

Admiralty Resources NL

Company Presentation

March 2019



ADMIRALTY RESOURCES

Forward Looking Statements

The information in this presentation is published to provide information about Admiralty Resources NL (“Admiralty” or “ADY”) and its subsidiaries. All reasonable effort has been made to provide accurate information, but Admiralty makes no representations or warranty (express or implied) as to the accuracy, reliability or completeness of this document.

These documents contains reference to certain forecasts, projections, intentions, expectations and plans of ADY, which are made in good faith and are believed to have a reasonable basis.

However, such forward looking statements can be influenced by/be subject to risks, uncertainties, contingencies and other factors many of which are outside the control of ADY and its Directors and they could cause the actual results to differ materially from the future results expressed, projected or implied by forward looking statements.



Admiralty's Strategy



Strategy and Objectives

STRATEGY: Explore and develop our iron ore projects in Chile.

OBJECTIVE: Produce high quality iron from magnetite using dry and wet magnetic separation.

In pursuit of this strategy, the Company's **immediate objectives** are to:

- Gain access to infrastructure enabling reduction of all transport and logistic costs related to bringing ore from our projects and having it loaded on-board ship.
- To obtain Sector Permits for Mariposa to get ready for the production
- To obtain Sector Permits for Soberana to get ready for the production
- Prepare DIA for Lachulula and increase the volume for future production
- Partner with China Nuclear Engineering & Construction Corporation LTD (CNNC, a Chinese State Owned Enterprise) to bring our projects into production.



Strategy and Objectives

STRATEGY: Explore and develop our iron ore projects in Chile.

OBJECTIVE: Produce high quality iron from magnetite using dry and wet magnetic separation.

The **medium to long term objectives** of the Company are to:

- pursue the discovery of economic mineralisation;
- become an active and profitable iron ore producer in Chile.



Projects Summary



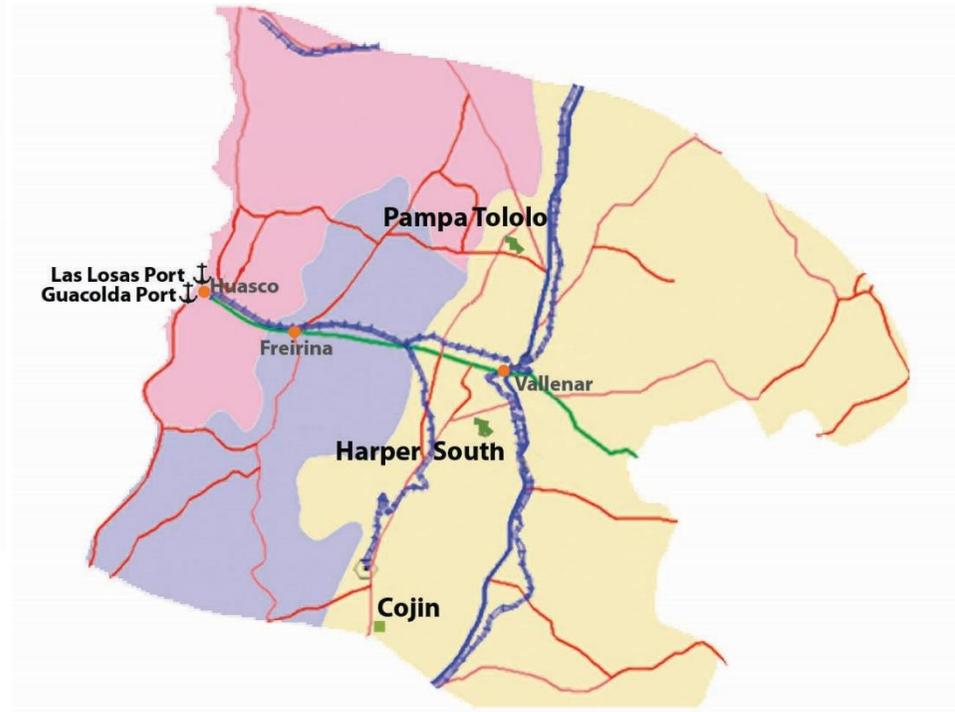
Chile



Project Locations



- 6,800 Ha in the **Chilean iron belt** with internal roads network and no high mountain formations
- **46km from** the Guacolda and Las Losas **ports**
- **7km from the railway** line owned by Ferronor S.A. and **3km from** the Pan American **highway**, with direct access
- High voltage **power line**, owned by Transelec S.A., **traverses the concessions**
- 15-40km from the town of Vallenar, regularly serviced by air



Project Locations: Satellite Image



Image obtained from Google Earth ©2012.

Map is not to scale.



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Port Locations



Distance from Vallenar by road

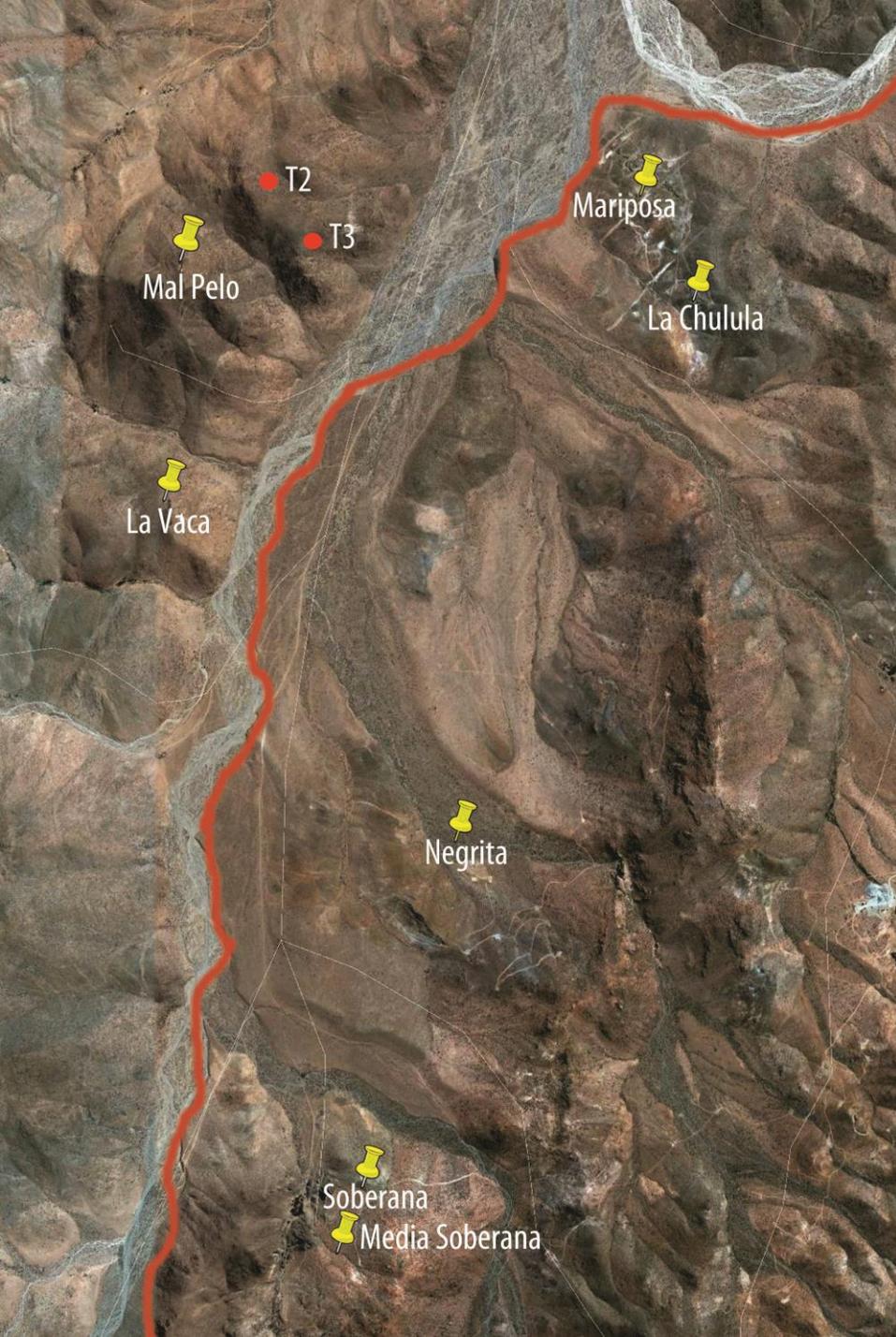
Las Losas Port	49 km
Guacolda Port	49 km
Castilla Port	135 km
Punta Caleta Port	265 km
Punta Totalillo Port	280 km

