

2 SEPTEMBER 2020



ADRIATIC METALS ADDS SIGNIFICANT FOOTPRINT TO ITS VARES SILVER PROJECT

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

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

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

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HIGHLIGHTS

- The Premier of the Zenica-Doboj Canton has approved Adriatic Metals' application for a significant land extension to its current Concession Agreement.
- Land expansion amounts to some 32.12km².
- Land coverage incorporates historical targets known to the Company and is now subject to an aggressive exploration strategy in the coming months.
- Following a change in Cantonal Concession Fees, the fee payable on the expanded area has been substantially reduced.

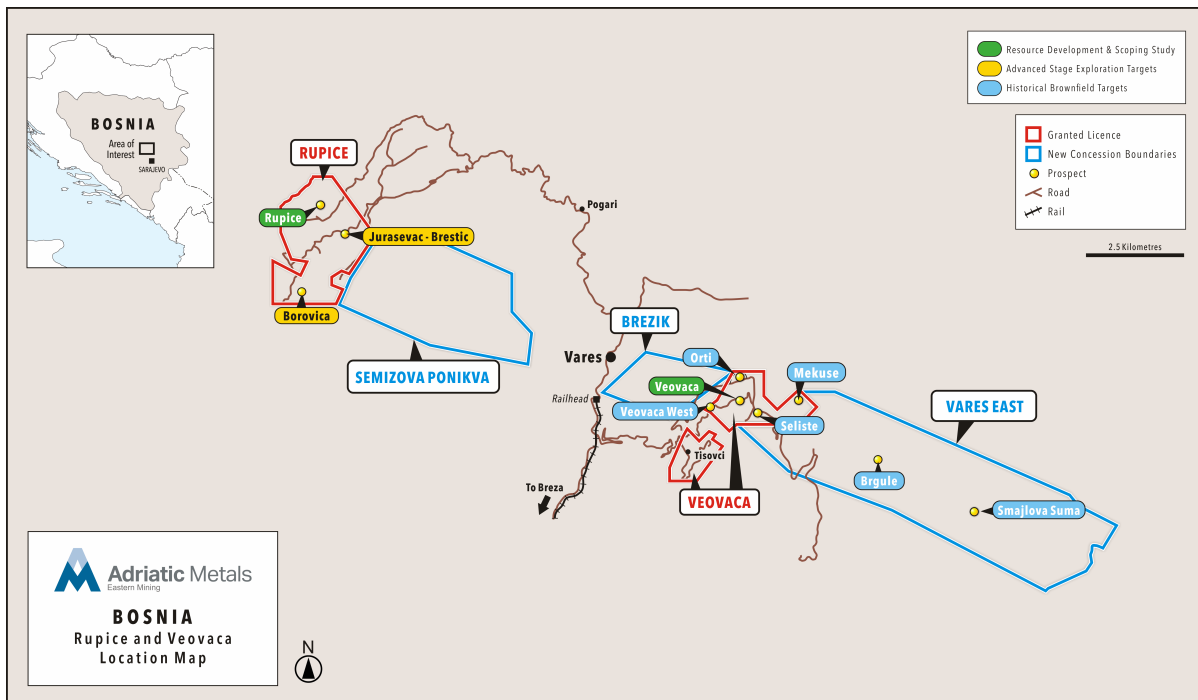
Adriatic Metals PLC (ASX:ADT & LSE:ADT1) ('Adriatic' or the 'Company') is pleased to announce that the Government of Zenica-Doboj Canton has approved the Company's application for a significant land extension to the current Concession Agreement. The approval follows the conclusion of a 30-day public announcement period and has now been signed by the Premier of the Canton.

Under the terms of the original Concession Agreement, the Company has three fields, being Veovaca I & II and Rupice-Jurasavac Brestic, as outlined in Figure 1 below. The approval of the second amendment to the Concession Agreement extended those fields into the areas adjacent to the original fields. This third amendment that covers areas Borovica-Semizova Ponikva ("Semizova Ponikva"); Orti-Seliste-Mekuse-Barice-Smajlova Suma-Macak ("Vares East"); and Droskovac-Brezik ("Brezik"), represents a significant milestone for Adriatic, and the Zenica-Doboj Canton Government. The area covered by this new agreement is 3,212 ha or 32.12 km². Total area covered by Adriatic Metals' concessions is now 4,078 ha (40.78 km²). The Concession Fee of KM 481,800 (€246,335) will be paid to Zenica Doboj Canton, and it is expected that 70% of the fee will directly benefit the Vares Municipality.

