

30 July 2020



## QUARTERLY ACTIVITIES REPORT

For the 3 months ended 30 June 2020

### ABOUT ADRIATIC METALS (ASX:ADT, LON:ADT1)

Adriatic Metals Plc is focused on the development of the 100% owned, high-grade zinc polymetallic Vares Project in Bosnia & Herzegovina.

### DIRECTORS

Mr Peter Bilbe  
NON-EXECUTIVE CHAIRMAN

Mr Paul Cronin  
MANAGING DIRECTOR & CEO

Mr Michael Rawlinson  
NON-EXECUTIVE DIRECTOR

Mr Julian Barnes  
NON-EXECUTIVE DIRECTOR

Ms Sandra Bates  
NON-EXECUTIVE DIRECTOR

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

### HIGHLIGHTS

- Entered into Arrangement Agreement to acquire 100% of Tethyan Resource Corp including advancing €1.0 million under a Convertible Loan Agreement.
- Environmental Permit issued for Veovaca mine, processing plant and tailing facility.
- Drilling results from BR-02-20 intercept mineralisation along strike to the south of Rupice extending the known area of mineralisation 20m down dip returning 8.9m @ 2.40g/t Au, 398g/t Ag, 1.79% Zn, 3.16% Pb, 0.35% Cu and 45% BaSO<sub>4</sub> from 368.5m
- Drill results from infill drill holes BR-06-20, BR-07-20 and BR-09-20 confirm continuity of the high-grade mineralisation in the central part of the Rupice deposit:
  - BR-06-20 – 26.7m @ 3.95g/t Au, 502g/t Ag, 6.75% Zn, 3.76% Pb, 0.35% Cu and 72% BaSO<sub>4</sub> from 275.5m
  - BR-06-20 – 10.2m @ 5.81g/t Au, 876g/t Ag, 8.65% Zn, 5.94% Pb, 0.50% Cu and 69% BaSO<sub>4</sub> from 323m
  - BR-07-20 – 9.3m @ 3.49g/t Au, 393g/t Ag, 3.13% Zn, 3.86% Pb, 0.36% Cu and 59% BaSO<sub>4</sub> from 181.7m
  - BR-07-20 – 22.9m @ 3.18g/t Au, 259g/t Ag, 10.71% Zn, 6.48% Pb, 0.63% Cu and 45% BaSO<sub>4</sub> from 199m
  - BR-09-20 – 31m @ 3.85g/t Au, 335g/t Ag, 9.50% Zn, 8.12% Pb, 0.76% Cu and 36% BaSO<sub>4</sub> from 198m.
- Board and management evolution continue to align management skills with operational objectives and increase independence of the board.
- Drilling continues with 5 rigs with over 7,500m of the 2020 exploration program completed.
- Cash balance at 30 June 2020 of £9.7 million (A\$17.4 million)<sup>1</sup> ensuring continuity of operations from existing cash resources well into 2021.

<sup>1</sup> Conversion based on 30 June 2020 exchange rate of 1.79387 AUD to 1 GBP



**Adriatic Metals PLC** (ASX:ADT, LON:ADT1) ("Adriatic" or the "Company") is pleased to provide the following Quarterly Activities Report ("QAR") that summarises the progress made and reported during the three months ended 30 June 2020 ("Q2" or the "Quarter").

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

*"Despite the challenges of the global COVID-19 crisis, the company has made substantial progress during the quarter, advancing our exploration program and continuing to deliver on our permitting and organisational developments. Our staff in both Bosnia and the UK, have demonstrated a stoic determination to deliver on operational objectives and add shareholder value, but simultaneously assist our local community to manage the challenges laid down by an extraordinary health emergency.*

*Our announced acquisition of Tethyan Resource Corp is the first phase of implementing a strategy to identify and acquire substantially accretive assets to our portfolio of high value, high margin assets. The diversification that these assets bring, leverages our core strengths internally to realise value growth and progress Adriatic on it's journey to being a UK based, European focused, multi-asset mining company. We look forward to completing the transaction in the coming weeks, and adding Tethyan's outstanding team, to the Adriatic family."*

## 1. COVID 19 IMPACT

Adriatic commenced a 20,000m drilling campaign for 2020 in mid January, ramping up the rig count recently to 5 rigs. Border closures in the Balkans had forced the Company to reduce the rig count to 4 temporarily, but this was increased back to 5 rigs in early June. Adriatic applied for, and received, an exemption from the curfews imposed during March to May and managed to maintain the drilling program, albeit at a slower pace than originally planned. Some delays have been experienced with assay results, but again this is now returning to pre-COVID delivery timeframes. All other exploration activity is continuing unaffected, with supplies being delivered on time.

