Independent Auditor's Report

To the Shareholder and those charged with governance of AzerGold CJSC:

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of AzerGold CJSC (the "Company") and its subsidiaries (together – the "Group") as at 31 December 2024, and the Group's consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Our audit approach

Overview

- Overall Group materiality: USD 2,100,000, which represents 5% of profit before tax.
- We conducted audit work at the Company, in respect of its subsidiaries, we performed audit procedures over significant financial statement line items and analytical procedures.
- The Group engagement team visited the companies within the Group located in Baku and Dashkasan.
- Our audit scope addressed 100% of the Group's revenues and 99% of the Group's absolute value of underlying profit before tax.
- Recoverable value of exploration and evaluation assets, intangible assets and property, plant and equipment.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the consolidated financial statements as a whole.

Overall Group materiality	USD 2,100,000
How we determined it	5% of profit before tax
Rationale for the materiality benchmark applied	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users and is a generally accepted benchmark. We chose 5%, which is consistent with quantitative materiality thresholds used for profit-oriented companies in this sector.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Recoverable value of exploration and evaluation assets, intangible assets and property, plant and equipment Refer to Note 4 - "Critical Accounting Estimates and Judgements in Applying Accounting Policies", Note 9 – "Property and Equipment", Note 11 - "Exploration and Evaluation assets" and Note 12 – "Intangible Assets". As disclosed in Notes 9 and 11, the Company identifies ten cash generating units (CGU). Management applies significant judgment in assessing whether indicators of impairment exist for a CGU which would necessitate impairment testing. Internal and external factors considered by management include commodity prices, foreign exchange rates, capital and production cost forecasts, reserve and resource quantities and discount rates. When impairment indicators exist, management estimates the recoverable amount of the CGU and compares it against the CGU's carrying amount. To prove the absence of impairment indicators the management prepared analysis of internal and external factors, such as the change in discount rate, commodity prices, the capital and production cost forecasts together with the analysis of reserves and resources for Chovdar Integrated, Filizchay, Dashkesan Damir Filiz, Ortakend and Goydagh CGUs. For the impairment assessment of exploration and evaluation assets, the management considered factors such as the estimated reserves and the maturity of licenses. Based on this assessment, assets related to Tutgun, Chaykend, Mazimchay, Kapaz Buzlug Kurekchay and Narchala CGUs were deemed to be fully impaired. This resulted in an additional impairment loss of USD 1,431 thousand being recorded in 2024. The primary reason for impairment in these mines was the uncertainty surrounding reserves. Considering the level of audit risk, significance of exploration and evaluation assets, intangible assets and property and equipment to the financial statements, complexity and high degree of judgement applied in the impairment assessment, as well as estimation uncertainty of the future exploration results, sensitivity of assumptions, including discount rate and growth rate, we considered impairment of exploration and evaluation assets, intangible assets and property and equipment to be a key audit matter.	Our approach to addressing the matter included the following procedures: Obtained understanding of management's process for the assessment of the recoverable amount of exploration and evaluation assets, intangible assets and property and equipment of each CGU. Evaluated the management's assessment/analysis with respect to the existence of indicators of impairment as at 31 December 2024. This included comparing commodity prices and discount rates with external market and industry data and assessing that capital and production cost forecasts are supported by current and past performance of the CGUs and whether these assumptions are aligned with evidence obtained in other areas of the audit, as applicable. Evaluated management's analysis of the reserves and resources quantities by considering the most recent reserves and resources estimates prepared by management's experts. As a basis for using this work, the management's experts' competence, capability and objectivity were evaluated, their work performed was understood and the appropriateness of the experts' work as audit evidence was evaluated by considering the relevance and reasonableness of the assumptions and methods and findings. Tested the exploration and evaluation assets related to Tutgun, Chaykend, Mazimchay, Kapaz Buzlug Kurekchay, Narchala CGUs and analysed the reserves and license terms information to assess the accuracy of the impairment loss recorded. Assessed the completeness and adequacy of the presentation and disclosures regarding the impairment testing performed against the requirements of IFRS.

How we tailored our Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

We identified the Company and its subsidiaries as significant components of the Group. We conducted an audit of the significant component's financial information.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Fahri Mustafayev.

PricewaterhouseCoopers Audit Azerbaijan LLC

Baku, Azerbaijan

24 July 2025

In thousands of US Dollars	Note	31 December 2024	31 December 2023
ASSETS			
Non-current assets			
Property, plant and equipment	9	204,221	225,032
Investment properties	10	49,252	-
Right-of-use assets	13	4,716	5,623
Exploration and evaluation assets	11	21,443	19,187
Intangible assets	12	37,852	42,018
Inventories	14	26,002	-
Trade and other receivables	15	-	3,216
Prepayments	16	1	408
Deferred tax assets	29	-	55
Total non-current assets		**343,487**	**295,539**
Current assets			
Cash and cash equivalents	20	16,121	36,176
Term deposits	21	47,075	33,449
Prepayments	16	11,163	11,257
Trade and other receivables	15	7,713	488
Inventories	14	43,959	68,163
Other current assets	19	18,830	23,064
Total current assets		**144,861**	**172,597**
TOTAL ASSETS		**488,348**	**468,136**
EQUITY			
Share capital	22	36,471	36,471
Additional paid-in capital	22	182,226	133,003
Retained earnings		180,835	147,111
Equity attributable to the Group's owners		**399,532**	**316,585**
Non-controlling interest	31	**250**	**664**
TOTAL EQUITY		**399,782**	**317,249**
LIABILITIES			
Non-current liabilities			
Borrowings	23	25,242	57,135
Lease liabilities	13	3,867	4,724
Deferred tax liabilities	29	4,135	3,753
Provision for rehabilitation	18	15,682	14,711
Total non-current liabilities		**48,926**	**80,323**
Current liabilities			
Trade and other payables	17	10,839	18,645
Borrowings	23	3,155	35,925
Current income tax payable		21,478	12,990
Lease liabilities	13	1,080	1,037
Other current liabilities	19	3,088	1,967
Total current liabilities		**39,640**	**70,564**
TOTAL LIABILITIES		**88,566**	**150,887**
TOTAL LIABILITIES AND EQUITY		**488,348**	**468,136**

Approved for issue and signed on 24 July 2025.