Paul Cronin, Adriatic's Managing Director & CEO, commented: *"The approval of the concession is the result of months of very constructive work by our team in Bosnia, in conjunction with the local government agencies. It clearly demonstrates the positive environment for mining in Bosnia and the willingness of both the Municipality of Vares and of Zenica-Doboj Canton to work cooperatively with Adriatic to significantly expand our land holding, and as a result, increase exploration investment in Bosnia & Herzegovina. Our focus now will be to continue to identify the right structural, lithological and geo-chemical conditions that resulted in the high grade Rupice silver deposit and explore for possible repeats of that mineralisation in the new concession area."*



Figure 1 – New Semizova Ponikva, Brezik and Vares East Concessions



The significantly expanded Concession area includes an area between Veovaca and Rupice (Semizova Ponikva & Brezik), and to the east of current Veovaca concessions (Vares East). This area is therefore a high priority for further exploration and drilling, and the Company will now make all the required steps for Exploration Permits following an upcoming campaign of airborne geophysical surveys to complement the existing historical data and geochemical surveys recently completed by the Company.

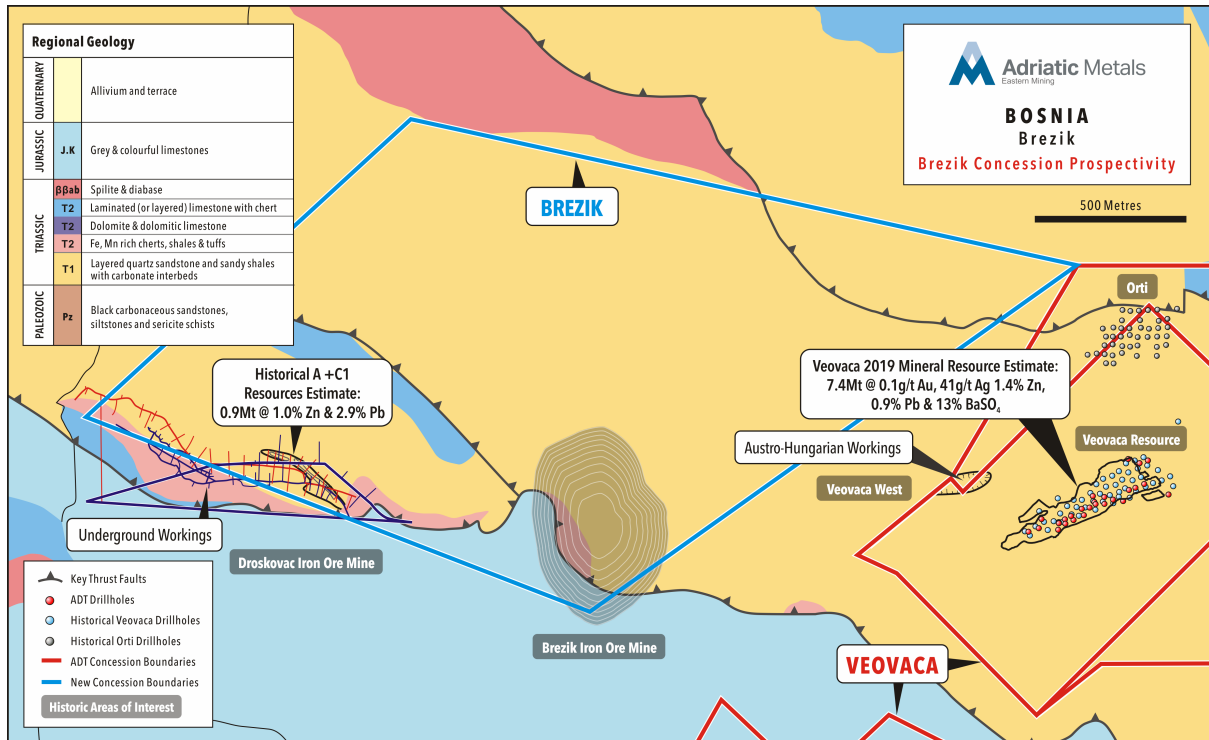
We look forward to following up on our geophysics and the historical data with modern exploration techniques and focussed drilling campaigns. The land expansion importantly gives all necessary access for drilling and to allow ground-based exploration over the significant anomalies.

