ASX ANNOUNCEMENT
3 May 2018

ABOUT ADRIATIC METALS

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

DIRECTORS AND MANAGEMENT

Mr Peter Bilbe
NON-EXECUTIVE CHAIRMAN

Mr Geraint Harris
CHIEF EXECUTIVE OFFICER

Mr Paul Cronin
NON-EXECUTIVE DIRECTOR

Mr Julian Barnes
NON-EXECUTIVE DIRECTOR

Mr Eric de Mori
NON-EXECUTIVE DIRECTOR

Mr Sean Duffy
CFO AND COMPANY SECRETARY

adriaticmetals.com

Adriatic Metals

GEOPHYSICS AND GEOCHEMISTRY RESULTS DEFINE DRILL TARGETS AT RUPICE

Adriatic Metals PLC (ASX:ADT) ('Adriatic' or the 'Company') is pleased to announce the results of extensive geophysical and geochemical exploration on the Rupice prospect in its 100% owned Vareš Project in Bosnia & Herzegovina.

HIGHLIGHTS

- Induced Polarisation survey indicates strong anomalous targets along strike and to the north and south of the 2017 drill hole locations of the Rupice using both Gradient Array and Pole-Dipole surveys.
- Concurrent soil sampling outlined 5 clear anomalies and returned high metal values at the northern Rupice area, as well as at the southern Brestic-Jurasevac area, with lead and zinc grades peaking at over 1% at surface.
- Targets are adjacent to historical mining adits at Brestic-Jurasevac.

Polymetallic lead-zinc-barite-silver-copper-gold mineralisation at the Rupice prospect within the Vareš Project is hosted in an exhalative deposit formed when ore bearing hydrothermal fluids were released into a marine environment resulting in the precipitation of stratabound metal sulphide mineralisation hosted within sedimentary rocks.

This style of exhalative mineralisation makes an excellent target for induced polarisation (IP) geophysical surveys where the presence of sulphides results in an increased "chargeability" anomaly against the host sediments.

The IP program used two different arrays; gradient array (GAIP) which allows for the rapid coverage of large areas, and pole-dipole array (PDP) which gives better depth resolution, allowing confirmation of the chargeability anomaly and defining a target for drilling.

Adriatic's Chief Executive Officer, Geraint Harris commented, *"the initial geophysics are well supported by the geochemistry results and align well with our drill tested understanding of the mineralisation at Rupice.*

The extent of the anomaly at Brestic-Jurasevac will be tested soon as we embark on a 15,000m drill programme designed to test the anomalies on our current project area, potentially demonstrating the mineralisation at the northern Rupice area connects to the southern Brestic-Jurasevac area, where adit sampling in the 1980s and 1990s demonstrated high grade mineralisation.

Additionally, the anomalies to the west of our Rupice licence, further support our view that the Vareš Project sits within a mineralised corridor, and we will use this data to look for key areas to add to our existing concessions."

