

13 October 2021

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 and 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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US\$244.5 MILLION PROPOSED PROJECT FINANCE PACKAGE FOR THE VARES SILVER PROJECT, INCLUDING US\$102.0 MILLION PROPOSED EQUITY FUNDRAISE

PROPOSED PROJECT FINANCE PACKAGE HIGHLIGHTS

- Adriatic Metals and Orion Resource Partners (UK) LLP (“Orion”) have signed a term sheet for a US\$142.5 million debt financing package (the “Orion Debt Financing”), comprising of:
 - US\$120.0 million senior secured debt (the “Senior Secured Debt”); and
 - US\$22.5 million copper stream (the “Copper Stream”)The Orion Debt Financing remains subject to ongoing due diligence and definitive legally binding documentation, which is expected to be completed during Q4 2021.
- In addition to the Orion Debt Financing, the Company intends to conduct an equity raise of up to approximately US\$102.0 million (the “Proposed Equity Fundraise”), consisting of:
 - a conditional placing to raise gross proceeds of up to approximately US\$52.0 million (the “Placing”), to be conducted through an accelerated bookbuild process (the “Bookbuild”), which will be launched immediately following the release of this announcement (including the appendices) (the “Announcement”);
 - a conditional equity subscription for US\$50.0 million by Orion at the Placing Price (as defined below) (the “Orion Equity Subscription”).
- The Proposed Equity Fundraise will be implemented at a price of £1.5174 per New Ordinary Share (as defined below) (AU\$2.80¹ per CHES Depositary Interest representing such New Ordinary Shares (“CDIs”)) (the “Placing Price”), representing a discount of approximately 10.7 per cent. to the 10-day volume weighted average price on the Australian Securities Exchange (“ASX”) to 12 October 2021.
- Together, the Orion Debt Financing of US\$142.5 million and the Proposed Equity Fundraise of US\$102.0 million, will, if successful, form the proposed US\$244.5 million project finance package (the “Proposed Project Finance”).



- The net proceeds of the Proposed Equity Fundraise are expected to be £72.2 million (approximately US\$97.8 million) and will be used to commence construction of the Vares Silver Project. A Notice of a General Meeting to approve the resolution required to implement the Proposed Equity Fundraise will be set out in a circular which is expected to be dispatched to shareholders on 13 October 2021 (the "Circular"). In addition, the Company will publish a prospectus in connection with the Proposed Equity Fundraise (the "Prospectus"), which is also expected to be published on 14 October 2021.
- Concurrent with the Proposed Equity Fundraise, Sandfire Resources Limited ("Sandfire Resources") intends to sell up to 34,600,780 existing CHESSE Depository Interests representing ordinary shares in the capital of the Company, representing its entire holding in the Company, at the Placing Price (the "Sandfire Sale").
- Alongside the Placing, the Company's CEO and Managing Director Paul Cronin intends, in the event of strong demand, to sell up to 3 million shares at the Placing Price (together with the Sandfire Sale, the "Secondary Sale"). Such a sale would represent approximately 12.8 per cent. of his fully diluted holding in the Company.
- Canaccord Genuity Limited ("Canaccord"), RBC Europe Limited ("RBC") and Stifel Nicolaus Europe Limited ("Stifel") are acting as joint bookrunners in connection with the Placing and the Secondary Sale (the "Joint Bookrunners").

Adriatic Metals Plc (ASX:ADT, LSE:ADT1, OTCQX:ADMLF) is pleased to announce a proposed project finance package of approximately US\$244.5 million before expenses for the construction of the Company's flagship Vares Silver Project (the "Vares Silver Project"), further to the completion of the definitive feasibility study ("DFS") announced on 19 August 2021.

Proposed Equity Fundraise

The Placing will comprise the issue of new ordinary shares of 1.3355 pence each in the capital of the Company (the "New Ordinary Shares") and, where CDIs are issued, CDIs in respect of such New Ordinary Shares quoted on the ASX (together, the "Placing Securities") to both existing and new institutional investors in the Company. An accelerated bookbuild process (the "Bookbuild") will be launched immediately following the release of this Announcement.

Orion has agreed to subscribe for 24,191,000 New Ordinary Shares at the Placing Price for gross proceeds of approximately A\$67.7 million (approximately US\$50.0 million) (the "Orion Subscription Securities", and together with the Placing Securities, the "Fundraise Securities"). The Orion Equity Subscription is conditional inter alia upon the completion of the Placing.

Paul Cronin, CEO, commented: *"We are delighted to welcome Orion as a new partner in the Vares Silver Project and we thank Sandfire for their support of the Company since its IPO in 2018. The announcement of the Proposed Project Finance package is a significant milestone, demonstrating the extent of support globally for new investments in mining in the Balkans, and Bosnia & Herzegovina in particular. At Adriatic we have strived to move through the project development phases, at pace and*

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professionally, in order to deliver value to our shareholders and align the project delivery with the aspirations of our local community in Vares. This outcome is a positive reflection of the team we have built at Adriatic in its short history, who over the past 12 months have delivered several critical outcomes that have culminated in the success we have today. We look forward to continued success in the future as we transform from developer to producer.”

Note 1. Calculated by reference to a GBP:AUD exchange rate of 1:1.8453 and a GBP:USD exchange rate of 1:1.3547 as at 3:00 p.m. London time on 12 October 2021

Authorised by, and for further information, please contact:

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ADDITIONAL INFORMATION

About Adriatic Metals

Adriatic Metals Plc (ASX:ADT, LSE:ADT1, OTCQX:ADMLF) is a precious and base metals developer that is advancing the Vares Silver Project in Bosnia & Herzegovina, as well as the Raska Zinc-Silver Project in Serbia.

The Company is the only publicly listed development-stage mining company in Bosnia and Herzegovina and is leveraging its first-mover advantage. Concurrent with advancing the construction of the Vares Silver Project, the Company continues to explore across its large, highly prospective 41km² concession package.

The Company completed the acquisition of TSX-listed Tethyan Resource Corp. in Q4 2020, which contained the Raska Zinc-Silver Project in southern Serbia. The Company is exploring across its 99km² highly prospective concession area, which includes around the formerly operating Kizevak and Sastavci polymetallic mines.

Background to the Proposed Project Finance

On 19 August 2021, the Company announced the Vares Silver Project DFS, with improved economics since the pre-feasibility study ("PFS") results were issued on 15 October 2020, with a post-tax net present value at an 8% discount rate ("NPV8") of US\$1,062 million (2020 PFS: US\$1,040 million) and a post-tax internal rate of return of 134 per cent. (2020 PFS: 113 per cent.), for an initial capital cost of US\$168 million (2020 PFS: US\$173 million).

The Proposed Project Finance comprises the Orion Debt Financing of US\$142.5 million and Proposed Equity Fundraise of US\$102.0 million. The net proceeds of the Proposed Project Finance, if successful, are expected to be approximately US\$236.5 million and, together with the Company's current cash resources of approximately US\$22.4 million, provides the Company with a robust balance sheet to deliver the Vares Silver Project into production, while continuing ongoing exploration activities. The table below sets out the Company's planned sources and uses of funds:

SOURCE OF FUNDS ¹	US\$ million
Orion Equity Subscription	50.0
Primary Placing Subscribers	52.0
Senior Secured Debt ²	120.0
Copper Stream ²	22.5
Total Gross Proceeds	244.5
Financing Costs ³	(8.0)
Net Proceeds	236.5



USE OF FUNDS	US\$ million
Vares Silver Project initial capital cost	168.2
Exploration	20.0
Working capital and corporate costs ⁴	28.3
Provision for Convertible Bond repayment ⁵	20.0
Total Uses	236.5

Notes:

1. Excludes current cash balance of US\$22.4 million.
2. Orion Debt Financing (Senior Debt and Copper Stream), if successful, is expected to complete during Q4 2021.
3. Includes 2% issuer discount on the Senior Secured Debt.
4. Includes net cash outflow from Vares Silver Project operations during ramp up.
5. On completion of the Orion Debt Financing, the Company intends to redeem the convertible bonds ("Convertible Bonds") with Queens Road Capital ("QRC"), if not converted first.

Proposed Equity Fundraise

i) Proposed Placing

The Company announces today that it intends to raise gross proceeds of up to approximately US\$52.0 million through a Placing to new and existing investors at a Placing Price of £1.5174 per New Ordinary Share (A\$2.80 per CDI).

The Placing will be conducted by way of an accelerated bookbuild process, which will be launched immediately following the release of this Announcement and will be made available to eligible institutional investors. The Bookbuild is expected to close no later than 8.00 a.m. (UK time) on 13 October 2021.

The timing of the closing of the Bookbuild and allocations are at the discretion of Adriatic Metals and the Joint Bookrunners. Final details of the Placing and the number of Placing Securities will be announced as soon as practicable after the close of the Bookbuild.

The Placing is conditional on the Proposed Equity Fundraise raising net proceeds to the Company of at least US\$90 million, among certain other conditions.

The Placing will be conducted in accordance with the terms and conditions set out in Appendix 1 (which forms part of this Announcement).

Canaccord, RBC and Stifel are acting as Joint Bookrunners in connection with the Placing.



ii) Orion Equity Subscription

On 12 October 2021, the Company entered into an equity subscription agreement with a company owned by funds managed by Orion Resources Partners LP (the "Orion Equity Subscription Agreement"). Pursuant to the Orion Equity Subscription Agreement, the Company will issue 24,191,000 Orion Subscription Securities at the Placing Price of A\$2.80 per Orion Subscription Security to Orion.

The Orion Equity Subscription Agreement is conditional, inter alia, on:

- a. the Orion Equity Subscription Agreement becoming wholly unconditional (save as to admission of (i) the New Ordinary Shares to the standard listing segment of the FCA's Official List and to trading on the London Stock Exchange's main market and (ii) commencement of official quotation of the CDIs on the official list of the ASX) (together, "Admission") and not having been terminated in accordance with its terms prior to Admission;
- b. the placing agreement (the "Placing Agreement") becoming unconditional (save as to Admission) and not having been terminated in accordance with its terms prior to Admission;
- c. the Proposed Equity Fundraise raising net proceeds to the Company of at least US\$90 million;
- d. the Resolution (as defined below) being passed at the General Meeting (as defined below); and
- e. Admission occurring by 8am UK time on 1 November 2021 (or such later date as the Company may agree).

Orion is entitled at any time before Admission of the Orion Subscription Securities, to terminate the Orion Equity Subscription Agreement by giving notice to the Company if, inter alia:

- a. any of the warranties given by the Company in the Orion Equity Subscription Agreement are breached or untrue or inaccurate or misleading;
- b. the Company is in breach of its undertakings given to Orion in the Orion Equity Subscription Agreement prior to Admission; and
- c. there shall have occurred a material adverse change in the financial markets so as to make the subscription impossible or impracticable.

Orion Debt Financing

The Company has entered into a term sheet with Orion for a total financing of US\$142.5 million comprising the Senior Secured Debt of US\$120.0 million and the Copper Stream of US\$22.5 million. Completion of the Senior Secured Debt and the Copper Stream remains conditional, inter alia, upon ongoing due diligence and the parties entering into definitive legal documentation, which is expected during Q4 2021. However, there can be no assurance these documents will be entered into or become effective. The Company has also entered into a break fee letter with Orion (the "Orion Break Fee



Letter”), pursuant to which, the Company has agreed, subject to completion of the Orion Equity Subscription, to pay Orion a break fee of US\$1.0 million if the definitive legal documentation is not entered into by the Company and Orion by 31 December 2021 (or such later date as the Company and Orion may agree) as a result of the Company failing to negotiate the definitive documents in good faith and consistent with the terms of the term sheet.

The Senior Secured Debt will be subject to Eastern Mining and Orion agreeing and entering into a definitive facility agreement which is expected to include, inter alia, terms to the following effect:

- The Senior Secured Debt is expected to be made available to Eastern Mining in four equal tranches of US\$30 million, with each drawdown being subject to Eastern Mining meeting customary conditions precedent and no default of the facility agreement having occurred.
- The Senior Secured Debt is expected to have a maturity period of four and a half years and bear interest at a rate of US\$ LIBOR +7.5 per cent. per annum, subject to a minimum US\$ LIBOR rate of 0.5%. It is expected that interest will accrue on each loan tranche from the date of drawdown and be capitalised on a quarterly basis in arrears until the earlier to occur of (a) the passing of certain economic and operating 90-day tests; and (b) a longstop date (to be agreed). Thereafter, it is expected that principal plus all capitalised interest shall amortise and be payable in 10 quarterly installments and interest will be payable on a quarterly basis. The Senior Secured Debt is subject to an original issue discount of 2.0%, which shall be earned on each successive tranche.
- The Senior Secured Debt is expected to be secured by first ranking security over the Group’s interest in Eastern Mining and any assets of the Group relating to the Vares Silver Project and by guarantees from the Company and each member of the Group owning directly or indirectly the Vares Silver Project.
- Drawdown and financial close will be subject to satisfaction of customary conditions precedent.

The Copper Stream will be subject to Eastern Mining and Orion agreeing and entering into a definitive streaming agreement which is expected to include, inter alia, terms to the following effect:

- Eastern Mining shall sell to Orion, and Orion shall purchase from Eastern Mining an amount of the London Metals Exchange (“LME”) copper warrants equal to 100% of the copper payable (assuming a fixed payability of 24.5%) in the silver-lead concentrate from the Rupice and Veovaca mines for the life of the mines.
- Orion shall pay 30% of the per tonne of copper warrants delivered under the Copper Stream based on the LME Official Settlement Price for copper on the delivery day.
- Orion is expected to pay a deposit to Eastern Mining of US\$22.5 million to be funded in one tranche subject to satisfying customary conditions precedent.



- Eastern Mining will be responsible for all offtake arrangements in relation to the Copper Stream.
- The Copper Stream is expected to be secured by first ranking security over the Group's interest in Eastern Mining and any assets of the Group relating to the Vares Silver Project and by guarantees from the Company and each member of the Group owning directly or indirectly the Vares Silver Project. This security will, once the Senior Secured Debt is drawn, rank second to the security for the Senior Secured Debt.
- After an agreed multiple of the US\$22.5 million deposit has been recouped by Orion, the Copper Stream will be unsecured, provided there is no other secured debt in the Company.
- Completion of the Copper Stream will be subject to satisfaction of customary conditions precedent.

In connection with the Senior Secured Debt and the Copper Stream, it is also anticipated that Eastern Mining will establish an advisory committee, with members of its management, Orion's management and Orion's independent engineer in order to monitor the Vares Silver Project.

As set out above, the expected terms of the Copper Stream and the Senior Secured Debt may change as a result of negotiations and further due diligence. There can be no guarantee that the Orion Debt Financing will be entered into on these terms or at all.

If the Senior Secured Debt and Copper Stream elements of the Orion Debt Financing are not completed, alternative forms of financing such as mezzanine debt, bonds or equity-linked securities would be considered. However, as at the date of this Announcement, discussions are progressing satisfactorily and the Directors remain confident that the Orion Debt Financing will be completed in a form acceptable to the Company by the end of Q4 2021, and the Directors are therefore not currently pursuing nor formed any preference for any alternative forms of debt finance.

The Proposed Equity Fundraise is not conditional on the Senior Secured Debt and the Copper Stream being secured by the Company prior to Admission and accordingly, there could be circumstances where the Proposed Equity Fundraise proceeds, but the Orion Debt Financing does not.

Financial Advisers

Tamesis Partners LLP ("Tamesis") and Terrafranca Advisory Limited are acting as the Company's joint financial advisers in relation to the Senior Secured Debt. Tamesis is acting as the Company's financial adviser in relation to the Orion Equity Subscription, the Copper Stream and the Placing.

Use of Proceeds of the Proposed Equity Fundraise

The net proceeds of the Proposed Equity Fundraise are expected to be £72.2 million (approximately US\$97.8 million) and will be used to commence construction of the Vares Silver Project.



The Company has existing cash resources of approximately US\$22.4 million as at the last practicable date available for general corporate purposes, for debt servicing and further exploration at the Vares Silver Project and Raska Project.

1 Calculated by reference to a GBP:AUD exchange rate of 1:8453 and a GBP:USD exchange rate of 1:1.3547 as at 3:00 p.m. London time on 12 October 2021

The Secondary Sale

Alongside the Proposed Equity Fundraise, (a) Sandfire intends to sell up to 34,600,780 existing CHES Depositary Interests representing ordinary shares in the capital of the Company, representing its entire holding in the Company, at the Placing Price, and (b) Paul Cronin, the Company's CEO and Managing Director, intends, in the event of strong demand, to sell up to 3 million shares at the Placing Price, which represents up to approximately 12.8 per cent. of his fully diluted holding in the Company. The Secondary Sale is conditional on the passing of the Resolution and completion of the Proposed Equity Fundraise. Lock-up commitments for a period of 90 days, subject to certain customary exceptions, will be given by Sandfire in connection with its proposed sale. Paul Cronin will not be subject to a lock-up commitment. Adriatic has also received an irrevocable undertaking from Sandfire to not vote against the Resolution in respect of its aggregate holdings as at the time of the GM and to vote in favour of the Resolution (to the extent it is not precluded from doing so by any law or listing rules of any exchange upon which the Company's securities are quoted for trading).

Expected timetable

Launch of Placing	12 October 2021
Trading Halt on the Australian Securities Exchange	13 October 2021
Expected closing of Placing: the Bookbuild (as defined below)	Expected to close no later than 8:00 am London time on 13 October 2021 but may be closed earlier or later at the discretion of the Joint Bookrunners
Dispatch of Circular and publication of Prospectus	13 October 2021
Trading Halt on the Australian Securities Exchange lifted	14 October 2021
General Meeting	8:30am London time on 29 October 2021
Admission of New Ordinary Shares pursuant to the Placing and the Orion Equity Subscription	1 November 2021



CDIs representing New Ordinary Shares to be issued and credited to stock accounts in CHESS

2 November 2021

Dispatch of definitive share certificates for the New Ordinary Shares in certificated form (where applicable)

By no later than 5 November 2021

Conditions to the Placing and Principles of Pre-Emption

The Proposed Equity Fundraise is conditional, inter alia, on the Company's shareholders' (the "Shareholders") approval to grant the Directors authority to allot and issue the Fundraise Securities pursuant to ASX Listing Rule 7.1 (the "Resolution"). Approval will be sought for the Resolution at a general meeting to be convened at Ground Floor, Regent House, 65 Rodney Road, Cheltenham, GL50 1HX on 29 October 2021 at 08:30 a.m. London time (the "General Meeting"), notice of which will be set out in the Circular which is expected to be published by the Company on 14 October 2021. The Circular will be sent and made available on the Company's website to shareholders. The Company also expects to publish a Prospectus in connection with the Proposed Equity Fundraise.

The Proposed Equity Fundraise is also conditional on Admission becoming effective and the Placing Agreement and the Orion Subscription Agreement not being terminated in accordance with their terms. Appendix 1 sets out further information relating to the Bookbuild and the terms and conditions of the Placing. This Announcement should be read in its entirety. In particular, you should read and understand the information provided in the "Important Notice" section of this Announcement.

Although the Proposed Equity Fundraise 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.

Notice of General Meeting

The Circular will include a notice convening a General Meeting to be held at 8:30 am London time on 29 October 2021 at Ground Floor, Regent House, 65 Rodney Road, Cheltenham, GL50 1HX. The purpose of the General Meeting is to consider and, if thought fit, to pass the Resolution which seeks approval for the Proposed Equity Fundraise pursuant to ASX Listing Rule 7.1. At the General Meeting, a Resolution to the following effect, inter alia, will be proposed:

- That shareholders approve the issue of the shares pursuant to the Proposed Equity Fundraise (comprised of the Placing and the Orion Equity Subscription), pursuant to and in accordance



with ASX Listing Rule 7.1 and for all other purposes, on the terms and conditions in the explanatory circular accompanying the notice of General Meeting

Current trading

The Group made an operating loss of £4.5 million for the six months ended 30 June 2021 compared with an operating loss of £5.2 million in the prior six months ended 31 December 2020.

