

Report on Payments to Governments

Full Year 2019



Extractive Sector Transparency Measures Act - Annual Report



Reporting Entity Name	Nord Gold SE		
Reporting Year	From 01.01.2019	To: 31.12.2019	Date submitted 25.06.2020
Reporting Entity ESTMA Identification Number	E582758	<input checked="" type="radio"/> Original Submission <input type="radio"/> Amended Report	
Other Subsidiaries Included (optional field)			
For Consolidated Reports - Subsidiary Reporting Entities Included in Report:	E748532 High River Gold Mines Ltd.		
For Substituted Reports - Jurisdiction in which the Transparency Report was Originally Filed:	The United Kingdom	Report Due Date in Other Jurisdiction	30.06.2020
Attestation by Reporting Entity	<p>In accordance with the requirements of the ESTMA, and in particular section 9 thereof, I attest I have reviewed the information contained in the ESTMA report for the entity(ies) listed above. Based on my knowledge, and having exercised reasonable diligence, the information in the ESTMA report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.</p>		
Full Name of Director or Officer of Reporting Entity	Nikolay Zelenskiy	Date	25.06.2020
Position Title	Chief Executive Officer		

Nord Gold SE publishes the Report on payments to governments for the financial year 2019

London, the United Kingdom, 25 June 2020

This Report on payments to governments (“the Report”) is prepared in accordance with the requirements of the Disclosure and Transparency Rules Instrument 2014 Report on payments to governments, issued by the Financial Conduct Authority (“the FCA’s Instrument”). The FCA’s Instrument requires issuers active in the extractive industry and logging of primary forest to publish an annual report on the payments they make to governments.

The FCA’s Instrument has multiple references to the Accounting Directive (Directive 2013/34/EU of 26 June 2013 on the annual financial statements) and the Report should be prepared in accordance with Chapter 10 of the Accounting Directive.

Nord Gold SE (“Nordgold” or “the Company”) is committed to prepare the Report under the requirements of the Financial Conduct Authority since Nordgold conducts extractive activities around the world.

The Report is published on the Company’s website www.nordgold.com and can be found in the section *Investors and Media*.

Basis for preparation

The Report provides citizens, authorities and independent users with information on payments made to governments where Nordgold conducts its extractive activities.

Payments are reported in respect of extractive activities only. For the purpose of this Report any activities involving exploration, prospection, discovery, development and extraction of minerals are understood as extractive activities.

In accordance with the legislation referred to above payments should be disclosed:

- *per government* (federal, regional or local) to which the payments were made with the name of the payee. For the purpose of this Report any federal, regional or local authority as well as any department, agency or company controlled by that authority is understood as government; and
- *per entity or project* (if possible). For the purpose of this Report any single contract, license, concession or similar legal agreement that forms the basis for payment liabilities is understood as a project.

For the purpose of this Report payments are broken down by government and entity only. Payments are not allocated between Nordgold projects, as the entities do not attribute payments to a specific project/mine.

For the purpose of preparing the Report the scope of companies was the same as in the Nordgold consolidated financial statements. Payments made by entities over which Nordgold has joint control are excluded from this Report.

Materiality level and functional currency

The Report is prepared in **US dollars** (USD). Payments made in currencies other than USD were translated into USD based on the exchange rate as of 31 December 2019.

For the purpose of the Report the threshold of **100,000 EUR** was translated into USD based on the exchange rate as of 31 December 2019.

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Payments in scope

For the purpose of the Report the following types of payment are disclosed:

a) *Production entitlements*

These are the host government's share of production in the reporting period derived from projects operated by a company. As a rule the government's share of the production sharing agreement is "payment in-kind". Nordgold does not have any payments in-kind to report.

b) *Taxes levied on the income, production or profits of companies.*

These payments include corporate income tax, mining tax/mineral extraction tax, flat and surface taxes. Taxes on consumption such as VAT, sales taxes, customs and stamp duties, personal, social, property and environmental taxes, and land tax (excluding water tax and land taxes purely related to mining activities, e.g. water tax and surface tax in Burkina Faso which is determined on the basis of the area covered by the mining license) as well withholding taxes are excluded.

Interest on late tax payments and penalties are excluded. Disclosed payments are net amounts, including tax refunds.

c) *Royalties*

These are payments for the right to extract minerals.

d) *Dividends*

These are payments made by a company to a government in lieu of production entitlements or royalties, where the government is an ordinary shareholder of that company.

e) *Bonuses*

These are payments made by companies to a host country upon signing an agreement or contract, or upon achievement of certain levels of production (stated in the agreement or contract).

f) *Licence fees, rental fees, entry fees and other considerations for licences or concessions ("Fees")*

These are payments for access to the area where extractive activities will be performed.

g) *Payments for infrastructure improvements*

These are payments made by a company to governments in the form of infrastructure expenditure (e.g. building a road or a bridge), excluding any voluntary contributions and charitable payments. Payments for infrastructure improvements may be in the form of "in-kind payments". Voluntary contributions and charitable payments are disclosed by Nordgold in the Sustainability Report.