In 2020 to date we have drilled over 7,500 m with 25 holes completed, and have recently permitted a further drill pads for an increase in exploration activity over the coming months.

All activities related to metallurgical test work, geo-chemical domaining and pre-feasibility assessment are underway and largely unaffected by the current crisis. For the Environmental and Social Impact Assessment, where some foreign based consultants had been expected to conduct site visits for various streams of work, these have been substituted by local resources under the guidance of our international consultants, with no resulting impact on the quality of work.

As a result of the expansion in the mineralised footprint visually evident from recent drilling, a deferral of the Pre-Feasibility Study ("PFS") was considered to allow additional drilling to be incorporated into an updated mineral resource estimate, which will be utilised for the PFS. This is not as a result of any delays in PFS work streams, which are all progressing as planned, or any COVID-19 related issues. The PFS is now expected to be complete in September 2020.

In December a public hearing was held for the issue of the Environmental Permit which resulted in a small number of additional information requests from the Federal Ministry for Environment and Tourism. The company submitted responses in late January and the Ministry issued the permit in May. Whilst the total timeframe to complete the process was longer than originally planned, we appreciated the efforts of the Ministry to progress our application in a difficult period for the Bosnian government. The Company has submitted the Urban Planning Application and are currently working with the Federal Ministry of Spatial Planning to progress the application to final approval.

As of 25 July 2020 Bosnia, & Herzegovina has approximately 9500 confirmed cases of COVID-19, and whilst relatively small when compared to other European countries, a recent increase in new cases may result in further restrictions of movement of people. The Company has robust measures and contingency plans if such restrictions are imposed.



## 2. PRE-FEASIBILITY STUDY (“PFS”) PROGRESS

Nine further Lock Cycle Tests are in progress by Wardell Armstrong in the UK, specifically to test both grade and mineral variability across the Rupice deposit. The results of this test work are being reviewed as received and incorporated into the mine planning and process flow sheet assumptions. Results of the test work will be incorporated into the PFS and released in September.

Drilling remains underway to convert inferred resources into indicated for the purpose of the PFS, and this drilling is expected to be complete in mid-August 2020. Expansion drilling will continue at Rupice, Jurasevac Brestic and Borovica during the next quarter.

The PFS commenced in late January and is being led by Ausenco who have suggest several options for process optimisation from the initial Scoping Study assumptions. Trade-off studies commissioned as part of the PFS are now complete. Data is also being collated and reviewed so that an updated Mineral Resource Estimate (“MRE”) incorporating the latest drilling results and geological interpretation, can be completed.

The mining team’s review of the Scoping Study has identified optimised mining methods in several areas and detailed mine planning and scheduling is now being developed which will be finalised following completion of the updated MRE.

Detailed logistics studies are also complete as part of the PFS, reviewing in-country as well as international shipping of products and incoming reagents and materials. Infrastructure requirements for the project have also been determined and trade off studies have now identified several areas of optimisation.

Concurrently with the PFS, the international ESIA baseline data collection has continued this quarter using Wardell Armstrong as lead consultants and utilising considerable in-country resources and skills. The baseline data collection will continue until Q1 2021 leading to the final stages of the ESIA and the final report issued in Q2 2021. There are regular meetings between the PFS and ESIA teams to ensure complete alignment of all project needs.