Cash and cash equivalents at 30 June 2021 was £20.8 million, a decrease of £8.7 million compared to 31 December 2020, primarily as a result of cash used in ongoing operating and investing activities.

For further details of current trading performance, refer to the Interim Report and Condensed Consolidated Financial Statements for the six months ended 30 June 2021 which were released on 16 August 2021.

This Announcement should be read in its entirety, including the appendices. Investors' attention is drawn to the detailed terms and conditions of the Placing described in Appendix 1 (which forms part of this Announcement).

By participating in the Placing, investors will be deemed to have read and understood this Announcement (including Appendices 1 and 2) in its entirety, to be participating in the Placing and making an offer to acquire, and acquiring, ordinary shares of the Company under the Placing on the terms and subject to the conditions of the Placing set out in Appendix 1 to this Announcement, and to be providing the representations, warranties, undertakings and acknowledgements contained in Appendix 1 to this Announcement.

Market Abuse Regulation

The information contained in this Announcement is deemed by the Company to constitute inside information for the purposes of EU MAR and UK MAR (together, "MAR").

In addition, market soundings (as defined in MAR) were taken in respect of the matters contained in this Announcement, with the result that certain persons became aware of such inside information (as defined in MAR) as permitted by MAR. Upon the publication of this Announcement via a Regulatory Information Service, the inside information is now considered to be in the public domain and such persons shall therefore cease to be in possession of inside information in relation to the Company and its securities.

Important Notices



Members of the public are not eligible to take part in the Proposed Equity Fundraise. This Announcement (including the appendices) and the terms and conditions set out herein are for information purposes only and 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: (A) if in a member state of the European Economic Area (the "EEA"), persons who are qualified investors ("Qualified Investors"), being persons falling within the meaning of Article 2(e) of the Prospectus Regulation (EU) 2017/1129; or (B) if in the United Kingdom, 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, 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; or (C) professional investors in Hong Kong under the Securities and Futures (Professional Investor) Rules made under the Securities and Futures Ordinance of Hong Kong; or (D) persons to whom it may otherwise be lawfully communicated (all such persons referred to in (A), (B), (C) and (D) above together being referred to as "Relevant Persons").

This Announcement and the terms and conditions set out in Appendix 1 to this Announcement must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this Announcement relates is only available to, and will be engaged in only with, Relevant Persons. Persons distributing this Announcement must satisfy themselves that it is lawful to do so. This Announcement is for information only and does not constitute an offer to sell, or a solicitation of an offer to buy or otherwise acquire, any securities in any jurisdiction. Persons needing advice should consult an independent financial adviser.

The distribution of this Announcement and the offering, placing and/or issue of the Fundraise Securities in certain jurisdictions may be restricted by law. No action has been taken by the Company, the Joint Bookrunners or any of their respective affiliates that would permit an offer of the Fundraise Securities or possession or distribution of this Announcement or any other offering or publicity material relating to such Fundraise Securities in any jurisdiction where action for that purpose is required. Persons into whose possession this Announcement comes are required by the Company and the Joint Bookrunners to inform themselves about and to observe any such restrictions.

This Announcement has been issued by and is the sole responsibility of the Company. This Announcement is for information purposes only and shall not constitute an offer to sell or issue or the solicitation of an offer to buy, subscribe for or otherwise acquire securities in any jurisdiction in which any such offer or solicitation would be unlawful. Any failure to comply with this restriction may constitute a violation of the securities laws of such jurisdictions.

This Announcement has not been lodged with the Australian Securities and Investments Commission and is not a prospectus, product disclosure statement or disclosure document for the purpose of the Corporations Act 2001 (Cth) ("Corporations Act") and it does not and is not required to contain all the



information which would be required under the Corporations Act to be included in such a disclosure document. This announcement does not constitute an offer of securities for sale in Australia.

This announcement is not for publication or distribution, directly or indirectly, in or into Australia other than to persons who are (i) either a "sophisticated investor" within the meaning of Section 708(8) of the Corporations Act or a "professional investor" within the meaning of Section 9 and Section 708(11) of the Corporations Act; and (ii) a "wholesale client" for the purposes of Section 761G(7) of the Corporations Act (and related regulations) who has complied with all relevant requirements in this respect, and has been prepared on that basis. No offer of New Ordinary Shares may be made in Australia except to a person who is a sophisticated investor, a professional investor or a wholesale client (each as defined in the Corporations Act).

This Announcement or any part of it does not constitute or form part of any offer to issue or sell, or the solicitation of an offer to acquire, purchase or subscribe for, any securities in the United States (including its territories and possessions, any state of the United States and the District of Columbia (the "United States" or "US"), Canada, South Africa, Japan, Singapore or any other jurisdiction in which the same would be unlawful. No public offering of the Placing Securities is being made in any such jurisdiction.

The Fundraise Securities have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"), or under the securities laws or with any securities regulatory authority of any state or other jurisdiction of the United States, and accordingly the Fundraise Securities may not be offered, sold, pledged or transferred, directly or indirectly, in, into or within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no public offering of the Fundraise Securities in the United States.

The Prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore (the "Authority"). Accordingly, the Prospectus, this Announcement and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Placing Shares to be issued from time to time by the Company pursuant to the Placing may not be circulated or distributed, nor may the Placing Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an 'institutional investor' (as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA, (ii) to a 'relevant person' (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Placing Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:



- (a) a corporation (which is not an accredited investor (as defined in the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2 (1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Placing Shares pursuant to an offer made under Section 275 of the SFA except:

- (a) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (b) where no consideration is or will be given for the transfer;
- (c) where the transfer is by operation of law;
- (d) as specified in Section 276(7) of the SFA; or
- (e) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

The Company has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Placing Shares are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

By participating in the Bookbuild and the Placing, each person who is invited to and who chooses to participate in the Placing (each a "Placee") by making an oral and legally binding offer to acquire Placing Securities will be deemed to have read and understood this Announcement in its entirety, to be participating, making an offer and acquiring Placing Securities on the terms and conditions contained in Appendix 1 to this Announcement and to be providing the representations, warranties, indemnities, acknowledgements and undertakings contained in Appendix 1 to this Announcement.

This Announcement may contain "forward-looking statements" with respect to certain of the Company's plans and its current goals and expectations relating to its future financial condition, performance, strategic initiatives, objectives and results. Forward-looking statements sometimes use words such as "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "seek", "may", "could", "outlook" or other words of similar meaning. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are or may be beyond the control of the Company and which could cause actual results of trends to



differ materially, including, but not limited to, domestic and global economic business conditions; market-related risks such as fluctuations in interest rates; the policies and actions of governmental and regulatory authorities; the effect of competition, inflation and deflation; the effect of legislative, fiscal, tax and regulatory developments in the jurisdictions in which the Company and its respective affiliates operate; the effect of volatility in the equity, capital and credit markets on profitability and ability to access capital and credit; a decline in credit ratings of the Company; the effect of operational risks; an unexpected decline in turnover, rental income or the value of all or part of the Company's property portfolio; any limitations of internal financial reporting controls; and the loss of key personnel. Any forward-looking statements made in this Announcement by or on behalf of the Company speak only as of the date they are made. Except as required by applicable law or regulation, the Company expressly disclaims any obligation or undertaking to publish any updates or revisions to any forward-looking statements contained in this Announcement to reflect any changes in the Company's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based. No statement in this Announcement is intended to be a profit forecast, and no statement in this Announcement should be interpreted to mean that earnings or earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share of the Company.

Canaccord Genuity Limited ("Canaccord") and Stifel Nicolaus Europe Limited ("Stifel") are authorised and regulated in the United Kingdom by the Financial Conduct Authority ("FCA"). RBC Europe Limited ("RBC") is authorised by the Prudential Regulation Authority (the "PRA") and regulated in the United Kingdom by the FCA and the PRA.

Each of Canaccord, RBC and Stifel (together, the "Joint Bookrunners") is acting for the Company in connection with the Proposed Equity Fundraise and no-one else and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients nor for providing advice in relation to the Proposed Equity Fundraise or any other matter referred to in this Announcement.

Tamesis which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company and for no one else in connection with the Proposed Project Finance. Tamesis will not be responsible to anyone other than the Company for providing the protections afforded to its clients, or for providing advice in connection with the Proposed Project Finance.

No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by the Joint Bookrunners or by Tamesis or by any of their respective affiliates or their respective affiliates' agents, directors, officers and employees, respectively, as to, or in relation to, the accuracy or completeness of this Announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefor is expressly disclaimed.

Each of the Joint Bookrunners and Tamesis and their respective affiliates may have engaged in transactions with, and provided various commercial banking, investment banking, financial advisory transactions and services in the ordinary course of business of each of them to, the Company and/or its affiliates for which they would have received customary fees and commissions. Each of the Joint



Bookrunners and Tamesis and their respective affiliates may provide such services to the Company and/or its affiliates in the future.

This Announcement does not constitute a recommendation concerning any investor's options with respect to the Proposed Equity Fundraise. The price of securities and any income expected from them may go down as well as up and investors may not get back the full amount invested upon disposal of the securities. Past performance is no guide to future performance. The contents of this Announcement are not to be construed as legal, business, financial or tax advice. Each investor or prospective investor should consult his, her or its own legal adviser, business adviser, financial adviser or tax adviser for legal, financial, business or tax advice.

The Fundraise Securities to be issued pursuant to the Proposed Equity Fundraise will not be admitted to trading on any stock exchange other than the London Stock Exchange's main market for listed securities in respect of New Ordinary Shares and the ASX in respect of CDIs.

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.

Notice to Prospective Canadian Investors

The New Ordinary Shares and CDIs representing such New Ordinary Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations.

Any resale of the New Ordinary Shares or CDIs representing such New Ordinary Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable Canadian securities legislation. Canadian investors should note, in particular, that the Company is a "reporting issuer" under the securities legislation of Alberta and British Columbia and, accordingly, the offshore resale exemptions under section 2.14 and section 2.15 of National Instrument 45-102 Resale of Securities and the similar exemptions available under Alberta and Ontario securities legislation are not available. A Canadian investor should seek legal advice prior to any resale of the New Ordinary Shares or CDIs.

Canadian investors are hereby notified that:

Unless permitted under securities legislation, a holder of New Ordinary Shares or CDIs must not trade the security before the date that is 4 months and a day after the closing of the offering, which is anticipated to be 14 February 2021.

Statutory Rights of Action - Ontario Purchasers

Under Ontario securities legislation, certain purchasers who purchase the securities offered hereby during the period of distribution will have a statutory right of action for damages, or while still the owner of the securities, for rescission against the Company if this offering memorandum contains a



misrepresentation without regard to whether the purchasers relied on the misrepresentation. The right of action for damages is exercisable not later than the earlier of 180 days from the date the purchaser first had knowledge of the facts giving rise to the cause of action and three years from the date on which payment is made for the securities. The right of action for rescission is exercisable not later than 180 days from the date on which payment is made for the securities. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Company. In no case will the amount recoverable in any action exceed the price at which the securities were offered to the purchaser and if the purchaser is shown to have purchased the securities with knowledge of the misrepresentation, the Company will have no liability. In the case of an action for damages, the Company will not be liable for all or any portion of the damages that are proven to not represent the depreciation in value of the securities as a result of the misrepresentation relied upon. These rights are in addition to, and without derogation from, any other rights or remedies available at law to an Ontario purchaser. The foregoing is a summary of the rights available to an Ontario purchaser. Not all defences upon which the Company may rely are described herein. Ontario purchasers should refer to the complete text of the relevant statutory provisions.

UK Product Governance Requirements

Solely for the purposes of the product governance requirements of Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any 'manufacturer' (for the purposes of the UK Product Governance Requirements) may otherwise have with respect thereto, the Placing Securities have been subject to a product approval process, which has determined that such Placing Securities are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each defined in paragraph 3 of the FCA Handbook Conduct of Business Sourcebook; and (ii) eligible for distribution through all distribution channels (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Placing Securities may decline and investors could lose all or part of their investment; the Placing Securities offer no guaranteed income and no capital protection; and an investment in the Placing Securities is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Bookrunners will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Chapters 9A or 10A respectively of the FCA Handbook Conduct of Business Sourcebook; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing



Securities. Each distributor is responsible for undertaking its own target market assessment in respect of the Placing Securities and determining appropriate distribution channels.

EU Product Governance Requirements

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any 'manufacturer' (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Placing Securities have been subject to a product approval process, which has determined that such Placing Securities are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "EU Target Market Assessment"). Notwithstanding the EU Target Market Assessment, distributors should note that: the price of the Placing Securities may decline and investors could lose all or part of their investment; the Placing Securities offer no guaranteed income and no capital protection; and an investment in the Placing Securities is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The EU Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the EU Target Market Assessment, the Joint Bookrunners will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the EU Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Securities. Each distributor is responsible for undertaking its own target market assessment in respect of the Placing Securities and determining appropriate distribution channels.



APPENDIX 1 – TERMS AND CONDITIONS OF THE PLACING

IMPORTANT INFORMATION FOR INVITED PLACEEES ONLY REGARDING THE PLACING

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT (INCLUDING THIS APPENDIX) AND THE TERMS AND CONDITIONS SET OUT HEREIN (TOGETHER, THIS "**ANNOUNCEMENT**") ARE FOR INFORMATION PURPOSES ONLY AND ARE DIRECTED ONLY AT PERSONS WHOSE ORDINARY ACTIVITIES INVOLVE THEM IN 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: (A) IF IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA (THE "**EEA**"), PERSONS WHO ARE QUALIFIED INVESTORS WITHIN THE MEANING OF ARTICLE 2(E) OF REGULATION (EU) 2017/1129 (THE "**EU PROSPECTUS REGULATION**") ("**EU QUALIFIED INVESTORS**"); OR (B) IF IN THE UNITED KINGDOM, QUALIFIED INVESTORS WITHIN THE MEANING OF ARTICLE 2(E) OF THE UK VERSION OF REGULATION (EU) 2017/1129 AS IT FORMS PART OF UK LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018, AS AMENDED (THE "**UK PROSPECTUS REGULATION**") WHO ARE (I) PERSONS WHO FALL WITHIN THE DEFINITION OF "INVESTMENT PROFESSIONALS" IN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "**ORDER**"), OR (II) PERSONS WHO ARE HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS OR PARTNERSHIPS OR TRUSTEES OF HIGH VALUE TRUSTS AS DESCRIBED IN ARTICLE 49(2)(A) TO (D) OF THE ORDER ("**UK QUALIFIED INVESTORS**"); OR (C) OTHERWISE, PERSONS TO WHOM IT MAY OTHERWISE BE LAWFUL TO COMMUNICATE IT TO (EACH SUCH PERSONS IN (A), (B) AND (C) REFERRED TO AS "**RELEVANT PERSONS**"). NO OTHER PERSON SHOULD ACT OR RELY ON THIS ANNOUNCEMENT. BY ACCEPTING THE TERMS OF THIS ANNOUNCEMENT YOU REPRESENT AND AGREE THAT YOU ARE A RELEVANT PERSON. THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. PERSONS DISTRIBUTING THIS ANNOUNCEMENT MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS ANNOUNCEMENT AND THE TERMS AND CONDITIONS SET OUT HEREIN RELATE IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS.

THE INFORMATION CONTAINED HEREIN IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES (INCLUDING ITS TERRITORIES AND POSSESSIONS, ANY STATE OF THE UNITED STATES AND THE DISTRICT OF COLUMBIA (COLLECTIVELY, THE "**UNITED STATES**")), THE REPUBLIC OF SOUTH AFRICA OR JAPAN OR ANY OTHER JURISDICTION IN WHICH SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL OR REQUIRE A PROSPECTUS OR SIMILAR DOCUMENT TO BE FILED. THIS ANNOUNCEMENT AND THE INFORMATION CONTAINED HEREIN DO NOT CONSTITUTE AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES, THE REPUBLIC OF SOUTH AFRICA, JAPAN OR IN ANY OTHER JURISDICTION IN WHICH THE SAME WOULD BE UNLAWFUL.

THIS ANNOUNCEMENT (INCLUDING THIS APPENDIX) DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN THE COMPANY.

THE PLACING SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR UNDER THE APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY WITHIN, INTO OR IN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN



COMPLIANCE WITH THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THERE WILL BE NO PUBLIC OFFER OF THE PLACING SHARES IN THE UNITED STATES, THE UNITED KINGDOM OR ELSEWHERE.

EACH PLACEE SHOULD CONSULT ITS OWN ADVISERS AS TO LEGAL, BUSINESS, FINANCIAL, TAX AND RELATED ASPECTS OF ACQUIRING THE PLACING SHARES.

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.

Notice to investors in Hong Kong

THIS ANNOUNCEMENT IS DIRECTED ONLY AT PROFESSIONAL INVESTORS IN HONG KONG UNDER THE SECURITIES AND FUTURES (PROFESSIONAL INVESTOR) RULES MADE UNDER THE SECURITIES AND FUTURES ORDINANCE OF HONG KONG.

Notice to investors in Singapore

THE PROSPECTUS (AS DEFINED BELOW) HAS NOT BEEN AND WILL NOT BE REGISTERED AS A PROSPECTUS WITH THE MONETARY AUTHORITY OF SINGAPORE (THE "AUTHORITY"). ACCORDINGLY, THE PROSPECTUS, THIS ANNOUNCEMENT AND ANY OTHER DOCUMENT OR MATERIAL IN CONNECTION WITH THE OFFER OR SALE, OR INVITATION FOR SUBSCRIPTION OR PURCHASE, OF PLACING SHARES (AS DEFINED BELOW) TO BE ISSUED FROM TIME TO TIME BY THE COMPANY PURSUANT TO THE PLACING (AS DEFINED BELOW) MAY NOT BE CIRCULATED OR DISTRIBUTED, NOR MAY THE PLACING SHARES BE OFFERED OR SOLD, OR BE MADE THE SUBJECT OF AN INVITATION FOR SUBSCRIPTION OR PURCHASE, WHETHER DIRECTLY OR INDIRECTLY, TO ANY PERSON IN SINGAPORE OTHER THAN (A) TO AN "INSTITUTIONAL INVESTOR" (AS DEFINED IN SECTION 4A OF THE SECURITIES AND FUTURES ACT, CHAPTER 289 OF SINGAPORE, AS MODIFIED OR AMENDED FROM TIME TO TIME (THE "SFA")) PURSUANT TO SECTION 274 OF THE SFA, (B) TO A "RELEVANT PERSON" (AS DEFINED IN SECTION 275(2) OF THE SFA) PURSUANT TO SECTION 275(1) OF THE SFA, OR ANY PERSON PURSUANT TO SECTION 275(1A) OF THE SFA, AND IN ACCORDANCE WITH THE CONDITIONS SPECIFIED IN SECTION 275 OF THE SFA AND (WHERE APPLICABLE), REGULATION 3 OF THE SECURITIES AND FUTURES AND FUTURES (CLASSES OF INVESTORS) REGULATIONS 2018, OR (C) OTHERWISE PURSUANT TO, AND IN ACCORDANCE WITH THE CONDITIONS OF, ANY OTHER APPLICABLE PROVISION OF THE SFA.

