

**AltynGold plc**

("AltynGold" or the "Company")

Publication of Annual Report and Financial Results for the year ended 31 December 2022; update on temporary share suspension

AltynGold is pleased to announce that the Company's Annual Report and audited financial results for the year ended 31 December 2022 have been published on the Company's website at [www.altyngold.uk](http://www.altyngold.uk) and uploaded to the Financial Conduct Authority's ("FCA") National Storage Mechanism at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

Further to its announcement on 28 April 2023, the Company has applied to the FCA for the restoration of its ordinary shares to the standard listing segment of the Official List of the FCA and to trading on the Main Market of the London Stock Exchange. A further announcement in this respect will be made in due course.

**Highlights**

**Financial highlights**

Turnover increased in the year to US\$62m (2021: US\$50m) an increase of 23.4%.

34,499oz of gold sold (2021: 27,747oz), an increase of 24.3%.

Average gold price achieved (including silver), US\$1,762oz, (2021: US\$1,803oz).

The Company made a profit before tax of US\$13.4m (2021: US\$18.3m).

Adjusted EBITDA (Earnings before interest, tax, depreciation and amortisation) of US\$21.9m (2021: US\$26.4m).

The Group repaid borrowings of US\$15m (2021: US\$7.9m).

The Group obtained a further advance of US\$40m from Bank Center Credit for capital development.

**Operational highlights**

Ore processed 527,000t (2021: 571,000t).

Gold poured 34,023oz, (2021: 28,450oz) a 19.6 % increase year-on-year.

Mined gold grade 2.17g/t, (2021: 1.97g/t).

Operating cash cost US\$805oz, (2021: US\$649oz).

Gold recovery rate 83.43% (2021: 83.05%).

**Underground development & exploration**

Transport declines were developed and are both now at 50masl from 117masl decline 1 and 134masl decline 2.

Development of the shaft and tunnelling amounted to 6,699 linear metres (2021: 6,209 linear metres).

Exploration drilling at Sekisovskoye amounted to 129,928 linear metres (2021: 119,438 linear metres).

An extension to the mining licence for two years at Teren-Sai has been applied for and is expected to be finalised in the second half of 2023.

The Annual General Meeting of the Company will be held at Langham Court Hotel, 31-35 Langham Street, London W1W 6BU, United Kingdom on Thursday 22 June 2023 at 11.00am.

**Further Information:**

For further information please contact:

**AltynGold Plc**

Rajinder Basra

+44 (0) 203 432 3198

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market

Abuse Regulations (EU) No. 596/2014, as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

## **Information on the Company**

AltynGold Plc (LSE:ALTN) is an exploration and development company, which is listed on the main market segment of the London Stock Exchange.

To read more about AltynGold Plc please visit our website [www.altyngold.uk](http://www.altyngold.uk).

## **CHAIRMAN S STATEMENT**

The Company had another successful year increasing its sales output to 34,499oz, generating a turnover of US\$62m and a profit before tax of US\$13.4m.

The Company is advancing on its development plan having successfully secured US\$ 40m funding at attractive terms. The ensuing objective is to increase ore production to 760ktpa in 2023 as a springboard to achieving 1mtpa thereafter in line with the processing plant expansion planned for 2023-2024.

In conjunction with its development strategy, the Company is closely monitoring and controlling its carbon emissions. AltynGold currently ranks among the lowest emitters according to Kazakhstan s environmental legislation. The Board is continuing to develop plans and reviewing technologies that will reduce future carbon emissions.

The development of Teren-Sai has been progressing slower than anticipated but the management is committed to continuing the exploration program and accelerating ore extraction; initially open pit and then underground. The mining license for an additional two year term is in process and expected to be granted in the second half of 2023. The application for renewal is with the appropriate government department for consideration, and the delay has been due to checks to be performed by the relevant government body on the land to be returned that is not required for commercial development. The checks have been delayed until weather conditions improve on site, but the Company sees no issues in progressing the application once this has been done.

