

6 September 2023

AIM: AAU

## **WESTERN TETHYAN – SLIVOVA POSITIVE PEA**

Ariana Resources plc ("Ariana" or "the Company"), the AIM-listed mineral exploration and development company with gold mining interests in Europe, is pleased to announce that Western Tethyan Resources Ltd ("WTR"), of which 75% is held by Ariana, has completed a Preliminary Economic Assessment ("PEA") on the Slivova Gold Project ("Slivova" or "the Project") in Kosovo, reported in accordance with CIM guidelines and disclosed under NI43-101 reporting requirements. WTR executed a definitive Earn-In Agreement with Avrupa Minerals Ltd (TSX-V: AVU) on the Project, and can earn up to 85% by spending €1.8 million ("Earn-in")\* and up to 85% on completion of a Feasibility Study among other technical and parallel work.

### **Highlights:**

- Slivova provides a conceptual pre-tax Net Present Value ("NPV") at 8% discount rate of US\$27 million, and an internal rate of return ("IRR") of 29% at a gold price of US\$1,835/oz#.
- Capital expenditure is estimated at US\$33.4 million and sustaining capital requirements of US\$9.4 million are envisaged.
- Average production of 13,000 ounces of gold per annum projected over a seven-year mine life from a combined open-pit and underground mining operation is estimated from the study.
- Gold recovery by the Carbon-in-Leach ("CIL") method, with recovery of gold at 92-94.5% Au (based on current testwork) and a processing rate of 142,000 tonnes per annum is estimated from the study.

\* WTR of which Ariana owns 75%, has yet to establish a net attributable interest under the Earn-in.

# The full PEA report can be accessed via:

<https://avrupaminerals.com/wp-content/uploads/2023/08/Slivova-NI-43-101-Technical-Report-2023.pdf>

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

*"This is an excellent outcome for the Slivova Gold Project, demonstrating its potential economics and highlighting opportunities to enhance the project in the longer term. The broader exploration potential of the Slivova project area, in particular the opportunity to define further mineralisation down-plunge of the existing orebody, bodes well for further economic upside. We are now looking to complete further work to demonstrate this upside, via a phased exploration programme, which will target the definition of additional resources and further investigate various aspects of the proposed mine design and processing route, among other technical matters, in addition to project-level environmental and social studies."*

### **Mentor Demi, Managing Director of WTR, added:**

*“The PEA prepared by Bara Consulting provides strong evidence that the Slivova Gold Project has the potential to develop into a profitable gold mine of modest size, even if no additional resources are identified. By showcasing compelling economic viability, it also provides the basis for commencing the next phase of detailed exploration and techno-economic studies. In conjunction with the pre-established infill resources drill program, WTR is commencing a trenching program to enhance exploration in the areas bordering the primary resource zone, specifically targeting Dzemailj and Valjevishte. Throughout Q4, the company intends to initiate the Environmental Base Line Study, the Social Impact Assessment, and complete the planning for a drilling program, with the actual drilling activities scheduled to commence in the first quarter (Q1) of 2024.”*

**Paul W. Kuhn, President and CEO of Avrupa Minerals, added:**

*“We are delighted about the progress made at the Slivova Gold Project by Western Tethyan Resources and associated company Ariana. In the past two months, the Mineral Resource Estimate has been updated, and a positive Preliminary Economic Assessment has been completed by our partners. We look forward to seeing more positive results from the upcoming Q4 2023/Q1 2024 work fieldwork program, including trenching and drilling, the Q4 2023 initiation of an Environmental Baseline Study, and continued, strong and proactive ESG work in the project area.”*

**The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 as it forms part of UK Domestic Law by virtue of the European Union (Withdrawal) Act 2018 (“UK MAR”).**

