

AltynGold Plc

("Altyn" or the "Company")

Results for the year ended 31 December 2020

AltynGold Plc (LSE:ALTN) an exploration and development company, is pleased to announce its results for the year ended 31 December 2020.

Highlights

Financial highlights

- Turnover increased in the year to US\$30m (2019: US\$14.9m).
- 16,535oz of gold sold (2019: 10,500oz), an increase of 57%.
- Average gold price achieved (including silver), US\$1,816oz, (2019: US\$1,390oz).
- The Company made a profit before tax of US\$3.3m (2019: loss US\$1.04m).
- Adjusted EBITDA (Earnings before interest, tax, depreciation and amortisation) of US\$13.5m (2019: US\$3.3m).
- The Company finalised the listing of the balance of the US\$10m 9% bonds on the Astana International Exchange (AIX).
- The balance of the facility with JSC Bank Center Credit of US\$8m was drawn down during the year.
- A share placing with JSC Freedom Finance raised US\$1.5m in the year.
- New facility taken out in December 2020 with Bank Center Credit of US\$5.5m, (2.3bln Tenge), of this US\$973,000 was drawn down before the year end.

Operational highlights

- Gold poured 17,028oz, (2019: 10,537oz) a 61% increase year-on-year.
- Mined gold grade 1.57g/t, (2019: 1.92g/t), decreased due to ore dilution - new equipment is now increasing to the target grade.
- Operating cash cost US\$800/oz, (2019: US\$854/oz).
- Gold recovery rate 80.44% (2019: 82.31%).

Underground development & exploration

- Subsoil use contract at Sekisovskoye extended to July 2029.
- Production of test ore at Teren-Sai, average grade 1.8g/t at 81% recovery.
- Total 5,657 linear metres developed at Sekisovskoye.
- Transport declines further developed, decline No.1 352 linear metres, decline No. 2 353 linear metres.
- 750,000t of ore made accessible from declines 1 and 2.
- Areas No.1, 2 and new Area 5 developed in Teren-Sai - drill holes and core samples extracted,

Annual General Meeting

The Annual General Meeting of the Company will be held at Langham Court Hotel, 31-35 Langham Street, London W1W 6BU, United Kingdom on Thursday 24 June 2021 at 11.00am. Due to the current COVID-19 situation if the timing location or other details change the Company will notify shareholders as appropriate.

The details of the resolutions are given in the Annual Report which will be available on the website in due course.

For further information please contact:

AltynGold Plc

Rajinder Basra, CFO

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AltynGold Plc (LSE: ALTN) is an exploration and development company, which listed on the main market segment of the London Stock Exchange in December 2014. To read more about AltynGold Plc please visit our website www.altyngold.uk

CHAIRMAN'S STATEMENT

This year has been very different for many reasons, the effects of the COVID-19 pandemic have been felt around the world, causing economic and social havoc. One year later the crisis is still ongoing, with governments, companies and individuals still facing uncertainty on how the pandemic will evolve and its aftermath.

From our perspective as a mining Company focused on mining operations in Kazakhstan, we have been insulated to a large extent from the fallout of the pandemic, as mining operations were a protected industry and the Company has been able to continue to operate throughout the pandemic. While cooperating with the authorities, the Company has quickly adapted its new operational working practices to ensure that the staff were able to continue working in a safe environment at the mine site, organising special shift patterns for production. Office workers at both the mine site and head office were largely able to work remotely, as the lock down has eased the staff were able to resume their duties at the offices during March 2021. The country is still organising measures to contain the transmission of COVID-19, and in April 2021 a limited lockdown was introduced in the country. The imposition of the most recent lockdown has not resulted in any issues in relation to the current operations of the Company.

Supply chains and the important sale of dore to the refinery were carefully monitored and potential issues resolved as soon as they arose.

Against this background the Company managed to grow, attracting funding from a range of sources and delivering on its capital investment plan. The resultant increase in production combined with the favorable gold price led to a substantially higher revenue stream.

