

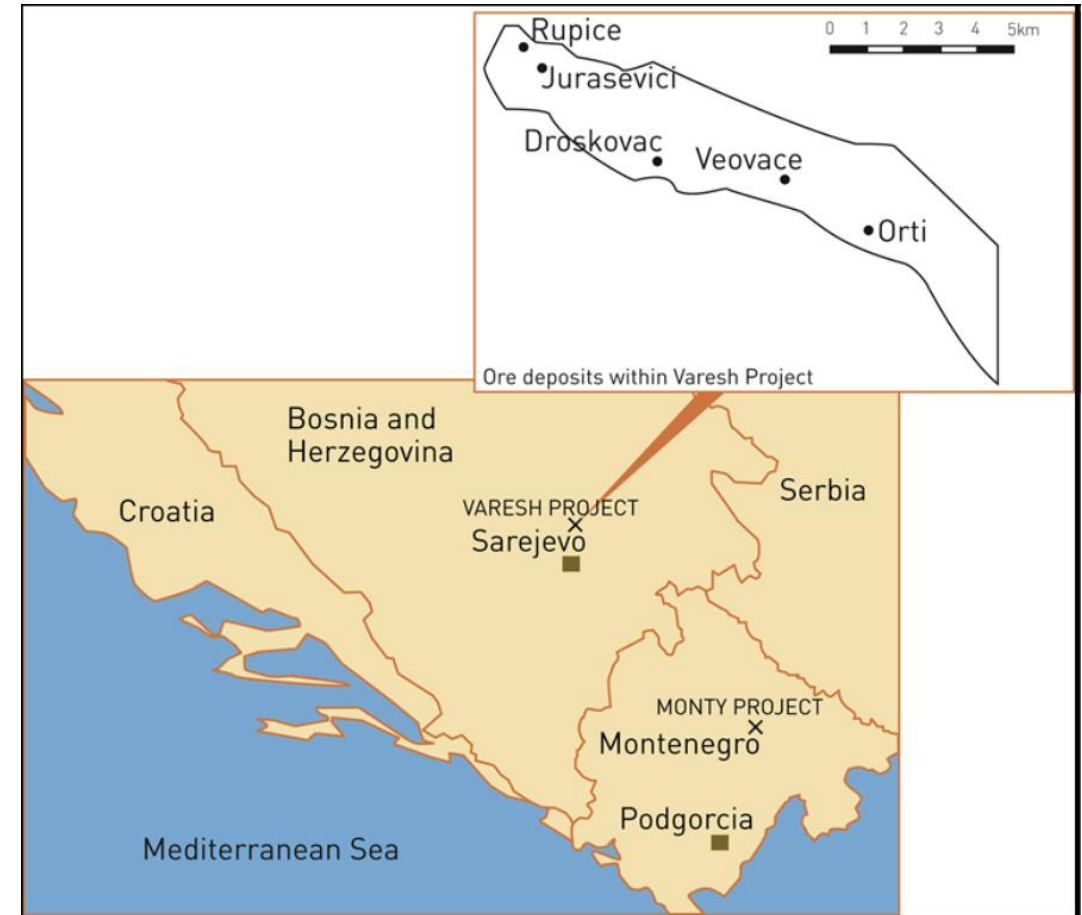
“EASTERN MINING” D.O.O. VISOKO

**Starting exploitation of zinc-lead-copper-
silver-barite deposits in Vareš, Bosnia and
Herzegovina**

Sarajevo, 2015

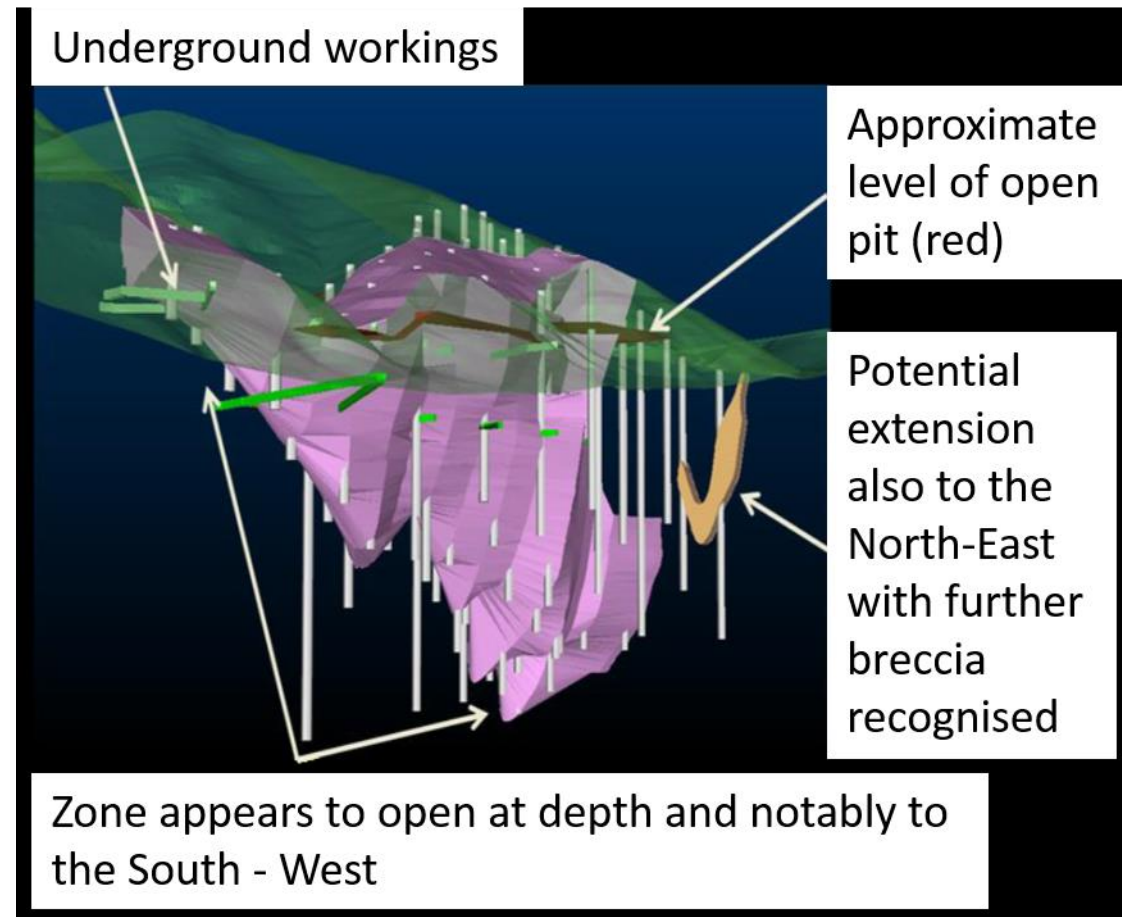
Project Overview

- **Located** near town of Vareš, 30 km north of capital Sarajevo.
- **25 years agreement** to explore and mine
- **Infrastructure:** Roads, railway, power and water supply exist nearby. The projects is located in traditionally mining district.
- Two ore fields: **Veovacha** and **Rupice**.



Veovacha Deposit

