



Adriatic Metals

# Europe's new source of strategic metals

Precious Metals Summit, Beaver Creek

September 2022

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The Mineral Resource estimate for the Rupice underground deposit comprising part of the Vares Silver Project was announced in accordance with ASX Listing Rule 5.8 on 1 September 2020. 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 was announced in accordance with ASX Listing Rule 5.9 on 19 August 2021. 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.

In accordance with ASX Listing Rule 5.19, the Company confirms that the production targets and forecast financial information for the Vares Project disclosed in this presentation were first disclosed in accordance with ASX Listing Rules 5.16 and 5.17 in the Company's announcement dated 19 August 2021. The Company confirms that all the material assumptions underpinning the production target and the forecast financial information in the previous announcement continue to apply and have not materially changed.

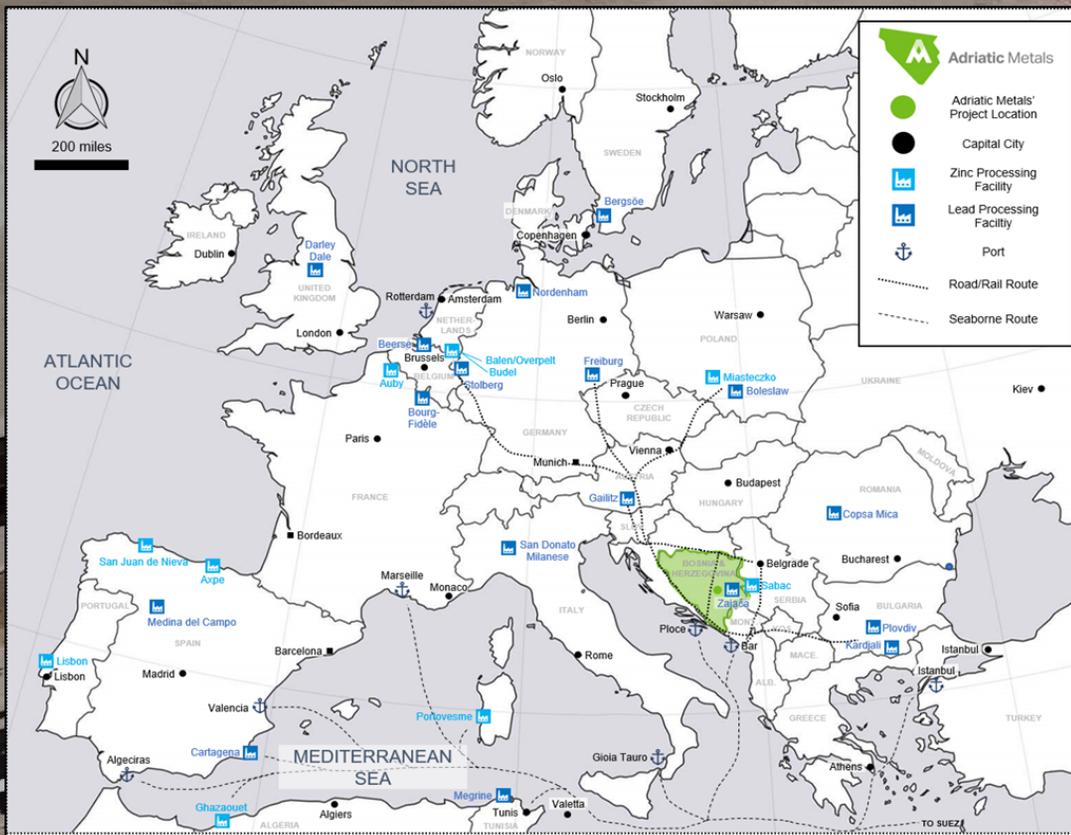
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# Rapid rate of project development

Bosnia and Herzegovina



## AN ATTRACTIVE MINING JURISDICTION

- Well positioned in central Europe with extensive access to rail networks linking European smelters and the seaborne market
- Strong mining history and highly skilled workforce
- 10% corporate tax and favourable royalty regime
- Publicly supportive government

