ASX ANNOUNCEMENT
16 July 2018

DRILLING UPDATE FOR RUPICE NORTH AREA

ABOUT ADRIATIC METALS

Adriatic Metals plc 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

Adriatic Metals PLC (ASX:ADT) ('Adriatic' or the 'Company') announces that it has received the assay results for BR-4-18 and has completed the drilling of BR-6-18, both of which were drilled on the eastern flank of the Rupice North area.

The location of these aimed to better understand and test an area of possible structural complexity, as first observed in hole BR-2-17 drilled in 2017, where brecciation returned only weak mineralisation. This is part of the Company's 15,000m drilling program at Rupice.

Drill holes BR-4-18 and BR-6-18 were drilled in a south-westerly direction at – 80° and – 85° and to depths of 337.3m and 367.6m respectively. BR-4-18 intersected weak brecciation between 249.4m and 298.8m with some visible pyrite mineralisation, and from 278.2m over a down hole length of 20.6m weak pyrite and sphalerite (zinc) mineralisation. The assayed interval from 230m to 256m returned no significant mineralisation. Based on initial visual assessment, BR-6-18 has intersected little to no brecciation.

These holes, BR-2-17, BR-4-18 and BR-6-18, were all drilled approximately 50m to the east of the interpreted plunging high grade mineralised zone of Rupice North and therefore, these results are geologically and spatially distinct from the significant widths of high grade mineralisation discovered in the holes BR-1-17, BR-2-18 and BR-3-18 (Figure 1). The down plunge zone remains open to the north, where the Company awaits the results of sampling of BR-5-18 (the most northerly hole drilled down plunge to date) which are expected to be received in the near future. A new deeper hole is proposed to the northeast of BR-4-18 which will test whether there has been any down faulting of the mineralised horizon which would result in mineralisation extending deeper down and below that currently drilled, in addition to a series of planned holes to follow the mineralisation up dip to the southwest of BR-3-18 and BR-5-18.

Adriatic's Chief Executive Officer, Geraint Harris commented, *"the current drill programme including the recent three holes has enhanced our understanding of the stratigraphic and structural controls on mineralisation at Rupice North. We will further investigate the eastern flank of Rupice North based on the data to hand.*

This information will help us to understand the down-dip potential at Rupice and whether these holes represent an isolated embayment in the mineralisation or a more significant eastern boundary. However, the mineralisation remains very much open in all directions, and we eagerly await the results for BR-5-18 which sought to test the down plunge extension.

We now have 3 rigs on site with a 4th to arrive by month's end to ensure that we have the capability to thoroughly drill test Rupice in all directions; with the intention of expanding the known mineralisation footprint. The programme will also include infill drilling within the area of known mineralisation to enable us to include all metals in a maiden Mineral Resource Estimate within the first half of 2019".

A plan view of the current drilling is included in Figure 1 below.