WHERE THE PLACING SHARES ARE SUBSCRIBED OR PURCHASED UNDER SECTION 275 OF THE SFA BY A RELEVANT PERSON WHICH IS:

A CORPORATION (WHICH IS NOT AN ACCREDITED INVESTOR (AS DEFINED IN THE SFA)) THE SOLE BUSINESS OF WHICH IS TO HOLD INVESTMENTS AND THE ENTIRE SHARE CAPITAL OF WHICH IS OWNED BY ONE OR MORE INDIVIDUALS, EACH OF WHOM IS AN ACCREDITED INVESTOR; OR
A TRUST (WHERE THE TRUSTEE IS NOT AN ACCREDITED INVESTOR) WHOSE SOLE PURPOSE IS TO HOLD INVESTMENTS AND EACH BENEFICIARY OF THE TRUST IS AN INDIVIDUAL WHO IS AN ACCREDITED INVESTOR,

SECURITIES OR SECURITIES-BASED DERIVATIVES CONTRACTS (EACH TERM AS DEFINED IN SECTION 2(1) OF THE SFA) OF THAT CORPORATION OR THE BENEFICIARIES' RIGHTS AND INTERESTS (HOWSOEVER DESCRIBED) IN THAT TRUST SHALL NOT BE TRANSFERRED WITHIN SIX MONTHS AFTER THAT CORPORATION OR THAT TRUST HAS ACQUIRED THE PLACING SHARES PURSUANT TO AN OFFER MADE UNDER SECTION 275 OF THE SFA EXCEPT:



- (a) TO AN INSTITUTIONAL INVESTOR OR TO A RELEVANT PERSON (AS DEFINED IN SECTION 309A(1) OF THE SFA), OR TO ANY PERSON ARISING FROM AN OFFER REFERRED TO IN SECTION 275(1A) OR SECTION 276(4)(i)(B) OF THE SFA;
- (b) WHERE NO CONSIDERATION IS OR WILL BE GIVEN FOR THE TRANSFER;
- (c) WHERE THE TRANSFER IS BY OPERATION OF LAW;
- (d) AS SPECIFIED IN SECTION 276(7) OF THE SFA; OR
- (e) AS SPECIFIED IN REGULATION 37A OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018.

THE COMPANY HAS DETERMINED, AND HEREBY NOTIFIES ALL RELEVANT PERSONS (AS DEFINED IN SECTION 309A(1) OF THE SFA), THAT THE PLACING SHARES ARE PRESCRIBED CAPITAL MARKETS PRODUCTS (AS DEFINED IN THE SECURITIES AND FUTURES (CAPITAL MARKETS PRODUCTS) REGULATIONS 2018) AND SPECIFIED INVESTMENT PRODUCTS (AS DEFINED IN MAS NOTICE SFA 04-N12: NOTICE ON THE SALE OF INVESTMENT PRODUCTS AND MAS NOTICE FAA-N16: NOTICE ON RECOMMENDATIONS ON INVESTMENT PRODUCTS).

General

Persons who are invited to and who choose to participate in the placing (the "**Placing**") of the Placing Shares (as defined below) by making an oral or written offer to acquire Placing Shares (including any individuals, funds or others on whose behalf a commitment to acquire Placing Shares is given) ("**Placees**") will be deemed to have read and understood this Announcement in its entirety and to be making such offer on the terms and conditions, and to be providing (and shall only be permitted to participate in the Placing on the basis that they have provided) the representations, warranties, indemnities, acknowledgements, undertakings and agreements, contained in this Appendix. In particular, each such Placee represents, warrants, acknowledges and agrees to each of Adriatic Metals Plc (the "**Company**"), RBC Europe Limited ("**RBC**"), Canaccord Genuity Limited ("**Canaccord**") and Stifel Nicolaus Europe Limited ("**Stifel**" and, together with RBC and Canaccord, the "**Joint Bookrunners**") that: it is a Relevant Person, and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;

if it is in Australia, it is a "sophisticated investor" within the meaning of section 708(8) of the Corporations Act or a "professional investor" within the meaning of section 708(11) of the Corporations Act or person to whom another exemption from the requirement to prepare a disclosure document applies in section 708 of the Corporations Act and, in each case, a wholesale client under section 761G(7) of the Corporations Act;

it is acquiring the Placing Shares for its own account or is acquiring the Placing Shares for an account with respect to which it exercises sole investment discretion and has the authority to make and does make the representations, warranties, indemnities, acknowledgements, undertakings and agreements contained in this Announcement;

it understands (or if acting for the account of another person, such person has confirmed that such person understands) the resale and transfer restrictions set out in this Announcement (including this Appendix);

if it is a financial intermediary, as that term is used in Article 5(1) of the EU Prospectus Regulation and the UK Prospectus Regulation, it understands that any Placing Shares subscribed for by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of securities to the public other than an offer or resale in a member state of the EEA to EU Qualified Investors or the



United Kingdom to UK Qualified Investors, or in circumstances in which the prior consent of the Joint Bookrunners has been given to each such proposed offer or resale;

it understands that the Placing Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, within the United States except pursuant to an exemption from the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States;

it and the person(s), if any, for whose account or benefit it is acquiring the Placing Shares are either (a)(i) outside the United States and will be outside the United States at the time the Placing Shares are acquired by it and (ii) acquiring the Placing Shares in an "offshore transaction" within the meaning of Regulation S, or (b) a "qualified institutional buyer" as defined in Rule 144A under the Securities Act (a "QIB") who has executed and delivered to the Company and the Joint Bookrunners a US investor letter substantially in the form provided to it;

if it is resident in Canada, it is resident in either the province of Ontario, Quebec, Alberta, Manitoba or British Columbia; is purchasing as principal, or is deemed to be purchasing as principal in accordance with applicable Canadian securities laws, for investment only and not with a view to resale or redistribution; is not an individual; is an "accredited investor" as such term is defined in section 1.1 of National Instrument 45-106 *Prospectus Exemptions* ("NI 45-106") or, in Ontario, as such term is defined in section 73.3(1) of the Securities Act (Ontario); and is a "permitted client" as such term is defined in section 1.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("NI 31-103"), and it acknowledges and agrees that the Company is a "reporting issuer" under the securities legislation of Alberta and British Columbia and, accordingly, the offshore resale exemptions under section 2.14 and section 2.15 of National Instrument 45-102 *Resale of Securities* and the similar exemptions available under Alberta and Ontario securities legislation are not available for the securities offered hereunder; and

the Company and the Joint Bookrunners will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this Announcement. Any representation to the contrary is a criminal offence in the United States.

No representation is made by any of the Joint Bookrunners or their respective affiliates to any Placees regarding an investment in the Placing Shares.

IMPORTANT INFORMATION FOR PLACEES ONLY REGARDING THE PLACING

Bookbuild

Following this Announcement, the Joint Bookrunners will today commence the bookbuilding process in respect of the Placing (the "Bookbuild") to determine demand for participation in the Placing by Placees. This Appendix gives details of the terms and conditions of, and the mechanics of participation in, the Placing. No commissions will be paid to Placees or by Placees in respect of any Placing Shares. Members of the public are not entitled to participate.

The Joint Bookrunners shall be entitled to effect the Placing by such alternative method to the Bookbuild as they may, in consultation with the Company, determine.



Details of the Placing Agreement and of the Placing Shares

The Company has today entered into a conditional placing agreement (the "**Placing Agreement**") with the Joint Bookrunners under which, subject to the terms and conditions set out therein, each of the Joint Bookrunners has agreed, severally and not jointly or jointly and severally (a) as agent for and on behalf of the Company, to use its reasonable endeavours to procure Placees for up to 25,159,000 ordinary shares of 1.3355 pence each in the capital of the Company (the "**Placing Shares**"), at a price of £1.5174 Placing Share or A\$2.80 per Placing Share (in respect of CHES Depositary Interests representing Placing Shares) (the "**Placing Price**"), and (b) to the extent that any Placee defaults in paying the Placing Price in respect of any of the Placing Shares allocated to it, to subscribe for such Placing Shares at the Placing Price. RBC, Canaccord and Stifel are acting as joint bookrunners in connection with the Placing.

The Placing Shares will, when issued, be credited as fully paid and will rank *pari passu* in all respects with the existing ordinary shares of 1.3355 pence each in the capital of the Company (the "**Ordinary Shares**"), including the right to receive all dividends and other distributions declared, made or paid in respect of such Ordinary Shares after the date of issue of the Placing Shares.

Applications for listing and admission to trading

Applications (the "**Applications for Admission**") will be made (a) to the Financial Conduct Authority (the "**FCA**") for admission of the Placing Shares to listing on the standard listing segment of the Official List of the FCA (the "**Official List**"), (b) to London Stock Exchange plc (the "**London Stock Exchange**") for admission of the Placing Shares to trading on its main market for listed securities and (c) to the Australian Securities Exchange ("**ASX**") for commencement of official quotation of the CHES Depositary Interests representing the Placing Shares on the official list of the ASX (together, "**Admission**").

Subject to the passing of the necessary resolution set out in the notice of general meeting set out in the Circular (the "**Resolution**") at a general meeting of the Company's shareholders expected to be held on 29 October 2021 (the "**General Meeting**"), it is expected that Admission will become effective (a) at or around 8.00 a.m. on 1 November 2021 in respect of Placing Shares admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities and that dealings in the Placing Shares will commence at that time, and (b) at or around 12.00 a.m. on 1 November 2021 in respect of CHES Depositary Interests representing Placing Shares on ASX and that dealings in the CHES Depositary Interests representing Placing Shares will commence at that time. The Placing is conditional upon, among other things, the passing of the Resolution at the General Meeting, Admission becoming effective and the Placing Agreement not being terminated in accordance with its terms.

Participation in, and principal terms of, the Placing

1. Each of RBC, Canaccord and Stifel is acting as a joint bookrunner and agent of the Company in connection with the Placing.

Participation in the Placing will only be available to persons who may lawfully be, and are, invited to participate by the Joint Bookrunners. Each of the Joint Bookrunners and their respective agents and affiliates are each entitled to enter bids in the Bookbuild as principal.

The final number of Placing Shares will be jointly agreed by the Company and the Joint Bookrunners following completion of the Bookbuild. The final number of Placing Shares to be issued will be



announced on a FCA-listed regulatory information service (a "**Regulatory Information Service**") and on the ASX following the completion of the Bookbuild.

To bid in the Bookbuild, prospective Placees should communicate their bid by telephone or in writing to their usual sales contact at any of the Joint Bookrunners. Each bid should state the number of Placing Shares which the prospective Placee wishes to subscribe for at the Placing Price. Bids may be scaled down by the Joint Bookrunners on the basis referred to in paragraph 0 below.

A bid in the Bookbuild will be made on the terms and subject to the conditions in this Appendix and will be legally binding on the Placee on behalf of which it is made and, except with the Joint Bookrunners' consent, will not be capable of variation or revocation after the time at which it is submitted. Each Placee's obligations will be owed to the Company and the Joint Bookrunners. Each Placee will also have an immediate, separate, irrevocable and binding obligation, owed to each of the Joint Bookrunners as agent of the Company, to pay in cleared funds immediately on the settlement date, in accordance with the registration and settlement requirements set out below, an amount equal to the product of the Placing Price and the number of Placing Shares such Placee has agreed to subscribe for and the Company has agreed to allot to them.

The Bookbuild is expected to close no later than 8.00 a.m. (London time) on 13 October 2021, but may be closed earlier or later at the absolute discretion of the Joint Bookrunners. The Joint Bookrunners may, in agreement with the Company, accept bids that are received after the Bookbuild has closed.

Each prospective Placee's allocation will be agreed between the Joint Bookrunners and the Company and will be confirmed orally or in writing by any of the Joint Bookrunners (each as agent of the Company) following the close of the Bookbuild. This confirmation to such Placee will constitute an irrevocable legally binding commitment upon that person (who will at that point become a Placee) in favour of the Joint Bookrunners and the Company to subscribe for the number of Placing Shares allocated to it at the Placing Price on the terms and conditions set out in this Appendix and in accordance with the Company's articles of association and each Placee will be deemed to have read and understood this Announcement (including this Appendix) in its entirety.

All obligations under the Bookbuild and Placing will be subject to fulfilment or, where applicable, waiver of the conditions referred to below under "Conditions of the Placing" and to the Placing not being terminated on the basis referred to below under "Right to terminate under the Placing Agreement".

By participating in the Bookbuild, each Placee will agree that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee after confirmation (oral or otherwise) by a Joint Bookrunner.

Each prospective Placee's allocation and commitment will be evidenced by a contract note or trade confirmation issued to such Placee by either of the Joint Bookrunners. The terms of this Appendix will be deemed incorporated by reference therein.

Subject to paragraphs 0 and 0 above, the Joint Bookrunners may choose to accept bids, either in whole or in part, on the basis of allocations determined in agreement with the Company and may scale down any bids for this purpose on such basis as they may determine. The Joint Bookrunners may also, notwithstanding paragraphs 0 and 0 above, subject to the prior consent of the Company (a) allocate Placing Shares after the time of any initial allocation to any person submitting a bid after that time, and (b) allocate Placing Shares after the Bookbuild has closed to any person submitting a bid after that time. The Company reserves the right (upon agreement with the Joint Bookrunners) to reduce or seek to increase the amount to be raised pursuant to the Placing.



Except as required by law or regulation, no press release or other announcement will be made by the Joint Bookrunners or the Company using the name of any Placee (or its agent), in its capacity as Placee (or agent), other than with such Placee's prior written consent.

Irrespective of the time at which a Placee's allocation pursuant to the Placing is confirmed, settlement for all Placing Shares to be subscribed for pursuant to the Placing will be required to be made at the same time, on the basis explained below under "Registration and settlement".

To the fullest extent permissible by law, none of the Joint Bookrunners or the Company or any of their respective affiliates or any of their respective directors, officers, partners, employees, advisers or agents (collectively, "**Representatives**") shall have any responsibility or liability to Placees (or to any other person whether acting on behalf of a Placee or otherwise). In particular, none of the Joint Bookrunners or the Company or any of their respective affiliates or any of their respective Representatives shall have any responsibility or liability (including, to the fullest extent permissible by law, any fiduciary duties) in respect of the conduct of the Bookbuild or of such alternative method of effecting the Placing as the Joint Bookrunners and the Company may agree.

Conditions of the Placing

The Placing is conditional upon the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms. The obligations of the Joint Bookrunners under the Placing Agreement in respect of the Placing Shares are conditional on, *inter alia*:

1. the release of a trading halt request to the ASX by no later than 7.00 a.m. Perth time (12.00 a.m. London time) on the date following the date of publication of this Announcement and the ASX imposing a trading halt which operates for a period of not less than one trading day in respect of CHESS Depository Interests representing Ordinary Shares under ASX Listing Rule 17.1 by 12.00 a.m. on the business day following publication of this Announcement;

the number of Placing Shares to be issued having been determined and a term sheet confirming such number of Placing Shares (the "**Term Sheet**") having been executed by the Company and the Joint Bookrunners on the date the accelerated bookbuilding process is completed (or such later date as the Company and the Joint Bookrunners may agree);

the net proceeds of the Placing, together with the subscription for new CHESS Depository Interests by Orion (the "**Orion Subscription**" and, together with the Placing, the "**Capital Raising**") pursuant to the terms of the equity subscription agreement between the Company and Orion (the "**Orion Equity Subscription Agreement**"), totalling not less than US\$90 million (or such other amount as the Company and the Joint Bookrunners may agree);

the release of an announcement confirming the results of the Placing (the "**Placing Results Announcement**") to a Regulatory Information Service and the ASX announcements platform as soon as reasonably practicable following the execution of the Term Sheet and, in any event, by no later than (i) 5.00 p.m. on the day following this Announcement in the case of a Regulatory Information Service, and (ii) 7.00 a.m. Perth time (12.00 a.m. London time) on the second day following this Announcement;

the formal approval by the FCA of the prospectus to be published in connection with the Capital Raising and Admission (the "**Prospectus**") as a prospectus pursuant to the FCA's Prospectus Regulation Rules and FSMA by not later than 6.00 p.m. on the business day following the date of completion of the accelerated bookbuilding process (or such later time and/or date as the Company and the Joint Bookrunners may agree);

the Prospectus having been made available to the public in accordance with the FCA's Prospectus Regulation Rules and the circular to be sent to shareholders of the Company in connection with the



Capital Raising (the "**Circular**"), together with the accompanying forms of proxy, having been posted to shareholders of the Company;

approval of the Circular in accordance with the official listing rules of the ASX (the "**ASX Listing Rules**") by no later than 6.00 p.m. on the business day following the date of completion of the accelerated bookbuilding process (or such other time and/or date as the Company and the Joint Bookrunners may agree) and the posting of the Circular and the accompanying forms of proxy to shareholders of the Company by no later than 5.00 p.m. on 13 October 2021 (or such later time and/or date as the Company and the Joint Bookrunners may agree);

the passing of the Resolution set out in the notice of general meeting set out in the Circular (without amendment) at a General Meeting expected to be held on 29 October 2021 (or, with the Joint Bookrunners' written consent (such consent not to be unreasonably withheld or delayed), at any adjournment thereof);

the applications for admission of the Placing Shares and any new Ordinary Shares to be issued pursuant to the Orion Subscription (the "**Orion Subscription Securities**" and, together with the Placing Shares, the "**New Ordinary Shares**") to the Official List and to trading on the London Stock Exchange's main market for listed securities having been made by or on behalf of the Company prior to 4.00 p.m. on 29 October 2021 (or such later time and/or date as the Company and the Joint Bookrunners may agree);

the application for commencement of official quotation of the CHESSE Depository Interests representing the New Ordinary Shares on the official list of the ASX having been made by or on behalf of the Company prior to 1.00 a.m. on 1 November 2021 (or such later time and/or date as the Company any the Joint Bookrunners may agree);

the Company having complied with all of its obligations in respect of the Capital Raising and having satisfied all of its obligations to be satisfied under the Placing Agreement, including, but not limited to, the conditions therein, or under the terms and conditions of the Placing set out in this Appendix which fall to be performed or satisfied on or prior to Admission, save to an extent which the Joint Bookrunners do not consider to be material in the context of the Capital Raising and Admission;

none of the warranties set out in the Placing Agreement being untrue or inaccurate or misleading at the date of this Announcement or becoming untrue or inaccurate or misleading at any time between the date of this Announcement and Admission, by reference to the facts and circumstances from time to time subsisting;

the delivery of certain documents as specified within the Placing Agreement;

there not having occurred any event referred to in section 87G of FSMA arising between the time of publication of the Prospectus and Admission and there being no supplementary prospectus published by the Company prior to Admission which any of the Joint Bookrunners (in their opinion) consider to be material and adverse in the context of the Capital Raising or Admission;

there being no supplementary circular published by the Company prior to Admission which any of the Joint Bookrunners (in their opinion) consider to be material and adverse in the context of the Capital Raising or Admission;

no matter having arisen which might reasonably be expected to give rise to a claim under the indemnity provisions contained within the Placing Agreement;

there not having occurred, in the opinion of any of the Joint Bookrunners, a material adverse change of the Company at any time prior to Admission (whether or not foreseeable at the date of this Announcement);



the term sheet (the "**Orion Debt Financing Term Sheet**") relating to the financing package to be made available to the Company by Orion (the "**Orion Debt Financing**") being executed no later than 8.00 a.m. on the date of this Announcement (or such later time and/or date as the Company and the Joint Bookrunners may agree) and not having been amended, terminated or lapsed, in each case prior to Admission;

the Orion Subscription Agreement being executed no later than 8.00 a.m. on the date of this Announcement (or such later time and/or date as the Company and the Joint Bookrunners may agree) and not having been amended, terminated or lapsed, in each case prior to Admission;

the proceeds payable by Orion pursuant to the Orion Subscription having been received by the Company or deposited into escrow at least 48 hours prior to Admission; and

Admission occurring not later than 8.00 a.m. on 1 November 2021 (or such later time and/or date as the Company and the Joint Bookrunners may agree).

