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Solidcore Resources plc

Half-year report for the six months ended 30 June 2024

"Solidcore Resources reports robust financial results, demonstrating growth in sales and positive free cash flow in the first half of the year, underpinned by reliable operating performance and inventory release against the backdrop of strong commodity prices. Despite limited available bank funding this strong financial footing allows the Company to finance substantial capital expenditures, which are expected to exceed US$ 285 million in 2024, above our initial estimates. In 2025-2029, the Company's investment programme will top US$ 1 billion with a large part of it going towards our ambitious Ertis POX project", said Vitaly Nesis, Group CEO of Solidcore Resources plc, commenting on the results.

FINANCIAL HIGHLIGHTS

The discussion below covers the results of continuing operations. The comparatives are restated in the same way. Cash flows include amounts of discontinued operations, as required by IFRS 5, unless otherwise stated.

- In 1H 2024, revenue increased by 79% year-on-year (y-o-y), totalling US$ 704 million (1H 2023: US$ 393 million). The average realised gold price increased by 17%, tracking market dynamics. Gold equivalent ("GE") production was 252 Koz, an 18% increase y-o-y on the back of higher concentrate shipment volumes to China and production from toll-treated concentrate at Kyzyl. Gold equivalent sales increased by 56% y-o-y to 321 Koz due to substantial progress in unwinding of Kyzyl concentrate stockpiles, previously accumulated due to logistical challenges.
- Group Total Cash Costs ("TCC")[1] for 1H 2024 were US$ 960/GE oz, within the Group's full-year guidance of US$ 900-1,000/GE oz, while being up 10% y-o-y, owing to continuously high domestic inflation.
- All-in Sustaining Cash Costs ("AISC")[1] remained broadly unchanged at US$ 1,281/GE oz, and within the full-year guidance range of US$ 1,250-1,350/GE, while also reflecting the increase in sales volumes, driven by de-stockpiling and resulting in the spread of sustaining capital expenditure over a larger amount of ounces sold.
- Adjusted EBITDA[1] was US$ 346 million, an increase of 73% y-o-y, driven by higher sales volumes and higher commodity prices. The Adjusted EBITDA margin decreased by 3 percentage points to 49% (1H 2023: 51%).
- Underlying net earnings[2] increased by 72% to US$ 243 million (1H 2023: US$ 141 million). Net earnings[3] were US$ 238 million (1H 2023: US$ 272 million due to large forex gains).
- Capital expenditures on continuing operations were US$ 107 million[4], up 25% compared with US$ 85 million in 1H 2023. The increase is mainly related to the Ertis POX development project. Full-year capex is expected to be approximately US$ 60 million above the original guidance of US$ 225 million, due to prepayments for the green energy projects (solar and gas power plants at Varvara).
- The Company confirms its earlier announced plans for a massive investment programme exceeding US$ 1 billion in 2025-2029, which will be focused on the implementation of the Ertis POX project.
- Net operating cash inflow from continuing operations increased by 86% to US$ 344 million (1H 2023: US$ 184 million). The Group reported positive free cash flow[1] of US$ 47 million on continuing and discontinued operations, a significant improvement over 1H 2023 negative FCF of US$ 341 million. Free cash flow from continuing operations excluding disposal of Russian business amounted to US$ 240 million (1H 2023: US$ 101 million).

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[1] The financial performance reported by the Group contains certain Alternative Performance Measures (APMs) disclosed to compliment measures that are defined or specified under International Financial Reporting Standards (IFRS). For more information on the APMs used by the Group, including justification for their use, please refer to the "Alternative performance measures" section below.

[2] Adjusted for the after-tax amount of impairment charges, write-downs of metal inventory, foreign exchange gains/losses and other change in fair value of contingent consideration.

[3] Profit for the period.

[4] On a cash basis, representing cash outflow on purchases of property, plant and equipment in the consolidated statement of cash flows.

- Given the cash proceeds from the disposal of the Russian business and strong cash inflow from the sale of inventory, the Company recorded a net cash position of US$ 357 million versus pro forma net debt of US$ 174 million at the end of 2023.
- The Company notes that financing from Western banks remains constrained with small or no credit limits offered to borrowers in Kazakhstan due to long onboarding duration and existing compliance hurdles. As a result, the Company estimates that its cost of debt is set to rise from its current levels and considers other available options for funding its investment programme.
- The Company reiterates its full-year guidance for production and costs: production of 475 GE Koz, TCC in the range of US$ 900-1,000/oz and AISC in the range of US$ 1,250-1,350. However, the management does not expect comparable half-on-half results in H2 2024, given the following detrimental factors: high base effect of de-stockpiling, which is not likely to be repeated in the near future, stronger than budgeted year-to-date KZT/USD rate, inflationary pressures, shortage of railcars and congestions of eastbound railroads.

FINANCIAL HIGHLIGHTS [1]	1H 2024	1H 2023[2]	Change
Revenue, US$m	704	393	+79%
Total cash cost[3], US$ /GE oz	960	871	+10%
All-in sustaining cash cost[3], US$ /GE oz	1,281	1,285[4]	0%
Adjusted EBITDA[3], US$m	346	200	+73%
Average realised gold price[5], US$ /oz	2,267	1,934	+17%
Net earnings, US$m	238	272	-13%
Underlying net earnings[3], US$m	243	141	+72%
Return on Assets[3], %	14%	n/a	n/a
Return on Equity (underlying) [3], %	14%	n/a	n/a
Basic earnings/(loss) per share, US$	0.50	0.57	-12%
Underlying EPS[3], US$	0.51	0.30	+70%
Net (cash)/debt[3], US$m	(357)	174[6]	n/a
Net (cash) debt/Adjusted EBITDA	(0.61)	0.40[7]	n/a
Net operating cash flow from continuing operations, US$m	344	184	+86%
Capital expenditure on continuing operations, US$m	(107)	(85)	+25%
Free cash flow from continuing operations excluding disposal of Russian business, US$m	240	101	+240%
Net cash outflow on disposal of subsidiaries, US$m	(215)	-	n/a
Free cash flow[3], total on continuing and discontinued operations, US$m	47	(341)	n/a

[1] Totals may not correspond to the sum of the separate figures due to rounding. % changes can be different from zero even when absolute amounts are unchanged because of rounding. Likewise, % changes can be equal to zero when absolute amounts differ due to the same reason. This note applies to all tables in this release.
[2] The amounts were restated to reflect adjustments made in connection with presentation of discontinued operations.
[3] Defined in the "Alternative performance measures" section below.
[4] Allocation factors for corporate costs were revised, 1H 2023 were restated accordingly.
[5] In accordance with IFRS, revenue is presented net of treatment charges which are subtracted in calculating the amount to be invoiced. Average realised prices are calculated as revenue divided by gold and silver volumes sold, without effect of treatment charges deductions from revenue.
[6] As at 31 December 2023.
[7] On a last twelve months basis. Adjusted EBITDA for 2H 2023 was US$ 239 million.

OPERATING HIGHLIGHTS

- No fatal accidents occurred among the Group's workforce and contractors in H1 2024 as well as no lost time injuries were recorded (consistent with H1 2023).
- GE output for H1 was up by 18% y-o-y to 252 Koz.

	1H 2024	1H 2023	Change
PRODUCTION (Koz of GE[1])	**252**	**213**	**+18%**
Kyzyl	169	128	+32%
Varvara	83	86	-3%
SAFETY			
LTIFR[2] (Employees)	0	0	n/a
Fatalities	0	0	n/a

CONFERENCE CALL AND WEBCAST

The Company will not hold a webcast in relation to 2024 half-year financial results.

The Company's Investor Relations team will be available for all questions related to its financial results disclosure. Please see the contacts below.

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FORWARD-LOOKING STATEMENTS

This release may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements speak only as at the date of this release. These forward-looking statements can be identified by the use of forward-looking terminology, including the words "targets", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "would", "could" or "should" or similar expressions or, in each case their negative or other variations or by discussion of strategies, plans, objectives, goals, future events or intentions. These forward-looking statements all include matters that are not historical facts. By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the company's control that could cause the actual results, performance or achievements of the company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the company's present and future business strategies and the environment in which the company will operate in the future. Forward-looking statements are not guarantees of future performance. There are many factors that could cause the company's actual results, performance or achievements to differ materially from those expressed in such forward-looking statements. The company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based.

[1] Based on 80:1 Au/Ag conversion ratio and excluding base metals. Discrepancies in calculations are due to rounding.
[2] LTIFR = lost time injury frequency rate per 200,000 hours worked. Company employees only are taken into account.

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MARKET SUMMARY

Precious metals

In 1H 2024, the spot gold price continued its upward movement, reaching new records due to the continuous deterioration of the geopolitical environment (including uncertainty related to the upcoming US election) and persistent, although lower, inflation. The gold price bottomed in February, reaching US$ 1,985 after a better-than-expected U.S. inflation report, before reaching a record price of US$ 2,444 in May. The average LBMA gold price for the period was US$ 2,204/oz, up 14% y-o-y.

Demand for gold (excluding OTC) for 1H 2024 was mildly down, falling 5% y-o-y to 2,044 tonnes . The key factors of the decrease were a sharp decline in jewellery consumption and net outflows from exchange-traded funds (ETFs), partially offset by steady central bank accumulations.

Accounting for a little below 50% of the overall gold demand, jewellery consumption in 1H reached a two-year low volume of 870 tonnes, which is 10% lower y-o-y, as the gold price peaked in May; notably Chinese jewellery demand reached its lowest volume, even when compared to the period during the COVID pandemic. Bar and coin investment demand remained on par with the 1H 2023 at 574 tonnes, only dropping by 4 tonnes, as Western investors demonstrated selling interest, unlike consistent accumulation across Asia, despite record prices.

Central banks continued to accumulate gold throughout 1H 2024 and added 483 tonnes to reserves, a significant growth of 25% y-o-y. Gold demand in technology and electronics sectors rose by 11% y-o-y to 162 tonnes on the back of rapid growth in demand for AI and high-performance computing infrastructure.

Total 1H 2024 gold supply remained largely stable at 2,441 tonnes, compared to 2,414 in 1H 2023.

Foreign exchange

The Group's revenues are denominated in US dollars, while the majority of the Group's operating costs are denominated in local currency (Kazakhstani tenge). As a result, changes in exchange rates affected our financial results and performance.

