

**Trans •
Siberian
Gold**

June 2019

Final Results & Corporate Update

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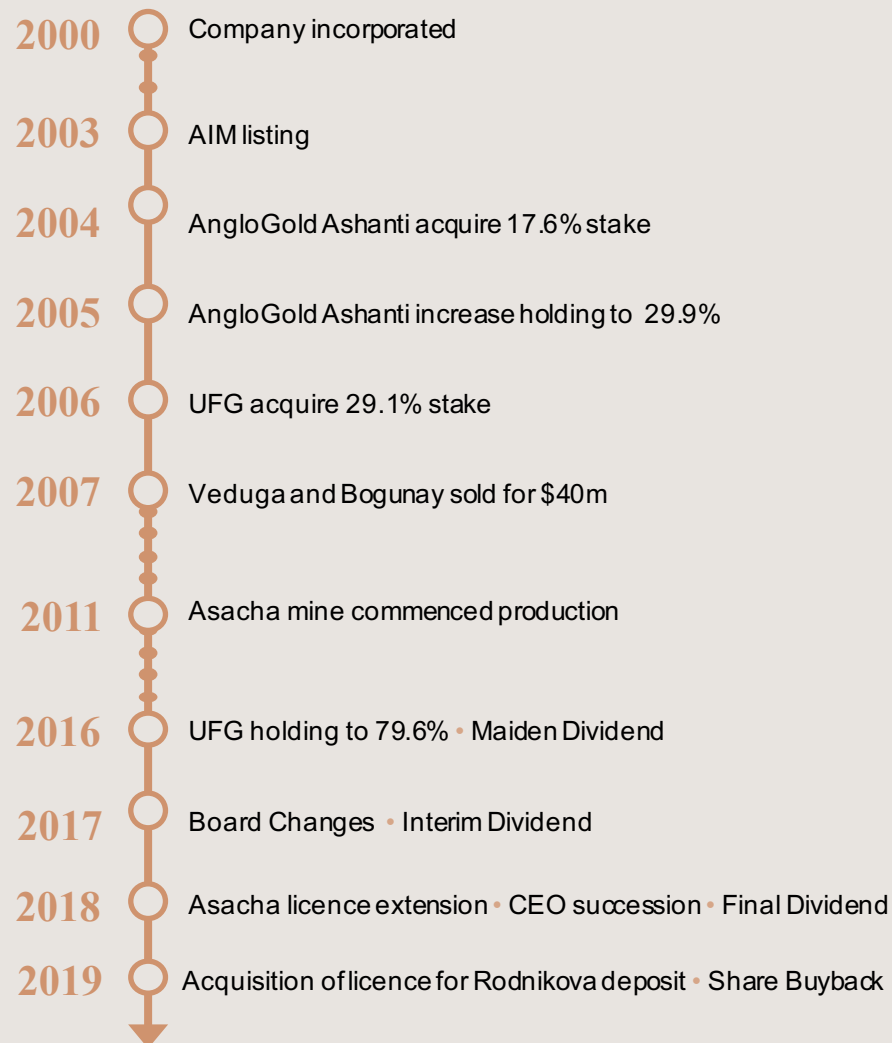
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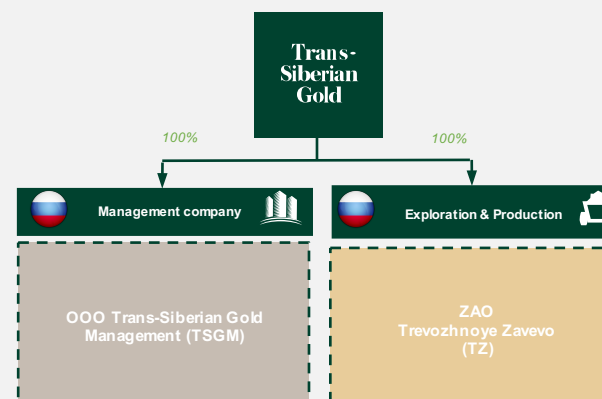
Introduction

Overview

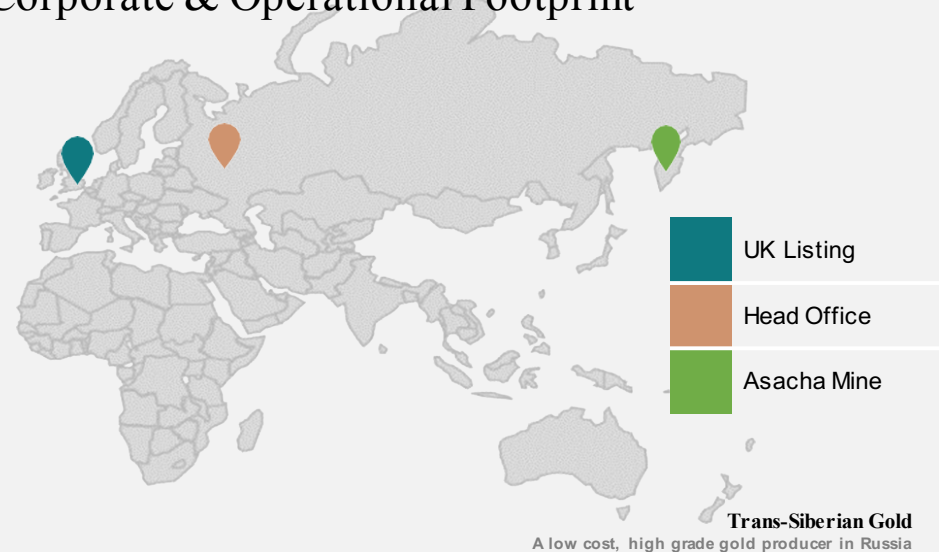
Brief History



Organisational structure



Corporate & Operational Footprint



Introduction

Corporate & Capital Structure

Relative Share Price Performance (LTM)



Source: Q4.

Capital Structure

Shares in issue	110,053,073
Shares in treasury	Nil
Share price	57p
Market capitalisation	£62.7m
Net Debt	£5.9m
Enterprise Value	£68.6m
Options / Warrants in issue	Nil

Notes: Market Data as at 11 June 2019. Financial Data from FY18 Final Results.

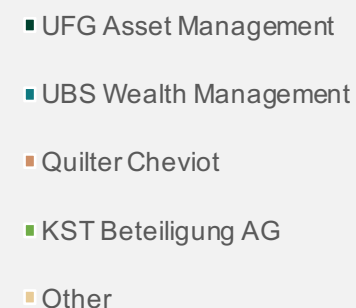
Post Buyback 22,894,565 shares will be held in treasury

