ADMIRALTY RESOURCES

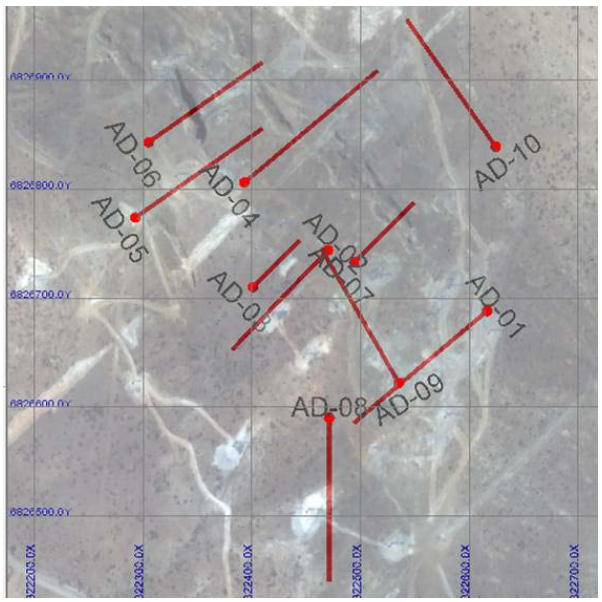
ASX ANNOUNCEMENT
Date: 29 November 2011

2,850m diamond drilling campaign gets underway at Mariposa

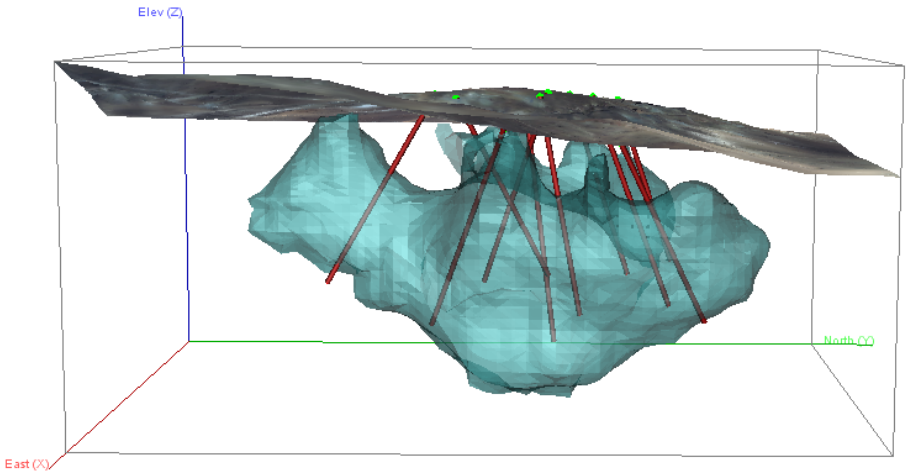
The Board of Admiralty Resources NL ("Admiralty" or "the Company") is delighted to inform that a 2,850m diamond drilling campaign has begun at Mariposa, one of the 6 targets identified in the Harper South Project, near Vallenar, in Region III of Chile.

The diamond drilling ("DD") programme is a core piece of the due diligence associated to determining the resources of Mariposa during the prefeasibility study being undertaken by Redco Mining Engineers as part of the engineering mine plan.

The design on the DD programme bears on the high resolution ground magnetic survey results, released to the market earlier in the month, and the results obtained in past drilling campaigns.



Location of the planned drill holes.



3D view of topography, magnetic susceptibility (0.7 (SI)) and current diamond drilling campaign.

