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# ANNOUNCEMENT ·

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## Hugely Successful Maiden Drilling Program at Rogozna

## Background

Zlatna Reka Resources, a Serbian company funded by private equity fund Ibaera Capital, has recently completed its maiden drilling program at its 100%-owned Rogozna Gold Project in Serbia (Figure 1). The expanded Rogozna project area covers ground initially acquired from Eldorado Gold and previously held by Freeport McMoran. More than US\$30 million of historical exploration expenditure resulted in the discovery of three large-scale skarn-hosted gold (+/- copper) deposits at Shanac, Copper Canyon and Gradina (Figures 2 and 3). Zlatna Reka's maiden drilling program expanded on the excellent technical work completed by our predecessors resulting in the successful discovery of two significant new deposits at Medenovac and Gradina North.



Figure 1 | Location Map of the Rogozna Gold Project





Figure 2 | Regional Geology and Licenses of the Rogozna Gold Project





Figure 3 | Local Geology, Deposits and Prospects of the Rogozna Gold Project



## Maiden Drilling Program Summary

Zlatna Reka's maiden drilling program commenced in August 2020 and involved the completion of 16 drillholes for a total of 9,931 metres, with the final drillhole completed in December 2020.

The program was designed to achieve the following goals:

- Test the Medenovac Prospect, where recent reprocessing of geophysical datasets resulted in the identification of a major gravity anomaly in coincidence with mapped surface alteration and geochemical zonation that is typically associated with mineralised magmatic hydrothermal systems.
- Test the Gradina North prospect, where the reprocessing of the geophysical datasets identified coincident anomalous gravity and magnetic responses immediately north of significant drill-defined mineralisation at Gradina.
- Exploration drilling to the north of the Shanac Deposit, targeting extensions to the significant body of skamhosted mineralisation previously defined by Eldorado Gold.
- Infill drilling of the southern part of the Shanac Deposit to support a maiden JORC-compliant resource estimate.
- Infill drilling of the Copper Canyon Deposit to support a maiden JORC-compliant resource estimate.

The program was very successful, with the discovery of significant gold-copper-zinc-silver mineralisation at Medenovac and high-grade gold mineralisation at Gradina North, while infill drilling at Shanac resulted in some of the best intersections ever recorded at that deposit.

Prospect	Hole ID	From	То	Thickness	Au Ea	Au Ea	Including
Trospect		(m)	(m)	(m)		GvM	including
		(11)	(11)	(III)	(8/0)	U.I.I	
Shanac	ZRSD20120	185.85	602.70	416.85	1.05	438	22m @ 3.7g/t Au and 1.1% Cu from 581m
Shanac	ZRSD20117	180.80	765.00	584.20	0.60	351	61m @ 1.4g/t Au Eq from 350m
Shanac	ZRSD20131	91.80	700.00	608.20	0.53	322	23m @ 0.5g/t Au, 2.4%Pb, 26g/t Ag and 0.1% Cu from 294m
Shanac	ZRSD20132	382.00	569.50	187.50	1.10	206	26m @ 4g/t Au, 17g/t Ag, 0.4% Cu and 1.7% Zn from 423m
Gradina North	ZRSD20124	410.50	467.30	56.80	3.30	187	I I .5m @ 8.5g/t from 455.8m
Shanac	ZRSD20121	355.30	593.50	238.20	0.77	182	44m @ I.3g/t Au Eq from 355m
Copper Canyon	ZRSD20130	8.00	261.40	253.40	0.70	177	42m @ 0.9g/t Au and 0.7% Cu from 149.3m
Medenovac	ZRSD20128	335.10	461.70	126.60	1.40	177	18m @ 0.6g/t Au, 0.2% Cu and 5.3% Zn from 441m
Gradina North	ZRSD20127	412.70	552.40	139.70	0.94	3	5.5m @ 5.1g/t Au from 412.7m and 8m @ 5g/t from 510.4m
Medenovac	ZRSD20122	387.90	503.70	115.80	1.10	127	48m @ 0.6g/t Au and 0.4% Cu from 388m
Shanac	ZRSD20118	255.20	358.80	103.60	1.10	4	55m @ 1.3g/t Au from 255m
Shanac Ext	ZRSD20126	325.50	407.80	82.30	0.90	74	10m @ 6.1g/t Au from 327.5m
Shanac Ext	ZRSD20123	399.50	465.10	65.60	0.60	39	18m @ 1g/t Au from 445.1m
Medenovac	ZRSD20125a	297.70	485.00	187.30	0.20	37	
Shanac Ext	ZRSD20119			0		0	No Significant Result
Shanac Ext	ZRSD20129			0		0	No Significant Result

A summary of the drilling results is provided in the table below.



## Medenovac Discovery Drilling

At Medenovac, drilling was designed to test a very large rock volume characterised by a NE-trending gravity anomaly (Figure 4) coincident with:

- A shallow IP chargeability anomaly;
- an ~800m long zone of outcropping Advanced Argillic alteration; and
- soil geochemical zonation (lead and zinc) typical of mineralised magmatic hydrothermal systems including Shanac and Copper Canyon-Gradina further south (Figure 5).