TSG Ownership

Pre Buyback & Share Sale



Post Buyback & Share Sale

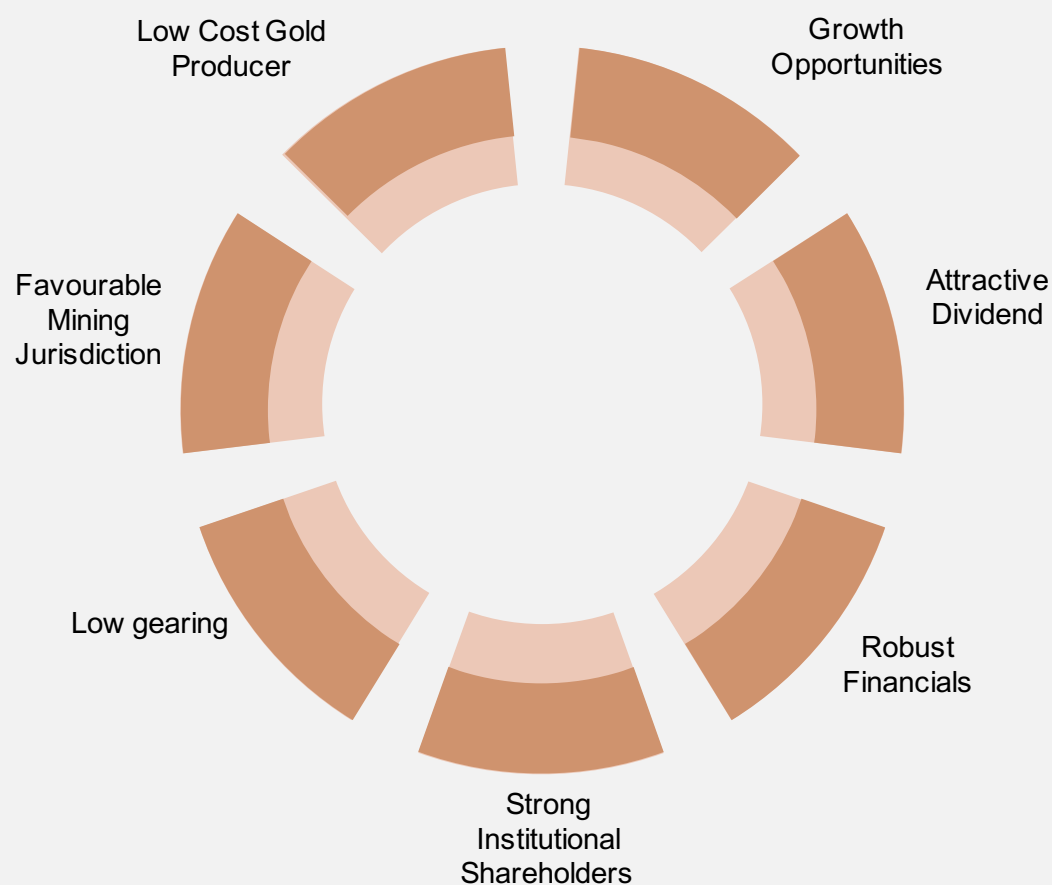


Source: Argus Vickers / public filings








- UFG is a multi-asset investment manager having invested institutional and private capital in Russia and CIS since 1996.
- UFG's aggregate capital commitments exceed \$1.5Bn

Investment Case

Key Strengths



Key Facts

-  *Supportive, long-term shareholders:* Majority owned by UFG Asset Management (86.4%)
-  *Beating expectations:* Record production of 46,053 oz of refined gold in 2018
-  Revenue of \$59.8m in 2018, \$43.4m in 2017
-  *High yield stock:* \$18.5m in dividends paid 2016-2018. 2019 special dividend of \$5.7m paid in Feb 2019. Approved 21% share buyback
-  Robust corporate governance
-  High grade mine: 7.4g/t average in 2018 (8.8 g/t average in Q1 2019)
-  Rosnedra approval for mining license extension 6 years. Recent award of Rodnikova licence
-  Low energy costs due to Far East Russia subsidies

Strategy

Becoming a premier mid-tier gold producer & developer

Enhance
existing
operations

1

Utilise stable
platform for
future growth
opportunities

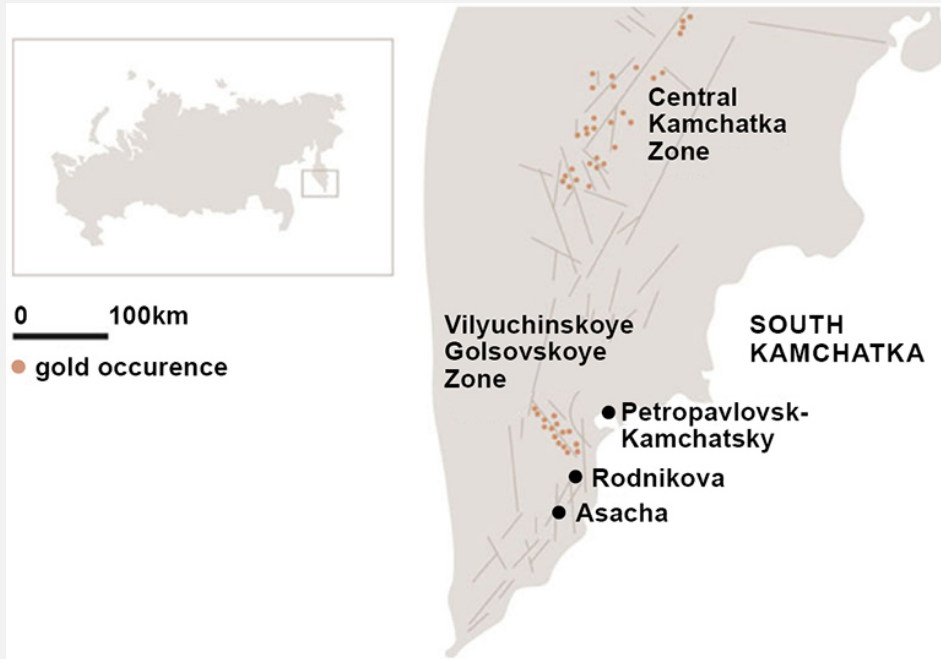
2

Pursue
selective
accretive
M&A
opportunities

3

Asacha Gold Mine

Location



Geology

- Pliocene age
- Low-sulphidation, quartz, sericite, adularia epithermal Au/Ag deposit
- The deposit has formed in a collapsed caldera complex that consists of volcanoclastic tuffs, overlain by coarse-grained dacites-andesites and tuffs.
- Two zones of mineralisation have been identified:
 - **Main Zone** – hosts the largest and most continuous veins
 - **East Zone** – veins are generally narrower and less continuous
- Gold exists in a free form, forms sulphides and tellurides with silver and concretions with quartz, adularia, pyrites, chalcopyrite and argentite

Reserves & Resource Statement

JORC Reserves & Resources Statement (2018)

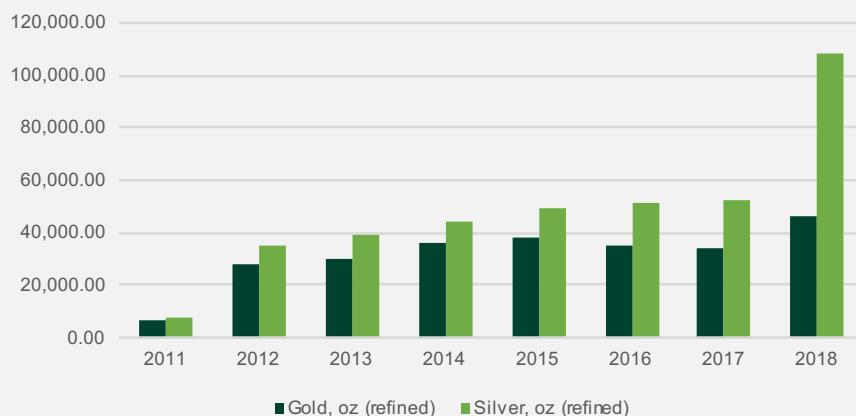
Classification	Zone	'000 tonnes	Au (g/t)	Ag (g/t)	Au (‘000oz)	Ag (‘000oz)
Measured	Main	199	16	37	103	240
Indicated	Main	295	19	54	182	515
Indicated	East	3	56	30	6	3
Total M&I		498	18	47	290	758
Inferred	Main	90	13	34	39	98
Inferred	East	269	26	53	224	458
Total Inferred		360	23	48	263	557

Notes:

- Resources are reported above 4g/t cut-off grade
- The resource at Asacha occurs in two zones: the Main zone (currently being mined) and East zone (not yet mined). The Main zone comprises six defined veins, with the bulk of the resource contained in two of these, QV1 and QV2, while the East zone is comprised of three narrow vein structures.
- The Mineral Resource estimate for Asacha as at 31 December 2017 was prepared by Ms. Carrie Nicholls of Seequent and classified according to the guidelines of the JORC Code (2012).
- Ms. Nicholls has sufficient experience relevant to the styles of mineralisation and type of deposit under consideration and to the activity that is being undertaken to qualify as a Competent Person, as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Ms. Nicholls is a full time employee of Seequent and has consented to the inclusion of the matters in this document based on the information in the form and context in which it appears.
- Rounding in above table may mean that columns do not sum exactly

Operational Performance

Track Record – Gold & Silver Production



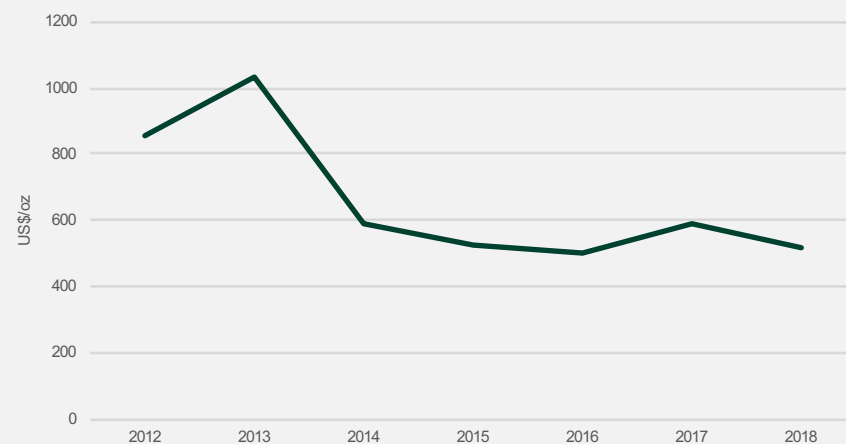
Ore Processed & Gold Grade



Gold & Silver Production (Quarterly)



Cash Cost per Oz.