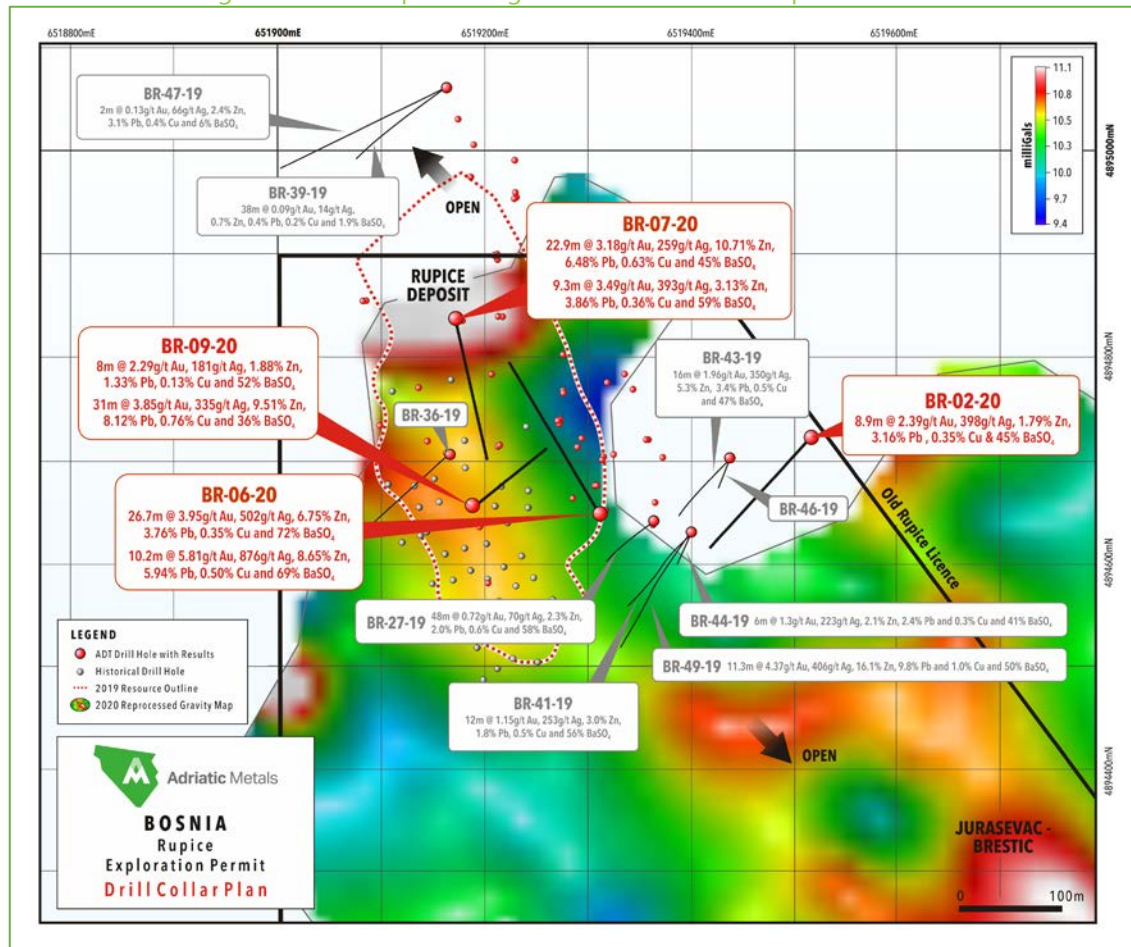
## 3. EXPLORATION

The Company completed 4,976m of drilling in the Quarter, and received permits for additional drill pads in anticipation of further exploration activity during the coming months. Assay results were received during the Quarter and include the following significant results:

- Drill hole BR-02-20 intercepted mineralisation along strike to the south of Rupice extending the known area of mineralisation 20m down dip returning 8.9m @ 2.40g/t Au, 398g/t Ag, 1.79% Zn, 3.16% Pb, 0.35% Cu and 45% BaSO<sub>4</sub> from 368.5m
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• Figure 1: Plan Map showing the Location of the Rupice Drill Holes



Recent drilling at Rupice has been focussed on converting inferred resources into the indicated category for the upcoming revised Mineral Resource Estimate, following the successful expansion of the resource outline

Analysis of historical exploration data, augmented with a significant program of surface sampling and geophysics has resulted in the company responding to a Public Invitation issued by Zenica-Doboj Canton for a new concession agreement, which will cover a significant portion of the known Triassic mineral belt to the North West, South and South East of the town of Vares, totalling 32.12 km<sup>2</sup>. The Public Invitation application period closed on 23 July 2020, with Adriatic being the only applicant. The Company is now working on agreeing the terms of a new Concession Agreement with the Canton. Further details of the Concession Agreement will be provided when finalised in August 2020.

