

Verkneye Kairakty

Tungsten-molybdenum deposit in Kazakhstan

01

WO₃

Mo

Investment structure

- ▶ The Company is seeking a partner for mining and further processing of the unique tungsten-molybdenum deposit in Kazakhstan (the “Project”)
- ▶ The Company can entertain different partnership options, including sale up to 50% shares in the Project

Investment opportunity

- ▶ **The largest tungsten-molybdenum ore deposit in the world** with mineral resource base by A+B+C1+C2 categories of tungsten—1,216.3 Ktons, molybdenum—39.6 Ktons
- ▶ **Open-pit mining** could be used for deposit development with further move to underground method
- ▶ **Well-developed infrastructure:** 35 km from the nearest railway station, electricity and water supply
- ▶ **Proximity to China and Asian markets**, the world’s largest tungsten consumers
- ▶ **An experienced management team** with a extensive background in mining sector of Kazakhstan
- ▶ The Company has **stable funding** from SWF “Samruk-Kazyna” to finance Project implementation and development

Company Overview

- ▶ Tau-Ken Samruk is the national operator of mining assets in Kazakhstan with exclusive first-refusal rights to any new exploration and production licenses being issued for the country’s mineral assets
- ▶ It was founded by the Government of Kazakhstan in 2009 to ensure the effective use of the country’s natural resources and promote its minerals assets to local and foreign partners that have expertise in exploration, development, production, processing and selling of solid minerals
- ▶ The Company is wholly owned subsidiary of SWF Samruk-Kazyna, the management holding of state assets in Kazakhstan

Cautionary note: This brochure contains certain forward-looking statements, meaning they are based on information currently available to Tau-Ken Samruk, providing no assurance in the actual results. Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results relating to, among other things, results of exploration, project development, reclamation and capital costs of Tau-Ken Samruk’s mineral properties could differ materially from those currently anticipated in such statements for many reasons such as: changes in general economic conditions and conditions in the financial markets; changes in demand and prices for minerals; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; technological and operational difficulties encountered in connection with Tau-Ken Samruk’s activities; and other matters. This list is not exhaustive of the factors that may affect any of Tau-Ken Samruk’s forward-looking statements.

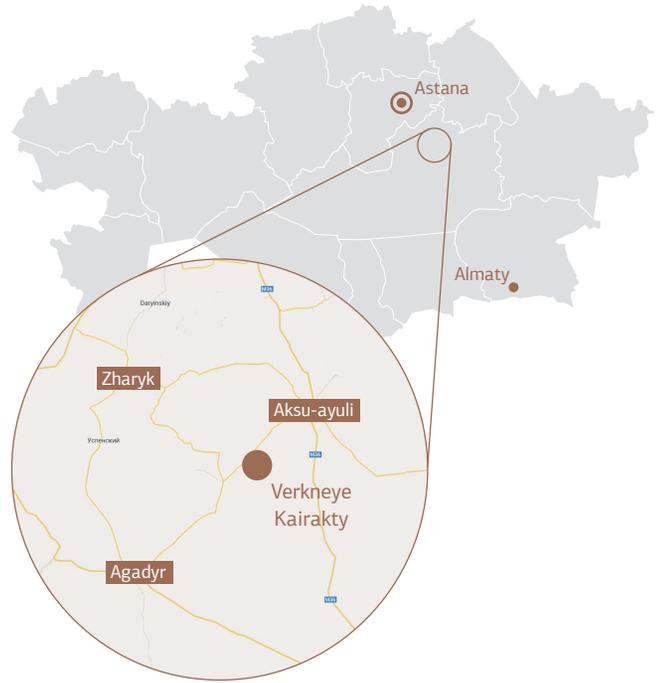
Project overview

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General overview

- ▶ Location: Shetsky region, Karagandy province
- ▶ Landscape: field covered with shrub and grassland vegetation
- ▶ Climate: sharply continental climate with cold winter and moderately hot, dry summer
- ▶ Subsoil use rights: an application made to obtain a sub-soil use right for exploration of tungsten-molybdenum ore



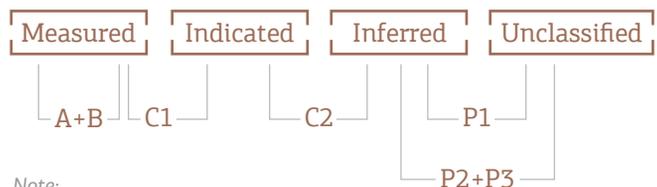
Deposit description

- ▶ Resources by A+B+C1+C2 categories of WO_3 —1,216.28 Ktons (0.133%), Mo—39.6 Ktons (0.005%)
- ▶ Presence of rare earth elements increase value of main tungsten-molybdenum ore 1.5–2 fold. Grade of rare earth element sum is estimated in 4.5 kg/t with Ce/Y—0.9
- ▶ The Verkhneye Kairakty Deposit is unique by its mineral resource base and included into the List of deposits (fields) with strategic importance for the Republic of Kazakhstan¹
- ▶ Mineral composition of primary ores is quite diverse and includes such main ore minerals as scheelite, wolframite, bismuthinite, pyrites, copper pyrite, native bismuth

Deposit	Resources
Verkhneye Kairakty	Resources by A+B+C1+C2 categories of WO_3 —1,216.28 Ktons (0.133%), Mo—39.6 Ktons (0.005%)

Infrastructure

- ▶ The nearest railway station Zharyk is located at a distance of 35 km
- ▶ The large regional and industrial center Karaganda is 130 km to the north of the deposit
- ▶ The road to Agadyr village—6 km of the road is technical and 59 km is asphalt
- ▶ Energy supply is based on power line—500 kV Balkhash-Karaganda or Pavlodar-Middle Asia from the electric power station in Agadyr
- ▶ Water supply goes from underground waters from nearby deposits



Note:
A, B, C1 and C2
can also be reserves

¹—The Resolution of the Government of the Republic of Kazakhstan No. 1137 dated 4 October 2011

Geology

- ▶ According to the data of gravimetrical survey, the deposit is located in above-intrusive zone of granite solid mass having the size of 17x5 km with upper border of 2.2 km and lower border of 6–7 km. Commercial ore bodies belong to ore fold formed by a series of heavy pitching veins and quartz veins dipping in rock mass of altered sedimentary rock. Total contour of ore fold zone is 10x18 m; rare metal productive part takes the area of 2,300 m²

Exploration

- ▶ In the period of 1971–1982, Agadyr geological exploration expedition conducted detailed exploration and preparation to industrial development of the deposit with appraisal of reserves and their registration in SRC of the USSR in 1982

Extraction

- ▶ According to engineering-geological conditions of development, the deposit belongs to medium group of complexity
- ▶ To develop the deposit, it is necessary to make reevaluation of the deposit resources due to modern economic conditions as well as make technological testing to optimize the mining scheme