ADMIRALTY RESOURCES

ADMIRALTY RESOUCES NL

ABN 74 010 195 972

ANNUAL REPORT

2024

Contents

Corporate Directory

Directors:

Mrs Qing Zhong
Executive and Managing Director

Mrs Jian Barclay
Executive Director

Mr Bin Li
Executive Chairperson

Mr Greg Starr
Independent Non-Executive Director

Group Secretary:

Ms Louisa Le Yi Ho

Bank:

National Australian Bank
Level 13, Tower B
799 Pacific Highway
Chatswood NSW 2067

Scotiabank Azul
Av. Costanera Sur 2710
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La Condes, Santiago
Chile

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Sydney NSW 2000

Telephone: +61 2 8226 4500
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Solicitors:

Australia
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For shareholder information contact:

Share registry:

Boardroom Limited
Level 8, 210 George Street
Sydney NSW 2000

Email: services@boardroomlimited.com.au

Website: boardroomlimited.com.au

Stock exchange:

ASX Limited
ASX: ADY

Capital structure:

1,629,473,940 Fully paid ordinary shares

No options issued

For information on the Group contact:

Principal & Registered Office:

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North Sydney NSW 2065

Email: info@ady.com.au
Web: www.ady.com.au

Chairman's Review

Dear Fellow Shareholders,

On behalf of the Board of Admiralty Resources NL, it is my great pleasure to present the Company's Annual Report for the 2024 Financial Year (FY24). FY24 has been momentous for the Company, from entering the construction phase to preparing for the pre-production phase at its flagship Mariposa Iron Ore Project in Chile (Mariposa Project).

At the commencement of FY24, the Company had engaged Chilean Competent Persons from Geoinvest S.A.C. E.I.R.L. (Geoinvest) to undertake an updated mineral resource estimate and estimated ore reserves for the Mariposa Project in compliance with the JORC Code 2012 guidelines. The JORC 2012-compliant Ore Reserves estimate is an important step in demonstrating the economic significance of this emerging project to ASX investors, highlighting the value of the Chilean iron ore project.

In June 2024, prior to the end of FY24, Admiralty had successfully entered into the long-form documentation in the form of a joint operating agreement with Hainan Xinlei Mining Management Co Ltd, which has solidified the commercial and project management terms to bring the Mariposa Project into production. As FY24 has demonstrated, both parties have worked to their best endeavours to achieve favourable progress at the Mariposa Project.

The Mariposa management team has and continue to engage with local stakeholders who are essential in progressing activities at Mariposa, with such achievements being marked by securing a transmission line contract and port service agreement. The management team continue to seek opportunities with local Chilean companies to progress the Mariposa Project and look forward to reporting on more developments with its stakeholders in due course.

The Company could not have achieved such significant milestones without the ongoing support of our shareholders, management team and business partners cross jurisdictions. I would like to take the opportunity to thank our shareholders, management team, and my fellow Board members for their continued support as we move into the production phase at Mariposa in the 2025 Financial Year (FY25). The Board look forward to delivering more milestones and creating greater shareholder value.

Yours sincerely,

Bin Li
Executive Chairperson
Admiralty Resources NL

Chief Executive Officer's Review of Operations

Dear Fellow Shareholders,

The 2024 Financial Year (FY24) has made a significant mark on the Company when reflecting on the activities and the challenges the Company has had to overcome in the last decade to be in a position for the Mariposa Project to be closer to production than ever. Despite the global events and the economic climate over the past few years having substantially impacted on the progress of the Mariposa Project, the management team has prevailed and continue to make advancements at the Mariposa Project by gearing for production at the mine.

I am pleased to report that Admiralty has met significant milestones at the Mariposa Project in FY24, and more details is provided in the "Review of Operations" below. The key focus of the management team has been to work towards production at the mine, with our Executive Chairman, Mr Bin Li, overseeing the activities personally since the commencement of operations at the mine in December 2022.

The Board is also delighted that since the appointment of Independent Non-Executive Director, Mr Gregory Starr, the Company continue to strength its regulatory compliance, corporate governance, and stakeholder engagement of the Company as the operations levels increase. The Company had updated its securities trading policy as announced to the market on 8 September 2024 and continue to closely monitor its disclosure obligations under the ASX Listing Rules with the ramp up of activities at Mariposa.

Fellow Executive Director, Mrs Jian Barclay, and I continue to assist and support the Mariposa team and Mr Li locally here in Sydney, Australia and had been making trips to Chile to ensure the smooth operations at the Mariposa Mine and to ensure ongoing local stakeholder engagement.

I would like to thank my fellow Board members, management and the team at Mariposa who have worked tirelessly to ramp up operations at Mariposa as we continue to grow shareholder value. And most importantly, to thank all the shareholders who have continued to support the Company throughout the last decade.

Yours sincerely,

Qing Zhong
CEO & Managing Director
Admiralty Resources NL

Review of Operations

Mariposa

Test Run and Trial Production

The Mariposa team commenced test run and trial production during the June 2024 quarter as it continues to work towards the pre-production phase of the project.

Transmission Line

In February 2024, Admiralty announced that Admiralty Minerals Chile Pty Ltd Agencia en Chile ('Admiralty Minerals), a wholly owned subsidiary, had entered into an Easements and Electrical Facility Lease Contract with Agrocomercial as Limitada ('Agrocomercial'), with an effective date of 1 February 2024 and formally legalised on 27 February 2024 (the 'Transmission Line Contract' or 'Contract').

Under the Contract, Admiralty Minerals has been granted an easement over the agreed area to transport electricity from the Agrosuper substation (owned by Agrocomercial) to the Mariposa Mine, with a maximum capacity of the substation of 23kV. Admiralty Minerals is permitted to construct, commission and operate a transmission line to deliver the required energy to the mine as part of the leasing of the electric power facilities from the substation, with the contract valid for 35 years.

Water Access

The Company continue to explore more economical ways to obtain water for the Mariposa mine, while it uses the water reservoir built on the Company's other mine in Chile, Soberana in the previous financial year.

Port Access

The Admiralty achieved further milestones at the Mariposa Iron Ore Project during the June quarter 2024, with the Company continuing to work towards the commencement of production this year.

In April 2024, Admiralty announced that wholly owned subsidiary, Admiralty Minerals Chile Pty Ltd Agencia en Chile, has entered into a port receiving, stacking and storage iron ore concentrate service contract with Puerto Las Losas S.A. ('Las Losas'), with an effective date of 5 March 2024. The Company received the formally legalised contract on 17 April 2024 (the 'Port Service Contract' or 'Contract') (refer ASX release 19 April 2024).

Valid for five years subject to any extension, the Contract is for the provision of the receipt, stacking and storage of iron ore concentrates, as well as terminal services work for ships and shipments from an origin or destination prescribed by the Contract, and the transportation of goods directly or in connection with ports.

Fees are payable to Las Losas for the docking of ships and other port services as specified in the Maritime Administration and Port Regulations and as necessary for the berthing of ships; the stacking, storage and transportation of iron ore concentrates; and the minimum shipping volume as detailed in the Contract. Costs associated with the Port Service Contract will be covered by Hainan Xinlei Mining Management Co Ltd, in accordance with the Mariposa Iron Ore Project Term Sheet.

Long-Form Documentation with Hainan

During the financial year, Admiralty has entered into a Joint Operating Agreement with Hainan Xinlei Mining Management Co Ltd to develop and manage the Mariposa project (refer ASX release 25 June 2024).

Under the agreement, Hainan will provide all capital equipment and undertake all development activities required to commence production at a rate of 500,000 t/pa in 2024 ('Phase 1') and to commence construction on a 2,000,000 t/pa capacity production plant in 2025 ('Phase 2'). Hainan will be liable for all liabilities, costs and expenses incurred in connection with the project, including project expenditure and to the point of the sale of the products.

Hainan has been appointed by Admiralty as the head engineering, procurement, construction and mining contractor and is solely responsible for project development, mining and treatment of the iron ores, and rehabilitation of the mining area. Hainan will also be the non-exclusive sales and marketing agent in respect of the sale of the products derived from the project.

Admiralty will retain 20% of the Chilean subsidiary's notional net profit after tax and Hainan will receive the balance (80%) as consideration for providing the capital and undertaking development required for Phase 1 and Phase 2. Upon completion of Phase 1, Admiralty may engage in good faith negotiations to revise the profit split of the project.

Review of Operations

Chaired by Admiralty Chairman Mr Bin Li, an operating committee has been established, consisting of one representative from Admiralty and two representatives from Hainan, to set the project's strategy and annual budget and oversee its development.

Competent Person
The Company engaged Chilean Competent Persons from Geoinvest S.A.C. E.I.R.L. (Geoinvest) to undertake an updated mineral resource estimate and estimated ore reserves for the Mariposa Project in compliance with the JORC Code 2012 guidelines.

The Mariposa project contains Inferred Mineral Resources of 59.74 Mt, with Measured Mineral Resources of 6.65 Mt, Indicated Mineral Resources of 39.16 Mt and total Mineral Resources of 105.6 Mt (cut-off grade 15% TFe) – a JORC 2012 compliant resource (refer ASX Announcement 4 October 2023). Estimated Ore Reserves comprise 36.3 million tonnes (Mt) as a cut-off grade of 15% TFe, with Total Fe concentrate of approximately 14 Mt at a grade of 65% TFe (refer ASX Announcement 14 February 2024).

Soberana
Water from Soberana continues to be supplied to Mariposa, via a reservoir built in 2023 for water storage.

La Chulula
Admiralty continues to progress the second stage of environmental approvals. Further updates will be provided as this project advances, with the benefit of its proximity to the Mariposa mine site.

Australian Projects

Pyke Hill

The Pyke Hill nickel cobalt project, in which the Company has a 50% interest through wholly-owned subsidiary Pyke Hill Resources Pty Ltd (Pyke Hill Resources), has been predominately dormant to date. The other 50% interest in the project is held by Richore Pty Ltd (Richore).

Pyke Hill Resources and Richore have been involved in legal proceedings pertaining to whether a third party, Cougar Metals NL (subject to DOCA) (Cougar), retained any rights to the mineral nickel/cobalt rights contained in the Pyke Hill tenement (M/39/159) pursuant to an option agreement terminated by Pyke Hill Resources in July 2021 (Option Agreement) (refer ASX announcement 16 March 2023).

Cougar lodged an appeal against the Supreme Court of Western Australia's (WASC) judgement. The Court of Appeal (WA) upheld the primary judge's finding that Cougar had breached its obligations under the Option Agreement with respect to the statutory minimum annual expenditure commitments of Pyke Hill Resources as the tenement holder, and also overturned the primary judge's finding and declared that the Option Agreement was not effectively terminated in July 2021. Costs related to this matter were awarded in favour of Cougar.

The Company advises that the outcome of the Court of Appeal (WA) judgement in relation to Pyke Hill Resources does not impact on the advancement of the Mariposa Project or the current operations of the Company.

Review of Operations

Corporate

During the financial year ended 30 June 2024 the following key activities were undertaken by the Group from a Corporate perspective:

Smart East Global Limited (SEGL) Convertible Note Facility
On 25 March 2024, the Company received a Conversion Notice from SEGL which resulted in a total of 190,000,000 shares issued to SEGL on the terms of the convertible note facility agreement, and reducing the principal outstanding amount by A$1,026,000.

