Zangezur Copper Molybdenum Combine CJSC

Consolidated Financial Statements
for the year ended 31 December 2025

Contents

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Independent Auditors' Report

To the Shareholders and Board of Directors of Zangezur Copper Molybdenum Combine CJSC

Opinion

We have audited the consolidated financial statements of Zangezur Copper Molybdenum Combine CJSC (the "Company") and its subsidiary (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

Davit Shamshyan
Engagement Partner

KPMG Armenia LLC

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«KPMG ARMENIA»
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Irina Gevorgyan
Managing Partner
Director of KPMG Armenia LLC

KPMG Armenia LLC
15 April 2026

Consolidated Statement of Financial Position as at 31 December 2025

'000 AMD	Note	31 December 2025	31 December 2024
Assets			
Property, plant, equipment and right-of-use assets	15	254,388,098	242,090,480
Stripping activity assets	16	76,974,085	51,548,069
Intangible assets		7,352,890	3,281,663
Borrowings given	18	2,196,634	-
Prepayments for non-current assets	17	16,779,376	15,795,223
Other non-current assets		3,219,396	458,779
Non-current assets		**360,910,479**	**313,174,214**
Inventories	19	45,273,214	48,777,619
Borrowings given	18	2,222,529	4,596,479
Prepayments for current assets	17	6,900,779	6,885,124
Royalty receivable from State budget		-	19,854,778
Input VAT		3,726,545	928,564
Deferred VAT		676,994	477,069
Other prepaid taxes		909,498	817,166
Trade and other receivables	20	26,164,928	28,746,830
Cash and cash equivalents	21	32,314,170	33,615,588
Other current assets		4,861	8,894
Current assets		**118,193,518**	**144,708,111**
Total assets		**479,103,997**	**457,882,325**
Equity			
Share capital	22	54,966,680	54,966,680
Share premium		18,167,106	18,167,106
Retained earnings		186,202,609	189,722,218
Total equity		**259,336,395**	**262,856,004**
Liabilities			
Loans and borrowings	24	51,730,973	64,935,327
Lease liabilities	25	2,740,386	2,704,459
Provisions	23	5,330,284	4,171,023
Deferred tax liabilities	14	23,427,378	24,077,801
Total non-current liabilities		**83,229,021**	**95,888,610**
Loans and borrowings	24	65,981,214	34,407,989
Lease liabilities	25	-	736,610
Provisions	23	4,575,704	3,514,866
Contract liabilities	27	5,518,475	2,956,496
Income tax payable		8,613,677	8,372,998
Royalty payable		943,537	-
Trade and other payables	26	50,905,974	49,148,752
Current liabilities		**136,538,581**	**99,137,711**
Total liabilities		**219,767,602**	**195,026,321**
Total equity and liabilities		**479,103,997**	**457,882,325**

The consolidated statement of financial position is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 9 to 53.

Consolidated Statement of Profit or Loss and Other Comprehensive Income for 2025

'000 AMD	Note	2025	2024
Revenue	6	278,777,847	279,882,341
Cost of sales	7	(130,995,366)	(139,723,978)
Gross profit		**147,782,481**	**140,158,363**
Distribution expenses	8	(4,960,177)	(5,310,595)
Administrative expenses	9	(21,893,525)	(19,858,391)
Donations to social programs	10	(7,074,675)	(8,549,810)
Other income		1,057,755	497,078
Royalty expense (Component 1)	11	(11,574,951)	(11,374,648)
Other expenses	11	(10,409,383)	(7,441,471)
Reversal of/(allowance for) expected credit losses		90,153	(176,959)
Results from operating activities		**93,017,678**	**87,943,567**
Finance income	12	1,175,976	5,650,816
Finance costs	12	(10,281,292)	(4,300,593)
Net foreign exchange gain/(loss)		1,546,041	(5,370,426)
Profit before income tax		**85,458,403**	**83,923,364**
Income tax expense	14	(37,278,131)	(38,761,492)
Profit and total comprehensive income for the year		**48,180,272**	**45,161,872**

Signed and authorized for the release on behalf of the management of the Group on 13 April 2026.

Roman Khudoliy
General Director

Tovmas Melikyan
Chief Accountant

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 9 to 53.

Consolidated Statement of Changes in Equity for 2025

'000 AMD	Share capital	Share premium	Retained earnings	Total equity
Balance at 1 January 2024	54,966,680	18,167,106	294,076,569	367,210,355
Total comprehensive income				
Profit for the year	-	-	45,161,872	45,161,872
Total comprehensive income for the year	**-**	**-**	**45,161,872**	**45,161,872**
Transactions with owners of the Group				
Reversal upon early redemption of the difference on initial recognition between nominal value and fair value of long-term borrowings given at below market rate (Note 18)	-	-	2,483,777	2,483,777
Dividends declared	-	-	(152,000,000)	(152,000,000)
Total transactions with owners of the Group	**-**	**-**	**(149,516,223)**	**(149,516,223)**
Balance at 31 December 2024	**54,966,680**	**18,167,106**	**189,722,218**	**262,856,004**
Balance at 1 January 2025	54,966,680	18,167,106	189,722,218	262,856,004
Total comprehensive income				
Profit for the year	-	-	48,180,272	48,180,272
Total comprehensive income for the year	**-**	**-**	**48,180,272**	**48,180,272**
Transactions with owners of the Group				
Difference on initial recognition between nominal value and fair value of receivables from related parties at below market rate (Note 21)	-	-	(699,881)	(699,881)
Dividends declared	-	-	(51,000,000)	(51,000,000)
Total transactions with owners of the Group	**-**	**-**	**(51,699,881)**	**(51,699,881)**
Balance at 31 December 2025	**54,966,680**	**18,167,106**	**186,202,609**	**259,336,395**

The consolidated statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 9 to 53.

Consolidated Statement of Cash Flows for 2025

'000 AMD	**2025**	**2024**
Profit before tax	**85,458,403**	**83,923,364**
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation	30,839,026	22,196,752
Impairment losses	1,407,773	474,151
Net foreign exchange (gain)/loss	(1,546,041)	5,370,426
Sales for non-cash consideration	(24,266,679)	(13,013,257)
Provisions charged during the year	1,045,874	620,153
Reversal of write-down of inventory	(25,893)	(75,357)
Gain from lease disposal	(195,582)	-
Credit loss (recovery)/expense	(90,153)	176,959
Net finance income	9,105,316	(1,350,223)
Working capital adjustments:		
Decrease in inventories	6,196,256	18,373,940
(Increase)/decrease in prepayments	(66,239)	5,048,237
Decrease/(increase) in royalty receivable	6,591,280	(10,933,184)
(Increase)/decrease in input VAT	(2,797,981)	3,624,413
Increase in deferred VAT	(199,925)	(177,664)
(Increase)/decrease in other prepaid taxes	(92,332)	5,008,368
Decrease in trade and other receivables	1,671,979	8,403,433
Increase in other assets	(16,461)	(31,541)
Increase/(decrease) in contract liabilities	2,428,427	(13,591,920)
Increase in trade and other payables	1,388,806	3,335,952
Cash flow from operations before income taxes paid	**116,835,854**	**117,383,002**
Income tax paid	(13,448,143)	(20,610,845)
Royalties paid (Components 2 and 3)	(10,032,697)	(43,337,859)
Net cash flows from operating activities	**93,355,014**	**53,434,298**
Investing activities		
Acquisition of property, plant and equipment	(48,184,881)	(37,747,644)
Acquisition of intangible assets	(5,066,358)	(3,021,167)
Proceeds from sale of property, plant and equipment	76,900	689,596
Investments in stripping activity assets	(33,395,914)	(17,421,195)
Placement of deposits at banks	-	(2,084,664)
Proceeds from bank deposits	-	3,118,852
Proceeds from borrowings given	-	2,981,020
Interest received	565,603	1,344,508
Net cash flows used in investing activities	**(86,004,650)**	**(52,140,694)**
Financing activities		
Proceeds from loans and borrowings	174,698,061	142,920,348
Repayment of loans and borrowings	(130,434,050)	(61,572,929)
Payment of lease liabilities	(320,419)	(665,851)
Interest paid	(7,060,194)	(1,871,439)
Dividends paid	(44,625,050)	(55,974,502)
Net cash flows (used in)/from financing activities	**(7,741,652)**	**22,835,627**
Net (decrease)/increase in cash and cash equivalents	**(391,288)**	**24,129,231**
Cash and cash equivalents at 1 January	33,615,588	12,264,564
Effect of exchange rate changes on cash and cash equivalents	(910,130)	(2,778,207)
Cash and cash equivalents at 31 December (Note 21)	**32,314,170**	**33,615,588**

The consolidated statement of cash flows is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 9 to 53.

Notes to the Consolidated Financial Statements for 2025

1. Reporting entity

(a) Armenian business environment

The Group's operations are primarily located in Armenia. Consequently, the Group is exposed to the economic and financial markets of Armenia which display characteristics of an emerging market. The legal, tax and regulatory frameworks continue development, but are subject to varying interpretations and frequent changes which together with other legal and fiscal impediments contribute to the challenges faced by entities operating in the Republic of Armenia. Continuous military conflicts between Armenia and Azerbaijan eventually leading to Azerbaijan remaining in effective control of Nagorno-Karabakh territory in September 2023 and ongoing military conflict between the Russian Federation and Ukraine have increased the level of uncertainty in the business environment. In August 2025, Armenia and Azerbaijan signed a Joint Declaration expressing a mutual intention to normalize bilateral relations, including commitments to reduce tensions, advance border delimitation discussions, and promote regional stability. However, the practical implementation of the declaration and its long-term impact on economic activity remain uncertain.

