

6 March 2024

## 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

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## VARES PROJECT OPENING EVENT

### “Prosperity, Sustainability, Together”

**Adriatic Metals PLC** (ASX:ADT, LSE:ADT1, OTCQX:ADMLF) is pleased to announce that on 5 March 2024, the company marked the Grand Opening of the Vares Project in Bosnia and Herzegovina. The official opening event took place at the Vares Processing Plant and was attended by Nermin Nikšić, Prime Minister of the Federation of Bosnia and Herzegovina, Zdravko Marošević, Mayor of Vares and other key dignitaries. This follows the production of first concentrate at the Vares Project on 27 February 2024.

Following official proceedings, a celebratory event ‘Vares Fest’ was held in the local town square to mark the momentous occasion in the region. Adriatic management and employees, key suppliers and the local community came together to enjoy an afternoon of traditional music, culture and other festivities.

Following an exploration and development investment of US\$250m, Adriatic Metals produced the first silver/lead concentrate and zinc concentrate from the newly constructed Vares Processing Plant on 27 February 2024. The Rupice Mine, from which the ore is sourced, commenced mining in July 2023. The Company will now focus on plant optimisation and ramp up to consistent production and is scheduled to reach nameplate capacity of 800,000 tonnes per annum in Q4 2024.

The Vares Project was designed and constructed using the latest technology from the leading suppliers and manufacturers in the industry, such as Glencore Technologies, Metso-Outotec and Weir. The silver-lead-zinc mine was completed using local employees, Bosnian suppliers and operates to the highest ESG standards. The Project demonstrates that mining operations can be constructed and operated in a sustainable way in Europe, while supporting the economy and improve living standards both locally and nationally.



**Nermin Nikšić, Prime Minister of the Federation of Bosnia and Herzegovina commented;**

*"I am happy that we have all come together today to recognize the importance of the Vares Project. Regardless of the fact that the Project is constructed in Vares and the Zenica-Doboj Canton, within the Federation of Bosnia and Herzegovina the significance is immeasurable. This Project has invested US\$250m and employs directly or indirectly over 500 people. This is something that all authorities must fully support.*

*I also consider the message we are sending to other investors very important. We are showing that successful investment is possible in the Federation of Bosnia and Herzegovina, and beyond. This is not only the beginning of work for Adriatic Metals and the beginning of production, but also a signal to all future investors that Bosnia and Herzegovina is open to investment."*

**Zdravko Marošević, Mayor of Vares commented;**

*"Adriatic Metals has revived our town, strengthened the population and economic activities. Additionally, they have restored our robust mining tradition, giving the community a sense of pride and purpose to live and work here.*

*It has been a pleasure working with the Adriatic team, and I look forward to a strong business collaboration in the upcoming period as the Project reaches and surpasses its production capacity. I would like to express gratitude to the Company for putting our renowned Vares back on the map as a significant metal producer."*

**Paul Cronin, CEO of Adriatic Metals, commented:**

*"I am delighted to celebrate this momentous occasion with the team who helped deliver this project. I would like to acknowledge all those who have made this Project possible – from first exploration drill hole to first concentrate production in under seven years is truly a fantastic achievement.*

*This wonderful event represents not only a significant milestone in Adriatic's journey to becoming a mid-tier, European focused mining company, but also a turning point for the local community as well. We have always embraced the 'Adriatic Way', which aims to set a new standard for responsible mining operations. Our focus is sustainable resource extraction alongside innovation, community engagement and economic development."*



## **Background to the Vares Project**

The Vares Project is the latest metals mine to open in Europe. The Project paves the way for a culture of sustainable mining in the region, supported by local communities and government.

Adriatic is a first mover in modern mining in Bosnia and Herzegovina. The Company discovered the high-grade Rupice mine in 2017 and has gone through exploration, permitting, funding and construction of the Vares Project during a period that was subject to the COVID-19 pandemic, high inflation and a tight labour market.

Europe urgently needs locally-sourced critical metals including zinc, silver and copper to fuel the Net Zero clean energy transition as evidenced by the EU Critical Raw Minerals Act (CRMA) 2023 which was ratified by the European Commission in December 2023. The CRMA aims to encourage regional production of critical metals in order to reduce strategic dependencies on third-party imports; improving the EU's capacity to mitigate disruptions to the supply of critical raw materials and improving sustainability in the region. The Vares Project supports the achievement of these three principles. In addition, the majority of Vares's lead-silver and zinc concentrate, is destined for European smelters to offtake partners Boliden, Glencore, Trafigura and Transamine.

Adriatic is dedicated to responsible and sustainable operations. The Company is focused on using the latest technology, stringent health and safety measures and minimizing its environmental impact across all its operations. Adriatic prioritises partnerships with local suppliers and stimulating local economic growth by providing greater opportunities to local businesses. 69% of total capital spend was to domestic companies, equivalent to US\$155 million, across 739 companies. The Company has a commitment to community development that extends beyond mining operations, reflecting dedication to leaving a lasting and positive legacy.

The Vares Project is the first producing asset in Adriatic's portfolio of metals projects in Europe – Adriatic's vision is to become a significant player in the European mining industry.

## **KEY STATISTICS - ECONOMIC PROSPERITY FOR BOSNIA AND HERZEGOVINA**

- Overall investment of US\$250 million including exploration and development since 2017
- 2% contribution to Bosnian GDP during operations
- The Vares Project investment contributed 25% of Bosnian 2022 foreign direct investment.
- Approximately US\$177m in corporate tax & social contribution payments will be made over the life of mining operations
- Approximately US\$23m in direct royalty payments to Government over the life of mining operations
- 27% of employees of Adriatic Metals are women, surpassing the global mining workforce average of 15% according to a 2020 World Bank report, and significantly exceeding the approximately 10% representation in Bosnia and Herzegovina
- Adriatic Metals has 255 employees as of January 2024, of which 73% comes from Zenica-Doboj Canton



- Overall domestic suppliers to the Vares Project constitute 69% of total capital spend, the equivalent of US\$155 million across 739 companies.

The Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina, as well as the Federal Ministry of Energy, Mining, and Industry, have awarded the investment of Adriatic Metals the status of "a project of significance for Bosnia and Herzegovina". The recognition of this status considered the registered capital of the company, the number of employees, employment plans in the coming period, and the support of the local community for this project.



Figure 1: Julian Reilly, Ambassador of the United Kingdom to Bosnia and Herzegovina, Nezir Pivic, Prime Minister of Zenica-Doboj Canton, Sanela Karic, Board Member of Adriatic Metals and Nermin Nikšić, Prime Minister of the Federation of Bosnia and Herzegovina, 5 March 2024.



Figure 2: Zdravko Marošević, Mayor of Vares, Nezir Pivic, Prime Minister of Zenica-Doboj Canton, and Nermin Nikšić, Prime Minister of the Federation of Bosnia and Herzegovina, Sanela Karic, Board Member of Adriatic Metals, Paul Cronin, Chief Executive Officer of Adriatic Metals and Julian Reilly, Ambassador of the United Kingdom to Bosnia and Herzegovina, 5 March 2024



Figure 3: Vares Processing Plant, 5 March 2024



Figure 4: Vares Processing Plant, 5 March 2024



Figure 5: Vares Processing Plant, 5 March 2024



Figure 6: Vares Processing Plant, 5 March 2024



## 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 Paul Cronin, Managing Director and CEO.

## Authorised by Paul Cronin, Managing Director & CEO

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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 Vares Silver Project is fully funded to production, which took place in February 2024. Concurrent with ongoing construction activities, the Company continues to explore across its highly prospective 44km<sup>2</sup> concession package.