

25 OCTOBER 2021

**ABOUT ADRIATIC METALS
(ASX:ADT, LSE:ADT1,
OTCQX:ADMLF)**

Adriatic Metals Plc is focused on the development of the 100%-owned, Vares high-grade silver project in Bosnia & Herzegovina, and exploration at the Raska base & precious metals project in Serbia.

DIRECTORS

Mr Michael Rawlinson
NON-EXECUTIVE CHAIRMAN

Mr Paul Cronin
MANAGING DIRECTOR & CEO

Mr Peter Bilbe
NON-EXECUTIVE DIRECTOR

Mr Julian Barnes
NON-EXECUTIVE DIRECTOR

Ms Sandra Bates
NON-EXECUTIVE DIRECTOR

Ms Sanela Karic
NON-EXECUTIVE DIRECTOR

adriaticmetals.com

QUARTERLY ACTIVITIES REPORT

**For the 3 months ended 30 September 2021
("Q3" or "Quarter")**

HIGHLIGHTS IN THE QUARTER

- Vares Silver Project, Bosnia & Herzegovina:
 - Exploitation Permit for the Rupice Underground Deposit received – final permit required to commence construction
 - Definitive Feasibility Study completed, with improved economics from the PFS: NPV₈ of US\$1,062 million, IRR of 134% and Capex of US\$168 million
 - Step-out exploration drilling intersected high-grade mineralisation 80m northwest of the Rupice Underground Deposit
- Cash balance at 30 September 2021 is £16.7 million
- Post quarter end, the company announced a project finance package of approximately US\$244.5 million:
 - Term sheet signed with Orion for US\$142.5 million debt financing ("Orion Debt Financing") package:
 - US\$120.0 million senior secured debt
 - US\$22.5 million copper stream
 - In addition, the Company completed an equity raise of approximately US\$102.0 million, consisting of:
 - a conditional equity subscription for US\$50.0 million by Orion
 - a conditional Placing of US\$52.0 million, conducted through an accelerated bookbuild process
- Together, the Orion Debt Financing of US\$142.5 million, the Orion Equity Subscription of US\$52.0 million and the Placing of US\$50.0 million form the US\$244.5 million project finance package
- Concurrently, Sandfire Resources Limited sold 34,600,780 CDIs, representing its entire holding in the Company
- Canaccord Genuity, RBC Europe and Stifel Nicolaus Europe acted as joint bookrunners in connection with the Placing and the Secondary Sale



Paul Cronin, Adriatic's Managing Director and CEO commented:

"The third quarter of 2021 was another transformational period for the company. We delivered a number of significant milestones, most notably the Rupice Exploitation Permit and the Definitive Feasibility Study. The 2021 DFS confirms the robust economics of the Vares Silver Project, while simplifying many aspects of the project compared with the 2020 PFS.

The award of the Rupice Exploitation Permit, which is the final permit required for construction of the Vares Project, is testament to the support for all aspects of both community and Government. It was a complex and multi-faceted process and I am extremely proud of our team for executing it within such a short period of time.

The discovery of a new mineralised zone beyond the northwest extents of the Rupice orebody is very exciting and we will continue to focus on this area to better determine its potential."

Adriatic Metals PLC (ASX:ADT, LSE:ADT1, OTCQX:ADMLF) ("Adriatic" or the "Company") is pleased to provide the following Quarterly Activities Report ("QAR") that summarises the progress made and reported during the three months ended 30 September 2021 ("Q3" or "Quarter").

1. Final Key Permit for Vares Project: Rupice Exploitation Permit

On 19 July 2021, the Company announced that it had received the Exploitation Permit for the Rupice underground deposit ("Rupice"), from the Bosnian Federal Ministry for Energy, Mining and Industry ("FMERI"). The approval reflects the continued support for the Vares Project from both Government and local stakeholders, which were actively engaged throughout the application process.

The application for the Exploitation Permit was a technically focussed procedure, representing the last remaining permit required in order for construction to commence and gives Eastern Mining, the Company's wholly owned Bosnian subsidiary, the right to mine and process ore, from Rupice, in accordance with the Concession Agreement and Elaborate of Ore Reserves. The Company previously received from FMERI the Veovaca Exploitation Permit on 28 January 2021, which covers the proposed site of the Vares Processing Plant.