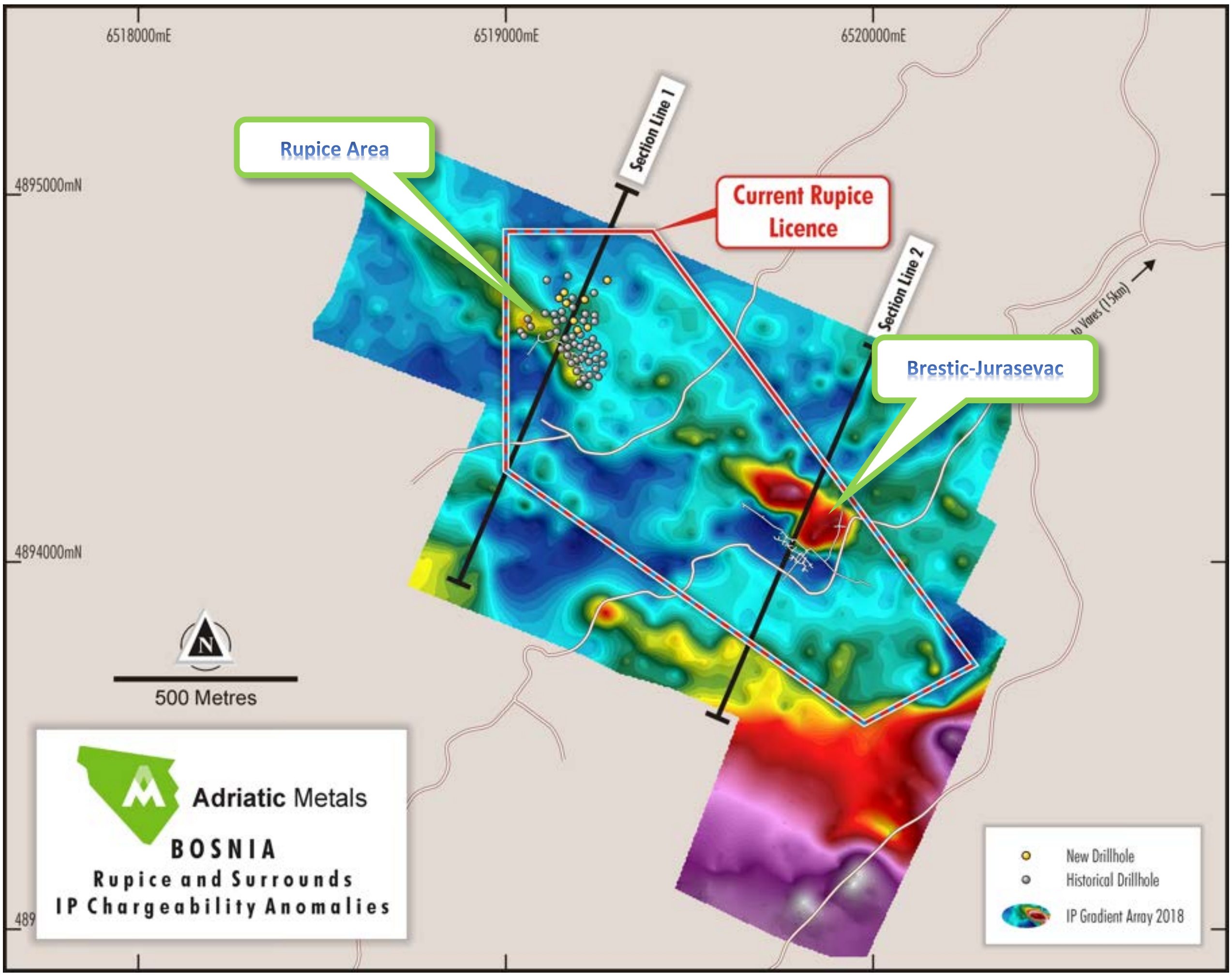

Figure 1 *– Rupice Induced Polarisation Survey Results*

GAIP defined 5 anomalies exhibiting increased chargeability (Figure 1), and 3 of these were selected for additional PDP follow-up (Figures 2 and 3). The Rupice anomaly is clearly associated with the polymetallic mineralisation intersected in drilling at the Rupice prospect. The anomaly extends over a strike length of +600m and remains open to the northwest, with the peak chargeability values being close to, or overlying, near surface mineralisation.

The Eastern anomaly is associated with the underground workings at Brestic and Jurasevac although the peak anomaly values are offset to the north, possibly suggesting that the anomaly is associated with a sub-parallel chargeable zone. The remaining anomalies appear to be associated with a sub-parallel chargeable zone to the south of the Rupice to Brestic-Jurasevac structural corridor.

Three encouraging GAIP anomalies were followed up with PDP to provide the resolution required to identify anomalies for drill testing with notional survey penetration depth of approximately 150m beneath the topographic surface. Chargeability anomalies consistent with those identified in the GAIP survey were identified on both lines of PDP data. The anomaly on Line 2 (Figure 2) near the Brestic-Jurasevac workings demonstrates a significantly higher amplitude compared to that seen on Line 1 (Figure 3) at the Rupice prospect, and both anomalies represent good drilling targets from an IP perspective.

