



Adriatic Metals

Europe's new source of strategic metals

Interim Results & Project Update

September 2022

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In accordance with ASX Listing Rule 5.23, the Company confirms that the Exploration Results disclosed in this presentation were first disclosed in accordance with ASX Listing Rule 5.7 in the Company's announcements dated 11 May 2020, 2 Sept 2020, 3 Dec 2020 & 27 Jan 2021. The Company confirms that it is not aware of any new information or data that materially affects the information included in the previous announcements.

The Mineral Resource estimate for the Rupice underground deposit comprising part of the Vares Silver Project was announced in accordance with ASX Listing Rule 5.8 on 1 September 2020. The Company confirms that it is not aware of any new information or data that materially affects the information included in the previous announcement and that all material assumptions and technical parameters underpinning the estimate in the previous announcement continue to apply and have not materially changed.

The Ore Reserve estimate for the Rupice deposit was announced in accordance with ASX Listing Rule 5.9 on 19 August 2021. The Company confirms that it is not aware of any new information or data that materially affects the information included in the previous announcement and that all material assumptions and technical parameters underpinning the estimate in the previous announcement continue to apply and have not materially changed.

In accordance with ASX Listing Rule 5.19, the Company confirms that the production targets and forecast financial information for the Vares Project disclosed in this presentation were first disclosed in accordance with ASX Listing Rules 5.16 and 5.17 in the Company's announcement dated 19 August 2021. The Company confirms that all the material assumptions underpinning the production target and the forecast financial information in the previous announcement continue to apply and have not materially changed.

The Company is required to report reserves and resources in accordance with JORC 2012. You should note that while the Company's reserve and resource estimates comply with the JORC 2012, they may not comply with the relevant guidelines in other countries and, in particular, do not comply with (i) National Instrument 43-101 (Standards of Disclosure for Mineral Projects) of the Canadian Securities Administrators and (ii) Industry Guide 7, which governs disclosures of mineral reserves in registration statements filed with the US Securities and Exchange Commission. Information contained in this presentation describing the Company's mineral deposits may not be comparable to similar information made public by companies subject to the reporting and disclosure requirements of Canadian or US securities laws. In particular, Industry Guide 7 does not recognise classifications other than proven and probable reserves and, as a result, the SEC generally does not permit mining companies to disclose their mineral resources in SEC filings. You should not assume that quantities reported as "resources" will be converted to reserves under the JORC Code or any other reporting regime or that the Company will be able to legally and economically extract them.

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Corporate strategy

Build long term value for shareholders

Generate near-term cash flow

- Focused on bringing Vares to production
- Generate consistent operating track record
- Build cash reserves

Extend Vares mine life to 20+ years

- Continue exploration to add ore reserves to mine plan
- Explore new greenfield opportunities within existing Vares concession

Multi asset diversification

- Target value accretive assets
- Focus on Europe
- Adopt disciplined capital allocation



