

30 April 2025

Adriatic Metals PLC

**QUARTERLY ACTIVITIES REPORT
For the three months ended 31 March 2025
("Q1" or "Quarter")**

Q1 HIGHLIGHTS

- Production increased 46% to 1.4Moz AgEq¹ in Q1 2025 vs 0.9Moz AgEq in Q4 2024
- 66kt ore milled in Q1 2025 vs 47kt in Q4 2024, a 40% improvement as processing throughput continues to ramp up
- Quarterly sales of \$34m in Q1 2025, an increase of 26% vs Q4 2024
- Veovača Tailings Storage Facility ('TSF') construction was completed in March and first tailings deposited on 2 April
- First debt repayment of \$20m made to Orion Mine Finance ('Orion') on 28 March 2025
- Cash balance as at 31 March 2025 of \$76m.

POST-PERIOD HIGHLIGHTS

- Significant progress made in April, with key metrics hitting monthly records:
 - 35kt milled (+60% vs Q1 average)
 - 0.8Moz AgEq¹ produced (+76% vs Q1 average)
 - 315m mine development (+30% vs Q1 average)
 - ~\$21m of shipment value
- With throughput rates increasing, commercial production is on track for Q2 2025.

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

"As highlighted in the operations update on 31 March, the first quarter marked a period of progress at the Vares Silver Operation. Despite a slower than expected ramp-up, production increased by over 40% quarter-on-quarter and operations were cash generative. Additionally, the successful commissioning of the Veovača TSF represents a critical milestone, significantly reducing risk as we advance toward steady-state operations.

"While production fell short of expectations in Q1 - by approximately 40kt, or 6% of mid-point 2025 guidance - this was primarily due to adverse weather conditions and tailings management challenges. Nevertheless, we are pleased with advancements made in April as progress is made towards commercial production. We look forward to hosting analysts and investors at site in May and we remain confident in our strategy to drive long-term value for shareholders through sustained production growth and strong cash flow generation."

Adriatic Metals PLC (ASX:ADT, LSE:ADT1, OTCQX:ADMLF) ("Adriatic" or the "Company") is pleased to provide an update on mining and processing activities at the Vareš Silver Operation in Bosnia and Herzegovina over Q1 2025.

1. OPERATIONS

Health & Safety

At the end of Q1 2025, the 12-month rolling Lost Time Injury Frequency ('LTIF') and Total Recordable Injury Frequency ('TRIF') were 2.86 and 5.00 respectively compared to Q4 2024 where LTIF and TRIF were 2.26 and 5.27 respectively (frequency = (LTI or RI) * 1,000,000 / total hours worked). Note that previous quarterly reports used a numerator of 200,000 hours.

Q1 2025 Production

	Q2 2024	Q3 2024	Q4 2024	FY 2024	Q1 2025
Ore mined (t)	8,284	63,053	73,215	145,755	67,390
Ore milled (t)	9,211	19,308	47,233	76,402	65,991
Head grade – Ag (g/t)	96	239	234	217	296
Head grade – Au (g/t)	0.6	2.6	2.6	2.3	2.6
Head grade – Zn (%)	2.2	8.6	7.5	7.1	6.4
Head grade – Pb (%)	1.6	5.6	4.8	4.6	4.5
Recoveries – Ag (%)	76	85	94	90	95
Recoveries – Au (%)	45	65	74	71	71
Recoveries – Zn (%)	29	56	63	60	57
Recoveries – Pb (%)	59	55	68	64	74
Ag/Pb concentrate (kt)	0.3	1.4	3.8	5.5	5.3
Grade – Ag (g/t)	2,322	2,131	2,185	2,177	2,889
Grade – Au (g/t)	7.2	13.6	14.1	13.7	15.1
Grade – Pb (%)	32.9	41.3	41.1	40.8	41.4
Zn concentrate (kt)	0.1	2.1	4.8	7.1	5.3
Grade – Ag (g/t)	602	411	427	425	590
Grade – Au (g/t)	5.1	5.8	7.3	6.8	8.3
Grade – Zn (%)	44.9	44.4	46.2	45.7	45.8
Contained – Ag (oz)	21,722	126,376	333,148	481,245	595,993
Contained – Au (oz)	81	1,021	2,859	3,961	3,998
Contained – Zn (t)	58	931	2,238	3,226	2,419
Contained – Pb (t)	85	594	1,561	2,240	2,211