Image obtained from Google Earth ©2012.

Map is not to scale.



PROJECT 1 – Harper South District



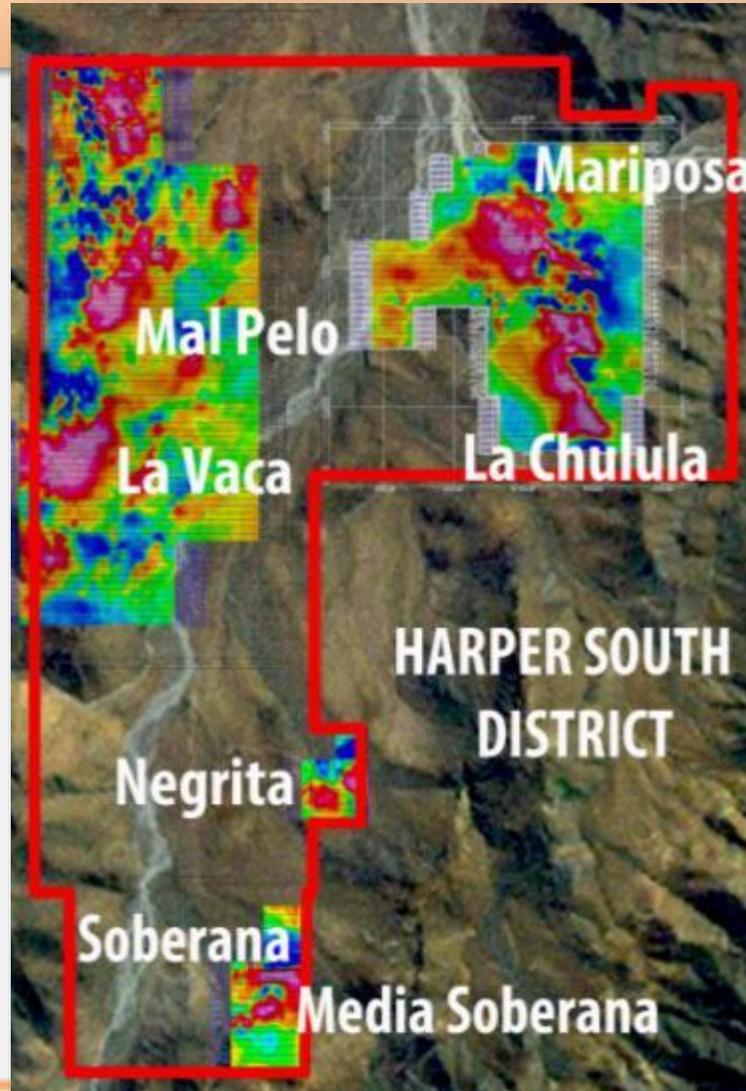
- **7 targets** confirmed and 2 anomalies identified by high resolution ground magnetic survey
- 2 sorts of **mineralisation found** in the district: **magnetite style** in the east and **IOCG** (iron oxide, copper & gold) in the west with zones separated by ancient river
- Most advanced target: Mariposa
- Advancing targets: La Chulula and Soberana
- Early exploration targets: Negrita, La Vaca & Mal Pelo

Image obtained from Google Earth ©2012.

Note: Map is not to scale.



Magnetic Susceptibility Map – Harper South



Magnetic susceptibility in Harper South. Source: High resolution ground magnetic survey (August 2011).

Mariposa *(Harper South)*

In January 2013 Admiralty announced its latest Mineral Resource Statement for Mariposa which quantifies the resources at Mariposa at 174.5 Mt at 24.5% Fe for a 15% Fe cut-off in the measured, indicated and inferred categories in the table below.

The Mariposa resource update is based on the results obtained from the 3,040m diamond drilling campaign completed in 2012 and the additional chemical and metallurgical analysis performed during 2012 on the following variables: Total Iron (FeT), Magnetic Iron (FeMag) Content and Davis Tube Weight Recovery (RDTT). A Competent Person Report is included in the ASX announcement of 25 January 2015.

Cut-off grade FeT %	Measured Resources (Mt)	Indicated Resources (Mt)	Inferred Resources (Mt)	Total Resources (Mt)	Average FeT (%)	Average FeMag (%)
35	12.7	1.2	4.0	17.9	42.8	35.7
30	19.2	1.8	16.7	37.7	37.3	30.1
25	27.8	2.9	35.9	66.6	33.1	26.1
20	36.5	4.4	60.7	101.6	29.5	22.7
15	43.4	7.6	123.5	174.5	24.5	18.0
10	53.1	14.4	445.9	513.4	16.3	10.5