Adriatic Metals



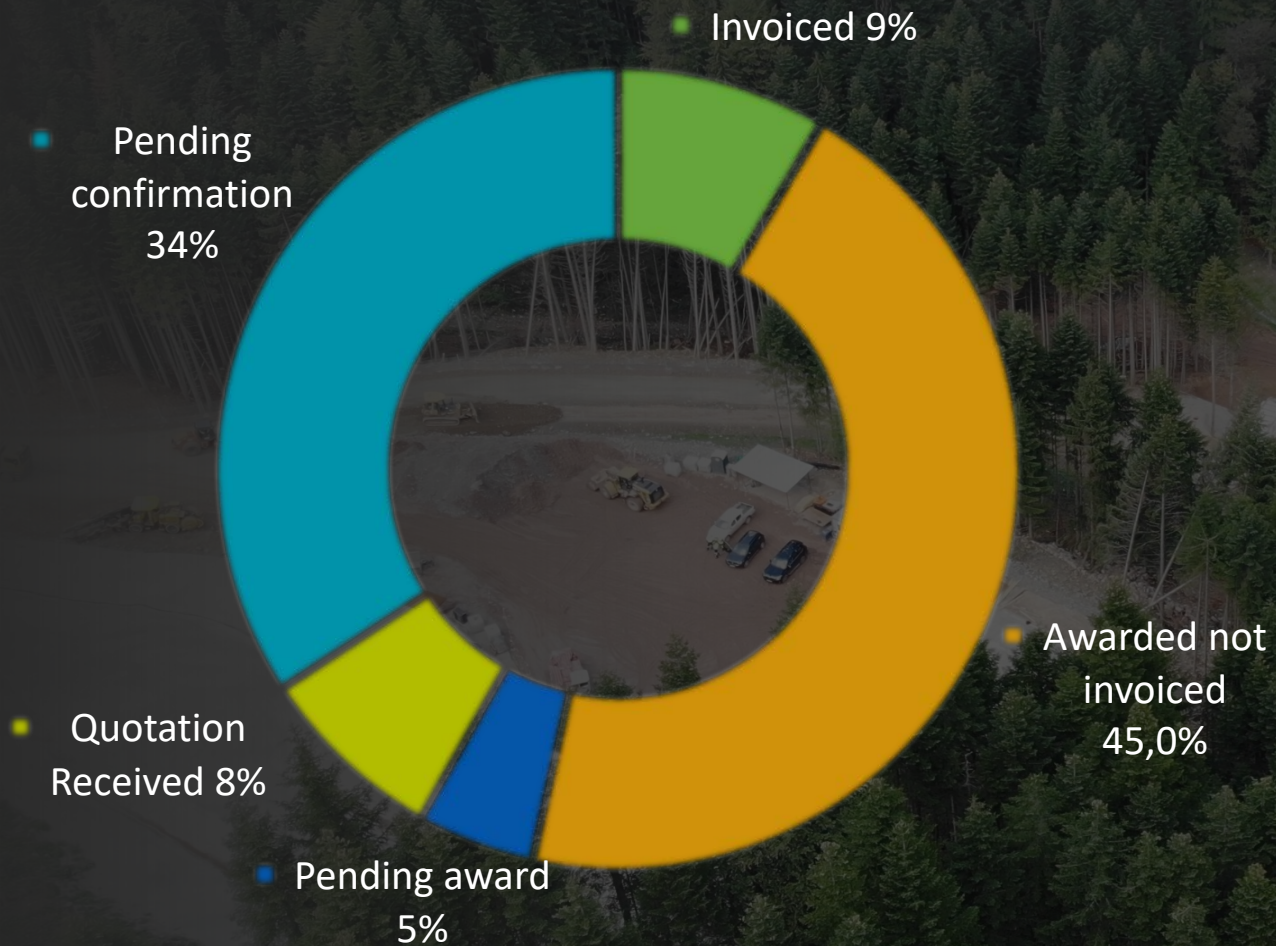
Half Year Results

Transition from Explorer to Developer

Financial Update (all amounts in USD, following change in presentation currency from GBP to USD):

- Cash at 30 June 2022 – \$83.4m (31 August 2022 - \$69m) .
- Total decrease in cash of \$29.1m, reflecting Vares Project construction and exchange losses on cash held in euros
- Operating loss of \$4.9m, lower than Prior Period loss of \$6.3m as higher G&A costs were offset by decreases in share based payments and exploration.
- Finance expense of \$5.5m, higher than Prior Period expense of \$1.6m due to exchange losses.
- Revaluation gain on derivative liability of \$1.5m, lower than Prior Period gain of \$3.4m due to movement in the fair value of the embedded option in the QRC convertible bond.
- First time recognition of closure provision and IFRS 16 lease liability related to mining equipment delivered under the mining services contract, both reflecting Vares Project progress.

Project development budget



- 2021 DFS Capex budget of US\$ 168.2m
- Significant inflationary pressure has been well managed via;
 - Well planned procurement processes
 - Intelligent execution of engineering design
 - Increased use of local suppliers
- With 66% of total capital costs known total project capex spend expected to be US\$ 170.0m
- 34% of costs pending confirmation primarily relate to remaining Rupice earthworks and haul road construction.
- US\$ 10.0m of cost contingency yet to be used

Project development timeline

	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Construction decision / development starting	✓						
Order long-lead mechanical equipment items	✓	✓	✓				
Underground decline development of upper and lower portals at Rupice		✓	✓				
Vares Processing Plant site construction		✓	✓				
Haul road construction			✓				
Underground development reaches orebody / stoping starts							
Commence plant commissioning							
First production / export							



Project Update

Rapid Underground & Surface Development

- Main Mining Contractor accelerating underground development:
 - Lower Decline – 141m (1 Sep) advancing 2.6m/day in Aug
 - Upper Decline – 23m (1 Sep) advancing 1.5m/day in Aug
- Surface earthworks continuing to schedule, section 1 of Haul Road underway, contractor mobilizing to start section 5
- Vares Processing Plant foundations finalizing
- Civils contractor preparing to erect building frames, on schedule to complete buildings ahead of winter
- Ore & concentrate haulage contract out for tender
- Confirmation & Definition drilling 6,273m of 2022 planned 9,623m complete
- Exploration drilling 4,161m of 2022 planned 9,716m completed
- Staff count 164, Contractor count 158

