MINUTES

of the dialogue between JSC Atomredmetzoloto and stakeholders on the topic:
'50th anniversary of the town of Krasnokamensk and uranium mining development prospects in the regions of operation of the Holding Company'

**Venue:** 22, Bolshoy Drovyanoy Lane, Moscow

Big conference room (ground floor)

**Date and time:** February 17, 2020, 10:00 a.m. – 12:30 p.m.

AGENDA:

1. ROSATOM's sustainable development initiatives
2. Performance of JSC Atomredmetzoloto in 2019
3. Strategic development prospects of ARMZ Uranium Holding Company
4. Localization of production of high-technology self-propelled mining machines manufactured by ARAMINE (France) in Russia
5. Year of the Golden Anniversary
6. PJSC PIMCU: performance in 2019 and plans for 2020
7. JSC Khiagda: 2019 in review. Plans for 2020
8. JSC Dalur: performance in 2019 and plans for 2020

PARTICIPANTS:

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| 1 | **Moderator:**Victoria Dolina | Moderator, Head of Corporate Social Responsibility and Non-Financial Reporting |
|  | **JSC Atomredmetzoloto:** |
| 2 | Victor Svyatetsky | First Deputy Director General, Chief Operating Officer |
| 3 | Oleg Barabanov | First Deputy Director General |
| 4 | Alexander Burutin | Deputy Director General for Strategy |
| 5 | Alexander Dobrov | Deputy HR Director, Head of Compensations, Benefits and HR Records Management |
| 6 | Alexey Drachev | Deputy Chief Operating Officer, Head of Production and Economic Planning and Controlling |
| 7 | Ivan Krupyanko | Head of Corporate Communications |
| 8 | Anastasia Lukina | Manager in the Economics and Budgeting Department |
| 9 | Ekaterina Safonova  | Head of Strategic Planning |
| 10 | Nikolay Smerechansky  | Chief Asset Protection Specialist in the Control and Security Unit |
|  | **ROSATOM:** |
| 11 | Polina Lion | Chief Sustainability Officer |
| 12 | Maxim Makarenko | Project Manager in the Project Office for Sustainable Development Programmes |

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|  | **Industry partners:** |
| 13 | Nikolay Grebenkin | Head of the Department for Uranium, Rare Metals and Fuel Solid Minerals, Federal State Budget Institution N.M. Fedorovsky All-Russian Scientific Research Institute of Mineral Resources (FSBI VIMS) |
| 14 | Grigory Mashkovtsev | Director General of FSBI VIMS |
| 15 | Alexander Chernikov | Senior Manager in the Strategy and Marketing Department |
|  | **Subsidiaries of JSC Atomredmetzoloto:** |
|  | *PJSC PIMCU (Krasnokamensk, Zabaykalsky Territory):* |
|  |
| 16 | Ivan Kiselev | Director General |
| 17 | Chimita Badmadorzhieva | Chief Editor of the *Gornyak Priargunya* ('Priargunsk Miner') newspaper |
| 18 | Alyona Orlova | Head of the youth movement under the Trade Union of PJSC PIMCU |
| 19 | Oleg Proskuryakov | First Deputy Director General for Development of PJSC PIMCU |
| 20 | Igor Mudrak | Commander of the Special Paramilitary Mine Rescue Team of PJSC PIMCU |
| 21 | Vladimir Sergeev | Deputy Director General for Capital Construction of PJSC PIMCU |
| 22 | Anastasia Tyutikova | Head of Social Programmes |
| 23 | Evgeny Tseluyko | Technical Editor of the *Gornyak Priargunya* newspaper |
| 24 | Oleg Scheblykin | PR and Media Relations Director of PJSC PIMCU |
| 25 | Olga Scherbakova | HR Director |
| 26 | Inna Yanenko | Internal Communications Specialist |
|  | *JSC Dalur (Dalmatovsky District, Uksyanskoye village)* |
| 27 | Leonid Ivanchikov | Deputy Director for Production |
| 28 | Nikolay Poponin | Director General |
| 29 | Yulia Kononova | Head of the Legal Department |
| 30 | Nikolay Lutsenko | Deputy Director for Production |
|  | *JSC Khiagda (Republic of Buryatia, Bauntovsky District, Bagdarin village)* |
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| 31 | Andrey Gladyshev | Director General |
| 32 | Daria Dyshlyuk | Leading Specialist on Internal Communications and Corporate Culture |
| 33 | Artyom Mikhaylov | Deputy Director General |
| 34 | Marianna Naymushina | Chief Legal Adviser on Corporate Affairs |
|  | *PJSC First Ore-Mining Company* |  |
| 35 | Igor Semyonov | Deputy Director General |
|  | **Local governments:** |
| 36 | Andrey Anosov (at the Dalur site) | Deputy Head of Administration of the Dalmatovsky District |
| 37 | Yury Didenko (at the PIMCU site) | Head of Administration of the town of Krasnokamensk |
| 38 | Olga Kanunnikova (at the PIMCU site) | Deputy Head of Administration of the town of Krasnokamensk |
| 39 | Boris Kolesaev (at the PIMCU site) | Chairman of the Council of the town of Kransnokamensk and the Krasnokamensky Municipal District |

