

One of the basic principles of public reporting at JSC Atomredmetzoloto is stakeholder engagement in the course of report preparation.

For more details on cooperation principles, the stakeholders' key interests, and relations mechanisms, see [3.6.1. Stakeholder Engagement](#).

4.1. Discussions with Stakeholders in the Course of Report Preparation

Two discussions were held in accordance with the AA1000SES Stakeholder Engagement Standard while preparing the Report. The purpose was to get feedback from stakeholders on the quality of priority topic, sustainable development, and capital management disclosure in the Report. All ARMZ Uranium Holding Co. stakeholders were invited to participate in the discussions.

Discussion 1. JSC Atomredmetzoloto 2013 Basic Performance and Efficiency Enhancing Measures

On March 26, 2014 from 10:00 to 12:00 in the office building of JSC Atomredmetzoloto (22 Bolshoy Drovyanoy Per., Moscow) a discussion on JSC Atomredmetzoloto's 2013 Basic Performance and Efficiency Enhancing Measures was held.

The discussion was related to the main production performance of the Rosatom Mining Division in 2013 and the main performance results of CJSC RUSBUR-MASH and JSC VNIIPromtehnologii in 2013.

Discussion 2. Organisational Changes within the Rosatom Mining Division and JSC Atomredmetzoloto Development

On March 26, 2014 from 12:00 to 13:30 in the office building of JSC Atomredmetzoloto (22 Bolshoy Drovyanoy Per., Moscow) a discussion on Organisational Changes within the Rosatom Mining Division and JSC Atomredmetzoloto Development was held.

The discussion was related to the evolution of the Rosatom Mining Division under the changing global uranium market conditions and the JSC Atomredmetzoloto development concept.

For more details about the discussion see the JSC Atomredmetzoloto website: <http://www.armz.ru/press/news/?id=510>.

Public Discussions of the Draft Annual Report

On May 20, 2014 an in absentia discussion of the 2013 JSC Atomredmetzoloto public annual report was held. The public discussion involved stakeholder representatives. Stakeholders expressed their opinion about the significance of disclosed information.

In the course of the discussions, 16 suggestions and recommendations were received from stakeholders, and 9 of them were implemented in this Report, while the rest are still being reviewed by the Holding's management in the course of ongoing operations

4.2. Taking into Account Stakeholder Suggestions

Table 36. Meeting Commitments Undertaken during 2012 Report Preparation

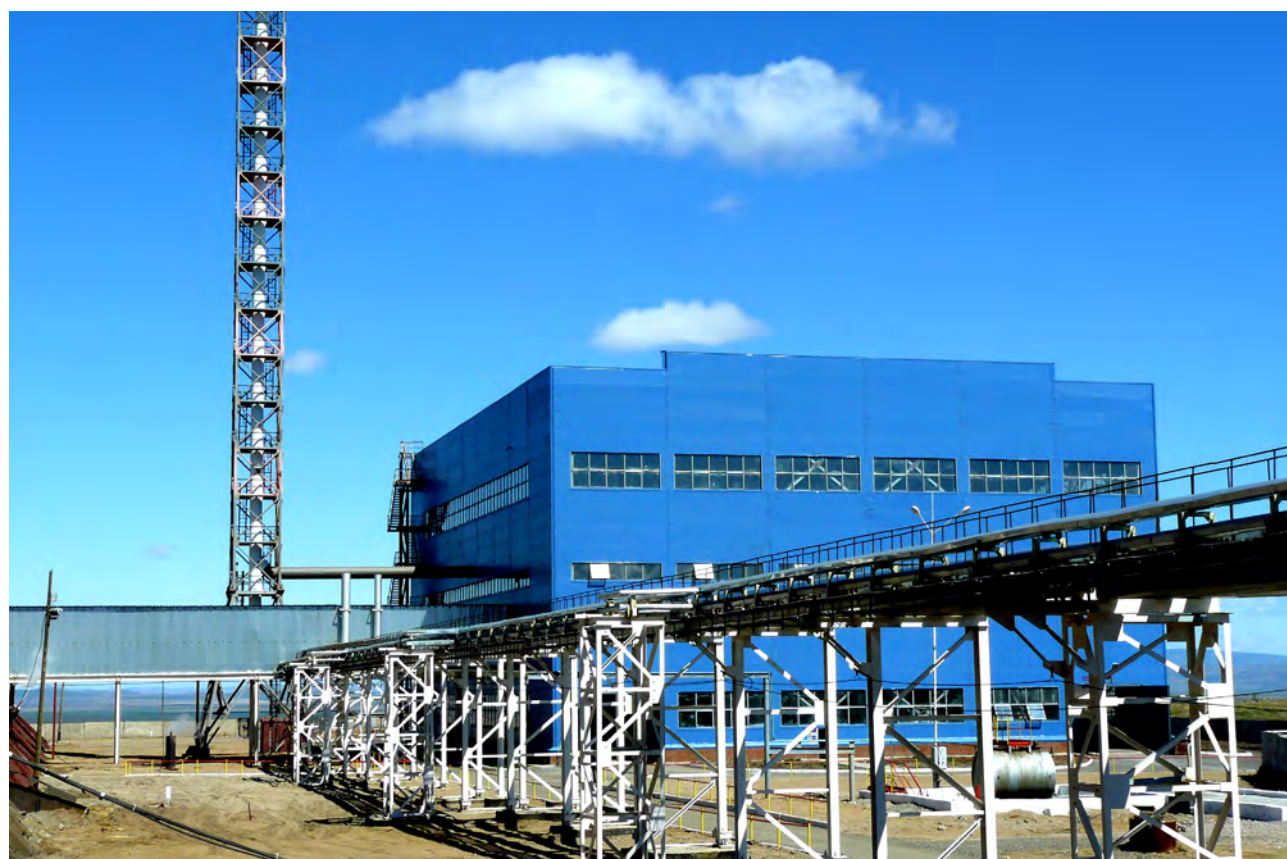
No.	Stakeholder suggestions	JSC Atomredmetzoloto suggestions
1	To specify what needs of the regions will be provided for by means of the taxes paid by the Holding entities.	See 3.6.2. Developing Regions of Operation .
2	To invite more parties to hearings and invite representatives of public environmental organisations, including those disapproving of the nuclear industry, to participate in discussions with stakeholders and public hearings.	The list of in absentia hearing participants has been extended.
3	To conduct an excursion for environmentalists and Rosatom Community Council members to Holding entities, with JSC PIMCU being the first place.	Not done due to budget optimisation.
4	To include ARMZ Uranium Holding Co.'s position and interests in sustainable development in the current Report or mention that they will be developed in 2013.	To be included in the 2014 Report.



