

Environment Policy

INTRODUCTION

Adriatic Metals is committed to the responsible stewardship of natural resources and aims to operate in a sustainable manner that eliminates, minimises, mitigates or compensates for adverse impacts and maximises positive environmental and socio-economic impacts. We recognise that mining is often associated with significant environmental impacts and intensive resource use and that these factors create a significant responsibility that exists from exploration through to closure.

PRINCIPLES

Adriatic Metals is committed to:

- complying with all applicable environmental laws and regulations, and with those obligations that arise from industry rules, codes and standards to which we subscribe;
- establishing and implementing, within three years of the commencement of commercial production, and subsequently maintaining, best-practice, externally certified environmental management systems;
- understanding the nature of our environmental and social impacts through high-quality baseline studies, impact assessments and ongoing monitoring, including how these compare to predicted impacts, and having regard to cumulative impacts where relevant, and putting in place appropriate management plans and systems to address these impacts;
- seeking to work with governments, communities, expert institutions and civil society groups in securing co-operative environmental and related socio-economic outcomes;
- establishing an appropriate level of awareness among our employees around environmental responsibility; and
- engaging with external stakeholders on our environmental performance commitments, and publicly reporting our material environmental performance indicators.

We will:

- manage water efficiently, applying strong water governance measures so as to achieve sustainable water use including through a collaborative approach with other water users;
- address potential adverse impacts on biodiversity by applying the mitigation hierarchy, aiming to achieve 'no net loss' of priority biodiversity features or critical habitat and, where possible, to contribute to a 'net gain' of biodiversity as a result of our activities;
- use energy and resources efficiently and sustainably and manage tailings and waste responsibly in conformance with national legislation and international good practice codes;
- minimise the noise, dust, emissions and vibration impact of blasting and other operational activities;
- use an integrated approach to land-use planning, including seeking to minimise adverse impacts on the livelihoods of other land users;
- plan for the social and environmental aspects of mine closure in consultation with authorities and other relevant stakeholders and make appropriate financial provision for closure;
- ensure that we have access to appropriate environmental expertise in the management of our operations; and
- require contractors and suppliers to abide by this Policy and associated relevant plans and procedures.

APPLICATION

Responsibility for the application of this Policy rests with, but is not limited to, all Company employees and contractors engaged in relevant activities under the Company's operational control.

The Company's managers are responsible for promoting and ensuring compliance with this Policy and any related business unit or departmental policies.

MONITORING AND REVIEW

The Board will monitor the content, effectiveness and implementation of this Policy on a regular basis. Additional independent reviews may be commissioned from time to time. Any findings, updates or improvements identified will be addressed as soon as possible.

Material breaches of this Environment Policy will be reported to the Company's Board of Directors (Board) and the ESG Committee of the Board.

Stakeholders are invited to comment on this Environment Policy and suggest ways in which it may be improved. Comments, suggestions and queries should be addressed to the Board.

Approved by the Company's Board of Directors on 6th November 2020.

Adopted by the Company on 9th November 2020