For personal use only

NOT FOR RELEASE TO US WIRE SERVICES OR DISTRIBUTION IN THE UNITED STATES

18 February 2025

Adriatic Metals PLC

('Adriatic Metals' or the 'Company')

PROPOSED A$80.0 MILLION (US$50.0 MILLION)[1] EQUITY RAISING TO FAST TRACK VARES EXPANSION AND ENHANCE BALANCE SHEET FLEXIBILITY

HIGHLIGHTS

- Adriatic Metals Plc (ASX:ADT, LSE:ADT1, OTCQX:ADMLF) intends to undertake a two tranche institutional placement to raise approximately A$80.0 million (US$50.0 million)[1] (before expenses) via the issue of approximately 20.5 million new CHESS Depositary Interests ("**New CDIs**") over new fully paid ordinary shares in the Company ("**New Ordinary Shares"**) ("**Offer**" or "**Placement**").
- The offer price of A$3.90 per New CDI (the "**Offer Price**") represents a discount of approximately 3.7% to the last traded price on the Australian Securities Exchange ("**ASX**") of A$4.05 on 17 February 2025 and a 7.3% to the 5-day volume weighted average price of A$4.21.
- The Company intends to use proceeds from the Offer to secure long-lead items to fast-track the Vares Processing Plant expansion, initiate studies and workstreams at Rupice Mine to support production growth and provide spare capacity to de-risk ramp-up to nameplate production, anticipated in H2 2025.
- As announced in the Company's Quarterly Activities Report published on 29 January 2025, the Ausenco technical study completed on the Vares Processing Plant expansion demonstrated the ability to increase current nameplate production capacity at the Vares Processing Plant from 0.8Mtpa to 1.3Mtpa for capital expenditure of US$25 million.
- This 63% expansion in the Vares Processing Plant nameplate capacity to 1.3Mtpa, coupled with increased mine production, is expected to pave the way for the Company to produce over 20Moz AgEq[2,3] per annum which would position the Vares Silver Operation among the largest primary-silver producers globally.
- Adriatic is working with its advisors regarding the transfer of the listing category of all of its ordinary shares from the Equity Shares (Transition) category of the Official List of the FCA ("**Official List**") to the Equity Shares (Commercial Companies) category of the Official List on the London Stock Exchange. Among other benefits, the Board believes the transfer will enable the

[1] Conversion at USDAUD FX rate of 0.625 as at 17 February 2025

[2] 20Moz AgEq underpinned solely by Probable Ore Reserves

[3] A silver equivalent grade (AgEq) has been calculated from individual silver, gold, zinc, lead, copper and antimony grades. This equivalent grade has been calculated and declared in accordance with Clause 50 of the JORC Code (2012) that it is the Company's opinion that all metals included in this metal equivalent calculation have reasonable potential to be recovered and sold, using the following parameters: $25/oz Ag, $2,000/oz Au, $2,500/t Zn,$2,000/t Pb, $2,000/t Cu, $2,000/t Sb.
Metallurgical recoveries for by-product metals, based upon Adriatic test-work, are assumed as follows: 95% Ag, 60% Au, 82% Zn, 80% Pb, 83% Cu, 88% Sb. The silver equivalent formula, based upon the above commodity prices, exchange rate and recoveries, is thus: AgEq = Ag(g/t) * 95% + 31.1 * Zn(%) * 82% + 24.9 * Pb(%) * 80% + 80.0* Au(g/t)* 60% + 24.9 * Sb(%) * 88% + 24.9 * Cu(%) * 83%

ordinary shares to be considered for inclusion in the FTSE UK Index Series (subject to meeting certain other eligibility criteria), which are widely utilised investment benchmarks for institutional investors, in due course. Updates regarding the transfer will be provided in due course.

- Major shareholders including Helikon Investments, L1 Capital and Paul Cronin, co-founder and former MD and CEO of Adriatic, are intending to participate in the Offer.

Laura Tyler, Adriatic's Managing Director and CEO, commented:

"In the Q4 QAR, we announced the exciting opportunity to significantly enhance production capacity at the Vares Processing Plant, increasing throughput from 0.8Mtpa to 1.3Mtpa. This expansion aligns with our broader strategy to scale up mine production, following the Ore Reserve growth to 13.8Mt. Taking up the opportunity for a 63% increase in output to over 20Moz AgEq per annum, the Vares Silver Operation will be positioned as one of the world's leading primary silver producers.

