

MICROMINE CONSULTING SERVICES: TOROMKHON PROJECT CASE STUDY



MICROMINE CONSULTING SERVICES HELP ADVANCE ASIA GOLD MOUNTAIN MINING'S TOROMKHON PROJECT

Micromine Consulting Services (MCS) has been consulting to Korean Mongolian joint venture company Asia Gold Mountain Mining (AGM) for more than three years.

Toromkhon is AGM's main project and is located on one of the company's three adjoining licences in the South Gobi region of Mongolia.

The nature of the consulting services conducted by MCS for Asia Gold Mountain Mining's Toromkhon gold deposit is indicative of the work MCS conducts for its clients around the world.

PROBLEM

The project is located within typical steppe terrain where temperatures vary from plus 30 degrees centigrade in summer to minus 40 degrees centigrade in winter.

Access is by road only and it takes two days to travel to site from Mongolia's capital, Ulaanbaatar, with most sealed roads stopping around 40km beyond the limits of the capital.

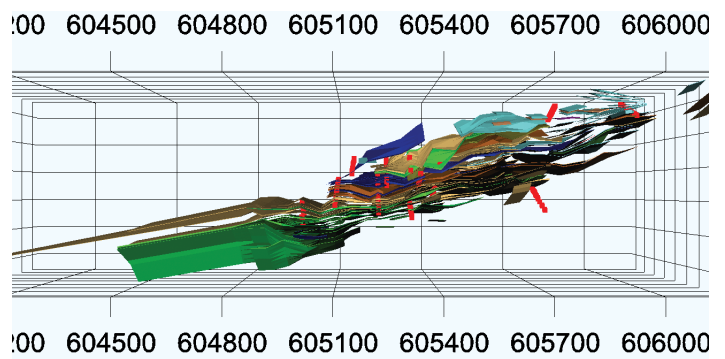
MCS has sent many staff to Toromkhon to conduct various stages of the project. As well as being remote, facilities on site were rudimentary with Gers being the initial accommodation for staff and contractors.

SOLUTION

Initial work involved compilation of data previously collected by Anglo Gold Ashanti, who initially drilled the project. The drilling data was utilised by MCS to model the resources and subsequently plan the AGM exploration program in 2008.

A detailed structural geology study completed by MCS in October 2009 identified that the resource had lodes located within limbs with opposing dip, giving it the appearance of an anticline fold. It is probable that the truncated anticline shape originated from a complex system of faults.

MCS then designed the drill and trench sampling programs and the core logging procedures. It also estimated the resources at the conclusion of each new stage of exploration and presented the results of this work to investors at the Korea Stock Exchange in Seoul, South Korea.



Plan view to a vanishing point of the Toromkhon mineralised lodes.

OUTCOME

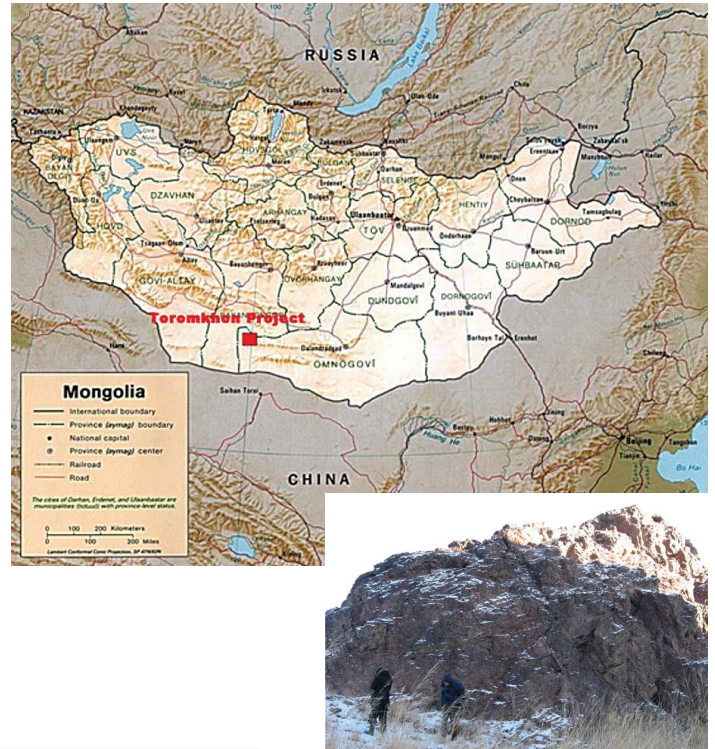
MCS completed the last stage of exploration in October 2009 and released the JORC standard resource estimation update to pre-feasibility level. A mining study will follow to define the net present value (NPV) of the project and potentially the reserves.

The resources were estimated using ordinary kriging constrained to the mineralised envelopes of the Toromkhon system.

At the end of the scoping study, it was clear the deposit was structurally complex, and that making sense of the controlling structures would be the key to accurate modelling of the geology and estimation of resources.

This was the main recommendation of the scoping study; and as such was completed by MCS for the pre-feasibility study.

MCS designed all its work for Asia Gold Mountain Mining to comply with JORC guidelines. Micromine Consulting Services completes JORC, NI43-101 studies and technical reports for submission to the ASX, Stock Exchange of Hong Kong, TSX, AIM and other markets.



MICROMINE's Mongolia office opened in 2004 and now has a staff of both Mongolian and International geologists, mine engineers and geophysicists.

Micromine Asia CEO and Micromine Consulting Services Manager, Dean O'Keefe says "The Asia Gold Mountain Mining project is a perfect example of how MCS will work in remote field locations, whilst ensuring all projects comply with JORC guidelines utilising both computing and geological skills to obtain the best result for the client."

He adds "MCS language skills include Mongolian, English and Russian, this allows MCS experts to utilise historical data and reports, and to provide local services at competitive rates."

"MICROMINE's policy of owning its local offices and staffing them with local experts, capable of providing both consulting services and exploration and mining software solutions, means MICROMINE can provide a full complement of expert services at competitive rates. This model is replicated in all nineteen MICROMINE offices, located in the world's major mineral resource countries, around the globe."

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