2. Adriatic Metals Upgrades to OTCQX

On 21 July 2021, the Company announced that it had qualified to upgrade onto the OTCQX® Best Market ("OTCQX"), the OTC Markets Group's premier market for established companies seeking U.S. investors. Adriatic will commence trading today on the OTCQX under the symbol 'ADMLF'. By upgrading to the OTCQX, Adriatic enables its current and prospective U.S. investors improved market visibility, increased trading liquidity and the most up-to-date information otherwise not found on the Pink® market.

Approximately 20% of the Company's investor base is in North America. Adriatic has upgraded to the OTCQX from the Pink® market, where it has traded for just over 12 months. The Company will continue to trade under the same ticker symbol, ADMLF. ADMLF represents the Company's CHESSE Depository Interests ("CDIs") listed on the Australian Stock Exchange ("ASX"). Therefore, trading volume in ADMLF on the OTCQX will be shown as volume traded in ADT shares on the ASX.

3. Step Out Drill Results Northwest of Rupice



On 10 August 2021, Adriatic reported assay results from drill hole BR-02-21 at Rupice. Drilling yielded a 21m thick interval, stepping out 80m northwest of the existing Rupice Mineral Resource:

- 21.1 metres at 576g/t AgEq or 17.8% ZnEq (296g/t Ag, 5.5% Zn, 3.7% Pb, 1.2g/t Au, 0.2% Cu, 80% BaSO₄, 0.1% Sb) from 338.6 metres, including;
 - 6.8 metres at 655g/t AgEq or 20.2% ZnEq (387g/t Ag, 6.2% Zn, 4.2% Pb, 0.8g/t Au, 0.2% Cu, 79% BaSO₄, 0.1% Sb) from 339.2 metres

Drilling continues to be focused in the northern area surrounding the high-grade intersection encountered in drill hole BR-02-21 at Rupice. Due to the size of the step-out, it is yet to be determined whether this reported mineralisation is the extension of the previously defined Rupice orebody or a separate ore zone. The reported interval is a massive sulphide replacement of dolomitic breccia, which is analogous with the primary mineralisation style of the Rupice orebody.

4. Vares Project Definitive Feasibility Study

On 19 August 2021, the Company announced the results of the Definitive Feasibility Study ("2021 DFS") for the Vares Silver Project in Bosnia & Herzegovina, which had been completed by a number of international consultants and coordinated by Ausenco Pty Ltd ("Ausenco").

HIGHLIGHTS

- Simplified process design de-risks project execution:
 - Veovaca open pit removed from scope of study
 - Reduction of concentrate products from four to two; recovery of barite and sulphide (pyrite) concentrates deferred.
 - Veovaca open pit, barite recovery and sulphide (pyrite) recovery to be considered in a future development phase
- 48% of revenues from payable silver and gold
- Completion of 2021 DFS paves the way for Adriatic to be the first publicly listed mining company in Bosnia & Herzegovina
- Metallurgical and geo-metallurgical test work ongoing post-DFS, targeting continuing improvement in recoveries
- ESIA and concentrate offtake work streams well advanced and progressing in line with the Company's expectations

Key Metrics 2021 DFS vs 2020 PFS

KEY METRIC	UNIT	2021 DFS	2020 PFS
Post-tax NPV (8%) ¹	US\$ million	1,062	1,040
Post-tax Internal Rate of Return ¹	%	134%	113%
Project Payback from First Production ¹	years	0.7	1.2
Initial Capital Costs	US\$ million	168	173
Total Mined Tonnes to Plant	Mt	7.3	11.1
Life of Operation	years	10	14
Cash Cost ^{1,2}	US\$/AgEq ounce	7.0	9.5
All-in Sustaining Cost (AISC) ^{1,3}	US\$/AgEq ounce	7.3	9.7
Average Annual AgEq Production Years 1-5	koz/year	14,975	15,302



