

30 July 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

Ms Sandra Bates  
NON-EXECUTIVE DIRECTOR

Mr Peter Bilbe  
NON-EXECUTIVE DIRECTOR

Ms Sanela Karic  
NON-EXECUTIVE DIRECTOR

Ms Laura Tyler  
NON-EXECUTIVE DIRECTOR

Mr Eric Rasmussen  
NON-EXECUTIVE DIRECTOR

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

## QUARTERLY ACTIVITIES REPORT

For the three months ended 30 June 2024  
("Q2" or "Quarter")

### Q2 HIGHLIGHTS

#### Operations

- Production ramp up continues at the Vares Silver Operation, with nameplate production expected in Q4 2024.
- 257 dry metric tonnes ('dmt') of silver-lead concentrate and 128 dmt of zinc concentrate produced in Q2 2024. Concentrates have been sold and shipped to offtakers Trafigura and Transamine, respectively.
- Underground development increased 31% compared to Q1 2024.
- Adriatic has completed the transition to owner-operator of Rupice Mine following the signed agreement with former mining contractor Nova Mining and Construction d.o.o, ('Nova'). The operating licence has been approved by the relevant Ministries and transferred to Adriatic.
- Exploration drilling advances with a focus on the northern and southern extremities of Rupice.
- Appointments of Mr Eric Rasmussen and Ms Laura Tyler to the Board of Directors.

#### Finance

- Cash balance at 30 June 2024 of \$59.9m.
- Equity raising of \$50m took place on 28 May 2024 to provide flexibility to the Company's balance sheet during the final stages of ramp up to nameplate capacity and to finalise the termination payment payable to Nova.
- On 22 April, an additional debt facility of \$25m was secured from Orion Mine Finance ("Orion"), available to be drawn down between 1 September and 31 December 2024.
- \$120m of senior secured debt from Orion has been drawn to date with first debt repayment scheduled for 31 December 2024.
- All \$ amounts are US dollars.

#### Post Q2 events

- Ruling by the Constitutional Court of Bosnia & Herzegovina on 11 July has delayed the felling of trees on the planned extended tailings storage facility at the Vares Processing Plant. No impact is anticipated on production as Adriatic will continue to use the current tailing storage facility and is progressing alternative tailings storage facilities, with initial design work underway at an alternate location.



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

*"In Q2 Adriatic recorded first revenues from our Vares Silver Operation, a highly significant milestone for the Company and for Bosnia & Herzegovina ("BiH"). Additionally, the Vares Processing Plant is delivering saleable concentrates with recoveries continually improving as we continue to increase throughput of higher grade feed. All infrastructure logistics and concentrate handling are also operating well. We are scheduled to commence mining the first stopes in August, just a few weeks later than planned, and I'm glad to confirm that delivering nameplate capacity remains on track for Q4 2024.*

*The recent ruling of the Constitutional Court has the real prospect of negatively impacting every major development project in BiH – hindering future economic development for the country. However, we continue to operate as planned and alternative tailings storage facilities are being progressed with initial designs underway at the preferred option, which lies within the Company's exploitation area. We therefore believe the additional facilities will be available, when and if required.*

*I am personally delighted to welcome Eric Rasmussen and Laura Tyler to the Board. Their expertise and advice will be invaluable as we transition to a mid-tier, polymetallic mining company."*

**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 Q2 2024.

## 1. OPERATIONS & PRODUCTION

### Health & Safety

At the end of Q2 2024, the 12-month rolling Lost Time Injury Rate ('LTIFR') and Total Recordable Injury Rate ('TRIFR') are 1.02 and 1.46 respectively compared to Q1 2024 where LTIFR and TRIFR were 1.03 and 1.32, respectively.

### Production

	Q2 2024
Ore mined (t)	8,284
Ore milled (t)	9,211
Silver-lead concentrate produced (dmt)	257
Zinc concentrate produced (dmt)	128

### Mining

- In Q2 2024, there was a total of 787m of underground development, despite 25% of the underground requiring the highest level of ground support.

As at 15 July 2024, underground development was as follows:



- Lower Decline: 1,836m project to date. Lower decline broken through, 950 level footwall intersection established and two cross cuts developed.
- Upper Decline: 1,725m project to date. Grade control drilling completed.
- Lower and upper decline connection has been completed.

Following the decline connection, the installation of the main ventilation fan is now underway. Stopping will commence in August once final permitting has been received. Achieving nameplate capacity remains on track for Q4 2024.

