

ANNOUNCEMENT

1 November 2021

2.15Moz Au Eq Maiden Resource Estimate for Rogozna

Highlights

A maiden mineral resource estimate has been completed and reported in accordance with JORC guidelines for the Shanac and Copper Canyon deposits at the Rogozna Project, delivering Inferred Resources of 1.52Moz Au and 120kt Cu (2.15Moz Au Eq).

Shanac and Copper Canyon Inferred Mineral Resource Estimates

	Tonnes (Mt)	Au Eq (g/t)	Au (g/t)	Cu (%)	Au Eq (Moz)	Au (Moz)	Cu (kt)
Copper Canyon¹	28	0.9	0.4	0.3	0.81	0.36	84
Shanac²	36	1.2	1.0	0.1	1.34	1.16	36
Combined	64	1.0	0.7	0.2	2.15	1.52	120
Notes:	<ol style="list-style-type: none"> 0.4 g/t AuEq cut-off constrained within optimised pit shell 0.7 g/t AuEq cut-off constrained within optimised stope outlines <p>Figures are rounded to reflect the precision of estimates and include rounding errors.</p>						

Background

Zlatna Reka Resources (a local Serbian subsidiary of private equity fund Ibaera Capital) is pleased to advise that it has received the results from initial resource modelling and estimation work undertaken for the Shanac and Copper Canyon gold-copper deposits, contained within its 100%-owned Rogozna gold-base metals project in Serbia (Figure 1, Figure 2).



