

26 July 2018

Ms Anjuli Sinniah  
Senior Adviser, Listings Compliance  
ASX Limited  
Level 40, Central Park  
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Perth WA 6000

By email: [Anjuli.Sinniah@asx.com.au](mailto:Anjuli.Sinniah@asx.com.au)

Dear Anjuli

#### **RESPONSE TO ASX AWARE QUERY LETTER**

We refer to your letter dated 24 July 2018 (**ASX Aware Letter**) to Adriatic Metals Plc (**ADT** or the **Company**). Unless specifically defined otherwise below, capitalised terms used in this letter have the same meaning as given in the ASX Aware Letter.

The Company responds to each of your queries as follows:

**1. When did ADT first become aware of the Results, specifically the time and date ADT became aware of the Results?**

The "Results" as defined in the ASX Aware Letter, are comprised of two elements:

- the assay results for BR-4-18 (**BR-4-18 Assay Results**); and
- confirmation that ADT had completed the drilling on BR-6-18 (**BR-6-18 Drilling Results**).

In respect of the BR-4-18 Assay Results, the Company responds as follows:

- At 7:14pm (WST) on Wednesday, 11 July 2018, the Company's Head of Exploration received an email attaching the initial and preliminary assay results for BR-4-18. The email was not opened and reviewed by the Company's Head of Exploration until the following day on Thursday, 12 July 2018.
- In accordance with standard industry practice, the initial and preliminary results were subject to review, analysis, quality assurance / quality control (**QA/QC**) and interpretation.

As disclosed in the Media Speculation Announcement, this process was undertaken by the Company during the course of Thursday, 12 July 2018 and Friday, 13 July 2018. The QA/QC work was undertaken by the Company's Head of Exploration during the course of Thursday, 12 July 2018, which was then sent to the Company's Executives and Management by email at 7:39pm (WST) on Thursday, 12 July 2018. The Company's UK based Executives and Management reviewed and completed the QA/QC work and

interpretation of the results during the course of the day on Friday, 13 July 2018 (UK time). This review and interpretation process was completed in the afternoon of Friday, 13 July 2018 (UK time) and circulated by email to the Company's Head of Exploration by email at 8:21pm (WST) on Friday, 13 July 2018, with instructions to prepare the Results Announcement for review by the Board over the weekend.

The Company therefore became aware of the BR-4-18 Assay Results at this time. The Company notes that the Company's securities remained subject to a trading halt at this time.

- Following completion of the BR-4-18 Assay Results, the Company proceeded promptly to prepare the necessary announcement for release to the market and obtain the necessary competent person and director approvals which culminated in the lodgement of the Results Announcement to the ASX market announcement platform on Monday, 16 July 2018.

In respect of the BR-6-18 Drilling Results, the Company responds as follows:

- The drilling of BR-6-18 was completed on Sunday, 15 July 2018.
- As disclosed in the Results Announcement, based on initial visual assessment, BR-6-18 intersected little to no brecciation. It was therefore decided on Sunday, 15 July 2018 not to send samples of BR-6-18 for assay.
- The Company therefore became aware of the BR-6-18 Drilling Results on Sunday, 15 July 2018.

**2. Does ADT consider the Results to be information that a reasonable person would expect to have a material effect on the price or value of its securities?**

The Company considers the BR-4-18 Assay Results, of which it became aware after the Company's shares were already subject to a trading halt, to be information that a reasonable person would expect to have a material effect on the price or value of its securities.

The Company considers the BR-6-18 Drilling Results, of which it became aware on Sunday, 15 July 2018, to be information that a reasonable person would expect to have a material effect on the price or value of its securities.

**3. If the answer to question 2 is "no", please advise the basis for that view.**

Not applicable.

**4. If the answer to question 2 is "yes" and ADT first became aware of the Results before the Relevant Date, did ADT make any announcement prior to the Relevant Date which disclosed the Results? If so, please provide details. If not, please explain why the Results were not released to the market at an earlier time, commenting specifically on when you believe ADT was obliged to release the Results under Listing Rules 3.1 and 3.1A and what steps ADT took to ensure that the Results was released promptly and without delay.**

As confirmed above in response to question 1, for BR4-18, the Company became aware of the BR-4-18 Assay Results on the afternoon of Friday, 13 July 2018 (UK time), and the BR-6-18 Drilling Results on Sunday, 15 July 2018.

After receipt of the Results, the Company proceeded promptly to prepare the necessary announcement for release to the market and obtain the necessary competent person and director approvals which culminated in the lodgement of the Results Announcement to the ASX market announcement platform on Monday, 16 July 2018.

The Company's securities remained subject to a trading halt at all times after it become aware of the Results until the Results Announcement was released on the ASX market announcements platform on Monday, 16 July 2018.