The grade control drilling programme is progressing well and opportunities for further optimisation of the mine plan and reduced development costs are being identified on an ongoing basis.

During July 2024, the Company successfully tested a resin technology which consolidates poor rockmass, enabling safe access to areas where previous unravelling has occurred. One of the areas re-accessed is the 975 level, one of the mine's highest grade production levels. Mine planning are exploring the resequencing of stopes to feed higher grade material to the plant sooner than expected.

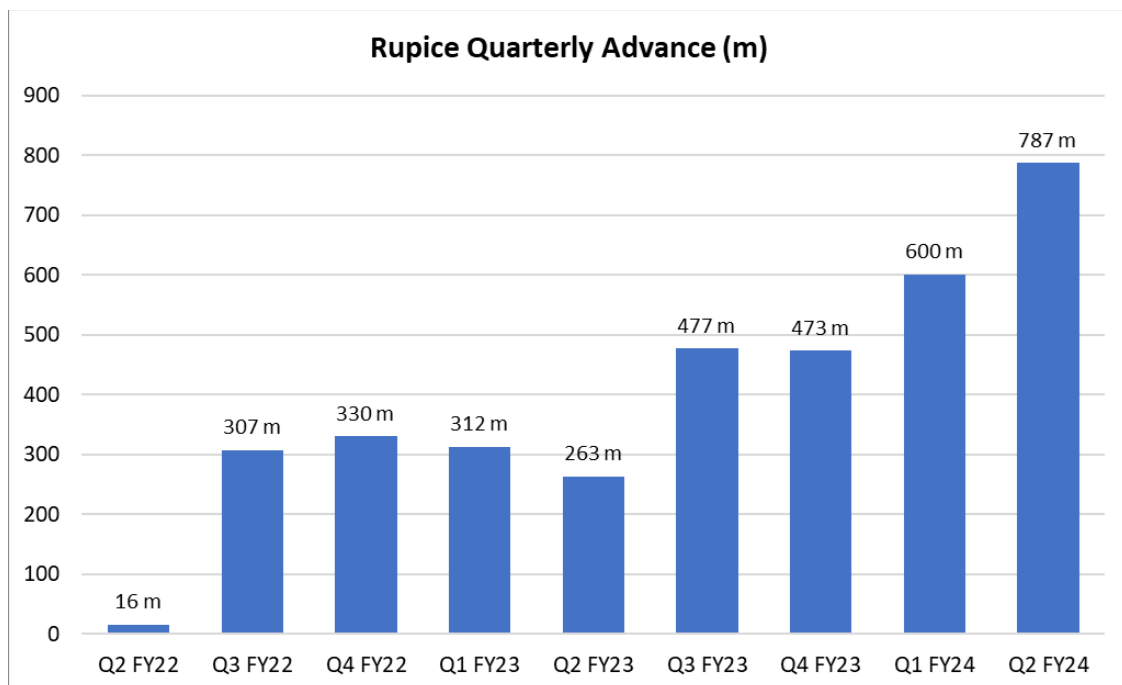


Figure 1: Rupice Mine quarterly development

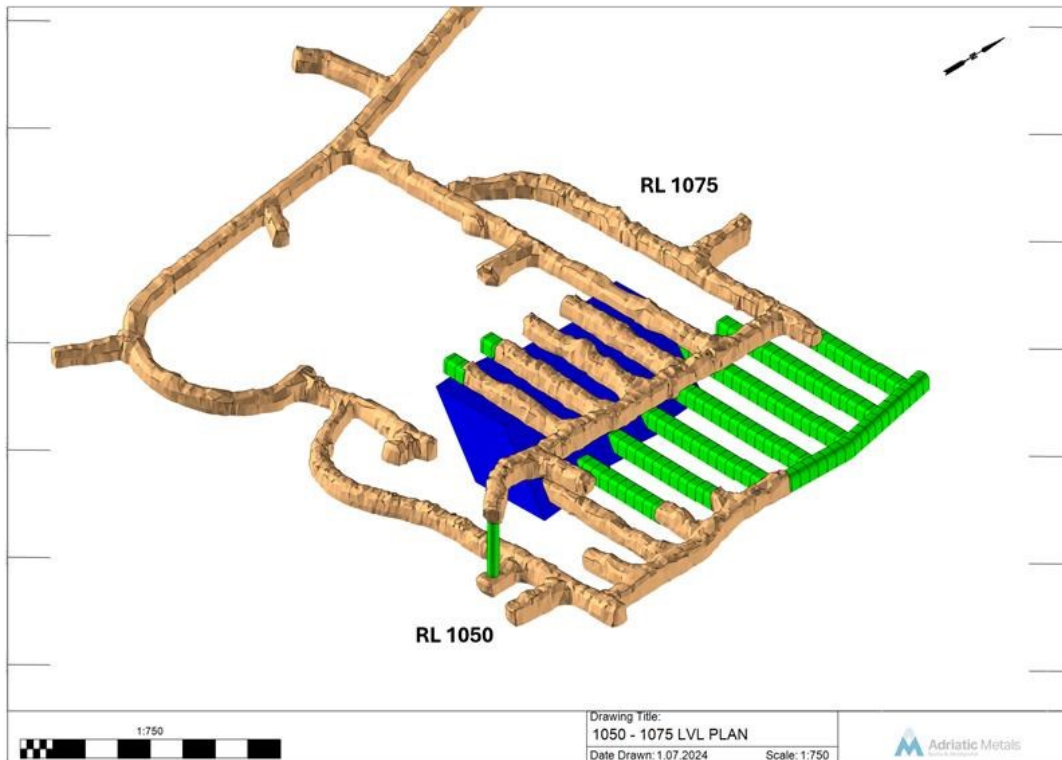


Figure 2: Rupice 1050-1075 Level Plan

