



# **TRANS-SIBERIAN GOLD PLC**

**29 June 2017**  
**Annual General Meeting**

# TSG Company history

- Established in 2000
- Listed on LSE (AIM) in November 2003
- UFG acquired 25% in 2006, now 79.69%
- Veduga and Bogunay sold for \$40 million in 2007
- Asacha in production since September 2011
- Asacha licence extended in 2013 to 1 September 2018, application for further extension in preparation

# ASACHA – Underground Mine

	2013	2014	2015	2016	Q1 2017
Mine development (metres)	2,672	3,576	3,937	4,926	1,263
Ore extracted (tonnes)	185,573	198,387	177,555	179,258	46,155

# ASACHA Processing plant

	2013	2014	2015	2016	Q1 2017
Ore processed (tonnes)	155,215	156,561	161,242	162,892	44,320
Gold grade (g/t)	6.29	7.68	7.65	7.23	5.35
Silver grade (g/t)	10.45	13.46	12.28	12.71	8.99
Gold recovery (%)	94.43	95.06	95.40	95.18	94.24
Silver recovery (%)	75.44	67.17	76.94	81.69	76.69
Gold in dore (oz)	29,666	36,513	37,798	36,225	7,246
Silver in dore (oz)	39,136	45,086	49,232	54,595	10,148

# ASACHA Refining and sales

	2013	2014	2015	2016	Q1 2017
Gold refined (oz)	29,670	36,089	37,984	35,366	7,644
Silver refined (oz)	39,026	44,610	49,398	51,428	12,356
Gold sales \$mill	43.3	45.4	43.3	44.4	9.4
Silver sales \$mill	0.9	0.8	0.7	0.8	0.2

# JORC Resource Estimate



- Resource estimate updated in 2017 by ARANZ Geo Expert Services/QG Australia Pty Ltd (QG) shows the Asacha property contains 693,000 oz. of gold and 1.76 million oz. of silver.
- The estimate incorporates new data from mining development, 2016 exploration programme and accounts for mining depletion during 2016.

# JORC Resource as at 31 December 2016

<b>ASACHA PROPERTY</b>	<b>MEASURED + INDICATED</b>	<b>INFERRED</b>	<b>MEASURED, INDICATED &amp; INFERRED</b>	<b>CUT-OFF g/t</b>
<b>Tonnes (000)</b>	<b>681</b>	<b>370</b>	<b>1,051</b>	
<b>Gold Oz (000)</b>	<b>424</b>	<b>269</b>	<b>693</b>	<b>4.0</b>
<b>GRADE g/t</b>	<b>19</b>	<b>23</b>		
<b>Silver Oz (000)</b>	<b>1,200</b>	<b>560</b>	<b>1,760</b>	<b>4.0</b>
<b>GRADE g/t</b>	<b>55</b>	<b>47</b>		

# **Russian State Geological Commission for Reserves (GKZ) Resource Estimate**



**In February 2017 a special meeting of GKZ reapproved the Asacha resources. The reapproval is required also for prolongation of the license. The figures (next slide) exclude ore mined up to 31 December 2016, and include the results of exploration 2012.**



# Mineral Resources - Russian State Commission for Reserves (GKZ) as at 31 December 2016

Mineral Resources - Russian State Commission for Reserves (GKZ)

as at 31 December 2016

	Au		Ag		Cut-off g/t
	C1 & C2 oz	Grade g/t	C1 & C2 oz	Grade g/t	
Asacha	623,943	19.8	1,476,612	46.8	2

# Asacha mine

- Average monthly output of about 15,000 tonnes of ore in 2016 ensures continuous operation of the plant
- Processing plant throughput averaged more than 13,500 tonnes per month in 2016
- Dilution, which reduces the grade of ore delivered to the plant (excluding rockfalls) reduced in 2016 to 34% (40.4% in 2015 and 56.8% in 2014)

# Asacha mine in operation



## **Main activities at underground mine**

- In 2014 mine development started below 200 metre level
- In 2015 mining activities started below 200 metre level
- In 2017 mining activities started below 150 metre level
- Stoping methods chosen thoroughly for areas of fractured rock
- Gold grades for Q1 2017 - 5.35 g/t (Q1 2016 - 7.38 g/t )

# Decrease of gold grades in ore

The main reason for the decrease is the delay in mine development which has led to a shortage of rich stoping ore delivered to the plant (in 1Q 2017 – 40.8% of total ore; in 2016 - 41.2%; in 2015 – 54.5%) . The shortage has been compensated by the use of lower grade ore cut earlier and the poor ore from stockpiles).

It occurred because of:

- lack of mobile underground equipment in operation;
- extreme water inflow at low levels accompanied by seasonal floods.

# Low grade ore - Solutions

## ✓ Purchase of equipment

- ✓ In 2017 four new underground trucks arrived at the site in April and two LHDs are expected in September

## ✓ Control of dilution

- ✓ Stability in dilution which is normal for the mining systems applied (in 2016- 34%, in January-May 2017 - 36.0% )

## ✓ Control of water inflows

- ✓ Additional pumps purchased and interim pump station designed and constructed
- ✓ Hydro-geologic studies conducted
- ✓ Continuous monitoring of water underground

## ✓ Underground exploration drilling

- ✓ In 2016-2017 about 3,500 metres were drilled, providing more details on ore bodies configuration and grades.

***We expect a continuous increase in the proportion of rich ore delivered to the plant starting in the second half of 2017. Annual gold production is expected up to 36,000 oz .***

# Geologic exploration in 2016

- Advanced exploration mining (underground drilling) - 37 holes, about 3,400 metres
- Surface exploration drilling totalled 18 holes and about 5,500 metres.  
Following the results of the drilling geologic exploration comprehensive programme for 2017 has been worked out

# Construction activities

- ✓ Mine development in order to reach 100 metre level
- ✓ Additional pumping station at 150 metre level
- ✓ Second compartment of the tailings storage facility
- ✓ Solid wastes landfill



# **New loan facilities with VTB Bank**

- \$15 million and \$5 million debt facilities
- 5-year and 3-year terms respectively
- 6.2% interest rate
- Reduces cost of debt and maintains flexibility for growth and development

# Special Dividend Paid

- On 23 December 2016 a special dividend was paid, 5 US cents (3.97 pence) per ordinary share
- Special dividend in total US\$ 5.5 million