Additionally, during 2026, geopolitical tensions escalated significantly following military action in the Middle East, including developments involving Iran. These events have increased uncertainty in global financial markets, disrupted supply chains and contributed to volatility in energy prices. The Group continues to assess the potential impact of these developments.

The consolidated financial statements reflect management's assessment of the impact of the Armenian business environment on the operations and the financial position of the Group. The future business environment may differ from management's assessment.

(b) Organisation and operations

Zangezur Copper Molybdenum Combine CJSC (the "Company") and its subsidiary Ler-Ex LLC (the "Subsidiary"), forming the Group (the "Group"), are Armenian closed joint stock company and limited liability company as defined in the Civil Code of the Republic of Armenia. The Company was established as a state-owned enterprise in 1952. It was privatised as a closed joint stock company on 1 January 2005 according to Government decree No. 1677-A dated 9 December 2004.

The Company's registered office and actual location where principal activities are carried is 18 Lernagortzneri Street, Kajaran, Syunik region, Republic of Armenia.

The Group's principal activity is mining and the production of copper and molybdenum concentrate. Finished goods are sold mainly in the form of copper concentrate and molybdenum concentrate. The Group's operations are regulated by the License agreements between the Group and the Ministry of Energy and Natural Resources (the "License Agreements"). According to the License Agreements, the Group's operations are licensed until 2041.

As at 31 December 2025 and 2024 the shareholder structure of the Group was as follows: Promishlennaya Kompaniya JSC (45%), Republic of Armenia (21.875%), Urbanevent Plus LLC (14.99%), Zangezur Mining LLC (12.5%), AMP Holdings CJSC (5.625%) (the "Shareholders").

The Group's immediate parent company is Promishlennaya Kompaniya JSC and the Group's ultimate parent company is Neo Metals Holding Limited. As at 31 December 2024 and 31 December 2025 the Group has no ultimate controlling party.

The Company was first rated by Moody's Investor Services in 2019. The current rating is B2 with stable outlook.

Related party transactions are disclosed in Note 32.

The following subsidiary is included in the consolidated financial statements of the Group:

Subsidiary	Country of incorporation	2025 Ownership/ voting	2024 Ownership/ voting	Nature of activities
Ler-Ex LLC	Republic of Armenia	100%	100%	Construction

2. Basis of accounting

Statement of compliance

The accompanying consolidated financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

The consolidated financial statements have been prepared on the going concern basis. Management has assessed the Group's ability to continue as a going concern and, taking into account the Group's strong operating cash flows and access to existing credit facilities, has concluded that no material uncertainty exists.

3. Functional and presentation currency

The national currency of the Republic of Armenia is the Armenian Dram ("AMD"), which is the functional currency of the Company and each of the Group's consolidated entities and is the currency in which these consolidated financial statements are presented. All financial information presented in AMD has been rounded to the nearest thousand unless otherwise indicated.

4. Use of estimates and judgments

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

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

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 34(b) – recognition of revenue;
- Note 34(e) – classification of royalty expense;
- Note 34(f) and Note 16 – determination of the components of ore body and waste estimates.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is included in the following notes:

- Note 4(a) – ore reserve estimates and exploitation license extension;
- Note 34(g) – useful lives of property, plant and equipment and determination of units of production depreciation calculation;
- Note 23 – provision for site restoration;
- Note 34(e) – estimated effective tax rate;
- Note 20 – ECL estimate for trade receivables.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 28 – fair values and risk management.

(a) Ore resources and exploitation license

Ore reserves and mineral resource estimates are estimates of the amount of ore that can be economically and legally extracted from the Group's mining properties. Such reserves and mineral resource estimates and changes to these may impact the Group's reported consolidated financial position and results, in the following way:

- The carrying value of property, plant and equipment and stripping activity assets may be affected due to changes in estimated future cash flows;
- Depreciation and amortisation charges in the consolidated statement of profit or loss and other comprehensive income may change where such changes are determined using the unit of production (UOP) method, or where the useful life of the related assets change;
- Capitalised stripping costs recognised in the consolidated statement of financial position as either part of property, plant and equipment, other non-current assets or inventory or charged to profit or loss may change due to changes in stripping ratios;
- Provisions for site restoration and environmental provisions may change where reserve estimate changes affect expectations about when such activities will occur and the associated cost of these activities;
- The recognition and carrying value of deferred income tax assets may change due to changes in the judgments regarding the existence of such assets and in estimates of the likely recovery of such assets.

The Group operates under a License which expires in 2041, in accordance with License Agreement No. PV-232 dated 27 November 2012. In preparing these consolidated financial statements management has assumed that the License will be prolonged beyond 2041. This assumption is based on the provisions of the Mining Code which state that the License can be prolonged based on submitted application. Further, the Group obtained NI43-101 compliant mineral resource estimate as of October 2015, issued by Golder Associates and the new one is expected in 2026 to be issued by SLR.

The Group uses the above estimates in evaluating the timing of site restoration costs, useful lives and impairment of property, plant and equipment and stripping activity assets.

5. Segment reporting

An operating segment is a component of a Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses related to transactions with other components of the same Group); whose operating results are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Management considers that the Group comprises of one operating segment as the Board of the Group monitors the operating results of the Group as a single business unit. The General Director is considered to be the Group's chief operating decision maker for the purpose of making decisions about resource allocation and performance assessment.

6. Revenue

Revenue from contracts with customers

'000 AMD	**2025**	**2024**
Revenue from the sale of molybdenum concentrate	111,567,063	134,621,703
Revenue from the sale of copper concentrate	158,064,475	120,906,653
Revenue from the sale of ferro-molybdenum	-	13,593,488
Revenue from freight/shipping services	7,742,778	9,237,551
Other revenue	1,403,531	1,522,946
Total revenues	**278,777,847**	**279,882,341**

Revenues from the sale of concentrates, roasted molybdenum and ferro-molybdenum:

	2025		**2024**	
	'000 AMD	**Dry metric tonnes**	**'000 AMD**	**Dry metric tonnes**
Molybdenum concentrate and roasted molybdenum	111,567,063	13,459	134,621,703	16,437
Copper concentrate	158,064.475	183,908	120,906,653	167,033
Ferro-molybdenum	-	-	13,593,488	1,169
	269,631,538		**269,121,844**	

All revenue from the sale of copper and molybdenum concentrate and other revenue is recognised at a point in time when control transfers (Note 34(b)) and revenue from freight/shipping services is recognised over time as the services are provided.

At 31 December 2025 the Group had outstanding provisionally priced sales of AMD 25,888,123 thousand consisting of 25,610 dry metric tonnes of copper concentrate and 2,726 dry metric tonnes of molybdenum concentrate which had a fair value of approximately AMD 22,373,191 thousand (2024: AMD 16,620,072 thousand consisting of 6,707 dry metric tonnes of copper concentrate and 1,409 dry metric tonnes of molybdenum concentrate, which had a fair value of approximately AMD 16,103,955 thousand).

7. Cost of sales

’000 AMD	2025	2024
Cost of sales of concentrates, ferro-molybdenum and roasted molybdenum	129,531,098	138,573,790
Cost of other sales	1,464,268	1,150,188
	130,995,366	**139,723,978**

Cost of sales of concentrates, ferro-molybdenum and roasted molybdenum:

’000 AMD	2025	2024
Materials	36,948,982	41,109,396
Wages and salaries	28,782,365	30,468,606
Depreciation	19,270,408	19,971,877
Electricity and gas	13,711,719	13,961,345
Outsourced services	12,542,343	21,300,998
Transportation	8,036,729	9,742,571
Amortisation	7,969,898	144,137
Rental expenses	1,615,197	762,068
Ecology taxes	410,892	395,619
Tolling costs	-	706,266
Other	242,565	10,907
	129,531,098	**138,573,790**

8. Distribution expenses

’000 AMD	2025	2024
Transportation of copper	3,666,511	3,691,819
Laboratory studies	353,761	422,583
Transportation of molybdenum	284,922	412,122
Wages and salaries	237,335	205,198
Packaging, sorting and maintenance	103,800	104,457
Insurance	57,182	202,663
Other	256,666	271,753
	4,960,177	**5,310,595**

9. Administrative expenses

'000 AMD	2025	2024
Wages and salaries	12,982,737	13,139,922
Office, utility and communication expense	2,049,131	1,841,020
Audit, consulting and other professional services	1,974,921	1,302,689
Depreciation and amortisation	1,679,853	956,679
Materials	809,521	862,048
Rental expense	785,140	691,881
Insurance cost and bank charges	382,043	597,047
Business trips, trainings and representative expenses	345,908	233,300
Licenses	121,137	180,431
Other	763,134	53,374
	21,893,525	**19,858,391**

10. Donations to social programs

'000 AMD	2025	2024
Donations in cash	6,839,571	7,830,026
Property, plant and equipment, inventory and other donations	235,104	719,784
	7,074,675	**8,549,810**

The Group makes contributions to different social programs and institutions involving community.

11. Royalty and other expenses

'000 AMD	2025	2024
Royalty expense (Component 1)	11,574,951	11,374,648
Depreciation	1,918,867	1,124,059
Wages and salaries	1,198,887	1,169,032
Vacation reserve (Note 24)	1,029,330	620,153
Impairment of prepayments	754,496	313,881
Non-refundable taxes	655,484	226,808
Impairment of property and equipment	653,277	160,270
Fines and penalties	228,464	40,784
Materials	108,587	327,769
Other	3,861,991	3,458,715
	21,984,334	**18,816,119**

12. Finance income/(costs)

’000 AMD	2025	2024
Unwinding of discount on receivables from related parties	546,233	523,718
Interest income from borrowings given	400,424	4,686,496
Interest income on bank accounts	229,319	412,123
Interest income on deposits	-	28,479
Finance income	**1,175,976**	**5,650,816**
Interest expense on loans and borrowings	(9,281,134)	(3,546,391)
Unwinding of discount on site restoration provision (Note 23)	(609,385)	(325,426)
Interest expense on lease liabilities	(143,431)	(372,149)
Other interest expense	(247,342)	(56,627)
Finance costs	**(10,281,292)**	**(4,300,593)**

13. Personnel costs

’000 AMD	2025	2024
Wages and salaries	55,208,257	48,144,843
Medical insurance and other benefits	220,068	543,458
Termination benefits	135,754	2,382
	55,564,079	**48,690,683**

14. Income taxes

(a) Amounts recognised in profit or loss (Note 34)

The effective tax rate as at 31 December 2025 is 33.25 % (2024: 33.25 %), which comprises of current tax rate of 18%, royalty Component 2 rate of 12.5% and the estimated royalty Component 3 rate of 5.02% (2024: 5.02%) (Note 34(e)(ii)).

