

15 February 2021**Mariposa Project Financing Framework Agreement Signed**

Sydney, Australia, 15 February 2021. Admiralty Resources NL (ASX: ADY) (“the Company”) is pleased to announce that it has signed a Mining Operation Cooperation Agreement (the Agreement) with Hainan Xinlei Mining Management Co., Ltd (“Hainan”, “the Financier”) with respect to the Company’s Mariposa mine site in Chile.

The agreement is an important step in achieving commercialisation of the Mariposa mine site, as it will enable Hainan to operate the site utilising local Chilean and overseas specialists at the sole responsibility and cost of Hainan, and importantly should lead to the receipt of revenues from the Mariposa mine site imminently once production has commenced.

In accordance with this agreement, the Company has retained legal counsel to obtain work permits for Chinese mining specialists from Hainan to begin their work on the site, including work and access permits with the relevant local Chilean authorities.

Key terms of the agreement are:

1. Hainan is responsible for the operation of the mine site and compliance with Chilean National Mining Industry Operating Regulations for safe construction and legal employment.
2. ADY will provide access to its Mariposa mine site and its DIA approval and no further capital contributions.
3. Under the contract, Hainan will fully fund the contracted mining and construction projects at the Mariposa site including construction, mining and production with all capital contributions, security, legal costs, risks and potential losses borne by Hainan solely.

4. Royalties paid to the Company when the Platts index of iron ore (62 grade CIF) reaches benchmark ranges, as follows:

US\$60-70 – 3% royalty per ton of iron ore

US\$70-80 – 4% royalty per ton of iron ore

US\$80-90 – 5% royalty per ton of iron ore

US\$90+ – 7% royalty per ton of iron ore

5. Any breach of contract will result in a penalty of 20% of the total cost of the contract. Should this payment not be sufficient for damages, the offending party will be responsible for four times the economic losses and bear all legal liabilities.
6. The term of the agreement is the mining of the first 2 million tons of iron ore.

The Company is excited to move forward after the termination of a previous funding arrangement as announced on 9 February 2021.

For more information:

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