Underground Mining Costs (mined)	US\$/t mined	24.1	27.6
Underground Mining Costs (milled)	US\$/t milled	30.0	31.9
Processing Costs	US\$/t milled	30.3	31.5
G&A Costs	US\$/t milled	7.7	4.8
Refining & Freight Costs	US\$/t milled	35.7	52.1
Revenue¹	US\$/t milled	376.9	296.1
Average Annual EBITDA Years 1-5¹	US\$ million	281.1	251.0
Profitability Index¹	(Post-Tax NPV ₈ /CAPEX)	6.3	6.0

1. Silver Price US\$25/oz, Zinc Price US\$3,000/t, Lead Price US\$2,300/t, Copper Price US\$9,500/t, Gold Price US\$1,800/oz, Antimony Price \$2,300/t

2. Cash costs are inclusive of mining costs (US\$/t milled), processing costs, site G&A, refining & freight and concession fees (3.90 BAM per mt of Run of Mine)

3. AISC are inclusive of cash costs plus sustaining capital, closure cost, salvage value

The principal considerations at the outset of the 2021 DFS were;

- Optimise the mine plan to maintain consistent high-grade feed for as long as possible
- Take into consideration the prevailing market conditions
- Maximise revenue received from concentrate sales
- Optimise operational efficiency and reduce costs
- Reduce potentially adverse environmental, social, and economic impacts
- Minimise project execution risks

The resulting simplified process design de-risks the project execution. This has included the removal of the Veovaca open pit from scope of study; the reduction of concentrate products from four to two, with the recovery of barite and sulphide (pyrite) concentrates deferred. The Veovaca open pit, barite recovery and sulphide (pyrite) recovery to be considered in a future development phase.

i. Modified Underground Mine Plan

The 2021 DFS mine plan is focused on mining the high-grade sections of the Rupice deposit as early as possible and delivering consistent high-grade feed to the Vares Processing Plant for as long as possible. As a result, the mine plan was modified to accommodate new lower (ingress) and upper (egress) declines for optimised access, which also improves operational flexibility and safety.

The Ore Reserve tonnage of Rupice has decreased from 8.4 Mt to 7.3 Mt, while the Ore Reserve grade increased from 463g/t AgEq to 485g/t AgEq. This was due to the application of updated Net Smelter Return cut-offs by ore type determined during geo-metallurgical domaining and metallurgical testwork. The average dilution factor increased from 10% to 13%, taking into account the potential spalling of backfill from adjacent primary stopes when mining secondary stopes.

An additional third decline will be built, replacing the previously considered raisebore, dedicated solely for ventilation. Use of a ventilation decline rather than the vent-raisebore removes the risks associated in the near-surface ground conditions and provides an improved emergency egress. The third decline can also provide additional access for ore-haulage later in the mine life by relocating the ventilation fans.

ii. Removal of Veovaca open pit from the mine plan

The Vares Processing Plant has been designed around the ore from the Rupice Underground Mine, as this is the highest value ore. Processing of ore from the Veovaca open pit, without modifying this process design,



is anticipated to produce concentrates with marginal project economics. Further metallurgical test work and engineering will be undertaken to better understand how a higher value concentrate can be produced. Therefore, it was decided to defer the Veovaca open pit from the DFS mine plan until further work has been completed.

As the DFS does not include the mining of the Veovaca open pit, this reduces the tonnage of tailings that will require storage in the TSF by 1.91 Mt over life of mine. Additionally, mining the Veovaca open pit would have also required stripping waste rock to access the ore, which would also require a dump area with a capacity to store 8.64 Mt of waste rock. Total tailings and waste from mining Veovaca would have been 10.6 Mt.

iii. Removal of the barite concentrate circuit

Market research conducted by an independent barite marketing expert concluded that, while the barite concentrate produced by the Vares Processing Plant had a suitable end-market, the current weak demand for and prices of barite and the high shipping rates negatively affected its contribution to the project. The price for barite is correlated in oil and gas exploration activity, due to its primary use as a drilling mud.