## **Introduction**

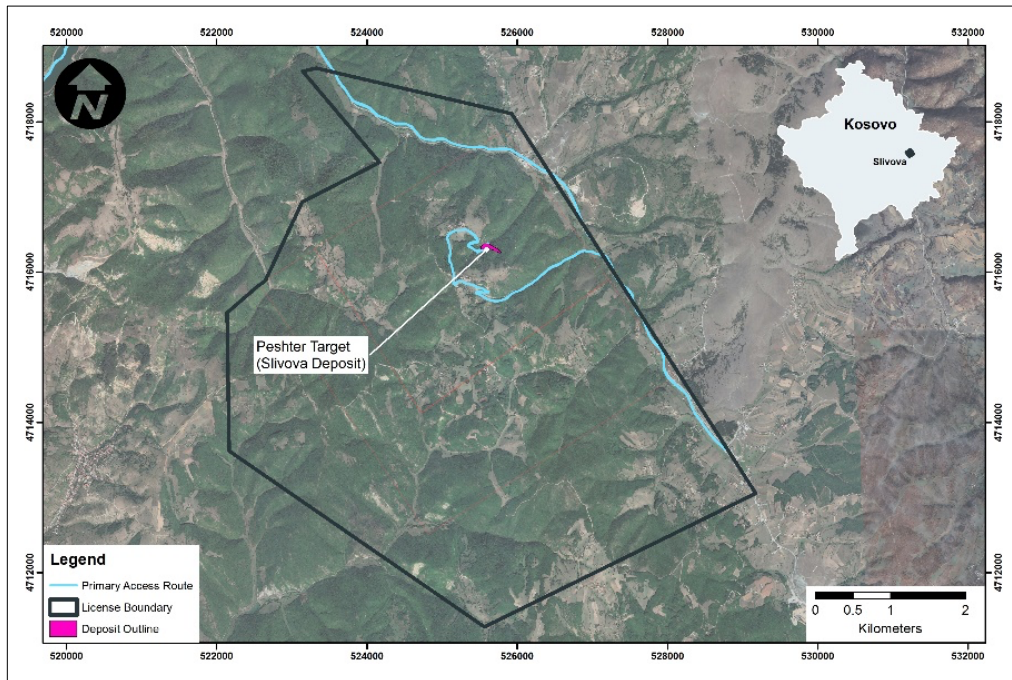
The Slivova Gold-Silver Project (“the Project”) is located some 30 km southeast of Pristina, the capital of Kosovo. The Project was acquired by AVU Kosova, a wholly owned subsidiary of Avrupa Minerals (“Avrupa”), which was granted a seven-year exploration licence for the Project in 2022. In May 2023, Western Tethyan Resources Ltd (“Western Tethyan”, “WTR” or “the Company”) executed an earn-in agreement with Avrupa, in which WTR can earn-in up to 85% of the project.

Bara Consulting Limited (“Bara”) was engaged by WTR to prepare a Preliminary Economic Assessment (“PEA”) for Slivova. The study comprised the updated Mineral Resource Estimate (announced separately on 17 July 2023) and mining and tailings management assessments, which were used as inputs into a concept-level techno-economic evaluation prepared in accordance with CIM guidelines and disclosed in accordance with NI 43-101 reporting requirements.

## **Project Location**

The Slivova Project exploration licence is located along the Vardar Trend, approximately 30 km (30 minutes by car) southeast of Pristina, the capital city of Kosovo. Access to the Project is via the Pristina-to-Gjilan, two-lane highway and then an unsealed road beyond the village of Peshter.

There are four main exploration targets within the Slivova licence: Peshter, Dzemail, Valjeviste, and Brus. The Peshter prospect is further subdivided into three portions: the Main Gossan, Gossan Extension, and the Sandstone Gossan. The Peshter prospect is the main subject of the PEA, for which there is material disclosure (Figure 1).