Figure 1 | Location Map of the Rogozna Gold-Base Metals Project

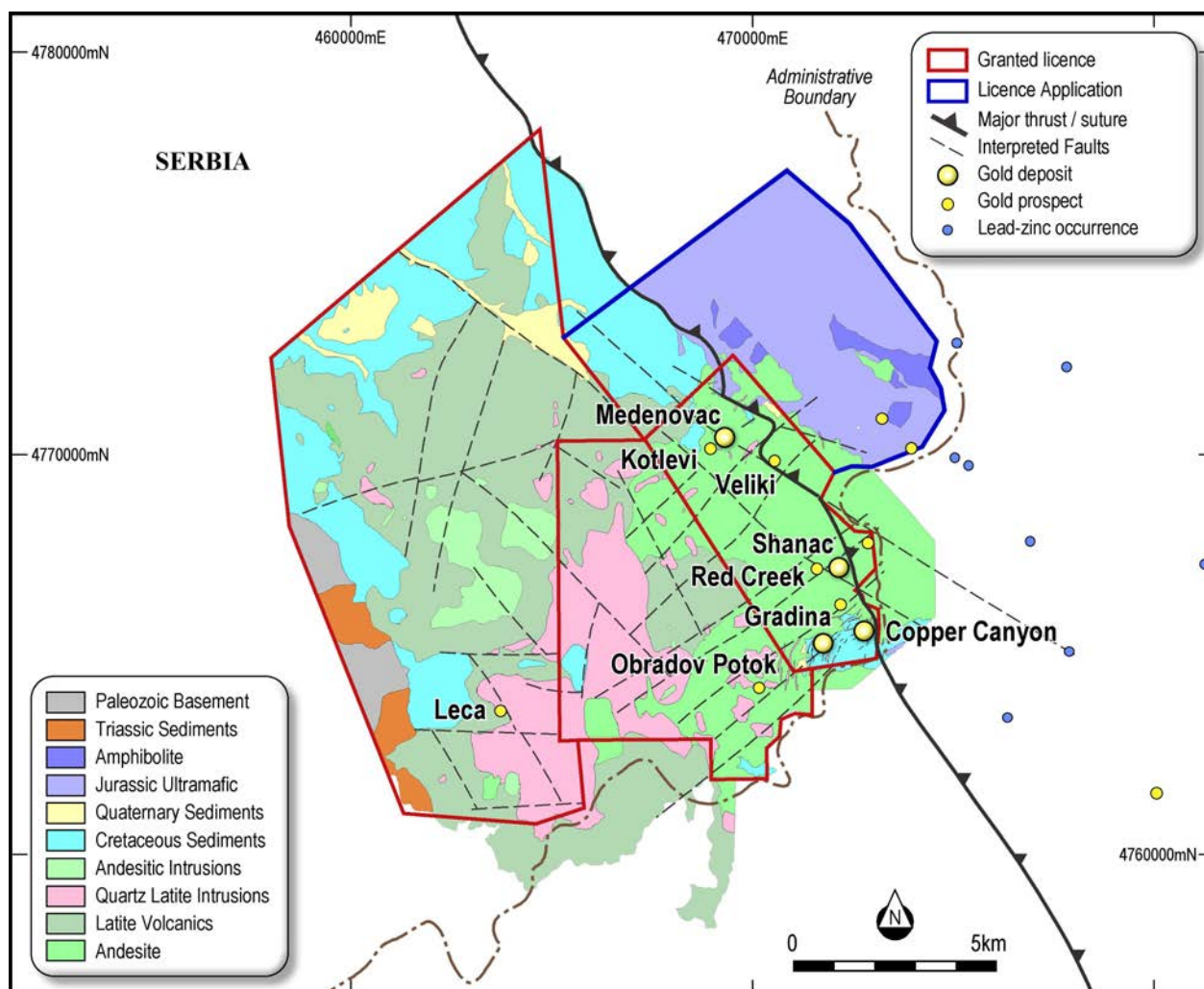


Figure 2 | Local Geology, Deposits and Prospects of the Rogozna Gold-Base Metals Project

Mineral Resource Estimation Summary

Data

The resource modelling and estimation was undertaken by Mr Jonathon Abbott (BASc Appl. Geol, MAIG), who is an employee of MPR Geological Consultants Pty Ltd (MPR). MPR reviewed the reliability of drilling information available for the Rogozna Project and estimated mineral resources for the Copper Canyon and Shanac deposits in accordance with JORC guidelines.

Estimated resources are based on information from diamond core drilling completed by Zlatna Reka Resources (ZRR) and previous project owners. The sampling database compiled for resource modelling contains 154 holes for 90,278 metres including 48 and 59 holes at Shanac and Copper Canyon respectively.

Checks undertaken by MPR to confirm the validity of the resource drilling database included reviewing internal consistency between and within database tables, and comparison of assay entries with source files. These checks showed few significant inconsistencies, and in MPR's opinion the available information indicates that the database is of a sufficiently reliable basis for resource estimation.

Estimated resources are based on information from diamond core drilling completed by ZRR and previous project owners, including South Danube, Euromax and Eldorado Gold. Samples from South Danube's drilling were generally submitted to Eurotest in Sofia, Bulgaria for gold analysis by aqua regia digest or rarely fire assay, analysis for a suite of attributes including copper by ICP. Euromax samples were analysed by either SGS in Chelopech or Eurotest in Bulgaria consistent with the approach adopted for South Danube's samples, with proportionally more of the samples submitted to Eurotest analysed for gold by fire assay. Samples from Eldorado's and ZRR's drilling were submitted to ALS in Bor, Serbia who performed sample preparation, with pulverised samples transported to ALS in Rosia Montana, Romania for analysis for gold by fire assay, and ALS Ireland, or Brisbane, Australia for ICP analyses by four acid digest for other attributes including copper.

Modelling Approach

MPR modelled Shanac and Copper Canyon gold and copper mineral resources by Multiple Indicator Kriging (MIK).

The Shanac modelling, which covers the full extents of mineralisation intersected by drilling to date, incorporates a surface representing the base of the volcanics and two steeply easterly inclined to sub vertical northwest-trending mineralised envelopes capturing continuous intervals of drill hole composites with gold equivalent grades of greater than 0.1 g/t. Densities were assigned to model blocks by Ordinary Kriging of the immersion density measurements. Estimates for the main, western domain based on approximately 60 metre spaced, and locally closer drilling are classified as Inferred. Potential mineralisation in areas of wider drill spacing is too poorly defined for estimation of mineral resources.

The Copper Canyon modelling is intended to reflect potential open pit mining and the informing data are truncated at around 475 metres below surface, excluding Copper Canyon South mineralised intercepts at depth. The MIK modelling incorporates a gently south-westerly dipping mineralised domain capturing drill hole composites with gold equivalent grades of greater than 0.1 g/t. Densities were assigned to model blocks from Kriged iron grades on the basis of a regression formula derived from immersion density measurements and drill sample iron assays. The mineralised domain is generally tested by 60 to 90 metre spaced drilling and all model estimates within the domain are classified as Inferred. Drilling within the background domain shows only rare, discontinuous mineralised intercepts and this zone does not contribute to mineral resource estimates.