While the gold price has increased given its hedge characteristic against the downturn in the global outlook for economies, a higher gold price level should be sustained by the expectation of increased inflation levels resulting from global monetary policies that are increasing the money supply, and a deteriorating fiscal outlook. With the production levels budgeted to increase, the management is upbeat about the Company's future growth outlook.

With its strong financial position and additional funding raised, the Company has also continued its exploration program at Teren-Sai. The test production run as reported in the RNS news release in 2021 yielded good results in terms of grade, and the expected low cash cost of production will have a positive impact on the results of the Company in the future.

In summary against the backdrop of uncertainty caused by the COVID-19 crisis the Company has managed to emerge in a much stronger position at the end of the year. It has secured its required level of funding, utilising it to good effect as demonstrated by the increased production levels. The Board has also been strengthened by the appointment of a new non-executive director Thomas Gallagher who will bring important qualities and experience to the team, and we welcome him to the Company.

I would like to conclude with a heartfelt thank you to all the staff from the top management and to those who only work on a part-time basis for their dedication to the Company and support in minimising the effect of the pandemic on our business.

Kanat Assaubayev

Chairman

CHIEF EXECUTIVE OFFICER'S REVIEW

Overview

The Company has been able to implement its medium term plan, following successful rounds of financing completed in late 2019 and 2020. As such, a significant amount of underground plant and equipment (details below) has been purchased leading to a 98% increase in ore extraction in the year to 505,000t. Timely maintenance of the processing plant and the overhaul of other equipment allowed a swift increase in processed ore which grew 82% from 231,000t to 420,000t leading to a 61% increase in gold produced from 10,537oz to 17,028oz. With the introduction of more specialised drilling rigs in 2021, the Company is also targeting a lower level of dilution of extracted ore which should result in a noticeable improvement of grades in Q2 2021.

Due to careful planning and co-operation with the relevant authorities there was little impact on the operations of the Company from COVID-19. Indeed, the trend and momentum of production at Sekisovskoye continue to be very encouraging. These positive developments set the stage for the company to achieve its first major target of 850,000t ore extraction per annum.

The Company has also invested additional funds to expand the exploration program at Teren-Sai. The Teren-Sai area is large, covering in excess of 198km which the Company has split this into a number of areas. After initially concentrating on Area No.2 the Company has now expanded its exploration programs into Areas No. 1 and 5.

Commentary on results

Sekisovskoye underground mine

Plant and equipment

There was a significant investment in plant and machinery during 2020 and to date in 2021, these are summarised below:

- Front-end loader ZL 50G
- Dump truck 25t Chaicman
- Material handling trucks CAT R1300 - 3 units
- Underground haulers CAT AD30 - 3 units
- Face drilling rig Atlas Copco T1D
- Ring drilling rig Atlas Copco T1D
- Exploration drilling rig Atlas Copco Diamec U4
- Boomer T1D drilling rig with a capacity of 400m/month
- Boomer T1D long-hole production drill
- Diamec U4 Smart exploration drill rig
- JSB Crawler with a capacity of 1.8cu.m
- Korfmann AL18-2500 ventilator with a capacity of 100m³/s

- Lupamit LKV 250 compressors, each compressor with a capacity of 45m³/min
- 100 CFO flower heaters

The following was achieved with regards to the underground mine in the year:

- There was a substantial development of tunneling amounting to 5,657 linear metres, including 353 metres on transport decline No 2 allowing access to 640,000 tons of reserves at levels +161, +164 and +178; and 352 metres on transport decline No 1 allowing access to 110,000 tons at levels +150 and +163.
- With the purchase of heaters, compressors and a Korfman AL18-2500 ventilator, the company was able to complete necessary works on the main ventilation shaft required for the continuation of operations until 2029 in line with the mine plan.
- Thanks to additional equipment, ore stockpiles were increased substantially at portal No 2, allowing for an increase in the daily ore production to 1,800t/day.
- In addition to 48,000m³ of back and cavity filling, works are ongoing for the development of the general site including renovation and expansion of the offices and other amenities.
- Ore mined at Sekisovskoye during 2020 was 506,000t (2019: 255,000t), with the new equipment on site this is budgeted to increase.
- The average gold grade was 1.58g/t (2019: 1.76 g/t) in line with the Company budget. The average grade for the year was affected by lower grades during Q1 at 1.49g/t (1.43g/t budgeted) due to high level of developmental ore. The introduction of additional equipment in particular the Boomer T1D LHD drilling rigs has led to a steady improvement in grades to its current level of 1.75g/t. Further improvement expected in the future as more ore bodies become accessible.