Drilling campaign factsheet

Commencement date:	19 November 2011, expected to be completed in January 2012.
Drilling contractor:	Superex S.A., a respected drilling company with experience working in projects in Chile for Anglo American and XSTRATA , among others.
Number of holes:	10 drillholes with a depth distribution between 255/320mt with HQ diameter (63.5 mm)
Area extension:	12 hectares (120,000 m^2), about 200m in the East/West direction and 600m in the North/South direction.
Equipment and staff:	Boart Longyear LY 44 drill rig, 2 shifts working continuously and manned by 16 workers.
Quality Assurance:	Performed by Goldberg Resources, Admiralty's external geological consultants.
Programme supervisor:	Redco Mining Engineers, engaged by Admiralty to perform a mine engineering plan.
Expected total cost:	US$900,000

Objective of the campaign

The main objective of the DD campaign is to transform the existing mineral resources of 168m tonnes[1] into mineral reserves by including grades, structures, geological and recovery and processing data. The key outcomes of the DD campaign include:

- the definition of the mining process: how the ore will be processed to obtain the final product, supplementing the information provided by the DD campaign with laboratory work;
- construct a resource model that can have reliable estimation of grades and its distribution across the ore body and which can confirm the continuity of the geological ore body;
- draw the best mining geometry and architecture after conducting geotechnical studies to estimate the rock mass strength, based on the DD campaign core samples;
- obtain a full set of mineralogical information that observes the minerals involved in the ore body such as magnetite or hematite and identify the association of minerals contained in the ore body that could affect the processing and the metallurgical recovery; and
- define the type of grinding that needs to take place during processing in order to liberate the main mineral of interest, according to the main parameters of the grain size.

[1] *The mineral resource statement was prepared by SRK Consulting Chile S.A. and released to the ASX via an announcement on 4 September 2009.*

Scope of work

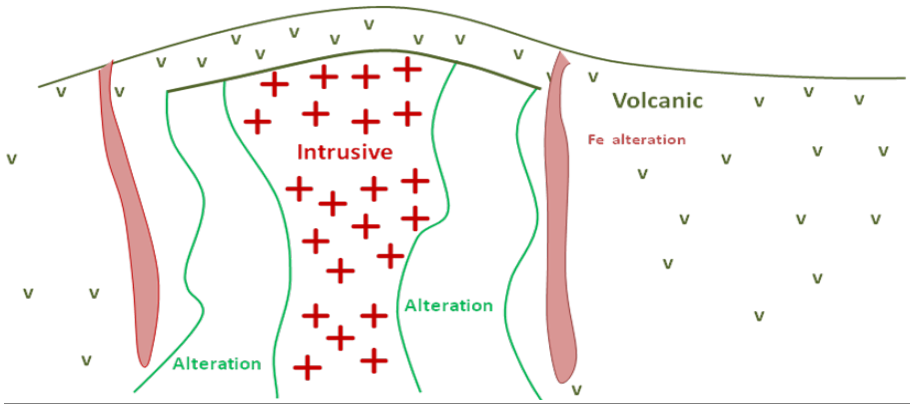
The area subject to the DD campaign has been defined according to the results of the high resolution ground magnetic survey and the topography survey, carried out in September and October 2011. The criteria to define the drill hole zone locations were to obtain drill holes that enable Redco Mining Engineers:

- to check the magnetic susceptibility continuity of the Mariposa deposit;
- to cross the magnetic susceptibility of the ore body;
- to cross the mined out areas in the 1960s perpendicularly; and
- to drill along mined out area projections to confirm the extension of the ore body.

Geology and site information

According to the inferred and indicated resources statement performed in 2007 and supported by SRK Consulting Chile S.A., Mariposa's iron mineralisation is defined as subvertical magnetite and hematite stockwork veins within fractured wall rock at the contact between volcanic and metasedimentary "bandurrias" type formation and granodioritic and dioritic intrusions.

