

29 April 2024

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 operation 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 three months ended 31 March 2024
("Q1" or "Quarter")

Q1 HIGHLIGHTS

Vares Silver Operation

- First concentrate production took place on 27 February 2024, with the official mine opening taking place on 5 March 2024.
- Underground development increased 27% compared to Q4 2023, cycle times reduced 31% quarter-on-quarter demonstrating improvements of the Accelerated Development Action Plan.
- Maiden production guidance was announced on 24 January 2024, with nameplate production expected in Q4 2024.
- The Vares Processing Plant is continuing to ramp up production with campaign processing to facilitate plant performance optimisation.
- Exploration drilling recommenced in February 2024 with a focus on the northern and southern extremities of Rupice.
- Staff headcount is 291 at the end of Q1.

Finance Update

- Cash balance at 31 March 2024 of \$46.7m.
- Fourth and final \$30m tranche of senior secured debt from Orion Mine Finance ("Orion") was drawn down on 23 January 2024. The total debt of \$120m now received by the Company.
- The first debt repayment is scheduled for 30 December 2024.
- On 4 March 2024 Queens Road Capital Investment Ltd. ("QRC") converted its \$20m bond into 10,981,770 Adriatic new ordinary shares of £0.013355 each.
- Adriatic remains fully funded for ramp up to nameplate production.
- All \$ amounts are US dollars.

Post Q1 events

- On 22 April 2024 Adriatic signed an agreement with its mining contractor Nova Mining and Construction d.o.o, ('Nova') to commence the transition for Adriatic to take over as owner-operator of Rupice Mine. The transition is envisaged to take approximately 60 days to complete.
- An additional debt facility of \$25m was secured from Orion on 22 April 2024.
- Adriatic staff headcount will increase following the termination of the Mining Services Contract with several Nova staff becoming Adriatic employees.
- First sale of concentrate is expected in Q2 2024.



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

"The first quarter saw Adriatic evolve into a polymetallic producer after only seven years since exploration began in Vares. We have delivered on crucial milestones; the production of first concentrates and the official opening of the Vares Silver Operation and therefore significantly de-risking the project. We look ahead to the first sale of concentrate and remain firmly on track to hit nameplate production in the fourth quarter of 2024.

As we ramp up production and continue our exciting exploration programme, we demonstrate our commitment to provide critical metals to Europe and build a sustainable modern mining company that will benefit all our stakeholders for many years to come."

Adriatic Metals PLC (ASX:ADT, LSE:ADT1, OTCQX:ADMLF) ("Adriatic" or the "Company") is pleased to provide an update on development and construction activities at the Vares Silver Operation in Bosnia and Herzegovina over Q1 2024.

1. HEALTH & SAFETY

At the end of Q1 2024, the Lost Time Injury Rate ('LTIFR') and Total Recordable Injury Rate ('TRIFR') are 1.03 and 1.32 respectively compared to Q4 2023 where LTIFR and TRIFR were 1.25 and 1.40 respectively.

The Company's focus over Q1 included:

- Improving Emergency Response Preparedness (additional equipment and scenario planning)
- Coaching and supporting operational leaders in field leadership safety interactions.
- Expansion of the Health and Safety Management System (implementing additional safe operating procedures and training)
- Enhancing internal safety communications.

2. OPERATIONS

Rupice Underground Mine

As at 31 March 2024, underground development is as follows:

- Upper decline: 1,290m project to date. Five cross-cuts established on the 1075 level.
- Lower decline: 1,489m project to date. The 975 intersection & 950 level access has been established.
- 70m of development remains prior to decline connection, which is scheduled for Q2 2024. This is on track to establish primary ventilation prior to the commencement of stoping in early Q3 2024.

In March 2024 there was 250m of underground development - a project monthly record. This is despite 41% of the underground requiring the highest level of ground support. This demonstrates the ongoing success of the Accelerated Development Action Plan implemented in June 2023.

