"Navoi Mining and Metallurgical Company"
Joint Stock Company

MANAGEMENT REPORT FOR THE YEARS ENDED 31 DECEMBER 2021 AND 2020

30 May 2022

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TERMS AND ABBREVIATIONS

Abbreviations

Abbreviations	Term description
Adjusted EBITDA	The Company's management calculates Adjusted EBITDA as EBITDA for the year adjusted for foreign exchange loss, impairment or reversal of impairment of property, plant and equipment, loss on disposal of property, plant and equipment and change in obsolescence and net realisable provisions for inventories.
Adjusted EBITDA margin	The Company's management calculates Adjusted EBITDA margin as Adjusted EBITDA divided by total revenue.
Adjusted Net profit	Adjusted net profit is defined by the Company's management as net profit for the year adjusted for impairment or reversal of impairment of property, plant and equipment, foreign exchange loss, net and associated income tax-related to such items.
Adjusted Net profit margin	The Company's management calculates Adjusted net profit margin as Adjusted net profit divided by total revenue.
AISC	All-in sustaining costs ("AISC") and AISC per ounce sold is defined by the Company's management as TCC plus selling, general and administrative expenses, research expenses and other sustaining expenses, stripping activity asset additions, sustaining capital expenditures, unwinding of discounts on decommissioning liabilities, provision for annual vacation payment, employee benefit obligations cost, and change in allowance for obsolescence of inventory less amortisation and depreciation included in selling, general and administrative expenses. AISC is an extension of total cash costs and incorporates costs related to sustaining production and additional costs which reflect the varying costs of producing gold over the life-cycle of a mine. The Company believes AISC is helpful in understanding the economics of gold mining. AISC per ounce sold is the cost of producing and selling an ounce of gold, including mining, processing, transportation and refining costs, as well as general costs directly relates to gold production, and the additional expenditures noted in the definition of AISC. The Company's management calculates AISC per ounce sold as AISC divided by total ounces of gold sold for the year.
CAPEX	The overall amount of capital expenditures incurred (on accrual basis) by the Company and as it was presented in the note Property, plant and equipment in the IFRS financial statements.
CPI	Consumer Price Index.
EBITDA	The Company's management calculates EBITDA as profit for the year before income tax, depreciation and amortisation, finance income and finance cost.

TERMS AND ABBREVIATIONS

Abbreviations (cont'd)

Abbreviations	Term description
FCF	The Company's managements calculates Free cash flow ("FCF") as net cash generated from operating activities, plus proceeds from sales of property, plant and equipment, interest received, and other cash flows from investing activities less purchases of property, plant and equipment. FCF represents the cash that the Company is able to generate after the spending necessary to maintain or expand its asset base.
Koz	Thousands of troy ounces.
Kt	Thousands of tons.
LBMA	London Bullion Market Association.
Moz	Millions of troy ounces.
Mt	Millions of tons.
MUSD	Millions of US Dollars.
Net Debt	The Company's management calculates net debt as borrowings (non-current plus current portion) less cash and cash equivalents.
Net Debt / Adjusted EBITDA	The Company's management calculates net debt to Adjusted EBITDA as net debt divided by Adjusted EBITDA.
oz	Troy ounce.
ppts	Percentage points.
TCC	Total cash cost ("TCC") and TCC per ounce sold is defined by the Company's management as the cost of gold sales, less property, plant and equipment depreciation, provision for annual vacation payment, employee benefits obligation cost and change in allowance for obsolescence of inventory and adjusted by other non-monetary changes in inventories. TCC per ounce sold is the cost of producing and selling an ounce of gold, which includes mining, processing, transportation and refining costs, as well as general costs directly relates to gold production. The Company's management calculates TCC per ounce sold as TCC divided by total ounces of gold sold for the year.
UoM	Unit of measures.
USD	US Dollar.
UZS	Uzbekistan Som.
YoY	Year over year.

CAUTIONARY STATEMENT

Joint Stock Company Navoi Mining and Metallurgical Company (“NMMC” or the Company) issued this Management Report for the first time in the history of the Company to summarise and present most recent operational results.

The Management Report has been prepared to provide additional information and management’s comments in respect of the IFRS financial statements prepared by the Company following requirements of IFRS *1 First-time Adoption of International Financial Reporting Standards*.

This Management Report has been prepared to cover reporting periods ended 31 December 2021 and 2020 and pay particular attention to the most significant financial information that was presented in the first full set of IFRS financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

Key metrics

Millions of US Dollars, unless otherwise stated	UoM	2021	2020	YoY, %
Operational highlights				
Rock moved	Mm^3	**244.2**	211.9	15%
Ore mined	Mt	**51.8**	61.4	-16%
Ore processed	Mt	**87.9**	74.2	19%
Grade	g/t	**1.15**	1.30	-11%
Recovery rate	%	**83.2**	82.8	0.3 ppts
Gold produced and sales	Koz	**2,664**	2,561	4%
Gold realised sales price	USD/oz	**1,800**	1,779	1%
Financial results				
Revenue	MUSD	**4,795**	4,558	5%
Operating profit	MUSD	**2,693**	2,401	12%
Operating profit margin	%	**56.2**	52.7	3.5 ppts
Adjusted EBITDA	MUSD	**3,033**	2,702	12%
Adjusted EBITDA margin	%	**63.3**	59.6	3.7 ppts
Profit for the year	MUSD	**1,265**	819	55%
Profit for the year margin	%	**26.4**	18.0	8.4 ppts
Liquidity				
Cash and cash equivalents	MUSD	**16**	198	-92%
Net Debt	MUSD	**1,768**	1,034	71%
Net Debt / Adjusted EBITDA	x	**0.6**	0.4	52%
Cash costs and other cash flows				
TCC	USD/oz	**623**	675	-8%
AISC	USD/oz	**753**	844	-11%
Net cash generated from operating activities	MUSD	**1,348**	1,340	-1%
Free cash flows	MUSD	**491**	488	1%
CAPEX	MUSD	**942**	959	-2%
Macro-economic indicators				
Closing exchange rates at 31 December:				
1 US Dollar	UZS	**10,837.66**	10,476.92	3%
1 EURO	UZS	**12,224.88**	12,786.03	-4%
Average exchange rates for the year ended 31 December:				
1 US Dollar	UZS	**10,609.98**	10,055.78	6%
1 EURO	UZS	**12,557.31**	11,470.98	10%
CPI	%	**8.5**	14.8	(6.3) ppts

MANAGEMENT DISCUSSION AND ANALYSIS

Key highlights

Gold sales quantity

In 2021, the total gold sales volume amounted to 2,664 thousand ounces and increased by 4% compared to 2,561 thousand ounces sold in previous year.

Revenue from gold sales

In 2021, the revenue from the gold sales amounted to USD 4,795 million and increased by 5.2% compared to USD 4,558 million year before. From 5.2% increase in gold sales 1.2% was driven by increase in gold realised sales price, while remaining 4% corresponds to change in gold sales quantity, in particular due to launch of GMZ-7.

Adjusted EBITDA

In 2021, the Adjusted EBITDA reached USD 3,033 million and increased by 12% compared to USD 2,702 million in 2020. The positive effect was mostly driven by increase in Gold sales by USD 239 million (price and volume) supported by decrease of Royalty expenses by USD 198 million that was partially compensated by translation adjustment of cash items in the amount of USD 143 million.

