

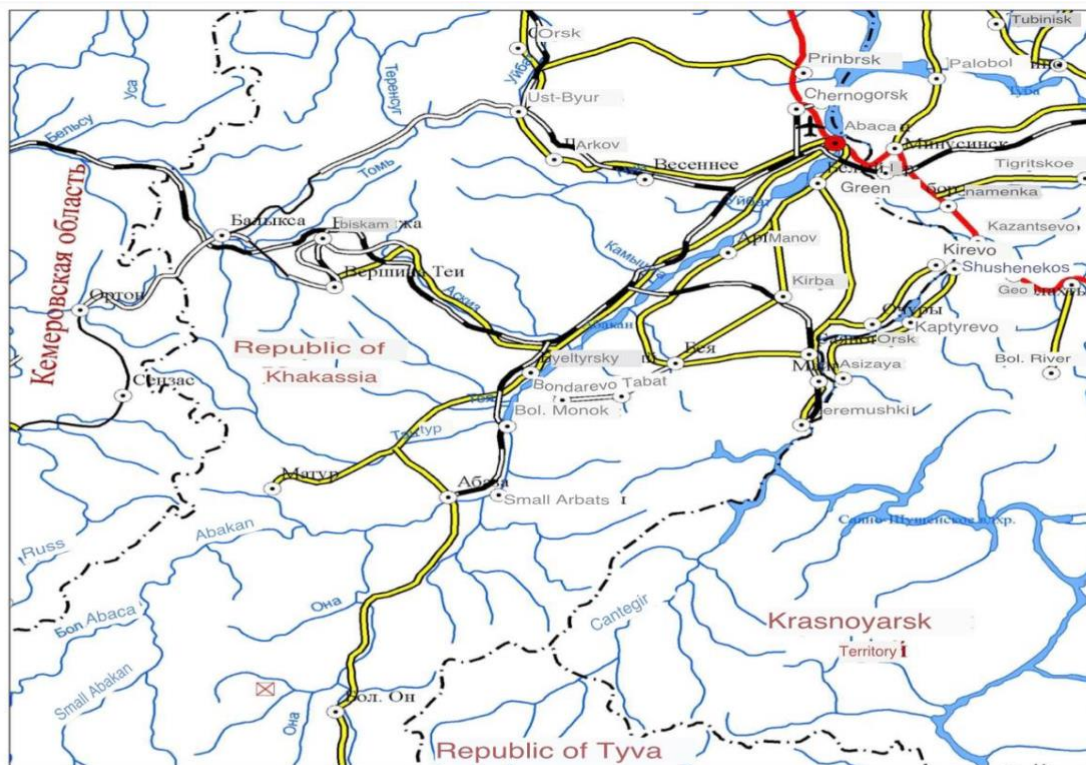
Kirov gold deposit.

The Kirov gold deposit is located in the western Sayan Mountains in the valley of the Chebalsuk brook; its flow rate does not exceed 0.5 m³/sec. The ore field of the deposit is located between the Zolotorudny and Ugolny keys. Administratively Kirov deposit is located in the territory of Tashtyp district of the Republic of Khakassia, 98 km south of the district centre of Tashtyp village and 70 km south-west of Abaza town

From Abaza to Kubayka settlement - 44 km, there is an asphalted motor road to the Republic of Tyva. From Kubayka settlement to the deposit - 26 km, a dirt country road requiring reconstruction of 4 km from Bolshoi Anzas settlement to Kirov mine and partially repair of bridges along Bolshoi Anzas river from Kubayka settlement to B-Anzas.

During the development of the deposit the labour force will be hired mainly in the town of Abaza (where a large number of mining specialists of all specialties will be released due to layoffs at the Abakan iron mine) and the village of Tashtyp. Delivery of necessary materials is possible from the bases of Abakan and Chernogorsk. Abakan and Chernogorsk, metal structures from Nazarovo. The materials can be transported to Abaza by motor transport and by railway line.

The total area of the site is 44.2 hectares. The depth of subsoil use is not limited.



Symbols

	Federal highways		Rivers, reservoirs
	Paved roads		Boundaries of the regions
	Railway		Cities and towns
	Unpaved road		The center of the district
	Country roads		Kirovskoye field

Licence ABN 00791 BR (exploration - mining) with the following purpose: geological study, including prospecting and evaluation of mineral deposits, exploration and production of minerals, including the use of waste from mining and related processing industries. The licence was registered on 05.08.2019. Expiry date 14.09.2040. By the Department for Subsoil Use in the Central Siberian District 'CENTRSIBNEDRA'.

Within the framework of the licence, a geological exploration project for the Kirov field was developed and passed the relevant geological expertise.

As part of the project execution, surface drilling, construction of a shift camp, and site planning were carried out.

As part of the geological exploration project it is necessary to take 2 large-capacity underground samples of 20,000 tonnes. A pilot development project for large-capacity sampling has been developed for the sampling, which has been approved by TKRRosnedra.