The Joint Bookrunners have discretion to waive compliance with certain of the conditions and/or agree an extension in time for their satisfaction. Any such extension or waiver will not affect Placees' commitments as set out in this Announcement.

If (a) any of the conditions contained in the Placing Agreement, including those described above, are not fulfilled (or, where permitted, waived or extended in writing by the Joint Bookrunners) or become incapable of fulfilment on or before the date or time specified for the fulfilment thereof (or such later date and/or time as the Joint Bookrunners may agree), or (b) the Placing Agreement is terminated in the circumstances specified below, the Placing will not proceed and the Placees' rights and obligations hereunder in relation to the Placing Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by the Placee in respect thereof. Any such extension or waiver will not affect Placees' commitments as set out in this Announcement.

Neither the Joint Bookrunners nor any of their respective affiliates nor any of their respective Representatives shall have any responsibility or liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision they may make as to whether or not to waive or to extend the time and/or the date for the satisfaction of any condition to the Placing nor for any decision they may make as to the satisfaction of any condition or in respect of the Placing generally, and by participating in the Placing each Placee agrees that any such decision is in the absolute discretion of the Joint Bookrunners.

Lock-up

The Company has undertaken that it will not, and will procure that none of its subsidiaries will, at any time between the date of the Placing Agreement and the date which is 90 days after the date of the Placing Agreement, without the prior written consent of the Joint Bookrunners, enter into certain transactions involving or relating to the Ordinary Shares, subject to a carve-out to allow for the Company's intended redemption of the convertible bonds with Queens Road Capital ("**QRC**") and certain customary carve-outs agreed between the Joint Bookrunners and the Company.

By participating in the Placing, Placees agree that the exercise by the Joint Bookrunners of any power to consent to waive the undertaking by the Company of a transaction which would otherwise be subject to the lock-up under the Placing Agreement shall be within the absolute discretion of the Joint Bookrunners, and that they do not need to make any reference to, consult with, or seek consent from, Placees and that the Joint Bookrunners shall have no liability to Placees whatsoever in connection with any such exercise of the power to grant consent or failure so to exercise.

**Right to terminate under the Placing Agreement**

Each of the Joint Bookrunners, for itself in its capacity as joint bookrunner, is entitled, in its absolute discretion, at any time before Admission, to terminate the Placing Agreement by giving notice to the Company in certain circumstances, including (but not limited to) where (a) any of the relevant conditions in the Placing Agreement are not satisfied in all material respects at the required times (unless waived), and (b) there has been a breach by the Company of any of the warranties, undertakings or covenants in the Placing Agreement or any of the warranties has ceased to be true, accurate and not misleading, and in each case, the effect, in the good faith opinion of either of the Joint Bookrunners, is singly or in the aggregate material in the context of the Capital Raising and/or is such as to make it impracticable or inadvisable to proceed with the Capital Raising, Admission or to market or enforce contracts for the sale of, any New Ordinary Shares.

If any of the termination conditions as specified in the Placing Agreement shall occur, then the Joint Bookrunners may, in their absolute discretion acting in good faith and after such consultation with the Company by reference to the then existing facts and circumstances as may be reasonably practicable in the circumstances (a) allow the Placing to proceed on the basis of this Announcement, or (b) give notice to the Company to terminate the Placing Agreement. Upon notice being given by the Joint Bookrunners to the Company, the parties to the Placing Agreement shall be released and discharged (except for any liability arising before or in relation to such termination) from their respective obligations under or pursuant to the Placing Agreement, subject to certain exceptions.

By participating in the Placing, Placees agree that the exercise or non-exercise by the Joint Bookrunners of any right of termination or other discretion under the Placing Agreement shall be within the absolute discretion of the Joint Bookrunners, and that they do not need to make any reference to, consult with, or seek consent from, Placees and that the Joint Bookrunners shall have no liability to Placees whatsoever in connection with any such exercise or failure so to exercise.

Prospectus

A prospectus will be prepared and submitted to be approved by the FCA and submitted to the London Stock Exchange in relation to Admission in accordance with the UK Prospectus Regulation and the FCA's Prospectus Regulation Rules.

However, Placees' commitments will be made solely on the basis of their own assessment of the Company, the Placing and the Placing Shares based on information contained in this Announcement (including this Appendix) and any information publicly announced to a Regulatory Information Service or the ASX by or on behalf of the Company on or prior to the date of this Announcement and subject to the further terms set forth in the trade confirmation to be provided to individual prospective Placees.

Each Placee, by accepting a participation in the Placing, agrees that the content of this Announcement (including this Appendix) and all other publicly available information previously and simultaneously published by or on behalf of the Company by notification to a Regulatory Information Service or the ASX is exclusively the responsibility of the Company and has not been independently verified by the Joint Bookrunners. Each Placee, by accepting participation in the Placing, further confirms that it has neither received nor relied on any other information, representation, warranty, or statement made by or on behalf of the Company or the Joint Bookrunners or any other person and none of the Company or Joint Bookrunners or any of their respective affiliates or any of their respective Representatives will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placee may have obtained or received. Each Placee



acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. Nothing in this paragraph shall exclude or limit the liability of any person for fraudulent misrepresentation by that person.

Registration and settlement

Settlement of transactions in the Placing Shares (ISIN: GB00BL0L5G04) following Admission will take place within the CREST system, subject to certain exceptions. In the event of any difficulties or delays in the admission of the Placing Shares to CREST or the use of CREST in relation to the Placing, the Company and the Joint Bookrunners may agree that the Placing Shares should be issued in certificated form. The Joint Bookrunners and the Company reserve the right to require settlement for and delivery of the Placing Shares (or a portion thereof) to Placees in certificated form or by such other means as they deem necessary if delivery or settlement is not possible or practicable within the CREST system or would not be consistent with the regulatory requirements in the Placee's jurisdiction.

Settlement of CHES Depositary Interests representing Placing Shares will occur through the CHES system on a delivery versus payment basis. The terms and conditions of settlement of CHES Depositary Interests representing Placing Shares through the CHES system, in addition to those contained in this Appendix, will be contained in the confirmation letter provided to Placees in respect of such CHES Depositary Interests.

Each Placee agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with the standing CREST or certificated settlement instructions that it has in place with the relevant Joint Bookrunner.

The Company will deliver the Placing Shares to a CREST account operated by the Joint Bookrunners (or any one of them) as agent for the Company and the relevant Joint Bookrunner will enter its delivery (DEL) instruction into the CREST system. The Joint Bookrunners (or any one of them) will hold any Placing Shares delivered to this account as nominee for the Placees until settlement. The input to CREST by a Placee of a matching or acceptance instruction will then allow delivery of the relevant Placing Shares to that Placee against payment.

It is expected that settlement will be on 29 October 2021 on a T+17 basis and on a delivery versus payment basis in accordance with the instructions given to the Joint Bookrunners.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of two percentage points above LIBOR as determined by the Joint Bookrunners.

Each Placee is deemed to agree that, if it does not comply with these obligations, the Joint Bookrunners may sell any or all of the Placing Shares allocated to that Placee on such Placee's behalf and retain from the proceeds, for the account and benefit of each of the Joint Bookrunners, an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable for any shortfall below the aggregate amount owed by it and may be required to bear any stamp duty or stamp duty reserve tax or other similar taxes (together with any interest or penalties thereon) imposed in any jurisdiction which may arise upon the sale of such Placing Shares on such Placee's behalf. By communicating a bid for Placing Shares, each Placee confers on each of the Joint Bookrunners all such authorities and powers necessary to carry out any such transaction and agrees to ratify and confirm all actions which each of the Joint Bookrunners lawfully takes on such Placee's behalf.



If Placing Shares are to be delivered to a custodian or settlement agent, Placees should ensure that the contract note or trade confirmation is copied and delivered immediately to the relevant person within that organisation.

Insofar as Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject as provided below, be so registered free from any liability to UK stamp duty or stamp duty reserve tax. If there are any other circumstances in which any stamp duty or stamp duty reserve tax or other similar taxes (and/or any interest, fines or penalties relating thereto) is payable in respect of the allocation, allotment, issue or delivery of the Placing Shares (or for the avoidance of doubt if any stamp duty or stamp duty reserve tax is payable in connection with any subsequent transfer of or agreement to transfer Placing Shares), none of the Joint Bookrunners or the Company shall be responsible for the payment thereof.

Placees (or any nominee or other agent acting on behalf of a Placee) will not be entitled to receive any fee or commission in connection with the Placing.

Representations and warranties

By submitting a bid and/or participating in the Placing, each prospective Placee (and any person acting on such Placee's behalf) irrevocably acknowledges, confirms, undertakes, represents, warrants and agrees (as the case may be) with each Joint Bookrunner and the Company, in each case as a fundamental term of its application for Placing Shares, that:

1. it has read and understood this Announcement (including this Appendix) in its entirety and that its participation in the Bookbuild and the Placing and its acquisition of Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, indemnities, acknowledgements, agreements and undertakings and other information contained herein and it undertakes not to redistribute or duplicate this Announcement and that it has not relied on, and will not rely on, any information given or any representations, warranties or statements made at any time by any person in connection with Admission, the Bookbuild, the Placing, the Company, the Placing Shares or otherwise;

the Placing does not constitute a recommendation or financial product advice and the Joint Bookrunners have not had regard to its particular objectives, financial situation and needs;

(a) it has made its own assessment of the Company, the Placing Shares and the terms of the Placing based on this Announcement (including this Appendix) and any information publicly announced to a Regulatory Information Service or the ASX by or on behalf of the Company prior to the date of this Announcement (the "**Publicly Available Information**"); (b) the Ordinary Shares are admitted to the standard listing segment of the Official List of the FCA and to trading on the London Stock Exchange's main market for listed securities and the Company is therefore required to publish certain business and financial information in accordance with the Market Abuse Regulation (EU) No.596/2014 ("**EU MAR**"), in the period up to and including 31 December 2020, and from 1 January 2021 in accordance with the UK version of the Market Abuse Regulation (EU) No.596/2014, which forms part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended ("**UK MAR**") and the rules and practices of the London Stock Exchange (the "**Exchange Information**"), which includes a description of the nature of the Company's business, most recent balance sheet and profit and loss account, and similar statements for preceding years, and it has reviewed such Exchange Information as it has deemed necessary or that it is able to obtain or access the Exchange Information without undue difficulty; (c) the CHES Depository Interests are admitted for quotation on the ASX and publicly



available information regarding the Company can be obtained from the ASX; and (d) it has had access to such financial and other information (including the business, financial condition, prospects, creditworthiness, status and affairs of the Company, the Placing and the Placing Shares (including in respect of CHESS Depository Interests representing Placing Shares), as well as the opportunity to ask questions) concerning the Company, the Placing and the Placing Shares as it has deemed necessary in connection with its own investment decision to acquire any of the Placing Shares and has satisfied itself that the information is still current and relied on that investigation for the purposes of its decision to participate in the Placing. Each Placee further acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in deciding to participate in the Placing;

if it received any "inside information" as defined in UK MAR concerning the Company or its Ordinary Shares or other securities or related financial instruments in advance of the Placing, it has not (a) dealt in the securities of the Company, (b) encouraged or required another person to deal in the securities of the Company, or (c) disclosed such information to any person except as permitted by UK MAR, prior to the information being made publicly available;

its participation in the Placing would not give rise to an offer being required to be made by it or any person with whom it is acting in concert pursuant to Rule 9 of the City Code on Takeovers and Mergers; it has the power and authority to carry on the activities in which it is engaged, to subscribe and/or acquire Placing Shares and to execute and deliver all documents necessary for such subscription and/or acquisition;

none of the Joint Bookrunners or the Company or any of their respective affiliates or any of their respective Representatives or any person acting on behalf of any of them has provided, and none of them will provide, it with any material or information regarding the Placing Shares or the Company or any other person other than this Announcement, nor has it requested any of the Joint Bookrunners, the Company or any of their respective affiliates or any of their respective Representatives or any person acting on behalf of any of them to provide it with any such material or information;

it has not received and will not receive a prospectus or other offering document in connection with the Placing or the Placing Shares;

(a) none of the Company or the Joint Bookrunners or any of their respective affiliates or any of their respective Representatives or any person acting on their behalf has made any warranties or representations to it, express or implied, with respect to the Company, the Placing and the Placing Shares or the accuracy, fairness, completeness or adequacy of the Publicly Available Information or the Exchange Information, and each of them expressly disclaims any liability in respect thereof; and (b) it will not hold the Joint Bookrunners or any of their respective affiliates or any of their respective Representatives or any person acting on their behalf responsible for any misstatements in or omissions from any Publicly Available Information or any Exchange Information. Nothing in this paragraph or otherwise in this Announcement excludes the liability of any person for fraudulent misrepresentation made by that person;

the content of this Announcement is exclusively the responsibility of the Company and that neither the Joint Bookrunners nor any of their respective affiliates nor any of their respective Representatives nor any person acting on their behalf has or shall have any responsibility or liability for any information, representation or statement contained in this Announcement or any information previously or subsequently published by or on behalf of the Company, including, without limitation, any Publicly Available Information or Exchange Information, and will not be liable for any Placee's decision to participate in the Placing based on any information, representation or statement contained in this



Announcement or any information previously or simultaneously published by or on behalf of the Company or otherwise. Each Placee further represents, warrants and agrees that the only information on which it is entitled to rely and on which such Placee has relied in committing itself to acquire the Placing Shares is contained in this Announcement and any Publicly Available Information including (without limitation) the Exchange Information, such information being all that it deems necessary and/or appropriate to make an investment decision in respect of the Placing Shares and that it has neither received nor relied on any other information given, investigation made or representations, warranties or statements made by either of the Joint Bookrunners or the Company or any of their respective affiliates or any of their respective Representatives or any person acting on their behalf and neither the Joint Bookrunners nor the Company nor any of their respective affiliates nor any of their respective Representatives nor any person acting on its or their behalf will be liable for any Placee's decision to accept an invitation to participate in the Placing based on any other information, representation, warranty or statement;

it has not relied on any information relating to the Company contained in any research reports prepared by the Joint Bookrunners or any of their respective affiliates or any of their respective Representatives or any person acting on their behalf and understands that (a) none of the Joint Bookrunners or any of their respective affiliates or any of their respective Representatives or any person acting on their behalf has or shall have any liability for public information or any representation, (b) none of the Joint Bookrunners or any of their respective affiliates or any of their respective Representatives or any person acting on their behalf has or shall have any liability for any additional information that has otherwise been made available to such Placee, whether at the date of publication of such information, the date of this Announcement or otherwise; and (c) none of the Joint Bookrunners or any of their respective affiliates or any of their respective Representatives or any person acting on their behalf makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of such information, whether at the date of publication, the date of this Announcement or otherwise;

any exercise by the Joint Bookrunners of any right to terminate the Placing Agreement or of other rights or discretions under the Placing Agreement shall be within the Joint Bookrunners' absolute discretion and the Joint Bookrunners shall have no liability to it whatsoever in relation to any decision to exercise or not to exercise any such right or the timing thereof;

it will provide the Joint Bookrunners with such relevant documents as they may reasonably request to comply with requests or requirements that either they or the Company may receive from relevant regulators in relation to the Placing, subject to its legal, regulatory and compliance requirements and restrictions;

in making any decision to acquire Placing Shares (a) it has such knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of taking up the Placing Shares, (b) it is experienced in investing in securities of a similar nature to the Ordinary Shares (or CHESS Depositary Interests representing Ordinary Shares) and in the sector in which the Company operates and is aware that it may be required to bear, and is able to bear, the economic risk of participating in, and is able to sustain a complete loss in connection with, the Placing, (c) it has relied on its own examination, due diligence and analysis of the Company and its affiliates taken as a whole, including the markets in which the Company and its affiliates operate, and the terms of the Placing, including the merits and risks involved, and not upon any view expressed or information provided by or on behalf of either of the Joint Bookrunners, (d) it has had sufficient time and access to information to consider and conduct its own investigation with respect to the offer and purchase of the Placing



Shares, including the legal, regulatory, tax, business, currency and other economic and financial considerations relevant to such investment and has so conducted its own investigation to the extent it deems necessary for the purposes of its investigation, and (e) it will not look to the Company, the Joint Bookrunners, any of their respective affiliates, any of their respective Representatives or any person acting on their behalf for all or part of any such loss or losses it or they may suffer;

it satisfies any and all standards for investors in the Placing Shares imposed by the jurisdiction of its residence or otherwise;

unless otherwise specifically agreed with the Joint Bookrunners, it and each account it represents is not and, at the time the Placing Shares are acquired, will not be, a resident of Australia (unless it is a "sophisticated investor" within the meaning of section 708(8) of the Corporations Act or a "professional investor" within the meaning of section 708(11) of the Corporations Act and a wholesale client under section 761G(7) of the Corporations Act), Canada, the Republic of South Africa, Japan or any other jurisdiction in which it is unlawful to make or accept an offer to acquire the Placing Shares; it and each account it represents is either (i)(A) outside the United States and will be outside the United States at the time the Placing Shares are acquired by it, and (B) acquiring the Placing Shares in an "offshore transaction" within the meaning of Regulation S, or (ii) a QIB who has executed and delivered to the Company and the Joint Bookrunners a US investor letter substantially in the form provided to it;

it is not acquiring any of the Placing Shares as a result of any form of "directed selling efforts" within the meaning of Regulation S or as a result of any form of "general solicitation" or "general advertising" within the meaning of Rule 502(c) under the Securities Act;

if it is in Australia, it is a "sophisticated investor" within the meaning of section 708(8) of the Corporations Act or a "professional investor" within the meaning of section 708(11) of the Corporations Act and a wholesale client under section 761G(7) of the Corporations Act and the issue of the Placing Shares to it under the Placing does not require a prospectus or other form of disclosure document under the Corporations Act, and no Placing Shares may be offered for sale (or transferred, assigned or otherwise alienated) to investors in Australia for at least 12 months after their issue, except in circumstances where disclosure to investors is not required under Part 6D.2 of the Corporations Act; if it is a Hong Kong purchaser, its business involves the acquisition and disposal, or the holding, of securities (whether as principal or as agent) and you fall within the category of persons described as "professional investors" under the Securities and Futures (Professional Investor) Rules made under the Securities and Futures Ordinance of Hong Kong;

if it is in Singapore, it is an "institutional investor" (as defined in section 4a of the Securities and Futures Act, Chapter 289 of Singapore, as modified or amended from time to time (the "SFA")) pursuant to section 274 of the SFA;