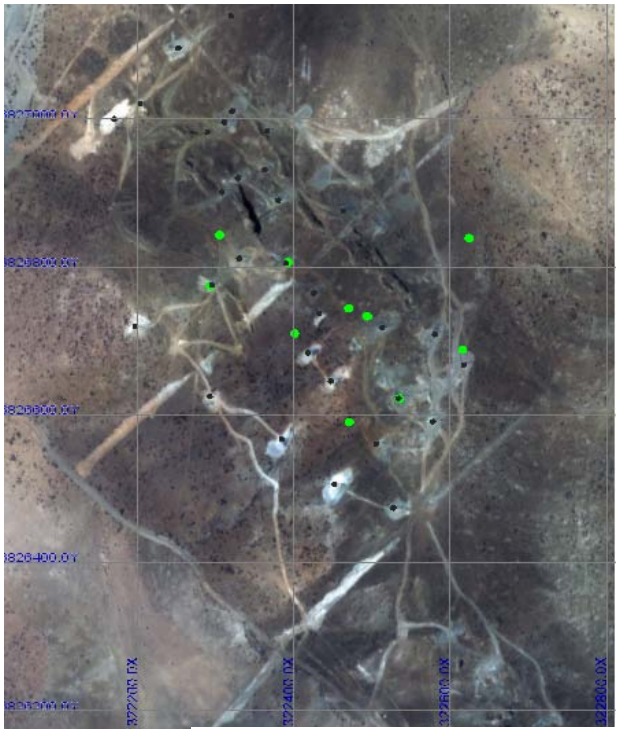
The current work is expected to verify the hypothesis that Mariposa is an IOCG deposit (Iron Oxide Copper-Gold) such as the model shown below taking into account the review of geological information of the region, near deposits and preliminary surface geological mapping.



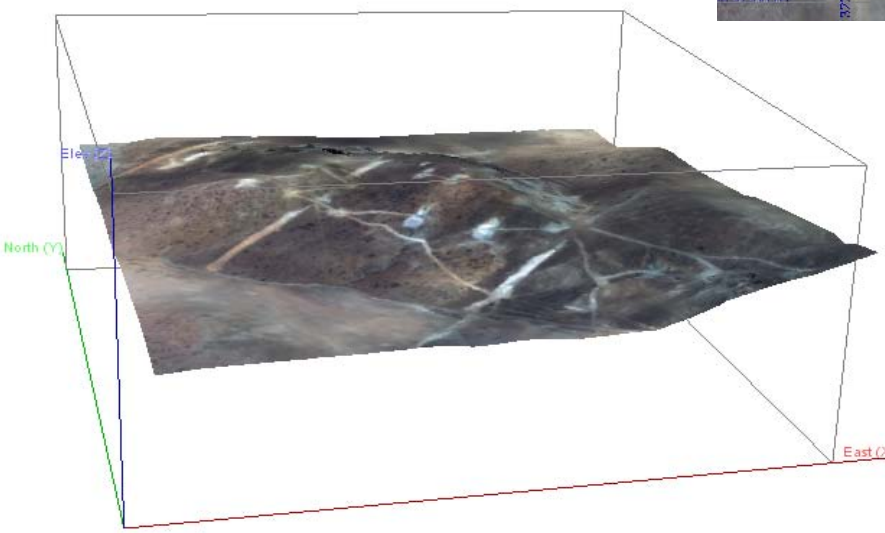
Conceptual vertical section of an IOCG deposit.

Brief IOCG model explanation: The top is made out of volcanic rocks (lower/upper andesites) which are intruded by an intrusive body which may reach the surface as well. Generally, an argillic alteration zone (in green) and faults are generated by the contact between andesites and the intrusive bodies and many faults (in this case sub-vertical ones), which, with time, will be transformed into potential magnetite sub-vertical veins. Therefore, according this model, it can be noted that mineralization of the ore is structurally controlled.