Adjusted net profit for the year

In 2021, the Adjusted net profit amounted to 1,278 million, up 52% compared to USD 841 million in 2020. The increase was generally in line with the corresponding trend in the Adjusted EBITDA. In addition, it was supported by USD 122 million decrease in income tax expense, mostly due to positive effect of changes in expected future tax rates related to the profit tax in excess of established profitability (75% in 2021 and 2020, 50% in 2022 and 25% thereafter).

Net profit for the year

In 2021, the net profit for the year amounted to USD 1,265 million and increased by 55% compared to 819 million in previous year. The net profit for 2021 increased a little higher compared to the Adjusted net profit mostly due to more stable UZS foreign currency exchange rate to USD in 2021 compared to prior year with corresponding decrease of *Foreign exchange loss* from USD 87 million in 2020 to USD 51 million in 2021.

Cash and cash equivalents

At 31 December 2021, cash and cash equivalents amounted to USD 16 million and decreased by 92% compared to USD 198 million at the end of 2020. On 1 December 2021, as the result of the Company formation and completion of assets and liabilities transfer, USD 124 million (translated at the USD exchange rate as of the date of transaction) was left with the State Enterprise “Navoi Mining and Metallurgical Combinat”.

Net Debt

Following aggressive Company’s expansion of the CAPEX program in excess of Free cash flow and cash left in the Company, the Net Debt as at 31 December 2021 increased to USD 1,767 million, up 71% compared to prior year.

Net Debt / Adjusted EBITDA

At 31 December 2021, the Net Debt to Adjusted EBITDA ratio increased to 0.6-x compared to 0.4-x as at 31 December 2020.

Key highlights (cont'd)

TCC

In 2021, the Company's TCC reached USD 623 per ounce, showing 8% decrease compared to USD 675 per ounce in the previous year. The improvement was mostly attributable to a substantial reduction of royalty expenses by USD 74 per ounce as a result of change in the applicable tax rate (from 20% in 2020 to 15% in 2021). This was further supported by USD 34 per ounce decrease due to translation adjustment attributable to cash items within *Cost of sales*.

The change was partially offset by USD 37 per ounce increase of TCC due to drop in the gold grade of the processed ore (from 1.30 gram per ton in 2020 to 1.15 gram per ton in 2021), and by general inflation of production expenditures with an overall effect of USD 25 per ounce.

AISC

In 2021, AISC amounted USD 753 per ounce, down 11% compared to USD 844 per ounce in the previous year. The trend was generally in line with TCC depreciation with additional support of USD 44 per ounce decrease in sustaining capital expenditures partially offset by additions in sustaining stripping assets of USD 20 per ounce.

Net cash generated from operating activities

In 2021, net cash generated from operating activities was USD 1,348 million and increased by 1% compared to USD 1,340 million in 2020. Significant increase in the Adjusted EBITDA of USD 331 million (proxy of Net cash generated from operating activities before changes in working capital) was almost fully offset by USD 109 million increase of movements attributable to working capital and USD 206 million higher current income tax payment.

Free cash flows

Free cash flow amounted to USD 491 million and increased by 1% compared to prior year.

CAPEX

In 2021, the Company continued its capex expansion program and overall capital expenditures reached USD 942 million and decreased by 2% compared to USD 959 million year before. Decrease in USD amount was mostly due to effect of translation to presentation currency.

MANAGEMENT DISCUSSION AND ANALYSIS

External factor analysis

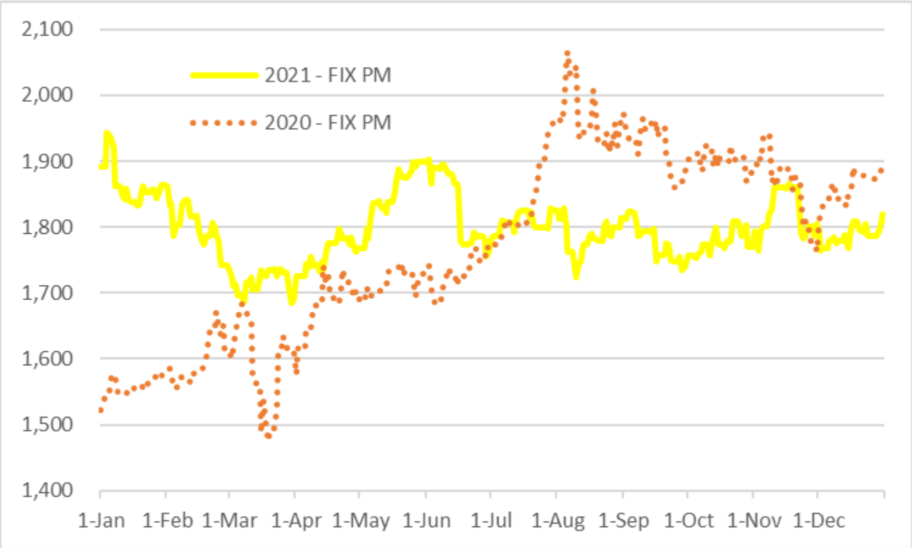
The Company's financial results are substantially affected by changes of gold sales prices and depreciation/ appreciation of UZ Som compared to USD, the currency of gold sales and all Company's borrowings.

Gold prices

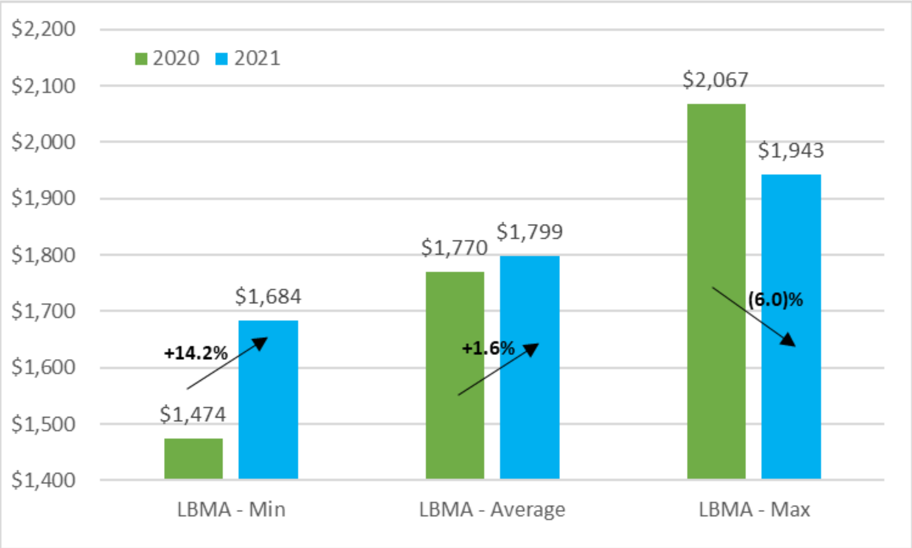
The overall market situation and gold prices change dynamic are key factors that have direct effect on the Company's financial results, its profitability and cash flow from operating activities.

In 2021, the average London Bullion Market Association ("LBMA") gold price was USD 1,799 per ounce, 1.6% above average price of 2020 financial year that was USD 1,770.

