ANNOUNCEMENT

21 February 2022

- **Initial JORC Exploration Target Estimates for Medenovac and Gradina**

- **Modelling indicates significant potential for large-scale underground mining at Rogozna**

JORC Exploration Targets

Modelling of mineralisation defined by broad-spaced drilling at the Medenovac and Gradina deposits has defined the following Exploration Targets:

Medenovac

- approximately 55 to 85 million tonnes with gold grades of approximately 0.5 to 0.7 g/t, copper grades of approximately 0.2 to 0.3 % and zinc grades of approximately 1.2 to 1.8%.

Gradina

- approximately 40 to 60 million tonnes with gold grades of approximately 1.2 to 1.7 g/t and zinc grades of approximately 0.2 to 0.3%.

Background

Zlatna Reka Resources (a local Serbian subsidiary of private equity fund Ibaera Capital) is pleased to advise that it has received the results of modelling and estimation of Exploration Targets for the Medenovac and Gradina deposits within its 100%-owned Rogozna Gold-Base Metals Project in Serbia (Figures 1 and 2).

Figure 1 | Location Map of the Rogozna Gold Project

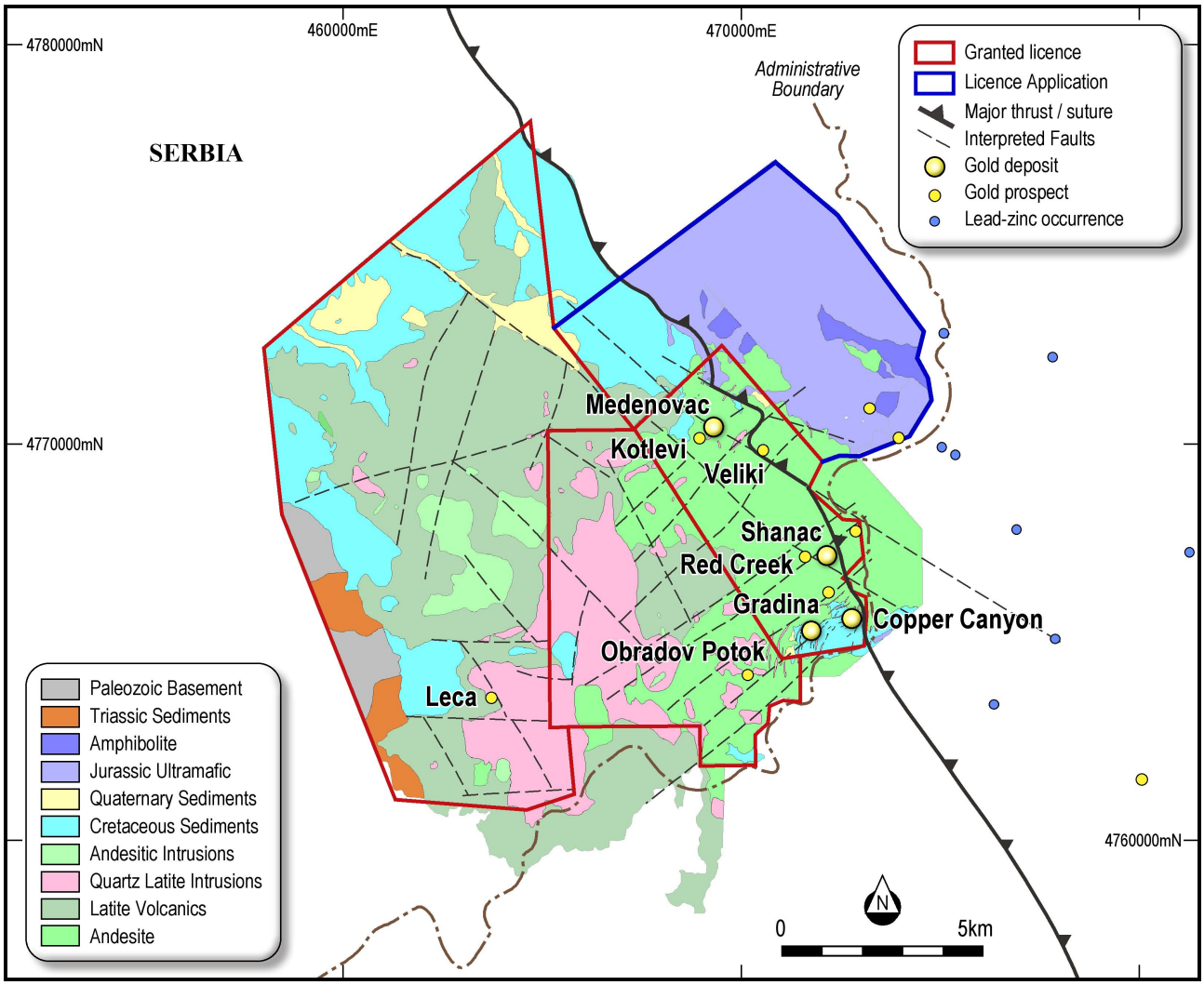

Figure 2 | Local Geology, Deposits and Prospects of the Rogozna Gold Project

Modelling Process

The modelling and estimation exercise was undertaken by MPR Geological Consultants Pty Ltd (MPR), a Perth-based consultancy specialising in mineral resource modelling. The results are based on drilling completed by Zlatna Reka Resources (2020 and 2021) and previous owners (2005 – 2017), with 38 holes (18,073m) informing the Medenovac model and 24 holes (19,734m) informing the Gradina model.

MPR modelled the Gradina and Medenovac mineralisation by Multiple Indicator Kriging (MIK) and Ordinary Kriging (OK) of two metre down-hole composited assay grades. For each deposit the modelling incorporated mineralised domains capturing zones of continuous composites with gold equivalent grades of greater than 0.10 g/t within geological frameworks consistent with ZRR's interpretations.

Medenovac Modelling

MPR's modelling of Medenovac mineralisation utilised wire-frames representing three steeply west dipping, north-northwest trending mineralised domains and a surface representing the base of andesite. Material underlying the andesite, which is dominated by skarns, dykes and, outside the mineralised domains includes limestones, was not further subdivided

for the current study. The base of andesite surface was interpreted from drill core logging with reference to interpretations provided by ZRR and represents a smoothed, somewhat simplified version of the supplied interpretations.

Three mineralised domains were interpreted on the basis of two metre down-hole, composited gold-equivalent grades and capture continuous zones of greater than 0.1g/t Au eq, comprising the following:

- Main Domain which averages around 270 metres thick and is interpreted to extend over around 1,100 metres of strike, generally from drilling completed by ZRR in 2020 and 2021.
- East Domain which averages around 100 metres thick, extending over around 380 metres of strike.
- West Domain which averages around 60 metres thick, extending over around 400 metres of strike.

The domains extend to 0 mRL which represents a depth of around 1,200 metres below surface and is well below the base of mineralised drill intercepts. They are not closed off by drilling along strike or at depth. However, drilling results suggest that mineralisation tenor is strongest below the base of andesite and generally decreases at depth. The East and West domains are interpreted from small numbers of vertical, or strike-parallel drill holes. Their extents have not been clearly defined, and these domains are largely interpretive. The Main domain hosts >90% of the current estimated mineralised volume for Medenovac and is the main focus of the current study for this deposit.

Evaluation of Medenovac is at a comparatively early stage, and although the broadly spaced drilling can be interpreted to show general mineralisation trends, there is insufficient close spaced drilling to reliably interpret local mineralisation trends and short-scale continuity.

Medenovac Exploration Target

To provide a range of tonnages and grades for Medenovac, the base case estimates derived from the block model were multiplied by factors of 0.8 and 1.2 which are based on the perceived reliability of the estimates. At 1.0 g/t gold equivalent cut off, with appropriate rounding, these factors give Exploration Target estimates for the Medenovac deposit of:

- approximately 55 to 85 million tonnes with gold grades of approximately 0.5 to 0.7 g/t, copper grades of approximately 0.2 to 0.3 % and zinc grades of approximately 1.2 to 1.8 %.

The modelling shows that Medenovac has a very thick and coherent higher-grade core (Figures 3 to 5), informed by drilling intercepts including:

- 178.8m @ 3.3g/t Au Eq, including 49.7m @ 6.8g/t Au Eq, within 388.1m @ 2g/t Au Eq in ZRSD21136
- 46.2m @ 2.8g/t Au Eq, including 22m @ 5g/t Au Eq, within 197.2m @ 1g/t Au Eq in ZRSD21138
- 46m @ 2.4g/t Au Eq, including 16m @ 4g/t Au Eq (ending in mineralisation) within 123.9m @ 1.9g/t Au Eq in ZRSD21128

Of further significance for the Medenovac deposit is the relatively high proportion of base metals, with zinc and copper contributing ~60% of the contained metal value of the deposit, making Medenovac the most base-metal rich deposit within the Rogozna project area.