Both royalty Component 2 and Component 3 are tax deductible expenses and hence, their rates included in effective tax rate are adjusted accordingly. While the current tax rate and royalty Component 2 rates are fixed, the royalty Component 3 rate is dependent on the Group’s profit margin and is estimated based on Group’s forecasted financial results. Royalty Component 3 is subject to changes in future periods depending on changes in future estimates.

’000 AMD	2025	2024
Current tax expense		
Current year Component 2 of royalty	15,349,438	14,570,167
Current year income tax	13,649,451	14,030,473
Current year Component 3 of royalty	7,952,207	7,186,535
Royalty, under-provided in prior years	938,087	341,048
Income tax under/(over)-provided in prior years	39,371	(61,389)
	37,928,554	**36,066,834**
Deferred tax expense		
Origination and reversal of temporary differences	(650,423)	2,694,658
	(650,423)	**2,694,658**
Total income tax expense	**37,278,131**	**38,761,492**

Reconciliation of effective tax rate:

	2025		2024	
	’000 AMD	**%**	**’000 AMD**	**%**
Profit before income tax	85,458,403	100	83,923,364	100
Income tax at applicable tax rate	28,416,628	33.25	27,904,519	33.25
Under-provided in prior years	977,458	1.1	279,659	0.3
Non-deductible expenses for income tax	2,100,836	2.5	2,126,234	2.5
Non-deductible expenses for royalty	3,812,167	4.5	2,768,721	3.3
Impact on current tax expense of difference between actual and estimated royalty Component 3 effective tax rate	1,971,042	2.3	5,682,359	6.8
	37,278,131	**43.6**	**38,761,492**	**46.2**

(b) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

'000 AMD	1 January 2024 net deferred asset/(liability)	Recognised in profit or loss	Recognised directly in equity	31 December 2024 net deferred asset/(liability)	Recognised in profit or loss	31 December 2025 net deferred asset/ (liability)
Property, plant and equipment	(18,756,398)	998,113	-	(17,758,285)	1,220,159	(16,538,126)
Right-of-use assets	(1,327,310)	263,626	-	(1,063,684)	1,063,684	-
Intangible assets	(51,457)	152,287	-	100,830	(22,074)	78,756,
Inventories	(180,100)	561,722	-	381,622	124,060	505,682
Stripping assets	(9,407,559)	(1,728,108)	-	(11,135,667)	(2,075,724)	(13,211,391)
Trade and other receivables	1,416,083	(957,874)	-	458,209	(218,323)	239,886
Prepayments for current assets	278,605	(56,894)	-	221,711	(193,408)	415,119
Prepayments for non-current assets	841,918	(268,165)	-	573,753	604,882	1,178,635
Borrowings given	2,655,141	(1,018,769)	(1,237,348)	399,024	-	399,024
Lease liabilities	1,365,633	(221,409)	-	1,144,224	(1,144,224)	-
Trade and other payables	637,454	(637,454)	-	-	-	-
Contract liabilities	358,652	(166,116)	-	192,536	(171,255)	363,791
Provisions	2,023,543	384,383	-	2,407,926	733,320	3,141,246
	(20,145,795)	**(2,694,658)**	**(1,237,348)**	**(24,077,801)**	**650,423**	**(23,427,378)**

(c) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

'000 AMD	2025	2024
Deductible temporary differences	895,321	1,197,312
Tax losses	269,088	199,351
	1,164,410	**1,396,663**

The deductible temporary differences do not expire, but the tax losses can be carried forward for five years since the loss-making year under the current tax legislation. Deferred tax assets have not been recognised in respect of deductible temporary differences and tax losses of the Group's subsidiary because it is uncertain whether future taxable profit will be available against which the subsidiary can utilise the benefits therefrom.

15. Property, plant, equipment and right-of-use assets

’000 AMD	Land and buildings	Plant and equipment	Mining facilities	Fixtures and fittings	Construction in progress	Right-of-use asset	Total
Cost							
Balance at 1 January 2024	80,753,320	267,227,388	256,147	1,781,885	76,176,751	5,148,661	431,344,152
Additions	690,909	23,070,985	-	-	21,009,886	3,916	44,775,696
Disposals/Write off	-	(997,647)	-	(1,498)	(211,506)	-	(1,210,651)
Transfers	2,822,934	6,241,352	-	157,689	(9,223,695)	1,720	-
Balance at 31 December 2024	**84,267,163**	**295,542,078**	**256,147**	**1,938,076**	**87,751,436**	**5,154,297**	**474,909,197**
Balance at 1 January 2025	84,267,163	295,542,078	256,147	1,938,076	87,751,436	5,154,297	474,909,197
Additions	-	13,762,415	-	13,298	30,190,070	49,280	44,015,063
Disposals/Write off	(369)	(4,961,791)	-	(148,980)	(4,359,913)	(4,347,466)	(13,818,519)
Transfers	1,790,415	4,132,947	-	293,547	(6,250,034)	33,125	-
Balance at 31 December 2025	**86,057,209**	**308,475,649**	**256,147**	**2,095,941**	**107,331,559**	**889,236**	**505,105,741**
Depreciation and impairment losses							
Balance at 1 January 2024	(30,665,764)	(177,696,694)	(104,569)	(1,184,964)	-	(1,148,022)	(210,800,013)
Depreciation for the year	(2,776,904)	(19,217,006)	-	(133,833)	-	(799,276)	(22,927,019)
Disposals/Write off	-	906,817	-	1,498	-	-	908,315
Balance at 31 December 2024	**(33,442,668)**	**(196,006,883)**	**(104,569)**	**(1,317,299)**	**-**	**(1,947,298)**	**(232,818,717)**
Balance at 1 January 2025	(33,442,668)	(196,006,883)	(104,569)	(1,317,299)	-	(1,947,298)	(232,818,717)
Depreciation for the year	(2,436,723)	(21,301,860)	-	(156,202)	-	(364,336)	(24,259,121)
Disposals/Write off	-	4,791,915	-	145,882	-	1,422,398	6,360,195
Transfers	-	3,753	-	(3,753)	-	-	-
Balance at 31 December 2025	**(35,879,391)**	**(212,513,075)**	**(104,569)**	**(1,331,372)**	**-**	**(889,236)**	**(250,717,643)**
Carrying amounts							
At 1 January 2024	**50,087,556**	**89,530,694**	**151,578**	**596,921**	**76,176,751**	**4,000,639**	**220,544,139**
At 31 December 2024	**50,824,495**	**99,535,195**	**151,578**	**620,777**	**87,751,436**	**3,206,999**	**242,090,480**
At 31 December 2025	**50,177,818**	**95,962,574**	**151,578**	**764,569**	**107,331,559**	**-**	**254,388,098**

The borrowing costs capitalised on construction in progress were AMD 114,848 thousand. No capitalization has been done during 2024.

At 31 December 2025 property, plant and equipment with a carrying amount of AMD 85,191,316 thousand (2024: AMD 101,443,642 thousand) are pledged as security for secured bank loans and secured loans from other organisations.

At 31 December 2025 the gross book value of fully depreciated property, plant and equipment, which are in use, amounted AMD 91,252,444 thousand (2024: AMD 78,820,263 thousand).

Depreciation expense of AMD 19,270,408 thousand has been charged to cost of sales (2024: AMD 19,971,877 thousand), AMD 1,918,887 thousand to royalty and other expenses (2024: AMD 1,679,032 thousand), AMD 1,679,853 thousand to administrative expenses (2024: AMD 956,679 thousand), AMD 1,389,993 thousand been included in closing inventory and stripping assets (2024: AMD 318,610 thousand).

16. Stripping activity assets

In 2014, The Group started intensive stripping activities in Shlorkut site of Kajaran mine and capitalized the pre-production stripping costs as stripping activity assets from which the extraction of ore started in 2024.

Since 2024 stripping activities started in two other sites of Kajaran mine: Spitak Jur and South Border.

’000 AMD	**2025**	**2024**
Cost		
Balance at 1 January	51,628,352	34,126,874
Additions	34,326,111	17,501,478
Balance at 31 December	**85,954,463**	**51,628,352**
Depreciation		
Balance at 1 January	(80,283)	-
Depreciation for the year	(8,900,095)	(80,283)
Balance at 31 December	**(8,980,378)**	**(80,283)**
Carrying amounts		
At 1 January	**51,548,069**	**34,126,874**
At 31 December	**76,974,085**	**51,548,069**

Depreciation expense of AMD 7,938,767 thousand has been charged to cost of sales (2024: AMD 76,347 thousand), AMD 961,328 thousand been included in closing inventory (2024: AMD 3,936 thousand).