LBMA gold prices in 2021 vs. 2020, $/oz



LBMA Min/Max and Average gold prices in 2021 vs. 2020, $/oz



Source: *London Bullion Market Association*

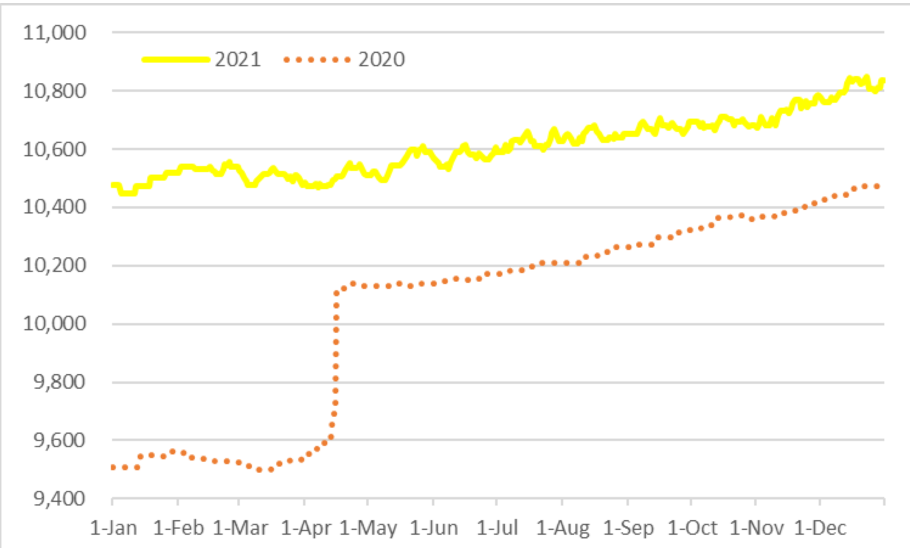
External factor analysis (cont'd)

UZS vs USD

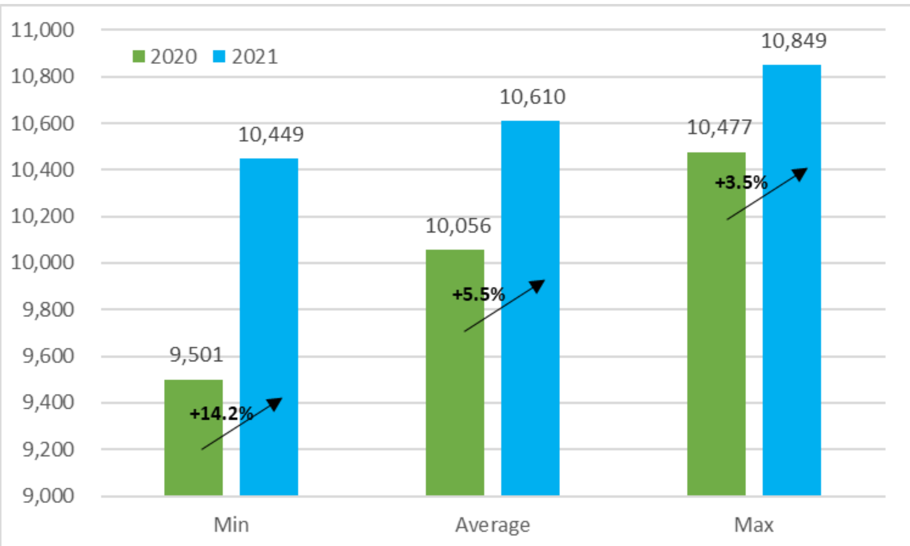
The Company's gold sales is directly linked to USD, whereas most significant portion of the Company's operating expenses are nominated in UZ Som ("UZS"). The depreciation of UZS against USD has positive effect on the Company's margin following decrease in operating expense denominated in local currency, while appreciation of UZS has opposite effect on the same KPI's. In addition to that, all Company's borrowings are USD-nominated and change in USD exchange rate has corresponding effect on *Foreign currency loss* as presented in the Statement of profit and loss and *Effect of translation to presentation currency* as presented in the statement of other comprehensive income.

In 2021, the average UZS/USD exchange rate amounted to UZS 10,609.98 and increase by 5.5% compared to UZS 10,055.78 in 2020.

UZS vs USD exchange rates in 2021 vs 2020, UZS/$



Min/Max and Average UZS exchange rates in 2021 vs 2020, UZS/$



Source: *Central Bank of Republic of Uzbekistan*

MANAGEMENT DISCUSSION AND ANALYSIS

Production highlights

Cost center/ Deposit	Mining method	Rock moved Mm^3			Ore mined Mt			Ore processed Mt			Grade g/t			Gold produced Koz		
		2021	2020	YoY	2021	2020	YoY	2021	2020	YoY	2021	2020	YoY	2021	2020	YoY
GMZ-2 Muruntau	Open pit	**109.6**	**96.3**	**13.8**	**35.3**	**47.3**	**(25.3)**	**48.2**	**44.6**	**8.1**	**1.19**	**1.25**	**(4.7)**	**1,619**	**1,601**	**1.1**
GMZ-3		**71.7**	**60.2**	**19.2**	**7.4**	**6.5**	**14.4**	**7.9**	**8.0**	**(1.0)**	**2.02**	**2.05**	**(1.5)**	**410**	**400**	**2.4**
Kokpatas	Open pit	**38.6**	33.4	15.5	**4.2**	3.5	18.9	**3.9**	4.1	(2.4)	**2.02**	1.98	1.8	**N/A**	N/A	N/A
Daugyztau	Open pit	**33.1**	26.8	23.8	**3.2**	3.0	9.0	**4.0**	3.9	0.5	**2.02**	2.12	(4.6)	**N/A**	N/A	N/A
GMZ-4		**2.5**	**2.5**	**0.3**	**2.1**	**2.1**	**0.5**	**2.0**	**2.0**	**(0.3)**	**3.32**	**3.29**	**0.8**	**197**	**194**	**1.8**
Zarmitan	Underground mine	**0.4**	0.3	3.2	**0.8**	0.7	5.9	**0.8**	0.7	5.5	**4.03**	4.19	(3.8)	**N/A**	N/A	N/A
Urtalik	Open pit/ Underground mine	**1.9**	1.8	4.3	**0.5**	0.5	(2.2)	**0.4**	0.4	3.1	**1.10**	1.03	6.8	**N/A**	N/A	N/A
Gzhumsai	Underground mine	**0.2**	0.3	(16.8)	**0.6**	0.6	(3.7)	**0.8**	0.7	5.5	**3.94**	3.80	3.7	**N/A**	N/A	N/A
Other		**0.1**	0.1	(25.2)	**0.2**	0.2	0.1	**0.0**	0.1	(87.9)	**3.80**	3.77	0.7	**N/A**	N/A	N/A
Heap leach		**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**23.6**	**14.7**	**60.7**	**0.56**	**0.69**	**(18.6)**	**262**	**190**	**37.7**
Heap leach gold shop	Muruntau LGO and stockpiles	**N/A**	N/A	N/A	**N/A**	N/A	N/A	**11.5**	11.4	0.9	**0.66**	0.74	(10.4)	136	156	(12.8)
GMZ-7	Tailings	**N/A**	N/A	N/A	**N/A**	N/A	N/A	**12.1**	3.3	266.3	**0.47**	0.53	(11.4)	126	34	271.5
Other insignificant		**60.4**	**52.9**	**14.0**	**7.0**	**5.5**	**26.7**	**6.2**	**4.9**	**25.6**	**N/A**	**N/A**	**N/A**	**176**	**177**	**(0.4)**
Total		**244.2**	**211.9**	**15.2**	**51.8**	**61.4**	**(15.5)**	**87.9**	**74.2**	**18.5**	**1.15**	**1.30**	**(11.2)**	**2,664**	**2,562**	**4.0**

Gold sales

Millions of US Dollars, unless otherwise stated	UoM	2021	2020	YoY, %
Gold sales	**MUSD**	**4,795**	**4,558**	**5**
Gold sales	Koz	**2,664**	2,561	4
Gold realised sales price	USD/oz	**1,800**	1,779	1
LBMA gold price fixing	USD/oz	**1,799**	1,770	2

In 2021, the Company's revenue from gold sales amounted to USD 4,795 million, a 5% increase from prior year when gold sales were USD 4,558 million. The key driver of increase in gold sales was 4% increase in volume of gold sales with the overall contribution in the amount of USD 182 million, while remaining 1% or USD 55 million increase in gold realised price.