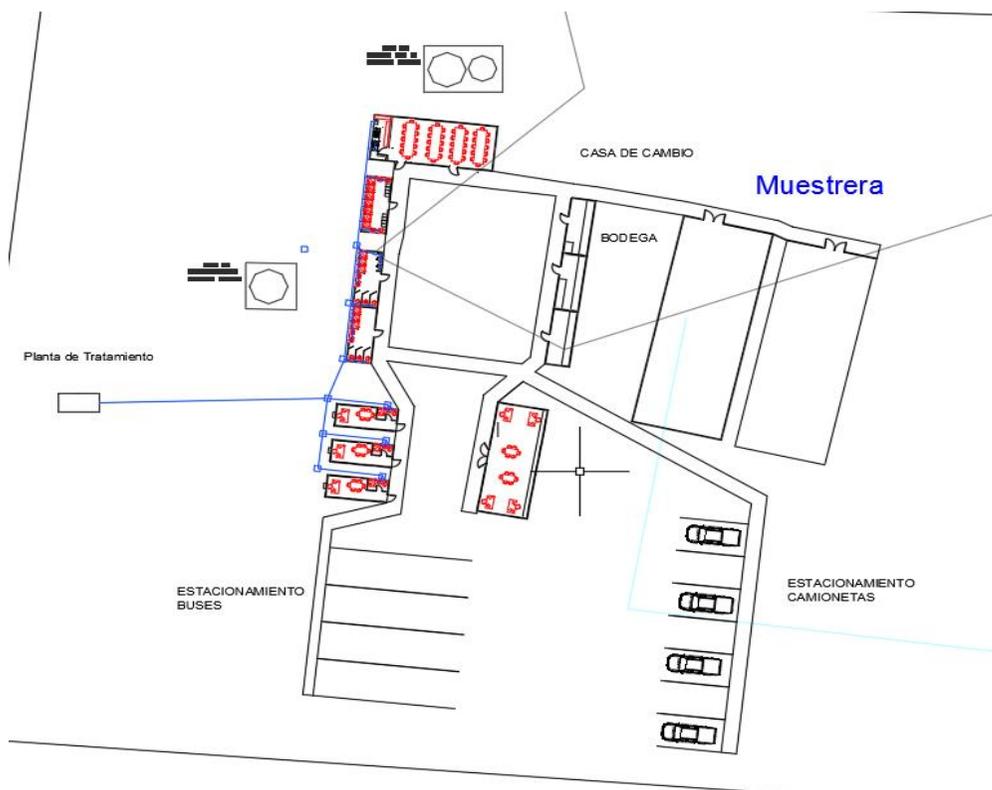


DIA Approval Process for Mariposa

- 11th April 2018, ADY is pleased to announce that it has received unanimous approval of the DIA for the Mariposa Project by the Chilean authorities. This is a significant achievement for ADY and step forward in commercial exploitation of the Mariposa Project and puts the company in a position to commence mining works on the site.
- The next step is the negotiation of surface rights (easement) and sectorial permits for operation;
- Throughout that time, it is possible to apply for a special permit for early works, which will allow the start of construction work at the mine at the same time as we work in the sectorial permits.



Mariposa – PFS *(Harper South)*

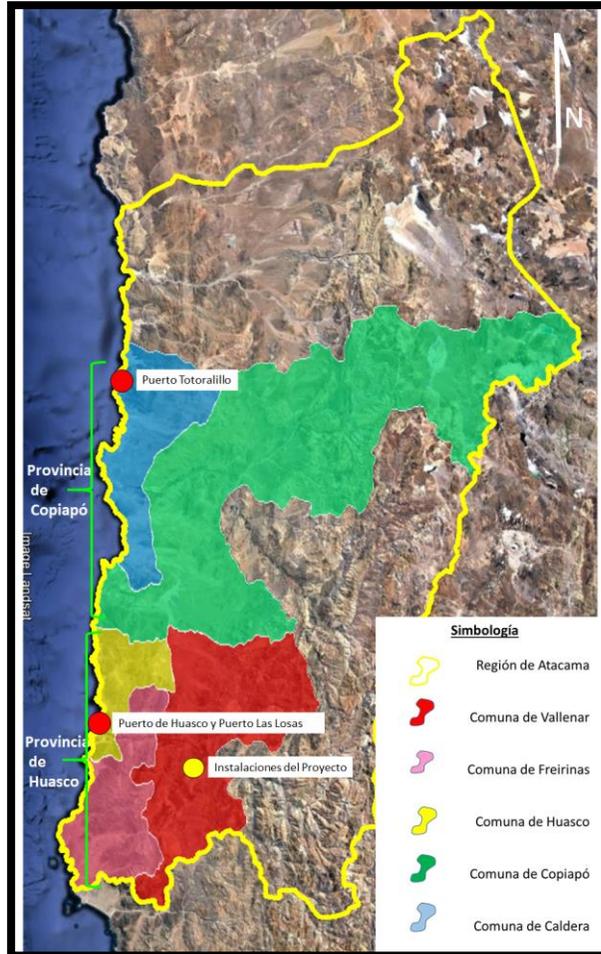


Mock-up of the future operations layout at Mariposa

- Admiralty engaged China Anhui Ma Steel Engineering & Technology Co., Ltd. Updated the PFS in September 2018
- Resource of 66.6Mt at an average of 35.6% total iron (FeT) using a cut-off grade of 25% FeT.
- 17-year Life of Mine (LOM) estimated based on current resources
- Production rate of 2 million tonnes per annum, the 71.78kt/an iron ore concentrates with TFe grade of 68% will be produced.

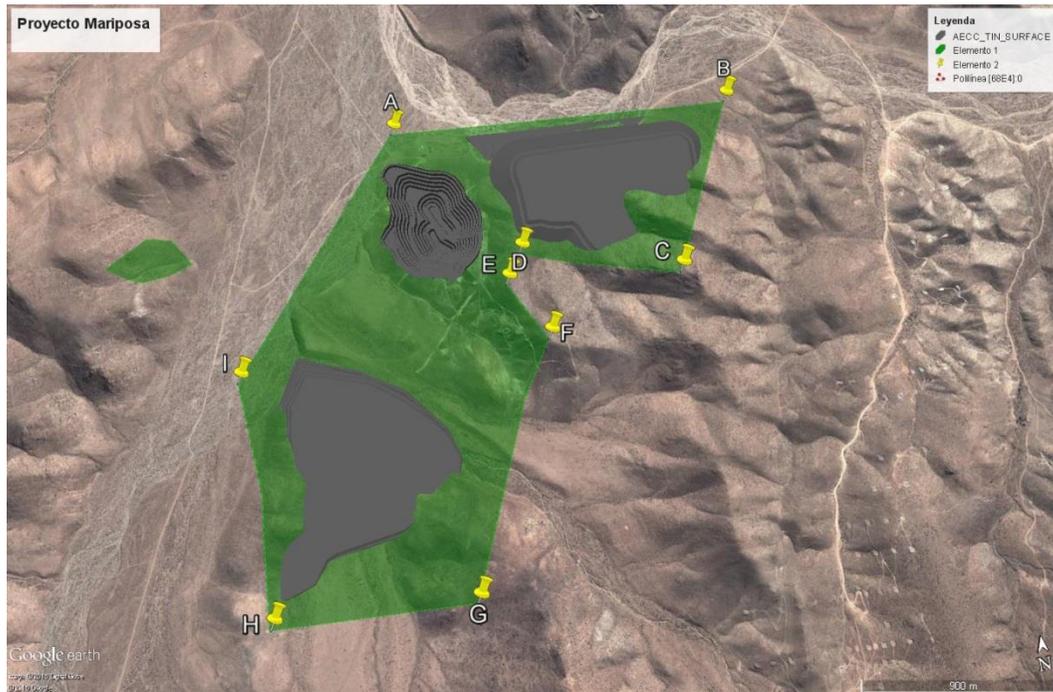


Mariposa – PFS (*Harper South*)



- To cover more possibilities, the project has different options of loading ports in Huasco and Copiapó.
- The facilities and productivity areas are located in third region close to Vallenar.

Mariposa – PFS (*Harper South*)



- 17.068% post-tax internal rate of return (IRR), a 7-year payback, \$30 million USD capital investment (working and initial capital)
- Refer ASX announcement 9th October 2015

Co-operation with China Nuclear Industry 22nd Construction Co. LTD.

- On 28 November 2014 the Board of Admiralty Resources NL were pleased to announce that state owned China Nuclear Industry 22nd Construction Co. LTD (“CNI22”) has signed a joint letter of intent indicating that they would like to cooperate with Admiralty on a number of ADY owned Iron ore projects proposed by ADY to the mutual benefit of both parties.
- Key areas of interest for CNI22 are the Harper South district, the Pampa Tololo District and the El Cojin District, all located in Chile and on grounds controlled by the Company. Under the terms of the letter the goal of the cooperative venture is to move the areas of interest from exploration to production phase sites.
- The letter of cooperation is a pre cursor to continued negotiations which if successful will result in a contractual relationship similar to a Joint Venture and follows several visits of delegations sent by CNI22 to inspect ADY’s Chilean assets.