(a) it and each account it represents is acquiring the Placing Shares for investment purposes, and is not acquiring the Placing Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly of any such Placing Shares in or into the United States, Canada, the Republic of South Africa, Japan or any other jurisdiction in which the same would be unlawful; and (b) it understands, and each account it represents has been advised, that the Placing Shares have not been and will not be registered or qualified for distribution by way of a prospectus under the securities legislation of the United States, Canada, the Republic of South Africa, Japan and, subject to certain exceptions, may not be offered, sold, acquired, renounced, distributed or delivered or transferred, directly or indirectly, within or into those jurisdictions or in any country or jurisdiction where any such action for that purpose is required;



it understands, and each account it represents has been advised, that (a) the Placing Shares have not been and will not be registered under the Securities Act or with any regulatory authority of any state or other jurisdiction of the United States, (b) the Placing Shares are being offered and sold only (i) to persons reasonably believed to be QIBs in transactions exempt from, or not subject to, the registration requirements of the Securities Act, or (ii) in an "offshore transaction" within the meaning of and pursuant to Regulation S under the Securities Act, and (c) the Placing Shares may only be reoffered or resold in transactions exempt from, or not subject to, the registration requirements of the Securities Act and no representation has been made as to the availability of any exemption under the Securities Act or any relevant state or other jurisdiction's securities laws for the reoffer, resale, pledge or transfer of the Placing Shares;

it will not distribute, forward, transfer or otherwise transmit this Announcement or any other materials concerning the Placing (including any electronic copies thereof), directly or indirectly, whether in whole or in part, in or into the United States, the Republic of South Africa or Japan;

if it is a pension fund or investment company, its acquisition of Placing Shares is in full compliance with applicable laws and regulations;

neither it, nor the person specified by it for registration as holder of Placing Shares is, or is acting as nominee or agent for, and the Placing Shares will not be allotted to, a person who is or may be liable to stamp duty or stamp duty reserve tax under any of sections 67, 70, 93 and 96 of the Finance Act 1986 (depository receipts and clearance services), it is not participating in the Placing as nominee or agent for any person to whom the allocation, allotment, issue or delivery of the Placing Shares would give rise to such a liability and the Placing Shares are not being acquired in connection with arrangements to issue depository receipts or to issue or transfer Placing Shares into a clearance service; it has complied and will continue to comply with its obligations under the Criminal Justice Act 1993, EU MAR, UK MAR, any delegating acts, implementing acts, technical standards and guidelines and Section 118 of FSMA thereunder, and in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002 (as amended), the Terrorism Act 2000 (as amended), the Terrorism Act 2006, and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended) and any related or similar rules, regulations or guidelines issued, administered or enforced by any government agency having jurisdiction in respect thereof (the "**Regulations**") and the Money Laundering Sourcebook of the FCA and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations. If within a reasonable time after a request for verification of identity, the Joint Bookrunners have not received such satisfactory evidence, the Joint Bookrunners may, at their absolute discretion, terminate the Placee's Placing participation in which event all funds delivered by the Placee to the Joint Bookrunners will be returned without interest to the account of the drawee bank or CREST account from which they were originally debited;

if it is a financial intermediary, as that term is used in Article 5(1) of the EU Prospectus Regulation and Article 5(1) of the UK Prospectus Regulation, that the Placing Shares subscribed for by it in the Placing will not be subscribed for on a non-discretionary basis on behalf of, nor will they be subscribed for with a view to their offer or resale to, persons in a member state of the EEA other than EU Qualified Investors or the United Kingdom other than UK Qualified Persons, or in circumstances in which the prior consent of the Joint Bookrunners has been given to the proposed offer or resales;

if it is in a member state of the EEA, it is an EU Qualified Investor or, if it is in the United Kingdom, it is a UK Qualified Investor and undertakes that it will subscribe for, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;



it understands that any investment or investment activity to which this Announcement relates is available only to UK Qualified Investors in the United Kingdom and EU Qualified Investors in a member state of the EEA and will be engaged in only with UK Qualified Investors in the United Kingdom and EU Qualified Investors in a member state of the EEA, and further understands that this Announcement must not be acted on or relied on by persons who are not UK Qualified Investors in the United Kingdom and EU Qualified Investors in a member state of the EEA;

that it has not offered or sold and will not offer or sell any Placing Shares to persons in the United Kingdom, except to UK Qualified Investors or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 85(1) of the FSMA;

that any offer of Placing Shares may only be directed at persons in member states of the EEA who are EU Qualified Investors and represents, warrants and undertakes that it has not offered or sold and will not offer or sell any Placing Shares to persons in the EEA prior to Admission except to EU Qualified Investors or otherwise in circumstances which have not resulted in and which will not result in an offer to the public in any member state of the EEA within the meaning of the EU Prospectus Regulation;

it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Placing Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person;

it has complied and will comply with all applicable laws (including all relevant provisions of FSMA in the United Kingdom) with respect to anything done by it in relation to the Placing Shares;

if in the United Kingdom, it is a UK Qualified Investor within the meaning of Article 2(e) of the UK Prospectus Regulation and is also a person (a) having professional experience in matters relating to investments and who falls within the definition of "investment professionals" in Article 19(5) of the Order, or (b) who falls within Article 49(2)(a) to (d) of the Order, or (c) to whom this Announcement may otherwise lawfully be communicated;

if it is in a member state of the EEA, it is a EU Qualified Investor;

if in the United Kingdom, unless otherwise agreed by the Joint Bookrunners, it is a "professional client" or an "eligible counterparty" within the meaning of Chapter 3 of the FCA's Conduct of Business Sourcebook and it is purchasing Placing Shares for investment only and not with a view to resale or distribution;

no action has been or will be taken by either the Company or the Joint Bookrunners or any person acting on behalf of the Company or the Joint Bookrunners that would, or is intended to, permit a public offer of the Placing Shares in any country or jurisdiction where any such action for that purpose is required;

it is acting as principal only in respect of the Placing or, if it is acting for any other person (a) it is duly authorised to do so and has full power to make the acknowledgments, undertakings, representations and agreements and give the indemnities herein on behalf of each such person, and (b) it is and will remain liable to the Company and/or the Joint Bookrunners for the performance of all its obligations as a Placee in respect of the Placing (regardless of the fact that it is acting for another person). Each Placee agrees that the provisions of this paragraph shall survive the resale of the Placing Shares by or on behalf of any person for whom it is acting;

(a) it and any person acting on its behalf is entitled to acquire the Placing Shares under the laws of all relevant jurisdictions which apply to it; (b) it has paid any issue, transfer or other taxes due in connection with its participation in any territory; (c) it has fully observed such laws and obtained all



such governmental and other guarantees, permits, authorisations, approvals and consents which may be required thereunder and complied with all necessary formalities and that it has not taken any action or omitted to take any action which will or may result in the Joint Bookrunners, the Company or any of their respective affiliates or any of their respective Representatives acting in breach of the legal or regulatory requirements of any jurisdiction in connection with the Placing; and (d) the acquisition of the Placing Shares by it or any person acting on its behalf will be in compliance with applicable laws and regulations in the jurisdiction of its residence, the residence of the Company, or otherwise;

it has all necessary capacity and has obtained all necessary consents and authorities to enable it to commit to its participation in the Placing and to perform its obligations in relation thereto (including, without limitation, in the case of any person on whose behalf it is acting, all necessary consents and authorities to agree to the terms set out or referred to in this Announcement) and will honour such obligations;

it (and any person acting on its behalf) has the funds available to pay for the Placing Shares it has agreed to acquire and acknowledges, agrees and undertakes that it (and any person acting on its behalf) will make payment for the Placing Shares allocated to it in accordance with the terms and conditions of this Announcement (including this Appendix) on the due time and date set out herein, failing which the relevant Placing Shares may be placed with other persons or sold as the Joint Bookrunners may in their absolute discretion determine and without liability to such Placee, and it will remain liable for any amount by which the net proceeds of such sale falls short of the product of the Placing Price and the number of Placing Shares allocated to it and may be required to bear any stamp duty or stamp duty reserve tax or other similar taxes (together with any interest or penalties due pursuant to the terms set out or referred to in this Announcement) which may arise upon the sale of such Placee's Placing Shares on its behalf;

its allocation (if any) of Placing Shares will represent a maximum number of Placing Shares which it will be entitled, and required, to acquire, and that the Joint Bookrunners or the Company may call upon it to acquire a lower number of Placing Shares (if any), but in no event in aggregate more than the aforementioned maximum;

neither the Joint Bookrunners nor any of their respective affiliates nor any of their respective Representatives nor any person acting on behalf of any of them, are making any recommendations to it or advising it regarding the suitability or merits of any transactions it may enter into in connection with the Placing and participation in the Placing is on the basis that it is not and will not be a client of any of the Joint Bookrunners and the Joint Bookrunners have no duties or responsibilities to it for providing the protections afforded to their respective clients or customers or for giving advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance of any of their rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;

the person whom it specifies for registration as holder of the Placing Shares will be (a) itself, or (b) its nominee, as the case may be. Neither the Joint Bookrunners nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax or other similar taxes resulting from a failure to observe this requirement. Each Placee and any person acting on behalf of such Placee agrees to indemnify on an after-tax basis and hold harmless the Company, each of the Joint Bookrunners and their respective affiliates and each of their respective Representatives in respect of the same on an after-tax basis on the basis that the Placing Shares will be allotted to the CREST stock account of the



Joint Bookrunners (or either one of them) who will hold them as nominee on behalf of such Placee until settlement in accordance with its standing settlement instructions;

it will indemnify, on an after-tax basis, and hold harmless the Company, each of the Joint Bookrunners and their respective affiliates and their respective Representatives from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising, directly or indirectly, out of or in connection with any breach by it of the representations, warranties, acknowledgements, agreements and undertakings in this Appendix and further agrees that the provisions of this Appendix shall survive after completion of the Placing;

it acknowledges that it irrevocably appoints any director or authorised signatories of the Joint Bookrunners as its agent for the purposes of executing and delivering to the Company and/or its registrars any documents on its behalf necessary to enable it to be registered as the holder of any of the Placing Shares agreed to be taken up by it under the Placing;

in connection with the Placing, any of the Joint Bookrunners and any of their respective affiliates acting as an investor for their own account may acquire Placing Shares and in that capacity may acquire, retain, purchase or sell for their own account such Ordinary Shares in the Company and any other securities of the Company or related investments and may offer or sell such securities or other investments otherwise than in connection with the Placing. Accordingly, references in this Announcement to shares being issued, offered or placed should be read as including any issue, offering or placement of such shares in the Company to the Joint Bookrunners or their respective affiliates in such capacity. In addition, the Joint Bookrunners may enter into financing arrangements and swaps with investors in connection with which the Joint Bookrunners may from time to time acquire, hold or dispose of such securities of the Company, including the Placing Shares. Neither the Joint Bookrunners nor their respective affiliates intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so;

a communication that the transaction or the book is "covered" (i.e. indicated demand from investors in the book equals or exceeds the amount of the securities being offered) is not any indication or assurance that the book will remain covered or that the transaction and securities will be fully distributed by the Joint Bookrunners. The Joint Bookrunners reserve the right to take up a portion of the securities in the Placing as a principal position at any stage at their sole discretion, *inter alia*, to take account of the Company's objectives, MiFID II requirements and/or their allocation policies;

its commitment to acquire Placing Shares on the terms set out in this Announcement (including this Appendix) and in the contract note or trade confirmation will continue notwithstanding any amendment that may in the future be made to the terms and conditions of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company's or the Joint Bookrunners' conduct of the Placing;

neither the Company nor the Joint Bookrunners owes any fiduciary or other duties to any Placee in respect of any acknowledgements, confirmations, representations, warranties, undertakings or indemnities in the Placing Agreement;

it may not rely on any investigation that any of the Joint Bookrunners or any person acting on its behalf may or may not have conducted with respect to the Company and its affiliates, the Placing Shares or the Placing and the Joint Bookrunners have not made any representation or warranty to it, express or implied, with respect to the suitability or merits of any transactions it may enter into in connection with the Placing, or as to the condition, financial or otherwise, of the Company and its affiliates, or as to any other matter relating thereto, and no information has been prepared by, or is the responsibility of, the Joint Bookrunners for the purposes of the Placing;



agrees that it has no rights against the Joint Bookrunners or the Company, or any of their respective officers, directors or employees, under the Placing Agreement pursuant to the Contracts (Rights of Third Parties) Act 1999;

acknowledges and agrees that time is of the essence as regards its obligations under this Appendix; these terms and conditions and any agreements entered into by it pursuant to these terms and conditions (including any non-contractual obligations arising out of or in connection with such agreements) shall be governed by and construed in accordance with the laws of England and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of any such agreements and such non-contractual obligations, except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by the Joint Bookrunners in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange; and

the Company, the Joint Bookrunners and their respective affiliates and their respective Representatives and others will rely upon the truth and accuracy of the acknowledgements, representations, warranties, indemnities, undertakings and agreements set forth herein and which are given to each of the Joint Bookrunners on its own behalf and on behalf of the Company and are irrevocable and it irrevocably authorises the Company and the Joint Bookrunners to produce this Announcement, pursuant to, in connection with, or as may be required by any applicable law or regulation, administrative or legal proceeding or official inquiry with respect to the matters set forth herein. It agrees that if any of the acknowledgements, representations, warranties, undertakings and agreements made in connection with its subscribing and/or acquiring of Placing Shares is no longer true or accurate, it shall promptly notify the Company and the Joint Bookrunners.

The agreement to allot and issue Placing Shares to Placees (or the persons for whom Placees are contracting as nominee or agent) free of stamp duty and stamp duty reserve tax relates only to their allotment and issue to Placees, or such persons as they nominate as their agents, direct from the Company for the Placing Shares in question. Such agreement is subject to the representations, warranties and further terms above and assumes, and is based on the warranty and representation from each Placee, that the Placing Shares are not being acquired in connection with arrangements to issue depository receipts or to issue or transfer the Placing Shares into a clearance service. If there are any such arrangements, or the settlement relates to any other dealing in the Placing Shares, stamp duty or stamp duty reserve tax or other similar taxes may be payable, for which neither the Company nor the Joint Bookrunners will be responsible and each Placee shall indemnify on an after-tax basis and hold harmless the Company, the Joint Bookrunners and their respective affiliates and their respective Representatives for any stamp duty or stamp duty reserve tax or other similar tax paid or otherwise payable by them in respect of any such arrangements or dealings. If this is the case, each Placee should seek its own advice and notify the Joint Bookrunners accordingly.

Neither the Company nor the Joint Bookrunners is liable to bear any capital duty, stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable in or outside the United Kingdom by any Placee or any other person on a Placee's acquisition of any Placing Shares or the agreement by a Placee to acquire any Placing Shares. Each Placee agrees to indemnify on an after-tax basis and hold harmless the Company, each of the Joint Bookrunners and their respective affiliates and their respective Representatives from any and all interest, fines or penalties in relation to any such duties or taxes.



Each Placee should seek its own advice as to whether any of the above tax liabilities arise and notify the Joint Bookrunners accordingly.

Each Placee, and any person acting on behalf of each Placee, acknowledges and agrees that the Joint Bookrunners and/or any of their respective affiliates may, at their absolute discretion, agree to become a Placee in respect of some or all of the Placing Shares. Each Placee acknowledges and is aware that the Joint Bookrunners are receiving a fee in connection with their role in respect of the Placing as detailed in the Placing Agreement. When a Placee or person acting on behalf of the Placee is dealing with either of the Joint Bookrunners any money held in an account with the relevant Joint Bookrunner on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the rules and regulations of the FCA made under FSMA. The Placee acknowledges that the money will not be subject to the protections conferred by the client money rules; as a consequence, this money will not be segregated from the relevant Joint Bookrunner's money in accordance with the client money rules and will be used by the relevant Joint Bookrunner in the course of its own business; and the Placee will rank only as a general creditor of the relevant Joint Bookrunner.

The rights and remedies of the Joint Bookrunners and the Company under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

All times and dates in this Announcement may be subject to amendment by the Joint Bookrunners (in their absolute discretion). The Joint Bookrunners shall notify the Placees and any persons acting on behalf of the Placees of any changes.

In this Announcement, "after-tax basis" means in relation to any payment made to the Company, the Joint Bookrunners or their respective affiliates or their respective Representatives pursuant to this Announcement where the payment (or any part thereof) is chargeable to any tax, a basis such that the amount so payable shall be increased so as to ensure that after taking into account any tax chargeable (or which would be chargeable but for the availability of any relief unrelated to the loss, damage, cost, charge, expense or liability against which the indemnity is given on such amount (including on the increased amount)) there shall remain a sum equal to the amount that would otherwise have been so payable.



APPENDIX 2 – KEY PROSPECTUS INFORMATION

1. RISK FACTORS

RISK FACTORS SPECIFIC AND MATERIAL TO THE COMPANY

Currently the Company has insufficient working capital to meet its requirements for the 12 months from the date of this Announcement

The Company is of the opinion, taking into account available cash balances and the net proceeds of the Proposed Equity Fundraise, the Group does not have sufficient working capital for its present requirements, that is, for at least twelve months following the date of the Announcement.

The Company's intention during the Working Capital Period is to: (i) continue discretionary exploration activities, at the Vares Silver Project and the Raska Project; (ii) commence construction activities for the Vares Silver Project, including the appointment of contractors, commence civil earthworks and place orders for long lead order items; and (iii) finalise and execute the documentation associated with the Orion Debt Financing.

The working capital shortfall of approximately US\$17.6 million during the Working Capital Period is expected to be funded by the proceeds of the Orion Debt Financing. The Orion Debt Financing which is expected to provide approximately US\$138.7 million of funding (after expenses) is expected to be completed during Q4 2021. There can be no assurances that the Orion Debt Financing will be completed as anticipated by the Company or at all.

If the Company is unable to secure the Orion Debt Financing the Company would have to seek alternative financing (which may include raising further equity capital). There can be no assurance, however, that the Company would be successful in securing any such alternative financing on commercially acceptable terms, or at all, and the Company is not confident that this would be achieved.

If the Company is unable to raise the required additional funding, the Company would have insufficient cash to finalise the construction of the Vares Silver Project. In such case, the Company would seek to reduce its expenditure during the Working Capital Period by: (i) reducing certain construction activities on the Vares Silver Project and ceasing certain discretionary spending in relation to construction of the Vares Silver Project; (ii) suspending discretionary exploration activities in both Bosnia and Serbia, and (iii) reducing G&A costs in relation to the Company generally. Unless the Company was able to reduce expenditure effectively or secure alternative funding (which may include raising further equity capital) or a merger or acquisition transaction on acceptable terms by the end of August 2022, the Board would be required to place the Company into administration or liquidation, which could result in shareholders losing part of or all of their investment in the Company.

In addition, if the Resolution is not passed, the Proposed Equity Fundraise will not be able to proceed. In such circumstances, the Company would not proceed to deploy cash to commence construction of the Vares Silver Project and would not do so unless it was able to secure alternative financing (which may include raising equity capital). In that case, the Company would be required to seek alternative funding or a merger or acquisition transaction both of which the Company would be unlikely to achieve. In such cases, the Board would be required to place the Company into administration or liquidation, which could result in shareholders losing part of or all of their investment in the Company.

***The Company has yet to commence production and is exposed to development risk***

While the Company's strategy is to commence Commercial Production of the Vares Silver Project in H1 2023, the Company currently has no producing assets. Therefore, it does not currently generate positive cash flow and has incurred losses since inception.

The Vares Silver Project is anticipated to be the Company's sole source of near-term earnings and positive cash flow. The Company's ultimate success will depend on its ability to commence development of the Vares Silver Project, reach Commercial Production and generate positive cash flow from operations.

It is not uncommon for new mining developments to experience unexpected problems, increased costs and delays during construction, commissioning and production start-up, or indeed for such projects to fail. Any adverse event affecting the Vares Silver Project, either during its development or following the commencement of production, would have a material adverse effect on the Company's business, results of operations, financial condition and the price of its Ordinary Shares.

Risks associated with the development of the Vares Silver Project

The Company's future success will largely depend upon the Company's ability to develop and manage the Vares Silver Project in accordance with the plans set out in the DFS.

Development of the Vares Silver Project could be delayed, experience interruptions, incur increased costs or be unable to complete due to a number of factors, including but not limited to:

- changes in the regulatory environment including environmental compliance requirements;
- inability to comply with the conditions attached to the various permissions, permits and licences;
- non-performance by third party consultants and contractors;
- inability to attract and retain a sufficient number of qualified workers;
- unforeseen escalation in anticipated costs of development, or delays to construction, or adverse currency movements resulting in insufficient funds being available to complete planned development;
- unexpected geological anomalies or other geological characteristics that require plans or projections for the Vares Silver project to be amended;
- increases in extraction, processing or transportation costs;
- shortages or delays in obtaining critical mining and processing equipment, or the breakdown or failure of such equipment;
- catastrophic events such as fires, storms or explosions;
- construction, procurement and/ or performance of the Vares Processing Plant and ancillary operations falling below expected levels of output or efficiency;
- potential opposition from environmental groups, local residents or others;
- civil unrest in and/ or around the mine site, processing plant and supply routes;
- changes to anticipated levels of taxes and royalties; and/ or
- a material and prolonged deterioration in the prices of the commodities to be produced by the Vares Silver Project.

