

ASX ANNOUNCEMENT

7 March 2019



Adriatic Metals

AWARD OF EXPLORATION PERMIT AND DRILLING TO COMMENCE AT RUPICE NORTHERN EXTENSION

HIGHLIGHTS

- Exploration Permit over the expanded Concession Area awarded
- Drilling will now commence to test the Rupice northern extension
- Drilling aims to both extend known high-grade mineralisation at Rupice and test high priority targets identified by historical and recent data that have potential to host new discoveries
- Modern exploration to be applied to key regional targets within the expanded Concession at Rupice and Veovaca, as identified by historical exploration last completed in the 1960s

Adriatic Metals PLC (ASX:ADT & FSE:3FN) ('Adriatic' or the 'Company') is pleased to announce the Minister for Energy, Mining and Industry has approved the Company's application for an Exploration Permit over the expanded Concession Area, including the area immediately north of the former Rupice Concession boundary. Three drill rigs are currently at Rupice and therefore the Company will now commence drilling over the northern boundary as well as continuing to drill the south-east extension. The fourth rig is completing a short program of infill drilling at Veovaca to incorporate additional precious metals into an updated Mineral Resource estimate. Once the Veovaca drilling is complete, this rig will be moved back to Rupice.

A campaign of drill holes is planned immediately to test Rupice's northern plunge extension, with additional follow-up holes, subject to encouraging assay results. The planned average hole depth is 300m. The Concession Extension area includes key drill targets, where additional drilling could identify extensions to the known high-grade mineralisation and also where historical or recent data indicates the potential for new discoveries.

Following up on the 2018 geophysical Induced Polarisation (IP) survey, which demonstrated that the Rupice mineralisation responds to (IP) techniques, the Company will also now employ a significantly higher power transmitter to increase the depth penetration and IP coverage. A 30kVA transmitter and 3D array Pole-Dipole method will be used to cover the northern extensions of the Rupice mineralisation, and the significant Gradient Array IP chargeability anomalies to the immediate north-west of Rupice and over the Brestic-Jurasevac prospect (Figure 1).

ABOUT ADRIATIC METALS (ASX:ADT)

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

Shares on Issue: 150.5 million

Options: 19.5 million

DIRECTORS AND MANAGEMENT

Mr Peter Bilbe
NON-EXECUTIVE CHAIRMAN

Mr Geraint Harris
CHIEF EXECUTIVE OFFICER

Mr Michael Rawlinson
NON-EXECUTIVE DIRECTOR

Mr Paul Cronin
NON-EXECUTIVE DIRECTOR

Mr Julian Barnes
NON-EXECUTIVE DIRECTOR

Mr Eric de Mori
NON-EXECUTIVE DIRECTOR

Mr Milos Bosnjakovic
NON-EXECUTIVE DIRECTOR

Mr Sean Duffy
CHIEF FINANCIAL OFFICER
AND JOINT COMPANY SECRETARY

Mr Gabriel Chiappini
JOINT COMPANY SECRETARY

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In addition, Adriatic will be able to use modern exploration techniques for the first time since the 1960s to follow up encouraging historical exploration undertaken at Siroki-Radakovac, Ceo-Sutjeska, Kraljeva, Kraljeva Jama and Zakruzje; which yielded positive results from trenching, underground development and a limited amount of drilling (Figure 1).

The Exploration Permit also covers the Concession expansion at Veovaca and allows Adriatic to undertake ground disturbing exploration, including drilling, over the entirety of the base metal prospects of Orti, Seleste and Mekuse where historical exploration returned positive results from geophysical IP, trenching and a limited amount of drilling (Figure 2).

The entire Concession expansion is shown in Figure 3.

Adriatic's CEO, Geraint Harris commented: *"We have worked tirelessly through the winter to prepare for this exciting exploration campaign in 2019. The receipt of the Federal Exploration Permit will allow us to complete the work we started in 2018 at Rupice North, in addition to allowing us to conduct far more detailed exploration at Brestic-Jurasevac, Borovica and the other high priority exploration targets within our expanded concession."*

For further information please contact:

Geraint Harris
Chief Executive Officer
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Figure1 – The expanded concession at Rupice, showing the company's GAIP anomalies, and the historic exploration areas in the south of the concession. Previous Concession (Purple) and Expanded Concession Areas (Blue).

