• ASX RELEASE · MARKET ANNOUNCEMENT 27 May 2026

Yugo Metals Limited
ASX : YUG

Gold discovery in first-ever drilling results from Erak

KEY SUMMARY

Maiden drill campaign intersects encouraging gold results at Erak Prospect (Sinjakovo Project).

Drillholes drilled to date (using 0.5g/t Au cut-off and max. 1 sample <0.5g/t):

- ERDD001: **4m @ 1.2g/t Au** from 101m (alteration zone)
- ERDD002: **4m @ 1.9g/t Au** from 105.1m (alteration zone)
- ERDD003: **8m @ 1.2g/t AuEq** from 26.1m (breccia zone) & **3m @ 0.9g/t Au** from 107.4m (alteration zone)
- ERDD005: intersected **23m alteration** zone from 111m depth (all results pending)
- ERDD006: intersected **34m alteration** zone from 82m depth (all results pending)
- Drill rig moving to drill pad #3 to test our best trench result of **61m @ 1.5g/t Au**

These results are associated with gold-bearing "phyllic" alteration. The alteration is striking east-west, dipping to north and open in all directions. The thickness of alteration is increasing down dip from north (5m in ERDD001) to south (23m thickness in ERDD005, results pending) and along strike from west (3m in ERDD003) to east (34m thickness in ERDD006, results pending).

Drilling has also intersected breccia with **Au-Ag-Cu-Sb** mineralisation up to **8m @ 1.2 AuEq g/t, including 4m @ 0.5g/t Au + 40g/t Ag + 0.6% Cu + 0.25% Sb.**

The pending results are expected in approximately 6-8 weeks.

Drilling is ongoing, with two drillholes planned to be completed in the western part of Erak prospect before relocating the drilling rig to eastern part of Erak Prospect.

ANNOUNCEMENT DETAILS

Yugo Metals Limited (ASX:**YUG**) ("Yugo Metals" or "the Company") is pleased to report the initial results from the first-ever drilling program at Erak Prospect, at its 100% Sinjakovo Project in Bosnia and Herzegovina, Europe.

Five diamond drillholes have been completed at Erak Prospect to date, for the total 632m length of drilling.

All drillholes have intersected mineralised alteration zone. This zone is layer-parallel, brecciated, strongly overprinted with "phyllic" (silica-sericite-pyrite) alteration[1]. The widths of alteration are between 3m (in hole ERDD003 drilled in the western part of drilling area) and 34m (in drillhole ERDD006 in the eastern part).

Drilling has also intersected breccia with Au-Ag-Cu-Sb mineralisation up to **8m @ 1.2 AuEq g/t, including 4m @ 0.5g/t Au + 40g/t Ag + 0.6% Cu + 0.25% Sb.**

Drilling is ongoing, with two more drillholes planned to test the extensions of mineralisation along strike to east and down-dip to north. Then, the drilling rig will relocate to east part of Erak Prospect, to the location of the best trench result to date (61m @ 1.5g/t Au[2]).

Figure 1: *Typical appearance of the phyllic alteration zone from Erak Prospect (Sinjakovo Project), from ERDD006 (depth 108-114m) drillcore PQ diameter*

CEO COMMENTARY

Petar Tomašević · Executive Director & CEO

"The first-ever drilling results from Erak have confirmed a genuine gold discovery by the Company.

All drillholes to date have intersected the gold-bearing alteration that is still open in all directions, and with thickness being the greatest in the intervals that are yet to return from the lab.

The gold system at Erak is set to grow. The best intercepts of alteration are still open. Also, we are yet to start drilling at the nearby location with the best trench result of 61m length at 1.5 gram of gold per ton on surface."

[1] Cautionary statement: Visual estimates of mineral abundance should never be considered a proxy or substitute for laboratory analyses where concentrations or grades are the factor of principal economic interest. Visual estimates also potentially provide no information regarding impurities or deleterious physical properties relevant to valuations. Please refer to Appendix 1- Table 2 "Visual Observations".

