

ASX ANNOUNCEMENT

30 October 2019



Adriatic Metals

ABOUT ADRIATIC METALS (ASX:ADT)

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

Shares on Issue: 177.6 million

Options: 17.1 million

DIRECTORS AND MANAGEMENT

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

Mr Sean Duffy
CHIEF FINANCIAL OFFICER
AND JOINT COMPANY SECRETARY

Mr Gabriel Chiappini
JOINT COMPANY SECRETARY

adriaticmetals.com

COMPLETION OF INSTITUTIONAL PLACEMENT AND INTENTION TO LIST ON LONDON STOCK EXCHANGE

HIGHLIGHTS

- Completion of a A\$25 million Two-Tranche Institutional Placement at an issue price of A\$1.00 per share
- The Placement was well supported by a number of high quality existing and new institutional investors
- Placement funds raised will be used to expedite aggressive exploration & development activities at the Vareš Project with the Company now fully funded through to completion of a Bankable Feasibility Study
- Adriatic to seek secondary listing of its shares on the Standard Segment of the Main Market of the London Stock Exchange in Q4 2019

Managing Director and CEO Paul Cronin commented: *"We are very pleased with the support for the Placement shown by our existing shareholders and new investors across Australia, Asia, Europe and North America. The Placement leaves us in a very strong financial position and will allow the Company to progress work on the Vareš Project up to a construction decision, including the completion of a Bankable Feasibility Study, without additional funding. In pursuing the LSE Listing we hope to foster the interest we have received to date from investors in the United Kingdom and Europe and facilitate the participation of new investors in what is shaping up to be a world class project."*

PLACEMENT OVERVIEW

Adriatic Metals Plc (ASX: ADT & FSE: 3FN) ("Adriatic" or the "Company") is pleased to announce a successful two-tranche placement to institutional investors ("Placement") and its existing shareholder, Sandfire Resources NL (ASX: SFR), who have subscribed for their pro-rata interest in the placement under the terms of the 2018 Collaboration & Strategic Partnership Deed.

The Placement was strongly supported by existing shareholders and will introduce a number of new, high quality global institutional investors to Adriatic's share register.

The Placement will raise a total of A\$25.0 million from the issuance of 25.0 million CHESS Depository Interests (“**New CDIs**”) at A\$1.00 per New CDI (“**Placement**”). The Placement will be conducted in two tranches:

- Tranche one will consist of 10,878,508 New CDIs to be issued within the Company’s placement capacity under the ASX Listing Rules and authority to issue shares without the application of statutory pre-emption rights (“**Tranche One**”). Tranche one placement to be made under ASX Listing Rule 7.1.
- Tranche two will consist of 14,121,492 New CDIs to be issued subject to shareholders approving resolutions to be proposed at the Company’s annual general meeting (“**AGM**”) to be held on 8 November 2019 to refresh the Company’s issuance capacity and authority to issue shares without the application of statutory pre-emption rights (“**Tranche Two**”). Tranche two placement will be made under ASX Listing Rule 7.1A.

Settlement of Tranche One is expected to occur on 5 November 2019. Settlement of 9,121,492 New CDIs under Tranche Two is expected to occur on 13 November following the Company’s AGM, with a deferred settlement of 5,000,000 New CDIs on 21 November 2019.

The net proceeds, together with the Company’s existing cash balance at 30 September 2019, of £3.7million (A\$6.9 million), raised from the Placement will be used to expedite aggressive exploration and development activities at the Company’s Vares Project, including:

- Ongoing exploration drilling;
- Completion of an Environmental Impact Assessment and permitting activities;
- Completion of a Bankable Feasibility Study; and
- General working capital requirements.

Canaccord Genuity (Australia) Limited and Tamesis Partners LLP are acting as Joint Lead Managers and Bookrunners to the Placement. Sprott Capital Partners and Ashanti Capital are acting as Co-Managers to the Placement.

LSE LISTING

The Company is also pleased to announce it has commenced a process to seek a secondary listing of the Company’s shares on the Standard Segment of the Official List and admission to trading on the Main Market for listed securities of London Stock Exchange plc (“**LSE Listing**”).

