

# Activities Report for the quarter ended 30 June 2012



## Summary

Melbourne-based mineral exploration company Admiralty Resources NL (ASX: ADY) is pleased to report its activities for the June 2012 Quarter on the Company's projects in Chile and Australia.

### 1. Highest number of metres drilled: 1,834m at La Chulula.

The drilling programme at La Chulula commenced on 1 June 2012 with the preparation of the drilling platforms and 1,834m being drilled at La Chulula by 30 June.

The drilling at La Chulula concluded on 11 July 2012 and consisted of a total 2,748 metres.

### 2. Significant progress was achieved in advancement towards production at Mariposa and Soberana.

- Work continued on the Mariposa's Pre-Feasibility Study, focussing on the resource model, recovery and plant design. A resource estimation is expected in August and a maiden reserve statement is scheduled for the September quarter.
- Work on Soberana's early mine production study took shape, including a "real live" mining test, with commencement of a notional production of 5,000 tonnes of finished product per month planned by the end of the September quarter.

### 3. Complete magnetic picture of the three Chilean iron ore districts.

Results of the high-resolution ground magnetic surveys carried out in Harper South and the Cojin districts were received.

The survey results allows Admiralty to have a complete picture of the magnetic susceptibility of its three districts: Harper South, Pampa Tololo and Cojin.

The surveys revealed a total of 15 targets and demonstrated the great potential for Admiralty, as only one of the targets, Mariposa, currently has a compliant JORC mineral resource.

### 4. Definition of the exploration programmes for 2012. The work to be conducted includes:

- **La Chulula** (*iron, Harper South district, Chile*): 10,000m of drilling in three phases and a reserve statement by the end of 2012;
- **Simpson** (*iron, Pampa Tololo district, Chile*): 7,000m of drilling in two phases and a resource statement by the end of 2012; and
- **Bulman** (*lead and zinc, Bulman Project, Australia*): geological mapping, ground electromagnetic survey and 1,000, of drilling at targets identified by the 2011 airborne survey.

### 5. Bolstered cash reserves. The quarter ended with cash on hand of \$6,223,000 (previous quarter: \$2,098,000).



# Admiralty Minerals Chile Pty Ltd Agencia en Chile (“AMC”)

## Harper South District

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The Harper South district (“**Harper South**”) lies 15km south west of the city of Vallenar in the Third, or Atacama Region of Chile. Harper South covers an area of 2,498 hectares, where exploration work to date has identified seven targets: Mariposa, La Chulula, Soberana, Media Soberana, Negrita, La Vaca and Mal Pelo.

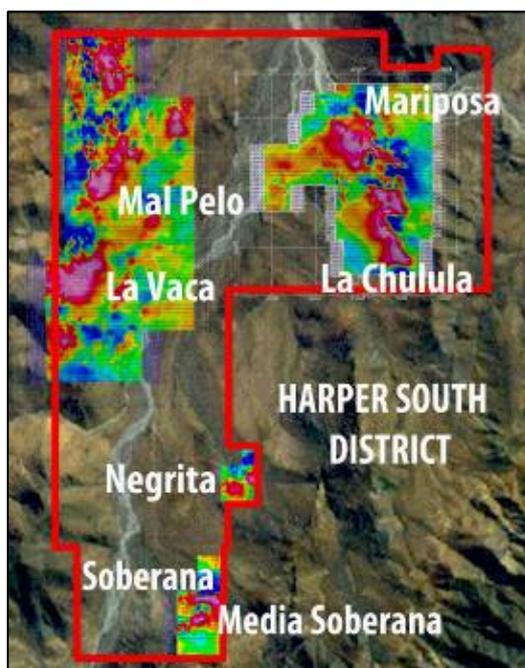
Harper South is the most advanced district in respect to exploration. Mariposa, Soberana and La Chulula are the three most important projects on Admiralty’s exploration timeline as follows:

- **Mariposa** is the most developed target and has a JORC compliant resource. A 3,000m diamond drilling (“**DD**”) programme was performed in early 2012 and a resource upgrade is expected in the September quarter of 2012. An engineering mine plan (or Pre-Feasibility Study) for an initial production of 1.2 million tonnes of finished product per annum has been commissioned to Redco Mining Engineers (“**Redco**”) and results are expected in September 2012;
- **Soberana**. Redco Mining Engineers are working on an early mine production study out of Soberana with results expected before the end of 2012. Soberana was mined artisanally in the 1960s and has very high grade exposed veins, which will allow for initial production of 5,000 tonnes of finished product per month increasing to 30,000 tonnes of finished product per month over a minimum period of two years; and
- **La Chulula**. A high-resolution ground magnetic survey carried out in 2011 showed it as the ore body with highest susceptibility and depth within Harper South. A 600m test drill hole was sunk in February 2012 and a 2,748m reverse circulation (“**RC**”) drilling campaign was completed on 11 July 2012, with a resource statement expected in the fourth quarter of 2012. **La Chulula is considered as a priority target.**

### High-Resolution Ground Magnetic Surveys – across all targets

During the quarter, the results of the second campaign of high-resolution ground magnetic surveys over the most prospective areas of Harper South were received. This Phase II commenced on 9 February and was completed on 6 March 2012.

