

Commencement of construction of ore mining and processing facilities for the Upper Zone could be as early as 2019

The main focus of activity for Rakita is the Čukaru Peki Project, situated within the Brestovac-Metovnica Exploration license. Rakita is currently undertaking a feasibility study on the Upper Zone, with the objective of evaluating this high-grade deposit for mining and processing of copper and gold ore. In parallel, exploration of the lower grade, but higher tonnage, Lower Zone mineralized zone is continuing.

Following the intended development of an Exploration decline for the Upper Zone deposit, planned for late 2017, construction of the proposed mining and mineral processing facilities for the Upper Zone could begin during year 2019, subject to a positive Feasibility Study, permitting and approvals from applicable authorities.

Following successful Feasibility studies, construction of processing facilities for the Upper Zone deposit is possible, subject to permitting and approvals, within 2021, with underground mining operations starting soon after.

The mining and processing operations are expected to run approximately 12 to 15 years, but the exact timeframe for these activities will be further clarified in the Feasibility studies for the Upper Zone.

The current studies are indicating the potential for an underground mine on the Upper Zone to a depth of 450 m to 850 m below ground surface, which would become operational by end-2021. Access to the Upper Zone will be through an inclined tunnel or 'decline', which will initially serve as an exploration decline for the purpose of confirming the viability of the Upper Zone. The decline would most likely comprise two parallel tunnels. The first tunnel will be used for access, and the second one for ventilation.

The Čukaru Peki project is located approximately 6 km south of the town of Bor, which is a regional administrative and mining centre. The Project site is ideally located for mining infrastructure (road, rail, power, water) and close to the recently upgraded copper smelter complex in Bor.

Rakita team made the discovery of the Čukaru Peki deposit in July 2012. The team's success in discovering the deposit was recognised internationally by the award of the Thayer Lyndsey Exploration Success Award at the 2016 Prospectors & Developers Conference (PDAC) in Toronto, Canada.

Rakita's environmental policy is based on the objective to be compliant with laws and regulations and to minimize environmental impacts using proven risk management strategies. The company will engage with the communities affected by the Project on these issues throughout the development process, and during Project permitting, it will also engage the Serbian institutions that focus on protection and improvement of the natural and cultural heritage of Serbia.