

## ASX ANNOUNCEMENT

4 September 2018



Adriatic Metals

# MAJOR PERMITTING MILESTONE ACHIEVED AT VAREŠ PROJECT

## ABOUT ADRIATIC METALS

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

## DIRECTORS AND MANAGEMENT

Mr Peter Bilbe  
NON-EXECUTIVE CHAIRMAN

Mr Geraint Harris  
CHIEF EXECUTIVE OFFICER

Mr Paul Cronin  
NON-EXECUTIVE DIRECTOR

Mr Julian Barnes  
NON-EXECUTIVE DIRECTOR

Mr Eric de Mori  
NON-EXECUTIVE DIRECTOR

Mr Milos Bosnjakovic  
NON-EXECUTIVE DIRECTOR

Mr Sean Duffy  
CFO AND COMPANY SECRETARY

[adriaticmetals.com](http://adriaticmetals.com)

**Adriatic Metals PLC (ASX:ADT & FSE:3FN) ('Adriatic' or the 'Company')** is pleased to announce that the Federal Ministry of Mining within the Federation of Bosnia & Herzegovina ("FERMI") has provided written acknowledgment of the completion of the Reserves Elaborat for the Veovaca deposit, which forms part of the broader Vareš Project, representing a major milestone toward the issue of the Exploitation Permit. Veovaca was a previously operating open pit mine, where in 2017, Adriatic drilled 16 confirmation holes and defined a JORC 2012 resource of containing 7.3 m tonnes at a 0.5% Zn Eq. cut off.<sup>1</sup>

Under the terms of the Concession Agreement, the Company is required to complete the conditions for an Exploitation Permit by May 2020, which will then provide the company with license tenure until 2038, and can be further extended at the election of the Company for a period of 10 years. In addition to this Reserve Elaborat, the Company is also required to submit an Environmental Impact Study; an in-principle Site Plan and a Mining Plan; Land Access Agreements as well as an Urban Planning Permit. As the Company is the principal private land owner at Veovaca, we do not regard any of these requirements as problematic, and are working to fulfil all requirements in order to receive the Exploitation Permit by Q4 2019.

The Concession Agreement covers three Fields, Veovaca I & II and Rupice-Jurasavec Brestic, and the granting of the Exploitation Permit at Veovaca will by default, extend the licence tenure on all Fields in the Concession Agreement to May 2038. The Company plans to complete the Reserve Elaborat for Rupice – Jurasavec Brestic in H1-2019 following completion of the current drilling program, which will be the first major step towards receiving the Exploitation Permit for that Field.

Following the issue of the Exploitation Permit, Adriatic will prepare and submit a Main Mining Plan (Feasibility Study) and apply for a Water Management Permit, which once accepted, will result in an Operations Permit being granted.

Adriatic's CEO, Geraint Harris commented *"the acceptance of the Reserve Elaborate for Veovaca is a major milestone in the permitting of the Vareš Project. Whilst exploration continues at Rupice we are working to align the permitting*

*time-lines for all Fields. We are privileged to have the strong support of government at all levels in Bosnia, as well as our local community in Vares, as has been demonstrated by the recent approval of the land expansion of the Concession by the Vareš Municipality."*

For further information please contact us via email to [info@adriaticmetals.com](mailto:info@adriaticmetals.com)

<sup>1</sup> Refer to Resource Table and Notes on Pages 2 and 3 of this Announcement

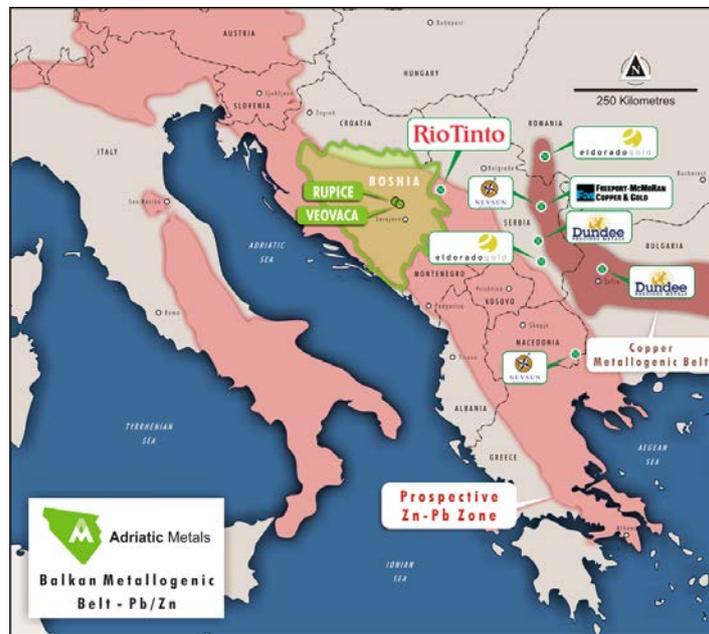
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### ABOUT ADRIATIC METALS

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 Veovaca and Rupice, an advanced proximal deposit which exhibits exceptionally high grades of base and precious metals.

