

27 OCTOBER 2021

## ENVIRONMENTAL & SOCIAL IMPACT ASSESSMENT

### RELEASED FOR PUBLIC REVIEW

### 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 project 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

### HIGHLIGHTS

- Adriatic has undertaken an Environmental & Social Impact Assessment ("ESIA") in line with best international practice.
- Baseline studies started in Q1 2020, following a screening and scoping study that commenced in Q4 2019.
- The Company appointed Wardell Armstrong International to develop the ESIA, in order to conform with the Performance Requirements set out in the European Bank for Reconstruction and Development's 2019 Environmental and Social Policy.
- The ESIA has now been released for a 60-day public review and disclosure period.
- The data from the baseline studies, and predictive modelling of the project components and activities, has informed a comprehensive suite of Environmental and Social Management Plans. These will guide the Company's activities throughout the development, exploitation, and ultimate decommissioning of the Vares Silver Project to avoid, minimise and manage impacts.
- The ESIA can be downloaded from the Company's website <https://www.adriaticmetals.com/sustainability/esia/>

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

*"The completion of the first natural resources ESIA in Bosnia & Herzegovina is a significant step forward for the Adriatic Metals' team, and reinforces our commitment to both best international practice, as well as to the communities and environment host our operation. As we end nearly two years of studies, our passionate and committed staff can start the development of the Vares Silver Project, secure in the knowledge that they understand the requirements of the community and have the tools available to minimise, and where required, mitigate the impacts of our operation."*

### Eric Rasmussen, EBRD's Director of Natural Resources commented:

*"The EBRD has published the Vares Silver Project ESIA for public consultation. The ESIA has been developed by Adriatic Metals following over nearly two years of studies to meet EBRD's Performance Requirements under its 2019 Environmental and Social Policy. The Performance Requirements set out good international practice for the management of environmental and social impacts and risks and aligns with Adriatic Metal's commitment to environmental and social stewardship and its support of communities near to the mine. EBRD has supported Adriatic Metals in the development of this ESIA which sets a high standard for the Vares Silver Project and future projects."*

**adriaticmetals.com**



**Adriatic Metals PLC** (ASX:ADT, LSE:ADT1, OTCQX:ADMLF) ("Adriatic" or the "Company") is pleased to announce the release of its Environmental & Social Impact Assessment ("ESIA") for its Vares Project ("Vares Silver Project" or "Project") in Bosnia & Herzegovina.

## **Background**

The Company took the decision in 2019 to conduct an ESIA in compliance with the highest recognised international industry standards. The Company appointed Wardell Armstrong International ("WAI") to produce the ESIA to conform with the Performance Requirements ("PR") set out in the European Bank for Reconstruction and Development's ("EBRD") 2019 Environmental and Social Policy, as well as taking into consideration, amongst others, the World Bank's International Finance Corporation ("IFC") Performance Standards and the recently published findings of the Global Tailings Review.

## **ESIA Review Period**

The ESIA has now been released for a 60-day public review and disclosure period as per EBRD's PRs. The ESIA can be downloaded from the Company's website <https://www.adriaticmetals.com/sustainability/esia/> and will be made readily available to all stakeholders. A comprehensive dissemination and disclosure plan, including "open-house" meetings with both near-mine communities and federal stakeholders has been produced, Chapter 8 of the ESIA sets this out in detail.

## **Scope of Assessment**

The ESIA was undertaken to assess and present the risks and impacts of the Vares Silver Project along with mitigation measures and environmental and social management plans, in accordance with international best practices and standards. Specifically, the ESIA conforms to the requirements of EBRD's 2019 Environmental and Social Policy. The Company also completed a separate local permitting process to ensure the Project conforms with the legislative requirements of Bosnia & Herzegovina, a part of which also includes environmental impact assessments for different project components.

The ESIA process commenced with a screening and scoping study, completed by WAI in Q1 2020. This study allowed for the design and implementation of a baseline collection programme. Impact assessment and mitigation design, together with social, environmental and health management plans, are based on these baseline conditions and take account of the releases and effects associated with the Vares Silver Project.

A critical component of the impact assessment process is the consultation with all the various stakeholders affected by the Project to ensure that the ESIA considers, as a priority, any issues identified. These stakeholders are principally those within the local communities, as well as government institutions and non-governmental organisations. An ESIA consultation process was initiated with local communities in November 2019 and has continued throughout the ESIA period. Feedback from these consultations has helped refine the baseline data collection and inform the application of the mitigation hierarchy and management planning detailed in the ESIA.

The purpose of the ESIA now disclosed is to document the existing environmental and social conditions, describe the proposed operation, identify its impacts, develop implementation measures to avoid, reduce or minimise the impact of the operation and the actions needed to ensure their performance. This includes the planned activities of construction, operations and decommissioning on the following four main components of the Vares Silver Project:

- the Rupice underground mine and associated surface infrastructure ("Rupice");
- the Vares Processing Plant ("VPP");
- the VPP dry stack tailings storage facility ("TSF"); and
- the 24.5km haul route connecting VPP to Rupice.

The impact assessment subject areas are interlinked. The ESIA has been developed alongside and based upon the Vares Project Definitive Feasibility Study, as announced on 19 August 2021, in close collaboration with its



authors. The environmental, social and health aspects of these areas have been integrated into the overall Vares Silver Project design, avoiding any significant adverse impacts.

The final stage of the ESIA process is to consider and take into account any comments received during the disclosure period and the meetings that will be held to share the results with local communities, nearby municipalities, and national stakeholders, as well as other interest groups. The Final ESIA will incorporate these comments as appropriate and the documents will thereafter be available, in English and Bosnian, on our websites.

## Summary

The publication of the ESIA represents a further landmark in the development of the Vares Silver Project. The resulting environmental, social and health mitigation measures, encapsulated in comprehensive management plans, enable the Company to commence development secure in the knowledge that is proceeding in accordance with best international practise and is aligned with the aspirations and requirements of its key stakeholders; the communities and environment in which it operates.

Authorised by, and for further information please contact:

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For further information please visit [www.adriaticmetals.com](http://www.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.

The 2021 Vares Silver Project Definitive Feasibility Study boasts robust economics of US\$1,062 million post-tax NPV8, 134% IRR and a capex of US\$168 million. The Company is well-funded and concurrent with the advancing



of the Vares Silver Project into construction, it continues to explore across its highly prospective 41km<sup>2</sup> concession package.

Adriatic Metals completed the acquisition of TSX-listed explorer Tethyan Resource Corp. in Q4 2020, which contained the Raska Zinc-Silver Project in southern Serbia. The Company is exploring across its 99km<sup>2</sup> highly prospective concession area, which includes around the formerly operating Kizevak and Sastavci polymetallic mines.

There have been no material changes to the assumptions underpinning the forecast financial information derived from the production target in the 19 August 2021 DFS announcement and these assumptions continue to apply and have not materially changed. Adriatic Metals is not aware of any new information or data that materially affects the information included in the announcement of the updated Mineral Resource Estimate announced on 1 September 2020 and all material assumptions and technical parameters underpinning the Mineral Resource Estimate

### ABOUT WARDELL ARMSTRONG INTERNATIONAL

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