*Brown solids as-built development as at 1 July 2024, blue solids planned stopes and green solids planned development*

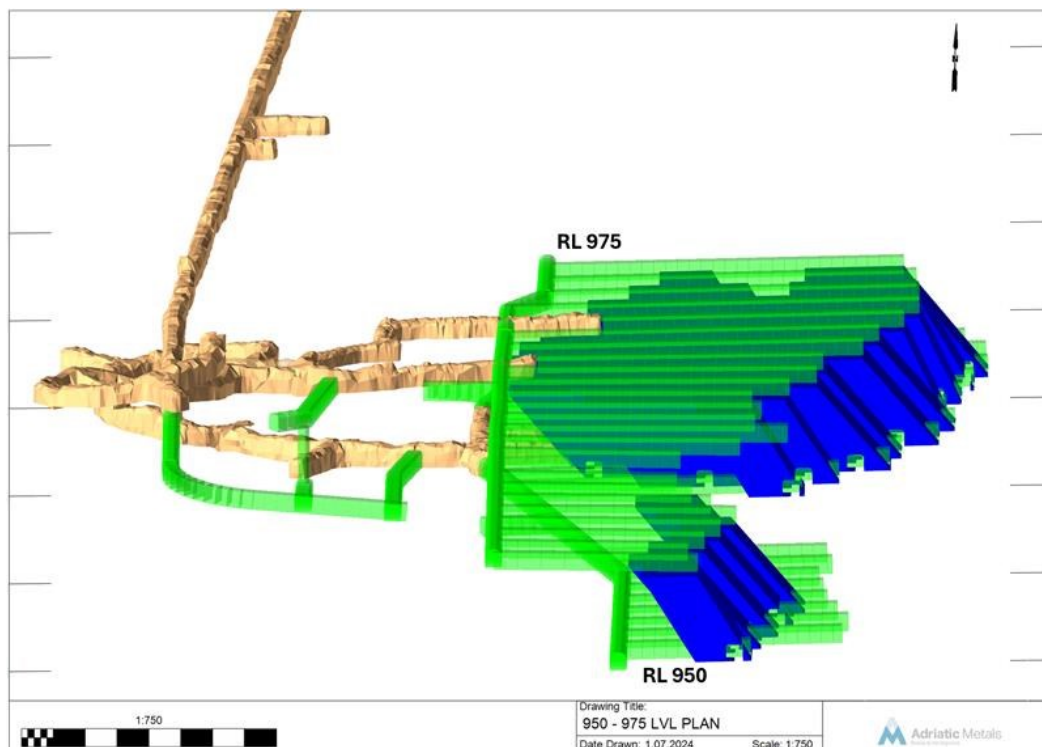


Figure 3: Rupice 950 - 975 Level Plan

*Brown solids as-built development as at 1 July 2024, blue solids planned stopes and green solids planned development*



## **Transition to Mining Operator at Rupice Mine**

On 20 April 2024, Adriatic and Nova agreed to terminate the Mining Services Contract. The transition process is now complete with Adriatic having received the operating licence and now managing all operations at the Rupice Mine. Following the completion of the transition, the staff headcount at Adriatic has increased to 497 at the end of Q2.

