ASX ANNOUNCEMENT
25 September 2019

PRELIMINARY METALLURGICAL TESTWORK RESULTS

HIGHLIGHTS

- Metallurgical test-work confirms excellent metallurgical recoveries and concentrate grades from representative samples collected across the Rupice and Veovaca deposits.
- Expected payability adjusted recoveries from all concentrates for Rupice are

Ag	Au	Zn	Pb	Cu	BaSO4
92.6%	66.7%	81.7%	90.4%	82.7%	71.7%

- Excellent recovery of precious metals and copper at Rupice with further metallurgical optimisation test-work underway.
- Current test-work confirms that the same process plant can process both Rupice and Veovaca ores.

Adriatic Metals PLC (ASX:ADT & FSE:3FN) ('Adriatic' or the 'Company') is pleased to announce results from a preliminary metallurgical test work programme on samples of ores from the Rupice deposit and the Veovača Veovaca deposit, both of which are located close to the mining town of Vareš in Bosnia and Herzegovina. The test work programmes were carried out by Wardell Armstrong International (WAI) under the guidance of Adriatic's own metallurgical consultant.

Adriatic's Managing Director and CEO, Paul Cronin commented: *"The recent results from the metallurgical test work programmes for Rupice and Veovaca demonstrate excellent recoveries. All Rupice concentrates exceed current specifications at a range of European and Chinese smelters, and in the case of barite, exceeding the API specification.*

Our ongoing work on metallurgy has been conducted in conjunction with marketing studies with the aim to maximise net smelter revenues against competitor products being sourced by end users. These are excellent initial results, and I am confident that results can be further optimised as we undertake more detailed test work to support the potential Definitive Feasibility Study.

In the meantime however, we expect these results will have a significantly positive impact on the potential economics of the project, currently being evaluated in our upcoming Scoping Study"

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: 151.2 million

Options: 18.8 million

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Selection of Samples

Suitable samples, representing the Mineral Resources from both deposits were selected and sent to WAI for separate testing of Rupice samples and Veovaca samples. The objective of the testwork programmes was to establish basic processing data, to test processing options and to develop and test a flowsheet that would demonstrate that a marketable concentrate could be developed from each deposit.

Metallurgical bulk samples were collected from across the entirety of the deposits using drill core from the 2017 and 2018 campaigns (BR-1-17 to BR-8-17 and BR-1-18 to BR-24-18) for Rupice, and the 2017 campaign (BV-2017-1 to BV-2017-9) for Veovaca. The material consisted of drill core (half HQ) crushed to -2mm with care taken to collect representative material from the mineralised intervals in continuous lengths of between 6 and 10m with the aim to produce 3 samples for Rupice:

1. An average grade bulk sample which approximated the average grade of the Ore Block Model (OBM) current at the end of 2018 made up of 114 x 2m samples weighing 136kg;
2. A high grade bulk sample (being approximately twice the average OBM grade) made up of 69 x 2m weighing 91kg; and
3. A high grade copper bulk sample made up of 24 x 2m samples weighing 33kg.

And a single sample for Veovaca made up of 97 x 2m samples weighing 100kg. The average OBM grades together with the estimated grades of the bulk samples and their "head grade' as determined by Wardell Armstrong International (WAI) are listed in Table 1. Chain of custody from the Company's core-farm in Vares, Bosnia to the offices of WAI, UK was secure with the consignment sealed for customs purposes at point of preparation, and remained sealed through delivery to WAI.

Table 1 – Metallurgical Test Work Sample Head Grades

RUPICE	Zn %	Pb %	$BaSO_4$ %	Cu %	Ag g/t	Au g/t
OBM (Rupice 2018)	**4.7**	**3.1**	**33**	**0.5**	**176**	**1.5**
Met Sample - Average	4.8	2.9	40	0.5	238	1.8
WAI Head Grade	*5.0*	*3.3*	*46.4*	*0.5*	*268*	*1.8*
Met Sample - High Grade	10.1	5.3	59	0.7	340	3.1
WAI Head Grade	*9.8*	*5.7*	*62.1*	*0.6*	*348*	*3.2*
Met Sample - High Grade Copper	19.8	13.3	24	3.7	256	3.6
WAI Head Grade	*19.9*	*14.7*	*23.7*	*3.8*	*269*	*3.5*
VEOVACA						
OBM (Veovaca 2017)	**1.6**	**0.9**	**15**	**N/A**	**61**	**0.1**
Met Sample – Average	1.7	1.1	16	0.1	55	0.1
WAI Head Grade	*1.64*	*1.23*	*16*	*N/A*	*56*	*0.1*