By not recovering the barite concentrate, reduces the project execution risk by removing 200kt of concentrate movement in the first year of Commercial Production and in excess of 1.1Mt over first 5 years.

iv. Removal of the sulphide (pyrite) concentrate circuit

The sulphide (pyrite) concentrate was developed and introduced as a process to remove sulphide minerals from the barite concentrate to improve the quality of the barite. It was a preceding flotation stage to the barite flotation, and it followed the silver-lead and zinc flotation stages. The sulphide (pyrite) concentrate produced was found to contain reasonable quantities of gold and silver and the marketing team found potential buyers. Further validation of the detailed market during the DFS, resulted in a lack of confidence in the marketability of the sulphide (pyrite) concentrate. Therefore, the Company took the decision to remove the sulphide (pyrite) concentrate from the DFS taking into account that the barite was also not going to be included at this time.

v. Optimised comminution design

The process flow sheet was optimised with the introduction of a three-stage crushing plant processing ore for the Vares Processing Plant, as well as waste rock for aggregates for the backfill plant. This eliminated the need for the Semi-autogenous Grinding Mill in the Vares Processing Plant saving US\$1.8 million and further reducing project execution risk.

5. Project Finance Package for the Vares Silver Project

Post quarter end, on 13 October 2021, the company announced a project finance package of approximately US\$244.5 million, before expenses, for the construction of the Company's flagship Vares Silver Project.

Highlights

- Adriatic Metals and Orion Resource Partners (UK) LLP ("Orion") have signed a term sheet for a US\$142.5 million Orion Debt Financing package, comprising of:
 - US\$120.0 million senior secured debt; and



- US\$22.5 million copper stream.
- The Orion Debt Financing remains subject to ongoing due diligence and definitive legally binding documentation, which is expected to be completed during Q4 2021.
- In addition to the Orion Debt Financing, the Company completed an equity raise of approximately US\$102.0 million, consisting of:
 - a conditional placing of approximately US\$52.0 million (the “Placing”), conducted through an accelerated bookbuild process.
 - a conditional equity subscription for US\$50.0 million by Orion (the “Orion Equity Subscription”).
- Together, the Orion Debt Financing of US\$142.5 million, the Orion Equity Subscription of US\$52.0 million and the Placing of US\$50.0 million form the US\$244.5 million project finance package.
- The net proceeds of the Orion Equity Subscription and Placing is £72.2 million (approximately US\$97.8 million) and will be used to commence construction of the Vares Silver Project. A Notice of a General Meeting to approve the resolution required to implement the Orion Equity Subscription and the Placing (together, the “Equity Fundraise”) which is set out in a circular that was dispatched to shareholders on 13 October 2021 (the “Circular”). In addition, the Company published a prospectus in connection with the Equity Fundraise. This is available on the Company’s website.
- Concurrent with the Equity Fundraise, Sandfire Resources Limited sold 34,600,780 CDIs, representing its entire holding in the Company (“Secondary Sale”).
- The Equity Fundraise and Secondary Sale were priced at £1.5174 per New Ordinary Share (AU\$2.801 per CHESS Depository Interest representing such New Ordinary Shares), representing a discount of approximately 10.7 per cent. to the 10-day volume weighted average price on the Australian Securities Exchange (“ASX”) to 12 October 2021.
- Canaccord Genuity Limited, RBC Europe Limited and Stifel Nicolaus Europe Limited acted as joint bookrunners in connection with the Placing and the Secondary Sale.

6. Other Related News

Work continues on the development of the Vares Silver Project with ongoing site preparatory activities, as well as finalising the detailed engineering for the underground mine, processing plant and associated surface infrastructure.

Collin Ellison has joined the company as Project Director and is responsible for the construction and commissioning of the Vares Silver Project. Collin brings over forty years of experience managing, building, implementing and operating multiple open pit and underground mines globally. During his career, Mr. Ellison has built and operated resource projects and companies in Africa, Australia, S.E. Asia, Central Asia and North America. He was previously President & CEO of Goldbelt Resources that developed the Inata Gold Project in Burkina Faso and President & CEO of PMI Gold Corporation that developed the Obatan Gold Project in Ghana. Prior to this Collin was Project Director at Olympic Dam, and Operations Manager at Newmont and Mine Manager at Freeport McMoran.

Negotiations are advanced for the Engineering, Procurement and Construction (“EPC”) contractor, as well as the underground mining contractor. In addition, several other key positions have been recruited in the project development and operations team.