Figure 1 *Location of Drilling*

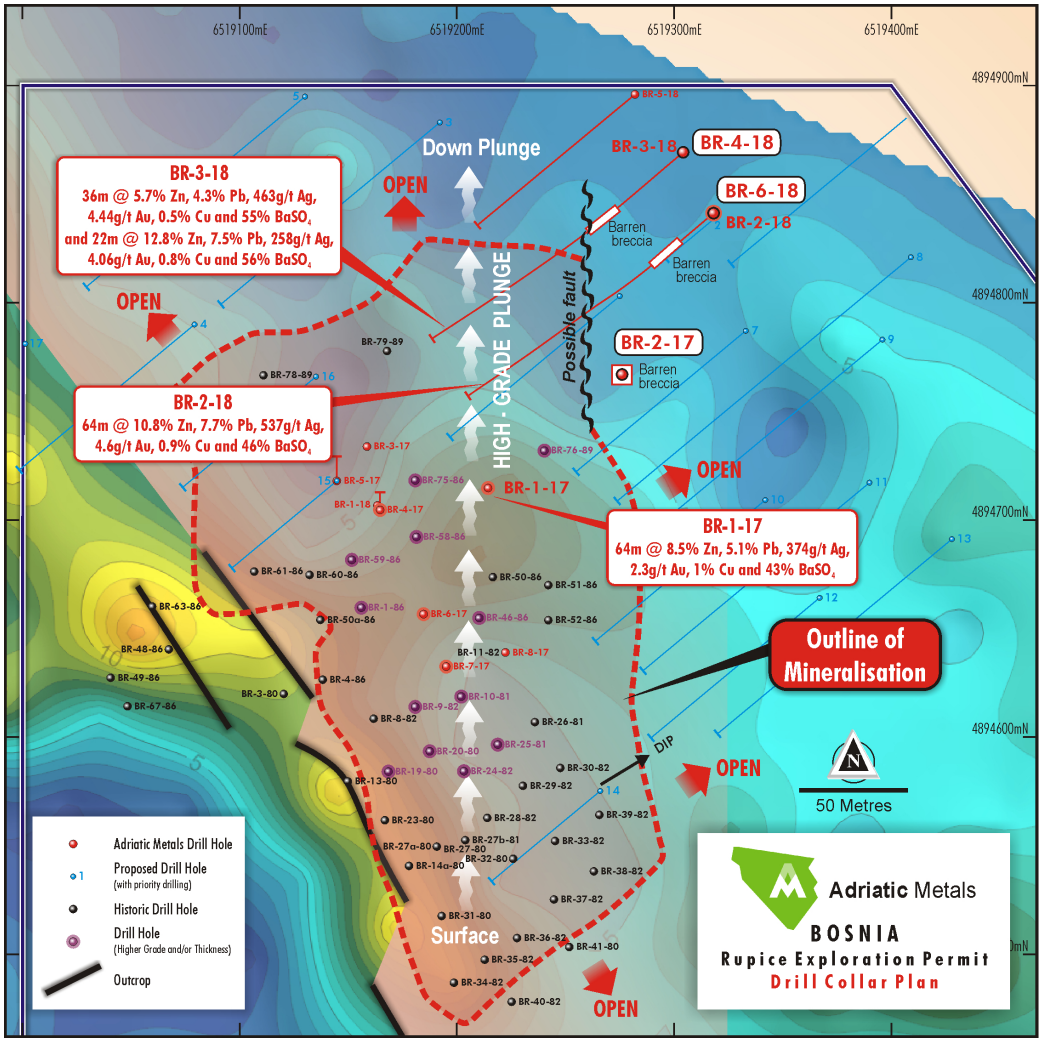

Table 1 *Drill hole Information for BR-4-18 and BR-6-18*

Drill Hole	Easting	Northing	Elevation	Total Depth	Azimuth (TN)	Inclination	Comments
BR-4-18	6519304	4894869	1162	337.3	230	-80	No Significant Assays
BR-6-18	6519320	4894840	1180	366.2	230	-85	No Significant Breccia

For further information please contact:

Geraint Harris
Chief Executive Officer
info@adriaticmetals.com

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 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 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 exploration 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.