Adriatic is pursuing a LSE listing as it has received continued interest from investors in the United Kingdom and Europe and, given the location of the Company’s assets, it believes that these markets have the potential to provide support to Adriatic as it continues to progress the Vares Project.

It is anticipated that the LSE Listing will take place and the Company’s shares will commence trading on the London Stock Exchange during Q4 2019. Adriatic will retain its existing ASX listing as the Company’s primary listing.

The Company has appointed Tamesis Partners LLP as its financial advisor and Locke Lord (UK) LLP as its legal adviser in relation to the LSE Listing.

Completion of the LSE Listing is subject to the Company receiving the necessary approvals of the UK Listing Authority and the London Stock Exchange.

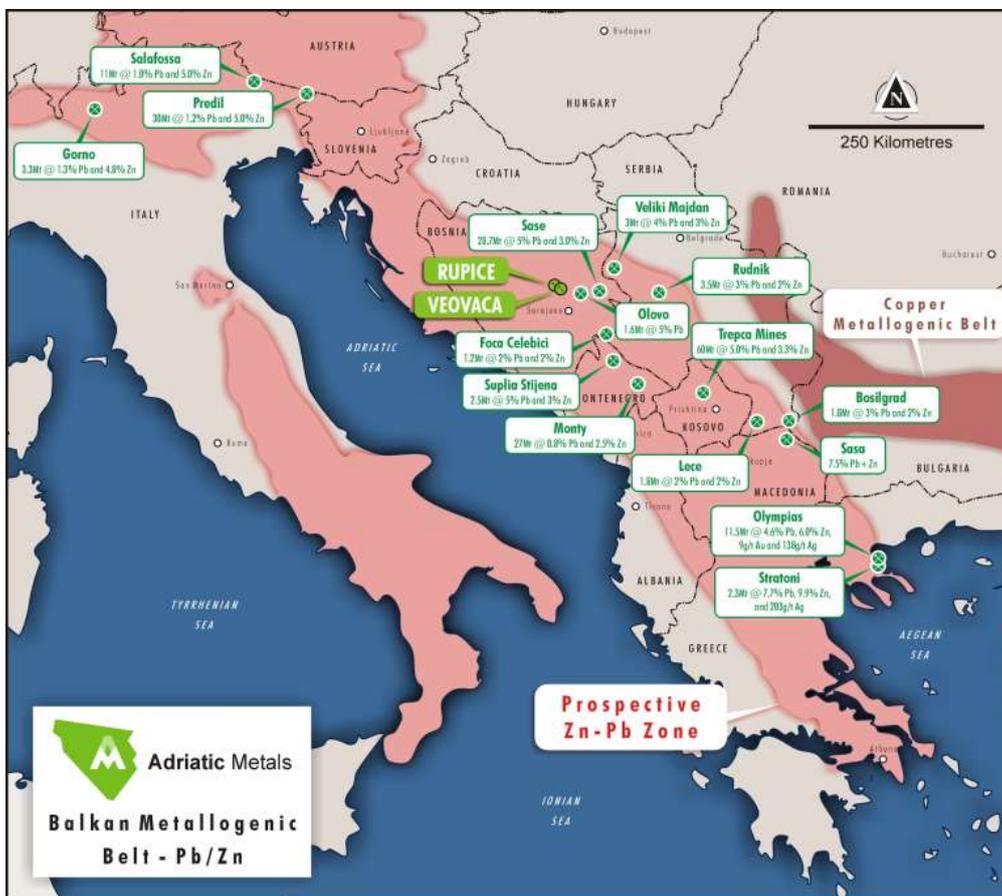
For further information contact:

Paul Cronin
Managing Director & CEO
Adriatic Metals Plc

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ABOUT ADRIATIC METALS

Adriatic Metals PLC (ASX:ADT) (“Adriatic” or “Company”) is an ASX-listed precious and base metals explorer and developer via its 100% interest in the Vareš Project in Bosnia & Herzegovina (the “Project”). 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. Adriatic’s short-term aim is to expand the current JORC resource at high-grade Rupice deposit, as well as conduct exploration on a number of other prospects within the expanded Concession. 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.



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.