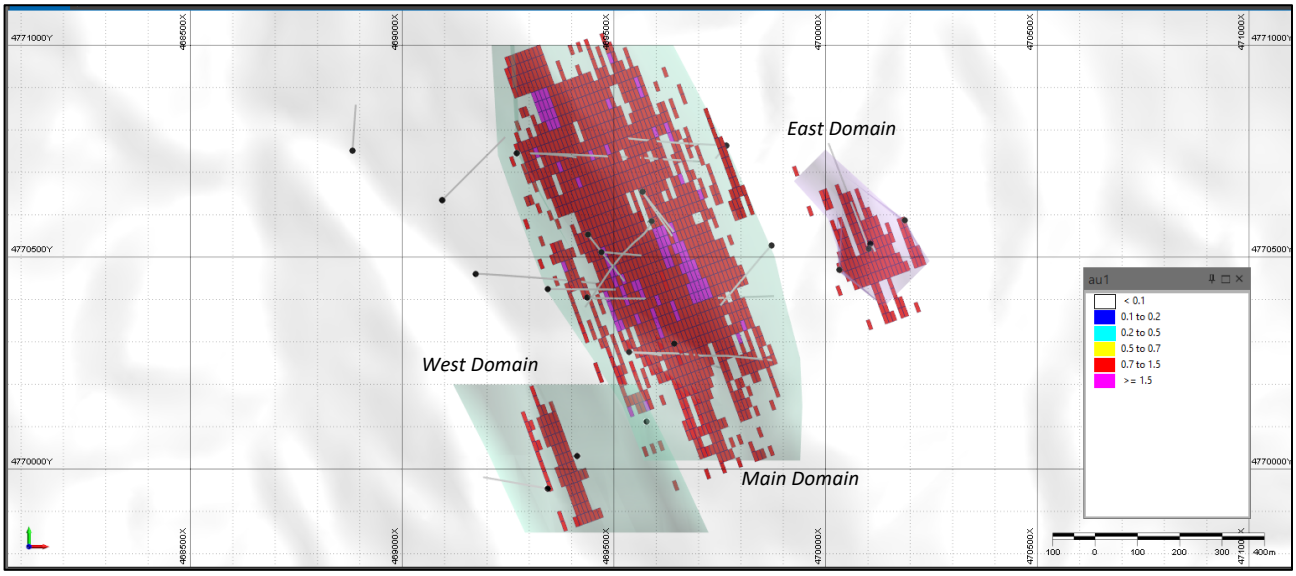

Figure 3 | Plan view of Medenovac, showing the three mineralisation domains, drillholes and block model with all blocks >0.7g/t Au Eq

