ADMIRALTY RESOURCES

ASX ANNOUNCEMENT
Date: 25 January 2013

Updated Mineral Resources of 174.5 Mt at 24.5% Fe at Mariposa
Mariposa's Resources increase from 87.8 Mt to 174.5 Mt

Highlights

- **Resources at Mariposa doubled from 87.8 Mt to 174.5 Mt, at a 15% Fe cut-off grade**
- **Resources at Mariposa more than trebled from 168.4 Mt to 513.4 Mt, at a 10% Fe cut-off grade**
- **Defined a Measured Resource for the first time in the Company's history**
- **Increased average of Total Iron (FeT) content from 23.3% to 24.5%, at a 15% Fe cut-off grade**
- **Recorded Magnetic Iron (FeMag) content**
- **Total reported resources at Harper South now 264.7 Mt at 24.5% Fe, at a 15% cut-off grade**

Admiralty Resources NL (ASX:ADY) is pleased to announce that Redco Mining Engineers ("**Redco**") has updated the JORC Mineral Resource estimate for its Mariposa Project, one of the 6 targets of its Harper South District, Chile.

The updated Mineral Resource Statement quantifies the resources at Mariposa at 174.5 Mt at 24.5% Fe for a 15% Fe cut-off in the measured, indicated and inferred categories as follows:

Cut-off grade FeT %	Measured Resources (Mt)	Indicated Resources (Mt)	Inferred Resources (Mt)	Total Resources (Mt)	Average FeT (%)	Average FeMag (%)
35	12.7	1.2	4.0	17.9	42.8	35.7
30	19.2	1.8	16.7	37.7	37.3	30.1
25	27.8	2.9	35.9	66.6	33.1	26.1
20	36.5	4.4	60.7	101.6	29.5	22.7
15	**43.4**	**7.6**	**123.5**	**174.5**	**24.5**	**18.0**
10	53.1	14.4	445.9	513.4	16.3	10.5

The Mariposa resource update is based on the results obtained from the 3,040m diamond drilling campaign completed earlier in 2012 and the additional chemical and metallurgical analysis performed during 2012 on the following variables: Total Iron (FeT), Magnetic Iron (FeMag) and Davis Tube Weight Recovery (RDTT).

The updated Resource Statement has doubled the total Mineral Resources previously defined by SRK Consulting Chile S.A. for Mariposa (*as per announcement on 2/9/2009 to ASX*) from 87.8 Mt at 23.3% Fe to 174 Mt at 24.5% Fe, at a cut-off grade of 15% Fe. If considering a cut-off grade of 10% Fe, the total resources for Mariposa would have trebled, increasing from 168.4 Mt to 513.4 Mt.

The JORC-compliant updated Resource Statement has been calculated using a cut-off grade of 15% Fe in accordance with management's assessment of the economically viable production of magnetite through a dry magnetic separation process.

In addition to the increase in the total resources for Mariposa, this updated Resource Evaluation has recorded a maiden Measured Resource of 43.4 Mt and has measured the magnetic iron content of the resource (FeMag), which is a crucial aspect for the plant design and equipment selection for a dry magnetic separation process.

Admiralty's Chairman, Professor Ross Harper, has expressed his satisfaction at the resource upgrade commenting "*We are very pleased that the Company's mineral resources have increased from 87 million tonnes in one target (Mariposa) to 264 million tonnes over two targets (Mariposa & Soberana), following the successful exploration activities carried out in 2012. These resources confirm our belief in the potential of our iron projects in Chile and take Mariposa and Soberana a step closer to production".*

The table below shows the total JORC-compliant Mineral Resources for Harper South:

Cut-off grade FeT %	Mariposa Resources[a]		Soberana Resources [b]		Total Resources
	Tonnage (Mt)	FeT (%)	Tonnage (Mt)	FeT (%)	Tonnage (Mt)
15	174.5	24.5	90.2	24.5	**264.7**

(a) Expressed in Measured, Indicated and Inferred Resources.
(b) Expressed in Inferred Resources (refer to ASX announcement on 15 January 2013).