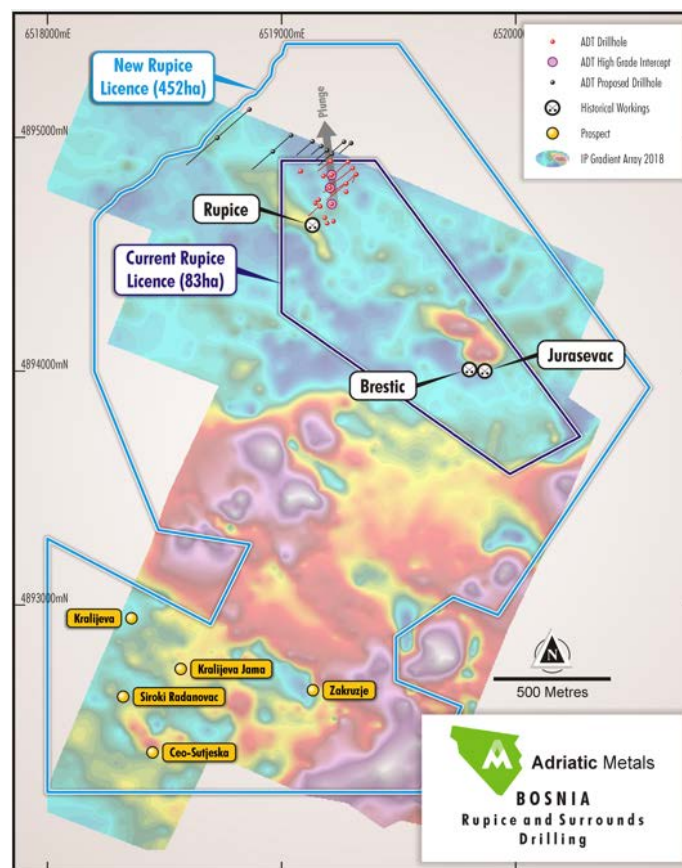


Figure 2 – The expanded concession at Veovaca, showing the historical IP chargeability anomalies to the east of the current open pit at Orti, Seliste and, further to the east, the prospect at Mekuse.

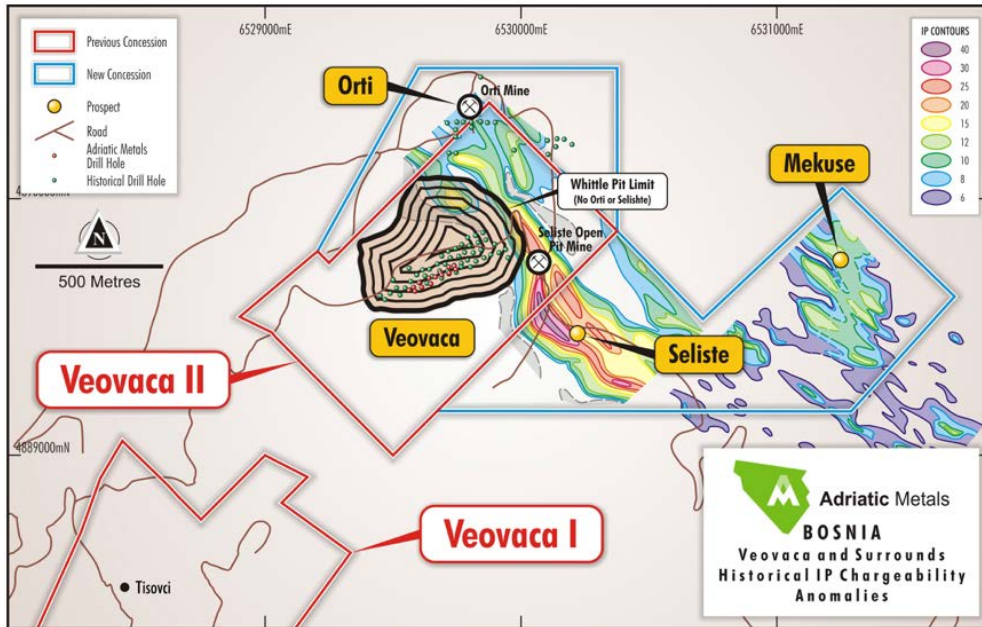
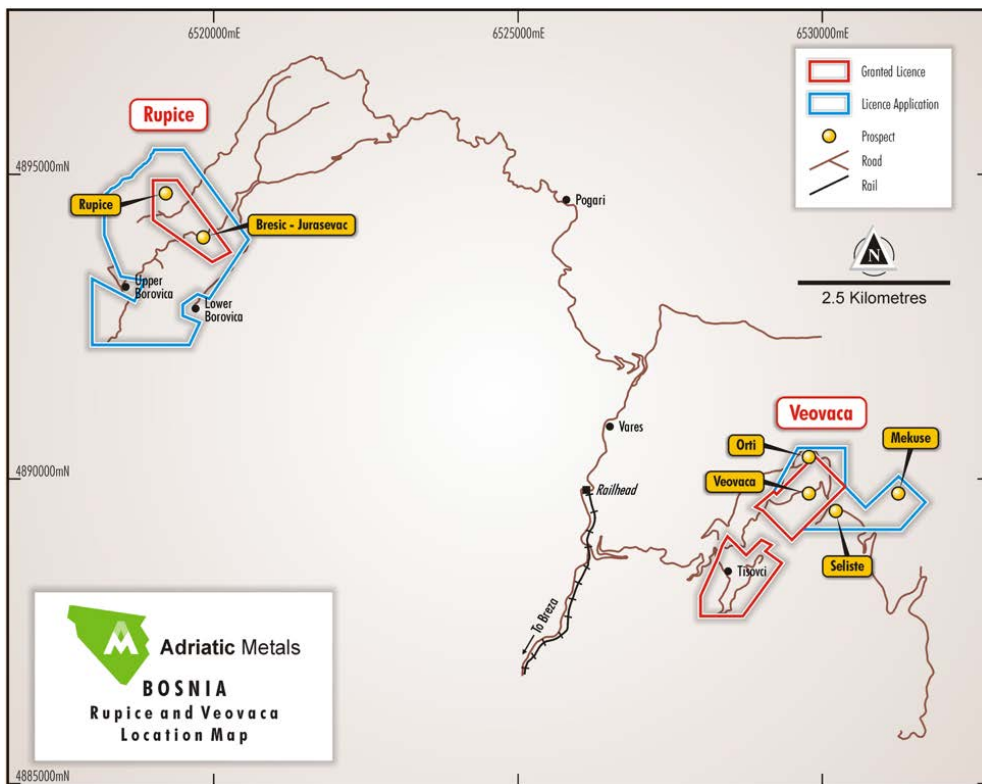


