

**Joint Stock Company «Kazakh-Russian-Kyrgyz
Joint Venture with Foreign Investments
“ZARECHNOYE”**

Financial Statements
for the year ended 31 December 2024

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Independent Auditors' Report

To the Shareholders of Joint Stock Company "Kazakh-Russian-Kyrgyz Joint Venture with Foreign Investments "ZARECHNOYE"

Opinion

We have audited the financial statements of Joint Stock Company "Kazakh-Russian-Kyrgyz Joint Venture with Foreign Investments "ZARECHNOYE" (the "Company"), which comprise the statement of financial position as at 31 December 2024, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (*IESBA Code*) together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Kazakhstan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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



In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditors' report is:



Aida Junusova
Certified Auditor
of the Republic of Kazakhstan
Auditor's Qualification Certificate
No. MΦ-0000371 of 15 August 2016

KPMG Audit LLC
State License to conduct audit #0000021 dated 6 December 2006 issued by the Ministry of Finance of the Republic of Kazakhstan



Sergey Dementyev
General Director of KPMG Audit LLC
acting on the basis of the Charter

31 January 2025

Joint Stock Company «Kazakh-Russian-Kyrgyz Joint Venture with Foreign Investments "ZARECHNOYE"»
Statement of Financial Position as at 31 December 2024

‘000 KZT	Note	31 December 2024	31 December 2023
ASSETS			
Property, plant and equipment	14	5,157,280	2,679,821
Mine development assets	15	15,311,806	15,383,860
Mineral rights		1,655	2,159
Intangible assets		52,263	13,026
Restricted cash	19(b)	7,449,748	5,306,961
Other non-current assets		763,463	461,675
Total non-current assets		28,736,215	23,847,502
Inventories	17	6,459,038	3,918,387
Short-term advances paid		72,328	21,381
Taxes receivable		444,587	56
Trade and other receivables	18	23,925,960	25,745,424
Cash and cash equivalents	19(a)	12,138,443	4,912,696
Interest receivable on bank deposits		12,910	-
Total current assets		43,053,266	34,597,944
Total assets		71,789,481	58,445,446
EQUITY AND LIABILITIES			
Equity			
Charter capital	20	13,457,793	13,457,793
Retained earnings		42,894,070	33,639,676
Total equity		56,351,863	47,097,469
Liabilities			
Provisions	21	8,100,995	5,311,130
Deferred tax liabilities	16	157,277	164,384
Total non-current liabilities		8,258,272	5,475,514
Trade and other payables	22(a)	5,149,959	2,554,463
Taxes and other payables to budget	22(b)	1,132,575	2,350,922
Current income tax liabilities		299,480	256,985
Other accrued liabilities	22(c)	597,332	710,093
Total current liabilities		7,179,346	5,872,463
Total liabilities		15,437,618	11,347,977
Total equity and liabilities		71,789,481	58,445,446

These financial statements were approved by management on 31 January 2025 and were signed on its behalf by:

K.Ye. Nurzhanov
General Director



A. Pulatov
Deputy General Director for
Economics and Finance

S.K. Mirzabayev
Chief Accountant

Joint Stock Company «Kazakh-Russian-Kyrgyz Joint Venture with Foreign Investments "ZARECHNOYE"»
Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2024

'000 KZT	Note	2024	2023
Revenue	7	61,338,106	54,796,230
Cost of sales	8	(27,517,052)	(21,814,054)
Gross profit		33,821,054	32,982,176
Distribution expenses	9	(159,650)	(177,335)
Administrative expenses	10	(939,389)	(777,349)
Other income		17,970	45,021
Other expenses		(759,416)	(502,354)
Results from operating activities		31,980,569	31,570,159
Finance income	12	5,277,903	226,747
Finance costs	12	(716,025)	(690,668)
Net finance income/(costs)		4,561,878	(463,921)
Profit before income tax		36,542,447	31,106,238
Income tax expense	13	(7,540,285)	(6,421,528)
Profit and total comprehensive income for the year		29,002,162	24,684,710

These financial statements were approved by management on 31 January 2025 and were signed on its behalf by:

K.Ye. Nurzhanov
General Director



A. Pulatov
*Deputy General Director for
Economics and Finance*

S.K. Mirzabayev
Chief Accountant

Joint Stock Company «Kazakh-Russian-Kyrgyz Joint Venture with Foreign Investments "ZARECHNOYE"»
Statement of Changes in Equity for the year ended 31 December 2024

'000 KZT	Note	Charter capital	Retained earnings	Total equity
At 1 January 2023		13,457,793	24,106,332	37,564,125
Total comprehensive income				
Profit for the year		-	24,684,710	24,684,710
Total comprehensive income for the year		-	24,684,710	24,684,710
Transactions with the owners of the Company				
Payment of dividends	20(b)	-	(15,151,366)	(15,151,366)
At 31 December 2023		13,457,793	33,639,676	47,097,469
At 1 January 2024		13,457,793	33,639,676	47,097,469
Total comprehensive income				
Profit for the year		-	29,002,162	29,002,162
Total comprehensive income for the year		-	29,002,162	29,002,162
Transactions with the owners of the Company				
Payment of dividends	20(b)	-	(19,747,768)	(19,747,768)
At 31 December 2024		13,457,793	42,894,070	56,351,863

These financial statements were approved by management on 31 January 2025 and were signed on its behalf by:

K.Ye. Nurzhanov
General Director



A. Pulatov
Deputy General Director for
Economics and Finance

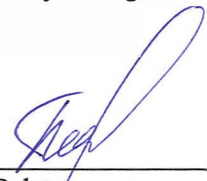
S.K. Mirzabayev
Chief Accountant

‘000 KZT	Note	2024	2023
OPERATING ACTIVITIES			
Cash receipts from customers		68,259,500	46,257,787
Payments to suppliers		(15,979,241)	(9,585,943)
Payments to employees		(2,882,870)	(2,447,139)
Other receipts*		5,397,090	255,366
Payments to the budget*		(11,467,876)	(4,726,388)
Other disposals		(1,983,521)	(1,341,459)
Cash flows from operating activities		41,343,082	28,412,224
Income tax paid		(7,504,898)	(6,160,415)
Net cash flows from operating activities		33,838,184	22,251,809
INVESTING ACTIVITIES			
Transfer to special bank account and deposit		(1,361,808)	(3,027,338)
Acquisition of property, plant and equipment		(258,658)	(195,103)
Acquisition of intangible assets		(6,580)	(7,838)
Acquisition of mine development assets		(7,322,631)	(5,983,247)
Net cash flow used in investing activities		(8,949,677)	(9,213,526)
FINANCING ACTIVITIES			
Payments of finance lease liabilities		-	(33,600)
Payment of dividends	20(b)	(19,746,547)	(15,146,152)
Net cash used in financing activities		(19,746,547)	(15,179,752)
Net increase/(decrease) in cash and cash equivalents		5,141,960	(2,141,469)
Cash and cash equivalents at beginning of year (net of impairment allowance)		4,912,696	7,146,538
Effect of movements in exchange rates on cash and cash equivalents		2,083,787	(92,373)
Cash and cash equivalents at the end of the year (net of impairment allowance)	19	12,138,443	4,912,696

* In 2024, Private Company SNURDC Astana Mining Company Limited appointed the Company to execute its obligations to transfer withholding corporate income tax to the budget in the amount of KZT 4,271,126 thousand.

