31 October 2022

ADRIATIC METALS PLC

(ASX:ADT, LSE:ADT1, OTCQX:ADMLF)

QUARTERLY ACTIVITIES REPORT

For the three months ended 30 September 2022
("Q3" or "Quarter")

Q3 HIGHLIGHTS

Vares Silver Project, Bosnia & Herzegovina:

- Vares Silver Project construction activities update:
  - Project construction 45% complete and progressing rapidly
  - Lower Decline development advancing well, 207m already completed
  - Upper Decline development well underway, with improving ground conditions and advance rates, 100m completed to date
  - Approximately 72% of capital expenditure awarded, pending award or quoted.
  - Staff headcount at 177 and growing; contractor count at 188
- First concentrate production on track for Q3 2023, as anticipated.

Corporate

- Final Project cost estimate marginally increased to $173m
- Cash balance as at 30 September 2022 of US $65.8 million

Updates Post Period

- Site visit by 30 investors and analysts from 10 – 11 October 2022
- Commencement of building portals at Vares Processing Plant underway
- Continuing high-grade thick massive sulphide intercepts at Rupice Northwest
- Drawdown condition precedents closing, the Company anticipates being in a position to drawdown from November as required

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

"I am delighted to report excellent construction progress continued at our Vares Silver Project over the quarter. Surface infrastructure and decline development at Rupice is rapidly progressing and remains firmly on schedule, while works have finished to maintain continuous operations throughout the coming winter months.

"Pleasingly, we are nearing the halfway completion mark at Vares, which is an important milestone for the Company, with 72% of the total construction capital committed, to date.

"Like most industries, we have experienced some cost inflation, however management does not envisage the total capex for the Vares Project to increase materially. The current estimate to completion is $173 million, which is well within our contingencies and an impressive feat in the current economic climate. With global supply chains under stress, we are taking a prudent approach with production scheduled to commence in Q3 2023."

"Given the continued supply chain, inflationary and economic challenges globally, I am enormously proud of our team's huge achievements to date, which are indicative of our absolute determination to deliver the Vares Project successfully in 2023."

Adriatic Metals PLC (ASX:ADT, LSE:ADT1, OTCQX:ADMLF) ("Adriatic" or the "Company"), a well-funded development and exploration company building the world-class Vares Silver Project, is pleased to provide the following Quarterly Activities Report ("QAR") that summarises the progress made and reported during the three months ended 30 September 2022 ("Q3" or "Quarter").

1. EXPLORATION, CONFIRMATION AND DEFINITION DRILLING AT RUPICE

The Company continues to progress parallel programs focused on resource/reserve infill and resource extensions to the northwest of the current Rupice Mineral Resource Estimate ("Resource"). 2022 has seen success across each program, resulting in the clear potential to extend mine life and optimise the mine plan ahead of first production in 2023. The level of knowledge gained to date at Rupice Northwest and Rupice is at the level where accurate targeting has produced successful results from the majority of holes. This highlights the robustness and continuity of the mineralisation system.

Over 7,000m of resource infill drilling has been completed this year, with encouraging results that continue to confirm grade thickness and continuity within the existing Resource. Resource extension drilling to the northwest of Rupice has intersected mineralisation with similar tenor, thickness and continuity as seen in the Resource. Over 5,700m in 15 exploration holes have been completed on Rupice Northwest this year, with assays pending imminently (released subsequent to the quarter). This year's successful results will feed into an updated Mineral Resource Estimate that will be completed for Q1 2023 and will include Rupice Northwest.

Looking ahead, the Company expects to drill through winter, with a continued focus on Rupice Northwest and extension opportunities around the existing Resource. Near-mine exploration will be supplemented by underground grade control drilling that will commence in early Q1 2023. This will provide improved orebody definition, minimise ore dilution, and geotechnical data to inform ground conditions in planned development.

On regional exploration, a ground gravity survey has generated very promising results at the Semizova Ponikva (SP1 and SP2) targets that correlate with surface geochemical anomalies. First pass drilling is planned for next year at these potential Rupice analogies.