In order to process the large tonnage sample, a contract was signed with JSC Irgiredmet for the design and construction of a modular processing plant of 1,000 tonnes per day at the Kirov deposit.

Diesel power plants with capacity of 500W - 2 pcs, 100W - 2 pcs, 25W - 1 pc were purchased for project execution.

Specialised equipment was purchased:

- SANY SY 365H excavator;
- Loader LONKING LG855B;
- 2 Loading and delivery machines DALI WJ; - 4 Underground dump trucks SHILI UQ12;
- 4 Quarry dump trucks.

A set of laboratory equipment worth RUB 8 million, an underground drilling machine and other equipment was purchased.

Photos of the equipment of household and storage buildings are attached.

Reserves at the Kirov gold deposit

Table 2 - Residual reserves at the time of mine closure

Reserves categories	Ore reserves, tonnes.	Average gold grade g/t	Gold reserves, kg
A+B+C1	22 231	18,8	420,2
C2	8 688	28,1	244,7
TOTAL	30 939	21,5	664,9

As of 01.01.2022, off-balance reserves of 36 thousand tonnes of ore and 730 kg of gold are recorded for the subsoil area. metal with an average gold content of 21.5 g/t in the Volshebnaya vein. Residual reserves were written off during the mine liquidation.

After drilling from surface, only 1/3 of the field was drilled, a preliminary reserve estimate was made. The estimation was carried out by two organizations: Russian planner and Chinese institute in the amount of 11 tonnes. Reserves were calculated for all veins in the area. According to the licence, only the Volshebnaya vein has reserves of 4 tonnes.

Development start date: The field is at the geological exploration stage.

The project documentation has passed the necessary approvals.

The industrial site of the Kirov geological exploration area includes the following project sites and facilities:

1. Site of the shift camp, warehouses;
2. Site of the Western transport slope;
3. No11 adit site;
4. No6 adit site;
5. Modular concentrator site (to be specified in a separate project); 5. separate project);
6. Temporary waste rock stockpiles;
7. Ore stockpile (to be specified under a separate project);
8. Tailings storage facility (to be specified under a separate project).

The main surface buildings and structures of the geological exploration area are either temporary or existing.

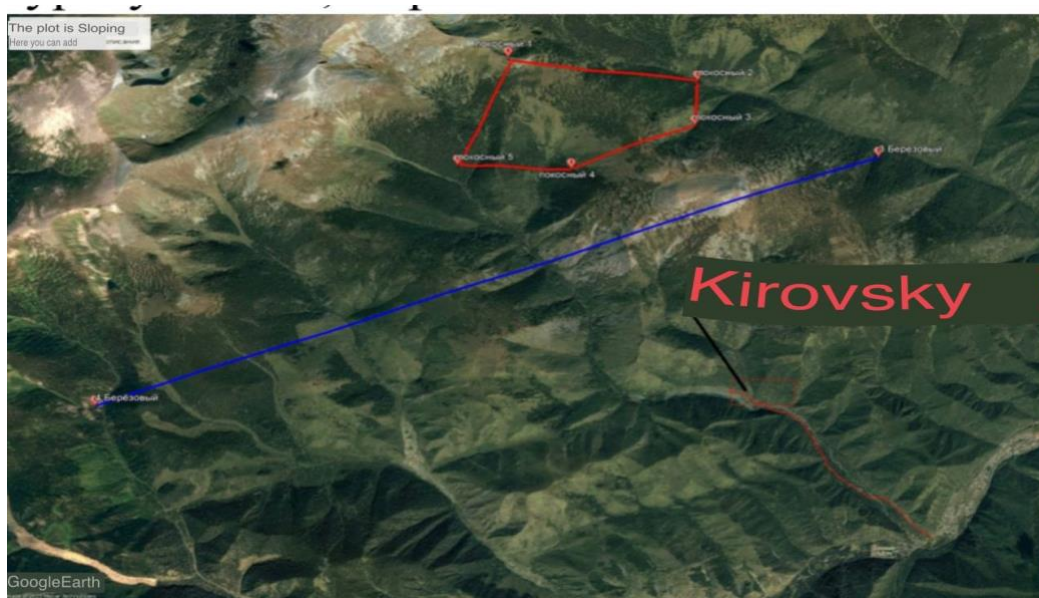
The main industrial site of the geological exploration area is located on the western flank of the deposit. The location of buildings and structures on the industrial site is based on the technological links between buildings and structures, zoning, topography and required fire breaks. There are necessary passages between the industrial sites, as well as the shift camp, to allow for road transport.

The project sites are located outside the shear zone and water protection zones.

Due to the fact that there are no centralised power supply networks in the area of works, diesel power plants (DPS) are used as power sources.

The Kirov deposit should be considered in conjunction with the Pokosny ore gold deposit.