The surveys confirmed seven primary targets: Mariposa, La Chulula, Soberana, Media Soberana, Negrita, Mal Pelo and La Vaca, as shown on *Figure 1*.



*Figure 1: Combined magnetic susceptibility image of the Harper South district (June 2012).*

## Mariposa

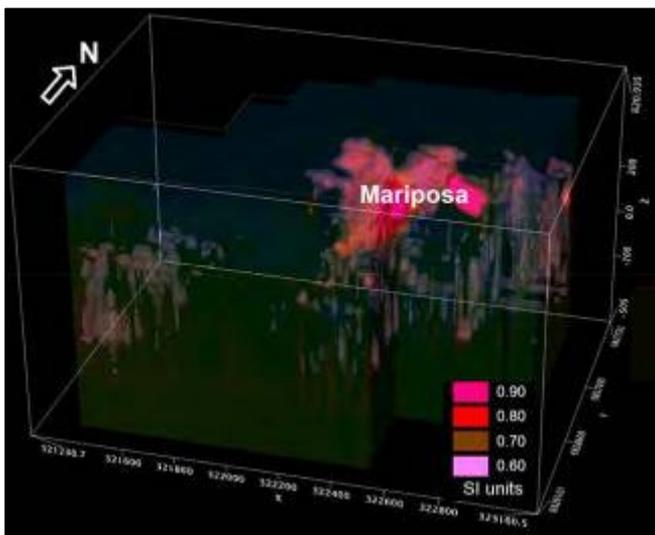
### *Extension of west of Mariposa confirmed by supplementary ground magnetic survey*

Quantec Geoscience Chile (“**Quantec**”) carried out a high-resolution ground magnetic survey in September 2011, which mostly covered the east of Mariposa. The 3-D interpretation of this survey showed the Mariposa Project located in the centre of the survey grid and exhibiting an oval shape with two branches, dipping into the western direction.

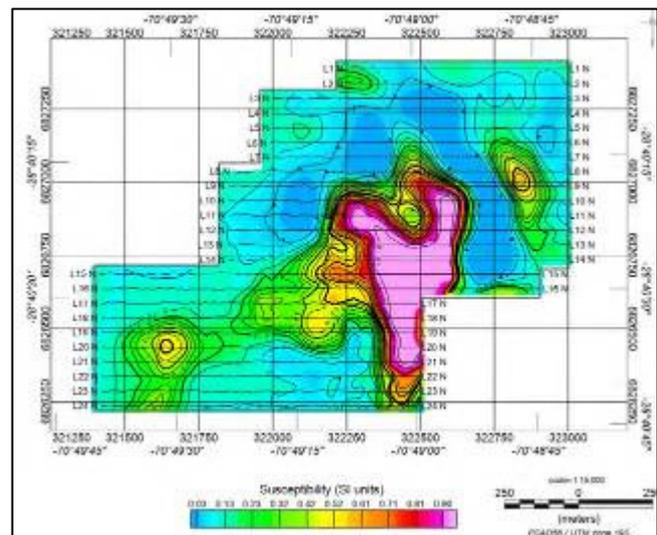
The purpose of Phase II was to fully define the extension of the magnetic response in this direction. This was attained, although with lower levels of magnetic susceptibility. The combined results of Phase I and II, shown in *Figures 2 and 3*, have confirmed the following characteristics for the Mariposa Project:

- Lateral dimensions of 300m x 600m;
- Depth up to 300m;
- Magnetic susceptibility levels higher than 0.9 S.I. units between 500m and 200m elevations;
- Fully confined within the boundaries of Admiralty’s property in Harper South;
- Extended magnetic field west of Mariposa, although with level of magnetic susceptibility ranging from 0.1 to 0.5 S.I. units; and
- Located near-surface.

The interpretation of the results of the 3D inversion of the ground magnetic survey appeared to show that the west of Mariposa may be a traditional IOCG type deposit type (Iron Oxide Copper Gold) and may join the targets on the west of Harper South (La Vaca and Mal Pelo).



**Figure 2:** 3D inversion of the ground magnetic survey results, showing magnetic susceptibilities at 0.60, 0.70, 0.80 and 0.90 S.I. units.



**Figure 3:** Map of magnetic susceptibility at 400m elevation.

### *Mining Engineering Study (or Pre-Feasibility Study)*

Redco was engaged by Admiralty in 2011 to deliver a Pre-Feasibility Study that contemplated an initial production of 1.2M tonnes of a minimum of 62% Fe finished product out of Mariposa.

