

29 January 2025

Adriatic Metals PLC

**QUARTERLY ACTIVITIES REPORT
For the three months ended 31 December 2024
("Q4" or "Quarter")**

Q4 HIGHLIGHTS

- 48kt ore milled at 234g/t Ag, 2.6g/t Au, 7.5% Zn, 4.8% Pb in Q4 and a total of 76kt of ore milled in 2024.
- 934koz of silver equivalent ('AgEq') produced in Q4, with a total of 1,335koz AgEq produced in 2024.
- \$27m of sales receipts in Q4.
- Operations are running 24/7 and commercial production now expected to be reached in Q1 due to the severe winter weather delays in December and January.
- Construction advanced at the Veovaca Tailing Storage Facility ('TSF') for completion in Q1.
- FY 2025 production guidance of 625-675kt ore milled and 12,000-13,000koz AgEq produced.
- Ausenco technical study completed on Vares Processing Plant expansion options. Estimated \$25m plant capex required to increase throughput to 1.3Mtpa.
- Cash balance at 31 December 2024 of \$21m plus approximately \$3m in finished concentrate.
- \$25m concentrate prepayment arrangement with Trafigura completed. Funds received in January 2025.
- Current cash balance at 27 January of \$46m.
- First debt repayment of approx. \$19m to Orion Mine Finance scheduled for 31 March 2025.

Note: Unless otherwise stated, all dollar figures are United States dollars (\$).

The Company will host a Q4 QAR webinar on Wednesday 29 January at 8am GMT / 7pm AEDT on the Investor Meet Company platform. Please register and submit a question here: <https://www.investormeetcompany.com/adriatic-metals-plc/register-investor>

A recording of the webinar will be also published on the Adriatic website following the event. The webinar presentation will be available at: <https://www.adriaticmetals.com/investors/corporate-presentations>.

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

"In Q4, Adriatic transitioned from a development-stage company to a metals producer, generating \$27m in sales receipts. However, the quarter presented significant challenges due to extreme weather, including devastating floods in October and heavy snowfall in late December. These events disrupted mining operations and delayed the start of commercial production, which is now anticipated in Q1 2025."

We are pleased to share our updated 2025 production guidance, targeting 625-675kt of ore milled and 12,000-13,000koz of AgEq produced. Production will be weighted towards the second half of 2025 as we continue the ramp up to nameplate capacity. Additionally, we have released production guidance for 2026 and the LOM average, highlighting the remarkable potential of the Vares Silver Operation. Our expansion plans remain a priority, with the Ausenco study demonstrating the ability to increase current nameplate production capacity at the Vares Processing Plant from 0.8Mtpa to 1.3Mtpa. We look forward to updating stakeholders in the coming months on the underground mine expansion required to support this growth.

As a business, we continue to invest in our workforce, skills, and operations. Both the Rupice Mine and Vares Processing Plant are operating 24/7. I am optimistic about the year ahead as we work towards the consistent delivery of product to market."

Adriatic Metals PLC (ASX:ADT, LSE:ADT1, OTCQX:ADMLF) ("Adriatic" or the "Company") is pleased to provide an update on mining and processing activities at the Vares Silver Operation in Bosnia and Herzegovina over Q4 2024.

1. OPERATIONS

Health & Safety

At the end of Q4 2024, the 12-month rolling Lost Time Injury Rate ('LTIFR') and Total Recordable Injury Rate ('TRIFR') were 0.45 and 1.05 respectively compared to Q3 2024 where LTIFR and TRIFR were 1.75 and 1.05, respectively (frequency rate = (LTI or RI) * 200,000 / total hours).

