

8 OCTOBER 2020



COMPLETION OF PLAN OF ARRANGEMENT TO ACQUIRE TETHYAN RESOURCE CORP

ABOUT ADRIATIC METALS (ASX:ADT, LON:ADT1)

Adriatic Metals Plc is focused on the development of the 100% owned, high-grade polymetallic Vareš Project in Bosnia & Herzegovina.

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

adriaticmetals.com

Adriatic Metals Plc (ASX:ADT, LON:ADT1) is pleased to announce that, except for Admission, all conditions to closing have now been satisfied in respect of the previously announced business combination, pursuant to which Adriatic will acquire all of the common shares of Tethyan Resource Corp. (TSX-V: TETH) ("Tethyan") by way of a court approved plan of arrangement (the "Arrangement").

Adriatic has allotted 13,278,937 new ordinary shares ("New Shares") pursuant to the Arrangement. Application has been made for the admission of the New Shares to the Standard Segment of Official List of the Financial Conduct Authority and to trading on the London Stock Exchange's main market for listed securities ("Admission").

The New Shares will rank pari passu with the Company's existing ordinary shares and their Admission is expected to occur at 8.00am on 8 October 2020.

Pursuant to the Arrangement, on Admission Adriatic will also issue 4,128,633 warrants and 469,779 options to Tethyan warrant holders and Tethyan option holders as follows:

Warrants:

Expiry date	Exercise price	Number
20 April 2021	£1.23	413,642
29 June 2021	£1.23	328,671
16 August 2021	£1.23	527,800
30 January 2024	£0.88	<u>2,858,520</u>
		<u>4,128,633</u>

Options:

Expiry date	Exercise price	Number
16 August 2021	£0.88	182,600
21 December 2021	£0.85	27,666
5 December 2022	£1.06	88,533
3 January 2023	£1.06	29,880
28 February 2024	£1.80	91,300
7 March 2024	£2.22	24,900
19 August 2024	£1.20	<u>24,900</u>
		<u>469,779</u>



Following the allotment of the New Shares, it is expected that the total number of shares in issue will be 196,219,924 (none of which will be held in treasury) and that, accordingly, the total number of voting rights of the Company will be 196,219,924. This total voting rights figure may be used by shareholders as the denominator for the calculations by which they will determine whether they are required to notify their interests in, or a change to their interest in, the Company under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

Pursuant to the Arrangement, Tethyan shareholders will receive 0.166 of one ordinary share of Adriatic for each common share of Tethyan they hold. Registered Tethyan shareholders are reminded to complete and return the letter of transmittal that accompanied Tethyan's management information circular dated July 13, 2020 for the purposes of exchanging their Tethyan shares for Adriatic shares, if they have not already done so. Non-registered or beneficial Tethyan shareholders, being Tethyan shareholders whose shares are registered in the name of a broker, investment dealer or other intermediary, will either receive their Adriatic shares through CREST (if arrangements have been made by their intermediary), or in certificated form.

The Arrangement was approved by Tethyan's shareholders at an annual general and special meeting held on 17 August 2020. The British Columbia Supreme Court issued a final order approving the Arrangement on August 20, 2020. The common shares of Tethyan are expected to be delisted from the TSX Venture Exchange after the close of trading on or about 9 October 2020. An application will also be made for Tethyan to cease to be a reporting issuer in the applicable jurisdictions. For additional information concerning the Arrangement, please refer to Tethyan's management information circular dated 13 July 2020 and available under Tethyan's profile on SEDAR.

Authorised by, and for further information please contact: Paul Cronin
Managing Director & CEO
info@adriaticmetals.com

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MARKET ABUSE REGULATION DISCLOSURE

The information contained within this announcement is deemed by the Company (LEI: 549300OHAH2GL1DP0L61) to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. The person responsible for arranging and authorising the release of this announcement on behalf of the Company is Paul Cronin, Managing Director and CEO.

For further information please visit www.adriaticmetals.com, [@AdriaticMetals](https://twitter.com/AdriaticMetals) on Twitter, or contact:

Adriatic Metals PLC

Paul Cronin / Emma Chetwynd Stapylton

Tel: +44 (0) 203 950 9138

Tavistock Communications Limited

Charles Vivian

Tel: +44 (0) 7977 297903

Edward Lee

Tel: +44 (0) 7736 220565

Gareth Tredway

Tel: +44 (0) 7785 974264

The Capital Network

Julia Maguire/Lelde Smits

Tel: +61 2 8999 3699



ABOUT ADRIATIC METALS

Adriatic Metals Plc (ASX:ADT, LON:ADT1) is a precious and base metals explorer and developer that owns the world-class advanced Vares silver project in Bosnia & Herzegovina.

The Vares silver project consists of two high-grade polymetallic deposits, located at Rupice and Veovaca. Bosnia & Herzegovina is well-positioned in central Europe and boasts a strong mining history, pro-mining environment, highly-skilled workforce as well as extensive existing infrastructure and logistics.

The Vares project's captivating economics and impressive resource inventory have attracted Adriatic's highly experienced team, which is expediting exploration efforts to expand the current JORC resource. Results of a recent scoping study announced on 19 November 2019 indicate an NPV₈ of US\$917 million and IRR of 107%. Leveraging its first-mover advantage, Adriatic is rapidly advancing the project into the development phase and through to production. There have been no material changes to the assumptions underpinning the forecast financial information derived from the production target in the 19 November 2019 announcement and these assumptions continue to apply. There have been no material changes to the assumptions and technical parameters on the updated Mineral Resource Estimate announced on 1 September 2020 and these assumptions continue to apply.

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