#### 4. ACQUISITION OF TETHYAN RESOURCE CORP

On 11 May 2020 Adriatic and Tethyan Resource Corp. (TSX-V:TETH) ("**Tethyan**") announced that they have entered into a binding Letter Agreement and subsequently on 12 June 2020 a Definitive Arrangement Agreement whereby Adriatic will acquire 100% of the outstanding common shares of Tethyan, by way of a plan of arrangement under the Business Corporations Act (British Columbia), in consideration for the issuance of 0.166 of an ordinary share of Adriatic for each common share of Tethyan outstanding at the effective time of the arrangement.

In conjunction with the transaction, Adriatic and Tethyan have entered into a convertible loan agreement, whereby Adriatic has advanced to Tethyan a secured convertible loan in the amount of up to €1.3 million in



three tranches. The loan enables Tethyan to close the transaction for the acquisition of EFPP d.o.o., the holder of parts of the Kizevak and Sastavci deposits, to commence confirmation drilling at Kizevak, and to meet the expenses and costs of Tethyan in completing the transaction

The acquisition will result in the addition of Tethyan's Serbian brownfield development projects, Kizevak and Sastavci, and its large prospective landholding on the Tethyan mineral belt and positions the enlarged Adriatic as the leading Balkan base and precious metals developer. Adriatic plans to rapidly advance the past-producing Kizevak and Sastavci polymetallic mines in the Raska district of southwestern Serbia towards a maiden JORC compliant resource by end-Q4 2020

Tethyan shareholders will gain exposure to Adriatic's existing exploration and development portfolio including the exceptional Vares Project and prospective regional exploration potential in Bosnia & Herzegovina

The Tethyan Board of Directors unanimously supports the Transaction and irrevocable undertakings to vote in favour of the Transaction have been received from approximately 55% of Tethyan shareholders. The Transaction is expected to close by end-August once all conditions have been met

The Arrangement is subject to customary conditions, including receipt of requisite shareholder, court and stock exchange approvals and the listing of the Adriatic Shares to be issued thereunder on the London Stock Exchange. The parties currently expect the Arrangement to be completed in or about August 2020. Upon completion of the Arrangement, Tethyan will apply to delist the Tethyan Shares from the TSX Venture Exchange.

## 5. MANAGEMENT & BOARD CHANGES

On 12 June 2020, the Company announced that Mr Dominic Roberts will join the Company as Head of Corporate Affairs, commencing 1 July 2020. Mr Roberts is a British National who has more than 25 years' experience operating in the Balkans, primarily focused on the mining and property industries.

Mr Roberts was previously Group Operations Director at Mineco, one of the largest base metal miners in the Balkans, with 5 operating mines, 2 lead smelters, 3 exploration projects and 2,500 people employed across the group. In his role at Mineco he most recently oversaw the permitting and development of the Olovo mine, in the same Canton as Adriatic's Vares Project, and has strong relationships within the local community and government.

Mr Roberts will work alongside Adriatic's General Manager – Bosnia, Dr Adnan Teletovic who will also become an Executive Director of Eastern Mining d.o.o., Adriatic's wholly owned subsidiary in Bosnia. Dr Teletovic has been integral in the Company's operating success since his appointment in May 2018. Dr Teletovic is a Bosnian national, educated in Bosnia and Australia, with extensive project management experience, in the Balkan region, and elsewhere in the world, for major companies including BHP Billiton and Kalgoorlie Consolidated Gold Mines.

During the quarter the Company also hired Mrs Jelena Viskovic as group Human Resource Manager responsible for all aspects of Human Development for the Company's operations in the UK and Bosnia, and ultimately Serbia following the Tethyan acquisition completion. Mrs Viskovic has over 15 years' experience in developing human resource functions within rapidly growing organisations, and holds a Bachelor's degree in Psychology as well as a Master's Degree in Human Resources and Development from the University of Sarajevo.