Table 37. Taking Shareholder Suggestions into Account as Made during Discussions in the Course of 2013 Report Preparation

No.	Stakeholder suggestions based on discussions	JSC Atomredmetzoloto suggestions
1	To introduce a section devoted to environmental protection into the Report (including results of the Environment Year).	See 3.7. Natural Capital Management .
2	To extend CJSC RUSBURMASH geographic reach outside the Russian territory, diversify operations to not to limit them to drilling, increase quality, reduce prime costs, and develop the company as an integrated business that also offers geologic exploration services.	For future. The suggestion will be reviewed by the Holding's management in the course of ongoing operations. The 2013 JSC Atomredmetzoloto Annual Report does not require the Company to react to this suggestion.
3	To recommend JSC VNIIPromtehnologii to switch over to engineering activities, which means complete restructuring of its current activities with the introduction of global technical and technological solutions becoming the core activity.	For future. The suggestion will be reviewed by the Holding's management in the course of ongoing operations. The 2013 JSC Atomredmetzoloto Annual Report does not require the Company to react to this suggestion.
4	The 2013 JSC Atomredmetzoloto Annual Report should underline the Company's responsible approach to labour and industrial safety and indicate positive trends in these areas.	See 3.4.10. Occupational Health and Safety .
5	To include the mentioned development prospects of JSC Atomredmetzoloto in the Strategy section of the Annual Report.	See 2.1. Business Strategy .
6	To mention the effect from the Rosatom Production System implementation in monetary terms.	See 3.3.8.1. Implementing RPS Projects .
7	To disclose main KPIs in the report, together with injury rates (if the data collection system allows).	See 3.4.2. KPI System .
8	To include information about new risks, including those related to the Company's operations in the US and Canada in view of the latest political circumstances.	Information about risks related to the Company's activities in the US and Canada will be included in the Uranium One Holding Report, and 2.2.3. Risk Management of the JSC Atomredmetzoloto Report specifies the risks that JSC Atomredmetzoloto is prone to.
9	To make strategy development the priority topic of the annual report in the following reporting period. →	For future. To be taken into account when developing the 2014 Report concept. →

No.	Stakeholders' suggestions based on discussions	JSC Atomredmetzoloto suggestions
10	To include the CJSC RUSBURMASH project roadmap in the Report.	See 2.3.1. CJSC RUSBURMASH Activities .
11	To describe the KPI system and its performance.	See 3.4.2. KPI System .
12	To disclose the changes in the marketing and sales policy resulting from restructuring.	See 2.1.3. Marketing and Sales Policy .
13	In next reports, to confirm the GRI G4 compliance level with a non-financial audit.	For future. To be taken into account when developing the 2014 Report concept.
14	To include a chapter about Company performance in the Report.	For future. To be taken into account when developing the 2014 Report concept.
15	To include significant developments outside the reporting period in the Major Developments section.	For future. To be taken into account when developing the 2014 Report concept.
16	To disclose capital business models, i.e. specify what capital and in what amount they were available at the beginning of the reporting period and what the gains (value delivery) were in the reporting period.	For future. To be included in the 2014 Report.