In 1H 2024, the Kazakhstani tenge stood at 449 KZT/USD on average, which is 1% lower y-o-y (1H 2023: 452 KZT/USD) and dropped by 4% y-o-y to 471 KZT/USD at the end of the period (1H 2023: 454 KZT/USD) due to the seasonal increase of demand for USD. The annualised inflation rate in the country remained stable, amounting to 8.5% by June 2024.

REVENUE

(US$m unless otherwise stated)		1H 2024	1H 2023	Change	Volume variance, *US$m*	Price variance, *US$m*
Gold		694	380	+83%	222	92
Average realised price[1]	*US$ /oz*	2,267	1,934	+17%		
Average LBMA price	*US$ /oz*	2,203	1,933	+14%		
Share of revenues	*%*	99%	97%			
Other metals		10	13	-23%	(4)	1
Share of revenues	*%*	**1%**	**3%**			
Total revenue		**704**	**393**	**+79%**	**218**	**93**

In 1H 2024, revenue grew by 79% y-o-y, primarily driven by the growth of gold sales on the back of substantial progress in unwinding of Kyzyl concentrate stockpile, previously accumulated due to logistical challenges.

The Group's average realised price for gold was US$ 2,267/oz in 1H 2024, up 17% from US$ 1,934/oz in 1H 2023, and 3% above the average market price of US$ 2,203/oz.

	Revenue, US$m			Gold equivalent sold, Koz		
OPERATION	1H 2024	1H 2023	Change	1H 2024	1H 2023	Change
Kyzyl	456	214	+113%	207	113	+84%
Varvara	189	179	+5%	85	93	-9%
Other[2]	59	-	n/a	29	-	n/a
Total revenue	**704**	**393**	**+79%**	**321**	**206**	**+56%**

The Company's efforts to unwind the previously accumulated concentrate stockpiles had a positive impact on revenues at Kyzyl. Sales volumes at Varvara decreased as a result of planned grade decline at the leaching circuit, following production dynamics, which was more than offset by the increase in commodity prices during the period.

COST OF SALES

(US$m)	1H 2024	1H 2023	Change
On-mine costs	81	83	-2%
Smelting costs	58	60	-3%
Purchase of ore and concentrates from third parties	59	35	+69%
Mining tax	43	38	+13%
Cash operating costs	**241**	**216**	**+12%**
Depreciation and depletion of operating assets	49	37	+32%
Costs of production	**290**	**253**	**+15%**
Change in metal inventories	67	(67)	n/a
Idle capacities and abnormal production costs	1	-	n/a
Total cost of sales	**358**	**186**	**+92%**

[1] Without effect of treatment charges deductions from revenue.
[2] Commission sales of third-party materials

CASH OPERATING COST STRUCTURE	1H 2024		1H 2023	
	US$m	Share	US$m	Share
Services	68	28%	54	25%
Consumables and spare parts	48	20%	70	32%
Labour	21	9%	16	7%
Mining tax	43	18%	38	18%
Purchase of ore from third parties	59	24%	35	16%
Other expenses	2	1%	3	1%
Total cash operating cost	**241**	**100%**	**216**	**100%**

The total cost of sales almost doubled in 1H 2024 to US$ 358 million, reflecting a combination of factors throughout the year:

- volume-based increase in production and sales (+56% in gold equivalent terms);
- domestic inflation in Kazakhstan (8% y-o-y);
- higher cost of services;
- increase in depreciation charges;
- price-driven increase in mining tax.

The cost of services was up 26% y-o-y, caused mostly by higher volume of transportation services at Kyzyl.

The cost of consumables and spare parts was down 31% compared to abnormally high level of insurance stocks in 1H 2023.

The cost of labour within cash operating costs was up 31% y-o-y, mainly stemming from annual salary increases (tracking domestic CPI inflation).

The increase in purchases of third-party ore by 69% is attributable to Varvara which was treating higher volumes of third-party purchased ore, which generated additional margin and allowed to partially offset decrease in Komar ore grade at the leaching circuit.

Mining tax increased by 13% y-o-y to US$ 43 million, mainly driven by an increase in production volume combined with an increase in average realised prices.

Depreciation and depletion was US$ 49 million, up 32% y-o-y attributable to expansion of mining.

In 1H 2024, a net metal inventory decrease of US$ 67 million (1H 2023: US$ 67 million increase) was recorded.

GENERAL, ADMINISTRATIVE AND SELLING EXPENSES

(US$m)	1H 2024	1H 2023	Change
Labour	22	15	+47%
Services	5	1	n/a
Share based compensation	2	9	-78%
Depreciation	1	1	-
Other	5	4	+25%
Total general, administrative and selling expenses	**35**	**32**	**+9%**

General, administrative and selling expenses (“SGA”) increased by 9% y-o-y from US$ 32 million in 1H 2023 to US$ 35 million in 1H 2024, mainly caused by the increased headcount of administrative personnel with the commencement of Ertis POX project development, as well as regular salary reviews and one-off transaction fees related to divestment of Russian operations and post-divestment restructurings.

OTHER OPERATING EXPENSES

(US$m)	1H 2024	1H 2023	Change
Social payments	10	2	n/a
Exploration expenses	2	1	+100%
Taxes, other than income tax	4	2	+100%
Other expenses	3	2	+50%
Total other operating expenses	**19**	**7**	**+171%**

Other operating expenses increased to US$ 19 million in 1H 2024 compared to US$ 7 million in 1H 2023 mainly due to a scheduled increase in social payments in accordance with existing partnership agreements.

TOTAL CASH COSTS

In 1H 2024, total cash costs per gold equivalent ounce sold ("TCC") were US$ 960/GE oz, up 10% y-o-y and 3% higher compared to 2H 2023. Domestic inflation combined with KZT rate strengthening and mining tax increase had an overall negative impact on cost levels.

The table below summarises major factors that have affected the Group's TCC and AISC dynamics y-o-y:

RECONCILIATION OF TCC AND AISC MOVEMENTS	TCC, US$/oz	Change	AISC, US$/oz	Change
Cost per AuEq ounce 1H 2023	**871**		**1,285**[1]	
Domestic inflation	56	+6%	84	+6%
KZT rate change	5	+1%	7	+1%
Mining tax change	5	+1%	5	0%
Sustaining capex decrease	-	0%	(114)	-9%
Other	23	+3%	14	+1%
Cost per AuEq ounce 1H 2024	**960**	**+10%**	**1,281**	**-2%**

Total cash cost by segment/operation, US$/GE oz

OPERATION	1H 2024	1H 2023	Change	2H 2023	Change
Kyzyl	799	649	+23%	743	+8%
Varvara	1,353	1,138	+19%	1,239	+9%
Total Group TCC	**960**	**871**	**+10%**	**928**	**+3%**

- Kyzyl's total cash costs were at US$ 799/GE oz, up 23% y-o-y and 8% half-on-half due to inflationary headwinds.
- At Varvara, TCC were up 19% y-o-y and up 9% half-on-half at US$ 1,353/GE oz on the back of a planned grade declines, combined with a 9% decrease in sales volumes and processing additional feed from higher cost third-party ore.

[1] Allocation factors for corporate costs were revised, 1H 2023 were restated accordingly.

ALL-IN SUSTAINING AND ALL-IN CASH COSTS

All-in sustaining cash costs[1] remained broadly unchanged at US$ 1,281/GE oz, reflecting the temporary increase in sales volumes as inventory levels normalise, resulting in the spread of sustaining capital expenditure over a larger amount of ounces sold.

AISC by operations were as follows:

All-in sustaining cash cost by segment/operation, US$/GE oz

OPERATION	1H 2024	1H 2023	Change
Kyzyl	1,015	883	+15%
Varvara	1,745	1,629	+7%
Total Group AISC	**1,281**	**1,285[2]**	**0%**

RECONCILIATION OF ALL-IN COSTS	Total, US$m 1H 2024	Total, US$m 1H 2023	Total, US$m Change	US$ /GE oz 1H 2024	US$ /GE oz 1H 2023	US$ /GE oz Change
Cost of sales, excluding depreciation, depletion and write-down of inventory to net realisable value (Note 2 of condensed financial statements)	246	160	+54%	840	776	+8%
adjusted for:						
Idle capacities	(1)	-	n/a	(3)	-	n/a
Treatment charges deductions reclassification to cost of sales	18	5	+221%	60	26	+131%
SGA expenses, excluding depreciation, amortization and share based compensation (Note 2 of condensed financial statements)	18	14	+26%	62	70	-11%
Total cash costs	**281**	**180**	**+57%**	**961**	**871**	**+10%**
SGA expenses for Corporate and other segment and other operating expenses	33	19	+72%	112	91	+23%
Capital expenditure excluding development projects	36	48	-25%	123	232	-47%
Capitalised stripping	25	19	+36%	86	91	-5%
All-in sustaining cash costs	**375**	**265**	**+41%**	**1,281**	**1,285[2]**	**-0%**
Finance costs (net)	(1)	9	-111%	(4)	44	-109%
Capitalised interest	1	-	n/a	3	-	n/a
Income tax expense/(benefit)	49	51	-4%	167	248	-33%
After-tax all-in cash costs	**423**	**325**	**+30%**	**1,446**	**1,577**	**-8%**
Capital expenditure for development projects	46	-	n/a	159	-	n/a
SGA and other expenses for development assets	-	4	-90%	1	19	-95%
All-in costs	**469**	**329**	**+43%**	**1,605**	**1,596**	**+1%**

[1] All-in sustaining cash costs comprise total cash costs, all selling, general and administrative expenses for operating mines and head office not included in TCC (mainly represented by head office SGA), other expenses (excluding write-offs and non-cash items, in line with the methodology used for calculation of Adjusted EBITDA), and current period capex for operating mines (i.e. excluding new project capital expenditure (development capital), but including all exploration expenditure (both expensed and capitalised in the period) and minor brownfield expansions). For more information refer to the Alternative performance measures section below.

[2] Allocation factors for corporate costs were revised, 1H 2023 were restated accordingly.

