



Georgian Mining Corp

Significant resource upgrade for Kvemo Bolnisi

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Georgian Mining Corporation ('GEO' or the 'Company') is pleased to announce that an upgraded Mineral Resource Estimate for the Kvemo Bolnisi East ("KB") Copper Zone ('Copper Zone 1') has increased the total tonnage of in-situ copper metal by 92% in comparison to the initial estimate announced on 30 January 2017. To view the press release with the illustrative diagrams please use the following link:

<http://www.rns-pdf.londonstockexchange.com/rns/0559D-2017-4-23.pdf>

Highlights

- **JORC optimised in-pit 1.2 million tonnes @ 1.03% Cu at a 0.4% Cu cut off triggers the commencement of detailed discussions with the Company's JV partner regarding the delivery of an initial 1Mt @ 1% Cu for toll treatment**
- **Total JORC Mineral Resource estimate of 2.22 million tonnes @ 0.8% Cu and 0.1 g/t Au at a 0.3% Cu cut-off**
- **GEO is also developing an adjacent mineable gold oxide resource ('Gold Zone 2') with the drilling progressing well**
- **New epithermal ore geology model provides exceptional exploration opportunities that previous explorers had not considered - has the potential to deliver both bulk tonnage and high grade zones**
- **Future resource expansion programme aims to develop a 50 million tonne resource - further drilling is being planned and target development work is underway on a further 14 advanced brownfield exploration sites within the tenure**

GEO Managing Director Greg Kuenzel said, "We are extremely pleased to have met the requirements of our JV partner to achieve early production. Resource drilling to date validates the Board's confidence in its exploration programme and confirms that copper-gold sulphide and gold oxide mineralisation extends well beyond the limits of the original discovery programme. The recent identification of KB's low sulphidation epithermal setting significantly expands our opportunity to explore both bulk tonnage and also high grade gold and copper-gold targets. We have retained Greg Corbett, an internationally renowned specialist on epithermal mineral occurrences, to advise on how best to exploit the significant new opportunities now presented. We are also in the process of establishing an initial gold resource and hope to be in a position to announce this shortly. We believe that this will present us with a similar opportunity to the copper resource for delivering near term, proof of concept production."

Further Information

In terms of the project's development, the Company benefits from its access to processing plants with excess capacity at nearby mines owned by its JV Partner. This offers a short lead time to low opex production which can be achieved with modest capital expenditure. This will benefit the Company by providing the cash flow to help fund future exploration and, most importantly, a proof of concept operation.

GEO is undertaking both copper-gold sulphide and gold oxide mineralisation drill programmes within the KB project area with extraction expected to be from the same open pit or series of satellite pits sharing a common infrastructure. The updated JORC compliant Mineral Resource Estimate for the KB East Copper Zone represents only a small part of a potentially much larger deposit. Recent exploration suggests that the region is similar in terms of geology and probable ore genesis to the large copper-gold breccia pipe or pipes at the nearby Madneuli mine where in excess of 50Mt has been mined to date.

The Company is undertaking a phased approach towards achieving this target:

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+

In addition to Copper Zone 1, two gold oxide zones are currently being progressed to provide an initial gold oxide resource for near term production and delivery to the JV partner's neighbouring gold oxide leach plants. This gold oxide resource will be issued on completion of the current drill programme. Notably the gold oxides are located above the level of copper-gold sulphides and can be exploited as part of the necessary stripping to mine the copper-gold sulphides.

Now that the Phase 1 target to develop a 1Mt copper sulphide Resource grading 1% Cu has been achieved and exceeded, the Company will progress its Phase 2 objective of growing the initial Resource to 3 - 5Mt of combined copper-gold sulphide and gold oxide mineralisation as further potential feedstock to its JV partner's operations through a toll treatment arrangement.

Once Phase 2 is complete, and mining of this ore has commenced, the Company will continue exploration to achieve Phase 3 by fully developing the KB breccia pipe with a Madneuli-size target resource. In tandem the Company will ramp up exploration on other priority targets already defined within the JV Licence.