17. Prepayments

’000 AMD	**2025**	**2024**
Prepayments for non-current assets		
Prepayments for property, plant and equipment	16,779,376	15,795,223
	16,779,376	**15,795,223**
Prepayments for current assets		
Prepayments for inventory	4,674,301	5,787,444
Prepayments for services	2,224,981	909,005
Other	1,497	188,675
	6,900,779	**6,885,124**
	23,680,155	**22,680,347**

18. Borrowings given

’000 AMD	**2025**	**2024**
Non-current assets		
Unsecured borrowings given	2,196,634	-
	2,196,634	**-**
Current assets		
Unsecured borrowings given	2,222,529	4,596,479
	2,222,529	4,596,479
	4,419,163	**4,596,479**

				2025		**2024**	
’000 AMD	**CCY**	**Interest rate**	**Year of maturity**	**Carrying amount**	**Face value**	**Carrying amount**	**Face value**
Unsecured borrowings given	USD	9%	2027	4,419,163	4,419,163	4,596,479	4,596,479
				4,419,163	**4,419,163**	**4,596,479**	**4,596,479**

None of the borrowings is secured or overdue.

During 2024, the Group’s related party borrowers entered into assignment agreements transferring the significant part of debt to two of the shareholders. Subsequently, AMD 77,025,650 thousand of borrowings given to shareholders were offset against the dividends payable. As a result, borrowings given to shareholder with carrying amount of AMD 36,164,518 thousand at 31 December 2023 were early repaid. The difference between the carrying amount and the face value of borrowings given on repayment date was recognized through equity.

19. Inventories

’000 AMD	**2025**	**2024**
Spare parts	29,770,714	24,859,242
Ore stockpile	5,159,839	12,807,072
Raw materials and consumables	7,682,727	8,007,625
Finished goods	2,181,363	2,796,816
Construction materials	354,636	172,674
Other	2,718,280	2,754,428
	47,867,559	**51,397,857**
Write-down of inventories	(2,594,345)	(2,620,238)
	45,273,214	**48,777,619**

Materials expense of AMD 36,948,982 thousand has been charged to cost of sales (2024: AMD 41,109,396 thousand), AMD 106,193 thousand to royalty and other expenses (2024: AMD 327,769 thousand), AMD 809,521 thousand to administrative expenses (2024: AMD 862,048 thousand), AMD 95,884 thousand has been charged to donations to social programs (2024: AMD 303,223 thousand) and AMD 7,395,408 thousand has been charged to closing inventories and stripping activity assets (2024: AMD 20,599,576 thousand).

20. Trade and other receivables

’000 AMD	**2025**	**2024**
Trade receivables (not subject to provisional pricing)	2,877,669	3,034,230
Receivables from related parties*	10,360,855	10,971,722
Other receivables	577,644	511,335
Trade and other receivables at amortised cost	**13,816,168**	**14,517,287**
Allowance for expected credit losses	(3,225,421)	(3,315,574)
	10,590,747	**11,201,713**
Trade receivables (subject to provisional pricing) − at fair value	15,574,181	17,545,117
Total trade and other receivables	**26,164,928**	**28,746,830**

* Receivables from related parties include a receivable from the ultimate parent company in the amount of USD 25 million maturing in December 2026. In 2025 the receivable was recognized at fair value upon significant modification extending the maturity of the receivable, discounted at 6.9%.

The difference between nominal amount and fair value was recognized directly in equity. The receivables from related parties are not overdue and are not secured.

Trade receivables (not subject to provisional pricing) are non-interest-bearing and are generally on terms of up to 1 year.

Trade receivables (subject to provisional pricing) are non-interest bearing, but as discussed in Note 28, are exposed to future commodity price movements over the quotational period (QP) and, hence, fail the “solely payments of principal and interest” (SPPI) test and are measured at fair value up until the date of settlement.

These trade receivables are initially measured at the amount which the Group expects to be entitled, being the estimate of the price expected to be received at the end of the QP. Approximately 90% of the provisional invoice (based on the provisional price (calculated as the average price in the week prior to delivery for copper and the average price in the month prior to delivery for molybdenum) is received in cash when the goods are loaded onto the ship, which reduces the initial receivable recognised under IFRS 15. The QPs can range between one and two months post shipment and final payment is due between 30-60 days from the end of the QP. Refer to Note 29 for details of fair value disclosures.

Set out below is the information about the ageing structure and credit risk exposure on the Group's trade and other receivables (not subject to provisional pricing):

'000 AMD	**Demand and less than 3 months**	**3-6 months**	**6-9 months**	**9-12 months**	**More than 1 year**	**Total**
31 December 2025						
Expected credit loss rate	0.15%	0.03%	0.00%	0.00%	99.78%	23.35%
Gross carrying amount	42,023	172,895	-	10,368,802	3,232,448	13,816,168
Expected credit loss	(65)	(52)	-	(91)	(3,225,213)	(3,225,421)
Net carrying amount	**41,958**	**172,843**	**-**	**10,368,711**	**7,235**	**10,590,747**

'000 AMD	**Demand and less than 3 months**	**3-6 months**	**6-9 months**	**9-12 months**	**More than 1 year**	**Total**
31 December 2024						
Expected credit loss rate	0.29%	0.40%	1.03%	0.00%	97.78%	22.84%
Gross carrying amount	132,510	1,249	15,523	10,977,747	3,390,258	14,517,287
Expected credit loss	(381)	(5)	(160)	(67)	(3,314,961)	(3,315,574)
Net carrying amount	**132,129**	**1,244**	**15,363**	**10,977,680**	**75,297**	**11,201,713**

The movement of expected credit loss allowance for trade receivables during the year is presented below.

'000 AMD	**Total**
Expected credit loss allowance as at 1 January 2024	**3,138,615**
Provision for expected credit losses	176,959
Expected credit loss allowance as at 31 December 2024	**3,315,574**
Reversal of expected credit losses	(90,153)
Expected credit loss allowance as at 31 December 2025	**3,225,421**

21. Cash and cash equivalents

Cash and cash equivalents comprise bank balances with local banks.

The Company's exposure to credit risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 29.

22. Capital and reserves

(a) Share capital and share premium

The authorised, issued and fully paid share capital as at 31 December 2025 comprises of 2,748,334 ordinary shares at par value of AMD 20,000 (31 December 2024: 2,748,334 ordinary shares at par value of AMD 20,000).

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

(b) Dividends

In accordance with Armenian legislation, the Group's distributable reserves are limited to the balance of retained earnings as recorded in the Group's statutory consolidated financial statements prepared in accordance with IFRS Accounting Standards.

At the Shareholders' Meeting in May 2025, the Group declared dividends from the retained earnings as at 31 December 2024, totaling AMD 51,000,000 thousand on ordinary shares (AMD 18,557 per share) (2024: AMD 152,000,000 thousand on ordinary shares (AMD 55,306 per share).

23. Provisions

'000 AMD	**Provision for site restoration**	**Vacation reserve**	**Total**
Non-current	3,546,636	-	3,546,636
Current	143,704	2,754,634	2,898,338
Balance at 1 January 2024	**3,690,340**	**2,754,634**	**6,552,581**
Provision used during the year	(1,339,390)	620,153	(719,237)
Changes in estimates	1,634,726	-	1,634,726
Unwinding of discount	325,426	-	325,426
Balance at 31 December 2024	**4,311,102**	**3,374,787**	**7,685,889**
Non-current	4,171,023	-	4,171,023
Current	140,079	3,374,787	3,514,866
Balance at 31 December 2024	**4,311,102**	**3,374,787**	**7,685,889**
Provision (used)/charged during the year	(320,055)	1,045,874	725,819
Changes in estimates	884,895	-	884,895
Unwinding of discount	609,385	-	609,385
Balance at 31 December 2025	**5,485,327**	**1,045,874**	**9,905,988**
Non-current	5,330,284	-	5,330,284
Current	155,043	4,420,661	4,575,704

(a) Site restoration

Artsvanik tailing dam

The Group has a constructive obligation to restore contaminated land affected during the use of the tailing dam (Artsvanik dam) for the purpose of mine exploitation and concentrate production. The provision for restoration works of Artsvanik dam constitutes AMD 5,109,925 thousand as at 31 December 2025 (2024: AMD 3,110,775 thousand).

The total amount of the estimated undiscounted cash flows required to settle the obligation is AMD 9,714,888 thousand (2024: AMD 7,403,484 thousand) considering the effect of average forecasted inflation rate of 3.3% (2024: 3.1%) for Armenia. An annual discount rate of 8.73 % (2024: 9.87%) was used to discount restoration costs to be made in 16 years' time (2024: 10 years). The timing of provision has been taken based on the management estimate on when the Group will realize its restoration obligation in respect of existing tailing dam as at 31 December 2025. The discount rate represents the rate for long-term Armenian government bonds.

The provision increased as compared to the amount recognized for previous year due to changes in estimated volume of restoration work, time horizon, estimated annual discount rate and inflation rate. Changes to the estimated future costs have been dealt with prospectively by recognizing an adjustment to the site restoration liability and a corresponding adjustment to the asset to which it relates.

Hankasar tailing dam

The Group has a constructive obligation to restore contaminated land affected during the use of the tailing dam (Hankasar dam) for the purpose of mine exploitation and concentrate production. The provision for restoration works of Hankasar dam constitutes AMD 375,402 thousand as at 31 December 2025 (2024: AMD 368,914 thousand).

The total amount of the estimated undiscounted cash flows required to settle the obligation is AMD 453,435 thousand (2024: AMD 460,879 thousand) considering the effect of average forecasted inflation rate of 3.3% (2024: 3.1%) for Armenia. An annual discount rate of 8.64% (2024: 9.84%) was used to discount restoration costs to be made in 7 years' time between 2027 and 2033. The timing of provision has been taken based on the management estimate on when the Company will realize its restoration obligation in respect of the existing tailing dam. The discount rate represents the rate for medium-term Armenian government bonds.

