



Admiralty Resources NL

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Admiralty Resources on track for September quarter cash flow from Soberana iron ore test production

Admiralty Resources (ASX: ADY) looks set to begin test production in the September quarter at its Soberana Prospect, part of the Harper South Project in Chile, with the lodging of the environmental impact statement the only major step of the early mine production study left to be completed.

Importantly, the Soberana Prospect in Chile could provide Admiralty with its first income stream.

A three month trial production could indicatively start 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.

Early mining production study

Consultants, Redco, are currently preparing a Scoping Study to achieve an early iron lump production while maximising the run of mine and minimising the capital expenditure involved in beneficiation, and producing a commercially marketable product.

During the June 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 were 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.

Reverse circulation drilling of 684 metres, across nine holes, was also completed in July, with samples being taken to laboratories for testing.

La Chulula drilling progress

Admiralty is starting to unlock the potential at its La Chulula prospect, with a maiden Resource and Reserve expected to be delivered by the end of 2012.

The company completed a 2,748 metre reverse circulation drilling campaign in July, with drilling distributed across 10 holes with depths of between 250 metres and 350 metres.

Admiralty has previously identified La Chulula as a high priority target.

Results from a high resolution ground magnetic survey has demonstrated the size potential of La Chulula, with the prospect shown to be 250 metres by 900 metres and to extend to depths of up to 600 metres.

The prospect is located near surface and has returned magnetic susceptibility levels higher than 0.9 S.I. units between

Price: A\$0.04

Market Cap: A\$32.02M

1 Year Share Price Graph



Share Information

Code: ADY
Listing: ASX
Sector: General Mining
Website: www.ady.com.au

Company Synopsis:

Admiralty Resources (ASX: ADY) is a diversified mining company with mineral interests in Australia and Chile. The company's main project is the Admiralty Minerals Chile Agencia en Chile, holder of two prospective iron ore tenements - Harper South and Pampa Tololo - located in Region III of Chile.

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600 metres and surface elevations.

A second reverse circulation drilling campaign is expected to begin in August/September.

Simpson first drilling

Admiralty has begun its first drilling campaign in the Pampa Tololo district since acquiring the concessions in 2007, with the aim of defining a Resource for the Simpson prospect by the end of 2012.

A 3,270 metre, seven hole program began at the Simpson prospect in late July, with drilling targeted at depths of between 450 and 480 metres.

The campaign is expected to be followed by a second phase of drilling in October.

Worth noting is that Admiralty has completed over 4,000 metres of reverse circulation drilling during the months of June and July.

Drilling signifies the opening of the door to potential targets, as no drilling has occurred outside of the Mariposa project in the past.

Admiralty is well on its way to unlocking the potential of iots La Chulula, Soberana and Simpson prospects.

Well-funded

Importantly, Admiralty is sufficiently funded to continue its aggressive exploration programs across its projects with A\$6.2 million in the bank at the end of the June 2012 quarter.

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