It is not uncommon for new mining developments to experience these factors during their construction, commissioning and production start-up, or indeed for such projects to fail as a result of one or more of these factors occurring to a material extent. There can be no assurance that the Company will complete the various stages of development necessary in order to achieve its strategy in the timeframe currently anticipated by the Company, or at all. Any of these factors may have a



material adverse effect on the Company's business, results of operations and activities, financial condition and prospects.

Risks associated with securing sales offtake agreements

Although in principle terms have been negotiated with offtakers for the sales of concentrates that will be produced in the future from the Vares Silver Project, changes in the commercial terms ultimately entered into by the Company with offtakers could arise prior to the Company entering into binding offtake agreements and there can be no assurance that the Company will be able to secure binding offtake agreements in a timely manner, on the negotiated terms or on otherwise commercially acceptable terms. These factors could have a detrimental impact on future cash flows generated by the Vares Silver Project and on the Company's business, results of operations and activities, financial condition and prospects.

Reliance on Infrastructure

The Company's planned activities depend on adequate infrastructure, including reliable roads, rail and port facilities, as well as power sources and water supplies. It is not uncommon for new mining infrastructure to experience unexpected costs, problems and delays during construction, often resulting in significant upward revisions to expected costs and/or delays.

The planned transportation of concentrates from the Vares Processing Plant is reliant on infrastructure and equipment to be supplied by the Bosnian State rail operator and the port authorities in Croatia. There may be matters beyond of the Company's control related to the availability, reliability and capacity of rail and port facilities and related equipment for the movement and storage of concentrates from the Vares Railhead to the port, including unusual weather or other natural phenomena, capacity and allocation constraints, key equipment failure, collapse of railway tunnels or bridges, derailment, accidents, sabotage, industrial action or other interference in the maintenance or provision of such infrastructure. Any impact to the availability, reliability and/or performance of the rail and port networks could have a material adverse effect on the Group's ability to deliver to the port and to export its concentrates, which is likely to have a significant negative impact on the Group's revenues and financial condition.

The processing of ore at the Vares Processing Plant requires the supply of power from the Bosnian State energy provider. Any power outage, disruption or shortage in power supply available to the Group's operations could therefore have a material adverse impact on the Group's production and employee safety. Whilst back-up power can be provided on site by mobile diesel generators, operating such generators would increase the Group's overall operating costs and its exposure to fuel prices.

The processing of ore at the Vares Processing Plant, also requires a supply of the water, some of which will be provided from a third-party local supplier. Any restriction or disruption in the water supply could adversely affect the Group's processing activities and whilst a secondary source of water may be available from a river source at both the Vares Processing Plant and the Rupice Surface Infrastructure, accessing and utilising the river source may result in increased operating costs and downtime in the processing of ore.

A haulage road will be constructed for the haulage of run of mine ore from the Rupice Underground Mine, located within the Rupice Surface Infrastructure to the Vares Processing Plant, as well as transport of tailings back to Rupice Surface Infrastructure and concentrate from the Vares Processing Plant to the Vares Railhead. The haulage road will be constructed by the Vares municipality and paid for by the Company. The Company will also pay for the maintenance of the haulage road with the



maintenance being carried out by the municipality. There may be matters outside of the Company's control related to its maintenance, especially during seasonal changes and adverse weather, which may affect the ability of the Company to access the Rupice Surface Infrastructure and the Vares Processing Plant at certain times. This in turn is likely to have an adverse effect on the Company's overall cost of operations and its financial condition.

Any other failure or unavailability of the infrastructure on which the Company's planned operations rely (for example, through equipment delivery, spare parts availability, failure or service disruption) could adversely affect the Company's development of the Vares Silver Project or revenue generated in the future from mining activities

If the Company's operating costs increase due to inadequate or unreliable infrastructure the Company's business, results of operations and financial condition and the price of the Ordinary Shares could be materially adversely affected.

Reliance on third party contractors

The Company will need to enter into agreements with various third party service providers in connection with the construction and operation of the Vares Silver Project, such as the Bosnian State rail operator, key mining contractors and equipment suppliers, the Bosnian state electricity provider and the port operator. There can be no assurance that the Company will be able to secure in a timely manner, on commercially acceptable terms (including as to cost) or at all, the provision of all of the services and supply of equipment that the Company will need to execute its development plans, or that such arrangements will be sufficient for its future needs or will not be interrupted.

Further, all contracts carry risks associated with the performance by the parties thereto of their obligations as to time and quality of work performed and the Company's business and development plans may be adversely affected by a failure to secure or any failure or delay by third parties in supplying the relevant services and/or equipment, by any change to the terms on which these services are made available or by the lack of availability of key personnel or equipment or the failure of such third party contractors to provide services that meet the Company's quality or volume requirements. Although the Company will seek to retain contractors it regards as reputable and competent for the scope of work required, and will seek to reduce its risk by negotiating contracts that apportion risk and liability appropriately, the risk that those contractors may breach their contracts with the Company or that contractors may be negligent or otherwise deficient in performing the services for which they were contracted cannot be excluded. It is not uncommon for mining companies to have disputes with third party contractors, and for these disputes to have a material and adverse effect on the companies' operations. Any disruption to such services or supplies may have an adverse effect on the financial performance of the Company's operations.

In-country Risks in Bosnia and Herzegovina and Serbia

The Vares Silver Project is located in Bosnia and Herzegovina and the Raska Project is located in Serbia. The Company will be subject to the risks associated with operating in those countries, including various levels of political, sovereign, economic and other risks and uncertainties.

These risks and uncertainties include, but are not limited to, labour unrest, the risks of war or civil unrest, expropriation and nationalisation, renegotiation or nullification of existing concessions, licences, permits and contracts, illegal mining, changes in taxation policies, restrictions on foreign exchange and repatriation of funds, changing political conditions and governmental regulations that



favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining or investment policies or shifts in political attitude in Bosnia and Herzegovina and/or Serbia may adversely affect the operations or profitability of the Company. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, foreign currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. The laws and regulations on mining in Bosnia and Herzegovina and Serbia are still developing.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. Outcomes in courts in Bosnia and Herzegovina and Serbia may be less predictable than in the United Kingdom, which could affect the enforceability of contracts entered into by, or judgements obtained by or given against, members of the Group in Bosnia and Herzegovina and/or Serbia.

Any material adverse changes in government policies, legislation, political, legal and social environments in Bosnia and Herzegovina or Serbia or any other country that the Company has (or may in the future have) economic interests in that affect mineral exploration activities, may affect the viability and profitability of the Company.

Exploration

There can be no assurance that exploration on the Raska Project and the continued exploration of the wider Vares Concession Area, or any other exploration properties that may be acquired in the future, will result in the discovery of an economic mineral resource. Even if an apparently viable mineral resource is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, changing government regulations and many other factors beyond the control of the Company.

Grant of Future Authorisations to Explore and Mine

If the Company acquires further exploration properties or discovers additional economically viable mineral deposits that it then intends to develop, it will, among other things, require various approvals, licences and permits before it will be able to undertake exploration or mine the deposit. There is no guarantee that the Company will be able to obtain all required approvals, licences and permits relating to its exploration and subsequent development and exploitation activities. To the extent that required authorisations are not obtained or are delayed, the Company's operational and financial performance may be materially adversely affected.

Environmental Risks

The Company's activities are subject to the environmental laws inherent in the mining industry and those specific to Bosnia and Herzegovina and Serbia. The Company intends to conduct its activities in an environmentally responsible manner and in compliance with all applicable laws, as well as the requirements set out in the Company's Project Support Agreement with the European Bank for Reconstruction and Development. However, there can be no assurance that the systems and



procedures implemented by the Company will be adequate to manage the environmental impact of its activities, and the Company may be the subject of environmental accidents or unforeseen circumstances that could subject it to extensive liability.

In addition, environmental approvals are required from relevant government and regulatory authorities before activities may be undertaken which are likely to impact the environment. Failure or delay in obtaining such approvals will prevent the Company from undertaking its planned activities. Further, the Company is unable to predict the impact of additional environmental laws and regulations that may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

Operational Risks

The operations of the Company may be affected by various factors, including:

- operational and technical difficulties encountered during mining;
- insufficient or unreliable infrastructure, such as power, water and transportation;
- difficulties in commissioning and / or operating the plant and equipment;
- mechanical failure or plant breakdown;
- shortage of transportation and interruptions in transportation services;
- health and safety issues, including pandemics, epidemics, outbreaks of infectious diseases or any other serious public health concerns;
- unanticipated metallurgical problems which may affect extraction costs; and
- adverse weather conditions.

Moreover, mining activities have inherent risks and hazards such as explosions, fires, flooding, seismic activity, shaft and tunnel integrity issues, discharges of gas in the air or lubricants and fuel oil into watercourses and hazards associated with the use of heavy machinery.

In the event that any of these potential risks eventuate, the Company's operational and financial performance may be adversely affected.

Health and safety Risks

Mines and mining construction sites are inherently dangerous workplaces and the Company's employees and contractors may come into close proximity with large pieces of mechanised equipment, moving vehicles, regulated materials and other hazardous conditions associated with construction and underground mining (for example relating to flooding, seismic activity, shaft and tunnel integrity issues). As a result, the Group is subject to a variety of health and safety laws and regulations dealing with occupational health and safety. The Company intends to conduct its activities in compliance with all applicable laws and internationally recognised mining safety standards with the objective of zero harm operations. However, there can be no assurances that these standards and any measures taken by the Company will be successful in preventing accidents and injuries or violations of health and safety laws and regulations, some of which may be beyond the Company's control. Additionally, the Company's safety record can impact the Company's reputation. Any failure to maintain safe work sites or any serious health and safety incident could expose the Company's to significant financial losses as well as civil and criminal liabilities or loss of rights to operate, any of which could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Resource and Reserve Estimates



Resource and reserve estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when initially calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource and reserve estimates are imprecise and depend to some extent on interpretation which may prove to be inaccurate.

Risks related to the impact of COVID-19 and future pandemics

The COVID-19 outbreak is likely to continue to adversely affect the global economy during at least the remainder of 2021 and could result in a significant negative impact on the Group's business, financial condition, results of operations and prospects. The effects of the COVID-19 outbreak are uncertain, including the duration of the outbreak, new information that may emerge concerning the severity of the infection, new variants of the virus, the scope, duration and economic impact of actions taken to contain the spread of the virus or treat its impact (including the short term and long term effectiveness of regional and international vaccination programs), and the impact of each of these items on macroeconomic conditions and financial markets globally. Any of these factors could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Future spread of COVID-19 or future pandemics, epidemics, outbreaks of infectious diseases or any other serious public health concerns, including in areas where the Group's mining operations and its material facilities are located, may result in greater or new risk of exposure to the Group's employees, and the Group may respond by curtailing, rescheduling or suspending its operations, construction or development at its facilities and projects or be required to do so. Future spread of COVID-19 or future pandemics, epidemics, outbreaks of infectious diseases or any other serious public health concerns may also give rise to issues, delays or restrictions in relation to land access and the Group's ability to freely move people and equipment to and from its projects and facilities and may cause delays or cost increases. In addition, COVID-19 or future pandemics, epidemics, outbreaks of infectious diseases or any other serious public health concerns could represent a threat to maintaining a skilled workforce in the mining industry and could be a health-care challenge for the operations of the Group, including the Group's ability to move its personnel. The Group and the Group's personnel may be, and may continue to be, impacted by this pandemic disease and the Group may ultimately see its workforce productivity reduced or incur increased medical costs/insurance premiums as a result of these health risks.

Pandemics, epidemics, outbreaks of infectious diseases or any other serious public health concerns (such as COVID-19) whether on a regional or global scale, together with any resulting restrictions on travel, imposition of quarantines and prolonged closures of workplaces, are likely to have a material adverse effect on the global economy in general, as well as on commodity prices.

Commodity Prices

The value of the Company's assets and potential earnings will be affected by fluctuations in commodity prices, such as the US\$ and GBP denominated silver, zinc, lead, gold and copper prices.

Commodity prices can significantly fluctuate, and are exposed to numerous factors beyond the control of the Company such as world demand for precious and other metals, forward selling by producers, and production cost levels in major metal producing regions. Other factors that can affect commodity prices include expectations regarding inflation, the financial impact of movements in interest rates, global, regional and local economic trends, and domestic and international fiscal, monetary and regulatory policy settings.

***Foreign Exchange Risk***

The Company's reporting currency is Pounds Sterling. However, the Company's costs and expenses in Bosnia and Herzegovina and Serbia and other foreign countries are likely to be in foreign currencies. Accordingly, the appreciation of the foreign currency relative to the GBP could result in a translation loss on consolidation which is taken directly to shareholder equity.

The majority of the Group's revenues once the Vares Silver Project is in production are expected to be earned in US dollars. Any depreciation of the US dollar relative to the GBP will therefore result in lower than anticipated revenue.

The Orion Debt Financing, if secured, will be denominated in US dollars. Any depreciation in the US dollar relative to the non-US dollar expenditure requirements of the Group will therefore result in a reduction in the effective value of the funding received.

The Company does not currently have and does not plan to put in place any hedging arrangements in respect of its foreign currency risk.

Historic TSF

Although, the Historic TSF is the legal responsibility of the Municipality of Vares and is not located inside the area covered by Veovaca Exploitation Permit, there remains a residual risk to the Company that the community near Vares may consider or perceive the Historic TSF to be the responsibility of the Company, which may adversely affect the Company's standing within the local community and community relations generally.

The Company has cooperated closely with the Municipality of Vares on this matter and while it is not required to do so, the Company has commissioned an independent expert appraisal of the Historic TSF, including assessment of its structural integrity and any associated environmental degradation. The water, air and dust monitoring during the ESHIA process established baseline conditions around the Historic TSF and a management plan will be developed to address any ongoing issues identified. If the Company elects to further address any concerns relating to the Historic TSF, which it may choose to do to maintain and protect its standing in the community, the Company may incur unrecoverable costs and spend associated management time on the matter which could affect the Company's overall operating costs and revenues.

RISKS RELATING TO THE COMPANY'S DIRECTORS AND SENIOR MANAGERS

The Company will rely heavily on a small number of key individuals, in particular the Directors, its senior management and consultants and future directors, senior management and consultants, including, among other matters, to develop and maintain important relationships with governmental and regulatory authorities in Bosnia and Herzegovina and Serbia. The Group's business may be negatively affected by the departure of, any of these individuals, or any of a number of other key employees and the failure to attract suitable replacements. There can be no guarantee that the Group will be able to continue to attract and retain required employees. The Group does however hold key person insurance in respect of the Directors.

The loss or diminution in the services of any of the Directors or any member of the management team or an inability to recruit, train and/or retain necessary personnel could have a material and adverse effect on the Group's business, results of operations, financial condition and prospects.



RISK FACTORS SPECIFIC AND MATERIAL TO THE ORDINARY SHARES

A Standard Listing affords less regulatory protection than a Premium Listing

A Standard Listing will afford investors a lower level of regulatory protection than that afforded to investors in a company with a Premium Listing, which is subject to additional obligations under the Listing Rules, which may have an adverse effect on the valuation of the Ordinary Shares.

Realisation of Investment

Admission to listing on the Official List should not be taken as implying that there will always be a liquid market in the Ordinary Shares. Investors should be aware that the value of the Ordinary Shares may be volatile and may go down as well as up and investors may therefore not recover the full value of their original investment. The price at which investors may dispose of their Ordinary Shares may be influenced by a number of factors, some of which may pertain to the Company and others of which are extraneous. On any disposal investors may realise less than the original amount invested.

Volatility of Share Price

The market price of the Ordinary Shares could fluctuate significantly based on a number of factors, including:

- the Company's operating performance and the performance of competitors and other similar companies;
- the market's reaction to the Company's press releases, other public announcements and the Company's filings with various securities regulatory authorities;
- changes in earnings estimates or recommendations by research analysts who track the Ordinary Shares or the shares of other companies in the resource sector;
- changes in general economic conditions;
- the number of Ordinary Shares publicly traded;
- the arrival or departure of key personnel; and
- acquisitions, strategic alliances or joint ventures involving the Company, the Group or its competitors.

Payment of Dividends

The Company has not declared or paid any dividends on the Ordinary Shares to date and cannot assure investors that it will pay dividends in the future. The payment of any future dividends will depend upon earnings and the Company's financial condition, current and anticipated cash needs and such other factors as the Directors consider appropriate.

Dilutive offering

The New Ordinary Shares being offered in the Proposed Equity Fundraise are not being offered to existing Shareholders on a pro rata basis. As a result, if the New Ordinary Shares are allotted, then Shareholder's shareholdings will be diluted to the extent they do not acquire New Ordinary Shares in the Placing.

The Company may issue additional shares or securities in the future, which may dilute the holdings of Shareholders.



In the future, the Company may offer additional shares or securities, including future public offerings or private placements of shares or securities that are convertible into or exercisable for Ordinary Shares, for capital raising purposes or for other business purposes (including employee share incentives). Any such offerings by the Company or granting of employee share incentives could have an adverse effect on the market price of the Ordinary Shares and dilute the holdings of Shareholders and there can be no guarantee any future equity raises will be undertaken on a pre-emptive basis.

2. KEY STRENGTHS OF THE COMPANY

DFS confirms potential for high margin, high return, low capex project

Adriatic released the results of a DFS on the Vares Silver Project on 19 August 2021 demonstrating potential for an attractive, high return project. The DFS outlined an operation with a design plant throughput of 800ktpa producing two concentrate streams over a mine life of approximately 10 years. The Vares Silver Project is projected to deliver a post-tax internal rate of return of 134% and a post-tax net present value of US\$1,062 million at a discount rate of 8%, for total initial capital cost of US\$168.2 million, including contingencies.

High-grade Ore Reserves and Mineral Resources with strong potential for exploration upside

Ore Reserves and Mineral Resources have been delineated at the Rupice deposit at the Vares Silver Project, containing high grades of silver, zinc, lead, copper, gold and barite. These resources have the potential for extension along strike and at depth. The hydrothermal system driving mineralisation at the Vares Silver Project typically occurs in clusters, which suggests the potential for further discoveries in the existing licence area. A Mineral Resource Estimate has also been delineated at the Veovaca deposit.

The Ore Reserve at Rupice totals 7.3Mt at a silver equivalent grade of 485g/t. The Rupice Mineral Resource Estimate totals 12.0Mt at a silver equivalent grade of 387g/t.

Existing infrastructure in a historical mining district

Commercial mining activities previously took place around the town of Vares under the ownership of the state government, ceasing in the late 1980s. The site of the abandoned processing facility at Tisovci is within the licence area of the Vares Silver Project and is the site of the new Vares Processing Plant. The nearby town of Vares has a long history of mining, most famously for iron ore mining and smelting. These operations all ceased in the 1980s, however the road, rail, water and power infrastructure remains, which can support a new mining operation.

Early mover advantage in Bosnia and Herzegovina

Since the end of the civil war and the signing of the Dayton Peace Agreement in 1995, Bosnia and Herzegovina has experienced a stable democracy. However, despite historical extractive industry activities, there has been very little recent mineral exploration in the country, in particular using



modern exploration techniques. The Directors believe that the Company has an early mover advantage for exploration into a prospective region for greenfield exploration.

Experienced team

The Company has a strong and experienced Board and management team who are well prepared to advance the Vares Silver Project towards production. The team has experience in exploration for economic mineralisation, financing, legal requirements and permitting, mine development and construction, operations and corporate social responsibility.

