



National Mining Company Tau-Ken Samruk JSC

Interim condensed consolidated financial statements (unaudited)

With an opinion on the results of the review of the interim condensed consolidated financial statements as at June 30, 2024 and for the six months ended on that date

NATIONAL MINING COMPANY TAU-KEN SAMRUK JSC

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INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

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NATIONAL MINING COMPANY TAU-KEN SAMRUK JSC

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2024

Management of National Mining Company Tau-Ken Samruk JSC (hereinafter – the “Company”) and its subsidiaries (hereinafter together – “the Group”) is responsible for the preparation of the interim condensed consolidated financial statements, that fairly present the consolidated financial position of the Group as at June 30, 2024, the consolidated results of its operations, consolidated cash flows and consolidated changes in equity for the six months then ended, in accordance with International Accounting Standard 34 Interim Financial Reporting (hereinafter – “IAS 34”).

In preparing these interim condensed consolidated financial statements, the management is responsible for:

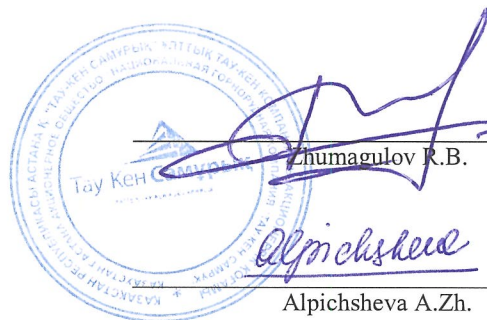
- selecting of proper accounting principles and its consistent application;
- presenting information, including accounting policies, in a manner that provides relevance, reliability, comparability and understanding of such information;
- using of reasonable and appropriate estimates and assumptions;
- providing additional disclosures when compliance with the requirements of IAS 34 is insufficient for users of the interim condensed consolidated financial statements to understand the impact of particular transactions, as well as other events and conditions on the financial position and financial results of the Group’s operations; and
- assessment of the Group’s ability to continue as a going concern in the foreseeable future.

Management is also responsible for:

- designing, implementing and maintaining the effective and reliable internal control system of the Group;
- maintaining adequate accounting system, allowing the preparation of information about the Group’s financial position at any time with reasonable accuracy, and to ensure compliance of the interim condensed consolidated financial statements with IAS 34;
- maintaining accounting records in accordance with the legislation of the Republic of Kazakhstan;
- adopting measures within its competence to safeguard assets of the Group; and
- detecting and preventing fraud and other irregularities.

The interim condensed consolidated financial statements of the Group for the six months ended June 30, 2024, were approved by management on August 2, 2024.

Chief economics and finance officer



Zhumagulov R.B.

Alpichsheva A.Zh.

Chief accountant

Grant Thornton LLP

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

To the Shareholder and Management of National Mining Company Tau-Ken Samruk JSC

Introduction

We have reviewed of the accompanying interim condensed consolidated statement of financial position of National Mining Company Tau-Ken Samruk JSC (hereinafter – the “Company”) and its subsidiaries (hereinafter together – the “Group”) as at June 30, 2024, and the related interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three and six month period then ended, and a summary of significant accounting policies and other explanatory notes (“interim condensed consolidated financial information”). Management is responsible for the preparation and fair presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34 *Interim Financial Reporting* (hereinafter – “IAS 34”). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information of National Mining Company Tau-Ken Samruk JSC and its subsidiaries is not prepared, in all material respects, in accordance with IAS 34.

Grant Thornton LLP


Arman Chingilbayev
Engagement Partner



Certified Auditor
of the Republic of Kazakhstan
Certificate #MF-0000487 on October 12, 1999
The Republic of Kazakhstan


Yerzhan Dossymbekov
General Director
Grant Thornton LLP



State license #18015053 dated August 3, 2018, for providing audit services on the territory of the Republic of Kazakhstan, issued by the Committee of Internal State Audit of the Ministry of Finance of the Republic of Kazakhstan

August 2, 2024
Almaty, the Republic of Kazakhstan

NATIONAL MINING COMPANY TAU-KEN SAMRUK JSC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

In thousands of tenge	Notes	June 30, 2024 (unaudited)	December 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	105,070,652	100,613,542
Intangible assets	4	46,930,299	46,956,284
Investments in associates	5	481,118,067	433,687,232
Prepayment for corporate income tax		1,298,593	1,290,399
Deferred corporate income tax assets		1,516,056	1,661,809
Inventories	6	3,262,319	3,178,028
Long-term assets related to test mining		3,632,544	3,227,429
Investment securities	7	5,193,280	4,936,902
Restricted cash		4,790,425	4,757,750
Other non-current assets	8	46,008,710	47,882,775
Total non-current assets		698,820,945	648,192,150
Current assets			
Inventories	6	20,689,944	16,997,968
Accounts receivable	9	12,417,579	14,122,410
Loan issued to parent organisation	11	16,884,776	15,452,437
Prepayment for corporate income tax		562,430	245,021
Cash and cash equivalents	10	20,148,568	27,571,587
Other current assets		737,722	694,659
Total current assets		71,441,019	75,084,082
Assets held for sale	18	8,497,985	–
TOTAL ASSETS		778,759,949	723,276,232
EQUITY AND LIABILITIES			
Equity			
Share capital	12	259,321,827	259,321,827
Retained earnings		14,684,312	(22,759,379)
Other components of equity	12	393,550,992	375,981,148
Equity attributable to equity holder of the parent organisation		667,557,131	612,543,596
Non-controlling interests	12	32,125	33,471
TOTAL EQUITY		667,589,256	612,577,067

NATIONAL MINING COMPANY TAU-KEN SAMRUK JSC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024 (CONTINUED)

In thousands of tenge	Notes	June 30, 2024 (unaudited)	December 31, 2023
Non-current liabilities			
Loans received	13	50,662,204	45,869,370
Deferred corporate income tax liabilities		11,261,864	11,368,313
Lease liability		213,148	271,026
Accounts payable	14	1,055,563	809,637
Other non-current liabilities		524,853	544,400
Total non-current liabilities		63,717,632	58,862,746
Current liabilities			
Contract liabilities	14	489	937,341
Accounts payable for acquisition of a subsidiary	14	5,486,996	5,296,178
Accounts payable	14	15,667,166	19,090,946
Loans received	13	20,583,757	20,902,438
Provision for liabilities for lawsuits		4,607,778	4,615,063
Lease liabilities		78,580	33,479
Other current liabilities		910,782	960,974
Total current liabilities		47,335,548	51,836,419
Liabilities held for sale	18	117,513	–
TOTAL LIABILITIES		111,170,693	110,699,165
TOTAL EQUITY AND LIABILITIES		778,759,949	723,276,232

Accompanying notes on pages 7 to 25 are an integral part of these interim condensed consolidated financial statements.

Chief economics and finance officer

Chief accountant

August 2, 2024
Astana, the Republic of Kazakhstan



Zhumagulov R.B.

Alpichsheva A.Zh.