[2] See ASX announcement dated 25 January 2023

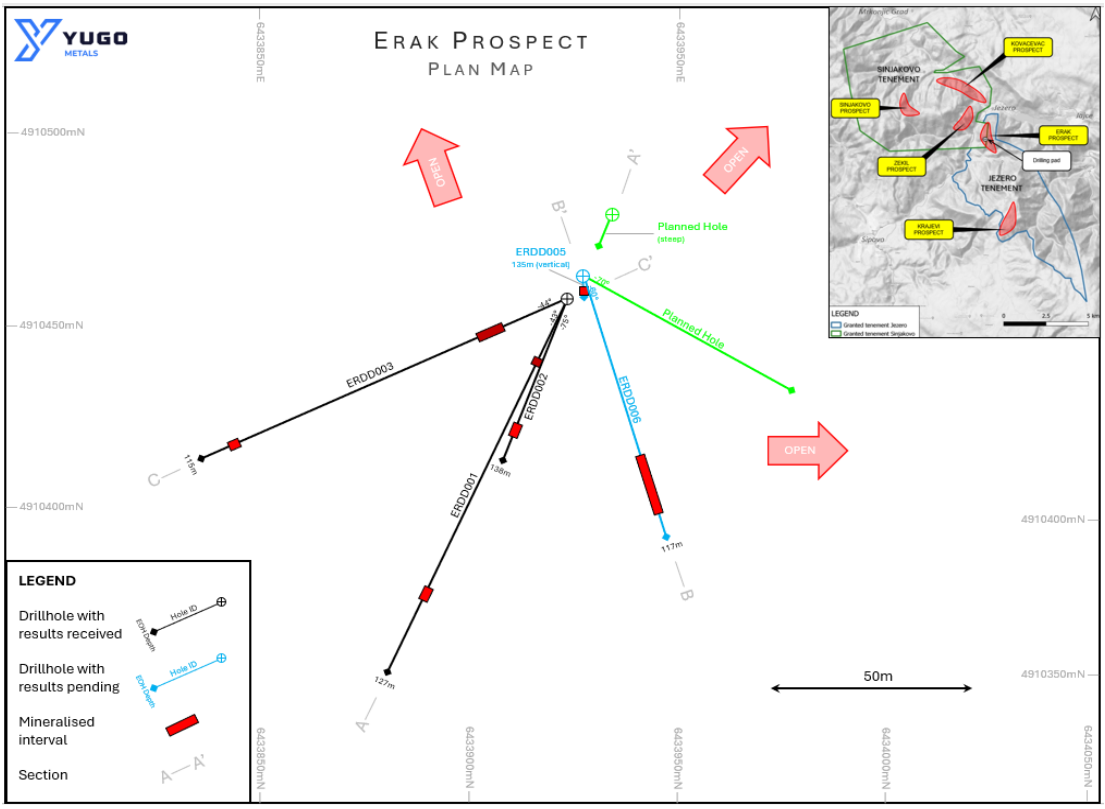

Figure 2: Erak Prospect (Sinjakovo Project), plan map showing drilling program

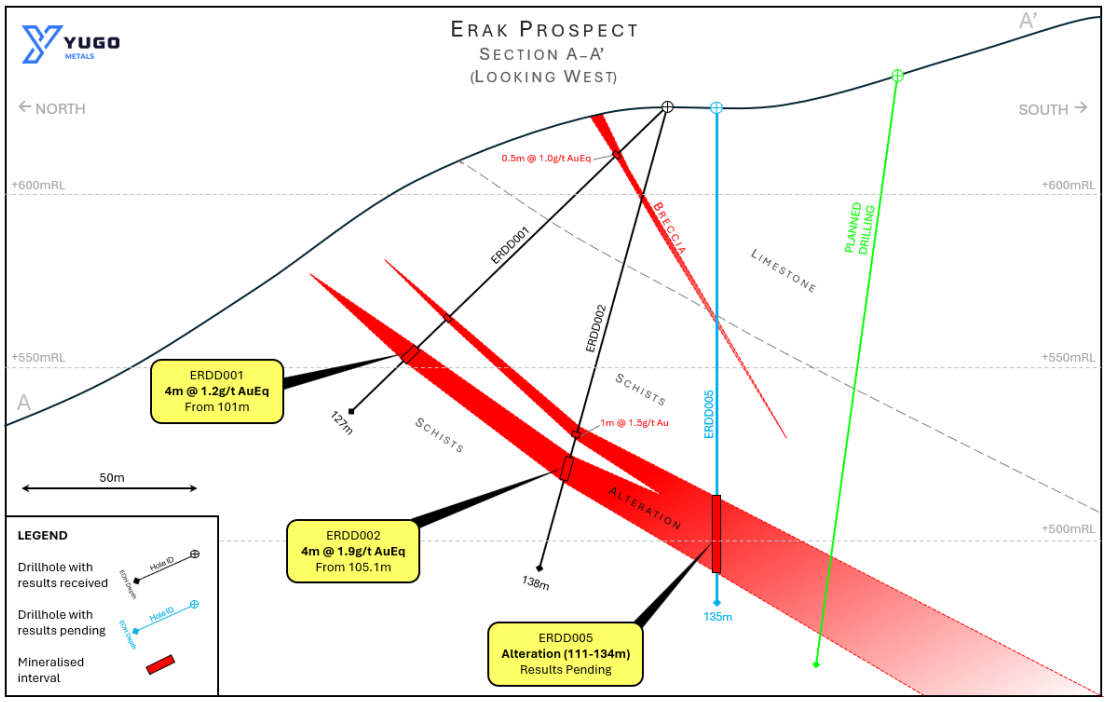

Figure 3: Erak Prospect (Sinjakovo Project), drilling cross-section A-A'