2018 Operational Performance

Metric	Unit	2018	2017	Y-o-Y
Mine development	metres	6,415	5,780	▲ 11.0%
Ore extracted	tonnes	173,597	198,349	▼ 12.5%
Ore processed	tonnes	189,695	184,433	▲ 2.9%
Grade, gold	g/t	7.4	6.6	▲ 11.9%
Grade, silver	g/t	22.8	12.3	▲ 85.9%
Recovery, gold	%	94.9	94.4	▲ 0.5%
Recovery, silver	%	76.7	78.7	▼ 2.5%
Gold in dore	oz.	42,128	36,714	▲ 14.7%
Silver in dore	oz.	105,069	57,072	▲ 84.1%
Gold refined	oz.	46,053	33,872	▲ 36.0%
Silver refined	oz.	108,191	52,746	▲ 105.1%
Gold sold	oz.	45,956	33,870	▲ 35.7%
Silver sold	oz.	108,749	46,125	▲ 135.8%
Gold price	\$/oz.	1,265	1,261	▲ 0.3%
Silver price	\$/oz.	15	16.3	▼ 6.7%

Asacha Gold Mine

Operations (Mining)

Mining

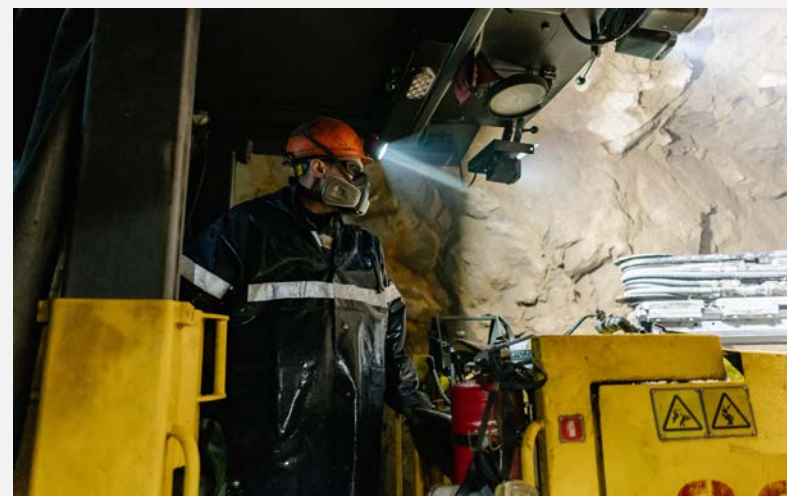
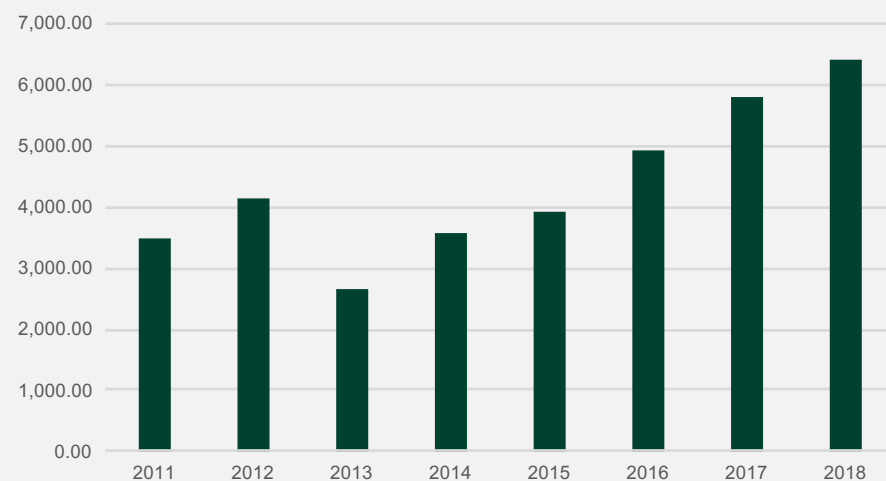
Deposit is developed by 2x adit levels

- 200m (truck decline starts)
- 240m

Mining methods used:

- sublevel drifts method;
- layer by layer stoping method.

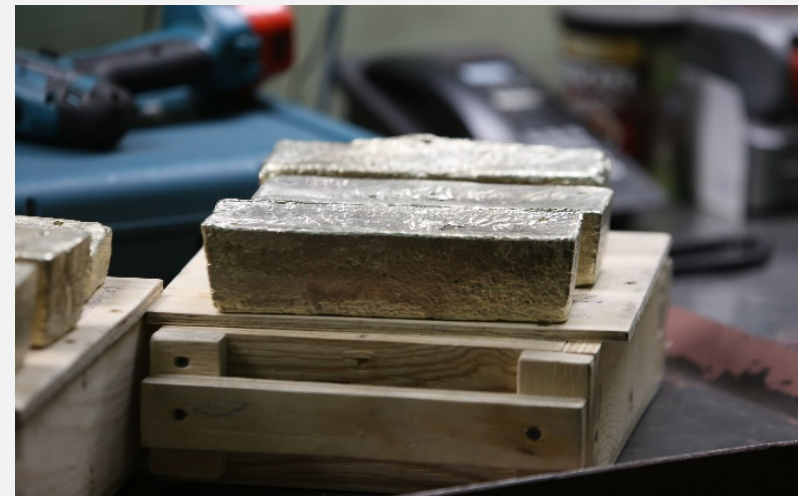
Annual Mine Development



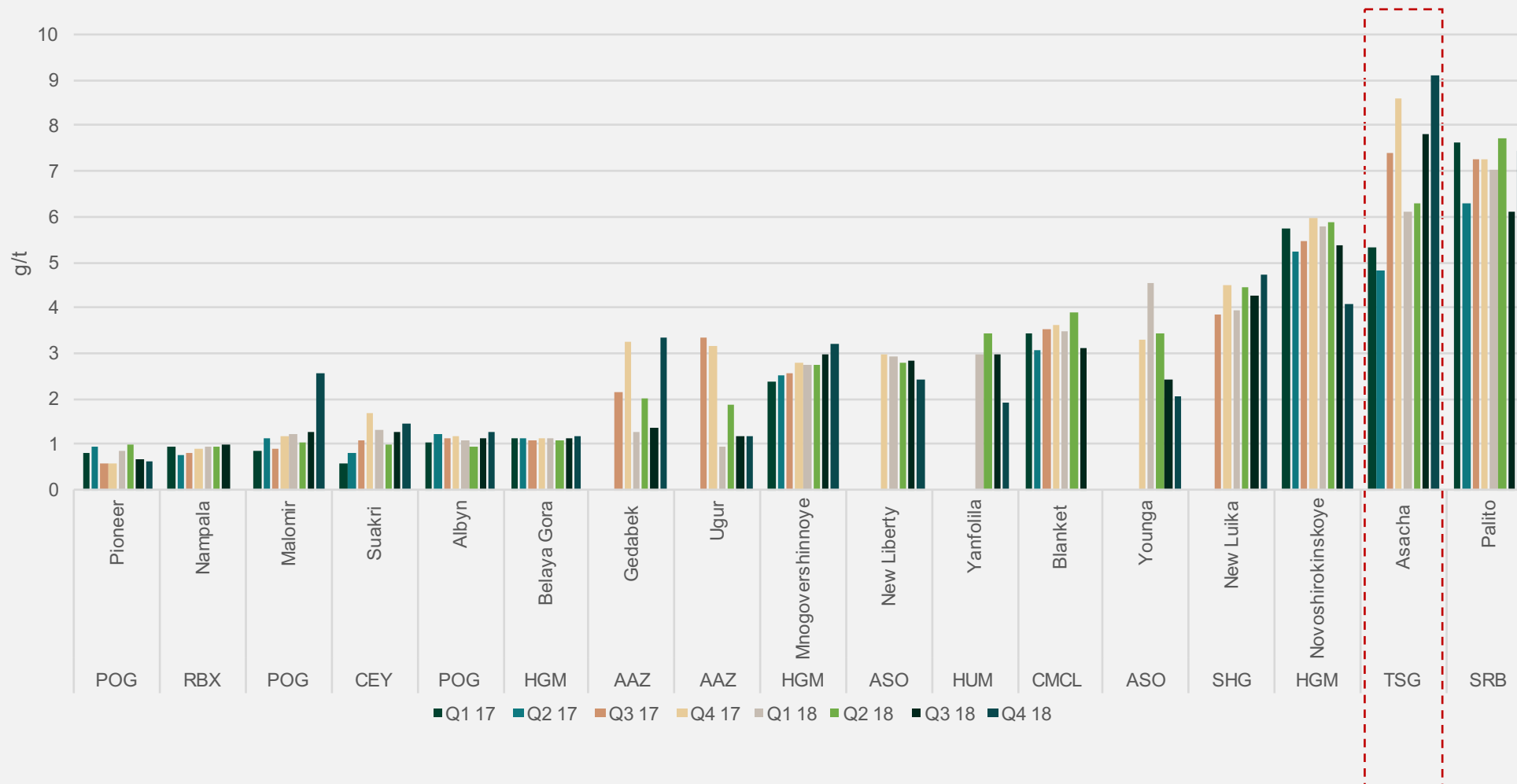
Operations (Processing)