The US$50m placement secures critical long-lead items and enables us to accelerate the expansion and achieve the 1.3Mtpa target by 2027. Additionally, the funds will help de-risk the ongoing ramp-up, with full throughput rate of 0.8Mtpa expected in the second half of 2025."

Adriatic is pleased to announce that it intends to raise gross proceeds of approximately A$80.0 million (US$50.0 million)[1] by way of a two-tranche institutional placement of approximately 20.5 million New CDIs to existing and new investors at an Offer Price of A$3.90 per New CDI.

Offer proceeds, together with existing cash of A$73.6 million (US$46.0 million)[1] as at 27 January 2025, are intended to be used as follows:

- **A$40.0 million (US$25.0 million)[1]** for Vares Processing Plant expansion capital expenditure including securing critical long-lead items for milling and filtration circuits to support expansion in nameplate production capacity, and completing studies on the mine expansion; and
- **A$40.0 million (US$25.0 million)[1]** to strengthen the Company's balance sheet and provide working capital as the Company advances towards commercial production, expected in Q1 2025 and nameplate production, expected in H2 2025.

The Placement will be undertaken in two tranches:

- **Tranche 1** - A$43.3 million (US$27.0 million)[1] via the issue of approximately 11.1 million New CDIs, utilising the Company's placement capacity under ASX Listing Rule 7.1 ("**Tranche 1**"); and
- **Tranche 2** - A$36.7 million (US$23.0 million)[1] via the issue of approximately 9.4 million New CDIs, subject to shareholder approvals which are to be sought at a General Meeting ("**GM**") expected to be held in March 2025 ("**Tranche 2**").

A Notice of a GM to approve the resolutions required to implement Tranche 2 of the Placement (the "**Resolutions**") will be set out in a circular which is expected to be dispatched to shareholders on or around Thursday 27 February 2025.

The New CDIs to be issued under Tranche 1 of the Placement will be issued under the Company's existing placement capacity under ASX Listing Rule 7.1 and are expected to be allotted and commence trading on the ASX on Tuesday 25 February 2025. The New CDIs to be issued under Tranche 2 of the

For personal use only

For personal use only

Placement are, subject to the passing of the Resolutions at the GM, expected to be allotted and commence trading on the ASX on or around Thursday 20 March 2025.

The total number of New CDIs proposed to be issued under the Placement represents approximately 5.9% of issued capital after completion of both tranches of the Placement.

Canaccord Genuity, RBC Europe Limited and Stifel Nicolaus Europe Limited are acting as joint lead managers and joint bookrunners in connection with the Placement. Canaccord Genuity is acting as Global Coordinator to the Placement.

The Placement is not being underwritten. Members of the public are not eligible to take part in the Placement.

Applications will also be made to the UK Financial Conduct Authority ("**FCA**") for admission of the New Ordinary Shares to the Equity Shares (Transition) Category of the Official List of the FCA and to the London Stock Exchange plc for admission to trading of the New Ordinary Shares on its main market for listed securities ("**UK Admission**"). It is expected that UK Admission of the New Ordinary Shares to be issued under Tranche 1 of the Placement will become effective at or around 8.00 a.m. on Tuesday 25 February 2025 and that dealings in such New Ordinary Shares will commence at that time. It is further expected that UK Admission of the New Ordinary Shares to be issued under Tranche 2 of the Placement, subject to the passing of the Resolutions at the GM, will become effective at or around 8.00 a.m. on Thursday 20 March 2025 and that dealings in such New Ordinary Shares will commence at that time.

The New Ordinary Shares (and New CDIs representing the New Ordinary Shares) will, when issued, be credited as fully paid and will rank pari passu in all respects with the existing ordinary shares and CDIs of the Company and will on issue be free of all claims, liens, charges, encumbrances and equities.