## RAPID RATE OF PROJECT DEVELOPMENT

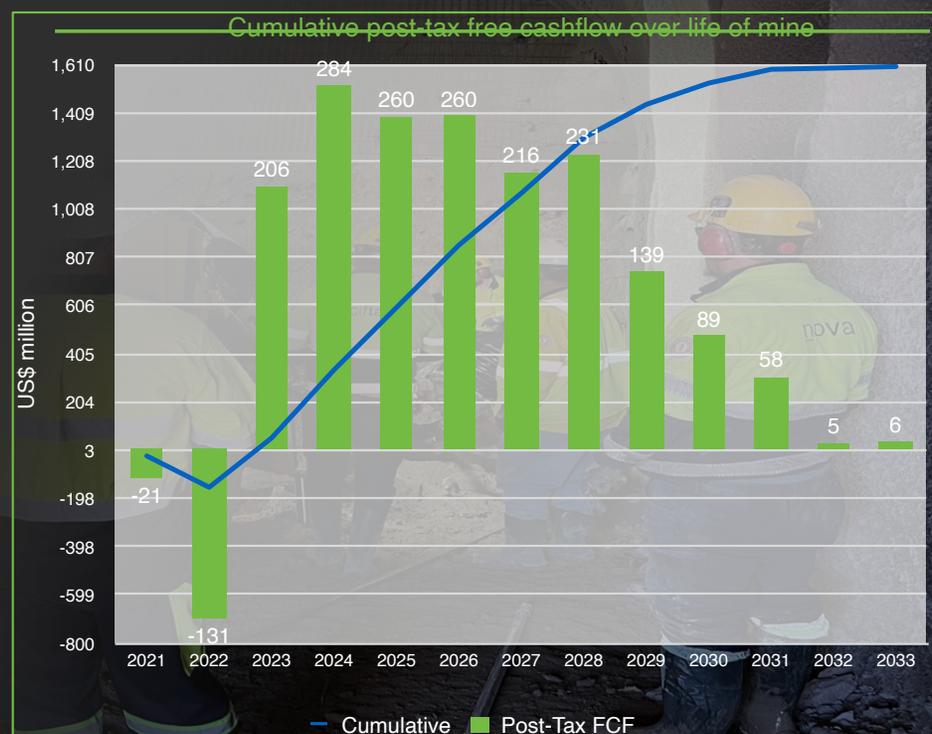
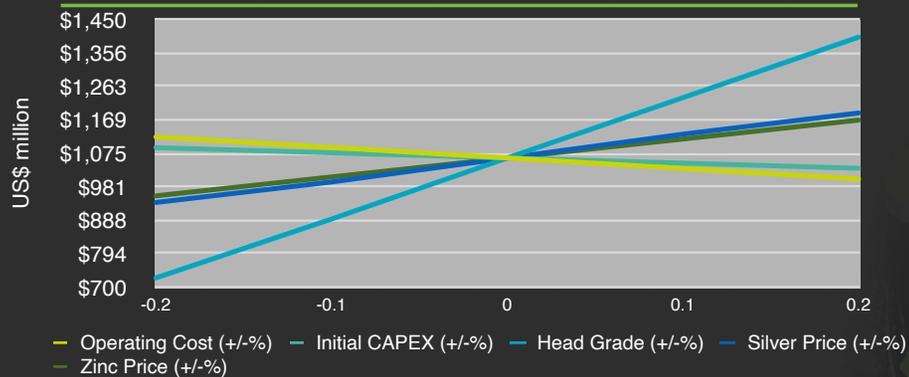
- Acquired in 2017
- ASX listing 2018
- Maiden Resource and LSE listing 2019
- PFS published 2020
- DFS, financing and start of construction in 2021
- Fully permitted 2022
- Production commencing June 2023

# Vares silver project

Highly robust economics

2021 DFS	
Post-tax NPV <sub>8</sub>	US\$1,062 million
Post-tax IRR	134%
Initial Capital Cost <sup>1</sup>	US\$168 million
Payback period	8.5 months
AISC <sup>2</sup>	US\$7.3 / AgEq oz

Post tax NPV8 Sensitivity table<sup>3</sup>



1. Includes Contingency of US\$17.8 million
2. Silver equivalent calculations and parameters are in the Appendices
3. Of the commodities that make up the Vares Project, the NPV<sub>8</sub> is most sensitive to changes in silver and zinc prices. The base case price assumptions are at US\$24/oz silver and US\$3,000/t zinc