These financial statements were approved by management on 31 January 2025 and were signed on its behalf by:


K.Ye. Nurzhanov
General Director


A. Pulatov
Deputy General Director for
Economics and Finance


S.K. Mirzabayev
Chief Accountant

1 Reporting entity

(a) Kazakhstan business environment

The operations of Joint Stock Company «Kazakh-Russian-Kyrgyz Joint Venture with Foreign Investments “ZARECHNOYE” are primarily located in the Republic of Kazakhstan. Consequently, the Company is exposed to the economic and financial markets of Kazakhstan which display characteristics of an emerging market. The legal, tax and regulatory frameworks continue development, but are subject to varying interpretations and frequent changes which together with other legal and fiscal impediments contribute to the challenges faced by entities operating in Kazakhstan. Depreciation of the Kazakhstan Tenge and, the volatility in the global price of oil and the ongoing military conflict between the Russian Federation and Ukraine have also increased the level of uncertainty in the business environment.

Impact of anti-Russian sanctions

In February 2022, due to the military conflict between the Russian Federation and Ukraine, a number of countries imposed sanctions against the Russian Federation. These events affected the global economy, including increase in commodity and food prices, disruption of supply chains and increased inflationary pressure in many countries.

The Company's management assesses, on the ongoing basis, the possible impact of these restrictive measures and associated economic uncertainty on the Company's operations. As at the date of approval of these financial statements, no direct material impact of the sanctions on the Company's operations was identified. Management continues to closely monitor developments and takes all necessary measures to minimise potential risks.

The financial statements reflect management's assessment of the impact of the Kazakhstan business environment on the operations and the financial position of the Company. The actual future business environment may differ from management's assessment.

(b) Organisation and operations

Joint Stock Company «Kazakh-Russian-Kyrgyz Joint Venture with Foreign Investments “ZARECHNOYE” is a joint stock company as defined in the Civil Code of the Republic of Kazakhstan. The Company was incorporated on 26 December 2001 in the Village of Shaulder, South Kazakhstan Oblast of the Republic of Kazakhstan. Until 27 December 2010, the Company's shareholders were National Atomic Company Kazatomprom JSC (NAC Kazatomprom JSC) - 49.67%, Uranium Mining Company OJSC - 49.67% and Karabaltinsky Mining Plant - 0.66%.

On 27 December 2010, Uranium One Holland B.V. purchased 356,531 shares (49.67%) from Uranium Mining Company OJSC. As at 31 December 2010, the Company's shareholders were: National Atomic Company Kazatomprom JSC - 49.67% (entity registered in the Republic of Kazakhstan), Uranium One Holland B.V. - 49.67% (entity registered in the Netherlands), and Karabaltinsky Mining Plant JSC having a 0.66% interest. In June - July 2014, there was issuance of 2,351,676 ordinary shares in the amount of KZT 12,739,993 thousand. On 2 February 2022 Uranium One Holland B.V. disposed 49.98% of the Company's shares to Uranium One Group JSC (entity registered in the Russian Federation).

On 17 December 2024, Private Company SNURDC Astana Mining Company Limited (“SNURDC Astana Mining Company Limited”), whose ultimate beneficiary is the Government of the People's Republic of China through the company State Power Investment Corporation Limited (an entity registered in the People's Republic of China), redeemed 1,253,472 shares (49.98%) from Uranium One Group JSC.

Based on the decision of Zhaiylsky District Court of Chu Oblast dated 9 November 2022 and enforceable ruling of Chu Oblast Court dated 8 June 2023, Karabaltinsky Mining Plant JSC was declared bankrupt. As at 31 December 2024 no decision concerning the interest in the charter capital of the participant declared bankrupt has been made.

As at 31 December 2024, the shareholders had the following interests in the Company's charter capital: NAC Kazatomprom JSC - 49.98%, SNURDC Astana Mining Company Limited - 49.98% and Karabaltinsky Mining Plant JSC - 0.04% (31 December 2023: NAC Kazatomprom JSC - 49.98%, Uranium One Group JSC - 49.98% and Karabaltinsky Mining Plant JSC - 0.04%).

The Company is a party to the Subsoil Use Contract No.996 dated 23 September 2002 entered into with the Republic of Kazakhstan, which is valid until 31 December 2028 (the “Contract”). The Company’s principal activity is exploration, development, production and sale of uranium from Zarechnoye deposit located in the Otrar District, Turkestan Oblast of the Republic of Kazakhstan.

During 2024 the Company sold uranium products to Uranium One Group JSC (a company operating under the laws of the Russian Federation (RF)) and NAC Kazatomprom JSC, both are the Company’s related parties.

The Company has been carrying out commercial production of uranium on Zarechnoye deposit since 4 May 2007. The annual planned output is 1,000 tons. The actual output in 2024 was 623 tonnes (2023: 722 tonnes).

The Company’s registered office is: 51 Baurzhan Momysh Uly Street, Timursky Rural District, Otyrar Rayon, Turekstanskaya Oblast, 160712, Republic of Kazakhstan.

As at 31 December 2024, the number of the Company’s employees is 390 (31 December 2023: 361 employees).

2 Basis of accounting

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”).

3 Functional and presentation currency

The national currency of the Republic of Kazakhstan is the Kazakhstan Tenge (KZT), which is the Company’s functional currency and the currency in which these financial statements are presented. All financial information presented in KZT has been rounded to the nearest thousand, except when otherwise indicated.

4 Use of estimates and judgments

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements, and information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

- Note 14 – property, plant and equipment;
- Note 15 – mine development assets;
- Note 21 – provision for elimination of the consequences of uranium exploration and production activities on the deposits.

Critical judgements also relate to the following:

(i) Useful lives of property, plant and equipment and mine development assets

The Company reviews the remaining useful lives of these assets at each reporting date, and, if the expected useful lives differ from prior periods estimates, the changes are accounted for as a change in the accounting estimate in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

Factors affecting the estimated useful life of uranium deposits include:

- changes in proved and probable ore reserves;
- option for renewal of the licence for adjoining land plots;
- variations in grade and quality of mineral reserves over time;
- changes in the actual commodity prices and estimated commodity prices used to assess the ore reserves;
- unforeseen operational issues at the oil and gas field; and
- changes in equity, production, processing and regeneration costs, and discount and foreign exchange rates may have a negative effect on the economic viability of ore reserves.

Any of these changes may have impact on the future amortisation and carrying amount of capitalised costs. Management regularly reviews the appropriateness of the useful lives of the assets. Reviews are based on the current state of the assets and the estimated period during which the assets will continue generating the economic benefits for the Company.

(ii) Ore reserves

Ore reserves represent a significant factor in the Company's operations. All reserves' estimates involve some degree of uncertainty, depending on the amount of reliable geological and engineering information available at the estimation date, and interpretations thereof. Estimates are reviewed and adjusted on the annual basis. Estimates may be reviewed following the changes in production capacity or in mine development strategy.