Weighted average gold realised sales price in 2021 amounted to USD 1,800 per ounce, a 1.2% increase compared to USD 1,779 per ounce in 2020. Gold realised sales price was generally in line with Average LBMA gold price fixing with slight deviation due to uneven distribution of sales quantity throughout the financial years.

Gold sales – breakdown per cost centers

Key production units	Gold sales Koz			Gold sales MUSD		
	2021	2020	YoY, %	2021	2020	YoY, %
GMZ-2	1,619	1,601	1.1	2,914	2,848	2
GMZ-3	409	400	2.4	737	712	4
GMZ-4	197	194	1.8	355	345	3
Heap leach	262	190	37.7	471	338	39
Other insignificant	176	177	(0.4)	318	315	1
Total	**2,664**	**2,561**	**4.0**	**4,795**	**4,558**	**5**

MANAGEMENT DISCUSSION AND ANALYSIS

Cost analysis

In 2021, the Company's cost of gold sales decreased by 3% compared to prior year and amounted to USD 1,966 million. Cash operating costs were quite stable and increased by 2% to USD 1,713 million. Increase in production expenditures was generally in line with increase in production volume by 4% adjusted for inflation of 8%, which was partially offset by 6% depreciation of UZS against USD and appropriate decrease in royalty expenses.

Millions of US Dollars	2021	2020	YoY, %
Royalty	**723**	921	(21)
Consumables	**437**	344	27
Labour	**251**	225	12
Utilities	**149**	143	4
Fuel	**115**	87	32
Other	**38**	36	6
Total cash operating costs	**1,713**	**1,756**	**(2)**
Depreciation and amortisation	**345**	310	11
Total cost of production	**2,058**	**2,066**	**(0)**
Change in work in progress and finished goods	**(92)**	(34)	171
Cost of gold sales	**1,966**	**2,032**	**(3)**

Royalty

In 2021, royalty expenses decreased by 21% compared to prior year and amounted to USD 723 million and were fully in line with decrease of the applicable royalty tax rate from 20% in 2020 to 15% in 2021, which was partially offset by increase in metal sales revenue in 2021 by 5% compared to prior year.

Consumables

In 2021, consumables increased by 27% compared to prior year and amounted to USD 437 million. The increase was mostly driven by increased production and higher prices on main consumables such as grinding balls, chemicals and explosives, partially offset by 7% (or USD 24 million) depreciation of UZS against USD.

Labour

Labour expenses increased by 12% compared to prior year and amounted to USD 251 million. The overall amount of labor expenses in UZS increased by 18%, reflecting an increase in Company's production headcount, following production growth and basic salary indexation by 10% in Q4 2020 and 15% in Q3 2021. Depreciation of UZS against USD by 6% (or USD 14 million) offset USD-denominated amounts as presented in IFRS accounts.

Cost analysis (cont'd)

Utilities

In 2021, the utility expenses increased by 4% compared to prior year and amounted to USD 149 million. The increase was mainly caused by raised electricity consumption due to launch of new production facilities (GMZ-5 and GMZ-7).The increase was partially compensated by depreciation of UZS against USD in the amount of USD 8 million.

Fuel

In 2021, fuel expenses increased by 32% compared to the prior year and amounted to USD 142 million. The increase was caused by raise of fuel prices by 15% as well as by production growth partially offset by 8% (or USD 7 million) depreciation of UZS against USD.

Other

In 2021, other expenses remained approx. the same in absolute terms compared to prior year.

Depreciation and amortisation

In 2021, depreciation and amorisation charges increased by 11% compared to prior year and amounted to USD 345 million. The increase was generally in line with CAPEX additions reflected in 2020 and 2021 financial years, that increased the overall base for depreciation by 22% (accumulated for both years) that was partially compensated by 1% decrease in taxable base due to disposal of property, plant and equipment and additional effect by 6% (or USD 19 million) depreciation of UZS against USD.

Cash operating costs – breakdown per cost centers

	GMZ-2			GMZ-3			GMZ-4			Heap leach			Other insignificant		
	2021	2020	YoY	2021	2020	YoY	2021	2020	YoY	2021	2020	YoY	2021	2020	YoY
Royalty	**451**	575	-22%	**113**	144	-22%	**55**	70	-22%	**54**	68	-22%	**50**	64	-22%
Consumables	**154**	124	24%	**97**	86	13%	**41**	36	14%	**76**	44	73%	**69**	54	28%
Labour	**84**	77	9%	**64**	63	2%	**43**	38	13%	**19**	13	46%	**41**	35	17%
Utilities	**72**	74	-3%	**29**	32	-9%	**9**	9	-	**20**	13	54%	**19**	15	27%
Fuel	**59**	34	74%	**35**	22	59%	**8**	5	60%	**9**	4	125%	**4**	22	-82%
Other	**6**	5	20%	**19**	20	-5%	**3**	–	n/a	**3**	2	50%	**7**	8	-13%
Total	**826**	**889**	**-7%**	**357**	**367**	**-3%**	**159**	**158**	**1%**	**181**	**144**	**26%**	**190**	**198**	**-4%**

Total cash costs

In 2021, Company's operations were subject to a significant royalty (mineral extraction tax) rate of 15% (2020: 20%). Starting from 2022 financial year, the royalty tax rate is reduced from 15% to 10%.

Total Cash Cost ("TCC") and TCC per ounce of gold sold as presented below are calculated based on two scenarios:

- **Actual TCC** based on royalty tax rate attributable to the appropriate reporting period (15% and 20%); and
- **Targeted TCC** adjusted to long-term expected royalty tax (10%).