The resource estimates include gold equivalent grades based on gold and copper prices of US\$1,750/oz and US\$10,000/t respectively and overall metallurgical recoveries of 80% for both metals. These estimates are based on current commodity prices and ZRR's interpretation of initial metallurgical test work results and give the following formula: Au equivalent (g/t) = Au (g/t) + 1.55 × Cu (%). In ZRR's opinion all elements included in the metal equivalent calculation have a reasonable potential to be recovered and sold.

To provide estimates with reasonable prospects of eventual economic extraction in accordance with JORC guidelines, the Copper Canyon and Shanac estimates are reported within an optimal pit shell and optimal underground mining stope shapes respectively. These constraining shapes were generated by Oreology Mine Consulting at gold and copper prices of US\$2,000/oz and US\$10,000/tonne respectively.

JORC Compliant Mineral Resource Estimate

The table below provides a summary of the maiden Inferred Resource for the Shanac and Copper Canyon deposits while Figures 3 – 10 illustrate various aspects of the resource block models and optimised mining shapes for each of the deposits. The Inferred Resources represent a subset of the full model estimates for Shanac and Copper Canyon, having been constrained by underground and open pit mining optimisation respectively.

Shanac and Copper Canyon Inferred Mineral Resource Estimates

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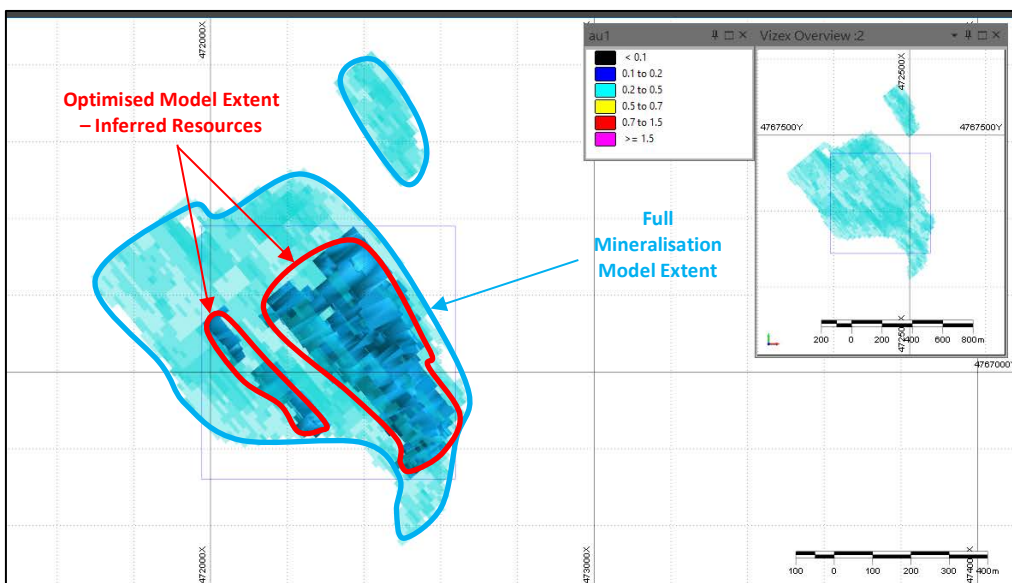


Figure 3 | Plan View of the Shanac Model Showing Optimised Underground Mining Stopes