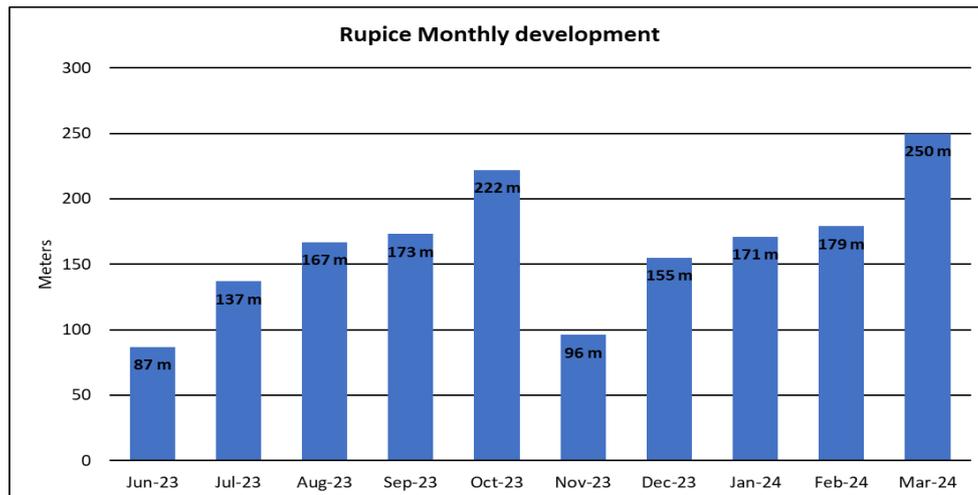


Figure 1: Graph showing Rupice monthly development

Post Q1 activity

The third jumbo was mobilised in April and is now operational. Further mechanical and electrical upgrades to the jumbos are scheduled in May to increase underground development over the next quarter.

Level development is progressing well on 1075, 1050, 975 and 950 production levels, providing multiple ore development fronts for ramp up. The lower portal ventilation bypass drive development is also progressing well. First stopes are expected to be reached in July 2024 and steady state production is on track for Q4 2024.

There has been a solid retention of experienced mining operators at Rupice with 23 experienced expatriates now employed directly by Adriatic. The Geotechnical Superintendent has been onboarded and a new Head of Mining has been hired and will be commencing in the first week of May 2024.

During the preparation for the transition to owner mining, several opportunities have been identified to localise procurement of mining consumables, as well as other changes that will de-risk supply chain, and ultimately reduce costs. Long term consumable contracts have been established for ground support and ventilation, and the drill consumables contract is currently out for tender.

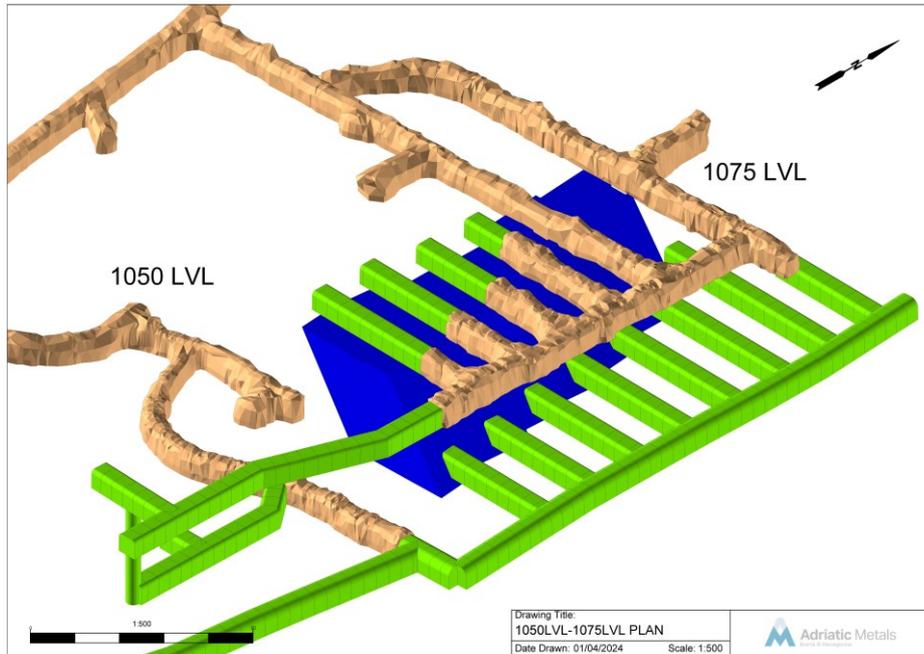


Figure 2: Rupice 1050-1075 Level Plan

Brown solids as-built development as at 19 April 2024, blue solids planned slopes and green solids planned