# Cash cost curve

One of the lowest cost new silver projects globally



Note: Peer precious metals projects over the past 5 years. See Appendices for sources  
AISC = All in Sustaining Cash Costs

# Corporate strategy

Build long term value for shareholders

## Generate near-term cash flow

- Focused on bringing Vares to production
- Generate consistent operating track record
- Build cash reserves

## Extend Vares mine life to 20+ years

- Continue exploration to add ore reserves to mine plan
- Explore new greenfield opportunities within existing Vares concession

## Multi asset diversification

- Target value accretive assets
- Focus on Europe
- Adopt disciplined capital allocation



# Adriatic Metals

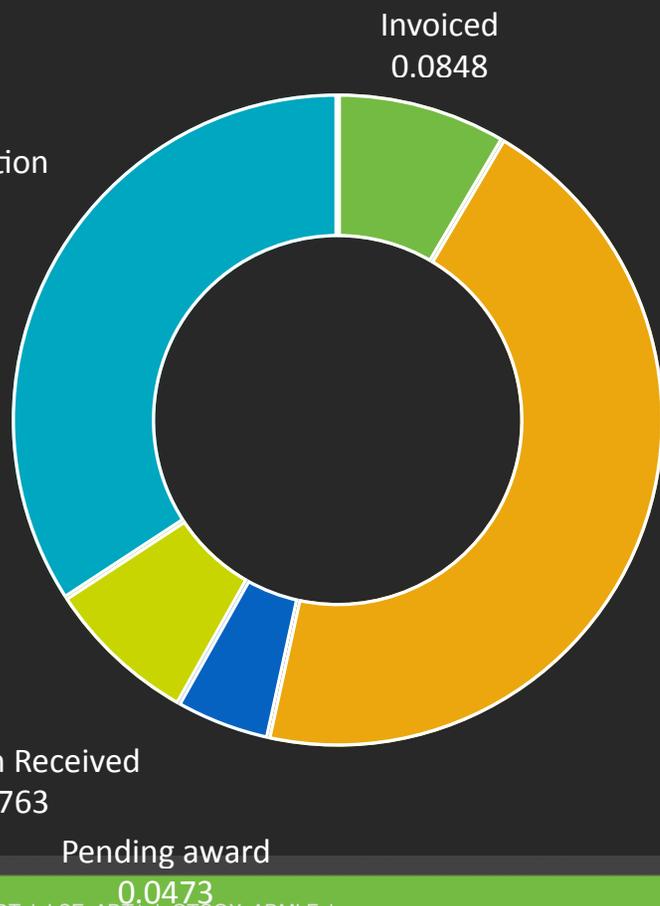


# Project development timeline

	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Construction decision / development starting	✓						
Order long-lead mechanical equipment items	✓	✓	✓				
Underground decline development of upper and lower portals at Rupice		✓	✓				
Vares Processing Plant site construction		✓	✓				
Haul road construction			✓				
Underground development reaches orebody / stoping starts							
Commence plant commissioning							
First production / export							



# Project development budget



- 2021 DFS Capex budget of US\$ 168.2m
- Significant inflationary pressure has been well managed via;
  - Well planned procurement processes
  - Intelligent execution of engineering design
  - Increased use of local suppliers
- With 66% of total capital costs known total project capex spend expected to be US\$ 170.0m
- 34% of costs pending confirmation primarily relate to remaining Rupice earthworks and haul road construction.
- US\$ 10.0m of cost contingency yet to be used

# Sustainability risk management

Clear operational goals and transparent disclosure

Pre 2022	2022	Post 2022
<b>GOVERNANCE</b>	<b>PERFORMANCE</b>	<b>PRIORITIES</b>
Develop community and investor confidence	Implement sustainability strategy and track performance	Mitigate risk, create shared value and maintain social license to operate
<ul style="list-style-type: none"> <li>Established Sustainability Committee and Operational Sustainability Steering Group</li> <li>Introduced Climate Change, Environment, Social Performance and Community policies</li> <li>Positive local engagement and feedback to Environmental &amp; Social Impact Assessment (ESIA)</li> <li>Developed sustainability strategy</li> <li>Executive remuneration (STIP) linked to sustainability criteria</li> </ul>	<ul style="list-style-type: none"> <li>Development of OH&amp;S systems</li> <li>Gender diversity: 25% workforce &amp; 33% board are women</li> <li>Employee engagement: 68%</li> <li>Concession fees in line with EITI transparency</li> <li>Low projected GHG emissions per unit of metal recovered</li> <li>Maiden TCFD disclosure</li> </ul>	<ul style="list-style-type: none"> <li>Implement ESIA commitments through Environmental &amp; Social Action Plan (ESAP)</li> <li>Develop clean energy sources for Eastern Mining subsidiary and local community</li> <li>Strict focus on contractor management through mine construction phase</li> <li>Develop decarbonisation &amp; net-zero strategy</li> <li>Target local employment and procurement where possible</li> </ul>