This longer term vision is supported by the fact that recent drilling has established that the Bolnisi district is a classic low sulphidation epithermal gold camp, dispelling the previous understanding that the area is a VMS (volcanogenic massive sulphide) camp comparable to the Eastern Pontide Belt of neighbouring Turkey. This fits well with the plethora of epithermal Cu-Au deposits found within the highly productive Tethyan Cu-Au Belt which extends into the southern half of Georgia. This offers scope for the occurrence of several styles of mineralisation across a greater vertical extent of volcanic stratigraphy. These range from bulk tonnage copper-gold breccias, where one large or multiple breccia pipes exist in close proximity (this appears to be the case at Madneuli and KB East), to high-grade "bonanza type" epithermal quartz-gold vein mineralisation. Our new epithermal ore geology model provides exceptional exploration opportunities not considered by previous explorers. GEO has now engaged renowned geological consultant Greg Corbett to confirm GEO's new epithermal ore geology model. Mr Corbett made a recent site visit to the Bolnisi JV Project and the Madneuli mine and will provide future guidance to fully exploit this new model through more effective exploration targeting.

Mineral Resource Estimate & Exploration Upside

Mineral Resource

Recent diamond drilling has delineated a JORC Mineral Resource estimate of 2.22 million tonnes @ 0.80% Cu and 0.10g/t Au at a 0.30% Cu cut-off in line with the Company's strategy to achieve Phase 1. 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 Copper Zone Mineral Resource Update as of end March 2017

Cut-Off	AZONE	<i>Inferred Resources</i>		
		Tonnes Kt	Cu %	Au g/t
0.3% Cu	CUOX	136	0.96	0.03
	CUVC	29	0.44	0.03
	HICU	359	1.07	0.03
	PBCG	1,702	0.70	0.13
0.3/t Au	AUOX	106	0.03	0.45
	TOTAL	2,331	0.74	0.12

Notes: Historic Reverse Circulation data excluded from grade estimation; Maximum distance of extrapolation = 80m; All resources categorised as Inferred resources; Grade estimation using inverse-distance weighting; Updated wireframes for Polymict Breccia, base-of-oxides and topography. Unconstrained tonnage estimate.

Notable new drill intersections from KB copper zone drill holes include:-

- **KED 001 - 60.25m @ 1.48% Cu and 0.12g/t Au from 89.75m**
- **KED 006 - 18.8m @ 1.5% Cu and 0.1g/t Au from 47.0m**

- **KED 008 - 28.6m @ 1.6% Cu and 0.8g/t Au from 47.4m**
- **KED 011 - 46.4m @ 2.88% Cu and 0.1g/t Au from 19.6m**

Exploration Upside

Resource drilling to date validates the Board's confidence in its exploration programme and confirms that copper-gold sulphide and gold oxide mineralisation extends well beyond the limits of the original discovery programme. The current surface area of the target defined by a combination of gold and copper-in-soil geochemistry, channel sampling, excavation, geological mapping, ground geophysics, and drilling now extends to an approximate 1km by 1km area, equivalent in size to the current rim of the nearby Madneuli open pit. The extent of copper and gold mineralisation throughout the KB area is indicative of a large well-mineralised system where the Company has to date only tested a small area.

Image 1: Kvemo Bolnisi East Project (see PDF)

Table 2 - Notable Drilling Intersections from Kvemo Bolnisi Copper Zone Drill Programme