Millions of US Dollars, unless otherwise stated	UoM	Targeted			Actual		
		2021	2020	YoY	2021	2020	YoY
Cost of gold sales before by-product deduction	**MUSD**	**1,742**	**1,585**	**10**	**1,983**	**2,046**	**(3)**
Less: revenue from by-product sales	MUSD	**(17)**	(14)	21	**(17)**	(14)	21
Cost of gold sales	**MUSD**	**1,725**	**1,571**	**10**	**1,966**	**2,032**	**(3)**
Adjustments:							
Depreciation and amortisation	MUSD	**(345)**	(310)	11	**(345)**	(310)	11
Effect of depreciation and amortisation in change in inventories	MUSD	**28**	26	8	**28**	26	8
Less: non cash items within cost of gold sales							
Unused vacations	MUSD	**(2)**	(7)	(71)	**(2)**	(7)	(71)
Accrued bonuses	MUSD	**(1)**	(1)	–	**(1)**	(1)	–
Change in defined benefit obligation	MUSD	**13**	(9)	N/A	**13**	(9)	N/A
Change in obsolescence provision	MUSD	**(1)**	–	–	**(1)**	–	–
Other	MUSD	**–**	–	–	**–**	–	–
TCC	**MUSD**	**1,417**	**1,270**	**12**	**1,658**	**1,731**	**(4)**
Gold sold	Koz	**2,664**	2,561	4	**2,664**	2,561	4
TCC per ounce	**USD/oz**	**532**	**495**	**8**	**623**	**675**	**(8)**

TCC – breakdown per cost centers

	GMZ-2			GMZ-3			GMZ-4			Heap leach			Other insignificant		
	2021	2020	YoY	2021	2020	YoY	2021	2020	YoY	2021	2020	YoY	2021	2020	YoY
TCC	**798**	881	-9%	**349**	359	-3%	**157**	156	1%	**178**	143	24%	**176**	192	-8%
Gold sold	**1,619**	1,601	1%	**409**	400	2%	**197**	194	2%	**262**	190	38%	**176**	177	-1%
TCC per ounce	**493**	551	-11%	**852**	897	-5%	**796**	803	-1%	**681**	750	-9%	**996**	1,085	-8%

At GMZ-2, TCC amounted to $493 per ounce, down 11% compared to prior year. This was driven by reduction of royalty charges and translation effect attributable to cash items. The positive impact was partially offset by drop in the gold grade of the processed ore (from 1.25 gram per ton in 2020 to 1.19 gram per ton in 2021) and by inflation and indexation of production expenditures.

At GMZ-3, TCC were $852 per ounce, decreasing 5% year-on-year**.** Significant increase due to raise of prices on consumables associated with processing of the sulfide ore was fully offset by decrease of royalty charges and translation effect.

TCC at GMZ-4 comprised $796 per ounce, just 1% lower than in prior year. Substantial increase in prices on chemicals and other consumables was fully offset by royalty reduction and translation effect.

At Heap leach, TCC amounted to $681 per ounce, down 9% compared to prior year. The fluctuation was mainly caused by extension of production facilities at GMZ-7, with associated increase in ore processing (from 3.3 mln ton in 2020 to 12.1 mln ton in 2021) and raise of energy consumption. The increase was fully offset by reduction of royalty charges and translation effect.

TCC at other insignificant production locations comprised $996 per ounce, a **1%** decrease compared to prior year. The TCC increase caused by launch of GMZ-5 was fully offset by decrease of royalty charges and translation effect.

Administrative and selling expenses

In 2021, the Company's administrative and selling expenses increased by 11% compared to the prior year and amounted to USD 81 million.

The fluctuation was mostly driven by the increase in Taxes other than royalty and income tax expenses by USD 11 million (or 85%), reflecting a combination on two coincide factors such as increase in taxable base (due to significant increase of CAPEX in 2020 and 2021 and increase of tax base for property tax) together with revision and increase of tax rates.

Millions of US Dollars	2021	2020	YoY, %
Labour	35	36	(3)
Taxes other than royalty and income tax	24	13	85
Professional services	5	6	(17)
Transportation costs	4	4	–
Banking and depositary service	3	4	(25)
Depreciation and amortisation	1	1	–
Other	9	9	–
Total	**81**	**73**	**11%**

All in Sustaining Costs

In 2021, the Company is subject to quite significant royalty (mineral extraction tax) rate of 15% (2020: 20%). Starting from 2022, the royalty tax rate is reduced from 15% to 10%.

All in Sustaining Costs ("AISC") and AISC per ounce of gold sold as presented below are calculated based on two scenarios:

- **Actual AISC** based on royalty tax rate attributable to the appropriate reporting period (15% and 20%); and
- **Targeted AISC** adjusted to long-term expected royalty tax (10%).

Millions of US Dollars, unless otherwise stated	UoM	Targeted			Actual		
		2021	2020	YoY	2021	2020	YoY
TCC	**MUSD**	**1,417**	**1,270**	12	**1,658**	**1,731**	(4)
Adjustments:							
Administrative and selling expenses	MUSD	**80**	73	10	**80**	73	10
Depreciation and amortisation within administrative and selling expenses	MUSD	**(1)**	(1)	–	**(1)**	(1)	–
Sustaining capital expenditures	MUSD	**53**	169	(69)	**53**	169	(69)
Sustaining stripping assets	MUSD	**216**	164	32	**216**	164	32
Unwinding of discount on environmental obligations	MUSD	**8**	10	(20)	**8**	10	(20)
Adding back expenses previously excluded from TCC:							
Unused vacations	MUSD	**2**	7	(71)	**2**	7	(71)
Accrued bonuses	MUSD	**1**	1	–	**1**	1	–
Change in defined benefit obligation	MUSD	**(13)**	9	N/A	**(13)**	9	N/A
Change in obsolescence provision	MUSD	**1**	–	–	**1**	–	–
AISC	**MUSD**	**1,765**	**1,702**	**4**	**2,006**	**2,163**	**(7)**
Gold sold	Koz	**2,664**	2,561	4	**2,664**	2,561	4
AISC per ounce	**USD/oz**	**663**	**665**	**(0.3)**	**753**	**844**	**(11)**

AISC – breakdown per cost centers

	GMZ-2			GMZ-3			GMZ-4			Heap leach			Other insignificant		
	2021	2020	YoY	2021	2020	YoY	2021	2020	YoY	2021	2020	YoY	2021	2020	YoY
AISC	**969**	**1,026**	**-6%**	**442**	**490**	**-10%**	**185**	**195**	**-5%**	**182**	**146**	**25%**	**229**	**305**	**-25%**
Gold sold	**1,619**	1,601	1%	**409**	400	2%	**197**	194	2%	**262**	190	38%	**176**	177	-1%
AISC per ounce	**598**	**641**	**-7%**	**1,078**	**1,226**	**-12%**	**938**	**1,004**	**-7%**	**694**	**747**	**-7%**	**1,300**	**1,743**	**-25%**

At GMZ-2, AISC decreased by 7% compared to prior year, less than TCC due to substantial sustaining stripping activities at Murantau.

At GMZ-3 and GMZ-4, AISC were down 12% and 7% respectively, mostly because of lower level of sustaining capital expenditures in 2021.

AISC at Heap leach decreased to $694, down 7% compared to prior year, which is generally in line with the TCC dynamics.

At other insignificant production locations, AISC amounted to $1,300, down 25% compared to prior year. Substantial decrease was caused by lower level of sustaining capital expenditures in 2021.

Other expenses

In 2021, the Company's other expenses amounted to USD 70 million, up 8% compared to prior year, mostly due to increase of disposed items of property, plant and equipment partially offset by lower social and infrastructure costs. In 2020, the Company incurred substantial expenses related to repair and maintenance of residential property and other social infrastructure objects before transferring them to the Navoi city authorities. Also, in June 2021 all non-core assets and activities of the Company have been transferred to the State Organisation "NMMC Fund", a new established entity. No such expenses have been incurred in 2021.