ADJUSTED EBITDA[1] AND EBITDA MARGIN

(US$m)

	1H 2024	1H 2023	Change
Profit for the period	238	272	-13%
Finance cost (net)[2]	(1)	9	-111%
Income tax expense	49	51	-4%
Depreciation and depletion	52	27	+94%
EBITDA	**338**	**359**	**-6%**
Net foreign exchange loss/(gain)	6	(165)	-104%
Share based compensation	2	5	-60%
Change in fair value of contingent consideration liability	-	1	n/a
Adjusted EBITDA	**346**	**200**	**+73%**
Adjusted EBITDA margin	49%	51%	-2%
Adjusted EBITDA per gold equivalent oz	1,078	971	+11%

Adjusted EBITDA by segment/operation
(US$m)

OPERATION	1H 2024	1H 2023	Change
Kyzyl	294	143	+106%
Varvara	70	70	-1%
Attributable corporate and other costs	(18)	(13)	+41%
Total Group Adjusted EBITDA	**346**	**200**	**+73%**

In 1H 2024, Adjusted EBITDA was US$ 346 million, 73% higher y-o-y, with an Adjusted EBITDA margin of 49%, reflecting a 42% increase in gold equivalent sold as inventory levels normalise, combined with 17% increase in gold average realised price.

OTHER INCOME STATEMENT ITEMS

Solidcore Resources recorded a net foreign exchange loss in 1H 2024 of US$ 6 million compared to an exchange gain of US$ 165 million in 1H 2023.

The Group does not use any hedging instruments for managing foreign exchange risk, other than a natural hedge arising from the fact that the majority of the Group's revenue is denominated or calculated in US Dollars.

Income tax expense for 1H 2024 was US$ 49 million compared to US$ 51 million expense in 1H 2023, charged at an effective tax rate of 20% (1H 2023: 16%), The increase was mainly attributable to the increased profit before foreign exchange and tax. For details refer to Note 12 of the condensed consolidated financial statements.

[1] Defined in the "Alternative performance measures" section below.
[2] Net of finance income.

NET EARNINGS, EARNINGS PER SHARE AND DIVIDENDS

The Group recorded net profit of US$ 238 million in 1H 2024 versus US$ 272 million in 1H 2023. The underlying net earnings attributable to the shareholders of the parent were US$ 243 million, compared to US$ 141 million in 1H 2023:

Reconciliation of underlying net earnings[1]
(US$m)

	1H 2024	1H 2023	Change
Profit for the financial period attributable to the shareholders of the Parent	238	272	-13%
Foreign exchange loss/(gain)	6	(165)	n/a
Change in fair value of contingent consideration liability	-	1	n/a
Tax effect	(1)	33	n/a
Underlying net earnings	**243**	**141**	**+72%**

Basic earnings per share was US$ 0.50 compared to US$ 0.57 earnings per share in 1H 2023. Underlying basic EPS[2] was US$ 0.51, compared to US$ 0.30 in 1H 2023.

CAPITAL EXPENDITURE[3]

(US$m)	Sustaining	Development	Capital stripping and underground development	Total 1H 2024	Total 1H 2023
Ertis POX	-	46	-	46	19
Kyzyl	16	-	17	33	25
Varvara	20	-	8	28	42
Total capital expenditure	**36**	**46**	**25**	**107**	**85**

Total capital expenditure increased by 25% y-o-y at US$ 107[4] million in 1H 2024. The increase is mainly related to Ertis POX development project. Capital expenditure excluding capitalised stripping costs was US$ 82 million in 1H 2024 (1H 2023: US$ 67 million).

The major capital expenditure items in 1H 2024 were as follows:

Development projects

- Capital expenditure of US$ 46 million was related to initial investments into the Ertis POX facility.

Stay-in-business capex at operating assets

- At Kyzyl, capital expenditure in 1H 2024 comprised US$ 16 million, mainly represented by scheduled technical upgrades, expansion of the concentrator capacity to 2.6 Mtpa and expansion of tailings storage facility.
- At Varvara, capital expenditure of US$ 20 million was mainly related to the construction of a tailings storage facility and upgrading the mining fleet.

[1] Underlying net earnings represent net profit for the period excluding the impact of key items that can mask underlying changes in core performance.
[2] Underlying basic EPS are calculated based on underlying net earnings.
[3] On a cash basis.
[4] On accrual basis, capital expenditure was US$ 115 million in 1H 2024 (1H 2023: US$ 150 million).

CASH FLOWS

Cash flows include amounts of discontinued operations as required by IFRS 5, unless otherwise stated.

(US$m)	1H 2024	1H 2023	Change
Operating cash flows before changes in working capital	350	382	-8%
Changes in working capital	167	(347)	-148%
Total operating cash flows	**517**	**35**	**n/a**
Continuing operations	*344*	*184*	*+86%*
Discontinued operations	*173*	*(149)*	*n/a*
Capital expenditure	(174)	(375)	-54%
Net cash outflow on disposal of subsidiaries	(215)	-	n/a
Loans advanced	(78)	(14)	n/a
Other	(3)	10	-130%
Investing cash flows	**(470)**	**(379)**	**+24%**
Continuing operations	*(319)*	*(83)*	*+283%*
Discontinued operations	*(151)*	*(296)*	*-49%*
Financing cash flows			
Net changes in gross debt	(100)	127	-179%
Repayments of principal under lease liabilities	(1)	(12)	-92%
Total financing cash flows	**(101)**	**115**	**-188%**
Continuing operations	*(96)*	*(39)*	*+144%*
Discontinued operations	*(5)*	*154*	*-104%*
Net (decrease)/increase in cash and cash equivalents	**(54)**	**(229)**	**-76%**
Cash and cash equivalents at the beginning of the period	842	633	+33%
Effect of foreign exchange rate changes on cash and cash equivalents	(27)	(20)	+35%
Cash and cash equivalents at the end of the period	**761**	**384**	**+98%**

Total operating cash flows in 1H 2024 strengthened y-o-y on the back of a reduction in stockpiles of concentrate inventory. Operating cash flows increased significantly year-on-year to US$ 517 million, as a result of an increase in sales volumes and adjusted EBITDA.

Total cash and cash equivalents almost doubled compared to 1H 2023 and comprised US$ 761 million, with the following items affecting the cash position of the Group:

- Operating cash flows of US$ 517 million;
- Net cash outflow on disposal of subsidiaries of US$ 215 million, see Note 3 of the condensed consolidated financial statements);
- Capital expenditure of US$ 174 million[1];
- Loans advanced of US$ 78 million[2]; and
- The gross borrowings decrease of US$ 101 million.

The Group reported positive free cash flow of US$ 47 million, a significant improvement over 1H 2023 negative FCF of US$ 341 million.

[1] Including US$107 million on continuing operations and US$67 million from discontinued operations.
[2] Relates to discontinued operations.

BALANCE SHEET, LIQUIDITY AND FUNDING

NET DEBT	30-Jun-24	31-Dec-23	Change
Short-term debt and current portion of long-term debt	219	1,005	-78%
Long-term debt	185	2,220	-92%
Gross debt	**404**	**3,225**	**-87%**
Less: cash and cash equivalents	761	842	-10%
Net debt	**(357)**	**2,383**	**-115%**
Continuing operations	(357)	174	**n/a**
Discontinued operations		2,209	**n/a**
Adjusted EBITDA (continuing operations)	**346**	439	**-21%**
Net (cash)/debt / Adjusted EBITDA[1] (continuing operations)	**(0.61x)**	**0.40x**	**n/a**

Due to the cash proceeds from the disposal of the Russian business and strong cash inflow from sale of inventory, the Company recorded a net cash position of US$ 357 million versus pro forma net debt of US$ 174 million as at the end of 2023.

The proportion of long-term borrowings to total borrowings was 46% as at 30 June 2024 (69% as at 31 December 2023). As at 30 June 2024, the Group had US$ 100 million (31 December 2023: US$ 100 million) of available undrawn facilities.

The average cost of debt decreased to 4.5% in 1H 2024 (1H 2023: 5.2%) due to de-consolidation of the Russian business with higher interest rate levels. The Group is confident in its ability to repay its existing borrowings as they fall due.

INVENTORY

Inventory levels decreased by US$ 41 million to US$ 233 million for the 1H 2024.

(US$m)	30 June 2024	Change 1H 2024	31 Dec 2023	Change 2H 2023	30 June 2023
Concentrate	30	-36	66	+7	59
Ore stock piles	78	-8	86	0	86
Doré, work in-process, metal for refining and refined metals	64	+13	51	-3	54
Non-metal inventories	61	-10	71	+3	68
Total inventory	**233**	**-41**	**274**	**+8**	**267**

Payable metals in inventory accumulated at 30 June 2024 were as follows:

(GE Koz)	30 June 2024	31 December 2023
Concentrate	30	65
Doré	10	12
Total payable metals	**40**	**78**

2024 YEAR-END OUTLOOK

The Company reiterates its full-year guidance for production and costs: production of 475 GE Koz, TCC in the range of US$ 900-1,000/oz and AISC in the range of US$ 1,250-1,350. However, the management does not expect comparable half-on-half results in H2 2024 given the following detrimental factors: high base effect of de-stockpiling, which is not likely to be repeated in the near future, stronger than budgeted year-to-date KZT/USD rate, inflationary pressures, shortage of railcars and congestions of the eastbound railroads.

[1] 1H 2024 – on a last twelve months basis.

PRINCIPAL RISKS AND UNCERTAINTIES

There are a number of potential risks and uncertainties which could have a material impact on the Group's performance and could cause actual results to differ materially from expected and historical results.

The principal risks and uncertainties facing the Group are categorised as follows:

- Operational risks:
  - Production risk
  - Construction and development risk
  - Supply chain risk
  - Exploration risk
- Sustainability risks:
  - Health and safety risk
  - Environmental risk
  - Human capital risk
- Political and social risks:
  - Legal and compliance risk
  - Political risk
  - Taxation risk
- Financial risks:
  - Market risk
  - Currency risk
  - Liquidity risk

A detailed explanation of these risks and uncertainties can be found on pages 68 to 84 of the 2023 annual report which is available at www.solidcore-resources.com.

The directors consider that these principal risks and uncertainties have not changed materially since the publication of the annual report for the year ended 31 December 2023 and continue to apply to the Group for the remaining six months of the financial year.

Further updates will be presented in the full annual financial report for 2024.

GOING CONCERN

In assessing its going concern status, the Group has taken account of its principal risks and uncertainties, financial position, sources of cash generation, anticipated future trading performance, its borrowings and other available credit facilities, its forecast compliance with covenants on those borrowings, and its capital expenditure commitments and plans.

To assess the resilience of the Group's going concern assessment in light of the macroeconomic volatility, management performed the stress downside scenario that is considered plausible over the next 12 months from the date of approval of the financial statements. As such, this does not represent the Group's 'best estimate' forecast, but was considered in the Group's assessment of going concern, reflecting the current evolving circumstances and the most significant and plausible changes in macro assumptions identified at the date of approving the press-release.

