

3 April 2020



Adriatic Metals

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

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

DIRECTORS

Mr Peter Bilbe
NON-EXECUTIVE CHAIRMAN

Mr Paul Cronin
MANAGING DIRECTOR & CEO

Mr Michael Rawlinson
NON-EXECUTIVE DIRECTOR

Mr Julian Barnes
NON-EXECUTIVE DIRECTOR

Mr Milos Bosnjakovic
NON-EXECUTIVE DIRECTOR

Ms Sandra Bates
NON-EXECUTIVE DIRECTOR

Mr John Richards
NON-EXECUTIVE DIRECTOR

adriaticmetals.com

IMPACTS OF COVID-19 ON VARES PROJECT OPERATIONS

Adriatic Metals PLC (ASX:ADT, LON:ADT1) ("Adriatic" or the "Company") wishes to provide a general update to shareholders on the operational and financial impacts of COVID-19 on the Company.

As at 31 December 2019, the company had cash of A\$26.3 million, which was primarily budgeted for ongoing exploration, pre-development and evaluation work at the Vares Project in Bosnia & Herzegovina. The operational activity currently being conducted by the company can be described within three categories - Exploration, Pre-Development and Permitting. The impacts of COVID-19 on each category are detailed below.

In both the UK and Bosnia, government have imposed substantial restrictions on the movement of people, and in Federation of Bosnia & Herzegovina, these restrictions include a curfew on all residents between 8pm and 5am daily. Additionally, Bosnia has closed its borders to all foreigners.

EXPLORATION

Adriatic commenced a 20,000m drilling campaign for 2020 in mid January, ramping up the rig count recently to 5 rigs, with a 6th rig contracted and en-route from Serbia. The recent closure of the border has delayed the arrival of the 6th rig, but we are confident that border closures will cease within weeks. All other exploration activity is continuing unaffected, with supplies being delivered on time, and core sample exports to Bor in Serbia being only slightly delayed by border restrictions. We have sought and received a special dispensation from the municipal emergency coordinator to continue drilling 24 hours per day during the curfew period.

In 2020 to date we have drilled over 2,800m in 10 holes, and have recently permitted a further 29 drill pads for an increase in exploration activity over the spring and summer months. No assay results from the 2020 program have been received to date, but we have been advised that no delays are expected by ALS, our metallurgical assay provider in Serbia.

PRE-DEVELOPMENT

All activities related to metallurgical test work, geo-chemical domaining and pre-feasibility assessment are underway and largely unaffected by the current crisis. For the Environmental and Social Impact Assessment, where some foreign based consultants had been expected to conduct site visits for various streams of work, these have been substituted by local resources under the guidance of our international consultants, with no resulting impact on the quality of work.

As a result of the expansion in the mineralised footprint visually evident from recent drilling, a deferral of the Pre-Feasibility Study ("PFS") is being considered to allow additional drilling to be incorporated into an updated mineral resource estimate, which will be utilised for the PFS. This is not as a result of any delays in PFS work streams, which are all progressing as planned, or any COVID-19 related issues.



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PERMITTING

In December a public hearing was held for the issue of the Environmental Permit which resulted in a small number of additional information requests from the Federal Ministry for Environment and Tourism. The company submitted responses in late January and has been waiting for the 5-member panel of the review committee to submit their reports to the Ministry. We understand that those reports have been submitted and we expect the final Environmental Permit to be issued imminently. Once received the company will submit the Urban Planning Application and schedule a public hearing for the approval of the Exploitation Permit. Under the State of Emergency implemented by the Bosnian Government recently, such a public hearing would not be permitted, and we are seeking guidance from the Federal Ministry as to whether such a hearing could be done via webcast. If the public hearing is delayed, this will result in delays to the issue of the Exploitation Permit but are unlikely to affect the critical path for project delivery.

As at 2 April Bosnia & Herzegovina has approximately 500 confirmed cases of COVID-19, of which 29 are in Zenica-Doboj Canton, but no cases have been reported in Vares Municipality.

Paul Cronin, Managing Director & CEO commented, "Whilst our priority is the health and well-being of our staff and our local community, our team in Vares have been working with the authorities to observe social distancing guidelines but simultaneously continue to deliver on the project milestones. We will continue to monitor the situation in Vares and Bosnia, and look forward to a relaxation on the restrictions of people movement at the appropriate time, but at this stage the effects of COVID-19 on our business are minimal."

MARKET ABUSE REGULATION DISCLOSURE

The information contained within this announcement is deemed by the Company 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.

For further information please contact:

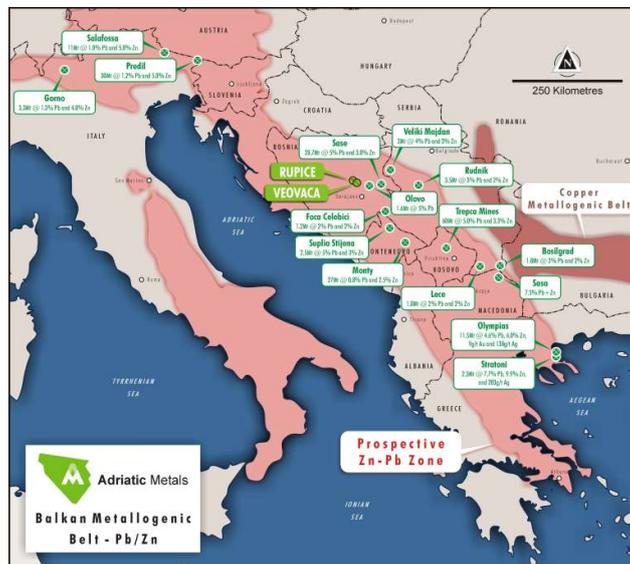
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Managing Director & CEO
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ABOUT ADRIATIC METALS

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.



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.