

Since 2018 Adriatic Metals has continuously conducted comprehensive research to understand both the hydrology (surface water) and hydrogeology (groundwater) of the area. The data collected has served as input for the design of the Rupice Mine and informed the various studies, reports, and permits that have been prepared and obtained. This research has been conducted by state authorised companies with the input of international consultants.

**All research conducted has concluded that there will be no impact on the quantity or quality of water in the Bukovica river.**

Adriatic Metals continues to conduct extensive monitoring of the quality and quantity of the surrounding hydrological and hydrogeological system to ensure that all parameters remain within the same value range as they were before the mine's opening, Monitoring includes the measurement of 37 different water quality parameters and reporting them in accordance with Bosnian regulations.

The studies, reports, and obtained permits that corroborate the aforementioned statement:

- Decision on Prior Water Consent issued by the Sava River Basin Agency, reference number UP-1/25-1-40-040-4/19 dated 25<sup>th</sup> January 2019, for conducting detailed geological investigations in the expanded exploration areas of Rupice-Borovica and Veovača-Orti-Selište-Mekuše, municipality of Vareš, January 2019;
- Hydrogeological Study of the Lead, Zinc, and Barite Deposits in Rupice-Vareš conducted in February 2020; and
- Study for the issuance of Prior Water Consent for underground Exploitation of complex lead, zinc, and barite deposits at the Rupice site, municipality of Vareš, November 2020, conducted by the Rudarski Institut d.d. Tuzla, based on which the following was issued:
  - Decision on Prior Water Consent, reference number UP-1/25-1-40-393-7/20 dated 23<sup>rd</sup> October 23 2020, issued by the Sava River Basin Agency for the preparation of part of the project documentation related to the discharge of contaminated precipitation water and activities that may have specific impacts on waters during the extraction of complex lead, zinc, and barite ores with associated mineral components at the Rupice-Juraševac-Brestić deposit, Municipality of Vareš;
  - Decision on Water Consent, reference number UP-1-21-2-40-543-7-/21 dated 28<sup>th</sup> December 2021, issued by the Sava River Basin Agency for the main project of collecting, treating, and discharging precipitation-polluted waters – Rupice for mine waters;
  - Decision on Water Consent, reference number UP-1-21-40-532-9/21 dated 1<sup>st</sup> February 2022, issued by the Sava River Basin Agency, for the activity of constructing a disposal site for materials resulting from the underground exploitation of complex lead, zinc, and barite ores at the Rupice site; and
  - Permit for underground exploitation of complex lead, zinc, and barite ores with accompanying mineral components at the Rupice-Juraševac-Brestić exploitation field, municipality of Vareš, reference number 06-14-1-334/21 dated 16<sup>th</sup> July 16 2021, issued by the Federal Ministry of Energy. Mining and Infrastructure

During the process of obtaining this permit, a public hearing was held on 7<sup>th</sup> July 2021, at the premises of AMBH, attended by all interested parties invited by Federal Ministry for Mining, Energy and Infrastructure. Point 6 of this Decision states that the Company must conduct

additional hydrogeological research and investigations to establish potential underground connections between the Exploitation field and water phenomena, structures, and watercourses in the Bukovica watershed, as well as establish continuous monitoring. This requirement was expressed by the interested party JP Vodokom Kakanj d.o.o. after the public hearing. The procedure and the manner of involving interested parties are detailed in the decision, and it is stated that "the issuance of permits took into account and protected the interests of JP Vodokom Kakanj d.o.o to the maximum extent," and that all Exploitation activities are located outside both the II and III water protection zones (further details on pages 6, 7, and 8 of the aforementioned permit).

After obtaining this permit, Adriatic Metals carried out additional hydrogeological research and investigations, which identified potential underground connections between the Rupice Exploitation Field and groundwater structures, and watercourses in the Bukovica watershed, and established continuous monitoring of this area. In this process, the following reports were prepared:

- Report on the Conduct of Supplementary Hydrogeological Research of the Lead, Zinc, and Barite Deposits, April 2022; and
- Report on the Possible Impact of Pollution on the Surrounding Hydrological System and Bukovica Water Intake, June 2022.

Both the report and the study were reviewed by state authorised contractors, and during the field investigations, there was regular external supervision as well as additional supervision by staff from JP Vodokom Kakanj d.o.o. The conclusion stated that mining activities will not have a negative impact on the surrounding hydrological system of the Rupice mine and the Bukovica water supply.

Upon completion of these investigations, the documentation was submitted to the following institutions:

- Federal Ministry of Environment and Tourism;
- Federal Ministry of Energy, Mining, and Industry;
- Sava River Basin Water Agency;
- Ministry of Agriculture, Forestry, and Water Management of Zenica-Doboj Canton;
- JP Vodokom Kakanj; and
- Municipality of Kakanj.

Continuous monitoring of all underground waters, as well as monitoring of the quantity and quality of surface waters of both the Borovički stream and Bukovica, is conducted monthly and reported quarterly to relevant institutions. Results are also provided, at their request, to both Kakanj Municipality and JP Vodokom Kakanj d.o.o.

To date none of the aforementioned institutions or companies have provided any comments on the reports, studies, and data that has been submitted by Adriatic Metals.