Processing

- Preliminary crushing
- 2 stages of semi-autogenous grinding (ball mill & SAG)
- Pulp classification in hydro-cyclones
- Screening (0.75 mm)
- Slurry thickening in high-capacity thickener
- Cyanidation & carbon-in-leach (CIL) process
- Electric elution of loaded carbon under pressure using IPS technology
- Acid treatment & thermal regeneration of carbon
- Melting of cathode deposits into doré alloy
- Cyanide destruction of slurry tailings by chlorination
- Storing of neutralised tailings as diluted slurry



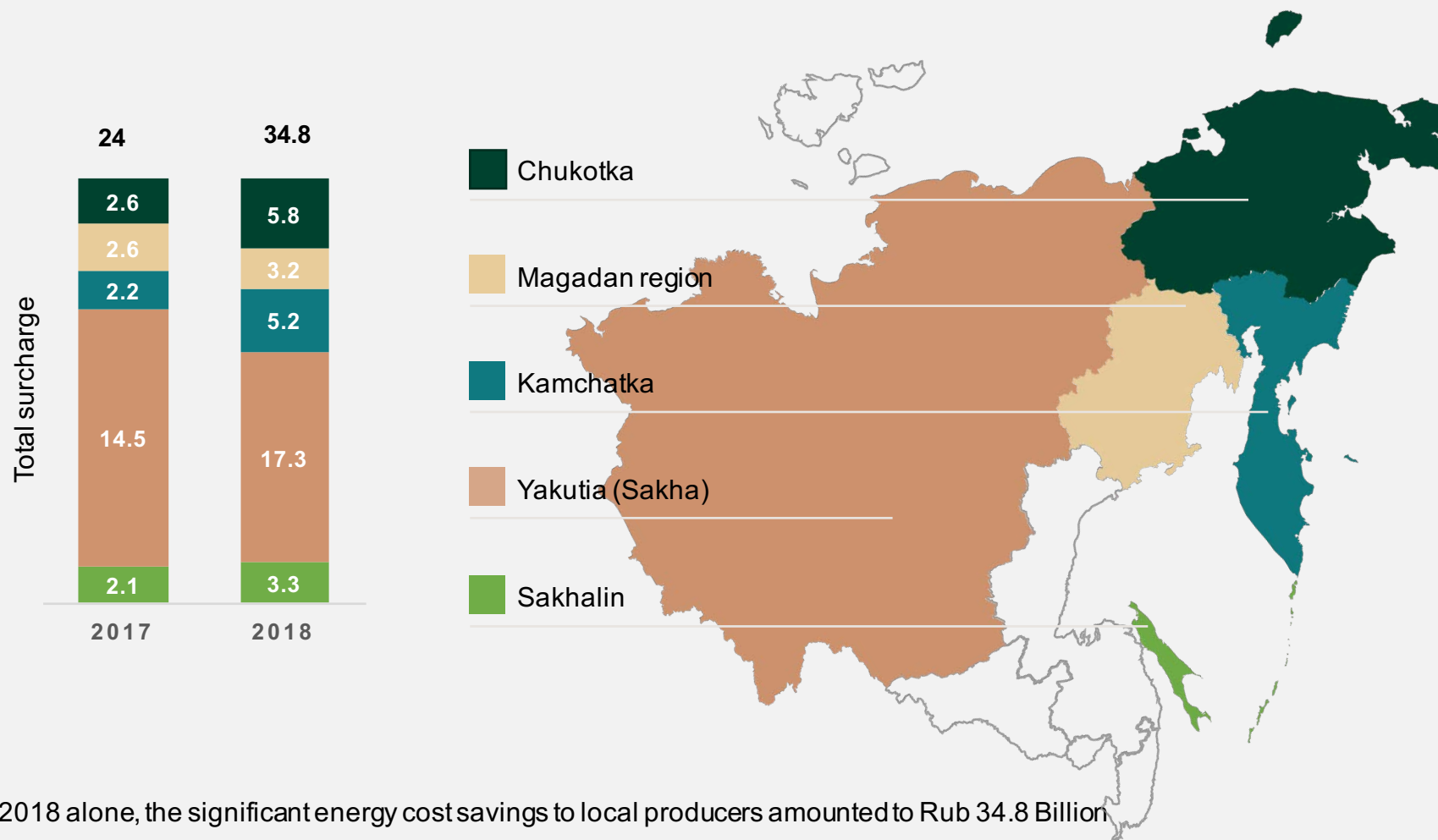
Operations (Grade)



Source: Company reports

Lower Operating Energy Costs

- Tariff levelling in Russia's Far East – mechanism that aims to equalize energy tariffs in Russia and lower the cost burden for industrial consumers in developing Far East regions as well as increase the investment attractiveness of regional economies



- In 2018 alone, the significant energy cost savings to local producers amounted to Rub 34.8 Billion
- Far Eastern tariff levelling is estimated to reduce the tariff for businesses in the Far East by almost 60% on average in 2019

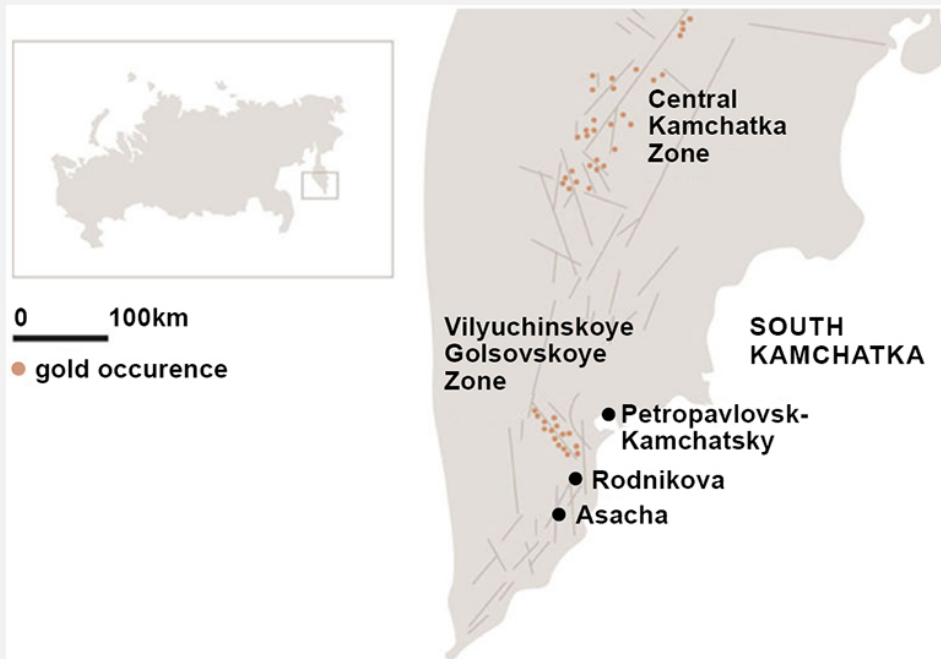
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Gold