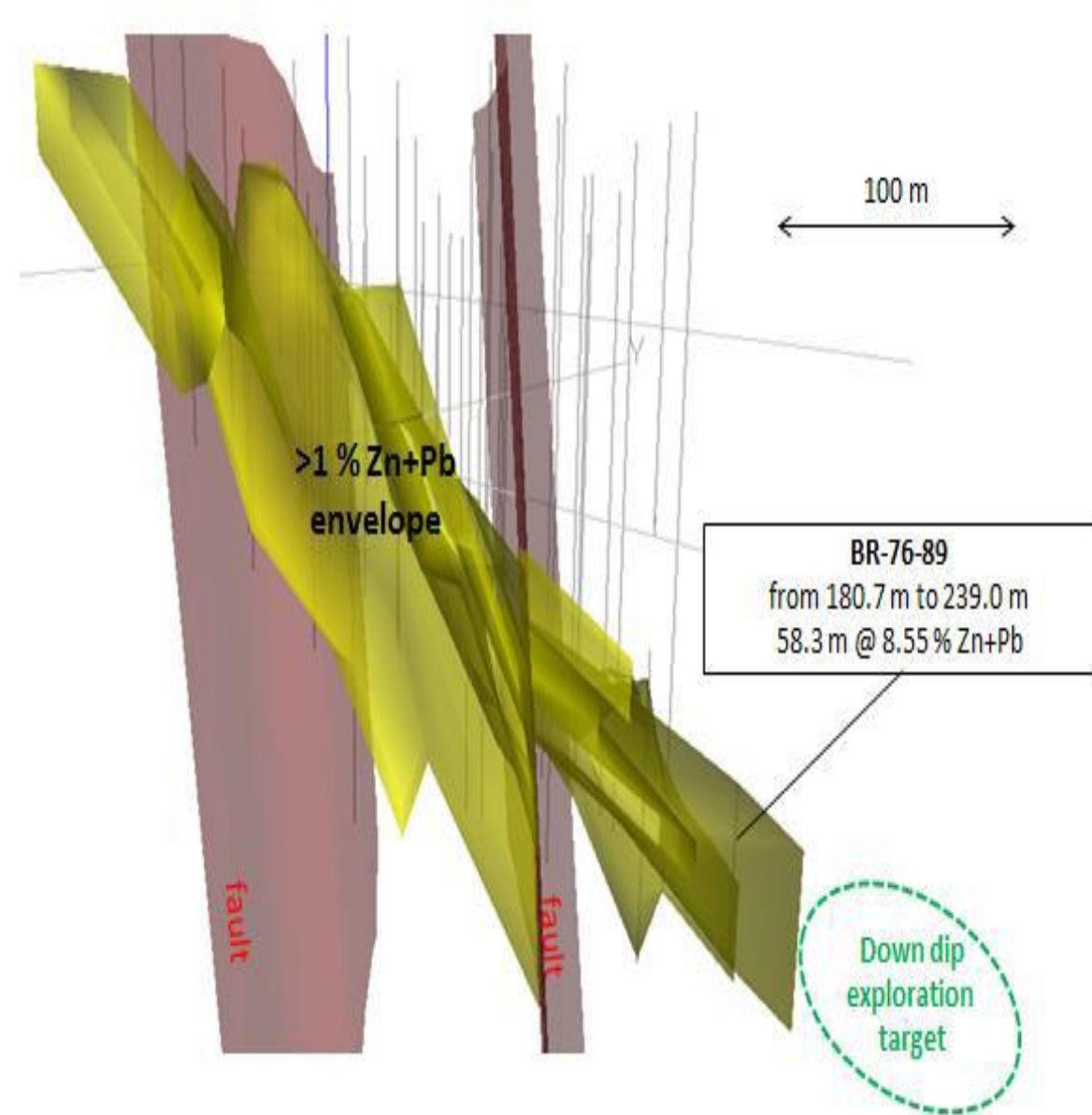
- Zn-Pb mineralisation is situated in an overturned syncline hinge plunging to east. It is hosted by barite and breccias containing sulphides in the matrix.
- The orebody is approximately 560 m long (open to ENE), 70 m wide and 220 m deep. The resource is estimated to 3.5+ Mt at approximately 19% barite, 2.8% Zn+Pb, 59 g/t Ag and 0.29 g/t Au.
- Potential for delineating additional 10 Mt in immediate vicinity.
- Veovacha ore body is outcropping in historic open pit and future land stripping would be minimal. Geotechnically, the pit walls are very stable.



