

Kemin Resources plc
("Kemin" or the "Company")

Update on the Drozhilovskoye ore field

Kemin Resources Plc (AIM: KEM), the exploration and development company with substantial interests in Kazakhstan, provides an update on its Drozhilovskoye field, including with respect to its mining licence extension process, recently completed exploration work and its development plans for the asset.

Kemin's 90% owned subsidiary, the Joint Venture Kazakh-Russian Mining Company LLP ("KRMC"), has a licence for exploration and production of molybdenum (Mo), tungsten (W), lithium (Li) and rare earth minerals at the Drozhilovskoye field, which is currently in the final stages of being extended. The Company believes that the extension will have been confirmed by relevant ministry in Kazakhstan by end of Q2 2018.

Exploration Work Update

The latest drilling and analysis work clarified the geological structure of the field and confirmed that the tungsten and molybdenum minerals are isolated, and that they can be selectively mined. The work also confirmed the presence of significant amounts of high quality lithium. The work undertaken by the Company internally has allowed a re-estimation of the contained metal content of both molybdenum and tungsten resources and provides a first estimate for the lithium resource (all with a cut-off grade of 0.05%). The drilling consisted of number of bore holes, totaling 534 metres, and the resulting samples were assayed to include rare earth minerals. Please see the table below for more information.

It is the Company's intention to complete more detailed resource estimates, which will be verified by an independent competent person, in the near future.

Based on the latest test work, the following internal resource estimates, under State Reserves Committee classification (GKZ / Russian State Commission on Mineral Reserves classification), were arrived at:

Metal Cut-off Grade 0.05%	Commercial Resource Category	Mineral (Mt)	Contained metal (kt)			Grade %		
			Mo	W	Li	Mo	W	Li
Identified Resources for the Northern Stockwork								
	C1	146.4 (Mo) 133.1 (W)	270.49	177.79	45.0-55.0	0.185	0.134	4.1 – 4.5
Identified Resources for the Southern Stockwork								
	C2	37.9	108.5	11.4	25.0-35.0	0.286	0.103	4.1 – 4.5
Prognostic resource								
	P1	300.0	150.0	150.0	40.0-50.0	0.050	0.050	4.1 - 4.5

Further development of the asset

The Company's lead specialists recently visited Chinese research institutes to familiarise themselves with the technology and discuss the detailed procedures for processing molybdenum, tungsten and lithium ores, and to deliver a presentation on Kemin.

The trip also involved a visit to an operating plant for the beneficiation of molybdenum, tungsten and lithium ores with the end product being flotation concentrates of three different types of metal, i.e. molybdenum, tungsten and lithium. The deposits of the Drozhilovskoye field are regarded by management to be very similar to the ores being processed at that plant.

This plant visited is owned by China Molybdenum, which is the largest molybdenum mining company in China. During the meeting, China Molybdenum showed interest in the Drozhilovskoye field and discussions were held in relation to a possible joint development of the field. These initial discussions centered around development via open pit mining, and the location of the production complex close to good rail links and power supplies. This, together with the presence of lithium, and other minerals, indicated from the test drilling conducted, makes the development of the field attractive to a partner, and further discussions are planned to take place.

The following work needs to be carried out to transition to the production phase:

- Further geological exploration through drilling confirmatory boreholes and taking samples for process testing and determining an efficient technology for the extraction of molybdenum, tungsten and lithium;
- Completion of a mineral block model and resource estimation;
- Approval of the reserves by the Kazakh authorities;
- Subject to sourcing additional funding, the process testing will be followed by construction of a pilot beneficiation plant with a proposed processing capacity of 300 kt per year, and which will produce a concentrate of molybdenite and tungsten and a concentrate of lithium;
- Completion of a feasibility study to confirm all technical and financial results including using the design of the pilot beneficiation plant to develop, subject to sourcing further additional funding, a beneficiation plant with ore processing capacity of 3.0 Mt per year;

Funding requirements are being assessed to determine what additional funding is required in the first instance in relation to the construction of the pilot plant.

Commenting on the results, Sanzhar Assaubayev, CEO of Kemin Resources said:

"We are very pleased to have put forward a development plan to move the field forward and look forward to continuing our discussions with China Molybdenum in this regard. We look forward to updating shareholders with further news as the project develops".

Review by Qualified Person

Sergey Alekhin, senior consultant, has reviewed and approved the technical information contained within this announcement in his capacity as a qualified person under the AIM Rules for Companies. Mr Alekhin has a degree in geological and mineralogical sciences, is a member of the Committee of Geology for Solid Minerals, and has over 20 years of relevant mining industry experience.

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014.

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Information on the Company

Kemin Resources plc (AIM: KEM) was formed into its present structure in April 2013 by the reverse take-over of GMA Resources plc by the 'Joint Venture Kazakh-Russian Mining Company LLP' (KRMC).

The Company is focused on developing its two molybdenum and tungsten deposits Drozhilovskoye and Smirnovskoye in norther Kazakhstan. Each of the deposits is assessed to have significant value, however the Company has decided to focus development efforts on Drozhilovskoye.

Kemin's 90% owned Kazakh entity, KRMC, is the developer and future operator of the two subsoil licences that allow exploration and mining at each deposit.