Looking forward, the Company is anticipating solid growth. While higher interest rates and the strong dollar may hinder the demand and price of gold, the latter should be supported by geopolitical turmoil. Indeed, professional consensus forecasts see the gold price trading in US\$1,800oz - US\$1,900oz range. Although Kazakhstan is not immune to the global inflationary dynamic, this pressure should be mitigated by the stronger dollar in which our revenues are denominated.

With continuing positive operational developments, it is hoped that the share price will be more reflective of the Company progress and its future prospects.

Finally I would like to conclude by thanking our Board members and employees for their unwavering support and I look forward to another successful year.

**Kanat Assaubayev**

Chairman

## **CHIEF EXECUTIVE OFFICER S REVIEW**

### **Overview**

The Company s gold production increased 19.6% with gold poured reaching 34,023oz the highest level since operations at Sekisovskoye mine commenced. This was achieved despite the setback of extreme weather which resulted in abnormally low production of 527,000tpa of processed ore which was mitigated by higher grades of 2.17g/t and drawing on stock pile with 585,000tpa ore milled.

The budgets have been set to reach an output of 760-800,000tpa for 2023 assuming the additional capex equipment comes on stream as planned.

Following extensive drilling works at Teren-Sai, the exploration area has been remapped versus the original license with areas that are no longer of commercial interest returned to the government. This process has slowed the license renewal which is now expected to be finalised in the second half of 2023. In the interim, the Company has put plans in place for further drilling and site preparation pending the agreement on the new the license details.

The Company entered into credit arrangements with Bank Center Credit to finance the processing plant expansion and the acquisition of new mining equipment. While this financing was completed in November, the funds will be fully drawn in in 2023. Concurrently, the processing plant expansion work has already commenced and substantial equipment purchases were placed post year end, which should result in higher level of ore production.

### **Mine development**

The Company has continued its development at Sekisovskoye in line with its mining plan. The pace of development should further accelerate in 2023 as the US\$40m funding is deployed for the acquisition of new equipment and infrastructure development. The majority of the new equipment is expected to be in place during the first half of 2023

The principal development milestones achieved during the period were:

Tunnelling and shaft sinking of 6,699 linear metres, (2021: 6,209). This included 1,040 linear metres at 150masl to open up further reserves for exploitation in 2023.

Blast hole drilling of 129,928 linear metres (2021: 119,438).

Exploration drilling was carried out and amounted to 13,928 linear metres (2021: 18,943). The exploration drilling was carried out at horizons 174masl and 150masl along ore bodies 11 and 5.

Backfilling of voids was carried out as the declines are moving down and the blocks are mined.

The principal mining operations in the period were at ore bodies 6-8, ore body 5 and 11 at horizons 117masl, 134masl, and 150masl.

Both transport declines have been developed to 50masl with expected continuation of this development in 2023 as shown on the underground map of the mine.

In order to continue safe mining operations and enable efficient engagement with the local environment, the following capital and maintenance works were carried out at the mine site and surrounding areas:

Connections were made to the local water supply and maintenance carried on the water pumps.

The local stream was cleared and the bridge giving access to the mine and the local village repaired. The main roads were also repaired and cleared during the winter season.

The Company undertook the repair of the local stadium and park zones of the local village from where the majority of the work force are hired.

The key production figures are shown below:

<b>Mining results ore extraction</b>			
		<b>2022</b>	2021
Ore mined	T	<b>527,231</b>	571,035
Gold grade	g/t	<b>2.17</b>	1.94
Silver grade	g/t	<b>1.78</b>	1.81
Contained gold	oz	<b>36,835</b>	35,580
Contained silver	oz	<b>30,233</b>	33,296
<b>Mining results processing</b>			
		<b>2022</b>	2021
Crushing	T	<b>574,614</b>	534,426
Milling	T	<b>585,480</b>	541,576
Gold grade	g/t	<b>2.17</b>	1.97
Silver grade	g/t	<b>1.64</b>	1.63
Gold recovery	%	<b>83.43</b>	83.05
Silver recovery	%	<b>72.87</b>	73.54
Contained gold	oz	<b>40,782</b>	34,258
Contained silver	oz	<b>30,927</b>	28,408
Gold Poured	oz	<b>34,023</b>	28,450
Silver poured	oz	<b>22,538</b>	20,891

### **Exploration Teren-Sai**

As mentioned above the Company is awaiting the extension of the license for a three-year period therefore only a limited exploration activity was carried out. In the period, 2,000 linear metres of exploration drilling were carried out.