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| 40 | Andrey Zyryanov (at the PIMCU site) | Deputy of the Council of the town of Krasnokamensk |
| 41 | Nikolay Kovalev (at the Khiagda site) | Head of Administration of the Bauntovsky District municipality |
|  | **Local communities:** |
| 42 | Nadezhda Bendyuzhik (at the Dalur site) | Director of Municipal State-Owned Educational Institution Uksyanskaya School, Kurgan Region |
|  | **Expert community:** |
| 43 | Zhan Zagidullin | CEO of DA-Strategy Agency for Corporate Development, member of the Board of the Russian Union of Industrialists and Entrepreneurs on Non-Financial Reporting |
|  | **Environmental organizations:** |
| 44 | Tatyana Evseenkova | Environmental engineer at the Vernadsky Non-Governmental Environmental Foundation |
|  | **Scientific community:** |
| 45 | Vladimir Barilenko | Deputy Head of the Accounting, Analysis and Audit Department of the Financial University under the Government of the Russian Federation, Doctor of Science (Economics), Professor |
| 46 | Olga Efimova | Professor at the Financial University under the Government of the Russian Federation, Doctor of Science (Economics) |
|  | **Trade unions:** |
| 47 | Natalia Dmitrieva | Chair of the Trade Union of PJSC PIMCU |
| 48 | Alyona Orlova (at the PIMCU site) | Head of the youth movement under the Trade Union of PJSC PIMCU |
|  | **Veteran organizations:** |
| 49 | Anatoly Petrin | Veteran, employee of FSBI VIMS |
| 50 | Nikolay Petrukhin | Chairman of the Veterans' Council of ARMZ |
|  | **Non-governmental organizations:** |
| 51 | Anatoly Vylkovysky | Employee of the Regina Yuryeva Foundation |
| 52 | Regina Yuryeva | Director of the Regina Yuryeva Foundation |

Ahead of the meeting, the following materials were circulated to the participants:

* the programme of the dialogue,
* a questionnaire,
* electronic versions of the presentations:
1. Performance of JSC Atomredmetzoloto in 2018
2. Business Diversification in ARMZ Uranium Holding Company
3. 50 Years of Accomplishments for New Achievements
4. Strategic Development Prospects of ARMZ Uranium Holding Company
5. JSC Khiadga: 2018 in Review. Plans for 2019
6. JSC Dalur: Performance in 2018 and Plans for 2019
7. JSC VNIPIpromtekhnologii: Performance in 2018 and Plans for 2019
8. Review of the 2017/2018 Reporting Campaign; Draft Concept of the Annual Report of JSC Atomredmetzoloto for 2018

SPEAKERS:

**Victoria Dolina, the moderator of the dialogue,** informed the participants about the goals, objectives and programme of the dialogue and the rules of procedure. It was announced that, starting from 2020, a different reporting format would be used when preparing the report for 2019: instead of a separate public report of ARMZ, the company would prepare reporting materials for the 'Mining Division' appendix to ROSATOM's annual report.

The speaker formulated the prioritized topic of the reporting materials: the 50th anniversary of the town of Krasnokamensk and uranium mining development prospects in the regions of operation of the Holding Company.

ITEM No. 1:

SPEAKERS:

Polina Lion, topic: ROSATOM's sustainable development initiatives.

