

16 April 2020

QUARTERLY ACTIVITIES REPORT

Adriatic Metals PLC (ASX:ADT, LON:ADT1) ("Adriatic" or "the Company"), further to a query from the ASX relating to the Company's announcement on 8 April 2020, titled "Adriatic Metals Quarterly Activities Report and Cashflow", please find attached an updated Appendix 5B.

**** ENDS ****

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 the release of this announcement on behalf of the Company is Paul Cronin, Managing Director and CEO.

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ABOUT ADRIATIC METALS

Adriatic Metals PLC (ASX:ADT, LON:ADT1) ("Adriatic" or the "Company") is a dual listed (ASX and LSE) precious and base metals explorer and developer via its 100% interest in the world class Vares Project (the "Project") in Bosnia & Herzegovina. The Project comprises a historic open cut mine at Veovaca and brownfield exploration at Rupice, an advanced proximal deposit which exhibits exceptionally high grades of base and precious metals.

The Company announced the results of a Scoping Study on 19 November 2019 which indicated an NPV₈ of US\$917 million and IRR of 107%, following the release of a Maiden Resource Estimate earlier the year on 23 July 2019. There have been no material adverse changes in the assumptions underpinning the forecast financial information or material assumptions and technical parameters underpinning the Maiden Resource Estimate since the original relevant market announcements which continue to apply.

Adriatic has attracted a world class team to both expedite its exploration efforts to expand the current JORC resource at the high-grade Rupice deposit and to rapidly advance the Project into the development phase utilising its first mover advantage and strategic position in Bosnia.

Rule 5.5

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

ADRIATIC METALS PLC

ABN

624 403 163

Quarter ended ("current quarter")

31 MARCH 2020

Consolidated statement of cash flows	(a) Current quarter GBP'000	(b) Year to date (9 months) GBP'000
1. Cash flows from operating activities		
1.1 Receipts from customers	0	0
1.2 Payments for		
(a) exploration & evaluation (if expensed)	0	0
(b) development	(426)	(426)
(c) production	0	0
(d) staff costs	(306)	(862)
(e) administration and corporate costs	(561)	(1,866)
1.3 Dividends received (see note 3)	0	0
1.4 Interest received	1	26
1.5 Interest and other costs of finance paid	0	0
1.6 Income taxes paid	0	0
1.7 Government grants and tax incentives	0	0
1.8 Other (VAT Refunds)	159	317
1.9 Net cash from / (used in) operating activities	(1,133)	(2,811)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	0	0
(b) tenements	0	0

Consolidated statement of cash flows	(a) Current quarter GBP'000	(b) Year to date (9 months) GBP'000
(c) property, plant and equipment	(66)	(212)
(d) exploration & evaluation (if capitalised)	(464)	(3,100)
(e) investments	0	0
(f) other non-current assets	0	0
2.2 Proceeds from the disposal of:		
(a) entities	0	0
(b) tenements	0	0
(c) property, plant and equipment	0	0
(d) investments	0	0
(e) other non-current assets	0	0
2.3 Cash flows from loans to other entities	0	0
2.4 Dividends received (see note 3)	0	0
2.5 Other (provide details if material)	0	0
2.6 Net cash from / (used in) investing activities	(530)	(3,312)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	0	12,619
3.2 Proceeds from issue of convertible debt securities	0	0
3.3 Proceeds from exercise of options	294	722
3.4 Transaction costs related to issues of equity securities or convertible debt securities	0	0
3.5 Proceeds from borrowings	0	0
3.6 Repayment of borrowings	0	0
3.7 Transaction costs related to loans and borrowings	0	0
3.8 Dividends paid	0	0
3.9 Other (provide details if material)	0	0
3.10 Net cash from / (used in) financing activities	294	13,341

Consolidated statement of cash flows		(a) Current quarter GBP'000	(b) Year to date (9 months) GBP'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	13,914	5,568
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,133)	(2,811)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(530)	(3,312)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	294	13,341
4.5	Effect of movement in exchange rates on cash held	(755)	(996)
4.6	Cash and cash equivalents at end of period	11,790	11,790

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	(c) Current quarter GBP'000	(d) Previous quarter GBP'000
5.1	Bank balances	11,790	13,914
5.2	Call deposits	0	0
5.3	Bank overdrafts	0	0
5.4	Other (provide details)	0	0
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	11,790	13,914

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

(e) Current quarter GBP'000
105
0

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Consultancy fees, directors fees, corporate office facilities & associated services. Please note the increase in the 6.1 sum, reflects Non-Executive Director fees and the recharge of office costs which inadvertently were not incorporated in the original 6.1 disclosure.

Mining exploration entity and oil and gas exploration entity quarterly report

7. Financing facilities		
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	0
7.2	Credit standby arrangements	0
7.3	Other (please specify)	0
7.4	Total financing facilities	0
7.5	Unused financing facilities available at quarter end	0
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

8. Estimated cash available for future operating activities	(h) GBP'000
8.1	Net cash from / (used in) operating activities (Item 1.9)
8.2	Capitalised exploration & evaluation (Item 2.1(d))
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)
8.4	Cash and cash equivalents at quarter end (Item 4.6)
8.5	Unused finance facilities available at quarter end (Item 7.5)
8.6	Total available funding (Item 8.4 + Item 8.5)
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)
	7.4

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 15 April 2020

Authorised by: *Audit and Risk Committee*

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.