Exploration - Teren-Sai

The Teren-sai exploration program has been expanded and accelerated during 2020. The Company views the site as a very valuable asset that will add substantially to the production capacity of the Company once it is fully functional.

In area No.2 the Company continued pneumatic drilling conducting 16 profiles for verification analysis against existing data. Additional drilling was also carried out to fully delineate the extent and boundaries of the ore body resulting in 14 completed drill holes and 4,183m drilled meterage.

Mining results ore extraction			
		2020	2019
Ore mined	T	506,050	255,134
Gold grade	g/t	1.57	1.92
Silver grade	g/t	1.08	1.37
Contained gold	oz	25,555	15,760
Contained silver	oz	17,525	11,239

Mining results processing			
		2020	2019
Crushing	T	421,040	239,046
Mining	T	420,256	230,966

Gold grade	g/t	1.58	1.76
Silver grade	g/t	1.13	1.37
Gold recovery	%	80.44	82.31
Silver recovery	%	72.81	69.88
Contained gold	oz	21,355	12,981
Contained silver	oz	15,253	9,819
Gold Poured	oz	17,028	10,537
Silver poured	oz	11,180	6,760

Projected capital expenditure - Sekisovskoye			
	Total US\$m	2021 US\$m	2022 US\$m
Prospect drilling	1.7	0.9	0.8
Underground development	6.8	4.5	2.3
Infrastructure	0.1	-	0.1
Ore handling facilities	3.7	3.4	0.3
Process plant incremental expansion	3.4	2.6	0.8
Total	15.7	11.4	4.3

In order to build up a reliable profile of the site, verification results are being constantly mapped against existing data. During 2020 the Company successfully processed the first batch of test ore amounting to 1,794t, resulting in an average grade of 1.8g/t and a recovery rate of 81%. These were very encouraging results and a significant step in moving forward with the project. It is expected that the initial extraction of ore will be via open pit workings, with the use of some of the existing open pit equipment which has been mothballed at Sekisovskoye, and further equipment being purchased as necessary. The ore extracted is expected to be processed by a separate plant to be built at Teren-Sai, thus avoiding transport costs to Sekisovskoye and keeping the unit cost of production at a reasonable level.

In addition to Area No.2 exploration work was expanded to Area No.1 and new zone identified as Area No.5. In Area No.1, 13 prospective drilling profiles were conducted, the analysis of the results was encouraging and further core drilling is to be undertaken in 2021. In relation to Area No. 5, the meterage drilled was 3,886m with 17 drill holes which identified 11 ore intersections. Sampled grades over four of the holes ranged from 1.4g/t to 2.4g/t and further work is planned in this area in 2021.

The Company also commenced topographic work over 50km² to gain a better understanding of the site and the potential to develop the area, the work will be completed during 2021.

Capital requirements

The capex requirements for the next two years are detailed in the table below. The budgeted plans foresee the Company expanding ore extraction and production to 850,000t to per annum for Sekisovskoye, and the development of its prospective resource at Teren-Sai. The Company is constantly reviewing and refining its plans to adapt to changing circumstances.

