

20 March 2023

Mariposa Iron Ore Project Term Sheet Update

Admiralty Resources NL (ASX:ADY) ('**ADY**' or '**Company**') is pleased to provide a further update on the progression of the Mariposa project by ADY and its negotiations with Hainan Xinlei Mining Management Co Ltd (**Hainan**).

On 17 March 2023, the Company and Hainan entered into an agreement with certain abbreviated commercial and project management terms ("**Interim Term Sheet**"). The parties have agreed that a detailed term sheet with the usual terms of a transaction of this size and nature ("**Final Term Sheet**") will be completed by Saturday, 25 March 2025. ADY will announce the Final Term Sheet on its execution.

Key terms of the Interim Term Sheet are as follows:

Key Commercial Terms

1. Hainan will provide all capital equipment and undertake all development activities required to commence production at a rate of 500,000 t/pa in 2024 (**Phase 1**) and to commence construction on a 2,000,000 t/pa capacity production plant in 2025 (**Phase 2**).
2. Hainan will be responsible for the operation, management, production, sale of the mine product, and to provide working capital to take the project into production.
3. ADY, through Admiralty Minerals Chiles Pty Ltd agencia en Chile (**Chilean Subsidiary**), will continue to own the rights to the resource, with the Mariposa tenements remaining in the Company's name.
4. ADY will retain 20% of the Chilean Subsidiary's net profit after tax and Hainan will receive the balance 80% as consideration for providing the capital and undertaking development required for Phase 1.
5. The Parties have agreed that if ADY decides to invest funds into the development of Phase 2, then the terms of the Phase 2 project will be negotiated at that time.
6. Hainan reserve the right to recover any contribution made to date if the Parties do not proceed with the Mariposa project in accordance with the terms of the Interim Term Sheet.

Project Management

1. A mine management committee (**Committee**) will be established, which consists of two representatives from ADY and two representatives from Hainan. The responsibility of the Committee is to set the strategy and annual budget (**Annual Budget**) for, and oversee the conduct of, the project.
2. The approval of the Annual Budget and strategy will be by vote.

3. The Chair of the Committee will be the Chairman of ADY, Mr Bin Li, who has a casting vote in the event of a 50-50 vote split. Where Mr Bin Li is no longer associated with ADY, Hainan will have the right to appoint the new Chair of the Committee.
4. Hainan will provide the operational management for the Mariposa project.

The Parties have entered into this Interim Term Sheet (while they continue to negotiate the Final Term Sheet) as Hainan has already undertaken certain expenditure to provide equipment and commence development on Phase 1 of the project to fast track the mining construction at Mariposa.

The Company will provide the market with further updates once it executes the Final Term Sheet.

The release of this announcement was authorised by the Board of Directors and released by the Joint Company Secretaries.

For more information:

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ABOUT ADMIRALTY

Admiralty Resources NL (ASX: ADY) is a public diversified mineral exploration company listed on the Australian Securities Exchange with mineral interests in Chile and in Australia.

Admiralty's flagship projects are the iron ore districts in Chile: Harper South (2,498 Ha), Pampa Tololo (3,455 Ha) and El Cojin (600 Ha). The districts are located in prime locations, with close and easy access to the Pan-American Highway (a major route), a railway and power line and operating shipping ports.

Admiralty's project in Australia is the Pyke Hill Project, a cobalt and nickel project in Western Australia, whose mining lease is 50% owned by Admiralty.

Admiralty in Chile

The **Harper South district** ("Harper South") is the most advanced district in respect to exploration. To date, six targets have been confirmed as carriers of iron mineralisation: Mariposa, La Chulula, Soberana, Negrita, La Vaca and Mal Pelo.

- **Mariposa** has a JORC 2004 compliant resource of 174.5 Mt (*as per ASX announcement on 25/1/2013*).
- **La Chulula**. The Mineral Resource Estimate quantifies the resources at La Chulula at 96 Mt at 24% Fe for a 15% Fe cut-off in the inferred category. The La Chulula resource estimate is based on the results obtained from the reverse circulation and diamond drilling campaign completed in 2012
- **Soberana** has a JORC 2004 compliant resource of 90.2 Mt (*as per ASX announcement on 15/1/2013*).