To this effect, a 3,000m diamond drilling campaign was completed in the March quarter. Redco has since progressed the study through work on laboratory testing, building a geological model, research on plant design for optimum recovery levels and equipment sourcing and mining operations. An updated resource statement based on the audited drill hole data is expected in August.

A maiden reserve statement and full results of the Pre-Feasibility Study are scheduled to be received by the end of the September quarter.

## La Chulula

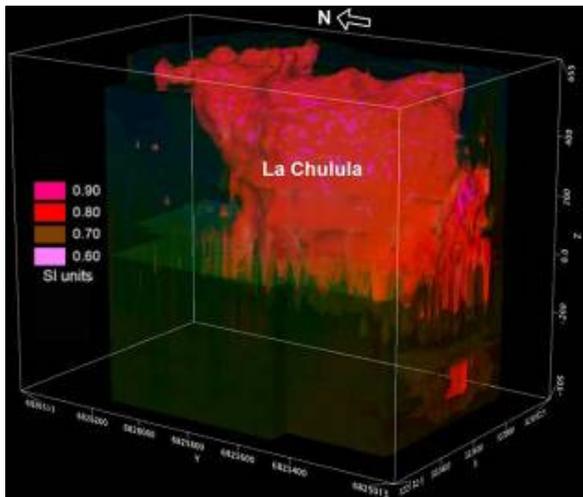
### *Supplementary high-resolution ground magnetic survey*

In September 2011, Quantec carried out a high-resolution ground magnetic survey which showed La Chulula target could extend further south of the boundary of the surveyed lines.

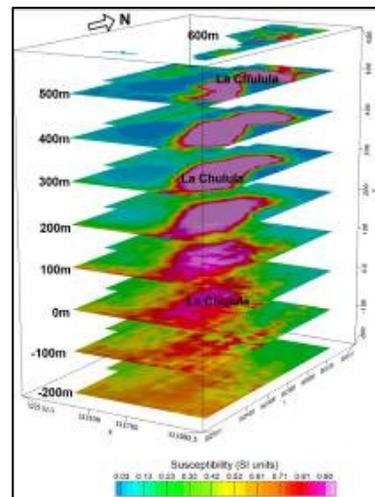
A follow up survey was designed and completed by Quantec in March 2012, based on the consideration of the size of the La Chulula anomaly and its potential extension southwards, which was achieved.

The combined results of both phases received during the quarter, revealed **La Chulula as a priority target** for Admiralty confirming the following important characteristics:

- Lateral dimensions of 250m x 900m;
- Depths up to 600m;
- Magnetic susceptibility levels higher than 0.9 S.I. units between 600m and 0m elevations as shown on *Figure 5*;
- Fully confined within the boundaries of Admiralty's property in Harper South; and
- Located near-surface.



**Figure 4:** 3D inversion of the ground magnetic survey results, showing magnetic susceptibilities between 0.60 and 0.90 S.I. units.



**Figure 5:** Slices of magnetic susceptibility at La Chulula at different elevations.

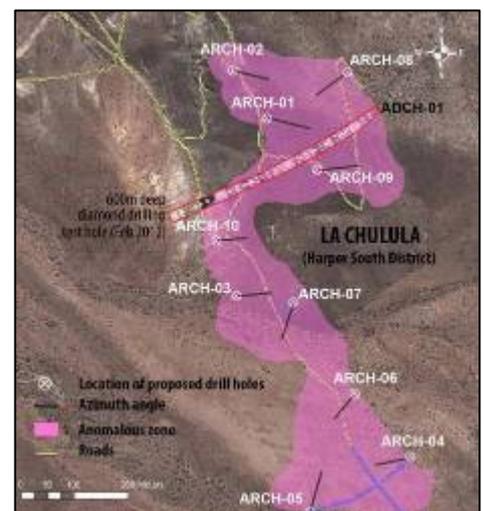
### *Reverse Circulation drilling programme*

A 2,748m RC drilling campaign commenced at La Chulula on 1 June 2012, with the drilling distributed across ten holes with depths of hole between 250m and 350m as shown on *Figure 6*.

The programme was designed with consideration of the results of both the high-resolution ground magnetic survey and the 600m test diamond drilling hole sunk in February 2012.

The programme, which concluded on 11 July 2012, was supervised by Goldberg Resources, Admiralty's external geologists, and performed by PerfoChile, a Chilean company well experienced in drilling for iron ore.

A second RC drilling campaign is expected to commence in August/September and a maiden resource statement and reserve statement are expected to be received by the end of 2012.



**Figure 6:** Location of drill holes sunk at La Chulula in June-July 2012.

## Soberana

The Soberana Project has the potential to provide Admiralty with its first income stream from the Harper South district, taking advantage of the prime geographical location: 7km from a main highway, 6km from a railway line and 17km from the township of Vallenar.

