Eurasian Natural Resources Corporation PLC (the Company)

Annual Financial Report

In compliance with Listing Rule 9.6.1, the Company has submitted a copy of each of the following documents to the National Storage Mechanism, which will shortly be available for inspection at www.hemscott.com/nsm.do

- Annual Report & Accounts for the year ended 31 December 2010.
- Notice of Annual General Meeting, 2011
- Form of Proxy for the Annual General Meeting, 2011.

As required by DTR 6.3.5 (3), the Company confirms that copies of the Annual Report and the Notice of Annual General Meeting 2011 are available on the Company's website www.enrc.com

Information required to be published in full unedited text pursuant to DTR 6.3.5(2) that was not included in the Company's Preliminary Announcement released on 23 March 2011 is detailed below. This material should be read in conjunction with, and is not a substitute for, the full Annual Report and Accounts. Page and note references in the text below refer to page numbers in the Annual Report and Accounts.

Mr Randal Barker
General Counsel and Company Secretary

Principal Risks & Uncertainties

Risk Management

Risk and the Board of Directors
The Board is ultimately responsible for maintaining a sound risk management and internal control system. Our system of risk management and internal control is designed to identify, manage and mitigate the risk of failure to achieve business objectives. The system provides reasonable and not absolute assurance against material misstatement or loss.

There are ongoing processes in place for identifying, assessing, managing, monitoring and reporting on the significant risks faced by the Group. These processes are in place for the year under review up to, and including, the date of the approval of the Annual Report and Accounts.

In the Annual Report and Accounts for the preceding year, we reported on 13 principal risks. These risks were reviewed during the course of the current year by the Executive Committee, who determined that our risk environment had changed as a result of, inter alia;

- an upturn in commodity pricing and the markets in which our key customers operate;

- the Group’s rapid response to the world market recovery in demand for commodities;
- the diversification of our portfolio of commodities and products and the expansion by means of acquisitions in both Africa and Brazil;
- the continued enhancement of our reporting and compliance framework;
- the implementation of key risk management action plans; and
- recruitment of a Group Head of Risk.

Accordingly, the principal risks to the execution of the Group's business strategy are shown in the rest of this section. We have explained the nature of each risk, identifying the possible impact and the associated strategic priorities. In addition, we have described the mitigating activity to address those risks, as well as our plans for further enhancements.

Project management risk

Context
The approved capital expenditure programme for 2011 is planned to be significantly higher than in 2010 and includes large scale expansion projects in existing and acquired operations.

Risk
Failure to deliver major capital projects within the agreed time, cost and quality criteria.

Possible impact
Lower long-term growth profitability and reputation.

Associated strategic priorities
Continued expansion and development of existing reserves and capacity

Mitigation
- Investment appraisal methodology
- Capital projects policies and procedures, including valuation methodologies and investment memorandum, are under development to improve monitoring of the investment projects
- Dedicated project management teams for each project
- Quarterly review and analysis of capital projects and reporting on project progress to the Executive Committee
- Planned implementation and training of personnel on a Group-wide project management code of practice

Business development risk

Context
Industry consolidation continues and during 2010 the Group acquired a number of assets globally.

Risk

Failure to identify opportunities to participate in value-adding transactions, overpaying for a transaction, inaccurate business case or poor integration leading to inadequate return on investment.

Possible Impact
Lower long-term growth, profitability and reputation.

Associated strategic priorities
Add value and customer diversity by expanding the product portfolio.

Expand our asset portfolio in natural resources, both within the region and worldwide.

Mitigation
- The Mergers and Acquisitions ('M&A') Committee oversees acquisition activity, approves targets and supervises execution
- Approved investment criteria to assess potential targets has been developed and implemented
- Strengthened management team, with new experienced M&A team members
- To ensure consistency of high standards, a due diligence and integration manual has now been developed and will be approved in due course
- Formal integration plans are developed for each acquisition, progress is monitored and reported to the relevant committees

Legal and regulatory breach risk

Context
We are an emerging markets company and aware that some of the jurisdictions in which the Group operates pose particular and often heightened reputational issues that need to be managed appropriately. All natural resources businesses operating in emerging markets are likely to receive additional regulatory scrutiny in the future.