INDICATIVE PLACEMENT TIMETABLE

Event	Date
Announcement and launch of Placement on LSE	3:45am, Tuesday 18 February 2025
Trading halt, announcement and launch of Placement on ASX	9:00am, Tuesday 18 February 2025
Placement closes for All Investors	**3:00pm, Tuesday 18 February 2025**
Deadline for return of Confirmation Acceptances / CARD Forms	**7:00pm, Tuesday 18 February 2025**
Announcement of results of Placement	7:00pm, Tuesday 18 February 2025
Trading halt lifted	By 10:00am, Wednesday 19 February 2025
Settlement of Tranche 1 New CDIs (DvP)	Monday 24 February 2025
Issue (and normal trading) of Tranche 1 New CDIs	Tuesday 25 February 2025
Notice of General Meeting and Circular is published	Thursday 27 February 2025

For personal use only

General Meeting for shareholder approvals for Tranche 2	On or around, Friday 14 March 2025
Settlement of Tranche 2 New CDIs (DvP)	On or around, Wednesday 19 March 2025
Issue (and normal trading) of Tranche 2 New CDIs	On or around, Thursday 20 March 2025

All references are to Sydney Australia time.

-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 on Twitter; or contact:

Adriatic Metals PLC
Klara Kaczmarek — Tel: +44 (0) 7859 048228
GM – Corporate Development — Klara.kaczmarek@adriaticmetals.com

Burson Buchanan — Tel: +44 (0) 20 7466 5000
Bobby Morse / Oonagh Reidy — adriatic@buchanan.uk.com

Canaccord Genuity
Jeremy Dunlop / James Asensio / Stefan Collins — Tel: +61 2 9263 2700

RBC Europe Limited
Farid Dadashev / James Agnew / Jamil Miah — Tel: +44 (0) 20 7653 4000

Stifel Nicolaus Europe Limited
Ashton Clanfield / Callum Stewart / Varun Talwar — Tel: +44 (0) 20 7710 7600

Sodali & Co
Cameron Gilenko — Tel: +61 466 984 953

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.

For personal use only

PRINCIPLES OF PRE-EMPTION

Although the Placement will be undertaken on a non-pre-emptive basis, the Company intends to respect the principles of pre-emption as far as practicable by extending the offer to participate to a significant majority of institutional shareholders and, as far as practicable, allocating to existing shareholders at least up to what would be their pre-emptive entitlement. The Company has, along with its advisers, carefully considered the various possible offer structures and sought to balance the potential for dilution to non-participating shareholders with the benefits to shareholders as a whole of promoting deal certainty and familiarity of structure to the Company's shareholder base.

DISCLAIMER

This announcement has been prepared by the Company based on information from its own and third party sources and is not a disclosure document. No party other than the Company has authorised or caused the issue, lodgement, submission, despatch or provision of this announcement, or takes any responsibility for, or makes or purports to make any statements, representations or undertakings in this announcement. Except for any liability that cannot be excluded by law, the Company and its related bodies corporate, directors, employees, servants, advisers and agents disclaim and accept no responsibility or liability for any expenses, losses, damages or costs incurred by you relating in any way to this announcement including, without limitation, the information contained in or provided in connection with it, any errors or omissions from it however caused, lack of accuracy, completeness, currency or reliability or you or any other person placing any reliance on this announcement, its accuracy, completeness, currency or reliability. Information in this announcement which is attributed to a third-party source has not been checked or verified by the Company. This announcement is not a prospectus, disclosure document or other offering document under Australian law or under any other law. It is provided for information purposes and is not an invitation nor offer of shares or recommendation for subscription, purchase or sale in any jurisdiction. This announcement does not purport to contain all the information that a prospective investor may require in connection with any potential investment in the Company. It should be read in conjunction with, and full review made of the Company's disclosures and releases lodged with the Australian Securities Exchange (ASX) and available at *www.asx.com.au*. Each recipient must make its own independent assessment of the Company before acquiring any shares in the Company.

Not investment advice

This announcement does not provide investment advice or financial product advice. Each recipient of the announcement should make its own enquiries and investigations regarding all information in this announcement including but not limited to the assumptions, uncertainties and contingencies which may affect future operations of the Company and the impact that different future outcomes might have on the Company. Information in this announcement is not intended to be relied upon as advice to investors or potential investors and has been prepared without taking account of any person's individual investment objectives, financial situation or particular needs. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and seek legal, accounting and taxation advice appropriate to their jurisdiction. The Company is not licensed to provide financial product advice in respect of its securities.

Forward looking information

This announcement contains forward-looking statements. Wherever possible, words such as "intends", "expects", "scheduled", "estimates", "anticipates", "believes", and similar expressions or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, have been used to identify these forward-looking statements. Although the forward-looking statements contained in this announcement reflect management's current beliefs based upon information currently

available to management and based upon what management believes to be reasonable assumptions, the Company cannot be certain that actual results will be consistent with these forward-looking statements. Forward-looking statements necessarily involve significant known and unknown risks, assumptions and uncertainties that may cause the Company's actual results, events, prospects and opportunities to differ materially from those expressed or implied by such forward-looking statements. Accordingly, prospective investors should not place undue reliance on forward-looking statements. Any forward-looking statements are made as of the date of this announcement, and the Company assumes no obligation to update or revise them to reflect new events or circumstances, unless otherwise required by law.