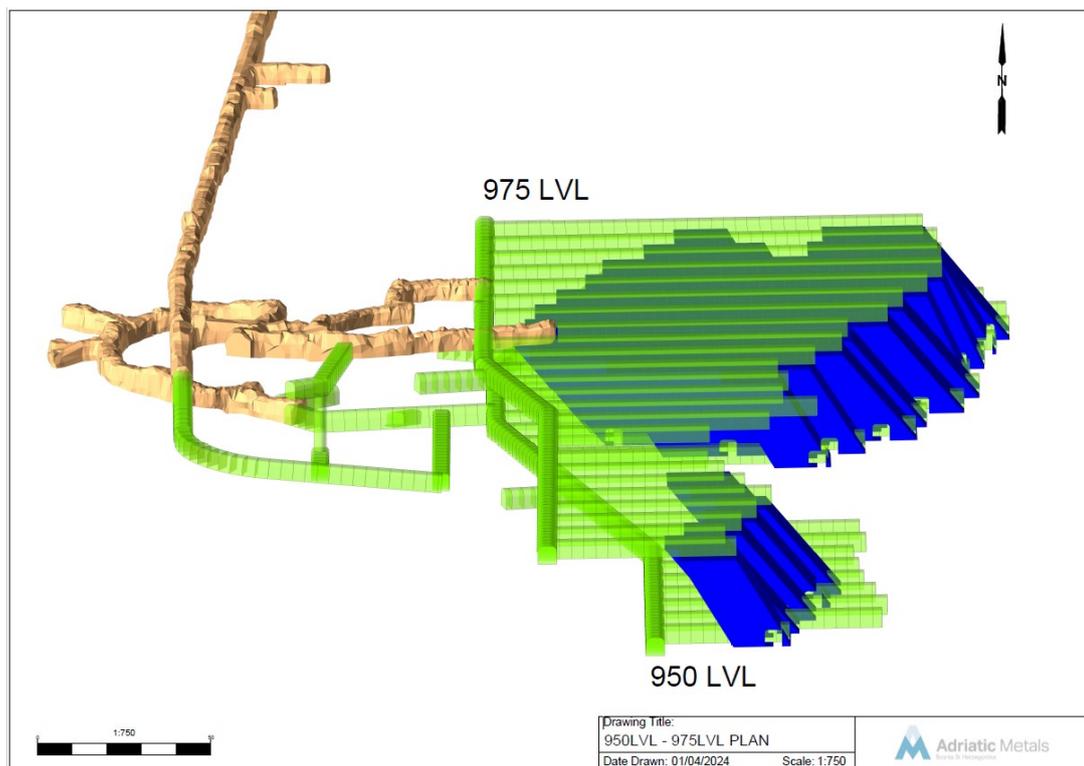


Figure 3: Rupice 950 - 975 Level Plan

Brown solids as-built development as at 19 April 2024, blue solids planned slopes and green solids planned



Maiden Production Guidance

On 24 January 2024 Adriatic announced its maiden production guidance for the full years 2024, 2025 and 2026. The current guidance for the 2024 ramp-up year and future life of mine averages are based on the Mine Plan incorporating updated mine designs and the latest cost information.

	2024	2025	2026	2027-2040 (average)
Ore Mined (kt)	240-300	750-850	800-900	800-900
Zinc (%)	4.5-5.9	5.8-7.8	6.1-8.1	4.6-6.1
Silver (g/t)	261-348	259-345	211-281	160-214
Lead (%)	3.2-4.2	3.6-4.9	3.5-4.7	2.9-3.9
Copper (%)	0.5-0.6	0.5-0.7	0.5-0.7	0.4-0.5
Gold (g/t)	2.1-2.8	2.4-3.2	2.1-2.8	1.2-1.6

Figure 4: Maiden production guidance

The grade control contractor has been mobilised with the drilling programme expected to identify opportunities for further optimisation of the mine plan and reduce development costs. Grade control drilling for the first stope on the 1050 Level will be commencing in early May. Adriatic is in the process of conducting formal studies to confirm plant throughput can be increased to over 1Mtpa, to align with anticipated mine production.

Transition to Mining Operator at Rupice Mine

On 20 April 2024, Adriatic and Nova agreed to terminate the Mining Services Contract and enter into a settlement and termination agreement. Accordingly, Adriatic has commenced the transition process to take over as the mining operator at Rupice Mine.