The Group has already taken precautionary measures to manage liquidity and provide flexibility for the future. Under the stress scenario, the Group's income and profits are affected by simultaneous decrease of gold prices by 10% and local currency appreciation by 10%, as well as 10% overrun of development capital expenditure.

At the reporting date, the Group holds US$ 761 million of cash and US$ 100 million of undrawn credit facilities, which when combined with the forecast net cashflows under the stress scenario above, is considered to be adequate to meet the Group's financial obligations as they fall due over the next 12 months. No borrowing covenant requirements are forecast to be breached in the stress scenario. The Group expects to settle obligations as they fall due but also has mitigating actions available such as reducing production volumes and variable mining costs where possible, reducing and deferring non-essential and non-committed capital expenditure.

The Board is therefore satisfied that the Group's forecasts and projections, including the stress scenario above, show that the Group has adequate resources to continue in operational existence for at least the next 12 months from the date of this report and that it is appropriate to adopt the going concern basis in preparing the interim condensed consolidated financial statements for the period ended 30 June 2024.

DIRECTORS' RESPONSIBILITY STATEMENT

Directors are responsible for the preparation of the interim condensed consolidated financial statements of Solidcore Resources plc (the "Company") and its subsidiaries (the "Group"), which comprise the condensed consolidated statement of financial position as at 30 June 2024, and the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months ended 30 June 2024, in accordance with International Accounting Standard (IAS) 34, *Interim Financial Reporting*.

In preparing the interim condensed consolidated financial statements, directors are responsible for:

- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's consolidated financial position and financial performance; and
- making an assessment of the Group's ability to continue as a going concern.

Directors also are responsible for:

- designing, implementing and maintaining an effective and sound system of internal controls throughout the Group;
- maintaining adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the consolidated financial position of the Group, and which enable them to ensure that the interim condensed consolidated financial statements of the Group comply with IAS 34;
- taking such steps as are reasonably available to them to safeguard the assets of the Group; and
- preventing and detecting fraud and other irregularities.

These interim condensed consolidated financial statements were approved and authorised for issue by the Board of Directors on 13 September 2024 and signed on its behalf by

Omar Bahram	Vitaly Nesis
Chairman of the Board of Directors	Group Chief Executive Officer

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To: management and shareholders of Solidcore Resources plc

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Solidcore Resources plc and its subsidiaries, which comprise the interim condensed consolidated statement of financial position as at 30 June 2024 and the related interim condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, and selected explanatory notes (interim financial information). Management is responsible for the preparation and presentation of this interim financial information in accordance with IAS 34, Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information of Solidcore Resources plc and its subsidiaries is not prepared, in all material respects, in accordance with IAS 34, Interim Financial Reporting.

Paul Cohn
Audit Partner

Adil Syzdykov
Ernst & Young LLP Branch

License for carrying on ancillary services in accordance with the Acting Law of the Astana International Financial Center (AIFC), No. AFSA-A-LA-2020-0007 issued by AFSA on 28 February 2020.

Dinara Malayeva
Auditor

Auditor Qualification Certificate
No. МФ-0000323 dated 25 February 2016

Rustamzhan Sattarov
General Director
Ernst & Young LLP

State Audit License for audit activities on the territory of the Republic of Kazakhstan: series МФЮ–2, № 0000003, issued by the Ministry of Finance of the Republic of Kazakhstan on 15 July 2005

050660, Republic of Kazakhstan, Almaty
Al-Farabi ave., 77/7, Esentai Tower

13 September 2024

CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	Period ended 30 June 2024 US$m	Period ended 30 June 2023 US$m
Continuing operations			
Revenue	4	704	393
Cost of sales	5	(358)	(186)
Gross profit		**346**	**207**
General, administrative and selling expenses	9	(35)	(32)
Other operating expenses, net	10	(19)	(7)
Operating profit		**292**	**168**
Foreign exchange (loss)/gain, net		(6)	165
Change in fair value of financial instruments	18	-	(1)
Finance costs	11	(9)	(16)
Finance income		10	7
Profit before income tax from continuing operations		**287**	**323**
Income tax	12	(49)	(51)
Profit for the period from continuing operations		**238**	**272**
Discontinued operations			
Net loss from discontinued operations	3	(2,045)	(82)
Net (loss)/profit		**(1,807)**	**190**
(Loss)/profit for the period attributable to:			
Equity shareholders of the Parent		(1,807)	190
		(1,807)	**190**
Earnings per share for continuing operations (US$)			
Basic		0.50	0.57
Diluted		0.50	0.57
Earnings per share for discontinued operations (US$)			
Basic		(4.32)	(0.17)
Diluted		(4.32)	(0.17)
Loss/(Earnings) per share for continuing and discontinued operations (US$)			
Basic		(3.81)	0.40
Diluted		(3.81)	0.40

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Period ended 30 June 2024 US$m	Period ended 30 June 2023 US$m
(Loss)/profit for the period		**(1,807)**	**190**
Other comprehensive income/(loss), net of income tax		**924**	**(499)**
Items that will not be reclassified subsequently to profit or loss			
Effect of translation to presentation currency		(55)	**-**
Items that may be reclassified to profit or loss			
Fair value gain arising on hedging instruments during period		(1)	(4)
Exchange differences on translating foreign operations		(4)	(445)
Currency translation recycling on disposal of foreign operation		984	**-**
Currency exchange differences on intercompany loans forming net investment in foreign operations, net of income tax		-	(50)
Total comprehensive (loss)/income for the period		**(883)**	**(309)**
Total comprehensive loss for the period attributable to:		(883)	(309)
Equity shareholders of the Parent		**(883)**	**(309)**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets	Note	30 June 2024 US$m	31 December 2023 US$m
Property, plant and equipment	14	832	2,998
Right-of-use assets		3	76
Goodwill		-	11
Investments in associates and joint ventures		6	129
Non-current accounts receivable		28	107
Other non-current financial assets		8	9
Deferred tax assets		5	192
Non-current inventories	15	39	115
Total non-current assets		**921**	**3,637**
Current inventories	15	194	1,178
Prepayments to suppliers		30	180
Income tax prepaid		17	46
VAT receivable		47	131
Trade and other receivables		37	261
Other financial assets at FVTPL		1	5
Cash and cash equivalents	20	761	842
Total current assets		**1,087**	**2,643**
Total assets		**2,008**	**6,280**
Liabilities and shareholders' equity			
Accounts payable and accrued liabilities		(71)	(240)
Current borrowings	16	(219)	(1,005)
Income tax payable		(33)	(20)
Other taxes payable		(31)	(81)
Current portion of contingent consideration liability		(3)	(15)
Current lease liabilities		(1)	(18)
Total current liabilities		**(358)**	**(1,379)**
Non-current borrowings	16	(185)	(2,220)
Contingent and deferred consideration liabilities		(13)	(29)
Deferred tax liabilities		(54)	(252)
Environmental obligations		(15)	(69)
Non-current lease liabilities		(2)	(52)
Other non-current liabilities		(9)	(26)
Total non-current liabilities		**(278)**	**(2,648)**
Total liabilities		**(636)**	**(4,027)**
NET ASSETS		**1,372**	**2,253**
Share capital	13	14	14
Share premium	13	2,436	2,436
Share-based compensation reserve	13	4	33
Cash flow hedging reserve		7	8
Translation reserve		(1,138)	(2,063)
Retained earnings		49	1,825
Total equity		**1,372**	**2,253**
Total liabilities and shareholders' equity		**(2,008)**	**(6,280)**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Period ended[1] 30 June 2024 US$m	Period ended 30 June 2023 US$m
Net cash generated by operating activities	20	**517**	**35**
Relating to:			
Continuing operations		*344*	*184*
Discontinued operations	3	*173*	*(149)*
Cash flows from investing activities			
Purchases of property, plant and equipment		(174)	(375)
Net cash outflow on asset acquisitions		(6)	-
Investments in associates		-	(3)
Net cash outflow on disposal of subsidiaries	3	(215)	-
Loans advanced		(78)	(14)
Repayment of loans provided		3	8
Contingent consideration received		-	5
Net cash used in investing activities		**(470)**	**(379)**
Relating to:			
Continuing operations		*(319)*	*(83)*
Discontinued operations	3	*(151)*	*(296)*
Cash flows from financing activities			
Borrowings obtained	20	359	582
Repayments of borrowings	20	(459)	(455)
Repayments of principal under lease liabilities	20	(1)	(12)
Net cash (used in)/ from financing activities		**(101)**	**115**
Relating to:			
Continuing operations		*(96)*	*(39)*
Discontinued operations	3	*(5)*	*154*
Net decrease in cash and cash equivalents		(54)	(229)
Cash and cash equivalents at the beginning of the period	20	842	633
Effect of foreign exchange rate changes on cash and cash equivalents		(27)	(20)
Cash and cash equivalents at the end of the financial period	20	**761**	**384**

[1] Consolidated cash flow include amounts of discontinued operations (Note 3).

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Stated capital account US$m	Share capital US$m	Share premium US$m	Share-based compensation reserve US$m	Cash flow hedging reserve US$m	Translation reserve US$m	Retained earnings US$m	Total equity US$m
Balance at 1 January 2023 (audited)		**2,450**	**-**	**-**	**35**	**16**	**(1,543)**	**1,284**	**2,242**
Profit for the financial period		-	**-**	**-**	-	-	-	190	190
Other comprehensive loss, net of income tax		-	**-**	**-**	-	(4)	(495)	-	(499)
Total comprehensive income/(loss)		**-**	**-**	**-**	**-**	**(4)**	**(495)**	**190**	**(309)**
Share-based compensation		-	**-**	**-**	6	-	-	-	6
Transfer to retained earnings		-	**-**	**-**	(13)	-	-	13	-
Balance at 30 June 2023 (unaudited)		**2,450**	**-**	**-**	**28**	**12**	**(2,038)**	**1,487**	**1,939**
Balance at 1 January 2024 (audited)		**-**	**14**	**2,436**	**33**	**8**	**(2,063)**	**1,825**	**2,253**
Loss for the financial period		-	-	-	-	-	-	(1,807)	(1,807)
Other comprehensive loss, net of income tax		-	-	-	-	(1)	925	-	924
Total comprehensive income/(loss)		**-**	**-**	**-**	**-**	**(1)**	**925**	**(1,807)**	**(883)**
Share-based compensation		-	-	-	2	-	-	-	2
Transfer to retained earnings	13	-	-	-	(31)	-	-	31	-
Balance at 30 June 2024 (unaudited)		**-**	**14**	**2,436**	**4**	**7**	**(1,138)**	**49**	**1,372**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

Solidcore Resources (previously Polymetal International) is a leading gold producer based in Kazakhstan and listed on Astana International Exchange. During the six months ended 30 June 2024 the Group completed the divestment of its Russian business through sale of 100% share of JSC Polymetal (Polymetal Russia) (Note 3) and served an application to delist the Company's shares from Moscow Stock Exchange.

