

12 December 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

Ms Laura Tyler  
MANAGING DIRECTOR & CEO

Ms Sanela Karic  
EXECUTIVE DIRECTOR - CORPORATE AFFAIRS

Ms Sandra Bates  
SENIOR INDEPENDENT DIRECTOR

Mr Mirco Bardella  
NON-EXECUTIVE DIRECTOR

Mr Peter Bilbe  
NON-EXECUTIVE DIRECTOR

Mr Eric Rasmussen  
NON-EXECUTIVE DIRECTOR

[www.adriaticmetals.com](http://www.adriaticmetals.com)

## OPERATIONS & FINANCING UPDATE

### Highlights:

- Rupice Mine is operating from two active stopes, with the second stoping level entering production in early December.
- Vares Processing Plant is operating 24/7 and recoveries are steadily improving.
- Total ore mined in 2024 to the end of November reached 129,194 tonnes ('t'), with approximately 40,000t expected in December.
- Guidance for 2025 remains unchanged at 750,000 - 800,000t of ore mined.
- Commercial production expected to be achieved in December and continue into January 2025.
- Construction of the Veovaca Tailings Storage Facility ('Veovaca TSF') is progressing well, with first tailings disposal to take place in January 2025 with no impact on production.
- OMF Fund III [F] Ltd ('Orion') has agreed to reschedule the first quarterly debt repayment of approximately \$19m from 31 December 2024 to 31 March 2025.
- Adriatic has signed a term sheet for a \$25m concentrate prepayment arrangement with Trafigura at competitive terms and expects to close the transaction by year end.
- As at 30 November 2024, Adriatic held a cash balance of \$23m and approximately \$8m in receivables and concentrate inventory.

### Laura Tyler, Managing Director & CEO of Adriatic, commented:

*"I am pleased to announce that we are now mining a second stope underground at Rupice Mine and that the Vares Processing Plant is operating 24/7. Q4 2024 will be a record quarter of production at the Vares Silver Operation and we are confident commercial production levels will be reached in the coming weeks.*

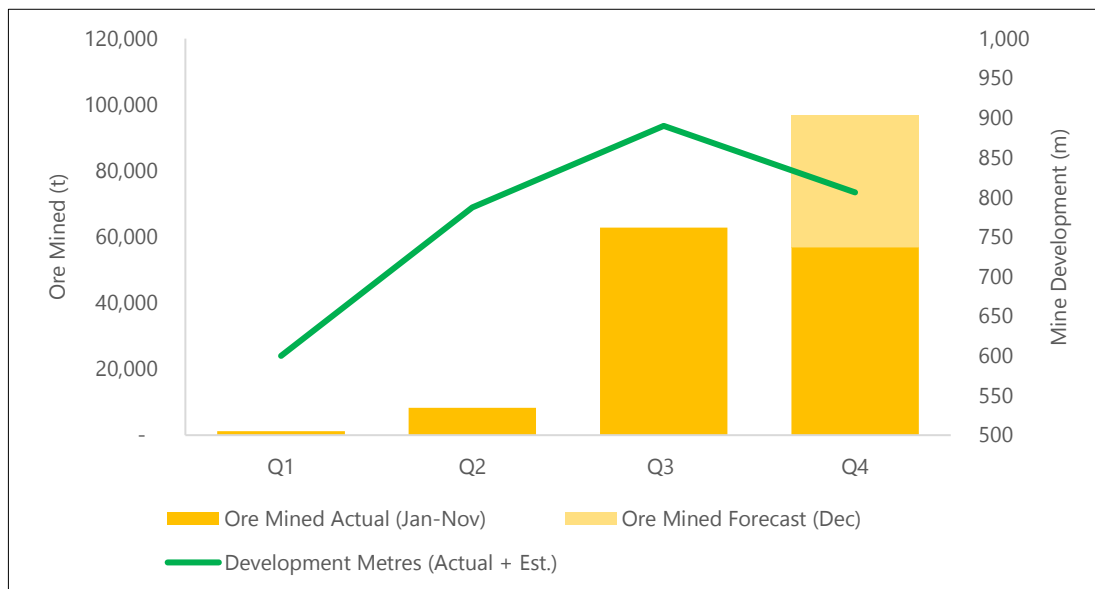
*We are also pleased to have bolstered our cash position through a concentrate prepayment arrangement with Trafigura. Additionally, we would like to express our gratitude to our long-term partner, Orion Mine Finance, who have agreed to reschedule our first quarterly debt repayment to the end of March 2025."*