Rupice Metallurgical Test Work

Wardell Armstrong International (WAI) undertook a comprehensive metallurgical investigation on a representative sample characterising the average grade of the Rupice deposit. The work started in January 2019. The sample assayed (on average) 0.50% Cu, 3.32% Pb and 5.03% Zn and contained appreciable levels of additional, potentially payable elements (1.79ppm Au, 268ppm Ag), as well as a significant quantity of barite (46.4% $BaSO_4$).

A mineralogical investigation showed that the main ore phases are barite (52.1%), sphalerite (9.0%), galena (5.3%), tetrahedrite (0.7%) and chalcopyrite (0.6%). The main gangue phases are quartz (14.3%), carbonates (8.7%), pyrite (5.4%) and mica (3.0%).

Bond Ball Mill Work Index testing returned a value of 8.54kWh/t, identifying the sample as relatively soft and amenable to a simple comminution circuit design.

A detailed froth flotation study focussed on the production of a bulk Cu/Pb concentrate, as well as zinc, pyrite and barite products. Variables investigated included primary grind size, reagent type, reagent dosage, pH profile and residence time. A suite of batch rougher and cleaner tests culminated in four locked cycle tests, the results for LCT4 (Locked Cycle Test) are summarised in the Table 2 below.

Table 2 – Rupice LCT4 Test Results

Cu/Pb + Zn Cons. - LCT4		Copper	Lead	Zinc	Gold	Silver
		%	%	%	ppm	ppm
Head Grades	Grade	0.55	3.43	5.19	2.07	298
Copper/Lead Concentrate	Grade	6.52	44.17	10.69	13.94	3,549
	Recovery %	82.7	90.4	14.5	47.3	83.7
Zinc Concentrate	Grade	0.37	1.25	53.8	5.37	337
	Recovery %	5.3	2.9	81.7	20.4	8.9
Combined Recovery	**Recovery %**	**89.0**	**93.3**	**96.2**	**67.7**	**92.6**
Combined Recovery Adjusted for Expected Payability	**Recovery %**	**82.7**	**90.4**	**81.7**	**67.7**	**92.6**

A detailed analysis of the test products identified the copper/lead concentrate as being very high in gold and silver content (13.9ppm Au and 3,549ppm Ag). The zinc concentrate also contained significant levels of gold and silver (5.37ppm Au and 337ppm Ag). Levels of some deleterious elements may incur minor smelter penalties, but these are generally low and not expected to be material, whilst other deleterious elements, such as Antimony, are concentrating to a sufficient grade that in some smelters would either attract no penalty or be payable.

The barite concentrate collected from LCT2 assayed 94.1% $BaSO_4$ at a recovery of 71.7% and had a specific gravity (**SG**) of 4.49, well above the American Petroleum Institute (API) specification of 4.1. See table 3 below;

Table 3 – Rupice LCT2 Test Results

LCT2	Barite
	%
Feed Grade	48.1
Grade	**94.1**
Recovery	71.7
SG	4.49

The results of other locked cycle tests indicated that recovery to the barite concentrate was fairly consistent at producing a saleable grade and specific gravity.

Additional analyses undertaken on samples of batch cleaner and locked cycle test barite concentrates found that all of the requirements of the API specification for drilling-grade barite were met with a significantly high SG confirming that the barite is of very good quality. Levels of some potential impurities (Hg, Cd, Pb) may require further investigation and alternative metallurgical solutions will be tested if required following discussions with protentional off-takers.