Rodnikova

Trans · Siberian Gold
A low cost, high grade gold producer in Russia



Close proximity to operating Asacha mine



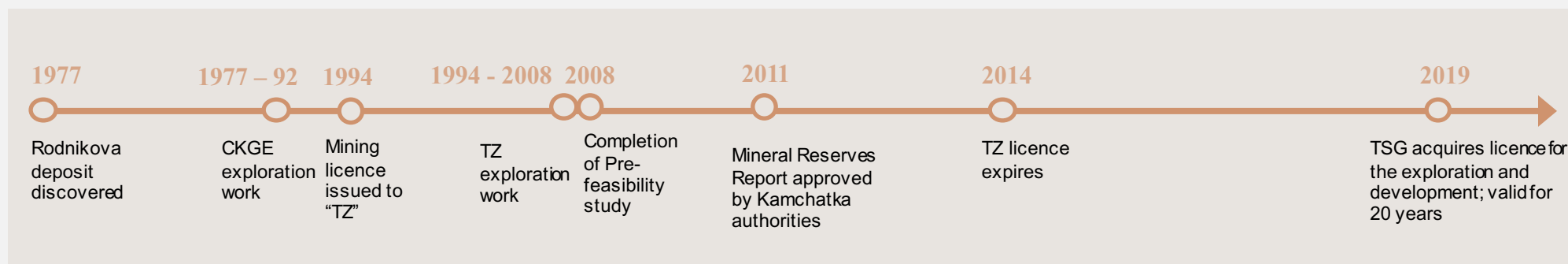
Geology

- Situated in Yelizovo District of South Kamchatka
- Rodnikova high grade epithermal Au-Ag deposit is one of the largest gold fields of South Kamchatka
- Located **50 km** away from Asacha Gold Mine and **120 km** from Petropavlovsk
- Low-sulfidation quartz adularia epithermal Au/Ag veins in a host rock of diorite (similar geological structure to Asacha)
- Occupies an area of ~ 22 km²
- Largest vein up to 25 m wide
- Access ground road ~ 5 km
- Mutnovskaya geoTES ~ 21 km
- The deposit is located in the vicinity of the Vilyuchinsk hot springs

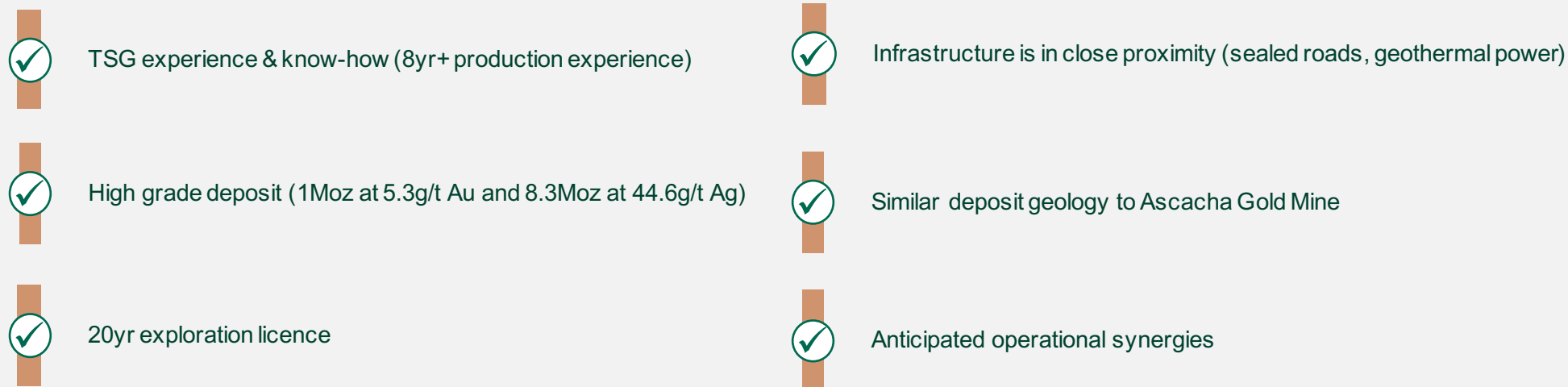
- Geographic and operational synergies presented by close proximity to operating Asacha Mine
- Management expertise in bringing epithermal Au-Ag deposits to production in South Kamchatka

Rodnikova – Development

Historical Development Timeline



Key project enablers in place



Reserves & Resource Statement

GKZ* Reserves & Resources Statement (2013)

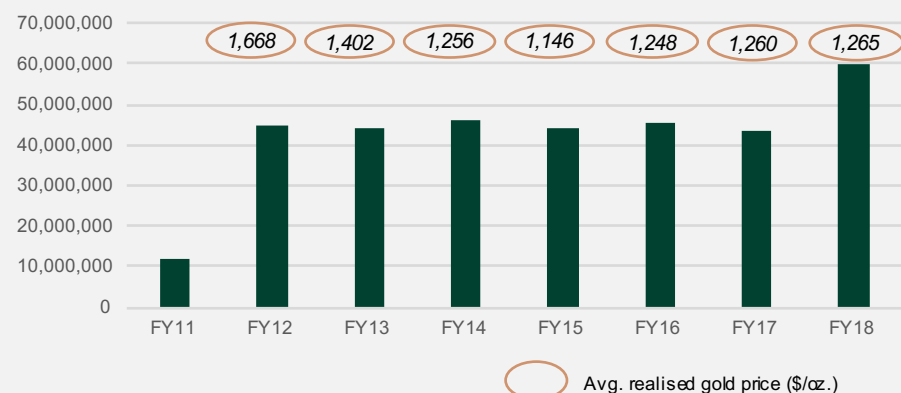
Classification	Resource Section	Width (m)	Ore (kt)	Au Grade (g/t)	Ag Grade (g/t)	Au 000 (oz)	Ag 000 (oz)	Au (kg)	Ag (kg)
C1+C2	Rodnikova	4.8	5 206	4.9	42.8	818	7 159	25 434	222 678
C2	Vilucha	2.8	585	9.3	60.9	175	1 144	5 454	35 575
C1+C2	Total	4.5	5 791	5.3	44.6	993	8 303	30 888	258 253
P1 TZ/Rosnedra	Total	4.1	3 898 (1863)	4.3 (16.1)	30.0	539 (965)	8 3030	16 773 (30 000)	116 600

*All mineral resources and reserves in Russia are formally classified according to a system developed and administered by the Russian State Commission for Reserves (Gosudarstvennaya Komissia po Zapasam), referred to as the GKZ, and recorded on the national inventory and balance of mineral resources and reserves.

