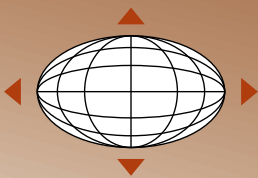




INTERIM FINANCIAL REPORT

HALF YEAR ENDED 31 DECEMBER 2012



ADMIRALTY RESOURCES NL

Corporate Details

Admiralty Resources NL

ABN: 74 010 195 972

Directors:

Professor J. Ross Harper
Mr Stephen C. Prior
Mr Michael S. Perry
Dr Shaoqing Li
Mrs Qing Zhong (*Alternate for Dr Li*)
Mr Hanjing Xu

Company Secretary:

Mr Patrick Rossi

Registered Office:

Level 16, 379 Collins Street
Melbourne VIC 3000, Australia
Tel + 61 3 9620 7144
Fax + 61 3 8677 6949

Principal Place of Business:

Level 16, 379 Collins Street
Melbourne VIC 3000, Australia
Tel + 61 3 9620 7144
Fax + 61 3 8677 6949

Securities Quoted:

Australian Securities Exchange Ltd (ASX)
Code: ADY (shares)
American Depositary Receipt Program (ADR)
Code: ARYRY (OTCBB)

Share Registry:

Boardroom Limited
Level 7, 207 Kent Street
Sydney NSW 2000, Australia

Website: www.ady.com.au

Auditors:

BDO East Coast Partnership
Level 14, 140 William Street
Melbourne VIC 3000, Australia

Bankers:

Westpac Banking Corporation
447 Bourke Street
Melbourne VIC 3000, Australia

Lawyers:

Australia
Hall & Wilcox
Level 30, 600 Bourke Street
Melbourne VIC 3000, Australia

Chile
Noguera, Larraín & Dulanto Abogados
El Golf 40, Piso 11, Las Condes
Santiago, Chile

Admiralty Resources Group Structure

Admiralty Resources NL (ACN 010 195 972) has the following subsidiaries / branches:

- *Admiralty Minerals Chile Pty Ltd*
- *Admiralty Minerals Chile Pty Ltd Agencia en Chile*
(Chilean branch of Admiralty Minerals Chile Pty Ltd, which owns the mineral concessions in Chile)
- *Bulman Resources Pty Ltd*
(which explores in the Northern Territory)
- *Pyke Hill Resources Pty Ltd*
(which has a 50% joint ownership of the Pyke Hill mining lease in Western Australia)
- *ADY Investments Pty Ltd* (currently inactive)
- *Fortune Global Holdings Corporation*
(currently inactive)
- *Servicios Admiralty Minerals Chile Limitada*
(currently inactive)

Table of Contents

Corporate Details	2
Directors' Report	4
Auditor's Independence Declaration	16
Independent Auditor's Review Report	17
Directors' Declaration	18
Consolidated Statement of Comprehensive Income	19
Consolidated Statement of Financial Position	20
Consolidated Statement of Changes in Equity	21
Consolidated Statement of Cash Flows	22
Notes to the Financial Statements	23
Appendix	26

The 2013 Half Year Report provides an overview of Admiralty Resources NL's main operating activities and its financial position for the period ended 31 December 2012.

This report should be read in conjunction with the annual financial report of Admiralty Resources NL as at 30 June 2012.

Directors' Report

The Directors of Admiralty Resources NL submit the half year financial report of the Company for the half year ended 31 December 2012. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors and Company Secretary

The names and particulars of the Directors and Company Secretary of the Company during or since the end of the half year are:

- | | |
|---|---|
| • Professor J. Ross Harper, CBE, MA, LLB, D Univ | Chairman of Directors |
| • Mr Stephen C. Prior, BCom (Melb.), FCA, CTA, MAICD | Managing Director |
| • Mr Michael S. Perry, BCom (Melb.), FCA, SA Fin, MAICD | Non-executive Director |
| • Dr Shaoqing Li, BSc, PhD, MIEAust, CPEng | Non-executive Director |
| • Mrs Qing Zhong - Appointed 23 December 2012 | Non-executive Director (Alternate for Dr. Li) |
| • Mr Hanjing Xu - Appointed 2 August 2012 | Non-executive Director |
| • Mr Patrick Rossi, BCom (Melb.), CA, GradDip ACG | Company Secretary |

All directors and the Company Secretary held office up to the date of this report.

Review of Operations

About Admiralty

Admiralty Resources NL ("Admiralty" or "the Company") is a public diversified exploration company with mineral interests in Chile and Australia. Admiralty's flagship projects are three iron ore districts located in the Third Region of Chile in which Admiralty holds a 100% interest.