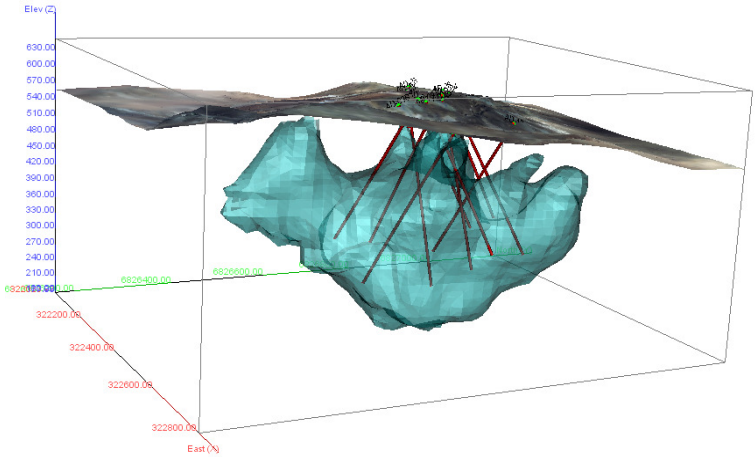
An *Executive Summary* of the *Resource Evaluation Report* prepared by Redco is attached to the end of this announcement.

Yours faithfully,

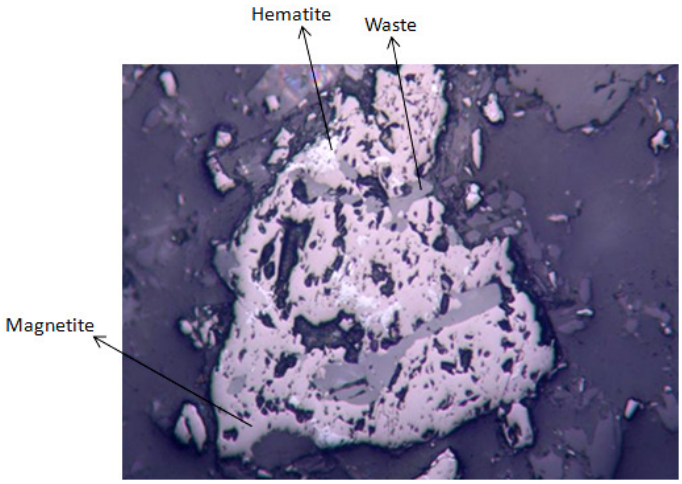
ADMIRALTY RESOURCES NL
PER:

Stephen C. Prior
Managing Director

Location of the Mariposa Project, III Region, Chile.

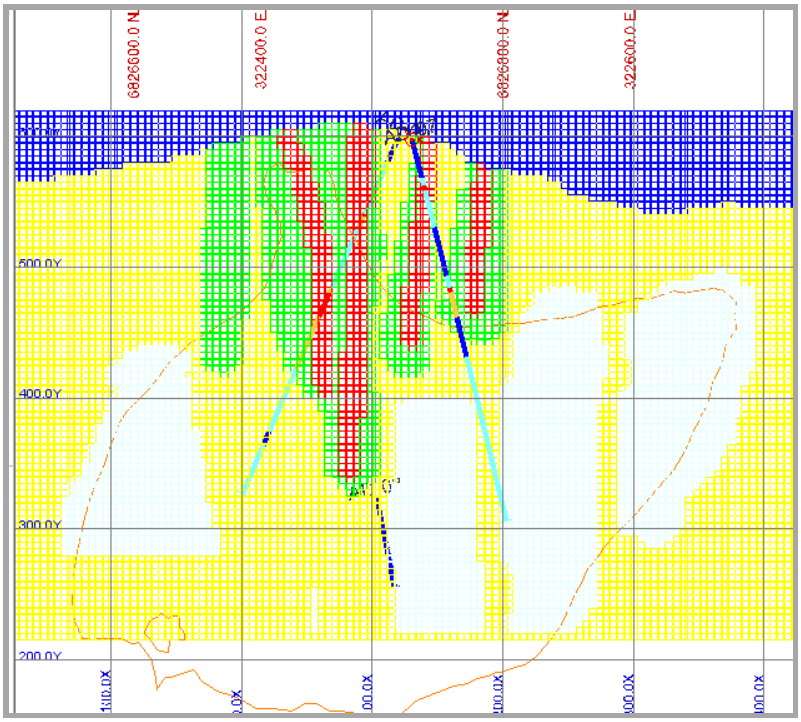


Combined 3-D view of the Mariposa topography, the magnetic anomaly and the drill holes.