Millions of US Dollars	2021	2020	YoY, %
Other income			
Other revenue (non-metal sales)	**14**	13	17
Other operating income	**1**	-	-
Total other income	**15**	**13**	**15**
Other expenses			
Social and infrastructure costs	**21**	30	(30)
Settlement of legal claims	**6**	1	(500)
Other costs (non-metal sales)	**13**	10	30
Loss from disposal of property, plant and equipment	**21**	14	50
Charitable contribution	**3**	4	(25)
Other operating expenses	**6**	6	-
Total other expenses	**70**	**65**	**8**
Total	**55**	**52**	**6**

EBITDA and Adjusted EBITDA

Earnings before income tax, depreciation and amortisation, finance income and finance cost ("EBITDA") and Adjusted EBITDA as presented below are calculated based on two scenarios:

- **Actual EBITDA/Adjusted EBITDA** based on royalty tax rate attributable to the appropriate reporting period (15% and 20%); and
- **Targeted EBITDA/Adjusted EBITDA** adjusted to long-term expected royalty tax (10%).

Millions of US Dollars, unless otherwise stated	UoM	Targeted			Actual		
		2021	2020	YoY	2021	2020	YoY
Profit for the year	**MUSD**	**1,325**	**934**	**42**	**1,265**	**819**	**55**
Adjustments:	MUSD						
Income tax expense	MUSD	**1,489**	1,775	(16)	**1,308**	1,430	(9)
Depreciation and amortisation	MUSD	**318**	287	10	**318**	287	11
Finance income	MUSD	**(1)**	(1)	–	**(1)**	(1)	–
Finance cost	MUSD	**70**	66	6	**70**	66	6
EBITDA	**MUSD**	**3,201**	**3,061**	**5**	**2,960**	**2,601**	**14**
Adjustments:	MUSD						
Foreign exchange loss	MUSD	**51**	87	(41)	**51**	87	(41)
Loss from disposal of property, plant and equipment	MUSD	**21**	14	50	**21**	14	50
Impairment of account receivables and advances paid	MUSD	–	–	–	–	–	–
Change in obsolescence and net realisable provisions for inventories	MUSD	**1**	–	–	**1**	–	–
Adjusted EBITDA	**MUSD**	**3,274**	**3,162**	**4**	**3,033**	**2,702**	**12**
Revenue	MUSD	**4,795**	4,558	5	**4,795**	4,558	5
Adjusted EBITDA margin	**%**	**68.3**	**69.6**	**(1.3)**	**63.3**	**59.6**	**3.7**

MANAGEMENT DISCUSSION AND ANALYSIS

In 2021, the Company's Adjusted EBITDA amounted to USD 3,033 million and increased by 12% compared to USD 2,702 in 2020. The key drivers of such increase were as follows:

Gold price

In 2021, the Company's weighted average gold sales price increased by 1% and amounted to USD 1,800 per ounce. Such increase was generally in line with the average LBMA gold price dynamics contributing USD 55 million to the Adjusted EBITDA.

Gold volume

Following growth of the Company's gold production the gold sales volume increased by 4% and amounted to 2,664 thousand of ounces in 2021, that contributed USD 184 million to the Adjusted EBITDA in 2021.

Royalty

In 2021, the royalty tax rate decreased from 20% to 15% applicable to the Company's metal sales (gold an other by-product precious metals). Such decrease in the royalty tax rate increased the Adjusted EBITDA by USD 198 million.

OPEX increase

In 2021, the Company's cash costs (except for Royalty – see above) in UZS, the currency in that the major part of the Company's operating costs are nominated, increased by 19%. Such increase was explained by 12% general inflation in Republic of Uzbekistan and a higher increase in certain types of expenditures such as labour costs, consumables, fuel and taxes indexed above the general CPI level. The overall increase of cash operating costs due to inflation amounted to USD 72 million with adverse effect on the Adjusted EBITDA in 2021.

Translation

In 2021, the depreciation of UZS, the Company's functional currency, to USD, the presentation currency of IFRS accounts was 5.5% (increase of average exchange rate applicable for translation of income statement items), that made additional favorable contribution of USD 143 million to the Adjusted EBITDA in 2021.

Adjusted EBITDA bridge, Millions of USD

Adjusted EBITDA-2020	Gold price	Gold volume	Royalty	OPEX increase	Production volume	Translation	LGO + other savings	Adjusted EBITDA-2021
2,702	55	184	198	(72)	(31)	(143)	140	3,033

Adjusted EBITDA – breakdown per cost centers

	GMZ-2			GMZ-3			GMZ-4			Heap leach			Other insignificant		
	2021	2020	YoY	2021	2020	YoY	2021	2020	YoY	2021	2020	YoY	2021	2020	YoY
Adjusted EBITDA	2,084	1,944	7%	369	326	13%	181	169	7%	288	189	52%	111	74	50%

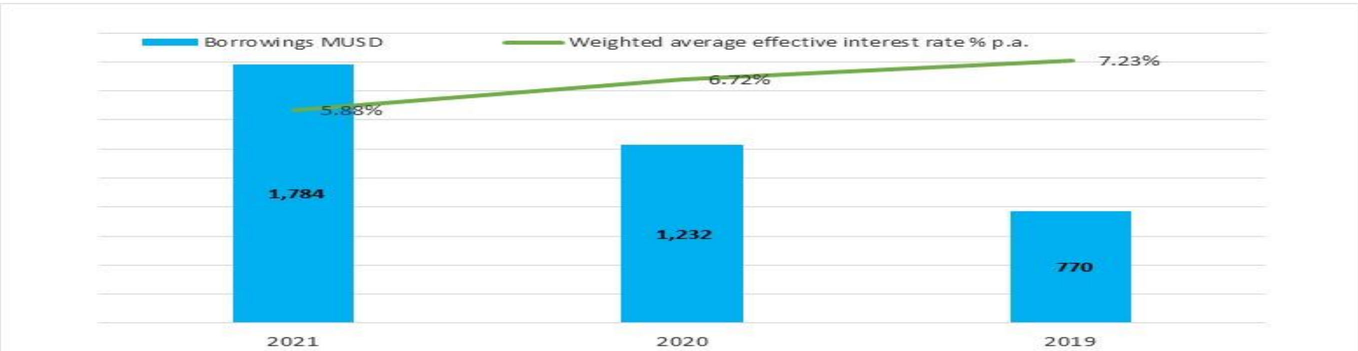
Finance cost

The Company's finance cost amounted to USD 70 million, compared to USD 66 million in prior year. The total amount of interest expense cost increased by 8% mainly due to substantial increase of outstanding borrowings, proceeds from which were used for financing of capital expenditures to support management intention to increase production volume in the coming years.

The total amount of finance cost and its overall trend was affected by decrease in weighted average effective interest from 6.72% in 2020 to 5.88% in 2021 and increased portion of capitalised interest, which are in line with the increased volume of completed and uncompleted capital projects and corresponding increase of the Company's borrowings.

Millions of US Dollars	UoM	2021	2020	YoY, %
Interest expense on borrowings	MUSD	**79**	68	16
Unwinding of discounted environmental obligations	MUSD	**8**	10	(20)
Interest expense on pension obligations	MUSD	**8**	8	–
Impairment of loans issued and account receivables	MUSD	–	2	(100)
Other finance expenses	MUSD	–	–	–
Total interest expense	**MUSD**	**95**	**88**	**8**
Less: amount included in the cost of qualifying assets	MUSD	**(25)**	(22)	14
Total finance cost	**MUSD**	**70**	**66**	**6**
Weighted average effective interest rate	**% p.a.**	**5.88%**	**6.72%**	**(0.84) ppts**
Weighted average effective interest rate, commercial bank borrowings	**% p.a**	**4.58%**	**n/a**	**n/a**

Borrowings and weighted average interest rates



Net profit and adjusted net profit

In 2021, the Company's net profit increased to USD 1,265 million or by 55% compared to USD 819 million in 2020. The increase was driven by significant increase of the Adjusted EBITDA (see explanations above) that was additionally supported by decrease in income tax expense by USD 122 million mostly due to positive effect of changes in expected future tax rates related to the profit tax in excess of established profitability (75% in 2021 and 2020, 50% in 2022 and 25% thereafter).