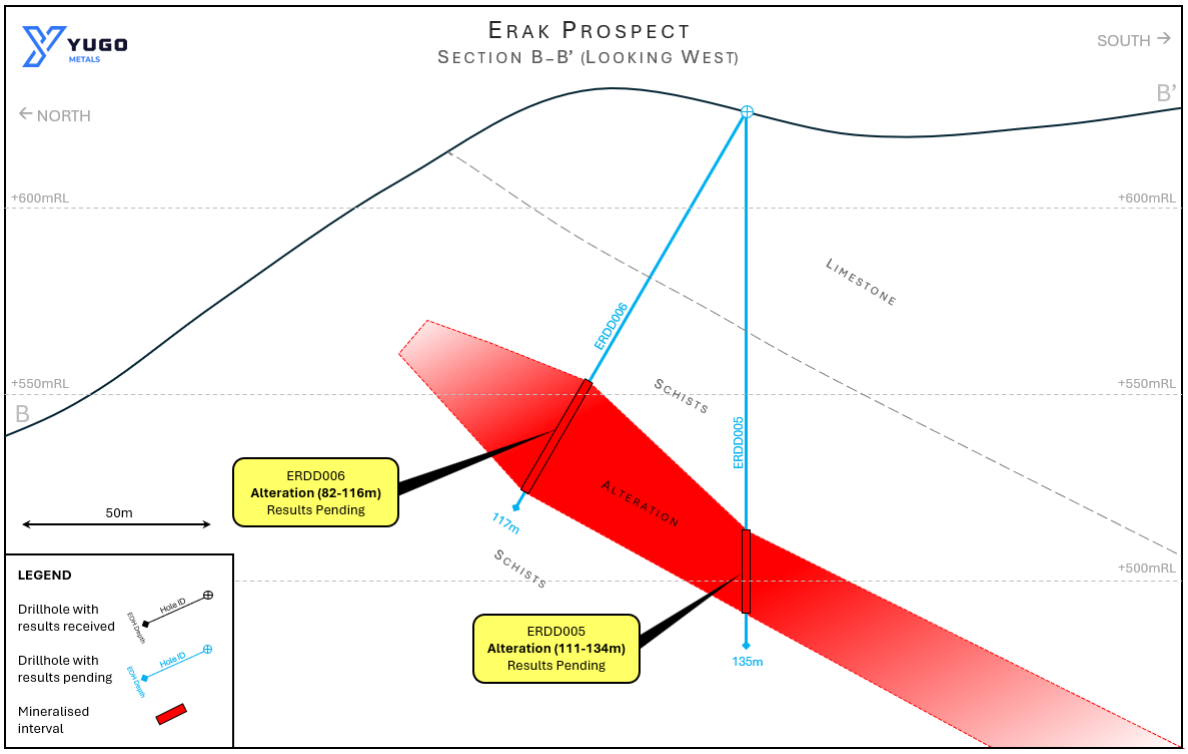

Figure 4: Erak Prospect (Sinjakovo Project), drilling cross-section B-B'

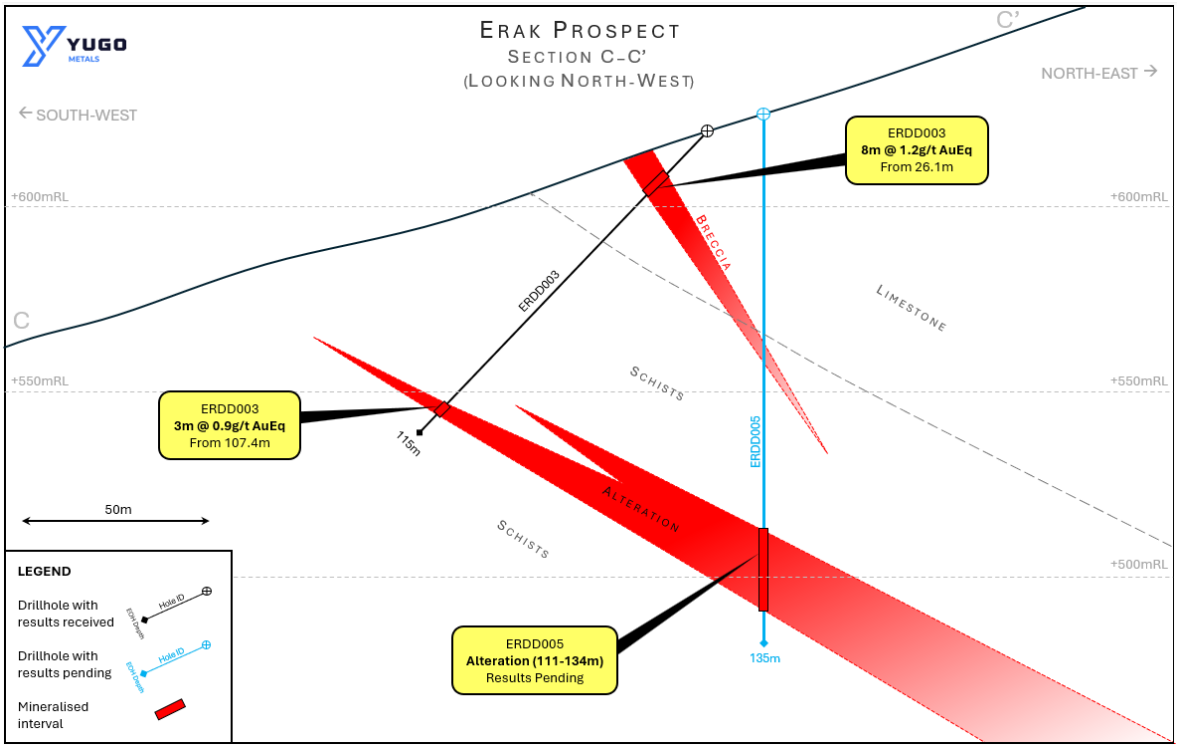

Figure 5: Erak Prospect (Sinjakovo Project), drilling cross-section C-C'