The areas of interest are No. 2,4 and 5 with area 2 being the first target of development. A competent persons report was conducted on this area in 2019. As noted previously, the results from the test production obtained from open pit workings for Area No. 2 indicated an average grade of 1.8g/t.

The exploration work carried out in the period under the original 2016 license is as follows:

- exploratory pneumatic percussion drilling of 1,352 wells, with a total volume of 67,581 running meters ;
- core drilling - 74 wells, with a total volume of 18,360 running meters ;
- sludge sampling - 33,791 samples;

- core sampling - 18,350 samples.

Based on the results of prospecting work conducted during the reporting period, three prospective areas for the discovery of gold mineralisation were identified in the ore field areas Nos. 2, 4 and 5.

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

The main tasks relating to the updated license consists of the following geological and geophysical works:

- topographic and geodetic works;
- drilling of core wells;
- logging works;
- testing;
- laboratory and analytical work;
- Topographic tie-in of the 133 wells to be drilled;
- Geophysical research in 1,995 linear meters wells;
- Drilling operations (core inclined drilling) with a volume of 39,900 linear meters;
- Laboratory work on 50,474 samples;
- Other geological operations (development of design documents, work, etc.)

The exploration activities are aimed at obtaining sufficient geological data to make a preliminary estimate of mineral resources, which will be followed by production.

### Capital requirements

The Company raised a US\$40m facility in order to fund its capital requirements for 2023 as detailed in the table below:

-The principal focus will be on capacity expansion which entails upgrading the processing plant and infrastructure. An extra grinding mill and new underground mining equipment will also be added. The mill is expected to be installed with minimal disruption to existing operations in 2023 with the capex program extending into 2024.

Regarding Teren-Sai, the current capex budget foresees continuation of exploration at the site pending the approval of the updated development plan. Further advancement of the project will subsequently depend on raising additional funding.

Projected capital expenditure	Total	2023	2024
	US\$m	US\$m	US\$m
Prospect drilling	4	2	2
Underground development	19	8	11
Infrastructure	2	2	-
Ore handling facilities	17	11	6
Process plant incremental expansion	2	1	1
<b>Total</b>	<b>44</b>	<b>24</b>	<b>20</b>

### Longer term plan

The Company has had a successful year, with the capex investment increasing ore extraction from the Sekisovskoye site which increased to 570ktpa. The aim remains to move this up to 1mtpa, and budgets have been drawn up and funds allocated to expand the existing capacity of the processing plant to 1mtpa within two years. The longer term aim is to increase the ore extraction towards the 2mtpa within a time frame of 6 years.

The capex required as outlined above amounts to US\$38m, and will be largely met from funds raised from operations. In addition to this an amount of US\$75m will be required to bring the Teren-Sai project on stream, as it will require new processing facilities and infrastructure to be developed at the Teren-Sai site. In the initial period the site will be stripped and made ready for open pit production in order to move to production efficiently once the necessary funding is in place. The brokers who are providing sponsored research and opening up opportunities for investor funding will play a key role in moving the projects forward.

The Board are constantly looking to diversify and invest in new and complementary operations in Kazakhstan and internationally, however the primary driver at present is to bring the Kazakhstan gold sites, as outlined above, to their full potential.

### FINANCIAL PERFORMANCE

<b>Key performance indicators</b>		<b>2022</b>	<b>2021</b>	<b>2020</b>
Annual gold sales	Oz	34,499	27,747	16,535
Annual gold poured	Oz	34,023	28,450	17,028
Revenue	US\$m	62	50.0	30.0
Operating cash cost of production	US\$oz	805	649	800
EBITDA	US\$m	21.9	26.4	13.5
Net Assets	US\$m	62.2	55.2	35.3

The production results at Sekisovskoye are encouraging with the investment in the capital and more efficient working practices increasing the key figures of mineral processing towards target levels. Further investment is planned, with the funds received from Bank Center Credit to increase the capacity of the process plant. As this will be an add on to the existing structures there is no disruption anticipated while the works are being carried out to implement the upgrades.