Laboratory image of mineralogical analysis of Mariposa sample showing *Magnetite* (490 microns) with *Waste* and *Hematite [Guarachi Laboratory].*

Diamond drill rig set up at AD-05 platform at Mariposa.



Vertical section of the Mariposa geological model.

- *The blue blocks represent the air;*
- *The light blue blocks (sub-vertical Magnetite in Veins rock type) are pre-conceived such an inferred resources*
- *The green blocks represent sub-vertical Magnetite in Veins rock type which can be inferred, indicated or measured.*
- *The red blocks represent the Massive Magnetite rock type; and*
- *The yellow blocks represent the Disseminated Magnetite rock type; and*
- *The orange line represents the boundary of the magnetic susceptibility at 0.6 S.I. units.*

Magnetite in Veins **(left) and** ***Massive Magnetite*** **(right) from Mariposa (December '11 – January '12).**

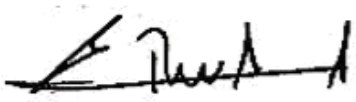
***Waste* (left) and *Disseminated Magnetite* (right) rock types from Mariposa (December '11 – January '12).**

Competent Person's Statement

The information in this report that relates to Mineral Resources is based upon information prepared, compiled and reviewed by Dr Enrique Rubio-Esquivel, M.Sc, PhD from the University of British Columbia (Canada), who is a Member of the Australasian Institute of Mining and Metallurgy.

Dr Rubio is a full time employee of INGENIERÍA REDCO LIMITADA and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

Dr Rubio-Esquivel consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



Dr Enrique Rubio-Esquivel, PhD, General Manager of REDCO Mining Consultants
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About Admiralty Resources NL

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

Admiralty's flagship projects are three 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 Panamerican Highway (a major 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 NT and the Pyke Hill project, a cobalt and nickel project in WA whose mining lease is 50% owned by Admiralty.

About Admiralty in Chile

The **Harper South district** ("Harper South") is the most advanced district in respect to exploration. To date, six targets have been confirmed as carriers of magnetite mineralisation: Mariposa, La Chulula, Soberana, Negrita, La Vaca and Mal Pelo.

- **Mariposa** is the most developed target and subject of this announcement. An engineering mine plan (or Prefeasibility Study) for an initial production of one million tonnes of finished product per annum has been commissioned to Redco Mining Engineers and final reports are expected in early 2013.
- **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. Since then, a 600m diamond test drill hole was sunk in February 2012 and three reverse circulation drilling campaigns totalling 8,262m have been conducted since then. A resource statement is expected in the March 2013 quarter.
- **Soberana** has a JORC compliant resource of 90.2 Mt (*as per announcement on 15/1/2012 to ASX*) and the Company is evaluating the commissioning of a small scale production from this target in 2013.

The **Pampa Tololo district.** A high resolution ground magnetic survey carried out in 2011 identified three targets: Cochrane, O'Brien and Simpson. A reverse circulation drilling campaign of 3,311m took place at Simpson in July/August 2012. The results of this campaign are currently being evaluated by the Company.

The **Cojin district.** It is the least advanced of the Admiralty's projects in Chile, with the first piece of exploration work being a high resolution ground magnetic survey carried out in 2012. The survey identified 5 targets in total with 3 of them showing great depth and high susceptibility.