Mine closure and waste dumps

During 2013, overall site restoration obligations of Armenian mining companies were clarified and enforced legally by the revised Law on Mining. The clarified law introduced a scheme under which the Group is required to make payments to a specified government fund. The calculation of the required payments should be performed according to the formula determined by the Government under a separate legal act. On 11 February 2013, the Government issued a legal act on the method of calculation of payments for a site restoration obligation which needs to be prepared by management and approved by the state authorities.

The volume, timing and costs of restoration works are stipulated in Mine closure plan of the Group. The nature of these restoration activities includes: recultivation of the surface and slopes of the waste dumps, strengthening and recultivation of the open-pit walls, restoration of the drainage system in the area of the dumps, breaking up and covering the roadways connecting the open pit, dumps and plant with a soil and vegetation layer, restoration of all disturbed lands, filling up small borrow pits.

The provision for restoration works related to mine closure and waste dumps constitutes AMD 1,039,164 thousand as at 31 December 2025 (2024: AMD 831,412 thousand).

The total amount of the estimated undiscounted cash flows required to settle the obligation is AMD 3,689,393 thousand (2024: AMD 3,696,677 thousand). An annual discount rate of 8.73% (2024: 9.87%) was used to discount restoration costs to be made in 16 years' time.

The timing of provision has been taken based on the term of existing License Agreement of the Group. The discount rate represents the rate for long term Armenian government bonds.

24. Loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate, foreign currency and liquidity risk, see Note 28.

'000 AMD	**2025**	**2024**
Non-current liabilities		
Secured bank loans and credit lines/overdrafts	43,341,177	45,107,327
Secured loans from other organizations	8,389,796	19,828,000
	51,730,973	**64,935,327**
Current liabilities		
Secured bank loans and credit lines/overdrafts	12,613,046	23,993,038
Secured loans from other organizations	38,771,430	10,414,951
Unsecured loans from other organizations	14,596,738	-
	65,981,214	**34,407,989**
	117,712,187	**99,343,316**

Secured bank loans and overdrafts are from Armenian banks and are secured by property, plant and equipment (Note 15) and bank account turnover. Secured loans from other organizations are also secured by property, plant and equipment of the Group (Note 15).

At 31 December 2025, the Group had available USD 100,430 thousand and AMD 7,862,550 thousand (31 December 2024: USD 53,000 thousand and AMD 843,950 thousand) of undrawn committed borrowing facilities.

(a) Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

				2025		**2024**	
'000 AMD	**CCY**	**Interest rate**	**Year of maturity**	**Carrying amount**	**Face value**	**Carrying amount**	**Face value**
Secured bank loans and credit lines/overdrafts	USD	5% - 8.0%	2027-2030	46,944,259	46,944,259	56,706,883	56,706,883
Secured bank loans and credit lines/overdrafts	AMD	12.75%-14%	2027-2030	7,821,130	7,821,130	12,393,482	12,393,482
Secured bank loans and credit lines/overdrafts	EUR	6.8%	2030	1,189,400	1,189,400	19,906,485	19,906,485
Secured loans from other organizations	USD	7.5%	2030	47,160,660	47,160,660	-	-
Unsecured loans from other organizations	USD	7.4%-8.5%	2026	14,596,738	14,626,013	-	-
Unsecured loans from other organizations	USD	SOFR+4.5%	2025	-	-	10,336,466	10,405,342
Total loans and borrowings				**117,712,187**	**117,741,462**	**99,343,316**	**99,412,192**

(b) Reconciliation of movements of liabilities to cash flows arising from financing activities

	2025	
’000 AMD	**Loans and borrowings**	**Total**
Balance at 1 January 2025	**99,343,316**	**99,343,316**
Changes from financing cash flows		
Proceeds from issue loans and borrowings	174,698,061	174,698,061
Repayment	(130,434,050)	(130,434,050)
Total changes from financing cash flows	**44,264,011**	**44,264,011**
The effect of changes in foreign exchange rates	(3,877,721)	(3,877,721)
Interest paid	(6,916,763)	(6,916,763)
Non-cash transactions (set-off with principal and interest accrued)	(24,266,679)	(24,266,679)
Borrowing costs capitalized	(114,848)	(114,848)
Interest accrued	9,280,871	9,280,871
Balance at 31 December 2025	**117,712,187**	**117,712,187**

	2024	
	Loans and borrowings	**Total**
Balance at 1 January 2024	**28,706,030**	**28,706,030**
Changes from financing cash flows		
Proceeds from issue loans and borrowings	142,920,348	142,920,348
Repayment	(61,572,929)	(61,572,929)
Interest paid	(1,499,290)	(1,499,290)
Total changes from financing cash flows	**79,848,129**	**79,848,129**
The effect of changes in foreign exchange rates	256,023	256,023
Non-cash transactions (set-off with principal and interest accrued)	(13,013,257)	(13,013,257)
Interest accrued	3,546,391	3,546,391
Balance at 31 December 2024	**99,343,316**	**99,343,316**

25. Lease liabilities

The Group leases mining equipment comprising mainly heavy trucks and other equipment. The leases typically run for a period of 5 years, which was terminated during June 2025.

The movement in lease liabilities is disclosed below:

'000 AMD	**2025**	**2024**
As at 1 January	3,441,069	4,106,920
Termination	(3,120,650)	-
Additions	2,740,123	-
Interest expense	143,694	372,149
Interest payment	(143,431)	(372,149)
Lease payments	(320,419)	(665,851)
As at 31 December	**2,740,386**	**3,441,069**
Current lease liabilities	-	736,610
Non-current lease liabilities	2,740,386	2,704,459

26. Trade and other payables

'000 AMD	**2025**	**2024**
Dividend payable (Note 21)	25,374,798	18,999,848
Payables for acquisition of inventory and property, plant and equipment	13,671,903	14,985,645
Other taxes payable	3,111,751	7,055,760
Payables for services received	6,586,521	6,352,669
Other payables and accrued expenses	2,161,001	1,754,830
	50,905,974	**49,148,752**

As per the Armenian legislation the dividend payable to one of the shareholders is currently under restriction and will be paid as soon as the resolution of the Investigative Committee on restrictions over dividend payment is abolished.

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 26.

27. Contract liabilities

’000 AMD	2025	2024
Current advances received for provisionally priced sales	4,424,433	2,377,475
Contract liability of freight/shipping revenue	1,094,042	579,021
	5,518,475	**2,956,496**

From time to time, the Group recognises contract liabilities in relation to freight/shipping services for some metal in concentrate sales which are sold under FCA and CIP Incoterms, whereby a portion of the cash may be received from the customer before the freight/shipping services are provided. The revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the year was AMD 579,021 thousand (2024: AMD 1,078,589 thousand).

Included in current advances received for provisionally priced sales are advances of AMD 4,424,433 thousand (2024: AMD 2,377,475 thousand) which are subject to set-off against the sales of copper and molybdenum concentrate during 2025. Some of these balances bear interest rate of 7.4%-8.5%.

’000 AMD	Advances received for provisionally priced sales current	Contract liability for shipping services	Total
Balance as at 1 January 2025	2,377,475	579,021	2,956,496
Advances received	297,454,515	8,257,799	305,712,314
Advances set-off with receivables from provisionally priced sales	(295,520,946)	(7,742,778)	(303,263,724)
Interest accrued on advances	180,045	-	180,045
Interest repayment	(66,656)	-	(66,656)
Balance as at 31 December 2025	**4,424,433**	**1,094,042**	**5,518,475**
Balance as at 1 January 2024	15,597,858	1,078,589	16,676,447
Advances received	290,935,519	8,737,983	299,673,502
Advances set-off with receivables from provisionally priced sales	(304,155,902)	(9,237,551)	(313,393,453)
Interest accrued on advances	11,539	-	11,539
Interest repayment	(11,539)	-	(11,539)
Balance as at 31 December 2024	**2,377,475**	**579,021**	**2,956,496**

28. Fair values and risk management

(a) Accounting classifications and fair values

The estimated fair value of all the financial assets and liabilities approximates their carrying amounts.

(b) Measurement of fair values

Financial instruments not measured at fair value

Type	Valuation technique	Significant unobservable inputs
Financial assets measured at amortised cost	Discounted cash flows	Not applicable
Other financial liabilities*	Discounted cash flows	Not applicable

* Other financial liabilities include loans and borrowings and trade payables.

Financial instruments measured at fair value

'000 AMD	Level 1	Level 2	Level 3	Total
31 December 2025				
Derivatives embedded in copper sales contracts	-	14,025,842	-	14,025,842
Derivatives embedded in molybdenum sales contracts	-	-	1,548,339	1,548,339
31 December 2024				
Derivatives embedded in copper sales contracts	-	6,807,176	-	6,807,176
Derivatives embedded in molybdenum sales contracts	-	-	10,737,941	10,737,941

The fair value of the embedded derivatives has been calculated using forward prices as at the reporting date available in the metal markets.

Sensitivity analysis

An increase of 5% in forward prices of copper and molybdenum at the reporting date would have increased profit or loss before taxes by AMD 502,960 thousand as at 31 December 2025 (31 December 2024: AMD 322,724 thousand). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

A 5% decrease in forward prices of copper and molybdenum at 31 December 2025 would have had the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

(c) Financial risk management

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

- credit risk (see Note 28(c)(ii));
- liquidity risk (see Note 28(c)(iii));
- market risk (see Note 28(c)(iv)).

(i) Risk management framework

Management has overall responsibility for the establishment and oversight of the Group's risk management framework. Management reports regularly to the Board of Directors on its activities.

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

(ii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's trade and other receivables, cash and cash equivalents, bank deposits and borrowings given.