Longer term plan

The long term plan still consists in operating the Sekisovskoye Mine at 850kt annual capacity for three years then ramping up production to 2Mtpa over a six year period. The initial target is an important milestone and with the purchase of the new equipment this is now progressing as planned. The longer term plan involves obtaining further funding and the Board is constantly looking at the best way to finance the business going forward. In this regard, the Company has recently appointed Renaissance Capital to operate as a Corporate Broker as well as produce independent research on the Company in order to increase its profile with potential investors. In order to achieve the longer term goal outlined, the Company has estimated that it will require an initial funding of

US\$40m-US\$50m to attain 1Mpta target. Further funding will be required for the secondary 2Mpta target.

Mining operations at Teren- Sai are planned to run in parallel to Sekisovskoye development and will initially include surface mining at Area No.2 before moving underground at a later stage. It is envisaged that at the initial costs of open pit operations can be kept low by making use of the existing equipment as far as possible. The significant expenditure relates to the planned Teren-Sai processing plant which will be a conventional carbon-in-leach ("CIL") gold recovery plant, similar to the existing one at the neighbouring Sekisovskoye Mine.

FINANCIAL PERFORMANCE

Key performance indicators (KPIs)

Annual gold sales (oz)

16,535oz

2020 16,535

2019 10,500

2018 14,990

Annual gold poured (oz)

17,028oz

2020 17,028

2019 10,537

2018 15,282

Revenue (US\$m)

US\$30m

2020 30.0

2019 14.9

2018 19.4

Operating cash cost of production (US\$oz)

US\$800oz

2020 800

2019 854

2018 865

Adjusted EBITDA (US\$m)

US\$13.5m

2020 13.5

2019 3.3

2018 0.9

Net assets (US\$m)

US\$35.3m

2020 35.3

2019 33.3

2018 34.9

The Company raised significant funds in the year, mainly bank borrowings and a bond placement on the Astana International Exchange. The raised funds have mainly been used for the purchase of new underground equipment, infrastructure and capital development at Sekisovskoye, exploration drilling at Teren-Sai and funding expanded working capital requirements.

In terms of output, the investment in the new equipment and the refurbishment of plant and machinery has had a direct and immediate effect on production levels in the year. Gold poured has increased by 61.6% from the prior year to 17,028oz the highest it has been for a number of years. Budgeted levels in the forthcoming periods are set to increase further as the full effect of the investments made flow through.

During 2020, the Company sold 16,535oz of gold (2019: 10,500oz). The average price achieved per oz in 2020 was US\$1,816 (2019: US\$1,390) a significant uplift from the prior year. While consensus analysts' forecasts expect the gold price to remain in the region of US\$1,800 the Company conservatively uses a lower price of gold in its forward modelling. Further, the outlook for the business is expected to remain positive given the anticipation of dollar strength against the local currency in which a significant level of expenses are payable.

There were no changes to the sales off-take agreement currently in place with the Kazakh national refinery, which continues to take all of the Company's output. As in the prior year, sales are translated at the spot US\$ market rate at the point the gold is sold.

The total cash cost of production, which includes administrative costs but excludes depreciation and provisions, amounted to US\$970/oz, (2019: S\$1,104oz). The operating cash cost excluding administrative costs amounted to US\$800/oz (2019: US\$854/oz). The cash cost of production is expected to fall in future periods with expanded economies of scale and improved grades. The administrative costs are being closely monitored and there has only been a small increase from the prior year, which is expected to be maintained in future periods.

The Group has reported a net profit of US\$3.3m before tax (2019: loss US\$1.04m) with a gross profit of US\$11.9m (2019: US\$2.5m), this was after a one off charge in the year relating to a share based payment of US\$2.4m in connection with share options issued. While the increase in gold price of 30% had a positive effect, the principal driving factor for the increase in profitability was the 57% increase in output. The adjusted EBITDA increased to US\$13.5m (2019: US\$3.3m) after adjusting for depreciation of US\$3.9m (2019: US\$3.4m), and the share based payment noted above. The operating profit as a consequence rose to US\$7.2m (2019: US\$0.0 Statement by the directors in performance of their statutory duties in accordance with s172 (1) Companies Act 2006.25m). Net profit has been reduced by the effect of the borrowing costs which increased from US\$1.2m to US\$2.3m. The effect of foreign exchange losses in the subsidiaries also had the effect of decreasing profits, in 2020 this is US\$1.5m (2019:US\$116,000 gain), principally as a result of the revaluation of the borrowings.