# Creating shared prosperity

Stakeholders working together towards a common goal

**\$177m**

in corporate & income tax payments over mine life

**25%**

of Bosnian foreign direct investment<sup>1</sup>

**\$1.88b**

in revenue over first 5 years: Bosnia's largest exporter

**1.5%**

contribution to Bosnian GDP during operations

**\$23m**

made to date in direct payments to Government<sup>2</sup>

**450**

employees – peak requirement

**25%**

of the workforce is female: committed to workplace diversity

**Strong**

local Government and community support

1. This is a peak figure (during Project LOM) calculated using 2020 FDI plus consecutive ADT inputs  
2. Calculated to date and over the Vares Project LOM

# Rupice deposit – 10+ years and growing

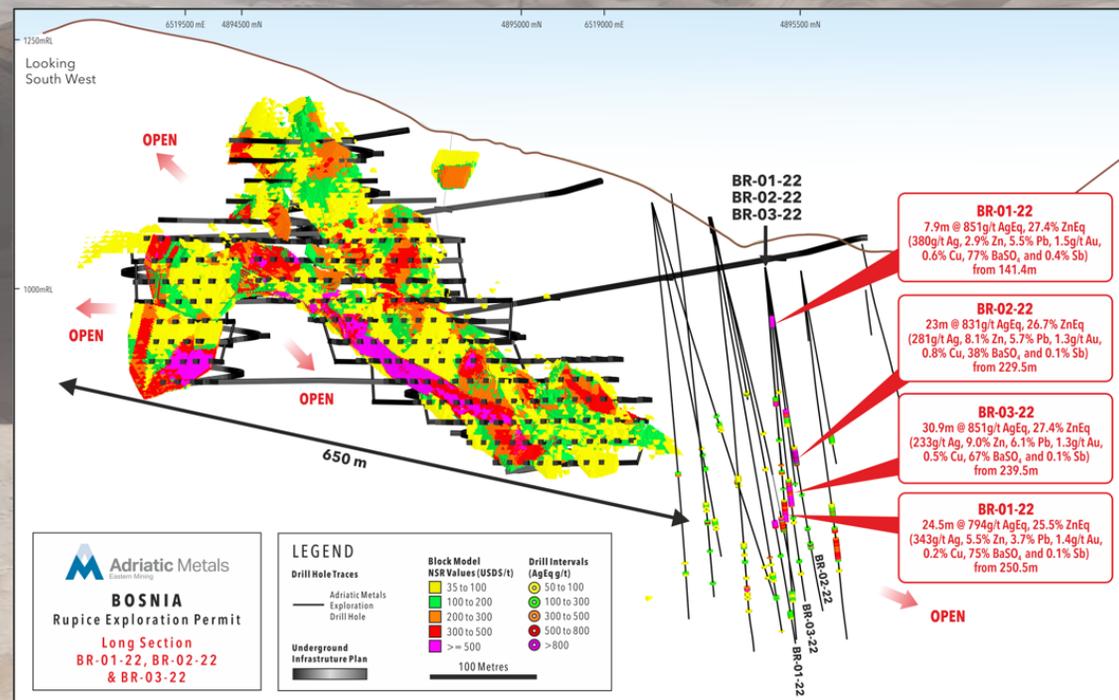
Significant opportunity to increase mine life

## Rupice Northwest – New mineralised zone

- Current Reserve at Rupice of 120Moz AgEq (7.3Mt @ 469g/t AgEq)
- New step-out drilling of 3 holes 90m NW of Rupice intercepted thick, high-grade, massive sulphide mineralisation similar to the Rupice orebody
- High potential to access new zone from existing underground infrastructure

