

# Trans-Siberian Gold plc

(“TSG” or the “Company”)

## Q1 Production Update

Trans-Siberian Gold plc (TSG.LN) announces its production update at the Asacha Gold Mine for the three months to 31 March 2018 (“Q1” or the “Period”).

### Highlights

- Record quarterly revenue generation of \$15.6m (Q1 2017: \$9.6m)
- 11.8% increase in gold production of 8,100oz (Q1 2017: 7,246oz)
- Average gold grade: 6.1g/t (Q1 2017: 5.4g/t)
- Delayed delivery of dore in Q4 2017 pushed refined gold 15% higher Q-on-Q
- Estimated average selling price of \$1,343/oz
- Reduced mine development due to high underground water levels
- One (1) fatality post-Period

### Dmitry Khilov, Chief Executive Officer of TSG, commented:

*“Having achieved record quarterly production in Q4 2017, we have made a solid start to 2018. Whilst production is slightly lower than anticipated, we are pleased to have generated record quarterly revenue of approximately \$15.6m. A weaker Ruble and higher gold prices have had positive impacts on our profitability.”*

### Production Summary

Mining and production data for Q1 2018 at the Asacha Gold Mine is shown in the following table:

Metric	Q1	Q4	Q-on-Q	Q1	Y-on-Y
	2018	2017	% Change	2017	% Change
<b>Mine development (m)</b>	1,549	1,656	-6.5%	1,263	22.6%
<b>Ore extracted, tonnes</b>	47,081	55,992	-15.9%	46,155	2.0%
<b>Ore processed, tonnes</b>	44,395	46,752	-5.0%	44,320	0.2%
<b>Grade, gold, g/t</b>	6.1	8.6	-29.6%	5.4	13.5%
<b>Grade, silver, g/t</b>	15.4	17.6	-12.6%	9.0	71.2%
<b>Recovery, gold, %</b>	94.4	94.7	-0.3%	94.2	0.2%
<b>Recovery, silver, %</b>	75.9	81.2	-6.5%	76.7	-1.0%
<b>Gold in dore (oz)</b>	8,100	12,244	-33.8%	7,246	11.8%
<b>Silver in dore (oz)</b>	15,662	21,291	-26.4%	10,148	54.3%
<b>Gold refined (oz)</b>	11,343	9,858	15.1%	7,644	48.4%
<b>Silver refined (oz)</b>	21,127	16,315	29.5%	12,356	71.0%

### Commentary

During the Period, mining progress has been slowed by high underground water levels. As a result, and to ensure processing capacity is fully utilised, higher grade stoping ore has been augmented by lower grade ore from stockpiles. So whilst the amount of ore processed was stable, the amount of gold produced has fallen quarter-on-quarter but is 11.8% higher on a comparative basis with the same period in 2017. The average grade for the Period was 6.1 g/t.

The high levels of water in the geological structure are being addressed by investment in mobile pumping equipment as well as the construction of a permanent pumping station at 100m underground. It is anticipated that Q2 2018 production levels will reflect the continuation of high water levels whilst remedial activities take place. Gold production in H2 2018 is expected to improve as the effects of the installation of additional pumping equipment is felt. Accordingly, the Company's total gold production guidance range of 36,000-40,000oz for 2018 remains

unchanged. The upper end of the range represents a year-on-year increase of approximately 9% in total gold production.

Regrettably a fatal accident occurred underground very recently involving an employee. All of the relevant investigation procedures have been initiated.

TSG intends to provide a production update for Q2 2018 in July 2018 and announce its Final Results for FY2017 in late May 2018.

### **Potential Environmental Claim Update**

In January 2018, the Company announced that its wholly owned subsidiary, ZAO Trevozhnoye Zarevo ("TZ") had received a claim from the Federal Service for Supervision of Use of Natural Resources, RosPrirodNadzor ("RPN") over the payments for disposal of waste materials following a site inspection in 2016. The management of TZ continue to dispute the claim made by RPN and are working hard with all parties involved to clarify the situation in order to achieve a satisfactory outcome.

### **Contacts**

#### **TSG**

Stewart Dickson

+44 (0) 7799 694195

#### **Cantor Fitzgerald Europe**

David Porter

+44 (0) 207 894 7000

### **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](http://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.