GOLDBRIDGES
Global resources plc

GoldBridges Global Resources Plc

Annual Report 2015

Welcome to GoldBridges Global Resources Plc

Once the underground mine is operating at full capacity, the Company expects gold poured annually to increase from the current level achieved in 2015 to 100,000oz by 2019, with the initial increase expected in H2 2016.

At a glance

GoldBridges' main asset is its 100% interest in the Sekisovskoye gold mine in North East Kazakhstan with probable reserves of 2.26Moz. The Company has a strategy to deliver transformational growth at Sekisovskoye, as it completes the move from an open pit mine to a solely underground operation.

The mining licence for Sekisovskoye is valid until 18 July 2020 with a contractual right to extend after this period.

In addition to Sekisovskoye, the Company has been awarded the tender to conduct further testing at the site of Karasuyskoye ore fields and this is expected to lead to a sub-soil user contract in the near term. The site encompasses an area of approximately 198km^2, and geological data purchased by the Company indicates that there are several mineralised zones, each with the potential to contain significant gold resources.

Throughout 2014, the Company worked on a Competent Persons Report (CPR), and the results of the findings were announced in November 2014, and the significant highlights are summarised in the mineral resources statement on page 12.

During 2015 the Company reviewed its approach to mining Sekisovskoye, and decided to adopt a decline strategy rather than sinking a shaft. The development plan was adjusted accordingly with a revised mining method and an updated capital expenditure budget.

The Company's principal shareholders, the Assaubayev family (through their investment vehicle African Resources Limited), have provided strong financial support and commitment to the current development of the Company. The family's shareholding currently stands at 61.69%.

Our focus

The focus in 2015 shifted from production from the open pit to the underground development. Inevitability, this has had an effect on current year results as time, money and resources were spent on re-positioning the Company to unlock the significant potential of the underground mine. The key highlights are documented below:

Underground development

- Detailed plans developed internally using advice from external consultants leading to a revised approach to the development of the mine and a reduction in capex requirement – expansion capex now reduced to an external funding requirement of US$20-US$30m, of which US$10m was raised in 2016.
- Approximately 570m of development undertaken on second transportation decline to date.
- Transportation decline on track for completion by May 2016 allowing an underground production run rate of 500,000t/year.
- The Company is actively pursuing the balance of funds, the expected requirement is in H2 2017.

Financial highlights

- Loss of US$(10.2m) (2014: US$(0.25m)), and a total comprehensive loss to include exchange differences of US$(40m) (2014: US$(9m)).
- Equity raising of US$5.1m completed in April 2015.
- Turnover decreased in the year to US$24m (2014: US$35.2m), principally a reflection of the time and resources spent on the development of the underground workings.
- 20,890oz of gold sold (2014: 27,959oz), a reduction of 7,069oz.
- Decrease in finished gold stockholding to 1,819oz (2014: 7,307oz), a reflection of decreased production.
- Average gold price achieved (including silver as a by-product), US$1,151/oz, (2014: US$1,258/oz).
- Adjusted EBITDA (Earnings before interest, tax, depreciation and amortisation) of US$(2.3m) (2014: positive US$5.3m).
- Net asset value decreased as the Kazakh Tenge devalued against the US Dollar – however, no practical impact on the Company's value.

Operational highlights

- Gold poured: 15,534oz, (2014: 32,994oz) a 52.9% decrease year-on-year, principally due to the winding down of the open pit and development of the underground.
- Gold grade: 1.12g/t, (2014: 1.81g/t). The reduction is a reflection of the processing of the lower grade ore from the open pit and use of low grade ore stock piles, in order to maximise throughput while the underground developments continue.
- Cash cost of production: US$837/oz (2014: US$834/oz).
- Gold recovery rate: 76.04% (2014: 83.3%) was due to variable grade and ore composition; it is expected to increase to over 80% after plant improvements.

To read more about GoldBridges Global Resources Plc please visit our website **www.goldbridgesplc.com**

Areas of exploration

1 Sekisovskoye

The Sekisovskoye deposit is the Company's flagship asset and is located close to the village of Sekisovka, approximately 40km from the North East Kazakhstan regional capital, Ust Kamenogorsk.

The mineral rights at Sekisovskoye are held by a 100% owned subsidiary of the Company, TOO Sekisovskoye, and the processing plant is held by the 100% owned subsidiary of the Company TOO Altai Ken-Bayitu.

The Sekisovskoye deposit was discovered in 1833 with surface mining taking place between 1833 and 1847, 1932 to 1935, and 1943 to 1946. From 1975 to 1986, a range of exploration work was carried out and between 1978 and 1982 "AltaiZoloto" of the Ministry of Non-Ferrous Industry, KazSSR, mined the oxidised area of the ore body. In 2003, under Hambledon Mining's ownership, further exploration work was undertaken and gold production from the mine and processing plant commenced in 2008. In 2015, 15,534oz of gold was produced.

In 2014, the Company released the findings of the mining consultant, Venmyn Deloitte's Competent Persons Report on the mine, which demonstrated JORC reserves of 2.26Moz, JORC resources of 5.14Moz and a development plan to increase annual gold production to 100,000oz. This is to be achieved by accessing higher grade reserves through the continued development of the underground mine and by increasing the processing plant's throughput capacity from the current 850,000t per year to 1Mt pa.

During 2016, the open pit mine wound down and is set to close, and a second decline was commenced to give access to the deeper underground reserves commenced at Sekisovskoye, with production from the underground mine planned to increase incrementally between 2016 and 2019.

2 Karasuyskoye Ore Fields

In January 2015, the Company was awarded the tender to perform further confirmatory testing in order to gain the subsoil user contract to the Karasuyskoye Ore Fields. The final subsoil contract terms and conditions, including the new financial incentives now offered specifically to the Company through the state programme on forced industrial-innovative development (SFIID), have taken longer to finalise than originally anticipated but should be forthcoming in 2016. These additional terms are still expected to include investment incentives and tax reductions.

The geological data that the Company acquired indicates that there are several mineralised zones at Karasuyskoye and this leads the Company to believe that this project has the potential to contain significant gold resources. The Company plans to validate this geological data by twinning previous drill holes and undertaking additional metallurgical test work. This work will facilitate the preparation of a feasibility study and an independent Competent Persons Report (CPR) to international standards in the longer term.

During 2015, the Company performed data validation exercises to confirm the accuracy of the existing geological data. The results obtained did not indicate that the value of the asset as shown in the financial statements should be impaired.

The Company was granted all required approvals to include legal, environmental and economic expertise reviews. The project, including the working programme, was updated for the technical comments of the Central Mining Exploration and Development Commission of Kazakhstan. The subsoil contract is expected to be approved in H2 2016.

On completion of a Competent Persons Report, the Company envisages progressing towards mining from the Karasuyskoye Ore Fields, primarily using cash generated from existing operations.

Contents

Strategic report

Governance

Financial statements

Chairman's statement

"2015 has been a year of operational transition for GoldBridges, and one which has seen the challenges of the gold market persist."

Dear shareholders,
During the year, we continued with the move from the open pit gold mine at Sekisovskoye to a solely underground operation, and this process is to be completed in the near term. Mid-year, we announced our decision to access our substantial gold reserves by developing a decline underground, rather than by sinking a shaft as described in the Venmyn Deloitte's Competent Persons Report that we released in November 2014.

In that report, the overall capital expenditure (capex) outlay was estimated to be US$130m for the shaft based solution. Based on our current plans, the overall capex requirement to achieve 100,000oz of production in three years is now only estimated to be US$42m, of which only US$20-US$30m needs to be externally funded. US$10m of this total has already been successfully raised.

As previously announced, GoldBridges has already commenced development of the new transportation decline, improving access to its significant deeper gold reserves. Development of the decline is well underway.

Construction of the portal in the open pit, which is in the process of being closed, has already commenced. As part of the preparation of the underground mine for more extensive mining in 2016, the Company is in the process of sourcing the capital equipment required from various providers. It will include the purchase of larger 30t underground trucks, a load-haul dumper and associated equipment. A drilling rig is already commissioned for underground works. On completion of the second decline development, the Company will again have the capacity to increase gold production from Sekisovskoye. This is expected to have a marked effect on production in H2 2016.

Unsurprisingly, our gold production fell from 32,994oz in 2014 to 15,534oz in 2015 as the open pit part of Sekisovskoye wound down and is expected to close.

In April 2015, we announced a successful capital raising of £3.4m (US$5.1m), through the placing of 123m new shares at a price of 2.8p per share, and we thank our existing and new shareholders for their support and belief in our business. The net proceeds of this placing have been used to fund working capital and the expansion of our underground mine.

In terms of the gold market, we have witnessed another challenging year as the gold price fell by around US$200/oz during the course of 2015, putting more pressure on higher cost producers. Currently the gold price is in the range of US$1,200-1,250/oz.

Underground development

570m

Total of 570m of decline development to date, of second (additional) decline.

Equity raised

US$5.1m

During 2015 123m shares were issued raising a total of US$5.1m.

Fortunately for Kazakh mine operators, our local currency, the Tenge, fell from around 182KZT to 339KZT to the US Dollar in 2015 and has further weakened to current levels of about 340KZT to the US Dollar. This devaluation was due to the National Bank of Kazakhstan taking the decision to allow the currency to float. This was as a result of weakening currencies of some of Kazakhstan's key trading partners, such as China and Russia, and the National Bank of Kazakhstan will now target inflation rate control rather than its currency valuation. Given that a significant portion of our operating costs are Tenge denominated, while the sales of gold are linked to US Dollar prices, this has aided us in lowering costs in US Dollar terms.

With recent currency based developments in mind, we continue to believe that we are located in the right country in terms of our gold operations, and will continue to focus on Kazakhstan and other neighbouring Central Asia countries for our business development going forwards. Kazakhstan is immensely resource rich, has a motivated and able mining workforce, and is becoming even more cost effective. Changes to mining code are underway with the overarching aim to attract more direct foreign investment in the country. All in all, we continue to see a strong natural resources long term future in Kazakhstan, not withstanding near term difficulties faced by weaker commodity prices.

Finally, may I thank all our employees and our Management team for their hard work and also thank our shareholders for their continued support.

Kanat Assaubayev
Chairman
29 April 2016

Chief Executive Officer's review

"While our gold production at Sekisovskoye fell year on year, we are pleased to report that significant progress has been made in 2015 to transition our open pit mine to an underground mine. This will secure our long term future and we expect our gold production to begin to increase again in 2016."

Overview

During 2015, our operational performance at Sekisovskoye was affected by the winding down of our open pit operations and the management and team re-focusing on developing the decline to access our higher grade underground reserves. This necessitated the closure of operations for two months at the ore mining facility. This was required in order to make modifications and upgrades to transition to the underground operation. Our reduced gold production together with the lower global price of gold has led inevitably to a decrease in revenue, however we have maintained tight control of costs, which will have a positive impact as the Company revenue increases in the medium term. Management has taken the opportunity to review the assets and operations and made impairments as necessary.

Expansionary capex significantly reduced

Many of our achievements during 2015 were focussed on the continued development of our underground mine. As previously discussed, during 2015 we made the decision to develop a decline underground rather than to sink a shaft to access our higher grade gold reserves at depth. To that end, we re-developed our underground mining access approach and, in early 2016, reported that we had finalised our new capital expenditure budget. In order to expand and further develop our underground mine, expand our processing plant and to produce 100,000oz of gold annually, we will need to spend US$42m excluding contingency.

This is a marked decrease on the US$130m estimated in our 2014 Venmyn Deloitte's Competent Persons Report, which assumed we would sink a shaft to access our reserves.

Of the US$42m expansionary capital expenditure required, GoldBridges only requires external financing of between US$20m and US$30m, as the remainder is expected to be generated from operational cash flows.

Our supportive shareholder, African Resources, which is indirectly owned by members of the Assaubayev family, has agreed to finance the development of the underground mine if other sources of funding are unsuitable. To that end, in February 2016, African Resources bought US$10m of five year, 10% coupon convertible bonds that can be redeemed at over 3p per share, a significant premium to the current share price. This demonstrates the family's continued support.

Underground mine development

In terms of decline development, significant progress was made in 2015 and early 2016. To date, a total of approximately 570m of development work has been undertaken on the new transportation decline. Construction of the portal has already commenced, with completion expected in May 2016.

By completing the initial development works of the new decline in May 2016, the Company expects to reduce the current haulage distance from 3km to 1.2km and to increase the ore throughput capacity to 45,000t per month. This should enable the Company to mine at an annualised run rate of 500,000t per year from May 2016.

Projected capital expenditure underground operation

	Total	2016	2017	2018	2019	2020
Development capex	**46.0**	**14.6**	**16.2**	**10.2**	**2.5**	**2.5**
Prospecting drilling	**4.0**	0.9	–	0.1	1.5	1.5
Underground development	**4.4**	0.8	1.1	0.6	0.9	1.0
Infrastructure	**1.3**	1.3	–	–	–	–
Ore handling facilities	**20.6**	10.4	7.6	2.6	–	–
Process plant expansion and paste plant construction	**12.0**	–	6.0	6.0	–	–
Contingency	**3.7**	1.2	1.5	0.9	0.1	–

Chief Executive Officer's review continued

Work undertaken by Mining Plus

In H2 2015, Mining Plus, the international mine consultancy group, was retained by GoldBridges to undertake studies on the underground mining plans and to assist it in transitioning its Sekisovskoye mine into a large underground gold operation with 100,000oz annual output.

Mining Plus has expertise in geological modelling and geotechnical aspects for hard rock underground mines, combined with underground mine planning experience, particularly using decline haulage. It has offices in Australia, Canada and Peru and provides mining expertise from the conceptual stage of projects, through to feasibility study work, project delivery, commissioning, and mine closure.

Under the scope of this assignment, Mining Plus re-modelled the Sekisovskoye drilling data and reviewed all mining methods that could potentially be applicable to the underground mine development at Sekisovskoye. The studies had important findings. Firstly, Mining Plus identified that, while several mining methods are applicable at Sekisovskoye, the most efficient methods in terms of mining recovery, dilution and costs are long hole open stoping methods with either paste fill or with cemented aggregate fill. Both mining methods provide high selectivity and sequencing flexibility, giving GoldBridges the opportunity to extract higher grade ore earlier in the schedule. Secondly, the Mining Plus work identified the opportunity to increase the overall head grade of the ore mined by selectively mining the deposit, giving the Company increased flexibility.

These findings mean that GoldBridges could further reduce its cash cost of operation at full production, as it has the option of mining fewer tonnes at a higher grade. This could enhance the value of the project, over and above the US$226m that was estimated by Venmyn Deloitte in November 2014 using a gold price of US$1,100/oz and a 9.3% discount rate.

Sekisovskoye gold mine – our operational track record

The operational performance of the Company's Sekisovskoye gold mine during 2015 against the prior year is shown in the adjacent tables.

Total gold production for 2015 was 15,534oz. This is a 53% reduction on the 2014 gold output of 32,994oz. This result reflects the winding down and closure of the open pit mine at Sekisovskoye, while the Company's efforts were focused on increasing its underground development in order to increase underground gold production for the future.

In total, 566,664t of ore were milled (2014: 728,620t), of which 79,276t or 14% were mined from the underground operation. This compares to 82,045t or 11% in 2014.

Mining – open pit

		2015	2014
Ore mined	T	**339,111**	570,991
Gold grade	g/t	**1.06**	1.26
Silver grade	g/t	**2.03**	1.89
Contained gold	oz	**11,595**	23,050
Contained silver	oz	**22,139**	34,620

Mining – underground

		2015	2014
Ore mined	T	**79,276**	82,045
Gold grade	g/t	**2.55**	2.96
Silver grade	g/t	**3.7**	4.05
Contained gold	oz	**6,492**	7,807
Contained silver	oz	**9,441**	10,680

Mining processing

		2015	2014
Crushing	T	**570,949**	726,427
Milling	T	**566,664**	728,620
Gold grade	g/t	**1.12**	1.71
Silver grade	g/t	**2.25**	2.37
Gold recovery	%	**76.04**	83.3
Silver recovery	%	**64.91**	74.4
Contained gold	oz	**20,428**	39,798
Contained silver	oz	**40,994**	55,603
Gold poured	oz	**15,534**	32,994
Silver poured	oz	**26,608**	41,390

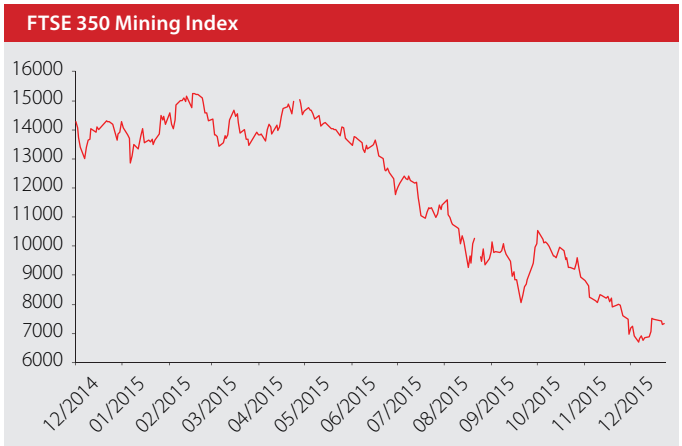
The average gold grade of ore milled during 2015 was 1.12g/t (2014: 1.71g/t), and comprised ore mined at an average grade of 1.06g/t from the open pit mine and 2.55g/t from the underground mine. Open pit gold grades were lower than the 1.26g/t achieved in 2014 due to the exhaustion of the open pit economic reserves. Gold grades are expected to increase in 2016 and onwards as the production from Sekisovskoye is solely from the higher grade reserves of the underground mine.

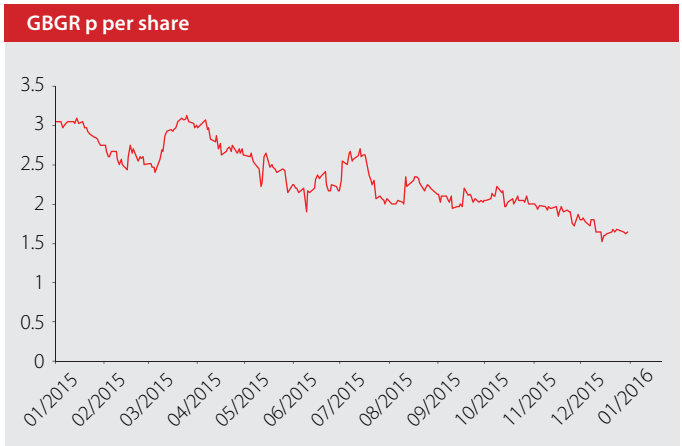
At 76.04% and 64.91% respectively, both gold and silver recoveries were lower than 2014. This was related to lower recoveries experienced predominantly in H1 2015 as a result of variable grade and ore composition and also reflected plant improvement works undertaken during the period.

