



04 December 2014 – Geological Committee of the Republic of Macedonia Approved the Final Report on Completed Geological Exploration with Calculation of Copper Ore Resources

In accordance with the Contract for concession for geological exploration of mineral resources at the “Kazandol” deposit, concluded with the Government of the Republic of Macedonia¹, “Sardich MC” has completed the geological exploration at the “Kazandol” deposit in 2014 including the topographic geodetic activities, the geological mapping, the prospective drilling works and the ore-lithographical, physical, chemical and technological researches. The scope of the works was to assess the resources and to estimate the reserves of the oxide copper ores.

At the beginning of 2014 in cooperation with “Geoinzenering M”² “Sardich MC” prepared the project for geological exploration of mineral resources at the “Kazandol” deposit³ approved by the Geological Committee of the Republic of Macedonia and the implementation of this project was completed in May 2014.

The completion of the geological exploration in October 2014 resulted with production of the Final report of geological exploration, including estimated reserves and quality of the mineral resources – copper, at the “Kazandol” deposit. This Report has been submitted to the Geological Committee of the Republic of Macedonia, which after the revision, on 4 December 2014 issued a positive revision conclusion⁴ on compliance of the Report with the existing legislation.

The main conclusions of the Report are as follows: the prospective drilling works on area of 0.4 km² were performed mainly on 50x50 m grid, with 165 boreholes drilled with total drilling length of 11,299.6 m. Based on concluded works, the Geological Committee of the Republic of Macedonia established the reserves of oxide copper ore from categories A+B+C1+C2 of total 32,756,589 tons and average copper grade of 0.221% Cu, which amounts to 72,490 tons of metallic copper.

Based on the conclusion of the Geological Committee, “Sardich MC” obtained rights, guaranteed by the Law on Mineral Resources⁵, to submit a request to the Government of the Republic of Macedonia for concession for exploitation of mineral resources at the “Kazandol” deposit, Valandovo municipality to be granted to the company.

¹ Contract for concession on geological exploration of mineral resources – copper, gold and silver at “Kazandol” location, municipalities of Valandovo, Bogdanci and Dojran.

² “Geoinzenering-M”, Macedonian licensed company with vast experience in geological, hydrogeological works and detailed geological and hydrogeological exploration of various kind of mineral resources.

³ Revision conclusion of the Committee on professional assessment (revision) of geological documentation, number 08-165/6 from 15 December 2014.

⁴ Revision conclusion of the Committee on professional assessment (revision) of geological documentation, number 08-562/9 from 04 December 2014.

⁵ Law on Mineral Resources (Official Gazette of the Republic of Macedonia, 136/2012, 25/2013, 93/2013, 44/2014, 166/2014, 129/2015, 39/2016 and 53/2016).