



## DIVIDEND POLICY

Approved by the Board of Directors of Eurasia Mining PLC on December 31 2021.

### 1. TERMS AND DEFINITIONS

For the purposes of this Dividend Policy, the following terms and definitions shall have the meaning as defined below:

**Act** means UK Companies Act 2006.

**Adjusted EBITDA** means the indicator calculated according to the Consolidated Statements as the sum of operating profit, amortization, impairment loss or reversal of an impairment loss for financial and non-financial assets less an estimated allowance for expected credit losses on receivables and an allowance for impairment of advances issued and prepayment.

**Applicable Law** means the applicable UK law.

**Articles** means the Articles of Association of the Company (as revised in 2021).

**Board of Directors** means the Board of Directors of the Company.

**Company** or **Eurasia** means Eurasia Mining PLC.

**Consolidated financial statements** means consolidated financial statements of Eurasia and its subsidiaries, prepared in accordance with International Financial Reporting Standards (IFRS).

**Dividends** mean any income received by a shareholder from the Company in the course of the distribution of profit remaining after taxation on the shares owned by the shareholder based on the number of shares held by the shareholder.

**Market Capitalization** means the market value of the Company's share capital, being equal to the product of the price of the Company's ordinary shares in issue and the number of the Company's ordinary shares in issue

**Net profit** means the indicator "Profit for the year attributable to the shareholders of Eurasia" in the consolidated statement of comprehensive income as part of the annual Consolidated Statements.

**Net debt (adjusted)** means the indicator calculated according to the Consolidated Statements as the total amount of borrowed funds (short-term loans and borrowings, the current part of

long-term debt on loans and borrowings, short-term bills payable, long-term loans and borrowings, long-term bills payable) for deduction of cash and cash equivalents (including deposits included in other current and non-current assets).

**Net Debt (Adjusted) / Adjusted EBITDA** is a value calculated by dividing Net Debt (Adjusted) at the reporting date by Adjusted EBITDA for the 12 months prior to the reporting date.

**Policy** means this dividend policy.

**Register** means the register of the Company shareholders.

**Registrar** means a legal entity that maintains the Register based on an agreement concluded with the Company and the activities of which are governed by the Applicable Law.

## 2. GENERAL PROVISIONS

**2.1.** This Policy has been prepared in accordance with the Act, the QCA Corporate Governance Code adopted by the Company and establishing the main principles of the Company's corporate governance, the Company's Articles and internal policies.

**2.2.** The purpose of this Policy is to provide a high degree of transparency to the shareholders and other interested parties as regards the calculation of the dividend amount and to explain the principles applied by the Board for the preparation of the recommendation to the Company general meeting on the dividend amount.

**2.3.** This Policy is based on a strict compliance with Applicable Law, the promotion of shareholders rights, a balance of interests of the Company and its shareholders and intends to increase the income of shareholders through the payment of dividends as well as an increase of the Company's Market Capitalization.

## 3. RESOLUTION ON PAYMENT (DECLARATION) OF DIVIDEND

**3.1.** The decision on the payment (declaration) of dividend is taken by the Company general meeting at its discretion. The Company general meeting may resolve not to pay (declare) dividend.

**3.2.** The Board recommends the amount of dividend to the Company general meeting in accordance with the Law, the Articles and this Policy.

**3.3.** The payment of the declared dividend is an obligation of the Company. The Company shall be liable before the persons entitled to receive dividend for the failure to perform this obligation in accordance with the Applicable Law.

## 4. PRINCIPLES AND PROCEDURE FOR CALCULATING THE DIVIDEND AMOUNT

4.1. When determining the dividend amount, the following factors shall be taken into account:

- provisions of the Applicable Law, the Articles of Association and internal documents of the Company;
- rights and interests of Company shareholders;
- the Company's goal to meet highest standards of corporate governance;

- ensuring maximum transparency of the procedure of determining the dividend amount and its payment;
- balancing short-term (receiving income) and long-term (development of the Company) interests of the shareholders;
- focus on increasing the investment attractiveness and Market Capitalization of the Company;
- recognition of dividends as one of the key indicators of the Company's investment attractiveness.

**4.2.** The calculation of the dividend amount is based on the amount of Net Income adjusted ("Adjusted Net Income") by:

- profit (loss) on exchange rate differences, reflected in finance income and expenses;
- exchange rate differences by operating items;
- impairment loss (reversal of impairment loss) of property, plant and equipment and construction in progress;
- an impairment loss (reversal of an impairment loss) of investments in associated entities and joint ventures;
- the difference between the share of profits of associated entities and joint ventures and proceeds from associated entities and joint ventures.