The Company uses proved reserves for the calculation of depletion and depreciation under the production method.

Measurement of fair value

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and for disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. Fair value of trade and other receivable with short maturity does not differ much from the carrying amount as the impact of the time value of money is insignificant.

(ii) Non-derivative financial liabilities

Fair value of non-derivative financial liabilities, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted using the market interest rate at the reporting date. Management believes that fair value of the financial asset and liabilities of the Company approximates their carrying amount.

5 Basis of measurement

The financial statements have been prepared on the historical cost basis.

6 Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Company at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period. Foreign currency differences arising in translation are generally recognised in profit or loss.

(b) Financial instruments

(i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets – Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management’s strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets.
- How the performance of the portfolio is evaluated and reported to the Company’s management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company’s continuing recognition of the assets.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest (SPPI criterion), the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

- contingent events that would change the amount and timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company’s claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets measured at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
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Financial liabilities – Classification, subsequent measurement in profit or loss

Financial liabilities are classified as measured at amortised cost. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(c) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment, except for land, are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised net within other income/other expenses in profit or loss.

(ii) Subsequent expenditure

The cost of replacing a significant component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, less its residual value.

Depreciation of property, plant and equipment used in uranium production and its primary processing is recognised in the statement of profit or loss and other comprehensive income using a unit-of-production method, based on the proved reserves commencing when uranium first starts to be extracted, in respect of property, plant and equipment items for which this method most closely reflects the expected estimated useful lives. Depreciation of all other items of property, plant and equipment is recognised in the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated.

The estimated useful lives of other property, plant and equipment depreciated using the straight-line method for the current and comparative periods are as follows:

- | | |
|-------------------------------|-----------------|
| • buildings and constructions | up to 20 years; |
| • machinery and equipment | up to 15 years; |
| • vehicles | up to 9 years; |
| • other assets | up to 13 years. |

Depreciation methods, useful lives and residual values on disposal are reviewed at each reporting date and adjusted if appropriate.

(e) Mine development assets

(i) Acquisition cost

Mine development assets are measured at cost less accumulated depreciation and impairment losses.

The Company incurs costs related to finding mineral resources on unexplored blocks of the Deposits. These costs are capitalised as exploration and evaluation assets until the exploration is completed and include costs related to exploratory drilling, topographical, geological and geophysical studies and a pilot plant operation to develop uranium processing technology and confirm the economic feasibility of the project. Once the technical feasibility and commercial viability of the project is demonstrable, costs associated with the exploration and evaluation activities are tested for impairment and reclassified to mine development assets.

Mine development assets include the extraction and injection wells drilling costs, the cost of plant for the extraction and preliminary processing of uranium, acidification, ion exchange resin cost, and overheads associated with such costs. Mine development costs comprise the cost of materials and third-party services.

(ii) Amortisation

Amortisation commences on the start of commercial extraction of uranium.

Intangible development costs are amortised using the unit-of-production method based on the extractable reserves.

Tangible development costs are amortised using the unit-of-production method based on the current extraction and proven (approved) reserves from the moment when production of uranium starts.

Ion exchange resin is depreciated using output rates over its useful life. Depreciation of ion exchange resin is recognised in profit or loss.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(g) Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Pension contribution obligations

In accordance with the requirements of the legislation of the Republic of Kazakhstan, the Company makes payments of 10% of the wages and salaries of the employees to the accumulation pension fund of the employees. Payments to pension funds are deducted from the wages and salaries of the employees and transferred to the pension funds.

(h) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where effect of time factor is significant, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Provision for elimination of consequences of uranium exploration and production on the deposits

Mining operations of the Company are subject to various environmental laws and regulations. The Company estimates a provision for the obligation to eliminate consequences of uranium exploration and production at the uranium mine site based on management's understanding of the current legal requirements and terms of the Contract. The provision is estimated based on net present value of the costs to be incurred for eliminating consequences of uranium exploration and production at the mine site when such obligation arises. The actual costs to be incurred in future may substantially differ from the provision amount. Future amendments to environmental laws and regulations, change in deposit appraisal terms and discount rates may also affect the carrying amount of the provision.

Site restoration costs are capitalised as a part of the mine development costs. Depreciation is charged to expenses.

Provision for future site restoration is assessed at each reporting date and adjusted if appropriate as a change in estimates. Any change in the present value of estimated costs is recognised as adjustment of provision and the asset, the excess of the asset amount is recognised in the statement of profit or loss and other comprehensive income.

(i) Revenue

(i) Sale of goods

A buyer obtains control of finished goods when the goods are delivered to and have been accepted at the destination point. The destination point under the contract is the buyer's warehouse, the seller's warehouse, the converter or the processing plant. Invoices are generated at this point of time. Invoices are usually payable within 30-60 days.

Revenue recognition

All contracts for the sale of finished goods have one performance obligation. Revenue is recognised when the goods have been delivered and accepted at the buyer's warehouse, the converter or the processing factory.

Revenue is measured based on the consideration specified in a contract with a customer. Under IFRS 15, revenue from these contracts is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Based on its assessment, the Company believes that the current contracts do not contain a significant financing component because there is no difference between the transaction price and the price at which uranium is sold, provided that it is immediately paid in cash, and duration of a period between the time when obligation is performed and payment is made has no significant effect.

(j) Finance income and finance costs

Finance income comprises interest income on funds invested and net foreign currency gains.

Finance costs comprise interest expenses on loans and borrowings, lease liabilities, unwinding of discount on provisions for eliminating consequences of uranium exploration and production at the uranium mine sites, as well as net foreign exchange loss.

Interest income and expense are recognised in the statement of profit or loss and other comprehensive income as they accrue and are calculated using the effective interest method.

(k) Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or tax loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(i) New standards and interpretations not yet adopted

A number of new standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted. However, the Company has not early adopted the new or amended standards in preparing these financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Company's financial statements.

- *Presentation and Disclosure in Financial Statements* (IFRS 18);
- *Classification and Measurement of Financial Instruments* (Amendments to IFRS 9 and IFRS 7);
- *Lack of Exchangeability* (Amendments to IAS 21).

7 Revenue

‘000 KZT	Note	2024	2023
Revenue from sale of uranium products	25	61,245,972	54,730,701
Revenue from sale of goods		72,180	56,218
Other revenue		19,954	9,311
Revenue from contracts with customers		61,338,106	54,796,230

During 2024, 50% (2023: 50%) of the Company's uranium was sold to Uranium One Group JSC (the Russian Federation) and 50% (2023: 50%) was sold to NAC Kazatomprom JSC (the Republic of Kazakhstan). The entire revenue was recognised at a point in time, when the products were delivered to the customers.

The Company enters into one-year contracts with customers specifying estimated quantity of planned deliveries. Uranium selling prices are determined at the time of the transfer of control of the goods for each delivery on the basis of the arithmetic mean value of spot prices adjusted for discount agreed by the parties. The Company has determined that each delivery is one performance obligation and revenue thereon is recognised when the goods are delivered to and have been accepted on the territory agreed on in the contracts.

The Company may also have an obligation to store and/or transport the goods to the specified destination after the sale of the goods; however, due to short-term nature of such obligations and insignificance of expenses related to such obligations, the Company considers that revenue from such services is insignificant and, therefore, does not identify a separate performance obligation under such contract.