Management are keenly aware that funding should be on the most attractive terms and are exploring new avenues to achieve this.

Cash at year-end was US\$7.2m (2019: US\$1.9m), the increase was driven by fund raising, including the issue of shares for a consideration of US\$1.5m in the year. Current resources are sufficient to meet the current working capital requirements and purchase of capital equipment in the current budget. In December 2020 the Company agreed additional bank facilities with Bank Center Credit of US\$5.5m, of this amount US\$1.9m is available to fund working capital and the balance will be used for investment into new machinery. Of this facility US\$1.0m was drawn down in December 2020.

The main financing commitments during the year were payment of interest on the bonds and repayment of principal and interest on the bank borrowings, in total these amounted to US\$4.1m in 2020 (2019: US\$1.4m).

The consolidated net assets of the Group are US\$35.3m (2019: US\$33.3m).

During the year the Company operated successfully through the restrictions and lock downs as stipulated by the Kazakh authorities and is pleased to confirm it safely guarded the wellbeing of its staff. The

Government imposed a number of lockdowns beginning in March 2020 ranging from a full national lockdown and containment of the major cities to less stringent limited ones that are currently operating. The Company experienced minimal operational disruption from the COVID-19 pandemic that commenced in 2020 and expects operations to continue uninterrupted.

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2020

	Note	2020 \$000	2019 \$000
Revenue	3	30,032	14,908
Cost of sales		(17,610)	(12,390)
Gross profit		12,422	2,518
Administrative expenses		(2,826)	(2,600)
Share based payment		(2,400)	-
Impairments		(34)	107
Operating profit		7,162	25
Foreign exchange		(1,508)	116
Finance expense		(2,324)	(1,183)
Total finance cost		(3,832)	(1,067)
Profit/(loss) before tax		3,330	(1,042)
Taxation expense		(392)	(214)
Profit/(loss) for the year attributable to the equity holders of the parent		2,938	(1,256)
Profit/(loss) per ordinary share			
Basic	4	11.27c	(5.00c)*
Diluted	4	10.97c	-

*The earnings per share calculation for 2019 has been restated to reflect the 100:1 consolidation of shares in 2020.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2020

	2020 \$000	2019 \$000
Profit/(loss) for the year	2,938	(1,256)
Items that may be reclassified subsequently to the income statement		
Currency translation differences arising on translations of foreign operations	(3,846)	129
Currency translation differences on translation of foreign operations relating to tax	(1,011)	(461)
	(4,857)	(332)
Total comprehensive loss for the year	(1,919)	(1,588)
Total comprehensive loss attributable to:		
Equity holders of the parent	(1,919)	(1,588)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2020

		2020	2019
	Note	\$000	\$000
Registration number: 05048549			
Assets			
Non-current assets			
Intangible assets	5	12,849	12,943
Property, plant and equipment	6	32,092	30,316
Deferred tax assets		5,311	7,356
Trade and other receivables		6,700	6,048
Restricted cash		13	-
		56,965	56,663
Current assets			
Inventories		5,468	3,631
Trade and other receivables		7,182	3,615
Cash and cash equivalents		7,154	1,934
		19,804	9,180
Total assets		76,769	65,843
Equity and liabilities			
Current liabilities			
Trade and other payables		(6,705)	(7,553)
Provisions		(151)	(130)
Loans and borrowings		(5,833)	(2,550)
		(12,689)	(10,233)
Non-current liabilities			
Vat payable		(230)	(964)
Other payables		(492)	(1,333)
Provisions		(4,763)	(5,007)
Loans and borrowings		(23,260)	(15,027)
		(28,745)	(22,331)
Total liabilities		(41,434)	(32,564)
Equity			
Share capital		(4,267)	(4,055)
Share premium		(152,839)	(151,476)
Merger reserve		282	282
Other reserves		(333)	(333)
Foreign currency translation reserve		52,959	48,102
Accumulated losses		68,863	74,201
Equity attributable to owners of the company		(35,335)	(33,279)
Total equity and liabilities		(76,769)	(65,843)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2020