With a view to improving the payability of the copper in the Cu/Pb concentrate it was decided to carry out the first stage of the next level of flowsheet investigation test work and look at a sequential removal of copper first, followed by lead, zinc and barite. This would give an additional concentrate but with greater value coming from the copper as a result. This recent investigation using a sequential flowsheet has yielded promising results as per Table 4 below;

Table 4 – Rupice LCT5 Copper Concentrate Test Results

Cu Con. - LCT5		Copper	Lead	Zinc	Gold	Silver
		%	%	%	g/t	g/t
Head Grades	Grade	0.54	3.37	5.27	1.89	247
Copper Concentrate	Grade	**22.9**	15.81	5.45	**14.1**	**7,235**
	Recovery %	**63.0**	6.9	1.5	11.0	43.1

Locked Cycle Test LCT5 produced a copper concentrate assaying 22.9% Cu, 15.8% Pb and 5.45% Zn at recoveries of 63.0%, 6.9% and 1.5% respectively. The copper concentrate also contained significant levels of precious metals (14.1ppm Au, 7,235ppm Ag). Optimisation work of this flowsheet will be ongoing in the next phase.

To date very little work has been done on the High Grade and the High-Grade Copper samples (each referenced in Table 1) and this will also form a part of the variability and other test work in the future.

Veovaca Metallurgical Testwork

Wardell Armstrong International ("WAI") was commissioned by Adriatic Metals plc to undertake a programme of metallurgical testwork on a sample of mineralisation from the Veovaca deposit. Work commenced in October 2017. The sample contained 1.13% Pb, 1.64% Zn and 16.1% $BaSO_4$.

A mineralogical study determined that barite is the dominant sample mineral, with minor amounts of sphalerite and galena. The main gangue phases are quartz and muscovite, with minor amounts of dolomite, pyrite, ankerite and chlorite.

A Bond Ball Mill Work Index Test (BBWi) gave a work index value of 12.3 kWhr/tonne, classifying the material as having a 'medium' hardness.

A total of 31 rougher tests, 19 cleaner tests and two locked cycle tests were undertaken. It was found that satisfactory lead and zinc recoveries could be achieved into separate concentrates using a sequential flowsheet of lead followed by zinc flotation. In addition, barite flotation of the zinc tailings produced a barite concentrate grading 95.4% $BaSO_4$ at 71% recovery after two cleaning stages.

A locked cycle test was undertaken to give the final concentrate and metal recoveries and the results are given in the Table 5 below.

Table 5 – Veovaca LCT2 Concentrate Test Results

Pb + Zn Cons. - LCT2		Lead	Zinc	Gold	Silver
		%	%	g/t	g/t
Head Grades		1.08	1.37	0.10	58.7
Lead Concentrate	Grade	51.23	11.71	1.3	1,766
	Recovery %	78.2	14.1	20.8	49.3
Zinc Concentrate	Grade	2.40	57.84	0.5	442
	Recovery %	4.0	76.4	9.1	13.6
Combined Recovery	**Recovery %**	**82.2**	**90.5**	**29.9**	**62.9**

A lead concentrate was produced which assayed 51.2% Pb and 11.7% Zn at lead and zinc recoveries of 78.2% and 14.1% respectively, and a zinc concentrate which assayed 57.8% Zn and 2.4% Pb at lead and zinc recoveries of 76.4% and 4% respectively.

Silver recoveries to the lead and zinc concentrate were 49.3% and 13.6% respectively. Gold recoveries to the lead and zinc concentrates were 20.8% and 9.1%.

Both Veovaca concentrates contained levels of penalty elements. The reduction/removal of these penalty elements is being investigated metallurgically and work to date demonstrates that this is possible using proven technologies such as alkaline sulphide leaching.

Due to a build-up of circulating loads during cleaning, the barite recovery in this LCT was not as good as earlier open circuit tests which showed the following potential:

Table 6 – Veovaca Barite Concentrate Test Results

Barite - FCT7		Barite
		%
Barite	Feed Grade	16.1
	Grade	**95.4**
	Recovery	70.9
	SG	4.45

As with Rupice the Veovaca barite has a very high SG making it a quality product. Levels of potential impurities may require further investigation and alternative metallurgical solutions will be tested if required following discussions with potential off-takers.

