

ASX ANNOUNCEMENT

1 May 2018



Adriatic Metals

ADRIATIC ENTERS INTO STRATEGIC RELATIONSHIP WITH SANDFIRE

ABOUT ADRIATIC METALS

Adriatic Metals Limited is focused on the development of the 100% owned, high-grade zinc polymetallic Vares 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 Sean Duffy

CFO AND COMPANY SECRETARY

adriaticmetals.com

Adriatic Metals PLC (ASX:ADT) ('Adriatic' or the 'Company') is pleased to announce a cornerstone investment and strategic relationship with Sandfire Resources NL (ASX:SFR) ('Sandfire'). The Company has recently completed a heavily oversubscribed initial public offer ('IPO') raising \$10 million, of which Sandfire subscribed for \$2 million for a relevant interest of 7.7% in the Company.

In addition, Sandfire and Adriatic have entered into a strategic partnership agreement which will provide for the Company to benefit from Sandfire's significant technical expertise to develop its Veovaca and Rupice Projects as well as further strategic support as the Company moves to unlock the potential from its first mover status and regional exploration portfolio.

HIGHLIGHTS

- Leading Australian Copper Producer, Sandfire provides strong endorsement of the Company's prospects via a cornerstone investment of \$2 million in Adriatic's recent IPO
- Adriatic and Sandfire enter into a strategic partnership agreement to allow the Company to benefit from Sandfire's technical and strategic expertise via the formation of a technical collaboration committee and strategic shareholder rights
- Sandfire now the largest shareholder outside Board and management group with a shareholding of 7.7% ('Strategic Shareholding')

Adriatic's Chief Executive Officer, Geraint Harris commented, *"We welcome Sandfire as a strategic investor and partner of Adriatic as we transition to a publicly listed Company. Securing a high-quality partner with world leading expertise in the exploration and development of base metals projects is a strong endorsement to the quality and potential of Adriatic's portfolio following an exhaustive period of due diligence."*

This also validates the prospectivity of our licence areas to host further discoveries as we commence our 2018 exploration programme. Sandfire brings a tremendous depth of experience in these styles of mineralisation which will enable us to further understand this under-explored and emerging base metals province of central Europe."

STRATEGIC RELATIONSHIP OVERVIEW

The strategic relationship creates an important collaboration between the Company and Sandfire that will allow the Company to benefit from Sandfire's technical and strategic expertise. It is anticipated that this will assist the Company to fast-track the feasibility and development of the Company's Veovaca and Rupice Projects. Adriatic and Sandfire have formed a strategic technical committee to oversee the strategy and implementation of the exploration and development of these Projects.

ASX ANNOUNCEMENT

1 May 2018



Adriatic Metals

As part of the strategic relationship and subject to the waiver or satisfaction of any applicable listing rules of the ASX, Sandfire will hold an anti-dilution right that shall, subject to a number of conditions, enable it to maintain its interest at the Strategic Shareholding.

Sandfire shall also be entitled to nominate one director to the Board of the Company as a non-executive director should Sandfire's relevant interest reach and be maintained in excess of 10%.

For further information please contact:

Geraint Harris

Chief Executive Officer

gharris@adriaticmetals.com

Adam Miethke

Corporate Advisor – Discovery Capital Partners

enquiries@discoverycapital.com.au

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 Vares 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.

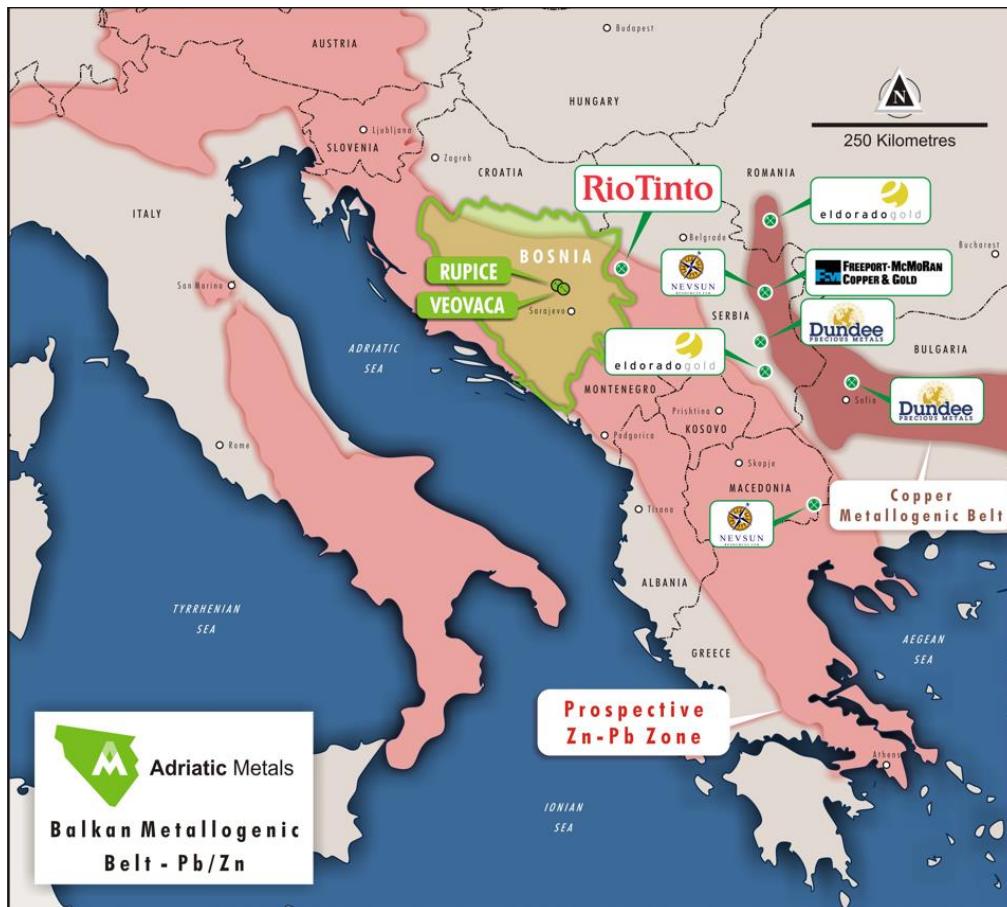


Figure 1. Location of Adriatic Metals Projects