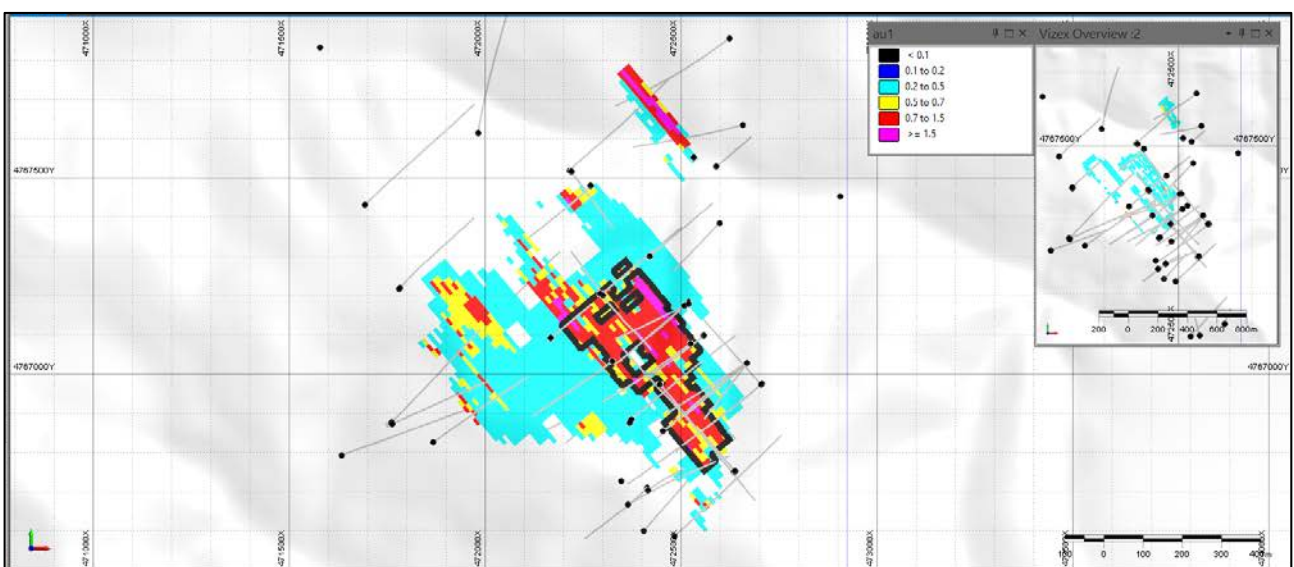


Figure 4 | Shanac Plan View at 850m RL, showing resource block model (coloured by Au grade) and optimised stope outline (black)

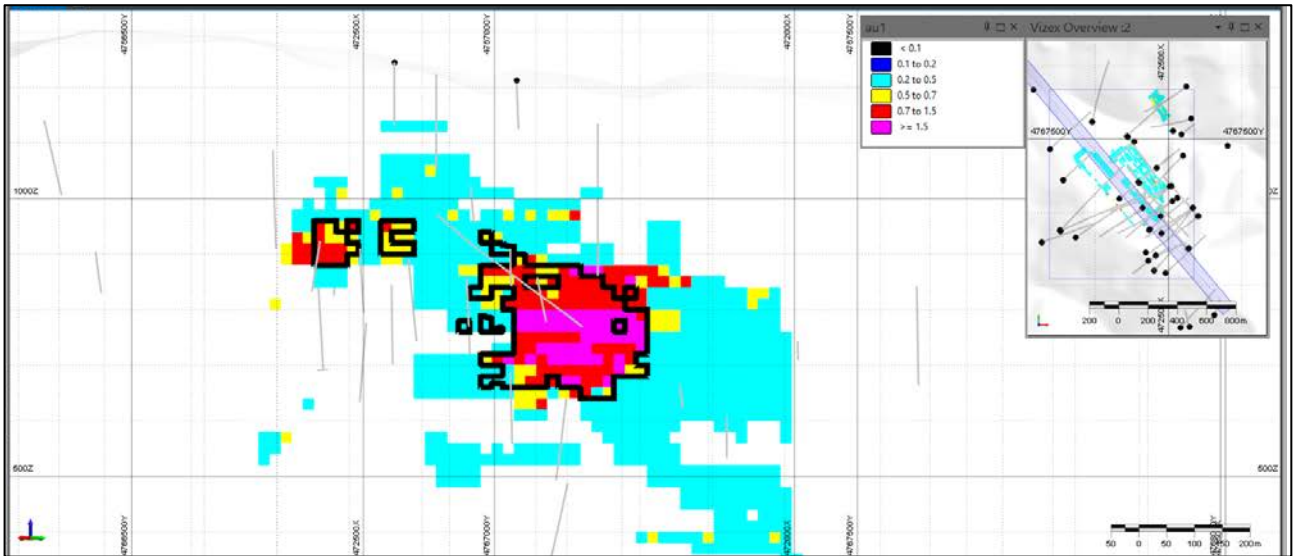


Figure 5 | Long Section Through Shanac (view looking SW), showing resource blocks (coloured by Au grade) and optimised stope outlines (black)