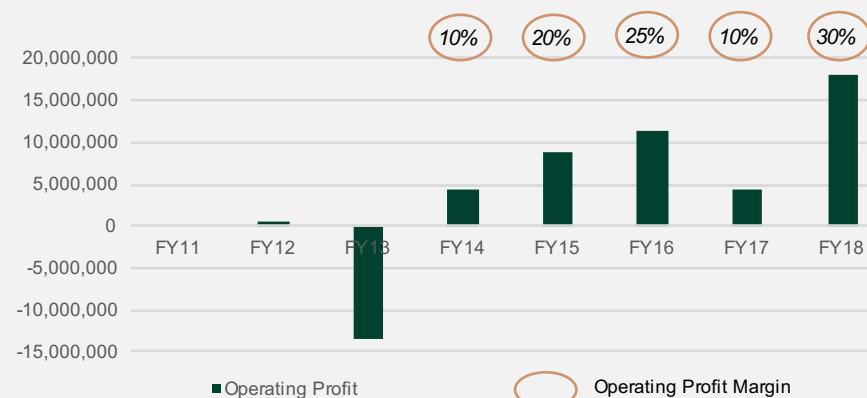
Financial performance

Financial Performance

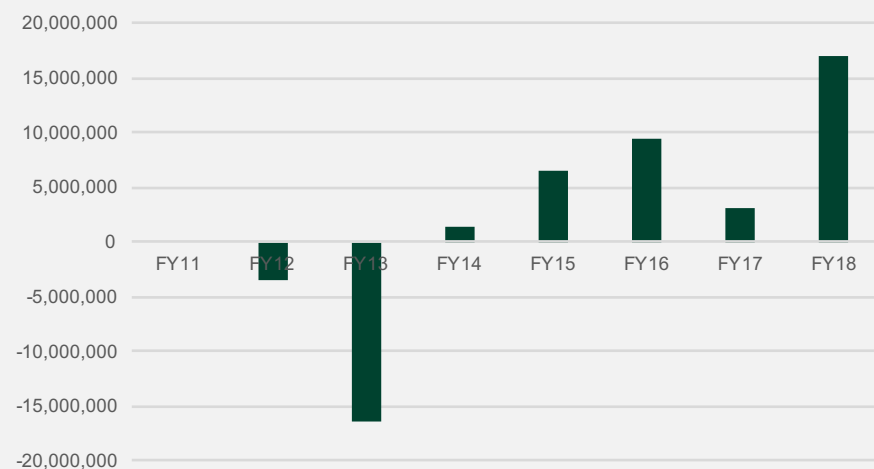
Revenue



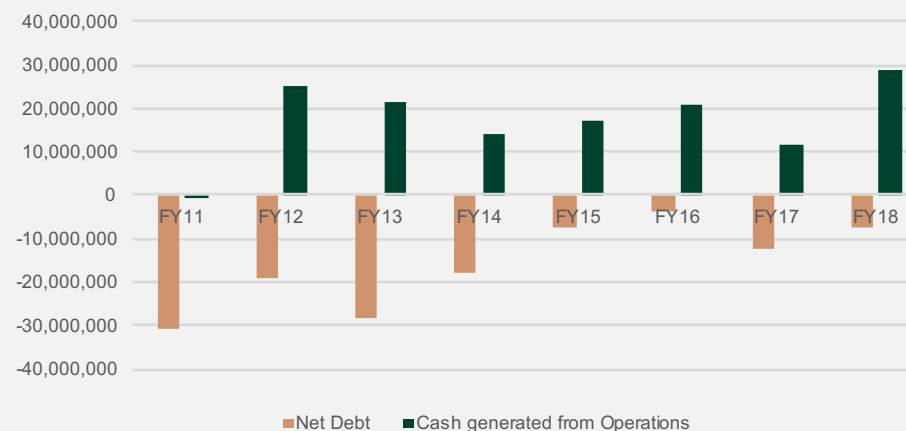
Operating Profit



Profit before Tax



Net Debt / Cash Generated from Operations



Financial performance

Key Performance Indicators [1]

Refined gold sales

45,956 oz. **+36%**

2018 45,956

2017 33,870

Average realised gold price

\$1,265 **+0.4%**

2018 1,265

2017 1,260

Ore extracted ('000)

174 tonnes **-12%**

2018 174

2017 198

Reported injuries*

4 **+33%**

2018 4

2017 3

Net debt

\$7.4m **-40%**

2018 7

2017 12

EBITDA

\$23.9m **+72%**

2018 24

2017 14

Ore processed ('000)

190 tonnes **+3%**

2018 190

2017 184

Gold recovery rate

94.6% **+1%**

2018 95

2017 94

* Includes one fatality in 2018

Key Performance Indicators [2]

Average feed gold grade

7.4g/t **+12%**

2018 7.4

2017 6.6

Average dilution

36% **-14%**

2018 36

2017 42

Average employee numbers

727 **+5%**

2018 727

2017 693

AISC per oz. gold

\$1,049 **-22%**

2018 \$1,049

2017 \$1,341

Cost of sales per oz. gold

\$788 **-11%**

2018 788

2017 885

Cash cost per oz. gold

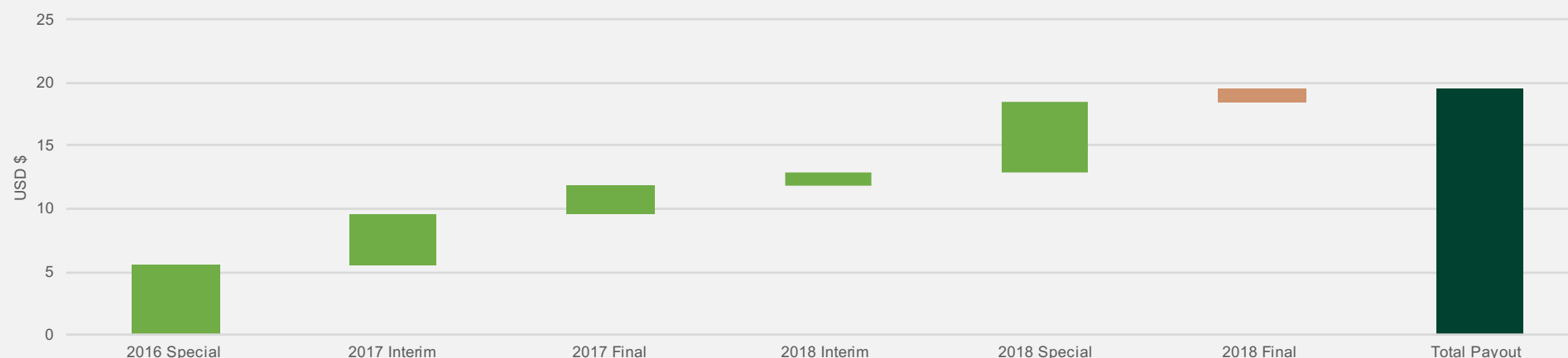
\$516 **-12%**

2018 \$516

2017 \$588

Dividends - Established Track Record

Dividend Pay-out



FY18 Final Dividend Timetable

27 June 2019

- Annual General Meeting (*approval of dividend*)

11 July 2019

- Ex-Dividend Date

12 July 2019

- Record Date

09 August 2019

- Payment Date

Share Buyback

Value accretive transaction for Shareholders

May 2019

- TSG agreed to acquire 22.9m shares from UFG PE Fund I and Destin Investment Management.
- Contemporaneously UFG PE Fund I and Destin Investment Management sold 11.5m shares to existing shareholders, Directors and new investors.



FREEFLOAT INCREASES TO 24.3%

Supporting trading liquidity



DIVERSIFYING SHAREHOLDER BASE

European fund joins the share register



BENEFITTING SHAREHOLDER RETURNS

Mechanical EPS accretion driven by reduced number of shares



CONTINUED COMMITMENT FROM UFG

UFG retains 75.7% shareholding testament to confident outlook



\$15M DEAL

Significant ownership reallocation



PROACTIVE MANAGEMENT OF SHARE REGISTRY

Avoids potential market overhang over protracted period of time



SMART CAPITAL MANAGEMENT

Discounted purchase price of 42%.
Use of debt improves efficiency of capital structure



PARTIAL EXIT & LOCK IN

Selling Shareholder still retain substantial holding which is locked in for 6 months

Summary

Achievements, Future Objectives & Guidance

Operations

- Refined gold production of 46,053oz (FY18)
- FY19 production guidance of 40,000oz – 44,000oz
- Gold grades improving to 7.4g/t (FY18); 8.8g/t (Q119)
- Cash costs of \$516/oz (FY18) ; AISC \$1,049/oz (FY18)
- Approval of Mining Licence Extension in June 2018 to 2024
- 4700m of surface drilling & 8500m of underground drilling underway at Asacha
- Growth opportunity: acquisition of Rodnikova mineral deposit

Finance

- Record revenue generation of \$59.8m (FY18)
- High EBITDA margin operation of 40% (FY18)
- Low gearing (Net Debt/EBITDA 0.3x) (FY18)

Shareholder Return

- Committed to returning capital to shareholders on sustainable basis
- \$19.5m paid in dividends (equivalent to 25% of current market capitalisation)
- Favourable yield vs. peer group
- \$9.5m Share Buyback

Corporate

- Stable corporate structure
- New Board & senior management appointments
- Adoption of QCA Corporate Governance Code
- Greater transparency and disclosure from UFG
- Increased focus on corporate development & shareholder communication

Contacts & Corporate Directory

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Russia – Moscow Office

Trans-Siberian Gold Management, LLC

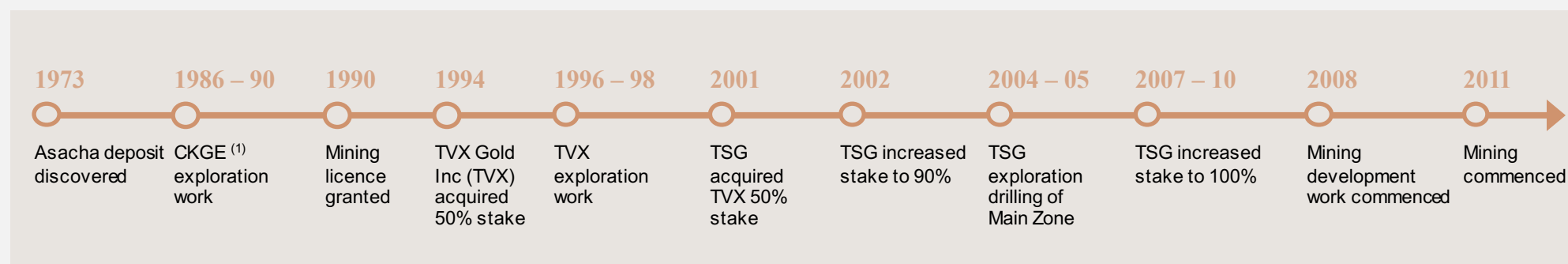
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Appendices

