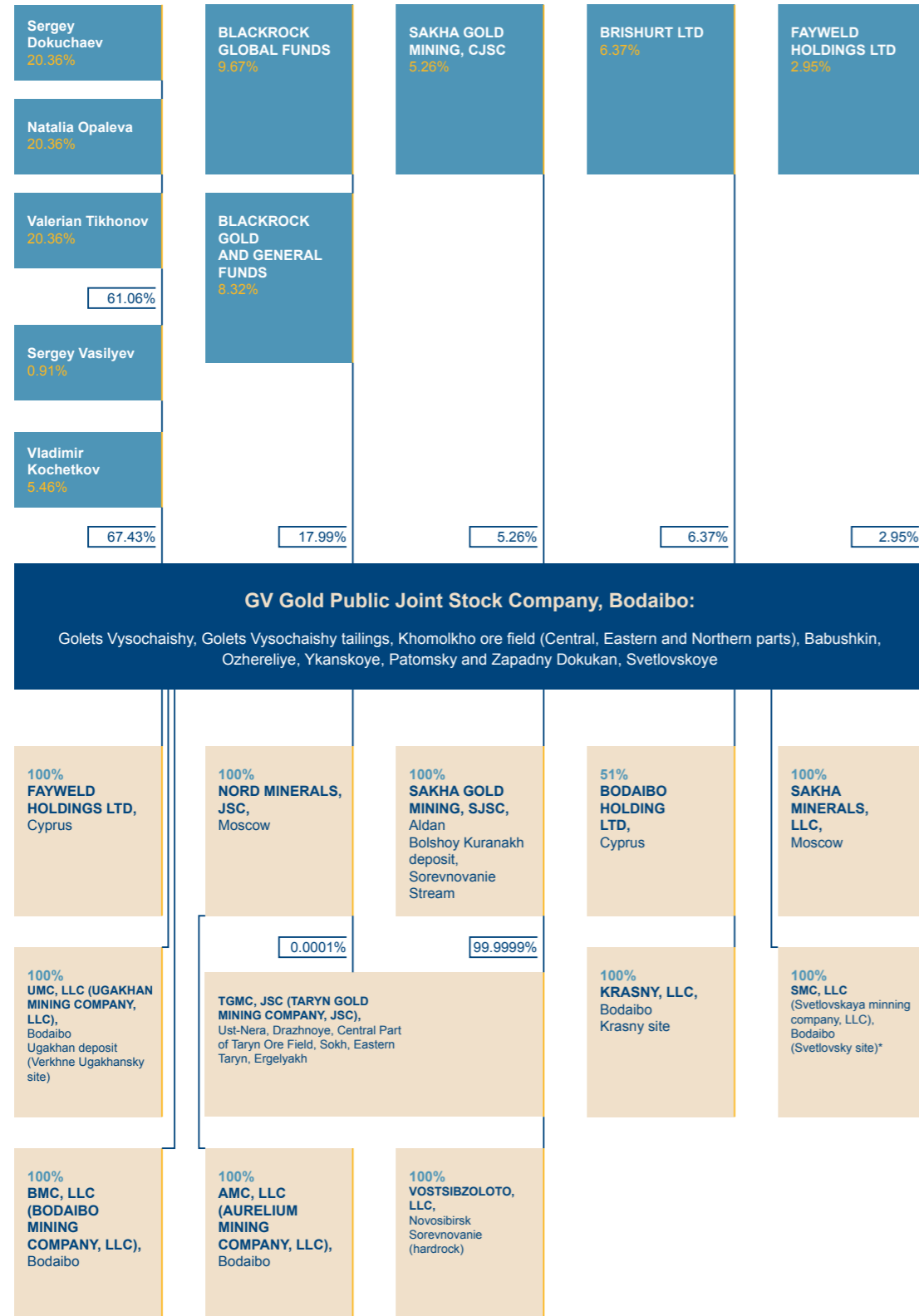
#### Interim Dividends for 2019

On September 30, 2018, the Extraordinary General Shareholders Meeting of GV Gold (Vysochaishy, PJSC) (Minutes №OS/V-61 dated September 30, 2019) adopted the resolution on payment of dividends for H1 2019 upon the registered uncertificated ordinary shares of the Company to the amount of RUB 14.927037719 per one ordinary share of the Company, net of the taxes payable in accordance with the legislation of the Russian Federation.

As of the annual report approval date, the total amount of interim dividends y paid for the year 2019 was RUB 820,747,000. The interim dividends were paid on time and in full.

RUB **3,094,816**  
Dividends paid for 2018

### Shareholding Structure\*



\* Event taking place after the reporting date: SMC, LLC was established on 24.03.2020.



## Registrar

The register of the Company's registered securities is kept by Independent Registrar R.O.S.T, JSC (since February 2019 – a legal successor of all rights and obligations of Independent Registrar Company, JSC). Independent Registrar R.O.S.T, JSC has been working on the stock market since 1996 and is one of the largest registrars on the Russian market providing shareholders register administration services.

## Disclosure

In connection with the prospectus registration, GV Gold (Vysochaishy, PJSC) discloses the relevant information in accordance with the requirements of Article 30 of the Federal Law №39-FZ «On the Securities Market» dated 22.04.1996 and the Regulations for disclosure of the information by the issuers of the equity securities approved by the Resolution № 454-P of the Central Bank of the Russian Federation dated December 30, 2014.