Risk
Failure to comply with anti-bribery, anti-corruption, anti-money laundering and/or sanction laws and regulations.

Possible Impact
Share price devaluation, financial penalties and criminal prosecutions.

Associated strategic priorities
Commit to high standards of corporate responsibility.

Expand our asset portfolio in natural resources both in the region and worldwide.

Mitigation
- We adhere to the principles of self-regulation backed by appropriate policies and management review
- We are developing a high calibre Group-wide Compliance function
- We intend to further enhance the adequacy and robustness of Group-wide legal and regulatory processes and procedures
- We are rolling out an enhanced compliance framework

Management capability risk

Context
During 2009 and 2010, we acquired a number of companies in Africa and Brazil. These regions will require strong leadership and an experienced senior management team in place to integrate and operate the acquired companies effectively.

Risk
Failure to attract, retain and develop key management talent.

Possible Impact
Inability to execute long-term growth strategy, lower long-term growth, lower profitability, corporate reputation.

Associated strategic priorities
Continue expansion and development of existing reserves and capacity.

Commit to high standards of corporate responsibility.

Mitigation
- Ongoing process to systematically enhance our HR capability
- A talent management programme is being implemented
- We are enhancing our approach to performance management
- Senior management team development programme

Organisational development risk

Context
Prior to 2008 the Group's operating plants were based in Kazakhstan with a Sales and Marketing function based in Switzerland. We now operate a large scale global business and it is important that our governance structures, controls and clear delegations of authority are appropriate for our new business.

Risk
Ineffective delegation of authority, governance structures and frameworks impacts on the delivery of the Group's strategic objectives.

Possible Impact
Fail to deliver strategic objectives, lower long-term growth, corporate reputation and financial return.

Associated strategic priorities
Continue expansion and development of existing reserves and capacity.

Expand our asset portfolio in natural resources, both within the region and worldwide

Commit to high standards of corporate responsibility.

Mitigation

- Further enhancement of the Group governance framework
- In accordance with the governance framework, the Group has developed organisational charts and Delegation of Authority matrices, which will be approved in due course

Details of our governance structures are set out in the Corporate Governance report on pages 67-70.

Liquidity risk

Context
In 2010 the Group executed a number of acquisitions and purchased businesses in Africa and Brazil. The Group has also approved a number of large scale greenfield and brownfield projects in Brazil and Africa that will require significant additional financing.

Risk
Failure to arrange or provide sufficient financing for the Group's operating, investment and M&A activities.

Possible Impact
Inability to meet payment obligations and impairment of the Group's ability to raise finance, or inadequate funds available to complete projects and make further acquisitions.

Associated strategic priorities
Continue expansion and development of existing reserves and capacity.

Add value and customer diversity by expanding the product portfolio.

Expand our asset portfolio in natural resources, both within the region and worldwide.

Mitigation
- The Group Treasury policies are updated annually and procedures, monitoring and reporting processes have been enhanced
- Building and maintaining relationships with financial providers
- Cash flow forecasts are regularly prepared and presented to the Board of Directors
- Formal CFO approval and sign-off for all major projects

Political Risk

Context
We are an emerging markets company and some of the Group's operations are based in fast developing countries. Our business could be adversely affected by the behaviour of, or new regulations that could be introduced by, the governments of the countries concerned, for example:
- re-nationalisation;
- controls on imports, exports and sales prices;
- terms of mining and other licenses;
- restriction on foreign ownership of assets;

- restriction on the remittance of funds;
- new forms or rates of taxation, duties and royalties; or
- new policies or systems.

Risk
The risk of strategic, financial, or personnel loss as a result of non-market factors such as macroeconomic and social policies (fiscal, monetary, trade, investment, industrial, income, labour, and developmental), or events related to political instability (terrorism, riots, coups, civil war, and insurrection).

Possible Impact
Business repatriation, significant loss of earnings, financial volatility.