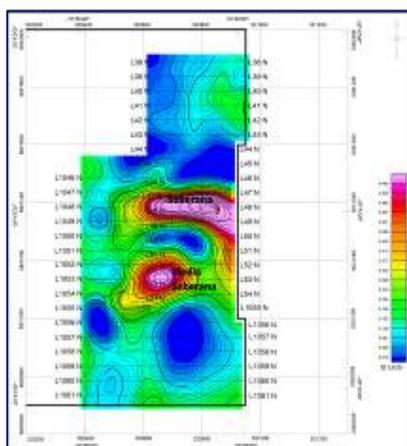
### *High-resolution ground magnetic survey - two iron targets confirmed*

The results received from the high-resolution ground magnetic survey performed over the Soberana target zone confirmed the prospectivity of the Project. The survey consisted of 24 lines spaced at 50m apart covering an area of 0.70km<sup>2</sup> and was performed in two phases in August 2011 and February/March 2012.

The survey was performed in order to delineate high-intensity magnetic anomalies of significant size over the Soberana target zone. The interpretation of results confirmed the presence of two targets susceptible to contain significant iron mineralisation, as follows:

- **Soberana**, an east-west elongated body with horizontal dimensions of 350 x 100 m, located near the surface, with depths up to 150m and exhibiting magnetic susceptibility of over 0.9 S.I. units. This is the most important target in relation to size and susceptibility; and
- **Media Soberana**, a spherical shaped body, located south of Soberana. Although it is smaller than Soberana, it contains similar susceptibility values greater than 0.7 S.I. units.

Both Soberana and Media Soberana present consistent high susceptibility values, over 0.7 S.I. units, near the surface, at between 700 to 500m elevation. *Figure 7* shows the magnetic susceptibility at 600m elevation.



*Figure 7: Magnetic susceptibility at Soberana at 600m elevation.*

### *Early Mining Production mine study*

Redco are currently preparing a scoping study to achieve an early iron lump production while maximising the run of mine and minimising the capex involved in beneficiation while producing a commercially marketable product.

During the quarter, Redco reviewed the geological and survey data to fully define the scope of the study, with particular focus on the processing and plant design and work on the permitting and mining subcontracting.

As part of the study, 240 tonnes was extracted out of Soberana and taken to a plant owned by Minera MACS S.A. The ore was then subjected to real live testing including blasting, screening, crushing and concentration in early July. An initial assessment by Redco confirms the final product is fully marketable and is shown in *Figure 9*.

RC drilling of 684m, distributed in nine holes, was also completed on 24 July 2012, with samples being taken to laboratories for testing. Exposed veins at Soberana subjected to RC drilling can be seen in *Figure 8* below.

Redco are planning to submit an Environmental Impact Statement by the end of August and the results of the study are expected by the end of the September quarter, with a three month trial production indicatively starting at 5,000 tonnes of finished product per month scheduled from September to November 2012. After an initial trial, production is schedule to increase to 30,000 tonnes of finished product per month for a minimum mine life of two years.



**Figure 8:** Drill rig at exposed vein in Soberana (July 2012).



**Figure 9:** Finished product out of Soberana from testing at MACS plant (July 2012).

## Negrita

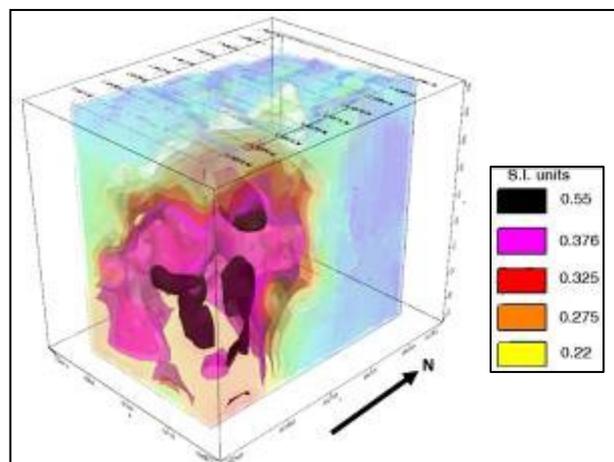
### *Iron target confirmed at the Negrita target*

The high-resolution ground magnetic survey performed over the Negrita target was performed in order to identify structural trends and detect magnetite style mineralisation.

The survey consisted of 21 lines of 400-460m length, spaced at 50m apart covering an area of 2.5 km<sup>2</sup> performed in two phases in August 2011 and February/March 2012.

