

Trans-Siberian Gold plc

("TSG" or the "Company")

Trading Update & 2018 Guidance

Trans-Siberian Gold plc (TSG.LN) announces a trading update for the year ended 31 December 2017 ahead of publication of its annual results in May 2018.

FY17 Highlights

- Total gold production exceeded FY17 production guidance: 36,714oz
- Total gold produced stable Y-on-Y (FY16: 36,225oz)
- Record quarterly gold production of 12,244oz in Q4 2017
- Significant Y-on-Y increases in mine development and ore processed
- Estimated unaudited revenues of \$43.5m

FY18 Guidance

- Total gold production in the range of 36,000oz - 40,000oz
- Upper end of total gold production range represents a Y-on-Y increase of ~9%
- Average gold head grade expected to increase by 26% to 8.3g/t (FY17: 6.6g/t)
- Total cash costs expected to be within the range \$650 - 680/oz
- CAPEX forecast for 2018 of ~\$11m in line with expenditures in FY17

Trading Update & Financial Performance

Total gold production of 36,714oz exceeded FY17 production guidance and was stable against the previous year (FY16: 36,225oz). The Company finished the year strongly with record quarterly gold production of 12,244oz in Q4 2017.

Unaudited revenues for the year were approximately \$43.5m (FY16: \$42.2m). As previously announced, operational challenges in H1 2017 resulted in a pre-tax profit of \$0.5m (H1 2016 restated: \$5.4m). Whilst operations improved significantly in H2 2017 it is expected that pre-tax profits for FY2017 will be lower than FY 2016. (FY16: \$8.7m).

Our balance sheet remains robust.

Unaudited net debt at the end of the period was approximately \$12m. The re-financing of our debt facilities in June 2017 lowered our borrowing costs by more than 30%.

For the full year ending December 2017, we expect operational cash flow to be approximately \$10.1m (FY16: \$20.9m). Looking to the year ahead, we expect the Company to be strongly cash generative, with cash generated from operations returning to levels of around \$20m.

We will maintain our dividend policy of returning cash to shareholders.

The Company's accounts for FY17 are currently being audited; TSG expects to announce its Final Results in late May 2018.

Outlook & 2018 Guidance

The outlook for 2018 is promising.

Management action has been taken to address some of the challenges of 2017 as evidenced by the 64% increase in gold production in H2 2017 and the appointment of Konstantin Kornienko as Managing Director of the Company's wholly owned operating subsidiary, ZAO Trevozhnoye Zarevo.

TSG is targeting total gold production in the range of 36,000oz - 40,000oz (FY17: 36,714oz). The upper end of this range would represent a year-on-year increase of ~9% in total gold production.

Underpinning our positive outlook is the expectation of increasing the average gold head grade by approximately 26% to 8.3 g/t (FY17: 6.6g/t).

We anticipate some cost inflation especially for power generation but overall, total cash costs are expected to fall year-on-year to within the range of \$650 - \$680/oz.

CAPEX forecast for 2018 is approximately \$11m, which is in line with expenditures for 2017.

TSG expects to report gold production for Q1 2018 in April 2018.

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About TSG

TSG is focused on low cost, high grade mining operations and stable gold production from its 100% owned Asacha Gold Mine in Far East Russia.

Additional information is available from the Company's website: www.trans-siberiangold.com

Market Abuse Regulations

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ('MAR'). Upon the publication of this announcement via Regulatory Information Service ('RIS'), this inside information is now considered to be in the public domain.

Abbreviations

g/t grammes per tonne
oz ounce
m metre

Disclaimer

This announcement contains "forward-looking statements" - that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance, and often contain words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "should" or "will." Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For us, uncertainties arise from the behaviour of financial and metals markets, fluctuations in interest and/or exchange rates and metal prices; and from numerous other matters of national, regional and global scale, including those of a political, economic, business, competitive or regulatory nature. These uncertainties may cause our actual future results to be materially different that those expressed in our forward-looking statements.

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