

1 June 2021

AIM: AAU

## **COMMENCEMENT OF EASTERN EUROPEAN EXPLORATION**

Ariana Resources plc (“Ariana” or “the Company”), the AIM-listed exploration and development company operating in Europe, is pleased to announce the commencement of exploration activities in Eastern Europe through its interest in Western Tethyan Resources Ltd (“WTR”).

### **Highlights:**

- Ariana to hold 75% interest in WTR, following the commitment of at least €100,000 of exploration funding during the remainder of 2021.
- Experienced local management team to hold remaining 25% of WTR.
- Several exploration licence applications have been submitted in Kosovo and an extensive review of Eastern European project opportunities has commenced.
- Assessments of other projects throughout Eastern Europe underway, with a focus on the discovery of major copper-gold systems.
- Regional focus for WTR includes project generation across Bosnia and Herzegovina, Bulgaria, Kosovo, North Macedonia and Serbia.
- Via regional partnerships, Ariana has “boots-on-the-ground” reach over 2,500km of some of the most prospective territory for gold, silver and copper deposits in the world.

### **Dr. Kerim Sener, Managing Director, commented:**

*“As part of our long-term diversification strategy, involving investments in focused regional mineral exploration opportunities, Ariana has formally commenced exploration activities in Eastern Europe through its investee company, Western Tethyan Resources Ltd. We know the team at Western Tethyan very well, having worked with them all previously in Turkey and other jurisdictions. Western Tethyan operates out of its office in Pristina, in the Republic of Kosovo, and represents an ideal, centrally-located operational base for our interests across this region, with all national capitals within the easy reach of about 250km.*”

*“We are very pleased to be working with a very strong local exploration team, led by Mentor Demi, an accomplished exploration and resource geologist who has been involved in several successful exploration and development programmes across the region, including seven years with Lydian International Limited based in Kosovo and Armenia. Our own exploration team, based in Turkey, is providing support to the activities of Western Tethyan, specifically in the areas of project generation, database management and sample preparation and analysis.*”

*“As part of the project generative work being undertaken by our in-house specialists, we have already commenced an extensive remote-sensing study utilising ASTER and Sentinel-2 multispectral satellite datasets initially across Kosovo and North Macedonia. This work utilises various image processing algorithms to target key alteration minerals associated with mineral deposits. In addition, geophysical datasets are being acquired and reprocessed, which, when coupled with the remote-sensing studies, will improve exploration targeting.*

*“We look forward to updating the market on our progress regarding the licence applications in Kosovo and the other Eastern European project opportunities that we are currently reviewing in due course.”*

**Mentor Demi, Managing Director of Western Tethyan Resources Ltd, commented:**

*“We are absolutely delighted to have Ariana Resources as our strategic partner. Ariana is a highly respected company with a substantial track-record in the successful exploration and development of projects within the Tethyan Metallogenic Belt, with the advantage of having significant financial strength.*

*“With Ariana’s investment, Western Tethyan Resources aims to complete the acquisition of three tenements in Kosovo (Cecelia, Hertica and Terpeza covering 151km<sup>2</sup> in total), conduct detailed surface sampling and mapping of those projects, as well as conduct country-wide and other regional reconnaissance and project generative work.*

*“The benefit of our partnership with Ariana goes well beyond Kosovo and our goal is to build a successful regionally focused mineral exploration and development company.”*

**This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR.**

### **About Western Tethyan Resources Ltd**

Western Tethyan Resources Ltd (“WTR”) is a UK registered, Kosovo-domiciled company holding exploration licence applications in Kosovo through its 100%-owned subsidiary Kosovo Mineral Resources LLC (“KMR”). The company is currently focused on exploration for major copper-gold deposits in the Lecce Magmatic Complex and Vardar Belt. The company is assessing several other exploration project opportunities across Eastern Europe, targeting major copper-gold deposits across the porphyry-epithermal transition (Figure 1). It is the intention of the company to progress to drill testing its projects within the shortest possible timeframe. As a newly established company, WTR has yet to file Accounts or prepare any financial information.

Further information about WTR and its projects is available on the Company's website, [www.westerntethyanresources.com](http://www.westerntethyanresources.com).