Rupice



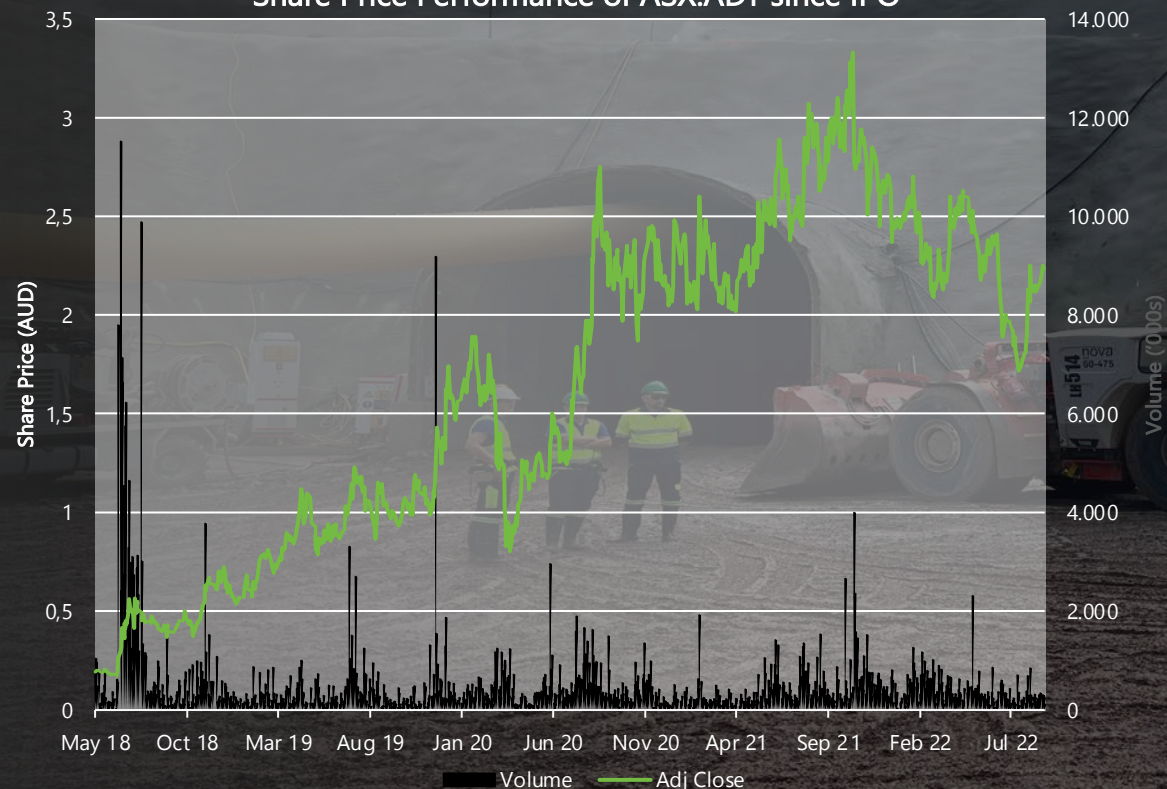
Vares Processing Plant



Corporate structure

Market capitalisation trading at <0.4x to NAV

Share Price Performance of ASX:ADT since IPO



1. As at 31 August 2022
2. Estimated cash balance as at 31 August 2022. All currency rates as of 31 August 2022, except for convertible loan (see note 3).
3. US\$20m convertible note issued by Queens Road Capital, as announced 27 Oct 2020; 8.5% coupon with a conversion price of A\$2.7976 – equivalent to circa 9.5m shares. This will be redeemed from existing cash balance prior to drawdown of Orion debt facility.
4. The Orion debt facility is excluded from the enterprise value calculation as it has not yet been drawn down and spent (see Slide: [Vares project financing package](#) for more information)
Numbers may not add up due to rounding

Analyst Coverage

Canaccord Genuity	Tamesis Partners
Royal Bank of Canada	Stifel Nicholas Europe

Shareholder Breakdown

Helikon Investments	16.0%
Founders, Board & Management	14.7%
Orion Resource Partners	9.1%
Fidelity	4.6%
Datt Capital	3.0%
Old West Investment	2.5%
Global X	2.4%
European Bank for Reconstruction & Development	2.0%
Premier Miton	1.7%
Genesis Investment Management	1.5%
Janus Henderson	1.3%

Capital Structure

Ticker	LSE:ADT1	OTC:ADMLF	ASX:ADT
Share Price ¹	£1.278	US\$1.48	A\$2.28
Outstanding Shares on Issue ¹		266.5M	
Options, Perf. Rights & Warrants ¹		16.0M	
Convertible Debentures ³		9.5M	
Fully Diluted Share Capital ¹		292.0M	
Market Cap¹	£373M	US\$432M	A\$666M
Cash ²	£59M	US\$69M	A\$101M
Convertible Debt ³	£17M	US\$20M	A\$29M
Enterprise Value	£297M	US\$343M	A\$536M
Orion Debt Facility (undrawn) ⁴	£123M	US\$143M	A\$209M

Investment highlights

Europe's new source of strategic metals



One of the highest margin polymetallic projects



Fully funded to production with healthy cash buffer



Strong local & government support – social licence to operate and fully permitted



Precious & base metal exposure



High-quality shareholder register



Best global practices in all areas of sustainability

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