Ore mined totalled 527,000t which was lower than the previous year due to extreme weather. Part of the shortfall was covered by stockpiles from prior years.

Gold poured increased 19.6 % to 34,023oz (2021: 28,450oz). Recovery rate also improved to 83.43% (2021:83.05%).

During 2022, the Company sold 34,499oz of gold (2021: 27,747oz) at an average price US\$1,762per oz (2021:US\$1,803). As such revenue expansion was solely driven by volume increase in production. The Company budgets a medium term price range of US\$1,700 - US\$1,800. Total Company output was taken by the Kazakh national refinery in line with the long standing off-take agreement. As in previous years, sales were translated using the spot US\$ exchange rate at the point of sales.

The total cash cost of production which includes administrative costs but excludes depreciation and provisions amounted to US\$1,160oz, (2021: US\$834oz). The operating cash cost excluding administrative costs amounted to US\$805oz (2021: US\$649oz).

>The administrative costs have increased by US\$6.6m mainly as a result of one off items. The Company sponsored projects worth US\$3.6m for the benefit of the community in line with central government recommendations. A further US\$3m was spent on mine upgrade, ecological research, carbon offset programs and climate change reporting. The expenditure on these projects is expected to decline in the forthcoming 2023 period.

The Company realised a gross profit of US\$29.3m (2021: US\$27.8m) and net profit before tax of US\$13.4m (2021: US\$18.3m).

Adjusted EBITDA decreased to US\$21.9m (2021: US\$26.4m) as a result of the non-recurring increase in administrative costs identified above. Details of the calculation are shown in note 13 of the financial statements.

Cash at year end was US\$116,000 (2021: US\$3.6m). Funds utilization included US\$9.7m change in working capital following significant prepayments for equipment, US\$6.4m bond and other loans and interest repayment net of new loans and US\$9.2m capital additions. The Company raised funds post year end from the issue of a bond on the Astana International Exchange (AIX), raising US\$9.4m.

## CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2022

	Note	2022 \$000	2021 \$000
<b>Revenue</b>	3	<b>62,037</b>	50,290
Cost of sales		(32,697)	(22,496)
<b>Gross profit</b>		<b>29,340</b>	27,794
Administrative expenses		(8,590)	(4,648)
Administrative expenses sponsorship programs		(3,654)	(490)
Impairments		(82)	(734)
<b>Operating profit</b>		<b>17,014</b>	21,922
Foreign exchange		(504)	(366)
Finance expense		(3,096)	(3,289)
<b>Total finance cost</b>		<b>(3,600)</b>	(3,655)
Profit before tax		<b>13,414</b>	18,267
Taxation receipt/(expense)		(181)	56
Profit for the year attributable to the equity holders of the parent		<b>13,233</b>	18,323
Profit per ordinary share			
Basic		<b>48.42c</b>	11.27c
Diluted		<b>48.42c</b>	10.97c

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2022

	Note	\$000	\$000
<b>Profit for the year</b>		<b>13,233</b>	18,323
<b>Items that may be reclassified subsequently to the income statement</b>			
Currency translation differences arising on translations of foreign operations		(4,822)	(1,491)
Currency translation differences on translation of foreign operations relating to tax		(1,408)	3,038
		<b>(6,230)</b>	1,547
Total comprehensive profit for the year		<b>7,003</b>	19,870
<b>Total comprehensive profit attributable to:</b>			
Equity holders of the parent		<b>7,003</b>	19,870