The information policy of the Company is aimed at achieving the highest satisfaction of the needs of the shareholders and other stakeholders for authentic information about the Company and its activity and provision of free and easy access to such information.

For the disclosure of its information, GV Gold uses the web page: <http://www.e-disclosure.ru/portal/company.aspx?id=8394>

For the general information distribution purposes the Company uses its official website [www.gvgold.ru](http://www.gvgold.ru).

### Basic information disclosure principles:

- ▼ regularity and timeliness;
- ▼ equality of the rights of all shareholders and other stakeholders in receiving the information about the Company and its activity, taking into account limitations envisaged by the legislation of the Russian Federation;
- ▼ authenticity and completeness of its contents and observance of a reasonable balance between the openness of the Company and its commercial interests;
- ▼ observance of confidentiality requirements in respect to insider information of the Company.

## Major Transactions

Information on major transactions and interested party transactions is disclosed by the Company in the quarterly reports for Q1-4 2019 displayed on the web page: <http://www.e-disclosure.ru/portal/company.aspx?id=8394>

## Report information

In this Annual Report terms «GV Gold (Vysochaishy, PJSC)», «Company», «GV Gold», refer to the GV Gold (Vysochaishy) Public Joint-Stock Company as both the standalone legal entity and the entity comprising its subsidiaries and related companies, the results of which are consolidated by GV Gold (Vysochaishy, PJSC).

The Annual report was preliminarily approved by the Board of Directors of GV Gold (Vysochaishy, PJSC) (Minutes SD/V-265 dated 28/05/2020) and approved by the Annual General Shareholders Meeting of GV Gold (Vysochaishy, PJSC) (Minutes №OC/V-63 dated 30/06/2020).

## Disclaimer

This Annual Report has been prepared based on the information available to the GV Gold (Vysochaishy) Public Joint-Stock Company (hereinafter – GV Gold (Vysochaishy, PJSC) or the Company) and its subsidiaries as of the issue date.

This Annual Report includes certain forward-looking statements with respect to the Company's operations, economic highlights, financial position, results of operating and production activities, its plans, projects and expected results, as well as production scopes, costs, estimated expenses, development prospects, useful lives of assets, reserve and resource estimates and other similar factors, start and completion dates of certain exploration and production projects, and construction operations.

Words such as «intends» «strives», «projects», «expects», «estimates», «plans», «considers», «assumes», «may», «should», «will», «continues» and other words with similar meanings usually indicate the forward-looking nature of the statement.

These forward-looking statements, due to their specific nature, involve inherent risks and uncertainty (both general and particular), and there is a risk that the assumptions, expectations, intentions and other projection statements may never transpire.

In light of the above risks, uncertainties and assumptions, the Company advises that the actual results may differ significantly from the indicated, directly or indirectly, in the said forward-looking statements that are effective only at the date of this Annual Report.

The Company neither confirms nor guarantees that the results indicated in these forward-looking statements will be achieved. The Company accepts no responsibility for any losses that may be incurred by any individual or legal entity by their reliance on the forward-looking statements. Each particular forward-looking statement represents one of the numerous development scenarios and should not be treated as the most probable one.

In particular, other factors that may affect the starting date of construction or production, estimated expenses and volume of the production, or useful lives of assets include the possibility of deriving profit from production, the effect of exchange rate changes on commodity prices of the goods produced, activities of the government authorities in the Russian Federation, including changes in tax, environmental and other laws and regulations. This list of significant factors is not exhaustive. When considering forward-looking statements, the above factors should be carefully considered and taken into account - in particular, the economic, social and legal environment of the Company's activities.

Except for cases directly provided for by the applicable laws, the Company does not assume any obligations to publish updates or amendments to the forward-looking statements, based on either new information or subsequent events.

## Contacts

### GV Gold Corporate Office, Moscow

#### GV Gold CEO

Vladislav I. Barshinov

#### Moscow Representative Office Director

Tatyana V. Demyanova

#### Chief Accountant

Svetlana N. Frolova

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E-mail: [mail@gvgold.ru](mailto:mail@gvgold.ru)  
[www.gvgold.ru](http://www.gvgold.ru)

### Irkutsk Business Unit, Bodaibo District, Bodaibo GV Gold (Vysochaishy, PJSC)

#### Executive Director

Alexander N. Tuluptsov

#### Chief Accountant

Svetlana V. Martsenyuk

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Bodaibo, Berezovaya Str., 17  
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### Ugakhon Mining Company, LLC

#### Executive Director

Vitaly A. Krasikov

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Bodaibo, Berezovaya Str., 17  
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### Taryn Business Unit, Oimyakon District, Ust-Nera

#### Taryn Gold Mining Company, CJSC

#### General Director

Igor G. Korotayev

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Oimyakon District, Ust-Nera, Lenina Str., 8  
office 34

Tel.: +7 (41154) 2-08-78

### Aldan Business Unit, Aldan SAKHA Gold Mining, CJSC

#### General Director

Victor B. Arkhipov

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### Mass Media Contacts

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Web GV Gold (Vysochaishy, PJSC)