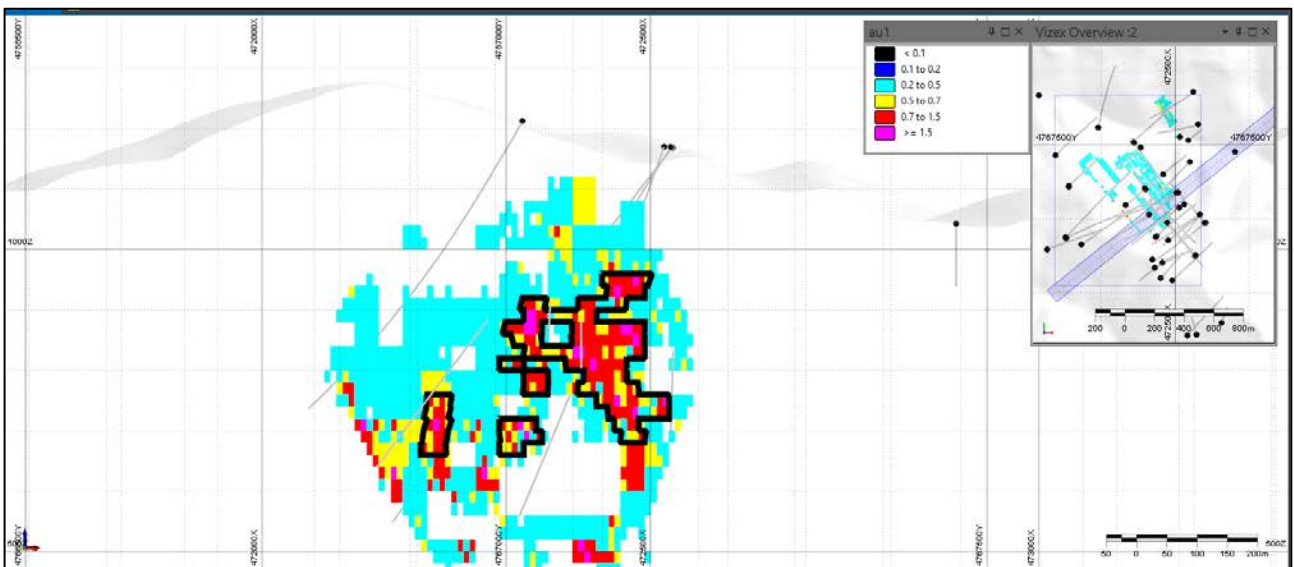


Figure 6 | Cross Section Through Shanac (view looking NW), showing resource blocks (coloured by Au grade) and optimised stope outlines (black)