The speaker outlined ROSATOM's approach to introducing sustainable development principles in the industry. The key objective set in the Climate Change Agenda is to fulfil the COP21 commitments and reduce CO2 emissions. Polina Lion stated that it was advisable to adhere to the 10 principles of the UN Global Compact in the course of business operations, including reflecting those principles in local regulations. She also outlined ROSATOM's contribution to the achievement of the UN Sustainable Development Goals in Russia. ROSATOM's plans for 2020 include participating in an international sustainability ranking and introducing a system of ESG metrics and sustainable development indicators in ROSATOM, its Divisions and individual product areas.

The participants of the dialogue asked follow-up questions.

The presentation accompanying the report is provided in Appendix 1.

ITEM No. 2:

SPEAKERS:

Victor Svyatetsky, topic: Performance of JSC Atomredmetzoloto in 2019.

The speaker stated that the mission of ARMZ Uranium Holding Company consisted in supplying the nuclear industry with uranium. He also emphasized that safety was the top priority for the company. Speaking of performance against key targets for 2019, the speaker highlighted the fact that manufacturing enterprises had fully met coal and uranium production targets. Scandium recovery technology was piloted at the industrial site of JSC Dalur; scandium oxide with a purity of at least 99.9% was produced.

The participants of the dialogue asked follow-up questions.

ITEM No. 3:

SPEAKERS:

**Oleg Barabanov, topic: Business diversification at JSC Atomredmetzoloto.**

The speaker pointed out that non-uranium businesses had accounted for 25% of the company's revenue for 2019. Service companies JSC VNIPIpromtekhnologii and JSC RUSBURMASH reported a multiple increase in external revenue.

New business projects are being actively developed in a variety of areas, such as mining and processing of strategically important rare and rare-earth metals (vanadium, molybdenum, scandium, etc.), manufacture of load-haul-dump machines and sized coal production.

The participants of the dialogue asked follow-up questions.

ITEM No. 4:

SPEAKERS:

**Igor Semyonov, topic: Status of the project to localize the production of self-propelled mining machines manufactured by ARAMINE (France).**

The speaker reported on the organization of and progress on the production of substitutes for imported battery-powered narrow-vein load-haul-dump (LHD) machines at the PIMCU Repair and Mechanical Plant. He outlined the key characteristics of the LHD machines and described their production (the transfer of technology, the sectionalization of the machines, etc.).

The participants of the dialogue asked follow-up questions.

The presentation accompanying the report is provided in Appendix 2.

ITEM No. 5:

SPEAKERS:

Alexander Burutin, topic: Strategic development prospects of JSC Atomredmetzoloto.

In his report, the speaker pointed out that in 2019, the volatility of spot market quotations had been relatively low, with prices staying within the USD 24-26/lb of U3O8 range for most of the year. Describing the supply and demand balance on the global market, the speaker pointed to the anticipated reduction in uranium production at existing assets (in Kazakhstan, Australia, Niger and other countries) due to the depletion of the most cost-effective reserves. In order to meet growing demand for uranium driven by the commissioning of new NPPs in China, India and the Middle East and to compensate for the decline in production at existing assets, new, more 'costly' projects will need to be launched.

Describing the development of uranium mining assets operated by ARMZ, Alexander Burutin stated that PJSC PIMCU planned to continue cost-effective extraction of remaining reserves from existing mines until 2030 and to put Mine No. 6 into operation on schedule. It is also intended that balanced production growth will be achieved by using a cost-effective and environmentally friendly drillhole in-situ leaching technique at JSC Dalur and JSC Khiagda.

The participants of the dialogue asked follow-up questions.

ITEM No. 6:

SPEAKERS:

Yury Didenko, topic: Year of the Golden Anniversary.

In his report, the speaker provided key statistical data over the 50-year history of the town. Yury Didenko reported on the renovation of the Miners' Square and the garden square near apartment blocks 619-621, the construction of sports facilities and children's playgrounds, and the installation of a signpost at the entrance to the town. During the anniversary year, 500 events were held at various venues across the town; they were attended by 25,000 people. 1,224 residents of Krasnokamensk and more than 20 organizations located in the town received awards. Events held during the year included the 8th Zabaykalsky International Film Festival, establishment of cadet classes, the grant competition held by ARMZ, an educational forum titled From Social Initiatives to Social Entrepreneurship, etc.