8 Cost of sales

‘000 KZT	2024	2023
Raw materials and consumables	10,841,622	6,302,483
Depreciation of mine development assets	5,377,409	5,630,798
Taxes	4,112,272	3,598,203
Wages and salaries	2,925,933	2,576,385
Services for processing of natural uranium chemical concentrate	1,025,895	1,171,606
Depreciation of property, plant and equipment and amortisation of intangible assets	620,475	439,488
Depreciation of site restoration assets and historical costs	452,669	470,926
Social tax and contributions	413,140	336,212
Repair and maintenance	239,906	387,487
Meals	216,573	192,546
Accrual of provision for unused vacations and bonuses	166,399	86,861
Security	133,484	103,827
Transportation expenses	50,237	41,643
Insurance	26,148	24,512
Depreciation of ion exchange resin	25,160	24,565
Technical services for landfill maintenance	6,175	3,495
Lease expense	2,989	-
Other	880,566	423,017
	27,517,052	21,814,054

9 Distribution expenses

‘000 KZT	2024	2023
Loading, transportation and storage expenses	95,088	117,950
Wages and salaries	29,585	26,939
Lease expense	12,436	11,099
Radiation safety	4,264	6,088
Freight insurance	3,505	2,866
Social tax and contributions	3,213	2,785
Accrual of provision for unused vacations and bonuses	1,677	419
Other	9,882	9,189
	159,650	177,335

10 Administrative expenses

‘000 KZT	2024	2023
Wages and salaries	536,642	446,357
Consulting, audit and legal services	125,023	95,428
Social tax and contributions	60,226	45,028
Personnel training	60,739	42,682
Lease expense	33,600	-
Outstaffing	31,070	-
Membership fees	14,597	13,864
Depreciation of property, plant and equipment and amortisation of intangible assets	11,612	38,378
Communication services	10,882	9,701
Business travel expenses	10,742	8,221
Accrual of provision for unused vacations and bonuses	9,933	12,936
Fines, penalties and forfeits	9,230	17,002
Materials	6,151	7,375
Charity and sponsorship	4,540	9,834
Insurance	2,005	664
Taxes	1,104	12,455
Office supplies	1,713	1,610
Repair and maintenance	1,407	5,834
Bank charges	623	792
Representation expenses	405	167
Other	7,145	9,021
	939,389	777,349

The service fee for the audit of the Company’s financial statements prepared in accordance with IFRS Accounting Standards as at and for the year ended 31 December 2024 amounted to KZT 36,763 thousand, including VAT (2023: KZT 35,482 thousand). The service fee for translation of the financial statements into English, formatting and proofreading amounted to KZT 493 thousand, including VAT (2023: KZT 400 thousand).

11 Personnel costs

‘000 KZT	2024	2023
Wages and salaries	3,305,472	2,764,255
Contributions to pension fund	315,756	261,065
	3,621,228	3,025,320

Personnel costs were allocated as follows:

‘000 KZT	2024	2023
Cost of goods produced	2,925,933	2,552,024
Administrative expenses	536,642	446,357
Work in progress and finished products	129,068	-
Distribution expenses	29,585	26,939
	3,621,228	3,025,320

12 Net finance costs

‘000 KZT	Note	2024	2023
Recognised in profit or loss			
Interest income on bank deposits		765,905	226,747
Net gain on exchange differences on translation of foreign operations		4,511,998	-
Finance income		5,277,903	226,747
Unwinding of discount on provision for elimination of consequences of uranium exploration and production activities on the deposit	21	(699,675)	(458,881)
Net foreign exchange loss		-	(214,111)
Net losses on exchange differences on translation of foreign operations		-	(8,442)
Change in impairment allowance for financial assets		(16,350)	(7,835)
Unwinding of discount on lease liabilities		-	(1,399)
Finance costs		(716,025)	(690,668)
Net finance costs recognised in profit or loss for the year		4,561,878	(463,921)

13 Income tax expense

In 2024 and 2023, the Company’s applicable tax rate is the income tax rate of 20% for companies in the Republic of Kazakhstan.

Management applies certain judgements in respect of the determination of income from contractual and non-contractual activities under the subsoil use agreement for the purposes of taxation and transfer pricing.

‘000 KZT	2024	2023
Current income tax		
Current income tax	(7,575,106)	(6,141,259)
Adjustment for prior years	27,714	4,286
	(7,547,392)	(6,136,973)
Deferred income tax		
Origination and reversal of temporary differences	7,107	(284,555)
	7,107	(284,555)
Income tax expense	(7,540,285)	(6,421,528)

Reconciliation of effective tax rate:

	2024		2023	
	‘000 KZT	%	‘000 KZT	%
Profit before income tax	36,542,447	100	31,106,238	100
Income tax at applicable tax rate	(7,308,489)	(20)	(6,221,248)	(20)
Non-deductible expenses	(259,510)	(0.71)	(204,566)	(0.66)
Adjustment for prior years	27,714	-	4,286	0.01
	(7,540,285)	(20.71)	(6,421,528)	(20.65)

14 Property, plant and equipment

‘000 KZT								
Cost	Land	Buildings and constructions	Machinery and equipment	Vehicles	Site restoration	Other	Construction in progress	Total
At 1 January 2023	812	5,427,387	2,534,191	435,242	-	459,357	43,334	8,900,323
Additions	-	-	-	-	591,721	-	288,655	880,376
Disposals	-	(1,868)	(23,604)	-	-	(6,971)	-	(32,443)
Transfers or reclassifications	-	16,505	183,363	13,016	-	55,233	(268,117)	-
Transfer from mine development assets	-	-	-	-	349,381	-	-	349,381
At 31 December 2023	812	5,442,024	2,693,950	448,258	941,102	507,619	63,872	10,097,637
At 1 January 2024	812	5,442,024	2,693,950	448,258	941,102	507,619	63,872	10,097,637
Additions	-	-	-	-	2,331,427	-	818,727	3,150,154
Disposals	-	-	(22,136)	-	-	(20,758)	-	(42,894)
Transfers or reclassifications	-	-	291,438	-	-	121,431	(412,869)	-
Transfer from mine development assets	-	-	-	-	-	-	-	-
At 31 December 2024	812	5,442,024	2,963,252	448,258	3,272,529	608,292	469,730	13,204,897
Accumulated depreciation								
At 1 January 2023	-	(4,303,612)	(2,126,495)	(292,836)	-	(297,635)	-	(7,020,578)
Depreciation charge	-	(234,507)	(109,916)	(30,071)	-	(55,173)	-	(429,667)
Disposals	-	1,854	23,604	-	-	6,971	-	32,429
At 31 December 2023	-	(4,536,265)	(2,212,807)	(322,907)	-	(345,837)	-	(7,417,816)
At 1 January 2024	-	(4,536,265)	(2,212,807)	(322,907)	-	(345,837)	-	(7,417,816)
Depreciation charge	-	(214,002)	(149,368)	(30,321)	(219,671)	(59,333)	-	(672,695)
Disposals	-	-	22,136	-	-	20,758	-	42,894
At 31 December 2024	812	(4,750,267)	(2,340,039)	(353,228)	(219,671)	(384,412)	-	(8,047,617)
Carrying amount								
At 1 January 2023	812	1,123,775	407,696	142,406	-	161,722	43,334	1,879,745
At 31 December 2023	812	905,759	481,143	125,351	941,102	161,782	63,872	2,679,821
At 31 December 2024	812	691,757	623,213	95,030	3,052,858	223,880	469,730	5,157,280

As at 31 December 2024, the cost of fully amortised, but used in operations property, plant and equipment items amounted to KZT 947,279 thousand (31 December 2023: KZT 699,694 thousand).