## Next steps

- Targeting additional assay results to be released in September
- Drilling to continue testing NW and SE zones along strike
- Application made to extend concession boundary further NW
- Upgrade Inferred Resource areas to Indicated category, expected to increase Reserves

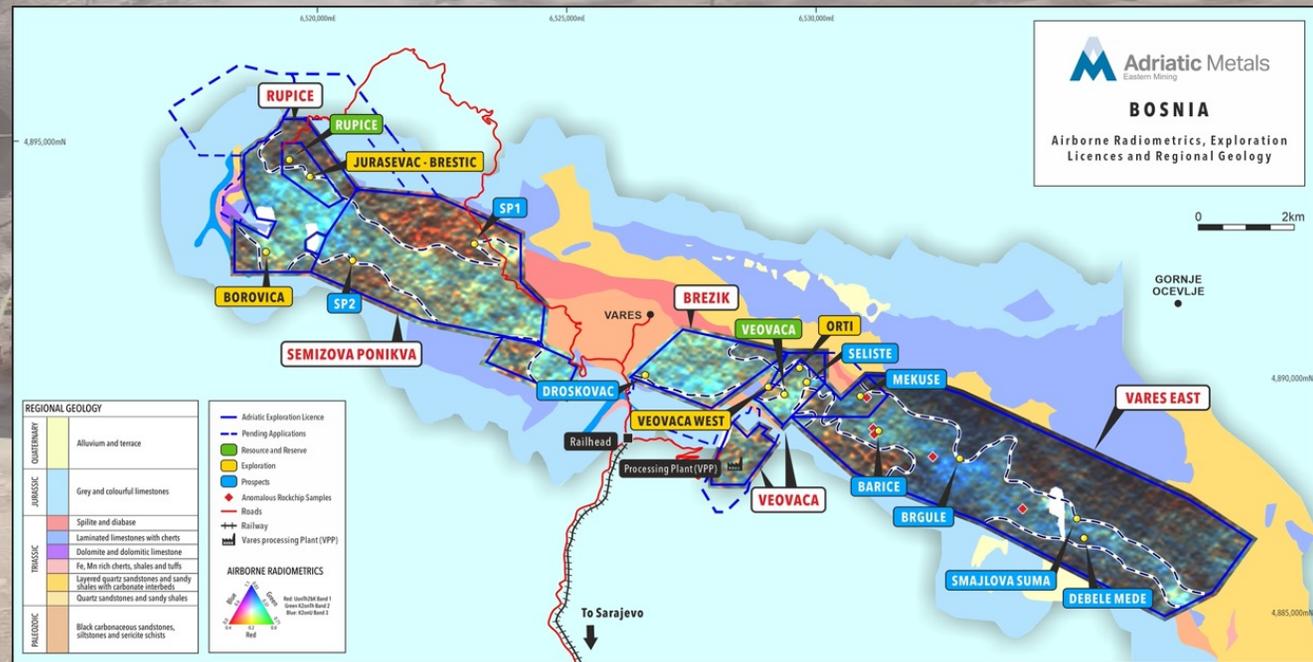


Long section of Rupice block model overlaid with underground infrastructure

# Increasing regional footprint

Capturing the exploration potential

- 42km<sup>2</sup> land package capturing a 22km long alteration corridor
- Applications made to extend concession area boundary NW of Rupice, plus areas around Droskovac
- New drilling contractor appointed in February 2022
- 2022 exploration budget of US\$5.5m (22,000 metres), targeting
  - NW and SE along strike of Rupice
  - Droskovac (~4,000m)
  - SP1 & SP2 (~1,000m)
  - Barice & Brgule (subject to field mapping results)

