

*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").*

10 May 2023

AIM: AAU

## **WESTERN TETHYAN COMPLETES SLIVOVA GOLD PROJECT AGREEMENT**

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 its 75% owned subsidiary Western Tethyan Resources Ltd ("WTR") has executed an earn-in agreement for the Slivova Gold Project ("the Project") in Kosovo, which is owned by TSX-V listed Avrupa Minerals Ltd. ("Avrupa").

### **Highlights:**

- As announced on 7 September 2022, Avrupa and WTR had signed heads of terms for an Earn-In Agreement in relation to the Slivova Gold Project. This was subject to a period of due diligence, which was completed in March, following which both parties have now executed the Earn-in Agreement.
- WTR can earn-in up to 75% of the Project within the next three years by committing up to €1.8m in funding.
- WTR can increase its interest to 85% of the Project on delivery of a Feasibility Study, Environmental Impact Assessment and a completed Mining License application.
- Ultimately, WTR can increase its interest to 100% of the Project if Avrupa does not fund its share of the associated costs of any mine construction.
- WTR has spent over €275,000 for Due Diligence ("DD"), the development of a Concept Study, and continuing work on an ongoing Preliminary Economic Assessment ("PEA") on the Project to date.
- New Mineral Resource Estimate for the Project is in process of being completed.

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

*"The completion of this agreement formalises a process we had already embarked upon in March following the successful completion of the Project due diligence. We are already nearing completion of a revised Mineral Resource Estimate for Slivova and we look forward to announcing this work in due course.*

*"In addition, further work has been underway at the local community level in order to increase awareness of the project and its merits. We are investigating opportunities to deliver a low-*

*impact mining project which aims to achieve a new standard for mining in Kosovo and potentially become a strategic hub of operations for the company in the country.”*

**Mentor Demi, Managing Director of Western Tethyan Resources, added:**

*“Alongside an aggressive exploration programme throughout West Tethyan Belt, we are actively seeking acquisition opportunities. Acquisition of Slivova gold deposit is a step towards building Western Tethyan Resources into a development company, as well, and the Slivova Mine as the first modern mine in Kosovo since the 1920’s.”*

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

*“Western Tethyan has already made significant progress towards defining a possible mining solution at Slivova. We are truly excited about the positive progress in the ongoing PEA and Concept Studies, as well as for getting started in a new phase of exploration and resource definition. WTR is working on a new resource update, and we expect information later this quarter.”*

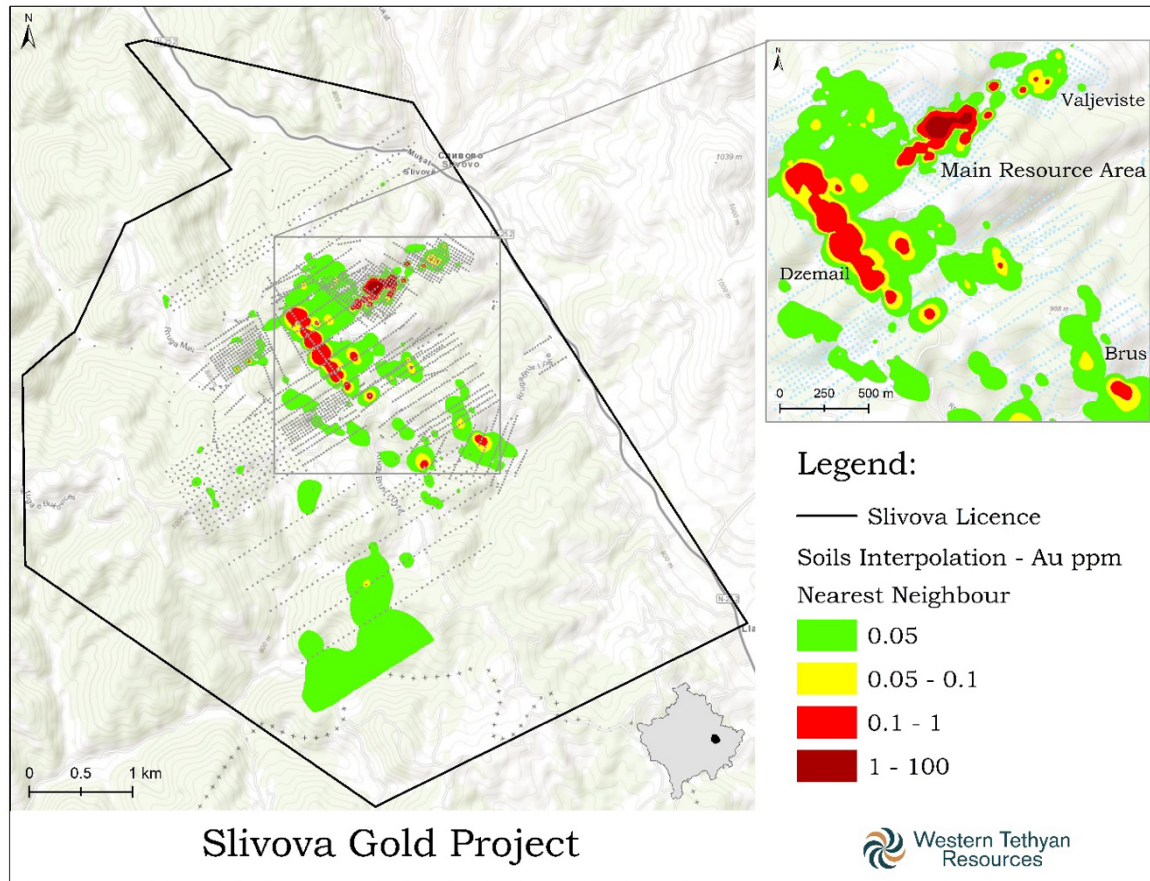
**Summary of Project**

The Slivova Gold Project covers 31km<sup>2</sup> and the current exploration licence is valid for up to 7 years from June 2022 (Figure 1). The license area was subject to a previous joint venture between Avrupa and Byrncut International Ltd (“Byrncut”), until 2019 when the license was terminated after Byrncut had incurred exploration expenditures in excess of US\$7m. WTR has the benefit of the results of this historical work.