**Figure 1:** The Slivova deposit (Peshter Target), and its associated license boundary.

## Project Geology

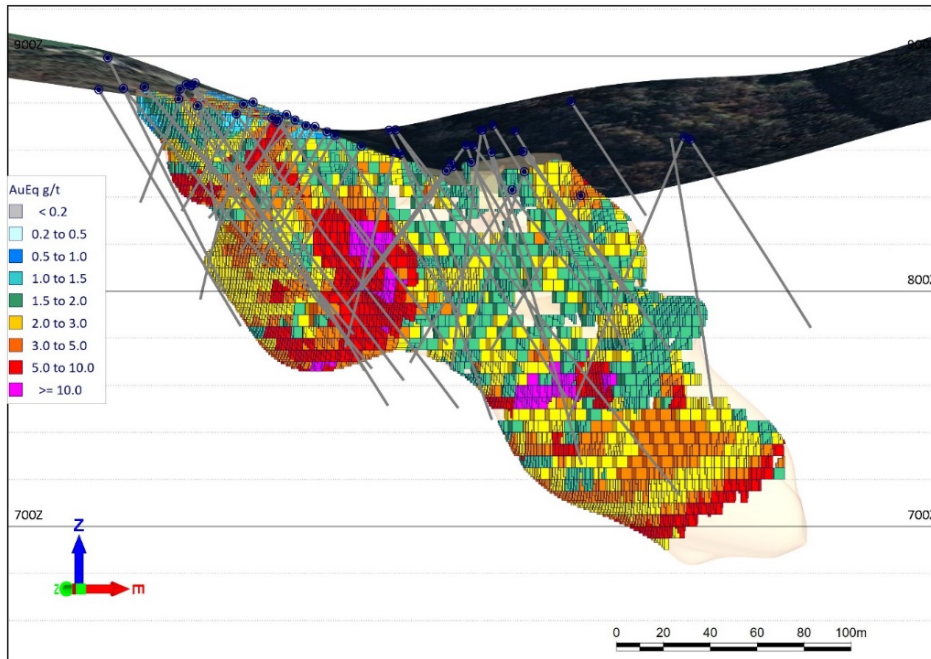
Within the Slivova licence, two units are identified: the calcareous unit and the non-calcareous greywacke unit. They are moderately to steeply dipping, northwest striking, and beyond the mineralised prospects, tend to be unaltered and weakly to moderately oxidised.

Two types of intrusive dykes and sills were identified in the mapping and drilling: hornblende-biotite porphyry dykes and stock and a feldspar porphyry dyke. The dykes represent less than 3% of the total rock volume within the Main Gossan, with the hornblende-biotite porphyry representing 99.5% of the intrusive rocks. Within the Gossan Extension, the hornblende-biotite porphyry is represented by a greater volume of rock and may be a series of northeast-trending dykes, or a larger stock.

Economic mineralisation in the Main Gossan and Gossan Extension is concentrated in the calcareous pebble conglomerate and calcareous sandstones. Mineralisation at Slivova is classified as a distal, intrusive-related, stratiform, massive to disseminated gold-silver-lead-zinc deposit. The principal minerals of economic interest are gold with minor amounts of galena, sphalerite, chalcopyrite and silver. The gangue mineral assemblage consists of ilvaite(?), trace magnetite, arsenopyrite, pyrrhotite, marcasite, pyrite, quartz and various carbonates. Trace elements include arsenic, bismuth, chromium, manganese, nickel, and vanadium.

## Mineral Resources

The Mineral Resource Estimate, as previously announced, has an effective date of 22 June 2023. The Mineral Resource Estimate for Slivova is reported in Table 1, which was completed on 14 July 2023, based on the block model shown in Figure 2. No estimates of Mineral Reserves have been prepared. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. The Qualified Person is not aware of any such issues at the time of writing.



**Figure 2:** Oblique view of the block model showing the estimated gold grades. WGS84 Z34N.

**Table 1:** Estimated Mineral Resources for Slivova. Numbers are rounded to an appropriate number of significant figures and as such discrepancies may exist between individual values, products and totals.

Category	Tonnes	Bulk Density	AuEq (g/t)	Au (g/t)	Ag (g/t)	Au (oz)	Ag (oz)
<b>Total Mineral Resources (Gross to the Project)</b>							
<b>Measured</b>	835,000	2.9	4.3	4.2	15	113,000	402,000
<b>Indicated</b>	296,000	2.8	3.6	3.5	15	33,200	144,000
<i>Meas + Ind</i>	<i>1,130,000</i>	2.9	<i>4.1</i>	<i>4.0</i>	<i>15</i>	<i>146,000</i>	<i>546,000</i>
<b>Inferred</b>	250,000	2.8	3.7	3.7	13	30,000	100,000
<b>Open Pit Resources Above 0.5g/t AuEq</b>							
<b>Measured</b>	110,000	2.9	3.2	3.2	14	11,200	48,300
<b>Indicated</b>	39,300	2.6	2.8	2.7	13	3,390	16,500
<i>Meas + Ind</i>	<i>150,000</i>	2.8	<i>3.1</i>	<i>3.0</i>	<i>13</i>	<i>14,600</i>	<i>64,800</i>
<b>Inferred</b>	nil	nil	nil	nil	nil	nil	nil
<b>Underground Resources Above 1.5g/t AuEq</b>							
<b>Measured</b>	725,000	2.9	4.4	4.4	15	102,000	354,000
<b>Indicated</b>	257,000	2.9	3.7	3.6	15	29,800	127,000
<i>Meas + Ind</i>	<i>982,000</i>	2.9	<i>4.2</i>	<i>4.2</i>	<i>15</i>	<i>131,000</i>	<i>481,000</i>
<b>Inferred</b>	250,000	2.8	3.7	3.7	13	30,000	100,000