2. VARES PROJECT CONSTRUCTION ACTIVITIES UPDATE

At the end of the quarter, 45% of the total Project construction programme has been completed. Decline development rates are accelerating, as Nova Mining & Construction d.o.o., the Main Mining

Contractor ("MMC"), settles into a stable 24/7 operating routine. 50% of the Rupice Surface Infrastructure has been completed, with the work rate continuing to benefit from a dry late summer. Construction of the Haul Road is also accelerating, with contractors working on both lots 1 and 5b, and the final municipal permitting of the remaining sections is proceeding on schedule. Haul Road completion remains scheduled for Q2 2023.

With foundations finished at Vares Processing Plant, the construction of the flotation and mill buildings commenced in September and are on schedule for completion in November. First concentrate production remains on track for the revised date of Q3 2023.

Rupice Underground Mine

The MMC continues to increase staffing levels, currently at 110 personnel, and is confident of achieving its full complement ahead of mining operations in Q2 2023. The fleet of vehicles required for Phase One (decline development) is on site, with delivery of Phase Two (underground development) and Three (minin operations) vehicles commencing.

Equipment	Delivery	Comments
LHD (Sandvik LH514i)	2022 July	
LHD (Sandvik LH517i)	2022 Oct / Nov	2x units
Front End loader (Caterpillar 950L)	2022 May	
Haul truck (Sandvik TH545i)	2022 July	2nd unit 2022 Dec
Jumbo (Atlas Copco 282)	2022 May	
Jumbo (Sandvik DD320s)	2022 July	2x units
Rock Bolt (Sandvik DS311)	2022 May	
Rock Bolt (Sandvik DS311)	2022 Aug	
Shotcrete sprayer (Titan IS26)	2022 June/July	2x units
UG mixer truck (Titan BYM 6.0)	2022 June/July/Aug	3x units
Explosive charger (Titan EC2)	2022 July	

Figure 1: Status of Underground Vehicle Delivery

As at 30 Sep, the 5.5m x 5.5m profile lower decline was at 207m. The MMC continues to improve advance rates, averaging 2.7m per day in September. Ground conditions remain broadly better than anticipated in the 2021 DFS, and the 485m lower decline is scheduled for completion at year end.

The 285m 5.5m x 5.5m upper portal is advancing to schedule, at 100m at the end of September. Currently achieving an average daily advance of 2.4m per day it is anticipated that these works will also speed up in the coming quarter.

In the coming quarter the MMC will start to instal pre-delivered escape chambers into both declines and the training and equipping of the Company's dedicated mine rescue teams has commenced.

In September both the lower and upper decline portals were concreted in advance of the forthcoming winter. This will ensure that the MMC can continue underground development irrespective of anticipated snowfall and cold temperatures.

Once declines are complete the MMC will start Phase Two, the construction of the production levels, cross cuts, ore development drives and installation of the underground installation in Q1 2023 . Grade control drilling from the development drives will also commence in this quarter.

The Company remains on schedule to open its first stopes in Q2 2023, three months before commissioning of the Vares Processing Plant.

Figure 2: Upper Decline Portal and Underground Development

Rupice Surface Infrastructure

Earthworks at Rupice at the end of the quarter are 50% complete and the contractors continue to achieve excellent work rates, benefitting from a very dry late summer. The MMC's maintenance and warehousing facilities are approaching completion and will be completed well in advance of the winter. The site now benefits from a 24/7 medical facility, operated by the Company's healthcare partner Eurofarm. A mobile phone antenna, that provides communications access across the whole of Rupice Surface Infrastructure has been installed.

The temporary surface explosives magazine, which is required to support operations ahead of the permanent underground magazine incorporated into the main design, has been commissioned. Further, the Company is discussing with the Federal Mining Ministry for their approval to use non-gasified emulsion explosives. Non-gasified emulsion does not require storage in a dedicated magazine and therefore removes the requirement to develop a costly underground facility. The existing surface, temporary, magazine in this cost saving scenario can be utilised to store detonators. Non-gasified emulsion also provides better blasting efficiency and reduces blasting gases with the potential to proportionally decrease blasting cycle times.

Figure 3: MMC Vehicle Park

The installation of utilities (water, compressed air, ventilation fans and generators) for the decline development is complete and fully operational.