The Peshter Main Gossan and Gossan Extension zones are geographically hosted within a steeply-dipping package of intercalated pebble-to-cobble conglomerates and finer-grained sandstone units with subordinate shale horizons. The mineralisation is interpreted to be controlled by the host lithology and is associated with strong silicification and de-calcification. Gold mineralisation in the Main Gossan and Gossan Extension is concentrated in the calcareous pebble conglomerate and calcareous sandstone. The reactive nature of the matrix appears to have provided the best environment for base and precious metal mineralisation.

The Project also benefits from a historic mineral resource estimate. A total of 40 drill holes were previously completed at site (approximately 4,161m of predominantly HQ, NQ and NWT diameter diamond drilling core). Drill hole spacing was undertaken on a grid basis of approximately 15m x 15m. A non-JORC Code compliant, Indicated Mineral Resource estimate (NI 43-101 compliant) was subsequently produced at Slivova in 2016 by Mining Plus, and provided 640,000 tonnes at 4.8 g/t gold and 14.68 g/t silver, for approximately 98,700 ounces of gold and 302,000 ounces of silver (see: [https://avrupaminerals.com/wp-content/uploads/2018/08/NI43101\\_AvrupaMinerals\\_Slivovo.pdf](https://avrupaminerals.com/wp-content/uploads/2018/08/NI43101_AvrupaMinerals_Slivovo.pdf)). In addition, a significant part of the exploration licence remains to be explored in detail and there are indications of further mineralisation in the immediate vicinity (Figure 1), which will require drill-testing.

Significant sulphide mineralisation in the form of pyrite, with minor amounts of sphalerite, chalcopyrite, pyrrhotite and arsenopyrite occurs with the gold and silver mineralisation, although it is interpreted that the main high-grade gold mineralising event occurred after the sulphidation event. WTR has completed leach analyses on 255 mineralised samples from four holes evenly spaced through the deposit which supports the potential for the majority of the mineralisation is amenable to conventional hydrometallurgical processes. Further metallurgical test work will be undertaken as a priority to determine the optimal processing route.



**Figure 1:** Main resource area and surrounding prospects at the Slivova Project, showing the surface sampling results of prior exploration. Inset on the top right is the same area, shown within the boundaries of the licence.

### Terms of the Agreement

In accordance with the terms of the Earn-In Agreement, WTR has the right to acquire, in multiple stages, up to 85% of the Slivova Gold Project, by completing a series of exploration and development milestones and making staged payments to Avrupa, and its previous joint venture partner Byrnegut.

### Initial Due Diligence Phase

The initial due diligence phase was conducted between September 2022 and March 2023 (as more specifically detailed in the announcement of 7 September 2022). Accordingly, the following steps have already been completed by WTR:

- €35,000 cash payment to Avrupa upon signing of the heads of terms;
- €100,000 investment during the DD Phase;
- €35,000 cash payment to Avrupa at the end of the 6-month DD period,

The final step was the execution of the Definitive Earn-in Agreement to be completed and signed, and this is the subject of the announcement today.

## ***Earn-In Agreement Summary***

The terms of the Earn-In Agreement signed today are as follows:

### Stage 1:

- €30,000 cash payment on 1 September 2023
- A commitment to invest a total €800,000 during the first two years from the Effective Date (the Effective Date being 2 May 2023, and therefore all work must be completed by 2 May 2025). A minimum of €150,000 must be spent by 1 September 2023. All monies are to be spent on exploration, drilling, baseline environmental and social surveys, and community meetings with landowners.
- On completion of this stage, WTR will hold 51% of the Project.

### Stage 2:

- Between May 2025 and May 2026, WTR will invest €1,000,000 for the preparation of a NI 43-101/JORC Code compliant Mineral Resource Estimate and commence the Environmental Impact Statement ("EIS").
- On completion of this stage, WTR will hold 75% of the Project.

### Stage 3:

- Between May 2026 and May 2028, WTR must complete the EIS, a Feasibility Study for the Project ("FS"), and submit a Mining License application for the Project.
- On completion of this stage, WTR will hold 85% of the Project.

### Stage 4:

Following completion of all the prior stages, WTR must then make a series of payments to Avrupa's previous JV partner, Byrnegut as follows:

- €125,000 in cash within 30 days of the following 1) completion of a positive FS (confirming a minimum 15% IRR) or; 2) Avrupa or a related party making a decision to proceed with the development of a mining operation within the license area (whichever is earlier);
- €125,000 within 30 days of the issuance of a mining license for the Project, and
- €125,000 within 30 days of commencement of mine construction within the license area;
- In addition, WTR will supply to Byrnegut 100 troy ounces of gold within 30 days of commencement of commercial production ("CCP"), then 175 troy ounces on the second anniversary of CCP and on the third anniversary of CCP 325 troy ounces will be delivered to Byrnegut.

### Stage 5:

Avrupa must participate in the mine build (up to its pro rata proportion of costs) or it will be diluted to 1% Net Smelter Royalty. If Avrupa opts not to participate in the costs of the mine build, WTR's ownership will increase to 100% of the Project.

## **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. ([www.avrupaminerals.com](http://www.avrupaminerals.com)) 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 license in Portugal, the Alvalade VMS Project, presently optioned to Sandfire MATSA in an earn-in joint venture agreement. The Company now holds one 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.

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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 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 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 56% 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).

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