CNI22 (Continued)

The cooperation model will be subject to the following terms;

-ADY is responsible for the confirmation of the deposits and reserves contained on the areas of interest and for obtaining any Chilean permits required to transition the sites from exploration to production. The Company is also responsible for further exploration of the areas of interest and obtaining JORC compliant evaluations of these areas and for any non-financial services required as a result of the cooperation;

-CNI22 is responsible for the production phase including funding, the construction of the living and production sites and for providing production machinery and organisation/coordination of the construction and production teams. CNI22 will also be responsible for the quality control of product, logistics and financing settlements;



CNI22 (Continued)

- ADY can use its mines, resources and licenses (after valuation) as contributed capital to an eventual Joint Venture and can contribute mines separately to the venture (after valuation has been completed);
- CNI22 can use funds provided in accordance with the letter of intent;
- Inputs on or from CNI22 can be provided by CNI22's strategic partners on behalf of CNI22;
- Depending on the contributed capital by ADY, CNI22 can choose where and when to invest

The letter is non-binding and sets out broadly the agreed terms for the parties to move to negotiate and sign a comprehensive cooperation agreement.

Co-operative work on the subject matter of the letter of intent has commenced and is continuing.



CNI22 (Continued)

CNI22 has signed a Cooperation Agreement to further advance and define the terms of the previously signed joint letter of intent (as announced 28 November 2014).

As currently envisaged the Cooperation Agreement proposes a project debt funding facility to be provided by CNI22 of up to 180,000,000 RMB (~USD 30,000,000) as a staged draw down for the development funding in Chile to advance the Mariposa project.

Following the successful results of the feasibility study and ADY obtaining local Chilean environmental clearance for the commencement of production at Mariposa (DIA approval), the company will then work with CNI22 to move to formalize and refine the terms of its proposed debt funding and further involvement in the Mariposa Project.



La Chulula *(Harper South)*

In April 2015 Admiralty announced a maiden Mineral Resource Statement for La Chulula, one of the 6 targets of its Harper South District, Chile.

The Mineral Resource Estimate quantifies the resources at La Chulula at 96 Mt at 24% Fe for a 15% Fe cut-off in the inferred category. The La Chulula resource estimate is based on the results obtained from the reverse circulation and diamond drilling campaign completed in 2012.

A Competent Person Report is included in the ASX announcement of 16 April 2015.



La Chulula

High Resolution Ground Magnetic Survey (*Harper South*)

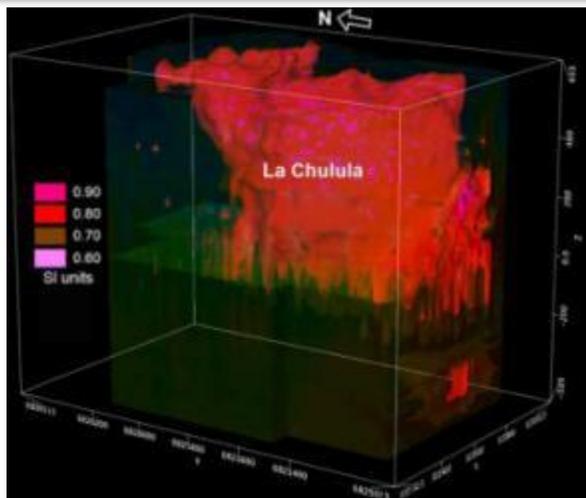


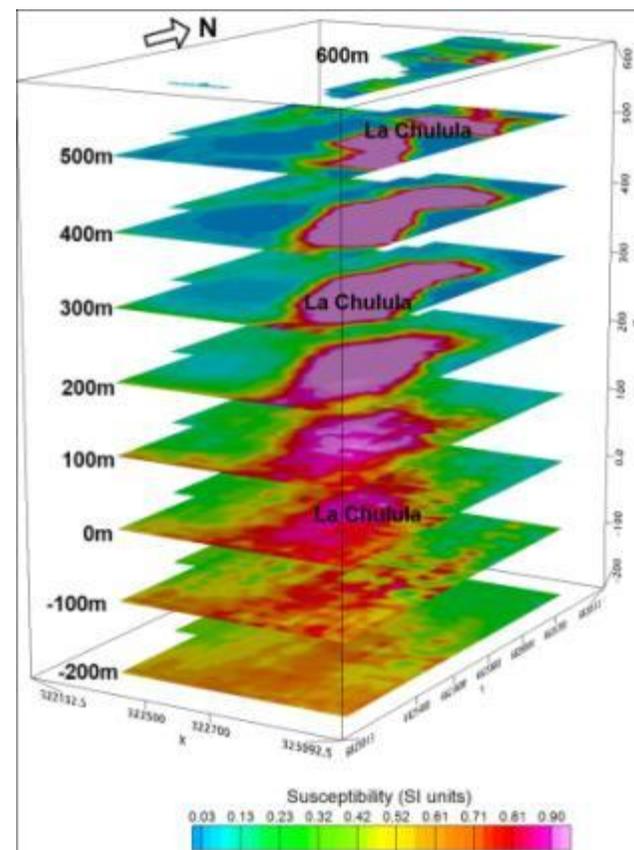
Image not to scale.

This is a priority target within Harper South.

3D view of the confirmed target

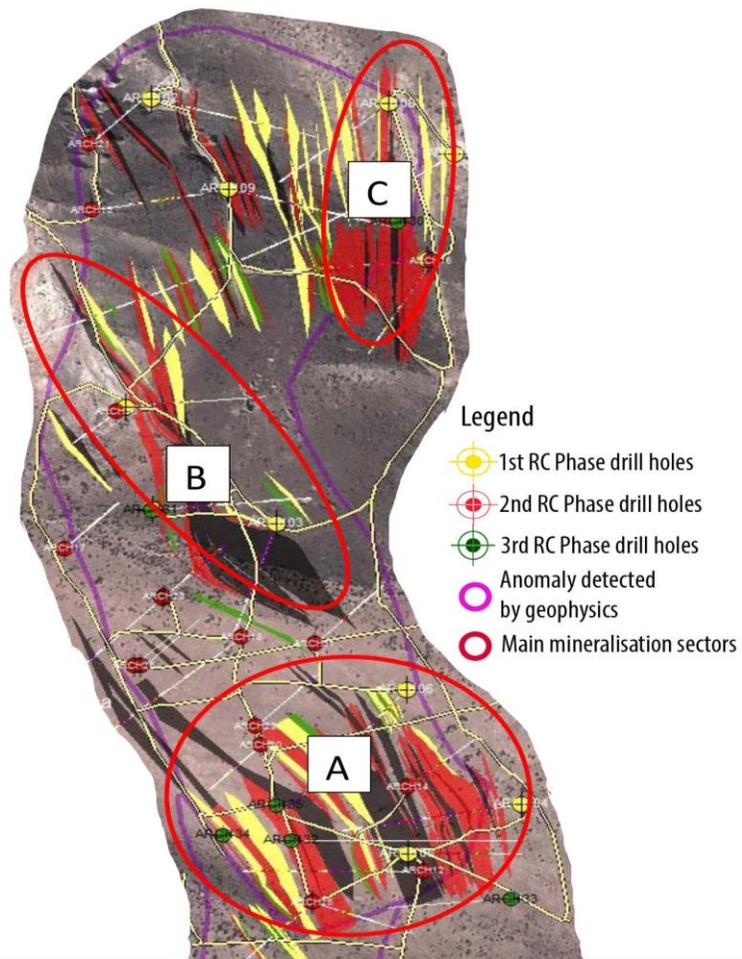
- Lateral dimensions of 250m x 900m;
- Depths up to 600m;
- Magnetic susceptibility levels higher than 0.9 S.I. units between 600m and 0m elevations;
- Fully confined within the boundaries of Admiralty's property; and
- Located near the surface.