* Recoveries and contained metal are only into payable concentrates

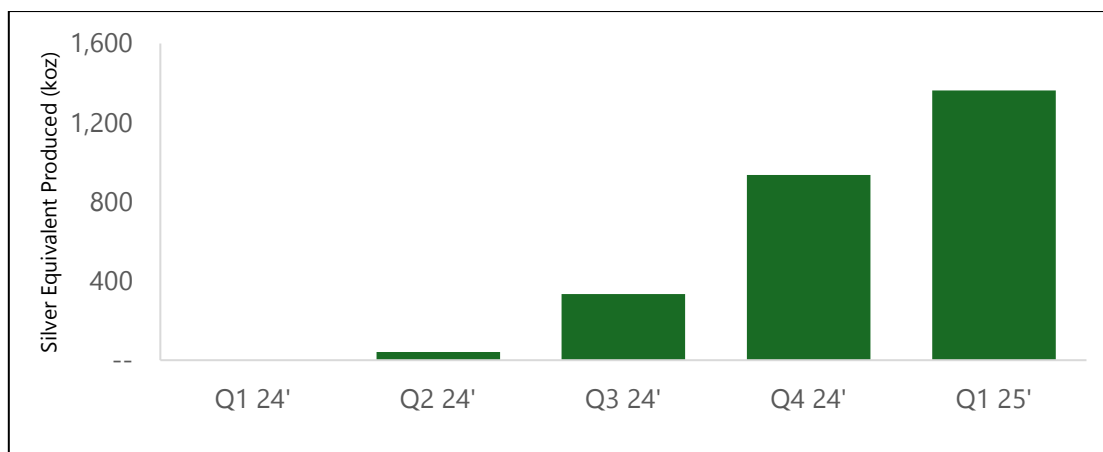


Figure 1: Silver equivalent produced (koz)

In Q1 2025, 67kt of ore was mined, 8% lower than 73kt ore mined in Q4 2024 to align with processing rates and manage ore stockpile capacity. There was a total of 730m of underground development in Q1 2025, an 8% increase compared to Q4 2024 at 675m.

Record quarter of processing throughput of 66kt ore milled in Q1 2025 vs 47kt ore milled in Q4 2024, an increase of 40% as production continues to ramp up. This resulted in production of 1.4Moz AgEq¹ in Q1 2025 vs 0.9Moz AgEq in Q4 2024.

Milled tonnage was approximately 40kt lower than budget due to several factors:

- Weather impacts and power outages in January (~15kt loss) – now resolved.
- Delay in start of Veovača TSF operation (~20kt loss) – now resolved.
- Tailings filtration cycle time issues (~20kt loss) – currently being resolved with debottlenecking modifications in Q2, and additional filter plates (+10% capacity) from Metso in Q3.

As the ramp-up continues, commercial production is expected to be reached during Q2 2025, with April achieving 20 days averaging 70% throughput after 5 days of planned maintenance.

Tailings

Construction of the Veovača TSF was completed in March, with necessary regulatory permits secured, and initial tails deposition took place on 2 April. Construction is currently underway on the direct access road linking the Vareš Processing Plant to the Veovača TSF. In the interim, an alternative route with limited capacity is being used. The main route is on track for completion by the end of May. The paste backfill plant is expected to be completed in Q4 2025.

2. FINANCE

Quarterly sales totalled \$34m in Q1 2025, an increase of 26% vs Q4 2024. Importantly, Q1 2025 marked the first quarter since operations commenced that the Company was cash generative.

Cash reserves were bolstered by a \$25m concentrate prepayment arrangement agreed with Trafigura, with funds drawn down in January.

An equity raising of \$50m took place on 18 February to support expansionary capital expenditure. The funds were raised to secure long-lead items to fast-track the Vareš Processing Plant expansion to 1.3Mtpa, initiate studies and workstreams at Rupice Mine to support production and provide spare capacity to de-risk ramp-up to nameplate production.

The first debt quarterly repayment to Orion Mine Finance of \$20m was made at the end of March.

The cash balance as at 31 March 2025 was \$76m (Q4 2024: \$21m).

Summary of Cash flow

A summary of operating, investing and financing cash flows during the Quarter, before movements in exchange rates, as reported in the Appendix 5B Cash Flow Report, is as follows:

	USD'000
Net cash from operating activities	7,498
Net cash used in investing activities	(5,054)
Net cash from financing activities	52,977
Effects of movement in exchange rates	(201)
Net increase in cash and cash equivalents	55,220

3. TENEMENT HOLDINGS

In accordance with ASX Listing Rule 5.3.3, the Company's tenements as at 31 March 2025 are set out below. The Company holds a 100% interest in all concession agreements and licences via its wholly owned subsidiaries with the exception of the Raska (Suva Ruda) licence held by Deep Research d.o.o. which is subject to changes that occurred during 2024.

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

	Concession document	Registration number	License holder	Concession name	Area (km ²)	Date granted	Expiry date
Bosnia and Herzegovina	Concession Agreement	No.:04-18-21389-1/13	Eastern Mining d.o.o.	Veovača1	1.08	12-Mar-13	12-Mar-38
				Veovača 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			Veovača - 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	03-Dec-20	03-Dec-50
	Extension			Droskovac - Brezik	2.88	03-Dec-20	03-Dec-50
				Borovica – Semizova Ponikva	9.91	03-Dec-20	03-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	03-Oct-19	29-May-26
	Exploration License	310-02-1722/2018-02	Adriatic Metals d.o.o.	Sastavci	1.44	07-Oct-19	29-May-26
	Exploration License	310-02-1114/2015-02	Adriatic Metals d.o.o.	Kremice	8.54	21-Apr-16	07-Jul-25
	Exploration License	310-02-00060/2015-02	Deep Research d.o.o.	Rudno Polje Raska	81.39	28-Dec-15	24-Oct-24**
	Exploration License	310-02-01670/2021-02	Adriatic Metals d.o.o.	Kaznovice	37.1	11-Oct-21	22-Nov-24*