Flowsheet Development

Flowsheets developed for both Rupice and Veovaca are similar utilising crushing, grinding and multi-stages of flotation with regrind. Reagent suites will vary slightly as will reagent consumptions. Primary grind would be 80% <40µm for both Rupice and Veovaca with regrind at Rupice being 80% <10µm for the Cu/Pb concentrate and 80% <20µm for the Zn concentrate. Veovaca regrind would be 80% <20µm for both Pb and Zn concentrates.

For further information please contact

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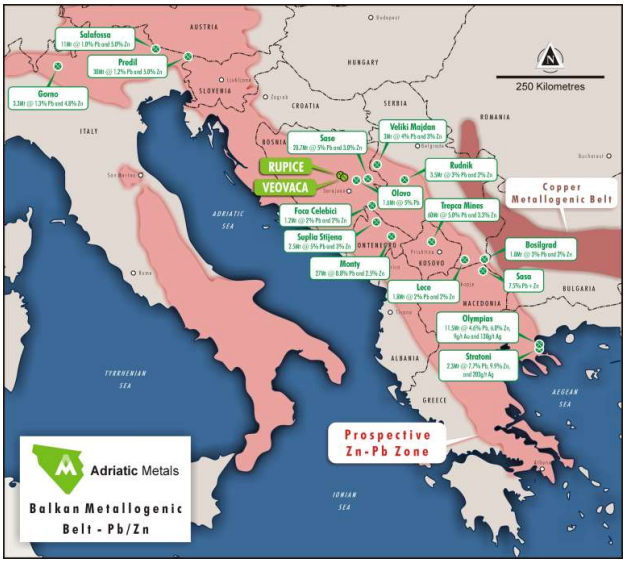
ABOUT ADRIATIC METALS

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 Veovača 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 Veovača and to complete in-fill and expansion 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.



COMPETENT PERSONS REPORT

The information in this report that relates to the Mineral Resources is based on information compiled by Dmitry Pertel. Dmitry Pertel is a full-time employee of CSA Global and is a Member of the Australian Institute of Geoscientists. Dmitry Pertel has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources, and Ore Reserves (JORC Code). Dmitry Pertel consents to the disclosure of information in this report in the form and context in which it appears.

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 "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.

The information in this report which relates to Metallurgical Results Results is based on information compiled by Mr Philip King of Wardell Armstrong Mr King and Wardell Armstrong are consultants to Adriatic Metals plc and have sufficient experience in metallurgical processing of the type of deposits 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 King is a Fellow of the Institute of Materials, Minerals & Mining, and consents to the inclusion in this report of the matters based on that information in the form and context in which it appears.

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 feasibility, 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.

Appendix 1: VEOVACA and RUPICE JORC Code 2012 Tables

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 (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	Material used in the metallurgical sampling of the Veovaca deposit was collected from all 9 diamond holes (PQ and HQ) available at the end of 2017, whilst for the Rupice deposit material was collected from fifteen diamond holes (HQ) available at the end of 2018. Material consisted of crushed (-2mm) material from half core.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Samples were of half core of either PQ or HQ diameter. Both core diameters produced a representative sample. The majority of the sampling was at 2 m intervals and produce a sample weighing around 10 kg. All sampling was in fresh material.
	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 (e.g. '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 (e.g. submarine nodules) may warrant disclosure of detailed information.	Diamond core was cut in half over an interval of usually 2m to obtain about 10kg of material. This was crushed and a representative split pulverised to produce a 30g charge for fire assay, a 5g charge for multi-element ME-ICPORE and/or AAS for silver, lead and zinc, and a further charge of 20g for XRF determination of barite. The mineralisation in the deposit is uniform and as such high-grade veinlets are not present. The crushed "reject" material was used to produce a bulk sample for the metallurgical test work.
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. 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).*	Material for the metallurgical test work used diamond core exclusively, and predominantly HQ core cut in half.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	Core recovery was estimated using the drillers' recorded depth marks against the length of the core recovered. There was no significant core loss.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	Drilling used a split tube system to ensure that all core was adequately preserved in the barrel. The split tube was ejected from the barrel intact thereby maintaining the integrity of the core.
	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.	There appears to be no potential sample bias as there was no regular or excessive loss of core.