	Share capital \$000	Share premium \$000	Merger reserve \$000	Currency translation reserve \$000	Share based payment reserve \$000	Other reserves \$000	Accumulated losses \$000	Total equity \$000
At 1 January 2019	4,054	151,470	(282)	(47,770)	-	333	(72,945)	34,860
Loss for the year	-	-	-	-	-	-	(1,256)	(1,256)
Other comprehensive loss	-	-	-	(332)	-	-	-	(332)
Total comprehensive loss	-	-	-	(332)	-	-	(1,256)	(1,588)
New share capital subscribed	1	6	-	-	-	-	-	7
At 31 December 2019	4,055	151,476	(282)	(48,102)	-	333	(74,201)	33,279
At 1 January 2020	4,055	151,476	(282)	(48,102)	-	333	(74,201)	33,279
Profit for the year	-	-	-	-	-	-	2,938	2,938
Other comprehensive income	-	-	-	(4,857)	-	-	-	(4,857)
Total comprehensive loss	-	-	-	(4,857)	-	-	2,938	(1,919)
New share capital subscribed	13	62	-	-	-	-	-	75
Share based payment charge	-	-	-	-	2,400	-	-	2,400
Share options exercised	199	1,301	-	-	(2,400)	-	2,400	1,500
At 31 December 2020	4,267	152,839	(282)	(52,959)	-	333	(68,863)	35,335

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2020

	Note	2020 \$000	2019 \$000
Cash flows from operating activities			
Net cash flow from operating activities		4,245	(2,832)
Cash flows from investing activities			
Acquisitions of property plant and equipment		(8,559)	(7,180)
Proceeds from sale of property plant and equipment		-	20
Acquisition of intangible assets		(1,271)	(552)
Proceeds from test production		165	-
Net cash flows from investing activities		(9,665)	(7,712)
Cash flows from financing activities			
Loans received		16,903	14,089
Proceeds of share issue		1,500	-
Interest paid		(3,740)	(193)
Loans repaid		(3,431)	(1,523)
Commission charge		(588)	-
Net cash flows from financing activities		10,644	12,373
Net increase in cash and cash equivalents		5,224	1,829
Cash and cash equivalents at 1 January		1,934	105
Effect of exchange rate fluctuations on cash held		(4)	-
Cash and cash equivalents at 31 December		7,154	1,934

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

1 General information

AltynGold Plc (the "Company") is a Company incorporated in England and Wales under the Companies Act 2006. The financial information set out above for the years ended 31 December 2020 and 31 December 2019 does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006, but is derived from those accounts. Whilst the financial information included in this announcement has been compiled in accordance with international financial reporting standards (IFRS), adopted pursuant to Regulation (EC) in conformity with the requirements of the Companies Act 2006, this announcement itself does not contain sufficient financial information to comply with International IFRS. A copy of the statutory accounts for 2019 has been delivered to the Registrar of Companies and those for 2020 will be submitted for approval by shareholders at the Annual General Meeting. The full audited financial statements for the years end 31 December 2020 and 31 December 2019 do comply with IFRS.

2 Going concern

During the year the Group obtained additional funding principally from a mixture of placing bonds on the Astana International Exchange, an additional US\$7.4m and obtaining further funds from the term loans from a Kazakhstan based bank that were agreed in 2019 of US\$8.3m. In total these increased the loans and borrowings from US\$17.6m in 2019 to the current level of US\$29.1m. The funds were utilised to purchase equipment and to provide working capital to expand and develop the mining site at Sekisovskoye. The Group increased sales from US\$14.9m to US\$30.0m during 2020, resulting in an increase in adjusted EBITDA from US\$3.4m to US\$13.5m. This provided positive funding to the Group in the year, and is expected to continue at increasing levels in the future.

