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## MEDIA RELEASE

### **ERG carries out exploration works in Kazakhstan, commences drilling at an additional site in the Aktobe Region**

- The company has started drilling at the 130 km<sup>2</sup> Bilge site in the Aktobe Region;
- Overall, well drilling across Kazakhstan is expected to total at least 40,000 linear metres per year, with the potential for expansion up to 100,000 linear metres per year;
- ERG Exploration Company: Investment in drilling equipment to date has totalled circa 5 million USD

**ERG Exploration, established in January 2021 as part of Eurasian Resources Group (ERG), a leading diversified natural resources group, in order to replenish and expand the company's mineral resource base, has commenced drilling operations at the 130 km<sup>2</sup> Bilge exploration site in the Aktobe Region. The company is using its own resources to test geophysical and geochemical anomalies and geological formations to detect various mineral occurrences, including copper, chrome and manganese mineralisation. At the prospecting stage, drilling will total 6,600 linear metres.**

ERG Exploration JSC performs a full range of exploration works, from design, field and geophysical surveys and well drilling to 3D modelling of deposits and preparation of reserves and resources reports meeting international standards such as KAZRC and JORC. The company has a team of highly qualified specialists, who have already started to develop exploration plans, make preparations for field surveys and perform other required surveys of the Group's exploration assets.

*'Market analysis has revealed that existing geological exploration enterprises are organisationally disconnected; they have limited capabilities and a narrow focus,' commented Serik Shakhzhanov, Chairman of the Management Board of Eurasian Group LLP, which manages ERG's assets in Kazakhstan. 'To accomplish the tasks that ERG is currently faced with, we require a company with extensive capabilities that can offer a full range of services, including reclassification of reserves in accordance with international standards. Accordingly, we have decided to set up our own exploration company and spin off geological exploration as a separate business within the Group.'*

The company sorts the waste it generates by type; in the course of drilling, it uses certified environmentally friendly drilling mud additives. All operations are based on environmental impact assessments (EIAs) agreed and approved by competent authorities. ERG Exploration JSC consistently implements international standards, including ESG principles.

Contracts for subsequent waste transfer and processing have been concluded with third-party organisations. The drilling site has been fenced off with special netting to protect it against potential hazards, prevent unauthorised access and make sure that no wild or domestic animals enter the premises. All personnel have undergone training and have obtained all the authorisations and certifications required for exploration work.

The company has set up production facilities in Rudny and Khromtau. To build up its drilling capabilities, the company has purchased high-performance drilling rigs from well-established international

manufacturers. It is expected that a total of at least 40,000 linear metres will be drilled per year. Investment in drilling equipment to date has totalled circa 5 million USD.

*'Our main objectives are to study mineral reserves, with a focus on bauxite, chrome, manganese and other metals prioritised by ERG,' explained Azamat Shalabayev, Director General of ERG Exploration JSC. 'In addition, we will work to improve exploration techniques, provide scientific support for exploration processes and centralise the management of all existing and prospective exploration assets.'*

Within ultrabasic rocks and exocontact zones at the Bilge property, geochemical dispersion halos have been identified for chrome, nickel, cobalt, copper and lead. For instance, the Bilge ore occurrence has copper content of up to 3%.

To accomplish all of its objectives, ERG Exploration intends to leverage innovative technologies, such as remote sensing, artificial intelligence and other tools, and to adopt state-of-the-art geophysical and geochemical exploration techniques and drilling methods to prospect for new promising exploration targets.

ERG Exploration plans to boost drilling to 100,000 linear metres per year. Accordingly, the company's strategy involves increasing the number of drilling rigs to 10.

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**About Eurasian Resources Group:**

Eurasian Resources Group (ERG) is a leading diversified natural resources group with integrated mining, processing, energy, logistics, and marketing operations. The Group operates in 15 countries and is a major employer in the industry.

ERG is the world's largest high-carbon ferrochrome producer by chrome content and among the principal copper and cobalt suppliers. It is also one of the largest suppliers of alumina and iron ore in Eurasia and the only producer of high-grade aluminium in the Republic of Kazakhstan.

In Kazakhstan, ERG represents one third of the metals and mining industry. It is also a key power supplier and a large railway operator in Central Asia. ERG manages production entities in Kazakhstan that are among the nation's foremost enterprises, including Kazchrome, SSGPO, Kazakhstan Aluminium Smelter (KAS), Aluminium of Kazakhstan, Eurasian Energy Corporation, Shubarkol Komir, Transportation Group TransCom, 3-Energoortalyk and ERG Service.

In Africa, ERG mines and processes copper and cobalt ore and produces copper and cobalt hydroxide. It has recently launched Metalkol Roan Tailings Reclamation (RTR), a major tailings reprocessing operation in the Democratic Republic of the Congo.

The Group has further development projects in thermal coal, manganese, platinum, bauxite and fluorspar in South Africa, Zimbabwe, Mali and Mozambique. ERG controls its own supply chain on the continent through its company Sabot, a North-South Corridor logistics specialist.

In the State of Bahia in Brazil, ERG is pioneering an integrated mining and logistics project comprising the Pedra de Ferro iron ore mine, the Porto Sul deep-water port and the associated new FIOL broad-gauge railway.

ERG is a founding member of the Global Battery Alliance launched on the platform of the World Economic Forum and dedicated to ensuring that there is an ethical and sustainable global supply chain for the lithium-ion batteries that help power the Fourth Industrial Revolution and a low carbon economy, through electric vehicles, renewable energy technologies and smartphones.