The survey was successful in detecting a unique double magnetic field with susceptibility values between 0.22 and 0.55 S.I. units resulting in a dumbbell shape target as shown in *Figure 10* and comprised by:

- **Upper area**, an oval shape zone registering high susceptibility levels greater than 0.55 S.I. units. It runs from the northwest to the southeast in the northern part of the grid, it measures approximately 75m x 50m x 100m at 490m elevation;
- **Joining area**, a weaker zone of susceptibility between 0.4 and 0.5 S.I. units that joins the Upper and Lower areas; and
- **Lower area**, another oval shape zone registering high susceptibility levels greater than 0.55 S.I. units, located at the southern part of the grid. It dimensions are 50m x 25m x 50m at 200m elevation.



**Figure 10:** 3D inversion of the ground magnetic survey results, showing magnetic susceptibilities between 0.22 and 0.55 S.I. units.

## La Vaca & Mal Pelo targets and T2 & T3 anomalies

### *Two iron targets and two anomalies confirmed at Harper South's west*

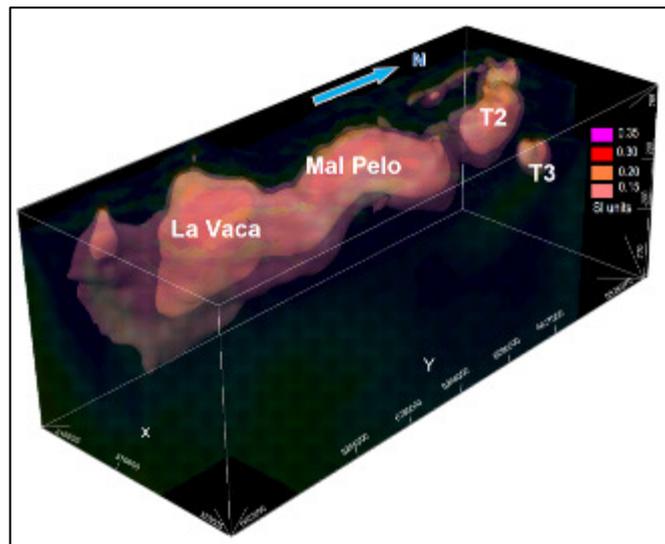
A high-resolution ground magnetic survey was completed by Quantec in two phases in August 2011 and February/March 2012 at the west of Harper South in order to identify and define structural trends and magnetite style mineralisation.

The survey consisted of 83 lines varying in length between 800 to 1700m, spaced at 50m apart covering an area of 1.5 km x 4km.

The survey succeeded in detecting very strong positive and negative anomalous patterns in confirming two targets (La Vaca & Mal Pelo) and identifying two new anomalies (T2 & T3) where susceptibility values from 0.15 to 0.35 S.I. units were detected (refer to *Figure 11*), as follows:

- **La Vaca**, a north-east to south west trending target, depicting a major 600m x 400m intrusive body, with a depth of more than 1,000 m and exhibiting a magnetic susceptibility higher than 0.35 S.I. units;
- **Mal Pelo**, an elongated target, with dimensions 1,200 m x 600 m, with a depth of more than 500 m and exhibiting a magnetic susceptibility higher than 0.35 S.I. units. Possibly an extension of La Vaca; and
- **New identified anomalies: T2 and T3**. These anomalies have been newly identified and they could be considered a continuation of the Mal Pelo target.

Preliminary indications show the west of area of the Harper South district is an IOCG deposit type (iron oxide, copper and gold), commonly found in Chile.



**Figure 11:** 3D inversion of the ground magnetic survey results, showing magnetic susceptibilities between 0.15 and 0.35 S.I. units at the west of Harper South.

## Pampa Tololo District

Pampa Tololo district covers 3,455 hectares and is located north of Vallenar, Chile. It is directly adjacent to Los Colorados mine, the largest producing iron mine in Chile, owned Compañía Minera del Pacífico (“CMP”).

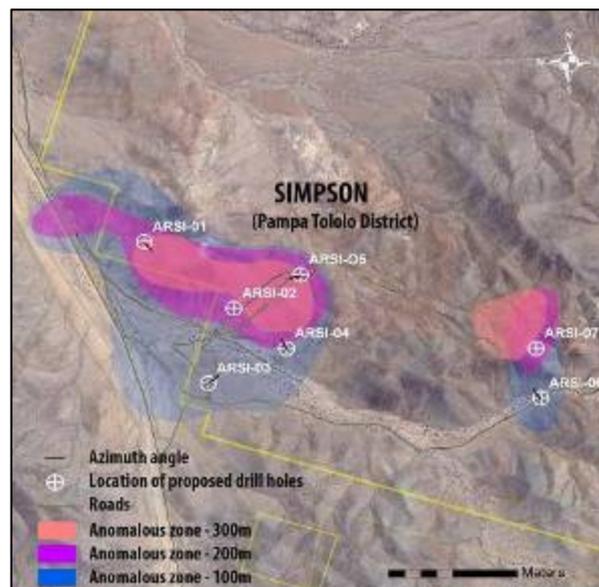
AMC completed a ground magnetic survey over the Pampa Tololo concessions in September 2011. The results and 3-D inversion of the survey revealed three distinct iron targets: Cochrane, O’Brien and Simpson. Simpson is the most important target in relation to size and susceptibility: 800m in diameter, located at a depth of 200-250m and exhibiting magnetic susceptibility of approximately 0.5 S.I. units.