At the year-end the Group had cash resources of US\$7.2m (2019: US\$1.9m) available. In December 2020 the Company agreed additional bank facilities with Bank Center Credit in the amount of US\$5.5m, of which US\$1.9m is available to fund working capital and the balance is required to be used for investment into new machinery. Of this facility US\$1.0m was drawn down in December 2020.

The Board have reviewed the Group's forecast cash flows for the period to June 2022, which include the capital and interest repayments to be made in relation to the Group's borrowings. Capital and operating costs are based on approved budgets and latest forecasts in the case of 2021 and current development plans in the case of 2022. Based on the Group's cash flow forecasts, the Directors believe that the combination of its current cash balances, net cash flows from operations, and increased production based on projections of future growth, are sufficient for the Company to achieve its current plans and meet its cash flow requirements.

The Group has operated in the most difficult time of the COVID-19 pandemic, and experienced little impact on its ability to trade and grow the business. However management are keenly aware that the situation may change and have factored any potential impacts into its future business plans. The initial impact of COVID-19 was felt in March 2020 when Kazakhstan and the UK went into lockdown. The Group was quick to adapt and allowed office workers to use remote technology to perform their duties. In relation to the mine, mining operations were designated by the government to be a key industry. This ensured that production and transport of ore to the refinery could continue as normal. The Group adapted working conditions and patterns of working, to ensure that production continued in a safe working environment. The Group has also

ensured that adequate stocks are being maintained of parts and consumables in order to prevent any disruption to production. COVID-19 is still an ongoing issue in Kazakhstan and indeed in many countries, however the Management believe the procedures they have in place, such as shift working at the mine, remote working, advance ordering of supplies and consumables, together with the support of the government will ensure that future production will continue.

The Board have considered possible stress case scenarios that they consider may be likely to impact on the Group's operations, financial position and forecasts. Factors considered are operational disruptions, such as illness amongst the workforce, disruption to supply chain and possible impact on the price of gold if this was to fall to pre COVID-19 levels. From the analysis undertaken the Board have concluded that Group will be able to continue to trade by the careful management of its existing resources. The stress tests included the following scenarios amongst others, a fall in the gold price by 18% from current levels, a drop in budgeted production by 20% or a combination of both factors together. In each case the Group would not experience a cash shortfall in either scenario. If required the Group would manage its resources, reducing investment and managing its payables in order to maintain liquidity.

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

3 Revenue

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

	2020	2019
	\$000	\$000
Sale of gold and silver	29,790	14,623
Other sales	242	285
	30,032	14,908

Included in revenues from sale of gold and silver are revenues of US\$29,790,000 (2019: US\$14,623,000) which arose from sales of precious metals to one customer based Kazakhstan. Other sales amounted to US\$242,000 (2019: US\$285,000) and related to lease and rental income.

4 Profit/(loss) per ordinary share

The calculation of basic and diluted earnings per share from continuing operations is based upon the retained profit from continuing operations for the financial year of US\$2.9m (2019: loss of US\$1.3m).

The weighted average number of ordinary shares for calculating the basic loss in 2020 and 2019 is shown below. The company consolidated its shares on a 100:1 basis during the year, the comparative figure of the number of shares has been adjusted accordingly.

The diluted earnings per share in 2020 arises as the convertible loan notes have conversion rights, which would result in an additional 702,650 shares being issued.

As the Company was loss making in 2019, the impact of the potential ordinary shares outstanding from the conversion of the convertible loan notes would be anti-dilutive, and as such the basic and diluted earnings per share are the same.