NATIONAL MINING COMPANY TAU-KEN SAMRUK JSC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THREE AND SIX MONTHS ENDED JUNE 30, 2024

In thousands of tenge	Notes	For the six months ended		For the three months ended	
		June 30, 2024 (unaudited)	June 30, 2023 (unaudited)	June 30, 2024 (unaudited)	June 30, 2023 (unaudited)
Revenues from contracts with customers	15	502,781,317	355,551,217	331,820,204	170,570,246
Cost of goods sold	16	(500,468,855)	(355,388,017)	(329,081,966)	(170,126,315)
Gross profit		2,312,462	163,200	2,738,238	443,931
General and administrative expenses		(1,612,098)	(1,833,267)	(759,947)	(870,524)
Selling expenses		(44,573)	(40,808)	(12,637)	(11,312)
Other operating expenses		10,758	17,589	844	7,115
Operating profit / (loss)/		666,549	(1,693,286)	1,966,498	(430,790)
Finance income	17	3,003,395	3,144,391	1,490,731	1,594,980
Finance costs		(598,991)	(299,491)	(329,926)	(138,385)
Share in profit/(loss) of associates	5	30,107,270	2,204,564	25,343,480	(3,672,256)
(Accrual)/reversal of impairment losses on financial assets		(38,481)	(52,919)	60,887	(85,730)
Income from disposal of subsidiaries and associates		5,364,744	–	1,156,210	–
Accrual of losses on impairment of non-financial assets		(357,140)	(493,428)	(157,962)	(181,712)
Expenses from disposal of subsurface use contracts		(82,033)	(22,279)	(82,008)	–
Net (loss)/ gain from foreign exchange differences		(118,905)	1,111,113	(1,249,754)	(321,480)
Other non-operating income		318,890	405,850	150,322	235,555
Other non-operating expenses		(489,015)	(548,083)	(167,749)	(307,984)
Profit/(loss) before tax for the period		37,776,283	3,756,432	28,180,729	(3,307,802)
Corporate income tax expense		(39,564)	(37,605)	(20,002)	(18,973)
Profit/(loss) for the year from continuing operations		37,736,719	3,718,827	28,160,727	(3,326,775)
Loss for the period from discontinued operations	18	(294,374)	–	(119,306)	–
Profit/(loss) for the period		37,442,345	3,718,827	28,041,421	(3,326,775)
Profit/(loss) for the period attributable to:					
Shareholder of the parent organization		37,443,691	3,718,885	28,042,766	(3,326,747)
Non-controlling interests	12	(1,346)	(58)	(1,345)	(28)

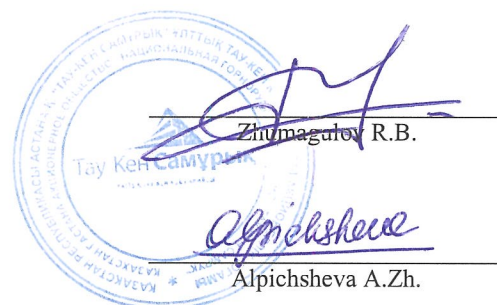
NATIONAL MINING COMPANY TAU-KEN SAMRUK JSC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THREE AND SIX MONTHS ENDED JUNE 30, 2024 (CONTINUED)

In thousands of tenge	Notes	For the six months ended		For the three months ended	
		June 30, 2024 (unaudited)	June 30, 2023 (unaudited)	June 30, 2024 (unaudited)	June 30, 2023 (unaudited)
Other comprehensive (loss)/income					
Items not subject to subsequent reclassification to profit or loss:					
<i>Foreign currency exchange differences on translation of investments in associates to the currency of the financial statements</i>		17,569,844	(10,775,603)	25,008,709	894,305
Other comprehensive income/(loss) for the period		17,569,844	(10,775,603)	25,008,709	894,305
Total comprehensive income/(loss) for the period		55,012,189	(7,056,776)	53,050,130	(2,432,470)
Total comprehensive income/(loss) for the period attributable to:					
Shareholder of the parent organization		55,013,535	(7,056,718)	53,051,475	(2,432,442)
Non-controlling interests	12	(1,346)	(58)	(1,345)	(28)
		55,012,189	(7,056,776)	53,050,130	(2,432,470)

Accompanying notes on pages 7 to 25 are an integral part of these interim condensed consolidated financial statements.

Chief economics and finance officer



Zhumagulov R.B.

Alpichsheva A.Zh.

Chief accountant

August 2, 2024
Astana, the Republic of Kazakhstan

NATIONAL MINING COMPANY TAU-KEN SAMRUK JSC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2024

In thousands of tenge	Notes	For the six months ended	
		June 30, 2024 (unaudited)	June 30, 2023 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from customers		504,054,419	358,972,717
Interests received		1,346,378	2,057,624
Interests paid		(2,663,525)	(1,822,614)
Other cash receipts		2,062,783	1,634,901
Cash payments to suppliers		(510,405,754)	(351,197,625)
Cash payments to employees		(1,357,475)	(1,834,303)
Corporate income tax paid		(325,863)	(347,602)
Other taxes and payments		(378,726)	(382,971)
Other payments		(579,294)	(414,680)
Net cash flows (used in)/ received from operating activities		(8,247,057)	6,665,447
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(33,300)	(263,866)
Advances paid for purchase of non-current assets		(4,949,668)	(3,955,791)
Advances received from sale of subsidiaries		3,295,208	–
Proceeds from sale of shares in associates		674,014	–
Purchase of intangible assets		–	(6,133)
Dividends received from an associate	5	246,174	196,749
Issuance of loans to organisations in trust management		(32,040)	(22,003)
Cash used in investing activities		(799,612)	(4,051,044)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payment of loans received	13	(1,039,938)	–
Proceeds from loans received	13	2,822,032	1,259,376
Payment of principal of lease liabilities		(53,119)	(53,119)
Cash received from financing activities		1,728,975	1,206,257
Net change in cash and cash equivalents		(7,317,694)	3,820,660
Effect of change in foreign exchange rates on cash and cash equivalents		28,942	8,833
Accrual of expected credit losses on cash and cash equivalents	10	21,197	(73,779)
Cash flows directly associated with assets held for sale		(155,464)	–
Cash and cash equivalents at the beginning of the period	10	27,571,587	30,265,571
Cash and cash equivalents at the end of the period	10	20,148,568	34,021,285

Accompanying notes on pages 7 to 25 are an integral part of these interim condensed consolidated financial statements.

Chief economics and finance officer



Zhumagulov R.B.

Alpichsheva A.Zh.

Chief accountant

August 2, 2024
Astana, the Republic of Kazakhstan

NATIONAL MINING COMPANY TAU-KEN SAMRUK JSC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED JUNE 30, 2024

In thousands of tenge	Notes	Equity attributable to shareholder of the parent organisation			Non-controlling interests	Total equity
		Share capital	Other equity components	Retained earnings		
As at December 31, 2022		252,874,907	384,401,904	33,917,000	32,274	671,193,811
Profit for the period (unaudited)		-	-	3,718,885	(58)	3,718,827
Other comprehensive loss (unaudited)		-	(10,775,603)	-	-	(10,775,603)
Total comprehensive income/(loss) for the period (unaudited)		-	(10,775,603)	3,718,885	(58)	(7,056,776)
As at June 30, 2023 (unaudited)		252,874,907	373,626,301	37,635,885	32,216	664,169,309
As at December 31, 2023		259,321,827	375,981,148	(22,759,379)	33,471	612,577,067
Profit/(loss) for the period (unaudited)		-	-	37,443,691	(1,346)	37,442,345
Other comprehensive income (unaudited)		-	17,569,844	-	-	17,569,844
Total comprehensive income/(loss) for the period (unaudited)		-	17,569,844	37,443,691	(1,346)	55,013,535
As at June 30, 2024 (unaudited)		259,321,827	393,550,992	14,684,312	32,125	667,589,256

Accompanying notes on pages 7 to 25 are an integral part of these interim condensed consolidated financial statements.

