Alienation of up to 100% share of interest in the Project of Gold Exploration at South-Moiynty Field in Karaganda Region related to the subsoil contract on exploration of gold at South Moiynty Field in Karaganda region of the Republic of Kazakhstan

Tau-Ken Samruk JSC is announcing about opportunity of alienation of up to 100% share of participation in Gold Exploration at South Moiynty Field in Karaganda Region.

Object of alienation: up to 100% share of participation in Gold Exploration at South Moiynty Field in Karaganda Region.

Type of subsoil activity: exploration

Type of commercial mineral: gold


The profile of Tau-Ken Samruk JSC

Tau-Ken Samruk JSC was registered in the Ministry of Justice of the Republic of Kazakhstan on February 02, 2009 at the address: 8 Kunayev Street, block B, Yessil district, Astana city, 010000, the Republic of Kazakhstan.

Tau-Ken Samruk JSC is a member of Samruk-Kazyna National Welfare Fund JSC Group of Companies. Samruk-Kazyna National Welfare Fund JSC owns 100% share of Tau-Ken Samruk JSC.

Geological overview

In terms of administrative identity, the field refers to Karaganda region. South Moiynty Field is located in Aktogai district of Karaganda region, 30 km to the east from Moiynty railway station. The network of natural soil roads is developed along the railways connecting Sary-Shagan and Balkhash with Moiynty station. Cargo may be transported by rail up to Sarykum station at the distance 18 km to the east from the eastern border of the field. In 18 km to the east, there is a Power Transmission Line – 150 kV – between Moiynty and Sarykum. The total area of the field is 234 km².

Location map

The site is located in the axial region of Tassaral-Kyzyespin anticlinorium composed of metamorphic Proterozoic formation, Upper Devonian intrusive.
On the exploration area, quartz-amphibole-plagioclase rocks of early Carboniferous dikes of granite-porphyries and massive quartz veins are exposed.

Gold exploration on the site was started in the beginning of 1963 and was conducted at regular intervals up to 90-s.

Geological and geophysical surveys executed on the site include 1:25000–1:10000 scale detailed mapping, prospecting traverse, mining works (trenching), 1:10000 scale metallometric survey, IP geophysics investigation, magnetometry, gravimetric survey.

Gold mineralization areas, sites and occurrences associated with quartz veins, primary and secondary dispersion halo were explored. Gold tracers within the secondary dispersion halo include arsenic, bismuth, lead, zinc, copper and silver.

All quartz veins and zones of traversed hydrothermal alteration have been point-sampled, and the most interesting of them have been traced along the strike by trenching sites No. 3, No. 4 and Kyzylkabyrga. Performed works enabled to specify information about geological structure of each area and evaluate all the gold-bearing quartz-veined zones discovered on these sites.

Vein extension is varied up to 850m, thickness – up to 10m. Visible gold was detected in the veins: it represents membranous dendrite elements up to 0.5mm. Average gold content in quartz veins is 2.5 g/t. Cutoff grade is 2.0 g/t. Maximum gold content in an individual sample is 9.7 g/t.

Mineralized areas are trenched at every 40m, in some places trench networks were crowded at 10m.

Geological map of the licensed area

- quartz veins.

Performed works enabled to specify information about geological structure of the described area and evaluate all the gold-bearing quartz-veined zones discovered on the following sites:
Site №3 is located within the dyke zone striking north-east breaking through the granites of Balkhash complex. Inside the site contour, three zones of metasomatic silification in leucocratic granites of the Upper Devonian are exposed. Increased gold bearing is characteristic for sites №1 and №2, therefore they are recommended to be explored further. Gold content varies from 0.01 to 0.6 g/t.

Mineralized areas are trenched in every 40m, at the most prospective sites trench networks were crowded at 10m.

According to the trenching data, run-of-mine grade varies from 0.01 to 0.6 g/t within zone №1. In this context, splashing up to 1.5 g/t is discerned in trench №21.

Site №3 was explored to evaluate gold mineralization point №6a. According to B.S.Zeilik and V.A. Yefimenko, out of 15 points 8 samples proved to have gold up to 3.0 g/t.

Exploration executed by Konyrsor party enabled to outline two silification zones located in the area of Upper Devonian large-medium-grained leucocratic granites.
6k gold mineralization point on site №4 was revealed during exploration in 1969-1970. Five out of ten samples proved to contain gold up to 1.0 g/t. Further exploration of the site was recommended.

In 1972, Konyrsor party explored three massive and extended silification zones at this site, those referred to tectonic deformation of east-west and north-east trending.

Extension of zone №1 is 850 m. Quartz-veined body occurs in the central area of its south part. South part of the vein is extended to approximately 120m. Its thickness varies in trenches from 1.2 to 3.7m, gold content in quartz and near-vein rock material is up to 0.4 g/t.

Gold content of the ore body in the north part varies from 1.1 to 2.8 g/t. It is stretched to approximately 60m.