- Land acquisition is completed.
- The preliminary financial model is positive.

Rupice Prospect

- High grade Ag and Zn-Pb mineralisation. Other prospects with similar-style mineralisation exist in immediate vicinity.
- Zn+Pb mineralisation grade and thickness increase with depth. Drill-tested to 240 m depth and still open down dip with 58.3 m @ 8.55 % Zn+Pb.
- In-house modelling: Using 3 % Zn+Pb cut-off, the resource is estimated to 1.58 Mt @ 8.01 % Zn+Pb. With 1 % Zn+Pb cut-off, Rupice deposit is estimated to 2.89 Mt @ 4.63 % Zn+Pb.
- 54 historic drill holes in irregular 30x30 m grid. Only lead, zinc and barite were systematically assayed. Where assayed within >1 % Zn+Pb shell, silver grades are averaging 156 ppm, gold 1.01 ppm and copper 0.37 %.



Pre-mining Development

VEOVACHA DEPOSIT TIMELINE ACTIVITIES:	months												Estimated costs		
	1	2	3	4	5	6	7	8	9	10	11	12		Total	€
Veovaca Ore Reserves Study	█	█	█										€ 27.700,00		€ 981.210,00
Mine Design Study				█	█	█	█	█	█	█	█	█	€ 55.300,00	Contingency	€ 98.121,00
Land Acquisition													€ 0,00	GRAND TOTAL	€ 1.079.331,00
Satellite deposits exploration (5,000 m of drilling)				█	█	█	█	█	█				€ 560.000,00		
Satellite deposits Ore Reserves Study										█	█	█	€ 27.700,00		
Opex	█	█	█	█	█	█	█	█	█	█	█	█	€ 310.510,00		

€	RUPICE PROSPECT TIMELINE ACTIVITIES:	months												months												Estimated costs
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	
€ 2.105.200,00	Geological mapping (1k scale)	█	█	█																					€ 11.000,00	
€ 210.520,00	Diamond drilling (2,250m)			█	█																				€ 387.000,00	
€ 2.315.720,00	Assays				█	█																			€ 77.400,00	
	Ore Reserves Study	█	█	█	█	█																			€ 28.000,00	
	Construction of Exploration adits and drives							█	█	█	█	█	█	█	█	█	█	█							€ 441.700,00	
	Underground mapping and sampling								█	█	█	█	█	█	█	█	█	█	█						€ 22.200,00	
	Assays									█	█	█	█	█	█	█	█	█	█	█					€ 66.300,00	
	Ore Reserves Study																█	█	█	█	█				€ 28.000,00	
	Mine Design Study								█	█	█	█	█	█	█	█	█	█	█	█	█	█	█		€ 55.300,00	
	Land Acquisition (2 euro/m2) - best guess								█	█	█	█	█	█	█	█	█	█	█	█	█	█	█		€ 695.500,00	
	Opex																█	█	█	█	█	█	█	█	€ 292.800,00	

Conclusion

- Support From the Local Government:

Varesh Project is located in traditionally mining district and the local community welcomes new mining jobs.

- Project Ownership:

owned by “EASTERN MINING” D.O.O. VISOKO – subsidiary of “BALKAN MINING” PTY LTD, AUSTRALIA.

- 25 years concession agreement to explore and mine at Varesh Project.

- Infrastructure:

Roads, railway, power and water supply exist nearby.

- Mine Production: **early-2017.**
- Positive Economics: Encouraging preliminary financial assessment.