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

'000 AMD		**Carrying amount**	
	Note	**2025**	**2024**
Borrowings given	18	4,419,163	4,596,479
Trade and other receivables	20	26,164,928	28,746,830
Cash and cash equivalents	21	32,314,170	33,615,588
		62,898,261	**66,958,897**

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of its trade customers. At 31 December 2025, the Company had six customers (2024: six customers) that each owed the Company more than AMD 1,000,000 thousand and accounted for approximately 91.48% (2024: 91.7%) of all receivables.

The Group establishes an allowance for impairment that represents its estimate of expetced losses in respect of trade and other receivables.

The Group does not require collateral in respect of trade and other receivables.

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

'000 AMD	**Carrying amount**	
	2025	**2024**
Foreign	24,759,905	21,597,867
Domestic	1,405,023	7,148,963
	26,164,928	**28,746,830**

The maximum exposure to credit risk for trade and other receivables at the reporting date by type of customer was:

'000 AMD	**Carrying amount**	
	2025	**2024**
Copper, molybdenum, roasted molybdenum and ferro-molybdenum customers	15,574,181	17,545,117
Other products – other customers	10,590,747	11,201,713
	26,164,928	**28,746,830**

None of the Group's customers have external credit ratings assigned. Most of the customers trade with the group for more than 3 years.

Expected credit loss assessment for corporate customers

The Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections and available press information about customers) and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default and are aligned to external credit rating definitions from agencies such as Moody's Investor Services. The management considers the demographics of the Group's customer base, including the default risk of the country, in which customers operate, as these factors may have an influence on credit risk, particularly in the current economic circumstances.

Included in receivables subject to expected credit loss assessment AMD 10,359,559 thousand (31 December 2024: AMD 9,351,337 thousand) is from the ultimate parent company which per management's estimate approximate to Aa3 (at 31 December 2024 approximate to Aa3) under Moody's rating system based on the rating of counterparty's country of operations adjusted downwards by two notches. The remaining balances of receivables which are overdue up to one year per management's estimate mostly approximate to B2 (at 31 December 2024 approximate to B2) under Moody's rating system using the same approach as described above.

Cash and cash equivalents and bank deposits

The Group held cash and cash equivalents in banks of AMD 32,314,170 thousand at 31 December 2025 (2024: AMD 33,615,588 thousand), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with Armenian banks and the Group does not expect them to fail to meet their obligations.

The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The Group uses a similar approach for assessment of ECLs for cash and cash equivalents to those used for trade receivables.

The Company holds majority of its cash and cash equivalents and deposits with Armenian banks rated Ba3 by Moody's rating agency.

Borrowings given

The Group has provided borrowings to related parties. The borrowings given are not secured, are not past due and are not impaired. The Group uses a similar approach for assessment of ECLs for borrowings given to those used for trade receivables.

Credit rating for borrowings given to related parties per management's estimate approximates to B2 (at 31 December 2024 approximates to B2) under Moody's rating system based on the rating of counterparty's main country of operations adjusted downwards by two notches.

(iii) Liquidity risk

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

As at 31 December 2025, current liabilities exceeded current assets by AMD 18,345,063 thousand, primarily reflecting short-term revolving credit facilities of AMD 65,981,214 thousand that are continuously drawn and repaid in the ordinary course of operations. Given the Group's short operating cycle – with receivables settled within approximately 34 days and annual operating cash flows of AMD 91,123,485 thousand – management considers that the Group has sufficient liquidity to meet its obligations as they fall due. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

Exposure to liquidity risk

The following are the contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments.

2025 '000 AMD	**Carrying amount**	**Total contractual cash flows**	**On demand and less than 2 months**	**2-12 months**	**1-2 years**	**2-5 years**	**Over 5 years**
Non-derivative financial liabilities							
Interest-bearing loans and borrowings	117,712,187	134,907,264	17,456,705	55,139,105	16,452,056	45,859,398	-
Lease liabilities	2,740,386	3,470,732	99,840	652,245	764,759	1,953,888	-
Trade payables	47,794,223	47,794,223	25,374,796	22,419,427	-	-	-
	168,246,796	**186,172,219**	**42,931,341**	**78,210,777**	**17,216,815**	**47,813,286**	**-**

2024 '000 AMD	**Carrying amount**	**Total contractual cash flows**	**On demand and less than 2 months**	**2-12 months**	**1-2 years**	**2-5 years**	**Over 5 years**
Non-derivative financial liabilities							
Interest-bearing loans and borrowings	99,343,316	114,029,783	2,483,504	36,990,129	34,347,534	31,596,537	8,612,079
Lease liabilities	3,441,069	4,152,000	173,000	865,000	1,038,000	2,076,000	-
Trade payables	42,092,992	42,092,992	18,999,848	23,093,144	-	-	-
	144,877,377	**160,274,775**	**21,656,352**	**60,948,273**	**35,385,534**	**33,672,537**	**8,612,079**

It is not expected that the cash flow included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations.

(iv) Market risk

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

The group does not use hedge instruments during the hike of commodity markets.

Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in currencies other than the functional currency of the Group. The currency in which these transactions primarily are denominated is the US Dollar (USD) and Euro (EUR).

Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Group, primarily USD. Interest on borrowings is denominated in the currency of the borrowing. This provides an economic hedge without a need to enter into derivative contracts.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Exposure to currency risk

The Group's exposure to foreign currency risk was as follows:

'000 AMD	**USD-denominated 2025**	**EUR-denominated 2025**	**RUB-denominated 2025**	**CNY-denominated 2025**	**Other 2025**
Trade and other receivables	24,759,617	-	-	-	288
Borrowings given	4,419,163	-	-	-	-
Cash and cash equivalents	16,609	1,778,640	31,080	44,684	3,724,494
Loans and borrowings	(108,701,658)	(1,189,399)	-	-	-
Lease liabilities	(1,986,386)	-	-	-	-
Trade payables	(780,606)	(1,929,131)	(2,313,327)	(1,066,141)	(11,030)
Net exposure	**(82,273,261)**	**(1,339,890)**	**(2,282,247)**	**(1,021,457)**	**3,713,752**

'000 AMD	**USD-denominated 2024**	**EUR-denominated 2024**	**RUB-denominated 2024**	**CNY-denominated 2024**	**Other 2024**
Trade and other receivables	21,597,868	-	-	-	-
Borrowings given	4,560,440	-	-	-	-
Cash and cash equivalents	2,303,125	244,358	1,365,841	5,660,135	578,752
Loans and borrowings	(86,949,835)	-	-	-	-
Trade payables	(8,364,701)	(473,541)	(1,158,265)	(325,669)	(34,546)
Net exposure	**(66,853,103)**	**(229,183)**	**207,576**	**5,334,466**	**544,206**

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

in AMD	Average rate		Reporting date spot rate	
	2025	2024	2025	2024
USD 1	387.01	392.73	381.36	396.56
EUR 1	436.98	424.86	449.01	413.89
RUB 1	4.64	4.24	4.87	3.71
CNY 1	53.84	54.57	54.56	54.33

Sensitivity analysis

A reasonably possible strengthening (weakening) of the AMD, as indicated below, against USD and EUR at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

'000 AMD	Strengthening	Weakening
	Profit or (loss)	Profit or (loss)
31 December 2025		
AMD (10% movement) against USD	8,227,326	(8,227,326)
AMD (10% movement) against EUR	133,989	(133,989)
AMD (10% movement) against RUB	228,225	(228,225)
AMD (10% movement) against CNY	102,146	(102,146)
31 December 2024		
AMD (10% movement) against USD	6,685,310	(6,685,310)
AMD (10% movement) against EUR	22,918	(22,918)
AMD (10% movement) against RUB	(20,758)	20,758
AMD (10% movement) against CNY	(533,447)	533,447

Interest rate risk

Changes in interest rates impact primarily loans and borrowings by changing either their fair value (fixed rate debt) or their future cash flows (variable rate debt). Management does not have a formal policy of determining how much of the Group's exposure should be in fixed or variable rates. However, at the time of raising new loans or borrowings management uses its judgment to decide whether it believes that a fixed or variable rate would be more favorable to the Group over the expected period until maturity.

Exposure to interest rate risk

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

'000 AMD	Carrying amount	
	2025	**2024**
Fixed rate instruments		
Financial assets	5,606,155	12,533,022
Financial liabilities	(120,452,573)	(92,447,919)
	(114,846,418)	**(79,914,897)**
Variable rate instruments		
Financial liabilities	-	(10,336,466)
	-	**(10,336,466)**

In particular, fixed-rate financial liabilities include bank loans and lease liabilities. Variable rate financial liabilities include secured loans from other organizations.

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial instruments like fair value through profit or loss or as fair value through other comprehensive income. Therefore, a change in interest rates at the reporting date would not have an effect in profit or loss or in equity.

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss net of taxes by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

'000 AMD	Profit or loss	
	100 bp increase	**100 bp decrease**
2025		
Variable rate instruments	-	-
Cash flow sensitivity (net)	**-**	**-**
2024		
Variable rate instruments	(68,996)	68,996
Cash flow sensitivity (net)	**(68,996)**	**68,996**

(d) Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group monitors the return on capital, which the Group defines as the result from operating activities divided by total shareholders' equity.

The Group seeks to maintain a balance between the higher returns through higher levels of borrowings and the advantages and security afforded by a sound capital position.

