

Activities Report for the quarter ended 31st March 2011

Admiralty Resources NL (ASX: ADY)

Issued capital

554,170,234 shares (as of 31 March 2011)
606,518,966 shares (current)

Top 20 Shareholders : 38.71% (as of 31 March 2011)
Top 20 Shareholders : 37.58% (current)

Directors' holdings: 13.95% (as of 31 March 2011)
Directors' holdings: 13.02% (current)

Board

Chairman

Professor Ross Harper

Managing Director

Stephen C. Prior

Non-executive Directors

Michael Perry
Dr. Shaoqing Li

Company Secretary

Patrick Rossi

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Highlights

- Admiralty remained debt free and cash on hand at the end of the quarter was \$3,066,000 (Previous quarter: \$502,000).
- Subsequently to the end of the quarter, Admiralty raised \$1,727,500 via the Share Purchase Plan (SPP).
- Scrutiny over administration expenses resulted in a 45% cost reduction for the quarter.
- Strengthening of the Board by the appointment of Dr. Shaoqing Li as a non-executive Director.
- Strengthening of the shareholder base:
 - i. high support received from shareholders for the SPP with an average of \$5,000 participation per holder;
 - ii. market confidence kept the share price at 17% above the maximum SPP issue price(3.3c)
 - iii. Top 20 holders own over 1/3 of the shares on issue; and
 - iv. attracted a substantial investor, Sino Holding & Investment Pty Ltd, as a result of a placement on 29 March 2011.
- Completed payment for the mineral concessions known as Pampa Tololo, covering 3,455 Ha, pursuant to the Purchase Agreement entered in September 2008.
- Finalisation of the administrative setup of the Chilean branch, Admiralty Minerals Chile Pty Ltd Agencia en Chile.



Corporate

- On 1 March 2011, Admiralty Resources NL (“Admiralty” or “the Company”) announced a Share Purchase Plan (SPP). Under the plan, eligible shareholders were entitled to purchase up to \$15,000 in ADY Shares at a price not to exceed 3.3c per share. The SPP closed on 1 April 2011 and resulted in the Company receiving 338 applications from shareholders, raising \$1,727,500 via the issue of 52,348,732 shares at the maximum price of 3.3c per share.
- Stephen Charles Prior was appointed Managing Director of the Company by the Board on 27 March 2011. Stephen started his working relationship with Admiralty in September 2004 and had been appointed to the position of Executive Director on 1 February 2010.
- On 29 March 2011, Admiralty successfully completed the placement of 72 million shares to a key investor, Sino Investment & Holdings Pty Ltd, at a price of 4.2 cents, a premium of 19.2% in comparison to the trading price the day prior to the placement. As a result of the placement, Admiralty received \$3,024,000 and Sino Investment & Holding Pty Ltd became a substantial shareholder in Admiralty, holding 12.99% of voting power (11.87% post SPP).
- On 29 March 2011 Dr. Shaoqing Li joined the Board of Admiralty as a non-executive director. Dr. Li holds the degree of Bachelor of Science (Engineering) majoring in civil engineering from Zhejiang University and has also completed a PhD with the University of New South Wales. Dr. Li holds and has held board and senior management positions in listed and unlisted public companies and private companies involved in a wide range of industries across Australia, China and Hong Kong. Dr. Li’s previous positions include Executive Director of a large private software and computer organisation in China, a senior technical manager at Sino Gold Ltd and senior geotechnical engineer/project manager at Golder Associates Ltd. He is a director of Sino Investment & Holding Pty Ltd, a substantial shareholder in Admiralty.

Admiralty Minerals Chile Pty Ltd Agencia en Chile (Chilean branch)

- During the quarter, Admiralty Minerals Chile Pty Ltd (“Admiralty Minerals”) was provided with a RUT (tax identification number in Chile). Admiralty Minerals is now the holder of the mineral concessions relating to the Southern Region of the Harper Geological District and Pampa Tololo.
- The legal consultant appointed by Admiralty Minerals to oversee the mineral tenure of the company continued to monitor the ownership of the concessions ensuring that no claims for nearing tenements overlap the concessions owned by Admiralty Minerals.
- The geological consultants appointed to conduct a review of all the exploration data available have concluded a report which provided lines of action such as high resolution magnetometry, geophysics and gravimetric study, geological reconnaissance campaign, aircore and diamond drilling. The Board will be assessing these proposals in the coming weeks and expect to start an exploration campaign within the next quarter, subject to equipment availability.
- Admiralty secured ownership of the Pampa Tololo concessions, covering 3,455 Ha, by making the final payment for these concessions which are located north of the town of Vallenar and border the Los Colorados iron ore mine, owned and operated by Compañía Minera del Pacífico S.A, the largest iron ore producer in Chile.

SCM Vallenar Iron Company (“VIC)

Following the sale of SCM Vallenar Iron Company, formerly owned by Admiralty, to Australis Mining Ltd, formerly known as Icarus Derivatives Limited (“Australis”), on 16 November 2010, Australis has been engaged in conducting a drilling programme and metallurgy test work in the Northern Region of the Harper Geological District and they continue aiming at entering in production within the next 12 months.

Admiralty is entitled to receive further instalments totalling US\$3,000,000 pursuant to its agreement with Australis.

Admiralty looks forward to receiving the drilling results and news from Australis in relation to their advancement towards production, as this will result in an income stream for the Company.

Bulman Resources Pty Ltd (“Bulman”), Northern Territory

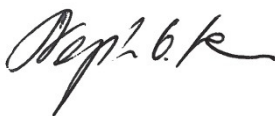
No activity has been taken place in the Bulman Project as any exploration is to be conducted in the dry season, starting in July.

The Board continues to consider Geos Mining’s recommendation to carry out an airborne electromagnetic survey over prospective parts of the Bulman Project.

Outlook

- The net proceeds of the Share Purchase Plan, together with the proceeds of the placement made on 29 March 2011, will be used for an exploration programme of the Company’s tenements in Chile, for working capital and the advancement of the Company’s other assets.
- The Board is encouraged by the continuing strength in iron ore prices which make further investment in exploration in Chile a priority.
- During the next quarter the Company expects to be able to start a targeted exploration programme in Chile following the recommendations of the newly appointed geological consultants in Chile.

Yours sincerely,



Stephen C. Prior
Managing Director

About Admiralty

Admiralty Resources NL (“Admiralty”) is an Australian ASX listed company (ASX listing code: ADY) with mining interests in Chile and Australia as follows:

- 100% shareholder in Admiralty Minerals Chile Pty Ltd Agencia en Chile, the owner of the mineral exploration and exploitation concessions covering over 6,000 hectares within Chilean iron belt in the Atacama Region;
- 100% shareholder in Bulman Resources Pty Ltd, holder of the Bulman project, a lead and zinc deposit located in the Northern Territory of Australia;
- 50% interest in the Pyke Hill Project, a high grade nickel and cobalt deposit near Leonora in Western Australia.