WTR is being established with a highly-experienced board comprising the following individuals:

*Mentor Demi, Managing Director*

Mentor is an exploration and resource geologist with 19 years of experience across Eastern Europe. He is a certified professional geologist, registered by the European Federation of Geologists (EFG), holds a BSc in Geology, and is an active member of the Society of Economic Geologists (SEG) and Society of Professional Scientists of Sweden (Naturvetarna). His early career commenced with the United Nations. Between 2007-2014, Mentor worked with several TSX listed junior companies, such as Lydian International Ltd. in Kosovo and Armenia and Tigris Resources (now Royal Road Minerals, TSX-V listed) in Turkey, operating in the roles of exploration and resource geologist on epithermal, intrusion related copper-gold and carbonate replacement deposits. In 2014, Mentor established his own consulting company, Taurus Field, through which he offered a wide range of exploration and resource geology services for clients operating in Africa, the Americas and Europe. Until recently, Mentor was President of a Canadian private company Via Egnatia Resources Inc, a Ni-Co focused exploration company with projects in Kosovo.

*Chris Sangster, Non-executive Chairman*

Chris is a mining engineer with over 40 years' experience in the industry. He has a BSc Hons in Mining Engineering from the Royal School of Mines at Imperial College in London and a GDE in Mineral Economics from the University of Witwatersrand and is a Fellow of the Institute of Materials Minerals and Mining. His career covers extensive production and technical experience at senior levels in both junior and multi-national companies, in gold, diamonds and base metals in Africa, Canada and United Kingdom. In 2007, Chris co-founded ASX and AIM listed Scotgold Resources and was its CEO / Managing Director until October 2014 and remained a Non-executive Director until February 2021. He is currently a Non-executive Director of Ariana Resources.

*Dr. Andor Lips, Non-executive Director*

Andor has held leading positions in the mining industry, mining finance, and mineral resources research & education organisations whilst being engaged with multilateral and non-governmental organisations. Andor is currently engaged with HCF International Advisers in the role as Senior Adviser. Prior to Andor's self-owned consulting and advisory activities (corporate strategy, research & innovation, and stakeholder engagement), he worked for Eldorado Gold until the end of 2019 as Vice President, European Strategy & Corporate Sustainability. He has held prior positions with Lydian International Ltd, ING Bank N.V., the Commodity Discovery Fund, and BRGM, whilst also providing external expert advice to the European Commission and the UNESCO. He has extensive academic and exploration experience across south-eastern Europe with emphasis on geodynamic evolution and the development of magmatic-hydrothermal systems.

