

07 JUNE 2021

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

Adriatic Metals Plc is focused on the development of the 100%-owned, Vares high-grade silver project in Bosnia & Herzegovina, and exploration at the Raska base & precious metals project in Serbia.

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

VARES PROJECT NEW CONCESSION AREA EXPLORATION PERMIT + PROJECT-WIDE GEOPHYSICAL SURVEY RESULTS

HIGHLIGHTS

- Exploration Permit received for the new concession areas granted in Q3 2020
- 41km² of concession area now permitted for exploration (formerly 9 km²)
- Exploration Permit allows drilling and channel sampling to commence
- Close-spaced, project-wide Geophysical Survey completed and data analysis ongoing
- Initial analysis of the Geophysical Survey data identifies an alteration corridor with a strike length of 22km across the Vares Project

Adriatic's CEO and Managing Director, Paul Cronin, commented: *"We thank the Federal Ministry of Energy, Mining and Industry for their support in awarding us the Exploration Permit for the New Concession Areas. We look forward to commencing our exploration activities across this 32km² of newly permitted ground in due course. In addition, I am especially excited with the initial results from the Radiometric Survey, which have better identified the size and continuity of the known alteration system through the Vares Project. The edges of this alteration corridor are strongly correlated with previously identified mineralisation and our existing exploration targets. This has identified exciting new target areas, which we will follow up with further field work and update the market in due course."*



Adriatic Metals PLC (ASX:ADT, LSE:ADT1) (“Adriatic” or “the Company”) is pleased to announce it has received the exploration permit for the 32km² of new concession areas, which were awarded in September 2020. In addition, the Company has provided initial results from the recent heliborne magnetics and radiometric survey.

RECEIVED EXPLORATION PERMIT

On 02 September 2020 the Company announced it has been awarded three new concession areas totally 32km², namely; *Semizova Ponikva*, *Brezik* and *Vares East* (collectively, the “New Concession Areas”), as outlined in blue in Figure 1. At the time this was the largest mineral concession granted in Bosnia & Herzegovina. Adriatic has now received the Exploration Permit on the New Concession Areas (“Exploration Permit”), which gives the Company the right to explore using invasive exploration techniques, such as drilling and channel sampling. This increases the total concession area permitted for exploration from 9km² to 41km² (“Expanded Concession Area”).

Preliminary exploration activities were conducted ahead of the application for the New Concessions Areas in 2020. This consisted of soil and rock chip geochemistry and field mapping. This work identified a number of prospective targets, which are covered in the Vares Project Geology Presentation, as announced on 19 April 2021. This presentation can be downloaded from the Company website:

<https://www.adriaticmetals.com/investors/corporate-presentations/>

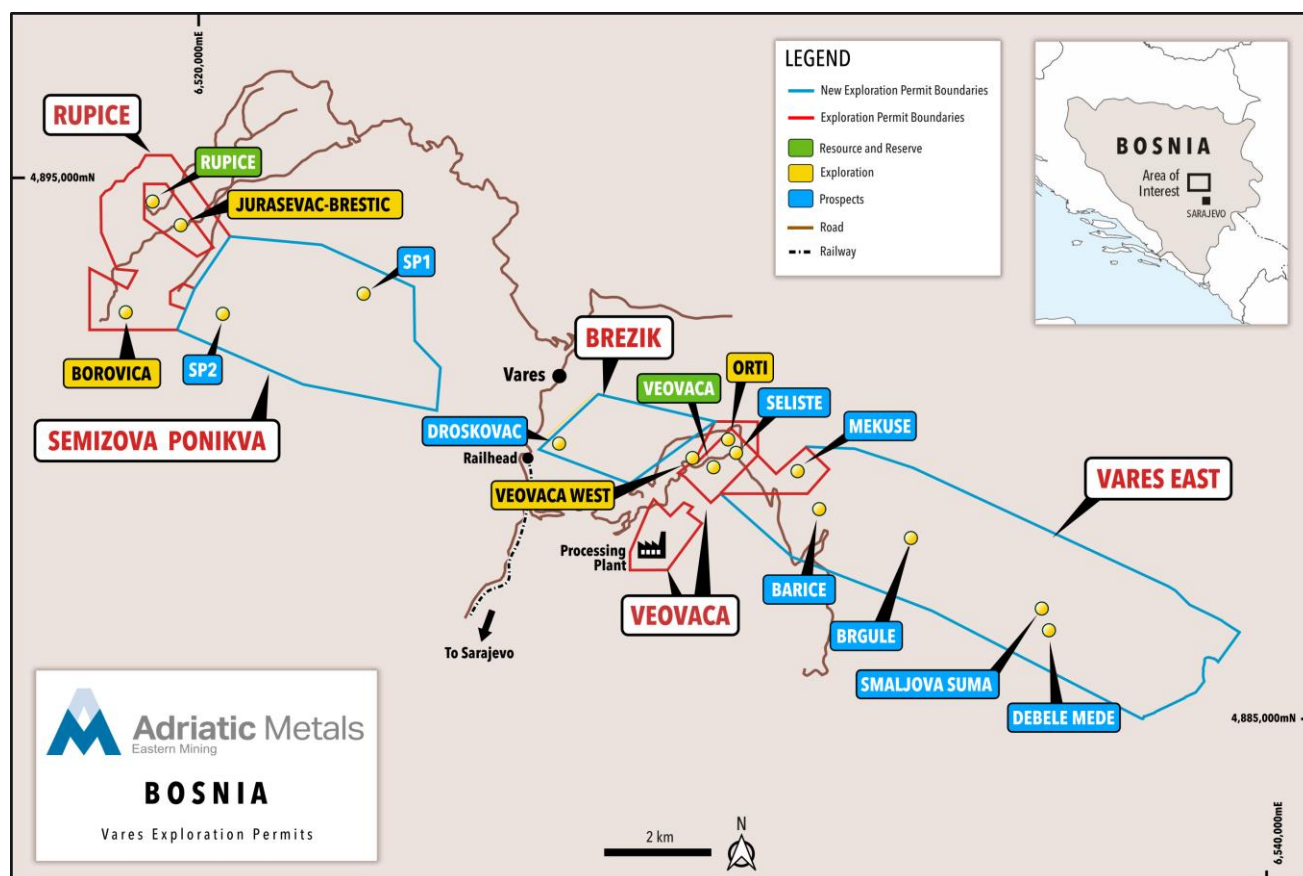


Figure 1. Map of the Vares Project Mineral Concession Area, Showing the New Exploration Permit Areas in Blue

GEOPHYSICAL SURVEY

Exploration work completed on the Vares Project to date has identified a number of high-priority targets and prospects (“Existing Exploration Targets”), as covered in the Vares Project Geology Presentation. These are also marked in blue and yellow on the maps in Figures 1 to 3 below. With a lack of geophysical data across the



Expanded Concession Area to date, a close-spaced, heliborne radiometric and magnetics survey (“Geophysical Survey”) was conducted in April this year and an initial analysis of the results has been completed.

The analysis increases the Company’s understanding of the Vares Project’s mineralising system, as well as further supports these Existing Exploration Targets as areas of high interest that necessitate further exploration. In addition, the Geophysical Survey has highlighted a number of other potential blind targets across the Expanded Concession Area, which the Company will investigate further.

Radiometric Survey

The radiometric survey results have identified a large alteration system, which is consistent with the Company’s prior understanding of the mineralising system from field observations and historical geological mapping. However, the radiometric data has better defined the size and continuity of this alteration system and shows a prospective corridor that runs centrally through almost the entire 22km of the Expanded Concession Area’s strike length.

The radiometrics survey was designed principally to map alteration. Figure 2 shows a manipulation of the potassium (K), thorium (Th) and uranium (U) ratios to enhance the potassium component. The alteration corridor is defined by the potassium-rich alteration hotspots, shown as light blue/turquoise shades in Figure 2. Initial observations are that the known Resources and Existing Exploration Targets identified to date on the Vares Project, in general lie along the edges of these potassium-rich alteration hotspots. These edges, which are highlighted with a white and black dotted line in Figure 2, are where alteration conditions appear to be most suited to massive sulphide-style mineralisation. This exciting initial observation not only explains the distribution of the Existing Exploration Targets but also indicates a number of new areas of interest that are yet to be explored.

