

27 May 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](https://www.adriaticmetals.com)

Not for release to US wire services or distribution in the United States

PROPOSED EQUITY RAISING TO PROVIDE BALANCE SHEET FLEXIBILITY DURING THE FINAL STAGES OF RAMP-UP OF THE VARES OPERATION

HIGHLIGHTS

- Adriatic Metals Plc ("Adriatic" or the "Company") intends to conduct an equity raising by way of an institutional placement of approximately US\$50.0 million (approximately AU\$75.8¹ million) (the "Placement") via the issue of approximately 18.3 million CHESS Depository Interests ("CDIs") over new fully paid ordinary shares in the Company ("New Ordinary Shares").
- The offer price of AU\$4.15 per CDI (the "Offer Price") represents a discount of approximately 5.7% to the last close price of \$4.40 and 11.5% to the 5-day volume weighted average price on the Australian Securities Exchange ("ASX") on 24 May 2024 of \$4.69.
- The Placement is expected to optimise the Company's balance sheet as it continues to progress the ramp-up of the world-class Vares Operation and build on recent milestones such as the production of the first saleable concentrate.
- The proceeds of the Placement (before expenses) are intended to be used as follows:
 - **US\$39 million** to bolster the Company's balance sheet to provide flexibility during the final stages of ramp up to commercial production and nameplate capacity; and
 - **US\$11 million** to finalise the termination payment payable to the previous mining contractor.
- The US\$25 million undrawn Orion debt facility remains available for additional flexibility, but is not expected to be drawn on current estimates.
- Concurrently with the Placement, OMF Fund III (F) Ltd, an entity advised by Orion Resource Partners (UK) LLP (together, along with its affiliates, "Orion") intends to sell 8.0 million existing CDIs at the Offer Price (the "Sell Down", and together with the Placement, the "Offer").
- After settlement of the Offer, Orion will own approximately 16.2 million CDIs (representing 4.99% of the issued ordinary shares in the Company) and have agreed to hold their remaining CDIs for a period of not less than 90 days post-closing of the Placement, subject to conditions.

Adriatic Metals PLC, Regent House, 65 Rodney Road, Cheltenham GL50 1HX United Kingdom

1. Assumes AUD:USD foreign exchange rate of 0.6600 based on the RBA Reference rate as at 24 May 2024



Adriatic Metals Plc (ASX:ADT, LSE:ADT1, OTCQX:ADMLF) is pleased to announce that it intends to raise gross proceeds of approximately US\$50.0 million (approx. AU\$75.8 million¹) by way of a placement of approximately 18.3 million CDIs to existing and new investors at an Offer Price of AU\$4.15.

The Company intends to use the proceeds of the Placement for:

- **US\$39 million** to bolster the Company's balance sheet to provide flexibility during the final stages of ramp up to commercial production and nameplate capacity; and
- **US\$11 million** to finalise the termination payment payable to the previous mining contractor.

CDIs issued under the Placement are expected to be allotted and commence trading on the ASX on Tuesday, 4 June 2024.

The total number of CDIs to be issued under the Placement represents approximately 6.0% of the Company's existing issued capital, and will be issued under the Company's existing placement capacity under ASX Listing Rule 7.1.

The Placement is not being underwritten. Members of the public are not eligible to take part in the Placing.

Concurrently with the Placement, an existing shareholder in the Company, Orion, intends to sell 8.0 million CDIs at the Offer Price (the "Sell Down"). Orion has indicated to the Company that they remain supportive shareholders and have agreed to hold their remaining CDIs for a period of not less than 90 days post-closing of the Placement, subject to conditions.

Canaccord Genuity (Australia) Limited, Macquarie Capital (Australia) Limited and Morgans Corporate Limited are acting as joint lead managers and joint bookrunners in connection with the Placement and Sell Down (the "Joint Lead Managers"), with Stifel Nicolaus Europe Limited acting a co-lead manager for the United Kingdom.