The first drillhole (ZRSD20122) intersected a zone of strong, sulphide-rich skarn-hosted gold-copper-silver-zinc mineralisation (Figures 6 and 7), with an intersection of:

• 104m @ 0.5g/t Au, 0.3% Cu, 6g/t Ag and 0.6% Zn (1.1g/t Au Eq; 114 Au Eq GxM) from 388m

Mineralisation in the hole showed strong vertical zonation with more copper-rich mineralisation occurring higher in the sequence and zinc mineralisation increasing with depth. Unfortunately, difficult ground conditions at 503m resulted in the hole being terminated in mineralisation.

A second hole (ZRSD20128) into the target intersected slightly stronger mineralisation (Figures 8 and 9) with similar vertical metal zonation and high-grade zinc mineralisation of up to 11% Zn occurring at 443m downhole depth. The hole returned the following intersection:

- 126.6m @ 0.5g/t Au, 0.2% Cu and 1.6% Zn (1.4g/t Au Eq; 177 Au Eq GxM) from 331.1m, including
- 18m @ 0.6g/t Au, 0.2% Cu and 5.3% Zn from 441m

As was the case with the initial hole, difficult drilling conditions led to the hole terminating in mineralisation. As such the depth extent of the Medenovac mineralisation remains unknown, though gravity data indicates the host skarn-body continues for considerable depth (Figure 10).





Figure 4 | Medenovac Prospect Summary Map, showing identified geophysical anomalies, surface alteration and drillhole traces





Figure 5 | Rogozna Project lead and zinc soil geochemical map, showing three distinct mineralised magmatic hydrothermal systems at Medenovac, Shanac and Copper Canyon-Gradina, centred around "lows" of lead+zinc



Figure 6 | Au-Cu mineralisation in ZRSD20122 – Core box averages 0.6g/t Au and 0.4% Cu (393.3 – 397.8m)



Figure 7 | Au-Cu-Zn mineralisation in ZRSD20122 – 0.4g/t Au, 0.5% Cu and 1.5% Zn (core from sample interval 451.9 – 452.8m)



Figure 8 | Au-Cu-Zn mineralisation in ZRSD20128 – 2g/t Au, 0.7% Cu and 5.8% Zn (core from sample interval 451 – 453m)





Figure 9 | Au-Cu-Zn mineralisation in ZRSD20128 – 1g/t Au, 0.4% Cu and 11.4% Zn (core from sample interval 443 – 445m)



Figure 10 | Cross-section view looking North at Medenovac showing drill intersections and geophysical anomalies



## Gradina North Discovery Drilling

At Gradina North, the first drillhole (ZRSD20124) was designed to test a large volume characterised by coincident anomalous Magnetic and Resistivity responses – a similar geophysical signature of the Shanac and Copper Canyon deposits.

The drillhole intersected a zone of strong skarn-hosted Gold mineralisation (Figures 11 and 12), with an intersection of:

#### $59m @ 3.2g/t \mbox{ Au}$ (190 GxM) from 409m, including

- 44m @ 4.1g/t Au from 423m, including
- 27m @ 5.0g/t Au from 440m, including
- II.5m @ 8.5g/t Au from 456m



Figure 11 | High grade Au mineralisation from Gradina North hole ZRSD20124 – Core box averages > 12g/t Au



Figure 12 | High-grade Au mineralisation in ZRSD20124 – 11.85g/t Au (core from sample interval 461.8 – 463.8m)



The second hole (ZRSD20127) into the Gradina North target intersected a broader zone of similar skarn-hosted Au mineralisation (Figures 13 and 14), returning an intersection of:

#### 139.7m @ 0.9g/t Au from 412.7m, including:

- 5.5m @ 5.1g/t Au from 412.7m and
- 29.4m @ 1.8g/t Au from 452.8m and
- 8m @ 5g/t Au from 510.4m



Figure 13 | High-grade Au mineralisation in ZRSD20127



Figure 14 | High-grade Au mineralisation in ZRSD20127 – 4.14g/t Au (core from sample interval 510.4 – 512.4m)

The mineralisation style encountered in the early drilling is similar to the Gradina deposit to the south, where high-grade gold mineralisation is associated with Pyrrhotite and contains negligible base metal sulphides. The current interpretation of this is that the Gradina deposits represent distal, Au-rich (Cu-poor) skarns as opposed to Copper Canyon, Shanac and Medenovac which represent more proximal Au-Cu skarn deposits.

The Gradina North system has >500m of prospective strike extent (Figure 15) which will be further tested once drilling recommences in Q2 2021.