Diesel generators ("gen-sets") have been installed and are fully operational. The gen-sets provide power to the Rupice Underground Mine during the first two Phases of mine development until the 35kV buried cable grid connection is completed in Q1 2023. Thereafter, the gen-sets will remain in place as a backup power source for underground operations.

Long lead time mechanical equipment packages for the backfill plant have been placed with first deliveries due on-site in November 2022. These items include the positive displacement pumps and batching plant.

Haul Road & Rail Head Operations

Construction of the 23km haul road is underway. The haul road is split into 5 "Lots", allowing for simultaneous construction by multiple civil works contractors. Construction of Lot 1, the first 5km from Rupice Surface Infrastructure is underway. A construction contract has been awarded for Lot 5B. The Lot 3 Urban Planning Project has been awarded and detailed engineering designs are underway. Following completion of geotechnical drilling there has been an amendment to the route of Lot 4 and the design is being updated.

A tender has been issued for the haul road and rail head fleet operator which, after evaluation in October 2022, will be awarded by the end of the year. This tender included provision for vehicle tracking and telemetry specifications.

The lease of the Vares Majdan rail head has been concluded. Work is underway on the detailed engineering plan required to commence construction of rail head facilities, on schedule, in Q1 2023. The existing framework agreements with FBiH Railways are now being updated to the full-service agreements required both for operations and for FBiH Railways to commence refurbishment of the 25km dedicated rail from Vares Majdan to Podlugovi, south of Breza, where it connects to the wider domestic Bosnian railway network.

Confirmation/Definition Drilling

Confirmation/definition drilling, targeting the first two years of scheduled production, is completing well with clear indications of a potential re-classification of inferred to indicated resources and the inclusion of previously undeclared additional mineralisation as additional inferred resources. The revised resource statement remains on track for delivery in Q1 2023.

Vares Processing Plant

The contract for the design, supply and install of the processing buildings was awarded to Grading KGM d.o.o. in June 2022, with the building foundations finished in September 2022. The installation of the steel columns commenced in the first week of October. The principal two process buildings (mill and flotation) are on schedule for completion in November 2022 and all buildings remain on schedule for completion at the end of Q1 2023. The steel, wall panels and four overhead cranes have all been purchased, ahead of installation. Internal concrete construction and the installation of processing equipment will commence on schedule in November 2022.

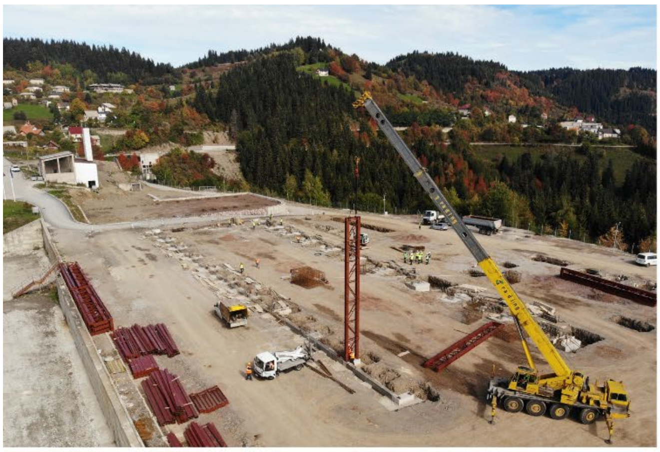


Figure 4: Vares Processing Plant Progress

Long Lead Time Orders

All long lead time orders have been awarded and delivery dates confirmed, pending the continued efforts by the procurement team to decrease delivery times where possible:

Package	Equipment	Status	Expected Date
PO 0001	Ball Mill	Awarded	31 Jan 23
PO 0002	Flotation Cells	Awarded	24 Mar 23
PO 0003	Regrind Mills	Awarded	08 May 23
PO 0006	Thickeners	Awarded	21 Feb 23
PO 0007	Filtration	Awarded	07 Jun 23
PO 0008	Slurry Pumps	Awarded	24 Mar 23
PO 0011	Vibratory Screen	Awarded	07 Mar 23
PO 0012	Agitators	Awarded	24 Nov 22
PO 0013	Cyclones	Awarded	13 Feb 23
PO 0014	Samplers	Awarded	12 May 23
PO 0018	Sump Pumps	Awarded	15 Mar 23
PO 0026	On-Stream Analysers	Awarded	05 Apr 23
PO 0027	Crusher	Awarded	05 May 23
PO 0030	Backfill Batching	Awarded	30 Jan 23
PO 0031	Shotcrete Plant	Awarded	04 Nov 22
PO 0032	Auxiliary Fans	Awarded	Delivered
PO 0033	Displacement Pumps	Awarded	07 Jun 23
PO 0041	Main Fan UG mine	Awarded	31 Mar 23
PO 2003	Transformers MV	Awarded	13 Jan 23
PO 2005	Integrated E Rooms	Awarded	05 May 23
PO 2008	Emergency Generator Rupice	Awarded	Delivered
PO 2015	Temporary Lighting Rupice	Awarded	Delivered

Figure 5: Long Lead Time Order Status

3. Schedule

With the Vares Project's construction programme now approaching 50% completion, the Company has a very high level of certainty as to the build time and delivery schedule of its full equipment requirements. The majority of equipment orders, including principal long-lead items, are expected within the delivery schedules anticipated in the 2021 DFS. However, the Company is not immune to the impact of supply chain disruptions affecting mining operations globally, particularly from continued COVID-19 related lockdowns on Chinese suppliers, leading to minor delays for some items.

To minimise execution risk and maintain the scheduled commissioning period for the Vares Processing Plant, the Company has revised its target date for first concentrate production from the end of Q2 to

Q3 2023. The Company retains sufficient contingencies to offset this delay and will continue to proactively update the market as construction progresses. All offtake agreements had been negotiated to include a 6-month grace period, and therefore the adjustment to initial concentrate delivery into Q3 2023 remains comfortably within the offtakers' expectations.

The project development team have identified a number of opportunities to reduce the delivery estimates of several components of the Vares Processing Plant and are actively working with contracted and alternative suppliers to realise these opportunities.

4. VARES PROJECT BUDGET UPDATE

The final Project cost estimate has increased marginally since July 2022 from $170m to $173m, including contingency of $10m. The change reflects minor increases in engineering costs, process plant equipment and electrical equipment, including adjustments based on recent contract awards. The change in first production date from the end of Q2 to Q3 2023 is expected to have only a minor impact on costs.

Of this total, at 30 September 2022 72% of capital expenditure excluding contingency was awarded, pending award, or recently quoted, as shown below:

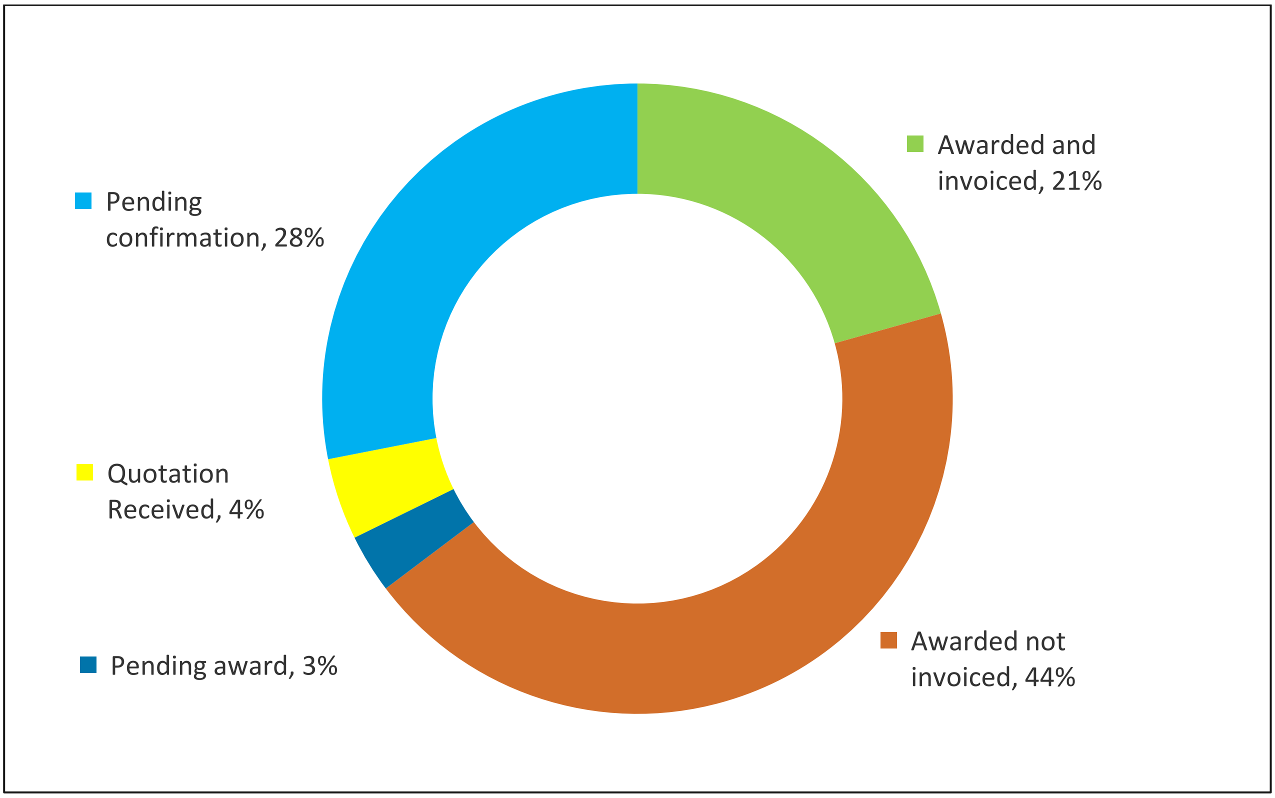

Figure 6: Breakdown of Committed Capital

Of the 28% of pricing that is not yet confirmed, approximately half relates to purchases and works to be performed by local contractors in Bosnia, including haul road construction.

Diesel prices for the Project have reduced since their peak in the first half of the year, although continued geopolitical events mean further increases in the remainder of the construction period will remain a threat. Bosnian electricity costs are capped annually, but costs are expected to slightly increase in 2023 to incentivise additional renewable energy installations by high demand users. Adriatic is currently paying €0.065/kWh, but as capacity demand increases with the commencement of production, a moderate increase in unit cost is expected later in 2023.

The Project benefits from a relatively low quantity of steel required and the fact that there is a cement plant in Kakanj and a steel foundry in Zenica, both approximately 70 km from Vares. Major steel components for the process plant have been ordered and delivered to site, with construction started in October 2022. The cost estimate reflects continued good advance rates and ground conditions in the declines, which are expected to continue for the remainder of the decline development.

The contingency of $10m reflects a reduction in July 2022 from the original contingency of $17.9m based on the high proportion of capex awarded, pending award or recently quoted (66% in July 2022). Since then, the proportion of awarded, pending award or recently quoted has risen to 72% but the contingency has been maintained at $10m against potential increases during the remainder of the construction.

The Company's cash balance on 30 September 2022 was $65.8m, including $0.7m received at the end of the month as proceeds from share option exercises by Directors.

The Company is close to completing the steps required to satisfy the conditions precedent to drawdown of the Orion project finance debt package and intends to be in a position to draw down from November 2022 as required. The Company therefore remains confident that it has more than sufficient resources to complete the Vares Project construction, whilst maintaining a healthy cash buffer.

Summary of Expenditure

A summary of operating, investing and financing expenditure made by Adriatic on a consolidated basis during the Quarter, as reported in the Appendix 5B Cash Flow Report is as follows:

	USD'000
Exploration & Evaluation (capitalised)	882
Exploration & Evaluation (expensed)	335
Staff costs	1,236
Administration and corporate costs	1,552
Property, plant and equipment acquisitions	14,627
Interest received	36
Interest paid	425
Other: VAT Inflow	(984)
Net cashflows from financing activities	(620)
Total	**17,417**

Payments to Related Parties

During the Quarter, Adriatic paid an aggregate total of $227k to Directors, or companies controlled by them, consisting of salaries, fees, and reimbursement / recharge of corporate office facilities and associated services used / provided by the Company. This is disclosed in Item 6 of the accompanying Appendix 5B Cash Flow Report.