NEAR-TERM OUTLOOK

→ Planned Next Steps

- Completion of remaining drillholes
- Receipt of all assays from drilling completed to date
- Relocating the drilling rig to east part of Erak prospect (location of trench result 61m @ 1.5g/t Au)

This announcement has been authorised for release by the Board of Yugo Metals Limited.

FOR FURTHER INFORMATION

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ABOUT YUGO METALS LIMITED

Yugo Metals Limited (ASX:YUG) is a Perth-based exploration company with projects in Bosnia and Herzegovina. Yugo's projects are highly prospective for strategic, battery and precious metals, which are all located in Europe's most prospective mining region, the Tethyan metallogenic belt.

Yugo is committed to delivering significant and sustainable shareholder value through advancing its three base and precious metals projects. The Company's projects are located near existing core infrastructure and transport routes to Europe's battery manufacturing supply chain.

For more information, visit www.yugometals.com

COMPETENT PERSONS STATEMENT

The information in this announcement that relates to Exploration Results is based on information compiled and conclusions derived by Mr Mladen Stevanovic, a Competent Person, who is consultant and former Director of Yugo Metals Limited and is a Fellow member of the AusIMM (membership number 333579). Mr Stevanovic has sufficient experience that is relevant to the technical assessment of the Mineral Assets under consideration, the style of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a Practitioner as defined in the 2015 Edition of the "Australasian Code for the public reporting of technical assessments and Valuations of Mineral Assets", and as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Stevanovic consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

FORWARD LOOKING STATEMENTS

This announcement contains forward-looking statements which involve several risks and/or uncertainties. These forward-looking statements are expressed in good faith and are believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks and/or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and/or strategies described in this announcement. No obligation is assumed to update forward-looking statements if these beliefs, opinions and/or estimates should change and/or to reflect other.

Note: polymetallic mineralisation is encountered at localities throughout the project area. For easier reporting and comparison of assay results, figures in this report sometimes include the "gold equivalent" results. This is a simpler reporting measure that combines the results from gold, silver, copper, lead, antimony and zinc (normalised by their market prices and the expected metallurgical recoveries).

APPENDIX 1: Tables

Table 1: Tenements Reported

Tenement	Size km²	Expiry
Sinjakovo	50	30/12/2026
Jezero	31	04/03/2028

Table 2: Visual Observations

Figure Number	***Description***	***Style and Intensity***	***Commodities***
1	*Photo showing drillcore from ERDD006 PQ core from interval 108-114m. Rock type is hydrothermally altered breccia, strongly altered by phyllic alteration. The alteration is mineralised with pyrite.*	*Layer-parallel breccia hosted, strongly/completely altered by phyllic (silica-sericite-pyrite) alteration. Pyrite style is disseminated, pyrite grains are 0.5-5mm size, mineral abundance is typically 5-10%, locally up to 20% pyrite.*	*Gold, with pyrite being suspected as gold-bearing.*

Table 3: Reported Drillholes

Drillhole ID	Easting	Northing	Elevation	Azimuth	Dip	Depth
ERDD001	6433939.64	4910463.77	624.72	206	-43	127m
ERDD002	6433939.79	4910463.94	624.69	204	-75	138m
ERDD003	6433939.54	4910463.13	624.68	246	-44	115
ERDD005	6433945.03	4910474.4	624.56	0	-90	135
ERDD006	6433945	4910475	624.5	166	-60	117

Comments:

- Drillhole collars ERDD001-ERDD005 have been surveyed with DGPS.
- Drillhole ERDD004 is yet to be drilled.
- Coordinate system used is Gauss-Kruger Zone 6 (QGIS CS: EPSG 3908), which is one of common coordinate systems used in Bosnia-Herzegovina.