The Brezik Concession (aka Brezik-Droskovac), to the west of the Veovaca deposit, hosts the disused Brezik iron-ore mine and the historical Droskovac iron-ore mine. Droskovac was historically mined in the 1980s for iron ore, but it has an historical A + C1 resource of 0.9Mt @ 1.0% Zn & 2.9% Pb. See Figure 2. This is concession is along trend from the Veovaca West brownfield target, a site where previous mining of base metals was conducted in the Austro-Hungarian era.

The Droskovac resource estimates are foreign estimates that have not been reported in accordance with the JORC Code. A competent person has not done sufficient work to classify the Droskovac resource estimate as a Mineral Resource estimate in accordance with the JORC Code. It is uncertain that following evaluation and/or further exploration work that the Droskovac resources will be able to be reported as a Mineral Resource estimate in accordance with the JORC Code. Refer to Appendix 1 for further information.



Figure 2 – New Brezik Concession

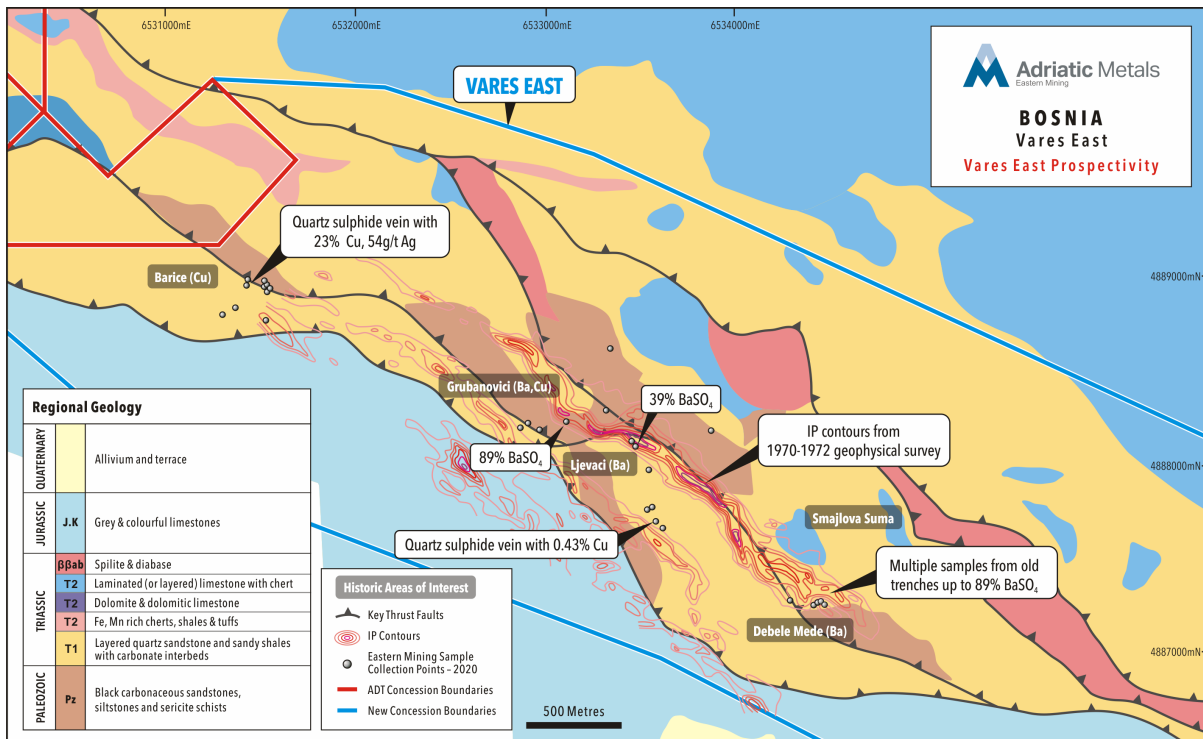


At Vares East, in Bosnian, Vares Istok, historical exploration has previously been undertaken at Barice (Cu), Grubanovici (BaSO₄, Cu), Ljevaci (BaSO₄), Smajlova Suma and Debele Mede (BaSO₄); which yielded positive results from geophysics, trenching and underground development. Eastern Mining conducted a ground truthing survey to assess these historical areas of interest, and yielded sample results such as 23% Cu and 54g/t Ag at Barice (quartz sulphide vein); 89% and 39% BaSO₄ at Grubanovici and Ljevaci; and multiple samples of more than 89% BaSO₄ from old trenches at Debele Mede. For the first time since the 1960s, Adriatic will be using modern exploration techniques to follow up on these encouraging historical results, see Figure 3.

