

"IKH TOKHOIROL" GOLD DEPOSIT

1. Location, transportation, infrastructure:

"Ikh tokhoirol" gold deposit is situated across the Tuul river bed in the southern west of Khentii mountainous region and belongs to the subordination of Buregkhangai soum of Bulgan province and Zaamar soum of Tuv province.

Deposit crossing:

1.	48°24'	104°30'	7.	48°17'	104°26'
2.	48°24'	104°32'	8.	48°17'	104°24'
3.	48°22'	104°32'	9.	48°21'30"	104°24'
4.	48°22'	104°30'	10.	48°21'30"	104°26'
5.	48°20'	104°30'	11.	48°23'30"	104°26'
6.	48°20'	104°26'	12.	48°23'30"	104°30'

The nearest village is situated 130 km in the southern east of the city of Erdenet, 240km in the northern west of the city of Ulaanbaatar, and 240km southern west of the city of Darhan. Ulaanbaatar-Bulgan oriented paved auto-car road lays 6 km in the south of the deposit.

-Ground surface. There dominates knoll and hilly plate surface in the deposit area and surrounded by short mountains.

Surface of the short mountains lay in the Zakhtsag mountainous area surrounding the mountains. The absolute altitude is 1200-1300m and the relative heightening 100-150m.

Knoll-hilly surface lays in the area of intermountain hollow and river valley. Its absolute altitude is 1000-1200 m and the relative heightening is 100m.

The plate surface is intermountain hollow of which height is 950-100m.

-Water network. The biggest river is Tuul river, the right mouth of Orkhon river that is 600kms long, 1-4kms wide. There is river bed bending and crippling and has a large number of black water and small islands. Its flowing speed is 0.3-11m/sec.

-Weather. The climate is changeable, the average temperature is 28C. January is the coldest month and the temperature is 37C, July is the hottest month and the temperature is +32C.

-Infrastructure. The population is not densely populated. There live khalkh people running agriculture or animal husbandry. There reside 3000 people in Zaamar soum. This region has good transportation and it is possible to travel by car both in summer and winter. It is located near the industries and Agricultural Production bases here biggest business entities such as Shijir Alt, Altan Dornod, Erel operate their activities. It is provided with enough working force and personnel. Demand and sells of products are available in the market, and products are exported abroad and delivered to Mongol Bank or Trade and Development Bank.

-Electricity supply is good. A station distributing high voltage line of 220 megabyte between Ulaanbaatar and Erdenet, and its branch line of 110 megabyte is located in less than 20 km from the deposit. Sub station of 35 megabyte branched from it is located in the center of the gold mine in Zaamar soum of "Shijir alt" Co.,Ltd and the 6000 kilobyte sub stations of "Altan dornod" Co.,Ltd 2,1 km far from the deposit.

Kind, state:

The gold deposits in the Tuul river valley are known from very early ages. The resource of gold in this area was determined as 5-7 tones in 1958.

Zaamar soum unit of Darkhan city Geology Search expedition did the 1:50000 scale research and search work in the hillock of Tuul river, its branch mouths in 1979-1981. Here it explored the river sediment containing large amount of gold and made a new estimation in the site and determined the resource as 15.4 tones.

Kh.Bayarsaikhan and Ts.Namsrajav did the search and estimation work in the site of flood-plain of Ikh tokhoirol between the 712-878th lines in 1991-1993 and determined the resource of gold as 1733.5 kg in C ranking, 5913.7 kg in non-balance P ranking.

A.Bolor and D.Ganbat did the research and search work in that deposit between 762-792nd lines in 2000-2001 and approved the result of the previous research work.

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Geology formation:

The soil deposit of Ikh tokhoirol is originated from deliuvial-proliuvial and proviliuvial. It is related to the sandy alluvial-proliuvial sediment in terms of its origin and place.

Forming ore:

Kind of ore- Precious metal /Au/, soil deposit
The deposit lays across the Tuul river being prolonged across 16.7 km in the form of ribbon.

Enriching:

By the search and estimation work done between the 762-792nd lines and the laboratory test done during the search work in 2001, the elements such as magnetit, ilmenit, martit, watery acid, amphybol, granate, monacit, sircin, rutil, anatase, apatit, sheellit, pirit, galenit and kassiterit are have been determined as the assistant elements of gold. The gold content is 957 and its crate is 874.

The deposit consists of flood-plain and hillock areas. The hillock of the deposit can be used in an apparent method. The useful stratum of flood-plain deposit is situated under the water level of Tuul river and Dredge equipment must be used here.

Resource:

Due to the states of research and search work, the areas with geology and geomorphology formation of valley, sediment formation and consistence filling the valley and content of gold were estimated. Through this work, the search and research work was done in the soil deposit of flood-plain gold and the hillock deposit using large diameter 25m drill and 1600*40 and 200-400*40 meter cage. Duly, resource for gold was determined as 1733.5 kg in C₂ ranking in flood-plain area and 1662.2 kg in C₁+C₂ ranking in hillock area. As a result of the research work done in the upper areas of the valley of Tuul river, the approximate resource was determined as 3768.3 kg in P ranking.

Ownership and source of investment:

"Ikh tokhoirol" deposit belong to the kind of soil deposit flood-plain of gold and equipment working in water is needed for processing gold. Therefore, we need some additional investment of over 2 million USD.

"Ikh temuulel" Co.,Ltd, the owner of license for deposit started its activities by operating gold mine in the place named Suugiin denj of Buregkhangai soum of Bulgan province in 1994. currently it has two gold mines, 10 search sites, 3 daughter companies and employees over 120 workers. As well it is a business entity that operates trade and manufacture owning over 1500 hector land that belongs to its ownership.