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Part 1. Summary report (in USD)

Regions/ Countries	Production Entitlements	Taxes	Royalties	Bonuse s	Dividends	Fees	Infrastructure Improvements	Total
Africa								
Guinea	0	7 570 788	0	0	0	0	156 785	7 727 573
Burkina Faso	0	38 122 946	0	0	1 013 834	0	0	39 136 780
Eurasia								
Kazakhstan	0	16 586 105	0	0	0	0	0	16 586 105
Russia	0	28 834 175	0	0	0	0	0	28 834 175
Total	0	91 114 014	0	0	1 013 834	0	156 785	92 284 633

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Part 2. Report on payments per government and entity (in USD)

Guinea

Payments per Government

Payee name	Production Entitlements	Taxes	Royalties	Bonuses	Dividends	Fees	Infrastructure Improvements	Total
<i>National Treasury (federal level)</i>	-	7 570 788	-	-	-	-	-	7 570 788
<i>Comité Préfectoral de Développement de Dinguiraye/ Siguiri (local level)</i>	-	-	-	-	-	-	156 785	156 785
Total	-	7 570 788	-	-	-	-	156 785	7 727 573

Payments per Entity

Entity name	Production Entitlements	Taxes	Royalties	Bonuses	Dividends	Fees	Infrastructure Improvements	Total
<i>Societe Miniere de Dinguiraye</i>	-	7 570 788	-	-	-	-	156 785	7 727 573
Total	-	7 570 788	-	-	-	-	156 785	7 727 573

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Burkina Faso

Payments per Government

Payee name	Production Entitlements	Taxes	Royalties	Bonuses	Dividends	Fees	Infrastructure Improvements	Total
<i>Direction Générale du Trésor et de la Comptabilité Publique (federal level)</i>	-	23 913 004	-	-	1 013 834	-	-	24 926 838
<i>Direction Générale des Impôts (federal level)</i>	-	14 209 942	-	-	-	-	-	14 209 942
Total	-	38 122 946	-	-	1 013 834	-	-	39 136 780

Payments per Entity

Entity name	Production Entitlements	Taxes	Royalties	Bonuses	Dividends	Fees	Infrastructure Improvements	Total
<i>Societe des Mines de Taparko</i>	-	4 804 811	-	-	0	-	-	4 804 811
<i>Bissa Gold SA</i>	-	33 025 931	-	-	1 013 834	-	-	34 039 766
<i>Jilbey Burkina SARL</i>	-	0	-	-	0	-	-	0
<i>Nord Gold YEOU SA</i>	-	292 204	-	-	0	-	-	292 204
Total	-	38 122 946	-	-	1 013 834	-	-	39 136 780

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Kazakhstan

Payments per Government

Payee name	Production Entitlements	Taxes	Royalties	Bonuses	Dividends	Fees	Infrastructure Improvements	Total
<i>State Revenue Committee of the Republic of Kazakhstan (federal level)</i>	-	16 586 105	-	-	-	-	-	16 586 105
Total	-	16 586 105	-	-	-	-	-	16 586 105

Payments per Entity

Entity name	Production Entitlements	Taxes	Royalties	Bonuses	Dividends	Fees	Infrastructure Improvements	Total
<i>"FIC "Alei" JSC</i>	-	16 586 105	-	-	-	-	-	16 586 105
Total	-	16 586 105	-	-	-	-	-	16 586 105

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Russia

Payments per Government

Payee name	Production Entitlements	Taxes	Royalties	Bonuses	Dividends	Fees	Infrastructure Improvements	Total
<i>Federal Treasury of the Russian Federation (federal level)</i>	-	20 505 245	-	-	-	-	-	20 505 245
<i>Federal Treasury Departments (regional level)</i>	-	8 328 931	-	-	-	-	-	8 328 931
Total	-	28 834 175	-	-	-	-	-	28 834 175

Payments per Entity

Entity name	Production Entitlements	Taxes	Royalties	Bonuses	Dividends	Fees	Infrastructure Improvements	Total
<i>Neryungri-Metallic LLC</i>	-	3 597 628	-	-	-	-	-	3 597 628
<i>Buryatzoloto JSC</i>	-	4 681 280	-	-	-	-	-	4 681 280
<i>Berezitovy rudnik LLC</i>	-	5 458 378	-	-	-	-	-	5 458 378
<i>Rubnik Taborny LLC</i>	-	14 132 467	-	-	-	-	-	14 132 467
<i>Irokinda LLC</i>	-	722 691	-	-	-	-	-	722 691
Total	-	28 834 175	-	-	-	-	-	28 834 175

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Disclaimer

Whilst every effort has been made to ensure the accuracy of the information contained in this publication, the Company cannot rule out any negligent use of the data disclosed. The Report is prepared in accordance with the requirements of current legislation, and the Company does not undertake to update this Report if any changes in the relevant legislation are made or any explanations issued in the future. Furthermore, the Company cannot exclude the risk that authorities or other companies will agree with and apply the same approach for data disclosure that were used in this Report.

Consequently, the use of the Report is solely at the recipient's own risk. This publication is made available for information purposes only.