Applications will also be made to the UK Financial Conduct Authority ("FCA") for admission of the New Ordinary Shares to the standard listing segment of the Official List of the FCA and to the London Stock Exchange plc for admission to trading of the New Ordinary Shares on its main market for listed securities ("UK Admission"). It is expected that UK Admission of the New Ordinary Shares will become effective at or around 8.00 a.m. on 4 June 2024 and that dealings in the New Ordinary Shares will commence at that time.

The New Ordinary Shares (and CDIs representing the New Ordinary Shares) will, when issued, be credited as fully paid and will rank pari passu in all respects with the existing ordinary shares and CDIs of the Company and will on issue be free of all claims, liens, charges, encumbrances and equities.

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

"Adriatic is pleased with the progress at Vares, with ramp-up well underway and significant milestones such as the first sale of concentrate being achieved in parallel with the transition to an owner-operator model.

The Placement will position the Company well to address near-term working capital commitments and provide additional flexibility as it continues hitting milestones in this critical period. Vares is a world-class, low cost, multi-commodity operation, and is set to deliver production into a market with significant tailwinds for both precious and base metals.

We also note the concurrent sell down by Orion who has been a long-term supporter of the Vares Operation and remains a meaningful shareholder and supporter of the Company."

¹ Assumes AUD:USD foreign exchange rate of 0.6600 based on the RBA Reference rate as at 24 May 2024



Market briefing conference call

Adriatic will be hosting a market briefing conference call at 12.30pm AEST / 3.30am BST. In order to participate in the briefing, investors will need to pre-register by following this link:

<https://s1.c-conf.com/diamondpass/10039369-8bqpd.html>

-ends-



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 ("UK MAR"), and Article 7 of the Market Abuse Regulation (EU) No. 596/2014 ("EU MAR"). The person responsible for arranging and authorising the release of this announcement on behalf of the Company is Paul Cronin, Managing Director and CEO.

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 Project 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 44km² concession package.

PRINCIPLES OF PRE-EMPTION

Although the Placement will be undertaken on a non-pre-emptive basis, the Company intends to respect the principles of pre-emption as far as practicable by extending the offer to participate to a significant majority of institutional shareholders and, as far as practicable, allocating to existing shareholders at least up to what would be their pre-emptive entitlement. The Company has, along with its advisers, carefully considered the various possible offer structures and sought to balance the potential for dilution to non-participating shareholders with the benefits to shareholders as a whole of promoting deal certainty and familiarity of structure to the Company's shareholder base.

DISCLAIMER



Disclaimer

This announcement has been prepared by the Company based on information from its own and third party sources and is not a disclosure document. No party other than the Company has authorised or caused the issue, lodgement, submission, despatch or provision of this announcement, or takes any responsibility for, or makes or purports to make any statements, representations or undertakings in this announcement. Except for any liability that cannot be excluded by law, the Company and its related bodies corporate, directors, employees, servants, advisers and agents disclaim and accept no responsibility or liability for any expenses, losses, damages or costs incurred by you relating in any way to this announcement including, without limitation, the information contained in or provided in connection with it, any errors or omissions from it however caused, lack of accuracy, completeness, currency or reliability or you or any other person placing any reliance on this announcement, its accuracy, completeness, currency or reliability. Information in this announcement which is attributed to a third-party source has not been checked or verified by the Company. This announcement is not a prospectus, disclosure document or other offering document under Australian law or under any other law. It is provided for information purposes and is not an invitation nor offer of shares or recommendation for subscription, purchase or sale in any jurisdiction. This announcement does not purport to contain all the information that a prospective investor may require in connection with any potential investment in the Company. It should be read in conjunction with, and full review made of the Company's disclosures and releases lodged with the Australian Securities Exchange (ASX) and available at www.asx.com.au. Each recipient must make its own independent assessment of the Company before acquiring any shares in the Company.