Santiago, 24 January 2013

Resource Evaluation Report
Mariposa Project
RESS- JAN-2013

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REDCO
MINING CONSULTANTS

ADMIRALTY RESOURCES

Executive Summary

This report is an abridged version of the Resource Evaluation Statement on the Mariposa Deposit, prepared for the Australian company Admiralty Resources NL.

Location

The Mariposa deposit is located approximately 16km south-west of the township of Vallenar and 68km south-west of the Huasco port in the Harper South District, III Region, and Chile. The deposit is part of the several staked mineral claims covering a total of approximately 2,498 Ha.

A claim is a mineral right that gives its holder the exclusive right to explore a designated territory for any mineral substance that is part of the public domain, except for loose superficial deposits of gravel, sand and clay.

Geological composition

The Mariposa deposit is composed by mineralized andesites with iron covered by dioritic intrusives. The main mineralization consists in:

- *Disseminated Magnetite* (total iron grade below 40%, mean 12%; magnetic iron grade below 32%, mean 10%);
- *Magnetite in Veins* (total iron grade below 60%, mean 30%; magnetic iron grade below 55%, mean 25%) in a *Waste* matrix (andesite); and
- Subvertical Veins of *Massive Magnetite* (total iron grade below 64%, mean 46%; magnetic iron grade below 58%, mean 43%) covered by *Disseminated Magnetite* and Magnetite in a stockwork shape.

The andesite rocks are part of the Bandurrias group, which is characterized by volcanic and volcanoclastic rocks with calcareous intercalation from a marine stage and they date from the Inferior Cretasic period.

The Mariposa deposit has the characteristic of a *Magnetite-Apatite* deposit type, where apatite has been extensively altered to actinolite. The geological logs show that the main alteration is sodic-calcic associated to the presence of actinolite, calcite, chlorite, epidote and albite. This pattern can also be seen in the intensive to moderate argillic alteration with a main presence of kaolinite. In addition to the magnetite mineralization described above, hematite and goethite iron mineralization can be seen in lesser quantities.

In conclusion, the Mariposa deposit is better associated with an Algarrobo deposit model mainly because the main characteristics of its andesite rocks, which show mineralization associated with contact with intrusive bodies, and its structural domain such as faults and joints associated with *Massive Magnetite* occurrence. Figure 1 shows the lithology distribution on the surface at the Mariposa deposit.