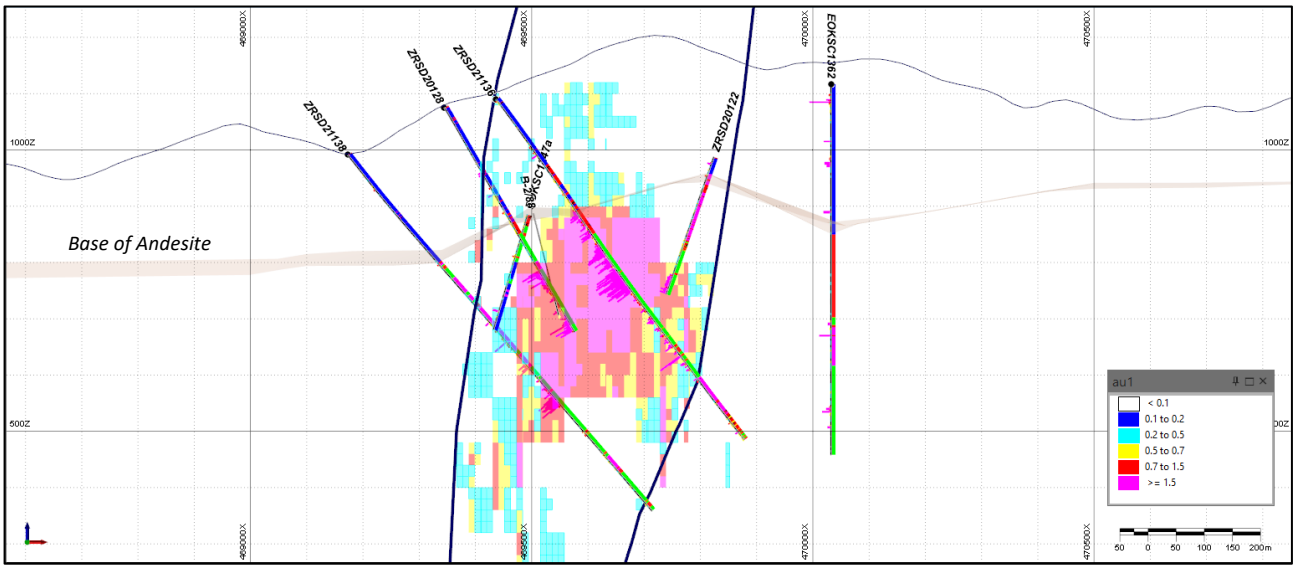

Figure 4 | Cross-section view looking North through the core of Medenovac, showing the Main mineralisation domain, base of Andesite, drillholes and block model

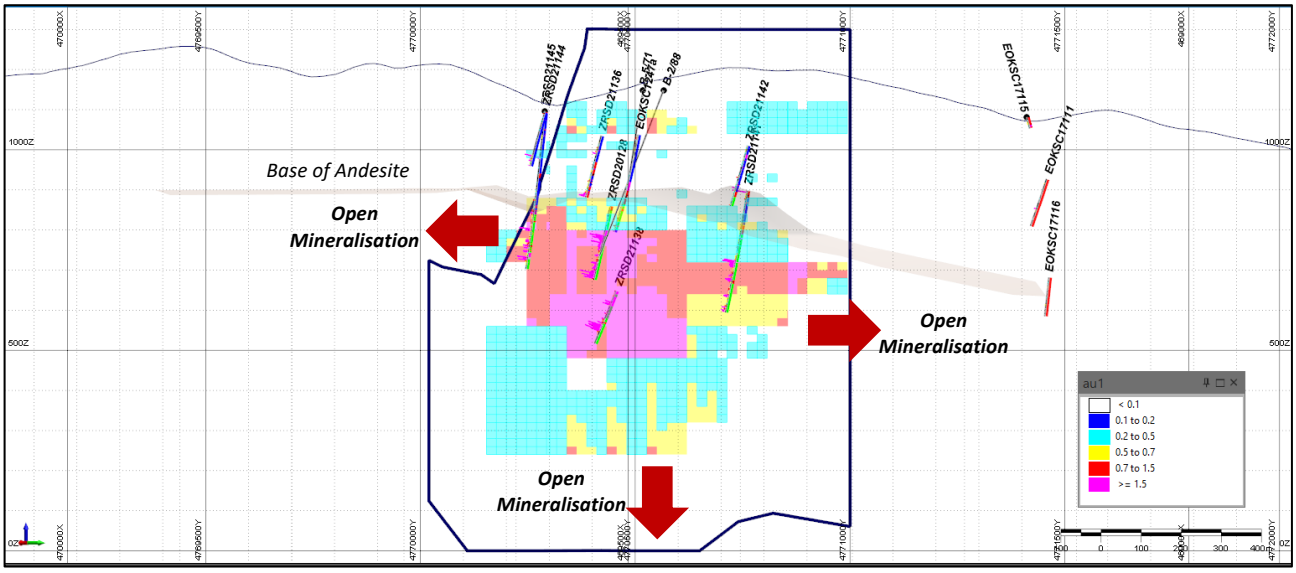

Figure 5 | Long-section view looking West through the core of Medenovac showing the main mineralisation domain, base of Andesite, drillholes and block model

