



Admiralty Resources NL

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Admiralty Resources doubles Mariposa iron ore resource to 174.5Mt

Admiralty Resources (ASX:ADY) has doubled its JORC compliant resource estimates at the Mariposa iron ore project in Chile to 174.5 million tonnes from an earlier estimate of 87.8 million tonnes at 15% Fe cut off.

It has also defined a maiden measured resource of 43.4 million tonnes at Mariposa, which is one of the six targets identified in the Harper South District.

At 10% Fe cut off, the company's resource estimate at Mariposa trebled to 513.4 million tonnes from 168.4 million tonnes.

The resource estimate was prepared by Redco Mining Engineers, a Chilean engineering firm.

The latest drilling results build on the earlier success at its Soberana target, where it defined a maiden inferred resource estimate of 90.2 million tonnes, and puts the company closer to production.

The results confirm the potential of the Harper South District as hosting a consistent mineral base and to provide upside to Admiralty's resource base.

The Mariposa resource update is based on the results from the 3,040 metres diamond drilling campaign finished last year and additional chemical and metallurgical analysis.

The company also increased the average of total iron content from 23.3% to 24.5% and has measured the magnetic iron content of the resource, which is crucial to design the plant and select equipment for a dry magnetic separation process.

Harper South

Admiralty has a landholding of 6,800 hectares in the Chilean iron belt, which hosts a number of world class iron oxide copper gold (IOCG) deposits.

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.

Admiralty's resource upgrade at Mariposa builds on earlier success at Soberana where the company plans to start a small scale production this year after declaring a JORC compliant resource of 90.2 million tonnes.

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 is estimated.

Soberana EIS

Price: A\$0.03

Market Cap: A\$26.93M

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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Admiralty has also submitted an environmental declaration for the Soberana, which is a prerequisite for an open pit production of up to 540,000 tonnes per annum in lumps and or fines of iron ore with an average 62-64% Fe through a dry magnetic separation process.

It is anticipated that the assessment of the environmental impact statement application will be made by April/May of this year, paving the way for production.

Further exploration upside exists for Admiralty with only two of the company's 14 targets holding JORC compliant resources.

Analysis

A resource statement is likely for the La Chulula prospect, where drilling campaigns totalling 8,262 metres have been conducted since February 2012.

With much news flow anticipated from the pre-feasibility study at Mariposa and scoping study at Soberana, there are catalysts for re-rating of Admiralty Resources ahead.

At its current EV/tonnes ratio, Admiralty is undervalued relative to peers. We would expect upward momentum in the valuation in the lead up to key milestones.

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