Q4 2024 Production

	Q2	Q3	Q4	FY 2024
Ore mined (t)	8,284	63,053	73,215	145,755
Ore milled (t)	9,211	19,308	47,233	76,402
Head grade – Ag (g/t)	96	239	234	217
Head grade – Au (g/t)	0.6	2.6	2.6	2.3
Head grade – Zn (%)	2.2	8.6	7.5	7.1
Head grade – Pb (%)	1.6	5.6	4.8	4.6
Recoveries – Ag (%)	76	85	94	90
Recoveries – Au (%)	45	65	74	71
Recoveries – Zn (%)	29	56	63	60
Recoveries – Pb (%)	59	55	68	64
Ag/Pb concentrate (kt)	0.3	1.4	3.8	5.5
Grade – Ag (g/t)	2,322	2,131	2,185	2,177
Grade – Au (g/t)	7.2	13.6	14.1	13.7
Grade – Pb (%)	32.9	41.3	41.1	40.8
Zn concentrate (kt)	0.1	2.1	4.8	7.1
Grade – Ag (g/t)	602	411	427	425
Grade – Au (g/t)	5.1	5.8	7.3	6.8
Grade – Zn (%)	44.9	44.4	46.2	45.7
Contained – Ag (oz)	21,722	126,376	333,148	481,245
Contained – Au (oz)	81	1,021	2,859	3,961
Contained – Zn (t)	58	931	2,238	3,226
Contained – Pb (t)	85	594	1,561	2,240

* Recoveries and contained metal are only into payable concentrates

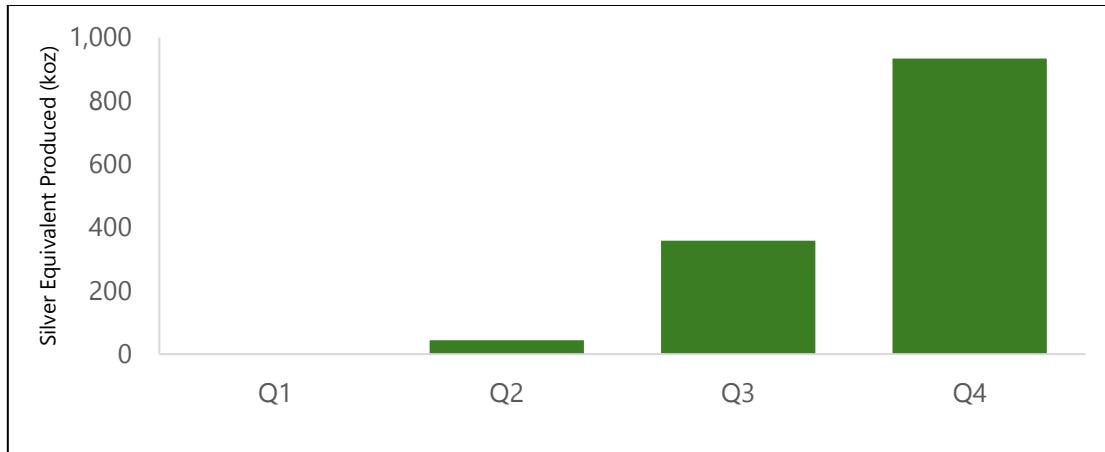


Figure 1: Silver equivalent produced (koz)

* Silver equivalent (AgEq) assumes \$25/oz Ag, \$2,000/oz Au, \$2,500/t Zn, \$2,000/t Pb, \$2,000/t Cu, \$2,000/t Sb

In Q4 2024, 73kt of ore was mined and in FY 2024, 146kt of ore was mined. A severe snowfall in late December affected the entire Balkan region and consequently mining operations at Rupice Mine were disrupted for five days. The transportation of ore and concentrate was hindered by blocked roads and communications and power systems were impacted by outages across the country. Mining resumed safely, with operations back to normal, running 24/7.

Due to the adverse weather causing a break in production, commercial production (as previously stated as 75% of nominal plant throughput sustained over a 21-day continuous period) is now expected to be reached during Q1 2025.

There was a total of 675m of underground development in Q4, a 24% decrease compared to Q3 2024 at 890m. Development rates were below the 300m/month run rate target in October and December due to the weather disruptions, power outages and a shortage of key consumables. In total, there was 3km of underground development completed in 2024.

Milled tonnage was also lower than expected in Q4, with 47kt of ore milled in Q4 and 76kt of ore milled in FY 2024. This was due to crusher issues with wet fine material, now resolved by the addition of pre-screening. Since installing the new screen, the crushing plant has been operating at a rate of 40kt per month.

The ore stockpile at Rupice contained approximately 61kt at 31 December 2024.

Metal recoveries continue to improve quarter-over-quarter, in line with expectations during ramp up.