HOLE ID	From	To	Interval	Cu%	Au gt
KBRC074D	0.00	21.00	21.00	-0.10	0.68
KBRC074D	23.00	30.30	7.30	0.81	0.12
KBRC074D	43.00	71.00	28.00	0.53	0.56
KBRC074D	71.00	79.30	8.30	-0.10	0.40
KBRC074D	79.30	97.00	17.70	0.24	0.31
KBRC075D	19.00	32.00	13.00	0.38	-0.10
KBRC075D	52.00	63.00	11.00	0.38	-0.10
KBRC075D	88.00	101.00	13.00	0.46	-0.10
KBRC042D	23.00	106.00	83.00	0.73	0.12
KED001	0.00	31.00	31.00	1.10	-0.10
KED001	89.75	150.00	60.25	1.48	0.12
KED002	0.00	14.00	14.00	-0.10	0.28
KED002	32.00	67.00	35.00	0.37	-0.10
KED002	128.40	133.00	4.60	0.33	-0.10
KED002	176.00	185.00	9.00	0.39	-0.10
KED003	0.00	20.00	20.00	-0.10	0.46
KED003	21.00	32.00	11.00	0.46	0.19
KED003	46.50	66.00	19.50	0.85	0.18
KED004	108.00	134.00	26.00	2.67	0.23
KED004	221.00	227.00	6.00	0.82	-0.10
KED005	0.00	11.00	11.00	0.20	-0.10
KED006	0.00	13.00	13.00	0.38	-0.10
KED006	17.00	26.00	9.00	0.25	-0.10
KED006	47.00	65.80	18.80	1.50	-0.10
KED007	11.00	17.00	6.00	1.83	-0.10
KED007	96.00	114.00	18.00	0.56	-0.10
KED007	118.00	131.00	13.00	0.30	-0.10
KED008	22.00	44.00	22.00	0.45	-0.10
KED008	47.40	76.00	28.60	1.60	0.80

KED008	87.00	123.60	36.60	0.39	-0.10
KED008	141.00	167.00	26.00	0.25	0.16
KED009	89.00	99.00	10.00	0.30	-0.10
KED009	103.00	108.00	5.00	0.30	-0.10
KED010	64.10	69.00	4.90	0.41	-0.10
KED011	19.60	66.00	46.40	2.88	-0.10
KED011	75.80	117.00	41.20	1.18	0.13
KED011	123.00	132.10	9.10	1.18	-0.10
KED012	58.4	70	11.6	0.42	-0.10
KED013	38	42	4	0.31	-0.10
KED014	109.4	149	39.6	0.37	-0.10
KED015	5.9	16	10.1	0.33	-0.10
KED015	24.7	45	20.3	0.90	0.15
KED015	69.2	79	9.8	0.88	0.18
KED016	18	32.1	14.1	0.41	0.42
KED017	33.90	46.00	12.10	1.13	-0.10
KED017	53.00	101.00	48.00	0.82	-0.10
KED018	Mettalurgical Sample				
KED019	Mettalurgical Sample				
KED020	0	8	8	0.20	-0.10
KED021	46.7	64	17.3	0.46	0.10
KED022	47.00	54.00	7.00	0.26	0.12
KED022	69.00	73.00	4.00	0.37	-0.10
KED023	Mettalurgical Sample				
KED024	7	12.2	5.2	0.27	0.17
KED025	0	4	4	0.70	0.21
KED025	19	30	11	0.40	0.36
KED026	5	6.9	1.9	0.40	1.33
KED027	132.5	176	43.5	0.57	-0.10
KED027	186	193	7	0.32	0.15
KED028	12.00	26.00	14.00	0.81	-0.10
KED028	156.10	177.00	20.90	1.51	-0.10
KED029	99	103	4	0.18	0.15
KED030	30	41	11	0.67	0.25
KED030	53.05	77	23.95	0.14	-0.10
KED030	252.8	259.1	6.3	0.32	0.16

Technical Glossary

"Au"	the chemical symbol for the element gold
"Cu"	the chemical symbol for copper
"g/t"	grams per tonne
"Indicated mineral resource"	a part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and

	mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed
"Inferred mineral resource"	a part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability.
"JORC"	The Jorc Code (2012)
"JORC Code (2012)"	the code for reporting of the Australasian Joint Ore Reserves Committee, which is sponsored by the Australian mining industry and its professional organisations. The code is widely accepted as a standard for professional reporting purposes for reporting of mineral resources and ore reserves.
"m"	metre, a unit of length as per the International System of Units.
"Mineral Resource"	a concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are subdivided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.
"Mineralisation"	the process or processes by which a mineral is introduced into a rock, resulting in a valuable or potentially valuable deposit. It is a general term, incorporating various types; e.g., fissure filling, impregnation, and replacement.
"Sulphide"	a compound of sulphur and some other element

"Gold oxides"	Near surface deposit of porous gold-enriched rocks typically containing abundant quartz and Fe-limonites, commonly formed by the meteoric weathering of gold-bearing sulphide mineralisation.
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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 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.

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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