The measurement of EBITDA (earnings before interest, tax, depreciation and amortization) is not regulated by IFRS Accounting Standards and could not be treated as an alternative measurement for profit recognized by IFRS Accounting Standards in the consolidated financial statements. The management discloses EBITDA because it believes that this figure represents additional information that may be useful for users of the consolidated financial statements. As there are no uniform standards for calculation of EBITDA, other companies may measure EBITDA in other ways. EBITDA of different companies may not be comparable with each other. The Group's EBITDA for the years ended 31 December 2025 and 2024 is presented below:

'000 AMD	**Note**	**2025**	**2024**
Profit and total comprehensive income for the year		**48,180,272**	**45,161,872**
Income tax expense – profit tax component	14	13,038,399	16,663,742
Income tax expense – royalty tax (Components 2 and 3)	14	24,239,732	22,097,750
Profit before income tax		**85,458,403**	**83,923,364**
Adjustments for:			
− Depreciation and amortisation	15	22,869,128	22,116,468
− Finance costs	12	10,281,292	4,300,593
− Finance income	12	(1,175,976)	(5,650,816)
− Net foreign exchange (loss)/gain		(1,546,041)	5,370,426
− Impairment of prepayments	11	754,496	313,881
− Impairment of property and equipment	11	653,277	160,270
− (Reversal of)/allowance for expected credit losses		(90,153)	176,959
− Depreciation of stripping activity assets	16	7,969,898	80,284
EBITDA consolidated		**125,174,324**	**110,791,429**

The Group's adjusted net debt to equity ratio at 31 December was as follows:

'000 AMD	**2025**	**2024**
Loans, borrowings and lease liabilities	120,452,573	102,784,385
Less: cash and cash equivalents, net of dividend payable	(6,939,372)	(14,615,740)
Net debt	**113,513,201**	**88,168,645**
Total equity	**259,336,395**	**262,856,004**
Debt to equity ratio at 31 December	**0.44**	**0.34**

29. Capital commitments

The Group entered into several contracts for the purchase of equipment, spare parts, services and intangible assets. The commitments related to these contracts (difference between contractual amount and payments) at 31 December 2025 amounted to AMD 26,396,167 thousand (2024: AMD 13,646,228 thousand).

30. Contingencies

(a) Insurance

The insurance industry in the Republic of Armenia is in a developing state and many forms of insurance protection common in other parts of the world are not yet generally available. The Group does not have full coverage for its plant facilities, business interruption, or third-party liability in respect of property or environmental damage arising from accidents on Group property or relating to Group operations. Until the Group obtains adequate insurance coverage, there is a risk that the loss or destruction of certain assets could have a material adverse effect on the Group's operations and financial position.

(b) Litigation

In the opinion of management, there are no current legal proceedings or other claims outstanding, which could have a material effect on the results of operations or financial position of the Group.

(c) Taxation contingency

The taxation system in Armenia is relatively new and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are sometimes unclear, contradictory and subject to varying interpretation. Taxes are subject to review and investigation by tax authorities, which have the authority to impose fines and penalties. In the event of a breach of tax legislation, no liabilities for additional taxes, fines or penalties may be imposed by tax authorities once three years have elapsed from the date of the breach.

Transfer pricing legislation enacted in the Republic of Armenia starting from 1 January 2020. The legislation is effective for the financial year 2020 and onwards. The local transfer pricing rules are closer to OECD guidelines, but with uncertainty in practical application of tax legislation in certain circumstances.

Transfer pricing rules introduce an obligation for the taxpayers to prepare transfer pricing documentation with respect to controlled transactions and prescribe basis and mechanisms for accruing additional taxes and interest in case prices in the transactions controlled differ from the market level.

Transfer pricing rules apply to the transactions listed below, if the total amount of the transaction controlled exceeds AMD 200 million in the tax year:

- cross-border transactions between related parties.
- cross-border transactions with companies registered in offshore zones, regardless of being related party or not;
- certain in-country transactions between related parties, as determined under the Armenian Tax Code.

Since there is no practice of applying the transfer pricing rules by the tax authorities and courts, it is difficult to predict the effect of the new transfer pricing rules on these consolidated financial statements.

These circumstances may create tax risks in Armenia that are more significant than in matured markets. Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable Armenian tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on these consolidated financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

(d) Environmental contingencies

The Group is subject to various state laws and regulations that govern emissions of air pollutants; discharges of water pollutants; and generation, handling, storage and disposal of hazardous substances, hazardous wastes and other toxic materials. Management is of the opinion that the Group has met the government's requirements concerning environmental matters, and therefore the Group has not provided for any potential environmental contingency as the management does not consider any environmental contingent liability to be probable in the foreseeable future. However, environmental legislation in the Republic of Armenia is in the process of development and potential changes in the legislation and its interpretation may give rise to material liabilities in the future.

31. Operational risks

(a) Mines

Mines by their nature are subject to many operational risks and factors that are generally outside of the Company's control and could impact on the Company's business, operating results and cash flows. These operational risks and factors include, but are not limited to (i) unanticipated ground and water conditions and adverse claims to water rights, (ii) geological problems, including earthquakes and other natural disasters, (iii) metallurgical and other processing problems, (iv) the occurrence of unusual weather or operating conditions and other force majeure events, (v) lower than expected ore grades or recovery rates, (vi) accidents, (vii) delays in the receipt of or failure to receive necessary government permits, (viii) the results of litigation, including appeals of agency decisions, (ix) uncertainty of exploration and development, (x) delays in transportation, (xi) labor disputes, (xii) inability to obtain satisfactory insurance coverage, (xiii) unavailability of materials and equipment, (xiv) the failure of equipment or processes to operate in accordance with specifications or expectations, (xv) unanticipated difficulties consolidating acquired operations and obtaining expected synergies and (xvi) the results of financing efforts and financial market conditions.

(b) Copper and molybdenum price volatility

The Company's financial performance is heavily dependent on the price of copper, which is affected by many factors beyond the Company's control. Copper is a commodity traded on the London Metal Exchange (LME), the New York Commodity Exchange (COMEX) and the Shanghai Futures Exchange (SHFE). The Company's copper is sold at prices based on those quoted on the LME. The price of copper as reported on this exchange is influenced significantly by numerous factors, including (i) the worldwide balance of copper demand and supply, (ii) rates of global economic growth, trends in industrial production and conditions in the housing and automotive industries, all of which correlate with demand for copper, (iii) economic growth and political conditions in China, which has become the largest consumer of refined copper in the world, and other major developing economies, (iv) speculative investment positions in copper and copper futures, (v) the availability and cost of substitute materials and (vi) currency exchange fluctuations, including the relative strength of the USD. The copper market is volatile and cyclical. During the year ended 31 December 2025, LME daily closing spot prices ranged from USD 8,086 to USD 12,504 per ton for copper and averaged to USD 9,939 per ton. The LME spot copper price closed at USD 12,455 per ton on 9 April 2026.

The Company's financial performance is also significantly dependent on the price of molybdenum. Molybdenum is characterized by volatile, cyclical prices, even more so than copper. Molybdenum prices are influenced by numerous factors, including (i) the worldwide balance of molybdenum demand and supply, (ii) rates of global economic growth, especially construction and infrastructure activity that requires significant amounts of steel, (iii) the volume of molybdenum produced as a by-product of copper production, (iv) inventory levels, (v) currency exchange fluctuations, including the relative strength of the USD and (vi) production costs of U.S. and foreign competitors. Molybdenum demand depends heavily on the global steel industry, which uses the metal as a hardening and corrosion inhibiting agent. Approximately 80 percent of molybdenum production is used in this application. The remainder is used in specialty chemical applications such as catalysts, water treatment agents and lubricants. Approximately 65 percent of global molybdenum production is a by-product of copper mining, which is relatively insensitive to molybdenum prices. The price of molybdenum was averaging to approximately USD 50,045 per ton during 2025 in comparison with USD 46,969 per ton during 2024. The LME spot price of USD 59,000 per ton of molybdenum was registered on 9 April 2026.

A sustained period of low molybdenum and copper prices would adversely affect the Company's profits and cash flows.

32. Related parties

(a) Parent and ultimate controlling party

The ownership structure of the Group is disclosed in Note 1.

No publicly available consolidated financial statements are produced by the Group's immediate or ultimate parent companies or any other intermediate parent company.

(b) Transactions with key management personnel

(i) Key management remuneration

Key management received the following remuneration during the year, which is included in personnel costs:

'000 AMD	**2025**	**2024**
Salaries and bonuses	**3,970,631**	**3,766,824**

(c) Other related party transactions

'000 AMD	**Transaction value for the year ended 31 December**		**Outstanding balances as at 31 December**	
	2025	**2024**	**2025**	**2024**
Sale of goods, services and property				
Shareholders	-	-	1,525,440	1,586,240
Entities under common control	3,722,249	47,675,747	8,960,605	15,046,004
Purchase of goods and property				
Entities under common control	226,024	247,384	11,767	32,622
Services received				
Entities under common control	86,840	564,644	24,528	133,800
Donations provided				
Entities under common control	6,038,097	6,861,607	-	-
Prepayments given				
Entities under common control	-	-	-	65
Prepayments received				
Entities under common control	-	-	-	73,744

'000 AMD	Transaction value for the year ended 31 December		Outstanding balances as at 31 December	
	2025	**2024**	**2025**	**2024**
Interest income				
Shareholders	-	1,997,890	-	-
Entities under common control	946,656	3,212,324	33,523	36,039
Borrowings given:				
Entities under common control	-	-	4,385,640	4,560,440
Interest expense				
Entities under common control	143,431	372,149	-	-
Finance lease received				
Entities under common control	-	-	-	3,441,069

None of the balances are secured. No expense has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties.

All the balances with related parties have maturities of up to one year.

33. Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the trade receivables subject to provisional pricing, which are measured at fair value on each reporting date.

34. Material accounting policies

Certain comparative figures have been reclassified to conform to the current year presentation. These reclassifications had no impact on previously reported profit or equity.

A number of amendments to the existing standards are effective from 1 January 2025 but they do not have a material effect on the Group's consolidated financial statements. The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, except if mentioned otherwise.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(ii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated.