The land expansion has been planned to give access for modern exploration and drilling over the entirety of the significant base metal prospects; where historical exploration yielded positive results from geophysical IP, trenching and sampling.



Figure 3 – New Vares East Concession



Authorised by, and for further information, please contact:

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MARKET ABUSE REGULATION DISCLOSURE

The information contained within this announcement is deemed by the Company (LEI: 549300OHAH2GL1DP0L61) to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. The person responsible for arranging and authorising the release of this announcement on behalf of the Company is Paul Cronin, Managing Director and CEO.

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

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COMPETENT PERSONS STATEMENT

Vares East Licence - Exploration results

The exploration results in this announcement in respect with the Vares East Licence are based on and fairly represents information and supporting documentation prepared by Mr. Phillip Fox. Mr. Fox is a consultant to Adriatic Metals Plc and is a member of the Australian Institute of Geoscientists (AIG). Mr. Fox has provided his prior written consent as to the form and context in which the disclosure of the exploration results and the supporting information is presented in this announcement.

Droskovac Deposit - Resource Estimate

Mr. Phillip Fox confirms that the information included in this announcement in respect of the Droskovac Mineral Resource estimates are an accurate representation of the available data and studies for the Droskovac project. Mr. Fox is a consultant to Adriatic and is a member of Australian Institute of Geoscientists (AIG). Mr. Fox has provided his prior written consent as to the form and context in which the disclosure of the Droskovac estimate and the supporting information is presented in this announcement.

ABOUT ADRIATIC METALS

Adriatic Metals Plc (ASX:ADT, LSE:ADT1) is a precious and base metals explorer and developer that owns the world-class advanced Vares Silver Project in Bosnia & Herzegovina.

The Vares Silver Project consists of two high-grade deposits, located at Rupice and Veovaca. Bosnia & Herzegovina is well-positioned in central Europe and boasts a strong mining history, pro-mining environment, highly skilled workforce as well as extensive existing infrastructure and logistics.

The Vares Silver Project's captivating economics and impressive resource inventory have attracted Adriatic's highly experienced team, which is expediting efforts to fast-track the project to production. Results of from the 2019 scoping study indicate an NPV8 of US\$917 million and IRR of 107%. Leveraging its first-mover advantage, Adriatic is rapidly advancing the project into the development phase and through to production. There have been no material adverse changes in the assumptions underpinning the forecast financial information or material assumptions and technical parameters underpinning the Maiden Mineral Resource estimate since the original relevant market announcements which continue to apply.

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.

APPENDIX 1- ASX DISCLOSURE REQUIREMENTS

ASX Listing	ASX Explanation	Commentary
5.12.1	The source and date of the historical estimates or foreign estimates.	<p>"Study on Reserves of Lead-Zinc Oligonite Siderite and Pyrite Ore - Reserve Budget - Parallel Profile Method" dated 31.12.1985 and authored by Vares Work Organisation (Mining and Steelworks).</p> <p><i>"Elaborat o rezervama olovo-cinkane oligonit sideritne i piritne rude - Proracun Rezervi – Metoda Paralelnih Profila" dated 31.12.1985 and authored by Radna Organizacija Rudnik I Zeljezara Vares Our Rudarstvo.</i></p>
5.12.2	Whether the historical estimates or foreign estimates use categories of mineralisation other than those defined in Appendix 5A (JORC Code) and if so, an explanation of the differences.	Yugoslav GKZ mineral resource estimates were always stated as "reserves" and classified according to the A+B+C1+C2 or "alphabetical" classification, which was derived from the Russian system and is still applied throughout many countries in southeast Europe. The reserves had to be approved by the official Commission for Ore Reserves. The A, B, C1 and C2 categories reflect the levels of confidence in the actual tonnage exploited from a reserve, with confidence levels being - 95%, 80%, 70% and 35% respectively. Henley (2004) and others have evaluated the alphabetical classification system with respect to the compliant codes in Canada and Australia, and concluded that A+B is comparable to "measured", C1 to "indicated" and C2 to "inferred" in internationally acceptable codes for reporting resources. However, these comparisons are only an approximation, and cannot be considered as equivalents.
5.12.3	The relevance and materiality of the historical estimates or foreign estimates to the entity.	The Company is not treating the foreign estimate as current mineral resources or reserves and considers the foreign estimate to represent an exploration project that requires verification.
5.12.4	The reliability of historical estimates or foreign estimates to the entity.	The foreign estimate is considered to be a useful guide to exploration, but the Company is not treating the foreign estimate as current mineral resources or ore reserves as defined by the JORC Code. The Company has reviewed and digitised original hard copy drill data, geology logs and assay data, but has not had access to drill core or core photographs; descriptions of sampling, sample preparation or analytical methodology; quality control data; core recovery data; downhole or collar survey data; or sample security information.
5.12.5	To the extent known, a summary of work programs on which the historical estimates or foreign estimates are based, and a summary of the key assumptions, mining and processing parameters and methods used to prepare the historical or foreign estimates.	<p>Not much is known about previous exploratory or production work at Droskovac, other than patchy reports. The last known activities date back to 1969 which summarises the following:</p> <ul style="list-style-type: none"> • 325.2m of survey work • 325m of drives and raises were mapped • Shallow drilling • Geochemical sampling along channels and gauges • Several drives and raises were mined (c.339.1m) • Drillhole D-4 was vertically drilled 120m intersecting sulphide bodies