The participants of the dialogue asked follow-up questions.

The presentation accompanying the report is provided in Appendix 3.

**ITEM No. 7:**

**SPEAKERS:**

**Ivan Kiselev, topic: Performance of PJSC PIMCU in 2019 and plans for 2020.**

In 2019, ore, metal and natural uranium concentrate production totalled 107%, 106% and 104% of the target respectively. The speaker pointed out that, although the injury rate at PJSC PIMCU had decreased by 71.05% since 2012, nevertheless there had been three accidents. Causes of the accidents included non-compliance with occupational and industrial safety rules, inattention and negligence, lack of understanding between teammates and a lack of discipline in the course of operations. The speaker emphasized that a zero injury rate is an achievable goal. Accidents at work and occupational diseases are not inevitable; they always have certain causes, which means that they can be foreseen and prevented by taking proactive measures. ROSATOM has joined the Vision Zero international campaign. Vision Zero is based on the belief that all accidents at work are preventable.

Speaking of operational objectives for 2020, Ivan Kiselev highlighted the construction of Mine No. 6, the start of transition to heap leaching and a reduction in natural uranium concentrate output by a factor of 1.5.

ITEM No. 8:

SPEAKERS:

**Nikolay Poponin, topic: JSC Dalur: performance in 2019 and plans for 2020.**

The speaker presented the highlights of the year and reported that uranium production and finished product output had totalled 103.7% of the target; finished product sales had totalled 103.9% of the target, while production costs had been reduced by 6%. Pilot operations continued as part of the Scandium Mining project, and high-purity scandium oxide with a purity of 99.9% was produced. Scheduled scandium production optimization activities were successfully completed. Nikolay Poponin announced the start of commercial development of the Khokhlovskoye uranium deposit. In October 2019, geological exploration was initiated at the Dobrovolnoye deposit.

In his report, the speaker also outlined plans for 2020, which include: obtaining a positive opinion from Federal Autonomous Institution Main Department of State Expertise of Russia (Glavgosexpertiza) for the project to complete the construction of an in-situ leaching facility at the Dalmatovskoye uranium deposit; renovating the sulphuric acid storage facility at the Dalmatovskoye deposit; completing the construction of phase 1 facilities at the Khokhlovskoye deposit as part of the project to build railroad facilities and the control centre of the pilot site at the Khokhlovskoye deposit; completing all field geological surveys at the Dobrovolnoye deposit.

The presentation accompanying the report is provided in Appendix 5.

The participants of the dialogue asked follow-up questions.

**ITEM No. 9:**

**SPEAKERS:**

**Andrey Gladyshev, topic: JSC Khiagda: 2019 in review. Plans for 2020.**

The speaker pointed out that uranium sales and revenue totalled 100.2% and 103% of the target respectively. Key achievements of JSC Khiagda in 2019 included completing the first phase of construction and obtaining permission for the commissioning of a power generation unit at the Dzhilinda 110/10 kV substation, and obtaining a certificate of compliance from the Federal Service for Environmental, Technological and Nuclear Supervision (Rostekhnadzor) for the repair and storage facilities built by the company. At the Vershinnoye deposit, construction and installation was completed for the first phase of the in-situ leaching site; construction and installation are underway as part of the hook-up of process units forming part of the second phase of the in-situ leaching site.

Andrey Gladyshev highlighted the successful implementation of the Smart Mine and Smart Hard Hats projects and the introduction of electronic health check-ups for drivers.

**ITEM No. 10:**

**SPEAKERS:**

**Victoria Dolina, topic: Review of the 2018/2019 reporting campaign.**

The moderator of the dialogue reminded that 2020 marked a double anniversary: the 75th anniversary of the nuclear industry and the 75th anniversary of the Victory in the Great Patriotic War.

Victoria Dolina presented a brief review of the reporting campaign and highlighted the key achievements: the Breakthrough of the Year Certificate and the 15th position (out of 1,192) in the 2019 corporate transparency ranking of major Russian companies; the winner's certificate in the Best Annual Report of a Non-Public Company category in the ranking of annual reports for 2018 compiled by the Expert-RA rating agency, and the Gold Award in the Print Media. Annual Report. Corporation category in the MarCom Awards international competition in the US.