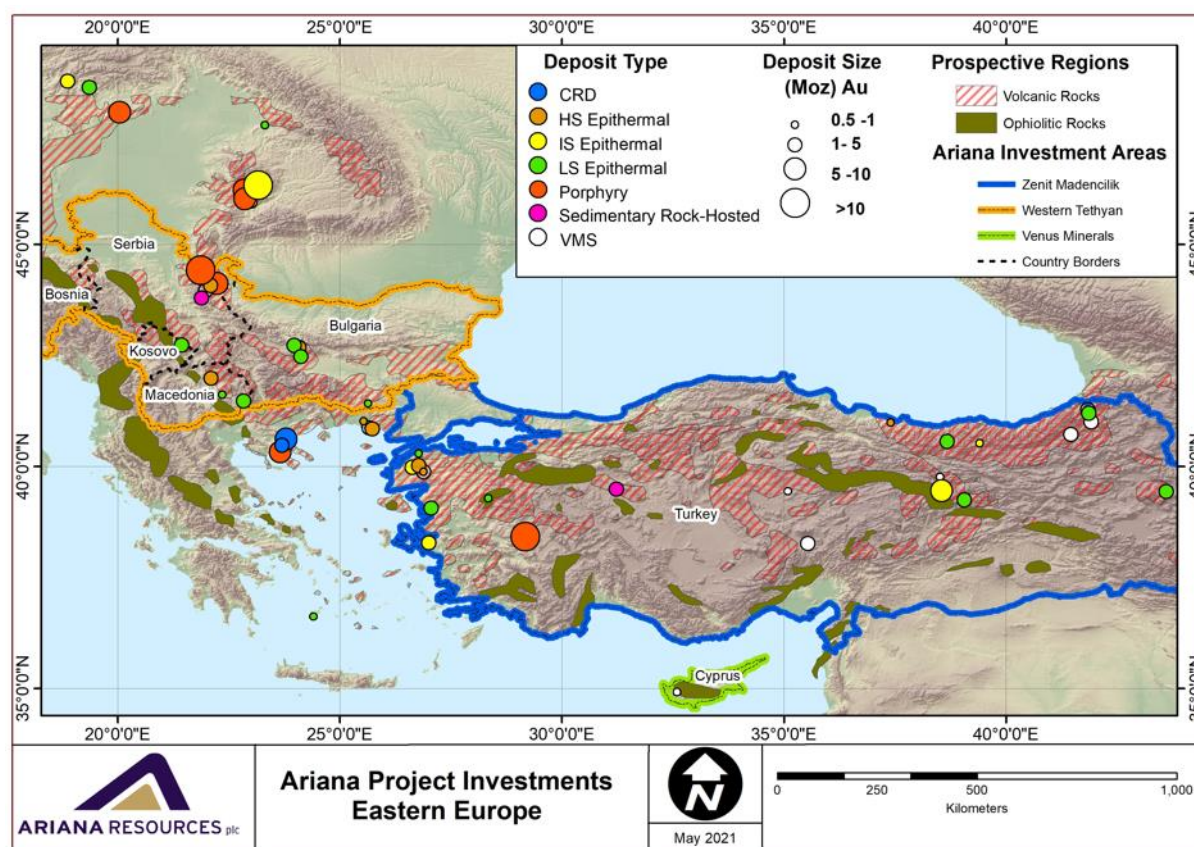
*Didier Fohlen, Non-executive Director*

Didier has an engineering degree from the School of Geology and Mines, Nancy, France. He has 40 years' experience in natural resources, energy and geoscience, including senior management positions in project finance, exploration, mine development, operations and closure/rehabilitation, as well as setting up junior explorers. This included 15 years in the World Bank Group/IFC mining group working in Europe, Africa, Middle East, Asia and Russia, three years with Areva Mines, managing new projects in Canada, Niger and Namibia as well as historical mines in the US and France. Over the last decade, he held various top positions in Lydian International, and was Founder, and then Executive Director of Tethyan Resources

(now Adriatic Metals). In 2017 Didier established SustainRisk (a minerals industry risk management consulting firm) and has worked for over a year in Laos assisting an investor to undertake an exploration programme and various due diligence assignments related to mining investments in South America, Europe and Africa. More recently Didier co-founded and is CEO of Annamite Resources, a copper-gold-silver focused exploration company in Laos.

## Regional Overview

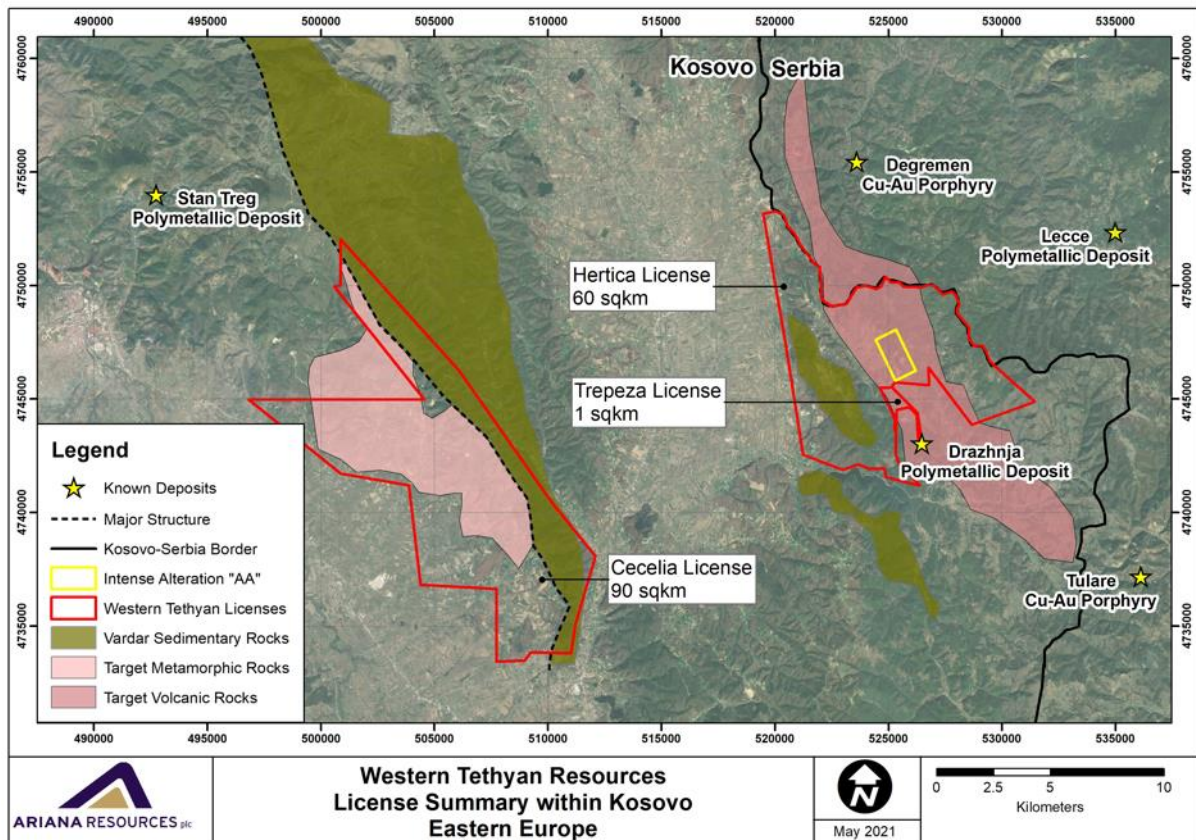
The Western Tethyan Belt is known for two main periods of gold and copper rich magmatism, which occurred during the Cretaceous and Cenozoic eras. The Cretaceous deposits are dominantly Cu-Au porphyry, high-sulphidation epithermal and volcanogenic massive sulphide deposits, whereas in the Cenozoic magmatic belt, copper is significant in porphyry systems only.