Not investment advice

This announcement does not provide investment advice or financial product advice. Each recipient of the announcement should make its own enquiries and investigations regarding all information in this announcement including but not limited to the assumptions, uncertainties and contingencies which may affect future operations of the Company and the impact that different future outcomes might have on the Company. Information in this announcement is not intended to be relied upon as advice to investors or potential investors and has been prepared without taking account of any person's individual investment objectives, financial situation or particular needs. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and seek legal, accounting and taxation advice appropriate to their jurisdiction. The Company is not licensed to provide financial product advice in respect of its securities.

Forward looking information

This announcement contains forward-looking statements. Wherever possible, words such as "intends", "expects", "scheduled", "estimates", "anticipates", "believes", and similar expressions or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, have been used to identify these forward-looking statements. Although the forward-looking statements contained in this announcement reflect management's current beliefs based upon information currently available to management and based upon what management believes to be reasonable assumptions, the Company cannot be certain that actual results will be consistent with these forward-looking statements. Forward-looking statements necessarily involve significant known and unknown risks, assumptions and uncertainties that may cause the Company's actual results, events, prospects and opportunities to differ materially from those expressed or implied by such forward-looking statements. Accordingly, prospective investors should not place undue reliance on forward-looking statements. Any forward-looking statements are made as of the date of this announcement, and the Company assumes no obligation to update or revise them to reflect new events or circumstances, unless otherwise required by law.

JORC compliance statements

It is a requirement of the ASX Listing Rules that the reporting of ore reserves and mineral resources in Australia comply with the Joint Ore Reserves Committee's Australasian Code for Reporting of Mineral Resources and Ore Reserves ("JORC Code"). Investors outside Australia should note that while ore reserve and mineral resource estimates of the Company in this document comply with the JORC Code (such JORC Code-compliant ore reserves and mineral resources being "Ore Reserves" and "Mineral Resources" respectively), 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 (the "Canadian NI 43-101 Standards"); or (ii) Item 1300 of Regulation S-K, which governs disclosures of mineral reserves in registration statements filed with the SEC. Information contained in this



document describing 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.

Investment risk

There are a number of risks specific to the Company and of a general nature which may affect the future operating and financial performance of the Company and the value of an investment in the Company. An investment in new securities is subject to known and unknown risks, some of which are beyond the control of the Company. The Company does not guarantee any particular rate of return or the performance of the Company. Investors should have regard to the risk factors outlined in its investor presentation of today's date under the section titled "Risks" when making their investment decision.

Financial data

All dollar values are in Australian dollars (A\$, AU\$ or AUD) unless otherwise stated. The information contained in this announcement may not necessarily be in statutory format. Amounts, totals and change percentages are calculated on whole numbers and not the rounded amounts presented. Past performance, including past share price performance of the Company and the pro forma historical financial information provided in this announcement is for illustrative purposes only and is not represented as being indicative of the Company's views on its future financial condition and/or performance. The pro forma historical financial information has been prepared by the Company in accordance with the measurement and recognition requirements, but not the disclosure requirements, of applicable accounting standards and other mandatory reporting requirements in Australia. Past performance of the Company cannot be relied upon as an indicator of (and provides no guidance as to) the future performance of the Company. Nothing contained in this announcement nor any information made available to you is, or shall be relied upon as a promise, representation, warranty or guarantee, whether as to the past, present or future.

Disclaimer

Canaccord Genuity (Australia) Limited, Macquarie Capital (Australia) Limited and Morgans Corporate Limited are acting as joint lead managers ("**Joint Lead Managers**") to the Placement and Stifel Nicolaus Europe Limited ("**Stifel**") acting a co-lead manager for the United Kingdom (Stifel and the Joint Lead Managers, together the "**Lead Managers**"). Macquarie Capital (Australia) Limited is not an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia), and Macquarie Capital (Australia) Limited's obligations do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542. Any investments are subject to investment risk including possible delays in repayment and loss of income and principal invested. Macquarie Bank Limited does not guarantee or otherwise provide assurance in respect of the obligations of Macquarie Capital (Australia) Limited.

