CLASSIFICATION OF GEOLOGICAL RESOURCES AND RESERVES

Classification of Mineral Resources and Ore Reserves in accordance with the JORC Code

Mineral Resource	concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such a form that there are reasonable prospects for the eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided into *Inferred*, *Indicated* and *Measured* categories.
***Inferred* Resource**	that part of a Mineral Resource for which the tonnage and grade and mineral content can be estimated with a low level of confidence. It is inferred from the geological evidence and has assumed but not verified geological and/or grade continuity. It is based on information gathered through the appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability.
***Indicated* Resource**	that part of a Mineral Resource which has been sampled by drill holes, underground openings or other sampling procedures at locations that are too widely spaced to ensure continuity but close enough to give a reasonable indication of continuity and where geoscientific data are known with a reasonable degree of reliability. An Indicated Resource will be based on more data and therefore will be more reliable than an *Inferred* Resource estimate.
***Measured* Resource**	that part of a Mineral Resource for which the resource has been intersected and tested by drill holes, underground openings or other sampling procedures at locations which are spaced closely enough to confirm continuity and where geoscientific data are reliably known. A measured resource estimate will be based on a substantial amount of reliable data, interpretation and evaluation which allows a clear determination to be made of the shapes, sizes, densities and grades.

CLASSIFICATION OF GEOLOGICAL RESOURCES AND RESERVES

Ore Reserve
economically mineable part of a *Measured* or *Indicated* Mineral Resource only. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could be reasonably justified. Ore Reserves are sub-divided in order of increasing confidence into Probable and Proven.

Note: *Inferred* Resources are not included in any estimation of an Ore Reserve under the JORC Code.

Probable Ore Reserve
the economically mineable part of an *Indicated*, and in some circumstances *Measured* Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified.

Proven Ore Reserve
the economically mineable part of a *Measured* Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified.

Standards to which Mineral Resources have been reported in this prospectus

JORC-Compliant
Mineral Resources and Ore Reserves that have been modelled and classified in accordance with the "Guidelines of the JORC Code (2004)".

CLASSIFICATION OF GEOLOGICAL RESOURCES AND RESERVES

CAUTIONARY NOTE TO INVESTORS CONCERNING MEASURED, INDICATED AND INFERRED RESOURCES

This prospectus uses the terms "*Measured*", "*Indicated*" and "*Inferred*" Resources, including categories thereof, which are terms used under the JORC Code for reporting Mineral Resources. "*Inferred* Resources" have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. It cannot be assumed that all or any part of the "*Inferred* Resources" will ever be upgraded to a higher category. *Inferred* Resources are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorised as mineral reserves. Therefore, investors are cautioned not to assume that all or any part of the these resources exist, or that they can be mined legally or economically. **Potential investors should not place undue reliance on the information contained herein regarding *Inferred* Resources.**

In addition, in this prospectus *Indicated* Resources and *Measured* Resources are only included in any economic analyses where: (a) the basis on which they are considered to be economically extractable is explained and they are appropriately discounted for the probabilities of their conversion to Ore Reserves, and (b) all assumptions have been clearly disclosed, as required pursuant to Listing Rule 18.30 (3).

NOTE TO INVESTORS CONCERNING PREVIOUSLY PUBLISHED RUSSIAN SYSTEM DATA

This prospectus contains JORC-Compliant data in relation to the Group's mining assets in accordance with Chapter 18 of the Listing Rules. Future disclosure of the Group's Ore Reserves and Mineral Resources will continue to comply with Chapter 18 of the Listing Rules.

The Group has historically produced reserve and resource data for its operations in Russia in accordance with the Russian System in order to satisfy relevant Russian regulatory requirements and for its own internal geological purposes. This information is publicly available, having been disclosed to the market in accordance with UK requirements which applied to the Group from time to time. It has not been included in the prospectus as Russian System reserve and resource data does not meet the current requirements of the Listing Rules.

The Sponsor does not consider that the omission of the Russian System reserve and resource data for the Group's mining assets will result in the omission of material information from the prospectus.