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
as at 31 December 2022

		2022	2021
(Registration number: 05048549)	Note	\$000	\$000
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	5	12,698	13,346
Property, plant and equipment	6	36,975	35,350
Deferred tax assets		6,052	8,189
Trade and other receivables		14,600	3,925
Restricted cash		50	70
		<b>70,375</b>	60,880
<b>Current assets</b>			
Inventories		11,260	9,121
Trade and other receivables		16,622	21,530
Cash and cash equivalents		116	3,593
		<b>27,998</b>	34,244
<b>Total assets</b>		<b>98,373</b>	95,124
<b>Equity and liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		(6,253)	(5,684)
Provisions		(263)	(232)
Loans and borrowings		(13,611)	(15,087)
		<b>(20,127)</b>	(21,003)
<b>Non-current liabilities</b>			
Vat payable		(332)	(242)
Other payables		(688)	(1000)
Provisions		(5,517)	(5,453)
Loans and borrowings		(9,501)	(12,221)
		<b>(16,038)</b>	(18,916)
<b>Total liabilities</b>		<b>(36,165)</b>	(39,919)
<b>Equity</b>			
Share capital		(4,267)	(4,267)
Share premium		(152,839)	(152,839)
Merger reserve		282	282
Other reserves		-	-
Foreign currency translation reserve		57,642	51,412
Accumulated losses		36,974	50,207
Equity attributable to owners of the company		<b>(62,208)</b>	(55,205)
<b>Total equity and liabilities</b>		<b>(98,373)</b>	(95,124)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
for the year ended 31 December 2022

	Share capital	Share premium	Merger reserve	Currency translation reserve	Other reserves	Accumulated losses	Total equity
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>At 1 January 2021</b>	4,267	152,839	(282)	(52,959)	333	(68,863)	35,335

Profit for the year					18,323	18,323
Other comprehensive loss				1,547		1,547
<b>Total comprehensive loss</b>				1,547	18,323	19,870
Share options exercised				(333)	333	
<b>At 31 December 2021</b>	4,267	152,839	(282)	(51,412)	(50,207)	55,205
<b>At 1 January 2022</b>	4,267	152,839	(282)	(51,412)	(50,207)	55,205
Profit for the year					13,233	13,233
Other comprehensive income				(6,230)		(6,229)
<b>Total comprehensive income</b>				(6,230)	13,233	7,004
<b>Transfer to reserves</b>						
<b>At 31 December 2022</b>	<b>4,267</b>	<b>152,839</b>	<b>(282)</b>	<b>(57,642)</b>	<b>(36,974)</b>	<b>62,208</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2022

	2022	2021
	\$000	\$000
<b>Cash flows from operating activities</b>		
Net cash flow from operating activities	12,234	6,797
Cash flows from investing activities		
Acquisitions of property plant and equipment	(8,948)	(5,495)
Acquisition of intangible assets	(240)	(837)
Net cash flows from investing activities	(9,188)	(6,332)
<b>Cash flows from financing activities</b>		
Interest paid	(2,388)	(2,411)
Loans received	11,025	6,356
Loans repaid	(15,028)	(7,985)
<b>Net cash flows from financing activities</b>	<b>(6,391)</b>	<b>(4,040)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(3,345)</b>	<b>(3,575)</b>
<b>Cash and cash equivalents at 1 January</b>	<b>3,593</b>	<b>7,154</b>
Effect of exchange rate fluctuations on cash held	(132)	14
<b>Cash and cash equivalents at 31 December</b>	<b>116</b>	<b>3,593</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

### 1 General information

AltynGold Plc (the "Company") is a Company incorporated in England and Wales under the Companies Act 2006. The financial information set out above for the years ended 31 December 2022 and 31 December 2021 does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006, but is derived from those accounts. Whilst the financial information included in this announcement has been compiled in accordance with international financial reporting standards adopted pursuant to Regulation (EC) in conformity with the requirements of the Companies Act 2006, this announcement itself does not contain sufficient financial information to comply with IFRS. A copy of the statutory accounts for 2021 has been delivered to the Registrar of Companies and those for 2022 will be laid before the shareholders at the Annual General Meeting. The full audited financial statements for the years end 31 December 2022 and 31 December 2021 do comply with IFRS.

### 2 Going concern

The Group increased turnover in the year to US\$62m, generating an EBITDA of US\$21.9m (2021 US\$26.4m). The EBITDA was lower than the prior year due to additional costs incurred in the period. Additional amounts were paid in relation to government initiated sponsorship of community projects, these amounted to US\$3.6m, together with fees paid in relation to project appraisals and consultancy amounting to US\$3m. These fees are not expected to be at the same level in future years.

