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Significant drill intercepts at Kvemo Bolnisi

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Significant drill intercepts at the Kvemo Bolnisi Project in Georgia

Georgian Mining Corporation ('GEO') is pleased to report significant and near surface intercepts from the first three drill holes of a three phased resource development drilling programme at the 50% owned Kvemo Bolnisi Project ('KB') in Georgia.

The assay results were not included in the recently published resource of 947,000 tonnes at an average grade of 0.93% copper ('Cu') and 0.15 g/t gold ('Au') (see announcement of 30 January 2017). Therefore, when integrated, these results are expected to result in a material increase in the existing Mineral Resource.

Highlights

- **Significant copper-gold mineralisation intersected at shallow depths:**
  - **KED011 - 113.7m @ 1.70% Cu from 18.4m to 132.1m, including:**
    - 47.6m @ 2.81% from 18.4m to 66.0m; and
    - 16.2m @2.20% from 75.8m to 92.0m
  - **KED008 - 28.6m @ 1.60% Cu and 0.80g/t Au from 47.4m to 76.0m**
- **Targets are open at depth and along strike with scope for significant expansion of the Cu-Au and gold oxide Mineral Resource**
- **A further 17 drill holes have been completed and prep and assay work is in progress**
- **These 20 holes are part of the current 10,000m (approx 50 hole) drill programme which is focused on delineating an initial near-surface mineable open pit Cu-Au resource and a gold oxide resource, both suitable for near-term production**

GEO Managing Director Greg Kuenzel said, "These excellent results from our first three drill holes suggest we are on course to define a mineable open pit resource at KB in the short term. Our three phase drill programme aims to outline a 3-5Mt resource to meet guidance from our JV partner on initial deliveries of copper-gold and gold oxide mineralisation to the nearby processing plants. More assay results should be available shortly from our 10,000m three phase drill programme. On further success, we will expand the programme to drill test additional targets identified by our earlier exploration programme and we remain on track to significantly expand and upgrade our inferred resource."

Further Information

The current drill programme is focused on three targets within the KB project area:

Copper Zone 1 - Copper-Gold
AuOx Zone 1 - Gold Oxide
AuOx Zone 2 - Gold Oxide

http://www.rns-pdf.londonstockexchange.com/rns/6685W_1-2017-2-12.pdf

Drill results announced today relate to Copper Zone 1, which targets copper-gold mineralisation similar to the mineralisation mined and processed at the nearby Madneuli mine which has produced over 80MT of copper-gold ore to date. Subject to ongoing metallurgical test work, the mineralisation should prove suitable for processing at our JV Partner's nearby flotation plant.

An initial in-situ copper-gold Inferred Mineral Resource for KB of 947,000 tonnes at 0.94% copper Cu and 0.15 g/t Au at Copper Zone 1 was announced on 30 January 2017. The assay results for KED008, KED009 and KED011 announced today are not included in the initial mineral resource estimate and the addition of these and other outstanding drill results will increase the resource overall.

To reduce exploration risk, the team has designed a three phase drill programme. Phase 1 is underway and aims to improve the geological model through a focus on trends of known higher grade mineralisation.

KED009 was drilled to the SSE of known mineralisation and intersected lower grade copper mineralisation with a peak intercept of 8.0m at 0.32% Cu and 0.10g/t Au. This lower grade mineralisation may relate to a deeper or peripheral higher grade open-pittable copper-gold zone much like the style of mineralisation to be found at the nearby Madneuli mine.

KED008 and KED011 were drilled to test the localised extension to the broadly defined breccia mineralisation hosting the initial Mineral Resource. Mineralised grades and widths are encouraging with confirmation of near surface mineralisation to support the proposal for open pit extraction.

The drill programme is continuing and further announcements will be made as and when new assay data is received and following upgrades to the Mineral Resource estimate.

The complete results for the three drillholes is provided below in Table 1.

Hole ID	From (m)	To (m)	Interval (m)	% Cu	g/t Au
KED008	22.0	44.0	22.0	0.45	0.10
	47.4	76.0	28.6	1.60	0.80
	88.0	99.0	11.0	0.46	0.10
	102.0	115.0	13.0	0.46	0.10
	119.0	123.6	4.60	0.54	0.10

	145.0	149.0	4.00	0.42	0.20
	159.0	167.0	8.00	0.38	0.13
	187.0	190.0	3.00	0.24	0.73
KED009	89.0	97.0	8.00	0.32	0.10
KED011	18.4	132.1	113.70	1.70	-
Including:	18.4	66.0	47.60	2.81	-
	75.80	92.0	16.20	2.20	0.22
	92.0	117.0	25.00	0.56	-
	123.0	132.1	9.10	1.19	-

Table 1: Drill Results for Kvemo Bolnisi Drilling - Holes KED008, KED009 and KED011

The average vertical depth of drilling in phase one at KB is less than 200m depth whereas the nearby Madneuli mine, with a similar geology to KB, remains open at a current pit floor depth reported to exceed 500m. The implication for further resource development is clear; the latest drill results are now providing empirical evidence that the targeted Copper Zone 1 and AuOx Zones 1 and 2 may be discrete higher level parts of one larger mineralised system which joins laterally and at depth in a manner similar to the Madneuli Cu-Au deposit located only 7 km away. Our three-Phase programme is designed to explore for this larger target representing the next significant Cu-Au mineralised centre to Madneuli, once the initial objective has been achieved to rapidly develop mineable resources to be processed at our JV partner's neighbouring operations.

Mineralised intersections quoted are down the hole weighted averages. A 0.1% Cu cut-off and a maximum 3 metre internal waste interval have been used to calculate grade.

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.

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For further information please visit www.georgianmining.com or contact:

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Competent Person Statement

The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by James Royall, who is a Member of the Australian Institute of Geoscientists.

James Royall has sufficient experience, relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' and as a qualified person as defined in the Note for Mining and Oil & Gas Companies which form part of the AIM Rules for Companies. James Royall has reviewed this announcement and consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

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 proximal to existing mining operations which are owned by the Company's supportive joint venture partner. Georgia has an established mining code and is a jurisdiction open to direct foreign investment.

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
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