

# GeoProMining Group gains ground as

GeoProMining is one of the largest mining companies in the Caucasus region

**G**EOPROMINING is an international, privately-owned diversified mining company with five operating assets in Armenia, Georgia and Russia. The group intends to grow its business by investing in new technologies, making efficiency improvements as well as developing mines.

GPM's senior management team consists of international executives with global mining expertise and local professionals with longstanding on-the-ground experience in their regions of operation.

## LONG-TERM PARTNER TO ARMENIA

GeoProMining has already made a major commitment to Armenia, and this is set to grow as the company invests and increases the scale of its operations.

GeoProMining's operations in Armenia include GPM Gold (operating the Zod Mine and the Ararat Gold-Processing Plant) and the Agarak Copper-Molybdenum Mine Complex, as well as exploration licences for numerous promising deposits.

GeoProMining acquired the assets of the Ararat Gold Extraction Company from Vedanta Resources in September 2007, and subsequently renamed the company to GPM Gold. The acquisition of the Agarak complex was completed in October 2007.

Since the acquisitions, GPM has focused on establishing sustainable, profitable and environmen-

tally safe operations at both companies by investing in new technologies and modernisation. Since 2007 GeoProMining has invested US\$260 million into GPM Gold and Agarak. This sum funded the acquisition of assets, repayment of debts owed by the former owners, payment of tax arrears to the Armenian government, as well as capital expenditure and operational expenses of over US\$20 million to relaunch operations at the GPM Gold and Agarak plants.

The company is also planning to invest over US\$120 million into Armenia over the next three years. These investments will upgrade the operations of GPM Gold and Agarak with modern equipment and technologies, with the aim of reducing operating costs and increase output, while minimising the environmental impact.



*GeoProMining will upgrade the operations of GPM Gold and Agarak with modern equipment and technologies over the next three years*

## GPM GOLD

When GeoProMining acquired GPM Gold, the Zod gold deposit and the Ararat processing plant were mothballed, primarily due to a shortage of ore that could be processed at the plant. Mere months after the acquisition, GPM initiated a programme to overhaul the business, which included a significant investment in upgrading key production equipment. GPM has repaid debts owed by the former owners, including unpaid salaries and taxes. The plant restarted operations by the end of 2008, and the company was able to retain the experienced professionals employed there.

## Background

- GeoProMining Gold includes the Zod gold mine and the Ararat processing facility;
- Zod is one of the region's largest deposits
- The company restarted production at the end of 2008, becoming cash-flow positive at end-2009
- A capital investment programme totalling US\$100 million is planned for constructing new processing facilities at the Ararat plant by employing new Albion technology from Xstrata Technology and optimising mining operations at the Zod mine

One of the main challenges that GPM Gold faces is that the extraction technology at the Ararat plant is not designed to process the sulphide ores remaining at the Zod deposit.

Today, GeoProMining is preparing to upgrade the Ararat gold plant with the innovative Albion gold extraction technology from Xstrata Technology (Australia), supported by Core Process Engineering (Australia). This unique method for gold extraction will enable the processing of sulphide ores,

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## GPM key operating assets

Asset	Location	Ownership	Commodity				
			Au	Cu	Ag	Mo	Antimony
GPM Gold	Armenia	100%	X		X		
Agarak	Armenia	100%		X		X	
Quartzite	Georgia	100%	X		X		
Madneuli	Georgia	99.15%	X	X			
Zvezda/Sarylakh-Surma	Russia	100%					X