Our company has given over 150 kg pure gold to the treasury fund of the state and paid tax of approximately 70 million tugrics to the local and state budget by starting its activities with the fixed capital of 700 million tugrics, and working capital of over 180 million tugrics. Besides, it has been employing over 80 people with permanent working place as well as to supporting their life.

Currently we are using 1 piece of EKG-5A excavator that have 5m³ volume, 4 pieces of EO-4121 excavator, 5 pieces of Belaz-540A auto-elevator that has a capacity of 27 tones, 10 pieces of Kraz-256B auto-elevator that have a capacity of 12 tones, 3 pieces of T-170 bulldozer, 3 pieces of T-130 bulldozer and two pieces of equipment enriching gold with pressure water, due to the principle of gravity for our production. Our company has made sells of 1.350 million tugrics and processed 163 kg of pure gold of as of 2001. Hence, we have been rated at the 11th place among over 100 business entities that are processing gold through out the state.

We are aiming at updating technique and technology and increasing the producing capacity by getting the personal high educated in the future.

Contacting address:

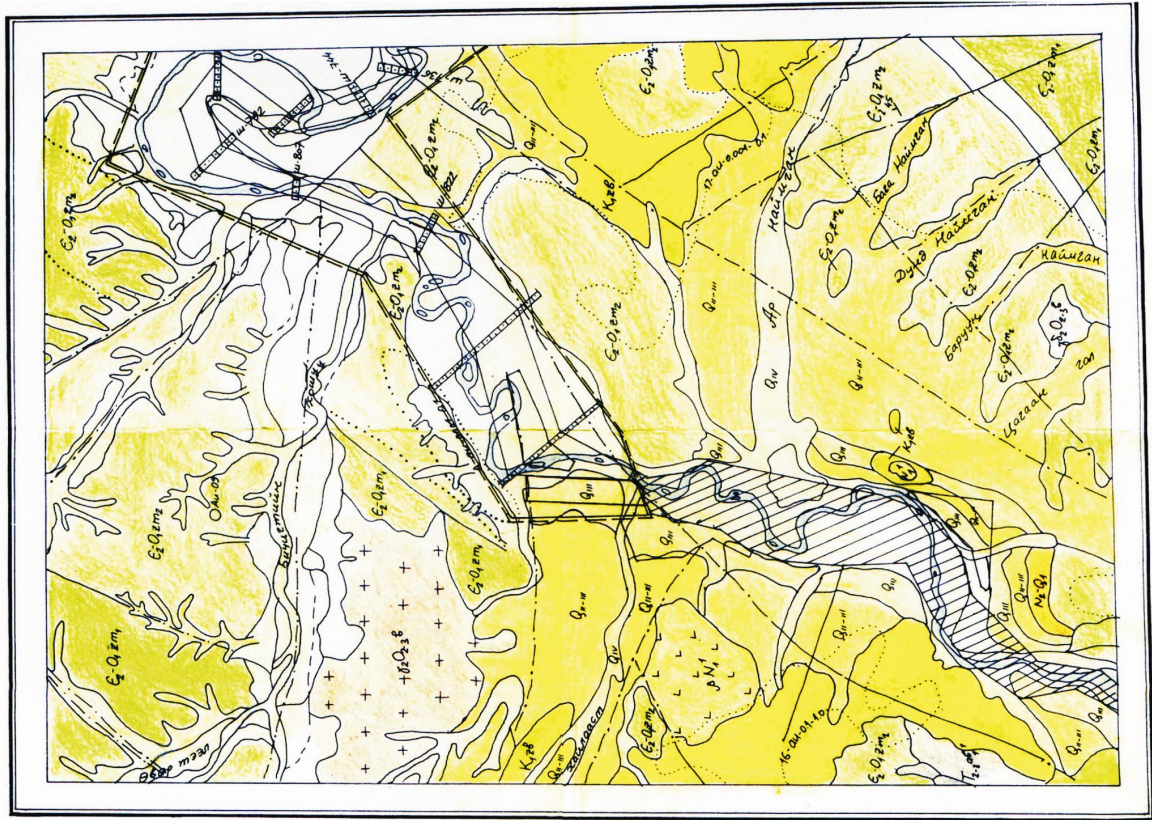
Name of the organization offering the project....."Ikh temuulel" Co.,LTD

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Inquiry:

Supplemental information concerning the project is available from "Ikh temuulel" Co.,LTD
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GEOLOGICAL MAP OF IKH TOKHOIROL (GOLD)



LEGEND

- Q_v Modern sediments: gravel, sand, loam,
- Q_m Upper Quaternary sediments: gravel, sandy loam, rare terrigenous boulder,
- Q_{m-III} Middle-upper Quaternary sediments: portuvial and alluvial gravel, debris, sandy loam, loam,
- Q_{m-IV} Pleocene-lower Quaternary sediments: gravel, red clay,
- $M-Q$ Miocene not classified sediments: Dark gray basalt,
- $P-M$ Lower Cretaceous Zuunbayan suite: coaly schist, brown coal bearing aleurolite, argillite, sandstone and conglomerate,
- K_{126} Lower-upper Triassic Avzag suite: lower subsuite: first bed, sandstone, aleurolite, gravel debris,
- T_3 Middle-upper Ordovician Boroo gol complex, first phase: diorite, gabbro-diorite, gabbro, pyroxenite,
- $3-5$ Cambrian-Ordovician Kharaa series upper sub suite: sandstone, phyllite,
- $6-7$ Cambrian-Ordovician Kharaa series lower sub suite: sandstone, phyllite,
- $8-9$ Aureole of gold,
- $10-11$ Line of drilling,
- $12-13$ Area of survey,
- $14-15$ Licenced area,
- $16-17$ Exploration area of "Shijir alt" company,

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