Figure 15 | Plan view of Gradina-Copper Canyon mineral system showing geophysical inversions and drillhole traces





Figure 16 | 3D view of Gradina drilling showing geophysical inversions and drillhole traces

## Shanac Drilling

Drilling at Shanac in 2020 was designed to increase the geological understanding along ~400m of strike of the previously broadly defined ore body and test the continuity of interpreted higher-grade ore zones (Figure 17).

The 2020 program involved the completion of six holes, all of which intersected bulk tonnage gold (+/- Cu, +/- Zn) mineralisation. The intersections included:

#### 584.2m @ 0.52g/t Au and 0.08% Cu from 180.8m depth in ZRSD20117, including:

- 61.87m @ 1.31g/t Au and 0.21% Cu from 350.13m and
- 26.4m @ 1.38g/t Au and 0.21% Cu from 614.1m and
- 20m @ 0.81g/t Au and 0.35% Cu from 720.4m



#### 417m @ 0.9g/t Au and 0.1% Cu from 186m depth in ZRSD20120, including:

- I54m @ 1.7g/t Au and 0.2% Cu from 449m, including
- 43m @ 3.0g/t Au and 0.1% Cu from 449m and
- 22m @ 3.7g/t Au and 1.1 % Cu from 581m

#### 608.2m @ 0.45g/t Au and 0.06% Cu from 91.8m in ZRSD20131 (hole ended in mineralisation)

#### 187.5m @ 0.91g/t Au, 0.15% Cu, 0.27% Pb, 0.44% Zn and 9.6g/t Ag from 382m in ZRSD20132, including:

- 69.5m @ 2.02g/t Au, 0.30% Cu, 0.45% Pb, 0.78% Zn and 17.7g/t Ag from 382m, including
- 26.3m @ 4.02g/t Au, 0.43% Cu, 0.63% Pb, 1.7% Zn and 16.7g/t Ag from 423.2m



Figure 17 | Plan view of the Shanac deposit with recent drilling results





Figure 18 | Core photo of high-grade mineralisation in ZRSD20132 (8.5g/t Au, 0.3% Cu, 0.3% Pb, 1,2% Zn and 10g/t Ag @ 435m downhole depth)



Figure 19 | Core photo of high-grade mineralisation in ZRSD20132 (2.9g/t Au, 2.5% Cu, 0.5% Pb, 6.1% Zn and 58g/t Ag @ 449m downhole depth)





Figure 20 | Core photo of high-grade mineralisation in ZRSD20132 (3.2g/t Au, 0.5% Cu, 2% Pb, 9.7% Zn and 40g/t Ag @ 445m downhole depth)





Figure 21 | Shanac long section, looking West, showing thick, higher-grade zones within the centre of the deposit

The drilling programme was successful in improving our understanding of the geology and major controls of mineralisation at Shanac. There is evidence to suggest that the pipe-like intrusion at its southern end (southern stock) represents a primary feeder to the mineralised skarn system. Much of the stronger mineralisation occurs in proximity to this stock, whilst the magnetic susceptibility (related to the amount of magnetite) is also highest in this area.

Of significance, whilst the level of magnetic susceptibility (and hence magnetite content) generally decreases with distance from the stock, the high-grade mineralisation in ZRSD120, located about 400m further north, is also associated with abundant magnetite and strong magnetic susceptibility, indicating possible proximity to a second, currently blind stock (feeder position) beneath current levels of drilling.

## **Copper Canyon Drilling**

A single hole was completed at Copper Canyon, targeting a gap in drilling coverage (Figure 23). The hole intersected Au + Cu mineralisation from 8m depth, with an intersection of;

#### 253.4m @ 0.37g/t Au and 0.24% Cu from 8m, including

- 199.3m @ 0.42g/t Au and 0.23% Cu from 8m, including
- 66.3m @ 0.80g/t Au and 0.50% Cu from 149.3m, including
- 42m @ 0.90g/t Au and 0.66% Cu from 149.3m





Figure 22 | Core photo of high grade mineralisation in ZRSD20130 (2.43g/t Au and 2.16% Cu @ 184.5m downhole)



Figure 23 | Copper Canyon cross section, looking southwest



## **Next Steps**

We are currently finalising a maiden JORC compliant resource estimate for the Shanac and Copper Canyon deposits, with results expected in coming weeks. We are also in the final stages of planning for our 2021 drilling program which will focus on the follow up of the exciting discoveries at Medenovac and Gradina North, with drilling expected to commence in Q2 2021.

## About Zlatna Reka Resources

Zlatna Reka is a locally managed Serbian company, owned 100% and funded by private equity firm Ibaera Capital. The company was formed in 2019 to develop the Rogozna Gold Project located in the Raška District, close to Novi Pazar in Southern Serbia.

## About Ibaera Capital

Ibaera is an international private equity group investing exclusively in the development of mining projects. We are a specialist equity investor seeking to develop new or existing projects held by explorers and/or developers in future facing metals such as copper, nickel, zinc, cobalt and gold. We provide significant funds and management expertise into a small number of assets and bring industry best practises to every investment.

We are an investment partner to major miners and to companies aiming to become a miner.

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