As part of our commitment to demonstrating world class environmental and social impact management, the Company is also pleased to announce the appointment of Mrs Vildana Mahmutovic as Environmental, Social & Governance Manager. Mrs Mahmutovic has over 10 years of experience in environmental & social assessments in Bosnia, and holds a Master's degree in Chemical Engineering from the University of Sarajevo.

Mr Milos Bosnjakovic has ceased to be a director of Adriatic Metals Plc. Mr Bosnjakovic has for some time been considering his involvement with the Company and, as part the above management changes, all executive employment and consultancy agreements with Mr Bosnjakovic have been terminated.



On 8 July 2020, post Quarter end, Mr John Richards, who had been appointed as a Non-Executive Director following his nomination by Sandfire Resources Limited ("SFR") under the terms of the Collaboration and Strategic Partnership Deed between Adriatic and SFR, resigned from the Board of the Company at the request of SFR.

## 6. SUMMARY OF EXPENDITURE INCURRED

A summary of expenditure made by Adriatic on a consolidated basis during the Quarter in relation to operating activities reported in the Appendix 5B Cash Flow Report is as follows:

	<b>GBP'000</b>
Development expenditure	(425)
Staff costs	(360)
Administration and corporate costs	<u>(554)</u>
<b>Total expenses</b>	<b><u>(1,339)</u></b>

In addition, Adriatic incurred £1,373k on capitalised Exploration & Evaluation expenditure during the Quarter.

During the Quarter, the Company advanced €1 million to Tethyan under a convertible loan agreement. The sterling equivalent of the loan advance has been reported in Item 3.9 of the Appendix 5B Cash Flow Report

## 7. PAYMENTS TO RELATED PARTIES

During the quarter, Adriatic paid a total of £183k to Directors', or companies controlled by them, comprised of salaries, fees and reimbursement for corporate office facilities & associated services provided to the Company. This is disclosed in Item 6 of the accompanying Appendix 5B Cash Flow Report.



## 8. TENEMENT HOLDING

In accordance with ASX Listing Rule 5.3.3 please find below the Company's tenements as at 30 June 2020:

Concession document	Registration number	Concession name	Area (Ha)	Date granted	Expiry date
Concession Agreement	No.:04-18-21389-1/13	Veovaca1	107.69	12-Mar-2013	11-Mar-2038
		Veovaca 2	90.54	12-Mar-2013	11-Mar-2038
		Rupice-Jurasevac, Brestic	83.19	12-Mar-2013	13-Mar-2038
Annex 3 - Area Extension	No.: 04-18-21389-3/18	Rupice - Borovica	452.00	14-Nov-2018	13-Nov-2038
	No.: 04-18-21389-3/18	Veovaca - Orti - Seliste - Mekuse	132.33	14-Nov-2018	13-Nov-2038
<b>Total</b>			<b>865.75</b>		

For further information please contact:

**Paul Cronin**  
**Managing Director & CEO**  
[info@adriaticmetals.com](mailto:info@adriaticmetals.com)

### MARKET ABUSE REGULATION DISCLOSURE

Certain information contained within this announcement is deemed by the Company (LEI: 549300OHAH2GL1DP0L61) to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. The person responsible for arranging and authorising the release of this announcement on behalf of the Company is Paul Cronin, Managing Director and CEO.

### COMPETENT PERSONS' REPORT

The information in this report which relates to Exploration Results is based on, and fairly represents, information compiled by Mr Philip Fox, who is a member of the Australian Institute of Geoscientists (AIG). Mr Fox is a consultant to Adriatic Metals PLC, and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Fox consents to the inclusion in this report of the matters based on that information in the form and context in which it appears.

The information in this report which relates to Metallurgical Results is based on, and fairly represents, information compiled by Mr Philip King of Wardell Armstrong. Mr King and Wardell Armstrong are consultants to Adriatic Metals plc and Mr King has sufficient experience in metallurgical processing of the type of deposits under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr King is a Fellow of the Institute of Materials, Minerals & Mining (which is a Recognised Professional Organisation (RPO) included in a list that is posted on the ASX website from time to time), and consents to the inclusion in this report of the matters based on that information in the form and context in which it appears.