Appendices

Asacha Gold Mine – Development

Development Timeline



Plan



Build



Operate



Board of Directors

Charles Ryan – Non Executive Chairman

- Chairman of UFG Asset Management
- Non-executive Chairman of Deutsche Bank in Russia.
- Founder director of United Financial Group (UFG)
- Principal Banker with the EBRD in London
- Harvard University graduate

Alexander Dorogov – Chief Executive Officer

- Former CFO of the Alumina division of UC Rusal
- Senior positions at Arlan, private investment fund
- Financial management graduate from Finance Academy in Moscow

Eugene Antonov – Chief Operating Officer

- 20yrs+ experience working in the mining industry
- Senior positions at Kinross, Bema Gold Corporation and Teck Resources
- MBA, Rotman School of Management

Robert Sasson – Non Executive Director

- Partner, UFG Asset Management
- EBRD, Head of St. Petersburg office
- Russian Studies and International Government, Exeter University

Florian Fenner – Non Executive Director

- Managing Partner of UFG Asset Management
- Unifund, Head of Moscow office
- Deputy Head of Research at Brunswick Brokerage
- CFA charter holder

Lou Naumovski – Non Executive Director








- 30yrs+ of experience working in Russia
- Vice President & General Director Kinross Gold Corporation Moscow office
- SVP & GM Visa International Service Organisation (VISA), CEMEA region.
- EBRD, Senior Banker and Head of Mission for Russia

Stewart Dickson – Non Executive Director

- 10yrs+ investment banking experience
- Former Head of Metals & Mining, Cantor Fitzgerald Europe
- MBA, Henley Business School

Corporate Governance

Board of Directors

		Age	Tenure (yrs)
	Charles Ryan	51	9
	Alexander Dorogov	48	<1
	Eugene Antonov	44	<1
	Robert Sasson	53	5
	Florian Fenner	47	1 ⁽¹⁾
	Lou Naumovski	61	1
	Stewart Dickson	41	1

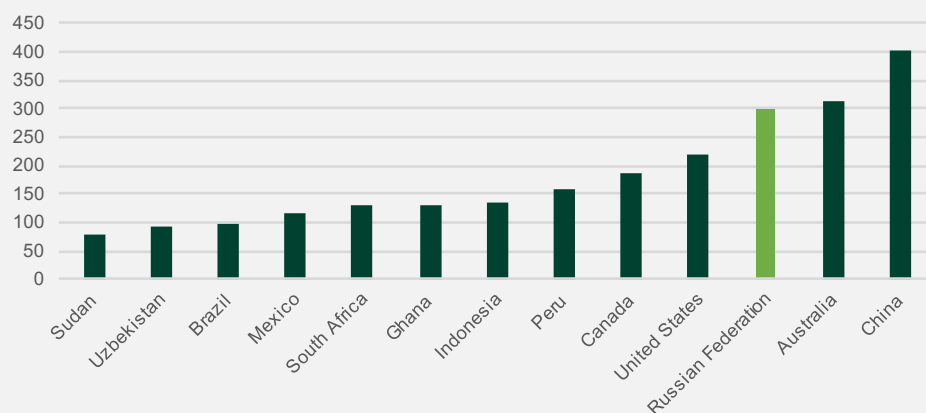
⁽¹⁾ Previously a Non-Executive Director of the Company between 2006 and 2013

Continuous Improvement

-  Board re-organisation in 2017
-  Planned CEO succession in 2018
-  COO Board appointment in 2019
-  Improved shareholder communication
-  Significant international & in-country expertise
-  QCA Corporate Governance Code implemented

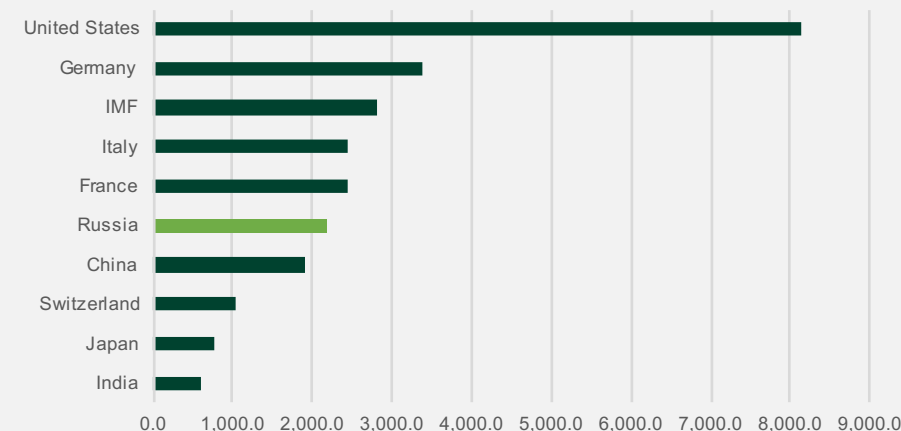
Russia – Leading Gold Mining Jurisdiction

2018 Global Gold Production



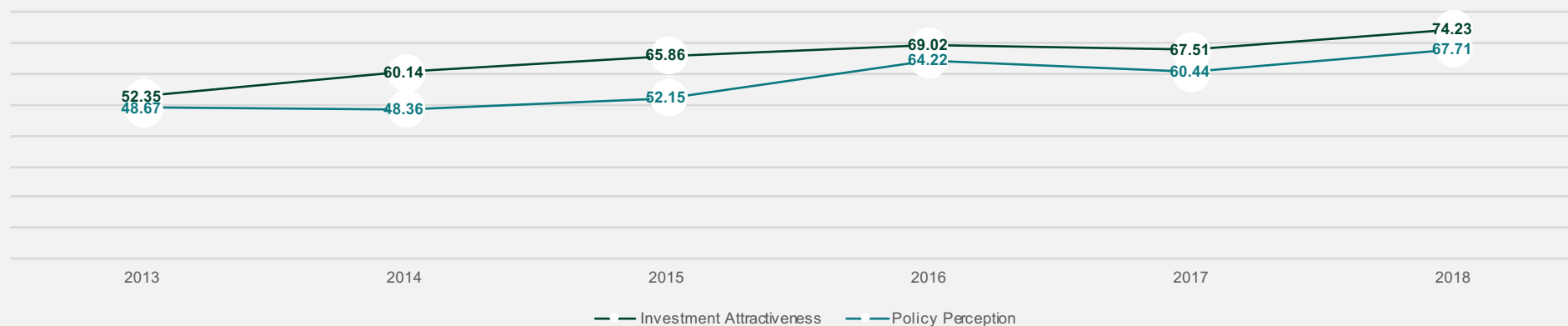
Source: World Gold Council

Official Gold Reserves



Source: World Gold Council

Mining Industry – Russia – Attractiveness Scores



Sources: Fraser Institute

Appendices

Kamchatka – Far East Russia

Kamchatka peninsula known for abundant hydrothermal activity and rich underground mineralisation

Key Facts



Area	464.3 km ²
Distance to Moscow	6,776 km
Administrative Centre	Petropavlovsk-Kamchatsky
Population	319,900

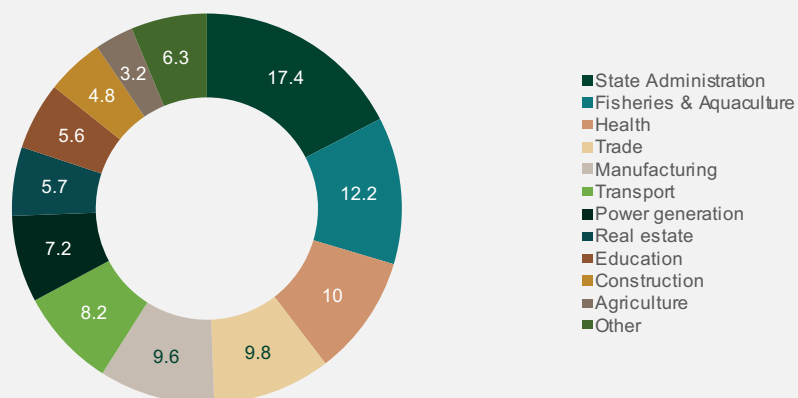
Source: www.kamgov.ru

Gold Production

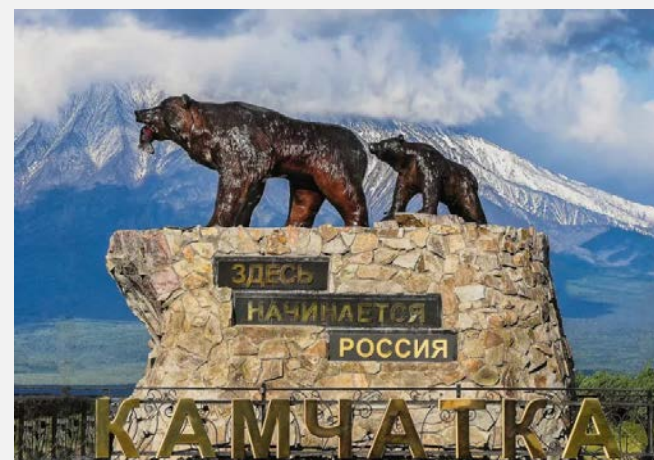
	Kamchatka Region (oz.)	TSG (oz.)
2017	214,831	36,714
Q1 2018	39,803	8,100