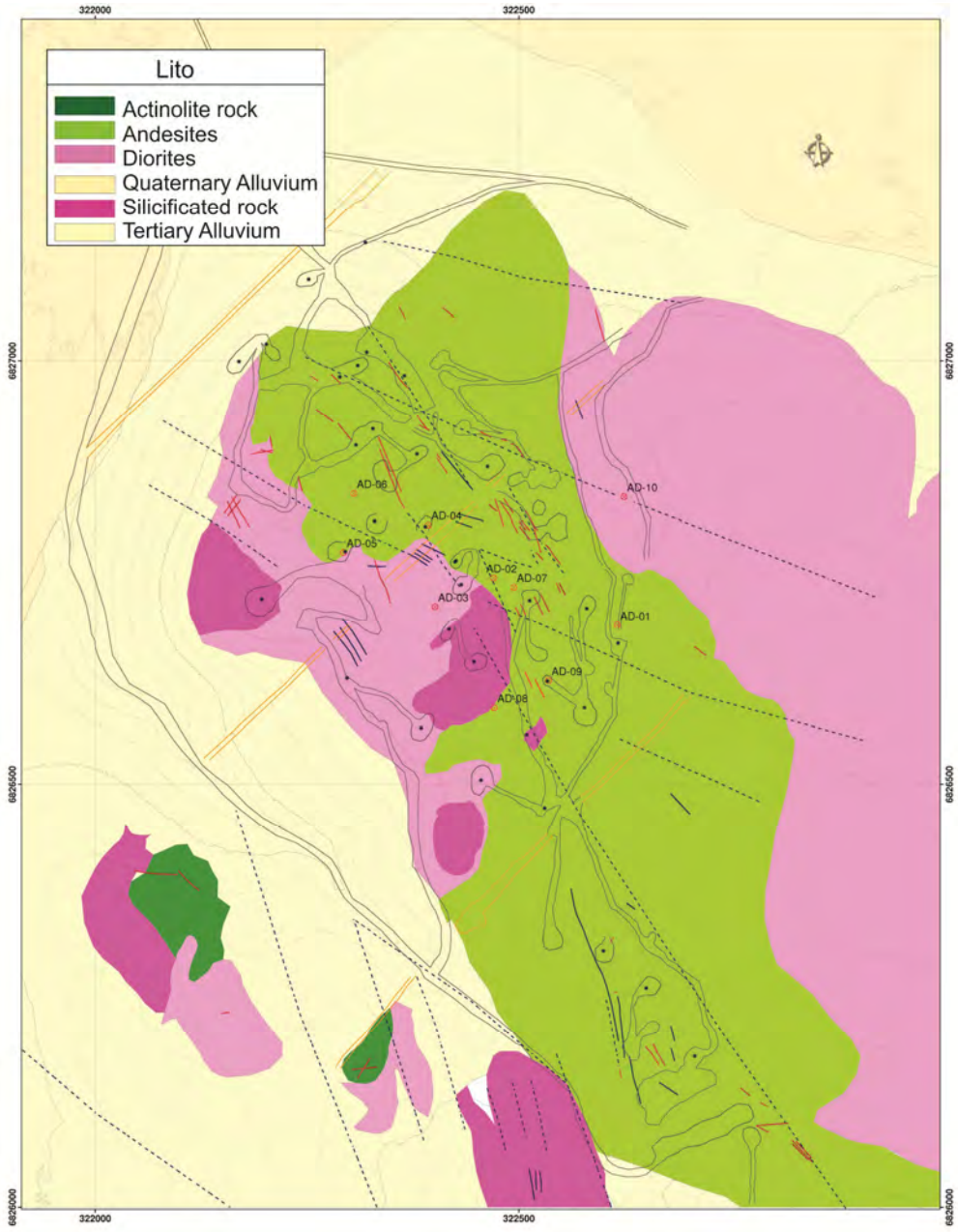

Figure 1: Lithology distribution at Mariposa.

The iron mineralisation at Mariposa occurs in sub-vertical magnetite veins oriented about N 25 W and the deposit structure is guided in the same direction than the Atacama Fault. Figure 2 shows the main orientation trends forming the Mariposa ore body encountered on the surface.

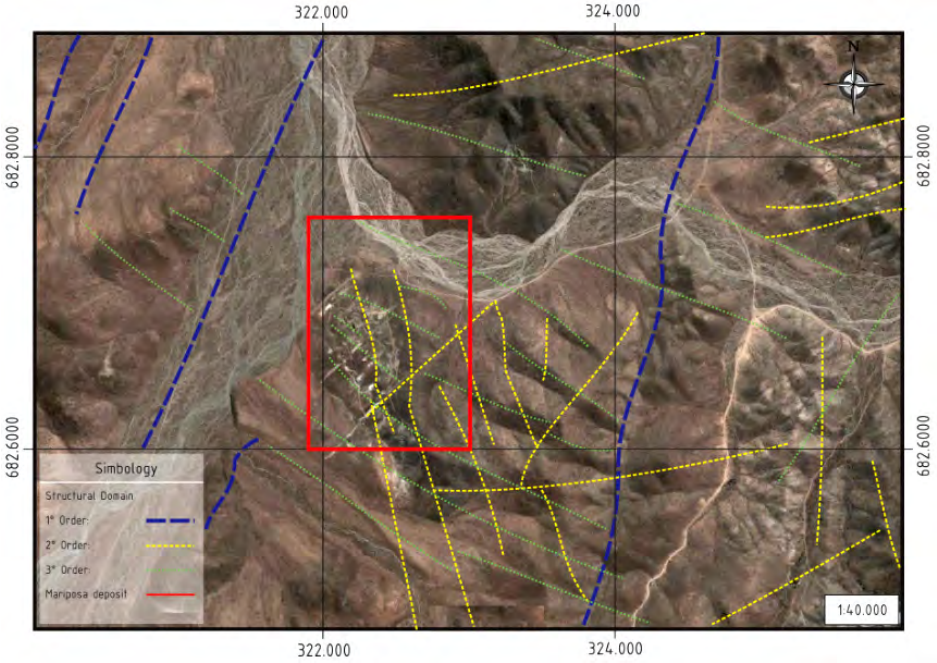

Figure 2: Structural view of Mariposa deposit: 1st, 2nd and 3rd structural domains.