Chief economics and finance officer

Chief accountant

August 2, 2024
Astana, the Republic of Kazakhstan



NATIONAL MINING COMPANY TAU-KEN SAMRUK JSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2024

1. GENERAL INFORMATION

National Mining Company Tau-Ken Samruk Joint Stock Company (hereinafter – “NMC Tau-Ken Samruk” or the “Company”) and its subsidiaries (together – “Group”) was established in accordance with the Resolution of the Government of the Republic of Kazakhstan #10 dated January 15, 2009.

As at June 30, 2024 and December 31, 2023 the sole shareholder of the Company was Sovereign Wealth Fund Samruk-Kazyna JSC (hereinafter – “Fund”). The sole shareholder of Samruk-Kazyna is the Government of the Republic of Kazakhstan.

These interim condensed consolidated financial statements include the financial statements of the Company and its subsidiaries.

The Company’s legal address is str., Syganak, 17/10 building, Astana, the Republic of Kazakhstan. As at June 30, 2024 number of employees of the Group was 657 people (December 31, 2023: 607 people).

As at June 30, 2024 and December 31, 2023 the following subsidiaries were included in the Company:

Subsidiaries	Type of operations	Region	June 30, 2024	December 31, 2023
ShalkiyaZinc LTD JSC	Exploration, mining and processing of mixed lead-zinc ore	Kyzylorda region	100.00%	100.00%
Tau-Ken Altyn LLP	Gold refining and production of gold and silver bars	Astana	100.00%	100.00%
Severnyi Katpar LLP	Extraction of tungsten	Karaganda region	100.00%	100.00%
Tau-Ken Temir LLP*	Metallurgical silicon and by-products production	Karaganda region	100.00%	100.00%
JV Alaigyr LLP	Extraction of polymetallic ores	Karaganda region	100.00%	100.00%
Silicon mining LLP*	Mining of quartz	Astana	100.00%	100.00%
NMC Qazgeology JSC	Geological exploration, well’s drilling	Astana	100.00%	100.00%
Masalskyi MPP LLP	Development and extraction of iron ore	Akmola region	99.19%	99.19%

*On May 31, 2024, was signed an agreement of intent to sell a 55% stake in the authorized capital of Tau-Ken Temir LLP and Silicon Mining LLP between the Company and a consortium consisting of METALEEN INVESTMENTS HOLDINGS LLC and TSP ALÜMİNYUM ANONİM ŞİRKETİ for a total amount of 4,906,880 thousand tenge. As at June 30, 2024, the sale and transfer of assets was not completed.

The main activities of the Group include:

- exploration, development, extraction, processing activities and sale of solid minerals;
- effective management of subsidiaries and associates of the mining and metallurgical industry;
- development and implementation of new high-tech and efficient technologies in the mining and metallurgical industry;
- restoration of mineral resources of the Republic of Kazakhstan,
- development of off-balance reserves of deposits.

2. BASIS OF PREPARATION

Basis and principles of preparation

The interim condensed consolidated financial statements for the three and six months ended June 30, 2024, have been prepared in accordance IAS 34 *Interim Financial Reporting*.

NATIONAL MINING COMPANY TAU-KEN SAMRUK JSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2024 (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

Basis and principles of preparation (continued)

The interim condensed consolidated financial statements are not audited and do not include all the information and disclosures required for the annual consolidated financial statements. The Group does not disclose information that substantially duplicates information contained in the audited annual consolidated financial statements for the year ended December 31, 2023, prepared in accordance with International Financial Reporting Standards (hereinafter – “IFRSs”), such as accounting policies and account details, in the amount and composition of which there were no significant changes. In addition, the Group has provided disclosures for which significant events have occurred since the issuance of the Group’s annual financial statements for the year ended December 31, 2023, prepared in accordance with IFRSs. Management believes that the disclosures in these interim condensed consolidated financial statements are sufficient to provide information that is not misleading when considered in conjunction with the Group’s annual consolidated financial statements for the year ended December 31, 2023, prepared in accordance with IFRSs.

The interim condensed consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments.

The interim condensed consolidated financial statements of the Group are presented in kazakhstani tenge (hereinafter – “tenge”). The functional and presentation currency of the interim condensed consolidated financial statements of the Group is tenge, except for the interim condensed consolidated financial statements of an associate, whose functional currency is the US dollar. All amounts in these interim condensed consolidated financial statements are rounded to thousand unless otherwise stated.

Going concern basis

These interim condensed consolidated financial statements have been prepared in accordance with IAS 34 based on the assumption that the Group will continue as a going concern. This assumes sale of assets and settlement of liabilities in the normal course of business in the foreseeable future. The management believes that the Group will be able to generate sufficient cash for timely repayment of its liabilities. The management of the Group has neither intention nor necessity to liquidate or significantly reduce the size of its business.

Foreign currency translation

Weighted average exchange rates established on the Kazakhstan Stock Exchange (hereinafter – “KASE”) are used as official exchange rates in the Republic of Kazakhstan.

Currency exchange rates of KASE used by the Group in preparing the interim condensed consolidated financial statements are as follows:

	June 30, 2024	December 31, 2023
US dollar	471.46	454.56
Euro	504.79	502.24

Consolidation principles

These interim condensed consolidated financial statements include the financial statements of the Company and entities controlled by the Company (subsidiaries). An enterprise is considered controlled by the Company if the Company has the right to determine the financial and economic policy of the enterprise in order to obtain benefits for the Company from its activities.

The income and expenses of subsidiaries acquired or sold during the year are included in the interim condensed consolidated statement of profit or loss and other comprehensive income from the date of actual acquisition or to the actual date of sale, respectively.

NATIONAL MINING COMPANY TAU-KEN SAMRUK JSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2024 (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

Consolidation principles (Continued)

If necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those of the Group.

All transactions between the entities of the Group, the corresponding balances and unrealized gains and losses from transactions within the Group are eliminated on consolidation.

Significant accounting policies

In preparing these interim condensed consolidated financial statements, the Group applied the same accounting policies and calculation methods as in preparing the Group's annual consolidated financial statements for the year ended December 31, 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

New standards, clarifications and amendments to existing standards and clarifications, first applied by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31 2023, except for the adoption of new standards effective as at January 1, 2024.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments.

Thus, the amendments had no impact on the Group's interim condensed consolidated financial statements.

Lease Liability in a Sale and Leaseback - Amendments to IFRS 16

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Group's interim condensed consolidated financial statements.

Classification of Liabilities as Current or Non-current - Amendments to IAS 1

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right ;
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Group's interim condensed consolidated financial statements.