Depreciation expense of KZT 663,111 thousand has been charged to cost of goods produced (2023: KZT 420,509 thousand) and KZT 9,584 thousand – to administrative expenses (2023: KZT 9,158 thousand).

15 Mine development assets

‘000 KZT	Drilling of extraction wells	Drilling of injection wells	Piping materials	Acidification	Development costs	Site restoration	Ion exchange resin	Total
<i>Cost</i>								
At 1 January 2023	11,022,053	21,623,578	6,524,083	8,222,611	7,820,857	3,143,223	1,351,290	59,707,695
Additions	1,209,256	1,970,020	1,148,811	1,930,174	234,963	287,533	52,886	6,833,643
Transfers to property, plant and equipment	-	-	-	-	-	(349,381)	-	(349,381)
At 31 December 2023	12,231,309	23,593,598	7,672,894	10,152,785	8,055,820	3,081,375	1,404,176	66,191,957
Additions	1,078,531	2,989,453	914,539	1,194,573	335,321	(241,237)	-	6,271,180
At 31 December 2024	13,309,840	26,583,051	8,587,433	11,347,358	8,391,141	2,840,138	1,404,176	72,463,137
<i>Accumulated depreciation</i>								
At 1 January 2023	(9,249,173)	(18,199,663)	(5,226,324)	(6,513,739)	(4,735,633)	(638,251)	(483,830)	(45,046,613)
Depreciation charge	(939,509)	(1,740,930)	(712,094)	(1,089,199)	(723,049)	(533,233)	(23,470)	(5,761,484)
At 31 December 2023	(10,188,682)	(19,940,593)	(5,938,418)	(7,602,938)	(5,458,682)	(1,171,484)	(507,300)	(50,808,097)
Depreciation charge	(993,492)	(2,034,208)	(843,847)	(1,289,165)	(711,099)	(445,808)	(25,615)	(6,343,234)
At 31 December 2024	(11,182,174)	(21,974,801)	(6,782,265)	(8,892,103)	(6,169,781)	(1,617,292)	(532,915)	(57,151,331)
<i>Carrying amount</i>								
At 1 January 2023	1,772,880	3,423,915	1,297,759	1,708,872	3,085,224	2,504,972	867,460	14,661,082
At 31 December 2023	2,042,627	3,653,005	1,734,476	2,549,847	2,597,138	1,909,891	896,876	15,383,860
At 31 December 2024	2,127,666	4,608,250	1,805,168	2,455,255	2,221,360	1,222,846	871,261	15,311,806

Depreciation expense of KZT 6,343,234 thousand has been charged to cost of goods produced (2023: KZT 5,761,484 thousand).

16 Deferred tax assets and liabilities

(a) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
‘000 KZT						
Property, plant and equipment	-	-	(504,832)	(106,340)	(504,832)	(106,340)
Intangible assets	-	1,040	(541)	-	(541)	1,040
Mine development assets	-	-	(279,333)	(45,350)	(279,333)	(45,350)
Asset for elimination of consequences of uranium exploration and production at the uranium mine site	-	-	-	(381,978)	-	(381,978)
Inventories	5,905	2,604	-	-	5,905	2,604
Vacation and bonus accruals	118,152	96,178	-	-	118,152	96,178
Taxes and other payments to budget	195,214	219,195	-	-	195,214	219,195
Provisions	302,253	46,674	-	-	302,253	46,674
Other	5,905	3,592	-	-	5,905	3,592
Tax assets/(liabilities)	627,429	369,283	(784,706)	(533,668)	(157,277)	(164,384)

(b) Movement in temporary differences during the year

	1 January 2024	Recognised in profit or loss	31 December 2024
‘000 KZT			
Property, plant and equipment	(106,340)	(398,492)	(504,832)
Intangible assets	1,040	(1,581)	(541)
Mine development assets	(45,350)	(233,983)	(279,333)
Asset for elimination of consequences of uranium exploration and production at the uranium mine site	(381,977)	381,977	-
Inventories	2,604	3,301	5,905
Vacation and bonus accruals	96,178	21,974	118,152
Taxes and other payments to budget	219,195	(23,981)	195,214
Provisions	46,674	255,579	302,253
Other	3,592	2,313	5,905
	(164,384)	7,107	(157,277)

	1 January 2023	Recognised in profit or loss	31 December 2023
‘000 KZT			
Property, plant and equipment	61,260	(167,600)	(106,340)
Right-of-use asset	(5,677)	5,677	-
Intangible assets	1,315	(275)	1,040
Mine development assets	(75,014)	29,664	(45,350)
Asset for elimination of consequences of uranium exploration and production at the uranium mine site	(501,594)	119,617	(381,977)
Inventories	1,548	1,056	2,604
Vacation and bonus accruals	81,883	14,295	96,178
Taxes and other payments to budget	211,202	7,993	219,195
Provisions	335,007	(288,333)	46,674
Other	10,241	(6,649)	3,592
	120,171	(284,555)	(164,384)

17 Inventories

‘000 KZT	31 December 2024	31 December 2023
Work-in-progress	4,493,384	2,422,469
Raw materials	821,535	394,141
Finished goods	789,170	748,888
Consumables	145,056	201,909
Fuel	129,390	48,921
Spare parts	72,320	91,289
Construction materials	8,183	10,770
	6,459,038	3,918,387

18 Trade and other receivables

‘000 KZT	Note	31 December 2024	31 December 2023
Trade receivables from third parties		13,095,456	-
Trade receivables from related parties	25	10,716,887	25,634,152
Deferred expenses		67,181	59,018
Loans to employees (current portion)		56,970	59,508
		23,936,494	25,752,678
Less: impairment allowance		(10,534)	(7,254)
		23,925,960	25,745,424

The Company’s exposure to credit and currency risks related to financial assets is disclosed in Note 23.

19 Cash and cash equivalents, restricted cash

(a) Cash and cash equivalents

‘000 KZT	31 December 2024	31 December 2023
Cash on bank accounts	12,139,633	4,913,193
Less: impairment allowance	(1,190)	(497)
	12,138,443	4,912,696

The Company’s exposure to credit and currency risks related to financial assets is disclosed in Note 23.

(b) Restricted cash

‘000 KZT	31 December 2024	31 December 2023
Liquidation fund	7,475,503	5,277,059
Interest receivable	-	43,281
Total liquidation fund	7,475,503	5,320,340
Less: impairment allowance	(25,755)	(13,379)
	7,449,748	5,306,961

As at 31 December 2024 and 2023, the Company had restricted cash in bank deposit accounts to secure funds for implementation of the programme on liquidation of consequences of operations on Zarechnoye deposit (Note 21). During 2024, based on the decision of the Company’s shareholders, the Company transferred additional funds to the mentioned deposit accounts.