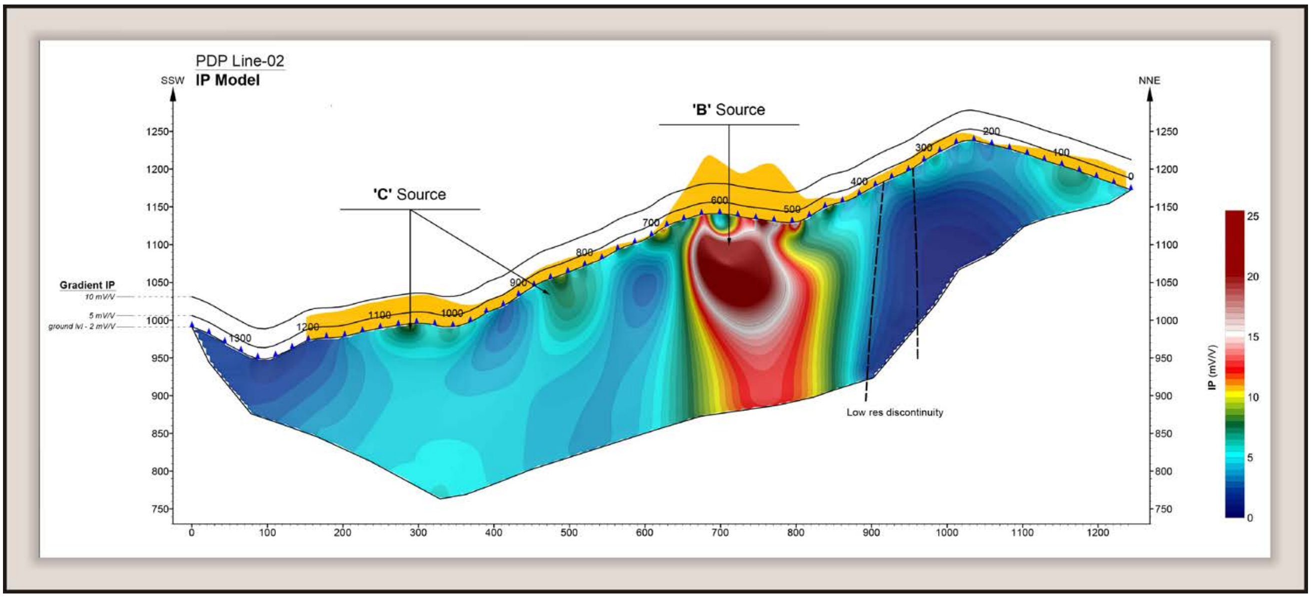

Figure 2 *– Pole Dipole Line 2*

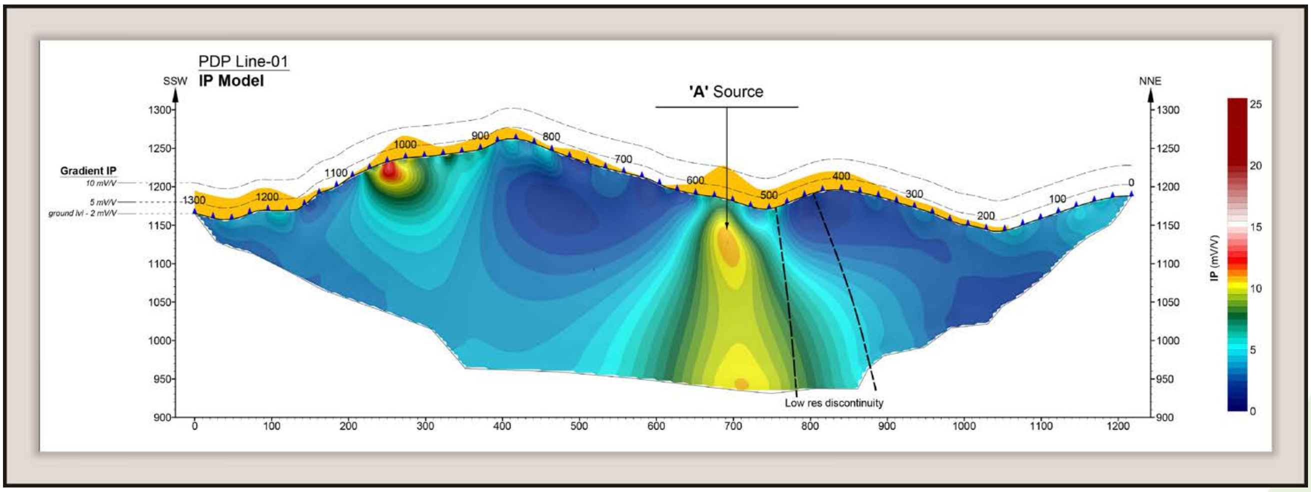

Figure 3 *– Pole Dipole Line 1*

A soil sampling program has been completed over the Rupice Concession area.

Sampling was conducted on a 100m (EW) by 50m (NS) grid with sample material collected between 0.3 to 1.5m beneath the ground surface at the B/C horizon soil interface. Samples were analysed at the SGS-managed laboratory at Bor, Serbia. All samples underwent an aqua regia digestion followed by multi-element analysis using ICP-MS.

