

ASX ANNOUNCEMENT

7 May 2018



ABOUT ADRIATIC METALS

Adriatic Metals Limited is focused on the development of the 100% owned, high-grade zinc polymetallic Vareš 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

15,000m DRILL PROGRAM COMMENCES AT RUPICE

Adriatic Metals PLC (ASX:ADT) ('Adriatic' or the 'Company') is pleased to announce that it has commenced the first phase of a 15,000m diamond core drill program. Drilling will principally be carried out on the Rupice area, of its 100% owned Vareš Project in Bosnia and Herzegovina.

HIGHLIGHTS

- Initial drilling split into three phases to test several key anomalies at Rupice.
- Phase 1 drilling at Rupice North Zone has commenced, with a further 2 rigs to be mobilised over the course of the program.
- Samples will be sent to ALS and SGS in Bor, Serbia for rapid turnaround.

The 2018 program at Rupice will be broken into multiple phases, with the first phase of drilling to be circa 3,500m focusing on targets in the Rupice north zone and following the northerly extensions. The phase 1 drilling footprint will cover over 220m of strike length (up to the current licence boundary) and will include the expected down dip and down plunge extensions of the mineralisation.

The northerly extension of Rupice is where both historical and 2017 drilling intersected exceptionally high grades of base and precious metals, and also where the recent geophysics has shown possible extensions of the mineralisation to the northwest and southeast.

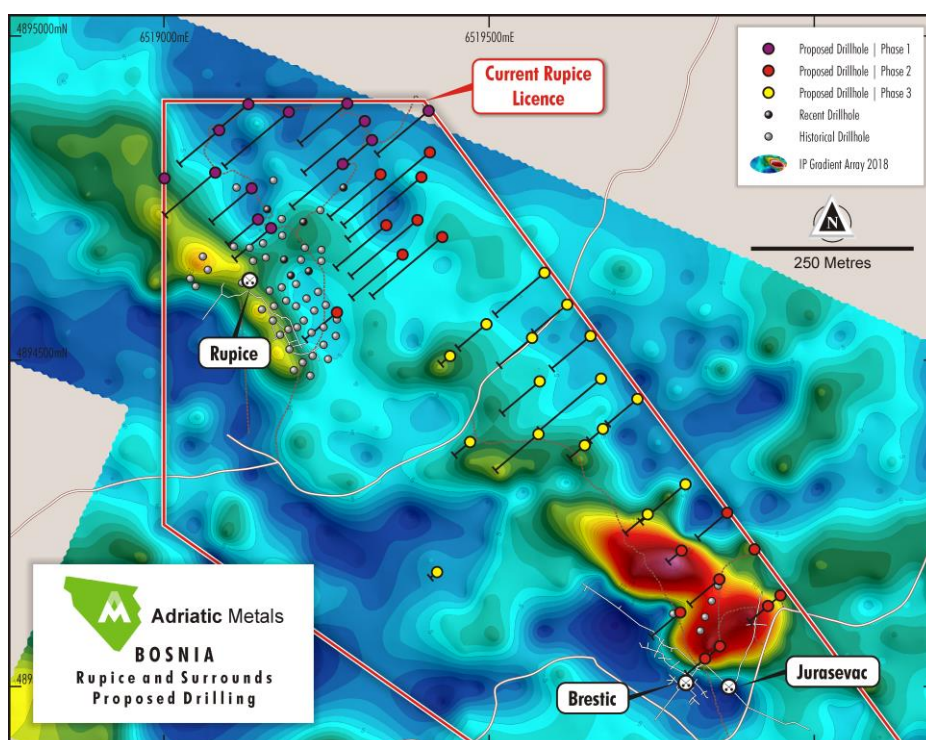


Figure 1 – Rupice Licence Phase 1,2 & 3 Collar locations.

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Phase 2 drilling is expected to commence in the coming month, with the arrival of a second rig. This phase will be focussed on the area near the historical Brestic-Jurasevac underground workings and exploration drives, referred to as the JB Zone (see Figure 1 & 2) for an expected campaign of circa 4,000m of drilling.

Phase 2 drilling will target both the areas adjacent to historical workings and the large geophysical anomaly which lies to the north east and is offset from the workings. Planned drilling at the JB Zone extends over a 350m strike length. Adriatic staff have assessed material lying on the historic dumps at the entrance of the Jurasevac adit which is extensively mineralised, containing coarse-grained galena, chalcopryite and sphalerite (Figure 3 & 4)



Figure 2 – Brestic portal dated 1990



Figure 3 – A spoil heap sample from Jurasevac adit

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Phase 3 will be 3,000m of drilling, with a third rig that will target 400m of strike length in the corridor (the Central Zone) between Rupice in the northwest and Brestic-Jurasevac to the southeast where geophysics has detected a number of chargeable anomalies, and where lead and zinc values in soils are anomalous.



Figure 4 – A spoil heap sample from Jurasevac adit

In addition to the mentioned meterage and subject to results, the respective phases will also include in-fill drilling to better define the mineralisation and increase the subsequent geologic confidence.

Adriatic's Chief Executive Officer, Geraint Harris commented, *"given the recent success of the geophysics and geochemistry surveys at Rupice, it is appropriate that we accelerate our 15,000m drill program, which is designed to test the most notable anomalies that span the 1km of the Rupice licence between the Rupice North Zone and the JB Zone. We were very encouraged when our 2017 drilling successfully identified heavily mineralised and thick intercepts in the Rupice North Zone.*

Similarly, we feel very encouraged by the mineralisation evident from historic workings at the south east end of our license (JB zone) and the geophysical anomalies that run from there to the Rupice North Zone. In our view that remains consistent with our hypothesis of a potentially large sedimentary exhalative system."

For further information please contact:

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Chief Executive Officer

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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 an advanced proximal deposit which exhibits exceptionally high grades of base and precious metals at Rupice. Adriatic's short-term aim is to expand the current JORC resource at Veovaca and to complete an extensional and 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.

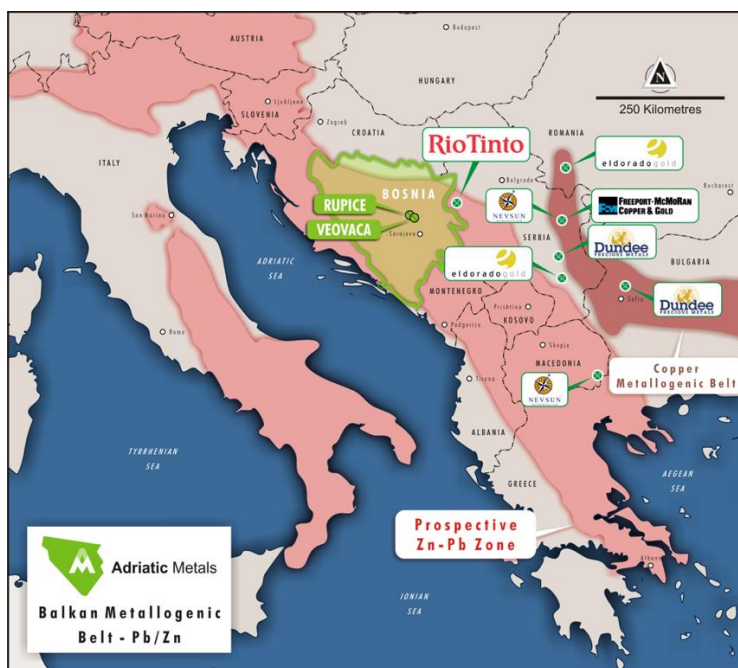


Figure A. Location of Adriatic Metals Projects