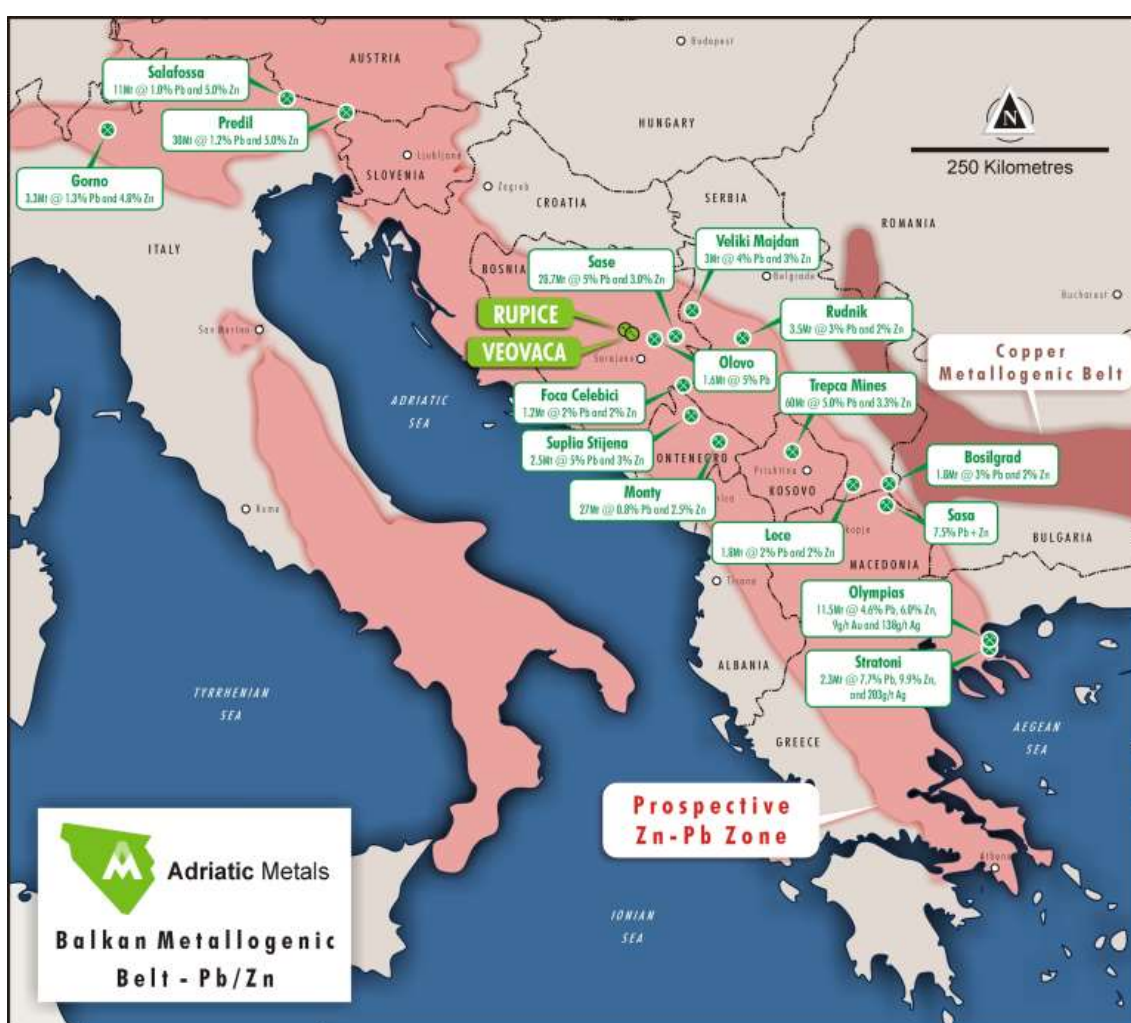


## ABOUT ADRIATIC METALS

Adriatic Metals Plc (ASX:ADT, LSE:ADT1) is a precious and base metals explorer and developer that owns the world-class advanced polymetallic Vares project in Bosnia & Herzegovina.

The Vares project consists of two high-grade polymetallic deposits, located at Rupice and Veovaca. Bosnia & Herzegovina is well-positioned in central Europe and boasts a strong mining history, pro-mining environment, highly-skilled workforce as well as extensive existing infrastructure and logistics.