NATIONAL MINING COMPANY TAU-KEN SAMRUK JSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2024 (CONTINUED)

3. PROPERTY, PLANT AND EQUIPMENT

In thousands of tenge	Land	Mine development costs	Buildings and constructions	Machinery and equipment	Vehicles	Right-of-use assets	Other	Construction-in-progress	Total
As at December 31, 2022	598,969	34,914,210	10,377,486	8,411,034	2,396,817	88,200	872,602	29,539,372	87,198,690
Additions (unaudited)	–	3,382,526	164,120	220,467	–	–	62,488	3,494,701	7,324,302
Changes in estimates (unaudited)	–	(12,701)	–	–	–	–	–	(3)	(12,704)
Internal transfers (unaudited)	–	–	–	10,155	–	–	1,441	(11,596)	–
Disposals (unaudited)	–	(22,279)	–	–	–	–	(286)	–	(22,565)
Depreciation charge (unaudited)	–	(766)	(369,084)	(254,517)	(292,587)	(40,706)	(73,997)	–	(1,031,657)
As at June 30, 2023 (unaudited)	598,969	38,260,990	10,172,522	8,387,139	2,104,230	47,494	862,248	33,022,474	93,456,066
As at December 31, 2023	598,969	42,629,204	9,830,746	8,518,850	1,923,067	304,505	798,920	36,009,281	100,613,542
Additions (unaudited)	–	6,212,356	80,425	4,321	–	–	20,811	2,984,336	9,302,249
Changes in estimates (unaudited)	–	(57,579)	–	–	–	–	–	2,718,827	2,661,248
Transfer to assets held for sale	(598,666)	(15,818)	(1,367,083)	(4,299,053)	(210,711)	–	(25,952)	(63,677)	(6,580,960)
Disposals (unaudited)	–	(82,033)	–	(3,435)	–	–	(1,132)	–	(86,600)
Depreciation charge (unaudited)	–	(767)	(289,841)	(217,937)	(234,552)	(30,450)	(65,280)	–	(838,827)
As at June 30, 2024 (unaudited)	303	48,685,363	8,254,247	4,002,746	1,477,804	274,055	727,367	41,648,767	105,070,652

NATIONAL MINING COMPANY TAU-KEN SAMRUK JSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2024 (CONTINUED)

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

In thousands of tenge	Land	Mine development costs	Buildings and constructions	Machinery and equipment	Vehicles	Right-of-use assets	Other	Construction-in-progress	Total
Cost as at June 30, 2023 (unaudited)	598,969	38,261,756	21,587,041	15,180,600	6,717,712	416,502	2,180,654	33,022,474	117,965,708
Accumulated depreciation and impairment as at June 30, 2023 (unaudited)	–	(766)	(11,414,519)	(6,793,461)	(4,613,482)	(369,008)	(1,318,406)	–	(24,509,642)
Net book value as at June 30, 2023 (unaudited)	598,969	38,260,990	10,172,522	8,387,139	2,104,230	47,494	862,248	33,022,474	93,456,066
Cost as at December 31, 2023	598,969	42,636,012	13,984,466	15,884,325	6,083,147	721,007	2,387,834	36,009,281	118,305,041
Accumulated depreciation and impairment as at December 31, 2023	–	(6,808)	(4,153,720)	(7,365,475)	(4,160,080)	(416,502)	(1,588,914)	–	(17,691,499)
Net book value as at December 31, 2023	598,969	42,629,204	9,830,746	8,518,850	1,923,067	304,505	798,920	36,009,281	100,613,542
Cost as at June 30, 2024 (unaudited)	303	48,692,938	19,423,264	8,976,772	6,211,673	304,505	2,270,768	41,648,767	127,528,990
Accumulated depreciation and impairment as at June 30, 2024 (unaudited)	–	(7,575)	(11,169,017)	(4,974,026)	(4,733,869)	(30,450)	(1,543,401)	–	(22,458,338)
Net book value as at June 30, 2024 (unaudited)	303	48,685,363	8,254,247	4,002,746	1,477,804	274,055	727,367	41,648,767	105,070,652

Interest on loans received capitalized for the six months ended June 30, 2024, amounted to 5,039,628 thousand tenge (for the six months ended June 30, 2023: 1,737,829 thousand tenge). The main amount 4,047,318 thousand tenge, relates to interest on a loan received from the European Bank for Reconstruction and Development (hereinafter – “EBRD”). The rate used to determine the amount of borrowing costs eligible for capitalization was SOFR 6m+2.5%, which is the effective interest rate on the loan received from the EBRD.

For the six months ended June 30, 2024, the Group did not recognise any impairment loss on property, plant and equipment due to the absence of impairment indicators (for the six months ended June 30, 2023, the Group did not recognise any impairment loss on property, plant and equipment due to the absence of impairment indicators).

NATIONAL MINING COMPANY TAU-KEN SAMRUK JSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2024 (CONTINUED)

4. INTANGIBLE ASSETS

In thousands of tenge	Subsurface use rights	Others	Total
As at December 31, 2022	46,710,041	268,405	46,978,446
Additions (unaudited)	–	6,134	6,134
Amortisation (unaudited)	–	(38,591)	(38,591)
As at June 30, 2023 (unaudited)	46,710,041	235,948	46,945,989
As at December 31, 2023	46,710,041	246,243	46,956,284
Additions (unaudited)	–	15,939	15,939
Amortisation (unaudited)	–	(31,092)	(31,092)
Transfer to assets held for sale	–	(10,832)	(10,832)
As at June 30, 2024 (unaudited)	46,710,041	220,258	46,930,299
Cost as at June 30, 2023 (unaudited)	46,710,041	704,279	47,414,320
Accumulated amortisation as at June 30, 2023 (unaudited)	–	(468,331)	(468,331)
Net book value as at June 30, 2023 (unaudited)	46,710,041	235,948	46,945,989
Cost as at December 31, 2023	46,710,041	787,626	47,497,667
Accumulated amortisation as at December 31, 2023	–	(541,383)	(541,383)
Net book value as at December 31, 2023	46,710,041	246,243	46,956,284
Cost as at June 30, 2024 (unaudited)	46,710,041	736,066	47,446,107
Accumulated amortisation as at June 30, 2024 (unaudited)	–	(515,808)	(515,808)
Net book value as at June 30, 2024 (unaudited)	46,710,041	220,258	46,930,299

Subsoil use rights are represented by recognised intangible assets acquired as a result of acquisition of Shalkiya Zinc LTD JSC, Masalskyi MPP LLP and Severnyi Katpar LLP.

For the six months ended June 30, 2024 and 2023, the Group did not recognise an impairment loss on intangible assets due to the absence of any impairment indicators (unaudited).

As at June 30, 2024 and December 31, 2023 the Group's intangible assets were not pledged as collateral.

5. INVESTMENTS IN ASSOCIATES

In thousands of tenge	June 30, 2024 (unaudited)		December 31, 2023	
	Share	Amount	Share	Amount
Kazzinc LLP	29.8221%	479,956,415	29.8221%	432,557,209
Other	–	1,161,652	–	1,130,023
		481,118,067		433,687,232

Name	Main activity	Country of main activity and location	The nature of the relationship between the Group and the organisation	Fair value of investments (if investments are accounted for using the equity method, if there is a quoted market price for the investment)
Kazzinc LLP	Mining and processing of metal ores, production of refined metals	The Republic of Kazakhstan	The organisation is strategically important for the Shareholder of the Group	Unquoted

NATIONAL MINING COMPANY TAU-KEN SAMRUK JSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2024 (CONTINUED)

5. INVESTMENTS IN ASSOCIATES (CONTINUED)

Movements in investments in Kazzinc LLP were presented as follows:

In thousands of tenge	
As at January 1, 2023	491,845,662
Share in profit of associate (unaudited)	2,207,019
Foreign currency exchange differences on translation of investments to the currency of financial statements (unaudited)	(10,775,603)
As at June 30, 2023 (unaudited)	483,277,078
As at January 1, 2024	432,557,209
Share in profit of associate (unaudited)	29,829,362
Foreign currency exchange differences on translation of investments to the currency of financial statements (unaudited)	17,569,844
As at June 30, 2024 (unaudited)	479,956,415

Kazzinc LLP

Based on the results of 2023 and 2022, Kazzinc LLP did not announce nor pay dividends to participants.