## **Processing**

The Vares Processing Plant is fully commissioned and is operating as expected. The plant is producing concentrates at saleable grades of over 2,500g/t Ag and close to 50% Zn, confirming the Company's ability to produce commercial spec products. In Q2 2024, 257 dmt of silver-lead concentrate and 128 dmt of zinc concentrate was produced and subsequently shipped to Trafigura and Transamine, respectively.

Plant operations will continue to process higher grade material and ramp-up to consistent production at nameplate processing capacity by Q4 2024. Metal recovery rates are improving consistently, and the processing team is working on delivering further enhancements and optimization of the plant.

Ausenco has commenced studies to increase plant throughput to up to 1.3 Mtpa, with a detailed report expected in Q3. This would align with increased mine production following the extension of the Ore Reserve at Rupice Northwest.

Initial concentrate shipments were exported to offtakers in Q2, with additional sales recorded since and volumes projected to increase in tandem with ramp-up to full throughput in Q4 2024. Concentrate transportation infrastructure is fully in place with truck, rail and port logistics operating well during ongoing shipments.

## **Tailings**

On 11 July 2024, the Constitutional Court of Bosnia & Herzegovina ruled that that the Federal BiH law permitting the removal of state forest for temporary use should be repealed, as the competent authority should be the State rather than the Federation. Adriatic is engaging with all levels of Government to assess the legal and legislative consequences of the Court's decision as it believes every major development project in the Federation of Bosnia & Herzegovina could potentially be impacted. Whilst there was initial media speculation that this decision would result in the cancellation of the Concession Agreement, the Zenica-Doboj Cantonal government has publicly confirmed that this is not the case, and the Concession Agreement remains in good standing.

This ruling affects Adriatic's extended tailing storage facility, where construction is yet to commence, to be located by the Vares Processing Plant. Adriatic is currently using a temporary tailings storage facility, which has capacity to continue to receive material until Q1 2025. Adriatic has identified multiple alternative locations for possible tailings storage facilities, both within and outside the Company's concession area. The preferred option is within the current Exploitation Permit area, and the land is owned freehold by Adriatic. Wardell Armstrong has been engaged and has commenced the initial design work required to expedite the development of this tailings facility. The design will fully comply with Global Industry Standard on Tailings Management and national tailings storage standards. The aim, subject to final design considerations, and potential permit modifications is to have a functional alternative facility by end of October 2024.



Figure 4: Vares Processing Plant



Figure 5: Containers loaded onto trucks at the Vares Processing Plant



Figure 6: Containers loaded on the train at Vares Majdan Station



Figure 7: Containers being loaded on the ship at Ploce Port



## 2. EXPLORATION

At Rupice, three core drilling rigs completed a total of 6,297m from 26 holes and three holes are currently in progress. All exploration work at Rupice during Q2 was focused on infill drilling to convert resources to reserves and on extending the Rupice deposit to the north and southwards. Infill and step-out drilling successfully intersected significant mineralization, with the focus now on realizing the remaining growth potential of the main Rupice deposit for a year-end resource update.

Preparations for drilling the Droskovac Fe-Ag-Pb-Zn prospect were completed in Q2. Drill testing covering an area of 3km x 2km will commence in August. Preparations have also been completed for the start of the summer field season across the Vares East exploration tenement. Surface clearance and remediation contracts were signed in Q2, allowing surface sampling to proceed in Q3. The first areas to be sampled in Q3 within the Vares East tenement will be the Brgule and Barice base metals mineralized prospects on a 50m x 50m grid.

## 3. CORPORATE

On 13 June, Eric Rasmussen was appointed to Adriatic's Board of Directors. Mr Rasmussen has significant experience in the financing of European and global mining projects, having most recently been Chief Advisor Structured & Project Finance for Renewables & Mining at Rio Tinto, as well as working at the European Bank for Reconstruction and Development for 27 years, where he was Global Head of Natural Resources between 2013-2022. Mr Rasmussen will initially serve on the Audit & Risk and the Remuneration & Nomination Committees. In addition, Julian Barnes stepped down from his duties as a Non-Executive Director of Adriatic to pursue other interests.

On 1 July, Laura Tyler was also appointed to the Board of Directors. 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. Ms Tyler will initially serve on the Sustainability Committee and the Remuneration & Nomination Committee.