5.12.6	Any more recent estimates or data relevant to the reported mineralisation available to the entity.	No more recent estimates or data relevant to the foreign estimate are available to the Company.
5.12.7	The evaluation and/or exploration work that needs to be completed to verify the historic estimates or foreign estimates as mineral resources or ore reserves in accordance with Appendix 5A (JORC Code)	To verify the foreign estimate as mineral resources in accordance with Appendix 5A (JORC Code) the Company intends to perform geological mapping, geophysical surveys and core drilling. Future surface geological work and follow-up core drilling is planned to verify the presence and grade of mineralisation, and the results will be used to plan additional exploration programs to facilitate future mineral resource estimation in accordance with the JORC Code, if warranted.
5.12.8	The proposed timing of any evaluation and/or exploration work that the entity intends to undertake and a comment on how the entity intends to fund that work.	At this time, there are no detailed plans upon which to conduct exploration work other than regional scale prospecting and airborne geophysics. Any work will be entirely funded from the Company treasury.
5.12.9	A cautionary statement proximate to, and with equal prominence as, the reported historical estimates or foreign estimates stating that: <ul style="list-style-type: none"> The estimates are historical estimates or foreign estimates and are not reported in accordance with the JORC Code. A competent person has not done enough work to classify the historic estimates or foreign estimates as mineral resources 	The required cautionary statement has been provided proximate to the reported estimates.

APPENDIX 2 – SAMPLE RESULTS

OBS_id	SAMPLE ID	X	Y	SAMPLE TYPE	Au (ppm)	Ag (ppm)	Zn (ppm)	Pb (ppm)	Cu (%)	BaO (%)
Barice 1/20	A10188	6531435	4888983	Rock Sample	<0.005	<0.5	134	58	0.0022	0.19
Barice 3/20	A10189	6513512	4888977	Rock Sample	0.101	2.4	18	36	0.0037	0.01
Barice 3-1/20	A10190	6531522	4888978	Rock Sample	0.237	1.3	51	15	0.0405	0.04
Barice 3-2/20	A10191	6531427	4888955	Rock Sample	0.088	53.7	12	40	23	0.08
Barice 4/20	A10192	6531550	4888942	Rock Sample	0.054	46.9	171	2450	0.0569	48.6
Barice 5/20	A10193	6531558	4888932	Rock Sample	<0.005	0.6	123	65	0.0348	0.15
Barice 6/20	A10194	6531539	4888920	Rock Sample	<0.005	<0.5	32	36	0.0044	0.12
Barice 10/20	A10195	6533338	4888619	Rock Sample	0.005	<0.5	29	7	0.0039	0.02



