



Admiralty Resources NL

Jan 15th 2013

Admiralty Resources books second resource in Chile's Harper South District

Admiralty Resources (ASX: ADY) has delivered a maiden Inferred Resource for its Soberana Project in Chile, marking its second resource in the region and doubling existing resources at a cut-off grade of 15% iron.

The Soberana Project, one of the six highly prospective targets in the Harper South District, is now host to 90.2 million tonnes at 24.5% iron.

The maiden Resource was prepared by Redco Mining Engineers, a Chilean engineering firm.

Importantly, this new Resource confirms the consistent nature of the iron mineralisation within the Harper South District and highlights the potential to increase Admiralty's Resource base.

Currently only two of the company's 14 targets, Soberana and Mariposa, have JORC Resources, and a third reverse circulation drilling campaign is currently being conducted at La Chulula to define a resource there.

Also using a 15% cut off, Mariposa has an Inferred Resource of 87.9 million tonnes at 23.3% iron.

Strategic location

Admiralty holds a 6,800 hectare position in the Chilean iron belt, host to a number of world class iron oxide copper gold (IOCG) deposits.

The landholding is located around 46 kilometres from the Guacolda and Las Losas ports, and just 7 kilometres from the railway line owned by Ferronor S.A.

In the Harper South District, seven targets have been confirmed and two anomalies have been identified by high resolution ground magnetic survey.

Two types of mineralisation have been found in the district magnetite style in the east and IOCG in the west, with zones separated by an ancient river.

The most advanced target is Mariposa, while advancing targets are La Chulula and Soberana.

Early exploration targets include Negrita, La Vaca and Mal Pelo.

Advancing studies

Admiralty is advancing its Pre-Feasibility and Scoping Study at Mariposa and Soberana respectively with results expected early in 2013.

Production at both deposits is likely this year with an initial production target of 1.2 million tonnes per annum of iron ore fines out of Mariposa and 360,000 tonnes of iron ore lumps or fines out of Soberana.

Analysis

Price: A\$0.03

Market Cap: A\$28.39M

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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The maiden Resource at Soberana confirms the consistent nature of the iron mineralisation within the Harper South District of Chile and highlights the potential to increase Admiralty's Resource base.

Demonstrating the prospectivity and activity in the region, Admiralty's Harper South project is located near to the El Algarrobo iron ore mine, one of the four main magnetite-apatite deposits in the Chilean iron belt.

El Algarrobo's current Reserves are around 3.6 million tonnes at 47.5% iron, although other occurrences in the surrounding district are believed to contain resources of 130 million tonnes.

The Los Colorados Mine is also nearby and hosts Reserves of around 245 million tonnes at 48% iron.

Additional Reserves of about 73 million tonnes are reported in the district, at the Chanar Quemado, Sositas and Coquimbana prospects.

Indicating the exploration upside still evident for Admiralty, just two of the company's 14 targets, Soberana and Mariposa, have JORC Resources.

Admiralty is working to further build on this at La Chulula.

With a third reverse circulation drilling campaign currently underway at La Chulula to define a Resource, and results expected soon from the Pre-Feasibility and Scoping Study at Mariposa and Soberana respectively, Admiralty is in for an interesting first quarter.

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