

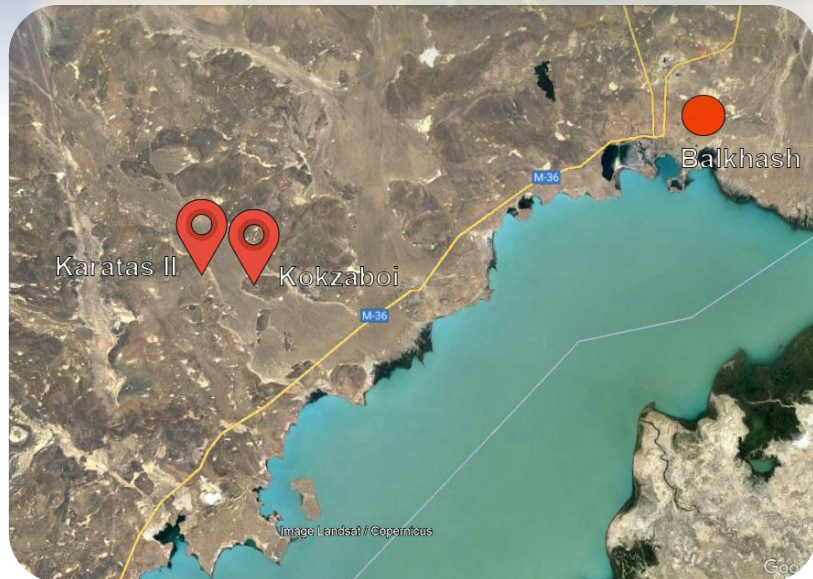
The background of the slide is a wide-angle photograph of a mining operation. In the foreground, a large yellow tracked excavator with "SDLG" branding is positioned on a rocky, reddish-brown slope. Another excavator is visible in the distance on the left. The terrain is rugged and appears to be a large-scale excavation site. The sky is bright blue with scattered white clouds.

BALQASH RESOURCES LLP

Development Project
of the Karatas II and Kokzaboy Deposits

jan 2024

Project passport



Deposits location:

- The Karatas II deposit is located some 25 km north of the northern shore of lake Balkhash and 100 km by road, west of the town Balkhash and about 350 km south of the city of Karaganda; the distance by road from Almaty is about 600 km. A 20 km dirt road joins the site to the main national road between Almaty and Astana.
- The Kokzaboy deposit is located in the northwestern part of the Balkhash region, 95 kilometers west of the city of Balkhash.
- The distance between Karatas II and Kokzaboy deposits is less than 10 kilometers, allowing for shared infrastructure use.

Karatas II		The coordinates of vertices of deposits	Kokzaboy	
Northern latitude	Eastern longitude		Northern latitude	Eastern longitude
46°39'50"N	73°50'05"E		73°56'0"N	46°39'40"E
46°39'20"N	73°50'45"E		73°56'0"N	46°38'0"E
46°39'30"N	73°51'05"E		73°58'0"N	46°38'0"E
46°40'0"N	73°50'25"E	73°58'0"N	46°39'40"E	

License terms

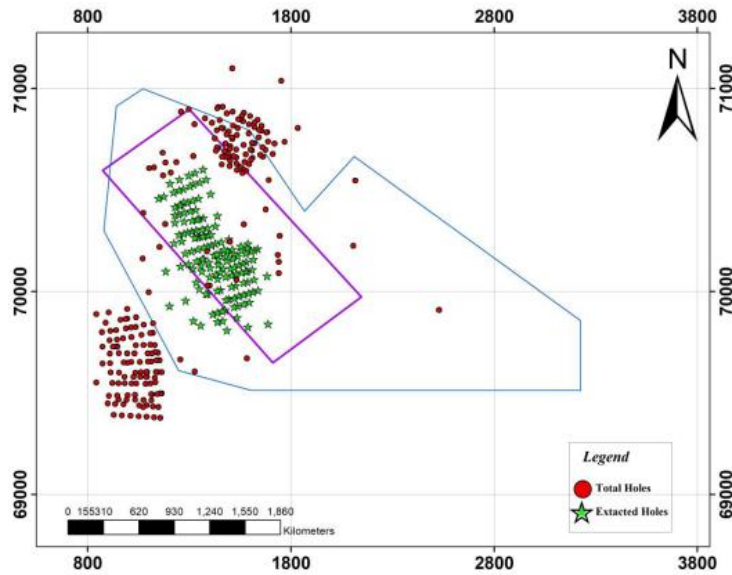
The right to extract solid mineral reserves at the Karatas II and Kokzaboy deposits belongs to the 'Balqash Resources' LLP.