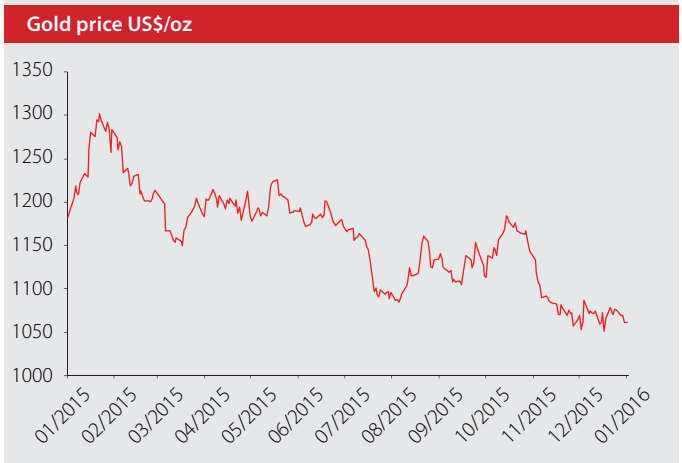
As the proportions of sulphidic minerals in the ore and the amount of gold in fine grains increases during underground mining, the characteristics of the free gold generally improve, and some changes were made to the ore process in the plant to reflect this. The work was largely related to introducing a fuller gravity circuit into the operational process. This processing route consists of jigs, washers and centrifugal concentrators and refining this part of the process allows the plant to recover the finer grained gold particles from this circuit. This material is then processed in line with the Company's standard processing procedure. Additionally, the technology will enable the Company to reduce its consumption of key reagents, in particular cyanide and calcium hypochlorite. Gold and silver recoveries are projected to be at around 84% for the life of the operation.

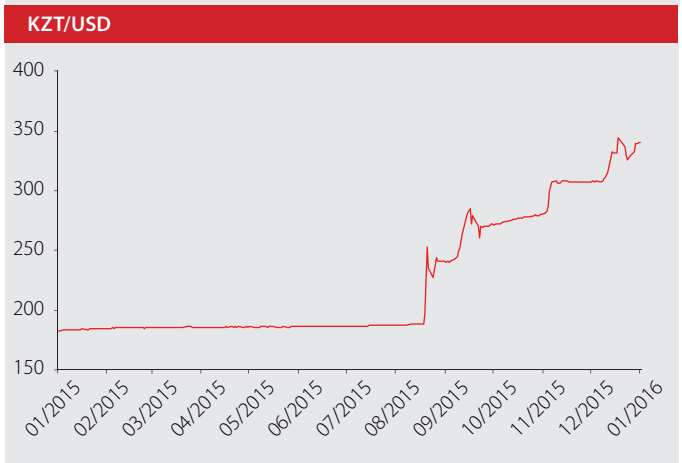
Market review

Operating in challenging times









Market and share price overview

2015 marked one of the worst years on record for the mining industry as the prices fell for the vast majority of mined commodities, and heavily indebted companies struggled to retain profit margins. The chart shows the FTSE 350 mining index and demonstrates that, between May 2015 and December 2015, the sector lost 50% of its value.

Unsurprisingly against this backdrop, GoldBridges shares also fell during the year, by approximately 30%.

The gold market in 2015

From the gold price highs of almost US$1,900/oz in 2011, the gold price has fallen over the last four years to end 2015 at only US$1,070/oz. During 2015, the gold price fell from its high in January by about US$200/oz. The average gold price achieved by the Company (to include silver as a by-product) for the year was US$1,151/oz.

A key reason for gold's weakness in US Dollar terms was that the US economy performed well and this enabled the Federal Reserve to raise interest rates in December, marking the first time interest rates have risen for almost ten years. In the months leading up to the rise in interest rates, the market valuations of bond yields increased and this strengthened the Dollar and, consequently, put pressure on the gold price. The increased bull market which we have seen for gold since 2001 has been in large part driven by increased demand from emerging economies and, in 2014 onwards, we have seen these emerging market economies weakening and this, in combination with the improving economic outlook in the US, has also contributed to the falling gold price.

That said, while the gold price reduced during 2015 in US Dollar terms, it rose against some currencies such as the Russian Rouble and the Indonesian Rupiah.

According to the World Gold Council, gold is certainly in a bear market, and has been since late 2011. That said, the consensus view appears to be for a more stable outlook for gold in 2016. Indeed during the last part of 2015 and early 2016, gold has traded sideways and it appears likely that the relatively benign environment for US interest rates will continue.

Some respite from weakening operating currencies

Against a backdrop of generally falling commodity prices, many operating currencies have weakened during the course of 2015, allowing the mining companies to reduce their costs in US Dollar terms and therefore maintain larger profit margins than would have ordinarily been the case.

One of the more dramatic examples of this has been that of the Kazakh Tenge, which depreciated materially in August 2015 due to the Kazakh National Bank making the decision to float the currency. The price weakened initially from about 182KZT to the US Dollar to 250KZT to the US Dollar, and continued weakening throughout 2015, ending the year at approximately 339KZT to the US Dollar. The National Bank floated the currency to ensure the country remained competitive against weakening currencies of many of its nearby trading partners, not least Russia and China.

Results have been positive for Kazakh mining companies reporting in US Dollars as operating costs have been materially reduced. Approximately 50% of GoldBridges operating costs are Kazakh Tenge denominated and the local devaluation has eased pressure on both operating and capital costs.

In these broadly challenging and volatile markets. GoldBridges focuses on areas under its control, such as keeping its operations as low cost as possible to maintain profit margins where possible.

Our business

Our strategy

Our strategy is to deliver transformational growth by continuing to develop our high grade underground mine at Sekisovskoye, targeting annual gold production of 100,000oz by 2019. Beyond this, the highly prospective Karasuyskoye Ore Fields, adjacent to the Sekisovskoye mine, has the potential to enable us to grow significantly beyond our core asset.

In addition to growing our production and asset base, our progression to the Main Board of the London Stock Exchange in December 2014 represented not only a natural step in our growth strategy, but also our commitment to the London investor base and regulatory environment, and we remain committed to meeting best practice governance standards.

Develop

Continue to develop our high grade underground mine at Sekisovskoye

Grow

Production and asset base growth via the highly prospective Karasuyskoye Ore Fields

Progress

Continue to grow our business

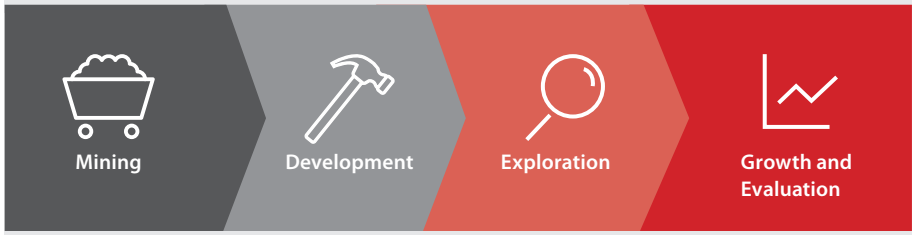
Our business model

Our business model is simple – we intend to generate profits for our Company and value for our shareholders through the mining and sale of gold at our flagship operation, the Sekisovskoye mine in North East Kazakhstan.

In order to ensure long-term success in this regard, we plan to continue developing the high grade underground mine to replace the low grade open pit operation where reserves have been depleted. This should result in gold production increasing to 100,000oz annually from 2019 onwards at highly competitive industry relative costs.

The acquisition of the adjacent Karasuyskoye Ore Fields geological data and imminent conclusion expected of subsoil user rights should ensure gold production growth into the future. The Company is continually looking to complement existing operations with other targeted acquisitions.

We have four pillars to our business:



Mining – In prior years, we have demonstrated our cost effective open pit production track record at Sekisovskoye to our shareholders and stakeholders. We intend to demonstrate our capabilities once again with our new underground mine.

Development – In ensuring our long-term future, we are in the process of developing the underground mine at Sekisovskoye in order to access the significant deeper ore reserves. Accessing these reserves should add significantly to the life of mine and increase our annual gold production to 100,000oz.

Exploration – While finalising the terms of our Karasuyskoye licence area has taken longer than we originally anticipated, we should see a resolution to this in H1 2016. Geologically, we see potential for this area to contain multiple mineralised zone that could potentially host future mines. We believe our efforts are well focussed in this highly prospective land package that has obvious synergies with our current production facilities.

Growth and Evaluation – We are committed to adding value for our shareholders and believe the best approach to achieve this is to set the foundations in place for future production growth. As we intend to focus our efforts on production, development, exploration and evaluation, we are confident that we can deliver increased gold production for the long term. We frequently evaluate investment opportunities which are presented to us both in Kazakhstan and in the wider Central Asia area and, as part of our long-term business development plan, we will continue to evaluate other potential opportunities going forwards.

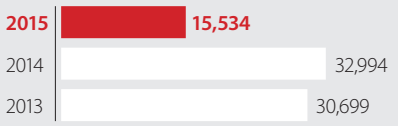
Financial performance

"The repositioning of the Company to focus on the underground development has had a marked influence on the results for the year."

Key performance indicators (KPIs)

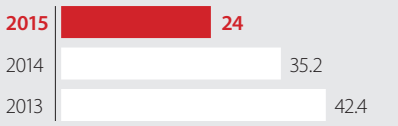
Annual gold poured (oz)

15,534oz



Revenue (US$m)

US$24m

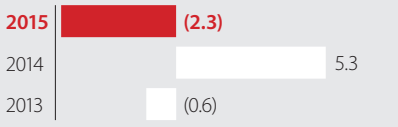


Cash production costs (US$oz)

US$837oz

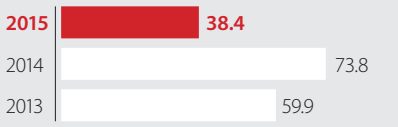
EBITDA (US$m)

US$(2.3)m



Net assets (US$m)

US$38.4m



The transition to a fully operational underground mine has been delayed from that previously anticipated as a number of development and mining options were assessed by management to ascertain the optimal approach in terms of efficiency and cost. During the period under review, the underground ore was mixed with lower grade open pit ore and stockpiled ore. This blending of the ore led in part to a lower recovery. In the future, as the mine moves to the processing of only higher grade underground ore, this is not anticipated to be an issue. This combined with interruptions to processing due to the plant upgrade led to a lower production achievement in 2015. As the underground mine becomes operational in H2 2016 at its enhanced capability level, with the new mining equipment the production is expected to be back on track and begin to increase.

The other principal impact on the results for the year arises due to the devaluation of the Kazakh Tenge against the US Dollar. The impact in the year has been on the asset values in the subsidiaries, in order to reflect the devaluation of the currency. In the accounts of the companies in Kazakhstan, it has been necessary to revalue the assets using the much lower value of the Tenge against the Dollar. This is no way reflects the commercial value of the Company, as the revenue generating ability of the assets is unchanged. Indeed, there is a positive impact as the earnings are generated in US Dollars with a significant proportion of the cost base payable in Tenge.

The Company has reported a net loss of US$10.2m (2014: US$0.3m), with a gross profit of US$4.3m (2014: US$7.2m) and an operating loss of US$4.8m (2013: US$0.8m).

During 2015, Sekisovskoye poured 15,534oz of gold (2014: 32,994oz). A total of 20,890oz (2014: 27,959oz) were sold in 2015 at an average price of US$1,151/oz (2014: US$1,258/oz). Revenue totalled US$24m (2014: US$35.2m) and was lower than 2014 due principally to reduced gold sales as the Company focused its efforts on developing the underground mine. The principal purchaser of the gold dore was the Kazakhstan government, as last year.

The total cash cost of sales, which includes administrative costs but excludes depreciation and provisions, amounted to US$1,263/oz, (2014: US$1,084/oz). The production cash cost amounts to US$837/oz (2014: US$834/oz). This is based on the cost of sales excluding depreciation and administrative expenses, and exceptional items. The earnings before interest, tax and depreciation, (EBITDA), excluding exceptionals, amounted to negative US$2.3m (2014: US$5.3m). Due to this transition and low level of production in the current year, the results are not regarded as typical of the operation.

Depreciation is US$4.2m (2014: US$5.4m). Amortisation is US$852,000 (2014: US$1.3m) and this relates to amortising the value of Karasuyskoye data purchased in 2013. This charge will be reviewed on successful receipt of the sub-soil user contract. The Company is currently in the final committee stages and the licence is expected to be awarded in 2016.

The Company has reported net cash inflow from operating activities of US$7.8m. This was higher than the US$5.6m reported in 2014 due principally to recoveries in relation to VAT and Akmola receivable in the year.

Purchase of property plant and equipment of US$9.6m (2014: US$2.6m) reflects the Company's increased capital spend on the migration of operations from open pit to a solely underground mine.

Cash at year-end was US$1.1m. Cash at 31 December 2014 was US$1.7m. During the year, the Company placed shares, raising equity amounting to US$5.1m and this was largely spent on capex in the year.

The Company's principal debts are that owed to The European Bank for Reconstruction (EBRD), and the convertible loan note recently issued in 2016. The EBRD loan is set to be paid over twelve equal quarterly instalments. The repayments commenced in January 2015. At the current time there are seven instalments remaining amounting to US$5.8m. In relation to the convertible bond, this is not expected to impact the cash flow until maturity, at which point it could be converted into shares.

The consolidated net assets of the Company are US$38.4m (2014: US$73.8m) and the decrease arises principally from the devaluation of the functional currency in Kazakhstan, the Tenge, against the US Dollar. This resulted in the assets in Kazakhstan being devalued in terms of Dollars.

Principal risks and uncertainties

Risk	Mitigation
Fiscal changes in Kazakhstan	Given that GoldBridges operates solely in Kazakhstan, the Company is naturally at risk of adverse changes to the fiscal regime in the country. Kazakhstan is a relatively young country and there have been fiscal changes in recent years, in some cases related to the mining industry. However, the country is outward looking and committed to attracting direct foreign investment. In late 2015, the Kazakh president, Nursultan Nazarbayev, visited the UK to promote investment in Kazakhstan's state owned businesses, which he believes could be privatised. We therefore believe that the Kazakh government is aligned with potential foreign investors and would be very cautious in implementing any fiscal changes which could deter investment. The Kazakhstan subsidiaries were the subject of a tax audit by the tax authorities, covering the period to 31 December 2014. No material discrepancies or issues were indicated.
Not being awarded the subsoil user licence for Karasuyskoye	In January 2015, the Company announced that it had been awarded the permits to allow it to perform further testing at the Karasuyskoye Ore Fields. While this enables the Company to undertake important exploration work, it must wait to be awarded the final subsoil licence before mining can commence. There is a risk that this will not be awarded. The Company is ensuring that it complies with all requests from the authorities and there are strong indications the licence will be awarded. The Company is currently amortising the data over 20 years and, in the event it is not awarded, will attempt to sell the geological data. Being awarded the subsoil user licence for Karasuyskoye would be a positive development for GoldBridges but not receiving this permit would not be unduly negative from the current position as the Company does not believe that its valuation reflects the potential in Karasuyskoye and the long term production assumptions and financial model do not as yet include production from Karasuyskoye. In addition to the above there is a risk that the grades or amount of gold may not be in accordance with the initial estimates to make the development of the mine commercially viable.
No access to capital/funding Sekisovskoye	In order to continue with the underground development at Sekisovskoye, the Company must incur additional capital expenditure. Currently, the Company does have the funds available to commence the capital work programme. To complete the project the Company is dependent on cash from external sources and therefore its future is at risk if funds from these external sources are unavailable. While this is no guarantee, the Assaubayev family, which owns 61.69% of the GoldBridges shares through its vehicle, African Resources, has invested in and lent to the Company in the past and is keen to see the Company succeed. However, without funding to complete the underground mine, production would eventually cease and earnings and cash would therefore not be generated.
Commodity price risk	The Company generates its revenue from the sale of gold and silver that it has produced. The Company's fortunes are therefore tied to these commodity prices. Gold and silver prices weakened markedly again in 2015 and it appears unlikely that this movement will be materially corrected in 2016. While the Company has no control over commodity prices, it is in a fortunate position to have a very robust mine and development project in Sekisovskoye that can withstand prolonged weak or precious metals prices.
Currency risk	The Company sells its metal in Tenge but with a gold price linked to the US Dollars, although it incurs operating costs in large part in the local currency, the Kazakh Tenge. In August 2015, the National Bank of Kazakhstan allowed the Tenge, which was previously pegged to the US Dollar, to float. The currency has since devalued materially, from about 182KZT to the US Dollar to 339KZT to the US Dollar at the end of 2015. This devaluation has a positive impact on Kazakh mining companies' operating costs.
Changes to mining code in Kazakhstan	The Government of Kazakhstan is in the process of making changes to its mining code which are likely to be positive overall. However, given that the Company operates solely in Kazakhstan, it is naturally at risk of any adverse changes to the mining code. The Company sees this as a low risk as the country is currently trying to attract foreign investment.

Risk	Mitigation
Reliance on operating in one country	Currently all of the Company's mining assets are in Kazakhstan. The Company believes that Kazakhstan has significant future mineral potential, hence the choice of jurisdiction. The Company makes it its business to be well informed of any in-country changes which may adversely affect the business. While the Company knows and understands Kazakhstan well and hence has a strong position in-country, it has stated that it would look at other opportunities in the future within the Central Asia region and this may mitigate risk.
GoldBridges reliant on one operation	Currently, the Company only generates revenue from one mine – Sekisovskoye. The Group is actively exploring its adjacent property, Karasuyskoye, with a view to developing this asset in the future as appropriate.
Cost inflation	Cost inflation is a key concern for most businesses and the Company is no different. However, at the current stage in the mining cycle, costs are broadly decreasing in terms of both operating and capital costs and this is for several key reasons. Firstly oil and power prices, which are significant cost components for mining companies, are broadly falling globally as commodity prices are broadly falling/have fallen globally. This means that royalties fall and competition for jobs reduces materially. This all acts to bring costs down and the Company is seeing this trend in the business.
Technical difficulties developing the underground mine at Sekisovskoye	The Company's future lies in the underground mine at Sekisovskoye given that the open pit reserves are likely to be depleted during 2016. Encountering technical difficulties in further developing the underground mine at Sekisovskoye would therefore be negative for the future of the Company. To mitigate this, the Company has sought external consultants, Venmyn Deloitte, to verify the technical work which has been undertaken in-house. The Company is also in discussions with international consultants to ensure that the most appropriate development methods are utilised.
Failure to achieve production estimates	Failure to achieve production estimates could arise due to various circumstances, not least mining issues, processing plant issues and breakdowns, and political and other disruptions. Given that the Company revenues are dependent on producing gold and silver from the Sekisovskoye mine, failure to achieve production targets would adversely affect the Company's profitability and ability to generate cash. The Company mitigates this risk by careful operational planning and detailed technical appraisal work, as well as regular maintenance work.

The Company's management has analysed the risks and uncertainties and has in place control systems that monitor daily the performance of the business via key performance indicators. Certain factors are beyond the control of the Company such as the fluctuations in the price of gold and possible political upheaval. However, the Company is aware of these factors and tries to mitigate these as far as possible. In relation to the gold price the Company is pushing to achieve a lower cost base in order to minimise possible downward pressure of gold prices on profitability. In addition it maintains close relationships with the Kazakhstan authorities, in order to minimise bureaucratic delays and problems.