Depth slices of magnetic susceptibility at different elevations



La Chulula

Drilling Campaign and Modelling *(Harper South)*



Delineation of the La Chulula magnetic susceptibility image with the location of all drill holes sunk to date (left).

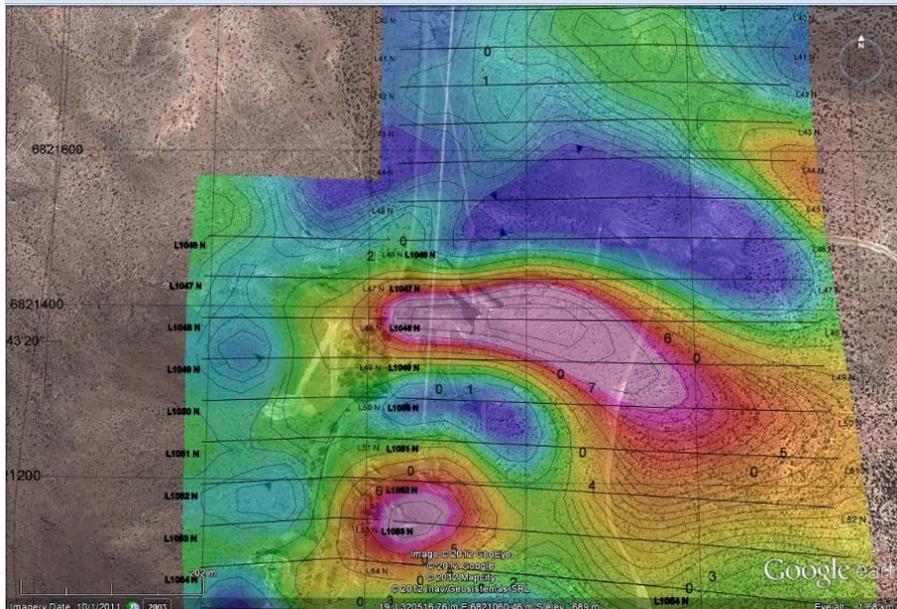
Iron Outcrops at La Chulula (below).



Soberana

High Resolution Ground Magnetic Survey (*Harper South*)

- The high-resolution ground magnetic survey was performed by Quantec Geoscience Chile Ltda. Its interpretation confirmed the presence of two targets susceptible to contain significant iron mineralisation. These two anomalies were used as a boundary condition to compute the ore resource distribution across the Soberana ore body. These anomalies are contained within the pink areas at left.



Soberana – further exploration *(Harper South)*

- A reverse circulation drilling programme at Soberana in July 2012 consisted of a total of 684m distributed in 9 drill-holes.
- A pilot production of finished product was made in July 2012 – see image at right.
- A maiden resource estimation of 90.2 million tonnes with an average grade of 24.5% at a cut-off grade of 15% was made in January 2013.
- A Competent Person Report is included in the ASX announcement of 15 January 2015.



Finished product from mine live test performed on Soberana's material (July 2012).



Soberana – Lease agreement with Rocterra Limitade (*Harper South*)

- The company is pleased to report that a contract mining lease has been signed and a deposit paid and can now identify the counter party as Rocterra Limitada, a local Chilean mining company.
- Rocterra have since provided 50% of the deposit (approximately US\$75,000 of total US\$150,000) required as a sign of their commitment to the project and lease agreement whilst they finalise pit designs with an external party and their finance for the mine.
- Under the terms of the lease Admiralty will receive a monthly payment for its share of production. This will be paid as a fixed price per tonne of iron concentrate processed and sold during the immediately preceding month.
- Production at the Soberana mine is currently expected to commence during over the following months.

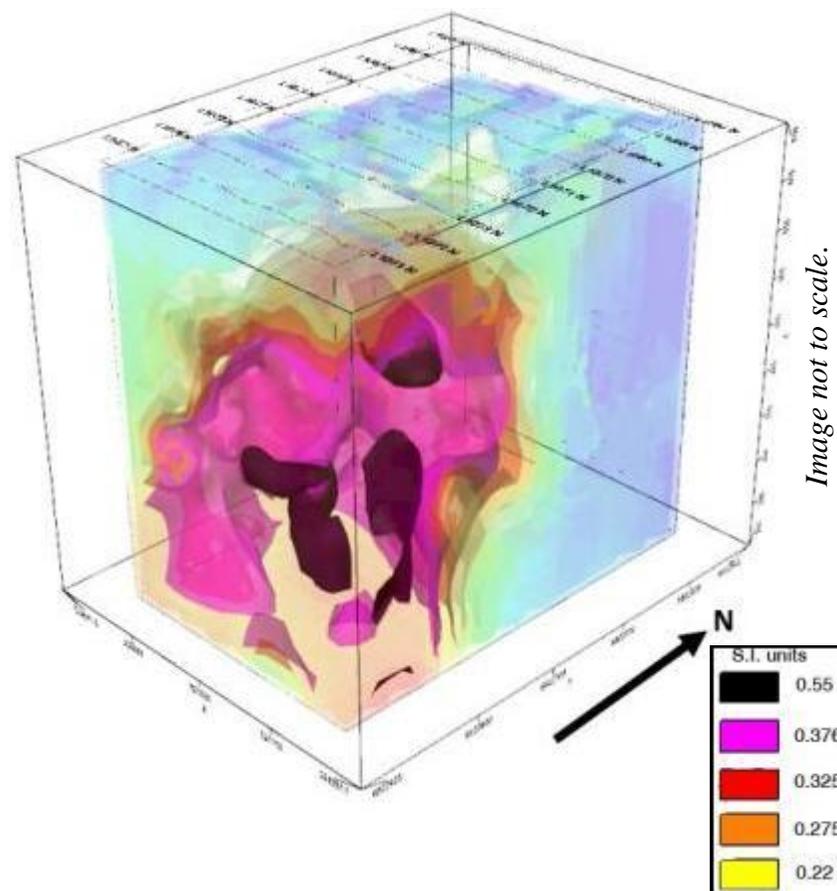


Negrita

High Resolution Ground Magnetic Survey (*Harper South*)

- Unique double magnetic field with susceptibilities values between 0.22 and 0.55 S.I. units resulting in a dumbbell shape target
- **Upper area** – an oval shape, running from the northwest to the southeast in the northern part of the grid and measuring approximately 75m x 50m x 100m at 490m elevation
- **Joining area** – this is a weaker zone of susceptibility that joins the Upper and Lower areas
- **Lower area**, another oval shape zone, located at the southern part of the grid measuring 50m x 25m x 50m at 200m elevation

3D view of the confirmed target



Survey factsheet: 21 lines of between 400 and 460m length, spaced at 50m apart covering an area of 2.5km, performed in two phases in August 2011 and February/March 2012 by Quantec Geoscience Ltd.