Placement
On 4 April 2024, Admiralty announced the completion of a private placement to raise $733,831 (before costs) at $0.0054 per share from new and existing investors, with all funds raised to be used towards working capital purposes. The placement issue price represented an 18.7% discount to the 15-day VWAP at close of trading on 27 March 2024 (refer ASX announcement 4 April 2024).

Unmarketable Parcel Share Sale Facility
Admiralty instituted an unmarketable share sale facility at an indicative price of A$0.0059 per share. Under the facility, any shareholder with a shareholding valued at less than A$500 could sell their shares off-market without having to pay brokerage. The closing date for acceptances was 5pm AEST Monday, 3 June 2024 (refer ASX announcement 18 April 2024).

Admiralty announced the completion of the facility on 5 May 2024 (refer ASX release). The final number of shares sold under the facility was 44,963,933 ADY ordinary shares for a total consideration of A$265,288.51.

The facility comprised 4,871 shareholders, representing approximately 88% of eligible shareholders. Eligible shareholders whose shares were sold under the facility will have their proceeds remitted to them and will be sent documentation advising them of the number of shares sold and the amount of proceeds remitted.

Review of Operations

Competent Person Statements

Mineral Resources Estimates

Mr Sergio Alvarado Casas, from Geoinvest S.A.C. E.I.R.L. (Geoinvest) has been engaged to undertake an updated mineral resource estimate and estimated ore reserves for the Mariposa Project in compliance with the JORC Code 2012 guidelines. Mr Casas, is a Chilean Competent Person in compliance with ASX Listing Rules and the JORC Code 2012, being qualified personnel under the Comisión Calificadora de Competencias en Recursos y Reservas Mineras (Chilean Mining Commission or Comisión Minera).

The Mariposa project contains Inferred Mineral Resources of 59.74 Mt, with Measured Mineral Resources of 6.65 Mt, Indicated Mineral Resources of 39.16 Mt and total Mineral Resources of 105.6 Mt (cut-off grade 15% TFe) – a JORC 2012 compliant resource (refer ASX Announcement 4 October 2023). Estimated Ore Reserves comprise 36.3 million tonnes (Mt) as a cut-off grade of 15% TFe, with Total Fe concentrate of approximately 14 Mt at a grade of 65% TFe (refer ASX Announcement 14 February 2024).

The JORC 2012-compliant Ore Reserves estimate is an important step in demonstrating the economic significance of this emerging project to ASX investors, highlighting the value of the Chilean iron ore project.

Directors' Report

The Directors present their report on Admiralty Resources NL ("Admiralty" or the "Group") for the financial year ended 30 June 2024 (the "financial year").

Directors

The names and details of the Directors of the Group in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mrs Qing Zhong	Managing Director & CEO *(appointed on 4 December 2013)*
Mrs Jian Barclay	Executive Director *(appointed on 22 February 2019)*
Mr Bin Li	Executive Chairperson *(appointed on 22 September 2014)*
Mr Greg Starr	Independent Non-Executive Director *(appointed 17 March 2023)*

Names, Qualifications, Experience and Special Responsibilities

Mrs Qing Zhong *(Managing Director & Chief Executive Office, appointed 4 December 2013)*

Mrs Zhong has been involved in capital management and investment businesses for over 15 years. Mrs Zhong has been responsible for mining investments in Mexico and Australia, and her involvement has been instrumental in securing capital to enable the Group to continue exploration activities and negotiate with potential financers to commence construction and production at the Mariposa Mine.

Mrs Jian Barclay *(Executive Director, appointed 22 February 2019)*

Mrs Barclay has been associated with the Group for the past 10 years and has been a key member of the executive team that has assisted in the more recent project development and site visits to Chile.

Through these visits Mrs Barclay has become intimately involved in understanding and navigating the requirements of the Chilean projects (including regulatory and compliance requirements) and has assisted in the successful negotiation of contracts and sourcing of local expertise necessary to progress the Group's interests in the region.

Mr Bin Li (*Executive Chairperson, appointed 22 September 2014)*

Mr Li is a senior mining engineer with over 30 years' experience in metallurgy and a graduate of mining and metallurgy from the Jiang Xi Metallurgy University and this technical experience is relevant to the Group's current and next stages of development.

Mr Li and Mrs Qing Zhong (Managing Director & CEO) has been the driving force behind negotiating with potential financiers to commence construction and production at the Mariposa Mine.

Mr Greg Starr (Independent Non-*Executive Director, appointed 17 March 2023)*

Mr Starr is an experienced public Group director, who joined in March 2023, having held senior board positions in a number of ASX listed companies for over the last 20 years. Over the past 3 years, Mr Starr had held executive and non-executive board positions in ASX listed companies, Diatreme Resources Limited, BIR Financial Limited, and Candy Club Holdings Limited.

Mr Starr has extensive corporate leadership skills and strong financial and business planning capabilities. This enables him to guide the Group in a diversity of corporate and commercial matters, including in corporate governance, regulatory compliance, stakeholder engagement, strategy development, corporate financing, transaction management, and investor relations.

The Group is looking forward to a strong governance system driven by an Independent Non-Executive director as the Group moves towards the construction and production of the Mariposa Mine.

Directors' Report

Interest in the Share and Options of the Group

As at the date of this report, the interest of the Directors in the shares and options of Admiralty Resources NL were as follows:

Shareholder	Ordinary Shares	Unlisted Options
Qing Zhong	214,953,465	Nil
Jian Barclay	12,663,604	Nil
Bin Li	25,000,000	Nil
Greg Starr	Nil	Nil

Earnings per share

Basic and diluted earnings per share for the year was ($0.20) cents, 2023: ($0.16) cents.

Dividends

No amounts have been paid or declared by way of dividend of the Group since the date of incorporation and the Directors do not recommend the payment of any dividend.

Rounding of Amounts

The Group is of a kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Operating and Financial Review

Admiralty Resources NL is a public Group limited by shares which is incorporated and domiciled in Australia with foreign subsidiaries.

Nature of Operations and Principal Activities

The principal activity of the Group during the financial year was mineral exploration.

Results from Operations and Financial Position

The Group incurred a net loss after tax for the year ended 30 June 2024 of $2,829,312 (2023: $2 million loss). Net cash outflows from operating activities were $760,665 million (2023: $0.7 million).

At 30 June 2024, the Group had cash on hand of $0.02 million (2023: $0.40 million). The Directors believe the Group maintains a prudent capital structure and is in a robust position to continue progressing its projects.

Review of Operations

During the financial year, the Group was principally focussed on exploration in Chile.

For further information on these projects please refer to the Review of Operations within this Annual Report.

Risk Management

The Group takes a proactive approach to risk management. The Board is responsible for ensuring that risks, including emerging risks, and also opportunities, are identified on a timely basis and the Group's objectives and activities are aligned with the risks and opportunities identified by the Board.

The Board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the Board. These include the following:

- Board approval of a strategic plan designed to meet stakeholders needs and manage business risk; and
- Implementation of Board approved budgets and Board monitoring of progress against those budgets.

Directors' Report

Directors' Meetings

The number of meetings of Directors (including meetings of committees of Directors) held during the financial year and the numbers of meetings attended by each Director were as follows:

Note there were no meetings of the Directors Remuneration and Nomination committee as the general meetings of the boards addresses any issued arising from these committees.

	Directors' Normal Meetings		Directors' Remuneration and Nomination Meetings		Directors' Audit and Risk Management Meetings	
	No. Eligible	No. Attended	No. Eligible	No. Attended	No. Eligible	No. Attended
Qing Zhong	6	6	-	-	1	1
Jian Barclay	6	6	-	-	1	1
Bin Li	6	6	-	-	-	-
Greg Starr	6	6	-	-	1	1

Committee Membership

As at the date of this report, the Group has separately constituted Audit and Risk, Remuneration and Nomination Committees, with the following representation of the Board.

	Audit and Risk	Remuneration and Nomination Committees
Qing Zhong	Yes	Yes
Jian Barclay	Yes	No
Bin Li	No	Yes
Greg Starr	Chair	Chair

Significant Changes in State of Affairs

During the financial year, the Group entered into a Joint Operating Agreement with Hainan Xinlei Mining Co Ltd ("Hainan") for the extraction of resources at Mariposa Chile.

Matters Subsequent to the End of the Financial Year

Pyke Hill

The Company advises that it has settled the Supreme Court of Western Australia's (WASC) matter with Cougar Metals NL (subject to DOCA) (Cougar). The Company advises that the settlement does not impact on the advancement of the Mariposa Project or the current operations of the Company.

No other matter or circumstance has arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

Environmental Issues

The Group carried out operations at the Mariposa site in accordance with the Company's environmental approval (DIA) obtained from local Chilean regulatory authorisations. The Company's Competent Person, Sergio Alvarado Casas, from Geoinvest S.A.C. E.I.R.L. (Geoinvest) had commented that:

> *"…noteworthy that ADY obtained environmental permits early on from the relevant authorities. The environmental authorization process can be extensive, and based on Geoinvest's experience, it usually takes a long time."*

To date, the Company has not had any environmental issues and continue to be vigilant in ensuring that it adheres to the guidelines pursuant to the DIA approval.

Directors' Report

Likely Developments and Expected Results of Operations

The Group will continue to focus on delivering outcomes from the Mariposa project with Hainan, with the company preparing for the first shipment of concentrated iron ore by early November 2024.

Indemnification and Insurance of Directors and Officers

During the financial year, the Group does not have in place insurance that covers Director and Officers liability.

Indemnification of Auditors

The Group has not indemnified its auditors, RSM, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify RSM during or since the financial year.

Auditor Independence and Non-Audit Services

Section 307C of the *Corporations Act 2001* requires the Group's Auditors to provide the Directors of Admiralty Resources NL with an Independence Declaration in relation to the audit of the full-year financial report. This report has been received and is attached to the Directors' Report at page 53.

Non-Audit Services

During the financial year the entity's auditor, RSM, provided nil non-audit services.

Remuneration Report (Audited)

This Remuneration Report outlines the Director and Executive remuneration arrangements of the Group in accordance with the requirements of the *Corporations Act 2001* and its Regulations. For the purposes of this report, Key Management Personnel (KMP) are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including all Directors of the Group.

Details of Key Management Personnel

Qing Zhong	Managing Director & CEO *(appointed on 4 December 2013)*
Jian Barclay	Executive Director *(appointed on 22 February 2019)*
Bin Li	Executive Chairperson *(appointed on 22 September 2014)*
Greg Starr	Independent Non-Executive Director *(appointed 17 March 2023)*

There were no changes of KMP after the reporting date and before the date the financial report was authorised for issue.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee comprises Mr Gregory Starr (Chairperson), Mrs Qing Zhong and Mr Bin Li.

The Remuneration and Nomination Committee reviews and approves the Group's remuneration policy in order to ensure that the Group is able to attract and retain executives and Directors who will create value for Shareholders, having regard to the amount considered to be commensurate for an entity of the Group's size and level of activity as well as the relevant Directors' time, commitment and responsibility.

Remuneration Philosophy

The performance of the Group depends upon the quality of its Directors and Executives. To prosper, the Group must attract, motivate and retain highly skilled Directors and Executives.

To this end, the Group embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre Executives;
- Establish appropriate hurdles for variable executive remuneration; and

Remuneration Structure

In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive Remuneration is separate and distinct.

