



Shares in Eastern Europe focused explorer Tethyan Resources PLC soared 25% in Toronto to C\$0.25 as it firmed up the previously announced acquisition of a company that holds two licences adjacent to its optioned Suva Ruda licence in Serbia.

The group has entered a definitive share purchase agreement with Balkan Minerals Ltd and Dr Radomir Vukcevic to acquire Balkan's wholly owned Serbian subsidiary Taor.

The latter holds two exploration licences totalling roughly 100 sq km adjacent to the Suva Ruda licence in the historic Raška lead and zinc mining district in Southern Serbia

"The acquisition of Taor will add significantly to Tethyan's potential to make a major mineral discovery," said Fabian Baker, president and chief executive of Tethyan.

"Through the consolidation of such a large land position in the Trepca Mining District, which was the largest mining complex in all of Yugoslavia during the 1970s, Tethyan now has multiple exploration targets and opportunities for success.

"We have already begun to demonstrate extensive copper-gold porphyry mineralisation at Rudnica which remains open in all directions.

"Now, with respect to zinc, Tethyan will hold rights over an entire district which includes three historical resources and multiple exploration targets which we believe to have significant exploration upside."

Of the two Taor licences, the Kremice license includes a 500m wide area immediately surrounding two formerly producing lead and zinc mines named Kizevak and Sastavci.

The Kizevak mine was operated by the Serbian state between 1984 and 2000, producing 2 Mt (million tonnes) at 1.71 % lead and 3.25 % zinc.

The Kaznovici license covers a 50 sq km area to the south and west of the Suva Ruda license and is immediately adjacent to the Rudnica copper-gold porphyry where Tethyan drilled in 2016/2017 and returned significant intervals of copper and gold porphyry mineralisation.

Also within the Kaznovici license is the Lipovica lead-zinc-gold deposit, initially explored by the British in the late 1930s.

When the deal closes, Tethyan will begin an initial drill programme within the Kremice license in order to test for extensions to the Kizevak lead-zinc-silver mine and verify historical drill and adit sampling results.

It is already underway with a review of the historical data available for the wider district in order to prioritise the various other targets and inform the exploration work programme for 2018.

As previously disclosed, the company will issue 7mln Tethyan shares to Taor's current owner, Dr Radomir Vukcevic, plus €125,000 in cash on closing of the deal.

It will pay €125,000 in cash to Dr Vukcevic within three months of closing of the

transaction, and issue 5mln Tethyan shares Dr Vukcevic on the 12-month anniversary of closing.

The Taor licences were issued in April 2016 and are valid for an initial period of three years, with the right to be renewed for an additional five years to April 2024, at which point Serbia's mining laws require application for a mining permit.

The closing of the deal is still subject to various conditions, including the completion of due diligence and the approval by the TSX Venture Exchange.