**Notes to the Mineral Resource Estimate (1-9):**

1. The independent Qualified Person responsible for Mineral Resource disclosure, as defined by NI 43-101, is Mr. Richard Siddle, MSc, MAIG, of Addison Mining Services Ltd. The effective date of the Mineral Resource Estimate is 22 June 2023.
2. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resource will be converted to Mineral Reserves.
3. A gold equivalent (AuEq) grade was calculated for each block using the formula  $AuEq = (Ag \text{ g/t} \times 0.05) + Au \text{ g/t}$ . It is the opinion of the Qualified Person that all elements included in the Au Equivalent calculation have a reasonable prospect of being recovered and sold, the calculation of the Au equivalent value considers the relative recovery and payability of each element (recovery by cyanide leaching of 93.4% for gold and 50% for

silver and 95% and 85% payability, respectively, as informed by metallurgical test work completed to date) as well as the assumed commodity prices.

4. Reasonable prospects of eventual economic extraction are satisfied by the estimation of break-even cut-off grades for each anticipated mining scenario (0.5g/t AuEq for open pit and 1.5g/t AuEq for underground mining). These cut-off grades were used to report the Mineral Resource. The cut-off grades were estimated on the basis of the following assumptions: a gold price of US\$1850/oz (selected following consideration of (1, 2 and 3 year trailing average LMBA gold price and LMBA 2023 average forecast gold price, a silver price of US\$20/oz, underground mining costs of US\$43.7/t, processing costs (including tailings disposal) of US\$29.5/t and G&A costs of US\$3/ROMt.
5. Estimates in the above table have been rounded to three significant figures for Measured and Indicated Resources and two significant figures for Inferred Mineral Resources.
6. CIM Definition Standards for Mineral Resources have been followed.
7. The independent Qualified Person for Resources is not aware of any additional known environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues that could materially affect the Mineral Resource Estimate.
8. The Mineral Resource figures set out above are quoted gross with respect to the Project. WTR of which Ariana owns 75%, has yet to establish a net attributable interest under the Earn-in and accordingly, no separate net attributable figures are reported.
9. Western Tethyan Resources is the operator of Slivova.

## Mine Design

A revised approach to the mining of Slivova involves a small starter pit to access the outcropping mineralised gossan area, followed by underground extraction of the gold resource below the open pit at an appropriate extraction rate to suit the size and grade of the deposit. Mine design involved a more detailed analysis of the potential mining method and a mineable stope optimisation exercise to fully assess and define the underground stoping extents.

A geotechnical review was undertaken to validate extraction methods. Ore zones and host rocks are either non-calcareous or calcareous sequences of altered sedimentary rocks with ore zone strengths varying between 45 MPa and 50 Mpa. Mine design was adapted to be flexible to varying competencies of host rock, particularly in the contact areas.

The starter pit is designed to be mined from the top bench downwards with ore being accessible and extracted immediately, i.e., there is no requirement or need for any pre-stripping. It has been assumed that this small open pit can be mined by local contractors who have quarries within the vicinity of the proposed mine at Slivova. The revised starter pit design is also situated such that there is now no requirement for stream re-alignment where the pit can be accessed for initial extraction via existing tracks on the north side of the stream. Pit extents minimise the impact on the surrounding countryside and local communities.