Table 4: Reported Results

HoleID	From	To	Interval	Au_g/t	Ag_g/t	Cu_%	Sb_%	AuEq_g/t
ERDD001	15	16	1	0.23				
ERDD001	16	17	1	0.13				
ERDD001	17	18	1	0.05				
ERDD001	18	19	1	0.02				
ERDD001	19	20	1	0.01				
ERDD001	20	21.3	1.3	0.01				
ERDD001	21.3	22.3	1	0.02	1	0	0	0.02
ERDD001	22.3	23	0.7	0.1	4	0.18	0.09	0.4
ERDD001	23	24.3	1.3	0.02	1	0.01	0.03	0.07
ERDD001	24.3	24.8	0.5	0.15	25	0.26	0.2	0.96
ERDD001	24.8	25.8	1	0.01	1	0	0.01	0.02
ERDD001	25.8	27	1.2	0.01				
ERDD001	27	28	1	0.01				
ERDD001	28	29	1	0.01				
ERDD001	29	30	1	0.01				
ERDD001	30	31	1	0.01				
ERDD001	31	32	1	0.02				
ERDD001	32	33	1	0.05				
ERDD001	33	34	1	0.63				
ERDD001	34	35	1	0.08				
ERDD001	35	36	1	0.01				
ERDD001	36	37	1	0.01				
ERDD001	37	37.7	0.7	0.01				
ERDD001	37.7	38.7	1	0.01	1	0	0	0.02
ERDD001	38.7	39.7	1	0.01	1	0	0	0.01
ERDD001	39.7	40.8	1.1	0.01	1	0	0	0.01
ERDD001	40.8	41.8	1	0.01	1	0	0	0.02
ERDD001	70	71	1	0.01	1	0	0	0.03
ERDD001	71	71.4	0.4	0.02	9	0.11	0.08	0.36
ERDD001	71.4	72.4	1	0.04	1	0.01	0.01	0.06
ERDD001	78	79	1	0.01	1	0	0	0.03
ERDD001	79	79.2	0.2	0.44	2	0.02	0.01	0.34
ERDD001	79.2	80.2	1	0.01	1	0	0	0.02
ERDD001	84.3	85.3	1	0.01	1	0	0	0.02
ERDD001	85.3	86.2	0.9	0.02	1	0	0	0.03
ERDD001	86.2	87	0.8	0.01	1	0	0	0.02
ERDD001	87	87.7	0.7	0.01	1	0	0	0.02
ERDD001	87.7	88.8	1.1	0.01				
ERDD001	88.8	89.8	1	0.01				
ERDD001	89.8	90.6	0.8	0.01				
ERDD001	90.6	91.4	0.8	0.01				
ERDD001	91.4	92.1	0.7	0.01				
ERDD001	92.1	92.7	0.6	0.01				
ERDD001	92.7	93.5	0.8	0.01				
ERDD001	93.5	94.4	0.9	0.01				
ERDD001	94.4	95.5	1.1	0.01				
ERDD001	95.5	96	0.5	0.01				
ERDD001	96	97	1	0.01				
ERDD001	97	98	1	0.01				
ERDD001	98	99	1	0.01				
ERDD001	99	100	1	0.01				
ERDD001	100	101	1	0.11				
ERDD001	101	102	1	3.47				
ERDD001	102	103	1	0.78				
ERDD001	103	104	1	0.04				
ERDD001	104	105	1	0.57				
ERDD001	105	106	1	0.09				
ERDD001	106	107	1	0.06				
ERDD001	107	108	1	0.09				
ERDD001	108	109	1	0.02				
ERDD001	109	110	1	0.02				
ERDD001	110	111	1	0.03				
ERDD001	111	112	1	0.01				
ERDD001	112	113	1	0.1				
ERDD001	113	114	1	0.06				
ERDD001	114	115	1	0.02				
ERDD001	115	116	1	0.01				
ERDD001	116	117	1	0.01				
ERDD001	117	118	1	0.01				
ERDD001	118	119	1	0.01				
ERDD002	5	6	1	0.08				
ERDD002	6	7	1	0.04				
ERDD002	7	8	1	0.02				
ERDD002	8	9	1	0.03				
ERDD002	27	28	1	0.01				
ERDD002	28	29	1	0.01				
ERDD002	29	30	1	0.02				
ERDD002	30	31	1	0.01				
ERDD002	31	32	1	0.01				
ERDD002	32	33	1	0.01				
ERDD002	33	34	1	0.01	1	0	0	0.01
ERDD002	34	35	1	0.01	1	0	0	0.01
ERDD002	35	36	1	0.01	1	0	0	0.01
ERDD002	36	37	1	0.01				
ERDD002	37	38	1	0.01				
ERDD002	38	39	1	0.02				
ERDD002	39	40	1	0.01				
ERDD002	40	41	1	0.01				
ERDD002	41	42	1	0.01				
ERDD002	42	43	1	0.04				
ERDD002	43	44	1	0.02				
ERDD002	44	45	1	0.02				
ERDD002	45	46	1	0.1				
ERDD002	46	47	1	0.01				
ERDD002	47	48	1	0.01				
ERDD002	48	49	1	0.01				
ERDD002	52.5	53.5	1	0.01	1	0	0	0.02
ERDD002	53.4	54.4	1	0.01	1	0	0	0.02
ERDD002	54.4	55.4	1	0.01	1	0	0	0.02
ERDD002	55.4	56	0.6	0.01	1	0	0	0.02