In addition to that, there was a decrease of the foreign currency exchange loss by 41% from USD 87 million in 2020 to USD 51 million in 2021 adjusted for an increase of finance cost by 6% from USD 66 million in 2020 to USD 70 million in 2021. These effects, both positive and negative, were effectively taxed by applying 75% excessive income tax rate. Accordingly, only 25% net effect was presented in the bottom line of the statement of profit or loss.

Net profit and adjusted net profit as presented below are calculated based on two scenarios:

- **Actual Net profit/Adjusted net profit** based on royalty tax rate attributable to the appropriate reporting period (15% and 20%); and
- **Targeted Net profit/Adjusted net profit** adjusted to long-term expected royalty tax (10%).

Millions of US Dollars, unless otherwise stated	UoM	Targeted			Actual		
		2021	2020	YoY	2021	2020	YoY
Profit for the year	**MUSD**	**1,325**	**934**	**42%**	**1,265**	**819**	**55%**
Foreign exchange loss	MUSD	51	87	-41%	51	87	-41%
Effect of income tax on above mentioned item	MUSD	(38)	(65)	-42%	(38)	(65)	-42%
Adjusted net profit for the year	**MUSD**	**1,338**	**956**	**40%**	**1,278**	**841**	**52%**
Revenue	MUSD	4,795	4,558	5%	4,795	4,558	5%
Adjusted net profit margin	**%**	**27.9%**	**21.0%**	**6.9 ppts**	**26.7%**	**18.5%**	**8.2 ppts**

MANAGEMENT DISCUSSION AND ANALYSIS

Cash and cash equivalents

At 31 December 2021, the Company's cash and cash equivalents decreased by 92% and amounted to USD 16 million compared to USD 198 million in prior year. On 1 December 2021, as the result of the Company formation and completion of assets and liabilities transfer, USD 124 million (translated at the USD exchange rate as of the date of transaction) was left with the State Enterprise "Navoi Mining and Metallurgical Combinat".

Millions of US Dollars	2021	2020	YoY, %
Current bank accounts, including:			
USD-denominated	**1**	122	(99)
UZS-denominated	**10**	76	(87)
Cash in the Federal Treasury of Republic of Uzbekistan	**5**	–	–
Total	**16**	**198**	**(92)**

Net debt and Net debt / Adjusted EBITDA

At 31 December 2021, the Company's net debt increased by 71% and amounted to USD 1,768 million compared to USD 1,034 million year before.

Net debt / Adjusted EBITDA ratio increased to 0.6x compared to 0.4x in 2020, reflecting substantial increase of Net debt in above of Adjusted EBITDA increase.

Millions of US Dollars	UoM	2021	2020	YoY, %
Long-term borrowings	MUSD	**1,055**	887	19
Short-term borrowings	MUSD	**729**	345	111
Total borrowings	**MUSD**	**1,784**	**1,232**	**45**
Less: cash and cash equivalents	MUSD	**(16)**	(198)	(92)
Net debt	**MUSD**	**1,767**	**1,034**	**71**
Adjusted EBITDA	MUSD	**3,033**	2,702	12
Net debt / Adjusted EBITDA	**x**	**0.6**	**0.4**	**52**

Statement of Cash Flows

Cash flow bridge, Millions of USD

	Opening balance	Operating cash flows	Investing cash flows	Financing cash flows	Effect of foreign exchange changes	Closing balance
2021	198	1,348	(857)	(677)	4	16
2020	42	1,340	(852)	(349)	17	198

Net cash generated from operating activities

In 2021, net cash generated from operating activities was USD 1,348 million and increased by 1% compared to USD 1,340 million in 2020. Significant increase in the Adjusted EBITDA of USD 331 million (proxy of Net cash generated from operating activities before changes in working capital) was almost fully offset by USD 109 million increase of movements attributable to working capital and USD 206 million additional current income tax payment.

Net cash used in investing activities

In 2021, net cash used in investing activities remained stable and amounted to USD 857 million compared to USD 852 million in 2020. 6% increase in CAPEX payments was fully offset by the effect of translation to presentation currency.

Free cash flow (“FCF”)

In 2021, FCF remained stable showing just up 1% compared to prior year. Increase in net cash generated from operating activities was fully offset by net cash used in investing activities and translation effect..

Millions of US Dollars	2021	2020	YoY, %
Net cash generated from operating activities	**1,348**	**1,340**	**1**
Adjustments:			
Less: purchase of property, plant and equipment	**(857)**	(855)	–
Add: interest received	–	1	(100)
Add: repayment of loans	–	2	(100)
Total	**491**	**488**	**1%**

Statement of Cash Flows (cont'd)

CAPEX breakdown

Millions of US Dollars	2021	2020	YoY, %
GMZ-2	**264**	223	18
GMZ-3	**14**	62	(77)
GMZ-4	**49**	57	(14)
Heap leach	**41**	64	(36)
Other	**156**	230	(32)
CAPEX per local GAAP	**524**	**636**	**(18)**
IFRS adjustments such as:			
Stripping assets capitalised (see details on the following page)	**315**	256	23
Amount included in the cost of qualifying assets	**25**	22	14
Other less significant reclassifications and adjustments	**78**	45	73
CAPEX per IFRS	**942**	**959**	**(2)**
Net change in account payables directly associated with acquisition of property, plant and equipment	**(23)**	5	n/a
Depreciation capitalised within property, plant and equipment and stripping assets	**(108)**	(99)	9
Cash out associated with acquisition of property plant and equipment and stripping assets	**857**	**855**	**(0.2)**

GMZ-2
During 2020 and 2021, the Company has consistently pursued the production increase at the GMZ-2 production hub. A project aimed on the increase in the ore mining rate at the Muruntau&Myutenbai open pit mines was launched in 2018 with the primary objective to provide consistent and highest geologically possible ore feed to the factory through the launch of the mining process at a new pit shell.

Statement of Cash Flows (cont'd)

GMZ-2 (continued)

Currently, the largest gold mine in the world is in transition phase from the 4^{th} to the 5^{th} pit shell stage, with the planned increase of the rock mass mining rate from 78.5 mln m^3 in 2019 up to the 150 mln m^3 in 2023. Due to purchase of the additional mine fleet and construction of necessary infrastructure, the Company has already increased the rock mass mining rate to 96 mln m^3 in 2020 and 110 mln m^3 in 2022.

In order to accommodate the increased mining rate at the Muruntau&Myutenbai open pits, processing capacity of the GMZ-2 production facility was increased through the construction of an additional ore intake unit, a grinding line, gravitation and concentration facilities coupled with construction of an additional electric grid, water intake and tailings storage facilities. Following these measures, processing capacity of the GMZ-2 factory was increased from the 40.5 mln t of ore in 2019, up to 44.5 mln t of ore in 2020, 48.6 mln t of ore in 2021 with the expected target of 50 mln t of ore in 2022.