Zakir Ibrahimov
Chairman of the Executive Board

Turan Hajiyev
Head of Finance Department

The accompanying notes on pages 5 to 46 are an integral part of these consolidated financial statements.

In thousands of US Dollars	Note	2024	2023
Revenue from contracts with customers	24	182,690	135,355
Cost of sales	25	(114,549)	(93,153)
Gross profit		**68,141**	**42,202**
General and administrative expenses	26	(27,051)	(24,884)
Impairment of exploration and evaluation assets	11	(1,431)	(175)
Impairment reversals on intangible assets and property, plant and equipment	9,12	-	11,362
Net impairment reversals on financial assets	15,21	7	625
Other operating expense		(17)	-
Other income	27	3,993	6,126
Operating profit		**43,642**	**35,256**
Finance costs	28	(4,391)	(3,331)
Finance income		2,726	2,513
Profit before income tax		**41,977**	**34,438**
Income tax expense	29	(8,955)	(7,210)
PROFIT FOR THE YEAR		**33,022**	**27,228**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**33,022**	**27,228**
Profit/(loss) is attributable to:			
- Owners of the Group		33,724	27,490
- Non-controlling interest	31	(702)	(262)
Profit for the year		**33,022**	**27,228**
Total comprehensive income is attributable to:			
- Owners of the Group		33,724	27,490
- Non-controlling interest	31	(702)	(262)
Total comprehensive income for the year		**33,022**	**27,228**

In thousands of US Dollars	**Note**	**Attributable to owners of the Group** Share capital	**Additional paid-in capital**	**Retained earnings**	**Total**	**Non-controlling interest**	**Total Equity**
Balance at 1 January 2023		**36,471**	**106,532**	**119,621**	**262,624**	**926**	**263,550**
Additons to additional paid-in capital	22	-	26,471	-	26,471	-	26,471
Profit/(loss) for the year		-	-	27,490	27,490	(262)	27,228
Total comprehensive income/(loss) for the year		-	-	27,490	27,490	(262)	27,228
Balance at 31 December 2023		**36,471**	**133,003**	**147,111**	**316,585**	**664**	**317,249**
Additions to share capital	22	-	-	-	-	288	288
Additons to additional paid-in capital	22	-	49,223	-	49,223	-	49,223
Profit/(loss) for the year		-	-	33,724	33,724	(702)	33,022
Total comprehensive income/(loss) for the year		-	-	33,724	33,724	(702)	33,022
Balance at 31 December 2024		**36,471**	**182,226**	**180,835**	**399,532**	**250**	**399,782**

In thousands of US Dollars	**Note**	**2024**	**2023**
Cash flows from operating activities			
Profit before income tax		41,977	34,438
Adjustments for:			
Interest expense	28	4,227	4,299
Interest income		(2,726)	(2,513)
Depreciation and depletion of property, plant and equipment	9	41,095	31,905
Depreciation of right-of-use assets	13	1,170	883
Amortization and depletion of intangible assets	12	3,970	3,037
Impairment of exploration and evaluation assets	11	1,431	175
Impairment reversals of property, plant and equipment	9	-	(7,137)
Gains on disposals of right-of-use assets	13	(13)	(4,225)
Net impairment gains on financial assets	15,21	(7)	(625)
Unwinding of discount on rehabilitation provision	18	164	559
Net foreign exchange loss		-	2
Other non-cash operating expense		423	527
Operating cash flows before working capital changes		**91,711**	**61,325**
(Increase)/decrease in trade and other receivables		(4,038)	3,074
Decrease/(increase) in other current assets	19	4,245	(3,677)
Decrease in inventories	14	978	(31,598)
Decrease/(increase) in current prepayments	16	94	(4,846)
Decrease in trade and other payables	17	(7,835)	(4,939)
Increase in other current liabilities		1,123	163
Changes in working capital		**(5,433)**	**(41,823)**
Net cash from operating activities		**86,278**	**19,502**
Cash flows from investing activities			
Expenditure on property, plant and equipment and mine development	9	(22,228)	(74,697)
Non-current prepayments		407	(407)
Investment in exploration and evaluation assets	11	(3,687)	(3,616)
Investment in other intangible assets	12	(55)	(352)
Investment in term deposits		(94,773)	(70,587)
Withdrawal of term deposits		80,653	100,000
Interest received on term deposits		2,218	2,193
Interest received on demand deposits		994	-
Net cash used in investing activities		**(36,471)**	**(47,466)**
Cash flows from financing activities			
Additional paid-in capital	22	288	26,471
Proceeds from loans and borrowings	23	66,130	135,018
Proceeds from bond issuance	23	20,000	-
Repayments of loans and borrowings – principal	23	(150,873)	(98,979)
Repayment of lease liabilities	13	(1,064)	(1,063)
Interest paid	13,23	(4,343)	(4,108)
Net cash (used in)/from financing activities		**(69,862)**	**57,339**
Cash and cash equivalents at the beginning of the year	20	**36,176**	**6,801**
Cash and cash equivalents at the end of the year	20	**16,121**	**36,176**