HoleID	From	To	Interval	Au_g/t	Ag_g/t	Cu_%	Sb_%	AuEq_g/t
ERDD002	56	56.7	0.7	0.01	1	0.02	0	0.04
ERDD002	56.7	57.7	1	0.01	1	0	0	0.02
ERDD002	68.4	69.4	1	0.01	1	0	0	0.02
ERDD002	69.4	70.1	0.7	0.04	1	0.01	0.01	0.07
ERDD002	70.1	70.8	0.7	0.02	1	0.01	0	0.05
ERDD002	71	72	1	0.01	1	0	0	0.02
ERDD002	85	86	1	0.01	1	0	0	0.02
ERDD002	87.2	88	0.8	0.01	1	0	0	0.03
ERDD002	88	88.6	0.6	0.01	1	0	0	0.03
ERDD002	88.6	89.2	0.6	0.01	1	0	0	0.02
ERDD002	89.2	89.7	0.5	0.01	1	0.01	0	0.02
ERDD002	94.5	95.5	1	0.01	1	0	0	0.01
ERDD002	95.5	96.5	1	0.13	1	0	0	0.09
ERDD002	96.5	97.5	1	0.2	1	0	0	0.14
ERDD002	97.5	98.5	1	1.48	1	0	0	0.94
ERDD002	98.5	99.5	1	0.06	1	0	0	0.05
ERDD002	99.5	100.5	1	0.02	1	0	0	0.02
ERDD002	100.5	101.5	1	0.04	1	0	0	0.05
ERDD002	101.5	102.5	1	0.04	1	0	0	0.04
ERDD002	102.5	103.5	1	0.04	1	0	0	0.05
ERDD002	103.5	104.3	0.8	0.02	1	0	0	0.03
ERDD002	104.3	105.1	0.8	0.01	1	0	0	0.03
ERDD002	105.1	106	0.9	0.78	1	0	0	0.53
ERDD002	106	107	1	0.26	1	0	0	0.2
ERDD002	107	108	1	1.82	1	0	0	1.17
ERDD002	108	109	1	4.44	1	0	0	2.83
ERDD002	109	110	1	0.24	1	0	0	0.16
ERDD002	110	111	1	0.12	1	0	0	0.09
ERDD002	111	112	1	0.06	1	0	0	0.05
ERDD002	112	113	1	0.08	1	0	0	0.06
ERDD002	113	113.8	0.8	0.02	1	0	0	0.02
ERDD002	113.8	114.6	0.8	0.06	1	0	0	0.05
ERDD002	114.6	115.5	0.9	0.01	1	0	0	0.04
ERDD002	115.5	116.3	0.8	0.01	1	0.01	0	0.04
ERDD002	116.3	117.3	1	0.01	1	0	0	0.05
ERDD003	8	9	1	0.01				
ERDD003	9	10	1	0.02				
ERDD003	10	11	1	0.02				
ERDD003	11	12	1	0.06				
ERDD003	12	13	1	0.01				
ERDD003	13	14	1	0.01				
ERDD003	14	15	1	0.01				
ERDD003	15	16	1	0.03				
ERDD003	16	17	1	0.01				
ERDD003	17	18	1	0.01				
ERDD003	18	19	1	0.01				
ERDD003	19	20	1	0.02				
ERDD003	20	21	1	0.01				
ERDD003	21	22	1	0.01				
ERDD003	22	23	1	0.01				
ERDD003	23	24	1	0.01				
ERDD003	24	25.1	1.1	0.01				
ERDD003	25.1	26.1	1	0.02	1	0	0	0.02
ERDD003	26.1	27.1	1	0.22	10	0.25	0.16	0.73
ERDD003	27.1	28	0.9	0.26	15	0.25	0.15	0.81
ERDD003	28	29	1	0.39	29	0.36	0.15	1.2
ERDD003	29	30	1	0.79	70	0.93	0.29	2.75
ERDD003	30	31	1	0.38	28	0.53	0.29	1.52
ERDD003	31	32	1	0.41	32	0.49	0.26	1.51
ERDD003	32	32.7	0.7	0.01	1	0.01	0	0.03
ERDD003	32.7	33.2	0.5	0.19	14	0.34	0.24	0.94
ERDD003	33.2	34.2	1	0.01	1	0	0	0.02
ERDD003	34.2	35	0.8	0.01				
ERDD003	35	36	1	0.01				
ERDD003	36	37	1	0.01				
ERDD003	37	38	1	0.01				
ERDD003	38	39	1	0.01				
ERDD003	39	40	1	0.01				
ERDD003	40	41	1	0.01				
ERDD003	41	42	1	0.01				
ERDD003	52	53	1	0.01				
ERDD003	53	54	1	0.01				
ERDD003	54	54.7	0.7	0.01				
ERDD003	54.7	55.7	1	0.01	2	0.03	0	0.06
ERDD003	55.7	56.7	1	0.01	1	0	0	0.02
ERDD003	56.7	57.7	1	0.01	1	0.01	0	0.02
ERDD003	57.7	58.7	1	0.01	1	0.01	0	0.03
ERDD003	58.7	59.7	1	0.01	1	0	0	0.01
ERDD003	59.7	60.7	1	0.01	1	0	0	0.02
ERDD003	60.7	61.5	0.8	0.01	1	0	0	0.01
ERDD003	61.5	62.3	0.8	0.01	1	0	0	0.02
ERDD003	62.3	63.3	1	0.03	1	0	0	0.03
ERDD003	69.2	70.2	1	0.06	1	0	0	0.06
ERDD003	70.2	71.2	1	0.04	1	0	0	0.04
ERDD003	71.2	72.2	1	0.01	1	0	0	0.02
ERDD003	72.2	73	0.8	0.01	1	0	0	0.01
ERDD003	73	74	1	0.01	1	0	0	0.02
ERDD003	74	75	1	0.01	1	0	0	0.02
ERDD003	75	76	1	0.01	1	0	0	0.02
ERDD003	76	77	1	0.01	1	0	0	0.02
ERDD003	77	77.9	0.9	0.01	1	0	0	0.02
ERDD003	77.9	78.9	1	0.03	1	0	0	0.04
ERDD003	107.4	108.4	1	0.74	1	0	0	0.48
ERDD003	108.4	109.4	1	0.79	1	0	0	0.51
ERDD003	109.4	110.4	1	1.27	1	0	0.01	0.82
ERDD003	110.4	111.3	0.9	0.12	1	0	0	0.09
ERDD003	111.3	112.3	1	0.01	1	0	0	0.02
ERDD003	112.3	113	0.7	0.01				
ERDD003	113	114	1	0.01				
ERDD003	114	115	1	0.04				