Other

For the six months ended June 30, 2024, the Group recognized a share in profit from other associates in the amount of 277,908 thousand tenge (for the six months ended June 30, 2023: loss of 2,455 thousand tenge).

For the six months ended June 30, 2024, the Group received dividends from ALS Kazgeokhimiya LLP based on the results of operations for 2023 in the amount of 246,174 thousand tenge according to the minute of the general meeting of participants of ALS Kazgeokhimiya LLP (for the six months ended June 30, 2023: 196,749 thousand tenge).

6. INVENTORIES

Inventories include the following:

In thousands of tenge	June 30, 2024 (unaudited)	December 31, 2023
Work-in-progress	21,111,408	16,067,964
Raw materials and supplies	2,906,371	4,050,945
Goods	129,281	4,586
Finished goods	–	377,139
Less: reserve on write-off of inventories to net realizable value	(194,797)	(324,638)
	23,952,263	20,175,996
Long-term	3,262,319	3,178,028
Short-term	20,689,944	16,997,968
	23,952,263	20,175,996

Raw materials and supplies and work-in-progress mainly includes semi-finished gold and silver, and electrolyte of gold and silver.

As at June 30, 2024 and December 31, 2023, long-term assets include inventories in the amount of 3,262,319 thousand tenge (unaudited) and 3,178,028 thousand tenge, respectively, which the Group plans to use for the production of finished products in the future after the start of processing.

NATIONAL MINING COMPANY TAU-KEN SAMRUK JSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2024 (CONTINUED)

6. INVENTORIES (CONTINUED)

The movement in the reserve to convert inventory to net realizable value is as follows:

In thousands of tenge	2024	2023
As at January 1	324,638	243,771
(Recovered)/ accrued	(129,841)	13,913
As at June 30	194,797	257,684

7. INVESTMENT SECURITIES

In thousands of tenge	June 30, 2024 (unaudited)	December 31, 2023
Debt securities – bonds of First Heartland Jysan Bank JSC	11,746,761	11,746,761
Interest receivable	8,194	2,895
Discount	(6,487,677)	(6,742,462)
Less: allowance for expected credit losses	(73,998)	(70,292)
	5,193,280	4,936,902

The bonds of First Heartland Jysan Bank JSC have a nominal interest rate of 0.1% per annum and a maturity date of January 15, 2034.

Amortisation of the discount for the six months ended June 30, 2024, amounted to 254,785 thousand tenge (for the six months ended June 30, 2023: 176,325 thousand tenge) (unaudited).

The carrying amount of investment securities approximates their fair value.

8. OTHER NON-CURRENT ASSETS

In thousands of tenge	June 30, 2024 (unaudited)	December 31, 2023
Advances for non-current assets	37,584,795	39,874,952
Taxes recoverable, except corporate income tax	9,315,740	9,337,622
Deferred expenses	2,466,026	2,359,314
Other non-current assets	1,400	7,475
Less: allowance for impairment on advances paid	(3,359,251)	(3,696,588)
	46,008,710	47,882,775

As at June 30, 2024 and December 31, 2023, prepaid expenses include commission and remuneration for reserving a loan received by a subsidiary and prepaid insurance expenses. In addition to the one-time fee paid for the loan reservation, 0.6% per annum is paid annually on the unused amount available on the credit line.

As at June 30, 2024 and December 31, 2023, advances for long-term assets represent advances to contractors for the purchase of turnkey complex works for the development of design and estimate documentation, infrastructure facilities, tailings and polymetallic ores of the Alaigyr deposit in Karaganda region; and the supply of equipment, commissioning of facilities, engineering work and work on supply and installation supervision of technological equipment and consulting services for project management and technical supervision at the Shalkiya mine.

NATIONAL MINING COMPANY TAU-KEN SAMRUK JSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2024 (CONTINUED)

9. ACCOUNTS RECEIVABLE

In thousands of tenge	Note	June 30, 2024 (unaudited)	December 31, 2023
Accounts receivable of the National Bank of the Republic of Kazakhstan (hereinafter referred to as the "NBRK")	21	11,578,595	12,763,993
Accounts receivable from third parties		1,159,078	1,633,232
Accounts receivable from other related parties	21	–	63
Less: allowance for expected credit losses		(320,094)	(274,878)
		12,417,579	14,122,410

Accounts receivable of organizations associated with the Government of the RK consists of the debt of the National Bank of the Republic of Kazakhstan, an organization under common control, in the amount of 11,578,595 thousand tenge for gold bars purchased from the Group (as at December 31, 2023: 12,763,993 thousand tenge).

10. CASH AND CASH EQUIVALENTS

In thousands of tenge	June 30, 2024 (unaudited)	December 31, 2023
Short-term bank deposits in tenge with maturity less than 90 days	20,087,899	20,887,965
Current bank accounts in tenge	112,555	190,025
Current bank accounts in US dollars	17,787	3,877
Current bank accounts in euro	3,848	41
Cash on hand	222	11
Receivables under reverse repurchase agreements with original maturity less than three months	–	6,584,608
Less: allowance for expected credit losses	(73,743)	(94,940)
	20,148,568	27,571,587

As at June 30, 2024, bank deposits were placed in Kazakhstani second-tier banks at rates from 12.75% до 15.20% per annum (as at December 31, 2023: from 14.25% to 15.50%).

As at December 31, 2023, the Group entered into a reverse repurchase agreement with an annual interest rate of 15.6-15.7%, with a term of less than a week through a broker in the amount of 6,584,608 thousand tenge, including accrued interest. As at December 31, 2023, the subject of the agreements were securities of the NBRK and the Ministry of Finance of the Republic of Kazakhstan. The carrying amount of receivables under reverse repurchase agreements approximates its fair value.

The movement in the allowance for expected credit losses on cash and cash equivalents is presented as follows:

In thousands of tenge	2024	2023
As at January 1	94,940	207,778
(Recovered)/ accrued	(21,197)	73,779
As at June 30	73,743	281,557

11. LOAN ISSUED TO PARENT ORGANISATION

In thousands of tenge	Note	June 30, 2024 (unaudited)	December 31, 2023
Sovereign Wealth Fund JSC	21	16,915,546	15,485,984
Less: allowance for expected credit losses		(30,770)	(33,547)
		16,884,776	15,452,437

NATIONAL MINING COMPANY TAU-KEN SAMRUK JSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2024 (CONTINUED)

11. LOAN ISSUED TO PARENT ORGANISATION (CONTINUED)

The movement in the allowance for expected credit losses on the loan issued to the parent organisation is presented as follows:

In thousands of tenge	2024	2023
As at January 1	33,547	30,136
(Recovered)/ accrued	(2,777)	1,646
As at June 30	30,770	31,782

At the end of December 2023, the parent organization received temporary interest-free financial assistance in the amount of 18,442,396 thousand tenge with a maturity date until December 31, 2024. In 2023, the Group recognized an adjustment to fair value through retained earnings as transactions with owners in the consolidated statement of changes in equity in the amount of 2,956,412 thousand tenge using a discount rate of 18.70%.

For the first six months ended June 30, 2024, the Company reflected the amortization of the discount in the amount of 1,429,562 thousand tenge of the loan issued to the parent organisation as part of finance income (for the six months of 2023 in the amount of 904,858 thousand tenge).

12. EQUITY

Share capital

In thousands of tenge	Ordinary shares	
	Quantity	Amount
As at December 31, 2022	292,887	252,874,907
Issue of shares	1,000	6,446,920
As at June 30, 2024 (unaudited) and as at December 31, 2023	293,887	259,321,827

The authorised capital of the Company consists of ordinary shares. One ordinary share carries one vote.

