

## **Adriatic Metals Response to BHRRC**

Submitted: Tuesday, 10 April 2024

**In response to allegations by news publications including Bankwatch, Mining SEE News and AntiKorupcija of adverse environmental impact, and submission of false information relating to the Rupice Mine and the Vareš project, Adriatic Metals ('Adriatic') provides the following statement to the Business & Human Rights Resource Centre:**

Adriatic Metals is dedicated to responsible and sustainable operations, committed to minimising its environmental impact, and actively engages with local communities. The Company prioritises environmental stewardship and uses advanced monitoring systems that track air and water quality, ensuring compliance with rigorous environmental standards.

### **Allegations of impact on the local water table**

Findings from numerous water studies, the independently commissioned Environmental Impact Assessment (EIA) and the Environmental and Social Impact Assessment (ESIA) clearly indicate that the Rupice Mine and its operations have no impact on the local water table:

- Since 2020, Adriatic has undertaken an active environmental monitoring programme at its Rupice Mine and Vareš Processing Plant, which complies with European Bank for Reconstruction and Development (EBRD) Performance Standards.
- Monitoring has consistently shown low levels of heavy metals in the local water table, both upstream and downstream of activities.
- Adriatic's hydrogeological studies were conducted in collaboration with an independent certified laboratory chosen by JP Vodokom Kakanj (responsible for water supply in Kakanj), and conclusively demonstrated two distinct watersheds with no hydraulic connection between the Rupice Mine and Bukovica River (i.e. contamination is not physically possible).

### **Allegations of impact on biodiversity**

In the spring of 2020, Adriatic initiated detailed baseline surveys of the natural habitats within the project's operational areas and a thorough biodiversity risk assessment of the Company's activities, which included community consultation. The surveys were repeated in the spring of 2021 and now continue each season. Through these surveys, the Company concluded that no restored habitats are present within the areas of its operations to date.

In 2022, Adriatic Metals commenced the restoration of harmed acidophilic spruce forests and abandoned mountain meadows in areas close to operations. This restoration and reforestation management plan is aimed at reducing overall losses and ensuring a long-term net profit in the region:

- In the habitat of acidophilic spruce forests, the total loss within the operational area is 78.3 hectares. Adriatic Metals' restorative action plan includes the restoration of 115 hectares of degraded acidophilic spruce forests.
- The loss of mountain meadow habitat due to the construction of a road is 2.5 hectares, and Adriatic's restorative action plan includes the restoration of 6.0 hectares of degraded mountain meadows.

The project is aligned with the protection requirements for listed species from the International Union for Conservation of Nature's (IUCN) Red List and the national protection list PR6, as well as national regulations.

### **Reforestation initiatives**

Adriatic entered a partnership agreement with the local forestry authorities and JP ŠPD Zavidovići, engaging in environmental preservation initiatives and reforestation programmes coordinated by the Zenica-Doboj Canton forestry commission. Over 9,000 trees have been planted since 2021 through collaboration with local schools, aimed at increasing awareness of environmental concerns.

### **Waste management processes and permitting**

In response to environmental concerns stemming from the previous owner's operation of the Energoinvest mine, Adriatic Metals has taken proactive measures to ensure responsible waste management practices. The former mine owner utilised the lake for tailings disposal, containing heavy metals such as cyanide, posing a significant environmental hazard. Recognising this, Adriatic Metals conducts regular monitoring of the old Tailings Storage Facility (TSF) to mitigate potential risks:

- In designing its mine and ore processing plant, Adriatic Metals opted for a sustainable approach to tailings management. The Company implemented a dry stacking method with disposal, procuring state-of-the-art filter presses for tailings production. This approach represents a modern and environmentally conscious solution, with an investment of over US\$5 million. Adriatic Metals' adoption of dry stacking technology underscores its commitment to environmentally sustainable mining practices, setting a precedent for responsible resource utilisation in the region.
- Adriatic Metals holds all necessary permits to deposit non-hazardous waste at the Red Rocks site. Only excess soil and rock from the construction of a haul road and inert waste from the Rupice mine are deposited there.
- All necessary permits were obtained based on full and factual information submitted to the relevant authorities.

As detailed in Adriatic Metals' previous response to BHRRC submitted 28th March 2024, the Company confirms ongoing legal proceedings regarding sustained inaccurate and damaging information dissemination related to the Vareš project. Whilst Adriatic cannot comment in detail on ongoing legal cases, it is important to note that this case was lodged only after efforts had been made to engage constructively with the complainant and requests for the cessation, and acknowledgement, of the misinformation.

For further information, please refer to Adriatic Metal's website:

Company Website: <https://www.adriaticmetals.com/sustainability/>

Environmental & Social Impact Assessment: <https://www.adriaticmetals.com/sustainability/esia/>

**ENDS**