In summary the EBITDA was utilised in repayment of debt, falling from US\$27.4m to US\$23.1m, the investment in capital equipment of US\$9m, and advances to suppliers to commence works at Sekisovskoye resulted in an increase of working capital of US\$8m. As the US\$10m Bond was repaid in December 2022, this resulted in a low cash balance at the year end of US\$116,000 (2021: US\$3.6m).

The Board have reviewed the Group's forecast cash flows for the period to June 2024, which include the capital and interest repayments to be made in relation to the Group's borrowings. The bank loans to fund the increase in production have been agreed with capital repayment holidays to allow production to increase before principal loan repayments are required. In addition the Company has raised further funds amounting to US\$10m by placing a bond on AIX in April 2023 to provide additional working capital to fund operations in its growth stage.

Capital and operating costs are based on approved budgets and latest forecasts and development plans. Based on the Group's cash flow

forecasts, the Directors believe that the, net cash flows from operations, and increased production based on projections of future growth, are sufficient for the Company to achieve its current plans and cash requirements including the repayment of loans which are due for repayment in the period.

The Board have considered possible stress case scenarios that they consider may be likely to impact on the Group's operations, financial position and forecasts. Factors considered are factors that may lower the production at the mine and possible impact on the price of gold if this was to fall. From the analysis undertaken the Board have concluded that Group will be able to continue to trade by the careful management of its existing resources. The stress tests included the following scenarios amongst others, a fall in the gold price by 10% from current levels, a drop in budgeted production by 10% or a combination of both factors together. In each case the Group would not experience a cash shortfall in either scenario. If required the Group would manage its resources, reducing investment and managing its payables in order to maintain liquidity.

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

### 3 Revenue

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

	2022	2021
	\$000	\$000
Sale of gold and silver	61,053	50,031
Other sales	984	259
	<b>62,037</b>	<b>50,290</b>

Included in revenues from sale of gold and silver are revenues of US\$61,053,000 (2021: US\$50,031,000) which arose from sales of precious metals to one customer based Kazakhstan. Other sales amounted to US\$984,000 (2021: US\$259,000) and related to lease and rental income.

### 4 Profit per ordinary share

The calculation of basic and diluted earnings per share from continuing operations is based upon the retained profit from continuing operations for the financial year of US\$13.2m (2021: US\$18.3m).

The weighted average number of ordinary shares for calculating the basic earnings per share in 2022 and 2021 is shown below.

	2022	2021
	No.	No.
Basic	27,332,933	27,332,933
Diluted	27,332,933	27,332,933

### 5 Intangible assets

Group	Teren-Sai Exploration and geological data evaluation costs		Total
	US\$000	US\$000	US\$000
<b>Cost or valuation</b>			
At 1 January 2021	9,026	8,650	17,676
Additions		830	830
Amortisation capitalised		585	585
Currency translation	(225)	(240)	(465)
At 31 December 2021	8,801	9,825	18,626
At 1 January 2022	8,801	9,825	18,626
Additions		240	240
Amortisation capitalised		541	541
Currency translation	(589)	(654)	(1,243)
<b>At 31 December 2022</b>	<b>8,212</b>	<b>9,952</b>	<b>18,164</b>
<b>Amortisation</b>			
At 1 January 2021	4,662	165	4,827
Amortisation charge	585		585
Currency translation	(125)	(7)	(132)
<b>At 31 December 2021</b>	<b>5,122</b>	<b>158</b>	<b>5,280</b>
At 1 January 2022	5,122	158	5,280
Amortisation charge	541		541
Currency translation	(343)	(12)	(355)
<b>At 31 December 2022</b>	<b>5,320</b>	<b>146</b>	<b>5,466</b>
<b>Carrying amount</b>			



