

18 June 2021**Mariposa Co-Operation Agreement Revised**

Sydney, Australia, 18 June 2021. Admiralty Resources NL (ASX: ADY) (the **Company** or **ADY**) is pleased to announce that the Company has renegotiated the previously announced Chilean Mining Cooperation Agreement with Hainan Xinlei Mining Management Co Ltd (**Hainan**) (the **Co-op Agreement**) and has now entered into a binding term sheet that has the effect of repositioning the relationship between Hainan and ADY (the **Term Sheet**).

The existing arrangement under the Co-op Agreement saw Hainan fund and operate the Mariposa project exclusively, with the Company receiving a royalty payment on success of the project (refer to ASX Announcement of 15 February 2021 for further details).

Having reviewed the Company's overall portfolio and in particular the strategy around the commercialisation of the Group's Chilean mining assets, it was determined that in the current iron ore market and based on the Groups significant historical expenditure on the project, that receiving a royalty payment was not the best commercial pathway for the Group to monetise its interest in the Mariposa project.

In renegotiating the Co-op Agreement, the Company's focus was to restructure the arrangement such that the Company's shareholders would receive a more significant return in consideration for reverting to being a direct participant in the development of the Mariposa project

The effect of the Term Sheet is to terminate the existing Co Op Agreement in favour of the terms newly negotiated which mean that the Company will revert to being an operator of the Mariposa Project and that Hainan and Admiralty would jointly seek to provide the capital and resources required to develop an operating mine.

Accordingly, the Company has entered into the Term Sheet which provides that:

- Subject to ADY completing a capital raising (to demonstrate an ability to fund an initial capital contribution that would allow participation in the Joint Venture), Hainan agrees to terminate the existing Co-op Agreement and to work in good faith towards the execution of a joint venture agreement (the **Joint Venture Agreement**);
- The Joint Venture Agreement would allow for joint capital contributions from ADY and Hainan, and joint participation in the mineral rights and profits from operating Mariposa;
- ADY and Hainan have agreed to execute a Joint Venture Agreement within one month of the completion of a capital raising by ADY
- Further, during the period between the capital raising being conducted and the Joint Venture Agreement being finalised, Hainan have agreed to maintain operational management of

Mariposa, however no further expenditure is to be incurred without the Company's consent given the broader intentions of the Joint Venture Agreement.

Although this new arrangement will require further capital contributions to be made on Mariposa by the Company to complete the project, the Company is highly confident that in reverting to a direct participation in the project that it will be in a position to further expedite the development of the Mariposa Project and provide a more immediate and increased return on the significant historical accumulated expenditures at Mariposa.

With the Term Sheet executed, the Company will look to complete a capital raising immediately to secure the initial funds required to allow the initial funding for the establishment of the Joint Venture Agreement with the intention that shortly after the finalisation of the terms of that Joint Venture Agreement that there would be commencement of the initial requirements for mine development and construction at Mariposa.

Mine Development and Initial Requirement Planning at Mariposa

The most recent Pre Feasibility Study (PFS) (September 2018) was produced by China Anhui Ma Steel Engineering & Technology Co Ltd (**Ma Steel**) and reported a resource of 66.6Mt at an average of 35.6% total iron (FeT) using a cut-off grade of 25% FeT. The Project has both reliable water supply through an agreement signed by ADY with Aguas Nuevas, a local water waste company (1m³ per year with 24L/sec treated water) and guaranteed power supply through an MOU with Latin American Power.

In conjunction with renegotiating the previous arrangement with Hainan and entering into the Term Sheet the Company has recommissioned previously engaged Ma Steel to provide a further updated PFS summary report that will be made available to ADY and Hainan over the coming period during which the Joint Venture Agreement will be negotiated and finalised (to demonstrate an ability to fund an initial capital contribution that would allow participation in the Joint Venture).

The revised PFS report is being constructed on the basis of reviewing planned mine capacities that could operate at various levels of economics scaling from a base mine of 500kt p.a up to 2mt p.a for the Mariposa Project. It is anticipated that the Joint Venture would then use the results of that PFS to then design and construct a mine on the most optimal operating size based on balancing the initial capital requirements and production efficiencies which can only be determined once the report is compiled and received. The Company will provide an update to the market once the report has been received and reviewed by the Company.

For more information:

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Approved for release by the Board of Directors.