**Adriatic Metals PLC** (ASX:ADT, LSE:ADT1, OTCQX:ADMLF) (“Adriatic” or the “Company”) is pleased to provide an update on production activities at the Vares Silver Operation in Bosnia and Herzegovina.

### Mining

In October, development rates at Rupice Mine were temporarily impacted by significant rainfall following the severe storm on 3 October, which led to increased pumping requirements. Additionally, mining operations were hindered by a temporary shortage of ground support bolts which has since been resolved, with development rates exceeding 300m in November.

Total ore mined in 2024 to the end of November was 129,194t. In December, mining commenced on two active stopes on the 1075-1050 and on the 950-925 levels, with approximately 40,000t expected to be mined in the month.



**Figure 1: YTD Ore Mined and Development Metres by Quarter**

### Processing

The stockpile at Rupice currently contains approximately 64,000 tonnes at 259g/t Ag, 2.4g/t Au, 6.2% Zn, 4.2% Pb, which will allow for blended plant feed closer to design head grades.

In December the Vares Processing Plant moved from operating five days a week to 24/7 operations and recoveries are steadily improving. The Company expects to be operating above 75% of nominal plant throughput in the coming weeks, with commercial production being declared when this level has been sustained over a 21-day continuous period.

Production, grades and recoveries year-to-date:

	Q2	Q3	Oct-Nov
Ore milled (t)	9,211	19,308	35,012
Head grade – Ag (g/t)	96	239	257
Head grade – Au (g/t)	0.3	2.6	2.7
Head grade – Zn (%)	2.2	8.6	7.8
Head grade – Pb (%)	1.6	5.6	5.0
Recoveries – Ag (%)	73	85	95
Recoveries – Au (%)	57	62	73
Recoveries – Zn (%)	32	56	64
Recoveries – Pb (%)	57	55	69
Ag/Pb concentrate (t)	246	1,440	2,943
Grade – Ag (g/t)	2,292	2,131	2,317
Grade – Au (g/t)	4.0	13.6	13.8
Grade – Pb (%)	33.3	41.3	41.4
Payability – Ag (%)	95	95	95
Payability – Au (%)	70	70	70
Payability – Pb (%)	95	95	95
Zn concentrate (t)	139	2,095	3,793
Grade – Ag (g/t)	593	411	446
Grade – Au (g/t)	5.0	5.8	7.3
Grade – Zn (%)	45.6	44.4	46.4
Payability – Ag (%)	70	70	70
Payability – Au (%)	70	70	70
Payability – Zn (%)	85	85	85