20 Equity

(a) Share capital

	Ordinary shares	Ordinary shares
<i>Number of shares unless otherwise stated</i> ‘000 KZT	31 December 2024	31 December 2023
In issue at 1 January	2,507,978	2,507,978
In issue at 31 December, fully paid	2,507,978	2,507,978
Par value (KZT)	5,366	5,366

	31 December 2024		31 December 2023	
Shareholder	Ownership, %	‘000 KZT	Ownership, %	‘000 KZT
NAC Kazatomprom JSC	49.98	6,726,578	49.98	6,726,578
SNURDC Astana Mining Company Limited	49.98	6,726,578	-	-
Uranium One Group JSC	-	-	49.98	6,726,578
Karabaltinsky Mining Plant JSC	0.04	4,637	0.04	4,637
	100	13,457,793	100	13,457,793

All ordinary shares rank equally with regard to the Company’s residual assets in the event of the Company’s liquidation.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at shareholders meetings of the Company.

The ownership interest of Karabaltinsky Mining Plant JSC which has formally been declared bankrupt is 0.04% of total shares of the Company. As at the reporting date, no decision has been made with regard to the ownership interest of the participant declared bankrupt (Note 1).

(b) Dividends

In accordance with the legislation of the Republic of Kazakhstan the Company’s distributable reserves are limited to the balance of retained earnings as recorded in the Company’s statutory financial statements prepared in accordance with IFRS. As at 31 December 2024, the Company’s distributable reserves amounted to KZT 42,559,467 thousand (31 December 2023: KZT 33,639,676 thousand). During 2024 the Company declared dividends of KZT 19,747,768 thousand and paid dividends of KZT 19,746,547 thousand, net of withholding income tax of KZT 1,221 thousand (2023: the Company declared of KZT 15,151,366 thousand and paid dividends of KZT 14,014,545 thousand, net of withholding income tax of KZT 1,136,821 thousand).

21 Provisions

‘000 KZT	Note	
At 1 January 2023		3,972,995
Changes in estimate	15	879,254
Unwinding of discount	12	458,881
At 31 December 2023		5,311,130
Changes in estimate	14, 15	2,090,190
Unwinding of discount	12	699,675
At 31 December 2024		8,100,995

In accordance with the Contract, the Company is obliged to liquidate the consequences of uranium exploration and production activities carried out in the contract area. Such site restoration activities comprise field facilities decommissioning and abandonment (wells abandonment, decommissioning of the process pipelines, dismantlement of buildings and structures, decontamination and disposal of low radioactive waste, etc.); rehabilitation of the land areas used to carry out production activities; environmental monitoring in the course of site restoration activities; post-restoration monitoring and other activities.

During 2022 the Company engaged an independent expert - Institute of High Technologies LLP to update the programme for eliminating consequences of uranium exploration and production (the “programme”). The programme was estimated on the basis of more detailed methodology for assessment of scope and cost of future elimination works/elimination costs. It is assumed that a major part of expenses will be incurred at the end of the expected period of uranium production that is 2028. The current programme has been updated based on the changes in estimates at 31 December 2023. As at 31 December 2023, the total amount of undiscounted expenses under the programme was KZT 6,522,149 thousand (net of VAT).

The key assumptions and circumstances that had a significant impact on the change in estimates in 2023 are as follows:

- The total liquidation costs have increased as a result of updating prices based on the ABC software, which comprises a guide to estimated norms and unit prices for construction, repair and construction and dismantling and other works in Kazakhstan. In 2023 the cost of dismantling on one technological unit was KZT 6,541 thousand (2022: KZT 3,166 thousand), the cost of decommissioning of one injection well and one extraction well was KZT 327,043 thousand (2022: KZT 248 thousand).
- Estimated future cash flows were discounted to their net present value using a discount rate of 13.17% (2022: 11.55%), while a projected long-term inflation rate was 6.18% (2022: 5.99%).

During 2024, Institute of High Technologies LLP developed a project on eliminating consequences of uranium production. Elimination of consequences of uranium production is carried out as per the elimination project developed on the basis of the elimination plan. The elimination project constitutes a technical solution that comprises all stages, techniques and methods of dismantling of facilities as well as security, environmental protection, waste handling and site restoration measures. It is a detailed document which describes certain technologies and procedure of elimination taking into consideration all regulatory and project requirements. The Company is obliged to submit the project of elimination of consequences of subsoil use to the authorised bodies for expert examination and obtaining conclusions within six months before the expiry of the subsoil use contract or completion of operations. Notwithstanding the fact that the project has not undergone a state expert examination in accordance with the laws of the Republic of Kazakhstan, the Company used the project data to calculate a provision for elimination liability as the Company performed an internal review of the project and concluded that the provided data appropriately reflect the full cost of the forthcoming elimination works. As at 31 December 2024, the total amount of undiscounted expenses under the project was KZT 11,473,329 thousand (net of VAT).

The main factor for increased costs as compared to the prior period is increase in expenses on liquidation of buildings and constructions with nominal value of KZT 4,076,896 thousand as at 31 December 2024 (31 December 2023 under the elimination programme: KZT 838,152 thousand).

The key assumptions and circumstances that had a significant impact on the change in estimates in 2024 are as follows:

- The cost of the removal and disposal of low-level radioactive waste increased due to increase in number of wells where samples for laboratory examination were collected and solid radioactive waste were found. The nominal value of the removal and disposal of low radioactive waste under the current programme amounts to KZT 1,034,614 thousand (net of VAT).

- Even though the term of the Contract expires in 2028, the Company believes that the obligations for elimination of consequences of uranium production on that deposit will continue to be fulfilled upon completion of extraction of all proven reserves by 2032, as the Code on Subsoil and Subsoil Use of the RK prohibits removal of depleted soil where unextracted uranium reserves still remain.
- Estimated future cash flows were discounted to their net present value using a discount rate of 12.28% (2023: 13.17%), while a projected long-term inflation rate was 6.47% (2023: 6.18%).

In addition, changes in estimates take place due to remeasurement of the cost of abandonment of landfill facilities on an annual basis, taking into account the updated data as at the reporting date on the number of drilled wells, built sand ponds and other facilities subject to subsequent abandonment.

The Company is also required to invest cash in a long-term bank deposit to finance future activities on elimination of the consequences of uranium exploration and production activities on the deposit, starting from the production stage as required by the Contract (Note 19).

Given a long-term nature of the liability and the limited practices in the Republic of Kazakhstan to eliminate the consequences of uranium exploration and production operations on the deposits, there is uncertainty as to the actual amount of expenses to be incurred to perform the aforementioned works, what action plan is to be used, and what discount rate is to be applied to the present value of such future obligations.