### *Reverse Circulation drilling programme*

A scheduled RC drilling campaign was announced at Simpson in early June, when the preparation works for access roads and platforms was performed.

The drilling programme commenced on 25 July 2012, following the completion of the drilling programmes at La Chulula and Soberana. The campaign is planned to consist of 3,270m, distributed in seven holes with a depth between 450-480m, as shown in the *Figure 12*.

This campaign is the first drilling to be undertaken at the Pampa Tololo district since Admiralty acquired the concessions in 2007. The campaign is expected to be followed by a second phase of drilling in October, with a resource statement expected by the end of 2012.



*Figure 12: Location of drill holes to be sunk at Simpson in July-August 2012.*

## Cojin District

### *Five iron targets identified by high-resolution ground magnetic survey*

The Cojin district (*formerly known as Leo Sur*) covers 647 hectares and makes up 10% of Admiralty's mineral tenure in Chile. The district is located 35km south of the township of Vallenar and is 8km from El Algarrobo, an iron ore mine owned by CMP, which supplies pre-concentrates to CMP's iron pellet plant in the port of Huasco.

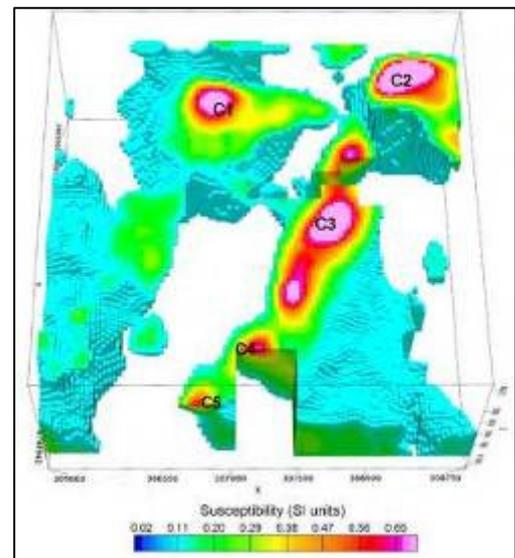
The survey marked the first exploration work that had been completed in the Cojin district since the Company first acquired interest in the iron ore projects in 2005.

The survey consisted of 61 lines of approximately 3,000m long, spaced at 50m apart covering the full district (refer to *Figure 13* for geographical location) in February/March 2012. The purpose of the survey was to identify and define structural trends, magnetite style mineralisation and potential targets both at depth and along strike for drill targeting.

The survey succeeded in detecting very strong positive and negative anomalous patterns in confirming five iron targets: C1, C2, C3, C4 and C5 (refer to *Figure 14*) exhibiting susceptibility values of up to 0.90 S.I. units and depths up to 700m as indicated in *Table 1*.



**Figure 13:** Geographical location of the Cojin district, 90 km from the ports in the Huasco area.



**Figure 14:** Calculated susceptibility voxel model of the five iron targets at the Cojin district.

	C1	C2	C3	C4	C5
	Most important targets due to size/susceptibility				
	Traceable at greater depths				
		May be aligned and represent the same structural control			
	Located near the surface				
<b>Susceptibility</b>	0.6 S.I. units	0.9 S.I. units	0.9 S.I. units	0.6 S.I. units	0.8 S.I. units
<b>Dimensions (lateral dimensions)</b>	300m x 250m	600m x 350m	1500m x 350m	<100m x 100m	<100m x 100m
<b>Depth (vertical dimension)</b>	500m	500m	700m	<100m	<100m