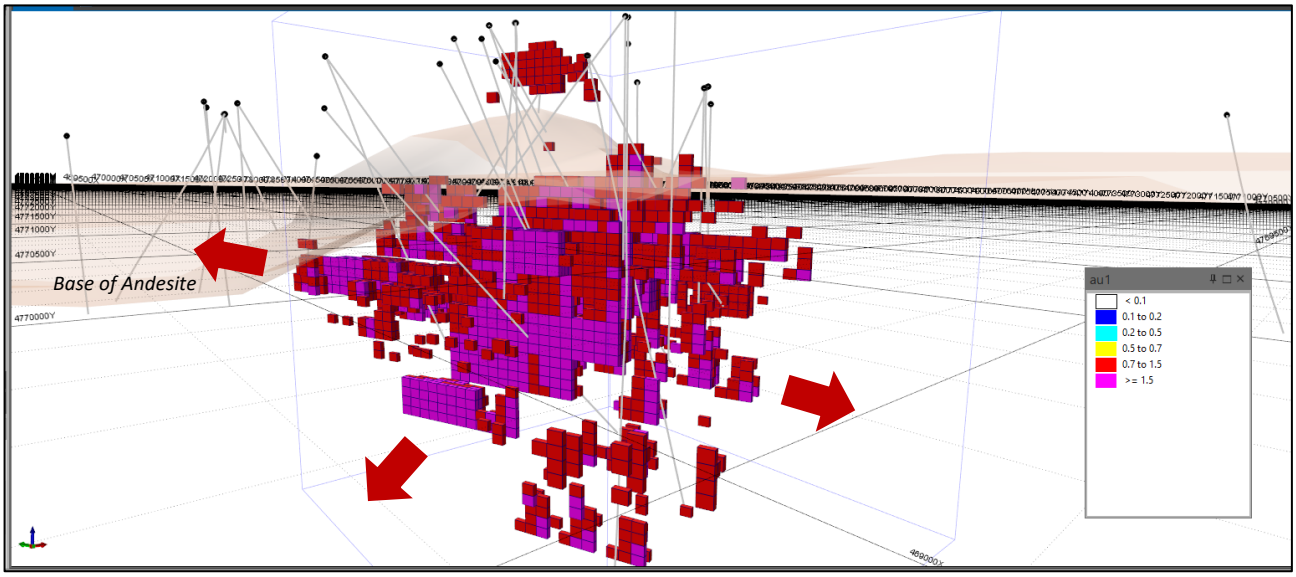

Figure 6 | Isometric view of Medenovac looking NE, showing base of Andesite surface, drillholes and block model with blocks >1g/t Au Eq

Gradina Modelling

MPR's modelling of Gradina mineralisation utilised wire-frames representing the dominant rock units in the area, and two mineralised domains interpreted from two metre down-hole composited gold equivalent assays.

The interpreted rock units comprise:

- Andesite, which, on the basis of the broad spaced drilling is interpreted as being un-mineralised in the Gradina area. The unit occurs in the north of the deposit area, overlying limestone and variably mineralised skarn, reaching a thickness of up to approximately 300 metres.
- Limestone, which underlies the andesite and outcrops for much of the southern part of the prospect area. It is interpreted to be largely un-mineralised.

- Skarn, comprising a variably mineralised package dominated by skarns and intrusive rocks. Although this unit is generally overlain by limestone and andesite, it is interpreted to outcrop in the south of the project, where soil samples show elevated gold equivalent grades, reaching ore-grade in places. Additional drilling would be required to accurately define this zone of shallow skarn, and the potential mineralisation within it.

MPR's interpretation of these rock units included reference to a comprehensive set of geological wire-frames interpreted by ZRR geologists. Although, as appropriate for the current modelling the domains interpreted for the current study are smoother, and simplified relative to the supplied shapes, the interpretations are comparable.

The mineralised domains comprise two northerly-trending, sub-vertical envelopes designated as the Western and Eastern Domain. These envelopes capture continuous intervals of drill composites with gold equivalent grades of greater than 0.1g/t. They are constrained to the interpreted contact between the skarn and limestone unit and extend over a strike length of around 1,100 metres, with widths averaging around 75 and 35 metres respectively.

Domain boundaries were digitised on cross sections aligned with drilling traverses, snapped to drill hole traces where appropriate, then wire framed into three dimensional solids. To ensure consistent coding of composites and model blocks, the wire-framed envelopes extend from a constant elevation well above topography to -100 mRL, which represents an average depth of around 1,300 metres, well below the base of mineralised drilling.

Evaluation of the project is at a comparatively early stage, and although the broadly spaced drilling can be interpreted to show general mineralisation trends, there is insufficient close spaced drilling to reliably interpret local mineralisation trends and short scale continuity.