Zone №2 is an extension of zone №1 formed because of seismic fault resulted from eastwest trending by 175m. Point samples proved high content from 1.7-7.1 g/t associated with highly silicified, ferruginized and pyritized granites.

Inner composition of zone №3 is similar to zones №1-2 described above. High gold mineralization is identified all over zone extension. According to trench sampling, gold content in quartz is 2.4 g/t provided the thickness is 1.30m. Gold bearing zone is extended to approximately 200m.

The authors of the previous works recommended further exploration of highlighted impregnated areas of zone №1 and №3.
Kyzylkabyrga site

Kyzylkabyrga site has eight quartz zones. Gold bearing factor was identified by V.A.Yefimenko (Zeilik, 1971), then it was explored by Konyrsor party of Balkhash (Sushkov, 1973).

Upon this exploration, quartz-veined zone 2 proved to have impregnation extended to 200m. Average gold content came up to 2.4 g/t provided the thickness is 1.30m, maximum gold content (in one sample) is 9.7 g/t.

Upon investigation of the site during additional geological exploration several latitudinal quartz-veined zones №№4-8 were revealed. Veins extension is up to 650m, thickness – up to 8m.

Visible gold was detected in the veins: it represents membranous dendrite elements up to 0.5mm. Average gold content in particular zone intersections is 6.2 g/t and 1.2 g/t, whereas the thickness is 4.80m (trench №96) and 2.70m. (trench №97) correspondingly.

The given evaluation witnesses that in case of more detailed sampling, revealing of impregnate zones is potentially possible for quartz veins of Kyzylkabyrga site.

In 2015, Gold Exploration at South Moiynty filed of Karaganda region started.

The distance of the survey traverse accomplished at Kyzylkabyrga site is 65 l.km. Gold content as per float sampling based on spectrometric analysis of gold is 0.74 g/t.

Geochemical survey of the secondary gold dispersion halos were carried out on the area of 201.32km². Density of secondary dispersion halos sampling is 200 samples per 1km², the distance between drill sections is 200m, and the distance between sampling points is 25m. Results of exploration provided evidence of gold mineralization on two local sites (Kyzylkabyrga site, Site №4).

Mining works, including mechanical trenching with bottom hand cleanup were carried out in order to gain detailed information about South Moiynty field as well as to delineate the identified orebody and mineralization area and specify orebody structure.

Mining works were performed on zones 7, 8 of Kyzylkabyrga site. Totally, 19 trenches were explored on the deposit. Therewith, 7 historical trenches were cleaned up and sampled.

Total volume of mining works covering 26 trenches is 550.0 m³. Gold content in trenches proved to be 0.12-5.54 g/t, for individual samples – 16.22 and 46.84 g/t.

Three wells with the total extent of 481.7 l.m. were bored within zones 6, 7 and 8 of Kyzylkabyrga site.
An individual well undermined a quartz vein with the capacity 0.9m and gold content 2.57 g/t.

**Expected outcome**
Based on geological exploration no less than three 3-5-ton gold reserves deposits with 2.5 grading are expected to be developed.

**Current state of affairs in relation to Subsoil Contract**
From the effective date of the Contract the following scope of geological exploration works was performed:
- Breakdown and levelling process of metallometric survey – 201.32 sq.km.;
- Prospecting and survey - 65 l.km.;
- Mining works (trenching) - 550 cubic m.;
- Drilling of bores – 481.7 l.m.;
- Float sampling - 32 samples;
- Trench sampling – 113 samples;
- Core sampling – 117 samples;
- Cutting of core samples – 117 samples;
- Point and line sampling – 304 samples;
- Geochemical sampling – 40,264 samples;
- Geophysical study in wells – 481.7 l.m.;
- Geological assistance for mining works – 550 cubic m.;
- Geological assistance for drilling works – 481.7 l.m.;
- Bucking of geochemical samples – 40,264 samples;
- Spectrometric analysis of gold – 35,305 samples;
- Spectrographic analysis of 12 elements – 38,029 samples.

**Sales process**
Sales subsoil contract shall be performed in accordance with the legislation of the republic of Kazakhstan and Internal Regulations of Tau-Ken Samruk JSC.

**Sales process consists of 2 stages:**
1. **Preliminary stage:**
   1. Letter of interest with the anticipated share of participation acquisition named and enclosed details of potential buyer.
   2. Providing non-confidential information to the potential buyer on request.
   3. Signing of Confidentiality Agreement, should confidential information be required for further consideration.
   4. If necessary Tau-Ken Samruk JSC shall address a request to subsoil authorized body of the Republic of Kazakhstan for permit on confidential information related to the Contract.
2. **Final qualification stage:**
   5. Notifying interested parties and publication of request for quotations. The request shall comprise minimum requirements to the transaction and deadline for quotations submission.
   6. Consideration of quotations by an authorized body of Tau-Ken Samruk JSC.
   7. Signing of transaction documents with the qualified party.

**Principal statutory acts of the Republic of Kazakhstan can be found at:**
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