The Vares project's captivating economics and impressive resource inventory have attracted Adriatic's highly experienced team, which is expediting exploration efforts to expand the current JORC resource. Results of a recent scoping study indicate an NPV8 of US\$917 million and IRR of 107%. Leveraging its first-mover advantage, Adriatic is rapidly advancing the project into the development phase and through to production.



## 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 of 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 price and foreign 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 prospects, properties and business strategy. Our audience is cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof, and we do 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 2020

Consolidated statement of cash flows	(a) Current quarter GBP'000	(b) Year to date (12 months) GBP'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	0	0
1.2 Payments for		
(a) exploration & evaluation (if expensed)	0	0
(b) development	(425)	(851)
(c) production	0	0
(d) staff costs	(360)	(1,222)
(e) administration and corporate costs	(554)	(2,420)
1.3 Dividends received (see note 3)	0	0
1.4 Interest received	2	28
1.5 Interest and other costs of finance paid	(3)	(3)
1.6 Income taxes paid	0	0
1.7 Government grants and tax incentives	0	0
1.8 Other (VAT Refunds)	451	768
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(889)</b>	<b>(3,700)</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	0	(212)
(d) exploration & evaluation (if capitalised)	(1,373)	(4,473)
(e) investments	0	0

Consolidated statement of cash flows	(a) Current quarter GBP'000	(b) Year to date (12 months) GBP'000
(f) other non-current assets	0	0
2.2 Proceeds from the disposal of:		
(a) entities	0	0
(b) tenements	0	0
(c) property, plant and equipment	0	0
(d) investments	0	0
(e) 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 (provide details if material)	0	0
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(1,373)</b>	<b>(4,685)</b>
<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	0	12,619
3.2 Proceeds from issue of convertible debt securities	0	0
3.3 Proceeds from exercise of options	22	744
3.4 Transaction costs related to issues of equity securities or convertible debt securities	0	0
3.5 Proceeds from borrowings	0	0
3.6 Repayment of borrowings	0	0
3.7 Transaction costs related to loans and borrowings	(104)	(104)
3.8 Dividends paid	0	0
3.9 Other (provide details if material)	(876)	(876)
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(958)</b>	<b>12,383</b>
<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	11,790	5,568
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(889)	(3,700)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(1,373)	(4,685)

<b>Consolidated statement of cash flows</b>		<b>(a) Current quarter GBP'000</b>	<b>(b) Year to date (12 months) GBP'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(958)	12,383
4.5	Effect of movement in exchange rates on cash held	1,122	126
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>9,692</b>	<b>9,692</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>(c) Current quarter GBP'000</b>	<b>(d) Previous quarter GBP'000</b>
5.1 Bank balances	9,692	11,790
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>9,692</b>	<b>11,790</b>

<b>6. Payments to related parties of the entity and their associates</b>	<b>(e) Current quarter GBP'000</b>
6.1 Aggregate amount of payments to related parties and their associates included in item 1	183
6.2 Aggregate amount of payments to related parties and their associates included in item 2	0
Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments	

## Mining exploration entity and oil and gas exploration entity quarterly report

7.	<b>Financing facilities</b>	<b>(f) Total facility amount at quarter end GBP'000</b>	<b>(g) Amount drawn at quarter end GBP'000</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>		
7.1	Loan facilities	0	0
7.2	Credit standby arrangements	0	0
7.3	Other (please specify)	0	0
7.4	<b>Total financing facilities</b>	<b>0</b>	<b>0</b>
7.5	<b>Unused financing facilities available at quarter end</b>		<b>0</b>
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.		

8.	<b>Estimated cash available for future operating activities</b>	<b>(h) GBP'000</b>
8.1	Net cash from / (used in) operating activities (Item 1.9)	(889)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(1,373)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(2,262)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	9,692
8.5	Unused finance facilities available at quarter end (Item 7.5)	0
8.6	Total available funding (Item 8.4 + Item 8.5)	9,692
8.7	<b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	<b>4.3</b>

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:

- 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:

- Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

## 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: 30 July 2020

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 – eg *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.