Gradina Exploration Target

To provide a range of tonnages and grades in accordance with JORC guidelines the base case tonnage and grade estimates derived from the block model were multiplied by the factors of 0.8 and 1.2 which are based on the perceived reliability of the estimates. At a 1.0 g/t gold equivalent cut off, with appropriate rounding, these factors give an Exploration Target estimate for the Gradina deposit of:

- approximately 40 to 60 million tonnes with gold grades of approximately 1.2 to 1.7 g/t and zinc grades of approximately 0.2 to 0.3%.

Of significance for Gradina, multiple high-grade lodes exist within these broad mineralisation domains, as demonstrated by several high-grade drill intersections including:

- 70.3m @ 3.1g/t Au Eq and 47m @ 5.2 Au Eq in EOKSC1361b
- 9m @ 5.4g/t Au Eq, 7.6m @ 3.5g/t Au Eq, 20.5m @ 3.4g/t Au Eq and 8.1m @ 5g/t Au Eq in EOKSC1682
- 9.3m @ 4.2g/t Au Eq, 6m @ 3.7g/t Au Eq, 8m @ 5.9g/t Au Eq and 24m @ 3.8g/t Au Eq in ZRSD21143
- 11.5m @ 8.5g/t Au in ZRSD20124
- 19.7m @ 3.4g/t Au Eq in ZRSD21139
- 20m @ 3.4g/t Au Eq in EOKSC17113
- 8m @ 5g/t Au Eq in ZRSD20127

These high-grade lodes have not been discretely domained and separately estimated at this time as the current drill spacing is too broad to effectively interpret their continuity along strike and at depth.

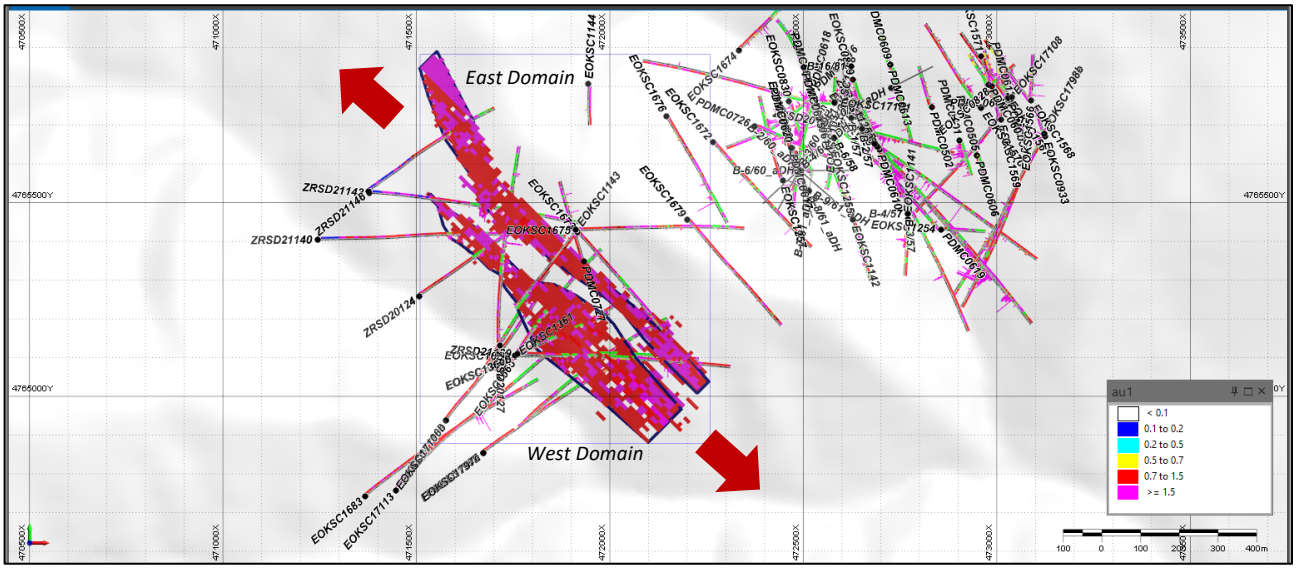

Figure 7 | Plan view of Gradina, showing drillholes, mineralisation wireframes and block model with blocks > 1g/t Au Eq