La Vaca & Mal Pelo

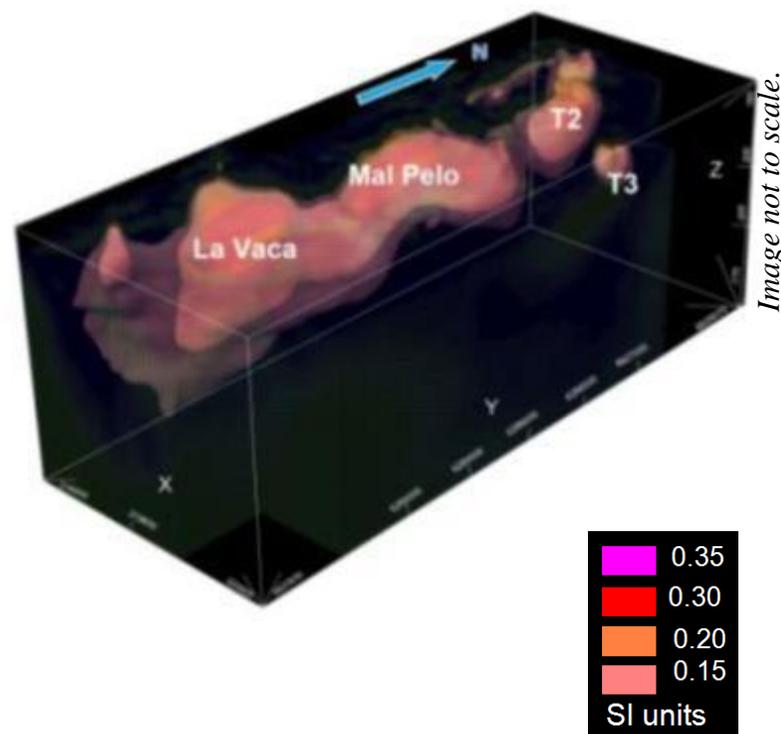
High Resolution Ground Magnetic Survey (*Harper South*)

This is the most important target in relation to size.

- Located on the west side of the Harper South District
- Different sort of mineralisation: IOCG vs magnetite style
- 2 targets confirmed (Mal Pelo and La Vaca) and 2 new anomalies identified (T2 & T3)
- Lower susceptibility values than in the east side of the district, but very consistent, from 0.15 to 0.35 S.I. units
- **La Vaca**, a north-east to south west trending deposit, depicting a major intrusive body, extending **600 m long x 400 m wide**, with a **depth** of more than **1,000m**
- **Mal Pelo**, an elongated deposit with north east / south west direction, with an extension of **1,200 m long x 600 m wide**, with a **depth** of more than **500 m**
- **T2 and T3**. T2 shows dimensions of 600m length x 400 wide and a depth of 400 m. T3 is limited in vertical and lateral extension but it is located very near the surface

Survey factsheet: 83 lines of between 800 to 1,000m length, spaced at 50m apart covering an area of 1.5km x 4km, performed in two phases in August 2011 and February/March 2012 by Quantec Geoscience Ltd.

3D view of the confirmed targets and anomalies



Admiralty has the iron: How much thus far?

JORC-compliant Mineral Resources at a cut-off grade of 15% Fe

The table below shows the Total JORC-compliant Mineral Resources of 3 of the 6 iron targets in the Harper South District, one of 3 project areas Admiralty has under its control in Chile.

Project Name	Measured Resources (Mt)	Indicated Resources (Mt)	Inferred Resources (Mt)	Total Resources (Mt)	Average FeT (%)	Notes
Mariposa	43.4	7.6	123.5	174.5	24.5	(a)
La Chulula			96.0	96.0	24.0	(b)
Soberana			90.2	90.2	24.5	(c)
TOTAL	43.4	7.6	309.7	360.7	24.4	

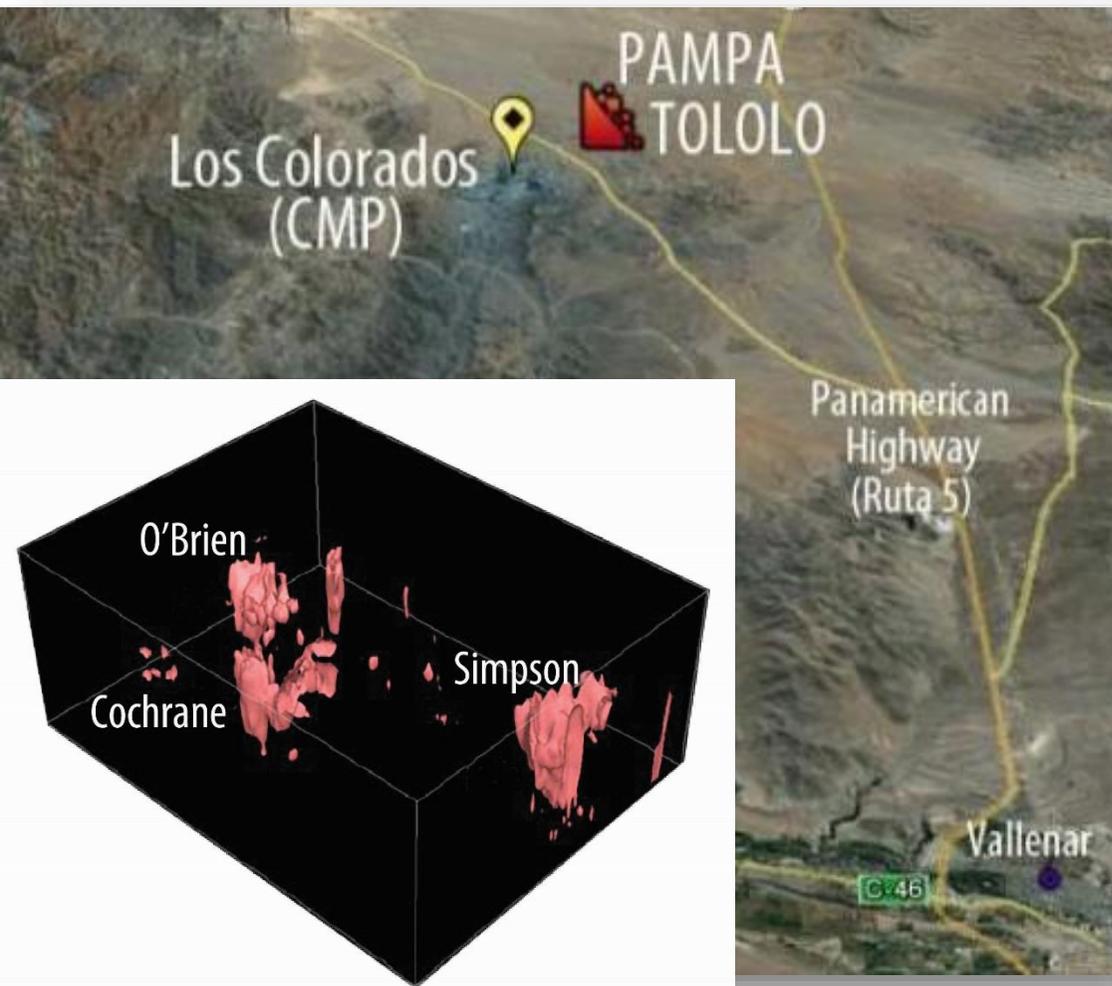
Notes- (a) Competent Person Report attached to ASX announcement 25 January 2013.

(b) Competent Person Report attached to ASX announcement 16 April 2015.