5. HEALTH & SAFETY

Over the past few months Adriatic's focus has been on managing critical risks across an increasing amount of construction activity. There has been an introduction of new standards, systems and processes, with a particular focus on contractor management, throughout the lifecycle of operations.

Creating awareness around reporting has seen our lead indicators improve across the Project and a more proactive mindset is helping to improve day-to-day operations. The 12-month rolling lost time injury frequency has decreased by more than 50%.

The Adriatic team has commenced a safety training program using a purpose-built Virtual Reality training centre offering 13 different simulation modules. The Company has also commenced the development of a safety database to enable electronic workflows through smart tablets and phones, empowering both staff and contractors to report safety matters more efficiently and effectively.

Figure 7: Virtual Reality H&S Training, Vares

Staff Short Term Incentive Payment targets have been universally adjusted to incentivise all staff to reduce incidents, and importantly report hazards and near misses, resulting in a dataset that will enable our team to identify behavioural attributes that contribute to both positive and negative health & safety outcomes.

6. HUMAN RESOURCES

Adriatic continues to grow its headcount through the construction phase now employing 177 employees with an additional 188 external contractors. Training remains a large focus and during the quarter a high number of online, classroom and on-the-job training interventions were run across technical, non-technical and safety competencies. The Company continued the rollout of its performance development program that aligns corporate objectives with personal Key Performance Indicators.

In addition, the Company continues to exceed its stated target of 25% female employees with 27% of Adriatic's workforce currently represented by females.

Headcount and Gender Diversity

Whilst headcount increase has risen to 177 across the Company, female representation also has risen and is tracking above the Board's target of 25%. Contractor head count is at 188 of which the MCC accounts for 113.

Country	Bosnia	Serbia	UK	Board	Total
Male (%)	99 (74%)	19 (73%)	8 (73%)	4 (67%)	130 (73%)
Female (%)	35 (26%)	7 (27%)	3 (27%)	2 (33%)	47 (27%)
TOTAL	134	26	11	6	177

Figure 8: Gender Division and Head Count Per Country of Operations

Recruitment Planning

Planning continued for the recruitment of the Processing and Maintenance teams in expectation with the forecasted staffing needs.

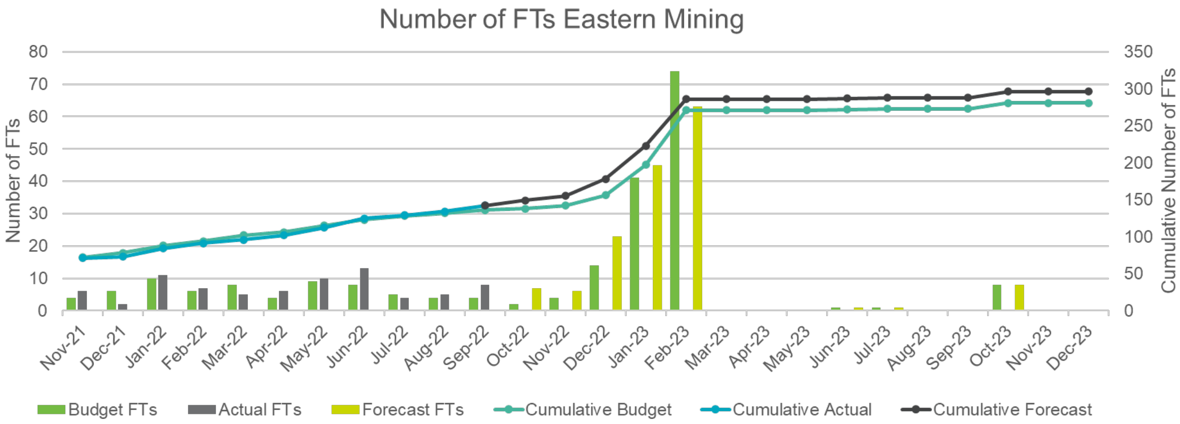

Figure 9: Eastern Mining Full Time ("FT") recruitment 'S' curve

7. SUSTAINABILITY

Adriatic remains wholly committed to its shared prosperity and zero harm philosophy. At commencement of construction, the Company instigated its Environmental & Social Management System, which includes biodiversity, water, soil, noise, air quality, waste management, constructor management etc.