Corporate social responsibility

"Our operations at Sekisovskoye are important for all of our stakeholders."

Human resources

The Company has a strong commitment to equality of opportunity in all our employment policies, practices and procedures. We take a proactive approach throughout our recruitment and selection process to ensure that the Company attracts, hires and retains a diverse workforce and this is kept under close and regular scrutiny. No existing or potential employee will receive less favourable treatment due to their race, creed, nationality, colour, ethnic origin, age, religion or similar belief, sexual orientation, gender, gender reassignment, marital status, or any other classification as prescribed by law.

In terms of gender diversity the Company is aware that at senior Director and manager level there is an insufficient number of women in senior posts and this is currently being reviewed. There are currently no main Board women employed. However, there are 21 women in senior managerial positions within the Company. The accompanying table shows their current employees and gender.

Human rights

Whilst the Company does not have a specific human rights policy, it does have policies such as Equal Opportunities and an Anti-bribery policy that adhere to internationally proclaimed human rights principles.

Recruitment, employment and training

The Company complies with all statutory regulations, in relation to employment regulation. The Company trains staff on an ongoing basis, adapting the training to the changing demand as the Company grows. In 2015 the Company received an award for conducting training in the field of industry safety.

The Company is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Management actively pursues the employment of disabled people wherever suitable opportunities arises and the continued employment and retaining of employees who become disabled whilst at the Company.

Employee involvement

Members of the management team regularly visit subsidiaries and discuss matters of current interest and concern with members of staff.

Gender diversity

	Male	Female	Total
2015	**564**	**128**	**692**
2014	630	138	768

The table above shows the staff employment by gender. The Company places a great deal of emphasis on gender equality and diversity. As present there are 21 women in senior management positions (2014: 19), male senior managers in 2015 were 42 (2014: 42), (including Directors).

Environment

Environmental and Social Impact Report (ESIA)

During 2015 and the period to the date of this report the operation has not reported any significant (reportable) environmental incidents. A review of the historic environmental monitoring has indicated that all environmental discharges have been in compliance within the Kazakh specified limits, and the mine reports these to the authorities on a quarterly basis.

Our approach to the environment

The Company's policies outline our commitment to environmental responsibility. Safeguarding the environment and training our employees to minimise the environmental impact of our activities are important aspects of our business. We remain committed to achieving the highest environmental standards.

Greenhouse gas reporting

Since 1 October 2013, the Companies Act 2006 (Strategic report and Directors' report) Regulations 2013 has required all UK quoted companies to report on their greenhouse gas (GHG) emissions, which are classified as either direct or indirect and which are divided further into Scope 1, Scope 2 and Scope 3 emissions.

Direct GHG emissions are emissions from sources that are owned or controlled by the Company. Indirect GHG emissions are emissions that are a consequence of the activities of the Company but that occur at sources owned or controlled by other entities.

Scope 1 emissions

Direct emissions controlled by the Company arising from plant are reported under Scope 1.

Scope 2 emissions

Indirect emissions attributable to the Company due to its consumption of purchased electricity.

Scope 3 emissions

Other indirect emissions associated with activities that support or supply towards the Company's operations.

Health and safety

GoldBridges is pleased to report that during 2015, there were no accidents at the Sekisovskoye mine. However, there was one safety incident in the processing plant area where an employee's arm and shoulder were injured. The appropriate remedial action was taken and the employee is recovering on sick leave. The Company maintains its first aid rooms to the highest standards and ensures that rescue contracts are in place for employees in the event of an emergency.

Our community

The support of the local community is key to the success of the Company, and the various initiatives and projects have been undertaken to ensure that the success of the mine is of a benefit to all parties. In this regard the Company has committed to the development of the local village and has currently pledged a total of approximately US$200,000 in funds to enhance the infrastructure of the village. This is regarded as an ongoing commitment by the Company to the local community and has been formalised in a memorandum of co-operation by the Company with the authorities of the rural district.

The Company's emissions by scope

The Company is required to report Scope 1 and 2 emissions for the year ended 31 December 2015. Scope 3 reporting is not yet mandatory, however, the Company has chosen to also report these emissions.

The Company's emissions by scope

Scope	Source	**Tonnes CO_2 2015**	Tonnes CO_2 2014
Scope 1	Plant	**7,368**	7,635
Scope 2	Electricity	**3,118**	2,492
Scope 3	Other equipment	**137**	152
Total		**10,623**	10,279

			2015	2014
Intensity 1	Tonnes CO_2e produced	per Dollar of revenue	**0.004387720**	0.000290157
Intensity 2	Tonnes CO_2e produced	per oz of gold produced	**0.683919**	0.383951

Mineral resources statement

"Our November 2014 Competent Persons Report identified JORC compliant indicated and inferred mineral resources which total 5.14Moz and a further 3.3Moz have been identified as an exploration result."

Sekisovskoye open pit and underground workings

In 2014, a Competent Persons Report (CPR), commissioned by the Company was completed to assess the mineral resources and provide a valuation of the potential of the underground mine. The Competent Persons Report was prepared in compliance with and to the extent required by the 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC). Venmyn Deloitte (Deloitte) are Competent Persons and Competent Experts as defined by the JORC Codes, as well as other international Reporting Codes.

The mineral resource statement was prepared for the Sekisovskoye underground deposit. The Company also acquired mining data in relation to the Karasuyskoye concession adjacent to Sekisovskoye and this is currently being developed with a view to obtaining the subsoil user licence in the near future. For clarity the resources in relation to the Karasuyskoye site are not included in the analysis below, and will be subject to an independent Competent Persons Report in the future.

The Company has a 100% shareholding in the Sekisovskoye Project and holds the Mining Licence covering a total area of 85.5ha, valid until 2020, and expected to renew until 2033. The Sekisovskoye Project is located at the village of Sekisovka, approximately 40km north of the town of Ust-Kamenogorsk, the capital city of the East Kazakhstan region. The current operation is exploiting two open pits where the near-vertical deposits extended to surface.

The ore body has been mined in the open pit environment since 2008 and the relationship between ore and waste is well understood. The Sekisovskoye Project is set to be a selective-mining underground operation, which requires a level of confidence to be developed to support the new input and output parameters.

Venmyn Deloitte conducted a review of the exploration drilling, metallurgical testing, geological modelling and the GKZ Reserve and Resource prepared by the Company, and has used this information to estimate the JORC (2012) compliant gold and silver Mineral Resources. These are shown in the following tables.

Subsequent to estimating the Indicated Resource, Venmyn Deloitte applied the appropriate modifying factors (including dilution and mining losses) and has estimated a Probable Reserve of 2.26Moz of gold.

GoldBridges has not updated its mineral resources since 2014.

JORC Indicated and Inferred Mineral Resources total 5.14Moz. In addition, a further 3.30Moz have been identified as an Exploration Result below the -800masl. While these will require further exploration drilling to be potentially upgraded to Mineral Resources, this result does highlight the potential for a larger Mineral Resource than is currently estimated. Assuming that this potential were to be realised, Sekisovskoye would contain in excess of 8Moz of gold.

Geologically, the Sekisovskoye Project is suitable for mining of underground extensions of the deposit, which is shown to extend almost vertically below the currently exploited open pits. Geological features in the underground area are expected to be similar in nature to those in the near surface portion of the deposit. The exploration method is systematic and appropriate for the style of mineralisation and the targeted resources and reserves are of sufficient quantity to support an expanded mining operation.

The risks for underground production are reduced by the following:

- the Sekisovskoye Project has operated successfully for a number of years in the open pit environment;
- the Company has created an extensive drilling database for geological modelling of the breccia zones and mineralised ore bodies;
- the underground mining method is based upon a block model that has identified important breccia zones that can be selectively mined;
- the underground ore body is a natural extension of the open pit ore;
- the mining, metallurgical plant, power, water and tailings facilities are all established including the main underground ramp ways; and
- the ore reserve and mineral resource estimates have been based on a very substantial exploration programme which represents more than 170,083m of drilling.

The strategic report was approved by the Board of Directors and signed on its behalf by

Aidar Assaubayev
Chief Executive Officer
29 April 2016

The following tables show the reserves, resources and exploration results as at November 2014:

Reserves

JORC classification	Tonnes (Mt)	Pay limit (g/t)	Gold grade (g/t)	Silver grade (g/t)	Contained gold (Moz)	Contained silver (Moz)
Probable	17.25	2.6	4.09	5.37	2.26	2.97

Resources

Level	JORC classification	Gold cut off grade (g/t)	Tonnes	Gold grade (g/t)	Contained gold (Moz)	Silver grade (g/t)	Contained silver (Moz)
Surface to –400m	Indicated	3.00	15,700	5.32	2.67	6.99	3.52
Surface to -400m	Inferred	2.00	3,500	4.21	0.48	No estimation	
Surface to -800m	Inferred	2.00	14,700	4.21	1.99	No estimation	
Total average JORC resources		**2.46**	**33,900**	**4.72**	**5.14**	**6.99**	**3.52**

Exploration

Level	JORC classification	Gold cut off grade (g/t)	Tonnes	Gold grade (g/t)	Contained gold (Moz)	Silver grade (g/t)	Contained silver (Moz)
–800m to –1500m	Exploration	2.00	24,400	4.21	3.30	No estimation	
Total average JORC resources		**2.00**	**24,400**	**4.21**	**3.30**	**No estimation**	

Board of Directors

GoldBridges Global Resources Plc has a highly experienced Board of Directors with a commitment to driving profitability and long-term shareholder value.

Chairman

Kanat Assaubayev

Appointment Kanat Assaubayev was appointed to the Board as Chairman on 23 October 2013.

Experience Kanat Assaubayev is one of Kazakhstan's leading entrepreneurs in the natural resources sector. Mr. Assaubayev was the first Kazakh to get a doctorate in metallurgy. His early career was in academia where he was the Chairman of the Metallurgy and Mining Department of Kazakh National Polytechnic University. He subsequently began his business career in the 1990s and has led a number of natural resources enterprises to national and international success.

Chief Executive Officer

Aidar Assaubayev

Appointment Aidar Assaubayev was appointed to the Board as Chief Executive Officer on 25 February 2013.

Experience Aidar Assaubayev is an Executive Director of AltynGroup Kazakhstan LLP. He was formerly Executive Vice Chairman of KazakhGold Limited, the gold mining corporation, and he was also formerly Vice President and a director of JSC MMC Kazakhaltyn. Mr. Assaubayev graduated from the Kazakh National Technical University in Almaty and he also holds a degree in Economics from the Institute of Systemic Analysis in Moscow.

Executive Director

Sanzhar Assaubayev

Appointment Sanzhar Assaubayev was appointed to the Board as Executive Director on 29 February 2016.

Experience Sanzhar Assaubayev was formerly Director of International Affairs of JSC MMC Kazakhaltyn and an Executive Director of KazakhGold Group Limited, the gold mining corporation. He is also a member of the board of directors of AltynGroup plc. He was educated at the Leysin American School in Switzerland, where he specialised in management, and the American University in the United Kingdom. Sanzhar Assaubayev is the son of Kanat Assaubayev.

Non-Executive Director

Ashar Qureshi

Appointment Ashar Qureshi was appointed to the Board as Non-Executive Director on 7 December 2012.

Experience Ashar Qureshi is a London based US qualified lawyer. He was formerly the Vice Chairman of Renaissance Group, where his position was a senior investment-banking role, and prior to that he worked with international firm Cleary Gottlieb Steen & Hamilton LLP. Mr. Qureshi holds a Juris Doctorate and is a graduate of Harvard Law School and Harvard College.

Non-Executive Director

William Trew

Appointment William Trew was appointed to the Board as Non-Executive Director on 20 February 2013.

Experience William Trew has over 32 years of experience in the engineering and mining industry and is a registered Professional Engineer with the Engineering Council of South Africa. He holds a B.Eng. (Mech.) Hon. from the University of Wales Institute Science and Technology and an M. Eng. from Rand Afrikaans University, Johannesburg.

Non-Executive Director

Alain Balian

Appointment Alain Balian was appointed to the Board as Non-Executive Director on 23 October 2013.

Experience Alain Balian is a former Deputy Governor of the Central Bank of Lebanon where he was also a member of the governing board. Besides monetary policy and regulations of the financial sector in Lebanon, his managerial responsibilities included the bank's financial reporting and the national financial system clearing operations. His earlier experiences include working at Kleinwort Wasserstein, ABN Amro Corporate Finance and Lebanon Invest in Mergers & Acquisitions, Corporate Finance and Private Equity covers several industries in North America, Europe and the Middle East. The total value of transactions on which Alain has worked exceeds US$80bn.

Non-Executive Director

Neil Herbert

Appointment Neil Herbert was appointed to the Board as Non-Executive Director on 29 February 2016.

Experience Neil Herbert has a wealth of experience managing, advising and investing in growth companies through business expansion, M&A and IPOs. Prior to Polo Resources, where he worked until 2013, he was Finance Director of Galahad, another investment company, which achieved an average IRR of 66%pa over its four year existence. Neil became Finance Director of its most successful investment which he took from start-up to a US$2.5bn takeover with Galahad achieving an annualised return of 167%. He has worked with natural resources since joining Antofagasta during its 1990s transformation into a major copper producer with the US$1.3bn Los Pelambres and US$0.3bn El Tesoro mines taken into production. Following that he was CFO of gold explorer Brancote until its US$0.4bn acquisition. Neil began his career working with PwC, he is a Fellow of the Association of Chartered Certified Accountants and has a BA Joint Honours degree in Economics & Economic History. He has served as a director of companies on the AIM, ASX, LSE, JSE and TSX. Today Neil works with growth companies across sectors and he is a founder & chairman of Siderian Resource Capital, HeliumOne and Anglo African Agriculture.

Go to page 60 to view our Company details

Directors' report

year ended 31 December 2015

The Directors present their Annual Report together with the audited financial statements on pages 28 to 53.

Principal activities and business review

The principal activity of the Company is that of a holding company and a provider of support and management services to its operating subsidiaries. Together with its subsidiaries, it is involved in the production of gold dore from the Sekisovskoye gold and silver deposits, and the development of further suitable investment opportunities.

A review of the activities of the business throughout the year and up to 28 April 2016 is set out in the Strategic report on pages 1 to 13 which includes information on the Company's risks, uncertainties and performance indicators. The Company accounts are prepared on a going concern basis. However, reference should be made to factors affecting the ability of the Company to continue trading as noted on page 35 (note 2).

Results and dividends

The Company's loss for the year after taxation amounts to US$10.2m (2014 loss: US$255,000). The results of the year are set out on page 28 in the consolidated statement of profit or loss.

The Directors do not recommend the payment of a dividend for the year (2014: Nil).

Financial instruments

The Company has not entered into any derivative transactions in 2015. The main risks arising from the Company's financial instruments are liquidity risk, credit risk, foreign exchange risk and interest rate risk. Further details are provided in note 27 on pages 49 to 52 of the Company's financial statements.

Share capital

Details of the Company's issued share capital, together with the movements for the years ended 31 December 2015 and 2014 are set out in note 25. The Company has one class of ordinary share and they carry no right to fixed income. Each ordinary share carries the right to one vote at general meetings of the Company. All issued ordinary shares are fully paid. There are no specific restrictions on the size of the holding or on the transfer of the ordinary shares, which are both governed by the general provisions of the articles of association and prevailing legislation. The Directors are not aware of any agreements between holders of the Company's ordinary shares that may result in restrictions on the transfer of securities or on voting rights.

Certain Directors have an interest in the ordinary shares in the Company and these are disclosed on page 17. No share options or warrants are currently in issue as at the date of this report.

Qualifying indemnity provision

The Company has entered into an insurance policy to indemnify the Directors of the Company against any liability when acting for the Company.

Directors

The following Directors served during the year and up to the date this report was approved.

Kanat Assaubayev	Chairman
Aidar Assaubayev	Chief Executive Officer
Sanzhar Assaubayev	Executive Director (appointed on 29 February 2016)
Ken Crichton	Chief Technical Officer (resigned on 29 February 2016)
Ashar Qureshi	Non-Executive Director
William Trew	Non-Executive Director
Alain Balian	Non-Executive Director
Neil Herbert	Non-Executive Director (appointed on 29 February 2016)

All Directors will offer themselves for re-election at the next Annual General Meeting.

Directors' shareholdings

The interests of the Directors in the shares of the Company, including family and trustee holdings where appropriate, are shown below.

Substantial interests

The following have advised that they have an interest in 3% or more of the issued share capital of the Company as at 28 April 2016.

Shareholder	No. of shares	% owned
African Resources Limited	1,440,076,040	61.69%
DWS Investment	160,045,857	6.86%
Blackwill Trade Limited	117,730,632	5.04%

Aidar Assaubayev, Kanat Assaubayev and Sanzhar Assaubayev have a beneficial interest in African Resources Limited.

Auditor

All Directors that are in office at the date of this report being approved have confirmed that they are aware that there is no relevant audit information of which the auditor is unaware. Each of the Directors has confirmed they have taken all reasonable steps they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

BDO LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed in the forthcoming Annual General Meeting.

Corporate governance

The Board acknowledges the importance of the guidelines set out in the Quoted Companies Alliance (QCA) published Corporate Governance Code and complies with these so far as is appropriate having regard to the size and nature of the Company. The paragraphs below set out how the Company has applied this guidance during the year.

Principles of corporate governance

The Company's Board appreciates the value of good corporate governance not only in the areas of accountability and risk management, but also as a positive contribution to business prosperity. The Board endeavours to apply corporate governance principles in a sensible and pragmatic fashion having regard to the circumstances of the Group's business.

Board structure

During the year the Board comprised the Non-Executive Chairman, the Chief Executive Officer and Chief Technical Officer (both of whom are Executive Directors) and three Non-Executive Directors, after the year end Ken Crichton resigned from the Board. Two new Directors were appointed, Sanzhar Assaubayev as an Executive Director and Neil Herbert as a Non-Executive Director. Their details appear on pages 14 and 15. The Board is responsible to shareholders for the proper management of the Company. The statement of Directors' responsibilities in respect of the accounts is set out on page 20. The Non-Executive Directors have a particular responsibility to ensure that the strategies proposed by the Executive Directors are fully considered. To enable the Board to discharge its duties, all Directors have full and timely access to all relevant information and there is a procedure for all Directors, in furtherance of their duties, to take independent professional advice, if necessary, at the expense of the Company. The Board has a formal schedule of matters reserved to it, and meets on a regular basis.

The Board is responsible for overall Group strategy, approval of major capital expenditure projects and consideration of significant financing matters.

Directors' report continued

year ended 31 December 2015

Audit Committee

The Audit Committee comprises Ashar Qureshi, Neil Herbert and Alain Balian. Its prime tasks are to review the scope of the external audit, to receive regular reports from the Company's auditor and to review the half-yearly and annual accounts before they are presented to the Board, focusing in particular on accounting policies and areas of management judgment and estimation. The Committee is responsible for monitoring the controls which are in force to ensure the integrity of the information reported to the shareholders. The Committee acts as a forum for discussion of internal control issues and contributes to the Board's review of the effectiveness of the Company's internal control and risk management systems and processes.