Other components of equity

Other components of equity represent in the interim condensed consolidated statement of changes in equity the reserve for recalculation of the financial statements of the associate Kazzinc LLP into the presentation currency of the Group's interim condensed consolidated financial statements.

Dividends

There was no distribution of net income or dividend payment in the first half of 2024 and 2023.

Non-controlling interests

In thousands of tenge	
As at December 31, 2022	32,274
Total comprehensive loss for the period attributable to non-controlling interests	(58)
As at June 30, 2023 (unaudited)	32,216

In thousands of tenge	
As at December 31, 2023	33,471
Total comprehensive loss for the period attributable to non-controlling interests	(1,346)
As at June 30, 2024 (unaudited)	32,125

NATIONAL MINING COMPANY TAU-KEN SAMRUK JSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2024 (CONTINUED)

13. LOANS RECEIVED

As at June 30, 2024 and December 31, 2023 loans received are presented as follows:

In thousands of tenge	Repayment date	Currency	Rate, %	June 30, 2024 (unaudited)	December 31, 2023
European Bank for Reconstruction and Development	December 20, 2032	US dollar	SOFR 6m+2.5%	50,783,662	46,001,927
Halyk Saving Bank of Kazakhstan JSC	March 16, 2029	US dollar	5.5%	20,684,979	20,992,561
Less: amortised amount on the loan fee				(222,680)	(222,680)
				71,245,961	66,771,808
Long-term				50,662,204	45,869,370
Short-term				20,583,757	20,902,438
				71,245,961	66,771,808

Loan received from the European Bank for Reconstruction and Development (hereinafter – "EBRD")

The Group has a credit line from the EBRD in the amount of 175,000 thousand US dollars at the SOFR rate plus 2.5% per annum with repayment of the principal amount of the debt in equal semi-annual payments from 2025 and interest in semi-annual payments from 2021. For the six-month period ended June 30, 2024, the Group received under this credit line two tranches in the total amount of 6,349 thousand US dollars or equivalent in tenge at the date of receipt in the amount of 2,822,032 thousand tenge (for 2023: two tranches in the amount of 35,424 thousand US dollars or the equivalent of 16,745,062 thousand tenge).

For the six-month period ended June 30, 2024, the Group paid interest in the amount of 4,621 thousand US dollars or equivalent in tenge in the amount of 2,087,615 thousand tenge (for the six months ended June 30, 2023: 2,777 thousand US dollars or equivalent in tenge in the amount of 1,240,333 thousand tenge). As collateral for the loan agreement, the Group pledged the following assets and documents to the EBRD for a period corresponding to the term of the loan agreement:

- a guarantee for the full amount of the loan from SWF Samruk-Kazyna JSC;
- the right to claim all funds on the accounts of a subsidiary of ShalkiyaZinc LTD JSC;
- a deposit in the amount of 2,865 thousand US dollars or the equivalent in tenge in the amount of 1,350,615 thousand tenge.

Under the terms of the agreement, the Group must comply with covenants throughout the term of the agreement. For the six-month period ended June 30, 2024, the Group failed to comply with the following covenants:

- №1 signing the Contract for the construction of a mining and processing plant,
- №2 signing the Contract for the construction of a tailings storage facility,
- №3 signing the Contract for the construction of a ground complex with infrastructure,
- №4 signing the Contract for the supply of mining equipment.

On March 20, 2024, the Group received a waiver on their performance under covenant №1 until June 30, 2024 and under covenants №2, №3 and №4 until September 30, 2024 from the EBRD.

On July 1, 2024, in accordance with the terms of the loan agreement with the EBRD, the Group failed to comply with covenant №1, concerning the conclusion of a contract for the construction of a mining and processing plant, which was to be signed by June 30, 2024, however, on July 30, 2024, the Group received a waiver on their fulfillment under covenants №1, №2, №3 and №4 until April 30, 2025 from the EBRD.

NATIONAL MINING COMPANY TAU-KEN SAMRUK JSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2024 (CONTINUED)

13. LOANS RECEIVED (CONTINUED)

Loan from Halyk Bank of Kazakhstan JSC

In March 2022, the Group entered into a loan agreement with Halyk Bank of Kazakhstan JSC for a total amount of 56,000 thousand US dollars to refinance the debt to the Eurasian Development Bank and reimburse the investment costs incurred. According to the terms of the loan agreement in 2022, the Group paid a commission for the provision of a loan in the amount of 560 thousand US dollars or the equivalent in tenge in the amount of 276,730 thousand tenge. This commission is part of the effective interest rate and is subject to depreciation during the term of the loan agreement. Repayment of interest and principal on the credit line is made monthly, while the principal debt is paid starting from 2024.

Under the terms of the agreement, the Group must comply with covenants throughout the term of the agreement. For the six-month period ended June 30, 2024, the Group failed to comply with the following covenants:

- №1 maintain the share of borrowed funds in the project financed under the contract in the amount of no more than 43%, while, in the event of an increase in the cost of the project, provide additional financing at the expense of the Borrower's own funds;
- №2, by December 31, 2023, confirm the attraction of funds to the Group in the amount necessary to complete the project financed under the contract.

On June 28, 2024, the Group received a letter from Halyk Bank of Kazakhstan JSC on the decision to extend the term of execution of the terms of the Agreement until July 2025 upon fulfillment of the following conditions:

- Receipt of consent from the authorized body of the Company under the Agreement - the Group to change the interest rate in the amount of 1M SOFR + 2% per annum.
- Registration of a guarantee deposit in the amount of at least 4,133 billion tenge, received as an insurance payment from Jusan Garant JSC, to secure the fulfillment of obligations under the Agreement.

The Group is in the process of negotiating these terms with Halyk Bank of Kazakhstan JSC.

During the six months ended June 30, 2024, the Company repaid the principal amount of 1,039,938 and interest in the amount of 575,910 thousand tenge.

14. ACCOUNTS PAYABLE AND CONTRACT LIABILITIES

In thousands of tenge	Note	June 30, 2024 (unaudited)	December 31, 2023
Accounts payable to third parties		16,708,318	19,881,727
Accounts payable for the acquisition of a subsidiary		5,486,996	5,296,178
Contract liabilities		489	937,341
Accounts payable to related parties	21	14,411	18,856
		22,210,214	26,134,102
Long-term		1,055,563	809,637
Short-term		21,154,651	25,324,465
		22,210,214	26,134,102

As at June 30, 2024, accounts payable to third-parties are mainly represented by accounts payable for gold-containing raw materials in the amount 14,452,479 thousand tenge (December 31, 2023: 17,865,803 thousand tenge).

As at June 30, 2024, accounts payable for the acquisition of a subsidiary are represented by debts to the Investment Fund of Kazakhstan JSC for the acquisition of a 100% ownership interest in the authorized capital of Kremnii Kazakhstan LLP, which transferred assets and liabilities to Tau-Ken Temir LLP in 2016.

NATIONAL MINING COMPANY TAU-KEN SAMRUK JSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2024 (CONTINUED)

15. REVENUE FROM CONTRACTS WITH CUSTOMERS

In thousands of tenge	For the six months ended		For the three months ended	
	June 30, 2024 (unaudited)	June 30, 2023 (unaudited)	June 30, 2024 (unaudited)	June 30, 2023 (unaudited)
Sale of gold	502,690,285	353,540,668	331,787,082	169,243,783
Refining services	48,643	60,605	18,331	17,756
Sale of silver	42,389	1,913,660	14,791	1,308,289
Sale of silicon	–	1,567	–	418
Geological support for exploration work at solid mineral deposits	–	34,717	–	–
	502,781,317	355,551,217	331,820,204	170,570,246

The Group mainly sells its finished products in the form of gold bars with a gold content of 99.99% to the sole buyer, the National Bank of the Republic of Kazakhstan, an organisation under common control. For the six months of 2024, the Group sold gold bars with a total weight of 15,553 kilograms (for the six months of 2023: 22,907 kilograms).