Solidcore Resources plc (the "Company") is the ultimate parent entity of Solidcore Resources.

The Company was incorporated on 29 July 2010 as a public limited company under Companies (Jersey) Law 1991 as Polymetal International plc. On 8 August 2023, the Group completed the re-domiciliation of the Company from Jersey to the Astana International Financial Centre ("AIFC") in Kazakhstan. The Company changed its name on 11 June 2024 following the sale of Polymetal Russia, which retained its former name.

Significant subsidiaries

As of 30 June 2024 the Company held the following significant mining and production subsidiaries:

Name of subsidiary	Deposits and production facilities	Segment	Country of incorporation	Effective interest held, %	
				30 June 2024	31 December 2023
Varvarinskoye JSC	Varvara	Kazakhstan	Kazakhstan	100	100
Bakyrchik Mining Venture LLC	Kyzyl	Kazakhstan	Kazakhstan	100	100
Komarovskoye Mining Company LLC	Komar	Kazakhstan	Kazakhstan	100	100
Ertis Hydrometallurgical Plant LLC	Ertis POX	Kazakhstan	Kazakhstan	100	100

Basis of presentation

The unaudited interim condensed consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. They should be read in conjunction with the audited consolidated financial statements and the notes thereto included in the 2023 Annual Report of Polymetal International plc and its subsidiaries ("2023 Annual Report") available at https://www.solidcore-resources.com.

Accounting policies

These interim condensed consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial instruments measured at fair value.

The accounting policies and methods of computation applied are consistent with those adopted and disclosed in the Group's consolidated financial statements for the year ended 31 December 2023, with the exception of new accounting pronouncements, which became effective on 1 January 2024 and have been adopted by the Group. The adoption of these new accounting pronouncements has not had a significant impact on the accounting policies, methods of computation or presentation applied by the Group.

New standards and amendments applicable for the current period

- Classification of liabilities as current or non-current liabilities with covenants (Amendments to IAS 1 "*Presentation of Financial Statements*") specify the requirements for classifying liabilities as current or non-current. The amendments clarify that a right to defer settlement must exist at the end of the reporting period and that classification is unaffected by the likelihood that an entity will exercise its deferral right. In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The amendments do not have a material impact on the Group
- Lease liability in a sale and leaseback (Amendments to IFRS 16 "*Leases*") specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction. The amendments do not have an impact on the Group.

- Supplier finance arrangements (Amendments to IAS 7 "*Statement of Cash Flows*" and IFRS 7 *"Financial Instruments: Disclosure*s") clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The amendments do not have a material impact on the Group.

New standards or amendments issued but not yet effective

The Group has not early adopted any amendment, standard or interpretation that has been issued but is not yet effective. It is expected that, where applicable, these standards and amendments will be adopted on each respective effective date.

Going concern

In assessing its going concern status, the Group has taken account of its financial position, anticipated future trading performance, its borrowings and other available credit facilities, its forecast compliance with covenants on those borrowings and capital expenditure commitments and plans.

The Board is satisfied that the Group's forecasts and projections, having taken account of reasonably possible changes in trading performance, show that the Group has adequate resources to continue in operational existence for at least the next 12 months from the date of this report and that it is appropriate to adopt the going concern basis in preparing these interim condensed consolidated financial statements.

Exchange rates

Exchange rates used in the preparation of the interim condensed consolidated financial statements were as follows:

	Russian Rouble/US Dollar	Kazakh Tenge/US Dollar
As at 30 June 2024	Not applicable	471.46
As at 31 December 2023	89.69	454.56
Average 1H 2024	Not applicable	449.00

2. SEGMENT INFORMATION

The Group's operating segments are aligned to those businesses that are evaluated regularly by the chief operating decision maker (the CODM) in deciding how to allocate resources and in assessing performance. Operating segments with similar economic characteristics are aggregated into reportable segments.

In March 2024, following the divestment of Russian business (Note 3), the Company re-assessed the presentation of financial information by segments. It was concluded that production hub-based reporting format is more meaningful from a management and forecasting perspective, as well as better aligned to the management structure, internal reporting and processes of the retained Group. Segment information for the period ended 30 June 2023 was restated accordingly.

Therefore the Group has identified two reportable segments:

- Varvara (Varvarinskoye JSC, Komarovskoye Mining Company LLC); and
- Kyzyl (Bakyrchik Mining Venture LLP).

Minor companies and activities (management, exploration, purchasing and other companies) which do not meet the reportable segment criteria are disclosed within the corporate and other segment.

The measure which management and the CODM use to evaluate the performance of the Group is a segment Adjusted EBITDA, which is an Alternative Performance Measure (APM). For more information on the APMs used by the Group, including definitions, please refer to page 40.

The accounting policies of the reportable segments are consistent with those of the Group's accounting policies under IFRS. Revenue and cost of sales of the production entities are reported net of any intersegmental revenue and cost of sales, related to the intercompany sales of ore and concentrates.

Business segment current assets and liabilities, other than current inventory, are not reviewed by the CODM and therefore are not disclosed in these interim condensed consolidated financial statements. Additionally, net debt is included in performance measures, reviewed by CODM. The segment adjusted EBITDA reconciles to the profit before income tax from continuing operations as follows:

2. Segment information (continued)

	Period ended 30 June 2024					Period ended 30 June 2023				
	Varvara	Kyzyl	Total reportable segments	Corporate and other	Total	Varvara	Kyzyl	Total reportable segments	Corporate and other	Total
Revenue from external customers	189	456	645	59	704	179	214	393	-	393
Cost of sales, excluding depreciation, depletion and write-down of inventory to net realisable value	105	141	246	61	307	99	61	160	-	160
Cost of sales	120	177	297	61	358	108	78	186	-	186
Depreciation included in cost of sales	(15)	(36)	(51)	-	(51)	(9)	(17)	(26)	-	(26)
General, administrative and selling expenses, excluding depreciation, amortisation and share-based compensation	9	9	18	14	32	6	8	14	12	26
General, administrative and selling expenses	9	10	19	16	35	7	8	15	17	32
Depreciation included in SGA	-	(1)	(1)	-	(1)	(1)	-	(1)	-	(1)
Share-based compensation	-	-	-	(2)	(2)	-	-	-	(5)	(5)
Other operating expenses excluding additional tax charges	5	12	17	2	19	4	2	6	1	7
Other operating expenses, net	5	12	17	2	19	4	2	6	1	7
Share of loss of associates and joint ventures	-	-	-	-	-	-	-	-	-	-
Adjusted EBITDA	**70**	**294**	**364**	**(18)**	**346**	**70**	**143**	**213**	**(13)**	**200**
Depreciation expense	15	37	52	-	52	10	17	27	-	27
Share-based compensation	-	-	-	2	2	-	-	-	5	5
Operating profit	**55**	**257**	**312**	**(20)**	**292**	**60**	**126**	**186**	**(18)**	**168**
Foreign exchange gain/(loss), net					(6)					165
Change in fair value of contingent consideration liability					-					(1)
Finance expenses					(9)					(16)
Finance income					10					7
Profit before tax					**287**					**323**
Income tax expense					**(49)**					**(51)**
Profit for the financial period from continuing operations					**238**					**272**
Current metal inventories	51	90	141	-	141	59	113	172	-	172
Current non-metal inventories	20	32	52	1	53	21	39	60	-	60
Non-current segment assets:										
Property, plant and equipment, net	253	491	744	88	832	228	509	737	40	777
Non-current inventory	37	2	39	-	39	34	-	34	-	34
Investments in associates	-	-	-	6	6	-	-	-	11	11
Total segment assets	**361**	**615**	**976**	**95**	**1 071**	**342**	**661**	**1 003**	**51**	**1 054**
Additions to non-current assets:										
Property, plant and equipment	32	37	69	46	115	43	27	70	18	88

3. DIVESTMENT OF THE RUSSIAN BUSINESS AND DISCONTINUED OPERATIONS

On 18 February 2024 the Group entered into contracts for the divestment of its Russian business through a sale of 100% JSC Polymetal's shares to a third party, JSC Mangazeya Plus (the Purchaser).

On 7 March 2024 the transaction was completed following approval at a the General Shareholders Meeting and receipt of the regulatory approvals. Following this date, the Group ceased to have any interest in JSC Polymetal and therefore determined that it lost control over JSC Polymetal on 7 March 2024. As Polymetal Russia was a separate geographical area of operation and a major line of business, the sale represented discontinued operations for the Group.

The transaction entailed US$ 50 million cash consideration which was paid to the Company at completion.

Prior to completion, an aggregate dividend of US$ 1,429 million (before tax) was paid by JSC Polymetal to the Company, of which US$ 278 million were retained by the Company for its general corporate purposes and US$ 1,151 million were used to repay, and fully discharge, the intra-group debt and related interest owed to JSC Polymetal. Net cash proceeds from the Purchaser and through dividends retained by the Company (after tax) amounted to US$ 300 million.