**Table 1:** Results of high-resolution ground magnetic survey across five targets identified in Cojin district.

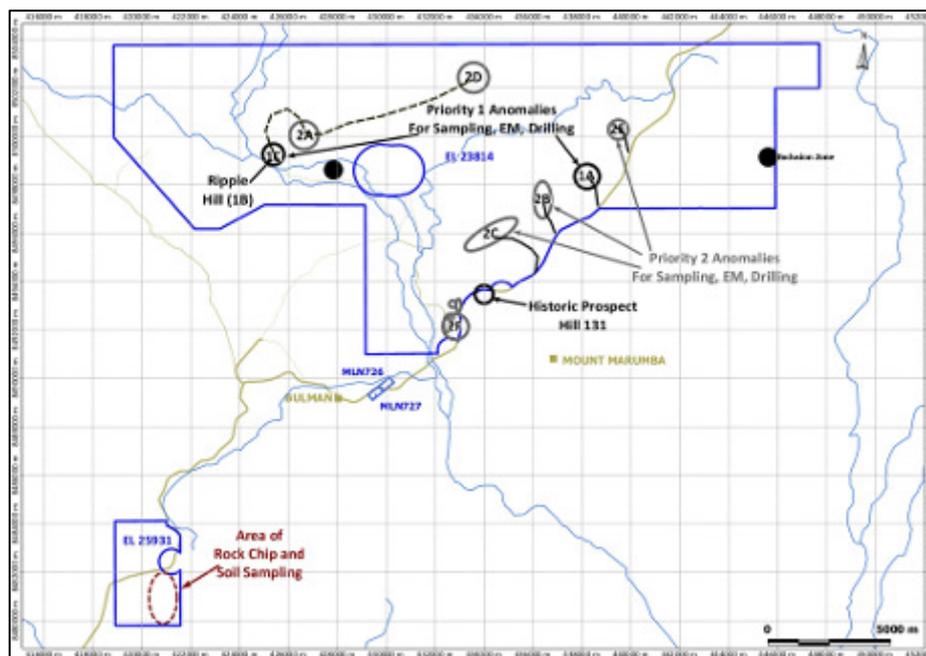
# Bulman Resources Pty Ltd (“Bulman”), Northern Territory

## 2012 exploration programme at Bulman

During the quarter Admiralty announced a proposed exploration programme (refer to *Figure 15* for working areas) for its lead and zinc Bulman Project in the Northern Territory (“NT”) that will include:

- Geological mapping, rock chip and soil sampling;
- Access track preparation;
- Ground based electromagnetic (“EM”) surveying of selected anomalies; and
- 1,000m of RC drilling distributed in six to seven holes. The programme will focus on promising lead and zinc (“Pb-Zn”) target areas where a thicker sedimentary sequence and deeper dolerite contact was detected by the airborne electromagnetic survey (“AEM”) survey.

A work programme and a mine management plan were submitted to the Northern Land Council (“NLC”), the Traditional Owners and the Department of Resources in the Northern Territory and approval from the Traditional Owners has been received in relation to the work programme. Approval of the mine management plan is expected shortly.



*Figure 15: Map showing where the different exploration activities will be taking place within the mineral interests in Bulman Project: exploration licences EL23814 (top) and EL25931.*

The exploration programme has been designed as a follow-up of the targets identified by the interpretation of the AEM survey performed by Fugro Airborne Surveys over EL23814 in August 2011, which identified 19 targets. Geos Mining selected three primary and six secondary exploration targets out of the 19 based on their geophysical and geological characteristics. The programme will also include some rock chip and portable XRF sampling along a faulted contact in EL25931.

The proposed programme would be conducted in mid-August for a period of five to seven weeks. The programme represents approximately 12% of the total exploration budget of Admiralty for the 2012-2013 financial year.

## Pyke Hill Resources Pty Ltd (“Pyke Hill”), Western Australia

The Company continues to hold discussions with the interest parties in respect of the future of the tenement and the project.

### Corporate

#### Royalty stream from SCM Vallenar Iron Company (“VIC”)

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During the quarter, VIC, under the control of Australis Mining Ltd (“**Australis**”), progressed their operations towards expected initial production of 800,000 tonnes. Australis have advised they are currently finalising finance arrangements to raise up to US\$70 million to develop the Harper North project.

Australis was due to make a payment of US\$1 million to Admiralty by 16 March 2012 as part of the Purchaser Assumed Debt contemplated in the Share Sale Agreement entered into between Australis and Admiralty on 1 September 2010 and completed on 16 November 2010, however Australis did not make this payment.

Admiralty and Australis agreed to a deferred payment plan in respect of the US\$1 million in 8 instalments with 7 monthly instalments of US\$100,000 and a final instalment of US\$300,000 which will be due on 16 October 2012. The first three instalments of US\$100,000 have been received, however the June and July instalments of US\$100,000 have not yet been received. Australis have advised all outstanding funds will be provided upon the drawdown of their funding arrangements which it expects to receive imminently.

Pursuant to its agreement with Australis, Admiralty is entitled to receive a further US\$1,700,000 relating to the up-front consideration for the sale of VIC.

#### Rights Offer

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The Company launched a 1-for-5 pro-rate non-renounceable rights offer (“**Rights Offer**”) at an issue price of \$0.045 on 21 March 2012, initially scheduled to close on 24 April. The closing date of the Rights Offer was extended until 1 May 2012.

The Company received over 1,000 applications and issued 59,415,507 shares raising \$2,673,697 under the Rights Offer and shortfall offer. Admiralty raised an additional \$2,784,993 through the issue of 61,888,286 shares to Sino Investment & Holding Pty Ltd (“**Sino Investment**”) and several of its nominated sub-underwriters pursuant to the Underwriting Agreement.