Appendix C: JORC Code, 2012 Edition – Table 1

Section 1: Sampling Techniques and Data (Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	· *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	Diamond drilling (DD) drilling in Paleozoic limestone & schists rocks, covered by 1-2m organic soil & scree, with weathering nominally developed to 5-10m depth (mostly saprock) and deeper (>10m) along the breccia zones. Potentially mineralised intervals have been sampled (results partially still pending). The sampling practice is appropriate to this style of mineralisation and complies with industry best practice.
	· *Include reference to measures taken to ensure sample representativity and the appropriate calibration of any measurement tools or systems used.*	Drilling core recovery is usually 100%, excluding the rare voids in the top part of drillholes due to karst geology.
	· *Aspects of the determination of mineralisation that are Material to the Public Report.*	Mineralisation at Project area comprises visible amounts of pyrite at depth and secondary minerals after tetrahedrite and pyrite closer to surface. Invisible elements from the Project area that are of economic interest are gold and silver.
	· *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	Half core (PQ) is sampled at intervals honouring the geological, mineralisation and alteration boundaries, from which 2-4kg was pulverised to produce sample for Au-AA23 & ME-ICP61 and over-limits (four acid method). Amount of control samples is around 10% total (blanks, standards and duplicates).
Drilling techniques	· *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	Diamond drilling, PQ diameter. Oriented where possible with spear. Deviation is measured at every 10m with DeviShot tool.
Drill sample recovery	· *Method of recording and assessing core and*	Recoveries are assessed by measuring the length of core recovered versus expected, by recording

	chip sample recoveries and results assessed.	core loss and core gain.
	· *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	Slowing down drilling speed in broken intervals and switching to short core runs.
	· *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	Such issues were not observed.
Logging	· *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	Geological logging was completed by qualified geologist. Information collected for each sample would include type of lithology, alteration, mineralisation, simple geotechnical/RQD log and structural measurements.
	· *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	The process consists of qualitative logging, core marking, core photography, core cutting and sampling. Information is typed into computer directly and locations validated, then uploaded to database.
	· *The total length and percentage of the relevant intersections logged.*	Entire core length is geologically logged.
Sub-sampling techniques and sample preparation	· *If core, whether cut or sawn and whether quarter, half or all core taken.*	Core is half sawn. Duplicate intervals for QAQC are quarter sawn.
	· *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	Not applicable, as it is all core drilling.
	· *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	The sample preparation at the lab included: dry, crush entire sample & fine crush 70% to -2mm, pulverise 85% to -75um.
	· *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	There will be no sub-sampling or preparation before sampling.
	· *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.*	Geological boundaries are honoured during sampling (lithology, alteration, mineralisation etc.). The duplicates were taken from core quartered along the length of sampling interval.
	· *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Aim is to obtain sample size of about 2-4kg, this means that sampling interval could vary between 0.5m and 1.5m drilling length.
Quality of assay data and laboratory tests	· *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or*	The samples were submitted to ALS Bor in Serbia (independent and internationally accredited laboratory). Samples are being analysed with