Directors' Report

Non-Executive Director Remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the Group with the ability to attract and retain Directors of the highest calibre, whilst keeping costs acceptable to shareholders.

Structure

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board considers the fees paid to Non-Executive Directors of comparable companies when undertaking the annual review process.

Each Non-Executive Director receives a fee for serving as a Director of the Group. The remuneration of Non-Executive Directors for the years ended 1 July 2023 and 30 June 2024 is detailed later in this report.

Non-Executive Directors have long been encouraged by the Board to hold shares in the Group (purchased by the Director on market). In addition, long term incentives in the form of options may be awarded to Non-Executive Directors, subject to shareholder approval, in a manner which aligns this element of remuneration with the creation of shareholder wealth.

Executive Remuneration

Objective

The Group aims to reward Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group and so as to:

- Reward Executives for Group and individual performance against targets set by reference to appropriate benchmarks;
- Align interests of Executives with those of shareholders;
- Link reward with strategic goals; and
- Ensure total remuneration is competitive by market standards.

Structure

In determining the level and make-up of Executive remuneration the Board considers market conditions and remuneration paid to Senior Executives of companies similar in nature to Admiralty Resources NL. Remuneration consists of the following key elements:

- Fixed Remuneration
- Variable Remuneration:

Fixed Remuneration

Objective

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.

Fixed remuneration is reviewed annually by the Board and the process consists of a review of individual performance, relevant comparative remuneration in the market and, where appropriate, external advice on policies and practices.

Structure

Executives are given the opportunity to receive their fixed (primary) remuneration in a variety of forms. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Group.

The fixed remuneration component of the Directors is detailed later in this report.

Directors' Report

Remuneration Report (Audited) (Continued)

Employment Contracts

The Chief Executive Officer, Mrs Qing Zhong is employed under contract. The material terms of Mrs Qing Zhong consultancy agreement are as follows:

- Commencement date: 1st July 2014
- Term: No fixed term
- Remuneration: $140,000 pa (plus GST)
- Termination: 12 months' notice by the board

Mrs Zhong has been engaged by the Group through her consultancy trust, Commercial Property Trust.

Services Agreements – Executive and Non-Executive Directors

On appointment to the Board, all Executive and Non-Executive Directors enter into a service agreement with the Group in the form of a letter of appointment. The letter summarises the Board's policies and terms, including compensation, relevant to the director, and among other things:

- the terms of the Directors appointment, including governance, compliance with the Group's Constitution, committee appointments, and re-election.
- the Directors' duties, including disclosure obligations, exercising powers, use of office, attendance at meetings and commitment levels.
- the fees payable, in line with shareholder approval, any other terms, timing of payments and entitlements to reimbursements.
- insurance and indemnity.
- disclosure obligations; and
- confidentiality

Name	Base Salary (inc-superannuation)
Ms Jian Barclay	$60,000
Mr Bin Li	$Nil
Mr Greg Starr	$44,000

Notes:

Remuneration of Key Management Personnel

The remuneration tables below set out the remuneration information for the Directors and Executives, which includes the Chief Executive Officer, who are considered to be KMP of the Group.

	Short-term				Long-term	Post-employment	Total	Performance related
2024	Salary & fees $	STI bonus $	SBP Options $	Other $	Other $	Superannuation $	$	%
Directors								
Qing Zhong[1]	128,326	-	-	-	-	-	128,326	-
Jian Barclay[2]	71,666	-	-	-		6,000	77,666	-
Greg Starr[3]	33,000	-	-	-	-	-	33,000	-
Bin Li	-	-	-	-	-	-	-	-
Total Directors	**232,992**	-	-	-	-	**6,000**	**238,992**	-
Total KMP	**232,992**	-	-	-	-	**6,000**	**238,992**	-

Notes:

1. *Payments to Ms Zhong are net of GST and paid via her services trust, Commercial Property Trust.*
2. *Payments to Ms Barclay are net of GST and paid via her Group, JB Admin Pty Limited.*
3. *Payments to Greg Starr are net of GST and paid via his service Group, Tearum Advisors Pty Limited.*
4. *The group has entered into a commercial rent agreement with Sun Investment & Holdings Pty Limited for $2,000 per month plus GST that is an associated entity of Qing Zhong*

Directors' Report

Remuneration Report (Audited) (Continued)

			Short-term		Long-term	Post-employment	Total	Performance related
2023	Salary & fees $	STI bonus $	SBP Options $	Other $	Other $	Superannuation $	$	%
Directors								
Qing Zhong[1]	139,992	-	-	-	-	-	139,992	-
Jian Barclay[2]	60,450	-	-	-		5,727	66,177	-
Greg Starr[3]	11,000	-	-	-	-	-	11,000	-
Bin Li	-	-	-	-	-	-	-	-
Total Directors	**211,442**	-	-	-	-	**5,727**	**217,169**	-
Total KMP	**211,442**	-	-	-	-	**5.727**	**217,169**	-

Other Transactions with Key Management Personnel

During the financial year, the Group had the following transactions with KMP:

- The Group entered into a commercial lease arrangement with a related Group of the Managing Director, Qing Zhong for the registered and business address of the Group. The terms of the lease arrangement are $2,000 per month plus GST with no fixed term.

Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2024.

Options

There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2024.

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2024.

Additional information

The earnings of the consolidated entity for the five years to 30 June 2024 are summarised below:

	2024 $	2023 $	2022 $	2021 $	2020 $
Other income	**297,928**	**598,858**	663,576	1,862,255	973,758
EBITDA	**(744,732)**	**(1,313,574)**	(1,415,040)	1,512,612	167,458
EBIT	**(754,671)**	**(1,315,622)**	(1,421,592)	1,493,754	157,403
Loss after income tax	**(2,829,312)**	**(2,073,238)**	(3,501,076)	(737,317)	(1,545,840)

The factors that are considered to affect total shareholders return {TSR') are summarised below:

	2024 cents	2023 Cents	2022 Cents	2021 Cents	2020 Cents
Share price at financial years end	**0.011**	**0.006**	0.001	0.002	0.001
Basic earnings per share (cents per share)	**(0.20)**	**(0.16)**	(0.27)	(0.06)	(0.13)

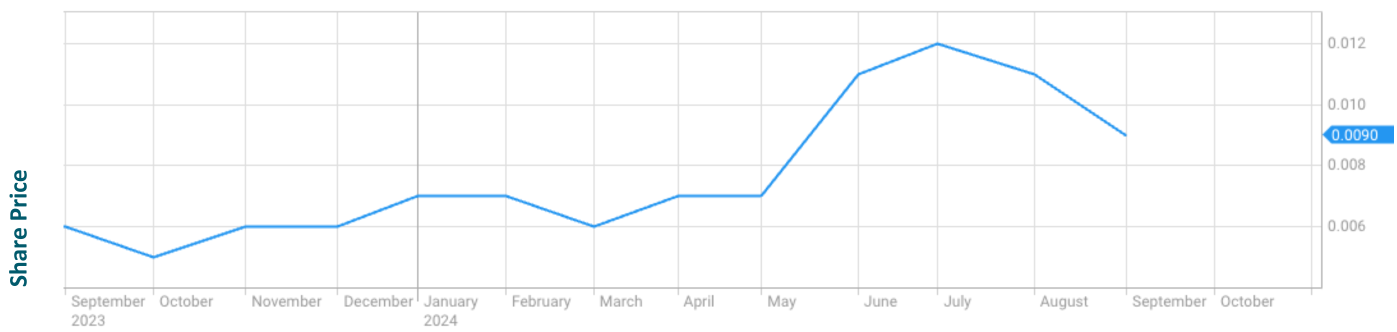
Directors' Report

Remuneration Report (Audited) (Continued)

Group Performance

The Group's share price performance shown in the below graph is a reflection of the past 12 months trading.

Admiralty Resources NL
Share Price Performance (last 12 months)



Shareholdings of Key Management Personnel

The interests of KMP of the Group in shares at the end of the financial year 2024 is as follows:

2023	Balance as at 1 July 2023	Granted as Remuneration	Purchased	Net Change/ Other	Shares Issued on Exercise of Options	Balance as at 30 June 2024
Qing Zhong	214,953,465	-	-	-	-	214,953,465
Jian Barclay	12,663,604	-	-	-	-	12,663,604
Bin Li	25,000,000	-	-	-	-	25,000,000
Greg Starr	-	-	-	-	-	-
Total	**252,617,069**	-	-	-	-	**252,617,069**

Other Related Party Transactions

During the year the Group had the following transactions with KMP:

Refer to Note 27 for further detail on Related Party transactions.

End of Remuneration Report

RSM

RSM Australia Partners

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Sydney
NSW 2000
Australia
T +61 (02) 8226 4500
F +61 (02) 8226 4501
rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Admiralty Resources NL for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

G N Sherwood GNS

G N Sherwood
Partner

Sydney, NSW
Dated: 30 September 2024

Corporate Governance

Introduction

The Directors of Admiralty Resources NL (the "Company") are committed to and support the implementation of best practice in corporate governance, applied in a manner that is appropriate to the Company's circumstances. These policies and procedures are summarised below.

The Company's corporate governance practices and procedures are directed to provide an appropriate framework for the pursuit of this objective, while protecting the rights and interests of shareholders and ensuring that the Company conducts its business lawfully and ethically. It influences how the objectives of the Company are achieved, how risk is monitored and assessed and how performance is optimised.

The Board and management are committed to corporate governance and, to the extent that they are applicable to the Company, have adopted the Corporate Governance Principles as set out in the Corporate Governance Principles and Recommendation (4th Edition) as published by the ASX Corporate Governance Council, which came into effect on 1 January 2020.

The Board of Directors has put in place a framework of internal policies, procedures and guidelines for the governance of the Company, which has appropriate regard to the ASX Principles and Recommendations.

Whilst the Board has demonstrated, and continues to demonstrate, its commitment to best practice in corporate governance, it emphasises that good corporate governance is only one factor contributing to the success of the Company's operations.

The governance framework is reviewed annually by the Board with the object of achieving at all times the highest standards of corporate governance and ethical corporate behaviour.

Additional information about the Company's corporate governance practices is set out on the Company's website at **www.ady.com.au**.

Council Principle 1: Lay solid foundations for management and oversight

Role of the Board

The Board's primary role is the protection and enhancement of medium to long term shareholder value. To fulfil this role, the Board is accountable to shareholders and regulators for the activities and performance of the Company and has overall responsibility for the Company's core business together with its corporate governance. The Board provides guidance to the management team that manages the business and affairs of the Company.

Responsibility of the Board

The corporate governance framework includes guidelines covering Board membership and operation that formalise the functions and responsibilities of the Board, including the nature of matters referred to the Board, and also contain guidelines for the operation and management of the Board.

The Board is collectively responsible for promoting the success of the Company by:

- Overseeing the Company, including its control and accountability systems and the performance of the Managing Director;
- Review and ratification of the integrity of the Company's financial management and reporting systems and processes;
- Establishment and monitoring of risk assessment and management, internal compliance and control procedures;
- Review and approval of the Company's yearly and half-yearly financial reports and other financial reporting in compliance with the applicable accounting standards, the Listing Rules and the Australian Securities Exchange and the Corporations Act 2001;
- Appointment, removal and remuneration of and delegation of authority to the Managing Director;
- Appointment, removal and monitoring of the performance of the Company Secretary and the Company's external accountants;

Corporate Governance

- Appointment of, liaison with, and regular review of the effectiveness and independence of the Company's external auditor;
- Regularly receiving, reviewing and applying reports and recommendations from the Managing Director concerning significant aspects of the Company's business and operations;
- Approving and monitoring financial and other reporting;
- Setting the strategic direction of the Company and monitoring the progress of those strategies;
- Informing itself about and considering the implications of events and circumstances that could significantly affect the Company;
- Taking responsibility for corporate governance;
- Ensuring that appropriate policies and procedures are in place for sound corporate governance including compliance with continuous disclosure requirements and other legal compliance; and
- Reviewing and ratifying systems for health, safety and environment management; risk and internal control and regulatory compliance for both employees and contractors.