The Committee also considers annually the need for an internal audit function. It advises the Board on the appointment of external auditors and on their remuneration for both audit and non-audit work, and discusses the nature and scope of the audit with the external auditors. The Committee, which meets formally at least twice a year, provides a forum for reporting by the Company's external auditors. Meetings are also attended, by invitation, by the Company's Chairman, Chief Executive Officer and Chief Financial Officer.

The Audit Committee also undertakes a formal assessment of the auditors' independence each year which includes:

- a review of non-audit services provided to the Company and related fees;
- discussion with the auditors of a written report detailing all relationships with the Company and any other parties that could affect independence or the perception of independence;
- a review of the auditors' own procedures for ensuring the independence of the audit firm and partners and staff involved in the audit, including the regular rotation of the audit partner; and
- obtaining written confirmation from the auditors that, in their professional judgement, they are independent.

An analysis of the fees payable to the external audit firm in respect of both audit and non-audit services during the year is set out in note 11 on page 41 of the financial statements.

Board and Board committee meetings

The number of meetings during 2015 and attendance at regular Board meetings and Board committees was as follows:

		Meetings held	Meetings attended
Kanat Assaubayev	Board	8	8
Aidar Assaubayev	Board	8	8
Ken Crichton	Board	8	8
	Audit committee	2	2
Ashar Qureshi	Board	8	8
	Audit committee	2	2
Alain Balian	Board	8	2
	Audit committee	2	1
William Trew	Board	8	2

Internal control

The Directors are responsible for the Company's system of internal control and review of its effectiveness annually. The Board has designed the Company's system of internal control in order to provide the Directors with reasonable assurance that its assets are safeguarded, that transactions are authorised and properly recorded and that material errors and irregularities are either prevented or would be detected within a timely period.

The key elements of the control system in operation are:

- the Board meets regularly with a formal schedule of matters reserved to it for decision and has put in place an organisational structure with clearly defined lines of responsibility and with appropriate delegation of authority;
- there are established procedures for planning, approval and monitoring of capital expenditure and information systems for monitoring the Company's financial performance against approved budgets and forecasts;
- UK financial reporting is closely monitored by members of the Board to enable them to assess risk and address the adequacy of measures in place for its monitoring and control. The Kazakh operations are closely supervised by the Board reviewing monthly, half-year and annual financial reports from the Directors and senior officers in Kazakhstan. This is supplemented by regular visits of the UK based finance officer to the Kazakh operations which include checking the integrity of financial information supplied to the UK. The finance officer is ultimately responsible for the preparation of the consolidated financial statements which are then reviewed by the Board of Directors.

During the period, the Audit Committee has reviewed the effectiveness of internal controls as described above.

There are no significant issues disclosed in the Annual Report for the year ended 31 December 2015 (and up to the date of approval of the report) concerning material internal control issues. The Directors confirm that the Board has reviewed the effectiveness of the system of internal control as described during the period.

Communications with shareholders

Communications with shareholders are considered important by the Directors. The Directors regularly speak to investors and analysts during the year. Press releases have been issued throughout the year; the Company's website www.goldbridgesplc.com is regularly updated and contains a wide range of information about the Company. Enquiries from individuals on matters relating to their shareholdings and the business of the Company are dealt with informatively and promptly. The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Corporate social responsibility

The Corporate Social Responsibility performance of the Company is detailed on pages 10 and 11.

Takeover directive

The Company has one class of share capital, which are ordinary shares. Each ordinary share carries one vote. All the ordinary shares rank pari passu. There are no securities issued in the Company which carry special rights with regard to control of the Company. The identity of all substantial direct or indirect holders of securities in the Company and the size and nature of their holdings is shown under the "Substantial interests" section of this report above.

A relationship agreement (the "Relationship Agreement") was entered into between the Company and African Resources Limited in regard to the arrangements between them whilst African Resources Limited is a controlling shareholder of the Company.

There are no restrictions on voting rights or on the transfer of ordinary shares in the Company. The rules governing the appointment and replacement of Directors, alteration of the articles of association of the Company and the powers of the Company's Directors accord with usual English company law provisions. The Directors are re-elected on a rotational basis each year. The Company is not party to any significant agreements that take effect, alter or terminate upon a change of control of the Company following a takeover bid. The Company is not aware of any agreements between holders of its ordinary shares that may result in restrictions on the transfer of its ordinary shares or on voting rights.

There are no agreements between the Company and its Directors or employees providing for compensation for loss of office or employment that occurs because of a takeover bid.

Greenhouse emissions

Information on greenhouse emissions is shown on page 10.

Annual General Meeting

The Annual General Meeting of the Company will be held at the offices of BDO LLP at 55 Baker Street, London W1U 7EU, United Kingdom on Friday 24 June 2016 at 11.15am.

The details of the resolutions are given on page 54. The Directors consider that all of the resolutions to be put to the meeting are in the best interests of the Company and its shareholders as a whole. The Board recommends that shareholders vote in favour of all resolutions.

Donations

The Company has made no charitable or political donations during the year (2014: Nil).

Future development and availability of project finance/going concern

The Company is in the advanced stages of its plans to move production from the open pit to the underground operations at Sekisovskoye. It is expected that the underground mine will be producing at significantly higher levels from May 2016 onwards, and will increase again once further development of the decline is completed. The funding for the initial stage has been obtained from the corporate bond issued in February 2016. The external debt in the Company (other than the corporate bond), consists of US$6.67m payable to EBRD. This amount is repayable by eight equal quarterly payments of US$833,000 each. As at the date of this report there are seven instalments remaining, however as the Company has breached certain covenants in relation to the borrowing the full amount of the loan is shown as falling due within one year.

The Company raised funding of US$10m in February 2016 via a corporate bond to its parent company, African Resources Limited. This provided additional working capital to the Company, and also provides the further capital required to progress the underground project development. The Company is actively pursuing further funding to raise the balance of the funds needed to complete the planned full scale development of the underground mine and the Directors are confident that further funding can be obtained in the timescales required to meet the future developmental requirements of the Company. Should the funding be delayed or additional funding is required to cover any unforeseen production shortfalls and additional working capital requirements arising from the move to the underground operations or in the event that the EBRD loan is requested for repayment earlier than scheduled, the parent company has confirmed its intention to provide further funding to enable the Company to continue its planned operations for at least twelve months from the date of approval of the financial statements.

On this basis, the Directors have therefore concluded that it is appropriate to prepare the financial statements on a going concern basis.

Subsequent events

Details of events after the end of the financial year are set out in note 29 on page 53 of the financial statements.

Statement of the Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group and Company financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss for the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state with regard to the Group financial statements whether they have been prepared in accordance with IFRSs as adopted by the European Union subject to any material departures disclosed and explained in the financial statements;
- state with regard to the parent company financial statements, whether they have been prepared in accordance with IFRSs as adopted by the European Union subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business; and
- prepare a strategic report, Directors' report and annual remuneration report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The Directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors' responsibilities pursuant to DTR 4

The Directors confirm to the best of their knowledge:

- the Group and Company financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulation and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group;
- the Annual Report includes a fair review of the development and performance of the business and the financial position of the Group and the parent company, together with a description or the principal risks and uncertainties that they face.

On behalf of the Board

Aidar Assaubayev
Chief Executive Officer
29 April 2016

Audit Committee report

The Committee's terms of reference have been approved by the Board and follow published guidelines, which are available from the Company Secretary. The Audit Committee comprises the three Non-Executive Directors, Ashar Qureshi, Alain Balian and Neil Herbert.

The Audit Committee's prime tasks are to:

Review the scope of external audit, to receive regular reports from the auditor and to review the half-yearly and annual accounts before they are presented to the Board, focusing in particular on accounting policies and areas of management judgment and estimation;

Monitor the controls which are in force to ensure the integrity of the information reported to the shareholders;

Assess key risks and to act as a forum for discussion of risk issues and contribute to the Board's review of the effectiveness of the Group's risk management control and processes;

Act as a forum for discussion of internal control issues and contribute to the Board's review of the effectiveness of the Group's internal control and risk management systems and processes;

Consider each year the need for an internal audit function;

Advise the Board on the appointment of external auditors and rotation of the audit partner every five years, and on their remuneration for both audit and non-audit work, and discuss the nature and scope of their audit work;

Participate in the selection of a new external audit partner and agree the appointment when required;

Undertake a formal assessment of the auditors' independence each year which includes:

- a review of non-audit services provided to the Group and related fees;
- discussion with the auditors of a written report detailing all relationships with the Company and any other parties that could affect independence or the perception of independence;
- a review of the auditors' own procedures for ensuring the independence of the audit firm and partners and staff involved in the audit, including the regular rotation of the audit partner; and
- obtaining written confirmation from the auditors that, in their professional judgement, they are independent.

Meetings

The Committee meets prior to the annual audit with the external auditors to discuss the audit plan and again prior to the publication of the annual results. These meetings are attended by the external audit partner and Company Secretary. Prior to bi-monthly Board meetings the members of the Committee meet on an informal basis to discuss any relevant matters which may have arisen. Additional formal meetings are held as necessary.

During the past year the Committee:

- met with the external auditors, and discussed their report to the Audit Committee;
- approved the publication of annual and half-year financial results;
- considered and approved the annual review of internal controls;
- decided that due to the size and nature of operation there was not a current need for an internal audit function;
- agreed the independence of the auditors and approved their fees for both audit and not-audit services as set out in note 11 on page 41 of the financial statements.

External auditors

BDO LLP held office throughout the year, and are assisted by a local office in Kazakhstan.

Ashar Qureshi
Chairman – Audit Committee

Statement of the Chairman of the Remuneration Committee

The Remuneration Committee presents its report for the year ended 31 December 2015 which this year is presented in two parts in accordance with the new regulations.

The first part, is the annual remuneration report which details remuneration awarded to Directors and Non-Executive Directors during the year. The shareholders will be asked to approve the annual remuneration report as an ordinary resolution (as in previous years) at the Annual General Meeting in June 2016.

The second part, is the remuneration policy report which details the remuneration policy for Directors.

The policy is very much in line with the previous policy although the level of disclosure has increased in accordance with the regulations. The Remuneration Committee reviewed the existing policy and deemed no changes necessary to the current arrangements.

Both of the above reports have been prepared in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013.

The Company's auditors, BDO LLP are required by law to audit certain disclosures and where disclosures have been audited they are indicated as such.

Ashar Qureshi
Chairman – Remuneration Committee

Annual remuneration report

Remuneration Committee

The Remuneration Committee currently comprises of two Directors – Ashar Qureshi and Neil Herbert. The Committee, which meets as required, is responsible for determining the contract terms, remuneration and other benefits of the Executive Directors. The remuneration of the Non-Executive Directors is determined by the Board within the limits set out in the articles of association. None of the Committee members has any personal financial interest in the matters to be decided (other than as shareholders), potential conflicts of interest arising from cross-Directorships, or any day-to-day involvement in running the business. The Committee has access to professional advice from inside and outside the Company at the Company's expense.

Details of the remuneration paid in the year are shown below.

Approach to recruitment remuneration

All appointments to the Board are made on merit. The components of a new Director's remuneration package (who is recruited within the life of the approved remuneration policy) would comprise at present a base salary. As outlined above the approach to such appointments are detailed within the future policy table below. The Company will pay such levels of remuneration to new Directors that would enable the Company to attract appropriately skilled and experienced individuals that is not in the opinion of the Remuneration Committee excessive.

Service contracts

All Executive Directors have full-time contracts of employment with the Company. Non-Executive Directors have contracts of service. No Director has a contract of employment or contract of service with the Company, its joint venture or associated companies with a fixed term which exceeds three years. Directors' notice periods (see page 24 of the financial statements) are set in line with market practice and of a length considered sufficient to ensure an effective handover of duties should a Director leave the Company.

All Directors' contracts as amended from time to time, have run from the date of appointment. Service contracts are kept at the registered office.

Policy on payment for loss of office

There are no contractual provisions agreed that could impact on a termination payment. Termination payments will be calculated in accordance with the existing contract of employment or service contract. It is the policy of the Remuneration Committee to issue employment contracts to Executive Directors with normal commercial terms and without extended terms of notice which could give rise to extraordinary termination payments.

Consideration of employment conditions elsewhere in the Group

In setting this policy for Directors' remuneration the Remuneration Committee has been mindful of the Company's objective to reward all employees fairly according to their role, performance and market forces. In setting the policy for Directors' remuneration the Remuneration Committee has considered the pay and employment conditions of the other employees within the Group. No formal consultation has been undertaken with employees in drawing up the policy. The Remuneration Committee has not used formal comparison measures.

Consideration of shareholder views

No shareholder views have been taken into account when formulating this policy. In accordance with the new regulations, an ordinary resolution for approval of this policy will be put to shareholders at the Annual General Meeting in June 2016.

Remuneration

The following information has been audited.

Amounts paid by the Company in respect of Directors' services:

	2015 US$	2014 US$
Executive Directors		
Kanat Assaubayev	–	–
Aidar Assaubayev	**174,840**	81,576
Ken Crichton	**223,881**	138,020
Non-Executive Directors		
Ashar Qureshi	**41,121**	44,496
William Trew	**41,121**	44,496
Alain Balian	**41,121**	44,496
Total	**522,084**	353,084

The total amount remaining unpaid with respect to Directors' remuneration amounted to US$140,000.

The increase in the year was due to the two factors, firstly the appointment of Ken Crichton as Executive Director on 9 August 2014, and Aidar Assaubayev the Chief Executive Officer commencing to draw a salary in July 2014. This resulted in a lower charge in 2014. In 2016 the total remuneration is expected to be at a similar level to this year.

Performance targets

Currently no Director has any share options, and there are no performance measures or targets associated with the Directors' remuneration.

Annual Remuneration report continued

Summary of Directors' terms

	Date of contract	Unexpired term	Notice period
Executive Directors			
Kanat Assaubayev	23 October 2013	5 months	3 months
Aidar Assaubayev	20 February 2013	22 months	3 months
Sanzhar Assaubayev	29 February 2016	34 months	3 months
Non-Executive Directors			
Ashar Qureshi	7 December 2015	32 months	3 months
William Trew	20 February 2016	35 months	3 months
Alain Balian	23 October 2013	5 months	3 months
Neil Herbet	29 February 2016	34 months	3 months

Pension schemes and incentives
The Company does not operate a pension scheme.

Scheme option schemes
There are no share option schemes in place at present.

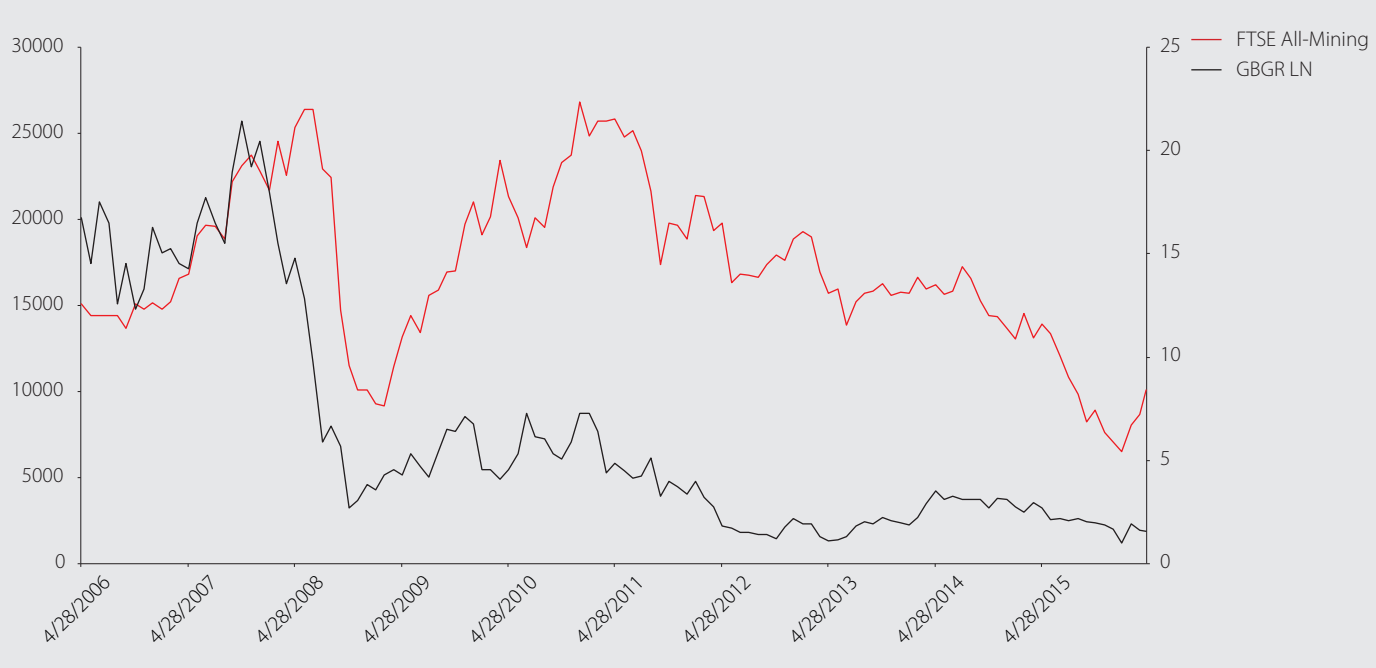
Payments to past Directors
No payments were made to past Directors in the year ended 31 December 2015.

Payments for loss of office
No payments for loss of office were made in the year ended 31 December 2015.

Statement of Directors' shareholding and share interest
The interests of the Directors in the shares of the Company, including family and trustee holdings are disclosed on page 17 of the accounts.

Performance graph
The following information is unaudited.

GBGR against FTSE all share mining



Remuneration of the Chief Executive Officer over the last ten years

Aidar Assaubayev was appointed Chief Executive Officer on 20 February 2013 and received no remuneration in 2013. His salary for the year ended 31 December 2014 was US$81,576 and his salary for the year ended 31 December 2015 was US$174,840.

The table below demonstrates the remuneration of the Chief Executive Officer for the last ten years.

Year	Chief Executive Officer	Total remuneration US$
2015	Aidar Assaubayev	175
2014	Aidar Assaubayev	82
2013	Aidar Assaubayev	–
2013	Timothy Daffern	626
2012	Timothy Daffern	282
2011	Timothy Daffern	271
2010	Timothy Daffern	69
2010	Nicholas Bridgen	466
2009	Nicholas Bridgen	227
2008	Nicholas Bridgen	240
2007	Nicholas Bridgen	222
2006	Nicholas Bridgen	219

Timothy Daffern was appointed on 5 November 2010 and resigned as Chief Executive Officer on 20 February 2013 and his remuneration for 2013 includes a payment in relation to change of control of US$307,432. Nicholas Bridgen resigned as Chief Executive Officer on 5 November 2010.