Pampa Tololo district - A high resolution ground magnetic survey carried out in 2011 identified three targets: Cochrane, O'Brien and Simpson. A reverse circulation drilling campaign of 3,311m took place at Simpson in July/August 2012. The results of this campaign are currently being evaluated by the Company.

El Cojin district - It is the least advanced of Admiralty's projects in Chile, with the first piece of exploration work being a high-resolution ground magnetic survey carried out in 2012. The survey identified 5 targets in total with 3 of them showing great depth and high susceptibility.

Schedule of tenements

| <i>Tenement Reference</i> | <i>Registered Holder</i> | <i>% Held</i> | <i>Country</i> | <i>Project Group</i> |
|---------------------------|---|---------------|----------------|----------------------|
| M39/159 | Pyke Hill Resources Pty Ltd | 50% | Australia | Pyke Hill |
| HARPER SOUTH | | | | |
| Negrita 1-4 | Admiralty Minerals Chile Pty Ltd Agencia en Chile | 100% | Chile | Negrita Group |
| Leo Doce, 1-60 | Admiralty Minerals Chile Pty Ltd Agencia en Chile | 100% | Chile | Negrita Group |
| Soberana 1-5 | Admiralty Minerals Chile Pty Ltd Agencia en Chile | 100% | Chile | Soberana Group |
| Phil Cuatro, 1-16 | Admiralty Minerals Chile Pty Ltd Agencia en Chile | 100% | Chile | Soberana Group |
| Leo 101, 1-30 | Admiralty Minerals Chile Pty Ltd Agencia en Chile | 100% | Chile | Soberana Group |
| Leo Cinco, 1-60 | Admiralty Minerals Chile Pty Ltd Agencia en Chile | 100% | Chile | Mariposa Group |
| Leo Seis, 1-58 | Admiralty Minerals Chile Pty Ltd Agencia en Chile | 100% | Chile | Mariposa Group |
| Leo Ocho, 1-60 | Admiralty Minerals Chile Pty Ltd Agencia en Chile | 100% | Chile | Mariposa Group |
| Leo Nueve. 1-60 | Admiralty Minerals Chile Pty Ltd Agencia en Chile | 100% | Chile | Mariposa Group |
| Leo Diez, 1-40 | Admiralty Minerals Chile Pty Ltd Agencia en Chile | 100% | Chile | Mariposa Group |
| Leo Once, 1-40 | Admiralty Minerals Chile Pty Ltd Agencia en Chile | 100% | Chile | Mariposa Group |
| Leo Trece, 1-60 | Admiralty Minerals Chile Pty Ltd Agencia en Chile | 100% | Chile | Mariposa Group |
| OTHER SECTORS | | | | |
| Pampa Tololo 1-2475 | Admiralty Minerals Chile Pty Ltd Agencia en Chile | 100% | Chile | Pampa Tololo Group |
| Cerro Varilla 1-732 | Admiralty Minerals Chile Pty Ltd Agencia en Chile | 100% | Chile | Pampa Tololo Group |
| Leo 14, 1-40 | Admiralty Minerals Chile Pty Ltd Agencia en Chile | 100% | Chile | Other Tenements |
| Leo 105 | Admiralty Minerals Chile Pty Ltd Agencia en Chile | 100% | Chile | Other Tenements |
| Leo 106 | Admiralty Minerals Chile Pty Ltd Agencia en Chile | 100% | Chile | Other Tenements |
| Leo 107 | Admiralty Minerals Chile Pty Ltd Agencia en Chile | 100% | Chile | Other Tenements |
| Mal Pelo | Admiralty Minerals Chile Pty Ltd Agencia en Chile | 100% | Chile | Other Tenements |

Board

Executive Chair

Mr Bin Li

Managing Director

Mrs Qing Zhong

Executive Director

Mrs Jian Barclay

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