The Board must convene regular meetings with such frequency as is sufficient to appropriately discharge its responsibilities. Between regular meetings it will also ensure that important matters are addressed by way of circular resolutions. The Board may, from time to time, delegate some of the responsibilities listed above to its senior management team.

Responsibility of the Managing Director:
Responsibility for management of the Company's business and affairs, within the scope of the governance framework established by the Board, is delegated to the Managing Director, and subject to the oversight and supervision of the Board. It is the responsibility of the Managing Director, acting within his delegated authority, to manage the Company and its business.

The responsibilities of the Managing Director include:

- developing and recommending to the Board strategies, business plans and annual budgets for the Company;
- implementing the strategies, business plans and budgets adopted by the Board;
- managing resources within budgets approved by the Board;
- ensuring compliance with applicable laws and regulations; and
- ensuring the Board is given sufficient information to enable it to perform its functions, set strategies and monitor performance.

Appointment, induction and training
In selecting new Directors, the Board must ensure that the candidate has the appropriate range of skills, experience and expertise that will best complement Board effectiveness.

The Company ensures that appropriate background checks are undertaken regarding the potential new Director's character, experience, education, criminal record and bankruptcy history before appointing or putting forward a Director to shareholders for election as a Director.

The Company also provides its shareholders with all material information in its possession that is relevant to their decision on whether or not to elect or re-elect a Director through the Notice of Meeting, Director Resumes and other information contained in the Annual Report and on the Company's website.

Upon appointment, each Director will receive a written agreement which sets out the terms of their appointment. New Directors will also attend an induction program where they are briefed on the Company's:

- operations and the industry sectors in which it operates;
- financial, strategic, operational and risk management position;
- governance matters, policies and procedures; and
- the Director and committee member's rights, duties and responsibilities.

Corporate Governance

Directors are also provided with regular professional development opportunities to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.

Company Secretary
All Directors have access to the Company Secretary. The Company Secretary is accountable to the Board, through the Chair, on all corporate governance matters.

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

The role of the Company Secretary includes:

- advising the Board and its committees (as established from time to time) on governance matters;
- monitoring that Board and committee policy and procedures are followed;
- coordinating the timely completion and despatch of board and committee papers;
- ensuring that the business at Board and committee meetings is accurately captured in the minutes; and
- helping to organise and facilitate the induction and professional development of directors.

Diversity Policy
The Company is committed to ensuring an inclusive workplace that encourages and embraces diversity, and have established a Diversity Policy which is available on the Company's website.

The respective proportions of men and women on the Board, in senior executive positions and across the Company are as below:

	Men	Women
Board	50%	50%
Senior executive	33%	67%

Performance Review of Directors
As part of the annual review of the performance of the Board, the appropriate size, composition and terms and conditions of appointment to and retirement from the Board are considered. The level of remuneration for non-executive directors is considered with regard to practices of other public companies and the aggregate amount of fees approved by shareholders. The Board also reviews the appropriate criteria for Board membership collectively.

The Board had undertaken a review and have agreed to maintain the current Director fees by giving consideration to the current working capital needs of the Company.

Performance review of Executives
A performance evaluation of the Managing Director is conducted annually. The Managing Director is requested to provide feedback on how they feel they have performed over the 12-month period.

The Board had undertaken a review of the Executive Directors and have agreed to maintain the current Director fees by giving consideration to the current working capital needs of the Company.

Corporate Governance

Council Principle 2: Structure the board to add value

The Company considers that each Director possesses skills and experience suitable for building the Company. The skills, experience and expertise relevant to the position of each Director (who is in office at the date of the Annual Report and their term of office) are detailed in the Directors' Report. To add value to the Company, the Board is structured to discharge adequately its responsibilities and duties in respect of the size and scale of operations.

Nomination Committee

The Nomination and Remuneration Committee (Nomination Committee) addresses succession issues and ensures the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively through regular review and assessment.

The Chair of the Nomination Committee is Independent and Non-Executive Director, Mr Gregory Starr, and the Members consists of Executive Chairman Mr Bin Li and Managing Director Mrs Qing Zhong. The Nomination Committee does not consist of fully independent Directors due to the limited size of the Board. The Board will continue to assess the need for a fully independent Nomination Committee.

Board Skills and Experience

The length of service of each Director is set out in the Directors' Report of the Annual Report. The skills and experience of the directors are set out in the matrix below.

Experience	Industry
• Mining investment • Mine engineering, development and management • Capital raising management • Corporate Finance • Corporate Governance • Accounting	• Mining & Geology • Investment Banking • Legal • Finance and Accounting

Independent Directors

Currently, the Board does not have a majority of Directors which are considered to be independent, with Mr Gregory Starr being the only Independent Non-Executive Director. However, the Company believes it has the right mix of skills, independence and experience on the Board at this time, given the Company's current business objectives and stage of growth.

At all times during the year, the Company has maintained a separation between the Chair and Managing Director roles.

Corporate Governance

The following table provides information in relation to the independence of Directors as at year end:

Name	Position	Independent	Factors affecting independence	Length of Service
Bin Li	Executive Chairman	No	Nominated by majority shareholder and elected as Non-Executive Director at General Meeting of Members on 21 September 2014.	10 years
Qing Zhong	Managing Director	No	Employed in an executive capacity as Managing Director.	10 years, 9 months
Jian Barclay	Executive Director	No	Employed in an executive capacity.	5 years,7 months
Gregory Starr	Independent Non-Executive Director	Yes	There are no known factors affecting independence.	12 months

Induction and Training
When appointed to the Board, a new director will receive an induction appropriate to their experience.

Directors are encouraged to seek professional development to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

Council Principle 3: Instil a culture of acting lawfully, ethically and responsibly

Core Values
Due to the size of the Board and the Company not having permanent employees, the Board has not set expressly articulated its values. However, the Board is committed to a cultivating a corporate culture whereby all directors and employees behave acting lawfully, ethically and responsibly.

Code of Conduct
The Board has adopted a Corporate Code of Conduct to establish and encourage observance of standards of ethical and responsible decision making and behaviour that is necessary to maintain confidence in the Company's integrity. This enables Directors to recognise legal, social and other obligations and guide compliance to the Company's shareholders and stakeholders.

All staff and employees are required to report any breach of the Code to the Board.

Directors are required to disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist in so far as it affects the activities of the Company. Directors are required to take actions to ensure they act in accordance with the Corporations Act. This may include taking no part in discussions or the decision making process, where a conflict exists.

Whistleblower Policy
The Board has adopted a Whistleblower Policy and all employees are encouraged to speak up about any unlawful, unethical or irresponsible behaviour within the organisation.

The Company's anti-bribery and corruption policy is included as part of its Code of Conduct.

Corporate Governance

Council Principle 4: Safeguard integrity in corporate reporting

Audit Committee

The Audit and Risk Committee (Audit Committee) the functions as outlined in the Audit and Risk Committee Charter:

- overseeing the reliability and integrity of the Company's accounting policies, financial reporting and disclosure practices;
- reviewing financial reporting, due diligence, financial systems integrity and business risks;
- reviewing and monitoring the Company's external Audit and Risk management procedures;
- monitoring and reviewing the effectiveness of the Company's internal compliance and control;
- reviewing the external auditor's qualifications and independence;
- reviewing the performance of the external auditor;
- assessment of whether the Company's external reporting is consistent with Board Members' information and knowledge and is adequate for shareholder needs; and
- ensuring proper procedures for the selection, appointment or removal of the external auditor and rotation of the external audit engagement partner.

The Chair of the Nomination Committee is Independent and Non-Executive Director, Mr Gregory Starr, and the Members consists of Managing Director Mrs Qing Zhong and Executive Director Mrs Jian Barclay. The Audit Committee does not consist of fully independent Directors due to the limited size of the Board. The Board will continue to assess the need for a fully independent Audit Committee.

CEO Declaration under 295A of the Corporations Act 2001

The Company received from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

External Auditor

RSM Australia Partners are the appointed external auditors of the Company and were appointed at the Company's 2015 Annual General Meeting. The performance of the external auditor is reviewed periodically and, if necessary, applications for tender of external audit services will be requested as deemed appropriate.

It is the practice of the Company to require the external auditor to attend the Annual General Meeting and be available to answer shareholders questions about the conduct of the annual audit and content of the auditor's report.

There are no non-audit services provided by RSM. The external auditors provide an annual declaration of their independence to the Company.

Verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor

In the limited event where the unaudited financial information is released to the market, such information is prepared by independent qualified accountants.

Corporate Governance

Council Principle 5: Make timely and balanced disclosure

Continuous Disclosure

All Directors have been made aware of the continuous disclosure requirements of the ASX Listing Rules and have been provided with a copy of the relevant rules and guidance notes. Continuous disclosure is included on the agenda for all formal meetings of the directors. Directors are made aware of the constraints applicable to private briefings and broker and analyst presentations.

The Directors have allocated responsibility to each director and the company secretary to alert the Board to any operational or regulatory matters respectively which they consider may require disclosure to the market under the continuous disclosure requirements of the ASX Listing Rules. The Directors then consider and approve the form of any such announcement.

All Company announcements require the approval of the board with provision for available directors to approve urgent announcements. The company secretary is responsible for communication with ASX.

All new and substantive investor or analyst presentations will be released to the ASX.

The Annual Report contains a review of operations.

Council Principle 6: Respect the rights of shareholders

Communication Policy

The Company has guidelines to promote effective communication with shareholders and encourage effective participation through a policy of open, balanced disclosure of all material information with respect to the Company's affairs to shareholders, regulatory authorities and stakeholders.
Information will be communicated to shareholders as follows:

- The Annual Report is distributed to all shareholders. The Board ensures that the Annual Report includes relevant information about the operations of the consolidated entity during the year, changes in the state of affairs of the consolidated entity and details of future developments, in addition to the other disclosures required by the Corporations Act. The Annual Report is made available on the Company's website and is provided in hard copy format to shareholder who requests it.
- The Half-Year Report contains summarised financial information and a review of the operations of the consolidated entity during the year. The half-year audited financial report is prepared in accordance with the requirements of applicable Accounting Standards and the Corporations Act and is lodged with the Australian Securities Exchange. The Half-Year Report is made available on the Company's website and is sent to any shareholder who requests it.
- The Quarterly Report contains summarised cash flow financial information and details about the Company's activities during the quarter. The Quarterly Report is made available on the Company's website and is sent to any shareholder who requests it.
- Announcements in accordance with the ASX Listing Rules and the Continuous Disclosure obligations;
- A general meeting of shareholders held at least annually, including providing them with notice of meeting and proxy form; and
- The Company's website is well promoted to shareholders and shareholders may register to receive updates, either by email or in hard copy.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the consolidated entity's strategy and goals. Important issues are presented to the shareholders as resolutions. The Company also ensures that the audit partner attends the Annual General Meeting.