Under the Rights Offer and Underwriting Agreement, Sino Investment (and its associates) increased their shareholding to 128,475,067 shares (17.65% of voting power) as at 16 May 2012.

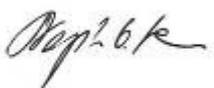
In total, Admiralty raised \$5,458,670 via the issue of 121,303,793 shares, bringing the number of shares on issue to 727,822,759 fully paid ordinary shares.

## Outline for next quarter

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1. Exploration budget: \$1,840,000.
2. Work programme for the current quarter:
  - Receipt of the updated resource statement and maiden reserve statement on Mariposa;
  - Finalisation of Pre-Feasibility study on Mariposa;
  - Continue early mine production study in Soberana, initiating a pilot production in September;
  - Complete first phase of drilling at Simpson;
  - Assess results of first phase of drilling at La Chulula and programme/commence the second phase; and
  - Complete the on field work of the exploration programme in Bulman.

Yours sincerely,



**Stephen C. Prior**  
Managing Director  
31 July 2012

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### ***Issued capital***

727,822,759 shares (as of 30 June 2012)  
727,822,759 shares (current)

Top 20 shareholders: 65.20% (as of 30 June 2012)  
Top 20 shareholders: 65.58% (current)

Directors' holdings: 14.69% (as of 30 June 2012)  
Directors' holdings: 14.71% (current)

### ***Board***

**Chairman**  
Professor Ross Harper

**Managing Director**  
Stephen C. Prior

**Non-executive Directors**  
Michael Perry  
Dr. Shaoqing Li

**Company Secretary**  
Patrick Rossi

### ***Contact***

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## About Admiralty Resources NL

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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 projects are the iron ore districts in Chile: Harper South (2,498 Ha), Pampa Tololo (3,455 Ha) and Cojin (600 Ha). The districts are located in prime locations, with close and easy access to the Pan-American Highway (the major national route), a railway line and operating shipping ports. Admiralty's projects in Australia are the Bulman project, a lead and zinc project located in the Northern Territory and the Pyke Hill project, a cobalt and nickel project in Western Australia, whose mining lease is 50% owned by Admiralty.

### Admiralty in Chile

Admiralty operates in Chile through Admiralty Minerals Chile Pty Ltd Agencia in Chile ("AMC"), its Chilean branch. AMC's strategy is focussed in becoming a player in the Chilean iron ore industry being able to produce efficiently high grade finished product of an average of 63% Fe from high, medium and low grade ores using a dry magnetic separation process. To this extent, the following activities have taken place:

1. Confirmation of the sort of mineralisation found in AMC's concessions:

- **Magnetite based**, which can be divided in three subtypes: massive magnetite (with high magnetite content, over 50% Fe), veins (with moderate magnetite content, between 30-50% Fe) and disseminated magnetite (with low magnetite content, between 10-30% Fe).

The eastern targets of the Harper South district (Mariposa, La Chulula, Negrita and Soberana) show this sort of mineralisation, as does the Pampa Tololo district.

- **IOCG based**. IOCG stands for iron oxide, copper and gold and it is a type of mineralisation very common in Chile. The western mineral concessions of the Harper South district (Mal Pelo and La Vaca) and the Cojin district exhibit this sort of mineralisation.

2. Advancement towards production in the Soberana and Mariposa Projects, with an initial production target of 1.2 million tonnes of finished product per annum.

3. Prioritisation of drilling programmes in prominent targets where no previous drilling has occurred: La Chulula and Simpson. The drilling targets are selected according to degree of magnetic susceptibility detected by the high-resolution ground magnetic surveys and with the aim to advance the largest two districts, Harper South and Pampa Tololo, simultaneously.

4. Devise a methodical 2-phase exploration strategy for undrilled targets: a first phase of 6,000m of reverse circulation divided in two campaigns in order to produce a resource statement. Provided drilling results are satisfactory, this phase will be followed by a second phase of 4,000m of diamond drilling and a geological model in order to produce a reserve statement.

5. Continuous improvement and cost control.

### Admiralty in Australia

#### Bulman Project

The Bulman Project is located within Arnhem Land, approximately 320km northeast of Katherine, in the NT and it comprises two exploration licences and two mineral leases. A mine management plan following up on the targets identified by the 2011 airborne electromagnetic survey has been submitted and approval is expected shortly.

#### Pyke Hill Project

The Pyke Hill Project comprises a single granted Mining Lease which covers an area of 5.37km<sup>2</sup> and it is located near Leonora, in WA, approximately 40km southeast of the Murrin Murrin Nickel Operation operated by Minara Resources Limited. The deposit is considered prospective for a high grade nickel laterite, 50% is owned by Admiralty and it is leased to Cougar Metals NL (ASX: CGM).