JORC compliance statements

It is a requirement of the ASX Listing Rules that the reporting of ore reserves and mineral resources in Australia comply with the Joint Ore Reserves Committee's Australasian Code for Reporting of Mineral Resources and Ore Reserves ("**JORC Code**"). Investors outside Australia should note that while ore reserve and mineral resource estimates of the Company in this document comply with the JORC Code (such JORC Code-compliant ore reserves and mineral resources being "Ore Reserves" and "Mineral Resources" respectively), they may not comply with the relevant guidelines in other countries and, in particular, do not comply with (i) National Instrument 43-101 (Standards of Disclosure for Mineral Projects) of the Canadian Securities Administrators (the "Canadian NI 43-101 Standards"); or (ii) Item 1300 of Regulation S-K, which governs disclosures of mineral reserves in registration statements filed with the SEC. Information contained in this document describing mineral deposits may not be comparable to similar information made public by companies subject to the reporting and disclosure requirements of Canadian or US securities laws.

Investment risk

There are a number of risks specific to the Company and of a general nature which may affect the future operating and financial performance of the Company and the value of an investment in the Company. An investment in new securities is subject to known and unknown risks, some of which are beyond the control of the Company. The Company does not guarantee any particular rate of return or the performance of the Company. Investors should have regard to the risk factors outlined in its investor presentation of today's date under the section titled "Risks" when making their investment decision.

Financial data

All dollar values are in Australian dollars (A$, AU$ or AUD) unless otherwise stated. The information contained in this announcement may not necessarily be in statutory format. Amounts, totals and change percentages are calculated on whole numbers and not the rounded amounts presented. Past performance, including past share price performance of the Company and the pro forma historical financial information provided in this announcement is for illustrative purposes only and is not represented as being indicative of the Company's views on its future financial condition and/or performance. The pro forma historical financial information has been prepared by the Company in accordance with the measurement and recognition requirements, but not the disclosure requirements, of applicable accounting standards and other mandatory reporting requirements in Australia. Past performance of the Company cannot be relied upon as an indicator of (and provides no guidance as to) the future performance of the Company. Nothing contained in this announcement nor any information

For personal use only

made available to you is, or shall be relied upon as a promise, representation, warranty or guarantee, whether as to the past, present or future.

Disclaimer

Canaccord Genuity (Australia) Limited, RBC Europe Limited and Stifel Nicolaus Europe Limited have been appointed to act as joint lead managers and bookrunners to the Placement ("**Joint Lead Managers**").

To the maximum extent permitted by law, the Company and the Joint Lead Managers and their respective related bodies corporate and affiliates, and their respective officers, directors, employees, agents and advisers (in respect of the Joint Lead Managers, the "**Joint Lead Manager Parties**"): (i) disclaim all responsibility and liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) for any loss (including consequential or contingent loss or damage) arising from this announcement or reliance on anything contained in or omitted from it or otherwise arising in connection with this announcement ; (ii) disclaim any obligations or undertaking to release any updates or revision to the information in this announcement to reflect any change in expectations or assumptions; and (iii) do not make any representation or warranty, express or implied, as to the accuracy, reliability, completeness of the information in this announcement or that this announcement contains all material information about the Company, the Placement or that a prospective investor or purchaser may require in evaluating a possible investment in the Company or acquisition of shares in the Company, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement. The Joint Lead Manager Parties have not independently verified the information in this announcement and take no responsibility for any part of this announcement or the Placement. Statements made in this announcement are made only at the date of the announcement. The Company is under no obligation to update this announcement. The information in this announcement remains subject to change by the Company without notice. By accepting this announcement, you represent, warrant and agree that you have not relied on any statements made by the Joint Lead Manager Parties in relation to the Placement.