Percentage change in remuneration of Director undertaking role of Chief Executive Officer

	Chief Executive Officer			UK based employees		
	2015 US$000	2014 US$000	% change	**2015 US$000**	2014 US$000	% change
Base salary	**175**	82	53%	**510**	441	15%

The comparator group chosen is all UK based employees as the remuneration committee believe this provides the most accurate comparison of underlying increases.

Relative importance of spend on pay

The total expenditure of the Company on remuneration to all employees in shown in note 7 to the financial statements and in the table below.

Remuneration	**2015 US$000**	2014 US$000
Directors' emoluments	**522**	353
Employee wages and salaries	**5,415**	6,820
Employer social tax and national insurance	**666**	707
Total	**6,603**	7,880

Statement of implementation of remuneration policy in the following year

The policy was approved at the Annual General Meeting in June 2015. At that meeting a total of 1,626,897,862 votes were cast with 1,626,721,629 voting in favour of the proposed policy. It is intended that the remuneration policy will be subject to approval by shareholders again, in December 2018. The vote on the remuneration policy is binding in nature. The Company may not then make a remuneration payment or payment for loss of office to a person who is, is to be, or has been a Director of the Company unless that payment is consistent with the approved remuneration policy, or has otherwise been approved by a resolution of members.

Consideration by the Directors of matters relating to Directors' remuneration

The Remuneration Committee considered the Executive Directors' remuneration and the Board considered the Non-Executive Directors' remuneration in the year ended 31 December 2015. No increases were awarded and no external advice was taken in reaching this decision.

Shareholder voting

At the Annual General Meeting in June 2016, there will be a vote on the resolution to approve the remuneration report.

Members of the Remuneration Committee

The following Directors are members of the Remuneration Committee:
Ashar Qureshi and Neil Herbert

Remuneration policy report

The remuneration policy of the Company was approved by a binding vote at the 2014 Annual General Meeting. At present the only remuneration payable to the Directors' is that of a base salary, in setting the policy the Remuneration Committee has taken the following into account:

- the need to attract, retain and motivate individuals of a calibre who will ensure successful leadership and management of the Company;
- the Company's general aim of seeking to reward all employees fairly according to the nature of their role and their performance;
- remuneration packages offered by similar companies in the same sector;
- the need to align the interests of the shareholders with the long term growth and interests of the Company;
- the need to be flexible and adjust with operational changes throughout the term of the policy.

The remuneration of the Non-Executives Directors is determined by the Board, and takes into account additional remuneration for services outside the scope of the ordinary duties of the Non-Executive Directors.

Independent auditor's report

to the members of GoldBridges Global Resources Plc

We have audited the financial statements of GoldBridges Global Resources Plc for the year ended 31 December 2015 which comprise the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of financial position, the Company statement of financial position, the consolidated statement of changes in shareholders' equity, the Company statement of changes in shareholders' equity, the consolidated statement of cash flows, the Company statement of cash flow and the related notes. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

As explained more fully in the statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the parent company's affairs as at 31 December 2015 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 as regards the Group financial statements, Article 4 of the IAS Regulation.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Scott Knight (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

29 April 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated statement of profit or loss

year ended 31 December 2015

	Notes	2015 US$000	2014 US$000
Revenue	5	**24,054**	35,177
Cost of sales		**(19,763)**	(27,969)
Gross profit		**4,291**	7,208
Other operating income	8	**–**	1,141
Administrative expenses		**(9,762)**	(8,233)
Tailings dam leak	9a	**–**	330
Listing expenses	9b	**–**	(702)
Impairments	9c	**–**	(1,214)
Impairment reversed	9c	**674**	2,227
Operating (loss)/profit		**(4,797)**	757
Finance income	10	**–**	7
Foreign exchange loss	10	**(5,718)**	(1,418)
Finance expense	10	**(1,235)**	(331)
Loss before taxation	11	**(11,750)**	(985)
Taxation credit	12	**1,532**	730
Loss attributable to equity holders of the parent		**(10,218)**	(255)
Loss per ordinary share			
Basic & Diluted	13	**(0.4c)**	(0.01c)

Consolidated statement of other comprehensive income

year ended 31 December 2015

	2015 US$000	2014 US$000
Loss for the year	**(10,218)**	(255)
Currency translation differences arising on translations of foreign operations items that may be reclassified to profit or loss	**(34,577)**	(9,310)
Currency translation differences arising on translations of foreign operations relating to taxation	**4,574**	737
Total comprehensive loss attributable to equity holders of the parent	**(40,221)**	(8,828)

The accompanying notes are an integral part of these financial statements.

Consolidated statement of financial position

year ended 31 December 2015

Company number 5048549	Notes	2015 US$000	2014 US$000
Non-current assets			
Intangible assets	14	**9,887**	19,440
Property, plant and equipment	15	**35,134**	61,238
Inventory	17	**604**	–
Trade and other receivables	18	**1,337**	2,553
Deferred tax asset	24	**5,145**	2,407
Restricted cash	22	**137**	260
		52,244	85,898
Current assets			
Inventories	17	**3,223**	10,882
Trade and other receivables	18	**2,649**	10,260
Cash and cash equivalents		**1,084**	1,684
		6,956	22,826
Total assets		**59,200**	108,724
Current liabilities			
Trade and other payables	19	**(9,298)**	(15,725)
Other financial liabilities	20	**(297)**	(326)
Current tax payable	19	**(191)**	(475)
Provisions	22	**(247)**	(335)
Borrowings	23	**(6,676)**	(3,333)
		(16,709)	(20,194)
Net current (liabilities)/assets		**(9,753)**	2,632
Non-current liabilities			
Other financial liabilities	20	**(537)**	(709)
Provisions	22	**(3,553)**	(7,400)
Borrowings	23	**–**	(6,667)
		(4,090)	(14,776)
Total liabilities		**(20,799)**	(34,970)
Net assets		**38,401**	73,754
Equity			
Called-up share capital	25	**3,886**	3,702
Share premium		**141,918**	137,234
Merger reserve		**(282)**	(282)
Currency translation reserve		**(47,417)**	(17,414)
Accumulated losses		**(59,704)**	(49,486)
Total equity		**38,401**	73,754

The financial statements were approved by the Board of Directors on 29 April 2016 and signed on its behalf by

Aidar Assaubayev
Chief Executive Officer

The accompanying notes are an integral part of these consolidated financial statements.

Company statement of financial position

31 December 2015

Company number 5048549	Notes	2015 US$000	2014 US$000
Non-current assets			
Property, plant & equipment	15	**369**	480
Investments	16	**225**	236
Loans to subsidiaries	16	**81,091**	73,505
		81,685	74,221
Current assets			
Other receivables	18	**76**	1,147
Cash and cash equivalents		**728**	1,448
		804	2,595
Total assets		**82,489**	76,816
Current liabilities			
Trade and other payables	19	**(1,021)**	(595)
Net current (liabilities)/assets		**(217)**	2,000
Net assets		**81,468**	76,221
Equity			
Called up share capital	25	**3,886**	3,702
Share premium		**141,918**	137,234
Currency translation reserve		**(16,338)**	(12,600)
Accumulated losses		**(47,998)**	(52,115)
Total equity		**81,468**	76,221

The financial statements were approved by the Board of Directors on 29 April 2016 and signed on its behalf by

Aidar Assaubayev
Chief Executive Officer

The accompanying notes are an integral part of these Company financial statements.

Consolidated statement of changes in equity

year ended 31 December 2015

	Note	Share capital US$000	Currency share premium US$000	Merger reserve US$000	Translation reserve US$000	Accumulated losses US$000	Total US$000
1 January 2014		2,635	115,594	(282)	(8,841)	(49,231)	59,875
Loss for the year		–	–	–	–	(255)	(255)
Other comprehensive loss		–	–	–	(8,573)	–	(8,573)
Total comprehensive loss		–	–	–	(8,573)	(255)	(8,828)
Shares issued on conversion of loan notes		1,067	22,095	–	–	–	23,162
Issue costs		–	(455)	–	–	–	(455)
31 December 2014		3,702	137,234	(282)	(17,414)	(49,486)	73,754
Loss for the year		–	–	–	–	(10,218)	(10,218)
Other comprehensive loss		–	–	–	(30,003)	–	(30,003)
Total comprehensive loss		–	–	–	(30,003)	(10,218)	(40,221)
Shares issued		184	4,968	–	–	–	5,152
Issue costs		–	(284)	–	–	–	(284)
31 December 2015		**3,886**	**141,918**	**(282)**	**(47,417)**	**(59,704)**	**38,401**

Reserve	Description
Share capital	Amount of the contributions made by shareholders in return for the issue of shares.
Share premium	Amount subscribed for share capital in excess of nominal value.
Merger reserve	Reserve created on application of merger accounting under a previous GAAP.
Currency translation reserve	Gains/losses arising on re-translating the net assets of overseas operations into US Dollars.
Accumulated losses	Cumulative net gains and losses recognised in the consolidated statement of financial position.

The accompanying notes are an integral part of these consolidated financial statements.

Company statement of changes in equity

year ended 31 December 2015

	Notes	Share capital US$000	Share premium US$000	Currency translation reserve US$000	Accumulated losses US$000	Total US$000
1 January 2014		2,635	115,594	(7,387)	(57,017)	53,825
Profit for the year		–	–	–	4,902	4,902
Other comprehensive loss		–	–	(5,213)	–	(5,213)
Total comprehensive loss		–	–	(5,213)	4,902	(311)
Shares Issued on conversion of loan notes		1,067	22,095	–	–	23,162
Issue costs		–	(455)	–	–	(455)
31 December 2014		3,702	137,234	(12,600)	(52,115)	76,221
Profit for the year		–	–	–	4,117	4,117
Other comprehensive loss		–	–	(3,738)	–	(3,738)
Total comprehensive loss		–	–	(3,738)	4,117	379
Shares issued		184	4,968	–	–	5,152
Issue costs		–	(284)	–	–	(284)
31 December 2015		**3,886**	**141,918**	**(16,338)**	**(47,998)**	**81,468**

Reserve	Description
Share capital	Amount of the contributions made by shareholders in return for the issue of shares.
Share premium	Amount subscribed for share capital in excess of nominal value.
Currency translation reserve	Gains/losses arising on re-translating the net assets of overseas operations into US Dollars.
Accumulated losses	Cumulative net gains and losses recognised in the consolidated statement of financial position.

The accompanying notes are an integral part of these Company financial statements.

Consolidated statement of cash flows

year ended 31 December 2015

	Notes	2015 US$000	2014 US$000
Net cash inflow from operating activities	26	**8,183**	5,601
Investing activities			
Interest received		**–**	7
Purchase of property, plant and equipment		**(9,639)**	(25,989)
Restricted cash		**–**	(6)
Payment of costs associated with provisions		**–**	(651)
Net cash used in investing activities		**(9,639)**	(26,639)
Financing activities			
Proceeds on issue of shares	25	**5,152**	23,162
Issue costs	25	**(284)**	(455)
Advances paid		**–**	(1,043)
Borrowings and interest paid		**(3,990)**	(750)
Net cash inflow from financing activities		**878**	20,914
Decrease in cash and cash equivalents		**(578)**	(124)
Foreign currency translation		**(22)**	(259)
Cash and cash equivalents at beginning of the year		**1,684**	2,067
Cash and cash equivalents at end of the year		**1,084**	1,684

The accompanying notes are an integral part of these consolidated financial statements.

Company statement of cash flows

year ended 31 December 2015

	Notes	2015 US$000	2014 US$000
Net cash outflow from operating activities	26	**(667)**	(4,241)
Investing activities			
Purchase of property, plant and equipment		**–**	(506)
Akmola Gold advances and prepayment of fees recovered		**–**	1,113
Net loans to subsidiaries		**(4,921)**	(17,488)
Other loans repaid		**–**	(149)
Net cash used in investing activities		**(4,921)**	(17,030)
Financing activities			
Proceeds on issue of shares	25	**5,152**	23,162
Expenses on issue of shares	25	**(284)**	(455)
Net cash inflow from financing activities		**4,868**	22,707
(Decrease)/increase in cash and cash equivalents		**(720)**	1,436
Cash and cash equivalents at beginning of the year		**1,448**	12
Cash and cash equivalents at the end of the year		**728**	1,448

The accompanying notes are an integral part of these consolidated financial statements.

Notes to the financial statements

year ended 31 December 2015

1 General information

GoldBridges Global Resources Plc (the "Company") is a Company incorporated in England and Wales under the Companies Act 2006. The address of its registered office, and place of business of the Company and its subsidiaries is set out within the Company information on page 60 of this annual report. The principal activities of the Company and subsidiaries are set out in note 16 and, the strategic review within this annual report.

2 Basis of preparation

The annual report is for the year ended 31 December 2015 and includes the parent company's financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union. The Company's financial statements have been prepared using accounting policies set out in note 4 which are consistent with all applicable IFRSs and with those parts of the Companies Act 2006 applicable to companies reporting under IFRSs. For these purposes, IFRSs comprises the standards issued by the International Accounting Standards Board and interpretations issued by the International Financial Reporting Interpretations Committee that have been endorsed by the European Union. The financial statements have been prepared under the historical cost convention and on a going concern basis.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements.

Going concern

The Company is in the advanced stages of its plans to move production from the open pit to the underground operations at Sekisovskoye. It is expected that the underground mine will be producing at significantly higher levels from May 2016 onwards, and will increase again once further development of the decline is completed. The funding for the initial stage has been obtained from the corporate bond issued in February 2016. The external debt in the Company (other than the corporate bond), consists of US$6.67m payable to EBRD. This amount is repayable by eight equal quarterly payments of US$833,000 each. As at the date of this report there are seven instalments remaining, however as the Company has breached certain covenants in relation to the borrowing the full amount of the loan is shown as falling due within one year.

The Company raised funding of US$10m in February 2016 via a corporate bond to its parent company, African Resources Limited. This provided additional working capital to the Company, and also provides the further capital required to progress the underground project development. The Company is actively pursuing further funding to raise the balance of the funds needed to complete the planned full scale development of the underground mine and the Directors are confident that further funding can be obtained in the timescales required to meet the future developmental requirements of the Company. Should the funding be delayed or additional funding is required to cover any unforeseen production shortfalls and additional working capital requirements arising from the move to the underground operations or in the event that the EBRD loan is requested for repayment earlier than scheduled, the parent company has confirmed its intention to provide further funding to enable the Company to continue its planned operations for at least twelve months from the date of approval of the financial statements.

On this basis, the Directors have therefore concluded that it is appropriate to prepare the financial statements on a going concern basis.

3 Adoption of new and revised standards

None of the amendments to Standards that are effective from that date have resulted in a change of the Group's accounting policy and they had no material impact on the Group's financial position or performance.

The Group has not adopted any standards or interpretations in advance of the required implementation dates. The following new or revised standards that are applicable to the Group were issued but not yet effective:

- IFRS 9 – Financial Instruments;
- IFRS 15 – Revenue from Contracts with Customers;
- IFRS 16 – Leases;
- Amendments to IAS 1 – Presentation of Financial Statements Disclosure Initiative;
- Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation;
- Amendments to IFRS 11 – Accounting amendments relating to acquisitions of interests in joint operation.

The effects of IFRS 15 Revenues from Contracts with Customers and IFRS 9 Financial Instruments are still being assessed, as these new standards may have a significant effect on the Group's future financial statements.

4 Accounting policies

Basis of consolidation

Where a company has control over an investee, the investee is classified as a subsidiary. A company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The consolidated financial statements present the results of the Company and its subsidiaries (the "Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

Notes to the financial statements continued

year ended 31 December 2015

4 Accounting policies continued

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts received for goods provided in the normal course of business, net of VAT and any other sales related taxes.

The Company's revenue is generated entirely from the sale of the gold and silver ("Precious Metal") content of gold dore. Gold dore was delivered to a precious metal refiner, based in Kazakhstan during 2015, which also purchased all gold that was refined. Title of the Precious Metal passes upon acceptance of the delivery from the Company to the refiner. Sales of Precious Metal are only recognised when the delivery has been accepted and title for the Precious Metal has accordingly been passed to the refiner.

The Company does not hedge or otherwise enter into any derivatives in respect of its sales of gold dore. Sales are recorded at the actual selling price of the gold dore which is based on current market prices.

Foreign currencies

The Company has prepared its financial statements in United States Dollars (US$). The functional currency of the companies in Kazakhstan is the Kazakhstan Tenge (KZT). The functional currency of the Company and Hambledon Mining Company Limited is Pound Sterling. The rates used to convert Pound Sterling and Kazakhstan Tenge into United States Dollar in these financial statements are as follows:

	2015		2014	
	Closing	**Average**	Closing	Average
US$ = £	**1.48**	**1.523**	1.553	1.648
US$ = KZT	**339.47**	**221.73**	182.35	179.19

The currency translation movement on the Company's net investment in its subsidiaries in Kazakhstan is taken to reserves. The year end and average rates used for the Kazakh Tenge have been obtained from the National Bank of Kazakhstan.

The financial statements of the Company is translated into United States Dollars whereby its statements of profit or loss are translated at the average rate of exchange for the year and its statements of financial position at the closing rate of exchange at the reporting date. Currency translation adjustments arising on the restatement of opening net assets, together with adjustments arising from the retranslation of intergroup long term foreign currency loans to subsidiaries, are recognised in reserves.

Transactions denominated in currencies other than the functional currency of each respective entity are recorded at the rate of exchange prevailing at the date of the transaction. Monetary assets and liabilities are translated into the relevant functional currency at the closing rates of exchange at the reporting date. Exchange differences arising from the restatement of monetary assets and liabilities at the closing rate of exchange at the reporting date or from the settlement of monetary transactions at a rate different from that at which the asset or liability was recorded are dealt with through the statement of profit or loss.

Intangible assets

Externally acquired intangible assets are initially recognised at cost and subsequently amortised on a straight-line basis over their expected economic life. In the Directors' opinion this is estimated to be over the expected useful life of the data being 20 years.

Exploration and evaluation costs

All costs of E&E are initially capitalised as E&E assets once the subsoil contract is awarded. Payments to acquire the legal right to explore, costs of technical services and studies, seismic acquisition, exploratory drilling and testing are capitalised as intangible E&E assets.

Treatment of E&E assets at conclusion of appraisal activities

Intangible E&E assets related to each exploration licence/prospect are carried forward, until the existence (or otherwise) of commercial reserves has been determined. If commercial reserves have been discovered, the related E&E assets are assessed for impairment and any impairment loss is recognised in the income statement. The carrying value, after any impairment loss, of the relevant E&E assets is then reclassified as mining properties.

Property, plant and equipment: mining properties and leases

Mining properties comprise previously capitalised exploration, evaluation and development expenditure incurred during the exploration and development stages of the Company's mining projects.

Other items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost include directly attributable costs and estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognised within provisions.

Assets under construction represent assets under development that are not at the stage that can be used commercially to generate revenues, no depreciation is applied to these assets.