Major classes of assets and liabilities of JSC Polymetal and its subsidiaries (JSC Polymetal Group), net of dividends payable and intercompany loans receivable as described above, that were settled in March 2024 before the actual disposal date and which were not be part of assets and liabilities of the divested subsidiaries as of disposal date, are presented as follows:

	US$m
Assets	
Property, plant and equipment	2,227
Right-of-use assets	79
Goodwill	11
Investments in associates and joint ventures	124
Non-current accounts receivable	107
Deferred tax asset	194
Non-current inventories	78
Total non-current assets	**2,820**
Current inventories	939
Prepayments to suppliers	149
Income tax prepaid	16
VAT receivable	46
Trade and other receivables	310
Cash and cash equivalents	265
Total current assets	**1,725**
Accounts payable and accrued liabilities	(218)
Current borrowings	(725)
Other taxes payable	(185)
Income tax payable	(38)
Other current liabilities	(30)
Total current liabilities	**(1,196)**
Non-current borrowings	(1,974)
Deferred tax liability	(49)
Other non-current liabilities	(140)
Total non-current liabilities	**(2,163)**
Total liabilities	**(3,359)**
NET ASSETS	**1,186**

Loss from discontinued operations is detailed as follows:

	US$m
Net assets disposed of	(1,186)
Cash consideration received	50
Currency translation recycling on disposal of foreign operation[1]	(984)
Tax expense attributable to disposal of discontinued operations	(6)
Loss on disposal of discontinued operations	**(2,126)**
Profit for the period attributable to the discontinued operations	84
Directly attributable expenses	(3)
Net loss attributable to the discontinued operations	**(2,045)**
Disposed cash and cash equivalents as of 7 March	265
Cash consideration received	(50)
Net cash outflow on disposal of subsidiaries	**(215)**

The rationale for the transaction was associated with the significant political and financial risks that the pre-divestment structure posed to the Group, as well as the extreme difficulty and related uncertainty of executing any alternative transaction. Therefore management believes that the transaction terms do not represent an indicator of impairment of any CGU within the JSC Polymetal Group prior to the disposal date.

Re-presentation of Interim Condensed Consolidated Income Statement of the Group

The Group's interim condensed consolidated income statement was prepared in accordance with IFRS 5 *"Non-current Assets Held for Sale and Discontinued Operations"* so that the results of discontinued operations would be excluded from the continuing operations and presented as a single amount. The comparatives in the statement of operations were re-presented in the same way. No adjustments to comparative data were made for the assets and liabilities in the statement of financial position.

The consolidated results of the Group were divided into transactions with external parties, which are classified as discontinued operations, and intra-group transactions between continuing and discontinued operations, which were eliminated in the Group's consolidated financial statements. The Group's intragroup transactions were eliminated, but adjustments were made to reflect how transactions will be reflected in continuing operations going forward. For that purpose, the sales of Kyzyl doré by discontinued operations during six months ended 30 June 2023 to third parties were reclassified to continuing operations. Presentation is in line with the Group segment reporting as presented in the interim condensed consolidated financial statements for the six months ended 30 June 2023 and consolidated financial statements for the year ended 31 December 2023. Therefore the Group recognised revenue and related cost of sales in the operation where the source ore was mined, regardless of whether it was processed on behalf of that segment at production facilities related to another hub.

The result of the discontinued operations, which were included in the profit and loss for the period, were as follows:

	Period ended	
	7 March 2024	**30 June 2023**
	US$m	**US$m**
Revenue	415	922
Expenses	(315)	(1,010)
Profit/(loss) before tax	**100**	**(88)**
Attributable tax expense	(16)	6
Profit/(loss) for the period attributable to the discontinued operations	**84**	**(82)**

Cash flows from discontinued operations are presented on the face of the cash flow statement.

[1] The functional currency of Polymetal is the Russian rouble, which is different from the Solidcore Resources plc functional currency (US dollar to 1 January 2015 and Kazakh tenge from 1 August 2023). The exchange differences arising on translation of the assets, liabilities and income statements of Polymetal were recorded in other comprehensive income and accumulated in the separate component of equity. On disposal of Polymetal the cumulative amount of the exchange differences relating to Polymetal was recycled to the Solidcore Resources plc's income statement.

4. REVENUE

	Six months ended 30 June 2024 (unaudited)				Six months ended 30 June 2023 (unaudited)			
	Thousand ounces/ tonnes shipped	Thousand ounces/ tonnes payable	Average price (US Dollar per troy ounce/tonne payable)	US$m	Thousand ounces/ tonnes shipped	Thousand ounces/ tonnes payable	Average price (US Dollar per troy ounce/tonne payable)	US$m
Gold (Koz)	328	317	2,190	694	204	200	1,904	380
Silver (Koz)	54	52	19.2	1	45	43	23.3	1
Copper (t)	1,019	956	9,410	9	1,529	1,434	8,370	12
Total				**704**				**393**

Revenue analysed by geographical regions of customers is presented below:

	Six months ended	
	30 June 2024	30 June 2023
	US$m	US$m
Sales to Kazakhstan	436	327
Sales to Asia	268	62
Other	-	4
Total	**704**	**393**

Included in revenues for the six months ended 30 June 2024 is revenue from customers with a share of total revenue greater than 10%. These were US$ 381 million and US$ 92 million, respectively (period ended 30 June 2023: US$ 265 million, US$ 63 million and US$ 39 million, respectively).

Presented below is an analysis by revenue streams:

	Six months ended	
	30 June 2024	30 June 2023
	US$m	US$m
Doré	381	264
Concentrate	264	125
Bullions	59	4
Total	**704**	**393**

5. COST OF SALES

	Six months ended	
	30 June 2024	30 June 2023
	US$m	US$m
Cash operating costs		
On-mine costs (Note 6)	81	83
Smelting costs (Note 7)	58	60
Purchase of ore and concentrates from third parties	59	35
Mining tax	43	38
Total cash operating costs	**241**	**216**
Depreciation and depletion of operating assets (Note 8)	49	37
Total costs of production	**290**	**253**
Increase in metal inventories	67	(67)
Idle capacities and abnormal production costs	1	-
Total	**358**	**186**

6. ON-MINE COSTS

	Six months ended	
	30 June 2024	30 June 2023
	US$m	US$m
Services	42	37
Consumables and spare parts	25	34
Labour	12	9
Other expenses	2	3
Total (Note 5)	**81**	**83**

7. SMELTING COSTS

	Six months ended	
	30 June 2024	30 June 2024
	US$m	US$m
Services	26	17
Consumables and spare parts	23	36
Labour	9	7
Other expenses	-	-
Total (Note 5)	**58**	**60**

8. DEPLETION AND DEPRECIATION OF OPERATING ASSETS

	Six months ended	
	30 June 2024	30 June 2023
	US$m	US$m
On-mine	39	29
Smelting	10	8
Total in cost of production (Note 5)	**49**	**37**
Less: absorbed into metal inventories	2	(11)
Depreciation included in cost of sales	**51**	**26**

Depletion and depreciation of operating assets excludes depreciation relating to non-operating assets (included in general, administrative and selling expenses) and depreciation related to assets employed in development projects where the charge is capitalised. Depreciation expense, which is excluded in the Group's calculation of Adjusted EBITDA (see Note 2), also excludes amounts absorbed into unsold metal inventory balances.

9. GENERAL, ADMINISTRATIVE AND SELLING EXPENSES

	Six months ended	
	30 June 2024	30 June 2023
	US$m	US$m
Labour	22	14
Services	5	8
Share-based compensation	2	5
Depreciation	1	1
Other	5	4
Total	**35**	**32**

10. OTHER OPERATING EXPENSES, NET

	Six months ended	
	30 June 2024	30 June 2023
	US$m	US$m
Social payments	10	2
Taxes, other than income tax	4	2
Exploration expenses	2	1
Other expenses	3	2
Total	**19**	**7**

11. FINANCE COSTS

	Six months ended	
	30 June 2024	30 June 2023
	US$m	US$m
Interest expense on borrowings	7	15
Unwinding of discount on environmental obligations	1	1
Unwinding of discount on contingent consideration liability (Note 20)	1	-
Total	**9**	**16**

Interest expense on borrowings excludes borrowing costs capitalised in the cost of qualifying assets of US$ 1 million during the six months ended 30 June 2024 (30 June 2023: US$ 1 million). These amounts were calculated based on the Group's general borrowing pool and by applying an effective annualised interests rates of 3.83% and 4.86%, respectively, to cumulative expenditure on such assets.

12. INCOME TAX

	Six months ended	
	30 June 2024	30 June 2023
	US$m	US$m
Current income taxes	(204)	(53)
Deferred income taxes	155	2
Total	**(49)**	**(51)**

Current income taxes recognised during six months ended 30 June 2024 include withholding income tax paid of US$ 143 million (2023: nil) related to the dividends from Polymetal, which were remitted as a part of divestment from the Russian operations (Note 3). The provisional amount of the withholding income tax was recognised as a deferred tax liability of US$ 152 million as of 31 December 2023 and was released during six months ended 30 June 2024.

No deferred tax liabilities for taxes that would be payable on the unremitted earnings of the Group subsidiaries was recognised as of 30 June 2024 as the Group determined that the undistributed profit of its subsidiaries would not be distributed in the foreseeable future (judged to be one year).

13. SHAREHOLDERS' EQUITY AND EARNINGS PER SHARE

The movements in the Stated capital account in the period were as follows:

	Share capital no. of shares	Share capital US$m	Share premium US$m	Treasury shares no. of shares
Balance at 31 December 2023	**473,645,141**	**14**	**2,436**	**41,614,678**
Own shares exchanged during period	- 14,424,003	-	-	14,424,003
Own shares issued in exchange	14,424,003	-	-	-
Deferred shares issued	45,179	-	-	-
Balance at 30 June 2024	**473,690,320**	**14**	**2,436**	**56,038,681**

On 23 November 2023, the Board announced its intention to conduct an exchange offer, which was approved by Shareholders at the General Meeting on 8 December 2023. The exchange offer invited shareholders whose rights have been affected by the sanctions imposed on NSD, subject to fulfilling eligibility criteria, to tender such shares for exchange in consideration for the issuance of a certificated share, on a one-for-one basis. In total, 14,424,003 shares were repurchased since the beginning of the Exchange Offer during the six months ended 30 June 2024. The exchange of shares did not give rise to any cash settlement and hence does not give rise to any financial liability. The shares were exchanged at par, on a one-for-one basis and the exchange does not affect the Company's net asset and resources position or capital structure.

As of 30 June 2024 total number of voting rights in the Company amounted to 473,690,320 ordinary shares of nominal value US$ 0.03 each (31 December 2023: to 473,645,141 ordinary shares with no par value), each carrying one vote, and additionally the Company held 56,038,681 shares in treasury and such shares did not enjoy any voting or economic rights (31 December 2023: 41,614,678 shares).

The ordinary shares reflect 100% of the total issued share capital of the Company.

The calculation of the basic and diluted earnings per share is based on the following data:

Weighted average number of shares: Diluted earnings per share

Both basic and diluted earnings per share were calculated by dividing profit for the period attributable to equity holders of the parent by the weighted average number of outstanding common shares before/after dilution respectively. The calculation of the weighted average number of outstanding common shares after dilution is as follows:

	Six months ended	
	30 June 2024	**30 June 2023**
Weighted average number of outstanding common shares	473,666,489	473,626,239
Weighted average number of outstanding common shares after dilution	**473,666,489**	**473,626,239**

There were no adjustments required to earnings for the purposes of calculating the diluted earnings per share in the current period (period ended 30 June 2023: nil).