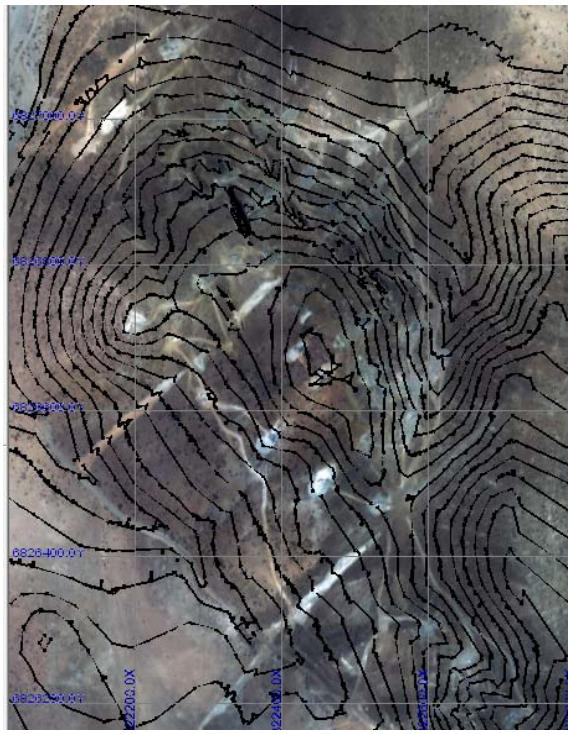
Taking this into account, the target drillholes were mainly oriented to justify the ore body continuity according to the geological hypothesis of IOCG focused in past mined out areas, outcrops and geophysics such as guides.



View of Mariposa incorporating the mined out areas in the 1960s and trenches.



3D aerial topographic view of Mariposa.



Contour lines spaced every 5m in the hill of Mariposa deposit.

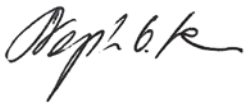
Summary of accumulated information to date

Mariposa has been subject to two reverse circulation drilling campaigns in 2005 and 2007 covering 1,614 and 3,860 metres respectively.

Redco Mining Consultants, who are currently preparing the mine engineering plan to support the production of 1m tonnes of finished product reviewed all the available data and determined a work programme to be completed as follows:

- 2,850 metres diamond drilling programme;
- A rock chip resampling was necessary as previous analysis had not been certified. As part of this task, 200 samples have been selected and are currently undergoing testing to assay Alumina, Magnesium, Silica, Phosphorus, Iron, Magnetic Iron, Vanadium, Titanium, Nickel, Copper, Sulphide and Gold.
- Mineralogical testing on a set of samples to gather an insight of the mineralogical size liberation, associations and distribution of main minerals in the region of interest, which is a key step in the design of the processing plant and iron ore production work flow.
- Full surface geological map (lithology, mineralization and alterations) to improve the understanding of the geology of the deposit, its different anomalies and the potential magnetite content.
- Topography. Elevation of Mariposa had not been included in the mapping available. Therefore, a surface topography survey, using Laser Pulse Technology, was performed over Mariposa in October 2011 in order to have a clear and auditable reference system.

Yours faithfully,



Stephen C. Prior
Managing Director

About Harper South

The Harper South Project ("Harper South") lies 15 km south west of the city of Vallenar in Region III of Chile. It covers an area of 2,498 hectares, divided in 14 exploitation concessions and where exploration work to date has identified six anomalous targets: Mariposa, La Chulula, Soberana, Negrita, La Vaca and Mal Pelo.

Mariposa is the most developed target, having a currently JORC compliant resource statement of 168 million tonnes in the inferred and indicated categories.

An engineering mining plan to support production of one million tonnes of finished product per annum has been commissioned with Redco Mining Engineers.

About Admiralty Resources NL

Admiralty Resources NL is a public diversified mineral exploration company listed on the Australian Securities Exchange (ASX: ADY) with mineral interests in Chile and in Australia.

Admiralty's flagship project is the iron ore projects in Chile: Harper South (2,498 hectares south of Vallenar) and Pampa Tololo (3,455 hectares north of Vallenar).

Both projects are located in prime locations, with close and easy access to the Panamerican Highway (a major route), a railway line and operating shipping ports.

Admiralty projects in Australia are the Bulman project, a zinc and lead prospect located in the Northern Territory and the Pyke Hill project, a cobalt and lead project in which Admiralty owns 50% of the mining lease.