

24 AUGUST 2020



ADRIATIC METALS PLC AND TETHYAN RESOURCE CORP ANNOUNCE INCREASE TO LOAN FROM ADRIATIC METALS PLC

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

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

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

Adriatic Metals PLC (ASX:ADT, LON:ADT1) ("**Adriatic**") and Tethyan Resource Corp. (TSX-V: TETH) ("**Tethyan**") are pleased to announce that Adriatic, Tethyan and one of its subsidiaries have entered into an amendment (the "**Amendment**") to the secured convertible loan agreement dated May 10, 2020 (the "**Loan**") between the parties. Pursuant to the Amendment, Adriatic agreed to advance to Tethyan an additional €500,000, bringing the total principal amount of the Loan from Adriatic to €1,800,000. Tethyan has submitted a borrowing request for the full amount of the advance, and it is expected to be made on or before August 28, 2020.

Proceeds from the additional advance will be used for exploration and drilling expenses on Tethyan's Kizevak and Sastavci properties, reasonable expenses incurred in the ordinary course of business, and expenses in connection with the plan of arrangement with Adriatic (the "**Arrangement**").

Key terms of the Loan, as amended, include the following:

- Interest rate of 10% per annum, compounding monthly;
- Repayment due on the earliest of May 10, 2021, the termination of the Arrangement and the completion of the Arrangement;
- Conversion of the initial €1,300,000 at the option of Adriatic at any time following the termination of the Arrangement into common shares of Tethyan at a price of C\$0.15 per share, and the additional €500,000 at a price of C\$0.40 per share, with the conversion price applicable to any accrued interest being the market price (as defined by the TSX Venture Exchange) on the day immediately preceding any conversion date;
- Security over Tethyan's Serbian assets; and
- Other such terms as are customary for a convertible loan of this nature.

The Amendment to the Loan is subject to final acceptance of the TSX Venture Exchange. If any shares are issued in connection with the amendment to the Loan, they will be subject to a four month and one day hold period commencing from the date of advance.



Early Warning

Further to Adriatic's news release dated May 11, 2020, the following information is being provided by Adriatic pursuant to Section 3.1 of Canadian National Instrument 62-103 – The Early Warning System and Related Take-Over Bid and Insider Reporting Requirements ("NI 62-103").

Prior to the Amendment, Adriatic was deemed to have control and direction and beneficial ownership of 13,086,666 common shares of Tethyan, representing 14.1% of the then issued and outstanding common shares of Tethyan underlying its conversion rights under the Loan with respect to €1,300,000 of the aggregate principal amount thereunder. As a result of the Amendment and on advance of an additional €500,000 (C\$755,000) to Tethyan thereunder, Adriatic's conversion rights would entitle it to acquire control and direction and beneficial ownership of an additional 1,887,500 common shares, representing a further 2.0% of the then issued and outstanding common shares of Tethyan, which together with its conversion rights prior to the Amendment would entitle it to acquire control and direction and beneficial ownership of 14,974,166 common shares, representing a total of 15.8% of the then issued and outstanding common shares of Tethyan.

The foregoing percentages are based upon 79,994,867 common shares of Tethyan issued and outstanding as of the date hereof and amounts under the loan have been converted from Euros to Canadian dollars at an exchange rate of 1.51 Euros per Canadian dollar. An early warning report will be filed by Adriatic pursuant to NI 62-103 on SEDAR at www.sedar.com under the profile for Tethyan.

-ends-

MARKET ABUSE REGULATION DISCLOSURE

The 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.

For further information please visit www.adriaticmetals.com, [@AdriaticMetals](https://twitter.com/AdriaticMetals) on Twitter, or contact:

For Adriatic Metals PLC

Paul Cronin / Emma Chetwynd Stapylton

Tel: +44 (0) 203 950 9138

For Tethyan Resource Corp

Fabian Baker
Andjelija Vujovic

fabian@tethyan-resources.com
andjelija@tethyan-resources.com

Tavistock Communications Limited

Charles Vivian
Edward Lee
Gareth Tredway

Tel: +44 (0) 7977 297903
Tel: +44 (0) 7736 220565
Tel: +44 (0) 7785 974264

The Capital Network

Julia Maguire/Lelde Smits

Tel: +61 2 8999 3699

ABOUT ADRIATIC METALS

Adriatic Metals Plc (ASX:ADT, LON: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 (released on 19 November 2019) 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.

There have been no material adverse changes in the assumptions underpinning the forecast financial information or material assumptions and technical parameters underpinning the Maiden Resource Estimate since the original relevant market announcements which continue to apply.

ABOUT TETHYAN RESOURCE CORP

Tethyan Resource Corp. is a precious and base metals mineral exploration focused on the Tethyan Metallogenic Belt in Eastern Europe, mainly Serbia.