Infrastructure

Due to the railway line being damaged in the severe storm as announced on 9 October: Production Unaffected by Regional Storm [e9de2a16-cc2.pdf](#), concentrate product continues to be trucked by road to Ploce Port. It is now expected that the rehabilitation of the railway line will be completed imminently, with rail transportation of concentrate to recommence in Q1.

Tailings

On 24 October all permits for Phase I of the Veovaca TSF were received from the Federal Ministry of Energy, Mining, and Industry of Bosnia and Herzegovina ('FMERI'). Construction is well advanced and first tailings disposal is scheduled for Q1 2025, aligning with the remaining capacity of the operating temporary TSF.

2. 2025 MARKET GUIDANCE

Production guidance for 2025 and 2026 is as outlined below:

Production Guidance	H1 2025	H2 2025	FY 2025	FY 2026	LOM Average
Milled (kt)	250-275	375-400	625-675	800-850	800
Ag (koz)	2,200-2,300	3,300-3,400	5,500-5,700	4,800-5,000	4,400
Au (koz)	10-12	15-18	25-30	25-30	20
Zn (kt)	10-12	18-20	28-32	38-42	33
Pb (kt)	7-8	11-12	18-20	22-24	23
AgEq (koz)	4,800-5,200	7,200-7,800	12,000-13,000	13,000-14,000	11,500

Note: Metal production represents contained metal in payable concentrates. Silver equivalent (AgEq) assumes \$25/oz Ag, \$2,000/oz Au, \$2,500/t Zn, \$2,000/t Pb, \$2,000/t Cu, \$2,000/t Sb.

Cost guidance for 2025 is as outlined below:

Cost Guidance	FY 2025
Operating Costs (\$M)	75
Site G&A (\$M)	15
Offsite Costs (\$M)	25
Project Capital (\$M)	20
Sustaining Capital (\$M)	5
Exploration (\$M)	5

Cost guidance for 2025 has been issued based on Adriatic's inaugural production budget and the current run rate observed in Q4 2024. As production ramps up to reach nameplate capacity by the second half of 2025, the Company will continue to identify and implement cost-saving measures.

Expansion plans

In Q4, Ausenco completed a comprehensive technical review to assess the potential for increasing throughput at the Vares Processing Plant. The review confirmed that no material capital expenditure is needed to raise throughput from the nameplate capacity of 0.8Mtpa to 1Mtpa, while approximately \$25m of growth capital would be required to achieve 1.3Mtpa.

This proposed increase in plant throughput aligns with plans to boost mine production, following the expansion of the Ore Reserve at Rupice Northwest to 13.8Mt announced on 20 December 2023: Updated Ore Reserves Estimate for Rupice [accaf3e4-0f7.pdf](#). A plan for enhancing underground mine production will be completed in 2025. The Company plans to provide an update in the coming months outlining this organic growth opportunity and its alignment within the broader corporate strategy.

3. EXPLORATION & GRADE CONTROL DRILLING

Rupice underground grade control drilling completed 1,332m from 9 holes in Q4. Drilling results continue to confirm and refine the Rupice Resource Model and have modified a previously interpreted fault control on ore with thickening of mineralization due to folding. Fold thickening of the orebody is associated with better grades than the Ore Reserve and has been a significant outcome of completing tighter 12.5m to 15m spaced drill fans. Assay results have confirmed the higher grades in the core of the fold, with a mantle of lower grade and fringe of mineralized waste.

The 2024 Rupice infill and step-out resource drilling program was completed with results being incorporated into the updated mineral resource estimate to be published in the Company's annual report.

4. CORPORATE

On 17 October, Laura Tyler was appointed permanent Managing Director and Chief Executive Officer of Adriatic (having been appointed on an interim basis on 9 August). Ms Tyler has a wealth of industry knowledge with over 30 years' experience in mining, and is a specialist in technical, technology and safety applications for Tier 1 projects globally.

On 3 October, Mirco Bardella was appointed to the Board of Directors as a Non-Executive Director and Chair of the Audit and Risk Committee and Sandra Bates was appointed Senior Independent Director.

5. FINANCE

Cash balance at 31 December 2024 was \$21m with approximately \$3m in finished concentrate. The \$25m concentrate prepayment arrangement with Trafigura has been completed, with funds received in January 2025. The current cash balance as at 27 January is \$46m.

