

7 August 2023
ASX Announcement

Addendum to June Quarterly Appendix 5B

Admiralty Resources NL (ASX:ADY) ('Admiralty' or the 'Company') refers to the June Quarterly Appendix 5B announced on Monday, 31 July 2023 (**June Appendix 5B**), and wishes to clarify the following:

(1) Re-classification of expenditure related to Mariposa Project

In the quarter ended 30 June 2023 (**Quarter**), the total expenditure on the Mariposa Project was approximately \$440,000, including the costs of the processing plant, construction of infrastructure, transmission line design, and water pipeline design. A breakdown of the project expenditure for the Quarter is set out below:

Category of expenditure	AU\$
Accounting, legal & compliance expenses	76,208.21
Capital equipment	97,828.51
Employment expenses	260,810.99
Licences	81,735.83
Production, materials, consultants & maintenance	187,034.93
VAT, duties, fees & associated charges	703,894.49
Total gross mining expenditure*	1,407,512.97
Less contribution towards expenditure paid directly by Hainan	(960,000)
Net mining related expenditure	447,512.97
* As announced on 20 March 2023, Hainan will provide all capital equipment, undertake all development activities, and provide working capital to take the Mariposa Project to production in accordance with the Term Sheet. The Parties continue to finalise the Long Form Documentation.	

Note that due to a change in the anticipated legal structure of the arrangements between Admiralty and Hainan Xinlei Mining Management Co Ltd (**Hainan**) with respect to the development of the Mariposa Project, Admiralty has re-classified the abovementioned Project expenditure in the June Appendix 5B from Item 1.2(b) *Payments for development* to Item 2.1(f) *Payments to acquire or for other non-current assets*. This re-classification is pending consultation with the Company's auditor and will be confirmed as part of the Financial Year for 2023 (**FY23**) audit.

(2) Administration and Corporate Costs

The corporate overheads and general expenditure of the Company are specified at Item 1.2(d) and (e), which totalled approximately \$240,000 for the Quarter.

(3) Amendments to June Appendix 5B

In addition, the Company wishes to advise the following amendments to the June Appendix 5B:

- Item 1.2(e) inadvertently contained a typographical error in relation wages, the correct amount should have been \$60,000.
- Item 1.2(f) inadvertently contained a typographical error in relation administration and corporate costs, the correct amount should have been \$180,000.
- Item 6.1 has also been updated to align with Item 1.2(e), as noted above.
- Item 7.6 now clarifies that the loan facilities are unsecured; and the loan with Shanghai Long Sheng Technology Development Co Limited is a related party loan.

The amended June Appendix 5B has been lodged with ASX as part of this announcement.

The release of this announcement was authorised by the Board and released by the Joint Company Secretaries.

For more information:

ADMIRALTY RESOURCES NL

Ms Louisa Ho

Mr Stuart Cameron

Joint Company Secretaries |+61 2 9283 6502

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 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/>

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

Contact

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Joint Company

Secretaries

Ms Louisa Ho

Mr Stuart Cameron

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Admiralty Resources NL

ABN

74 010 195 972

Quarter ended ("current quarter")

30 June 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	(357)
(b) development	-	(468)
(c) production	-	-
(d) staff costs	(60)	(218)
(e) administration and corporate costs	(180)	(997)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(240)	(2,040)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	(440)	(440)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	(54)
(d) investments	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(440)	(494)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	-	410
3.6 Repayment of borrowings	-	(11)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	1,695
3.10 Net cash from / (used in) financing activities	-	2,094

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	811	575
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(240)	(2,040)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(440)	(494)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	2,094

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(3)	(7)
4.6	Cash and cash equivalents at end of period	128	128

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	128	128
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	128	128

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	60
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	11,364	9,867
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	11,364	9,867
7.5 Unused financing facilities available at quarter end		1,497
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

The Group has a number of financing facilities that are detailed below:

1. Convertible Loan facility represents the Convertible Loan Facility Agreement with Smart East Global Limited (“SEGL”) and Admiralty Resources (Hong Kong) Limited (“Admiralty HK”)

We note that this loan facility is unsecured and not a related party loan.

As of the date of this report, the current Convertible Loan Facility agreement with SEGL has a maximum principal drawdown value of \$US3.6 million.

The current key terms of the facility are:

- . The interest rate is 12% per annum.
- . Interest is accrued on a quarterly basis and applied to the principal loan amount.
- . The Conversion Price is 80% of the Volume Weighted Average Price (“VWAP”) calculated 90 days immediately prior to the Conversion Date*; and
- . Maturity/expiry date of loan agreement is 31 December 2025.

* The Conversion Date is the date of receipt of a valid Conversion Notice.

2. The Company has a loan agreement with Shanghai Long Sheng Technology Development Co Limited. On the 1 July 2022, additional principal was extended to the Company of \$1,500,000 taking the total principal available under this facility to \$6,000,000. All other terms remained the same with the exception of the expiry date that through negotiation by the Company during last quarter was able to be extended to 31 December 2025.

The loan facility is unsecured and is a related party loan, by reason that the lender is a controlled entity of an immediate family member of the Managing Director, Qing Zhong.

The terms of the loan are:

- . Principal loan available is \$AU6,000,000.
- . Loan agreement date is 21 June 2018, second loan agreement signed on 1 July 2022 for a further \$1,500,000.
- . The interest rate is 5% per annum.
- . Interest is accrued and applied to the principal.
- . Maturity/expiry date of loan agreement: 31 December 2025.

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(240)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(240)
8.4	Cash and cash equivalents at quarter end (item 4.6)	128
8.5	Unused finance facilities available at quarter end (item 7.5)	1,497
8.6	Total available funding (item 8.4 + item 8.5)	1,625

8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	6.7
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer:	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer:	
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer:	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 7 August 2023

Authorised by: The Board of Directors.
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.