**4.3.** The amount of dividend per share is determined by dividing the amount of funds allocated for the payment of dividend, the amount of which is determined in accordance with clauses 4.2 or 4.6 of this Policy, by the total number of outstanding ordinary shares of the Company. The result shall be rounded to the second decimal place. The total amount of funds allocated for the payment of dividend shall be adjusted based on the results of determining the amount of dividend per share (rounded to the second decimal place).

**4.4.** The dividend amount shall be recommended by the Board.

The target dividend amount is at least 80% of the Adjusted Net Income.

**4.5.** If the Net debt (adjusted) / Adjusted EBITDA indicator for the financial year exceeds 2.5, the Board may decide to reduce the dividend amount calculated in accordance with clause 4.2 of this Dividend Policy.

**4.6.** If, at the time of preparation of recommendation on the dividend amount, the preparation of the Consolidated Financial Statements for the reporting period and its audit have not been completed, the Board may propose to establish the dividend amount based on the expected Net Profit amount. In such event the dividend amount shall be adjusted based on the Net profit reflected in the Consolidated Financial Statements as of the date of the Company general meeting declaring the dividend.

**4.7.** The Directors may from time to time resolve to pay interim dividends to the shareholders as appears to the Directors to be justified by the distributable profits of the Company.

**4.8.** The deferred shares shall not entitle the holders thereof to receive any dividend. No dividend shall be paid on the shares held by the Company.

**4.9.** No dividend may exceed the amount recommended by the Board.

## **5. THE PAYMENT OF DIVIDEND**

**5.1.** The payment of dividend shall be made in accordance with the Law, the Articles and this Policy.

**5.2.** The Board may deduct from any dividend payable to any shareholder on or in respect of a share all sums of money, if any, presently payable by that shareholder to the Company on account of calls or otherwise in relation to the shares of the Company.

**5.3.** Any dividend payable on or in respect of a share may be paid by electronic transfer, cheque or other form of payment (the "Payment") sent through the post to the registered address of the shareholder or person entitled to it.

In the case of joint holders, cheque or warrant may be sent to any one of such joint holders or to such person and such address as the holder or joint holders may in writing direct.

Every such Payment will be made payable to the order of the person to whom it is sent or to such other person as the holder may in writing direct.

**5.4.** The Payment is a good discharge to the Company.

**5.5.** The shareholders of the Company are advised to promptly notify the Registrar and / or the nominee (depository) of any changes in their contact details required for the payment of dividends. The Company and the Registrar are not liable for non-payment and (or) untimely payment of dividends and losses incurred in connection with it due to the Company and the Registrar lacking accurate contact details (address) and bank details of the shareholder.

**5.6.** All dividends payable and for the reasons beyond the Company's control unclaimed for one year, after having been declared, may be invested, or otherwise made use of by the Board for the benefit of the Company until claimed and the Company is not constituted a trustee in respect of such unclaimed dividends. No dividend will bear interest as against the Company.

**5.7.** Any dividend which has remained unclaimed for a period of 12 years from the date on which it becomes due for payment will, if the Directors so resolve, be forfeited and cease to remain owing by the Company and will from then on belong to the Company absolutely.

## **6. DISCLOSURE OF INFORMATION**

**6.1.** The Company ensures the transparency of its dividend policy by posting relevant information on its official website on the Internet at: <https://www.eurasiamining.co.uk>.

**6.2.** Information on the resolution of the Company general meeting to pay any dividend, including the amount, time, form and procedure for dividend, is published on the Company's website on the Internet, as well as in the section of the regulatory news service on the website of the London Stock Exchange at: <https://www.lseg.com/areas-expertise/market-information/regulatory-news-service>.

## **7. PROCEDURE FOR APPROVAL AND ACTION OF THE DIVIDEND POLICY**

**7.1.** This Policy was approved, can be amended or supplemented at the decision of the Board.

**7.2.** This Policy comes into force from the date of its approval by the Board.

**7.3.** The issues not regulated by this Policy are governed by the Applicable Law and the Articles (Article 57). In the event of a conflict between this Policy and the provisions of the Law and / or the Articles, the Law and the Articles shall prevail.

**7.4.** Any invalidity of any provisions of this Policy does not affect the validity of the remaining provisions and (or) the Policy as a whole.