For the six months ended June 30, 2024 and 2023, income from related parties amounted to 99.98% of total income.

16. COST OF GOODS SOLD

In thousands of tenge	For the six months ended		For the three months ended	
	June 30, 2024 (unaudited)	June 30, 2023 (unaudited)	June 30, 2024 (unaudited)	June 30, 2023 (unaudited)
Raw materials and supplies	499,378,641	353,355,256	328,395,078	169,140,300
Payroll and related deductions	313,397	309,741	155,731	147,013
Depreciation and amortisation	169,019	205,750	89,035	75,079
Other	230,659	322,456	141,813	99,286
Changes in finished goods and work-in-progress	377,139	1,194,814	300,309	664,637
	500,468,855	355,388,017	329,081,966	170,126,315

17. FINANCE INCOME

In thousands of tenge	For the six months ended		For the three months ended	
	June 30, 2024 (unaudited)	June 30, 2023 (unaudited)	June 30, 2024 (unaudited)	June 30, 2023 (unaudited)
Amortisation of discount on loan issued to parent organisation	1,429,562	904,858	707,736	460,943
Interest income from placement of cash	1,313,334	2,047,781	651,283	1,041,569
Interest income on securities	202,235	181,623	102,580	92,468
Other finance income	58,264	10,129	29,132	–
	3,003,395	3,144,391	1,490,731	1,594,980

18. ASSETS AND LIABILITIES HELD FOR SALE

The Group transferred 100% of the assets of Tau-Ken Temir LLP and Silicon Mining LLP to assets and liabilities held for sale in the amount of 8,497,985 thousand tenge and 117,513 thousand tenge respectively, which were reflected in the interim condensed consolidated statement of financial position.

During the six months of 2024, the group recognized a loss for the period from discontinued operations in the amount of 294,374 thousand tenge, which were reflected in the interim condensed consolidated statement of profit or loss and other comprehensive income for the six months ended June 30, 2024.

NATIONAL MINING COMPANY TAU-KEN SAMRUK JSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2024 (CONTINUED)

19. COMMITMENTS AND CONTINGENT LIABILITIES

Operating environment

Economic reforms and the development of legal, tax and administrative infrastructure that would meet the requirements of a market economy are continuing in Kazakhstan. The stability of Kazakhstan's economy will largely depend on the progress of these reforms, as well as on the effectiveness of the measures taken by the Government in the field of economy, financial and monetary policy.

Despite the fact that Kazakhstan's economy is heavily dependent on the export of oil and other mineral resources, world prices for which have been stable in recent years, especially for hydrocarbon raw materials, there is currently a decline in the development of the country's economy. In addition, the ongoing economic sanctions against Russia indirectly affect the economy of Kazakhstan, given the large economic ties between these countries.

The management of the Group believes that it is taking all necessary measures to maintain the economic stability of the Group in these conditions. However, further deterioration of the situation in the areas described above may negatively affect the results and financial position of the Group. It is currently impossible to determine exactly what this influence may be.

Prices for natural resources sold

Gold, silver and lead prices are based on London Bullion Market Association.

In US dollars	An average of six months in 2024	An average of six months in 2023
Gold (oz)	2,195	1,933
Silver (oz)	23	26
Lead (ton)	2,117	2,149
Zinc (ton)	2,825	2,674

Seasonality

The principal activity of the Group is exploration, development, extraction, processing and sale of solid minerals, these areas are not subject to seasonality or cyclical operations for the period.

Taxation

The provisions of various tax laws and regulations are not always clearly written and their interpretation depends on the opinion of tax inspectors and the officials of the Ministry of Finance of the Republic of Kazakhstan. There are instances of a dissent between local, regional and national tax authorities.

The applied current system of fines and penalties for identified violations on the basis of existing tax laws in Kazakhstan is severe. Penalties include fines, usually amounting to 50% of the additionally imposed taxes and penalty which is assessed at the base rate established by the National Bank of the Republic of Kazakhstan multiplied by 1.25. As a result, the number of fines and penalties may significantly exceed the amount of additionally imposed taxes.

The Group believes that it has paid or accrued all applicable taxes. In unclear cases, the Group has accrued tax liabilities based on reasonable management estimates. The Group's policy provides for the accrual of potential liabilities in the reporting period in which there is a possibility of such additional costs, the amount of which can be determined with a sufficient degree of accuracy.

Due to the uncertainty inherent in the Kazakh taxation system, the potential amount of taxes and penalties may exceed the amount charged to the present and accrued as at June 30, 2024. Despite the possibility of accrual of such amounts and their potentially significant nature, the Group's management believes that they are either unlikely, or not measurable, or both at the same time.

NATIONAL MINING COMPANY TAU-KEN SAMRUK JSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2024 (CONTINUED)

19. COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

Taxation (continued)

The Group's operations and financial position may be affected by the development of the political situation in Kazakhstan, including the application of current and future legislation and regulatory legal acts in the field of taxation. The Group does not consider that these potential liabilities in relation to its activities are more significant than the potential liabilities of similar enterprises in Kazakhstan.

Management believes that as at June 30, 2024, its interpretation of the applicable legislation is appropriate and it is likely that the Group's position on taxes will be supported.

Environmental issues

The Group's management believes that the Group complies with the requirements of laws and regulations of the Republic of Kazakhstan in relation to environmental issues. However, in case of change of Kazakhstani laws and regulations on environmental protection, the Group cannot predict the timing and the degree of changes.

Legal issues

The Group assesses the probability of material obligations arising under specific circumstances and recognises corresponding provision in the interim condensed consolidated financial statements only when it is probable that an outflow of resources will be necessary to settle the obligations and the amount of the obligation can be reliably measured.

The Group's management believes that the actual obligations, if any, will not materially impact on the current financial position and financial results of the Group. Therefore, no provisions were recognised in these interim condensed consolidated financial statements.

Insurance

The insurance market in Kazakhstan is emerging and many types of insurance widespread in other countries are not yet available in Kazakhstan. Meanwhile, the Group has insurance coverage related to ongoing drilling and capital repair of mines, as well as civil liability against third parties at a level of generally accepted principles in mining industry. Management of the Group believes that as at June 30, 2024 the Group's insurance program was in compliance with the main terms of the subsoil use contracts.

Trust management

In 2022, the Ministry of Finance of the Republic of Kazakhstan has concluded an agreement with the Parent Company on the transfer of state property in the form of a 100% stake in the authorized capital of Topaz-NS LLP, Akmolit LLP and Markhit LLP to trust management without the right of subsequent redemption before transferring it to pay for the placed shares of Samruk-Kazyna.

In August 2022, Fund concluded an agreement on the transfer of state property management with the Group for a period until the Founder makes a decision on the transfer of objects to pay for the authorized capital of the Trustee or until the refusal to fulfill the terms of the agreement.

Investment agreements

As at June 30, 2024 and December 31, 2023, the Group has no investment agreements other than subsoil use agreements.