3. OTHER COMPANY INFORMATION

The Raska Project, Serbia

The Raska Project in Serbia was acquired following Adriatic's acquisition of Tethyan. Tethyan had been exploring a highly prospective 99 km² land package in southern Serbia, which contains two historic zinc-silver mining operations called Sastavci and Kizevak. The Sastavci and Kizevak deposits, like those in the Vares Silver Project sit on the polymetallic Tethyan Metallogenic Belt. Therefore, like the Vares Silver Project, they have zinc, silver and lead mineralisation.

Recent drilling has also confirmed near-surface polymetallic mineralisation as well as an anomalous broad gold structure at depth. Further mineralised sub-parallel structures have also been discovered within 100m of the main mineralising trend, which demonstrate potential for scale.

There are a number of other targets across the Raska Project, such as Rudnica and Karadak in the South West of the Raska licence area, which the Company plans to follow up in due course.

Strategy and Work Programmes

Adriatic plans to create a European-focused, mid-tier mining company with a diversified portfolio of production and development assets. The Company is currently focused on advancing its flagship Vares Silver Project into production.

Work Program Bosnia

The primary work program is the construction of the Vares Silver Project, which consists of surface and underground infrastructure at Rupice, as well as the associated surface infrastructure for the Vares Processing Plant.

The Company will continue to conduct exploration activities across the Vares Concession with the aim of increasing the existing resources and to find and delineate additional resources from new targets. Exploration activities are focused on;

- 1) continuing to define extensions of the defined Rupice deposit;
- 2) drilling test identified exploration targets across the Vares Concession; and
- 3) analysing data and conduct field-sample activities to identify new targets.

Step-out exploration activities around the Rupice deposit will be focused on defining the extent of mineralisation that remains open to the north as well as down dip.



Analysis of historical exploration data and the exploration activities completed since incorporation, has identified various regional greenfield prospects that lie within the Vares Concession. The Company intends to continue to systematically explore each of these regional targets.

Work Program Serbia

The work program in Serbia is focused on exploration activities around the brownfield prospects of Kizevak and Sastavci, as well as the greenfield prospects of Karadak and Rudnica. The Kizevak and Sastavci prospects are formerly operating open pit mines. The Company plans to produce a Maiden Resource Estimate and Scoping Study on the Raska Project in Q1 2022.

4. WORKING CAPITAL EXPLANATION

In the opinion of the Company, taking into account available cash balances and the net proceeds of the Proposed Equity Fundraise, the Group does not have sufficient working capital for its present requirements, that is, for at least twelve months following the date of the Prospectus.

The Company is of the opinion that, taking into account its existing cash balances and the net proceeds of the Proposed Equity Fundraise, the Group will have sufficient working capital for its requirements to the end of July 2022. The Company's primary near-term business objective is to start the construction of the Vares Silver Project in Q4 2021, with the aim of commencing Commercial Production in H1 2023. The Group has incurred losses since inception and does not currently have any revenue generating assets and will not have any revenue generating assets during the construction of the Vares Silver Project.

Accounting for current cash resources as at the last practicable date of US\$22.4 million and the net proceeds of the Proposed Equity Fundraise of US\$97.8 million, the Company will have a funding shortfall during the Working Capital Period of approximately US\$17.6 million.

The working capital shortfall of approximately US\$17.6 million during the Working Capital Period is expected to be funded by the proceeds of the Orion Debt Financing, comprising

- US\$120 million by way of the Senior Secured Debt; and
- US\$22.5 million in connection with the Copper Stream.

The Orion Debt Financing is expected to provide approximately US\$138.7 million of funding (after expenses) and is expected to be completed during Q4 2021. The proceeds of the Orion Debt Financing will therefore also be sufficient to meet the additional funding requirement of US\$54.3 million to achieve Commercial Production of Vares Silver Project.

Whilst there can be no assurances that the Orion Debt Financing will be completed as anticipated by the Company or at all, the Company is confident that the Orion Debt Financing can be completed by the end of Q4 2021 on acceptable terms, based on the following factors:

- The Company engaged Tamesis Partners and Terrafranca Advisory in H2 2020 to provide debt advisory services to assist with the evaluation of the various funding options available to the Company for the Vares Silver Project and to select, negotiate and secure the most appropriate financing package.



- The Company and Orion have entered into a project finance term sheet relating to the Orion Debt Financing.
- While its due diligence is ongoing Orion has undertaken technical, legal and financial due diligence of the Vares Silver Project.
- Orion has since entered into the Equity Subscription Agreement with the Company for gross proceeds of US\$50.0 million.

If the Company has not secured the Orion Debt Financing by the end of Q4 2021, the Company will consider whether to continue its efforts to complete the Orion Debt Financing or to seek alternative financing (which may include raising further equity capital). Although, the Company received several proposals from a range of financial institutions to provide either a portion of, or all of its debt financing requirement during its tender process (in addition to Orion's proposal), there can be no assurance, however, that the Company would be successful in securing any such alternative financing on commercially acceptable terms, or at all, and the Company is not confident that this would be achieved. Unless the Company was able to secure the Orion Debt Financing or alternative financing (including providing a similar amount of funding to the Company (if any such alternative financing were available to the Company, which it may not be) by the end of Q1 2022, then a decision to delay the construction of the Vares Silver Project would be taken.

In circumstances where the Proposed Equity Fundraise is completed, but the Orion Debt Financing or alternative financing providing a similar amount of funding to the Company is not in place by Q1 2022, the Company would have insufficient cash to finalise the construction of the Vares Silver Project. In such case, the Company would seek to reduce its expenditure during the Working Capital Period by:

- i. reducing certain construction activities on the Vares Silver Project and ceasing certain discretionary spending in relation to construction of the Vares Silver Project,
- ii. suspending discretionary exploration activities in both Bosnia and Serbia, and
- iii. reducing G&A costs in relation to the Company generally.

The Board is confident that by taking these mitigating steps to conserve cash, the Company would have sufficient working capital to meet all of its contractual commitments during the Working Capital Period.

At the same time the Company would consider all options available to it. Unless the Company was able to reduce expenditure effectively or secure alternative funding (which may include raising further equity capital) or a merger or acquisition transaction on acceptable terms by the end of August 2022, the Board would be required to place the Company into administration or liquidation, which could result in Shareholders losing part of or all of their investment in the Company.

In addition, if the Resolutions are not passed, the Proposed Equity Fundraise will not be able to proceed. In such circumstances, the Company would not proceed to deploy cash to commence construction of the Vares Silver Project and would not do so unless it was able to secure alternative financing (which may include raising equity capital). In that case, the Company would be required to seek alternative funding or a merger or acquisition transaction both of which the Company would be unlikely to achieve. In such cases, the Board would be required to place the Company into administration or liquidation, which could result in Shareholders losing part of or all of their investment in the Company.



Beyond the Working Capital Period and in addition to the shortfall of US\$17.6 million in the Working Capital Period, if the Proposed Equity Fundraise completes but the Orion Debt Financing or alternative financing providing a similar amount of funding to the Company has not been secured by the Company, the Company anticipates an additional funding requirement of at least US\$54.3 million before Commercial Production of the Vares Silver Project is achieved. However, as noted above, unless the Company was able to secure the Orion Debt Financing or alternative financing providing a similar amount of funding to the Company (if any such alternative financing were available to the Company, which it may not be) by the end of Q1 2022, then a decision to delay the construction of the Vares Silver Project would be taken.

5. PRINCIPAL TERMS OF THE PROPOSED EQUITY FUNDRAISE

Placing

The Company has today entered into the Placing Agreement with the Joint Bookrunners in connection with the Placing of up to 25,159,000 Placing Shares on a non-pre-emptive basis to existing and new institutional or other qualifying investors. Pursuant to the Placing, the Company will issue up to 25,159,000 Placing Shares at the Placing Price of £1.5174 per Placing Share (A\$2.80 per Placing Share).

Pursuant to the terms of the Placing Agreement, subject to certain conditions, each of the Joint Bookrunners has agreed severally to use its reasonable endeavours to procure placees for the Placing Shares to be issued by the Company. Each Joint Bookrunner has agreed that if any Placee procured by that Joint Bookrunner fails to take up any or all of the Placing Shares which have been allocated to it and which it has agreed to acquire at the Placing Price, each Joint Bookrunner agrees to severally to itself subscribe on its own account for such Placing Shares at the Placing Price in its agreed proportion. Each of the Joint Bookrunner's obligations are subject to certain conditions in the Placing Agreement.

The Placing Agreement is conditional, *inter alia*, on:

- a. the Placing Agreement becoming wholly unconditional (save as to Admission) and not having been terminated in accordance with its terms prior to Admission;
- b. the Orion Equity Subscription Agreement being executed no later than 8.00 a.m. on the date of the Placing Agreement and not having been amended, terminated or lapsed in accordance with its terms prior to Admission;
- c. the Resolution being passed (without amendment) at the General Meeting; and
- d. Admission occurring by 8am on 1 November 2021 (or such later date as the Company and the Joint Bookrunners may agree).

If any of the conditions are not satisfied or, if applicable, waived, or if the Placing Agreement is terminated, then the Placing will not take place. In such circumstances, Placees' application monies will be returned without payment of interest, as soon as practicable thereafter.

The Joint Bookrunners are entitled, at any time before Admission of the New Ordinary Shares, to terminate the Placing Agreement by giving notice to the Company if, *inter alia*:



- a. the Company fails to comply with, or is in breach of, any of its obligations or undertakings under the Placing Agreement or under the terms of the Capital Raising or Admission and, in any such case, any of the Joint Bookrunners, acting in good faith, consider such breach to be material in the context of the Capital Raising or Admission;
- b. there shall have been any changes or developments in relation to the Orion Debt Financing, including, but not limited to, termination of the Orion Debt Financing Term Sheet, which any of the Joint Bookrunners, acting in good faith, consider to be material in the context of the Capital Raising or Admission;
- c. any condition under the Placing Agreement becomes incapable of being satisfied in all material respects at the required time(s) (if any), and has not been waived as provided for pursuant to the terms of the Placing Agreement;
- d. there has been a breach by the Company of any of the warranties, undertakings or covenants contained in or given pursuant to the Placing Agreement or any of the warranties contained in the Placing Agreement is not or has ceased to be, true, accurate and not misleading and, in each case, the effect, in the opinion of any of the Joint Bookrunners, acting in good faith, is singly or in the aggregate material in the context of the Capital Raising, and/or is such as to make it impracticable or inadvisable to proceed with the Capital Raising, Admission or to market or enforce contracts for sale of any New Ordinary Shares (or CHES Depositary Interests representing New Ordinary Shares);
- e. any statement contained in any offer document (or any amendment or supplement thereto) is or has become untrue, inaccurate or misleading, or any matter has arisen which would, if the Capital Raising were made at that time, constitute an omission from the offer documents, or any of them (or any amendment or supplement to any of them), which any of the Joint Bookrunners, acting in good faith, consider to be material in the context of the Capital Raising or Admission;
- f. there shall have occurred a material adverse change (as such term is defined in the Placing Agreement); and
- g. in the opinion of any of the Joint Bookrunners there shall have occurred a material adverse change in any major financial market in the United Kingdom, Australia, the United States, Bosnia & Herzegovina, Serbia, any member state of the European Union or in other international financial markets, which the Joint Bookrunners, acting in good faith, consider to be so material in the context of the Capital Raising and Admission as to make it impractical or inadvisable to proceed with the Capital Raising or which may adversely impact dealings in the New Ordinary Shares (or CHES Depositary Interests representing New Ordinary Shares) following Admission.

Any exercise by the Joint Bookrunners of any right to terminate the Placing Agreement or of other rights or discretions under the Placing Agreement shall be within the Joint Bookrunners' absolute discretion and the Joint Bookrunners shall have no liability to any Placee whatsoever in relation to any decision to exercise or not to exercise any such right or the timing thereof.

Sandfire has entered into a block trade agreement with the Joint Bookrunners pursuant to which Sandfire Resources has agreed to sell its entire shareholding in the Company of 34,600,780 Ordinary Shares (representing approximately 16.1 per cent. of the issued ordinary share capital of the Company) at the Issue Price (the "**Sandfire Shares**") (the "**Sandfire Sale**"). The completion of the Sandfire Sale is



conditional on, *inter alia*, the passing of the Resolution at the General Meeting and the Placing Agreement becoming wholly unconditional and not being terminated. Completion of the Sandfire Sale is expected to occur on or before 1 November 2021. None of the proceeds of the Sandfire Sale will be for the account of the Company. Lock-up commitments for a period of 90 days, subject to certain customary exceptions, will be given by Sandfire in connection with the Sandfire Sale.

Sandfire Resources has waived its anti-dilutive rights under the Collaboration and Partnership Deed in respect of the Capital Raising and such anti-dilutive rights will fall away on completion of the Sandfire Sale.

Concurrent with the Capital Raising, Paul Cronin (the Company's Managing Director and CEO) has also agreed to sell up to 3,000,000 Ordinary Shares at the Issue Price (the "**Cronin Shares**") (the "**Cronin Sale**"). The completion of the Cronin Sale is conditional on, *inter alia*, the passing of the Resolution at the General Meeting and the Placing Agreement becoming wholly unconditional and not being terminated. Completion of the Cronin Sale is expected to occur on 1 November 2021. Moreover, none of the proceeds of the Cronin Sale will be for the account of the Company. Mr Cronin will not be subject to a lock-up commitment. Following completion of the Cronin Sale, Mr Cronin's interests in the issued ordinary share capital of the Company will be approximately 5.5 per cent. (assuming the full amount of the Cronin Shares is sold and Admission occurs as expected).

Orion Equity Subscription

On 12 October 2021, the Company entered into the Orion Equity Subscription Agreement with Orion. Pursuant to the Orion Equity Subscription Agreement, the Company will issue 24,191,000 Orion Subscription Securities at the Placing Price of A\$2.80 per Subscription Share to Orion.

The Orion Equity Subscription Agreement is conditional, *inter alia*, on:

- a. the Orion Equity Subscription Agreement becoming wholly unconditional (save as to Admission) and not having been terminated in accordance with its terms prior to Admission;
- b. the Proposed Equity Fundraise raising net proceeds to the Company of at least US\$90 million;
- c. the Resolution being passed at the General Meeting; and
- d. Admission occurring by 8.00 a.m. on 1 November 2021 (or such later date as the Company and Orion may agree).

Under the Orion Equity Subscription Agreement, the Company has given customary representations and warranties to Orion, including as its business, assets and financial information.

Orion is entitled at any time before Admission of the New Ordinary Shares, to terminate the Orion Equity Subscription Agreement by giving notice to the Company if, *inter alia*:

- a. any of the warranties given by the Company in the Orion Equity Subscription Agreement are breached or untrue or inaccurate or misleading in any respect;
- b. the Company is in breach of its undertakings given to Orion in the Orion Equity Subscription Agreement prior to Admission; and



- c. there shall have occurred a material adverse change in the financial markets so as to make the subscription impossible or impracticable.

Neither the Company nor Orion may terminate the Orion Equity Subscription Agreement following Admission.

General

The New Ordinary Shares are being offered (a) by the Joint Bookrunners to a limited number of institutional and other investors in the Placing; and (b) to Orion only pursuant to the Orion Equity Subscription.

The New Ordinary Shares are not being offered to the public and this Announcement does not constitute or relate to any offer to sell to the public, or an invitation to the public to subscribe for, or solicitation to the public to offer to subscribe for or to buy, New Ordinary Shares and there will be no intermediaries offer of the New Ordinary Shares.

The New Ordinary Shares will, upon issue, rank *pari passu* with the Existing Ordinary Shares. If Admission does not proceed, the Proposed Equity Fundraise will not proceed, and all monies paid will be refunded to the applicants.

Applications will be made to the FCA for the New Ordinary Shares to be admitted to the standard listing segment of the Official List maintained by the FCA and to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. Subject to the passing of the Resolution at the General Meeting, it is expected that Admission of the New Ordinary Shares will become effective, and dealings in the New Ordinary Shares on the London Stock Exchange's main market for listed securities will commence, at 8.00 a.m. on 1 November 2021.

Application will also be made for CHESS Depository Interests representing the New Ordinary Shares to be admitted to trading on the ASX which is expected to become effective (and it is expected that dealings in the New Ordinary Shares, in the form of CDIs, on the ASX will commence) at 8:00 a.m (AEST) on 2 November 2021. No application has been made or is currently intended to be made for New Ordinary Shares to be admitted to listing or trading on any other exchange other than the London Stock Exchange and ASX.

General Meeting

The allotment and issue of the New Ordinary Shares in the Proposed Equity Fundraise requires the approval of shareholders in accordance with ASX Listing Rule 7.1. Accordingly, the allotment and issue of the New Ordinary Shares will be conditional, inter alia, on the passing of the Resolution at the General Meeting. The Company will make an appropriate announcement via a Regulatory Information Service when the circular convening the General Meeting is posted to shareholders.

The Board intends to convene the General Meeting to be held on or around 29 October 2021. At the General Meeting, a Resolution to the following effect, inter alia, will be proposed:



- That, shareholders approve the issue of the shares pursuant to the Proposed Equity Fundraise (comprised of the Placing and the Orion Equity Subscription), pursuant to and in accordance with ASX Listing Rule 7.1 and for all other purposes, on the terms and conditions in the explanatory circular accompanying the notice of General Meeting

If the Resolution is passed, and the other conditions are satisfied or waived, the New Ordinary Shares will be allotted and issued, conditionally on Admission as soon as practicable following the close of the General Meeting.

If the Resolution is not passed at the General Meeting then the Proposed Equity Fundraise will not proceed, the New Ordinary Shares will not be issued and no funds will be raised under the Proposed Equity Fundraise, but the Company would still incur some of the advisory and other abortive costs of the Proposed Equity Fundraise.

Dilution

Shareholdings immediately prior to Admission will be diluted by approximately 18.7% as a result of New Ordinary Shares issued pursuant to the Proposed Equity Fundraise.

The New Ordinary Shares subscribed for in the Proposed Equity Fundraise at the Placing Price will represent approximately 18.7% of the Enlarged Share Capital.

Proceeds and expenses of the Proposed Equity Fundraise

The net proceeds of the Proposed Equity Fundraise, after deduction of expenses, will be approximately £72.2 million (c.US\$97.8 million) on the basis that the gross proceeds of the Proposed Equity Fundraise are approximately £75.3 million (c.US\$ 102 million).

The total expenses of the Proposed Equity Fundraise and Admission are estimated to be approximately £3.1 million (c.US\$4.2 million) (exclusive of VAT). Investors will not be charged expenses by the Company in respect of the Proposed Equity Fundraise.

Use of proceeds of the Proposed Equity Fundraise

The net proceeds of the Proposed Equity Fundraise are expected to be £72.2 million (approximately US\$97.8 million) and will be used to commence construction of the Vares Silver Project.

The Company has existing cash resources of approximately US\$22.4 million available for general corporate purposes, for debt servicing and further exploration at the Vares Silver Project and Raska Project.

6. CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding of Ordinary Shares under the CREST system. The Company has applied for the New Ordinary Shares to



be admitted to CREST with effect from Admission and it is expected that the New Ordinary Shares will be admitted with effect from that time. Accordingly, settlement of transactions in the New Ordinary Shares following Admission may take place within the CREST system if any investor so wishes.

CREST is a voluntary system and Shareholders who wish to receive and retain certificates for their Ordinary Shares will be able to do so. Shareholders may elect to receive New Ordinary Shares in uncertificated form if such Shareholder is a system-member (as defined in the Regulations) in relation to CREST.

7. CHESS Depositary Interests

CHESS (Clearing House Electronic Subregister System) is the computer system used by the ASX to record shareholdings and manage the settlement of share transactions. In connection with its ASX listing, the Company has established arrangements to enable interests in Ordinary Shares to be cleared and settled electronically through CHESS, utilising CHESS Depositary Interests.