As a result of the increased mining and processing rate, the fine gold production has already increased by 11% in 2021 in comparison with 2019 and currently stands at 1.6 mln of troy ounce per year.

GMZ-4

Capital expenditures at the GMZ-4 production facility include measurements to increase the mining rate at the Gzhumsai underground mine from 100 ths. t of ore up to 650 ths. t annually, together with the preparation for mining activities at lower horizons of Zarmitan and Urtalik underground mines.

Heap leach

This is one of the major production growth project launched by the Company, aimed on the construction of the GMZ-7 processing facility based on the tank-leaching technology. Construction of the facility was already finished in 2020, with the first processing line being launched at the rate of 3.3 mln t of ore in 2020 with the further increase up to 12.1 mln t of ore in 2021 and achievement of the planned capacity in 2022 of 15 mln t of ore annually. Source of ore for this processing facility is the low grade ore from the Muruntau ore stockpiles as well as the low grade ore coming from the pit.

Other production locations mainly include construction of the GMZ-5 production facility and purchase of related equipment, that is one of the Company's main projects with the planned production capacity of 6 t gold per year.

Statement of Cash Flows (cont'd)

Stripping assets breakdown

Millions of US Dollars	2021	2020	YoY, %
Muruntau – stage V	**217**	162	34
Kokpatas	**50**	41	22
Daugyztau	**39**	25	56
Marzhanbulak	**6**	5	20
Other individually insignificant	**3**	23	(87)
Total stripping assets capitalised	**315**	**256**	**23**
Depreciation capitalised within stripping assets	**(99)**	(92)	8
Cash out associated with acquisition of stripping assets	**216**	**164**	**32**

The massive increase of stripping assets in 2021 was mainly caused by transition to the 5th pit shell stage at the Muruntau open pit and related increase of stripping activities.

Net cash used in financing activities

In 2021, net cash used in financing activities increased by 94% and amounted to USD 677 million compared to USD 349 million in 2020. The increase was mostly attributable to:

- significant increase in paid dividends from USD 755 million in 2020 to USD 982 million in 2021 (or +30%);
- USD 124 million of cash left with the State Enterprise "Navoi Mining and Metallurgical Plant" as a result of Company formation and Gold assets transfer to a new legal entity;
- those amounts were partially compensated by USD 1,088 million of additional bank loans obtained by the Company in 2021 and proceeds from which were used for the settlement of previously obtained borrowings in the amount of USD 552 million and financing of capital projects, the main aim of which is increase of the Company's future production capacities.

Capital

In accordance with the Decree of the Cabinet of Ministers of the Republic of Uzbekistan No.PKM-170 dated 30 March 2021 the share capital of the Company was paid as follows:

- by transfer of property and property rights from the State Company "Navoi Mining and Metallurgical Combinat" to the Company that were measured:
    - at fair value at 1 April 2021 in the amount UZS 101,507,574 million valued in accordance with the National Standards of property valuation (for property, plant & equipment and intangible assets that were acquired before 1 April 2021);
    - at book value at 1 December 2021 (for property, plant & equipment and intangible assets that were acquired after 1 April 2021 and till the date of the transfer, i.e. 1 December 2021).
- minus short-term and long-term liabilities determined in accordance with IFRS at the date of transfer;
- UZS 15,000,000 million from the amount as determined above was regarded as payment of the Company's share capital;
- the remainder was recognised as additional paid-in capital ("APIC") that was offset against reserve for reorganisation and retained earnings.

	Property transfer at fair value	IFRS liabilities	PPE transfer at book value	APIC write-off	Reorga-nisation reserve write-off	Total at the date of transfer	Profit for Dec-21	Total at 31-Dec-21
Share capital	1,418	-	-	-	-	1,418	-	1,418
Additional paid-in capital	8,263	(3,113)	381	(5,531)	-	-	-	-
Reorganisation reserve	(9,681)	3,113	(381)	5,531	1,418	-	-	-
Other reserves	(700)	-	-	-	-	(700)	-	(700)
Retained earnings	6,398	-	-	-	(1,418)	4,980	76	5,056
Total	**5,698**	**-**	**-**	**-**	**-**	**5,698**	**76**	**5,774**

MANAGEMENT DISCUSSION AND ANALYSIS

Going concern

The Company's financial position, cash flows, the overall liquidity position and outstanding borrowings are presented in details in this Management Report on pages 27 – 29. At 31 December 2021, the Company held USD 16 million of cash and cash equivalents, had a net debt in the amount of USD 1,767 million (of which USD 729 million is short-term obligations), with USD 676 million unused credit commitments (please find more details as presented in notes 11, 13 and 18 to the IFRS financial statements for the year ended 31 December 2021). In the assessment of the Company's going concern the management have considered the uncertainties of expected future cash flows have taken into account its future statement of financial position, the borrowings schedule of repayment, including future accrued interest, available credit facilities and probability of signing off new ones, forecasted compliance with covenants on the Company's net debt position, committed capital expenditures and general management plans for maintenance and future production expansion.

Based on the respective analysis the management of the Company concluded that no covenants will be breached in any of reasonable expected pricing scenarios for at least the following 12 months starting from the date of authorisation of IFRS financial statements for issuance.

Special tax regime

In addition to regular rates, the Company is subject to specific taxes. The table shows the rates for the Company specific taxes:

	2020	2021	2022	2023+
Royalty (mineral extraction tax)	15%	15%	10%	10%
Income tax in excess of established profitability	75%	75%	50%	25%

Rates for 2021 were set in the Decree of the President of the Republic of Uzbekistan No. PP-4938 dated 30 December 2020 ("Decree №PP-4938"). Rates for 2022 were set in the Decree No. PP-73 dated 30 December 2021. Commencing 1 January 2023, the rates are based on a letter of the Ministry of Finance of the Republic of Uzbekistan No. 06/1-2216 dated 22 January 2020.

Risks and uncertainties

The main risks arising from the Company’s financial instruments are gold price risk, foreign currency, interest rate, liquidity and credit risks.

Gold price risk

The sale price of gold is a function of morning fixing price of the London Bullion Market Association. The Company is exposed to changes in the market price of gold due to its significant volatility. The Company does not hedge its exposure to gold price fluctuations.

Foreign currency risk

Currency risk is the risk that the financial results of the Company will be adversely affected by changes in exchange rates to which the Company is exposed. The Company undertakes certain transactions denominated in foreign currencies. Prices for gold are quoted in UZS based on international quoted market prices in US Dollars.
The Company’s borrowing and substantial portion of outstanding cash and cash equivalents are denominated in US Dollars.

Interest rate risk

The Company’s interest risk arises from borrowings with variable rates, which expose the Company to cash flow interest rate risk. The risk is managed by the Company by maintaining an appropriate mix between fixed and variable rate borrowings.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to settle all liabilities as they are due. The liquidity position is carefully monitored and managed. The liquidity risk is managed by maintaining detailed budgeting and cash forecasting processes and matching the maturity profiles of financial assets and liabilities to help ensure that it has adequate cash available to meet payment obligations.

Credit risk

Credit risk is the risk that a customer may default or not meet its obligations on a timely basis, leading to financial losses to the Company. Credit risk and maximum exposure to credit risk at the reporting date is the carrying value of cash, cash equivalents, trade and other receivables. The only gold customer of the Company is Agency for precious metals under the Central Bank of the Republic of Uzbekistan.