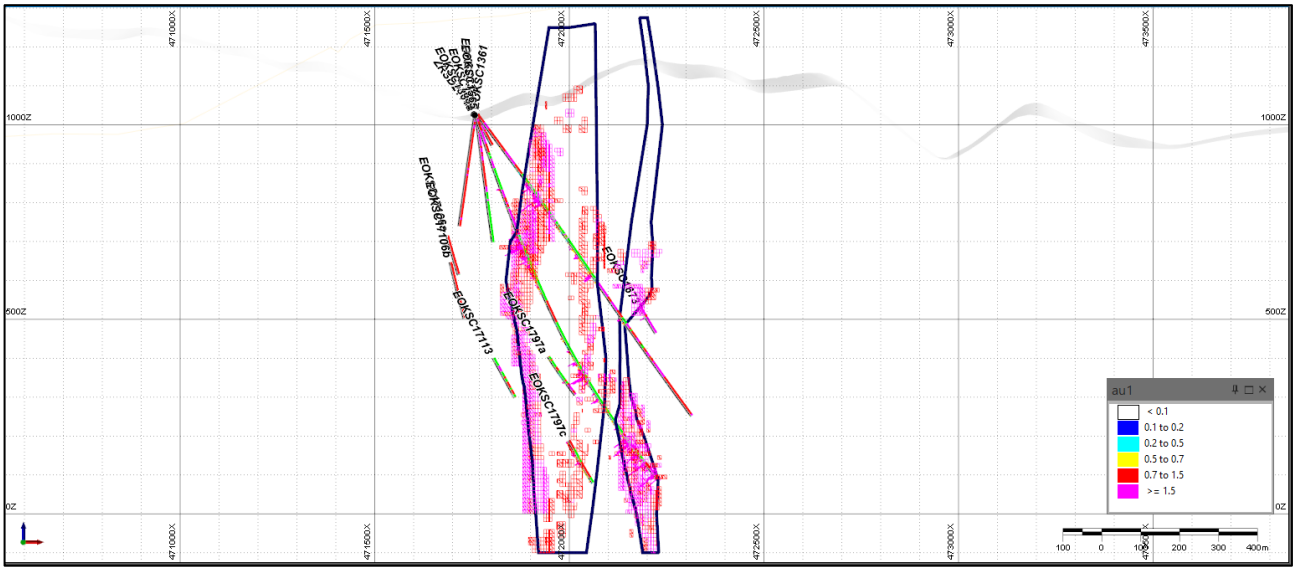

Figure 8 | Cross-section view of the southern part of Gradina, looking north, showing drillholes, mineralisation wireframes and block model with blocks > 1g/t Au Eq

