

**8 November 2021****Mariposa Project Update**

**Sydney, Australia, 8 November 2021.** Admiralty Resources NL (ASX: ADY) (the **Company** or **ADY**) is pleased to provide an update on the progression of the Mariposa project by ADY, as well as a further update on its negotiations with Hainan Xinlei Mining Management Co Ltd (**Hainan**) with respect to the binding term sheet announced on 18 June 2021 (the **Term Sheet**).

Joint Venture Agreement

The Company is pleased to report that it has reached an indicative joint venture structure with Hainan pursuant to the Term Sheet and is now progressing to settling a final Joint Venture Agreement between the Company and Hainan.

A summary of the terms of the proposed Joint Venture Agreement is as follows:

- A Joint Venture Company (JVco) to be incorporated for the purpose of operating Mariposa to be owned by ADY and Hainan in equal proportions.
- Capital contributions by Hainan and ADY into JVco to be made in equal proportions.
- The first stage of the Mariposa project to be a 500,000 t/pa capacity production plant, with the ability to be expanded into a 2,000,000 t/pa capacity production plant with further capital investment.
- ADY to receive a preferential payment of:
  - the first 10% of after-tax profits of JVco capped at A\$500,000 per year over 10 years at 500,000 t/pa production; and
  - the first 20% of after-tax profits of JVco capped at A\$1,000,000 per year over 5 years at 2,000,000 t/pa productionuntil such time that the total of the preferential payments made to ADY is equivalent to AU\$5,000,000.
- Hainan to be paid a management fee of 20% of the after-tax profits of JVco after payment of ADY's preferential payment.
- Any after-tax profit earned by JVco after payment of the ADY preferential payment and the Hainan management fee to be shared by Hainan and ADY in equal proportions.
- Hainan must act in good faith on a best endeavours basis to commence construction operations at Mariposa by 31 March 2022.

The Joint Venture Agreement will otherwise be on standard commercial terms for a joint venture agreement of this nature in the relevant jurisdictions (Australia, Chile, and China as the circumstance may require).

### Mariposa Project Update

In parallel with settling the Joint Venture Agreement with Hainan, ADY and Hainan have continued to progress towards commencement of construction activities at Mariposa – now expected to commence by the end of March 2022. The Company notes that delays in settling the Joint Venture Agreement and enabling commencement of activities at Mariposa were largely due to COVID-19 related travel disruption particularly given Hainan's operations team have been unable to apply for visas to enter Chile.

With the Chilean Embassy in China now open, the Company now expects to be in receipt of all required visas and for the Hainan team to be able to travel to Chile from China by mid-March 2022, with the mining equipment targeted to be delivered by that time.

The Company is pleased to present a gallery of some of the equipment being prepared for shipment from China to Chile.



Above: Primary Ball Mill



Above: Ball Mill for Secondary Grinding



Above: Magnetic Separators



Above: Generator Sets



Above: Cyclone

The Company will provide further updates as it progresses towards execution of a final Joint Venture Agreement and commencement of construction at Mariposa by the end of March 2022.

**For more information:**

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Approved for release by the Board of Directors.