This system includes an Environmental & Social Incident Frequency Rate mechanism which amongst other metrics, tracks grievances raised by the community. So far, in 2022, 8 grievances were lodged, mostly related to subcontractor works, and these have all been successfully resolved.

In line with the Environmental & Social Action Plan, there has been continuous monitoring of all sensitive environmental parameters, such as ground and surface water, noise, air and soil qualities. To date there have been no changes to baseline conditions through pre-construction and into construction.

The Company's Community Development Plan focuses on sustainable long-term initiatives to facilitate an increase in entrepreneurial activity, build capacity and resilience in our supply chain and work with local government to best prepare them for future revenues from the Project. With this plan the Company has committed to be an initiator of change in the development of our host communities and focus on activities that create non-mining jobs, opportunities for SME development and always a positive legacy.

In May 2022 Adriatic appointed Alpha Energy, an international energy and sustainability consultancy. Alpha Energy will build systems for reporting and identifying the following: Scope 1, 2 and 3 emissions, Net Zero scope and feasibility study, Streamlined Energy and Carbon Reporting, SBTi submission, CDP reporting and Task Force on Climate-Related Financial Disclosures. In addition, as part of the Company developing a Net Zero strategy, Adriatic is working together with Alpha Energy to determine the location of sites suitable for renewable energy projects.

Adriatic has commenced work on its first sustainability report. This 2022 report is planned for release in Q2 2023.

Working alongside experts from the European Bank for Reconstruction & Development, the Company has signed an agreement with local forestry authorities to work on biodiversity offsets and compensation. An operational plan has been developed, defining a total area of 110 hectares of degraded forest in the Vares municipality for rehabilitation. This programme will commence in October 2022.

The Adriatic Foundation continues to provide free English courses for all applicants from the Vares community. In addition, 30 scholarships for high school and university students have been provided.

Figure 10: Water testing

8. TENEMENT HOLDINGS

In accordance with ASX Listing Rule 5.3.3 please find below the Company's tenements as at 30 September 2022. 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. The Company does not hold an equity interest in Deep Research d.o.o. but has an option agreement pursuant to which it may acquire the entire share capital of Deep Research d.o.o.

	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.	Veovaca1	1.08	12-Mar-13	12-Mar-38
				Veovaca 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			Veovaca - 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	3-Dec-20	3-Dec-50
	Extension			Droskovac - Brezik	2.88	3-Dec-20	3-Dec-50
				Borovica - Semizova Ponikva	9.91	3-Dec-20	3-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	Ras Metals d.o.o.	Kizevak	1.84	3-Oct-19	16-Oct-22 (pending)
	Exploration License	310-02-1722/2018-02	Ras Metals d.o.o.	Sastavci	1.44	7-Oct-19	16-Oct-22 (pending)
	Exploration License	310-02-1114/2015-02	Ras Metals d.o.o	Kremice	8.54	21-Apr-16	26-Jul-22 (pending)
	Exploration License	310-02-00060/2015-02	Deep Research d.o.o.	Rudno Polje Raska	81.39	28-Dec-15	18-Feb-22*
	Exploration License	310-02-01670/2021-02	Ras Metals d.o.o.	Kaznovice	37.1	22-Nov-21	22-Nov-24

* Raska concession is pending renewal, application for extension has been submitted, the Company is awaiting to receive confirmation of extension from authorities.

-ends-

Authorised by, and for further information, please contact Paul Cronin, Managing Director & CEO

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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 as stipulated under the Market Abuse Regulations (EU) No. 596/2014. The person responsible for arranging and authorising the release of this announcement on behalf of the Company is Paul Cronin, Managing Director and 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 is expected in Q2 2023. The 2021 Project Definitive Feasibility Study boasts robust economics of US$1,062 million post-tax NPV_8, 134% IRR and a capex of US$168 million. Concurrent with ongoing construction activities, the Company continues to explore across its highly prospective 42km^2 concession package.

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 continue to apply and have not materially changed.