The termination will involve payments to Nova totalling approximately \$11m, associated with the transfer of underground and surface equipment, spares and consumables inventory, leases, various infrastructure components and key personnel. The first payment to Nova is due shortly after signing of the termination agreement, with the final payment due once Adriatic has received the operating licence. Adriatic will also assume certain financing liabilities amounting to approximately \$6.5m for Sandvik underground mining equipment to be acquired by Adriatic.

Adriatic and Nova have agreed constructive transition arrangements to ensure a seamless handover of operations. This will be undertaken while Adriatic obtains an operating licence, which is currently held by Nova as mining contractor. The transition is envisaged to take approximately 60 days to complete.



Vares Processing Plant

Throughout Q1, the Vares Processing Plant has completed commissioning and first concentrate production took place on 27 February 2024. The Plant is undergoing further testing and continuing to ramp up production with campaign processing to facilitate plant performance optimisation.

The installation of the dust collectors is nearing completion with final electrical and mechanical tasks being completed prior to commissioning. For the Jameson cells, the structural steel and installation of the flotation cells has been completed. The assay laboratories (ALS and Metallurgy) are being commissioned and the usage permit for the metallurgical lab is expected in Q2 2024.

Key recruitment is ongoing with a metallurgical superintendent, two graduate metallurgists and a crusher supervisor onboarded in recent weeks. The Processing Plant will continue to ramp up to consistent production to nameplate processing capacity of approx. 65,000t per month by Q4 2024.

Ahead of first sale of concentrate expected in Q2 2024, the ore transportation infrastructure is prepared with rail and port agreements signed and ready to receive first shipments.

3. SUSTAINABILITY

Sustainability is a strategic imperative for Adriatic and the focus for the business is on incorporating environmental considerations, ensuring value creation for all stakeholders, responsible resource management, and regulatory compliance.

In Q1, the following documents were completed for regulatory compliance and published in the 2023 Annual Report: Full Carbon Footprint, LCA (Life Cycle Assessment) and Net Zero including Scopes 1, 2 and 3 - Feasibility Study. These reporting documents set a baseline against which future targets can be set and measured.

The Environmental Monitoring Plan for 2024, which is in accordance with permit legislation and EBRD standards, is being conducted at all specified locations, as outlined in the plan. All parameter values recorded are within acceptable limits, showing full compliance with environmental standards.

Throughout Q1, Adriatic continued to work closely and engage with all local stakeholders, with regular ongoing communication with the Vares and Kakanj communities. On 5 March 2024, Adriatic celebrated the inauguration of its mine at the Vares Processing Plant, an occasion attended by government officials and diplomats. The event continued in the town with Vares Fest, a local celebration featuring music, crafts, and cuisine. The milestone occasion underscored the mutually beneficial relationship between the Company and the local community, reaffirming Adriatic's steadfast dedication to sustainability and fostering strong community relations.

4. HUMAN RESOURCES

Country	Bosnia	Serbia	UK	Board	Total
Male (%)	173 (70%)	23 (72%)	5 (43%)	4 (67%)	205 (70%)
Female (%)	69 (26%)	9 (28%)	6 (57%)	2 (33%)	86 (30%)
TOTAL	242	32	11	6	291

Figure 5: Gender Division and Head Count Per Country of Operations as of 31 March 2024



Over the past three months, critical employee positions have been filled with a total of 24 national and 5 expatriates hired to key roles including Chief Sustainability Officer, Technical Executive Director, General Technical Manager, Laboratory Supervisor, Project Manager, Resource Manager, and others.

As Adriatic moves to mining owner-operator, there will be a transition period while a significant number of Nova staff will become direct Adriatic employees. Adriatic has established a highly skilled operations team who have planned and will oversee this integration process. Implementation has already commenced and a phased approach has been adopted and operations at the Rupice mine will continue uninterrupted. Approximately 200 new employees will be onboarded over the next two months and Adriatic will ensure that the process is managed in a fair and transparent manner for all employees.

5. EXPLORATION

Exploration drilling activities recommenced in late February 2024 following a winter shutdown period. Drilling started with diamond drill rigs at the northern and at the southern extremities of the Rupice resource. Two drill rigs completed 2,123.8m of diamond coring by the end of March from seven completed holes and two holes in progress.