**5. Please confirm that ADT is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.**

The Company confirms it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

**6. Please confirm that ADT's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of ADT with delegated authority from the board to respond to ASX on disclosure matters.**

The Company confirms that the responses provided in this letter have been authorised and approved by the Board.

Yours sincerely

**Gabriel Chiappini**  
Local Agent  
For and on behalf of Adriatic Metals plc



24 July 2018

Gabriel Chaippini  
Company Secretary

By email: [gabriel@laurus.net.au](mailto:gabriel@laurus.net.au)

Dear Gabriel

**Adriatic Metals Limited (“ADT”): aware query**

ASX Limited (“ASX”) refers to the following:

- A. The announcement entitled “Trading Halt” lodged on the ASX Market Announcements Platform and released at 12:48pm AEST on 13 July 2018 and “Trading Halt Request” lodged on the ASX Market Announcements Platform and released at 1:04pm AEST on 13 July 2018 (together “Trading Halt”), whereby ADT requested a trading halt pending an update to media speculation relating to its current drilling programme at Rupice area, of its 100% owned Vareš Project in Bosnia and Herzegovina.
- B. ADT’s announcement entitled “Response to Media Speculation” (“Media Speculation Announcement”) lodged on the ASX Market Announcements Platform and released at 10.44am AEST on 16 July 2018, disclosing the following:
- a) ADT became aware of speculation on Hot Copper regarding the anticipated timing for release of assay results for BR-4-18 & BR-5-18 at Rupice, the process for having ADT’s drill cores assayed and the full mineralised interval in previously announced drill holes and the potential for open pit mining at Rupice;
  - b) ADT confirmed that on 12 July 2018, ADT had received preliminary assay results for BR-4-18 which were subject to review. Accordingly, ADT was in the process of preparing a release disclosing the results;
  - c) ADT has not made any decisions as to the potential mining approach at Rupice, but it can confirm that in the drill holes announcements on 12 and 22 June 2018, that the full mineralised assayed intervals were disclosed in the releases, in addition to the higher grade intervals referred to in the headline text. Further, only limited exploration activity has been completed at Rupice and ADT has recently commenced a 15,000m drill program. Following the completion of the drill program, further studies and evaluation work will be required to be undertaken before ADT will be in a position to estimate any resource or reserve or to provide any assurance of an economic development case; and
  - d) ADT does not consider the speculation to be information that a reasonable person would expect to have a material effect on the price or value of its securities  
  
(collectively “Speculation Information”).
- C. ADT’s announcement entitled “Drilling Update for Rupice North Area” (“Results Announcement”) lodged on the ASX Market Announcements Platform and released at 10.44 am AEST on 16 July 2018

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("Relevant Date"), disclosing assay results for BR-4-18 and confirming ADT has completed the drilling on BR-6-18 ("Results").

D. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.

E. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

*"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity"*

and section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B* "When does an entity become aware of information".

F. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

*"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*

*3.1A.1 One or more of the following applies:*

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity;*  
*or*
- *The information is a trade secret; and*

*3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

*3.1A.3 A reasonable person would not expect the information to be disclosed."*

G. ASX's policy position on the concept of "confidentiality", which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

*"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."*

Having regard to the above, ASX asks ADT to respond separately to each of the following questions and requests for information:

1. When did ADT first become aware of the Results, specifically the time and date ADT became aware of the Results?

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2. Does ADT consider the Results to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
  3. If the answer to question 2 is “no”, please advise the basis for that view.
  4. If the answer to question 2 is “yes” and ADT first became aware of the Results before the Relevant Date, did ADT make any announcement prior to the Relevant Date which disclosed the Results? If so, please provide details. If not, please explain why the Results were not released to the market at an earlier time, commenting specifically on when you believe ADT was obliged to release the Results under Listing Rules 3.1 and 3.1A and what steps ADT took to ensure that the Results was released promptly and without delay.
  5. Please confirm that ADT is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
  6. Please confirm that ADT’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of ADT with delegated authority from the board to respond to ASX on disclosure matters.

#### **When and where to send your response**

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than half an hour before the start of trading (**ie before 7.30am WST) on Friday 27 July 2018.**

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

#### **Listing Rules 3.1 and 3.1A**

In responding to this letter, you should have regard to ADT’s obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that ADT’s obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, providing the information requested in this letter.

Further, if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, ADT’s obligation is to disclose the information “immediately”. This may require the information to be disclosed before the deadline set out in this letter and may require ADT to request a trading halt immediately.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

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We will require the request for the trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

**Suspension**

If you do not respond to this letter by the deadline set out above or if ASX does not consider your response to be satisfactory, ASX is likely to suspend trading in ADT's securities under Listing Rule 17.3.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

*[Sent electronically without signature]*

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**Anjuli Sinniah**

Senior Adviser, Listings Compliance (Perth)