<b>At 31 December 2022</b>	<b>2,892</b>	<b>9,806</b>	<b>12,698</b>
<b>At 31 December 2021</b>	<b>3,679</b>	<b>9,667</b>	<b>13,346</b>
<b>At 1 January 2021</b>	<b>4,364</b>	<b>8,485</b>	<b>12,849</b>

The value of the geological data purchased is in the opinion of the Directors the value that would have been incurred if the drilling had been undertaken by a third party (or internally). The Company has continued to develop the site with a CPR completed in 2019 on one of the fifteen target zones area 2, which includes 3 potential targets, and further exploration works in the other areas. Full details are given in the mineral resources statement included as part of the Annual Report. A two years extension to continue to explore the area has been applied for, the approval is expected to be received in H2 2023.

The directors consider that no impairment is required taking into account the CPR results, exploration and planned production in the future. The write off of the geological data over the period of the licence to the end of the extended licence period is appropriate. After that period the costs amortised are capitalised in line with the Company's accounting policy within the subsidiary TOO GMK Altyn MM LLP, there are no impairment indicators.

The bank loan from Bank Center Credit is secured in the assets of the Group.

## 6 Property, plant and equipment

Group	Mining properties US\$000	Freehold Land and buildings US\$000	Equipment, fixtures and fittings US\$000	Plant, machinery and buildings US\$000	Assets under construction US\$000	Total US\$000
<b>Cost or valuation</b>						
At 1 January 2021	13,264	24,050	11,780	9,322	1,973	60,389
Additions	3,356	197	2,147	653	2,187	8,540
Disposals			(655)	(4)		(659)
Transfers		1,441			(1,441)	
Transfer from inventories					170	170
Currency translation	(611)	(654)	(203)	(261)	(67)	(1,796)
At 31 December 2021	16,009	25,034	13,069	9,710	2,822	66,644
At 1 January 2022	16,009	25,034	13,069	9,710	2,822	66,644
Additions	3,936	42	837	6	4,295	9,116
Disposals			(476)	(33)		(509)
Transfers		4,387	187	65	(4,639)	
Transfer from inventories					(16)	(16)
Currency translation	(1,584)	(1,673)	(929)	(674)	(183)	(5,043)
<b>At 31 December 2022</b>	<b>18,361</b>	<b>27,790</b>	<b>12,688</b>	<b>9,074</b>	<b>2,279</b>	<b>70,192</b>
<b>Depreciation</b>						
At 1 January 2021	2,869	11,371	9,182	4,875		28,297
Charge for year	699	2,188	817	782		4,486
Eliminated on disposal		(2)	(655)	(4)		(661)
Currency translation	(218)	(238)	(239)	(133)		(828)
At 31 December 2021	3,350	13,319	9,105	5,520		31,294
At 1 January 2022	3,350	13,319	9,105	5,520		31,294
Charge for the year	800	2,128	893	770		4,591
Eliminated on disposal			(464)	(33)		(497)
Currency translation	(227)	(986)	(590)	(368)		(2,171)
<b>At 31 December 2022</b>	<b>3,923</b>	<b>14,461</b>	<b>8,944</b>	<b>5,889</b>		<b>33,217</b>
<b>Carrying amount</b>						
<b>At 31 December 2022</b>	<b>14,438</b>	<b>13,329</b>	<b>3,744</b>	<b>3,185</b>	<b>2,279</b>	<b>36,975</b>
<b>At 31 December 2021</b>	<b>12,659</b>	<b>11,715</b>	<b>3,964</b>	<b>4,190</b>	<b>2,822</b>	<b>35,350</b>
<b>At 1 January 2021</b>	<b>10,395</b>	<b>12,679</b>	<b>2,598</b>	<b>4,447</b>	<b>1,973</b>	<b>32,092</b>

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

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

The Directors are required to consider whether the non-current assets comprising mineral properties, plant and equipment have suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the choice of a discount rate in order to calculate the present value of the cash flows. The directors considered entity specific factors such as available finance, cost of production, grades achievable, and sales price. The directors have concluded that no adjustment is required for impairment.

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

View source version on businesswire.com: <https://www.businesswire.com/news/home/20230505005209/en/>

AltynGold Plc

Source: AltynGold Plc