The Company endeavours to ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.

Corporate Governance

Company's Website
The Company maintains a website at: www.ady.com.au

On its website, the Company makes the following information available on a regular and up-to-date basis:

- Company announcements and Latest information briefings;
- Notices of meetings and explanatory materials; and
- Quarterly, Half-Year and Annual Reports.

The website is being continuously updated with any information the Directors and management may feel is material. All relevant announcements made to the market, and related information, are placed on the website after they have been released to the Australian Securities Exchange.

The website also provides information about the last three years press releases / announcements including three years of financial data.

Council Principle 7: Recognise and manage risk

Oversight and Management of Material Business Risks
The Company is aware of the risks involved in an exploration and mining company and the specific uncertainties for the Company continue to be regularly monitored and reviewed by the Board. All proposals reviewed by the Board include a conscious consideration of the issues and risks of the proposal.

It has not established a separate committee to deal with these matters as the directors consider the size of the Company and its operations does not warrant a separate committee at this time.

The potential exposures associated with operating the Company are managed by the Managing Director, the Company Secretary and consultants who have significant broad-ranging industry experience, who work together as a team and regularly share information on current activities. During the year, the Managing Director has disclosed to the Board the effectiveness of the Company's management of the material business risks.

Additionally, it is the responsibility of the Board to assess the adequacy of the Company's internal control systems and that its financial affairs comply with applicable laws, regulations and professional practice. The Managing Director and the Company Secretary declare in writing to the Board that the financial reporting, risk management and associated compliance controls have been assessed and found to be operating efficiently and effectively.

The Managing Director and the Company Secretary make this representation prior to the Directors' approval of the release of the annual and six-monthly accounts. This representation is made after enquiry of, and representation by, appropriate levels of management.

This assessment was completed as part of the 30 June 2023 Annual Report and 31 December 2022 Half Year Report.

Internal Audit
The Company does not have an internal audit function, and due to its size and current activities the Board does not believe one is warranted at this time. The Board evaluates and monitors internal control processes to continually improving the effectiveness of its risk management.

Corporate Governance

Material exposure to economic, environmental and social sustainability risks

This information is disclosed in Note 3 – Financial Risk Management in the Annual Report.

Council Principle 8: Remunerate fairly and responsibly

Remuneration Committee

Due to the relatively small size of the Company and its operations, the Board does not consider it appropriate, at this time, to form a separate committee to deal with executive remuneration. The Board as a whole establishes and reviews annually the remuneration of the executive directors, senior executives and employees.

The Board's policy is to remunerate Executive and Non-Executive Directors based on external data including information published by various recruiting firms, the time commitment of Directors, the size and scale of the Company's operations, the quantum of the tasks in the initial phases of development of the Company, market capitalisation and various other factors.

The Company distinguishes the structure of Non-Executive Directors' remuneration from that of Executive Directors.

There are no elements of remuneration related to performance paid to Non-Executive Directors and there are currently no schemes for retirement benefits for Non-Executive Directors. Non-Executive Director's fees are determined within an aggregate pool limit, which is periodically recommended for approval by shareholders.

The Company does not have an equity-based remuneration scheme.

Financial Statements

2024

Statement of Financial Position

As at 30 June 2024

	Notes	2024	2023
Assets			
Current assets			
Cash and cash equivalents	11	20,198	402,986
Trade and other receivables	12	52,878	72,005
Other financial assets	13	90,000	-
Total current assets		**163,077**	**474,991**
Non-current assets			
Property, plant and equipment	14	317,481	327,426
Mining developments assets	15	22,615,396	-
Capitalised exploration and evaluation expenditure	16	-	24,845,483
Total non-current assets		22,932,877	25,172,909
Total assets		**23,095,954**	**25,647,900**
Liabilities			
Trade and other payables	17	586,147	462,063
Convertible notes & borrowings	18	2,023,477	2,023,477
Other liabilities	19	-	2,896,148
Total current liabilities		**2,609,624**	**5,381,688**
Non-current liabilities			
Convertible notes & borrowings	18	13,954,316	12,609,280
Total non-current liabilities		13,954,316	12,609,280
Total liabilities		16,563,940	17,990,968
Net assets/(liabilities)		**6,532,014**	**7,656,932**
Equity			
Issued capital	20	149,941,925	148,182,094
Reserves	21	(842,986)	(787,549)
Accumulated losses	22	(142,566,925)	(139,737,613)
Total equity attributable to shareholders		**6,532,014**	**7,656,932**

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Comprehensive Income

For the year ended 30 June 2024

	Notes	2024	2023
Revenue			
Other income	10	12,341	479,340
Gain on revaluation of financial labilities		285,587	119,518
Total income		**297,928**	**598,858**
Expenses			
Administration		(197,277)	(454,029)
Consultancy & professional expenses		(556,951)	(388,635)
Depreciation expense		(9,945)	(2,048)
Employee benefits expenses		(69,694)	-
Impairment of assets		-	(586,427)
Finance costs		(2,074,635)	(757,616)
Foreign exchange (loss) / gain		1,666	(414,923)
Legal expenses		(65,931)	-
Occupancy costs		(24,000)	(24,182)
Tenement expenses		(100,000)	-
Travel expenses		(30,473)	(44,236)
Total expenses		**(3,127,240)**	**(2,672,096)**
Loss before income tax		**(2,829,312)**	**(2,073,238)**
Income tax (expense)/benefit	6	-	-
Net loss after income tax		**(2,829,312)**	**(2,073,238)**
Other comprehensive income		-	-
Other comprehensive income net of tax		-	-
Total comprehensive loss for the year		**(2,829,312)**	**(2,073,238)**
Loss per share for the year attributable to shareholders			
		Cents	*Cents*
Basic loss per share	7	(0.20)	(0.16)
Diluted loss per share	7	(0.20)	(0.16)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Cash Flows
For the year ended 30 June 2024

	Notes	2024	2023
Cash flows from operating activities			
Receipts from customers		12,341	-
Payments to suppliers and employees		(773,006)	(706,008)
Net cash used in operating activities	11	**(760,665)**	**(706,008)**
Cash flows from investing activities			
Payments for exploration expenditure on mining interest		(794,170)	(2,461,527)
Purchase of property, plant and equipment		-	(150,582)
Loans to other entities		(90,000)	-
Net cash used in investing activities		**(884,170)**	**(2,612,109)**
Cash flows from financing activities			
Proceeds from issue of ordinary shares	20	733,831	-
Proceeds from borrowings		581,988	2,896,148
Proceeds from issue of convertible notes		-	250,000
Net cash provided by financing activities		**1,315,819**	**3,146,148**
Net (decrease)/increase in cash and cash equivalents		(329,016)	(171,969)
FX adjustment		(53,772)	-
Cash and cash equivalents at the beginning of the year		402,986	574,955
Cash and cash equivalents at the end of the year	11	**20,198**	**402,986**

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the year ended 30 June 2024

Consolidated

	Issued capital	Reserves	Accumulated losses	Total equity
	$	$	$	$
Balance as at 1 July 2023	**148,182,094**	**(787,549)**	**(139,737,613)**	**7,656,932**
Loss after income tax expense for the year	-	-	(2,829,312)	(2,829,312)
Other comprehensive income for the year, net of tax	-	(55,437)	-	(55,437)
Total comprehensive loss for the year	**-**	**(55,437)**	**(2,829,3124)**	**(2,884,749)**
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	1,759,832	-	-	1,759,832
Balance at 30 June 2024	**149,941,926**	**(842,986)**	**(142.566,925)**	**6,532,015**

Consolidated

	Issued capital	Reserves	Accumulated losses	Total equity
	$	$	$	$
Balance as at 1 July 2022	**148,182,094**	**(744,934)**	**(137,664,375)**	**9,772,785**
Loss after income tax expense for the year	-	-	(2,073,238)	(2,073,238)
Other comprehensive income for the year, net of tax	-	(42,615)	-	(42,615)
Total comprehensive loss for the year	**-**	**(42,615)**	**(2,073,238)**	**(2,115,853)**
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	-	-	-	-
Balance at 30 June 2023	**148,182,094**	**(787,549)**	**(139,737,613)**	**7,656,932**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the year ended 30 June 2024

Note 1 – Corporate Information

Admiralty Resources NL is a for profit Group incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange (ASX). The financial statements of the Group for the year ended 30 June 2024 were authorised for issue in accordance with a resolution of the Directors on 30 September 2024.

The nature of the operations and principal activities of the Group are described in the Directors Report.

Note 2 – Significant Accounting Policies

Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared on a historical cost basis, except for certain financial investments that have been measured at fair value. The financial report is presented in Australian dollars.

As a result of the uncertainties inherent in business and other activities, certain items in a financial report cannot be measured with precision but can only be estimated. The estimation process involves best estimates based on the latest information available, which are set out in Note 4.

Comparatives

Certain prior financial year amounts have been reclassified for consistency with the current financial year presentation.

Rounding of Amounts

The Group is of a kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred a loss after tax of $2,829,312 and had net cash outflows from operating and investing activities of $760,665 and $884,170 respectively for the year ended 30 June 2024. As at that date the Group had net current liabilities of $2,446,548.

The Directors believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern, after consideration of the following factors:

- *As stated in Note 4, on 25 June 2024, Admiralty entered into an agreement with Hainan Xinlei Mining Management Co Ltd to develop and manage the Mariposa Ore Project. In terms of the agreement, Hainan will provide all capital equipment and undertake all development activities required to commence production at a rate of 500,000 t/pa (Phase 1) and to commence production on a 2,000,000 t/pa capacity production plant in 2025. Hainan will also be liable for all liabilities, costs, and expenses incurred in connection with the Project including project expenditure to the point of sale of the products. Admiralty will retain 20% of the notional net profit after tax. To this extent, Admiralty's expenditure over the coming 12 months will be limited.*
- *On 23 September 2024, an Underwriting Agreement was entered into whereby the broker will assist to raise $7 million in working capital by way of a pro rata non-renounceable rights issue of shares. The underwritten amount is $5 million (partially underwritten),*
- *Included in Note 18 are directors loans to the value of $2,023,477. The lenders have confirmed that the loans will not be called within 12 months unless the Company is in a financial position to repay such loans.*
- *As reflected in Note 18, the company has an unused funding facility of $751,826 to fund its operational administration expenses over the next 12 months.*

Notes to the Financial Statements

For the year ended 30 June 2024

Note 2 – Significant Accounting Policies (continued)

Accordingly, the Directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

Mining interests

Mining interests are shown at historical cost, plus exploration costs to date, less impairment, if any. Ultimate recoupment of these costs is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas. Accumulated costs in relation to an abandoned area, or one considered to be of no commercial interest, are written off in full against profit or loss in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area accordingly to the rate of depletion of economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area of interest.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 29.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Admiralty Resources NL (“Group”) or ‘parent entity’ as at 30 June 2024 and the results of all subsidiaries for the year then ended. Admiralty Resources NL and its subsidiaries together are referred to in these financial statements as the ‘consolidated entity’.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and noncontrolling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Notes to the Financial Statements

For the year ended 30 June 2024

Note 2 – Significant Accounting Policies (continued)

Foreign currency translation

The financial statements are presented in Australian dollars, which is Admiralty Resources Nl's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Admiralty Resources NL, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Notes to the Financial Statements

For the year ended 30 June 2024

Note 2 – Significant Accounting Policies (continued)

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use.

Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation.

Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Compliance statement

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Accounting standards issued but not yet effective

Effective for the first time at 30 June 2024

The table below summarises the amended reporting requirements that must be applied for the first time for financial years ending 30 June 2024.

Effective for annual reporting periods beginning on or after	Pronouncement
1 January 2023	*IFRS 17 Insurance Contracts*
1 January 2023	*Disclosure of Accounting Policies -Amendments to IAS 1 and IFRS Practice Statement 2*
1 January 2023	*Definition of Accounting Estimates -Amendments to IAS 8*
1 January 2023	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction -Amendments to IAS 12*
23 May 2023[1]	*International Tax Reform-Pillar Two Model Rules -Amendments to IAS 12*

The table below summarises the amended reporting requirements that must be applied for the first time for financial years ending on or after 30 June 2025.

Effective for annual reporting periods beginning on or after	Pronouncement
1 January 2024	*Non-current Liabilities with Covenants -Amendments to IAS 1* And *Classification of Liabilities as Current or Non-current-Amendments to IAS 1*

Effective for annual reporting periods beginning on or after	**Pronouncement**
1 January 2024	*Lease Liability in a Sale and Leaseback-Amendments to IFRS 16*
1 January 2024	*Supplier Finance Arrangements -Amendments to IAS 7 and IFRS 7*
1 January 2025	*Lack of Exchangeability-Amendments to IAS 21*
1 January 2025	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture-Amendments to IFRS 10 and IAS 28*[2]

Notes to the Financial Statements

For the year ended 30 June 2024

Note 2 – Significant Accounting Policies (continued)

AASB 2023-1: Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information

AASB 2022-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates

Summary of significant accounting policies

(i) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position and Statement of Cash Flows comprise cash at bank and in hand and deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(ii) Capitalised exploration and evaluation expenditure

Exploration and evaluation costs are expensed in the year they are incurred apart from acquisition costs which are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Where an area of interest is abandoned or the Directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated costs written off to the extent that they will not be recoverable in the future.

Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences.

(iii) Trade and other payables

Trade payables and other payables are initially recognised at fair value and are subsequently carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(iv) Issued capital

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction, net of tax, of the share proceeds received.

Notes to the Financial Statements

For the year ended 30 June 2024

Note 2 – Significant Accounting Policies (continued)

(v) Income tax

The income tax expense (benefit) for the period comprises current income tax expense (benefit) and deferred tax expense (benefit).

Current income tax expense charged to the Statement of Comprehensive Income is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expenses reflect movements in deferred tax assets and deferred tax liability balances during the period as well as unused tax losses.

Current and deferred income tax expense (benefit) charged is credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

(v) Income tax (continued)

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

When temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future. Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(vi) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently carried at amortised cost less an allowance for impairment.

(vii) Property, plant and equipment

All classes of equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line basis over the estimated

Asset	2024	2023
Equipment	3-10 years	3-10 years

Depreciation is not charged on plant until production commences.

Notes to the Financial Statements

For the year ended 30 June 2024

Note 2 – Significant Accounting Policies (continued)

Summary of significant accounting policies (continued)

Impairment
useful life of the specific asset as follows:

The carrying values of property, plant and equipment are reviewed for impairment at each balance date, with recoverable amount being estimated when events or changes in circumstances indicate the carrying value may not be recoverable. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying values of an asset or cash generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

The recoverable amount of equipment is the greater of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Derecognition

Property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

(vii) Property, plant and equipment (continued)

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the Statement of Comprehensive Income in the period the item is derecognised.

(viii) Employee benefits

Provision is made for the employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, sick leave and long service leave.

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits expected to be settled within 12 months of the reporting date are measured at the nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the market yield as at the reporting date on national corporate bonds, which have terms to maturity approximating the terms of the related liability, are used.

(ix) Revenue recognition

Interest revenue

Interest income is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Sale of Assets

Revenue from the sale of assets is recognised when the significant risks and rewards of ownership of the assets have passed to the buyer, usually on delivery of the asset.

Notes to the Financial Statements

For the year ended 30 June 2024

Note 2 – Significant Accounting Policies (continued)

Summary of significant accounting policies (continued)

(x) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable
- receivables and payables are stated with the amount of GST included

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a net basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(xiii) Financials instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. For financial assets, this is the date that the Group commits itself to either purchase or sale of assets.

Notes to the Financial Statements

For the year ended 30 June 2024

Note 3 – Financial Risk Management and Policies

Overview

This note presents information about the Group's exposure to each of the below risks, its objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Group through regular reviews of the risks.

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk
- interest rate risk

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's credit risk exposure arises principally from the Group's other financial assets, receivables, including receivables from related parties, security deposits and cash and cash equivalents.

Cash and cash equivalents

The Group's cash and cash equivalents are maintained in banks with credit ratings of AA as per Standard & Poor's as at year-end.

Trade and other receivables

As the Group operates in the mining exploration sector its receivables generally relate to GST receivable from the Australian Taxation Authority and the credit risk is assessed similar to other financial instruments under AASB 9 and the credit risk is low.

Presently, the Group undertakes exploration and evaluation activities in Australia. At the balance sheet date there were no significant concentrations of credit risk and none of the Group's receivables are past due or impaired (2023: Nil).

Exposure to credit risk

The carrying amount of the Group's financial assets represents the Group's maximum credit exposure. None of the Group's trade and other receivables are past due (2023: nil). As at 30 June 2024, the Group does not have any collective impairment on its other receivables (2023: nil).

Guarantees

At the date of this report there are no outstanding guarantees (2023: nil).

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate cash reserves by continuously monitoring forecast and actual cash flows.

The Group's liquidity risk arises from other financial liabilities and trade and other payables, together comprising the Group's financial liabilities.

Notes to the Financial Statements

For the year ended 30 June 2024

Note 3 – Financial Risk Management and Policies (continued)

Financial liabilities maturing profiles as follows:

Maturity profiles	2024 $	2023 $
Less than 6 months	586,147	462,060
6 months to 1 year	2,023,477	4,919,625
1 year to 5 years	13,954,316	12,609,280
Greater than 5 years	-	-
Total	**16,563,940**	**17,990,965**

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Equity risk

The Group considers its exposure to equity risk minimal and has not developed any policies or procedures to manage such risk.

Currency risk

The Group considers that its exposure to currency risk is minimal and has not developed any policies or procedures to manage such risk.

The Group has not entered into any derivative financial instruments to hedge such transactions and anticipated future receipts or payments that are denominated in a foreign currency.

Exposure to currency risk

The Group's exposure to foreign currency risk at reporting related to US$ accounts and Chilean peso.

Interest rate risk

The Group is exposed to interest rate risk. The Group considers that its exposure to interest risk is minimal, however it has a policy of monitoring interest rates offered by competing financial institutions to ensure it is aware of market trends and it receives competitive interest rates.

Profile

At the reporting date the Group's only exposure to interest rate risk is related to the balance of its cash and cash equivalents. The following table represents the Group's exposure to interest rate risk:

Variable rate instruments	2024 $	2023 $
Cash and cash equivalents	**20,198**	**402,986**

A change of 1% in variable interest rates would have increased or decreased the Group's equity and profit by $0 (2023: $4) and would have had the same effect on cash. The 1% sensitivity is based on reasonable possible movements over a financial year, after observation of a range of actual historical rate movement over the past five years.

Notes to the Financial Statements

For the year ended 30 June 2024

Note 3 – Financial Risk Management and Policies (continued)

Fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities are considered to approximate each other. The estimated fair values and carrying amounts are as follows:

Financial assets and liabilities	Note	2024 Carrying amount $	2024 Fair value $	2023 Carrying amount $	2023 Fair value $
Cash and cash equivalents	11	20,198	20,198	402,986	402,986
Trade and other receivables	12	52,878	52,878	72,005	72,005
Other financial assets	13	90,000	90,000	-	-
Trade payables	17	(586,147)	(586,147)	(462,060)	(462,060)
Convertible notes & other payables	18	(15,977,794)	(15,977,794)	(17,528,905)	(17,528,905)
Total		**(16,400,864)**	**(16,400,864)**	**(17,515,974)**	**(17,515,974)**

The Directors consider the carrying amount of the financial instruments to be a reasonable approximation of their fair value on account of their short to medium-term maturity cycle.

Capital management

When managing capital, management's objective is to ensure that the Group continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the Group.

The Group will raise equity through the issue of shares from time to time as the board sees fit to ensure it meets its objective of continuing as a going concern.

The Group is not subject to any externally imposed capital requirements.

Notes to the Financial Statements

For the year ended 30 June 2024

Note 4 – Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Mining Development Asset and Joint Operating Agreement

On 25 June 2024, Admiralty entered into a Joint Operating Agreement ("Agreement") with Hainan Xinlei Mining Management Co Ltd ("Hainan") to develop and manage the Mariposa Ore Project (The Project). In terms of that agreement, Hainan will provide all capital equipment and undertake all development activities required to commence production at a rate of 500,000 t/pa (Phase 1) and to commence production on a 2,000,000 t/pa capacity production plant in 2025. Hainan will be liable for all liabilities, costs, and expenses incurred in connection with the Project including project expenditure to the point of sale of the products. Admiralty will retain 20% of the notional net profit after tax. In terms of the Agreement, an Operating Committee is to be established with one representative from Admiralty and two from Hainan. All decisions of the Operating Committee are decided by Majority vote. To this extent, management has exercised their judgement in determining that Admiralty does not have joint control as contemplated in AASB11, Joint Arrangements, and consequently the arrangement with Hainan will not be accounted for as a Joint Operation or a Joint Venture.

Management exercised their judgements in determining that the capitalised exploration costs in relation to the Mariposa Project should be reclassified as a Mining Development asset as at 30 June 2024.

Convertible note

Included in note 18 are convertible notes liabilities that initially included a conversion option. The fair value of the conversion option was determined at inception and the residual value was ascribed to debt. There is significant estimation uncertainty with regards to the estimation of the fair value of the conversion option and the debt.

The terms of the convertible note include:
(a) Proceeds provided by the Lender are denominated in USD. The right to convert the debt into ADY NL ordinary shares, which are denominated in AUD;
(b) Right to convert into ADY NL ordinary shares equivalent to 80% of the Volume Weighted Average Price per share.

Identification of Reportable Segments

The predominant activity of the Group is the exploration for mineral resources. Geographically, the Group operates in two geographical locations being – Australia and Chile. The head office and management activities of the Group take place predominately in Australia. Exploration, appraisal, development and production activities for mineral resources takes place in Chile and the borrowing facility is now held in Australia (note 16).

Accounting policies adopted.

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief operating decision-makers with respect to operating segments, are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Group. Segment revenue and expense are those directly attributable to the segments. Segment assets and liabilities include all those generated by the segments.

Notes to the Financial Statements

For the year ended 30 June 2024

Note 5 – Segment information

Accounting policies adopted

There are no inter-segment sales.