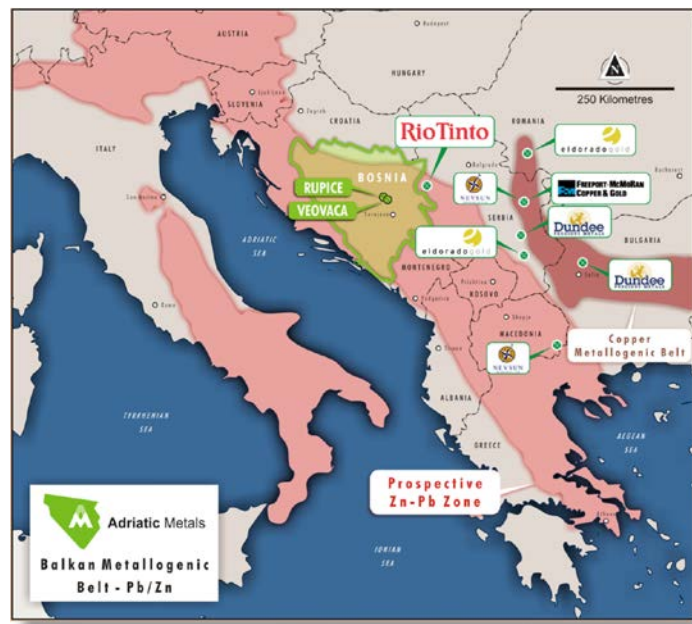
Figure 3 – Entire Concession Area, Previous (Red) and New Area (Blue)



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ABOUT ADRIATIC METALS

Adriatic Metals PLC (ASX:ADT) ("Adriatic" or "Company") is an ASX-listed zinc polymetallic explorer and developer via its 100% interest in the Vareš Project in Bosnia & Herzegovina. The Project comprises a historic open cut zinc/lead/barite and silver mine at Veovaca and Rupice, an advanced proximal deposit which exhibits exceptionally high grades of base and precious metals. Adriatic's short-term aim is to expand the current JORC resource at Veovaca and to complete an in-fill drilling programme at the high-grade Rupice deposit. Adriatic has attracted a world class team to expedite its exploration efforts and to rapidly advance the Company into the development phase and utilise its first mover advantage and strategic assets in Bosnia.



DISCLAIMER

Forward-looking statements are statements that are not historical facts. Words such as "expect(s)", "feel(s)", "believe(s)", "will", "may", "anticipate(s)", "potential(s)" and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to statements regarding future production, resources or reserves and exploration results. All of such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include, but are not limited to: (i) those relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, (ii) risks relating to possible variations in reserves, grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined, (iii) the potential for delays in exploration or development activities or the completion of feasibility studies, (iv) risks related to commodity price and foreign exchange rate fluctuations, (v) risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities, and (vi) other risks and uncertainties related to the Company's prospects, properties and business strategy. Our audience is cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof, and we do not undertake any obligation to revise and disseminate forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of or non-occurrence of any events.

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