(b) Revenue

The Group is principally engaged in the business of producing copper/molybdenum concentrate and in some instances, provides freight/shipping services. Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. The Group does not have any contract assets as performance and a right to consideration occurs within a short period of time and all rights to consideration are unconditional.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

From time to time, the Group recognizes contract liabilities in relation to some metal in concentrate sales which are sold under CIP Incoterms, whereby a portion of the cash may be received from the customer before the freight/shipping services are provided. See Note 27 for further details of contract liabilities.

Copper/molybdenum in concentrate (metal in concentrate) sales

Most of the the Group's sales of metal concentrate allow for price adjustments based on the market price at the end of the relevant QP stipulated in the contract. These are referred to as provisional pricing arrangements and are such that the selling price for metal in concentrate is based on prevailing spot prices on a specified date after shipment to the customer. Adjustments to the sales price occur based on movements in quoted market prices up to the end of the QP. The period between provisional invoicing and the end of the QP can be between one and three months.

Revenue is recognized when control passes to the customer, which occurs at a point in time when the metal in concentrate is physically transferred onto a vessel, train, conveyor or other delivery mechanism. The revenue is measured at the amount to which the Group expects to be entitled, being the estimate of the price expected to be received at the end of the QP, i.e., the forward price, and a corresponding trade receivable is recognized. For those arrangements subject to CIP shipping terms, a portion of the transaction price is allocated to the separate freight/shipping services provided.

For these provisional pricing arrangements, any future changes that occur over the QP are embedded within the provisionally priced trade receivables and are, therefore, within the scope of IFRS 9 and not within the scope of IFRS 15. Given the exposure to the commodity price, this provisionally priced trade receivables will fail the cash flow characteristics test within IFRS 9 and will be required to be measured at fair value through profit or loss up from initial recognition and until the date of settlement.

These subsequent changes in fair value are recognized in the consolidated statement of profit or loss and other comprehensive income each period and presented as revenue adjustment.

Changes in fair value over, and until the end of, the QP, are estimated by reference to updated forward market prices for gold and copper as well as considering relevant other fair value considerations as set out in IFRS 13, including interest rate and credit risk adjustments.

(c) Finance income/costs)

The Group's finance costs include:

- interest expense;
- unwinding of discount on provision for site restoration;
- the foreign currency gain or loss on financial assets and financial liabilities;

Interest expense is recognized using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest expense, the effective interest rate is applied to the amortised cost of the liability.

(d) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(e) Income tax

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

(i) Current tax

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

(ii) Royalties

In addition to corporate income taxes, the Group's consolidated financial statements also include, and recognize as taxes on income, other types of taxes on net income.

Royalties, resource rent taxes and revenue-based taxes are accounted for under IAS 12 when they have the characteristics of an income tax. This is considered to be the case when they are imposed under government authority, and the amount payable is based on taxable income − rather than physical quantities produced or as a percentage of revenue − after adjustment for temporary differences. For such arrangements, current and deferred income tax is provided on the same basis as described above for other forms of taxation. Obligations arising from royalty arrangements and other types of taxes that do not satisfy these criteria are recognized as current provisions and included in other expenses.

Royalties are calculated using rates enacted or substantively enacted at the reporting date. Royalties are recognized in profit or loss annually based on the combination of the revenues and taxable income adjusted as per the guidelines and requirements in the applicable laws and regulations. Royalties consist of three components: royalty calculated at 4% of revenue (Component 1), royalty calculated at 12.5% of taxable income (Component 2) and royalty calculated at 15% of taxable income (Component 3), adjusted as per the guidelines and requirements in the applicable laws and regulations.

The Component 1 is treated as other operating expenses, and Component 2 and 3 – as income taxes.

(iii) Deferred tax

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

Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

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

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be released simultaneously.

In determining the amount of current and deferred tax the Group considers the impact of uncertain tax positions and whether additional taxes, penalties and late-payment interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact the tax expense in the period that such a determination is made.

(f) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(g) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment at 1 January 2005, the date of transition to IFRSs, was determined by reference to its fair value at that date.

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

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

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

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use. Depreciation is based on the cost of an asset less its residual value.

For assets used in the production line, depreciation is charged based on the units of production method using the total estimated ore reserves and the actual extracted and treated ore. For all other assets, depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

• Buildings	
− certain workshop buildings and constructions	units of production method Average capacity from 18 to 352 million tons
− other buildings	10 to 100 years
• Plant and equipment	
− plant and equipment for transportation and removal of waste	units of production method Average capacity from 18 to 352 million tons
− other plant and equipment	2 to 100 years
• Mining facilities	25 years
• Fixtures and fittings	2 to 70 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

(iv) Stripping activity assets

Stripping costs incurred during the production phase are generally considered to create two benefits, being either the production of inventory or improved access to the ore to be mined in future periods. Where the benefits are realized in the form of inventory produced in the period, the production stripping costs are accounted for as part of the cost of producing those inventories.

Where the benefits are realized in the form of improved access to ore to be mined in future periods, the costs are recognized as a non-current asset, referred to as stripping activity assets, if the following criteria are met:

- it is probable that the future economic benefit (improved access to the ore body) associated with the stripping activity will flow to the entity;
- the entity can identify the component of the ore body for which access has been improved; and
- the costs relating to the stripping activity associated with that component can be measured reliably.

If any of the criteria are not met, the production stripping costs are charged to the consolidated statement of profit or loss as cost of sales as they are incurred or included in the cost of inventory produced.

In identifying components of the ore body, the Company works closely with the mining operations personnel to analyze the mine plan. Generally, a component will be a subset of the total ore body, and a mine may have several components. The stripping activity asset is initially measured at cost, which is the accumulation of costs directly incurred to perform the stripping activity that improves access to the identified component of ore, plus an allocation of directly attributable overhead costs.

A relevant production measure is used to allocate the production stripping costs between the inventory produced and the stripping activity asset. This production measure is calculated for the identified component of the ore body and is used as a benchmark to identify the extent to which the additional activity of creating a future benefit has taken place. The Company uses the expected volume of waste extracted compared with the actual volume for a given volume of ore production of each component.

The stripping activity asset is accounted for as an addition to, or an enhancement of, an existing asset, being the mine asset, and is presented as part of property, plant and equipment in the consolidated statement of financial position.

The stripping activity asset is subsequently depreciated using the units of production method over the life of the identified component of the ore body that became more accessible as a result of the stripping activity. Economically recoverable reserves, which comprise proven and probable reserves, are used to determine the expected useful life of the identified component of the ore body. The stripping activity asset is then carried at cost less depreciation and any impairment losses.

Included within stripping activity assets is also exploration and evaluation expenditure which relates to costs incurred on the exploration and evaluation of potential mineral reserves before the start of the development of the mine and mine development costs which include costs such as costs of geological and geophysical studies, exploratory drilling, sample testing, the costs of assembling and production equipment, initial stripping costs and overheads associated with such activities.

(h) Financial instruments

(i) Recognition and initial measurement

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

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

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

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

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

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment

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

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

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

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

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

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

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

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

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

Financial assets – Subsequent measurement and gains and losses

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

Financial liabilities – Classification, subsequent measurement and gains and losses

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

(iii) Offsetting

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

(iv) Derivative financial instruments

Derivatives are recognized initially at fair value. Attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognized immediately in the profit or loss.

Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss. Changes in the fair value of separable embedded derivatives are recognized immediately in profit or loss.

(i) Impairment

(i) Non-derivative financial assets

Financial instruments

The Group recognises loss allowances for ECLs on financial assets measured at amortised cost.

The Group uses provision matrix for the measurement of ECL on trade receivables not subject to provisional pricing. Loss allowances for trade receivables not subject to provisional pricing are always measured at an amount equal to lifetime ECLs.

For financial assets other than trade receivables, when determining whether the credit risk has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit assessment and including forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECL in the consolidated statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 360 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the assets in the CGU (group of CGUs) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(j) Share capital

Share capital is classified as equity.

(k) Provisions

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

(i) Site restoration provision

Site restoration costs will be incurred by the Group either while operating, or at the end of the operating life of, the Group's facilities and mine properties. The Group assesses its site restoration provision at each reporting date.

The Group recognises a site restoration provision where it has a legal and constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. The nature of these restoration activities includes: closing mine, waste sites, tailings dams and related constructions and restoring, reclaiming and revegetating affected areas.

When the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related mining assets to the extent that it was incurred as a result of the development/ construction of the mine. Costs related to restoration of waste damps and mine closure are provided for at their net present values and recognised in profit or loss.

Changes in the estimated timing of site restoration or changes to the estimated future costs are dealt with prospectively by recognising an adjustment to the site restoration liability and a corresponding adjustment to the asset to which it relates, if the initial estimate was originally recognised as part of an asset measured in accordance with IAS 16, otherwise the change is recognised in profit or loss.

Any reduction in the site restoration liability and, therefore, any deduction from the asset to which it relates, may not exceed the carrying amount of that asset. If it does, any excess over the carrying value is taken immediately to the consolidated statement of profit or loss and other comprehensive income.

If the change in estimate results in an increase in the site restoration liability and, therefore, an addition to the carrying value of the asset, the Group considers whether this is an indication of impairment of the asset as a whole, and if so, tests for impairment.

Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognized in the consolidated statement of profit or loss and other comprehensive income as part of finance costs. For closed sites, changes to estimated costs are recognised immediately in the consolidated statement of profit or loss and other comprehensive income.

(l) Comparative information

Certain comparative information in prior period is reclassified to conform to changes in presentation in the current year.

35. New standards and interpretations not yet adopted

A number of new standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

(a) IFRS 18 *Presentation and Disclosure in Financial Statements*

IFRS 18 will replace IAS 1 *Presentation of Financial Statements* and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under indirect method.

The Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group's consolidate statement of profit or loss, consolidate statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the consolidated financial statements, including for items currently labelled as "other".

(b) Other accounting standards

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

- Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).
- Subsidiaries without Public Accountability (Amendments to IFRS 19).