22 Trade and other payables

(a) Trade and other payables

‘000 KZT	Note	31 December 2024	31 December 2023
Trade payables for goods and services to related parties	25	2,265,227	113,282
Payables for non-current assets		888,581	781,749
Trade payables for goods and services		801,357	1,174,364
Payables for non-current assets to related parties	25	450,927	83,887
Wages and salaries payable		152,019	119,167
Other payables		591,848	282,014
		5,149,959	2,554,463

(b) Taxes and other payables to budget

‘000 KZT	31 December 2024	31 December 2023
Mineral extraction tax	949,583	1,063,813
Value added tax	-	1,120,322
Social tax	25,166	21,570
Other taxes	157,826	145,217
	1,132,575	2,350,922

(c) Other accrued liabilities

‘000 KZT	31 December 2024	31 December 2023
Vacation provision	590,761	480,892
Provision for penalties other than tax penalties	6,571	229,201
	597,332	710,093

The Company’s exposure to liquidity risk related to trade and other payables is disclosed in Note 23.

23 Fair values and risk management

(a) Fair value

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's-length transaction, other than in forced or liquidation sale. As for most of the Company's financial instruments there are no readily available market mechanisms for determination of their fair value, therefore it is required to use assumptions based on the current economic conditions and specific risks inherent in the instrument.

Fair value hierarchy

The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company categorises the fair value of financial assets and liabilities in Level 2 of the fair value hierarchy.

Management believes that the fair value of its financial assets and liabilities approximates their carrying amounts.

(b) Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk;
- market risk.

(i) Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Financial instruments of the Company comprise receivables, payables and cash. The Company's accounting policy with regard to the financial instruments is disclosed in Note 6(b). The Company does not use financial instruments for speculative transactions and does not use the derivative financial instruments for hedging risks exposure.

The exposure to credit risk, liquidity risk and market risk arise in the normal course of business of the Company.

(ii) Credit risk

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

The carrying amount of financial assets represents the Company's maximum credit risk exposure.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

‘000 KZT	Note	31 December 2024	31 December 2023
Trade and other receivables	18	23,801,809	25,626,898
Cash and cash equivalents	19(a)	12,138,443	4,912,696
Restricted cash	19(b)	7,449,748	5,306,961
Loans to employees (current portion)	18	56,970	59,508
		43,446,970	35,906,063

Trade and other receivables

The Company’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. Total Company’s revenue is attributable to sales with two buyers. Details of concentration of revenue are included in Note 7.

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was as follows:

‘000 KZT	Carrying amount	
	31 December 2024	31 December 2023
Republic of Kazakhstan	10,716,887	13,315,684
Russian Federation	13,095,456	12,318,468
	23,812,343	25,634,152
Impairment allowance	(10,534)	(7,254)
	23,801,809	25,626,898

100% of the Company’s customers have been transacting with the Company for over ten years, and no account balances of these customers were written-off or credit-impaired at the reporting date.

A summary of the Company’s exposure to credit risk for trade and other receivables is as follows:

‘000 KZT	31 December 2024		31 December 2023	
	Gross carrying amount	Impairment allowance	Gross carrying amount	Impairment allowance
Current (not past due)	23,812,343	(10,534)	25,634,152	(7,254)

‘000 KZT	31 December 2024	31 December 2024	31 December 2023	31 December 2023
	Not credit-impaired	Credit-impaired	Not credit-impaired	Credit-impaired
External credit rating from Moody’s Baa2 or from Standard & Poor’s BBB	10,716,887	-	13,315,684	-
Not rated	13,095,456	-	12,318,468	-
Total gross carrying amount	23,812,343	-	25,634,152	-
Impairment loss allowance	(10,534)	-	(7,254)	-
	23,801,809	-	25,626,898	-

Expected credit loss assessment for corporate customers

The Company allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections and available press information about customers) and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default and are aligned to external credit rating definitions from agencies Moody’s and Standard & Poor’s.

The above table provides information about the exposure to credit risk and ECLs for trade receivables for corporate customers as at 31 December 2024.

Restricted cash

As at 31 December 2024 the Company held restricted cash for the total amount of KZT 7,475,503 thousand (31 December 2023: KZT 5,277,059 thousand), with the bank, which is rated BBB- (2023: BB+) based on rating agency Standard & Poor's ratings (Note 19 (b)).

Impairment on restricted cash has been measured on a 12-month credit loss basis and reflects the short maturities of the exposures. The Company considers that its restricted cash has low credit risk based on the external credit ratings of the counterparties.

Cash and cash equivalents

As at 31 December 2024 the Company held cash and cash equivalents of KZT 12,139,633 thousand (31 December 2023: KZT 4,913,193 thousand). The cash and cash equivalents are held with banks and financial institutions rated BB- to BB+ based on rating agency Standard and Poor's ratings (Note 19(a)).

Impairment on cash and cash equivalents has been measured on expected credit loss basis according to contractual maturity dates that reflect the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include estimated interest payments and exclude the impact of netting agreements. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

‘000 KZT	Carrying	Contractual			
31 December 2024	amount	cash flows	0-6-months	6-12-months	1-2 years
<i>Non-derivative financial liabilities</i>					
Trade payables	4,406,092	4,406,092	4,406,092	-	-
	4,406,092	4,406,092	4,406,092	-	-
‘000 KZT	Carrying	Contractual			
31 December 2023	amount	cash flows	0-6-months	6-12-months	1-2 years
<i>Non-derivative financial liabilities</i>					
Trade payables	2,153,282	2,153,282	2,153,282	-	-
	2,153,282	2,153,282	2,153,282	-	-

(iv) Market risk

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

Risk of changes in commodity prices

The risk of changes in commodity prices is the risk that current or future income of the Company will be affected by the changes in market prices of the Company's finished goods.

Despite the probability of risk that uranium prices drop down is high, the Company takes measures to manage this risk and reduce degree of its impact on the Company's operations. Specifically, the preventive measures taken are as follows:

1. Conducting analysis and monitoring of the world market pricing for uranium products (uranium market is reviewed on a weekly basis and its state being monitored through digests issued by the Company's partners).
2. The Company's budget is set subject to the expected market price for uranium products.

Currency risk

The Company is exposed to currency risk on sales that are denominated in a currency other than the functional currency of the Company. The currency in which these transactions are primarily denominated is USD.

Exposure to currency risk

The Company's exposure to foreign currency risk was as follows based on notional amounts:

	USD-denominated	USD-denominated
	31 December	31 December
‘000 KZT	2024	2023
Trade and other receivables	10,716,887	12,318,468
Cash and cash equivalents	2,903,651	1,681,820
Restricted cash	7,475,503	5,277,059
Net exposure	21,096,041	19,277,347

The following significant exchange rates have been applied during the year:

	Average exchange rate	Reporting date spot rate
	2024	2023
in KZT	2024	2023
	469.44	456.31
	525.11	454.56

Sensitivity analysis

A strengthening (weakening) of KZT, as indicated below, against USD at 31 December would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period.

The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2023.

	Profit or loss
	Strengthening of
‘000 KZT	KZT
31 December 2024	
USD (20% movement)	(3,375,367)
31 December 2023	
USD (20% movement)	(3,084,375)

Capital management

The Company has no formal policy for capital management but management seeks to maintain a sufficient capital base for meeting the Company's operational and strategic needs, and to maintain confidence of market participants. This is achieved with efficient cash management, constant monitoring of the Company's revenue and profit, and long-term investment plans mainly financed by the Company's operating cash flows. With these measures the Company aims for steady profits growth.