To the maximum extent permitted by law, the Company and the Lead Managers and their respective related bodies corporate and affiliates, and their respective officers, directors, employees, agents and advisers (in respect of the Lead Managers, the **Lead Manager Parties**): (i) disclaim all responsibility and liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) for any loss (including consequential or contingent loss or damage) arising from this announcement or reliance on anything contained in or omitted from it or otherwise arising in connection with this announcement ; (ii) disclaim any obligations or undertaking to release any updates or revision to the information in this announcement to reflect any change in expectations or assumptions; and (iii) do not make any representation or warranty, express or implied, as to the accuracy, reliability, completeness of the information in this announcement or that this announcement contains all material information about the Company, the Placement or that a prospective investor or purchaser may require in evaluating a possible investment in the Company or acquisition of shares in the Company, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement. The Lead Manager Parties have not independently verified the information in this announcement and take no responsibility for any part of this announcement or the Placement. Statements made in this announcement are made only at the date of the announcement . The Company is under no obligation to update this announcement . The information in this announcement remains subject to change by the Company without notice. By accepting this announcement , you represent, warrant and agree that you have not relied on any statements made by the Lead Manager Parties in relation to the Placement.

The Lead Manager Parties take no responsibility for the Placement and make no recommendations as to whether any person should participate in the Placement nor do they make any representations or warranties (express or implied) concerning the Placement, and they disclaim (and by accepting this announcement you disclaim) any fiduciary relationship between them and the recipients of this announcement , or any duty to the recipients of this announcement



or participants in the Placement or any other person. The Lead Manager Parties have not authorised, permitted or caused the issue, submission, dispatch or provision of this announcement and, for the avoidance of doubt, and except for references to their name, none of the Lead Manager Parties makes or purports to make any statement in this announcement and there is no statement in this announcement which is based on any statement by any of them. The Lead Manager Parties may rely on information provided by or on behalf of institutional investors in connection with managing, conducting and underwriting the Placement and without having independently verified that information and the Lead Manager Parties do not assume any responsibility for the accuracy or completeness of that information. The Lead Manager Parties may have interests in the securities of the Company, including by providing corporate advisory services to the Company. Further, the Lead Manager Parties may act as market maker or buy or sell those securities or associated derivatives as principal or agent.

You acknowledge and agree that determination of eligibility of investors for the purposes of the Placement is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of the Company and the Lead Managers and each of the Company and the Lead Managers (and their respective related bodies corporate, affiliates, officers, directors, employees, agents and advisers) disclaim any duty or liability (including for negligence) in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law.

In connection with the Placement, one or more investors may elect to acquire an economic interest in the new shares (**Economic Interest**), instead of subscribing for or acquiring the legal or beneficial interest in those shares. A Lead Manager (or its affiliates) may, for its own account, write derivative transactions with those investors relating to the new shares to provide the Economic Interest, or otherwise acquire shares in the Company in connection with the writing of such derivative transactions in the bookbuild and/or the secondary market. As a result of such transactions, a Lead Manager (or its affiliates) may be allocated, subscribe for or acquire new shares or shares of the Company in the bookbuild and/or the secondary market, including to hedge those derivative transactions, as well as hold long or short positions in such shares. These transactions may, together with other shares in the Company acquired by the Lead Manager or its affiliates in connection with its ordinary course sales and trading, principal investing and other activities, result in the Lead Manager or its affiliates disclosing a substantial holding and earning fees.

The Lead Managers and their respective affiliates are full service financial institutions engaged in various activities, which may include trading, financial advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services including for which they have received or may receive customary fees and expenses or other transaction consideration. In the course of these activities, the Lead Managers and their respective affiliates may at any time for their own account and for the accounts of their clients make or hold investments in equity securities or other financial products of the Company or its affiliates, and receive customary fees and expenses or other transaction consideration in respect of such activities. The Lead Managers are acting as managers and underwriters to the Placement for which they have received or expect to receive fees and reimbursement of expenses.

Not an offer in the United States

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.