Consolidated 2024	Australia	Chile	Total
	$	$	$
Revenue			
Revenue from continuing operations	285,587	12,341	297,928
Total Revenue	**285,587**	**12,341**	**297,928**
Total segment result			
Loss before income tax expense	(2,705,266)	(124,046)	(2,829,312)
Income tax expense	-	-	-
			(2,829,312)
Assets			
Segment assets	1,587,205	21,508,749	23,095,954
Total assets			**23,095,954**
Liabilities			
Segment liabilities	14,385,767	2,178,174	16,563,940
Total liabilities			**16,563,940**

Operating information

Consolidated 2023	Australia	Chile	Total
	$	$	$
Revenue			
Revenue from continuing operations	325,689	273,169	598,858
Total Revenue	**325,689**	**273,169**	**598,858**
Total segment result			
Loss before income tax expense	(1,587,751)	(485,487)	(2,073,238)
Income tax expense	-	-	-
Loss after income tax expense			**(2,073,238)**
Assets			
Segment assets	106,043	25,541,857	25,647,900
Total assets			**25,647,900**
Liabilities			
Segment liabilities	15,967,488	2,023,480	17,990,968
Total liabilities			**17,990,968**

Notes to the Financial Statements

For the year ended 30 June 2024

Note 6 – Income tax expense

	Consolidated	
	2024	2023
	$	$
Numerical reconciliation of income tax expense/(benefit) to prima facie tax		
loss from continuing operations before tax	**(2,829,312)**	**(2,073,238)**
Tax at the Australian rate of 25% (2022: 25%)	**(707,328)**	**(518,310)**
Tax effect amounts which are not deductible in calculation taxable income	**447,262**	**220,458**
Tax losses not brought to accounts deferred tax asset	**260,066**	**297,852**

	Consolidated	
	2024	2023
	$	$
The estimated deferred tax assets not brought to account		
Revenue	19,120,045	18,079,782
Tax effect	4,780,011	4,519,946

Note 7 – Earnings per share

	Consolidated	
	2024	2023
	$	$
Loss after income tax attributed to the owners of Admiralty Resources NL	(1,928,584)	(2,073,238)
	Number	*Number*
Weighted average number of ordinary shares used in calculating basic earnings per share	1,386,237,203	1,303,579,153
Weighted average number of ordinary shares used in calculating diluted earnings per share	1,386,237,203	1,303,579,153
	Cents	*Cents*
Basic losses per share	(0.20)	(0.16)
Diluted losses per share	(0.20)	(0.16)

Note 8 – Director and executive disclosures

(a) Details of Key Management Personnel

Qing Zhong	Managing Director *(appointed 4 December 2013)*
Jian Barclay	Executive Director *(appointed on 22 February 2019)*
Bin Li	Non-executive Chairperson (appointed 22 September 2014)
Greg Starr	Independent Non- executive Director (appointed 17 March 2023)

There were no changes of Key Management Personnel after the reporting date and before the date that the financial report was authorised for issue. Key Management Personnel remunerations is reflected in Note 27.

Notes to the Financial Statements

For the year ended 30 June 2024

(b) Compensation of Key Management Personnel by category

	2024 $	2023 $
Incentive plan		
Short-term		217,169
Share based payments	-	-
Total	-	**217,169**

Note 9 – Auditor's remuneration

	2024 $	2023 $
Remuneration of the current auditor of the Group, RSM, for		
Audit and review of the financial report Independent limited assurance reports	**72,500**	**35,800**

Note 10 – Other income

	2024 $	2023 $
Rental income		273,169
FX gains	-	-
Other income	12,341	
Reversal of subsidiary, Bulman Resources Pty Ltd, net assets and liabilities.		206,171
Total	**12,341**	**479,340**

Note 11 – Cash and cash equivalents

	2024 $	2023 $
Cash and cash equivalents		
Cash at bank and on hand	20,198	402,986
Reconciliation of net loss after income tax to net cash flow from operations		
Net loss after income tax	(2,829,312)	(2,073,238)
Adjustments to reconcile profit before tax to net operating cash flows		
Depreciation	9,945	2,048
Interest expense	2,074,635	757,616
Impairment of assets	-	586,427
Exploration and development cost	128,108	-
Gain of fair value of derivative liability	(285,587)	(119,518)
Foreign exchange differences	(1,666)	414,923
Changes in assets and liabilities		
(Increase)/decrease in receivables	19,127	(54,806)
(Decrease)/increase in payables	124,084	(219,460)
Net cash used in operating activities	**760,666**	**706,008**

Note 12 – Trade and other receivables

Current	2024 $	2023 $
GST refundable	52,878	72,005
	52,878	**72,005**

Notes to the Financial Statements

For the year ended 30 June 2024

Note 13 – Other financial assets

Current	2024 $	2023 $
Deposit	90,000	-
	90,000	**-**

Note 14 – Property, plant and equipment

Non-current assets	2024 $	2023 $
Land & buildings – cost	212,875	212,875
Less: Accumulated depreciation	(33,982)	(33,982)
	178,893	**178,893**
Plant & equipment – at cost	57,168	57,168
Less: Accumulated depreciation	(57,168)	(57,168)
	-	**-**
Motor vehicles – at cost	150,582	150,582
Less: Accumulated depreciation	(11,994)	(2,048)
	138,588	**148,534**
Office furniture & equipment – at cost	5,210	5,210
Less: Accumulated depreciation	(5,210)	(5,210)
	-	-
Net property, plant & equipment	**317,481**	**327,427**

Note 15 – Mining development assets

Mariposa mine expenditure	2024 $	2023 $
Capitalised exploration and evaluation – at cost	23,196,909	-
Less: Impairment	(581,513)	-
	22,615,396	**-**

Movement in capitalised mine expenditure	2024 $	2023 $
Opening balance – at cost	-	-
Plus: Reclassification from exploration assets	23,196,909	-
Less: Accumulated impairment reclassification	(581,513)	-
Closing balance	**22,615,396**	**-**

During the 2024 year the operations at Mariposa Chile transitioned from exploration to operations with the signing of a joint operations agreement with Hainan Xinlei Mining Management Co Ltd.

The joint operations agreement appoints Hainan Xinlei Management Co Ltd as the head engineering, procurement, construction and mining contractor and is solely responsible for the development, mining, treatment and rehabilitation of the mining area and are responsible for all liabilities, costs and expenses incurred in relation to the mining area.

The Group retain 100% ownership of the tenements and all intellectual property created as part of the joint operating agreement.

Notes to the Financial Statements

For the year ended 30 June 2024

Note 16 – Capitalised exploration and evaluation expenditure

Area of interest in exploration and expenditure	2024 $	2023 $
Capitalised exploration and evaluation – at cost	586,427	26,013,423
Less: Impairment	(586,427)	(1,167,940)
	-	**24,845,483**

Movement in capitalised exploration and evaluation expenditure	2024 $	2023 $
Opening balance – carrying value	24,485,483	22,918,653
Plus: Additions	6,429,337	2,513,257
Less: Assets transferred Hainan Xinlei Mining Management Co Ltd (i)	(8,659,424)	-
Less: Assets reclassified to mining development assets	(22,615,396)	-
Less: Impairment	-	(586,427)
Closing balance	**-**	**24,845,483**

Ultimate recoupment of exploration and evaluation expenditure carried forward is dependent on successful development and commercial exploitation or, alternatively, sale of the respective areas.

(i) On 26 June 2024 assets previously funded by Hainan Xinlei Mining Management Co Ltd where transferred to them in consideration of the funds advanced to the Group by Hainan Xinlei Mining Management Co Ltd. See Note 19.

Note 17 – Trade and other payables

	2024 $	2023 $
Trade creditors	81,714	88,127
Accrued expenses	369,656	239,159
Client deposits	134,777	134,777
	586,147	**462,063**

Notes to the Financial Statements

For the year ended 30 June 2024

Note 18 – Borrowings

Loans payable - current	2024 $	2023 $
Loan from Director[1]	2,023,477	2,023,477
	2,2023,477	**2,023,477**

Note: The loans are unsecured, interest free, and payable on demand.

Convertible notes and loans payable – non-current	2024 $	2023 $
Convertible Note – debt host liability [2]	6,399,423	5,597,272
Embedded derivative [2]	1,983,012	2,267,599
Loan from related parties [3]	5,248,174	4,688,334
Other loans	323,707	56,075
	13,954,316	**12,609,280**

1. *This includes a loan at call of $2,023,477. It is unsecured and non-interest bearing.*
2. *The convertible notes have been drawn down to a value of US$2,927,047 (Conversion of US$672,953 of notes value on 26 March 2024, balance as at 30 June 2023 was (US$3,600,000). The notes bear interest of 12% and are convertible into equity using the 90 day volume weighted average price (VWAP). An amendment was made to the facility extending the maturity date to 31 December 2025. The embedded derivative relates to the conversion option which has been fair valued using a Monte Carlo financial model.*
3. *The Company has a loan agreement with Shanghai Long Sheng Technology Development Co Limited. On 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 (unused portion at YE2024 $751,826). Interest is charged at 5% per annum. All other terms remained the same with the exception of the expiry date being extended to 31 December 2025.*

Note 19 –Other liabilities - current

	2024 $	2023 $
Hainan Xinlei Mining Management Co Ltd	-	2,896,148
		2,896,148

Movement in other liabilities	$	$
Opening balance – carrying value	2,896,148	-
Plus: Advances during the year	5,763,276	2,896,148
Less: Assets transferred Hainan Xinlei Mining Management Co Ltd (Note 16)	(8,659,424)	-
Closing balance	**-**	**2,896,148**

The Group had entered into a heads of agreement with Hainan Xinlei Mining Management Co Ltd (Hainan) for the exploitation of resources at Mariposa Chile (Mariposa project). To this end, Hainan had advanced funds to the Group for the express purpose of preparing the mine site for production. On the establishment of Hainan's Chilian subsidiary and the entering into of the "long form" agreement, the assets associated these advanced funds were tp be transferred to Hainan. This took place on 25 June 2024 and the assets were transferred to Hainan and the loan extinguished.

Notes to the Financial Statements

For the year ended 30 June 2024

Note 20 – Issued capital

	Consolidated			
	2024	2023	2024	2023
	No. Shares		Value of shares	
	$	$	$	$
Ordinary shares – fully paid	1,629,473,940	1,303,579,153	151,251,191	149,491,360
Cost of capital	-	-	(1,309,266)	(1,309,266)
	1,629,473,940	**1,303,579,153**	**149,941,925**	**148,182,094**

Movement in share capital

	Date	Shares	Issue price	Value
Balance	30 June 2023	1,303,579,153		148,182,094
Convertible note partial conversion	26 March 2024	190,000,000	0.0054	1,026,000
Share placement	5 April 2024	135,894,787	0.0054	733,832
Balance	30 June 2024	1,629,473,940		149,941,925

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

Capital risk management
The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment.

The consolidated entity is not actively pursuing additional investments in the short term as it continues to pursue the development of it’s Mariposa Project with Hainan. There are no financing arrangements covenants.

Note 21 – Reserves

	2024	2023
	$	$
Foreign currency translation reserve	**(842,986)**	(787,549)

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Notes to the Financial Statements

For the year ended 30 June 2024

Note 22 – Accumulated losses

	2024 $	2023 $
Accumulated losses at the beginning of the financial year	(139,737,613)	(137,644,375)
Loss after income tax expense for the year	(2,829,312)	(2,073,238)
Accumulated losses at the end of the financial year	**(142,566,925)**	**(139,737,613)**

Note 23 – Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 24 – Expenditure commitments

Exploration commitments

The Group has entered into certain obligations to perform minimum work on mineral tenements held. The amounts are not considered to be material.

