

QUARTERLY ACTIVITIES REPORT

31 July 2024

For the quarter ended 30 June 2024

Admiralty Resources NL (**ASX: ADY**) (**Admiralty** or the **Company**) further advanced the development of its flagship Mariposa Iron Ore Project in Chile towards production amid continuing strong demand for iron ore, as highlighted in this Quarterly Activities Report for the quarter ending 30 June 2024.

Exploration and Quarterly Activities

Mariposa

Test Run and Trial Production

The Mariposa team commenced test run and trial production during the June 2024 quarter as it continues to work towards the pre-production phase of the project.

Key highlights include:

- The completion of installation of the equipment, enabling the equipment to be tested.
- The crushing section which consists of the jaw crusher, coarse crusher, and fine crusher has been tested for approximately 6 hours each day to ensure that it can operate smoothly and to test the production capacity.
- The power supply system is currently being constructed which include the high and low voltage power room.
- The Mariposa team are actively engaged in discussions with relevant stakeholders to forward the project.

The Company will provide the market with further information once it enters the pre-production phase.

Port Services Contract

Admiralty achieved further milestones at the Mariposa Iron Ore Project during the June quarter 2024, with the Company continuing to work towards the commencement of production this year.

In April, Admiralty announced that wholly owned subsidiary, Admiralty Minerals Chile Pty Ltd Agencia en Chile, has entered into a port receiving, stacking and storage iron ore concentrate service contract with Puerto Las Losas S.A. ('Las Losas'), with an effective date of 5 March 2024. The Company received the formally legalised contract on 17 April 2024 (the 'Port Service Contract' or 'Contract') (refer ASX release 19 April 2024).

Valid for five years subject to any extension, the Contract is for the provision of the receipt, stacking and storage of iron ore concentrates, as well as terminal services work for ships and shipments from an origin or destination prescribed by the Contract, and the transportation of goods directly or in connection with ports.

Fees are payable to Las Losas for the docking of ships and other port services as specified in the Maritime Administration and Port Regulations and as necessary for the berthing of ships; the stacking, storage and transportation of iron ore concentrates; and the minimum shipping volume as detailed in the Contract. Costs associated with the Port Service Contract will be covered by Hainan Xinlei Mining Management Co Ltd, in accordance with the Mariposa Iron Ore Project Term Sheet.

Joint Operating Agreement

Admiralty has entered into a Joint Operating Agreement with Hainan Xinlei Mining Management Co Ltd to develop and manage the Mariposa project (refer ASX release 25 June 2024).

Under the agreement, 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'). Hainan will be liable for all liabilities, costs and expenses incurred in connection with the project, including project expenditure and to the point of the sale of the products.

Hainan has been appointed by Admiralty as the head engineering, procurement, construction and mining contractor and is solely responsible for project development, mining and treatment of the iron ores, and rehabilitation of the mining area. Hainan will also be the non-exclusive sales and marketing agent in respect of the sale of the products derived from the project.

Admiralty will retain 20% of the Chilean subsidiary's notional net profit after tax and Hainan will receive the balance (80%) as consideration for providing the capital and undertaking development required for Phase 1 and Phase 2. Upon completion of Phase 1, Admiralty may engage in good faith negotiations to revise the profit split of the project.

Chaired by Admiralty Chairman Mr Bin Li, an operating committee has been established, consisting of one representative from Admiralty and two representatives from Hainan, to set the project's strategy and annual budget and oversee its development.

Further details regarding the agreement are provided in the ASX announcement.

Soberana

Water from Soberana continues to be supplied to Mariposa, via a reservoir built in 2023 for water storage.

La Chulula

Admiralty continues to progress the second stage of environmental approvals. Further updates will be provided as this project advances, with the benefit of its proximity to the Mariposa mine site.

Australian Projects

Pyke Hill

The Pyke Hill nickel cobalt project, in which the Company has a 50% interest through wholly-owned subsidiary Pyke Hill Resources Pty Ltd (**Pyke Hill Resources**), has been predominately dormant to date. The other 50% interest in the project is held by Richore Pty Ltd (**Richore**).

Pyke Hill Resources and Richore have been involved in legal proceedings pertaining to whether a third party, Cougar Metals NL (subject to DOCA) (**Cougar**), retained any rights to the mineral nickel/cobalt rights contained in the Pyke Hill tenement (M/39/159) pursuant to an option agreement terminated by Pyke Hill Resources in July 2021 (**Option Agreement**) (refer ASX announcement 16 March 2023).

Cougar lodged an appeal against the Supreme Court of Western Australia's (**WASC**) judgement. The Court of Appeal (WA) upheld the primary judge's finding that Cougar had breached its obligations under the Option Agreement with respect to the statutory minimum annual expenditure commitments of Pyke Hill Resources as the tenement holder, and also overturned the primary judge's finding and declared that the Option Agreement was not effectively terminated in July 2021. Costs related to this matter were awarded in favour of Cougar.

The Company advises that the outcome of the Court of Appeal (WA) judgement in relation to Pyke Hill Resources does not impact on the advancement of the Mariposa Project or the current operations of the Company. The Company will provide the market with further updates in due course.

