

Öksüt Gold Project; from Grassroots to Reserve and Forward to Mine Development

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The Öksüt Gold Project, located about 45 km south of Kayseri in central Turkey, displays characteristics of high-sulfidation epithermal-style gold mineralization. The project is composed of two deposits, namely the larger Keltepe and the smaller Güneytepe. Economic gold mineralization at the Güneytepe deposit is exposed at the surface, whereas at the Keltepe deposit, apart from weak gold anomalism in a few outcrops and in shallow drilling, the majority of the economic gold mineralization is concealed at depth and partially overlain by weakly altered andesitic units. At both deposits, gold mineralization is mainly hosted by strongly oxidized and highly brecciated alternations of quartz-alunite and massive silica-altered rocks. Alteration and gold mineralization at both deposits are mainly controlled by NW-SE-trending faults and are overprinted by younger NE-SW-trending fault systems that offset the deposits. Stratex International plc was granted tenure over the area in early 2007 after reconnaissance geochemical sampling identified anomalous gold values in altered outcrops. Stratex commenced grassroots exploration activities with surface geochemical sampling and lithology/alteration mapping, focusing on the outcropping silica ledges at Güneytepe. The first diamond drilling program was undertaken at Güneytepe in 2008 and wide intervals of potentially economic gold mineralization were returned. After Centerra Gold Inc. entered into a joint venture with Stratex in mid-2009, subsequent drilling programs led to the discovery of the Keltepe deposit in mid-2011. In early 2013, Centerra purchased Stratex's remaining interest to acquire 100% of the Öksüt Gold Project. In the same year, over 27,000 m of diamond drilling was completed to confirm and/or increase the confidence in resource estimations. The positive results of a preliminary economic assessment (PEA) were released in early 2014 and Board approval was given for a feasibility study to commence. In 2014, approximately 25,000 m of diamond drilling and RC percussion drilling were completed as infill drilling within and around the known deposits, for metallurgical and environmental studies, for groundwater monitoring and modeling purposes, for geotechnical assessments, and as sterilization drilling at mine infrastructure locations. In mid-2015, Centerra announced positive feasibility study (FS) results for the Öksüt Gold Deposit and environmental impact assessment (EIA) approval was received in November of the same year. The estimated mineral reserves, as on June 30, 2015, were approximately 26.1 million tonnes of ore at an average grade of 1.4 g/t Au, containing a total of approximately 1.2 million ounces of gold at a cutoff grade of 0.3 g/t Au and a gold price of \$1,250 per ounce. Life-of-mine gold production is expected to be 895,000 ounces, which generates an after-tax internal rate of return of 42.5%. The Öksüt Gold Project will be an open-pit, heap-leach operation with ore being mined and stacked over a mine life of eight years from the Keltepe pit and the smaller Güneytepe pit. Near-mine exploration activities are continuing around the known deposits, and there is potential to add to the existing resource base through further exploration and drilling at a number of prospects.