Note 25 – Contingent liabilities

At the financial reporting date there are no contingent liabilities

Note 26 – Events subsequent to the reporting date

No matter or circumstance has arisen since the end of the financial year, other than referred to in the financial statements, which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

Note 27 – Related party transactions.

Payments made to related parties:

Directors	Name of related entity	Nature of payment	2024	2023
Qing Zhong	*Commercial Property Trust*	Managing Director	128,326	139,992
Qing Zhong	*Sun Investment & Holdings*	Commercial rent	24,000	24.182
Jian Barclay	JB Admin Pty Limited	Director fee	77,666	66,450
Greg Starr	Tearum Advisors Pty Limited	Director fee	33,000	11,000

Loans to / from related parties:

Directors	Name of related entity	Nature of loan	2024	2023
Qing Zhong	Qing Zhong	Loan from director	277,839	10,206
Qing Zhong	Qing Zhong	Loan from director	2,023,477	2,023,477
Qing Zhong	Shanghai Long Sheng technology Development Co Limited	Loan from director	5,248,174	4,688,334

Notes to the Financial Statements

For the year ended 30 June 2024

Note 28 – Interest in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy.

Name of subsidiary	Principal place of business / Country of incorporation	Ownership interest 2024 %	Ownership interest 2023 %
Pyke Hill Resources Pty Limited	Australia	100	100
ADY Investment Pty Limited	Australia	100	100
Admiralty Minerals Chile Pty Limited	Australia	100	100
Admiralty Minerals Chile Pty Ltd Agencia en Chile	Chile	100	100
Servicios Admiralty Resources Chile Ltd	Chile	100	100
Admiralty Servicios Mineros SPA[1]	Chile	100	100
Fortune Global Holdings Corporation	British Virgin Islands	100	100

1. *Admiralty Resources Mineros SPA was incorporated in Chile in February 2023 for the express purpose of facilitating the Heads of Agreement (HOA) with Hainan.*

Note 29 – Parent information

Set out below is the supplementary information about the parent entity. We note that due the deregistration of the Admiralty Resources (Hong Kong) Limited, the Directors resolved that all the transactions and balances within Admiralty resources (Hong Kong) Limited be incorporated into the financial records of the parent as at 30 June 2023. We note that a loss has been included in accumulated losses from the deregistration of Admiralty Resources (Hong Kong) Pty Ltd.

Statement of profit or loss and other comprehensive income

	Parent 2024	Parent 2023 $
Loss after income tax	(2,568,956)	(5,436,693)
Total comprehensive loss	**(2,568,956)**	**(5,436,693)**

Statement of financial position

	Parent 2024 $	Parent 2023 $
Total current assets	65,282	74,956
Total non-current assets	14,405,999	19,474,682
Total assets	**14,471,282**	**19,549,638**
Total current liabilities	351,350	3,146,100
Total non-current liabilities	13,934,416	12,724,520
Total liabilities	**13,385,038**	**15,870,620**
Equity		
Issued capital	149,941,925	148,182,094
Accumulated losses	(149,756,409)	(144,503,076)
Total equity	**185,516**	**3,679,018**

Consolidated Entity Disclosure Statement

Entity name	Entity type	Place formed/ Country of incorporation	Ownership interest %	Tax residency
Admiralty Servicios Mineros SPA	Body Corporate	Chile	100	Chile
Servicios Admiralty Resources Chile Ltd	Body Corporate	Chile	100	Chile
Admiralty Minerals Chile Pty Ltd Agencia en Chile	Body Corporate	Chile	100	Chile
Admiralty Minerals Chile Pty Limited	Body Corporate	Australia	100	Australia
ADY Investment Pty Limited	Body Corporate	Australia	100	Australia
Pyke Hill Resources Pty Limited	Body Corporate	Australia	100	Australia
Fortune Global Holdings Corporation	Body Corporate	British Virgin Islands	100	British Virgin Islands

Directors' Declaration

For the year ended 30 June 2024

In accordance with a resolution of the Directors of Admiralty Resources NL, I state that:

In the opinion of the Directors':

(a) The financial statements and notes of the Group are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2024 and its performance for the year ended on that date; and

(ii) complying with Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

(b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2(a); and

(c) Subject to the matters set out in Note 2, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

(d) This declaration is made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ending 30 June 2024.

(e) The information disclosed in the attached consolidated entity disclosure statement is true and correct.

On behalf of the Board

Qing Zhong

Executive Director

Sydney, 30 September 2024

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INDEPENDENT AUDITOR'S REPORT

To the Members of Admiralty Resources NL

Qualified Opinion

We have audited the financial report of Admiralty Resources NL (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, except for the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Qualified Opinion

It was identified in the year under review that the methodology applied to convert the foreign subsidiaries accounting records to the Group's functional currency was inconsistent with the requirements of the Australian Accounting 'Standards. The effect of the error has not been quantified as at the date of this report. Consequently, we were unable to determine whether any adjustments to the financial report were necessary in respect of this matter.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Basis for Qualified Opinion* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed this matter
Mining Development Assets Refer to Note 15 and Note 4 in the financial statements	
Included in Note 15 are Mining Development Assets with a carrying value of $22.62m. The balance was effectively transferred from exploration and evaluation expenditure on 25 June 2024 after the Group signed a Joint Operator Agreement for the development of its Mariposa Project. We have determined this to be an area of significant risk for the following reasons: • There is an element of judgement required in relation to the classification of the asset and its progression from an exploration asset to a mining development asset. • There is judgement required in relation to the classification of the asset having consideration of the Joint Operating Agreement that was signed on 25 June 2024. • Critically evaluating whether there are any indicators of impairment are present. • Determination of whether exploration activities have progressed to the stage at which the existence of an economically recoverable mineral reserve may be determined.	Our audit procedures included, among others: • Obtaining a listing of client tenements held by the Group and testing ownership on a sample basis. • Obtaining evidence that the Group has valid rights to explore in each area in relation to which expenditure has been recorded. • Reviewing the Joint Operator Agreement having consideration of the key terms in relation to whether joint control has been established, and other key clauses that could potentially impact the proposed accounting treatment. • Evaluating that the impairment considerations in terms of AASB 6, Exploration for and Evaluation of Mineral Resources given that the Mining Development Asset was only transferred from capitalised exploration and evaluation on 25 June 2024. • Considered the net asset position of the company relative to its market capitalisation as at 30 June 2024. • Assessed the adequacy of the disclosures in the financial statements in relation to the judgements made in this regard, and the resulting accounting policies being applied.

Accounting for Convertible Notes *Refer to Note 18 in the financial statements*	
The Group has convertible note with a maximum drawdown facility of USD $3,600,000. The loan has been extended on a number of occasions and the balances includes accrued interest. The convertible note balances are included in Note 18 and include a debt host liability of $6,399,423 and an embedded derivatives of $1,983,012. The accounting for convertible note was considered to be an area of significant risk due to the following: • Convertible Notes are non-routine and the balance is significant in relation to the total debt funding balance. • The accounting is technically complex and requires judgement in valuing the derivative financial liability.	Our audit procedures in relation to the accounting for convertible note included: • Reviewing the convertible note deed of amendment to understand the revision and the related accounting considerations. • Evaluating the accounting treatment to determine whether the convertible note have been accounted for in accordance with the requirements of Australian Accounting Standards. • Critically evaluating the conclusion that the instrument is a hybrid instrument, consisting of a host liability and an embedded derivative, and therefore classified as a financial liability; • Reviewing the accounting advice and related financials models testing the balances in the accounting records were in agreement with the independent technical advice they obtained. • Evaluating the reasonableness of assumptions and key inputs used in the valuation model provided by management's expert. • Considered the requirements of ASA 500 in relation to reliance on the use of management expert to ensure compliance; and • Assessing the appropriateness of the disclosures in respect of the borrowings and the derivative financial liability.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001; and

b. the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 15 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Admiralty Resources NL., for the year ended 30 June 2024, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RSM

RSM

RSM Australia Partners

G N Sherwood GNS

G N Sherwood
Partner

Sydney, 30 September 2024

Schedule of Mining Tenements

as at 25 September 2023

Tenement Number	Registered Holder	% Held	Country	Project Group
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	Mariposa 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 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

Other Information

as at 25 September 2024

Top 20 shareholders - Ordinary Shares

No.	Shareholder	Shares held	% of issued capital
1	BNP PARIBAS NOMS PTY LTD	325,922,682	20.002%
2	CITICORP NOMINEES PTY LIMITED	234,291,899	14.378%
3	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	181,213,832	11.121%
4	SINO INVESTMENT AND HOLDING PTY LTD	117,161,500	7.190%
5	SOPHIE ZHONG PTY LTD <I LIKE SHOPPING PROPERTY A/C>	70,501,898	4.327%
6	SHICHEN JIANG	44,963,933	2.759%
6	LI CHEN	37,037,037	2.273%
7	QIXIONG LI	37,037,037	2.273%
8	ZHEREN LI	37,037,037	2.273%
9	MR YIQUN FANG	31,688,069	1.945%
10	BNP PARIBAS NOMINEES PTY LTD <CLEARSTREAM>	26,638,754	1.635%
11	MR BAOJIANG LIU	25,000,000	1.534%
12	AUSTRALIAN CHILE MINING HOLDINGS PTY LTD	24,850,000	1.525%
13	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	19,382,375	1.189%
14	PERPETUAL PROSPERITY HOLDING PTY LTD <LINDA MA SUPER FUND A/C>	16,666,667	1.023%
15	ALLWAYS BORING PTY LTD <KINGSTON INVESTMENT A/C>	15,888,889	0.975%
16	MRS XUEJUAN CHEN	13,888,889	0.852%
17	3D PENCIL PTY LTD <3D PENCIL SUPER FUND A/C>	12,663,604	0.777%
18	AUSTRALIAN AUTOLINES PTY LIMITED <C&T FAMILY A/C>	11,111,112	0.682%
19	PERPETUAL PROSPERITY HOLDING PTY LTD <LINDA MA SF A/C>	10,760,799	0.660%
20	BNP PARIBAS NOMS PTY LTD	325,922,682	20.002%
	Total Securities of Top 20 Holdings	**1,293,706,013**	**79.394%**
	Total of Securities	**1,629,473,940**	**100%**

Substantial Shareholders

The names of substantial shareholders who have notified the Group in accordance with section 671B of the Corporations Act 2011 are:

Shareholder	Shares held	% of issued capital
I Like Shopping Property Trust	214,953,465	16.49
Smart East Global Limited	190,000,000	12.72

Distribution of Shareholders Number

Size of shareholding	Number of holders	Number of shares	% of issued capital
1 – 1,000	97	35,714	0.000
1,001 – 5,000	142	391,479	0.020
5,001 – 10,000	84	643,009	0.040
10,001 – 100,000	319	17,054,491	1.050
100,001 Over	435	1,611,349,247	98.890
Total	**1,077**	**1,629,473,940**	**100.000**

Other Information
as at 25 September 2023

Distribution of Shareholders Number (continued)

There is a total of 1,629,473,013 fully paid ordinary shares on issue, all of which are listed on the ASX.

Voting Rights

At shareholder meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Unmarketable Parcels

There were 507 shareholders holding 6,062,975 shares, which is less than a marketable parcel of shares in the Group at $0.009 per share.