

# DENARIUS METALS: PRODUCTION IN COLOMBIA, RESTART IN SPAIN, AND KSA

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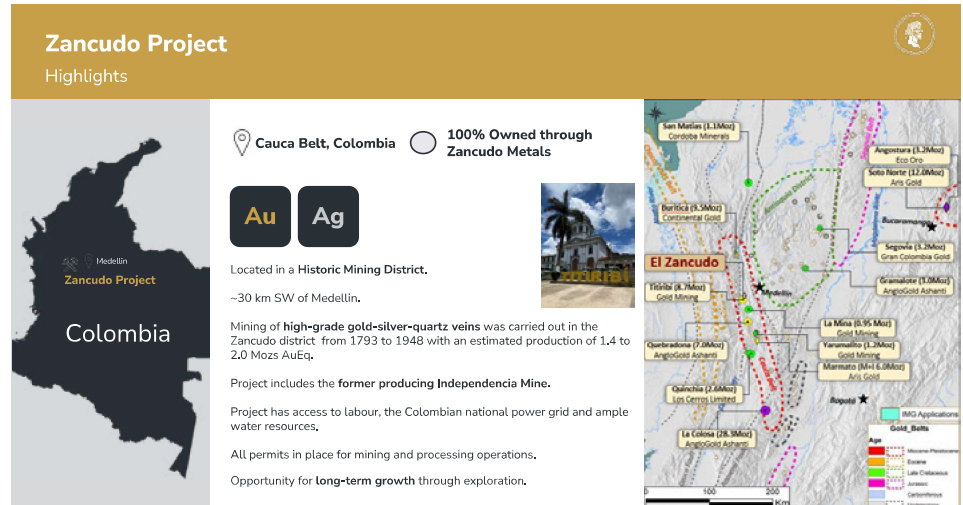
**A**vid readers of The Prospector News know **Denarius Metals (Cboe CA: DMET) (OTCQX: DNRSF)** has been making significant progress over the past years adding value to shareholders. The company has started mining at Zancudo in Colombia, it has booked first revenues from early shipments, and it has put a restart plan on the table for Aguablanca in Spain that is tied to clear work scopes, defined timelines and real contractors. Denarius wants to have two operating mines within the next 12 months, using Zancudo to establish cash flow and Aguablanca to anchor a European platform built around a permitted 5,000 tonnes per day plant. It is a practical strategy to expand production from their high potential asset base.



**DENARIUS**  
METALS

## ZANCUDO: HIGH GRADE

Zancudo is Denarius' cash flow engine and it sits in the Cauca Belt, about 30 kilometres southwest of Medellín. The project covers the historic Independencia mine and a broader district that saw extensive small-scale production long before modern drilling. Denarius has approached Zancudo the way a practical operator



should. Start mining first, generate revenue early, and use that momentum to bridge into a proper mine and mill operation once the 1,000 tonnes per day plant is commissioned.

The project is currently in early production phase where material is mined underground, crushed on site and shipped to Trafigura under the company's long-term offtake agreement, while underground development continues and the plant build is completed.

Starting with an initial 64 tonne parcel of crushed ore shipped in June last year, Denarius steadily lifted its delivery profile through the year, moving 814 tonnes in the third quarter and a further 1,215 tonnes in the fourth. Head grades averaged 8.0 g/t gold and 224.8 g/t silver, translating into roughly US\$1.7 million in total revenue for 2025. That ramp began with the first shipment in late June, when 64 tonnes grading 9.4 g/t gold and 184.5 g/t silver were delivered and the company booked its first revenues in the second quarter. Denarius received payment for approximately 13 ounces of gold and 138 ounces of silver. Despite the lower payability typical of crushed-ore sales, the early unit economics were still positive, with an average realized gold price of \$3,303 per ounce sold, total cash costs of \$2,260 per ounce, and a margin of \$1,043 per ounce of gold sold.

## AGUABLANCA: THE RESTART

Aguablanca is the second half of Denarius' near-term production equation. It is Spain's only nickel mine, and it carries an external tailwind that very few projects in Europe can claim. The European Union has recognized Aguablanca as a Strategic Project, a designation intended to support faster permitting pathways and strengthen financing access for critical raw materials supply. Denarius has now moved from discussing that opportunity to initiating the work required to capture it.

The restart plan has two main pillars: plant refurbishment and underground mine dewatering. Denarius has engaged METSO Spain to lead refurbishment of the 5,000 tonnes per day processing plant through a staged program. A detailed assessment commenced last fall. That is the starting gate. From there, reconditioning work follows in Phase 2 and commissioning in Phase 3, both under METSO financing. Denarius believes refurbishment and commissioning will take no longer than eight months, reflecting the fact that the plant has been maintained in good condition.

Denarius is currently arranging the balance of the restart financing and

## Near-Term Producer of Low Carbon Metals in Europe

Centralized processing at the Rio Narcea plant located in Extremadura, Spain

- 5,000 tpd turnkey processing plant using conventional crushing, grinding and flotation processes
- Fully permitted
- Centrally located, accessible by paved highways with ample power distribution, sufficient sources of water, personnel, existing tailings storage areas and waste disposal areas

Hub strategy offers substantial benefits:

- Near-term production from re-start of operations in the existing underground mine at Aguablanca; offtake contract with Boliden in place
- Significantly reduces start-up capital costs at the Lomero and Toral Projects through the utilization of capacity available at the Rio Narcea processing plant as a central hub
- Streamlines environmental approval processes, as ore from Lomero and Toral will be transported to Aguablanca for processing rather than being treated on-site, potentially speeding up project approval and development timelines
- Facilitates growth pipeline as it makes other nearby small deposits economically viable, which would otherwise not be possible due to their size



expects Aguablanca to return to production by the end of 2026. The restart case presented by the company calls for processing more than 800,000 tonnes per year and producing approximately 70,000 tonnes per year of nickel-copper concentrates. A brownfields drill program is planned for later in 2026 to target reserve growth and test satellite mineralization, which is the natural progression once the operation is stable.

### NEW PARTNERSHIP

Beyond the operational ramp, Denarius has also started to widen the strategic perimeter around its Spanish assets. In February the company announced a collaboration with Saudi based ProGrowth as joint venture partners, aimed at establishing arrangements in the Kingdom of Saudi Arabia for

downstream processing, smelting and commercialization of material sourced from Lomero and Toral. The mandate also extends to identifying, acquiring, developing and operating gold and nickel mining concessions within the Kingdom, aligning the partnership with Saudi Vision 2030 and the country's push to build out its domestic mining and metals sector.

Serafino Iacono, Executive Chairman of Denarius Metals, commented, *“Aligned with Saudi Vision 2030, we look forward to building this alliance with ProGrowth to develop and commercialize metals and critical minerals from our projects in Spain and new projects in the KSA. ProGrowth is a well-established construction and engineering firm in the KSA, providing services for such companies as Maaden, Saudi Arabia’s leading mining company, and Saudi Aramco in the oil & gas sector. The collaboration with ProGrowth will open doors for Denarius Metals in the mining and metals sector in the KSA which could ultimately lead to a strategic equity investment in our Company”.*



# DENARIUS METALS



**EMERGING MULTI-ASSET PRODUCER POSITIONED FOR GROWTH**

**In Production at Colombia’s Newest Gold Mine**  
*Zancudo Project, Cauca Belt*

**Near-term critical metals production from one of the EU’s key Strategic Projects**  
*Aguablanca Project, Extremadura, Spain*

**Long-term critical metals growth in Spain**  
*Lomero Project, Iberian Pyrite Belt*  
*Toral Project, Leon Province*

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