Associated strategic priorities
Maintain and improve upon low cost operations.

Expand our asset portfolio in natural resources, both within the region and worldwide.

Mitigation
- The Group's existing senior management team possesses extensive experience of operating in Eurasia, Africa and the developing world
- Constructive engagement with governments and external stakeholders
- Appropriate investment to improve the economic and social impact of our businesses in local communities working in partnership with governments
- Planned utilisation of political risk insurance where appropriate

For further details pleas refer to the key messages on emerging markets on page 12.

Technical disaster risk

Context
Technological processes within the mining and metals industry can be susceptible to potential incidents and disasters, leading to significant consequences.

Risk
Large-scale technical incident leading to loss of life, environmental impact and interruption to business operations.

Possible Impact
Corporate reputation, impact on prospects for long-term growth, financial profitability, loss of life, environmental damage.

Associated strategic priorities
Commit to high standards of corporate responsibility.

Expand our asset portfolio in natural resources, both within the region and worldwide.

Mitigation
- Site safety declarations are in place for each of the Kazakhstan hazardous sites, and these examine potential incidents related to site operations and their impact

- Technical committees provide input into the operational and capital investment processes of the established businesses
- Further development of risk management and post-incident crisis management plans are under way

For further details of safety management and safety performance please refer to the Sustainability review on pages 50 and 51.

Commodity pricing volatility risk

Context
The prices of our core products have been historically volatile and have fluctuated significantly in response to changes in supply and demand, market uncertainty, the performance of global and regional economies and cyclicality in industries that purchase these products.

Risk
A substantial decline or volatility in commodity prices, could materially affect the Group's business and financial results as well as the cash flow projections.

Possible impact
Lower profitability, lower long-term growth.

Associated strategic priorities
Continue expansion and development of existing reserves and capacity.

Add value and customer diversity by expanding the product portfolio.

Expand our asset portfolio in natural resources, both within the region and worldwide.

Mitigation
- The Group regularly monitors market prices, global sales volumes and internal levels of inventory
- Sensitivity analysis is performed to stress test business models
- Operations are able to quickly and significantly reduce costs by temporarily reducing labour during periods of pricing volatility

Further referred to in the Chief Executive Officer's statement on industry overview and outlook on pages 20-21.

Health, safety, environment and sustainability risk

Context
By their very nature, mining operations can be hazardous. However, ENRC management is committed to achieving zero incidents.

There is also the potential for a longer-term future sustainability risk, that environmental legislation may be introduced that will impose additional overheads on the business.

Risk

Health and safety incidents impacting on staff welfare, lost working time and breaches in health, safety and environmental regulation.

Environmental legislation drives additional taxes on the Group's activities, as well as the costs required to ensure compliance with new standards.

Possible impact
Corporate reputation, impact on prospects for long-term growth, financial profitability, loss of life, environmental damage.

Associated strategic priorities
Commit to high standards of corporate responsibility.

Expand our asset portfolio in natural resources, both within the region and worldwide.

Mitigation
- Health, Safety, Environment and Sustainability Committee oversight focusing on:
  - safety management and performance
  - implementation of a new safety improvement programme
  - review of HSES risks and action plans

For further details please refer to the Sustainability review on pages 48 to 52, Key Perfomance Indicators on page 28, and key messages on pages 14 and 15.

Statement of Directors' responsibilities
The Directors are responsible for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Consolidated financial statements in accordance with International Financial Reporting Standards ('IFRS'), as adopted by the European Union, and the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group and the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;

- make judgements and accounting estimates that are reasonable and prudent;

- state whether IFRS as adopted by the European Union and applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Consolidated and parent company financial statements respectively;

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the Consolidated financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Directors, whose names and functions are listed on pages 58 and 59 confirm that, to the best of their knowledge:

- the Consolidated financial statements, which have been prepared in accordance with IFRS as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Group;

- the parent company financial statements, which have been prepared in accordance with UK Generally Accepted Accounting Practice, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and

- the Directors' report and Business review include a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

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