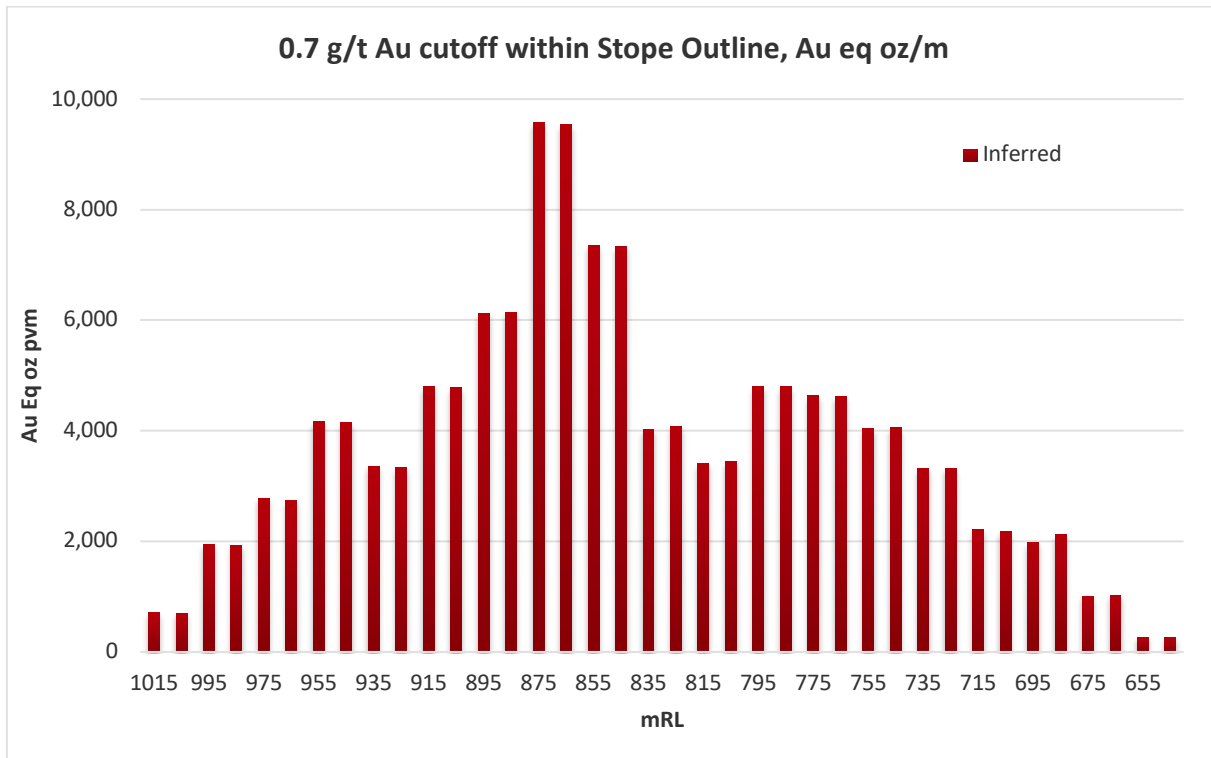


Figure 7 | Shanac Ounces per Vertical Metre by RL

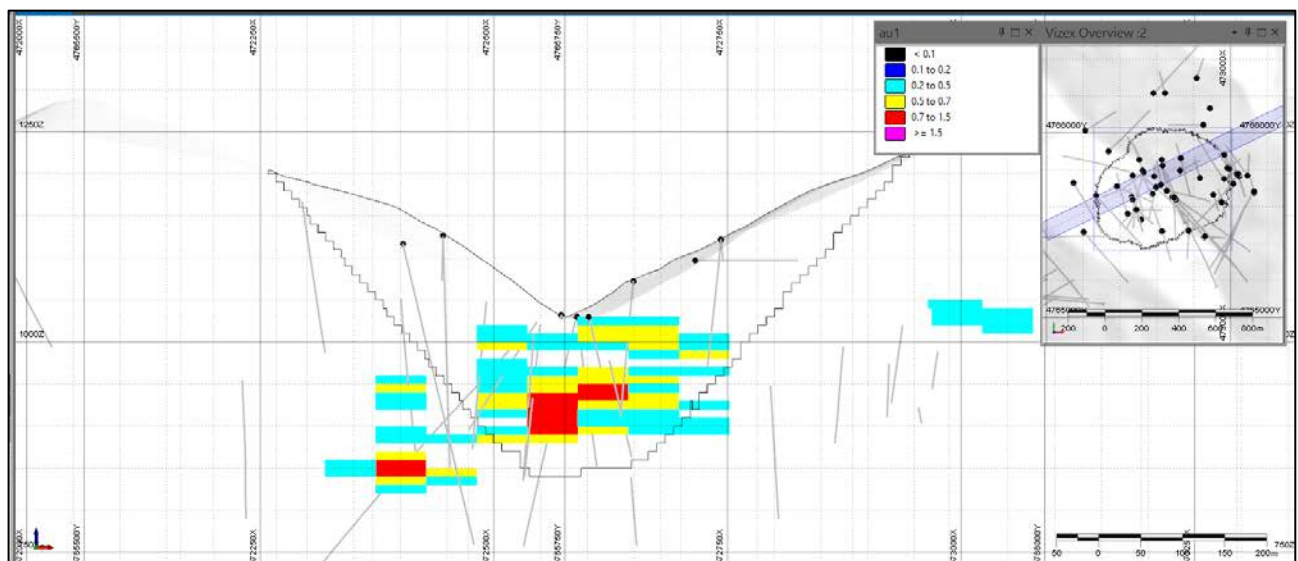


Figure 8 | Cross Section Through Copper Canyon, showing resource blocks (coloured by Au grade) and optimised pit outline