Administrative district of the licence object location: Tashtypsky district, Republic of Khakassia.



The Pokosny site ore deposit was discovered in 1999 during geological exploration works performed by Minusinskaya GRE. It was further explored by Bereg OJSC in 2008 and SibGeo LLC (2011 y).

Administratively, the subsoil area proposed for licensing is located in the territory of the Republic of Khakassia, Tashtyp District, in the upper reaches of Pokosny brook, 23.4 km west of the 95K-002 route. The scheme of the subsoil plot contour location is given in Appendix 2.

In the period from 1994 to 1999 OJSC 'Minusinskaya GRE' discovered a number of secondary scattering halos on the searched territory, which were subsequently verified by sinking of mine workings and core drilling wells. The work revealed ore zones with a width of 50-65 metres and a total length of up to 3.5 kilometres. The zones are represented by quartz-carbonate metasomatites with disseminated ore minerals - pyrite, magnetite, chalcopyrite, galena and sphalerite. Within the exposed ore-bearing zones, 6 ore bodies with an irregular, elongated shape were delineated at a cut-off grade of 0.5 g/t. The thickness of ore bodies varies from 4 to 65 metres with the length of 105-390 metres. The ore bodies were traced down dip to a depth of 140 metres (up to 247 metres in one well). The dip of the ore bodies is steep - 80-85° to the north-east and south-west.

Average gold grades in ore bodies are low from 0.6 to 2.0 g/t. In some samples, gold concentrations reach 41.2 g/t. Associated components are silver (5-20 g/t) and copper (0.02-0.1 %).

Based on the results of the 1994-1999 Minusinskaya GRE work, inferred gold resources of the Central Deposit were calculated for categories P1+P2 to a depth of 240m in the amount of 15.1 tonnes, including 3 tonnes of gold in category Pi (at a cut-off grade of 0.5 g/t).

In subsequent periods, in particular, Bereg OJSC and SibGeo LLC conducted detailed prospecting by sinking a number of holes and mining trenches in the central part of the ore occurrence. As a result of the assurance, it was established that the average gold content and ore and metal reserves in the materials of the predecessors are underestimated in relation to reality. Consequently, to clarify the data the reliability coefficient (Kd) was introduced, determined by calculations and equal to 2.06. Taking into account this correction the calculation of gold and ore inferred resources was carried out. Based on the results of the assurance, using the materials of the predecessors, delineation of ore bodies by cut-off grades of 0.2 and 0.4 g/t up to the horizon of +1220 m was performed. A total of 12 ore bodies were identified. Their length varies from 185 to 670 metres with true thickness from 5.2 to 98.5 metres. The average grade (taking into account the confidence factor) is rather low and is at the level of 0.66 g/t for P2 category resources and 1.3 g/t for Pt. The boundaries of ore deposits are indistinct, determined only by sampling, and their internal structure is complex. Along with rich areas of mineralisation there are zones with poor and poor ores, empty interlayers. Gold distribution is uneven, nested. The volume mass of ore is 2.6 t/m³. In total, at a cut-off grade of 0.2 g/t the following resources of P1+P2 category were tested - 96251 thousand tonnes of ore and 87977 kg (taking into account Kd = 2.06), including Pi - 43624 thousand tonnes of ore and 56615 kg of gold; P2 - 52627 thousand tonnes of ore and 30378 kg of gold.

At a cut-off grade of 0.4 g/t the following category Pi resources were tested - 20344 thousand g of ore and 36041 kg (taking into account Kd = 2.06). Approval of resources was carried out in TsNIGRI (Moscow).

The ore deposit is located on the watershed between the Berezovaya and Chebalsug rivers and the Pokosny brook. The terrain is mountainous, with absolute elevations of 1500-1530

metres. The slopes are mostly gentle. Ore bodies throughout their entire length come to the day surface and are covered only by 3-4 m thick deluvial-eluvial deposits. The mining conditions of the identified ore bodies are favourable for both open pit and underground mining.

Pokosny and Kirov total at least 35 tonnes of gold after exploration.

The Pokosny site is currently under approval to be put up for auction for geological exploration and production. The preliminary cost of the auction is 25 million rubles. In the presence on the balance sheet of the enterprise not less than 35 tonnes of gold. Gold, the enterprise will be considered a large one.


**ДЕПАРТАМЕНТ
ПО НЕДРОПОЛЬЗОВАНИЮ ПО ЦЕНТРАЛЬНО-СИБИРСКОМУ ОКРУГУ
"ЦЕНТРСИБНЕДРА"**
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(число, месяц, год)

Место выдачи государственной регистрации

ЦЕНТРСИБНЕДРА
Отдел геологии и лицензирования по Республике Хакасия
ЗАРЕГИСТРИРОВАНО
05-0674077-2019
№ 739/264-0079/5Р
Металасский ЗАО
(полное наименование предприятия)
(фамилия, имя, отчество руководителя)