Mariposa's geological model

The geological model of the deposit consisted of the integration of soft and hard information. Soft information data is composed by surface outcrops, geophysical survey (magnetic susceptibility) and structural surface mapping. Hard information data is composed by lithological and mineralogical mapping of diamond cores obtained from the diamond drilling ("DD") campaign conducted between November 2011 and January 2012.

The DD campaign was carried out on a line spacing of approximately 35m strike N 25 W and 80m apart along the lines. Most drill holes were drilled dipping at an angle of 60° perpendicular to the strike of mineralization N 25 W, extending to a maximum depth of 350m below surface.

The mineral resource estimation is based on 11 DD holes and 21 Reverse Circulation ("RC") holes for a total of 7,084m of drilling of which 4,134m are located within the resource wireframes of *Magnetite in Veins* and *Massive Magnetite* rock types.

The geological model wireframes were fitted using cross sectional interpretations based on mineralised envelopes developed using the geological mapping of the DD campaign and the typical range of Total Iron grade/rock type obtained from the DD samples and applied to the RC samples, surface geology mapping and geophysical interpretation.

Three main geological domains were defined in the geological modelling process: *Massive Magnetite*, *Magnetite in Veins* and *Disseminated Magnetite*. Each of these domains has its own lithological, mineralogical and geometallurgical characteristics derived from the Davis Tube Test method and grade assaying.

Then, the geological units of *Massive Magnetite*, *Magnetite in Veins* and *Disseminated Magnetite* were modeled using Gemcom GEMS software considering the following general criteria:

1. Algarrobo type deposit.
2. Sub-vertical Veins of *Massive Magnetite* and *Magnetite in Veins* domains.
3. *Massive Magnetite* and *Magnetite in Veins* domains follow the trend of the mined outcrops surveyed on surface.
4. *Massive Magnetite* and *Magnetite in Veins* domains were modeled reaching the surface according field observations.
5. *Massive Magnetite* and *Magnetite in Veins* domains were modeled following the boundaries and depth of the magnetometry with a magnetic susceptibility cut-off of 0.6 S.I, units.

The geological model was verified on its trend and continuity with the Leapfrog geological modelling software which basically interpolates the continuity of rock types to propose an automated 3D vision of the deposit. A representative vertical section of the resulting geological model can be seen in Figure 3.