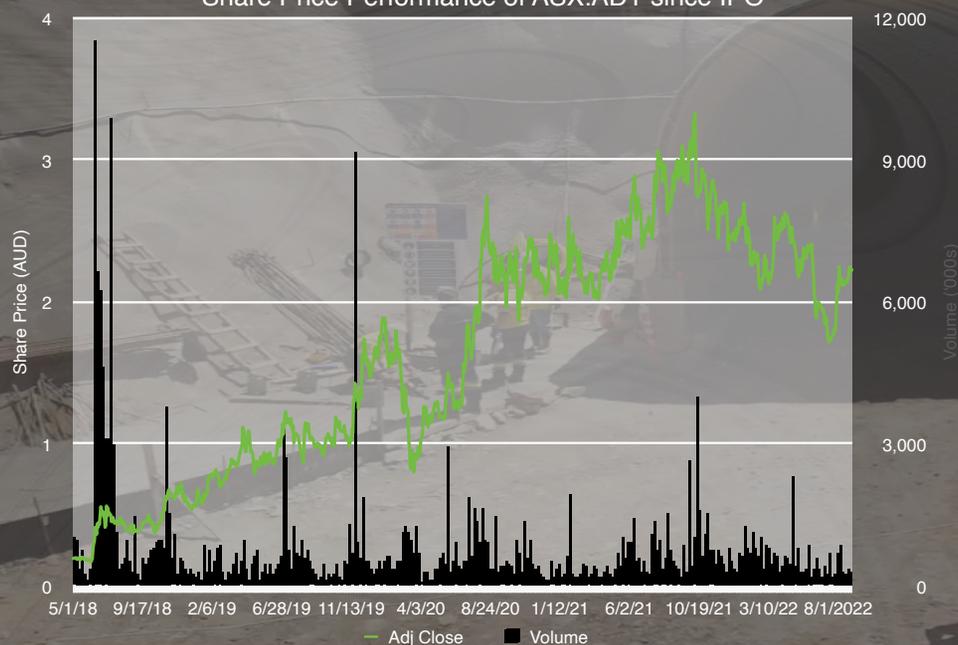


Map of Vares concessions overlaid with radiometric elemental ratios (Rb/K, (U/Th)\*K, K<sup>2</sup>/Th, K<sup>2</sup>/U)

# Corporate structure

Market capitalisation trading at <0.4x to NAV

Share Price Performance of ASX:ADT since IPO



1 As at 31 August 2022  
 2 Estimated cash balance as at 31 August 2022. All currency rates as of 31 August 2022, except for convertible loan (see note 3).  
 3 US\$20m convertible note issued by Queens Road Capital, as announced 27 Oct 2020; 8.5% coupon with a conversion price of A\$2.7976 - equivalent to circa 9.5m shares. This will be redeemed from existing cash balance prior to drawdown of Orion debt facility.  
 4 The Orion debt facility is excluded from the enterprise value calculation as it has not yet been drawn down and spent (see Slide: Vares project financing package for more information)  
 Numbers may not add up due to rounding

## Analyst Coverage

Canaccord Genuity	Tamesis Partners
Royal Bank of Canada	Stifel Nicholas Europe

## Shareholder Breakdown

Helikon Investments	16.0%
Founders, Board & Management	14.7%
Orion Resource Partners	9.1%
Fidelity	4.6%
Datt Capital	3.0%
Old West Investment	2.5%
Global X	2.4%
European Bank for Reconstruction & Development	2.0%
Premier Miton	1.7%
Genesis Investment Management	1.5%
Janus Henderson	1.3%

## Capital Structure

Ticker	LSE:ADT1	OTC:ADMLF	ASX:ADT
Share Price <sup>1</sup>	£1.278	US\$1.48	A\$2.28
Outstanding Shares on Issue <sup>1</sup>		266.5M	
Options, Perf. Rights & Warrants <sup>1</sup>		16.0M	
Convertible Debentures <sup>3</sup>		9.5M	
Fully Diluted Share Capital <sup>1</sup>		292.0M	
<b>Market Cap<sup>1</sup></b>	<b>£373M</b>	<b>US\$432M</b>	<b>A\$666M</b>
Cash <sup>2</sup>	£59M	US\$69M	A\$101M
Convertible Debt <sup>3</sup>	£17M	US\$20M	A\$29M
<b>Enterprise Value</b>	<b>£297M</b>	<b>US\$343M</b>	<b>A\$536M</b>
Orion Debt Facility (undrawn) <sup>4</sup>	£123M	US\$143M	A\$209M

# Investment highlights

Europe's new source of strategic metals



One of the highest margin polymetallic projects



Fully funded to production with healthy cash buffer



Strong local & government support – social licence to operate and fully permitted



Precious & base metal exposure



High-quality shareholder register



Best global practices in all areas of sustainability

# Contact us

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