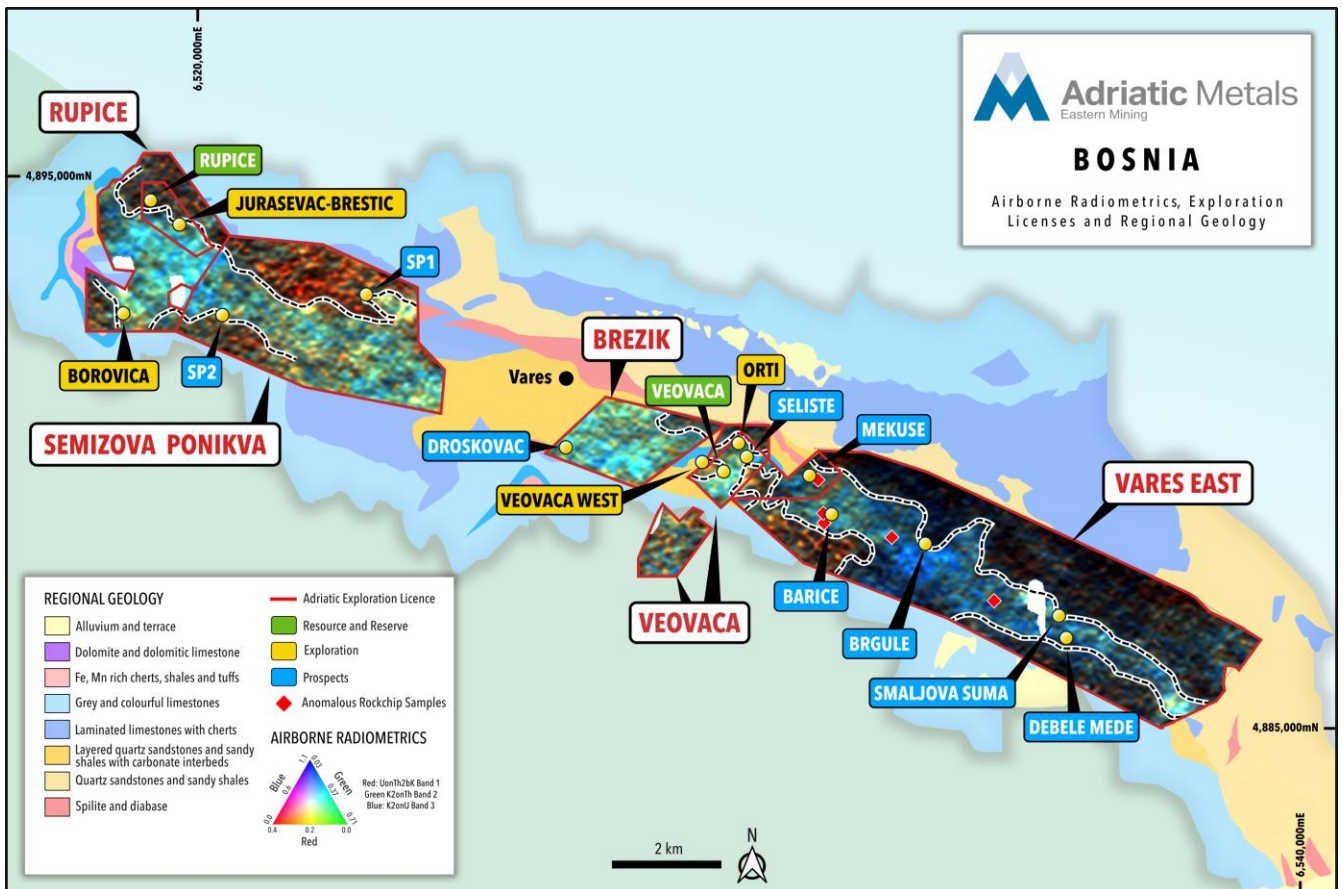


Figure 2. Radiometric Elemental Ratios – RGB: $(U/Th)^2 * K$, K^2/Th , K^2/U



Magnetics Survey

From the extensive knowledge the Company has gained to date from developing the mineral resources at Rupice and Veovaca, the initial results from the magnetics survey confirm that structural complexity combined with favourable stratigraphy is associated with the mineralising system.