	2020 No.	2019 No.
Basic	26,070,079	25,677,720
Diluted	26,772,729	n/a

5 Intangible assets

Group	Teren-Sai geological data US\$000	Exploration and evaluation costs US\$000	Total US\$000
Cost or valuation			
At 1 January 2019	9,889	5,919	15,808
Additions	-	552	552
Amortisation capitalised	-	992	992
Currency translation	42	25	67
At 31 December 2019	9,931	7,488	17,419
At 1 January 2020	9,931	7,488	17,419
Additions	-	1,271	1,271
Amortisation capitalised	-	608	608
Currency translation	(905)	(717)	(1,622)
At 31 December 2020	9,026	8,650	17,676
Amortisation			
At 1 January 2019	3,470	-	3,470
Amortisation charge	992	-	992
Currency translation	14	-	14
At 31 December 2019	4,476	-	4,476
At 1 January 2020	4,476	-	4,476
Amortisation charge	608	-	608
Currency translation	(422)	-	(422)
Revenue relating to test production	-	165	165
At 31 December 2020	4,662	165	4,827
Carrying amount			
At 31 December 2020	4,364	8,485	12,849
At 31 December 2019	5,455	7,488	12,943
At 1 January 2019	6,419	5,919	12,338

The intangible assets relate to the historic geological information pertaining to the Teren-Sai ore fields. The ore fields are located in close proximity to the current open pit and underground mining operations of Sekisovskoye. The Company obtained a contract for exploration and evaluation on the site in May 2016 from the Kazakh authorities. The contract is valid for a period of 6 years, with a right to extend over a further 5 years.

The value of the geological data purchased is in the opinion of the Directors the value that would have been incurred if the drilling had been undertaken by a third party (or internally). The Company has continued to develop the site with a CPR completed in 2019, and confirmatory drilling and further exploration work continuing on the site.. Full details are given in the mineral resources statement included as part of the Annual Report.

The directors consider that no impairment is required taking into account the CPR results, exploration and planned production in the future. The write off of the geological data over the period of the licence to the end of the extended licence period in 2027 is appropriate. After that period the costs amortised are capitalised in line with the Company's accounting policy within the subsidiary TOO GMK Altyn MM LLP, there are no impairment indicators.

6 Property, plant and equipment

Group	Mining properties US\$000	Freehold Land and buildings US\$000	Equipment, fixtures and fittings US\$000	Plant, machinery and buildings US\$000	Assets under construction US\$000	Total US\$000
Cost or valuation						
At 1 January 2019	11,730	24,481	9,701	5,047	978	51,937
Additions	2,140	71	239	2,469	301	5,220
Disposals	-	(4)	(34)	(41)	-	(79)
Transfers	-	134	-	-	(134)	-
Currency translation	79	104	39	26	(78)	170
At 31 December 2019	13,949	24,786	9,945	7,501	1,067	57,248
At 1 January 2020	13,949	24,786	9,945	7,501	1,067	57,248
Additions	1,622	166	2,838	2,717	1,246	8,589
Disposals	-	-	(70)	(180)	-	(250)
Transfers	(764)	1,383	(26)	18	(471)	140
Transfer from inventories	-	-	-	-	241	241
Currency translation	(1,543)	(2,285)	(907)	(734)	(110)	(5,579)
At 31 December 2020	13,264	24,050	11,780	9,322	1,973	60,389
Depreciation						
At 1 January 2019	2,220	8,291	8,501	4,534	-	23,546
Charge for year	209	2,133	794	217	-	3,353
Eliminated on disposal	-	(3)	(30)	(40)	-	(73)
Currency translation	12	35	40	19	-	106
Transfers	-	107	(101)	(6)	-	-
At 31 December 2019	2,441	10,563	9,204	4,724	-	26,932
At 1 January 2020	2,441	10,563	9,204	4,724	-	26,932
Charge for the year	520	1,885	773	772	-	3,950
Eliminated on disposal	-	-	(70)	(180)	-	(250)
Currency translation	(232)	(997)	(805)	(441)	-	(2,475)
Transfers	140	(80)	80	-	-	140
At 31 December 2020	2,869	11,371	9,182	4,875	-	28,297
Carrying amount						
At 31 December 2020	10,395	12,679	2,598	4,447	1,973	32,092
At 31 December 2019	11,508	14,223	741	2,777	1,067	30,316
At 1 January 2019	9,510	16,190	1,200	513	978	28,391

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

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

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