Adriatic’s short-term aim is to expand the current JORC resource at Veovaca and to complete an in-fill drilling programme at the high-grade Rupice deposit. Adriatic has attracted a world class team to expedite its exploration efforts and to rapidly advance the Company into the development phase and utilise its first mover advantage and strategic assets in Bosnia.



### Resource Table

Veovaca Project Grade-Tonnage Report															
Cut-Off Zn Eq, %	Inside/Outside Au/Ag Sample Area	Category	Volume ('000 m <sup>3</sup> )	Tonnes (kt)	Density (t/m <sup>3</sup> )	Pb		Zn		BaSO <sub>4</sub>		Au		Ag	
						%	Kt	%	Kt	%	Kt	%	Koz	%	Koz
0.5	Inside	Indicated	853	2,614	3.06	1.14	30	1.94	51	18	478	0.09	8	58	4,881
	Inside	Inferred	351	997	2.84	0.35	3	1.29	13	5	55	0.07	2	16	501
	Inside	<b>Sub Total</b>	<b>1,204</b>	<b>3,611</b>	<b>3.00</b>	<b>0.92</b>	<b>33</b>	<b>1.76</b>	<b>63</b>	<b>15</b>	<b>533</b>	<b>0.08</b>	<b>10</b>	<b>46</b>	<b>5,382</b>
	Outside	Indicated	676	2,024	2.99	0.86	17	1.26	26	15	304	-	-	-	-
	Outside	Inferred	567	1,620	2.86	0.51	8	0.98	16	7	110	-	-	-	-
	Outside	<b>Sub Total</b>	<b>1,243</b>	<b>3,645</b>	<b>2.93</b>	<b>0.70</b>	<b>26</b>	<b>1.14</b>	<b>41</b>	<b>11</b>	<b>414</b>	-	-	-	-
	<b>Total</b>	<b>Total</b>	<b>2,447</b>	<b>7,256</b>	<b>2.96</b>	<b>0.81</b>	<b>59</b>	<b>1.45</b>	<b>104</b>	<b>13</b>	<b>947</b>	-	-	-	-
2.0	Inside	Indicated	746	2,313	3.10	1.25	29	2.1	48	20	465	0.1	7	64	4,742
	Inside	Inferred	141	413	2.93	0.59	2	2.08	9	10	42	0.07	1	28	370
	Inside	<b>Sub Total</b>	<b>887</b>	<b>2,726</b>	<b>3.07</b>	<b>1.15</b>	<b>31</b>	<b>2.09</b>	<b>57</b>	<b>19</b>	<b>507</b>	<b>0.09</b>	<b>8</b>	<b>58</b>	<b>5,112</b>
	Outside	Indicated	405	1,254	3.09	1.13	14	1.64	21	20	257	-	-	-	-
	Outside	Inferred	150	456	3.04	0.91	4	2.05	9	17	79	-	-	-	-
	Outside	<b>Sub Total</b>	<b>555</b>	<b>1,710</b>	<b>3.08</b>	<b>1.07</b>	<b>18</b>	<b>1.75</b>	<b>30</b>	<b>20</b>	<b>336</b>	-	-	-	-
	<b>Total</b>	<b>Total</b>	<b>1,442</b>	<b>4,436</b>	<b>3.08</b>	<b>1.11</b>	<b>49</b>	<b>1.96</b>	<b>87</b>	<b>20</b>	<b>843</b>	-	-	-	-



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### Notes:

1. Mineral Resources are based on JORC Code definitions.
2. A cut-off grade of 0.5% Zn Eq has been applied for the Mineral Resource Estimate and reported above a 0.5% and 2.0% Zn Eq cut-off in the table above.
3. Zn Eq was calculated using conversion factors of 0.814467 for lead, 0.08413 for barite, 1.463388 for gold and 0.019969 for silver, and recoveries of 90% for all elements. Metal prices used were US\$2,746/t for zinc, US\$2,236/t for lead, US\$240/t for barite, US\$1,250/oz for gold and US\$17/oz for silver.
4. The applied formula for the Resource (not including raw drill hole assay data) was:  $Zn Eq = Zn\% * 90\% + 0.814467 * Pb\% * 90\% + 0.087413 * BaSO_4\% * 90\% + 1.463388 * Au(g/t) * 90\% + 0.019969 * Ag(g/t) * 90\%$ .
5. The assumed recovery of 90% was based on historical production records from the Veovaca open pit.
6. A bulk density was calculated for each model cell using regression formula  $BD = 2.718835 + BaSO_4 * 0.01292 + Pb * 0.077334 + Zn * 0.022374$ .
7. Rows and columns may not add up exactly due to rounding.
8. Further to the 2018 Adriatic Prospectus released to the ASX on 27 April 2018, the Company confirms that it is not aware of any new information that materially affects the resources estimate

### Competent Persons Report

The information in this report which relates to Exploration Results is based on information compiled by Mr Robert Annett, who is a member of the Australian Institute of Geoscientists (AIG). Mr Annett is a consultant to Adriatic Metals PLC and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Annett consents to the inclusion in this report of the matters based on that information in the form and context in which it appears.

### 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.