



Georgian Mining Corp

Initial Mineral Resource for Gold Zone 2,KB East

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Initial Mineral Resource for Gold Zone 2 Target at Kvemo Bolnisi East

Georgian Mining Corporation ('GEO') is pleased to announce an initial Mineral Resource estimate (in accordance with the guidelines of the JORC Code (2012)) for the gold oxide deposit at Gold Zone 2 in the Kvemo Bolnisi East ('KB') Project with combined Indicated and Inferred categories of 2.29Mt @ 0.85g/t Au, containing an optimised In-Pit Mineral Resource of 1.14Mt @ 1.10g/t Au. The KB project is located in an established copper-gold region in Georgia along the highly prospective Tethyan Belt and Gold Zone 2 is one of three zones currently being developed at KB which may form one large epithermal copper-gold system. The initial Gold Zone 2 Resource exceeds the interim target and increases confidence in GEO's three phase strategy to develop a total resource in excess of 50Mt that exploration activities are now targeting at KB.

Highlights:

- The Optimised In-Pit Resource of 1.14Mt @ 1.10g/t Au at Gold Zone 2, is based on the initial 64-hole drill programme (announced on 6 June 2017) within a global Inferred and Indicated Resource of 2.29Mt @ 0.85g/t Au (Indicated category of 296kt @ 1.31g/t Au and Inferred category of 1.99Mt @ 0.78g/t Au)
- Infill and step-out drilling are underway to increase the grade and upgrade the resource categories which will be included in a future mine plan
- GEO is on course to deliver the Phase 2 target of 3 - 5Mt of combined copper-gold sulphide and gold oxide mineralisation across all three zones at KB
- The scoping study with supporting metallurgical test results will be presented to our JV partner shortly as the basis for detailed negotiations over the terms and timetable for mining and processing of the gold oxide ore

GEO Managing Director Greg Kuenzel said, "Our maiden gold resource at Gold Zone 2 exceeds our initial target of 750kt to 1Mt at 1 g/t Au and importantly meets our criteria for processing the ore by low cost heap leaching. We are now completing the metallurgical test work needed to finalise the Scoping Study, which will form the basis for negotiating the production and processing agreement with our JV partner."

Further information

The initial Gold Zone 2 resource covers an area extending from surface to the base of the oxides at approximately 40 metres depth with a footprint of 150 x 150 metres and, as the Resource occurs from surface, no significant stripping will be required on commencing production. The KB target total footprint has now been expanded to 1km by 1.3km, significantly increasing the potential to further develop and upgrade the initial resource. Our present programme focuses on step out drilling around the gold oxide ore block to increase the dimensions of the gold oxide resource. Work is also underway to upgrade the existing copper JORC resource, where recent drilling intersected high grade chalcocite and copper sulphides below the base of the gold oxide at Gold Zone 2. We expect to announce additional resource upgrades over the coming months to confirm that GEO is on track to achieve a Phase 2 Mineral Resource target of 3-5 Mt.

GEO's excavation, detailed geological mapping and channel sampling cover an extensive area to the north and northeast of the Gold Zone 2 ore block. Drilling of newly generated targets should add to the Mineral Resource, as we build towards our 50Mt copper and gold exploration target, which the Directors expect will enable KB to become a highly profitable copper-gold mine operation in the Tethyan Belt.

Mineral Resource Estimate

Mineral Resource

Recent diamond drilling has delineated a constrained In-Pit optimised JORC Mineral Resource estimate of 1.14 million tonnes @ 1.10g/t Au within a global Inferred and Indicated Resource of 2.29Mt @ 0.85g/t Au. GEO will now expand the programme beyond the initial target tonnage to demonstrate that scope exists for a much larger bulk tonnage resource.

Table 1: Kvemo Bolnisi Gold Zone 2 Mineral Resource

Unconstrained Mineral Indicated & Inferred JORC (2012) Resource - Gold Zone 2 ("GZ2") Gold Oxide

Resource Type	Tonnes (t)	Grade (g/t Au)	Grade* (% Cu)
Gold Oxide	2,290,000	0.85	0.07

Pit Optimised Mineral Indicated & Inferred JORC (2012) Mineral Resource - Gold Zone 2 ("GZ2") Gold Oxide

Resource Type	Tonnes (t)	Grade (g/t Au)	Grade* (% Cu)
Gold Oxide	1,782,000	0.97	0.07

Inc.	1,140,000	1.10	0.07
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** Note: To be efficient, the heap leach processing of gold oxide requires low levels of other metals to be present in ore. The copper oxide level in the KB gold oxide Mineral Resource at an average grade of 0.07% Cu is very low which will have a positive effect on reagent consumption*

Market Abuse Regulation (MAR) Disclosure

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

Competent Person Statement

The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Adam Wheeler, who is a fellow (FIMMM) of the Institute of Materials, Minerals and Mining and a registered Chartered Engineer (C. Eng and Eur. Ing) with the Engineering Council (UK) and reviewed by Mark Owen, BSc, MSc, MCSM, Chartered Geologist, a member of the European Federation of Geologists and a Fellow of the Geological Society.

Both Mr Wheeler and Mr Owen have sufficient experience, relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking, to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mark Owen and Adam Wheeler have reviewed this announcement and consent to the inclusion in the announcement of the matters based on their information in the form and context in which it appears.

****ENDS****

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About Georgian Mining Corporation

Georgian Mining Corporation has 50% ownership and operational control of the Bolnisi Copper and Gold Project in Georgia, situated on the prolific Tethyan Belt, a well-known geological region and host to many high-grade copper-gold deposits and producing mines. The Bolnisi licence covers an area of over 860 sq km and has a 30-year mining licence with two advanced exploration projects; Kvemo Bolnisi and Tsitsel Sopeli. These projects are nearby existing mining operations owned by the Company's supportive joint venture partner. Georgia has an established mining code and is a jurisdiction open to direct foreign investment.

The Company is developing the project in three phases:

- Phase 1: H1 2017 target to delineate a minimum of 1-2 Mt to support initial spare capacity (now achieved and exceeded)
- Phase 2: 2017 target to delineate a 3-5 Mt resource of combined copper-gold sulphide and gold oxide mineralisation (on target)
- Phase 3: Long term target - to delineate a resource of 50Mt+

Quality Assurance and Quality Control

Drill hole sampling consists of half core ranging from 0.5m to 1.5m in length that are prepared at an onsite preparation lab operated by the company's partner. Samples were analysed at ALS Global laboratory in Loughrea, Ireland. Gold concentrations determined by 50gm Fire assay (Au-AA26) and multi-element data by 4 acid digest ICP (ME-MS61) Over grade samples are analysed using ICP AES (OG-62). Field duplicates are collected and blanks and CRMs are routinely inserted to all batches at a suitable frequency.

This information is provided by RNS
The company news service from the London Stock Exchange

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