24 Contingencies

(a) Insurance

The insurance industry in the Republic of Kazakhstan is in a developing state and many forms of insurance protection common in other parts of the world are not yet generally available. The Company does not have full coverage for its premises and equipment, business interruption, or third-party liability in respect of property or environmental damage arising from accidents on Company property or relating to Company's operations.

Until the Company obtains adequate insurance coverage, there is a risk that the loss or destruction of certain assets could have a material adverse effect on the Company's operations and financial position.

In accordance with the subsoil use contracts, the Company is obligated to provide its staff with medical insurance and accident insurance during the production period and with insurance against professional diseases.

The Company believes that it runs the efficient social responsibility insurance policy as at 31 December 2023.

The Company provides the insurance cover for property at carrying amount, employees' accident insurance when discharging their employment (service) duties, and medical insurance with the best insurance companies in Kazakhstan.

(b) Tax risks

Taxation contingencies in Kazakhstan

The taxation system in Kazakhstan is relatively new and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are often unclear, contradictory and subject to varying interpretation by different tax authorities. Taxes are subject to review and investigation by various levels of authorities, which have the authority to impose severe fines and interest charges.

A tax year generally remains open for review by the tax authorities for five subsequent calendar years; however, under certain circumstances a tax year may remain open longer.

Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable tax legislation and official pronouncements. However, the interpretations of the relevant authorities could differ and the effect on these financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

(c) Commitments

According to the terms and conditions of the Subsoil Use Contracts the Company is obliged to comply with certain financial and non-financial commitments such as cash contributions for professional training of Kazakhstan specialists and development of the social sphere of the region; cash contributions to a special account to fulfil its site restoration obligation in future; observance of the annual production output, etc. If the Company fails to comply with these obligations, the Government of the Republic of Kazakhstan represented by the Ministry of Energy of the Republic of Kazakhstan (hereinafter, the “Competent Body”) requires to pay penalties and (or) remedy violations in specified time. In case of more than two violations, the Competent Body may withdraw the Subsoil Use Contract.

The Company has agreed and signed an Addendum to extend the Contract and the work programme till 2028 with reference to the approved reserves.

In accordance with the annual work programme approved by the Ministry of Industry and New Technologies, in 2024 the Company had to achieve the production output of 776 tons (2023: 776 tons). The actual production output of the Company in 2024 was 623 tons (2023: 722 tons). In accordance with the Law “On Subsoil and Subsoil Use” a variance of the production output within twenty percent in physical terms from the approved project figures is allowed. The Company's management believes that current level of production is not a failure to fulfil the work programme and therefore it will have no significant impact on the Company's operations.

During 2023 the Company failed to fulfil, to the full extent, the local content commitments in goods, works and services and annual expenditures on research and development. According to the subsoil use contracts, in case of improper fulfilment of its commitments, the Company bears responsibility in the form of payment of a penalty of 10% of the amount of outstanding commitments as at the reporting period and undertakes to fulfil, to the full extent, the current commitments in the forthcoming period. As at 31 December 2023, the Company has charged the provision for outstanding commitments and penalty for a total amount of KZT 229,201 thousand. During 2024, the Company paid outstanding expenditures of KZT 91,208 thousand incurred to finance research and development in 2023 and also paid a fine of KZT 137,993 thousand for failure to fulfil local content commitments in goods, works and services in 2023.

The Company believes that it complies with all other commitments under the Subsoil Use Contract as at the reporting date.

(d) Environment protection and ecological matters

The Company believes that currently it is in compliance with all existing Republic of Kazakhstan environmental laws and regulations. However, Kazakhstan environmental laws and regulations may change in the future. The Company is unable to predict the timing or extent to which these environmental laws and regulations may change. Such changes, if made, may require the Company to modernise technology to meet more stringent standards.

Company’s operations are subjects to various environmental laws and regulations of the Republic of Kazakhstan.

25 Related party transactions

(a) Control relationship

As at 31 December 2024, the shareholders of the Company were: NAC Kazatomprom JSC - 49.98%, SNURDC Astana Mining Company Limited - 49.98% and Karabaltinsky Mining Plant JSC - 0.04% (31 December 2023: NAC Kazatomprom JSC - 49.98%, Uranium One Group JSC - 49.98% and Karabaltinsky Mining Plant JSC - 0.04%).

The ultimate owner of NAC Kazatomprom JSC is the Government of the Republic of Kazakhstan.

SNURDC Astana Mining Company Limited is a subsidiary of SNURDC MIDDLE EAST MINING DMCC registered in the United Arab Emirates. The ultimate owner of SNURDC MIDDLE EAST MINING DMCC is the State Nuclear Uranium Resources Development Co., Ltd. (China).

During 2024, the Company paid dividends of KZT 9,869,813 thousand to NAC Kazatomprom JSC, KZT 9,869,813 thousand to SNURDC Astana Mining Company Limited and KZT 6,920 thousand to Karabaltinsky Mining Plant JSC.

(b) Transactions with management and close family members

Key management remuneration

Key management received the following remuneration during the year, which is included in personnel costs (see Note 11):

‘000 KZT	2024	2023
Salaries and bonuses	98,049	74,615
Social contributions	10,691	6,878
	108,740	81,493

(c) Transactions with other related parties

The Company's other related party transactions are disclosed below.

(i) Revenue

	Note	Transaction value	Transaction value	Outstanding balance	Outstanding balance
		2024	2023	31 December 2024	31 December 2023
‘000 KZT					
Sale of goods:					
Shareholder – NAC Kazatomprom JSC	18	30,043,997	27,808,984	10,716,887	13,315,684
Other		88,799	62,520	-	-
		30,132,796	54,793,221	10,716,887	13,315,684

Uranium One Group JSC was one of the Company's shareholders until 17 December 2024 (Note 1(b)). During 2024, revenue from sales of uranium products of Uranium One Group JSC was KZT 31,201,975 thousand (2023: Uranium One Group JSC - KZT 26,921,717 thousand).

All outstanding balances with related parties are to be settled in cash within 3-6 months of the reporting date. None of the balances are secured.

(ii) Acquisitions

	Note	Transaction value	Transaction value	Outstanding balance	Outstanding balance
		2024	2023	31 December 2024	31 December 2022
‘000 KZT					
Services received:					
Subsidiaries and associates of the Company's shareholders	22	13,538,748	2,719,239	2,716,154	197,169
		13,538,748	2,719,239	2,716,154	197,169

All outstanding balances with related parties are to be settled in cash within 1-2 months of the reporting date. None of the balances are secured.

In 2024 the Company declared and paid dividends to the shareholders of KZT 19,747,768 thousand (2023: KZT 15,151,366 thousand).

(d) Transactions with government and government-related companies

In the ordinary course of business, the Company conducts transactions with government bodies and companies under control of the Republic of Kazakhstan and Russian Federation. These transactions were conducted on the terms, which are comparable with those of other counteragents.

For the years ended 31 December 2024 and 31 December 2023, details of transactions of the Company with government-related entities which are significant individually and significant collectively but not individually are disclosed in Note 25(c).