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

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

Notes:

Note 1: Formula for Silver Equivalent (AgEq) = ((Ag Produced x Ag \$/oz) + (Au Produced x Au \$/oz) + (Zn Produced x Zn \$/t) + (Pb Produced x Pb \$/t) + (Cu Produced x Cu \$/t) + (Sb Produced x Sb \$/t)) / (Ag \$/oz). Produced quantities are after recovery. Commodity prices: \$25/oz Ag, \$2,000/oz Au, \$2,500/t Zn, \$2,000/t Pb, \$2,000/t Cu, \$2,000/t Sb.

Note 2: Unless otherwise stated, all dollar figures are United States dollars (\$).

Note 3: There is some slight variance in numbers announced on 31 March and 29 April due to reconciliation.

- ends -

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

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

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MARKET ABUSE REGULATION DISCLOSURE

The information contained within this announcement is deemed by the Company (LEI: 549300OHAH2GL1DP0L61) to constitute inside information for the purpose of Article 7 of EU Market Abuse Regulation (EU) No. 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) ACT 2018, as amended. The person responsible for arranging and authorising the release of this announcement on behalf of the Company is Laura Tyler, CEO and Managing Director.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

ADRIATIC METALS PLC

ABN

624 403 163

Quarter ended ("current quarter")

31 MARCH 2025

Consolidated statement of cash flows		Current quarter USD'000	Year to date (3 months) USD'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	33,971	33,971
1.2	Payments for		
	a) exploration & evaluation (if expensed)	(932)	(932)
	b) development	(3,049)	(3,049)
	c) production	(11,440)	(11,440)
	d) staff costs	(9,175)	(9,175)
	e) administration and corporate costs	(5,865)	(5,865)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	150	150
1.5	Interest and other costs of finance paid	(690)	(690)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other - VAT refund	4,528	4,528
1.9	Net cash from operating activities	7,498	7,498

Consolidated statement of cash flows		Current quarter USD'000	Year to date (3 months) USD'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	a) entities	-	-
	b) tenements	-	-
	c) property, plant and equipment	(5,054)	(5,054)
	d) exploration & evaluation (if capitalised)	-	-
	e) investments	-	-
	f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	a) entities	-	-
	b) tenements	-	-
	c) property, plant and equipment	-	-
	d) investments	-	-
	e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
2.6	Net cash used in investing activities	(5,054)	(5,054)

3.	Cash flows from financing activities		
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	-	-
3.3	Proceeds from exercise of options and warrants	-	-

Consolidated statement of cash flows		Current quarter USD'000	Year to date (3 months) USD'000
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(1,796)	(1,796)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(20,227)	(20,227)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – concentrate prepayment net of fees	25,000	25,000
3.10	Net cash from financing activities	52,977	52,977

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	20,698	20,698
4.2	Net cash from / (used in) operating activities (item 1.9 above)	7,498	7,498
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(5,054)	(5,054)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	52,977	52,977
4.5	Effect of movement in exchange rates on cash held	(201)	(201)
4.6	Cash and cash equivalents at end of period	75,918	75,918

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	75,144	75,144
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other – brokerage cash	774	774
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	75,918	75,918

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	(357)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
During the Quarter, Adriatic paid an aggregate total of \$357k to Directors, or companies controlled by them, consisting of salaries and fees.		

7.	Financing facilities <i>Note: the term “facility” includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end USD’000	Amount drawn at quarter end USD’000
7.1	Loan facilities	142,500	142,500
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	25,000	25,000
7.4	Total financing facilities	167,500	167,500
7.5	Unused financing facilities available at quarter end	-	
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
The \$142.5m Orion Debt Financing package consists of \$120m Senior Secured Debt and \$22.5m Copper Stream arrangement. The first two tranches of \$30m of the \$120m Senior Secured Debt were drawn down in December 2022 and February 2023 and the third tranche was drawn down in April 2023. The \$22.5m Copper Stream deposit was received in February 2023. The remaining fourth \$30m tranche of the Senior Secured Debt was drawn down in January 2024.			
In January 2025 the Company completed a \$25m concentrate prepayment agreement with Trafigura with funds drawn down in the same month.			

8.	Estimated cash available for future operating activities	USD'000
8.1	Net cash from operating activities (Item 1.9)	7,498
8.2	Net cash (used in) investing activities (Item 2.6)	(5,054)
8.3	Total relevant earnings (Item 8.1 + Item 8.2)	2,444
8.4	Cash and cash equivalents at quarter end (Item 4.6)	75,918
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	75,918
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	31.1
8.8	If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
	1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

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

Answer: N/A

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2025

Authorised by: *Audit and Risk Committee*
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – e.g. *Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.