## 4. FINANCE

As at 30 June 2024, Adriatic held a cash balance of \$59.9m.

To date a total of \$120m senior secured debt from Orion has been received by the Company. The first quarterly debt repayment to Orion is scheduled for 31 December 2024, with quarterly repayments thereafter.

On 22 April 2024, Adriatic agreed an additional 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.

On 28 May 2024, an institutional placement of US\$50 million took place, via the issue of 18,254,838 CHES Depository Interests ("CDIs") over new fully paid ordinary shares in the Company at AU\$4.15 per CDI. The funds were raised to bolster Adriatic's balance sheet to provide flexibility during the final stages of ramp up to commercial production and nameplate capacity; and to finalise the termination payment payable to Nova.





## 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
Receipts from customers	211
Exploration & evaluation (capitalised)	(1,903)
Exploration & evaluation (expensed)	(1,724)
Staff costs	(7,578)
Administration and corporate costs	(6,889)
Property, plant and equipment acquisitions	(21,137)
Interest received	59
Other: VAT Inflow	5,193
<b>Net expenditure</b>	<b>(33,767)</b>
Net cash flows from financing activities	47,674
<b>Net cash inflow before exchange movement</b>	<b>13,907</b>

## Payments to Related Parties

During the Quarter, Adriatic paid an aggregate total of \$348k 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.

## 5. TENEMENT HOLDINGS

In accordance with ASX Listing Rule 5.3.3 please find below the Company's tenements as at 30 June 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 <sup>2</sup> )	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](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 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 44km<sup>2</sup> 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 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 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")

30 JUNE 2024

Consolidated statement of cash flows	Current quarter USD'000	Year to date (6 months) USD'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	211	211
1.2 Payments for		
a) exploration & evaluation (if expensed)	(1,724)	(2,554)
b) development	0	0
c) production	0	0
d) staff costs	(7,578)	(13,041)
e) administration and corporate costs	(6,889)	(10,733)
1.3 Dividends received (see note 3)	0	0
1.4 Interest received	59	341
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)	5,193	8,897
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(10,726)</b>	<b>(16,878)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
a) entities	0	0
b) tenements	0	0
c) property, plant and equipment	(21,137)	(43,799)



Consolidated statement of cash flows		Current quarter USD'000	Year to date (6 months) USD'000
	d) exploration & evaluation (if capitalised)	(1,903)	(2,966)
	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
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(23,040)</b>	<b>(46,765)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	50,000	50,000
3.2	Proceeds from issue of convertible debt securities	92	2,553
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	(2,418)	(2,418)
3.5	Proceeds from borrowings	0	30,000
3.6	Repayment of borrowings	0	0
3.7	Transaction costs related to loans and borrowings	0	(772)
3.8	Dividends paid	0	0
3.9	Other		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>47,674</b>	<b>79,363</b>



Consolidated statement of cash flows	Current quarter USD'000	Year to date (6 months) USD'000
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<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	46,726	44,856
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(10,726)	(16,878)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(23,040)	(46,765)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	47,674	79,363
4.5 Effect of movement in exchange rates on cash held	(746)	(689)
<b>4.6 Cash and cash equivalents at end of period</b>	<b>59,887</b>	<b>59,887</b>

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	59,887	46,726
5.2 Call deposits	0	0
5.3 Bank overdrafts	0	0
5.4 Other (provide details)	0	0
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>59,887</b>	<b>46,726</b>

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	348
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. <b>Financing facilities</b> <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>	<b>Total facility amount at quarter end USD'000</b>	<b>Amount drawn at quarter end USD'000</b>
7.1 Loan facilities	142,500	142,500
7.2 Credit standby arrangements	0	0
7.3 Other (please specify)	0	0
<b>7.4 Total financing facilities</b>	<b>142,500</b>	<b>142,500</b>

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.

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. <b>Estimated cash available for future operating activities</b>	<b>USD'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(10,726)
8.2 Net cash from / (used in) investing activities (Item 2.6)	(23,040)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(33,767)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	59,887
8.5 Unused finance facilities available at quarter end (Item 7.5)	0
8.6 Total available funding (Item 8.4 + Item 8.5)	59,887
8.7 <b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	<b>1.8</b>

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: No, capital expenditure is expected to be at a lower level while operating cash inflows are expected to increase in Q3 2024 as concentrate production sales continue 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 July 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.