\* Recoveries included are only into payable concentrates

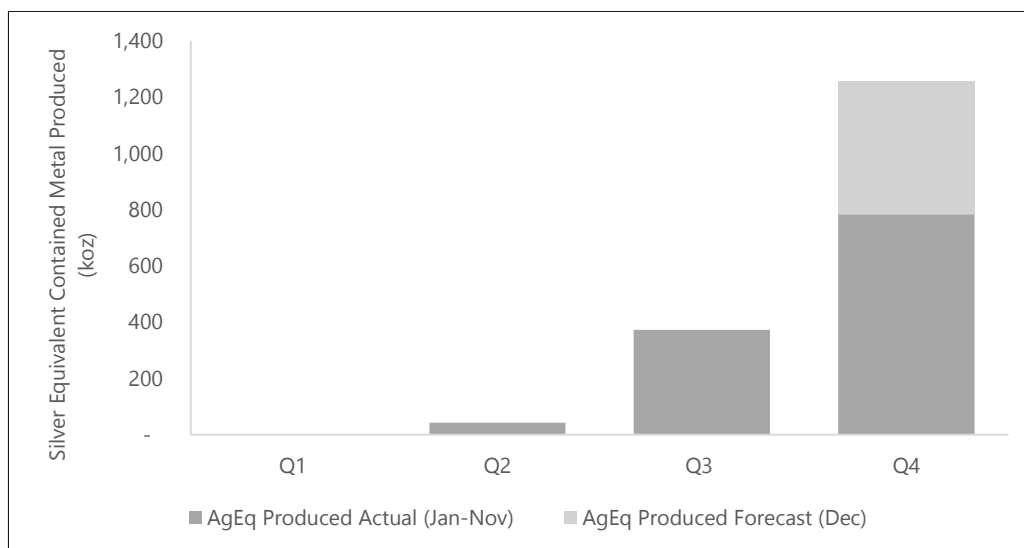


Figure 2: YTD Silver Equivalent Contained Metal Production by Quarter

\* Silver equivalent (AgEq) assumes \$25/oz Ag, \$2,000/oz Au, \$2,500/t Zn, \$2,000/t Pb, \$6,500/t Cu, \$6,500/t Sb as per the July 2023 Mineral Resource estimate

## Tailings

On 24 October all permits for Phase I of the Veovaca Tailings Storage Facility ('Veovaca TSF') were received from the Federal Ministry of Energy, Mining, and Industry ('FMERI') of Bosnia and Herzegovina. These permits include Environmental, Water, Full Design and Construction Permits. Construction is underway and the first tailings disposal at the Veovaca TSF is planned for early January 2024, after some minor delays caused by winter conditions. The Veovaca TSF will be constructed under GISTM ('Global Industry Standard on Tailings Management') standards and will be constructed in two phases. Phase I will have the capacity to receive tailings for approximately 4-5 years of production and in total the Veovaca TSF will be operational for over 10 years of production.

The current operating temporary TSF at the Vares Processing Plant has a maximum capacity of approximately 133,000 tonnes, which will allow tailings deposition into mid-Q1 2025 and will ensure no impact on production.

## Finance

The Company ended November with \$23m cash and approximately \$8m in receivables and concentrate inventory.

Orion has agreed to reschedule the first quarterly debt repayment of approximately \$19m from 31 December 2024 to 31 March 2025, with nine quarterly repayments thereafter.

Adriatic has also signed a term sheet for a \$25m concentrate prepayment arrangement with Trafigura, an existing offtaker, at competitive terms and a lower interest rate than the Orion facility. The prepayment includes the delivery of zinc and lead-silver concentrates at market prices over a 12-month period. The prepaid amount is unsecured, includes a 3-month grace period and will be paid down in line with deliveries over the final nine months of the arrangement.

The transaction includes extended offtake agreements for approximately 100kt of zinc and lead-silver concentrates into 2027, with increased payabilities and lower treatment charges compared to existing offtakes. The Company expects to close the transaction by year end, providing additional liquidity during ramp-up.

Due to the rescheduled debt repayments and prepayment arrangement with Trafigura, Orion and the Company have cancelled the additional Orion loan facility of \$25m that was previously announced on 22 April 2024.

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**Authorised by Laura Tyler, Managing Director & CEO of Adriatic Metals**

For further information please visit: [www.adriaticmetals.com](http://www.adriaticmetals.com); email: [info@adriaticmetals.com](mailto: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 operational activities, the Company continues to explore across its highly prospective 44km<sup>2</sup> concession package.

**MARKET ABUSE REGULATION DISCLOSURE**

The information contained within this announcement is deemed by the Company (LEI: 549300OHAH2GL1DP0L61) to constitute inside information for the purpose of Article 7 of 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 Laura Tyler, Managing Director & CEO.