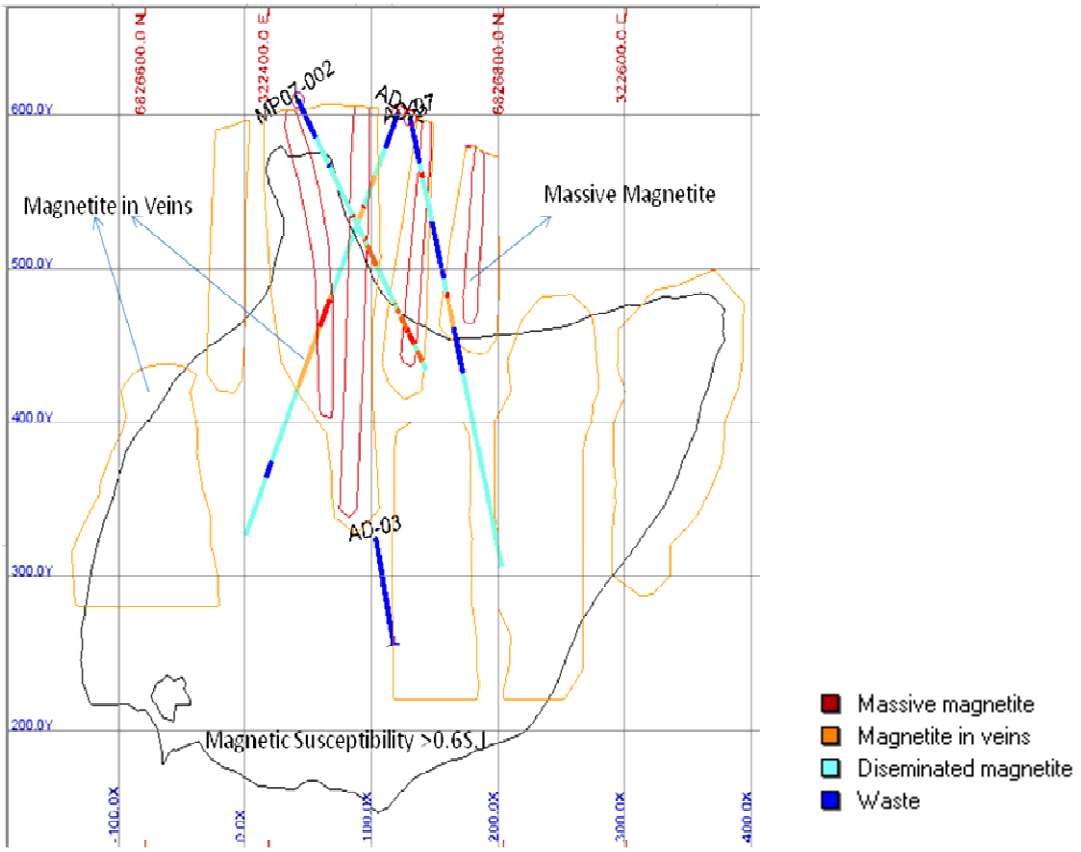

Figure 3: Integration of the geophysics (magnetic susceptibility survey), RC drilling, DD drilling and the modeled geological model with the different rocktypes.

Figure 3 shows that *Magnetite in Veins* and *Massive Magnetite* rock types are within the magnetic susceptibility envelop. In addition, *Massive Magnetite* rock type is subcontained within the *Magnetite in Veins* rock type, which is also within the depths of the magnetic susceptibility envelop. Finally *Magnetite in Veins* and *Massive Magnetite* modeled rock types fit the geological mapping of the drill holes (*refer to orange and red shadings/outlines*).

Basis of resource estimation

Based on the geological model, a resource estimation covering a strike length of approximately 1,100m x 1,300m with a vertical depth of 400m from surface was performed.

Sample preparation and assaying was carried out by Bureau Veritas Geoanalitica Laboratory, located in Coquimbo, Chile. Total Iron *(*"FeT") assay was performed using an acid digest method with redox titration, and the Magnetic Iron ("FeMag") content was defined by using the Davis Tube Test method. Both methods are well known techniques for iron assay.

The Mariposa mineral resource was estimated in Gemcom GEMS software using 5m x 5m x 5m blocks. The estimation method was Block Ordinary Kriging for FeT, Inverse Distance technique for FeMag and Percentage Davis Tube Weight Recovery ("RDTT"). The last one is defined such as the weight percentage of the sample concentrated in the magnetic fraction using the Davis Tube Test.

The bulk densities were allocated according to rock type and mineralisation domains, and a regression model considering FeT and density from measurements taken from DD cores was applied to the bulk density estimation.

Resource Estimation and JORC Code

Categorization was performed by using the guidelines listed in "Table 1" of the JORC Code, 2004 edition. In particular the main criteria were:

- Drilling density.
- Geological continuity.
- Variance of the Block Ordinary Kriging estimation error or "Kriging variance".
- QA/QC of drill hole samples.
- Knowledge of similar deposits.

The main criterion for categorization is related to the relation between the variogram range and the kriging variance.

Once this criterion was applied, a complete review in terms of geology interpretation and category comparison was performed in order to check for a potential change of category among measured to indicated, or indicated to inferred resources on a case by case basis.