Appendix 5B

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

Name of entity	
ADRIATIC METALS PLC	
ABN	Quarter ended ("current quarter")
624 403 163	30 SEPTEMBER 2022

Consolidated statement of cash flows			Current quarter USD'000	Year to date (9 months) USD'000
1.	**Cash flows from operating activities**			
1.1	Receipts from customers		0	0
1.2	Payments for			
	a)	exploration & evaluation (if expensed)	(335)	(1,206)
	b)	development	0	0
	c)	production	0	0
	d)	staff costs	(1,236)	(3,708)
	e)	administration and corporate costs	(1,552)	(5,393)
1.3	Dividends received (see note 3)		0	0
1.4	Interest received		36	36
1.5	Interest and other costs of finance paid		(425)	(1,275)
1.6	Income taxes paid		0	0
1.7	Government grants and tax incentives		0	0
1.8	Other - VAT refund / (outflow)		984	1,966
1.9	**Net cash from / (used in) operating activities**		**(2,528)**	**(9,580)**

2.	**Cash flows from investing activities**			
2.1	Payments to acquire:			
	a)	entities	0	0
	b)	tenements	0	0

Consolidated statement of cash flows		Current quarter USD'000	Year to date (9 months) USD'000
	c) property, plant and equipment	(14,627)	(27,315)
	d) exploration & evaluation (if capitalised)	(882)	(3,450)
	e) investments	0	0
	f) other non-current assets	0	0
2.2	Proceeds from the disposal of:		
	entities	0	0
	tenements	0	0
	property, plant and equipment	0	0
	investments	0	0
	other non-current assets	0	0
2.3	Cash flows from loans to other entities	0	0
2.4	Dividends received (see note 3)	0	0
2.5	Other	0	0
2.6	**Net cash from / (used in) investing activities**	**(15,509)**	**(30,765)**

3.	**-**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	0	0
3.2	Proceeds from issue of convertible debt securities	0	0
3.3	Proceeds from exercise of options and warrants	712	714
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(16)	(34)
3.5	Proceeds from borrowings	0	0
3.6	Repayment of borrowings	0	0
3.7	Transaction costs related to loans and borrowings	(76)	(2,067)
3.8	Dividends paid	0	0
3.9	Other (Pre-acquisition loan to Tethyan)	0	0
3.10	**Net cash from / (used in) financing activities**	**620**	**(1,387)**

Consolidated statement of cash flows		Current quarter USD'000	Year to date (9 months) USD'000
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	83,437	112,506
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,528)	(9,580)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(15,509)	(30,765)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	620	(1,387)
4.5	Effect of movement in exchange rates on cash held	(211)	(4,965)
4.6	**Cash and cash equivalents at end of period**	**65,809**	**65,809**

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	**65,809**	**83,437**
5.2	Call deposits	0	0
5.3	Bank overdrafts	0	0
5.4	Other (provide details)	0	0
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**65,809**	**83,437**

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	227
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0

Note: a description of, and an explanation for, the above payments is included in the quarterly activities report

7.	Financing facilities *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	Total facility amount at quarter end USD'000	Amount drawn at quarter end USD'000
7.1	Loan facilities	162,500	20,000
7.2	Credit standby arrangements	0	0
7.3	Other (please specify)	0	0
7.4	**Total financing facilities**	**162,500**	**20,000**

7.5	**Unused financing facilities available at quarter end**	**142,500**

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 loan facilities include US$20 million unsecured convertible debentures which have been drawn down at 8.5% interest with a maturity date of December 2024 issued to Queen's Road Capital Investment Ltd. For further details see announcement dated 27 October 2020.

In addition, the US$142.5 million Orion Debt Financing package consists of US$120 million debt facility and US$22.5 million copper streaming arrangement. The Orion Debt Financing package is subject to the Company satisfying standard conditions precedent prior to drawdown. For further details see announcement dated 10 January 2022.

8.	Estimated cash available for future operating activities	USD'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(2,528)
8.2	Net cash from / (used in) investing activities (Item 2.6)	(15,509)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(18,037)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	65,809
8.5	Unused finance facilities available at quarter end (Item 7.5)	142,500
8.6	Total available funding (Item 8.4 + Item 8.5)	208,309
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	**11.5**

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:

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:

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:

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: 31 October 2022

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 – eg 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.