4.3. Statement of Public Assurance

Background

JSC Atomredmetzoloto (hereinafter referred to as "ARMZ Uranium Holding Co." or the "Company") submitted its 2013 Annual Report (hereinafter referred to as the "Report") for us to review, whereby we also had a chance to verify the comprehensiveness and significance of its contents and Company's response to our recommendations. For this purpose our representatives were invited to participate in two discussions with stakeholders held on March 26, 2014:

- Discussion 1. JSC Atomredmetzoloto 2013 Basic Performance and Efficiency Enhancing Measures; and
- Discussion 2. Organisational Changes within the Rosatom Mining Division and JSC Atomredmetzoloto Development.

We also took part in the in absentia public discussion of the draft Report on May 20, 2014.

Draft Report Evaluation Procedure

Our opinion is based on comparative analysis of two Report versions (draft Report for public discussion and the final version of the Report), materials that were provided to us (minutes and a table with stakeholders' comments) upon the discussions, and comments from the management and employees of the Holding that were made in the course of public assurance of the Report.

In the course of public assurance, we were not trying to verify the information collection or analysis system; neither did we confirm the accuracy of any information included in the Report. All participants of public discussions had a chance to share their opinion. The Company did not remunerate us in any way for taking part in the public assurance procedure.

Evaluation, Comments, and Recommendations

We unanimously evaluated the Report in a positive manner in terms of its form and the scope of information included in it. We find it very important that the Report was prepared voluntarily and is a good example of an enhanced transparency on the part of the Company. In preparing the Report, the Company demonstrated that it intended to ensure public and environmental satisfaction and was prepared to engage in open dialogue with stakeholders about various issues concerning its activities. We can see that the Company's management realises the importance and prospects of engaging stakeholders.

One of the advantages of the Report is that it was prepared in compliance with international standards (Global Reporting Initiative (GRI rev. G4.0), AA1000 Institute of Social and Ethical Accountability standards, and IIRC International Integrated Reporting Framework). Due to its integrity, the Report discloses information about the Company's main activities and sustainability development performance.

We are not aware of any facts that could undermine the accuracy of the data included in the Report. We think that the information disclosed in the Report is sufficient both in terms of compliance with international public reporting standards and taking into account stakeholder comments made at the Report preparation stage. We believe that it is the integrated Report that should represent the official position of the Company's management with regard to socially significant issues and activities of the Company.

Significance of Information

We think that in the Report the Holding managed to disclose all topics important for stakeholders. The Report represents the Company's position on strategic development, financial and economic performance, and social, environmental, and economic impact.

The priority topics considered in the Report are:

- organisational changes within the Rosatom Mining Division and enhancing the efficiency of the Mining Division part located in Russia; and
- key production performance as of the end of the year.

All significant information on the above topics was disclosed properly.

Comprehensiveness

We believe that the Report contains comprehensive information about sustainable development and JSC Atomredmetzoloto's sustainability performance and describes nearly all the activities of the Company that influence economy, society, and environment and are of interest for stakeholders. To ensure compliance with the comprehensiveness principle, the Report contains reference to regulating documents and additional open sources, including the corporate website of the Company.

Company's Reaction to Stakeholders' Comments and Suggestions

In our opinion, the Company is stable in terms of stakeholder engagement and public reporting. Three

events engaging stakeholders were mounted in the course of the Report preparation.

In fact, stakeholder engagement had started before the preparation of the Report, at the concept development stage. Stakeholders had a chance to make their suggestions and recommendations with regard to the information to be disclosed in the Report.

The Company reacted to stakeholders' comments by elaborating the final version of the Report and introducing additional information. In particular, the following sections were reviewed and extended: Busi-

ness Strategy, Natural Capital Management, Occupational Health and Safety, Implementing RPS Projects, KPI System, etc. The Company undertook to disclose information on an array of other matters in future Reports or provided a reasonable explanation for not disclosing certain information.

Thus, in the course of Report preparation the Company demonstrated that it was eager to react to stakeholder suggestions and recommendations and deal with the issues raised.



Stepan Zhiryakov

member of the Russian Council Committee for Agricultural and Food Policy and Use of Natural Resources, representative of the legislative (representational) state agency of the Transbaikal Territory



Grigory Mashkovets

Ph.D in Geology and Mineralogy, Professor, General Director of All-Russian Scientific Research Institute of Mineral Resources (FSUE VIMS)



Yury Didenko

Chairman of the Town of Krasnokamensk Council, Transbaikal Territory



Aleksey Zammoyev

Chairman of the Town of Krasnokamensk and Kranokamensk Area Council, Transbaikal Territory



Boris Pichkurenko

Head of the Town of Krasnokamensk, Transbaikal Territory



Andrey Anosov

Deputy Head of the Dalmatovo Area, Kurgan Region



Gennady Shirokov

General Director of Dalspetsstroy LLC, Dalmatovo Area, Kurgan Region



Olga Plyamina

Executive Director of Greenlight International Environmental NCO



Svetlana Dvoryaninova

Deputy General Director and Head of the Information Department at Nuclear.ru Information Agency