Mineral Resource Estimation

The resource classification is based on items listed in "Table 1" of the JORC Code, 2004 edition which includes sample spacing, data quality and geological and grade continuity.

Table 1: Resource estimation results for the Mariposa deposit.

Cut-off grade FeT %	Measured Resources			Indicated Resources			Inferred Resources		
	Tonnage (Mt)	FeT (%)	FeMag (%)	Tonnage (Mt)	FeT (%)	FeMag (%)	Tonnage (Mt)	FeT (%)	FeMag (%)
40	7.3	46.5	41	0.7	44.8	38.7	2.6	46.7	38.5
35	12.7	42.7	36.1	1.2	41.5	32.0	4.0	43.5	35.5
30	19.2	39.1	32.2	1.8	38.4	28.1	16.7	35.1	27.9
25	27.8	25.6	28.7	2.9	34.4	25.3	35.9	31.1	24.2
20	36.5	32.4	25.5	4.4	30.1	21.6	60.7	27.7	21.1
15	**43.4**	**30.0**	**23.0**	**7.6**	**24.5**	**16.5**	**123.5**	**22.6**	**16.4**
10	53.1	26.8	19.8	14.4	18.8	11.2	445.9	15.0	9.4
5	62.3	24.0	17.2	22.4	14.9	7.8	979.3	10.9	5.7
0	68.7	22.1	15.7	27.1	12.9	6.6	1,416.1	8.8	3.9
Total	**68.7**	**22.1**	**15.7**	**27.1**	**12.9**	**6.6**	**1,416.1**	**8.8**	**3.9**

Table 2: Total tonnage and grade.

Cut-off grade FeT %	Tonnage (Mt)	FeT (%)	FeMag (%)	RDTT (%)
40	10.6	46.5	40.2	61.3
35	17.9	42.8	35.7	56.3
30	37.7	37.3	30.1	47.9
25	66.6	33.1	26.1	41.7
20	101.6	29.5	22.7	36.6
15	174.5	24.5	18.0	29.4
10	513.4	16.3	10.5	17.7
5	1,064.0	11.8	6.4	11.3
0	1,511.9	9.5	4.5	8.4
Total	**1,511.9**	**9.5**	**4.5**	**8.4**

Table 3: Tonnage and grade per rock/mineralization type.

	Massive Magnetite		Magnetite in Veins		Disseminated Magnetite		Total	
Cut-off grade FeT %	Tonnage (Mt)	FeT (%)	Tonnage (Mt)	FeT (%)	Tonnage (Mt)	FeT (%)	Tonnage (Mt)	FeT (%)
40	5.1	46.4	3.2	46.3	2.3	46.9	10.6	46.5
35	7.7	43.4	6.6	41.8	3.5	43.4	17.9	42.8
30	9.6	41.2	11.8	37.5	16.3	34.9	37.7	37.3
25	11.5	39.0	19.4	33.7	35.8	30.9	66.6	33.1
20	12.6	37.5	27.0	30.5	62.0	27.4	101.6	29.5
15	**13.8**	**35.7**	**30.8**	**28.9**	**129.8**	**22.3**	**174.5**	**24.5**
10	15.0	34.0	34.7	27.1	463.8	14.9	513.4	16.3
5	15.5	33.1	37.3	25.7	1,011.2	10.9	1,064.0	11.8
0	15.6	32.9	39.6	24.4	1456.7	8.9	1,511.9	9.5
Total	**15.6**	**32.9**	**39.6**	**24.4**	**1456.7**	**8.9**	**1,511.9**	**9.5**

Competent Person's Statement

The information in this report that relates to Mineral Resources is based upon information prepared, compiled and reviewed by Dr Enrique Rubio-Esquivel, M.Sc, PhD from the University of British Columbia (Canada), who is a Member of the Australasian Institute of Mining and Metallurgy.

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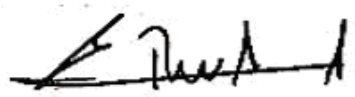

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