The speaker pointed out that, starting from 2020, instead of an integrated public annual report, ARMZ would publish a separate appendix, Mining Division, forming part of ROSATOM's integrated public report.

The participants of the dialogue asked follow-up questions.

The presentation accompanying the report is provided in Appendix 4.

**ITEM No. 11. Remarks by stakeholder representatives** (recommendations/suggestions/enquiries on the topic of the dialogue)

**SPEAKERS:**

**Alexander Burutin**

Alexander Burutin suggested disclosing more information on regional environmental initiatives.

Vladimir Barilenko

Vladimir Barilenko suggested that the reporting materials should contain more information on the stakeholder engagement system.

Zhan Zagidullin

Zhan Zagidullin made the following suggestions:

* He suggested that the reporting materials should contain more information on environmental impact management, including an explanation of how the funds allocated for environmental projects are spent.
* He suggested providing more information on biodiversity conservation programmes, i.e. providing a breakdown of the relevant expenses.
* He asked whether the Mining Division was participating in the Transparency Rating of Environmental Responsibility of Mining and Metals Companies Operating in Russia, and pointed out that PJSC PIMCU was participating in this initiative (ranked 21). He recommended joining the initiative.
* He recommended disclosing more information on energy efficiency management.
* He recommended disclosing information on adjusting to climate change, perhaps as part of industry-wide programmes being implemented by ROSATOM.
* He recommended disclosing more detailed information on occupational safety and health, given that in 2019, there were three accidents, but the report does not provide sufficient information on specific accident prevention measures, i.e. a description of the safety culture.

Olga Efimova

Olga Efimova suggested disclosing more information on climate and its impact on the company's projects, including those in the Arctic.

Anatoly Petrin

Anatoly Petrin stated that he believed that existing coal reserves would last for 15 or 16 years, and asked what the company intended to do afterwards.

He suggested that the reporting materials should indicate the precise volume of uranium production in tonnes, rather than as a percentage, and indicate the cost of uranium production.

ITEM No. 12. Remarks by representatives of JSC Atomredmetzoloto. Response to stakeholders' requests and proposals.

The representatives of JSC Atomredmetzoloto thanked stakeholders for their constructive participation in the dialogue, recapitulated it and stated that:

The suggestion of *disclosing more information on regional environmental initiatives* would be taken into account during the preparation of the Report.

The suggestion that *the reporting materials should provide more information on the stakeholder management system* would be taken into account during the preparation of the Report.

The suggestion that *the reporting materials should provide more information on environmental impact management* would be taken into account during the preparation of the Report.

The suggestion of *providing more information on biodiversity conservation programmes, with a breakdown of the relevant expenses,* would be taken into account during the preparation of the Report.

The suggestion that *the Mining Division should participate in the Transparency Rating of Environmental Responsibility of Mining and Metals Companies Operating in Russia* would be reviewed by the relevant divisions of JSC Atomredmetzoloto to assess whether it was advisable.

The suggestion of *providing more information on energy efficiency management* would be taken into account during the preparation of the Report.

The suggestion of *disclosing information on adjusting to climate change, perhaps as part of industry-wide programmes being implemented by ROSATOM,* would be taken into account during the preparation of the Report.

The suggestion of *providing more detailed information on occupational safety and health and providing more information on specific accident prevention measures* would be taken into account during the preparation of the Report.

The suggestion of *disclosing more information on climate and its impact on the company's projects, including those in the Arctic,* would be taken into account during the preparation of the Report.

The suggestion that *the reporting materials should contain information on existing coal reserves and on the company's plans for the future* would be taken into account during the preparation of the Report.

The suggestion that *the reporting materials should indicate the precise volume of uranium production in tonnes, rather than as a percentage, and indicate the cost of uranium production* would be taken into account during the preparation of the Report.

1. ROSATOM's sustainable development initiatives

Appendix:

1. Localization of production of high-technology self-propelled mining machines manufactured by ARAMINE (France) in Russia
2. Year of the Golden Anniversary
3. Review of the 2018/2019 reporting campaign

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| Moderator of the dialogue |  | Victoria Dolina |
| First Deputy Director General, Chief Operating Officer of JSC Atomredmetzoloto |  | Victor Svyatetsky |

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