	total.	method Au-AA23 & ME-ICP61 and four-acid test for over-grade samples. ME-ICP61 is considered a "near-total" digestion analysis, rather than a strictly total (fusion) or partial (aqua regia) method.
	· *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*	No geophysical surveys or pXRF analysis are being reported herein.
	· *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	QAQC process consist of Company procedures, prescribed style of sampling and use of control samples, as well as the check of control sample performance and reporting. Control samples will be duplicates, standards and blanks – as described elsewhere in JORC Table 1. Aim is to maintain ~10% of total inserted control samples.
Verification of sampling and assaying	· *The verification of significant intersections by either independent or alternative company personnel.*	All assays are reviewed and reported by Company CP.
	· *The use of twinned holes.*	No twin holes have been drilled in this program.
	· *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	Analytical results received from the lab are stored electronically, with no data manipulation. All data is validated by the Company personnel.
	· *Discuss any adjustment to assay data.*	At this stage (initial drillhole results received) the results are reported without using any specific cut-off grades, top cuts.
Location of data points	· *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	Planned drilling locations have been pegged with DGPS. Completed drilling locations have been picked up by an independent surveyor with DGPS.
	· *Specification of the grid system used.*	Grid system used is Gauss-Kruger Zone 7 (QGIS CS: EPSG 3908).
	· *Quality and adequacy of topographic control.*	Locating drillhole collars with DGPS is adequate for future reporting.
Data spacing and distribution	· *Data spacing for reporting of Exploration Results.*	Current scout drilling is relatively close-spaced (intercepts at 20-30m) short length drilling, to confirm presence of potentially economical mineralisation and to assist in establishing the trends for eventual extensional drilling.

	· *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.*	No resource estimation studies are planned at this stage.
	· *Whether sample compositing has been applied.*	No sample compositing has been applied.
Orientation of data in relation to geological structure	· *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	Drilling is intersecting the target at high angle (70-90 degrees).
	· *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	No known bias has been introduced.
Sample security	· *The measures taken to ensure sample security.*	Samples were always in the custody and control of the Company representatives until delivery to the laboratory.
Audits or reviews	· *The results of any audits or reviews of sampling techniques and data.*	No external audit of geochemical results has been undertaken at this stage.

Section 2: Reporting of Exploration Results (Criteria listed in the preceding section also apply to this section.)

Criteria	**JORC Code explanation**	**Commentary**
Mineral tenement and land tenure status	· *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	Please refer to Appendix 1 – Table 1 for information on tenement status. There are currently no undisclosed agreements or material issues with third parties. All Project tenements are in good standing and are 100% owned by the Company. There are no registered National Parks or Heritage Sites over the Project area.
	· *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	There are no known impediments to operate on the tenement holding.
Exploration done by other parties	· *Acknowledgment and appraisal of exploration by other parties.*	Previously summarised in Yugo/Lykos Prospectus (only the historical field work carried by Yugoslav Geological State Survey). No material change by other parties in this data since then.

Geology	· *Deposit type, geological setting and style of mineralisation.*	Hydrothermal layer-parallel breccia, phyllic altered, with disseminate gold-bearing pyrite 5-15% abundance. Also, polymetallic (Au, Ag, Cu, Sb) mineralisation associated with steeply-dipping hydrothermal breccia in limestone.
Drill hole Information	· *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*	
	o *easting and northing of the drill hole collar*	Provided in Appendix A.
	o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*	Provided in Appendix A.
	o *dip and azimuth of the hole*	Provided in Appendix A.
	o *down hole length and interception depth*	Provided in Appendix A and throughout the text body.
	o *hole length.*	Provided in Appendix A.
	· *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	All required and available information is included in this report.
Data aggregation methods	· *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*	Length-weighted average results are reported, with >0.5g/t Au cut-off and max. 1 internal waste sample (<0.5g/t Au). Lithological intercepts are reported as down-hole width. No top cuts have been applied to the reporting of the assay results, as the results show low-variability throughout the system and good repeatability with duplicate control samples.
	· *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*	A standard length-weighted method was used to calculate average grades (the summary of grade x thickness for each sample within the interval, divided by the total length of the entire interval).
	· *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	Metal equivalent values were reported. The results from gold, silver, copper and antimony were normalised by their market prices and the expected metallurgical recoveries by using deposit analogue (nearby Rupice deposit, Vares Project in Bosnia-

		Herzegovina, owned and operated by Canadian company Dundee Precious Metals). Commodity prices used: METAL / PRICE / UNIT Gold / 4523 / USD/oz Silver / 75 / USD/oz Copper / 13655 / USD/t Antimony / 19725 / USD/t Metal recoveries used: METAL / RECOVERY Au / 62.8% (subject to further positive results received, the company will likely focus on "froth flotation" testwork that is expected to achieve 85-95% gold recovery) Ag / 89.6% Cu / 94.8% Sb / 93.9% PAYABILITY: Au / 74.2% Ag / 90.0% Cu / 20.4% Sb / 11.6%
Relationship between mineralisation widths and intercept lengths	· *These relationships are particularly important in the reporting of Exploration Results.*	The mineralisation widths are similar to intercept widths, being drilled relatively orthogonal to the target plane.
	· *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*	As reported throughout the report, the mineralisation is dipping moderately (36°) to north.
	· *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	The geometry of mineralisation is known. The widths are described as "drilling lengths".

Diagrams	· *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Appropriate maps have been included.
Balanced reporting	· *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	All new geochemical results have been reported.
Other substantive exploration data	· *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	No other exploration data is available for reporting.
Further work	· *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*	Initial (first-ever) drilling is ongoing. Further work will focus on testing the extensions along strike and depth.
	· *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Possible extensions of mineralisation have been marked on diagrams where possible.