There were no adjustments to weighted average number of shares for the purposes of calculating the diluted earnings per share in the current period (period ended 30 June 2023: none), as there are no outstanding Long-Term Incentive Plan (LTIP) awards which represent dilutive potential ordinary shares with respect to earnings per share from continuing operations as these awards are out of money as of the reporting date (30 June 2023: no dilutive potential ordinary shares).

The LTIP tranche, granted in 2020 lapsed during first half 2023 and accordingly, the related balance of US$ 24 million in the share-based payment reserve was transferred into retained earnings (2023: US$ 13 million was transferred into retained earnings in related to 2018 LTIP tranche). Additionally, the balance of US$ 7 million, related to the LTIP tranche, granted in 2021 to the employees of the divested Russian business (Note 3) was transferred into retained earnings.

14. PROPERTY, PLANT AND EQUIPMENT

	Development assets	Exploration assets	Mining assets	Non-mining assets	Capital construction in-progress	Total

Cost	US$m	US$m	US$m	US$m	US$m	US$m
Balance at 31 December 2023 (audited)	**165**	**111**	**3,725**	**74**	**1,058**	**5,133**
Additions	7	2	74	4	111	198
Transfers	(4)	(6)	18	1	(9)	-
Change in environmental obligations	-	-	(6)	-	-	(6)
Acquisition of assets	-	13	-	-	-	13
Eliminated on disposal of subsidiary (Note 3)	(163)	(100)	(2,550)	(63)	(1,005)	(3,881)
Disposals and write-offs including fully depleted mines	-	(1)	(12)	1	-	(12)
Translation to presentation currency	(1)	(1)	(62)	(3)	(12)	(79)
Balance at 30 June 2024 (unaudited)	**4**	**18**	**1,187**	**14**	**143**	**1,366**

	Development assets	Exploration assets	Mining assets	Non-mining assets	Capital construction in-progress	Total
Accumulated depreciation, amortisation	**US$m**	**US$m**	**US$m**	**US$m**	**US$m**	**US$m**
Balance at 31 December 2023 (audited)	**(7)**	**(11)**	**(1,930)**	**(44)**	**(143)**	**(2,135)**
Charge for the period	-	-	(89)	(5)	-	(94)
Transfers	-	-	-	-	-	-
Eliminated on disposal of subsidiary (Note 3)	7	11	1,452	44	140	1,654
Disposals and write-offs including fully depleted mines	-	-	9	-	-	9
Translation to presentation currency	-	-	31	-	1	32
Balance at 30 June 2024 (unaudited)	**-**	**-**	**(527)**	**(5)**	**(2)**	**(534)**
Net book value						
31 December 2023	**158**	**100**	**1,795**	**30**	**915**	**2,998**
30 June 2024	**4**	**18**	**660**	**9**	**141**	**832**

15. INVENTORIES

	30 June 2024	31 December 2023
	US$m	US$m
Inventories expected to be recovered after twelve months		
Ore stock piles	31	51
Consumables and spare parts	8	43
Work in-process	-	13
Copper, gold and silver concentrate	-	8
Total non-current inventories	**39**	**115**
Inventories expected to be recovered in the next twelve months		
Ore stock piles	47	208
Work in-process	61	146
Copper, gold and silver concentrate	30	324
Doré	3	70
Metal for refining	-	25
Refined metals	-	45
Total current metal inventories	**141**	**818**
Consumables and spare parts	53	360
Total current inventories	**194**	**1,178**

16. BORROWINGS

The Group has a number of borrowing arrangements with various lenders. As of 30 June 2024 these borrowings consist of unsecured and secured loans and credit facilities denominated in US Dollar and Euros.

	Effective interest rate at	30 June 2024	31 December 2023

	Type of rate	30 June 2024	31 Dec 2023	Current	Non-current	Total	Current	Non-current	Total
Secured loans from third parties				US$m	US$m	US$m	US$m	US$m	US$m
U.S. Dollar denominated	fixed	4.58%	4.32%	32	93	125	27	114	141
Total secured loans from third parties				**32**	**93**	**125**	**27**	**114**	**141**
Unsecured loans from third parties									
U.S. Dollar denominated	floating	2.17%	6.74%	40	80	120	240	100	340
U.S. Dollar denominated	fixed	2.17%	3.50%	145	-	145	432	274	706
Euro denominated	floating	4.13%	4.32%	2	12	14	2	18	20
RUB denominated	floating	n/a	17.95%	-	-	-	20	694	714
RUB denominated	fixed	n/a	13.17%	-	-	-	19	142	161
CNY denominated	fixed	n/a	5.54%	-	-	-	265	808	1,073
CNY denominated	floating	n/a	4.95%	-	-	-	-	70	70
Total unsecured loans from third parties				**187**	**92**	**279**	**978**	**2,106**	**3,084**
Total loans from third parties				**219**	**185**	**404**	**1,005**	**2,220**	**3,225**

Movements in borrowings are presented in Note 20 below.

The table below summarises maturities of borrowings:

	Period ended	
	30 June 2024	**31 December 2023**
	US$m	**US$m**
Less than 1 year	219	1,005
1-5 years	181	1,752
More than 5 years	4	468
Total	**404**	**3,225**

There are financial and non-financial covenants attached to the Group's borrowings. As at 30 June 2024 and for the period then ended the Group had no violations of covenants.

17. COMMITMENTS AND CONTINGENCIES

Capital commitments

The Group's budgeted capital expenditure commitments as at 30 June 2024 amounted to US$ 42 million net of VAT (31 December 2023: US$ 171 million).

Social commitments

In accordance with a memorandum with Kostanay Oblast Akimat (local Kazakhstan government), the Group participates in financing of certain social and infrastructure development project of the region. The total social expense commitment as at 30 June 2024 amounts to US$ 7 million, payable in the future periods.

Taxation

Kazakh tax, currency and customs legislation is subject to varying interpretations, and changes, which can occur frequently. Management's interpretation of such legislation as applied to the transactions and activities of the companies of the Group may be challenged by the relevant regional and federal authorities and as a result, significant additional taxes, penalties and interest may be assessed. Fiscal periods remain open to review by the authorities in respect of taxes for five calendar years preceding the year of review. Under certain circumstances reviews may cover longer periods.

Management has not identified any tax exposure in respect of contingent liabilities (31 December 2023: US$ 41 million), mainly related to income tax. Change in the amount is attributable to the divestment of Russian operations (Note 3).

18. FAIR VALUE ACCOUNTING

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable as follows:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At 30 June 2024 and 31 December 2023, the Group held the following financial instruments at fair value through profit or loss (FVTPL):

	30 June 2024			
	Level 1	Level 2	Level 3	Total
	US$m	US$m	US$m	US$m
Receivables from provisional copper, gold and silver concentrate sales	-	26	-	**26**
Interest rate swap	-	7	-	**7**
Shares held at FVTPL	1	-	-	**1**
Contingent consideration liability	-	-	(16)	**(16)**
	1	**33**	**(16)**	**18**

	31 December 2023			
	Level 1	Level 2	Level 3	Total
	US$m	US$m	US$m	US$m
Receivables from provisional copper, gold and silver concentrate sales	-	135	-	**135**
Interest rate swaps	-	8	-	**8**
Contingent consideration receivable	-	-	4	**4**
Shares held at FVTPL	2	-	-	**2**
Royalty liabilities payable			(24)	**(24)**
Contingent consideration liability	-	-	(44)	**(44)**
	2	**143**	**(64)**	**81**

During both reporting periods presented, there were no transfers between levels of fair value hierarchy.

Additionally, as of 30 June 2024 the Group held an interest rate swap contract, recognised within non-current accounts receivables and other financial instruments in the amount of US$ 7 million (31 December 2023: US$ 8 million). An interest rate swap contract exchanging floating rate interest amounts for rate interest amounts is designated as cash flow hedges to reduce the Group's cash flow exposure resulting from variable interest rates on borrowings. As the critical terms of the interest rate swap contracts and their corresponding hedged items are the same, the Group performs a qualitative assessment of effectiveness and it is expected that the value of the interest rate swap contracts and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying interest rates. As of 30 June 2024 and 30 June 2023 it was determined that there is no hedge ineffectiveness identified and therefore change of fair value was recognised within other comprehensive income.

The estimated fair value of the Group's debt, calculated using the market interest rate available to the Group as at 30 June 2024 is US$ 384 million (31 December 2023: US$ 2,699 million), and the carrying value as at 30 June 2024 is US$ 404 million (31 December 2023: US$ 3,225 million).

The fair value of receivables arising from copper, gold and silver concentrate sales contracts that contain provisional pricing mechanisms is determined using the appropriate quoted forward price from the exchange that is the principal active market for the particular metal. As such, these receivables are classified within Level 2 of the fair value hierarchy.

Valuation methodologies used in the measurement of fair value for Level 3 financial liabilities

The main level 3 inputs used by the Group in measuring the fair value of contingent consideration assets and liabilities, represented by net smelter returns (NSR), are derived and evaluated as follows:

- The relevant valuation model simulates expected production of metals at respective mines and are based on life of mine models prepared using applicable ore reserves and mineral resource estimations.
- Commodity prices - Commodity prices are based on latest internal forecasts, benchmarked against external sources of information. The Group used flat real long-term silver price of US$ 27 per ounce (2023: US$ 23 per ounce), respectively.
- Discount rates – The Group used a post-tax real discount rate of 14.5% (31 December 2023: 12.5%). For the Monte-Carlo modelling, where inflation is incorporated into volatility estimation, a nominal discount rate of 17.2% (31 December 2023: 15.2%) is applied.

- Where the percentage of net NSR or royalty receivable or payable depends on commodity prices or foreign exchange rates reaching certain levels, the Group applies the Monte-Carlo modelling to incorporate the volatility measure into the valuation, which is applied to the prevailing market prices/rates as of the valuation date.

The key assumptions used in the Monte-Carlo calculations are silver price of US$ 28.85 per ounce and silver price volatility of 31%.

During six months ended 30 June 2024 the Group recognised the loss from revaluation of its Level 3 financial instruments at FVTP of US$ 4 million (30 June 2023: US$ 1 million), representing loss on contingent consideration payable revaluation.

The Directors consider that a reasonably possible change in a valuation assumption would not have a material impact on the interim condensed consolidated financial statements for contingent considerations receivable and payable.