Holes in the north of Rupice have infilled and stepped out from existing Inferred mineralization. Mineralization distribution was successfully defined within two strongly mineralized horizons and found to extend up-dip. The geometry and continuity were previously poorly defined. The Q1 drilling has shown that there is opportunity to repeat this success further to the north through systematic and targeted drilling to define a 150m wide, 10m to 20m thick massive sulphide zone northwards. Holes in the south of Rupice have infilled and effectively closed-out a 250m wide zone of massive and semi-massive sulphide, varying from 6m to 25m in thickness. Drilling in Q2 will continue to chase mineralization southwards into undrilled areas. Mineralization is continuous and sitting above a variable thickness spilite unit.

Preparations for drilling Droskovac were advanced in Q1. Access roads and drill pads were established in Forestry areas. Results were received from 2023 Droskovac drilling and combined with surface geochemistry and geophysical data sets. The continuity of the target Fe-Ag-Pb-Zn horizon was confirmed over a strike of 180m along the base of a >50m thick siderite zone (iron mineralization). Structural, lithological and geochemical modelling suggest the area drilled is part of a much larger mineralized system requiring a broader spaced program of drill holes to define and understand. Remapping and lidar survey of the Brezik open pit (iron ore) at the eastern end of the Droskovac underground trend showed mineralization within the open pit as correlating with the trend of surface anomalism discovered in Q4, 2024. This indicates two separate trends of iron and Ag rich base metal mineralization. One trend is followed by the Droskovac mine, and the second trend ends in the Brezik open pit. Testing of the new trend will be combined with a restart of a much broader spaced drilling program across Droskovac covering an area of 3km x 2km in Q2 2024. It is anticipated that the broader spaced program will allow vectoring into higher grade ag rich base metals zones.

Regionally, preparation work was completed to allow ground access onto the Vares East exploration tenement. Landholder agreements were finalized and contractors for surface clearance and remediation works identified. The Brgule and Barice base metals (Cu rich) mineralized prospects within the Vares East tenement will be the first to be soil sampled on a 50m x 50m grid in Q2 2024. Scout drilling will depend on successful results from soil sampling in Q3/Q4 2024.

Detailed announcements on progress and results to date for the Rupice Northwest, Rupice and Droskovac exploration projects will be released in Q2 2024.



6. FINANCES

As at 31 March 2024, Adriatic had a cash balance of \$46.7m. The final capital cost for the Vares Silver Operation remains at \$188.9m, including over \$22.7m of scope changes resulting from design enhancements, improved water management facilities and additional mobile fleet. Adriatic remains fully funded to ramp up to nameplate production.

On 23 January 2024, the fourth and final \$30m tranche of senior secured debt from Orion was drawn down. The total debt of \$120m has now been received by the Company. The first quarterly debt repayment to Orion is scheduled on 31 December 2024, with quarterly repayments thereafter.

On 4 March 2024 the Company announced that the Queens Road Capital \$20m USD, 9.5% interest, unsecured convertible debentures had been converted at a conversion price of AU\$2.7976 (US\$1.8212 and GBP equivalent £1.4394) per share.

On 22 April 2024, Adriatic agreed an additional short-term loan facility with Orion of \$25m. These funds will be available in a single tranche during the period 1 September 2024 - 31 December 2024 as required for project-related purposes.

The additional tranche must be repaid within six months of utilisation in cash or, at Orion's option, in silver credits. The amount of any silver credits used to repay the additional tranche shall be calculated by reference to a market price discounted by 2%.

Summary of Cash flow

A summary of operating, investing and financing cash flows during the Quarter, before movements in exchange rates, as reported in the Appendix 5B Cash Flow Report, is as follows:

	USD'000
Exploration & evaluation (capitalised)	(1,063)
Exploration & evaluation (expensed)	(830)
Staff costs	(5,464)
Administration and corporate costs	(3,844)
Property, plant and equipment acquisitions	(22,662)
Interest received	282
Other: VAT Inflow	3,704
Net expenditure	(29,877)
Net cash flows from financing activities	31,690
Net cash inflow before exchange movement	1,813

Payments to Related Parties

During the Quarter, Adriatic paid an aggregate total of \$696k to Directors, or companies controlled by them, consisting of salaries, fees, and reimbursement/recharge of corporate office facilities and associated services used/provided by the Company. This is disclosed in Item 6 of the accompanying Appendix 5B Cash Flow Report.