Regional anomalous rock chip samples taken in late 2020 on the western part of the Vares East concession area correlate well with structural complexities as seen in Figure 3. In addition to these areas, the magnetic survey has highlighted a number of additional areas of structural interest on the Expanded Concession Area. Likewise in the Rupice / Borovica area, a series of near east-west structural features are observed in the magnetic survey, which correspond to the existing structural and geological model for this part of the concession area.

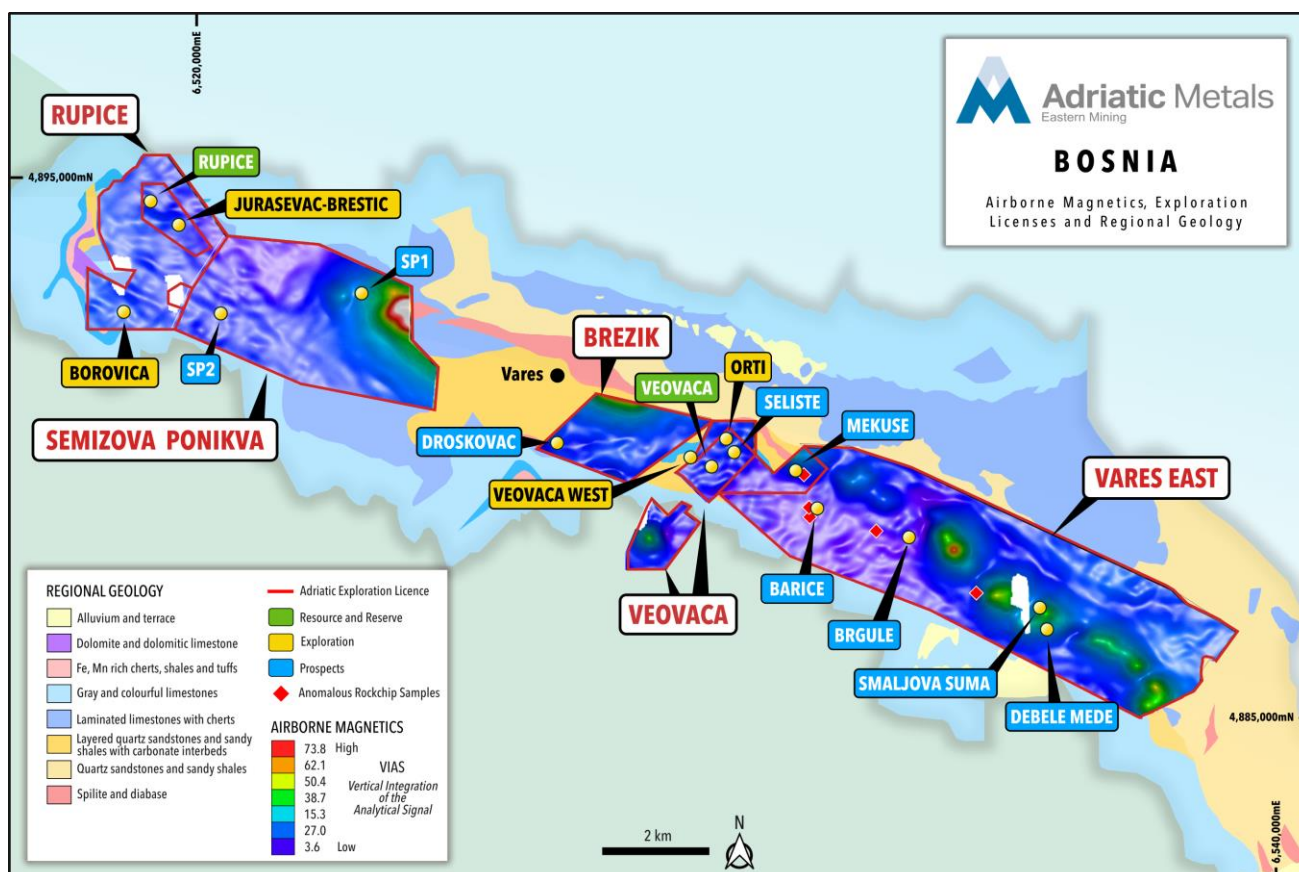


Figure 3. VIAS Magnetics

VIAS = Vertical Integration of the Analytical Signal: Analytical Signal (AS) is square root of the sum of the square of the three directional derivatives (vertical, horizontal X & Y).