The first quarterly debt repayment of approximately \$19m to Orion Mine Finance is scheduled for 31 March 2025, with quarterly repayments thereafter.

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
Net cash from operating activities	16,574
Net cash used in investing activities	(18,457)
Net cash used in financing activities	(893)
Effects of movement in exchange rates	(333)
Net decrease in cash and cash equivalents	(3,109)

Payments to Related Parties

During the Quarter, Adriatic paid an aggregate total of \$551k to Directors, or companies controlled by them, consisting of salaries and fees, associated services used/provided by the Company. This is disclosed in Item 6 of the accompanying Appendix 5B Cash Flow Report.

6. TENEMENT HOLDINGS

In accordance with ASX Listing Rule 5.3.3, the Company's tenements as at 31 December 2024 are set out below. 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. which is subject to changes that occurred during 2024.

Adriatic Metals PLC has entered into a sale and purchase agreement with Deep Research d.o.o. and its shareholders which provides for the transfer of the Raska (Suva Ruda) licence to a newly established company owned 100% by Adriatic Metals PLC. It has also been agreed that the previous option agreement over Deep Research d.o.o. will be terminated as part of the licence transfer.

	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*

*Request for 1st extension submitted on time. Pending approval.

**Pending Ministry decision on getting a two year extension for preparation of reserves elaborate which excludes any geological exploration work. Upon approval, plan is to split the exploration area into 2 new areas and continue exploration work.

-ends-

Authorised by Laura Tyler, CEO and Managing Director of Adriatic Metals.

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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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, CEO and Managing Director.

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 DECEMBER 2024

Consolidated statement of cash flows	Current quarter USD'000	Year to date (12 months) USD'000
1. Cash flows from operating activities		
1.1 Receipts from customers	26,824	27,898
1.2 Payments for		
a) exploration & evaluation (if expensed)	(122)	(3,964)
b) development	-	-
c) production	-	-
d) staff costs	(6,750)	(27,923)
e) administration and corporate costs	(5,706)	(22,297)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	199	637
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other - VAT refund / (outflow)	2,129	14,496
1.9 Net cash from / (used in) operating activities	16,574	(11,153)

Consolidated statement of cash flows		Current quarter USD'000	Year to date (12 months) USD'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	a) entities	-	-
	b) tenements	-	-
	c) property, plant and equipment	(17,444)	(78,671)
	d) exploration & evaluation (if capitalised)	(1,013)	(7,764)
	e) investments	-	-
	f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	entities	-	-
	tenements	-	-
	property, plant and equipment	-	-
	investments	-	-
	other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	(4,348)
2.6	Net cash from / (used in) investing activities	(18,457)	(90,783)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	50,000
3.2	Proceeds from issue of convertible debt securities	-	2,553
3.3	Proceeds from exercise of options and warrants	-	-

Consolidated statement of cash flows		Current quarter USD'000	Year to date (12 months) USD'000
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(2,418)
3.5	Proceeds from borrowings	-	30,000
3.6	Repayment of borrowings	(893)	(892)
3.7	Transaction costs related to loans and borrowings	-	(772)
3.8	Dividends paid	-	-
3.9	Other	-	-
3.10	Net cash from / (used in) financing activities	(893)	78,471

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	23,807	44,856
4.2	Net cash from / (used in) operating activities (item 1.9 above)	16,574	(11,153)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(18,457)	(90,783)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(893)	78,471
4.5	Effect of movement in exchange rates on cash held	(333)	(693)
4.6	Cash and cash equivalents at end of period	20,698	20,698

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	20,698	23,807
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	20,698	23,807

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	551
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-

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	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	142,500	142,500

7.5 Unused financing facilities available at quarter end -

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 \$142.5m Orion Debt Financing package consists of \$120m Senior Secured Debt and \$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 fourth \$30m tranche of the Senior Secured Debt was drawn down in January 2024.

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8. Estimated cash available for future operating activities	USD'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	16,574
8.2 Net cash from / (used in) investing activities (Item 2.6)	(18,457)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(1,883)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	20,698
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	20,698
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	11.0

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: N/A

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: N/A

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: N/A

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: 28 January 2025

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.