7. TENEMENT HOLDINGS

In accordance with ASX Listing Rule 5.3.3 please find below the Company's tenements as at 31 March 2024. 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-13	12-Mar-38
				Veovaca 2	0.91	12-Mar-13	12-Mar-38
				Rupice-Jurasevac, Brestic	0.83	12-Mar-13	12-Mar-38
	Annex 3 & 6 Area	No.: 04-18-21389-3/18	Eastern Mining d.o.o.	Rupice - Borovica	4.52	14-Nov-18	12-Mar-33
	Extension			Veovaca - Orti - Seliste - Mekuse	1.32	14-Nov-18	12-Mar-33
	Annex 5 - Area	No: 04-18-14461-1/20	Eastern Mining d.o.o.	Orti-Selište-Mekuše-Barice- Smajlova Suma-Macak	19.33	3-Dec-20	3-Dec-50
	Extension			Droskovac - Brezik	2.88	3-Dec-20	3-Dec-50
	Borovica - Semizova Ponikva			9.91	3-Dec-20	3-Dec-50	
	Concession Agreement	No: 04-14-5359-3/22	Eastern Mining d.o.o.	Saski Do	1.28	19-Jul-22	19-Jul-25
Serbia	Exploration License	310-02-1721/2018-02	Adriatic Metals d.o.o.	Kizevak	1.84	3-Oct-19	29-May-26
	Exploration License	310-02-1722/2018-02	Adriatic Metals d.o.o.	Sastavci	1.44	7-Oct-19	29-May-26
	Exploration License	310-02-1114/2015-02	Adriatic Metals d.o.o.	Kremice	8.54	21-Apr-16	07-Jul-25
	Exploration License	310-02-00060/2015-02	Deep Research d.o.o.	Rudno Polje Raska	81.39	28-Dec-15	24-Oct-24**
	Exploration License	310-02-01670/2021-02	Adriatic Metals d.o.o.	Kaznovice	37.1	11-Oct-21	22-Nov-24

**Possible to get a 1 year extension, but only for preparation of reserves elaborate which excludes any geological exploration work

-ends-

Authorised by Paul Cronin, Managing Director & CEO

For further information please visit: www.adriaticmetals.com; email: info@adriaticmetals.com, [@AdriaticMetals](https://twitter.com/AdriaticMetals) on Twitter; or 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 Operation in Bosnia & Herzegovina, as well as the Raska Zinc-Silver Project in Serbia. First concentrate production took place in February 2024 and the Vares Silver Operation is fully funded to nameplate production, which is expected in Q4 2024. Concurrent with ongoing construction activities, the Company continues to explore across its highly prospective 44km² concession package.

The Mineral Resource estimate for the Rupice underground deposit comprising part of the Vares Silver Operation was announced in accordance with ASX Listing Rule 5.8 on 27 July 2023. 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 comprising part of the Vares Silver Operation was announced in accordance with ASX Listing Rule 5.9 on 20 December 2023. 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 production targets and forecast financial information for the Rupice deposit comprising part of the Vares Silver Operation was announced in accordance with ASX Listing Rules 5.16 and 5.17 on 19 August 2021 and 24 January 2024. The Company confirms that all the material assumptions underpinning the production target and the forecast financial information in the previous announcements continue to apply and have not materially changed.

MARKET ABUSE REGULATION DISCLOSURE

The information contained within this announcement is deemed by the Company (LEI: 549300OHAH2GL1DP0L61) to constitute inside information for the purposes of Article 7 of the EU 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. The person responsible for arranging and authorising the release of this announcement on behalf of the Company is Paul Cronin, Managing Director and CEO.

DISCLAIMER



Forward-looking statements are statements that are not historical facts. Words such as “expect(s)”, “feel(s)”, “believe(s)”, “will”, “may”, “anticipate(s)”, “potential(s)” and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to statements regarding future production, resources or reserves and exploration results. All such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include, but are not limited to: (i) those relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, (ii) risks relating to possible variations in reserves, grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined, (iii) the potential for delays in exploration or development activities or the completion of feasibility studies, (iv) risks related to commodity prices and exchange rate fluctuations, (v) risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities, and (vi) other risks and uncertainties related to the Company’s projects, prospects, properties and business strategy. Investors cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof, and the Company does not undertake any obligation to revise and disseminate forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of or non-occurrence of any events.