Barice 14/20	A10196	6532914	4888225	Rock Sample	0.007	<0.5	6	7	0.02	43.9
Brgule 20/20	A10197	6533316	4888290	Rock Sample	0.009	0.5	8	21	0.0025	0.08
Ljevački potok 22/20	A10198	6533868	4888182	Rock Sample	<0.005	<0.5	908	95	0.008	0.06
Ljevački potok 22-1/20	A10199	6533868	4888182	Rock Sample	0.008	<0.5	303	170	0.0043	0.02
Debele Međe 26-1/20	A10200	6534460	4887262	Rock Sample	<0.005	<0.5	<2	2	0.0017	58.6
Debele Međe 26-2-1/20	A10201	6534460	4887262	Rock Sample	<0.005	0.9	11	7	0.0226	39.4
Debele Međe 26-3-2/20	A10202	6534460	4887262	Rock Sample	0.009	2.2	24	10	0.119	20.7
Debele Međe 27/20	A10203	6534445	4887271	Rock Sample	<0.005	0.5	3	7	0.0048	53
Debele Međe 27-1/20	A10204	6534445	4887271	Rock Sample	0.006	1.7	10	23	0.0365	2.1
Brgule 15/20	A10205	6532868	4888198	Rock Sample	0.007	0.5	47	4	0.0023	0.14
Debele Međe 37/20	A10206	6534427	4887270	Rock Sample	0.008	1	16	15	0.0566	18.45
Debele Međe 38/20	A10207	6534408	4887258	Rock Sample	<0.005	0.6	11	4	0.0605	38.2
Debele Međe 40/20	A10208	6534280	4887280	Rock Sample	<0.005	1.1	58	4	0.0789	1.68
Barice 43/20	A10756	6531539	4888850	Rock Sample	0.009	<0.5	70	19	0.0065	0.04
Barice 5-1/20	A10757	6531555	4888880	Rock Sample	<0.005	<0.5	9	17	0.0009	0.01
Barice 46/20	A10758	6 531 975	4 889 055	Rock Sample	<0.005	<0.5	118	47	0.0013	0.07
Barice 6-1/20	A10759	6 531 537	4 888 850	Rock Sample	<0.005	<0.5	44	29	0.0074	0.07
Barice 5-2/20	A10760	6 531 567	4 888 930	Rock Sample	0.027	<0.5	420	34	0.0041	0.04
Barice Haldište	A11515	6 531 524	4 888 950	Rock Sample	0.251	0.9	28	22	0.0053	0.01
Daštansko 48/20	A11516	6 530 550	4 890 273	Rock Sample	0.007	<0.5	204	171	0.0027	0.05
Brgule 55/20	A11517	6 533 039	4 888 765	Rock Sample	0.005	<0.5	81	28	0.0033	0.06
Brgule 56/20	A11518	6 532 936	4 888 536	Rock Sample	0.007	<0.5	140	64	0.0036	0.1
Debele međe 58/20-1	A11519	6 533 911	4 887 529	Rock Sample	0.024	1	154	19	0.0052	16.9
Debele međe 58/20-2	A11520	6 533 911	4 887 529	Rock Sample	<0.005	<0.5	60	6	0.0019	0.06
Debele međe 59/20	A11521	6 533 784	4 887 403	Rock Sample	0.006	<0.5	86	43	0.0032	0.15
Ljevački potok 57/20	A11522	6 533 864	4 887 750	Rock Sample	0.007	<0.5	152	68	0.0016	0.05
Ljevački potok 60/20	A11523	6 533 899	4 888 004	Rock Sample	0.005	<0.5	117	53	0.0015	0.08
Ljevaci 62/20	A11524	6533577	4887701	Rock Sample	0.075	2	34	10	0.428	0.17
Ljevaci 63/20	A11525	6533558	4887773	Rock Sample	0.011	<0.5	99	41	0.0049	0.09
Ljevaci 64/20	A11526	6533535	4887765	Rock Sample	0.006	<0.5	105	33	0.0023	0.07
Ljevaci 65/20	A11527	6533540	4887975	Rock Sample	<0.005	1.7	8	23	0.0093	58.8
Ljevaci 66/20	A11528	6533612	4887667	Rock Sample	n/a	<0.5	104	42	0.0033	0.08
Barice 7-1/20	A13077	6531531	4888771	Rock Sample	0.005	0.9	417	139	0.0182	31.6
Barice 78/20	A13078	6531301	4888802	Rock Sample	<0.005	<0.5	62	12	0.0044	0.08
Ljevaci 68-1/20	A13079	6533468	4888098	Rock Sample	<0.005	0.5	10	169	0.0028	25.4
Ljevaci 68-2/20	A13080	6533468	4888098	Rock Sample	0.006	<0.5	32	98	0.0044	0.24
Barice 3-4/20	A13081	6531537	4888961	Rock Sample	0.005	0.6	45	6	0.0007	0.03
Krst 73/20	A13082	6532967	4888189	Rock Sample	<0.005	<0.5	16	<2	0.0002	0.15
Ljevaci 70/20	A13083	n/a	n/a	Rock Sample	<0.005	<0.5	85	7	0.0008	0.06
Ljevaci 67-1/20	A13084	6533448	4888123	Rock Sample	0.031	0.5	18	156	0.003	2.15
Barice 76/20	A13086	6531373	4888836	Rock Sample	<0.005	<0.5	22	2	0.0002	0.02