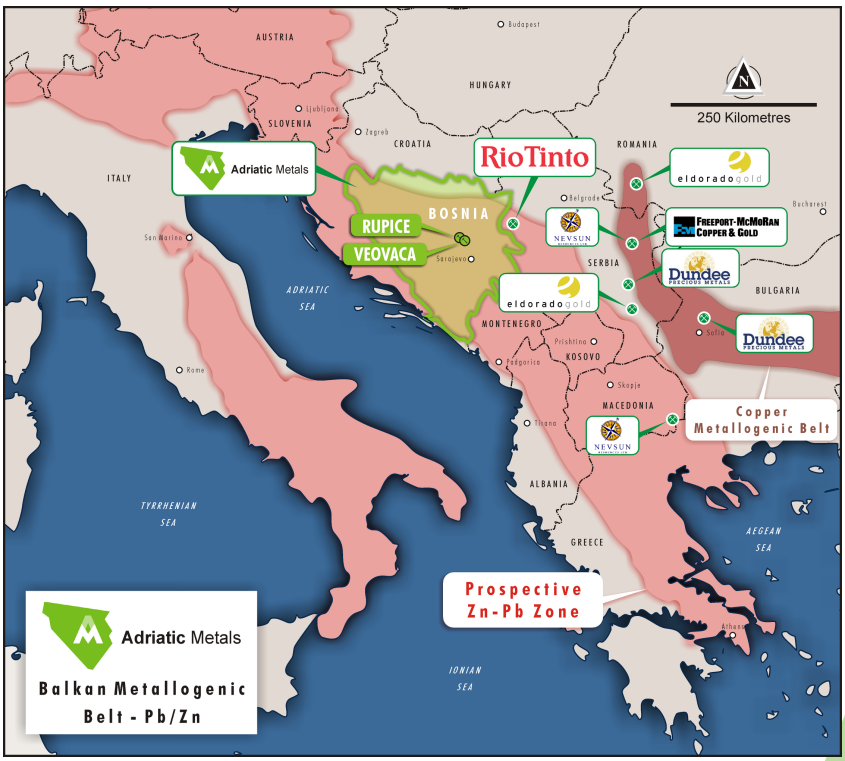

Figure 2. *Location of Adriatic Metals Projects*

Appendix 1 - Sampling Techniques and Data

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

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.*	BR-4-18 HQ diamond core was cut in half to provide a sample for assay typically weighing around 8-10kg. Samples were submitted to the ALS facility in Bor, Serbia for industry standard analytical analysis. BR-6-18 was not sampled as a visual inspection confirms no significant mineralisation.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	The half core and weight of the sample provides sufficient representivity. No calibration of any equipment was required as all samples were sent for assay by commercial laboratory.
	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.	HQ diamond core sampling was used to obtain 2m samples from which 8-10kg of material was pulverised to produce sample for fire assay, ICP-MS and X-ray Fluorescence (XRF).
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*	BR-4-18 and BR-6-18 were drilled using non-core methods to a depth of 180m and 170m respectively, after which drill advance was by HQ3 diamond core to end of hole.

	or other type, whether core is oriented and if so, by what method, etc).	
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	All core was logged for geology and RQD with recovery in the mineralised and sampled zone greater than 90%. The HQ diameter and sampling of half core ensured the representative nature of the samples. There is no observed relationship between sample recovery and grade, and with little to no loss of material there is considered to be little to no sample bias.
	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.*	Sufficient geotechnical logging of the core has been taken and in sufficient detail to support a Mineral Resource estimate however, no Mineral Resource estimate is being reported, only assay results.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	All core is photographed and logging is qualitative.
	The total length and percentage of the relevant intersections logged.	All core is logged.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	The HQ diameter core was cut in half using a diamond saw.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	The sampled material is HQ3 half core.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Collection of around 8-10kg of half core material with subsequent pulverisation of the total charge provided an appropriate and representative sample for analysis. Sample preparation was undertaken at the ALS laboratory in Bor, to industry best practice.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Industry best practice was adopted by ALS 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.*	The half core sampling is considered a reasonable representation of the in-situ material. No duplicate material was collected although a Certified Reference Material was inserted every 15 samples or less.
	▯ *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Sample size of around 8-10kg 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 ALS in Bor, Serbia which has full industry certification. Multi elements were assayed by an ICP-MS technique following an aqua regia digest. Gold was determined using a fire assay on a nominal 30g charge. Barite was determined from a fusion followed by dissolution and ICP-AES analysis. All techniques were appropriate for the elements 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, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	Certified Reference Material (CRM) appropriate for the elements being analysed were added at a rate better than 1 in 15. All results reported by ALS on the CRMs were to better than 1 standard deviation (1SD) and it is considered that acceptable levels of accuracy have been achieved.
Verification of sampling and assaying	▯ *The verification of significant intersections by either independent or alternative company personnel.*	There has been no independent logging of the mineralised interval however, it has been logged by several company personnel and verified by senior staff using core photography.
	▯ *The use of twinned holes.*	BR-4-18 and BR-6-18 are not twin holes.

	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.*	Sampling sites were surveyed using DGPS to better than 0.5m accuracy in the local BiH coordinate system.
	Specification of the grid system used.	The grid system used MGI 1901 / Balkans Zone 6.
	Quality and adequacy of topographic control.	The topographic surface of the immediate area was generated from a combination of DGPS and digitisation of government topographic contours. It is considered sufficiently accurate for the Company's current activities.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	Results from BR-4-18 are being reported, all samples were collected at 2m intervals down hole. There are no assay results for BR-6-18 as an inspection of the core confirms no significant mineralisation.
	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.*	BR-4-18 and BR-6-18 were drilled at a declination of -80° and -85° and are considered to be reasonably orthogonal to the interpreted dip of the mineralisation.
	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.	It is not considered that the drilling orientation has introduced a sampling bias, as the drilling is considered to be orthogonal to the strata bound mineralisation.

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.