The Joint Lead Manager Parties take no responsibility for the Placement and make no recommendations as to whether any person should participate in the Placement nor do they make any representations or warranties (express or implied) concerning the Placement, and they disclaim (and by accepting this announcement you disclaim) any fiduciary relationship between them and the recipients of this announcement , or any duty to the recipients of this announcement or participants in the Placement or any other person. The Joint Lead Manager Parties have not authorised, permitted or caused the issue, submission, dispatch or provision of this announcement and, for the avoidance of doubt, and except for references to their name, none of the Joint Lead Manager Parties makes or purports to make any statement in this announcement and there is no statement in this announcement which is based on any statement by any of them. The Joint Lead Manager Parties may rely on information provided by or on behalf of institutional investors in connection with managing, conducting and underwriting the Placement and without having independently verified that information and the Joint Lead Manager Parties do not assume any responsibility for the accuracy or completeness of that information. The Joint Lead Manager Parties may have interests in the securities of the Company, including by providing corporate advisory services to the Company. Further, the Joint Lead Manager Parties may act as market maker or buy or sell those securities or associated derivatives as principal or agent.

You acknowledge and agree that determination of eligibility of investors for the purposes of the Placement is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of the Company and the Joint Lead Managers and each of the Company and the Joint Lead Managers (and their respective related bodies corporate, affiliates, officers, directors, employees, agents and advisers) disclaim any duty or liability

For personal use only

For personal use only

(including for negligence) in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law.

In connection with the Placement, one or more investors may elect to acquire an economic interest in the new shares (**Economic Interest**), instead of subscribing for or acquiring the legal or beneficial interest in those shares. A Joint Lead Manager (or its affiliates) may, for its own account, write derivative transactions with those investors relating to the new shares to provide the Economic Interest, or otherwise acquire shares in the Company in connection with the writing of such derivative transactions in the bookbuild and/or the secondary market. As a result of such transactions, a Joint Lead Manager (or its affiliates) may be allocated, subscribe for or acquire new shares or shares of the Company in the bookbuild and/or the secondary market, including to hedge those derivative transactions, as well as hold long or short positions in such shares. These transactions may, together with other shares in the Company acquired by a Joint Lead Manager or its affiliates in connection with its ordinary course sales and trading, principal investing and other activities, result in the Joint Lead Manager or its affiliates disclosing a substantial holding and earning fees.

The Joint Lead Managers and their respective affiliates are full service financial institutions engaged in various activities, which may include trading, financial advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services including for which they have received or may receive customary fees and expenses or other transaction consideration. In the course of these activities, the Joint Lead Managers and their respective affiliates may at any time for their own account and for the accounts of their clients make or hold investments in equity securities or other financial products of the Company or its affiliates, and receive customary fees and expenses or other transaction consideration in respect of such activities. The Joint Lead Managers are acting as managers and underwriters to the Placement for which they have received or expect to receive fees and reimbursement of expenses.

International Offer Restrictions

Investors should have regard to the International Offer Restrictions outlined in the Company's investor presentation dated 17 February 2025 under the section titled “International Offer Restrictions”.

Investors in the United Kingdom

In the United Kingdom this announcement is for information purposes only and investment activities to which this announcement relates are directed only at persons whose ordinary activities involve them acquiring, holding, managing and disposing of investments (as principal or agent) for the purposes of their business and who have professional experience in matters relating to investments and are: qualified investors as defined under Article 2(e) of the UK version of the Prospectus Regulation (EU) 2017/1129, which forms part of the domestic law by virtue of European Union (Withdrawal) Act 2018, as amended ("**UK Prospectus Regulation**"), who are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"); or (ii) high net worth companies, unincorporated associations and other persons falling within Article 49(2)(a) to (d) of the Order (together, "**Relevant Persons**").

In the United Kingdom any investment or investment activity to which this announcement relates is only available to, and will be engaged in only with, Relevant Persons. This announcement is being distributed and communicated to persons in the UK only in circumstances to which section 21(1) of the Financial Services and Markets Act 2000, as amended ("**FSMA**") does not apply. All offers of the New CDIs over New Ordinary Shares will be made pursuant to an exemption under the UK Prospectus Regulation from the requirement to produce a prospectus.

Neither this announcement nor any other document relating to the Placement has been delivered for approval to the FCA in the United Kingdom and no prospectus (within the meaning of section 85 of

FSMA) has been published or is intended to be published in respect of the New CDIs over New Ordinary Shares.

Neither the content of the Company's website (or any other website) nor the content of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this Announcement.

Not an offer in the United States

This announcement has been prepared for publication in Australia and the United Kingdom and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

For personal use only