Due to the requirement for a 25 m crown pillar the bottom bench was modified to a base of 865 mRL. Bench access was linked into the existing tracks and roads on the site. This allows for easy access to each bench for overburden and ore removal without the need for any ramps. The access to the bottom bench is directly in from topography, with pit operations ceasing after Year 1.

Underground access is envisaged as a portal developed directly into the south valley wall, supporting mining typically by sublevel open stoping, unless ore zone geometry dictates a step down to cut-and-fill methods. Main sublevels are 20 m, with stoping separated 25 m from the open pit bottom by a crown pillar which will be mined by sublevel caving methods at the end of mine life.

Mining is suggested to be via small teams of approximately 16 people per shift, using small diesel fleet appropriate for production at between 300 t/day and 400 t/day. Mined material to be trammed directly from underground operations through the portal to the primary crusher tip located at the plant site on the saddle of the southern ridge 500 m to the east.

## **Recovery Methods**

Results of extensive characterisation and testing of the Slivova ore by a range of methods suggest that treatment would be via carbon-in-leach ("CIL") methods, delivering gold recovery of 92-94.5% and silver recovery of 19.8-22.5%. Some gold may be extracted via gravity recovery methods. Nominal plant throughput will be 142,000 tpa, with primary, secondary, and tertiary crushing of the ore, followed by ball milling to 106 µm and leaching of the ore by CIL methods. Loaded carbon is stripped, with electrowinning and final EAF smelting of the doré to bullion on site.

## **Environmental**

The environmental and social work completed to date is in line with that required for the PEA based on the revised mining plan. No environmental or social fatal flaws have been identified and Bara is not aware of any environmental or social issue that would prevent the project from proceeding to the PFS phase, during which time various potential environmental risks would need to be evaluated further.

## **Economic Analysis**

The economic analysis presented here is preliminary in nature and is based in part on Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorised as Mineral Reserves. There is therefore no certainty that the PEA presented here will be realised.

PEA level economic analysis is based on the production schedule presented with capital and operating cost estimates for the Slivova Project and other information as of July 2023. The discounted cashflow analysis ("DCF") is presented in United States Dollars (US\$) in real money terms, free of escalation or inflation. Revenue has been determined through application of the recovered troy ounces produced by Slivova to the gold and silver prices as stated, less payability.

Depreciation has been calculated on the assumption of that 100% of capital expenditure may be deducted from profits in the year that they are incurred (Deductibility Rate). It is assumed that all capital expenditure is eligible for deduction. A discount rate of 8% has been used for the evaluation and no tax treatment has been applied.

The conceptual DCF analysis shows the Project is economic with a pre-tax NPV, at 8% discount rate of US\$27 million, and an internal rate of return ("IRR") of 29% with upfront capital requirements of \$33.4 million, and sustaining capital requirements of \$9.4 million.

## **About Western Tethyan Resources**

Western Tethyan Resources Ltd ("WTR") is a UK-registered, mineral exploration and development company focused on South East Europe. The company has a strategic alliance with Newmont Corporation and Ariana Resources and 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.

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

## **About Avrupa Minerals Ltd**

Avrupa Minerals Ltd. is a growth-oriented junior exploration and development company directed to discovery of mineral deposits, using a hybrid prospect generator business model. The company holds one 100%-owned license in Portugal, the Alvalade VMS Project, presently optioned to Sandfire MATSA in an earn-in joint venture agreement. The company now holds



one 100%-owned exploration license covering the Slivova gold prospect in Kosovo and is actively advancing four prospects in central Finland through the recently announced acquisition of Akkerman Finland Oy. Avrupa focuses its project generation work in politically stable and prospective regions of Europe, presently including Portugal, Finland and Kosovo. The company continues to seek and develop other opportunities around Europe.