License terms:

- The Karatas II licence was signed on 9 December 2021 and is valid for 25 years, till 2046.
- The Kokzaboy licence was signed on 11 December 2021 and is valid for 15 years, till 2038.

Both licenses contains the work programs with expected product plan, performance parameters and various other information, such as commitment **to build ore beneficiation and processing complexes** for non-ferrous and iron metal refining based on the deposit.

Karatas II exploration information



Exploration drilling of the Karatas II deposit was done by the Soviet Union through 1960th to 1980th.

The absolute height of the deposit is between 400 and 415 meters. In the studied area, the coordinates of 362 boreholes are available, of which 149 boreholes were observed in the cross-sections drawn by the Soviet Union. A view of all the boreholes (green color are extracted heoles) is shown in Figures.

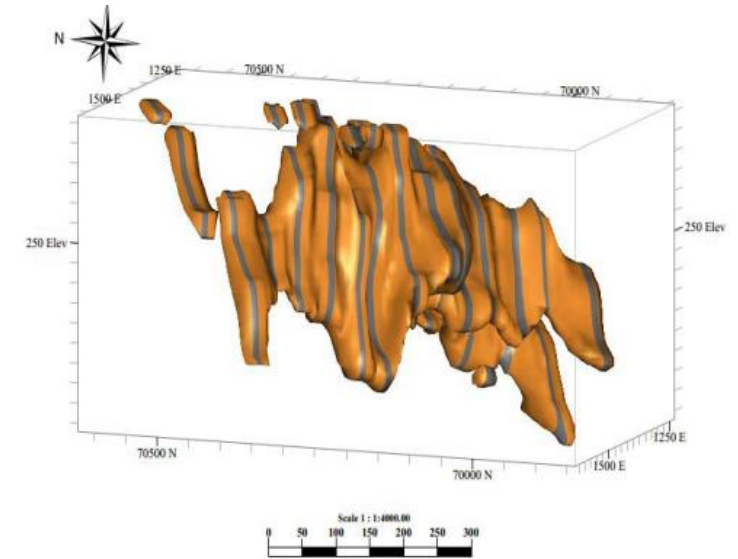


Figure 6-5-A 3D view of 3D iron orebody

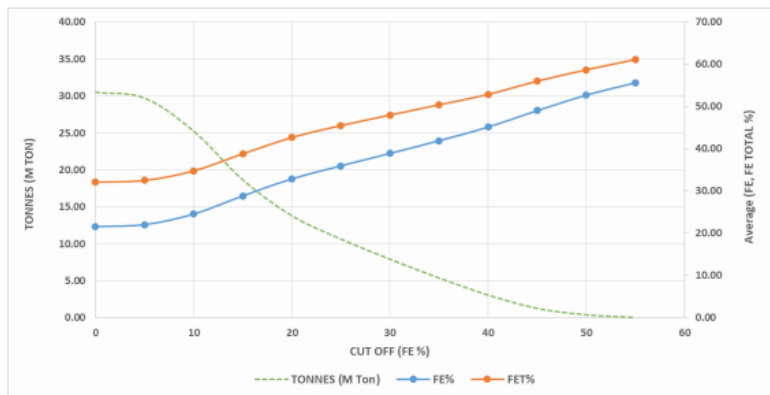


Chart 6-26- Tonnage-grade curve of total mineral resource versus cut-off grade of the Fe

Chart 6-26 shows the total resource of the model for different grades of Fe. As can be seen, regardless of the grade, the amount of mineral resource will be equal to **30.46 Mt with an average grade of 21.6% Fe, 32.12% Fe-Total and 109.08 g/ton Mo**. Also, according to the different zones, the grade-tonnage table related to these sections and the general table according to the categories are given in Table 6-13.