4 Accounting policies continued

Depreciation

Depreciation of property, plant and equipment is calculated on a straight line or units of production basis, as appropriate. Assets are fully depreciated over their economic lives, or over the remaining life of the mine if shorter.

Buildings	8-10% pa
Equipment, fixtures and fittings	10-40% pa
Plant machinery and vehicles	7-30% pa
Mining properties and leases	Unit of production based on the proven reserves

Assets under construction are not depreciated.

Stripping costs

To obtain access to the ore in the open pit, it is necessary to first remove the non-ore bearing rock ("waste" or "overburden") covering the ore. This process is known as stripping.

Costs incurred in stripping in the development of the open pit before production commences are capitalised and included in the cost of developing the mine. They are subsequently amortised over the life of the pit on a unit of production basis. Stripping costs incurred after the open pit commences production are recognised as a component of inventory and included in cost of sales in the same period as the revenue from the sales of inventory is recognised. In line with IFRIC 20, any costs in excess of the normal stripping ratio are capitalised and written off over the life of the pit on a unit of production basis.

During the year ended 31 December 2015, no stripping asset has been recognised in the year (2014: Nil).

Impairment of property, plant and equipment

Property, plant and equipment are assessed for impairment at each reporting date when events or a change in circumstances suggest that the carrying amount of an asset may exceed the recoverable amount.

Where there has been an indication of a possible impairment, management assesses the recoverability of the carrying value of the asset by comparing it with the estimated discounted future net cash flows generated by the asset based on management's expectation of future production and selling prices. Any identified impairment is charged to the statement of profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount but such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss is recognised as profit or loss immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Inventories

Inventories are valued at the lower of cost or net realisable value. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Spare parts and consumables	– Purchase costs on a first in, first out basis
Ore stockpiles, work in progress and finished gold	– Dependent on the current stage in the production cycle, the cost will reflect cost of direct materials, power, labour and a proportion of overhead, to bring the product to its current state

Notes to the financial statements continued

year ended 31 December 2015

4 Accounting policies continued

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for by using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt within equity. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Financial instruments

Financial assets

The Company classifies its financial assets only as loans and receivables. These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade receivables), but also incorporate other types of contractual monetary assets (other receivables). They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised costs using effective interest rate method, less provision for impairment.

Financial assets are assessed for indicators of impairment at reach reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the asset have been impacted.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits, and other short-term highly liquid investments with original maturities of less than three months and which are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value; for the purposes of statement of cash flows, cash and cash equivalents also include bank overdrafts.

Investments and loans to subsidiaries

Investment in subsidiaries are included at cost less amounts written off. Loans to subsidiaries are initially recognised at fair value and subsequently measured at amortised cost.

Financial liabilities

The Company classifies its financial liabilities into one of the following categories according to the substance of the contractual arrangements entered into:

- bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised costs using the effective interest rate method, which ensures that any interest expense over the period to repayment is charged at a constant rate on the balance of the liability carried in the statement of financial position. Interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is not settled;
- liability components of convertible loan notes are measured as described further below;
- trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised costs using an effective interest method.

The Company does not have any financial liabilities measured at fair value through profit or loss and does not have any financial liabilities in qualifying hedging relationships.

4 Accounting policies continued

Convertible debt

The proceeds received on issue of the Company's convertible debt are allocated into their liability and equity components. The amount initially attributed to the debt component equals the discounted cash flows using a market rate of interest that would be payable on a similar debt instrument that does not include an option to convert. Subsequently, the debt component is accounted for as a financial liability measured at amortised cost until extinguished on conversion of maturity of the bond. The remainder of the proceeds is allocated to the conversion option and is recognised in other reserves within the shareholders' equity, net of income tax effects.

Borrowing costs

Interest incurred on the bank loans used to fund the construction of the Company's mining assets or other assets used in mining operations is being capitalised as part of the asset's cost, net of interest received on cash drawn down yet to be expensed. The capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended uses are complete. During the year the underground mine development was interrupted due to operations to close the open pit workings, in the current year no interest has been capitalised.

Share capital

Financial instruments used by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Company's ordinary shares are classified as equity instruments and are recorded at proceeds received, net of direct issue costs.

Provision for commitments and contingencies

Provisions are recognised when the Company has a present obligation at the reporting date, which occurred as a result of a past event, and it is probable that the Company will be required to settle that obligation and the amount of the obligation can be reliably estimated.

Possible obligations that are less than probable, and commitments to make purchases and incur expenditure in future periods, are not recognised as provisions but are disclosed as commitments and contingencies.

Provision for site rehabilitation and decommissioning costs and the associated asset is recorded at the present value of the expected expenditure required to settle the Company's future obligations. Actual outcomes may vary. Details regarding the provision for site rehabilitation and decommissioning costs are set out in note 22 to the financial statements.

Critical accounting judgements and key sources of estimation uncertainty

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. These key judgements and estimates include:

- carrying value of property, plant and equipment, including estimates made in respect of reserves and resources, discount rate and future gold prices (note 15);
- recoverability of inventories (note 17);
- carrying value of provisions (note 22);
- recognition of deferred taxation assets (note 24);
- carrying value of intangible assets (note 14).

5 Revenue

An analysis of the Company's revenue is as follows:

	2015 US$000	2014 US$000
Sale of gold and silver	**24,054**	35,177

Included in revenues from sale of gold and silver are revenues of US$24,017,000 (2014: US$34,049,000) which arose from sales to the Company's only customer the state refinery Tau-Ken Altyn LLP, which is located in Astana, Kazakhstan.

6 Segmental information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments and making strategic decision, has been identified as the Board of Directors.

The Board of Directors consider there to be only one operating segment, the exploration and development of mineral resources, and only one geographical segment, being Kazakhstan. The majority of sales were made in Kazakhstan and, therefore, no additional segmental information is presented.

Notes to the financial statements continued

year ended 31 December 2015

7 Staff costs

The average monthly number of employees (including Executive Directors) was:

	2015	2014
Production	**519**	592
Administration	**173**	176
	692	768

Their aggregate remuneration comprised:

	2015 US$000	2014 US$000
Directors' emoluments	**522**	353
Employee wages and salaries	**5,415**	6,820
Employer social tax and national insurance	**666**	707
	6,603	7,880

8 Other income

In 2014 an amount prepaid of 138m Tenge, paid in the prior year by Asia Mining Group ('AMG') was offset against sales to AMG of 202m Tenge, being US$1,141,000. Being the sale by the Company to AMG of surplus parts and consumables, this transaction was on normal commercial terms.

9a Tailings dam leak

In 2014 the balance of the provision carried forward of US$330,000 was released as all rehabilitation expenses required to be incurred under the agreement with the authorities associated with the tailings dam failure were met.

9b Listing expenses

During 2014 the Company successfully moved to the standard segment of the London Stock Exchange from the Alternative Investment Market. The listing required the payment of a non-recurring fees to professional advisors, amounting to US$702,000.

9c Impairments

	2015 US$000	2014 US$000
Impairments reversed	**674**	2,227
Impairments	**–**	(1,214)

In 2014, subsequent to the termination of the proposed Akmola Gold acquisition, the Company successfully sued Akmola Gold for US$2,000,000, the amount it had previously advanced. The amount of US$2,227,000 which included costs and interest was received in two tranches in December 2014 and January 2015.

The impairment in the current year against other receivables relates of a credit of US$674,000 received in relation to the recovery of VAT in the parent company.

10 Finance income and finance expense

	2015 US$000	2014 US$000
Finance income		
Bank interest receivable	**–**	7
Finance expense		
Foreign exchange losses on EBRD loan	**(5,718)**	(1,418)
Interest paid	**(631)**	–
Unwinding of discount on provisions and other financial liabilities	**(604)**	(331)
	(1,235)	(331)

11 Loss before taxation

The loss on ordinary activities before taxation is stated after charging:

	2015 US$000	2014 US$000
Staff costs (note 7)	**6,603**	7,880
Depreciation of tangible assets	**4,224**	5,350
Amortisation of intangible asset	**852**	1,023
Cost of inventories recognised as expense	**9,542**	17,187
Reversal of inventory impairment	**(1,943)**	–
Fees payable to the Company's auditors for the audit of the Company and Group financial statements	**145**	140
Fees payable to the auditors of the Company's subsidiaries pursuant to legislation	**53**	60

There were fees payable in the year ended 31 December 2015 of US$1,170 (2014: US$22,674) to the Company's auditors in respect of taxation and review services. The Audit Committee has reviewed the threats to independence relating to taxation advisory services and found safeguards put in place as appropriate.

12 Taxation

	2015 US$000	2014 US$000
Adjustment in relation to prior years	**(211)**	–
Deferred taxation (note 24)	**(1,321)**	(730)
Total taxation benefit	**(1,532)**	(730)

There is no current taxation charge for the year ended 31 December 2015, due to the availability of tax losses in each Company.

A reconciliation between the accounting profit and the total taxation benefit from continuing operations is as follows:

	2015 US$000	2014 US$000
Loss before taxation	**(11,750)**	(985)
Loss for the year multiplied by the standard rate of corporation tax of 20% (2014: 21.5%)	**(2,350)**	(212)
Expenses not deductible for tax purposes	**–**	396
Write back of provisions not taxable	**(135)**	1,371
Income not subject to tax	**–**	(670)
Utilisation of tax losses and temporary differences not previously recognised	**1,164**	(2,554)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**–**	202
Adjustments relating to prior year	**(211)**	–
Foreign exchange movement	**–**	737
Total (benefit)	**(1,532)**	(730)

The taxation rate used for taxation on loss on ordinary activities is the standard rate for United Kingdom corporation tax, currently 20.00% (2014: 21.50%), being the average applicable rate for the Company in 2015. The rate applicable to the Company's subsidiaries in Kazakhstan is 20%.

13 Loss per ordinary share

The calculation of basic and diluted earnings per share from continuing operations is based upon the retained loss from continuing operations for the financial year of US$10.2m (2014: loss of US$255,000).

The weighted average number of ordinary shares for calculating the basic loss in 2015 and 2014 is shown below. There were no potential ordinary shares outstanding at the reporting date, (2014: Nil) and as such the basic and diluted earnings per share are the same.

	2015	2014
Basic and diluted	**2,298,284,596**	2,115,470,650

Notes to the financial statements continued

year ended 31 December 2015

14 Intangible assets

	US$000
Cost	
1 January 2014	27,500
Adjustments*	(2,532)
Translation difference	(4,232)
31 December 2014 & 1 January 2015	20,736
Translation difference	(9,597)
31 December 2015	**11,139**
Amortisation	
1 January 2014	343
Charge for the year	1,023
Adjustments*	(70)
31 December 2014 & 1 January 2015	1,296
Charge for the year	852
Translation difference	(896)
31 December 2014	**1,252**
Net book value	
1 January 2014	27,157
31 December 2014	19,440
31 December 2015	**9,887**

*The adjustment relates to the recovery of VAT reclaimable on the purchase price of the geological data.

The intangible assets relate to the historic geological information pertaining to the Karasuyskoye ore fields. The ore fields are located in close proximity to the current open pit and underground mining operations of Sekisovskoye. The Company is in the advanced stages of obtaining the sub-soil user licence from the authorities and it is expected to be received in May 2016.

Management have taken a view that a 20 year write is off appropriate being the expected life of the sub-soil user licence. In assessing the carrying value, Management have made a number of estimates in determining the level of mineral resources and interpreting the geological data. There are numerous uncertainties inherent in estimating mineral resources, and assumptions that were valid at the time of estimation may change when new information becomes available. These include assumptions as to grade estimates, cut-off grades and other factors that will affect commercial viability of the deposits such as recovery rates, commodity prices, exchange rates, production costs, capital costs, processing and reclamation costs and discount rates. The actual volume of ore extracted and any changes in these assumptions could affect prospective amortisation rates and carrying values of intangible assets.

15 Property, plant and equipment – Company

	Motor vehicle US$000	Equipment US$000	Total US$000
Cost			
1 January 2014	90	–	90
Additions	–	505	505
Currency translation adjustment	(16)	(21)	(37)
31 December 2014	74	484	558
Additions	–	–	–
Currency translation adjustment	(4)	(17)	(21)
31 December 2015	**70**	**467**	**537**
Accumulated depreciation			
1 January 2014	17	–	17
Additions	22	42	64
Currency translation adjustment	(2)	(1)	(3)
31 December 2014	37	41	78
Charge for the year	21	69	90
Currency translation adjustment	–	–	–
31 December 2015	**58**	**110**	**168**
Net book value			
1 January 2014	73	0	73
31 December 2014	37	443	480
31 December 2015	**12**	**357**	**369**

Notes to the financial statements continued

year ended 31 December 2015

15 Property, plant and equipment – Group

	Mining properties and leases US$000	Freehold, land and buildings US$000	Equipment, fixtures and fittings US$000	Plant, machinery and vehicles US$000	Assets under construction US$000	Total US$000
Cost						
1 January 2014	10,682	16,494	15,927	8,132	20,933	72,168
Additions	131	58	5,312	1,302	22,040	28,843
Disposals	–	(563)	(1,017)	–	(131)	(1,711)
Transfers	7,211	2,028	1,400	(339)	(10,300)	–
Currency translation adjustment	(1,483)	(2,583)	(2,770)	(1,054)	(3,128)	(11,018)
31 December 2014 & 1 January 2015	16,541	15,434	18,852	8,041	29,414	88,282
Additions	104	1,210	1,782	92	6,451	9,639
Disposals	(863)	–	(288)	(8)	(21)	(1,180)
Transfers	–	–	–	–	–	–
Currency translation adjustment	(7,392)	(7,564)	(9,245)	(3,752)	(16,425)	(44,378)
31 December 2015	**8,390**	**9,080**	**11,101**	**4,373**	**19,419**	**52,363**
Accumulated depreciation						
1 January 2014	3,552	5,501	12,174	5,075	–	26,302
Charge for the year	432	1,478	2,575	865	–	5,350
Disposals	–	(60)	(988)	574	–	(474)
Currency translation adjustment	(552)	(873)	(993)	(1,716)	–	(4,134)
31 December 2014 & 1 January 2015	3,432	6,046	12,768	4,798	–	27,044
Charge for the year	425	1,136	1,840	823	–	4,224
Disposals	–	–	–	(81)	–	(81)
Currency translation adjustment	(1,736)	(3,193)	(6,550)	(2,479)	–	(13,958)
31 December 2015	**2,121**	**3,989**	**8,058**	**3,061**	**–**	**17,229**
Net book value						
1 January 2014	7,130	10,993	3,753	3,057	20,933	45,866
31 December 2014	13,109	9,388	6,084	3,243	29,414	61,238
31 December 2015	**6,269**	**5,091**	**3,043**	**1,312**	**19,419**	**35,134**

Capitalised costs of mining property and leases are amortised over the life of the licence from commencement of production on a unit of production basis. This basis uses the ratio of production in the period compared to the mineral reserves at the end of the period plus production in the period. Mineral reserves estimates are based on a number of underlying assumptions which are inherently uncertain. Mineral reserves estimates take into consideration estimates by independent geological consultants. However, the amount of mineral that will ultimately be recovered cannot be known until the end of the life of the mine. Any changes in reserve estimates are, for amortisation purposes, treated on a prospective basis. The recovery of the capitalised cost of the Company's property, plant and equipment is dependent on the development of the underground mine. Included within mining properties is an amount of US$Nil relating to interest that has been capitalised (2014: US$750,000, 2013: US$744,000).

Under the terms of the loan agreement with the European Bank for Reconstruction and Development (EBRD), the Company and its subsidiaries has pledged certain assets as security for the loan that was entered into (see further details in note 23).

The Directors are required to consider whether the non-current assets comprising, mineral properties leases, plant and equipment have suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the choice of a discount rate in order to calculate the present value of the cash flows. The Directors have concluded that no adjustment is required for impairment.

16 Subsidiaries

Name	Percentage held	Country of registration and operation
Directly held		
Hambledon Mining Company Limited	100	British Virgin Islands
TOO Altai Ken – Bayitu	100	Kazakhstan
Indirectly held		
TOO Gornorudnoe Predpriatie Sekisovskoye	100	Kazakhstan

The principal activity of all companies relates to gold mining and production with the exception of Hambledon Mining Company Limited which is an investment holding Company and is currently dormant.

Investments and loans to subsidiaries – Company

	Shares US$000	Subsidiaries loans US$000	Total US$000
1 January 2014	251	54,850	55,101
Loan in relation to Karsuyskoye	–	17,443	17,443
Management charges and interest	–	1,212	1,212
Foreign exchange movement	(15)	–	(15)
31 December 2014	236	73,505	73,741
Net cash movements	–	5,010	5,010
Management charges and interest	–	2,576	2,576
Foreign exchange movement	(11)	–	(11)
31 December 2015	**225**	**81,091**	**81,316**

The investments together with the loans which are denominated in US Dollars represent the investments into the subsidiaries and in the opinion of the Directors the aggregate value of the investments in the subsidiaries is not less than the amount shown in these financial statements. The Directors review the intercompany borrowings on a regular basis, together with the associated cash flows of each company, and consider that no impairment is required.

The historic loans are shown within fixed assets as quasi-equity investments and represent the initial funding to the subsidiaries. The recent loans to subsidiaries are charged at a fixed interest rate of 5% and are repayable in 2019 and these are also included within fixed assets. The foreign exchange movement on the investments is to revalue the amounts which are denominated in US Dollars to the year end exchange rate. The movement is reflected within the income statement of the parent company and is eliminated on consolidation.

17 Inventories

	2015 US$000	2014 US$000
Non-current		
Work in progress	**604**	–
Current		
Spare parts and consumables	**1,328**	4,478
Work in progress	**1,196**	940
Finished goods	**699**	5,464
	3,223	10,882

The value of inventories above is stated after impairment for obsolescence and write downs to net realisable value in respect of spare parts and consumables of US$135,000 (2014: US$873,000) and work in progress of US$Nil (2014: US$114,000).

The total cost of inventory recognised as an expense is shown in note 11.

Notes to the financial statements continued

year ended 31 December 2015

18 Trade and other receivables

Non-current

	Company 2015 US$000	Company 2014 US$000	Group 2015 US$000	Group 2014 US$000
Other receivables and prepayments	–	–	1,337	2,553
	–	–	1,337	2,553

Other receivables included within non-current assets for 2015 and 2014 relate to an amount recoverable in relation to Value Added Tax, recovery is expected in Q1 2017.

Current

		Company 2015 US$000	Company 2014 US$000	Group 2015 US$000	Group 2014 US$000
Trade receivables		–	–	156	456
Akmola Gold	– recoverable	–	1,108	–	1,108
VAT	– recoverable	42	728	1,992	5,651
	– provision	–	(728)	–	(728)
Other receivables	– recoverable	–	6	148	324
	– provision	–	–	(34)	(64)
Prepayments		34	33	387	3,513
		76	1,147	2,649	10,260

The trade receivables are stated at full carrying value and their ageing is less than 30 days old. The Directors consider that the carrying value of trade receivables approximates to their fair value.