(c) Competent Person Report attached to ASX announcement 15 January 2013



PROJECT 2 – Pampa Tololo District



- **3 targets** confirmed by high resolution ground magnetic survey
- **Simpson – ORE BODY CONFIRMED**
An oblate spheroid shape of 800m in diameter, located at a depth of 200-250m and exhibiting magnetic susceptibility of about 0.5 S.I. units. A drilling campaign has confirmed the existence of an ore body. Further drilling is required to prepare a resource estimation.
- **Cochrane**
A more complex shape, elongating north/south up to 1,000m, with a depth extension of 200-250m approximately
- **O'Brien**
Showing an oblate sphere shape, with dimensions of 500 x 400 m, buried at depths between 200m and 300m

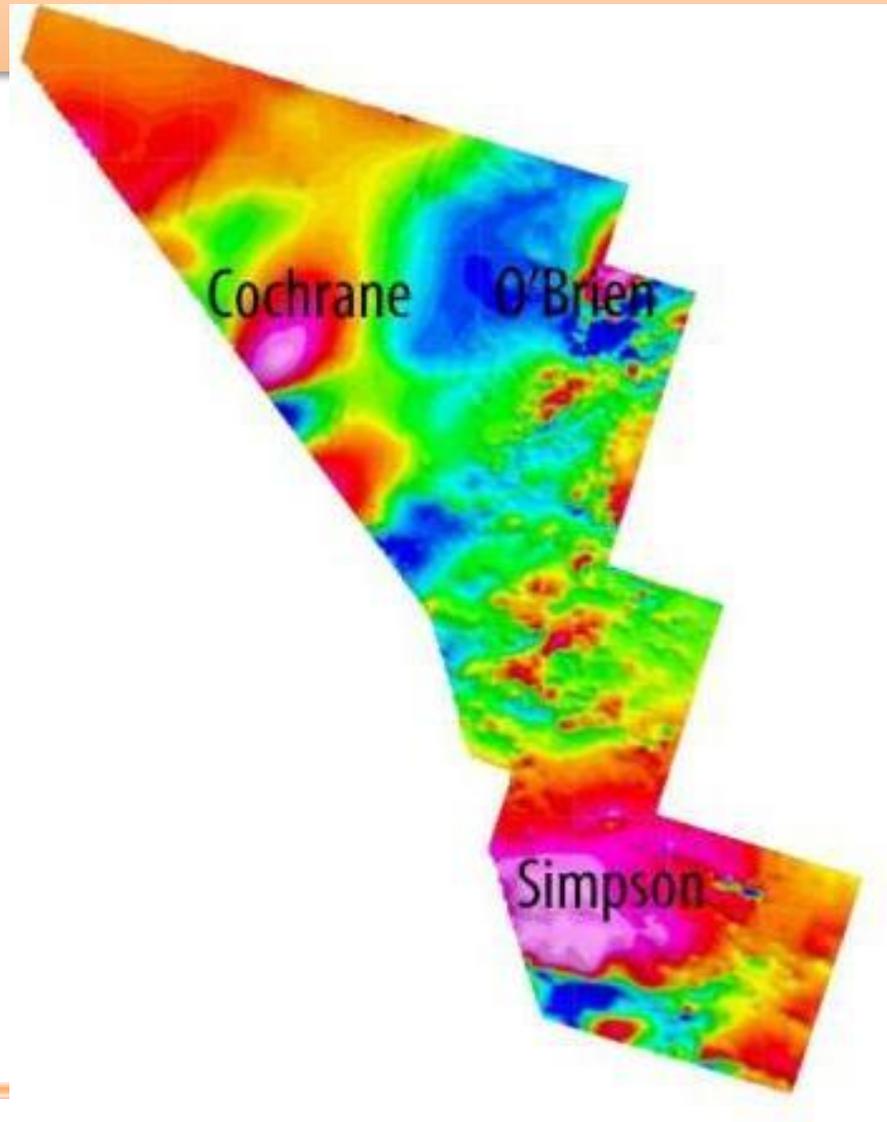
Map not to scale.

3D interpretation of high resolution ground magnetic survey – Pampa Tololo (Aug 2011).



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Magnetic Susceptibility Map – Pampa Tololo



*Magnetic susceptibility in
Pampa Tololo
Source: High resolution ground
magnetic survey (August 2011).*

Simpson – exploration so far *(Pampa Tololo district)*

□ **Advancing target:**

Simpson:

- Dimensions of 800m in diameter, starting at a depth of 250m, according to high resolution ground magnetic survey.
- Maiden drilling 3,253m RC drilling campaign conducted in July/August 2012.
- Results confirm the existence of an ore body.
- Further drilling required to support a resource evaluation.



PROJECT 3 – El Cojin District

- ❑ Three exploitation concessions, covering 647 hectares, 10% of Admiralty's mineral tenure
- ❑ Located 15 km from El Algarrobo, iron ore mine owned by CMP¹
- ❑ El Cojin's surface mineralisation shows as a classic IOCG (Iron Oxide Copper Gold) deposit, very common in the Chilean iron belt.
- ❑ Project is ready for further exploration with proposed drill holes identified, roads constructed and drill pads prepared.

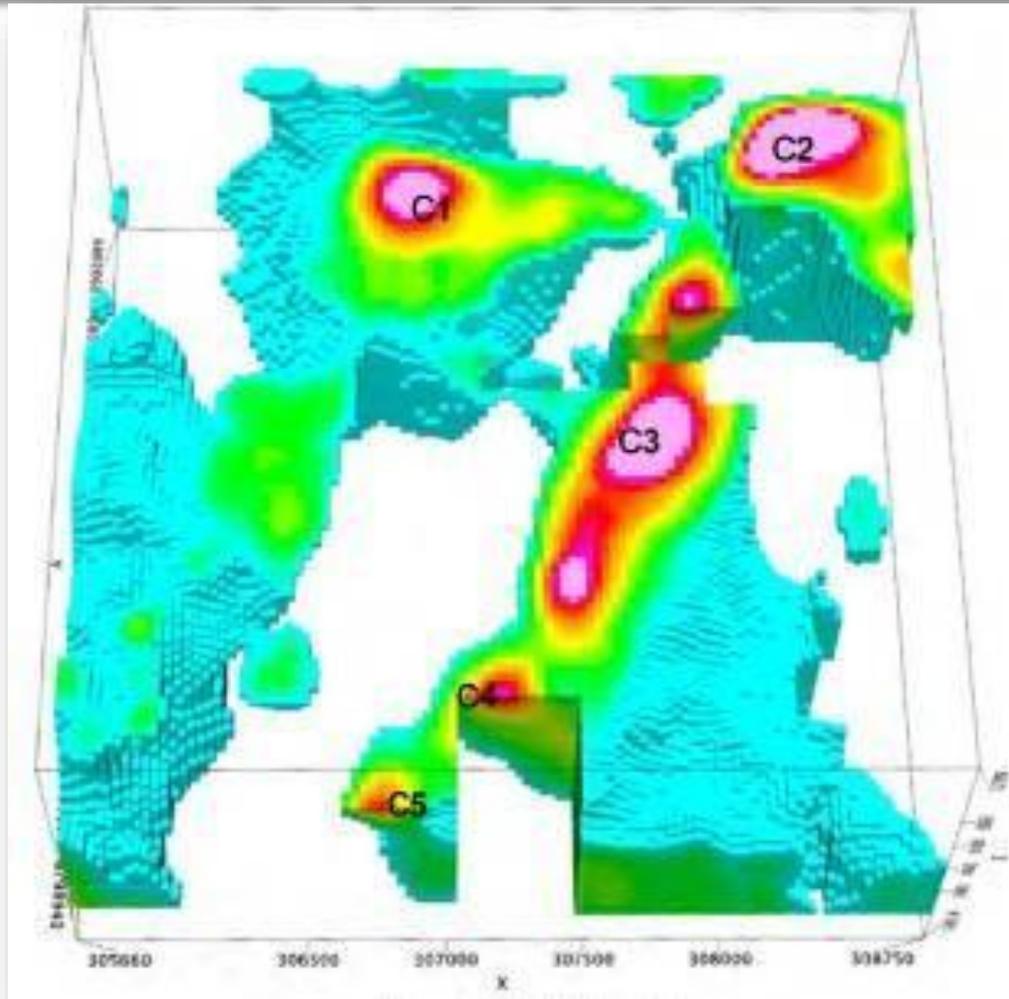
¹ CMP stands for *Compañía Minera del Pacífico*, Chile's largest iron ore producer ($\pm 10M$ tonnes p.a.)