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")

31 MARCH 2024

Consolidated statement of cash flows	Current quarter USD'000	Year to date (3 months) USD'000
1. Cash flows from operating activities		
1.1 Receipts from customers	0	0
1.2 Payments for		
a) exploration & evaluation (if expensed)	(830)	(830)
b) development	0	0
c) production	0	0
d) staff costs	(5,464)	(5,464)
e) administration and corporate costs	(3,844)	(3,844)
1.3 Dividends received (see note 3)	0	0
1.4 Interest received	282	282
1.5 Interest and other costs of finance paid	0	0
1.6 Income taxes paid	0	0
1.7 Government grants and tax incentives	0	0
1.8 Other - VAT refund / (outflow)	3,704	3,704
1.9 Net cash from / (used in) operating activities	(6,152)	(6,152)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
a) entities	0	0
b) tenements	0	0
c) property, plant and equipment	(22,662)	(22,662)
d) exploration & evaluation (if capitalised)	(1,063)	(1,063)



Consolidated statement of cash flows	Current quarter USD'000	Year to date (3 months) USD'000
e) investments	0	0
f) other non-current assets	0	0
2.2 Proceeds from the disposal of:	0	0
entities	0	0
tenements	0	0
property, plant and equipment	0	0
investments	0	0
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	(23,725)	(23,725)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	0	0
3.2 Proceeds from issue of convertible debt securities	2,462	2,462
3.3 Proceeds from exercise of options and warrants	0	0
3.4 Transaction costs related to issues of equity securities or convertible debt securities	0	0
3.5 Proceeds from borrowings	30,000	30,000
3.6 Repayment of borrowings	0	0
3.7 Transaction costs related to loans and borrowings	(772)	(772)
3.8 Dividends paid	0	0
3.9 Other (Pre-acquisition loan to Tethyan)	0	0
3.10 Net cash from / (used in) financing activities	31,690	31,690

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	44,856	44,856



Consolidated statement of cash flows		Current quarter USD'000	Year to date (3 months) USD'000
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(6,152)	(6,152)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(23,725)	(23,725)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	31,690	31,690
4.5	Effect of movement in exchange rates on cash held	57	57
4.6	Cash and cash equivalents at end of period	46,726	46,726

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	Current quarter USD'000	Previous quarter USD'000
5.1	Bank balances	46,726	44,856
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)	46,726	44,856

6.	Payments to related parties of the entity and their associates	Current quarter USD'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	696
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0
Note: a description of, and an explanation for, the above payments is included in the quarterly activities report		



7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end USD'000	Amount drawn at quarter end USD'000
7.1 Loan facilities	142,500	142,500
7.2 Credit standby arrangements	0	0
7.3 Other (please specify)	0	0
7.4 Total financing facilities	142,500	142,500

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.

On 4 March 2024 the Queens Road Capital \$20m USD, 9.5% interest, unsecured convertible debentures were converted into 10,981,770 Adriatic new ordinary shares of £0.013355 each at a conversion price of AU\$2.7976 (US\$1.8212 and GBP equivalent £1.4394) per share.

The US\$142.5m Orion Debt Financing package consists of US\$120m Senior Secured Debt and US\$22.5m Copper Stream arrangement. The first two tranches of \$30m of the \$120m Senior Secured Debt were drawn down in December 2022 and February 2023 and the third tranche was drawn down in April 2023. The \$22.5m Copper Stream deposit was received in February 2023. The remaining fourth \$30m tranche of the Senior Secured Debt was drawn down in January 2024.

8. Estimated cash available for future operating activities	USD'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(6,152)
8.2 Net cash from / (used in) investing activities (Item 2.6)	(23,725)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(29,877)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	46,726
8.5 Unused finance facilities available at quarter end (Item 7.5)	0
8.6 Total available funding (Item 8.4 + Item 8.5)	46,726
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	1.6

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

- 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: No, capital expenditure is expected to be at a lower level while operating cash inflows are expected to commence in Q2 2024 as concentrate production sales start to ramp up.

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: Yes, on 22 April 2024 the Company announced that it had agreed an additional short-term loan facility with Orion Mine Finance ('Orion') of US\$25 million. This is in addition to the US\$142.5m Orion Debt Financing package in section 7 above and is subject to the same drawdown conditions and interest rate.

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: Yes, on the basis of its existing cash holdings and the factors noted in sections 8.8.1 and 8.8.2 above.

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: 29 April 2024

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* – e.g. *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.