Where investors choose to settle interests in the New Ordinary Shares through the CHESS system, and pursuant to the depositary arrangements established by the Company, the Depositary will hold the New Ordinary Shares and issue dematerialised CDIs representing the underlying New Ordinary Shares which will be held on trust for the holders of the CDIs. The CDIs are independent securities constituted under Australian law which may be held and transferred through the CHESS system. The Depositary receives no fees for acting as the depositary for the CDIs.

No share certificates will be issued to CDI holders. Shareholders should note that they cannot trade their Ordinary Shares on ASX without first converting their Ordinary Shares into CDIs.

Each CDI will be treated as one Ordinary Share for the purposes of determining, for example, eligibility for any dividends. The Depositary will pass on to holders of Depositary Interests any stock or cash benefits received by it as Shareholder on trust for such Depositary Interest holder. Depositary Interest holders, through the Depositary, will also be able to receive notices of meetings of Shareholders and other notices issued by the Company to the Shareholders.

The Company operates a certificated principal register of Ordinary Shares in the United Kingdom, and in Australia a branch register of Ordinary Shares and an uncertificated issuer sponsored sub-register of CDIs and an uncertificated CHESS sub-register of CDIs. The Company's uncertificated issuer sponsored sub-register of CDIs and uncertificated CHESS sub-register of CDIs is maintained by the Australian Registrar. The branch register is the register of the legal title (and reflects legal ownership by the Depositary of the Ordinary Shares underlying the CDIs). The two uncertificated sub-registers of CDIs combined makes up the register of beneficial title of the Ordinary Shares underlying the CDIs.

CDI holders may at any time convert their CDIs into Ordinary Shares by contacting the Australian Registrar or their CHESS participant (generally a stockbroker). Investors may also convert their Shares to CDIs, by contacting the Australian Registrar or the Registrar, or their stockbroker (or applicable CHESS participant).

The information included within this section 5 relating to the obtaining and cancellation of CDIs by a holder is intended to be a summary only and is not to be construed as legal, business or tax advice. Each investor should consult his or her own lawyer, financial adviser, broker or tax adviser for legal, financial or tax advice in relation to CDIs.

8. PRODUCTION TARGETS AND FORECAST FINANCIAL INFORMATION

The production targets and forecast financial information in relation to the Vares Silver Project is in accordance with ASX Listing Rules 5.16 and 5.17 in the Company's announcement of 19 August 2021



titled "Vares Silver Project Definitive Feasibility Study". The Company confirms that all the material assumptions underpinning the production targets and forecast financial information derived from the production targets in the previous announcement continue to apply and have not materially changed.

9. MATERIAL CONTRACTS

The following contracts are outside the ordinary course of business and either: (a) have been entered into by the Group within two years immediately preceding the date of this Announcement ; or (b) contain provisions under which the Group has an obligation or entitlement that is or may be material to the Group as at the date of this Announcement.

9.1 Placing Agreement

On 12 October 2021 the Company entered into the Placing Agreement with the Joint Bookrunners. Pursuant to the terms and conditions of the Placing Agreement, the Joint Bookrunners have agreed severally, subject to certain conditions, to use reasonable endeavours to procure Placees for the Placing Shares at the Placing Price. Each Joint Bookrunner has agreed that if any Placee procured by that Joint Bookrunner fails to take up any or all of the Placing Shares which have been allocated to it and which it has agreed to acquire at the Placing Price, each Joint Bookrunner agrees to severally to itself subscribe on its own account for such Placing Shares at the Placing Price in its agreed proportion. Each of the Joint Bookrunner's obligations are subject to certain conditions in the Placing Agreement. In consideration of their services under the Placing Agreement, and subject to their obligations under the Placing Agreement having become unconditional and the Placing Agreement not being terminated, the Company has agreed to pay to the Joint Bookrunners commissions based on the aggregate value of Placing Shares subscribed by Placees introduced by the Bookrunners.

The Placing Agreement is conditional only upon certain requirements being satisfied and obligations not being breached including, among others:

- (a) the passing of the Resolution (without amendment) at the General Meeting;
- (b) none of the warranties set out in the Placing Agreement being untrue or inaccurate or misleading at the date of the Placing Agreement or becoming untrue or inaccurate or misleading at any time between the date of the Placing Agreement and Admission, by reference to the facts and circumstances from time to time subsisting;
- (c) there not having occurred, in the opinion of any of the Joint Bookrunners, acting in good faith, a material adverse change in the Group at any time prior to Admission (whether or not foreseeable at the date of this agreement);
- (d) the net proceeds of the Proposed Equity Fundraise to the Company totalling not less than US\$90 million;
- (e) the Orion Equity Subscription Agreement being executed no later than 8.00 a.m. on the date of the Placing Agreement (or such later time and/or date as the Company and the Joint Bookrunners may agree) and not having been amended, terminated or lapsed, in each case prior to Admission; and
- (f) Admission occurring by not later than 8.00 a.m. on 1 November 2021 or such later time and/or date as the Company and the Joint Bookrunners may agree, being not later than 15 November 2021.

The Joint Bookrunners may terminate the Placing Agreement in its entirety in certain circumstances prior to Admission, including, among other things, (a) if there has been a material adverse change in the Group (whether or not foreseeable at the date of the Placing Agreement), (b) if there has been a



breach by the Company of any of the warranties, representations and undertakings given by the Company under the Placing Agreement or any of the warranties contained in the Placing Agreement is not or has ceased to be, true, accurate and not misleading and, in each case, the effect, in the opinion of any of the Joint Bookrunners, acting in good faith, is singly or in the aggregate material in the context of the Capital Raising, and/or is such as to make it impracticable or inadvisable to proceed with the Capital Raising, Admission or to market or enforce contracts for sale of any New Ordinary Shares (or CHESS Depository Interests representing New Ordinary Shares) or (c) a force majeure event has occurred.

The Company has given customary representations and warranties to the Joint Bookrunners, including as its business, assets and financial information. The Company has given a customary capital markets indemnity in favour of the Joint Bookrunners and certain indemnified persons, and has also given certain customary undertakings.

9.2 Orion Subscription Agreement

On 12 October 2021, the Company and Orion entered into the Orion Equity Subscription Agreement pursuant to which Orion has conditionally agreed to subscribe for the Orion Subscription Securities at the Placing Price. The Orion Equity Subscription Agreement is conditional only upon certain requirements being satisfied and obligations not being breached including, among others:

- (a) the passing of the Resolution at the General Meeting;
- (b) the representations and warranties given by the Company in the Orion Equity Subscription Agreement being true and accurate and not misleading on the date of the Orion Equity Subscription Agreement and at the time of Admission as if they had been given and made at such date or time by reference to the facts and circumstances then subsisting;
- (c) the Proposed Equity Fundraise raising net proceeds to the Company of at least US\$90 million;
- (d) Admission occurring by not later than 8.00 a.m. on 1 November 2021 or such later time and/or date as the Company and Orion may agree.

Under the Orion Equity Subscription Agreement, the Company has given customary representations and warranties to Orion, including as its business, assets and financial information and has given customary undertakings in favour of Orion.

Orion may terminate the Orion Equity Subscription Agreement in its entirety in certain circumstances prior to Admission, including, among other things, the Company is in breach of its undertakings to Orion under the Orion Equity Subscription Agreement, or if any of the warranties and representations given by the Company were untrue, inaccurate or misleading as at the date they were given, or if there occurs a material adverse change in the financial markets so as to make the subscription impossible or impracticable. Neither the Company nor Orion may terminate the Orion Equity Subscription Agreement following Admission.

9.3 Orion Break Fee Letter

On 12 October 2021, the Company and Orion entered into the Orion Break Fee Letter pursuant to which, the Company has agreed, subject to completion of the Orion Equity Subscription, to pay Orion a break fee of US\$1.0 million if the definitive legal documentation relating to the Orion Debt Financing is not entered into by the Company and Orion by 31 December 2021 (or such later date as the Company and Orion may agree) as a result of the Company failing to negotiate the definitive documents in good faith and consistent with the terms of the term sheet between the Company and Orion relating to the Orion Debt Financing.



9.4 EFPP Acquisition Agreement

On 31 January 2020, Tethyan (as buyer) and Cuprum Plus Ltd and Igor Papic (as sellers) entered into the EFPP Acquisition Agreement pursuant to which Tethyan agreed to acquire 10 per cent. of the shares of EFPP, together with an option to acquire the remaining 90 per cent. Under the EFPP Acquisition Agreement, Tethyan agreed to acquire EFPP in two steps, an initial 'first closing' whereby Tethyan acquired 10 per cent. of the shares of EFPP and management control of EFPP, and a 12 month period in which to decide, in its sole discretion, whether to proceed to a 'second closing' pursuant to which Tethyan would have the right to acquire the remaining 90 per cent. of the shares of EFPP. On 14 May 2020, Tethyan completed the first closing under the EFPP Acquisition Agreement, paying the sellers a total of €625,000 in cash to complete the first closing. At any time within 12 months of the first closing, Tethyan was entitled to elect to acquire the remaining 90 per cent. of shares of EFPP by (i) paying €1,375,000 in cash; (ii) granting to the sellers a 2 per cent. net smelter return over Kizevak and Sastavci; (iii) issuing a total of 4,000,000 new shares in the capital of Tethyan; and (iv) paying a deferred cash payment of €500,000 on the second anniversary of the first closing. The EFPP Acquisition Agreement contained customary representations and warranties by the sellers, relating to EFPP and its business, assets and financial and tax affairs, and customary representations and warranties by Tethyan. The EFPP Acquisition Agreement also contained customary covenants by the Sellers applicable to the period between signing and first closing and the period between first closing and second closing, and covenants by Tethyan applicable during the period between first closing and second closing, to keep the Kizevak and Sastavci licences in good standing and to carry out certain exploration works as required under the licences. The EFPP Acquisition Agreement is governed by the laws of the Republic of Serbia.

Prior to the completion of the Tethyan Acquisition, as a condition precedent to the Arrangement Agreement, the Kizevak and Sastavci licences were transferred to a newly formed company, RAS Metals, in which Tethyan also held a 10 per cent. equity interest and, pursuant to the RAS Metals Acquisition Agreement, the right to acquire the remaining 90 per cent. equity interest. Accordingly, on 22 February 2021, Tethyan, Cuprum Plus Ltd and Igor Papic entered into a termination agreement relating to the EFPP Acquisition Agreement and a transfer deed, in terms of which Tethyan transferred its 10 per cent. equity stake in EFPP back to Cuprum Plus Ltd and Igor Papic (pro rata) for a nominal amount, and the EFPP Acquisition Agreement was terminated.

10. MINING LICENCES

The following mining concessions and licences are held by the Group as at the last practicable date.

10.1 Vares Concession and Annexes

On 12 March 2013, Eastern Mining entered into the Vares Concession with the Zenica-Doboj Canton in relation to the Vares Silver Project which is situated in the Municipality of Vares.

The Vares Concession was granted to Eastern Mining for the exploration and exploitation of metallic mineral resources, including lead, zinc and barite. Eastern Mining is obliged to perform exploration and exploitation work, which includes mining and certain auxiliary works. The term of the Vares Concession is for a period of 25 years from 12 March 2013. Eastern Mining is required to pay a concession fee every quarter, calculated on the basis of tonnes of ore exploited during the relevant period, at a rate determined between the parties based on the relevant mineral prices on the London Stock Exchange, but no less than BAM 1.50 per tonne, with an obligatory minimum annual payment



equal to an amount of 100,000 tonnes of exploitation ore, even if the amount exploited is less. On 14 November 2018, Eastern Mining entered into Annexure 3 to the Vares Concession with the Ministry of Economy for Zenica-Doboj Canton, which expanded the size of the Vares Concession Area. Further, Eastern Mining entered into Annexure 4 to the Vares Concession with the Ministry of Economy for Zenica-Doboj Canton on 29 January 2020. Annex 4 of the Vares Concession ("Annex 4") clarified Eastern Mining's right regarding mineral rights to precious metals. Annex 4 also increased the minimum annual concession fee from BAM 1.50 per tonne to BAM 3.90 (€1.99) per tonne ROM, increasing the minimum payment from the date exploitation was granted but prior to commencement of production, to €199,325 per annum.

As security for the quarterly concession fees payable, Eastern Mining has issued a bill-of-exchange with a value of BAM 300,000 to the Zenica-Doboj Canton. A letter from the Ministry of Economy dated 18 October 2019 clarified that Eastern Mining was not under an obligation to meet any such concession payment obligations prior to 25 May 2020, as codified in Annex 4 of the Vares Concession. On 3 December 2020, Eastern Mining and the Zenica-Doboj Canton entered into Annexure 5 of the Vares Concession ("Annex 5"). Annex 5 extended the exploration and exploitation area of the Vares Concession in respect of Orti-Seliste-Mekuse-Barice-Smajlova suma-Macak (being a total area of 1933 ha), Droskovac-Brezik (being a total area of 288 ha) and Borovica-Semizova Ponikva (being a total area of 991 ha). The period of this extension runs for 30 years from 3 December 2020.

The Zenica-Doboj Canton may terminate the Vares Concession in certain circumstances including if Eastern Mining fails to pay the quarterly concession fee, insolvency proceedings are commenced against it or if it fails to meet any of its obligations under the Vares Concession. The Zenica-Doboj Canton must provide Eastern Mining at least 30 days to remedy a breach under the Vares Concession.

10.2 Exploration Permit for Expanded Concession Area

On 03 June 2021, the Federation of Bosnia And Herzegovina Ministry of Energy, Mining and Industry granted Eastern Mining a permit to conduct exploration for lead, zinc and barite ores, and accompanying mineral components in the 32 km² of expanded prospecting areas, consisting of Droškovac-Brezik, Borovica - Semizova Ponikva and Orti-Selište-Mekuše-Barice- Smajlova šuma-Maćak in the Municipality of Vares. The term of the Expanded Concession Area exploration permit is for an initial 7 years, with the option to extend for a further 7 years.

The expanded prospecting areas are in addition to the already permitted concession areas of Rupice-Juraševac-Brestić and Rupice-Borovica and Vevaca.

10.3 Exploitation Permit for Veovaca

On 25 January 2021, the Federation of Bosnia And Herzegovina Ministry Of Energy, Mining And Industry approved Eastern Mining's application to undertake surface mining and processing of complex lead, zinc, and barite mineral ore at Veovaca, within the Municipality of Vares.

Eastern Mining is required by 25 January 2023, in line with the provisions of the Law on the Mining Industry of the Federation of Bosnia and Herzegovina, its environmental permit, and its urban planning permit, to develop the main mining design for surface mining at Veovaca and the processing of complex lead, zinc, and barite ore at the Vares Processing Plant, as well as obtain the necessary permits required to carry out such work failing which the Exploitation Permit may be terminated unless Eastern Mining is able to provide satisfactory reasons and evidence as to any delays and agree an extension with the Federation of Bosnia And Herzegovina Ministry Of Energy, Mining And Industry.



Assuming the terms are complied with, this Veovaca Exploitation Permit remains valid for the term of the Vares Concession and expires on 12 March 2038. Eastern Mining is also required to perform remediation and reclamation of excavated areas and of any other areas affected by its mining operations.

The Veovaca Exploitation Permit may be terminated upon the occurrence of certain limited events of default described in the Law on the Mining Industry of the Federation of Bosnia and Herzegovina, including the termination of the Vares Concession, and accordingly the Veovaca Exploitation Permit would terminate in the same circumstances as the Vares Concession.

10.4 Exploitation Permit for Rupice

On 19 July 2021, the Federation of Bosnia and Herzegovina Ministry of Energy, Mining and Industry approved Eastern Mining's application to undertake underground mining of the complex lead, zinc, and barite mineral ore and accompanying mineral components at Rupice, within the Municipality of Vares.

Eastern Mining is required by 16 July 2022, in line with the provisions of the Law on the Mining Industry of the Federation of Bosnia and Herzegovina, its environmental permit, its urban planning permit, and its water permit (relating to rights to draw and discharge water as part of mining activities) to develop the main mining design for the construction of a plant for underground mining at Rupice of complex lead, zinc, and barite mineral ore and accompanying mineral components, as well as obtain the necessary permits required to carry out such works.

Eastern Mining is also obliged to make a hydrogeological study and conduct tests aimed at establishing the possible underground connections between the exploitation field and water occurrences, facilities, and watercourses in the Bukovica basin and setting up continuous quantitative and qualitative monitoring of springs in the Bukovacki potok basin. This Rupice Exploitation Permit remains valid for the term of the Vares Concession and expires on 12 March 2038. Eastern Mining is also required to perform remediation and reclamation of excavated areas and of any other areas affected by its mining operations.

This Rupice Exploitation Permit remains valid for the term of the Vares Concession and expires on 12 March 2038. Eastern Mining is also required to perform remediation and reclamation of excavated areas and of any other areas affected by its mining operations.

The Rupice Exploitation Permit may be terminated upon the occurrence of certain limited events of default described in the Law on the Mining Industry of the Federation of Bosnia and Herzegovina, including the termination of the Vares Concession, and accordingly the Rupice Exploitation Permit would terminate in the same circumstances as the Vares Concession

10.5 Exploration Licences in Serbia

RAS Metals is the holder of the following exploration permits granted by the MMERS in Serbia:

- (a) a right to conduct geological exploration for lead, zinc, copper and associated polymetallic mineralization granted on 7 October 2019 for an exploration period of 3 years expiring on 16 October 2022 in the area of Sastavci near Raska, located within the territory of the Raska municipality, with a licence area of 1.44km²; and

a right to conduct geological exploration for lead, zinc, copper and associated polymetallic mineralization granted on 3 October 2019 for an exploration period of 3 years expiring on 16 October 2022 in the area of Kizevak near Raska, located within the territory of the Raska municipality, with a licence are of 1.84 km².



The exploration permits can be extended for a first extension period of 3 years and a for second extension period of a further 2 years, if at least 75 per cent. of the exploration works referred to in the approved exploration project have been completed and certain other conditions are met. Thereafter, the permit holder may exercise a retention right of up to 2 years in order to prepare the necessary documentation to apply for an exploitation permit.

10.6 Related Party Transactions

In addition to the related party transactions set out in the Company's published historical financial information, the following related party transactions were entered into by the Group between 1 July 2021 and the last practicable date.

Related Party	Received from / (paid to) £	Amount receivable £	Nature of Transactions
Blackdragon Gold Corp (1)	3,599	1,840	Corporate Office Facilities and Services
Adriatic Foundation (2)	(9,477)	-	S Karic's pledged Board Fees March to June 2021
Adriatic Foundation (2)	(85,955)	-	Initial donation to the Foundation

Notes:

(1) Blackdragon Gold Corp, an entity of which Paul Cronin is the CEO and Managing Director.

(2) The Adriatic Foundation, a charitable trust created in Bosnia & Herzegovina with the objective of supporting the communities around the Vares Silver Project. The Company has the ability to appoint the Board of Trustees of the Foundation and hence transactions between the Company and the Foundation have been classified as related party on the basis of the company yielding significant influence.

11. FINANCING UNDER THE CONVERTIBLE BONDS AND EBRD SUBSCRIPTION AGREEMENT

On 27 October 2020, the Company announced its entry into binding agreements for a US\$28 million financing comprising of a US\$20 million private placement of Convertible Bonds to QRC and a subscription by the EBRD for £6.2 million (~US\$8million) in Ordinary Shares.

On 1 December 2020, the Company announced that it had completed the subscription of Convertible Bonds by QRC, raising gross proceeds of US\$20 million.

If the Company completes the Senior Secured Debt and Copper Stream components of the Orion Debt Financing, the Company intends to redeem the Convertible Bonds, if not converted by QRC.