Krst 72/20	A13088	6533107	4888228	Rock Sample	0.06	1.2	4	565	0.0007	0.03
Barice 7/20	A13089	6531531	4888771	Rock Sample	0.012	0.8	32	20	0.0023	0.01
Barice 1/20	A13090	6531524	4888950	Rock Sample	0.091	1.6	17	22	0.0078	0.02
Ljevaci 67/20	A13093	6533448	4888123	Rock Sample	0.041	1.4	13	52	0.001	0.21

APPENDIX 3- JORC TABLES

Section 1 Sampling Techniques and Data

Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
<i>Sampling techniques</i>	<p><i>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.</i></p> <p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></p> <p><i>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.</i></p>	<p>Rock chip samples were collected, from targeted areas. Sample locations were determined by the geologist and samples were placed into labelled and tagged sample bags prior to dispatch.</p> <p>Both mineralised and unmineralised samples were collected with the aim of obtaining representation of all rock types in the target area. Samples were taken from in-situ bedrock/outcrop.</p>
<i>Drilling techniques</i>	<i>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).</i>	No drilling has been undertaken.
<i>Drill sample recovery</i>	<p><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></p> <p><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></p> <p><i>Whether a relationship exists between sample recovery and grade and whether sample bias may have</i></p>	No drilling has been undertaken.



Criteria	JORC Code explanation	Commentary
	<i>occurred due to preferential loss/gain of fine/coarse material.</i>	
<i>Logging</i>	<p><i>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.</i></p> <p><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></p> <p><i>The total length and percentage of the relevant intersections logged.</i></p>	Rock samples were filed logged with the assistance of historical mapping and petrology work. Samples were then reviewed for petrology using a 10x loupe. Review of logging was conducted following the return of geochemical results.
<i>Sub-sampling techniques and sample preparation</i>	<p><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></p> <p><i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></p> <p><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></p> <p><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></p> <p><i>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.</i></p> <p><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></p>	No sub-sampling was completed.
<i>Quality of assay data and laboratory tests</i>	<p><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></p> <p><i>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.</i></p> <p><i>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.</i></p>	<p>66 samples were sent to ALS for assay. Assays from 13 samples are still awaiting. Analyses were undertaken at the accredited laboratory of ALS in Bor, Serbia which has full industry certification. Multi elements were assayed by an ICP-AES technique following a four-acid digest. Gold was determined using a fire assay on a nominal 50g charge. Barite was determined from a lithium borate fusion followed by dissolution and ICP-AES analysis. Total sulphur was determined by Leco.</p> <p>All techniques were appropriate for the elements being determined. Samples are considered a partial digestion when using an aqua regia digest.</p> <p>A Niton XL2 Analyzer was used to confirm indications of base-metal mineralisation, which is then confirmed by laboratory assay. The analyzer is a Company owned portable analyzer of various elements/metals, which utilises an x-ray fluorescence tube to take rapid measurements over a pin-point area. It is used by Adriatic Metals employees to take readings on drill core, rock outcrop and soil samples to evaluate the tenor but not absolute value of the contained mineralisation. The readings are not verified by an independent laboratory. 60 second readings are taken at every measurement to ensure consistency. The device is also calibrated regularly.</p> <p>Due to the early stage of the regional sampling program in the Vares East Concession, and no reliance on the data other than to rapidly assess the prospectivity of the ground for more detailed exploration, no verification or check assaying was undertaken.</p>



Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	No verification was carried out and no adjustments were made as the geochemical sampling was completed on a reconnaissance scale.
	<i>The use of twinned holes.</i>	
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	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 Cheltenham, UK and Vares, BiH. It is regularly backed-up.
	<i>Discuss any adjustment to assay data.</i>	No adjustments were necessary.
Location of data points	<i>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.</i>	Selective grab samples were collected with GPS coordinates recorded using a handheld Garmin GPS with a 3m accuracy.
	<i>Specification of the grid system used.</i>	The grid system used MGI 1901 / Balkans Zone 6.
	<i>Quality and adequacy of topographic control.</i>	The topographic surface of the immediate area was generated from a LiDAR survey to an accuracy of approximately 0.05m. It is considered sufficiently accurate for the Company's current activities.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	Samples were collected selectively with the purpose of identifying the presence of economic mineralisation and degree and diversity of mineralisation. Grid spacing was not used.
	<i>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.</i>	No mineral resource or ore reserve is being reported.
	<i>Whether sample compositing has been applied.</i>	
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	Samples were collected selectively on a reconnaissance basis. Grid spacing was not used.
	<i>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.</i>	Not applicable as no drilling has been undertaken.
Sample security	<i>The measures taken to ensure sample security.</i>	Chain of Custody of digital data is managed by the Company. Core samples were stored on site in a locked facility and dispatched to the laboratory using a laboratory courier, at which point the laboratory assumed custody of the samples. Samples were examined and photographed on receipt by the laboratory. All sample collection was controlled by digital sample control file(s) and hard-copy ticket books.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	There have been no audits or reviews of sampling techniques and data.



Section 2: Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<i>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.</i>	<p>Sampling was completed on Adriatic Metals' licence: Orti-Seliste-Mekuse-Barice-Smajlova Suma-Macak "Vares East".</p> <p>There are no known native title interests, historical sites, wilderness or national park or environmental settings within the above licence holding.</p> <p>Royalties</p> <p>A non-negotiable 5% Net Smelter Return is payable to the Bosnian government for metallic raw materials.</p>
	<i>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.</i>	<p>There are no known impediments to obtaining a licence to operate in the area.</p>
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	<p>During the Austro-Hungarian rule, copper was exploited at Barice prospect, Vares Istok.</p> <p>There were multiple phases of exploration over the Vares-Cevljanovici middle Triassic metallogenic belt from 1960s to early 1980s, done by Geological survey of Yugoslavia.</p> <p>Geological mapping at 1:10,000 and 1:1,000 was conducted in this period.</p> <p>There was extensive trenching, but no results of these activities are available today.</p> <p>As part of the mapping campaign, detailed fossil determination and dating was performed, as well as thin section petrological analysis, ore specimen microscopy and Rontgen analysis.</p> <p>Geophysical surveys were conducted in the early 1970s and in 1982 using induced polarisation (IP) and electrical resistivity methods.</p>
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	<p>The Vares East Concession lies to the southeast of the Veovaca Concession, which like the remainder of the Vares Silver Project, straddles a thrust belt with Triassic and Jurassic meta- and sedimentary rocks.</p> <p>Two main mineralisation zones have been identified by Adriatic Metals geologists. The first being a copper and barite zone within Paleozoic schists, quartzite and quartz sandstones.</p> <p>The second zone of mineralisation is predominantly massive barite in Paleozoic shales, quartzites and metasandstones.</p>



Criteria	JORC Code explanation	Commentary
<i>Drill hole information</i>	<p><i>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:</i></p> <ul style="list-style-type: none"> o <i>easting and northing of the drill hole collar</i> o <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> o <i>dip and azimuth of the hole</i> o <i>downhole length and interception depth</i> o <i>hole length.</i> <p><i>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.</i></p>	No drill holes are material to this document.
<i>Data aggregation methods</i>	<i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i>	Does not apply.
	<i>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.</i>	
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	No metal equivalent values have been reported.
<i>Relationship between mineralisation widths and intercept lengths</i>	<p><i>These relationships are particularly important in the reporting of Exploration Results.</i></p> <p><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></p> <p><i>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').</i></p>	No drilling was conducted on the property.
<i>Diagrams</i>	<i>Appropriate maps and sections (with scales) and tabulations of</i>	Relevant maps and diagrams are included in the body of the report.



Criteria	JORC Code explanation	Commentary
	<i>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.</i>	
<i>Balanced reporting</i>	<i>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.</i>	All sample results are reported in the appendix.
<i>Other substantive exploration data</i>	<i>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.</i>	No substantive exploration data not already mentioned in the announcement or in this table have been used.
<i>Further work</i>	<i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>	Grid-based soil sampling, targeted stream sampling, airborne geophysics and drilling are all being considered as techniques around specific target areas in the Vares East Concession.