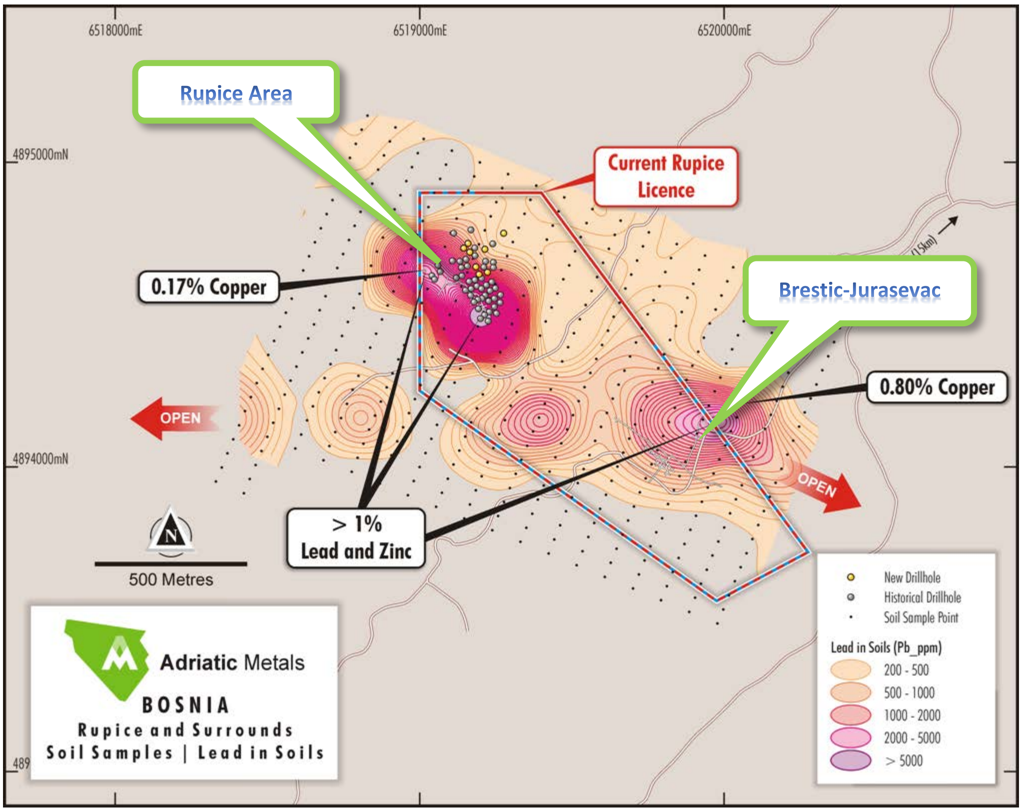

Figure 4 *– Rupice Lead in Soil Contours*

The program defined five anomalies exhibiting high metal values in soils with peak lead, zinc, copper and barite values coinciding with the Rupice prospect and the Brestic -Jurasevac workings. At Rupice several samples returned greater than 1% (>10,000ppm) lead, greater than 1% zinc and up to 0.17% copper, and at Brestic-Jurasevac greater than 1% lead, greater than 1% zinc and up to 0.80% copper (Figure 4). Highest metal values are roughly coincident to the IP results and anomalous areas of lead, zinc or copper largely overlap and are of similar size and orientation. Two soil anomalies located outside of the Rupice to Brestic-Jurasevac corridor along an EW trend returned peak values of >10,000ppm lead, 739ppm zinc and 440ppm copper, and 8,895ppm lead, 2,666ppm zinc and 579ppm copper.

General statistics for the soil values are shown in Table 1. The Brestic-Jurasevac anomaly remains open to the east as do two anomalies located on the extreme western most line of sampling with the northern anomaly possibly a renewed NW extension of the Rupice anomaly. Further soil sampling on a 50m by 50m grid closing down to 25m by 25m is required to best define the soil anomalies for trenching and/or drill testing. It is clear that both IP (Gradient and PDP) and soil sampling are effective methods for the rapid exploration for polymetallic mineralisation in the Vareš Project.

Table 1 *- General Statistics for the Major Elements of Interest*

Element	No of Samples	Minimum (ppm)	Maximum (ppm)	Mean (ppm)	Mode (ppm)	Std Dev
Lead	472	9	>10,000	460	93	1312
Zinc	472	9.5	>10,000	527	141	1176
Copper	472	0	8,300	90	47	397

For further information please contact:

Geraint Harris
Chief Executive Officer
gharris@adriaticmetals.com

COMPETENT PERSONS STATEMENT

The information in this report which relates to Exploration Results is based on information compiled by Mr Robert Annett, who is a member of the Australian Institute of Geoscientists (AIG). Mr Annett is a consultant to Adriatic Metals Ltd 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 "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Annett 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) ("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.