Criteria	JORC Code explanation	Commentary
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.*	Geological core logging is to a resolution of 20cm and recorded, inter alia, colour, lithology, weathering, grain size, mineralisation, alteration, etc. Diamond core is stored at the Company's warehouse. The data is believed to be of an appropriate level of detail to support the metallurgical test work results.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Logging was qualitative. Recent diamond core was photographed.
	The total length and percentage of the relevant intersections logged.	All drilled intervals were logged and recorded.
Subsampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Core from the recent drilling was machine sawn and half core taken for analytical analysis and metallurgical purposes.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	All sampled material was core.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Collection of either whole or half core ensured the nature, quality and appropriateness of the collected sample. The sample preparation of crushing the entire sample to mm size prior to splitting off a 100-250g charge (either by cone/quarter or riffle) for pulverisation provides an appropriate and representative sample for analysis, and left the majority of the sample available for the metallurgical test work.
	Quality control procedures adopted for all subsampling stages to maximise representivity of samples.	The exclusive use of diamond core cut in half provides a consistent sample with each sub-sample considered to be representative of the interval.
	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.	Sampling of either the half core is representative of the in-situ material. Additionally, samples were sent to umpire laboratories for assaying. All QA/QC and umpire laboratory samples returned satisfactory results
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Sample sizes collected were 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.*	Assays were undertaken at the accredited laboratories of ALS (Bor). The ALS laboratories has full certification. Gold was assayed by fire, lead, zinc and silver used an ICP-MS technique, and barite was determined using and XRF technique. All techniques are appropriate for the element being determined. Samples are considered a partial digestion when using an aqua regia digest and total when using fire assay. Samples generated from the metallurgical test work were assayed by ALS or SGS.
	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.	Standard chemical analyses were used for grade determination. There was no reliance on determination of analysis by geophysical tools.
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable	QA/QC procedures included the insertion of Certified Reference Materials (CRM) and blank material for each and every sample batch at a ratio of better than 1:15. External

Criteria	JORC Code explanation	Commentary
	levels of accuracy (i.e. lack of bias) and precision have been established.	laboratory checks (Round Robin) were performed on selected samples. All QAQC results and internal laboratory duplicates were satisfactory and demonstrate acceptable levels of accuracy and precision.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	A number of Geoscientists both internal and external to Eastern Mining have verified the intersections.
	The use of twinned holes.	A twin diamond core hole was drilled to check the validity of the historical assays in both grade and width of mineralisation. It was observed that the new assays and the historical assays returned reasonable correlation both in value and in geometry.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Field data was uploaded at point of collection using a Toughbook 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 downhole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	Drill hole collars were surveyed by registered surveyors using either theodolite or total station to better than 1cm accuracy. Drill holes were surveyed down hole at regular intervals using an Eastman camera arrangement. Drill holes rarely deviated from their set position at ground level.
	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 deposit was generated from a LiDAR survey to better than 5cm accuracy.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	Drill hole density across the deposit (including all drilling) is approximately 30x30m closing in to better than 20 x 20m in places.
	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.	The data spacing and distribution is sufficient to demonstrate spatial and grade continuity of the mineralisation to support the metallurgical test work.
	Whether sample compositing has been applied.	Sample composite was not employed.

