

Toukhmanuk steers Global success



Digger at Toukhmanuk and exploration map

GLOBAL Gold Corp has been working in Armenia for over 15 years, with commitments to the country and its shareholders to build value while respecting safety, social, environmental, and related tenets needed to create a sustainable, profitable balance. Since 2005, the Toukhmanuk ('dark child') property has emerged as its core property, in the north-central mineralisation belt.

This is an area replete with ancient workings, which was substantially explored during the Soviet era for gold, silver, copper and molybdenum. Global's development plans for the property changed in late 2008 with the discovery of wide zones of mineralisation amenable to open-pit mining rather than the historically established narrow veins and underground mine plans. With consistent support from Firebird Management funds and a recent strategic investment from Consolidated Resources, Toukhmanuk's first quarter is witnessing mining, plant expansion, new exploration, increased local employment, and the opening of new horizons in Armenia.

The mine is producing gold and silver concentrate, and the plant is upgrading to 300,000t/y of ore (15,000oz of gold) production this year at an average cost of less than US\$400/oz. That will be followed by industrial production of 1.5Mt/y (77,000oz/y Au) in the next phase. An Armenian government-approved reserve of 2.27Moz of gold and 6.9Moz of silver now exists in C1, C2 and P1 categories, which, according to the certifying agency, correspond to international

standards (CRIRSCO) of measured, indicated and inferred categories. Total ore reserve approved was 21.9Mt with an average gold grade of 1.62g/t at a cut-off grade of 0.8g/t and an average silver grade of 4.88g/t.

Historic governmental reserve records on Toukhmanuk when Global first started in 2005 were based on quartz veins with gold and polymetallic mineralisation 1-1.5m wide. But the discovery in October 2008 and exploration showed much wider veins and mineralisation. Based on 20km of diamond drilling, test mining and surface sampling of the No 1 and 15 mineralised areas, at least 18 mineralised zones in a 150-200m-wide ENE-trending alteration zone in the property's central area.

These mineralised zones (5-25m wide), extend more than 300m along strike, and extend to more than 150m at depth. Assay results of surface sampling show values 1-280g/t Au, and 8-520g/t Ag. Gold mineralisation is associated with sulphide minerals, in places as distinct veins within the wider alteration zone. This is all in about a fifth of the mineralised trend in the Central Area, interpreted to extend to more than 1.5km along strike. This area at Toukhmanuk covers 2.2km² in a licence area of nearly 54km².

REPORT UPDATES

At the end of May, Behre Dolbear began an NI 43-101 report on Toukhmanuk as well as on Getik, which Global is advancing with Consolidated Resources. Global and Consolidated aim to develop Toukhmanuk and Getik under a joint venture.

Global acquired the 27km² Getik property, 80km east of Toukhmanuk, in 2006-07. Surface sampling discovered gold grades of 4-5g/t in bleached and crackle-brecciated rhyodacitic lavas, with disseminated pyrite, below a shallow oxidised near-surface zone. Mapping, sampling trenching, and some diamond drilling continued at Getik, and exploration there is growing this year. Soviet-era work indicated the presence of uranium oxide in one portion, but Global's early efforts to confirm this were inconclusive. The Soviet-era work in at least two places for gold and polymetallic mineralisation was encouraging, and the licence area is being systematically explored.

Global Gold first entered Armenia's mining industry through a JV with the government to develop the Zod and Meghradzor mines and reprocess 12Mt of tailings at the Ararat plant in 1995. It partnered with First Dynasty Mines, and the first Western

Local laboratory

A key investment Global made from 2008 was in a lab at Toukhmanuk. That lab now services Global's projects, as well as those for other companies in Armenia and throughout the region.

The lab has received international, ISO, certification, and the Armenian government also accredited the lab as one of those authorised to provide results for official submissions on reserve calculations and other purposes.



gold-processing plant built on time and on budget in the former Soviet Union began exporting gold in May 1998. Global no longer holds a stake in those properties or the companies that succeeded First Dynasty, except for a 20% right to participate in any exploration projects undertaken up to year-end 2009.

Global is also developing the Marjan property in southwestern Armenia, along the Nakichevan border. It obtained a 25-year licence there in 2008, but had to terminate an initially promising 2010 joint venture based on its partner's non-performance and non-payment. The 19.4km² area of the property is underlain by tertiary volcanic rocks, intruded by NNW-trending dioritic dykes. Most gold mineralisation is contained within polymetallic sulphide veins, associated with NNW-trending hydrothermal alteration zones, which can be seen on surface as rusty to grey zones on outcrops.

Two types of gold mineralisation have been observed: that associated with sulphide veins in volcanic rocks; and that adjacent to dioritic dykes, which intrude the volcanic rocks. There, the historic governmental reserve records indicate over 1Moz of gold with C1, C2, and P1 categories totalling 15.4Mt of ore at average grades of 2.31g/t of gold, 92.1g/t of silver, 0.8% of copper, 1.10% lead, and 1.21% zinc. Global has other interests in Armenia as well as in Chile and Canada. However, Armenia is a long-term commitment.



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