Other prepayments included within non-current assets relate to advances for plant and equipment.

19 Trade and other payables

Current

	Company 2015 US$000	Company 2014 US$000	Group 2015 US$000	Group 2014 US$000
Trade creditors	655	340	6,363	13,016
Other payables and accruals	366	255	2,935	2,709
	1,021	595	9,298	15,725

Trade creditors and accruals principally comprise amounts outstanding for trade purchases of goods and services. The majority of the trade creditors relate to the Company's trading subsidiaries in Kazakhstan. It is not practical to calculate the average credit period taken in respect of trade purchases for these creditors due to current business practices in the former Soviet Union. For most suppliers, interest is not charged on these trade payables. The Company regularly reviews all outstanding payables to ensure they are paid within the appropriate timeframe.

The Directors consider that the carrying amount of trade payables approximates to their fair value.

20 Other financial liabilities

	2015 US$000	2014 US$000
Liability for historic cost	834	1,035
Current	297	326
Non-current	537	709
	834	1,035

The subsoil use contract (the "Contract"), under which TOO Sekisovskoye holds the exploration and mining rights to the Sekisovskoye deposit stipulates that it must pay a total of US$3,312,000 to the Kazakhstan Government for historic costs. From 1 January 2009, the balance of the historical costs is being paid on a quarterly basis and the final payment is due to be paid on 21 December 2018.

The future historic costs have been discounted to their net present value. This discounted value has been capitalised as property, plant and equipment (note 15) and will be amortised over the productive period. Any changes in estimated costs and discount rate are dealt with prospectively and result in a corresponding adjustment to property plant and equipment.

21 Related party transactions

Remuneration of key management personnel

The remuneration of the Directors, who are the key management personnel of the Company, is set out below in aggregate for each of the categories specified in IAS 24 – "Related Party Disclosures". Further information about the remuneration of the individual Directors is set out in the audited section of the report on Directors' remuneration on page 25.

	2015 US$	2014 US$
Directors emoluments	**522,084**	353,084
Social Security costs	**30,392**	28,515
	552,476	381,599

During the year the following transactions was connected with the Company's controlled by the Assaubayev family:

Purchases, rental and other payments totalling US$3.2m (2014: US$5.6m) and sales amounting to US$Nil (2014: US$1.1m), were made to Asia Mining Group (AMG) for the supply and sale of equipment and spares. At the year end an amount of US$2.5m is due to AMG and is included within other trade payables (2014: US$3.1m).

22 Provisions

	Tailings dam leak US$000	Abandonment and restoration US$000	Holiday pay US$000	Total US$000
1 January 2014	330	6,705	317	7,352
Change in estimate of provision	(330)	2,112	449	2,231
Unwinding of discount	–	286	–	286
Paid during the year	–	(651)	(413)	(1,064)
Currency translation adjustment	–	(1,052)	(18)	(1,070)
31 December 2014 & 1 January 2015	–	7,400	335	7,735
Change in estimate of provision	–	(863)	249	(614)
Unwinding of discount	–	355	–	355
Paid during the year	–	(136)	(147)	(283)
Currency translation adjustment	–	(3,203)	(190)	(3,393)
31 December 2015	**–**	**3,553**	**247**	**3,800**
31 December 2014				
Current	–	–	335	335
Non-current	–	7,400	–	7,400
	–	7,400	335	7,735
31 December 2015				
Current	**–**	**–**	**247**	**247**
Non-current	**–**	**3,553**	**–**	**3,553**
	–	**3,553**	**247**	**3,800**

Abandonment and restoration costs

In accordance with the provisions of the subsoil use contract (the "Contract"), TOO Sekisovskoye is liable for site restoration costs upon completion of production activities. It is not possible to predict accurately the amount which might ultimately be payable for site restoration as it includes assumptions such as inflation in Kazakhstan over the life of the Contract which are inherently uncertain. An estimate of the future cost of restoration has been discounted and a provision recognised. The discounted amount for cost of restoration has been capitalised as a tangible fixed asset (note 15) and will be amortised using the unit of production method over the life of the mine. During the year the provision was reassessed and a downward revision made of US$1.1m, and the change is reflected within mining properties in note 15.

In accordance with the subsoil use agreement, TOO Sekisovskoye has established a cash fund to pay for the cost of restoration. The cash fund is maintained in a separate bank account in the name of TOO Sekisovskoye. TOO Sekisovskoye is required to contribute each year an amount equal to 1% of its operating expenses to this fund. Any transfers from the bank account require the authorisation of the Government of Kazakhstan. This fund will be used to pay for the costs of restoration as and when they become due. If the funds in the account are insufficient to pay for the costs, TOO Sekisovskoye will be required to pay any deficit. If there are funds surplus to those required for restoration these will be returned to TOO Sekisovskoye. At 31 December 2015 there was US$137,000 (being 47,401,000 Tenge (2014: US$260,000 – being 47,401,000 Tenge) on deposit in the bank account maintained for restoration costs.

Notes to the financial statements continued

year ended 31 December 2015

23 Borrowings

Secured borrowings at amortised cost

	2015 US$000	2014 US$000
Current liabilities		
Due within one year	**6,676**	3,333
Non-current liabilities		
Due within one – two years	**–**	3,333
Due two – five years	**–**	3,334
Bank loan	**6,676**	10,000

In 2012, two of the Company's subsidiaries, Altai Ken-Bayitu LLP ("AKB") and Sekisovskoye LLP ("Sekisovskoye") entered into a loan agreement with the European Bank for Reconstruction and Development (EBRD). The principal terms of the loan are as follows:

- the loan is to AKB and Sekisovskoye, on a joint and several basis, and repayable in quarterly instalments between 10 January 2015 and 10 October 2017, at the date of this report there are currently seven instalments remaining;
- interest on drawn amounts will be charged at a rate of three months London Inter Bank Rate (LIBOR) plus 7% pa. The effective interest rate in the period was 7.5% (2014: 7.5%);
- the Company and its subsidiaries have to comply with a number of financial and non-financial covenants as part of the loan agreement. During the year due to the late payment of an instalment the Company was in breach of one of the bank covenant conditions. As the Company has not received a waiver from the bank that it will not enforce the covenant , the total outstanding amount due to EBRD is shown as arising in less than one year. The bank could technically call for the loan to be repaid on demand and as such the total amount of the loan is shown as arising in less than one year.

Interest of US$77,000 (2014: US$189,000) has been accrued and is included within other payables and accruals (see note 19).

24 Deferred taxation

Deferred taxation asset

	Taxation losses US$000	Accelerated taxation depreciation US$000	Other US$000	Total US$000
1 January 2014	873	166	106	1,145
Credit to income	626	112	(8)	730
Credit to other comprehensive income	737	–	–	737
Currency translation	(164)	(25)	(16)	(205)
31 December 2014 & 1 January 2015	2,072	253	82	2,407
Credit to income (see note 12)	–	(54)	1,375	1,321
Credit to other comprehensive income	4,574	–	–	4,574
Currency translation	(2,544)	(98)	(515)	(3,157)
31 December 2015	**4,102**	**101**	**942**	**5,145**

Deferred tax assets and liabilities are offset were they arise within the subsidiaries in Kazakhstan.

The tax losses arising in the prior periods will reduce the Company's and its subsidiaries' future tax liabilities. Deferred tax assets are recognised as the Directors believe that sufficient taxable profits will be made from the projected operations from the underground mine to recover carried forward losses.

Unutilised taxation losses arising in Kazakhstan of US$54.1m (2014: US$2.3m) are available to carry forward for a maximum of ten years. The tax losses available to carry forward expire in 2025.

Unrecognised deferred taxation asset

The unrecognised deferred taxation asset is as follows:

	2015 US$000	2014 US$000
Temporary differences	**–**	267
Taxation losses	**8,799**	19,200
	8,799	19,467

Included within the unrecognised taxable losses above is an amount of US$2.01m (2014: US$11.2m) in relation to the Company, and US$6.78m (2014: US$8m) in relation to the Kazakh subsidiaries. This amount has been carried forward as the Directors do not believe there will be sufficient taxable profits in the future to offset the losses incurred.

25 Called-up equity share capital

Issued and fully paid

	Number	US$000
1 January 2014	1,563,370,130	2,635
Issued during the year		
Share placements	647,972,000	1,067
At 31 December 2014 and 1 January 2015	2,211,342,130	3,702
Issued during the year		
Share placements	123,000,000	184
31 December 2015	**2,334,342,130**	**3,886**

During April 2015, the Company issued 123,000,000 new ordinary shares of 0.1 pence each. Net proceeds of US$4.9m were raised in order to fund the capital expenditure in connection with the development of the underground mine and to provide additional working capital.

26 Notes to the cash flow statement

Net cash inflow from operating activities

	Company 2015 US$000	Company 2014 US$000	**Group 2015 US$000**	Group 2014 US$000
Profit/(loss) before taxation	**4,117**	4,902	**(11,750)**	(985)
Adjusted for:				
Finance income	**(2,422)**	(722)	**–**	(7)
Finance expense	**–**	–	**1,235**	331
Depreciation of tangible fixed assets	**90**	64	**4,224**	5,350
Amortisation of intangible asset	**–**	–	**852**	1,023
Impairment/(reversal of impairment)	**(674)**	191	**(2,618)**	–
(Increase)/decrease in inventories	**–**	–	**5,042**	(3,013)
(Increase) in trade and other receivables	**1,567**	(3,259)	**5,338**	(4,391)
(Decrease) in other financial liabilities	**–**	–	**(272)**	(184)
(Decrease)/increase in trade and other payables	**503**	(662)	**363**	4,905
Loss on disposal of property, plant and equipment	**–**	–	**236**	1,237
Foreign currency translation	**(3,848)**	(4,755)	**5,718**	1,418
Cash inflow from operations	**(667)**	(4,241)	**8,368**	5,684
Income taxes receivable/(payable)	**–**	–	**(185)**	(83)
	(667)	(4,241)	**8,183**	5,601

27 Financial instruments

Policy on financial risk management

The Company's principal financial instruments comprise cash and cash equivalents, trade receivables, trade and other payables, provisions, other financial liabilities and borrowings. The Company's accounting policies and methods adopted, including the criteria for recognition, the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are set out in note 4 – "accounting policies". The Company does not use financial instruments for speculative purposes. The carrying value of all financial assets and liabilities approximates to their fair value.

Capital risk management

The Group's primary objective when managing capital is to ensure that there is sufficient capital available to support the Group's funding requirements, including capital expenditure, in a way that optimises the cost of capital, maximises shareholders' returns and ensures the Group's ability to continue as a going concern. There were no changes to the Group's capital management approach during the year.

The Group may make adjustments to the capital structure as opportunities arise, as and when borrowings mature or as and when funding is required. This may take the form of raising equity, debt finance, equipment supplier credits or a combination thereof.

Notes to the financial statements continued

year ended 31 December 2015

27 Financial instruments continued

Capital risk management continued

The Group monitors capital on the basis of the gearing ratio, which is defined as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as equity as shown in the consolidated statement of financial position plus net debt. While the Group does not set absolute limits on the ratio, the Group believes that a ratio of up to 30% was acceptable in the final stages of the construction and the commissioning phase of the Seki mine and that optimally this should reduce to and remain below 25% thereafter. The Company's policy in respect of capital risk management is the same as that of the Group.

	2015 US$000	2014 US$000
Group		
Total borrowings	**6,676**	10,000
Less: cash and cash equivalents	**1,084**	1,684
Net debt	**5,592**	8,316
Total equity	**38,401**	73,754
Total capital	**43,993**	82,070
Gearing ratio	**12.71%**	10.01%
Company		
Total borrowings	**–**	–
Less: cash and cash equivalents	**728**	1,448
Net debt	**728**	1,448
Total equity	**81,468**	76,221
Total capital	**82,196**	77,669
Gearing ratio	**0.1%**	0.2%

Derivatives, financial instruments and risk management

The Company does not use derivative instruments or other financial instruments to manage its exposure to fluctuations in foreign currency exchange rates, interest rates and commodity prices.

Foreign currency risk management

The Company and its subsidiaries have transactional currency exposures. Such exposures arise from sales or purchases by the Company's two subsidiaries in Kazakhstan in currencies other than the Company's functional currency. The functional currency of TOO Altai Ken-Bayitu and TOO Gornorudnoe Predpriatie Sekisovskoye is the Kazakh Tenge. The Company and Hambledon Mining Company Limited have a functional currency which is the United Kingdom Pound ("Sterling"). The currency transactions giving rise to this foreign currency risk are primarily US Dollar denominated revenues, US Dollar denominated borrowings and other financial liabilities and certain US Dollar denominated trade payables. The Company and its subsidiaries do not enter into hedging positions in respect of its exposure to foreign currency risk.

The carrying amounts of the Company's and its subsidiaries' foreign currency denominated net monetary assets and monetary liabilities at 31 December, are as follows:

	2015 US$			2014 US$		
	Functional currency			Functional currency		
Currency of monetary asset/liability	GBP	KZT	Total	GBP	KZT	Total
US Dollars	**–**	**(4,450)**	**(4,450)**	1,978	(10,000)	(8,022)
British Pounds	**(230)**	**–**	**(230)**	(17)	–	(17)
Kazakhstan Tenge	**–**	**(7,502)**	**(7,502)**	–	(4,439)	(4,439)
Net monetary position			**(12,182)**			(12,478)

27 Financial instruments continued

Sensitivity analysis

A 20% strengthening, or weakening, of any one of the above currencies against the US Dollar which the Directors consider to be a reasonably possible change for the purpose of sensitivity analysis, is shown below:

The table below shows the impact of changes in exchange rates on the result and financial position of the Group:

	2015 US$000	2014 US$000
50% weakening of Kazakh Tenge against the US Dollar	(3,335)	(2,000)
50% weakening of British Pound against US Dollar	–	396

Commodity price risk

The Company is exposed to the effect of fluctuations in the price of gold and silver which are quoted in US Dollars on the international markets. The Company prepares annual budgets and periodic forecasts including sensitivity analyses in respect of various levels of prices of these metals.

The Company's only significant sales during the years ended 31 December 2015 and 2014 were sales of gold dore containing gold and silver. The sales proceeds for gold dore is fixed by reference to the gold and silver prices on the day of sale. The Company does not plan in the future to hedge its exposure to the risk of fluctuations in the price of gold or silver and therefore it held no financial instruments that are sensitive to commodity price changes at either reporting date.

Credit risk

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in a financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counter-parties. The Company's exposure and the credit ratings of its counter-parties are monitored by the Board of Directors to ensure that the aggregate value of transactions is spread amongst approved counter-parties.

The Company's principal financial assets are cash and cash equivalents, trade debtors and other accounts receivables. Cash equivalents include amounts held on deposit with financial institutions.

The credit risk on liquid funds held in current accounts and available on demand is limited because the Company's counter-parties are mainly banks with high credit-ratings assigned by international credit-rating agencies.

Trade receivables comprise amounts receivable from a refinery in respect of sales of gold dore. On the sale of the gold dore, payment is received on shipment.

Other accounts receivable consist mostly of prepayments for goods and services by the Company's subsidiaries in Kazakhstan. It is often impractical in Kazakhstan to carry out a check of creditworthiness of suppliers before making the contracted prepayments. There were no significant balances at 31 December 2015 and 2014 in respect of which suppliers had defaulted on their obligations. A provision made in the parent company financial statements in relation to the recovery of VAT in 2014 has been reversed as the amount was received in the year.

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recorded in the financial statements.

The Group is mainly exposed to credit risk on its cash and cash equivalents and trade and other receivables as per the balance sheet. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet which at year end amounted to US$657,000 (2014: US$4.6m). The Group's credit risk is primarily attributable to its VAT receivables. Although the full scope tax audit was completed in 2016 there is always a risk on the recoverability of the tax receivable balance due to potential changes to the fiscal regime in the country. Kazakhstan is a relatively young country and there have been fiscal changes in recent years, in some cases related to the mining industry.

Notes to the financial statements continued

year ended 31 December 2015

27 Financial instruments continued

Liquidity risk

During the year ended 31 December 2015, the Company was financed by internally generated funds, equity finance and bank borrowings. The bank borrowings were US$6.67m at 31 December 2015 (2014: US$10m).

The following tables detail the Company's and its subsidiaries remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company and its subsidiaries can be required to pay. The table includes both interest and principal cash flow.

Group	Borrowings US$000	Trade and other payables US$000	Provisions US$000	Other financial liabilities US$000	Total US$000
31 December 2015					
From two to five years	–	–	–	240	240
For one to two years	–	–	–	297	297
Due after more than one year	–	–	–	537	537
Due within one year	7,200	9,298	247	297	17,042
	7,200	9,298	247	833	17,579
31 December 2014					
From two to five years	3,333	–	–	556	3,889
For one to two years	3,333	–	–	239	3,572
Due after more than one year	6,666	–	–	795	7,461
Due within one year	3,334	15,725	335	239	19,633
	10,000	15,725	335	1,034	27,094

Company	Borrowings US$000	Trade and other payables US$000	Provisions US$000	Other financial liabilities US$000	Total US$000
31 December 2015					
Due within one year	–	1,021	–	–	1,021
31 December 2014					
Due within one year	–	595	–	–	595

Borrowings and interest rate risk

The Company and its subsidiaries entered into a long term borrowing agreement with the European Bank for Reconstruction and Development (EBRD) on 21 February 2012 in order to fund capital commitments. Interest is payable at 7% pa above Libor. A 1% increase in the rate of interest would result in an additional, US$66,000 (2014: US$70,000) being expensed to the income statement. See note 23 as the Company is in breach of certain covenants the loan is technically due for payment on demand.

The Company places surplus funds on short-term deposit (maximum three months) in Sterling with an interest rate fixed at the prevailing market rate. The Company's exposure to such interest rate risk is not material.

28 Commitments and contingencies

General conditions

In recent years, the Republic of Kazakhstan has undergone substantial political and economic change. As an emerging market, the Republic of Kazakhstan does not possess a well-developed business infrastructure such as generally exists in a more mature free market economy. As a result, operations carried out in the Republic of Kazakhstan can involve risks which are not typically associated with those in developed markets. Significant identified risks have been provided for, or disclosed in these financial statements as appropriate.

(a) Contractual liabilities

Subsoil use rights are not provided to the Company on an indefinite basis, and each renewal shall be approved before the current contract or license expires. These rights can be cancelled by the Government of the Republic of Kazakhstan (hereinafter referred to as "the Government") if the Company does not fulfil contractual liabilities.

Deposit development costs

In accordance with the subsoil use contract, the Company has an approved working programme which may be reviewed and reconsidered depending on the economic viability and operational conditions of the deposit. The management of the Company believes it has fulfilled the requirements of the Contract.

28 Commitments and contingencies continued

General conditions continued

(a) Contractual liabilities continued

Training for Kazakhstani specialists

In accordance with the terms of the contract the Company is liable for the annual costs incurred in respect of the professional training of the Kazakhstani personnel involved in the work. The costs are estimated to be at least 1% of the operational costs during the development and operational process. As at 31 December 2015 the Company has met the conditions of the Contract.