Survey Technical Specifications & Service Providers

The heliborne survey was flown by German-based Terrascan Airborne on a 75m spaced, north-south flight lines, with additional tie lines totalling 1,541 line kilometres. Additional data processing and 3D inversion modelling was completed by David McInnes from Montana GIS, Australia.

Radiometric Spectrometer	MEDUSA System, 4 litre Csl crystal, 1024 Multichannel analyser reducing to 256 channels in processing, sampling interval 1 Hz
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Magnetometer	Scintrex CS3 magnetometer, 10 Hz sampling interval, towed with 30m cable length
Magnetometer Base Station	GEM GSM19 Overhauser, 1 Hz sampling interval
Data Acquisition System	Geoduster DAS with Kroum counter for magnetometer
Navigation	Integrated GPS Inertial Measurement System Magnetic Heading Sensors, 1 Hz sampling Interval
Altimeter	Freeflight Radar Altimeter TRI 3000, 1Hz Sampling interval
Platform	AS350 B2 Helicopter

Authorised by, and for further information please contact:

Paul Cronin

Managing Director & CEO

info@adriaticmetals.com

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

Adriatic Metals PLC

Paul Cronin / Thomas Horton

Tel: +44 (0) 7866 913207

Canaccord Genuity Limited (Joint Corporate Broker)

Jeremy Dunlop (Australia)

Tel: +61 2 9263 2700

James Asensio (UK)

Tel: +44 (0) 207 523 8000

RBC Capital Markets (Joint Corporate Broker)

Marcus Jackson / Jamil Miah

Tel: +44 (0) 20 7653 4000

Stifel Nicolaus Europe Limited (Joint Corporate Broker)

Ashton Clanfield / Callum Stewart

Tel: +44 (0) 20 7710 7600

Tavistock Communications Limited

Charles Vivian

Tel: +44 (0) 7977 297 903

The Capital Network

Julia Maguire / Lelde Smits

Tel: +61 2 8999 3699

COMPETENT PERSONS REPORT

The information in this report which relates to exploration results is based on information compiled by Mr Phillip Fox, who is a member of the Australian Institute of Geoscientists (AIG). Mr Fox is a consultant to Adriatic Metals PLC, and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Fox consents to the inclusion in this report of the matters based on that information in the form and context in which it appears.



ABOUT ADRIATIC METALS

Adriatic Metals PLC (ASX:ADT, LSE:ADT1) is a precious and base metals developer that is advancing the world-class Vares Silver Project in Bosnia & Herzegovina, as well as the Raska Zinc-Silver Project in Serbia.

The Vares Project Pre-Feasibility Study boasts robust economics of US\$1,040 million post-tax NPV8, 113% post-tax IRR and a capex of US\$173 million. Adriatic is the only publicly listed mining company exploring in Bosnia and is leveraging its first-mover advantage. The Company is well-funded and concurrent with the advancing Definitive Feasibility Study, continues to explore across its large, highly prospective 41km² concession package.

Adriatic Metals completed the acquisition TSX-listed Tethyan Resource Corp. in Q4 2020, which contained the Raska Zinc-Silver Project in southern Serbia. The Company is exploring across its 99km² highly prospective concession area, which includes around the formerly operating Kizevak and Sastavci polymetallic mines.

There have been no material changes to the assumptions underpinning the forecast financial information derived from the production target in the 15 October 2020 announcement and these assumptions continue to apply and have not materially changed. Adriatic Metals is not aware of any new information or data that materially affects the information included in the announcement of the updated Mineral Resource Estimate announced on 1 September 2020 and all material assumptions and technical parameters underpinning the Mineral Resource Estimate continue to apply and have not materially changed.

ABOUT TERRASCAN AIRBORNE

Terrascan Airborne was founded in 2008 in Germany as the airborne geophysical arm of the ground and borehole geophysical company Terratec Geophysical Services active since 1989. Terrascan Airborne is specialised in high resolution magnetic and radiometric airborne surveys using light aircraft, helicopter and UAV in Europe and Africa.

ABOUT MONTANA GIS

Montana GIS under a wholly owned subsidiary under Montana Drafting and design PTY LTD, providing survey planning, data collection, quality control, processing and modelling, and interpretation and targeting services to the exploration and mining industry since 1996.

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.