

28 April 2023

ASX Announcement

Project Update: Mariposa Concentrator Construction Advancing

Highlights

- **Construction of Mariposa Iron Ore Project's concentrator progressing rapidly.**
- **Mine stope construction underway; explosives supplier secured.**
- **Key equipment arriving on-site; electricity service contract signed.**
- **Project advancing amid continued strong demand for iron ore, with projected supply deficit adding to need for new projects.**

Emerging iron ore producer Admiralty Resources NL (ASX:ADY) ('Admiralty' or the 'Company') is advancing its 100% owned Mariposa Iron Ore Project in Chile towards production, amid continued strong demand and constrained supply for the key steelmaking metal.

The Company is focusing on the construction of the concentrator for the project, targeting first production in March 2024 (refer timeline below).

Concentrator construction

Admiralty is progressing levelling of the equipment site in preparation for construction of the concentrator, with the levelling area to encompass 1,350 square metres. During March, excavators and loaders were used to ensure smooth roadway transportation to the site, with the No. 1 Highway successfully repaired and another road from the mine, the No. 2 Highway, also completed. As a result, the necessary roads have been prepared and are ready for the first blasting. Further improvements to the roads are planned to reduce dust and pollution.



No. 1 Highway

The Company has also successfully excavated the foundations to prepare for installation of the mineral processing equipment, with an auxiliary deep cone thickener and foundation work for a high-level water storage facility completed during March. Civil works have been completed in preparation for the process plant mounting, together with earth moving and other preparations for the construction of a new camp.



Processing Plant Field

Mine stope construction

Construction of the mine stope is also progressing, together with ore sampling and testing work and ground stripping work. Blasting works are proposed to commence shortly, with the Company having signed an agreement with blasting company FAMESA. Drawings and maps for mine site construction and buildings have been completed. A contractor, VMR Ltd has been engaged for the necessary civil works, including excavations, steel and concrete.

Equipment is progressively arriving on-site, with 23 containers received as part of the first batch of materials in March and a second batch comprising 15 vehicles of equipment and supplies to be received shortly. This included steel mills and plates together with necessary spare parts.



Steel Mills and Plates, Spare Parts Arrive at the Mariposa Camp

Electricity service contract signed

Admiralty has signed an electricity service contract with Energy Engineers SPA to commence the transmission line design, using a substation located around 15 kilometres from the mine.

The Company is also finalising arrangements for water supply with local suppliers, with the directors exploring two additional options to access water at Mariposa, which are expected to be more economical than obtaining water through the current provider.

A Letter of Intent has been signed with Ferronor, the major local railway company, for the transportation of iron ore concentrate from the mine to port. Port access remains available at both peer competitor Compania Minera del Pacifico's Las Losas port, and the Guacolda port.

Health and safety

The health, safety and wellbeing of our people and the community in which we operate is Admiralty's highest priority. Employees have been thoroughly inducted with the necessary health and safety processes, including pre-start meetings and safety toolbox talks, as part of a proactive health and safety policy.



Road inspection

Welcoming the latest progress, Executive Chairman Mr Bin Li commented:

“Admiralty is making enormous progress towards the launch of production at Mariposa in 2024, with our project proceeding on time and on budget despite increasing cost and supply chain pressures.

The global iron ore market needs new sources of supply and our project in the rich Chilean Iron Belt is well placed to become a stable long-term producer.

We are working closely with our key partners, including Hainan Xinlei Mining Management Co Ltd, to ensure our project can achieve planned production in 2024 followed by further ramp up from 2025.

With China's steel demand remaining strong and the world economy recovering, we are in an excellent position to benefit and are focused on getting into production quickly and smoothly for the benefit of all stakeholders.”

Major Contractor and Equipment supplier

In March 2023, Admiralty announced an Interim Term Sheet with Hainan Xinlei Mining Management Co Ltd (**Hainan**) (refer ASX release 20 March 2023). Under the Term Sheet, Hainan has agreed to provide all capital equipment and undertake the necessary development activities to commence production at Mariposa in 2024 and to then to seek to increase its production capacity from 2025. The Company continues to progress the long-form documentation with Hainan and will provide the market with further updates in due course.



Unloading Second Shipment of Equipment

Upcoming activities

The following table provides an indicative timeline of current and upcoming activities at the Mariposa project:

Activity	Status/ Indicative completion date
Receipt of key equipment and supplies to commence construction	Ongoing
Preparation of tailings dam	Ongoing
Commencement of waste dam	Commenced
Process plant arrival	April 2023
Civil work (foundations)	July 2023
Plant mounting commencement	July 2023
Tailings dam completion	August 2023
Process plant installed	December 2023
First Production	March 2024

Location

The Mariposa project has favourable access to infrastructure, including being located just 6km from the railway line, 70km from port and 25km from the town of Vallenar, with access to road infrastructure and a high voltage power line.

Market

The iron ore market has remained solid in 2023, with investment bank Goldman Sachs projecting a “significant” deficit which will increase prices to US\$150 per tonne, aided by strong Chinese steel demand and a recovering global economy. (Source: Australian Financial Review, 20 February 2023)

In 2021, Chile exported around US\$2.5 billion worth of iron ore, making it the world’s ninth-largest exporter.



Mr Bin Li (ADY Chairman – second left), Mrs Qing Zhong (CEO – third left), Mr Genaro Gin (ADY Chilean Legal Representative - middle) with the Hainan Management Team

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 Australia.

Admiralty is advancing its flagship Mariposa Iron Ore Project in Chile towards production, targeting first production in 2024, with a view to increasing production capacity from 2025.

The Mariposa project has favourable access to infrastructure, including being located just 6km from the railway line, 70km from port and 25km from the town of Vallenar, with access to road infrastructure and a high voltage power line.

Together with Mariposa, other exploration projects in the Company's Harper South district (2,498 ha) include La Chulula and Soberana, with potential for further growth in iron ore resources. Other exploration areas in Chile include the Pampa Tololo district (3,455 ha) and El Cojin (600 ha).

In Australia, Admiralty holds a 50% stake in the Pyke Hill Project, a cobalt and nickel project in Western Australia.

For more information, please visit <https://ady.com.au/>

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

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