



# TELAIZ DEPOSIT

Telaiz deposit is located within Telaiz licensed subsoil area (license XMH 15758 БР - valid until 2039).

Deposit is located in Telaiz tectonic plate and includes three mineralized areas limited to floor of tectonic basins and plates stretching along flat thrust structures.

Areas amount to horizons of intensively sheared rocks, which are irregularly silicified and carbonized, include quartz, carbonate-quartz veins and stringers enriched with pyrite and magnetite. According to testing results, the following areas are ore bearing:

- 1) quartz-carbonate veins, lenses, stringers with extremely uneven distribution of sulfides;
- 2) near-contact parts of quartz veins with areas of stringer-disseminated sulfide mineralization.

Deposit was studied in 2002-2004 within the project "Assessment of Northern Flank of Sosnovoe Deposit". The following gold resources in Telaiz deposit are approved by Territorial Reserves Commission Yugranedra (minutes no. 02/05 as of February 11, 2005) in category C2: ore - 300.3 thousand tons, gold - 2,433 kg with average gold content 8.1 g/t. Projected P1 gold resources amount to 2,083 kg (approved by Central Research Institute of Geological Prospecting for Non-Ferrous and Precious Metals) being considered as Kachaiz ore occurrence. The deposit is classified as group 4 deposit by geological complexity. Ore is of gold-sulfide-quartz low-sulfide type with free gold. It is easily subject to gravity concentration.

The following geological exploration works were carried out at the deposit:

- open pit excavation - 28,700 m<sup>3</sup>;
- underground excavation - 3,434 line meters;
- core drilling - 39,662 line meters.

Production works started in February 2015 and stopped in May 2015.