19. RELATED PARTIES

Related parties are considered to include shareholders, associates, joint ventures and entities under common ownership and control with the Group and members of key management personnel.

During the period ended 30 June 2024 there were no transactions with the related parties (30 June 2023: miscellaneous purchases of US$ 1.1 million and various sales to the related parties of US$ 0.3 million).

Outstanding balances with related parties as of 30 June 2024 are nil (31 December 2023: US$ 1 million).

20. SUPPLEMENTARY CASH FLOW INFORMATION

	Notes	Period ended[1] 30 June 2024 US$m	Period ended 30 June 2023 US$m
Loss/(Profit) before tax		(1,736)	235
Adjustments for:			
Depreciation and depletion recognised in the statement of comprehensive income		82	123
Impairment of non-current assets		-	12
Loss on disposal of subsidiaries	3	2,120	-
Write-down of inventories to net realisable value		2	10
Share-based compensation		2	6
Finance costs		83	69
Finance income		(19)	(8)
Change in fair value of financial instruments	18	-	5
Foreign exchange gain/(loss), net		8	105
Other non-cash items		(1)	(2)
		541	**555**
Movements in working capital			
Change in inventories		29	(205)
Change in VAT and other taxes		172	26
Change in trade and other receivables		(37)	(130)
Change in prepayments to suppliers		(1)	(7)
Change in trade and other payables		4	(31)
Cash generated from operations		**708**	**208**
Interest paid		(38)	(79)
Interest received		16	7
Income tax paid		(169)	(101)
Net cash generated by operating activities		**517**	**35**

During the period ended 30 June 2024, the capital expenditure related to the new projects, increasing the operating capacity amounts to US$ 46 million (period ended 30 June 2023: US$ 89 million).

Cash and cash equivalents

	30 June 2024 US$m	31 December 2023 US$m

[1] Consolidated cash flow include amounts of discontinued operations as required by IFRS 5 (Note 3).

Bank deposits	-USD	457	17
	- CNY	-	364
	- KZT	89	104
US treasury bills	-USD	201	39
Current bank accounts	- USD	7	159
	- CNY	1	107
	- other currencies	6	52
Total		**761**	**842**

Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities from financing activities are those for which cash flow were, or future cash flows will be, classified in the Group's consolidated cash flow statements as cash flows from financing activities.

	Period ended 30 June 2024			
	Borrowings	**Contingent consideration payable at fair value**	**Royalty payable**	**Lease liabilities**
1 January 2024	**3,225**	**44**	**24**	**70**
Cash inflow	359	-	-	-
Cash outlow	(459)	-	-	(1)
Changes from financing cash flows	**(100)**	**-**	**-**	**(1)**
Disposal of subsidiary (Note 3)	(2,699)	(34)	(24)	(72)
Additions	-	6		8
Unwind of discount	-	-	-	1
Lease termination	-	-	-	(2)
Net foreign exchange losses	(16)	1	-	-
Exchange differences on translating foreign operations	(6)	(1)	-	(1)
Other changes	**(2,721)**	**(28)**	**(24)**	**(66)**
30 June 2024	**404**	**16**	**-**	**3**
Less current portion	(219)	(3)	-	(1)
Total non-current liabilities at 30 June 2024	**185**	**13**	**-**	**2**

	Period ended 30 June 2023				
	Borrowings	**Contingent consideration payable at fair value**	**Deferred consideration payable at amortised cost**	**Royalty payable**	**Lease liabilities**
1 January 2023	**3,027**	**36**	**85**	**24**	**131**
Cash inflow	582	-	-	-	-
Cash outlow	(455)	-	-	-	(12)
Changes from financing cash flows	**127**	**-**	**-**	**-**	**(12)**
Unwind of discount	-	2	3	-	4
Lease modification	-	-	-	-	(14)
Lease termination	-	-	-	-	(2)
Net foreign exchange losses	293	4	-	6	-
Exchange differences on translating foreign operations	(473)	(4)	-	(6)	(23)
Other changes	**(180)**	**2**	**3**	**-**	**(35)**
30 June 2023	**2,974**	**38**	**88**	**24**	**84**

Less current portion	(1,024)	(9)	-	(5)	(19)
Total non-current liabilities at 30 June	**1,950**	**29**	**88**	**19**	**65**

21. SUBSEQUENT EVENTS

On 4 September 2024 the Group received approval from the Moscow Exchange to delist the Company's shares, effective on 15 October 2024.

ALTERNATIVE PERFORMANCE MEASURES

Introduction

The financial performance reported by the Group contains certain Alternative Performance Measures (APMs), disclosed to complement measures that are defined or specified under International Financial Reporting Standards (IFRS). APMs should be considered in addition to, and not as a substitute for, measures of financial performance, financial position or cash flows reported in accordance with IFRS.

The Group believes that these measures, together with measures determined in accordance with IFRS, provide the readers with valuable information and an improved understanding of the underlying performance of the business.

APMs are not uniformly defined by all companies, including those within the Group's industry. Therefore, the APMs used by the Group may not be comparable to similar measures and disclosures made by other companies.

Purpose

APMs used by the Group represent financial KPIs for clarifying the financial performance of the Group and measuring it against strategic objectives, given the following background:

- Widely used by the investor and analyst community in the mining sector and, together with IFRS measures, provide a holistic view of the Group;
- Applied by investors to assess earnings quality, facilitate period to period trend analysis and forecasting of future earnings, and understand performance through eyes of management;
- Highlight key value drivers within the business that may not be obvious in the financial statements;
- Ensure comparability of information between reporting periods and operating segments by adjusting for uncontrollable or one-off factors which impact upon IFRS measures;
- Used internally by management to assess the financial performance of the Group and its operating segments;
- Used in the Group's dividend policy; and
- Certain APMs are used in setting directors' and management's remuneration.

APMs and justification for their use

Group APM	Closest equivalent IFRS measure	Adjustments made to IFRS measure	Rationale for adjustments
Underlying net earnings	• Profit/(loss) for the financial period attributable to equity shareholders of the Group	• Write-down of metal inventory to net realisable value (post-tax) • Impairment/reversal of previously recognised impairment of non-current assets (post-tax) • Foreign exchange (gain)/loss (post-tax) • Change in fair value of contingent consideration liability (post-tax) • Gains/losses on acquisition, revaluation and disposals of interests in subsidiaries, associates and joint ventures (post-tax)	• Excludes the impact of key significant one-off non-recurring items and significant non-cash items (other than depreciation) that can mask underlying changes in core performance.
Underlying earnings per share	• Earnings per share	• Underlying net earnings (as defined above) • Weighted average number of outstanding common shares	• Excludes the impact of key significant one-off non-recurring items and significant non-cash items (other than depreciation) that can mask underlying changes in core performance.

Group APM	Closest equivalent IFRS measure	Adjustments made to IFRS measure	Rationale for adjustments
Underlying return on equity	• No equivalent	• Underlying net earnings (as defined above)[1] • Average equity at the beginning and the end of reporting year, adjusted for translation reserve	• The most important metric for evaluating the Company's profitability • Measures the efficiency with which a company generates income using the funds that shareholders have invested.
Return on assets	• No equivalent	• Underlying net earnings (as defined above)[1] before interest and tax • Average total assets at the beginning and the end of reporting year	• A financial ratio that shows the percentage of profit the Company earns in relation to its overall resources.
Adjusted EBITDA	• Profit/(loss) before income tax	• Finance cost (net) • Depreciation and depletion • Write-down of metal and non-metal inventory to net realisable value • Impairment/reversal of previously recognised impairment of non-current assets • Share based compensation • Bad debt allowance • Net foreign exchange gains/losses • Change in fair value of contingent consideration liability • Rehabilitation costs • Additional mining taxes, VAT, penalties and accrued interest • Gains/losses on acquisition, revaluation and disposals of interests in subsidiaries, associates and joint ventures	• Excludes the impact of certain non-cash elements, either recurring or non-recurring, that can mask underlying changes in core operating performance, to be a proxy for operating cash flow generation.
Net debt	• Net total of current and non-current borrowings[2] • Cash and cash equivalents	• Not applicable	• Measures the Group's net indebtedness that provides an indicator of the overall balance sheet strength. • Used by creditors in bank covenants.
Net debt/EBITDA ratio	• No equivalent	• Not applicable	• Used by creditors, credit rating agencies and other stakeholders.
Free cash flow	• Cash flows from operating activity less cash flow from investing activities	• Excluding acquisition costs in business combinations and investments in associates and joint ventures • Excluding loans forming part of net investment in joint ventures • Excluding proceeds from disposal of subsidiaries	• Reflects cash generating from operations after meeting existing capital expenditure commitments. • Measures the success of the company in turning profit into cash through the strong management of working capital and capital expenditure.

[1] Annualised basis for half-year results.
[2] Excluding lease liabilities and royalty payments.

Group APM	Closest equivalent IFRS measure	Adjustments made to IFRS measure	Rationale for adjustments
Free cash flow post M&A	• Cash flows from operating activity less cash flow from investing activities	• Not applicable	• Free cash flow including cash used in/received from acquisition/disposal of assets and joint ventures. • Reflects cash generation to finance returns to shareholders after meeting existing capital expenditure commitments and financing growth opportunities.
Total cash costs (TCC)	• Total cash operating costs • General, administrative & selling expenses	• Depreciation expense and depletion • Rehabilitation expenses • Write-down of inventory to net realisable value • Intersegment unrealised profit elimination • Idle capacities and abnormal production costs • Exclude Corporate and Other segment and development assets • Treatment charges deductions reclassification to cost of sales	• Calculated according to common mining industry practice using the provisions of Gold Institute Production Cost Standard. • Gives a picture of the Company's current ability to extract its resources at a reasonable cost and generate earnings and cash flows for use in investing and other activities.
All-in sustaining cash costs (AISC)	• Total cash operating costs • General, administrative & selling expenses	• AISC is based on total cash costs, and adds items relevant to sustaining production such as other operating expenses, corporate level SG&A, and capital expenditures and exploration at existing operations (excluding growth capital). After tax all-in cash costs includes additional adjustments for net finance cost, capitalised interest and income tax expense. All-in costs include additional adjustments on that for development capital.	• Includes the components identified in World Gold Council's Guidance Note on Non-GAAP Metrics – All-In Sustaining Costs and All-In Costs (June 2013), which is a non-IFRS financial measure. • Provides investors with better visibility into the true cost of production.