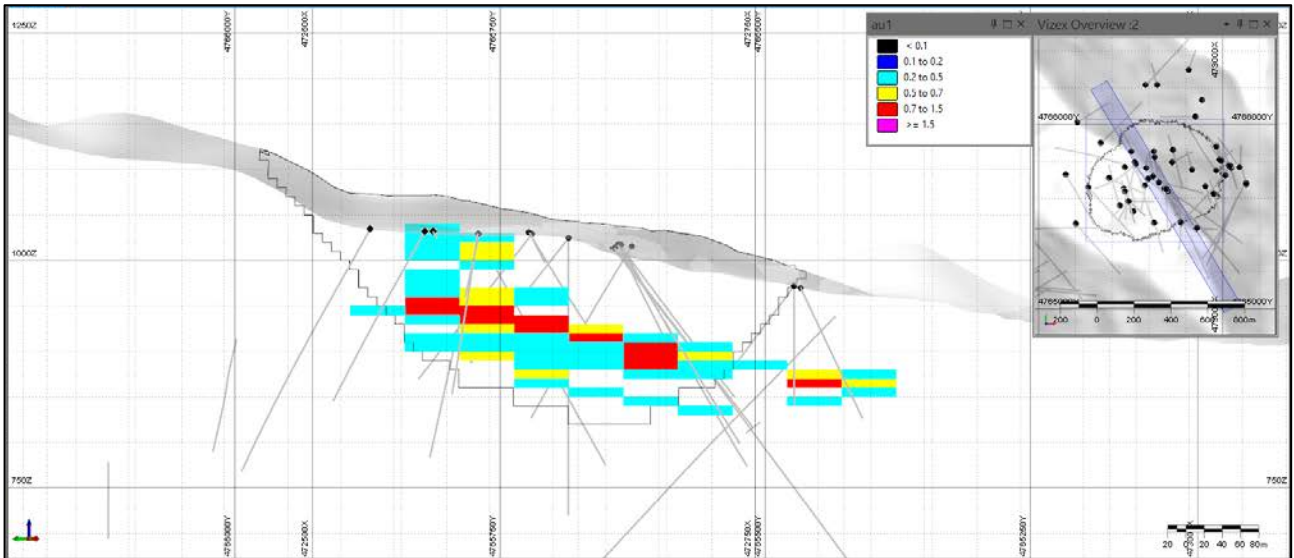


Figure 9 | Long Section Through Copper Canyon, showing resource blocks (coloured by Au grade) and optimised pit outline

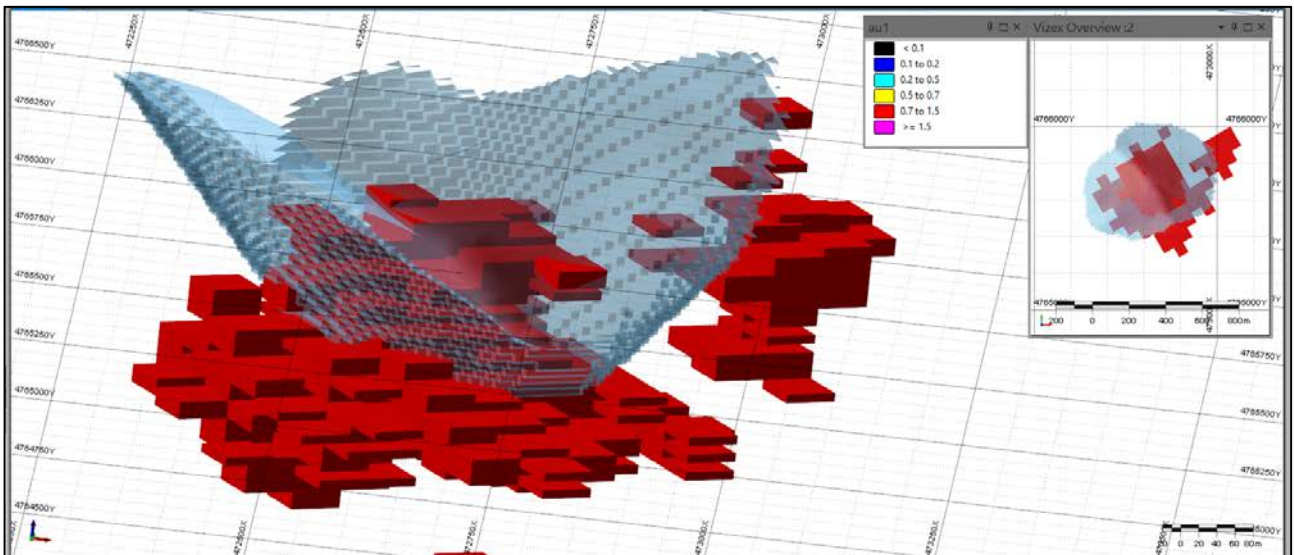


Figure 10 | Isometric View of Copper Canyon Resource Block Model and Optimised Open Pit

The information in this announcement that relates to mineral resource estimates is based on information compiled by Mr Jonathon Abbott, who is a Member of The Australian Institute of Geoscientists. Mr Abbott is a full-time employee of MPR Geological Consultants Pty Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the “Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves”. Mr Abbott consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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 minerals 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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