7. Summary of Expenditure

A summary of operating and investing expenditure made by Adriatic on a consolidated basis during the Quarter in relation to operating and investing activities reported in the Appendix 5B Cash Flow Report is as follows:

	GBP'000
Exploration & Evaluation (capitalised)	2,205
Exploration & Evaluation (expensed)	1,039
Staff costs	624
Administration and corporate costs	876
Property, plant and equipment acquisitions	99
Interest paid	316
Other – VAT Refunds & Proceeds of fixed asset disposal	<u>(74)</u>
Total	<u>£ 5,085</u>

8. Payments to Related Parties

During the Quarter, Adriatic paid an aggregate total of £243k to Directors, or companies controlled by them, comprised of salaries, fees and reimbursement / recharge of corporate office facilities & associated services used / provided by the Company. This is disclosed in Item 6 of the accompanying Appendix 5B Cash Flow Report.



9. Tenement Holdings

In accordance with ASX Listing Rule 5.3.3 please find below the Company's tenements as at 30 September 2021. The Company holds a 100% interest in all concession agreements and licences via its wholly owned subsidiaries, with the exception of the Raska (Suva Ruda) licence held by Deep Research d.o.o.. The Company does not hold an equity interest in Deep Research d.o.o. but has an option agreement pursuant to which it may acquire the entire share capital of Deep Research d.o.o..

	Concession document	Registration number	License holder	Concession name	Area (km ²)	Date granted	Expiry date
Bosnia and Herzegovina	Concession Agreement	No.:04-18-21389-1/13	Eastern Mining d.o.o.	Veovaca1	1.08	12-Mar-2013	11-Mar-2038
				Veovaca 2	0.91	12-Mar-2013	11-Mar-2038
				Rupice-Jurasevac, Brestic	0.83	12-Mar-2013	13-Mar-2038
	Annex 3 - Area Extension	No.: 04-18-21389-3/18	Eastern Mining d.o.o.	Rupice - Borovica	4.52	14-Nov-2018	13-Nov-2038
				Veovaca - Orti - Seliste - Mekuse	1.32	14-Nov-2018	13-Nov-2038
	Annex 5 - Area Extension	No: 04-18-14461-1/20	Eastern Mining d.o.o.	Barice- Smajlova Suma-Macak	19.33	03-Dec-2020	03-Dec-2050
				Droskovac - Brezik	2.88	03-Dec-2020	03-Dec-2050
				Borovica - Semizova Ponikva	9.91	03-Dec-2020	03-Dec-2050
	Serbia	Exploration License	310-02-1721/2018-02	Ras Metals d.o.o.	Kizevak	1.84	03-Oct-2019
Exploration License		310-02-1722/2018-02	Ras Metals d.o.o.	Sastavci	1.44	07-Oct-2019	16-Oct-2022
Exploration License		310-02-1114/2015-02	Taor d.o.o.	Kremice	8.54	21-Apr-2016	26-Jul-2022
Exploration License		310-02-00060/2015-02	Deep Research d.o.o.	Raska (Suva Ruda)	87.17	28-Dec-2015	18-Feb-2022



Authorised by, and for further information please contact:

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ABOUT ADRIATIC METALS

Adriatic Metals PLC (ASX:ADT, LSE:ADT1, OTCQX:ADMLF) is a precious and base metals developer that is advancing the world-class Vares Silver Project in Bosnia & Herzegovina, as well as the Raska Zinc-Silver Project in Serbia.

The 2021 Vares Silver Project Definitive Feasibility Study boasts robust economics of US\$1,062 million post-tax NPV8, 134% IRR and a capex of US\$168 million. The Company is well-funded and concurrent with the advancing the Vares Silver Project into construction, it continues to explore across its highly prospective 41km² concession package.

Adriatic Metals completed the acquisition of TSX-listed explorer Tethyan Resource Corp. in Q4 2020, which contained the Raska Zinc-Silver Project in southern Serbia. The Company is exploring across its 99km² highly prospective concession area, which includes around the formerly operating Kizevak and Sastavci polymetallic mines.