Iron rocks and solitary Grussonii in Cojin (Dec 2011).



Magnetic Susceptibility Map – El Cojin



*Magnetic susceptibility in Cojin.
Source: High resolution ground
magnetic survey (March 2012).*

Co-operation with Anhui Geological Mining Investment Group Co.Ltd

- Anhui Geological is a highly ranked geological prospecting company based in China with leading class qualifications. Their consultants are highly qualified individuals who have worked overseas in geological prospecting for a number of years.
- In an aim to achieve mutual benefit, mutual advantages and mutual development, the company is seeking to undertake prospective dealings with Anhui.
- Both the companies' management team and consultants visited the El Cojin mining site during September 2015.(See picture below)



Pyke Hill Project – Western Australia

- ❑ Admiralty owns a 50% interest in Mining Lease M39/159.
- ❑ The remaining 50% interest is now held by an unrelated third party.
- ❑ The right to extract the Nickel and Cobalt from Mining Lease M39/159 has been given to Cougar Metals NL (ASX:CGM)
- ❑ Cougar Metals NL have completed the exploration for nickel and cobalt.
- ❑ Published Measured and Indicated Resources at a cut-off grade of 0.5% Ni of 14.7 million tonnes grading 0.99% Ni and 0.06% Co for 131,621 tonnes of contained nickel metal and 8,800 tonnes of contained cobalt.
- ❑ Neighbours the active Murrin Murrin nickel and cobalt mine (capex \$1.3 billion)



Pyke Hill – Location Map



Pyke Hill Project Location Map

Extract from Cougar Metals NL 2007 Annual Report



Corporate Directory

BOARD OF DIRECTORS

Bin Li	Chairman
Qing Zhong (Susan)	Managing Director
Jian Barclay	Executive Director
Jarrold White	Company Secretary

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SHARES ON ISSUE: 1,154,115,564

SHARES HELD BY THE TOP 20: 79.46%*

NUMBER OF SHAREHOLDERS: 7,730*

CURRENT SHARE PRICE: (AUD) 1.0c

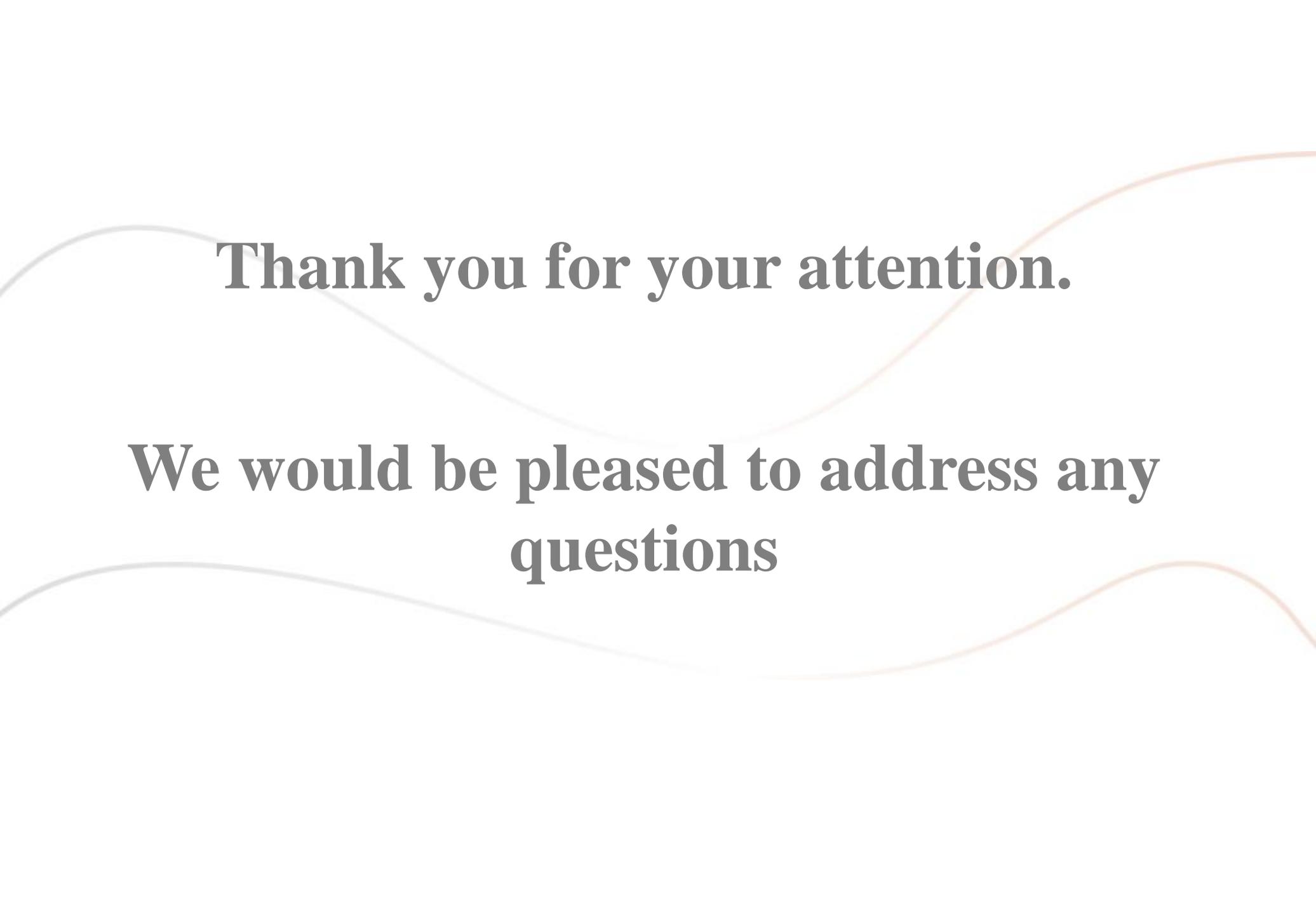
CURRENT MARKET CAP: (AUD)≈\$11.53M

STOCK LISTING

Australian Securities Exchange (ASX)
Trading symbol: ADY

*Information is correct as of 28 March 2019





Thank you for your attention.

**We would be pleased to address any
questions**

**The Board of
Admiralty Resources NL
thanks you for
your support.**



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