Source: www.eastrussia.ru

Economy (GRP Structure, 2013)



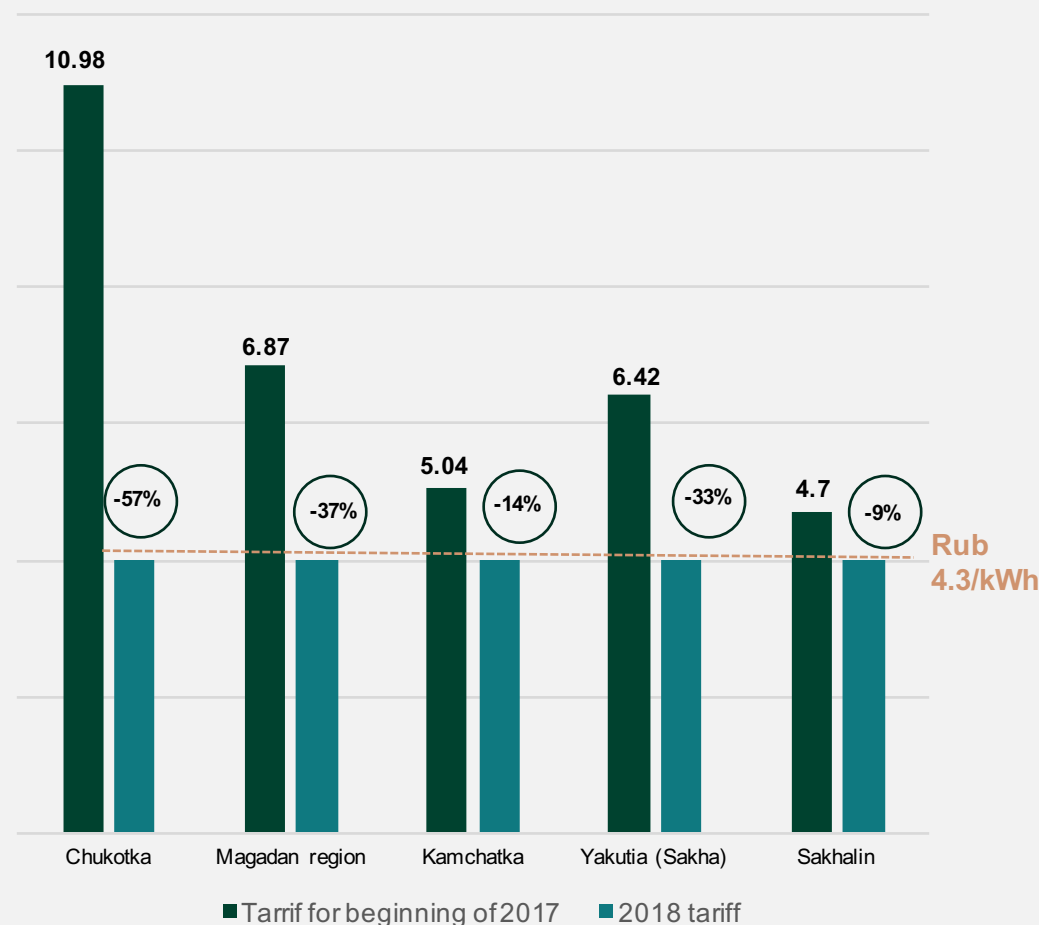
Source: www.investinrussia.ru



Appendices

Kamchatka - Lower Operating Energy Costs

- 8th December 2015 – Russia's President orders to develop an energy support mechanism that reduces energy prices for industrial consumers in the Far Eastern Federal District. The Far East has historically suffered from significantly higher energy costs due to technologically isolated territorial electric power systems.
- The mechanism of 'levelling tariffs' was devised whereby the difference between the set tariff and the cost of energy to generators is being compensated by consumers in the European part of Russia, the Urals and Siberia by means of a surcharge.
- 1st July 2017 – the Federal Law on the Equalization of Electricity Tariffs came into force. The energy tariffs in the Far East are effectively reduced by distributing the increased tariffs over the whole territory of Russia.
- The end-user tariff for 2017 was set at Rub 4/kWh, for 2018 it was set at Rub 4.3/kWh. The tariff for 2019 is set at Rub 4.69/kWh, keeping the price for electricity in the Far East at the national average rate in Russia.
- 10th September 2018 – Alexander Novak, Russia's Ministry of Energy supports the extension of surcharge transfer mechanism for energy tariffs until 2028.
- Potential increase of surcharge to incentivize investment in Far East is currently under discussion.



Consolidated Statement of Comprehensive Income

	Notes	12 months to 31 December 2018 Audited \$'000	12 months to 31 December 2017 Audited \$'000
Revenue	4	59,769	43,447
Cost of sales		(37,872)	(30,737)
Ore stock inventory impairment reversal / (charge)	20	4,028	(1,862)
Gross profit		25,925	10,848
Administrative expenses		(8,393)	(7,392)
Other operating income		279	411
Foreign exchange on operating activities		192	432
Operating profit	5	18,003	4,299
Finance income	11	25	97
Finance expense	12	(1,077)	(1,217)
Foreign exchange on financing activities		12	(143)
Profit before taxation		16,963	3,036
Income tax on profit	14	(4,529)	(520)
Profit for the period		12,434	2,516
Total comprehensive income for the year		12,434	2,516
Total comprehensive income for the period is attributable to:			
– Owners of the parent company		12,434	2,516
Profit per share attributable to the owners of the parent company (expressed in cents)			
– Basic and diluted	13	11.30	2.29

Consolidated Statement of Financial Position

	Notes	31 December 2018 Audited \$'000	31 December 2017 Audited \$'000
Non-current assets			
Intangible assets	16	-	501
Property, plant and equipment	17	91,122	84,125
Inventories	20	2,651	1,166
		93,773	85,792
Current assets			
Inventories	20	11,924	12,884
Trade and other receivables	21	2,229	2,484
Current income tax receivable		-	281
Cash and cash equivalents		9,725	7,491
		23,878	23,140
Total assets		117,651	108,932
Current liabilities			
Trade and other payables	22	(5,167)	(5,730)
Current income tax liabilities		(834)	-
Borrowings	23	(6,522)	(5,031)
		(12,523)	(10,761)
Non-current liabilities			
Borrowings	23	(10,571)	(14,800)
Provisions	25	(1,008)	(1,327)
Deferred tax liability	26	(6,362)	(4,028)
		(17,941)	(20,155)
Total liabilities		(30,464)	(30,916)
Net assets		87,187	78,016
Capital and reserves attributable to owners of the Company			
Share capital	27	18,988	18,988
Retained earnings	27	68,199	59,028
		87,187	78,016

Consolidated Statement of Cash Flows

	Notes	12 months to 31 December 2018 Audited \$'000	12 months to 31 December 2017 Audited \$'000
Cash flows from operating activities			
Cash generated from operations	31	28,852	11,982
Interest paid		(1,153)	(1,333)
Income taxes paid		(1,255)	(475)
Net cash inflow from operating activities		26,444	10,174
Investing activities			
Purchase of intangible assets		-	(501)
Purchase of property, plant and equipment		(17,816)	(14,192)
Interest received		25	97
Net cash used in investing activities		(17,791)	(14,596)
Financing activities			
Proceeds from new bank borrowings		4,900	19,500
Repayment of bank borrowings		(7,330)	(16,500)
Repayment of finance leases		(338)	(314)
Dividends paid		(3,263)	(4,006)
Net cash used in financing activities		(6,031)	(1,320)
Net increase /(decrease) in cash and cash equivalents		2,622	(5,742)
Cash and cash equivalents at beginning of year		7,491	13,097
Exchange (losses)/gains on cash and cash equivalents		(388)	136
Cash and cash equivalents at end of year		9,725	7,491

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June 2019

Final Results & Corporate Update