Criteria	JORC Code explanation	Commentary
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.*	At Rupice the mineralisation is hosted by a brecciated dolomite unit which has a general northwest-southeast strike and approximate 50° dip to the northeast. The mineralisation is disrupted by both ductile (folding) and brittle structures (reverse fault). Drilling was mostly angled around 70-80° and intersected the mineralisation orthogonally. The drilling orientation is not considered to have created any bias in sampling. At Veovaca the Triassic aged sedimentary package is folded into an east-northeast to west-southwest isoclinal synform with an upright to sub-vertical north-northwest dipping axial plane. The synform appears to plunge to the east-northeast. The core of the syncline consists of a polymictic breccia containing iron, zinc and lead sulphides, with barite (black) in the matrix. The synform is surrounded by a package predominantly made up of alternating red fine-grained sediments. Drilling was mostly angled and the 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.	Recent diamond drilling at various orientations does not reveal any bias regarding the orientation of the mineralised horizons
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 required, delivered to the assay or metallurgical laboratory in sealed and secure trucks throughout the journey. Thereafter metallurgical samples were managed by Wardell Armstrong International. Laboratory reject and pulp material was similarly returned, and securely stored at the Company's warehouse. 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.*	An audit was undertaken by CSA Global in January 2018. CSA Global recognise the potential for lead and zinc, with associated barium, gold and silver mineralisation at the Rupice project based on the data available and following the site inspection. The proposed activities of Adriatic's work program are considered appropriate for the next stage of target development and testing.

Section 2: Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	The Veovaca and Rupice deposits are located within the Company's 100% owned Concession, No. 04-18-21389-1/13 located 13km west of Vareš in Bosnia. There are no known material issues with any third party other than normal royalties due to the State.

Criteria	JORC Code explanation	Commentary
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The Concession is in good standing with the governing authority and there is no known impediment to the Concession remaining in force until 2038 (25 years), subject to meeting all necessary reporting requirements.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	Modern exploration commenced with the work of Energoinvest in the late 1960s. In the 1960s underground development of drives and cross cuts were made, and a number of surface trenches dug. In the 1980s a number of vertical diamond holes were drilled. Sample material from all of these programs was routinely analysed for lead, zinc, and barite, and on occasion silver and gold. The deposits were the subject of a number of estimates in the 1980s. This work is documented in many reports which are certified by those geoscientists and Institutes that undertook the work. The work is considered to be of a standard equal to that prevalent within today's exploration industry.
Geology	*Deposit type, geological setting and style of mineralisation.*	At Rupice the mineralisation is hosted in a package of sediments of Triassic age unconformably overlain by Jurassic aged limestone and chert. The host sediments strike northwest-southeast and dip to the northeast at around 50°, although the sequence is heavily affected by folding and faulting. Mineralisation is within a brecciated dolomite unit, in-part silicified. The polymictic breccia contains zinc, lead and copper sulphides, and barite with minor silver and gold. At Veovaca the Triassic aged sedimentary package is folded into an east-northeast to west-southwest isoclinal synform with an upright to sub-vertical north-northwest dipping axial plane. The synform appears to plunge to the east-northeast. The core of the syncline consists of a polymictic breccia containing iron, zinc and lead sulphides, with barite (black) in the matrix.
Drill hole information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *downhole length and interception depth* o *hole length.* *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	Exploration results are not being reported.
	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of	Exploration results are not being reported

Criteria	JORC Code explanation	Commentary
Data aggregation methods	*high grades) and cut-off grades are usually Material and should be stated.*	
	Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	Exploration results are not being reported
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	Exploration results are not being reported
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.*	
	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	At Rupice the mineralisation is within a moderately dipping dolomite which has been both folded and faulted. Drilling by Eastern Mining was mostly inclined at between 70° and 80 ° to the southwest, perpendicular to the deposit strike, and intersected the mineralisation reasonably orthogonally. At Veovaca the mineralisation lies in the upright core of a synform with recent drilling orientated between -60° and vertical, and does not reveal any bias regarding the orientation of the mineralised horizons.
	If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. 'downhole length, true width not known').	Exploration results are not being reported.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Metallurgical test work results are being reported which do not require maps and diagrams.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high-grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	Exploration results are not being reported.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	No substantive exploration data not already mentioned in the report or in the JORC tables or previous ASX announcements have been used in the metallurgical test work.
Further work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*	Further drilling will be undertaken for geotechnical and metallurgical purposes, and potentially to add to the Mineral Resource estimate.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling	Exploration results are not being reported.

Criteria	JORC Code explanation	Commentary
	areas, provided this information is not commercially sensitive.	