Table 6-13- Tonnage-grade data of total mineral resource based on cut-off grade of the Fe

CUTOFF FE%	VOLUME(M ³)	TONNES (M Ton)	DENSITY (Ton/M ³)	Ave. FE%	Ave. FET%	Ave. MO_PPM
0	8,392,000	30.46	3.63	21.60	32.12	109.08
5	8,178,125	29.69	3.63	22.07	32.53	107.86
10	6,948,625	25.22	3.63	24.58	34.80	98.60
15	5,137,250	18.65	3.63	28.87	38.82	88.11
20	3,806,125	13.82	3.63	32.89	42.69	79.17
25	2,936,625	10.66	3.63	35.99	45.52	71.67
30	2,190,125	7.95	3.63	38.92	48.01	65.39
35	1,490,375	5.41	3.63	41.93	50.44	59.44
40	857,875	3.11	3.63	45.18	52.90	55.44
45	360,625	1.31	3.63	49.05	56.03	39.77
50	122,875	0.45	3.63	52.72	58.72	27.99
55	20,625	0.07	3.63	55.64	61.16	22.23

Kokzaboy exploration information



Geological exploration at the deposit was conducted in three stages.

The **first stage**, from 1958 to 1964, saw the drilling of 49 boreholes up to 56 meters. Technological samples were collected and analyzed, estimating reserves of Category C2. Geological-economic evaluations were carried out in 1983 and 1990, proving a high profitability (32.6-42.6 with capital investment payback) for processing the deposit.

The **second stage**, from 1991 to 1996, involved exploration of ore bodies through drilling, allowing estimation of reserves under Category C1.

The **third stage**, from 2000 to 2001, included exploratory trenches around ore bodies, estimating the balance reserves under Category C1+C2.

№№ ore bodies	Grade data of mineral resources based on cut-off grade								
	Lead, %			Zinc %			Silver, gr/tons		
	from	to	avg	from	to	avg	from	to	avg
1	2	3	4	5	6	7	8	9	10
1	0.03	11.38	1.9	2.57	22.86	7.81	3	248	69.3
1 ^a	0.1	18.8	2.45	3.07	21.17	9.69	9.8	660.1	118.7
1 ^b	0.06	12.91	3.57	1.09	12.11	5.38	8.2	548.9	146.2
3	0.13	10.4	3.16	2.97	16.81	8.2	27.4	651.4	79
3 ^a	0.26	5.26	2.29	1.17	15.25	7.45	31.5	260.4	152.9
4	0.17	14.55	7.56	1.29	27.51	20	12.08	717.1	383.7
5	0.39	5.38	2.26	3.43	16.39	7.84	20	509.2	155.6
5 ^a	0.18	3	0.48	3.01	13.39	4.42	41.2	78	45.2
6	2.29	4.68	2.75	4.23	8.74	5.95	43.5	56.4	49.3



Karatas II reserves

The reserves of the Karatas II deposit, approved by the State Committee for Reserves of the USSR (Protocol No. 8868 dated November 4, 1981), are accounted for in the following quantities:

Indicators	Measurement units	Balanced reserves		Off-balance sheet reserves
		C1	C2	
Total ore*	Thousand tons	24 718	2 430	7 010
Copper	Thousand tons	89,6	5,5	20,92
Molybdenum	Tons	2 261	1 042	444
Magnetite iron	Thousand tons	5 134,1	63,3	1 610
Sulfide sulfur	Thousand tons	879	-	-
Silver	Tons	165,85	-	-
Gold	Kilograms	-	474	-
Cobalt	tons	-	845,7	-

**Karatas II consists Magnetite ore, where main economic value lies in magnetite; Cu ore, where main value is in Cu (plus Mo).*

Kokzaboy reserves

The reserves of the Kokzaboy deposit, approved by the Committee of Geology and Subsoil Protection under the Ministry of Energy and Mineral Resources Republic of Kazakhstan (Protocol No. 132-02-KU dated January 16, 2002), are accounted for in the following quantities:

Indicators	Measurement units	Balanced reserves		Off-balance sheet reserves
		C1	C2	
Total ore	Thousand tons	427,70	1 691,9	76,1
Lead	Thousand tons	15,08	29,7	1,89
Zinc	Thousand tons	27,67	128,01	2,68
Silver	Tons	40,66	121,55	2,91
Cadmium	Tons	-	640,64	30,17
Bismuth	Tons	-	688,16	-
Average contents:				
Lead	%	3,53	1,76	2,47
Zinc	%	6,47	7,57	3,52
Silver	gram/tons	95,10	71,8	38,24
Cadmium	%	-	0,030	0,040
Bismuth	%	-	0,032	-

License Commitments:

Definition of the
type of ore
processing-
production
complexes

- ❖ For the implementation of the ore enrichment technology and possible subsequent processing of ores, it is advisable to construct new ore dressing plants at the Karatas II and Kokzaboy deposits.
- ❖ Ores of the deposits:
 - Karatas II are molybdenum-copper-iron ores.
 - Kokzaboy are polymetallic (lead, zinc)
- ❖ The plants should be built according to the technological regulations of the ores from the Karatas II and Kokzaboy deposits.
- ❖ The most straightforward and well-studied enrichment method for the deposits is as follows:
 - Karatas II - flotation process with a scheme for processing sulfide ores, extracting conditioned iron concentrate from flotation tails.
 - Kokzaboy - flotation process with multiple stages of enrichment and processing.

The most feasible types of products to be obtained are as follows:

- Molybdenum product
- Copper concentrate
- Pyritic concentrate
- Magnetite iron concentrate
- Lead concentrate
- Zinc concentrate

Ore market prices review

Karatas II

Products	Price per ton in \$	Volume in tons	Total amount in \$
Copper concentrate (25%)	1 700	95 100	161 670 000
Iron concentrate (65%)	149	5 197 000	774 353 000
Molybdenum product	42 260	4 303	181 844 780
Silver	745 816	166	123 805 406

Kokzaboy

Products	Price per ton in \$	Volume in tons	Total amount in \$
Lead	2 086	44 780,0	93 411 080
Zinc	2 641	155 680,0	411 150 880
Silver	745 816	162,21	120 978 765

-
- Approximate cost, considering potential enrichment at the ore dressing plant up to concentrate.
 - Data from open sources indicate an increasing demand for most metals from the deposit, which affects the rise in prices.

Project roadmap

Project Name	Construction of an ore processing and production complex for processing non-ferrous metals and iron based on deposits
Project Implementation Period	Launch timeline of the ore processing plant: 2.5 - 3 years
Preparatory Stages from 6 months to 12 months	Obtaining a land plot for construction Conducting topographic and engineering-geological surveys for the construction of the ore processing plant, modifying mining plans, preparing utilities Undergoing independent external construction expertise of the construction project Confirmation drilling, Building a 3D model, development of regulations, recalculation of Mineral Resources, development of Technical and Economic Feasibility Study (TEFS)
Main Implementation Stages 1.5 - 2.5 years*	Selection (manufacturing) of equipment for the plant Development of the ore processing plant project Construction of the ore processing and production complex, including network preparation, equipment installation, establishment of a laboratory Launch of the ore processing and production complex, conducting mining operations
Construction Expenses	Costs range from \$30,000,000 to \$50,000,000*

** Depending on the equipment choice - acquisition of ready-made solutions or development and manufacturing*

Prospects for project expansion

- Additional reserves have been approved for the deposits:

- Karatas II
 - Sulfate sulfur 3.56%
 - Pyritic sulfur 3.29%
 - Selenium (1.01 g/t)
 - Tellurium (0.56 g/t)
 - Rhenium (0.008 g/t)
 - Indium (0.19 g/t)
- Kokzaboi
 - Silver (95.1 g/t)

which also have market demand

- The non-metallic waste of empty rocks can potentially be used as construction aggregate, amounting for construction purposes.
- The Karatasskaya group deposits, combined with the Karatas II, Kokzaboy deposit, will expand the resource base. These deposits include Karatas I, Karatas IV, Karatas West, Koskuduk, provided that an ore beneficiation plant is constructed. The approved reserves of the group amount to 42 million tons of iron.

THANK YOU FOR YOUR ATTENTION



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