Corporate

General Business

\$78,000 was paid to Directors during the quarter. All payments to related parties and their associates were for remuneration for services as Directors in the ordinary course of business and on arms' length terms, and rent for the Australian office.

The Company notes that during the June 2024 quarter it received further capital injections from Hainan in accordance with the Interim Term Sheet as announced on 20 March 2023. The capital is for the use of the Mariposa Project to undertake all the necessary development activities to commence production. As such the Company did not incur any direct development costs for the project. Since signing of the Joint Operating Agreement with Hainan (refer ASX release 25 June 2024), it is anticipated that majority of the costs for the Mariposa Project will be injected directly by Hainan.

Placement

On 4 April 2024, Admiralty announced the completion of a private placement to raise \$733,831 (before costs) at \$0.0054 per share from new and existing investors, with all funds raised to be used towards working capital purposes. The placement issue price represented an 18.7% discount to the 15-day VWAP at close of trading on 27 March 2024 (refer ASX announcement 4 April 2024).

Unmarketable Parcel Share Sale Facility

Admiralty instituted an unmarketable share sale facility at an indicative price of A\$0.0059 per share. Under the facility, any shareholder with a shareholding valued at less than A\$500 could sell their shares off-market without having to pay brokerage. The closing date for acceptances was 5pm AEST Monday, 3 June 2024 (refer ASX announcement 18 April 2024).

Admiralty announced the completion of the facility on 5 May 2024 (refer ASX release). The final number of shares sold under the facility was 44,963,933 ADY ordinary shares for a total consideration of A\$265,288.51.

The facility comprised 4,871 shareholders, representing approximately 88% of eligible shareholders. Eligible shareholders whose shares were sold under the facility will have their proceeds remitted to them and will be sent documentation advising them of the number of shares sold and the amount of proceeds remitted.

Recent Announcements – June Quarter 2024

| Date | Announcement |
|---------------|---|
| 2 April 2024 | Trading Halt |
| 2 April 2024 | Becoming a substantial holder |
| 4 April 2024 | Admiralty Completes Private Placement |
| 4 April 2024 | Proposed issue of securities – ADY |
| 5 April 2024 | Application for quotation of securities – ADY |
| 5 April 2024 | Cleansing Statement |
| 18 April 2024 | Unmarketable Parcel Share Sale Facility |
| 19 April 2024 | Admiralty Secures Port Service Contract |
| 30 April 2024 | March Quarterly Activities Statement |
| 30 April 2024 | March Quarterly Appendix 5B |
| 5 June 2024 | Completion of Unmarketable Parcel Share Sale Facility |
| 25 June 2024 | Mariposa Iron Ore Project Joint Operating Agreement |

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 contains Inferred Mineral Resources of 59.74 Mt, with Measured Mineral Resources of 6.65 Mt, Indicated Mineral Resources of 39.16 Mt and total Mineral Resources of 105.6 Mt (cut-off grade 15% TFe) – a JORC 2012 compliant resource (refer ASX Announcement 4 October 2023). Estimated Ore Reserves comprise 36.3 million tonnes (Mt) as a cut-off grade of 15% TFe, with Total Fe concentrate of approximately 14 Mt at a grade of 65% TFe (refer ASX Announcement 14 February 2024).

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/>

References to previous ASX releases

- 25 June 2024 – “Mariposa Iron Ore Project Joint Operating Agreement”
- 5 June 2024 – “Completion of Unmarketable Parcel Share Sale Facility”
- 19 April 2024 – “Admiralty Secures Port Service Contract”
- 18 April 2024 – “Unmarketable Parcel Share Sale Facility”
- 4 April 2024 – “Admiralty Completes Private Placement”

Admiralty Resources confirms that it is not aware of any new information or data that material affects the information included in the original releases and that all material assumptions and technical parameters underpinning the estimates in original release continue to apply and have not materially changed. Admiralty Resources confirms that the form and context in which the competent person's findings are presented have not been materially modified from the original releases.

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

Non-Executive Director

Mr Gregory Starr

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Forward Looking Statements

This announcement contains forward looking statements, including statements of current intention, statements of opinion and predictions as to possible future events. Forward looking statements should, or can generally, be identified by the use of forward-looking words such as “believe”, “expect”, “estimate”, “will”, “may”, “target” and other similar expressions within the meaning of securities laws of applicable jurisdictions, and include but are not limited to the expected outcome of the acquisition. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements. Such statements are not statements of fact and there can be no certainty of outcome in relation to the matters to which the statements relate. These forward-looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual outcomes to be materially different from the events or results expressed or implied by such statements. Those risks, uncertainties, assumptions and other important factors are not all within the control of Admiralty and cannot be predicted by Admiralty and include changes in circumstances or events that may cause objectives to change as well as risks, circumstances and events specific to the industry, countries and markets in which Admiralty operates. They also include general economic conditions, exchange rates, interest rates, competitive pressures, selling price, market demand and conditions in the financial markets which may cause objectives to change or may cause outcomes not to be realised.

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