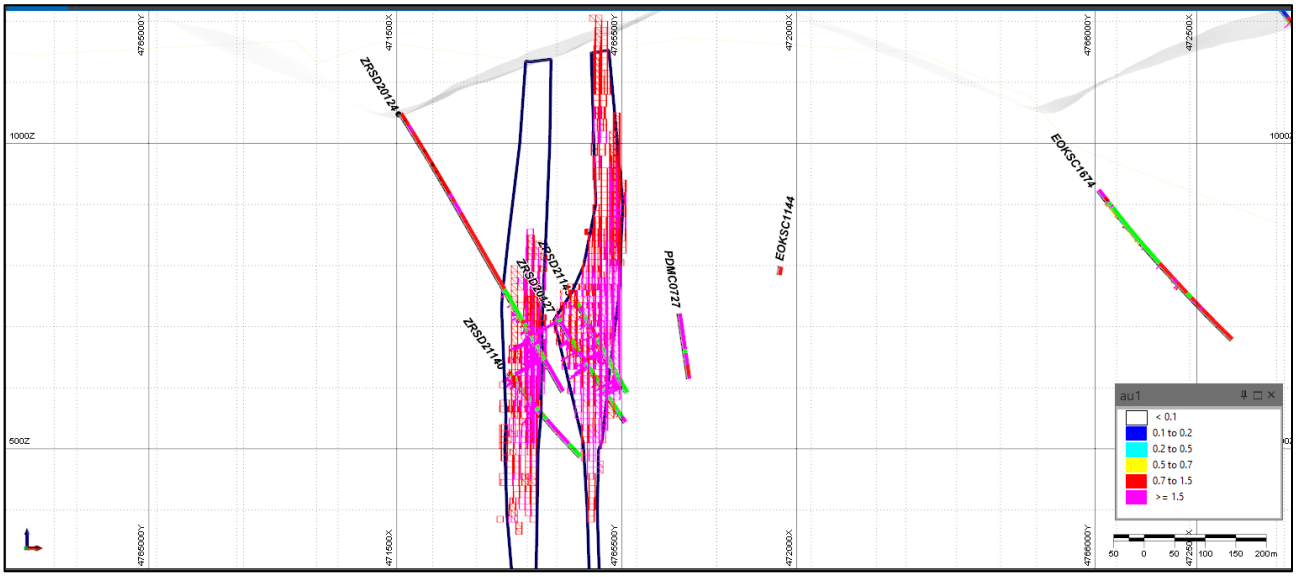

Figure 9 | Cross-section view of the northern part of Gradina, looking north, showing drillholes, mineralisation wireframes and block model with blocks > 1g/t Au Eq

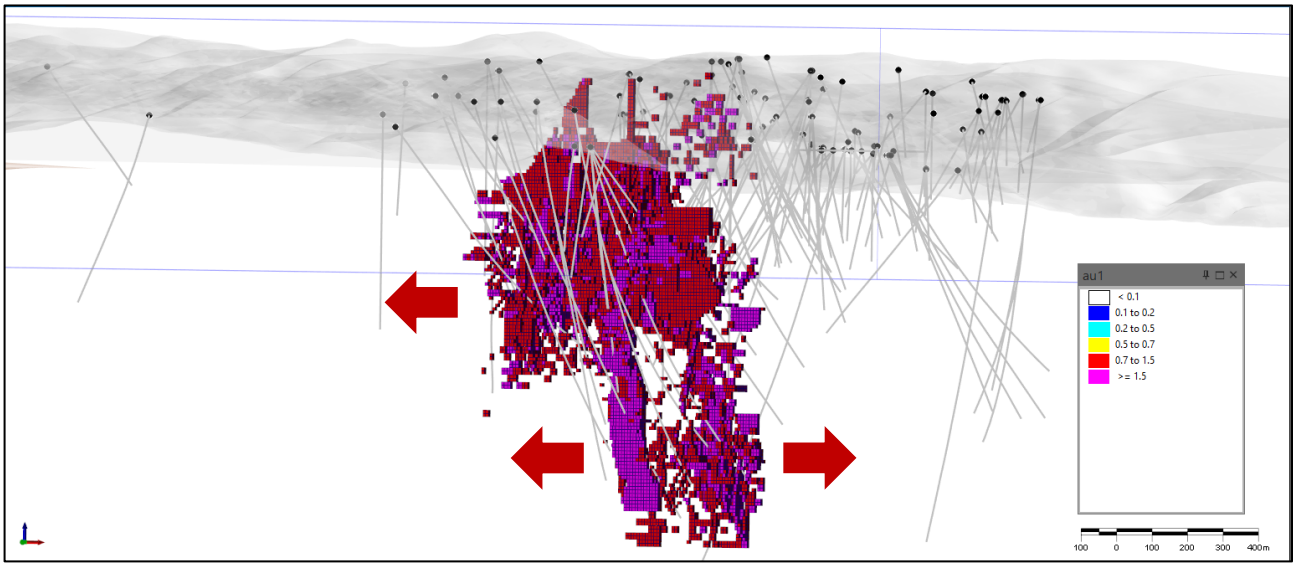

Figure 10 | Isometric view of Gradina looking NE, showing drillholes and block model with blocks > 1g/t Au Eq

Significance of Results and Next Steps

The results of this Exploration Target modelling exercise are considered a significant step forward for the Rogozna project, confirming that Zlatna Reka's recent exploration success has resulted in the identification of two new large bodies of mineralisation. These mineralised volumes remain open in several directions.

The focus will now be on infill drilling to better define these bodies, with the goal of delineating a formal mineral resource. This drilling will in particular focus on the delineation of coherent zones of higher-grade mineralisation, within the broad volumes defined by this Exploration Target modelling.

It is envisaged that the Medenovac deposit may be amenable to bulk underground mining methods such as block-caving or sub-level caving. Zlatna Reka's goal is to define an initial resource of the order of ~50Mt @ ~2 g/t Au Eq to support this. The steep dips and locally-coherent higher-grade intervals within the Gradina deposit suggest that it may be plausible to mine this deposit with more traditional sub-level stoping methods.

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-Base Metals 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.

For further Information contact:
Paul L'Herpiniere
General Partner, Exploration and Evaluation
Phone | **+61 438 961 201**
Email | **paul.lherpiniere@ibaera.com**