Development of the social sphere of the region

According to the terms of the contract, the Company is liable for supporting the development and ensuring social support for the activity of the communities near the area of operations of the Company. As at 31 December 2015, the Company has met all the conditions of the Contract.

Liabilities on the restoration of the mine

Within eighty calendar days upon the expiration of the contract the Company is liable for the development of the mine restoration programme and its inspection by the competent authority of the Government of the Republic of Kazakhstan. The Company is liable for implementation of the programme upon its approval.

(b) Insurance

In accordance with the subsoil use contract the Company is liable for the development of the insurance programme and its submission for approval by the competent authority.

The Company has several contracts of obligatory insurance including insurance of the vehicle owners, the employer's liability and insurance of the subsoil users' liability where the activity of such subsoil users is connected to the damage to third parties.

(c) Court proceedings

The claims on the Company are periodically set out in the courts along with the Company's activities. As at the reporting date, there are no material claims against the Company.

Apart from the settlement in relation to the tailings dam restoration programme, the Company has a memorandum signed with the local authorities, whereby the Company is liable for arranging the construction of the paste plant for US$3,290,000 (US$600m Tenge). It has been agreed that the Company will use its best endeavours to have this completed once all necessary permits are obtained.

Other than the paste plant as at the reporting date the Company has fulfilled all of its obligations in relation to the outstanding works which required in relation to the tailings dam restoration program.

(d) Taxation risks

The tax system of Kazakhstan, being relatively new, is characterised by frequent changes to the legal norms, official interpretations and court decisions, which are often not explicit and can be contradictory. This leads to differing interpretations by the tax authorities. The examination and investigations of the accounts to ensure that the tax payable is accurate are carried out by several regulatory bodies. These bodies have the power to impose heavy fines and penalties. The accuracy of the tax computation can be investigated five calendar years after the end of the accounting period. In certain circumstances this period can be increased.

These circumstances may lead to the taxation risks being much higher in Kazakhstan compared to other countries. The management of the Company, based on their understanding of the tax legislation, regulatory requirements and court decisions, considers the tax liabilities to be fully reflected in the accounts. Nevertheless, the interpretation of these provisions by the corresponding authorities can be different and in that case should the authorities prove the lawfulness of their position, it may significantly affect these financial accounts.

29 Subsequent events

Finance raising

On 29 February 2016 the Company raised funds through the placing of a convertible bond, raising US$10m, this was subscribed by African Resources Limited a company controlled by the Assaubayev family.

The Bonds carry a coupon of 10% pa, payable semi-annually in arrears on 29 July and 28 February each year with the first payment due on 29 July 2016. Unless the Bonds are re-purchased and cancelled, redeemed or converted prior to the scheduled maturity date, they will be repaid on 28 February 2021 at their principal amount. The Bonds can be converted into Ordinary Shares of the Company at a price of 3p per share any time prior to maturity upon demand by the Bondholder (subject to the receipt of necessary corporate and governmental approvals).

30 Ultimate Controlling Party

The controlling party and parent entity of the Company is African Resources Limited, by virtue of the fact that it owns 61.69% (2014: 65.12%) of the voting rights in the Company.

The ultimate controlling party are the Assaubayev family, by virtue of the fact that they are the controlling party of African Resources Limited.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of the GoldBridges Global Resources Plc (the "Company") will be held at the offices of BDO LLP 55 Baker Street London W1U 7EU on 24 June 2016 at 11.15am in order to consider and, if thought fit, pass resolutions 1 to 9 as ordinary resolutions and resolution 10 as a special resolution:

ORDINARY RESOLUTIONS

1. To receive the audited accounts and the reports of the Directors and auditors for the year ended 31 December 2015.

2. To approve the Directors' remuneration report.

3. To confirm the appointment of Sanzhar Assaubayev as a Director (Executive) of the Company.

4. To confirm the appointment of Neil Herbert as a Director (Non-Executive) of the Company.

5. To re-elect Alain Balian as a Director (Non-Executive) of the Company.

6. To re-elect Kanat Assaubayev as a Director (Chairman) of the Company.

7. To reappoint BDO LLP as the Company's auditors to hold office until the conclusion of the next general meeting at which the annual accounts are to laid before the Company.

8. To authorise the Audit Committee of the Board to determine the auditors' remuneration.

9. That, in accordance with section 551 of the Companies Act 2006 (as amended) (the "Act") the Directors be generally and unconditionally authorised to allot Relevant Securities (as defined in the notes to this Notice):

   a. comprising equity securities (as defined by section 560 of the Act) up to an aggregate nominal amount of £1,556,228.08 (such amount to be reduced by the nominal amount of any Relevant Securities allotted under paragraph 9b. below) in connection with an offer by way of a rights issue:

      i. to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and

      ii. to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

   but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and

   b. in any other case, up to an aggregate nominal amount of £778,114.04 (such amount to be reduced by the nominal amount of any equity securities allotted under paragraph 9a. above in excess of £778,114.04),

   provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the date which is 18 months after the date on which this resolution is passed or, if earlier, the date of the next annual general meeting of the Company save that the Company may, before such expiry, make offers or agreements which would or might require Relevant Securities to be allotted and the Directors may allot Relevant Securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

   This resolution revokes and replaces all unexercised authorities previously granted to the Directors to allot Relevant Securities but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

SPECIAL RESOLUTION

10. That, conditional on the passing of Resolution 9, the Directors be given the general power to allot equity securities (as defined by section 560 of the Companies Act 2006 (as amended) (the "Act") for cash, either pursuant to the authority conferred by resolution 9 or by way of a sale of treasury shares, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:

    a. the allotment of equity securities in connection with an offer of equity securities (but, in the case of the authority granted under 6a., by way of a rights issue only):

        i. to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and

        ii. to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

    but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and

    b. the allotment (otherwise than pursuant to paragraph 10a. above) of equity securities up to an aggregate nominal amount of £233,434.21.

    The power granted by this resolution will expire on the date which is 18 months after the date on which this resolution is passed or, if earlier, the conclusion of the Company's next Annual General Meeting (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may, before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

    This resolution revokes and replaces all unexercised powers previously granted to the Directors to allot equity securities as if section 561(1) of the Act did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities.

By order of the Board

Rajinder Basra
Company Secretary

Registered Office:
28 Eccleston Square
London
SW1V 1NZ

Dated 29 April 2016
Company Number: 05048549

Notes to the Notice of Annual General Meeting

Relevant Securities means:

- Shares in the Company other than shares allotted pursuant to:
  - an employee share scheme (as defined by section 1166 of the Act);
  - a right to subscribe for shares in the Company where the grant of the right itself constituted a Relevant Security; or
  - a right to convert securities into shares in the Company where the grant of the right itself constituted a Relevant Security.
- Any right to subscribe for or to convert any security into shares in the Company other than rights to subscribe for or convert any security into shares allotted pursuant to an employee share scheme (as defined by section 1166 of the Act). References to the allotment of Relevant Securities in the resolution include the grant of such rights.

Entitlement to attend and vote

1. Only those shareholders registered in the Company's register of members at:
   - 6.00pm on Wednesday 22 June 2016; or,
   - if this meeting is adjourned, at 6.00pm on the day two days prior to the adjourned meeting,

   shall be entitled to attend and vote at the meeting. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

Appointment of proxies

2. If you are a shareholder who is entitled to attend and vote at the meeting, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

3. If you are not a member of the Company but you have been nominated by a member of the Company to enjoy information rights, you do not have a right to appoint any proxies under the procedures set out in this "Appointment of proxies" section. Please read the section "Nominated persons" below.

4. A proxy does not need to be a shareholder of the Company but must attend the meeting to represent you. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, each proxy must be appointed on a separate proxy form. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the chairman) and give your instructions directly to them.

5. Shareholders can:
   - appoint a proxy and give proxy instructions by returning the enclosed proxy form by post (see note 7);
   - register their proxy appointment electronically (see note 8);
   - if a CREST member, register their proxy appointment by utilising the CREST electronic proxy appointment service (see note 9).

   Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting and vote in person, your proxy appointment will automatically be terminated.

6. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

Appointment of proxy by post

7. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

   To appoint a proxy using the proxy form, the form must be:
   - completed and signed;
   - sent or delivered to Neville Registrars (the "Registrar"), at 18 Laurel Lane, Halesowen, West Midlands B63 3DA; and
   - received by the Registrar no later than 11.15am on 22 June 2016.

   In the case of a shareholder which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

   Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

   If you have not received a proxy form and believe that you should have one, or if you require additional proxy forms, please contact the Registrar on +44 (0) 121 585 1131.

Appointment of proxies electronically

8. As an alternative to completing the hard-copy proxy form, you can appoint a proxy electronically online at sharegateway.co.uk and completing the authentication requirements as set out on the proxy form. For an electronic proxy appointment to be valid, your appointment must be received by the Registrar no later than 11.15am on 22 June 2016.

Appointment of proxies through CREST

9. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) of it by using the procedures described in the CREST Manual (available via www.euroclear.com). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

   In order for a proxy appointment made using the CREST service to be valid, the appropriate CREST message (a **CREST Proxy Instruction**) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the Registrar ID 7RA11 no later than 3.00pm on 22 June 2016, or, in the event of an adjournment of the meeting, 48 hours before the adjourned meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

   CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular message. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member, or has appointed a voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

   The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Appointment of proxy by joint members

10. In the case of joint holders, where more than one of the joint holders completes a proxy appointment, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

11. Shareholders may change proxy instructions by submitting a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

    Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact the Registrar on +44 (0) 121 585 1131.

    If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

12. A shareholder may change a proxy instruction but to do so you will need to inform the Company in writing by either:

    - Sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Neville Registrars, at 18 Laurel Lane, Halesowen, West Midlands B63 3DA. In the case of a shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.
    - Sending an e-mail to info@nevilleregistrars.co.uk.

    In either case, the revocation notice must be received by the Registrar no later than 11.15am on 22 June 2016.

    If you attempt to revoke your proxy appointment but the revocation is received after the time specified, your original proxy appointment will remain valid unless you attend the meeting and vote in person.

Corporate representatives

13. A corporation which is a shareholder can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

Notes to the Notice of Annual General Meeting continued

Issued shares and total voting rights

14. As on 6.00pm at 16 May 2016, the Company's issued share capital comprised 2,334,342,130 ordinary shares of 0.1p each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company is 2,334,342,130.

    The Company's website, www.goldbridgesplc.com will include information on the number of shares and voting rights.

Notification of shareholdings

15. Any person holding 3% or more of the total voting rights of the Company who appoints a person other than the Chairman of the Annual General Meeting as their proxy will need to ensure that both they, and their proxy, comply with their respective disclosure obligations under the Disclosure Rules and Transparency Rules.

Questions at the meeting

16. Any member attending the meeting has the right to ask questions. The Company must answer any question you ask relating to the business being dealt with at the meeting unless:
    - answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
    - the answer has already been given on a website in the form of an answer to a question; or
    - it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Nominated persons

17. If you are a person who has been nominated under section 146 of the Companies Act 2006 to enjoy information rights (**Nominated Person**):
    - you may have a right under an agreement between you and the shareholder of the Company who has nominated you to have information rights (Relevant Shareholder) to be appointed or to have someone else appointed as a proxy for the meeting;
    - if you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Shareholder to give instructions to the Relevant Shareholder as to the exercise of voting rights;
    - your main point of contact in terms of your investment in the Company remains the Relevant Shareholder (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.

Documents on display

18. Copies of the service contracts of the Executive Directors and the Non-Executive Directors' contracts for services are available for inspection at the Company's registered office during normal business hours and at the place of the meeting from at least 15 minutes prior to the meeting until the end of the meeting.

Communication

19. Except as provided above, shareholders who have general queries about the meeting should use the following means of communication (no other methods of communication will be accepted):
    - contact the Company by e-mail to info@aglocore.com.

    You may not use any electronic address provided either:
    - in this notice of Annual General Meeting; or
    - any related documents (including the chairman's letter and proxy form),

    to communicate with the Company for any purposes other than those expressly stated.

Explanation of resolutions

An explanation of each of the resolutions is set out below.

ORDINARY BUSINESS

Resolutions 1 to 9 will be proposed as ordinary resolutions and will be passed if more than 50% of shareholders' votes cast are in favour.

Resolution 1: To receive the 2015 report and accounts

The Directors of the Company (the 'Directors') must present their Annual Report and Accounts of the Company for the year ended 31 December 2015 (the 'Annual Report') to shareholders for formal adoption at the Annual General Meeting.

Resolution 2: Directors' remuneration report

The Directors' remuneration report is set out in the Annual Report. In accordance with the provisions of the Act the Directors' remuneration report is the Annual Report contains:

- a statement by the Chairman of the Remuneration Committee;
- the Directors' remuneration policy in relation to future payments to the Directors and former Directors'; and
- the Annual Report on remuneration, which sets out payments made in the financial year ending 31 December 2015.

The statement by the Remuneration Committee Chairman and the Annual Report on remuneration will be put to an annual advisory shareholder vote by ordinary resolution.

Accordingly, Resolution 2 is the ordinary resolution to approve the Directors' remuneration report. As it is an advisory vote it does not affect the actual remuneration paid to any Director.

Resolutions 3 to 6: To re-elect the Directors

Under the Company's articles of association, one third of the Directors or, if their number is not a multiple of three, then the number nearest to but not less than one-third must retire from office and then stand for re-election.

Biographical details of Directors to be re-elected are set out in the Annual Report and are also available for viewing on the Company's website at www.goldbridgesplc.com.

Resolutions 7 & 8: To reappoint the auditors and authorise the Audit Committee of the Board to determine their remuneration

The Company is required to appoint auditors at each general meeting at which the annual accounts and report are to be laid before the Company, to hold office until the conclusion of the next such meeting. The Audit Committee has reviewed the effectiveness, independence and objectivity of the external auditors, BDO LLP, on behalf of the Board which now proposes their reappointment as auditors of the Company. Resolution 5 also authorises the Audit Committee of the Board, in accordance with standard practice, to negotiate and agree the remuneration of the auditors.

SPECIAL BUSINESS

As well as the ordinary business of the meeting outlined above, a number of special matters will be dealt with at the Annual General Meeting. Resolution 9 will be proposed as an ordinary resolution and will be passed if more than 50% of shareholders' votes cast are in favour. Resolution 10 will be proposed as a special resolution. For this resolution to be passed, at least 75% of shareholders' votes cast must be in favour.

Resolution 9: Directors' authority to allot shares

At the last Annual General Meeting held in June 2015 the Directors were given authority to allot shares in the Company, and Resolution 9 seeks to renew this authority for a period until the date which is 18 months after the date on which this resolution is passed or, if earlier, the date of the next Annual General Meeting of the Company.

This resolution would give the Directors authority to allot ordinary shares, and grant rights to subscribe for or convert any security into shares in the Company, up to an aggregate nominal value of £778,114.04. This amount represents approximately one-third (33.33%) of the issued ordinary share capital of the Company, as at 28 April 2016, the last practicable date prior to the publication of this document. The Company does not currently hold any shares in treasury. The extent of the authority follows the guidelines issued by institutional investors.

The Directors consider that it is appropriate for this authority and these powers to be granted to preserve maximum flexibility for the future.

Resolution 10: Disapplication of pre-emption rights

Section 561 of the Companies Act 2006 gives all shareholders the right to participate on a pro-rata basis in all issues of equity securities for cash, unless they agree that this right should be disapplied. The effect of this resolution is to empower the Directors, until the date which is 18 months after the date on which this resolution is passed or, if earlier, the date of the next annual general meeting of the Company, to allot equity securities for cash, without first offering them on a pro-rata basis to existing shareholders, but only up to a maximum nominal amount of £233,434.21 representing approximately 10% of the Company's issued ordinary share capital on 28 April 2016 (being the latest practicable date before the date of this document). In addition, the resolution empowers the Directors to deal with fractional entitlements and any practical problems arising in any overseas territory on any offer made on a pro-rata basis. The Directors consider that it is appropriate for this authority and these powers to be granted to preserve maximum flexibility for the future.

Company information

Directors

Kanat Assaubayev	Chairman
Aidar Assaubayev	Chief Executive Officer
Sanzhar Assaubayev	Executive Director
Ashar Qureshi	Non-Executive Director
William Trew	Non-Executive Director
Alain Balian	Non-Executive Director
Neil Herbert	Non-Executive Director

Secretary
Rajinder Basra FCA

Registered office and number
Company number: 5048549

28 Eccleston Square
London
SW1V 1NZ
Telephone: +44 (0) 20 8932 2455

Web
www.goldbridgesplc.com

Kazakhstan office
10 Novostroyevskaya
Sekisovskoye Village
Kazakhstan
Telephone: +7 (0) 72331 27927
Fax: +7 (0) 72331 27933

Financial advisers and brokers
Cantor Fitzgerald
1 Churchill Place
Canary Wharf
London
E14 5RB
Telephone: +44 (0) 20 7894 7000

Auditors to the Group
BDO LLP
55 Baker Street
London
W1U 7EU
Telephone: +44 (0) 20 7486 5888

BDO Kazakhstanaudit, LLP
56 "A", micro region 6
Almaty city, 050036
Kazakhstan

Registrars
Neville Registrars
18 Laurel Lane
Halesowen
West Midlands
B63 3DA
Telephone: +44 (0) 121 585 1131

Lawyers
Wragge Lawrence Graham & Co. LLP
54 More
London Riverside
London
SE1 2AU
Telephone: +44 (0) 870 903 1000

Cleary Gottlieb Steen & Hamilton LLP
City Place House
55 Basinghall Street
London
EC2V 5EH
Telephone: +44 (0) 20 7614 2200

Bankers
NatWest Bank plc
London City Commercial Business Centre
7th Floor, 280 Bishopsgate
London
EC2M 4RB

LGT Bank
Herengasse 12
FL-9490 Vaduz
Liechtenstein
Telephone: + 423 235 11 22

Glossary of terms

Grade	The tenor or concentration by weight of a metal in a mineral deposit or ore.
masl	Metres above sea level.
Tonne	A metric tonne of 1,000 kilograms.
oz	Troy ounce.
g/t	Grammes per tonne of mineralised rock.
JORC code	Australasian code for the reporting of exploration results, mineral resources and ore reserves (Joint Ore Reserves Committee). See www.jorc.org/main.php
Mineral resource	A concentration or occurrence of solid material of economic interest in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.
Indicated resource	That part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade (or quality) continuity between points of observation where data and samples are gathered. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Ore Reserve.
Inferred resource	That part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to an Ore Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
Ore reserve	The economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported.
Probable reserve	The economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve.
Mineral inventory	A term used to describe mineral resources and mineable reserves which are not static as additional resource delineation is not yet complete, and engineering calculations are pending. As such what might be a mineral resource today may be a mineable reserve tomorrow.

ckd
Design & Production
www.carrkamasa.co.uk

GoldBridges
Global Resources Plc

28 Eccleston Square
London
SW1V 1NZ

www.goldbridgesplc.com