#### **Contacts:**

##### **Ariana Resources plc**

Tel: +44 (0) 20 7407 3616

Michael de Villiers, Chairman

Kerim Sener, Managing Director

##### **Beaumont Cornish Limited (Nominated Adviser)**

Tel: +44 (0) 20 7628 3396

Roland Cornish / Felicity Geidt

##### **Panmure Gordon (UK) Limited (Joint Broker)**

Tel: +44 (0) 20 7886 2500

John Prior / Hugh Rich / Atholl Tweedie

##### **WHIreland Limited (Joint Broker)**

Tel: +44 (0) 207 2201666

Harry Ansell / Katy Mitchell / George Krokos

##### **Yellow Jersey PR Limited (Financial PR)**

Tel: +44 (0) 7983 521 488

Dom Barretto / Shivantha Thambirajah /  
Bessie Elliot

[arianaresources@yellowjerseypr.com](mailto:arianaresources@yellowjerseypr.com)

#### **Editors' Note:**

The independent Qualified Person for the disclosure of the Preliminary Economic Assessment as defined by NI 43-101 is Dr. Andrew Bamber, BSc, MASc, PhD, P.Eng. of Bara Consulting Limited. Dr. Bamber has reviewed and approved the scientific and technical content of this news release, in the form and context in which it appears. Dr. Bamber completed a site visit to the project on 15 February 2023 and inspected the property, core samples and visited locations relevant to the project including the gossan outcrop and potential access road, process plant and tailings sites within the licence area.

#### **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 February 2022). 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 222,000 ounces gold and 3.8 million ounces silver (as at February 2022). 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 Mine** is located in western Turkey and contains a JORC Measured, Indicated and Inferred Resource of 307,000 ounces gold and 1.1 million ounces silver (as at November 2022). Following the approval of its Environmental Impact Assessment and associated permitting, Tavsan is being developed as the second gold mining operation in Turkey. Construction progress is temporarily suspended pending the outcome of a local court decision pertaining to the EIA. 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 owns 100% of Australia-registered **Asgard Metals Fund** ("Asgard"), as part of the Company's proprietary Project Catalyst Strategy. The Fund is focused on investments in high-value potential, discovery-stage mineral exploration companies located across the Eastern Hemisphere and within easy reach of Ariana's operational hubs in Australia, Turkey and the UK.

Ariana owns 75% of UK-registered **Western Tethyan Resources Ltd** ("WTR"), which operates across south-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. WTR is being funded through a five-year Alliance Agreement with Newmont Corporation ([www.newmont.com](http://www.newmont.com)) and is separately earning-in to 85% of the Slivova Gold Project.

Ariana owns 58% of UK-registered **Venus Minerals Ltd** ("Venus") which is focused on the exploration and development of copper-gold assets in Cyprus which contain a combined JORC Indicated and Inferred Resource of 17Mt @ 0.45% to 1.10% copper (excluding additional gold, silver and zinc).

Panmure Gordon (UK) Limited and WH Ireland Limited are brokers to the Company and Beaumont Cornish Limited is the Company's Nominated Adviser.

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:**

"Ag" chemical symbol for silver;



“Au” chemical symbol for gold;

“AuEq” gold equivalent;

“CIM” Canadian Institute of Mining, Metallurgy and Petroleum;

"cut-off grade" the lowest grade, or quality, of mineralised material that qualifies as economically mineable and available in a given deposit. May be defined on the basis of economic evaluation, or on physical or chemical attributes that define an acceptable product specification;

“g/t” grams per tonne;

"Indicated Resource" a part of a mineral resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed;

"Inferred Resource" a part of a mineral resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and has assumed, but not verified, geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that may be limited or of uncertain quality and reliability;

"Inverse Distance Weighted Squared" or "IDWS" or "ID2" a conventional mathematical method used to calculate the attributes of mineral resources. Near sample points provide a greater weighting than samples further away for any given resource block;

"JORC" the Joint Ore Reserves Committee;

"JORC 2012" is the current edition of the JORC Code, which was published in 2012. After a transition period, the 2012 Edition came into mandatory operation in Australasia from 1 December 2013;

"m" Metres;

“Measured Resource” a part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drillholes. The locations are spaced closely enough to confirm geological and grade continuity;

“mIK” Median Indicator Kriging;

“MRE” Mineral Resource Estimate;

"Mt" million tonnes;

"NI 43-101" the Canadian National Instrument 43-101. This is the national instrument for the Standards of Disclosure for Mineral Projects within Canada or reported on the TSX (Toronto Stock Exchange);

"oz" Troy ounces;

"ROMt" run of mill tonnes;

"SE" standard error statistic;

"t/m<sup>3</sup>" tonnes per cubic metre.

Ends.