NATIONAL MINING COMPANY TAU-KEN SAMRUK JSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2024 (CONTINUED)

20. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group uses the following hierarchic structure of valuation methods to determine and disclose information about the fair value of financial instruments:

- Level 1: quoted (unadjusted) prices on active markets for identical assets or liabilities;
- Level 2: valuation models in which all inputs, having significant effect on the fair value recorded in the interim condensed consolidated financial statements, are directly or indirectly based on the information observable on the market;
- Level 3: valuation models in which all inputs, having significant effect on the fair value recorded in the interim condensed consolidated financial statements, are not based on the information observable on the market.

The following table represents an analysis of financial instruments in the interim condensed consolidated financial statements at fair value, in the context of a hierarchy of levels of the fair value at June 30, 2024 and December 31, 2023 as follows:

In thousands of tenge	Fair value measurement as at June 30, 2024 (unaudited)			
	Level 1	Level 2	Level 3	Total
Financial assets				
Assets for which fair values are disclosed				
Cash and cash equivalents	20,148,568	–	–	20,148,568
Restricted cash	–	4,790,425	–	4,790,425
Assets carried at amortised cost				
Accounts receivable	–	12,417,579	–	12,417,579
Loan issued to parent organisation	–	16,884,776	–	16,884,776
Investment securities	–	5,193,280	–	5,193,280
Total fair value	20,148,568	39,286,060	–	59,434,628
Financial liabilities measured at amortised cost				
Accounts payable	–	16,722,729	–	16,722,729
Loans received	–	71,245,961	–	71,245,961
Lease liabilities	–	291,728	–	291,728
Accounts payable for acquisition of subsidiary	–	5,486,996	–	5,486,996
Total fair value	–	93,747,414	–	93,747,414
Financial liabilities measured at amortised cost				
Assets for which fair values are disclosed				
Cash and cash equivalents	27,571,587	–	–	27,571,587
Restricted cash	–	4,757,750	–	4,757,750
Assets carried at amortised cost				
Accounts receivable	–	14,122,410	–	14,122,410
Loan issued to parent organisation	–	15,452,437	–	15,452,437
Investment securities	–	4,936,902	–	4,936,902
Total fair value	27,571,587	39,269,499	–	66,841,086
Financial liabilities measured at amortised cost				
Accounts payable	–	19,900,583	–	19,900,583
Loans received	–	66,771,808	–	66,771,808
Lease liabilities	–	304,505	–	304,505
Accounts payable for acquisition of subsidiary	–	5,296,178	–	5,296,178
Total fair value	–	92,273,074	–	92,273,074

During the six months ended June 30, 2024 and twelve months ended December 31, 2023 there were no transfers among Levels 1, 2 and 3.

NATIONAL MINING COMPANY TAU-KEN SAMRUK JSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2024 (CONTINUED)

21. RELATED PARTY TRANSACTIONS

Related parties include entities under control of Fund and/or the Government, as well as entities in which Fund and/or the Government have a significant influence or a joint control; key management personnel of the Group, the entities in which the management of the Group directly or indirectly holds a significant share.

Transactions with related parties were carried out on terms agreed between the parties, which were not necessarily carried out on market terms. The remaining operations with related parties as at June 30, 2024 and December 31, 2023 are as follows:

Accounts payable

In thousands of tenge	June 30, 2024 (unaudited)	December 31, 2023
<i>Entities under common control of Samruk-Kazyna:</i>		
Samruk Kazyna Business Service LLP	6,932	9,338
Kazpost JSC	5,216	7,049
Kazakhtelecom JSC	1,613	1,655
KEGOC JSC	650	536
Samruk Kazyna Contract JSC	–	278
	14,411	18,856

Accounts receivable

In thousands of tenge	June 30, 2024 (unaudited)	December 31, 2023
<i>Entities under common control of Samruk-Kazyna:</i>		
Samruk Kazyna Business Service LLP	–	63
<i>Entities related with the Government</i>		
The National Bank of the Republic of Kazakhstan	11,578,595	12,763,993
	11,578,595	12,764,056

Cash and cash equivalents

In thousands of tenge	June 30, 2024 (unaudited)	December 31, 2023
<i>Entities related with Samruk-Kazyna:</i>		
Kazpost JSC	6,442,522	6,850,597
	6,442,522	6,850,597

Advances paid

In thousands of tenge	June 30, 2024 (unaudited)	December 31, 2023
<i>Entities under common control of Samruk-Kazyna</i>		
Kazakhstan Temir Zholy JSC	71	99
Kazpost JSC	44	48
Air Astana JSC*	–	684
	115	831

*As at February 14, 2024, Air Astana JSC is no longer a related party.

NATIONAL MINING COMPANY TAU-KEN SAMRUK JSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2024 (CONTINUED)

21. RELATED PARTY TRANSACTIONS (CONTINUED)

Loan issued to parent organisation

In thousands of tenge	June 30, 2024 (unaudited)	December 31, 2023
Sovereign Wealth Fund Samruk-Kazyna JSC	16,915,546	15,485,984
	16,915,546	15,485,984

Purchases

In thousands of tenge	For the six months ended	
	June 30, 2024 (unaudited)	June 30, 2023 (unaudited)
<i>Entities related with Samruk-Kazyna</i>		
Samruk Kazyna Construction JSC	47,428	47,428
Samruk Kazyna Business Service LLP	46,067	51,795
Kazpost JSC	21,228	16,021
Samruk Kazyna Contract JSC	20,083	18,096
Kazakhtelecom JSC	8,942	8,647
KEGOC JSC	1,740	–
Air Astana JSC*	283	–
Kazakhstan Temir Zholy JSC	27	–
Samruk Kazyna Invest LLP	–	18
	145,798	142,005

*As at February 14, 2024, Air Astana JSC is no longer a related party

Sales to related parties

In thousands of tenge	For the six months ended	
	June 30, 2024 (unaudited)	June 30, 2023 (unaudited)
<i>Entities related with the Government</i>		
The National Bank of the Republic of Kazakhstan	502,254,655	353,540,668
<i>Entities under common control</i>		
Samruk Kazyna Business Service LLP	–	56
<i>Associates of the Group</i>		
Kazzinc LLP	–	1,913,660
	502,254,655	355,454,384

Compensation of key management personnel

Key management personnel comprise members of the Management Board and the Members of the Board of Directors, a total of 9 people, including two independent directors as at June 30, 2024 (June 30, 2023: 9 people, including two independent directors). Total compensation to the key management personnel included in general and administrative expenses in the interim condensed consolidated statement of profit or loss and other comprehensive income for the six months and three months ended June 30, 2024, amounted to 81,011 thousand tenge and 40,562 thousand tenge, respectively (six months and three months ended June 30, 2023: 93,262 thousand tenge and 60,238 thousand tenge, respectively (unaudited)).

22. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements of the Group for the six months ended June 30, 2024, were approved for issue by the Chief economics and finance officer and Chief accountant of the Group on August 2, 2024.

NATIONAL MINING COMPANY TAU-KEN SAMRUK JSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2024 (CONTINUED)

23. EVENTS AFTER THE REPORTING DATE

The Group is in non-compliance with covenant №1 under the agreement with EBRD relating to the conclusion of the contract for the construction of a mining and processing plant, which had a waiver valid until June 30, 2024, and on July 30, 2024, the Company received from EBRD a waiver to comply with covenants №1, №2, №3 and №4 until April 30, 2025. The Company's management believes that any issues relating to non-compliance with the terms of the covenants will be resolved through negotiations or corrective measures and will not have a material impact on the financial statements of the Group.