There have been no material changes to the assumptions underpinning the forecast financial information derived from the production target in the 19 August 2021 DFS announcement and these assumptions continue to apply and have not materially changed. Adriatic Metals is not aware of any new information or data that materially affects the information included in the announcement of the updated Mineral Resource Estimate announced on 1 September 2020 and all material assumptions and technical parameters underpinning the Mineral Resource Estimate continue to apply and have not materially changed.



Rule 5.5

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

ADRIATIC METALS PLC

ABN

624 403 163

Quarter ended ("current quarter")

30 SEPTEMBER 2021

Consolidated statement of cash flows	(a) Current quarter GBP'000	(b) Year to date (9 months) GBP'000
1. Cash flows from operating activities		
1.1 Receipts from customers	0	0
1.2 Payments for		
(a) exploration & evaluation (if expensed)	(1,039)	(2,238)
(b) development	0	0
(c) production	0	0
(d) staff costs	(624)	(1,718)
(e) administration and corporate costs	(875)	(2,900)
1.3 Dividends received (see note 3)	0	0
1.4 Interest received	0	0
1.5 Interest and other costs of finance paid	(316)	(1,034)
1.6 Income taxes paid	0	0
1.7 Government grants and tax incentives	0	0
1.8 Other - VAT refund	72	131
1.9 Net cash from / (used in) operating activities	(2,783)	(7,759)



Consolidated statement of cash flows	(a) Current quarter GBP'000	(b) Year to date (9 months) GBP'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	0	(1,189)
(b) tenements	0	0
(c) property, plant and equipment	(99)	(262)
(d) exploration & evaluation (if capitalised)	(2,205)	(6,064)
(e) investments	0	0
(f) other non-current assets	0	0
2.2 Proceeds from the disposal of:		
(a) entities	0	0
(b) tenements	0	0
(c) property, plant and equipment	2	2
(d) investments	0	0
(e) other non-current assets	0	0
2.3 Cash flows from loans to other entities	0	0
2.4 Dividends received (see note 3)	0	0
2.5 Other	0	0
2.6 Net cash from / (used in) investing activities	(2,302)	(7,513)
3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	224	829
3.2 Proceeds from issue of convertible debt securities	0	0
3.3 Proceeds from exercise of options and warrants	1	1,192
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(108)	(264)
3.5 Proceeds from borrowings	0	0
3.6 Repayment of borrowings	0	0
3.7 Transaction costs related to loans and borrowings	0	(143)
3.8 Dividends paid	0	0



Consolidated statement of cash flows		(a) Current quarter GBP'000	(b) Year to date (9 months) GBP'000
3.9	Other (Pre-acquisition loan to Tethyan)	0	0
3.10	Net cash from / (used in) financing activities	117	1,614

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	20,837	29,249
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,783)	(5,044)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,302)	(4,873)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	117	1,391
4.5	Effect of movement in exchange rates on cash held	784	1,148
4.6	Cash and cash equivalents at end of period	16,653	16,653

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	(c) Current quarter GBP'000	(d) Previous quarter GBP'000
5.1	Bank balances	16,653	20,837
5.2	Call deposits	0	0
5.3	Bank overdrafts	0	0
5.4	Other (provide details)	0	0
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	16,653	20,837



6.	Payments to related parties of the entity and their associates	(e) Current quarter GBP'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	243
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0
Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	(f) Total facility amount at quarter end GBP'000	(g) Amount drawn at quarter end GBP'000
7.1	Loan facilities	14,510	14,510
7.2	Credit standby arrangements	0	0
7.3	Other (please specify)	0	0
7.4	Total financing facilities	14,510	14,510
7.5	Unused financing facilities available at quarter end		0
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
The loan facilities comprise USD 20 million unsecured convertible debentures at 8.5% interest and a maturity date of December 2024 issued to Queen's Road Capital Investment Ltd. For further details see announcement dated 27 October 2020.			

8.	Estimated cash available for future operating activities	(h) GBP'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(2,783)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(2,205)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(4,988)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	16,653
8.5	Unused finance facilities available at quarter end (Item 7.5)	0
8.6	Total available funding (Item 8.4 + Item 8.5)	16,653
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	3.3
8.8	If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	



1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 21 October 2021

Authorised by: *Audit and Risk Committee*
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.