Figure 5. *Location of Adriatic Metals Projects*

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	Soil sampling comprised a total of 472 samples collected at the B/C interface at depths between 0.3m to 1.5m using a hand auger, over an area of approximately 1700m (EW) by 1150m (NS). Sampling was on an approximate NS grid (TN 20deg) at a line spacing of 100m EW and 50m NS; infill sampling to 50x50m was undertaken in several areas containing anomalous results. Samples for assay typically weighed around 400g and were submitted to the SGS managed laboratory at Bor, Serbia where industry standard analytical methods were undertaken. Gradient array IP (GAIP) used 2 fixed electrodes 1500m apart with the middle 500m surveyed using electrodes 50m apart to measure the potential difference and chargeability field. The areas investigated measured approximately 1700m by 1700m. Pole-dipole IP (PDP) used one transmitter pole in the survey area and a second at some distance outside the survey area. IP readings were recorded using the 2 potential electrodes relative to the transmitter pole in the survey area; as the spacing between the potential electrodes and transmitter pole increased, the depth of investigation increased. Full PDP coverage extended over approximately 1200m.

	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	Sampling collected around 400g of representative B/C interface material from depths between 0.3m to 1.5m. Care was taken to ensure that sample collection was in areas of undisturbed soil profile clear of any soil slope slumping. Approximately every 6-7th line of GAIP was repeated to ensure that panels were cross referenced to each other to check the repeatability of the IP data.
	• *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	Soil sampling obtained around 400g of material all of which was pulverised to produce a 5g charge for multi-element ICPMS determination.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	No drilling has been undertaken.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	No drilling has been undertaken.

	• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	
	• *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	Not applicable as no drilling has been undertaken.
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	
	• *The total length and percentage of the relevant intersections logged.*	
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.*	Not applicable as no drilling has been undertaken.
	• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	Soil sample material was collected dry.
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	Collection of around 400g of soil material with subsequent pulverisation of the total charge provided an appropriate and representative sample for analysis. Sample preparation was undertaken by an SGS managed laboratory to industry best practice.

	• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	Industry best practice was adopted by SGS for laboratory sub-sampling and the avoidance of any cross contamination.
	• *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.*	Soil sampling of the B/C interface material in areas of in-situ soil development ensured that the sample is representative of the underlying rock material.
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Sample size of around 400g is considered to be appropriate to reasonably represent the material being tested.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	Analyses were undertaken at the accredited laboratory of SGS in Bor, Serbia which has full certification. Multi elements (38) were assayed by an ICP-MS technique following an aqua regia digest. All techniques were appropriate for the element being determined. Samples are considered a partial digestion when using an aqua regia digest.
	• *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*	There was no reliance on determination of analysis by geophysical tools.
	• *Nature of quality control procedures adopted (eg standards, blanks, duplicates,*	Due to the early stage of the soil sampling program and no reliance on the data other than to rapidly assess

	external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	the prospectivity of the ground for more detailed exploration, no verification or check assaying was undertaken.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.*	Due to the early stage of the soil sampling program and no reliance on the data other than to rapidly assess the prospectivity of the ground for more detailed exploration, no independent verification was undertaken.
	• *The use of twinned holes.*	No holes were twinned as no drilling was undertaken.
	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	Field collection data was uploaded using the Micromine software and verified at point of entry. Data is stored on the Virtual Cloud and at various locations including Perth, WA. It is regularly backed-up.
	• *Discuss any adjustment to assay data.*	No adjustments were necessary.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	Soil sampling sites on a 100m by 50m grid were surveyed by registered surveyors using either total station or DGPS) to better than 5cm accuracy. IP data points were surveyed using a GPS to better than 5m accuracy.
	• *Specification of the grid system used.*	The grid system used MGI 1901 / Balkans Zone 6.
	• *Quality and adequacy of topographic control.*	Whilst not applicable for reporting of the soil and IP results, the topographic surface of the immediate area was generated from a combination of DGPS and digitisation of government topographic contours.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.*	Soil sampling was collected on a 100m (NS) by 50m (EW) spacing closing in to 50m by 50m in areas of soil anomalism.

Adriatic Metals

		IP data was collected on a 100m (NS) by 50m (EW) spacing closing.
	• *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.*	No mineral resource or ore reserve is being reported.
	• *Whether sample compositing has been applied.*	Sample composite was not employed.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	Sampling was collected on approximate NS orientated lines which are generally orthogonal to the reginal strike of the sedimentary rocks. The sample orientation is not considered to have created any bias in sampling.
	• *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	Not applicable as no drilling has been undertaken
Sample security	• *The measures taken to ensure sample security.*	Chain of Custody of digital data is managed by the Company. Physical material was stored on site and, when necessary, delivered to the assay laboratory. Thereafter laboratory samples were controlled by the nominated laboratory. All sample collection was controlled by digital sample control file(s) and hard-copy ticket books.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	No audits have been undertaken.