**Figure 1:** Location and styles of gold deposits >0.5 Moz Au in the Western Tethyan region. The map shows the outlines of Ariana’s exploration and development investment areas, split between Zenit Madencilik San. ve Tic. A.S. in Turkey, Venus Minerals Limited in Cyprus and Western Tethyan Resources Ltd across a number of countries in Eastern Europe.

## Project Applications

The Kosovo projects are located in and along two main local mineral trends, the Vardar Belt (hosting the Trepca ~60Mt polymetallic complex) and Lecce Magmatic Complex (hosting the Tulare Cu-Au porphyry, 550Mt @ 0.23% Cu, 0.21 g/t Au). Three license applications (Terpeza, Hertica and Cecelia) covering 151km<sup>2</sup>, have been submitted and are currently under final review by the mining agency in Kosovo (ICMM). The licence applications are located about 25km to the north-east of the capital of Kosovo, Pristina (Figure 2).



**Figure 2:** Location of Exploration Licence Applications made by WTR in eastern Kosovo. The three licence applications are located within about 25km to the north-east of Pristina.

### ***Terpeza Project***

This project covers 1km<sup>2</sup> and is located on the flanks of Lecce Magmatic complex in contact with Vardar sedimentary rocks and adjacent to one of the other KMR license applications, Hertica. The project is characterised by a gold-rich gossan structure, striking NW-SE for about 2km and extending towards the Hertica project. Historical exploration work, tested only about a quarter of the gossan structure from which a prospective target has been defined. The deposit consists of the upper gossanous zone which extends to depth for about 70m and the lower sulphide zone which extends and remains open at about 180m depth. From the limited exploration work completed previously, the best trench results returned 51m @ 1.25 g/t Au whilst the best drill intersections returned 17m @ 1.32 g/t Au (from 14-31m – gossan) and 24m @ 1.65 g/t Au, 2% Pb + Zn (from 88-112m – sulphide).

### ***Hertica Project***

This project covers 60km<sup>2</sup> and is located immediately north of, and partially surrounds, the Terpeza licence application. It is positioned along the flanks of Lecce Magmatic Complex and in contact with the Vardar sedimentary rocks, an area well explored area in Serbia, yet under-explored in Kosovo. The license is highly prospective for epithermal-porphyry deposits. A large area of advanced argillic (“AA”) alteration has been identified over a 2km by 1 km area. Good metal endowment within the AA area is demonstrated through an antimony-rich clay and silica alteration zone and a gold-molybdenum bearing structure that cuts the AA footprint. In addition, a gold-anomalous jasperoidal silica zone is peripheral to the AA alteration zone, whilst the eastern part of the license is characterised by an equigranular intrusive host of argillic-overprinted chrysocolla veins. On the southern side of the license, 3km from the AA alteration zone, there is prospectivity for carbonate replacement type mineralisation. Multiple soil samples, from historical exploration programmes returned above 1% Pb and above 1% Zn over a 1km long NW-SE striking structure.

## **Cecelia Project**

This project covers 90km<sup>2</sup> and is located along the Trepca Belt of Vardar trend, 15km SE of Stan Terg Mine (31Mt @ 7% Pb + Zn 76g/t Ag). The project is positioned near a regionally significant NW-trending structural contact, juxtaposing sedimentary rocks against prospective Oligocene to Miocene aged magmatic rocks of the Trepca mineral belt. Several significant gold anomalies have been identified from a stream sampling programme within a 15km radius, ranging between 0.2-2.2 ppm gold.

