

30 December 2022

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

VARES PROJECT DEBT DRAWDOWN

HIGHLIGHTS

- All conditions precedent for the first tranche of \$30m of the \$142.5 million Orion Debt Package have been satisfied and these funds have been received.
- The few remaining conditions precedent for the \$22.5m Copper Stream will be satisfied in January 2023. Following completion these funds will also be drawn down.
- Funds are to be used for construction of the Vares Project which is over 50% complete.
- No requirement to redeem the \$20m convertible bonds from Queen's Road Capital Investment Ltd ("QRC") (TSXV: QRC) thereby ensuring additional funds available for Project financing if required.
- The Vares Project is fully funded and on track to deliver first concentrate production in Q3 2023.
- All \$ amounts are US dollars.

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

"I am delighted that Adriatic has completed all conditions precedent to draw down the first tranche of the Orion Debt Package. The funds will be used to continue the construction of the world-class Vares Silver Project, which is already over 50% complete."

"This is another critical step towards de-risking the Project, and we remain on track to deliver first concentrates in Q3 2023."

"In the Orion team we have a professional finance partner that has a detailed understanding of the Vares Silver Project. Orion are aligned with our commitment to responsible mining and sustainability, via a \$100,000 donation to the Adriatic Foundation, which will support valued community and environmental initiatives in Vares & Kakanj."



Adriatic Metals PLC (ASX:ADT, LSE:ADT1, OTCQX:ADMLF) ("Adriatic" or the "Company") is pleased to announce that it has drawn down on the first \$30m tranche of senior secured debt (the "Senior Secured Debt") financing from Orion Resource Partners (UK) LLP ("Orion") for its flagship Vares Project in Bosnia & Herzegovina ("Project" or "Vares Project").

On 10 January 2022, Adriatic announced the completion of a \$142.5m debt financing package with Orion ("Orion Debt Package"), comprising:

- \$120m Senior Secured Debt; and
- \$22.5m copper stream (the "Copper Stream")

The first draw down of \$30m of the Orion Debt Package has now taken place, with all conditions precedent satisfied (or waived) and funds received on 30 December 2022.

All conditions precedent for the \$22.5m Copper Stream, apart from those relating to certain Bosnian law security documents, have been satisfied. These remaining procedural conditions will be satisfied in January 2023, allowing the Copper Stream to be drawn down shortly thereafter. The second, third and fourth tranches of the Senior Secured Debt will be drawn down in 2023 when required.

The \$142.5m Orion Debt Package and institutional equity raise of \$102m, that closed on 13 October 2021, make up the total \$244.5m Vares Project financing package. The Project is fully funded, with first concentrate production expected in Q3 2023. Orion also subscribed for \$50m (24,191,000 ordinary shares) in the institutional equity raise, making it a 8.9% shareholder in Adriatic.

On 30 November 2020 Adriatic issued \$20m 8.5% convertible bonds through a deed of covenant to Queen's Road Capital Investment Ltd. ("QRC") (TSXV: QRC). Concurrently to the first draw down of the Orion Debt Package, Adriatic and QRC have executed an amendment to the 30 November 2020 deed of covenant, confirming that Adriatic is not required to redeem the debentures and that the cash coupon has been increased from 8.5% to 9.5% per annum. All other terms of the original deed remain unchanged. As a result of this amendment, an additional \$20m (less interest) will be available for the Project funding, should it be required.

Adriatic Foundation

The debt financing package includes a donation by Orion to the Adriatic Foundation ("Foundation") comprising one or more annual payments of \$100,000 each (pro-rated where relevant) from the repayments of the Senior Secured Debt during the repayment period. The Adriatic Foundation was established in June 2021 with the objective of supporting the communities around the Vares Project. The Foundation supports initiatives in the local community that are designed to create a positive long-term legacy. The Foundation's initiatives are specifically focused on improving local education, healthcare and environmental protection in Vares and Kakanj.

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Market Abuse Regulation Disclosure

The information contained within this announcement is deemed by Adriatic (LEI: 549300OHAH2GL1DP0L61) to constitute inside information as stipulated under Article 7 of the Market Abuse Regulation (EU) No 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended ("UK Market Abuse Regulation").

The person responsible for arranging and authorising the release of this announcement on behalf of Adriatic is Paul Cronin, Managing Director and CEO.

For further information, please contact info@adriaticmetals.com or visit www.adriaticmetals.com; [@AdriaticMetals](https://twitter.com/AdriaticMetals) on Twitter

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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 Project in Bosnia & Herzegovina, as well as the Raska Project in Serbia.

The Vares Project is fully funded to first concentrate production, which is expected in Q3 2023. The 2021 Project Definitive Feasibility Study boasts robust economics of US\$1,062 million post-tax NPV₈, 134% IRR and a capex of US\$168 million. Concurrent with ongoing construction activities, the Company continues to explore across its highly prospective 42km² concession package.



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.