## **About Kosovo**

The Republic of Kosovo is one of the most metal-endowed countries in Europe and has a rich mining history, particularly at the Trepca 60Mt Pb-Zn-Ag mining complex (Stan Terg, 31.5Mt @ 7% Pb+Zn and 76 g/t Ag), but remains significantly under-explored for precious metals. The country has a modern mining code with a straightforward licensing regime, operating on a first-come, first-served basis. Kosovo has a large countrywide database available, including detailed airborne geophysics and stream sediment geochemical coverage. The country has a business-friendly tax code (flat corporate tax rate of 10%) and charges a 5% royalty over precious metal production. Despite not being a European Union member state or a formal member of the Eurozone, the national currency of Kosovo is the Euro. It is a member of the International Monetary Fund and World Bank. Albanian and Serbian are the official languages, with Turkish a recognised minority language due in part to the c. six centuries of Ottoman Turkish cultural influence over the area.

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## **Editors' Note:**

The information in this announcement that relates to exploration results is based on information compiled by Dr. Kerim Sener BSc (Hons), MSc, PhD, Managing Director of Ariana Resources plc. Dr. Sener is a Fellow of The Geological Society of London and a Member of The Institute of Materials, Minerals and Mining and has sufficient experience relevant to the styles of mineralisation and type of deposit under consideration and to the activity that has been undertaken to qualify as a Competent Person as defined by the 2012 edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) and under the AIM Rules - Note for Mining and Oil & Gas Companies.

Dr. Sener consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

### **About Ariana Resources:**

Ariana is an AIM-listed mineral exploration and development company with an exceptional track-record of creating value for its shareholders through its interests in active mining projects and investments in exploration companies. Its current interests include gold production in Turkey and copper-gold exploration and development projects in Cyprus and Kosovo.

The Company holds 23.5% interest in Zenit Madencilik San. ve Tic. A.S. a joint venture with Ozaltin Holding A.S. and Proccea Construction Co. in Turkey which contains a depleted total of c. 2.1 million ounces of gold and other metals (as at July 2020). The joint venture comprises the Kiziltepe Mine and the Tavsan and Salinbas projects.

The **Kiziltepe Gold-Silver Mine** is located in western Turkey and contains a depleted JORC Measured, Indicated and Inferred Resource of 227,000 ounces gold and 0.7 million ounces silver (as at April 2020). The mine has been in profitable production since 2017 and is expected to produce at a rate of c.20,000 ounces of gold per annum to at least the mid-2020s. A Net Smelter Return (“NSR”) royalty of 2.5% on production is being paid to Franco-Nevada Corporation.

The **Tavsan Gold Project** is located in western Turkey and contains a JORC Measured, Indicated and Inferred Resource of 253,000 ounces gold and 3.7 million ounces silver (as at June 2020). The project is being progressed through permitting and an Environmental Impact Assessment, with the intention of developing the site to become the second joint venture gold mining operation. A NSR royalty of up to 2% on future production is payable to Sandstorm Gold.

The **Salinbas Gold Project** is located in north-eastern Turkey and contains a JORC Measured, Indicated and Inferred Resource of 1.5 million ounces of gold (as at July 2020). It is located within the multi-million ounce Artvin Goldfield, which contains the “Hot Gold Corridor” comprising several significant gold-copper projects including the 4 million ounce Hot Maden project, which lies 16km to the south of Salinbas. A NSR royalty of up to 2% on future production is payable to Eldorado Gold Corporation.

Ariana is currently earning-in to 75% of **Western Tethyan Resources Ltd** (“WTR”), which operates across Eastern Europe and is based in Pristina, Republic of Kosovo. The company is targeting its exploration on major copper-gold deposits across the porphyry-epithermal transition.

Ariana is also earning-in to 50% of UK-registered **Venus Minerals Ltd** (“Venus”) and has to date earned into an entitlement to 26%. Venus is focused on the exploration and development of copper-gold assets in Cyprus which contain a combined JORC Inferred Resource of 9.5Mt @ 0.65% copper (excluding additional gold, silver and zinc).

Panmure Gordon (UK) Limited is broker to the Company and Beaumont Cornish Limited is the Company's Nominated Adviser and Broker.

For further information on Ariana you are invited to visit the Company's website at [www.arianaresources.com](http://www.arianaresources.com).

### **Glossary of Technical Terms:**

“Au” chemical symbol for gold;

“Ni” chemical symbol for Nickel;

“Co” chemical symbol for Cobalt;

“Pb” chemical symbol for Lead;

“Zn” chemical symbol for Zinc;

“g/t” grams per tonne;

“JORC” the Joint Ore Reserves Committee;

“oz” Troy ounces;

“WTR” Western Tethyan Resources Ltd;

“KMR” Kosovo Mineral Resources LLC;

“NW” North West;

“SE” South East;

“CRD” Carbonate Replacement Deposit;

Ends.