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.

Principal Activities

The Consolidated Entity's principal activities in the course of the half-year were the exploration and evaluation of mineral resources. There has been no change in these activities during the financial period.



Admiralty's three iron districts, located 50 km off the Chilean coast.



Drill cores from the Mariposa drilling programme, base of the resource upgrade.

Highlights

Admiralty has been primarily engaged in the exploration and development activities of two of its Chilean districts: Harper South and Pampa Tololo. The highlights of the period include:

1) Total Mineral Resources trebled, increasing from 87.8 Mt at 23.3% Fe to 264.7 Mt at 24.5% Fe

Mariposa's mineral resources increased from 87.8 Mt at 23.3% Fe to 174.5 at 24.5% (cut-off grade of 15% Fe) and a maiden resource statement with an estimate tonnage of 90.2 Mt at 24.5% Fe (cut-off grade of 15% Fe) was released on Soberana.

2) 12,975m of reverse circulation drilling completed, a record in Admiralty's history

The drilling was distributed as follows: 7,952m at La Chulula (from mid June 2012 to mid January 2013, 684m at Soberana (mid July 2012), 3,253m at Simpson (August 2012) and 1,086m in Bulman (September 2012).

3) Exploration expenditure more than doubled, amounting to \$2.55M (31 December 2012: \$0.92M)

4) Continuing work was performed towards the resumption of production

Redco Mining Engineers continued their work on the Pre-Feasibility Study for Mariposa and the Scoping Study for Soberana, with both final reports expected during the March quarter. An Environmental Impact Declaration was submitted for Soberana in January 2013.

Extensive chemical, mineralogical and metallurgical analysis was undertaken during the period in an effort to determine the exact marketable production specification. A 240 tonnes real live mine test was also undertaken on Soberana's "run of mine", producing final product in fines and lump form.

5) Admiralty remained debt free and had \$2,425,467 cash on hand at the end of the period (31 December 2011: \$3,210,902)

6) Strengthening of the Board of Directors

The appointments of Mr Hanjing Xu, former Director of Sino Gold Limited, as Non-executive Director strengthens the mining skills of the Board as the Company progresses towards becoming an iron producer. The appointment of Mrs Qing Zhong as Alternate Director to Dr Shaoqing Li heralds even closer communication with Admiralty's substantial shareholder, Sino Investment & Holding Pty Ltd.



Final production in lumps from the real live test performed on Soberana's run of mine.



Drill rig at La Chulula, during the first RC drilling campaign in June-July 2012.

Directors' Report (Continued)

Operations Overview - Chile

Background

Admiralty's flagship projects are its three iron ore districts in Chile. The districts cover approximately 6,600 hectares and are located in the Atacama Desert, in the surroundings of the township of Vallenar, a prime location, with close and easy access to the Pan-American Highway (the major national route), a railway line and operating shipping ports. The districts are nestled in the Chilean Iron Ore Belt, an area endowed with rich deposits in iron, copper and gold, and they are surrounded by established and successful iron mines, such as El Algarrobo and Los Colorados, owned by Chile's largest iron ore producer, Compañía Minera del Pacífico. ("CMP").

The mineral concessions are grouped into the following districts:

- Harper South District ("Harper South"), located 15 kilometres south of Vallenar, covering 2,498 hectares in which six exploration targets have been identified: Mariposa and Soberana, La Chulula, Negrita, La Vaca and Mal Pelo.

Admiralty has been actively progressing the exploration at the Mariposa, Soberana and La Chulula targets during the period.

Harper South's estimated mineral resources amount to 264.7 Mt at 24.5% Fe (cut-off grade of 15% Fe), covering Soberana and Mariposa, which are both at an advanced exploration stage and are being subject to a Scoping Study and a Pre-Feasibility Study respectively, whose results are expected in the March quarter.

7,952m have been drilled at La Chulula from June 2012 to January 2013 and a maiden resource statement is expected during the March 2013 quarter.

- Pampa Tololo District ("Pampa Tololo"), located 33 kilometres north of Vallenar in which three main exploration targets have been identified: Cochrane, O'Brien and Simpson. The district covers 3,455 hectares and it is 200 metres from Los Colorados iron mine.

During the period, Admiralty conducted a maiden drilling campaign in this district, covering a total of 3,253m at Simpson. The results are currently under evaluation.

- El Cojin District ("El Cojin"), located approximately 43 kilometres south-west of the Harper South concessions in which five main exploration targets (C1, C2, C3, C4 and C5) were identified by high-resolution ground magnetic survey in 2012. The district covers 600 hectares and is located 8 km from El Algarrobo iron mine.

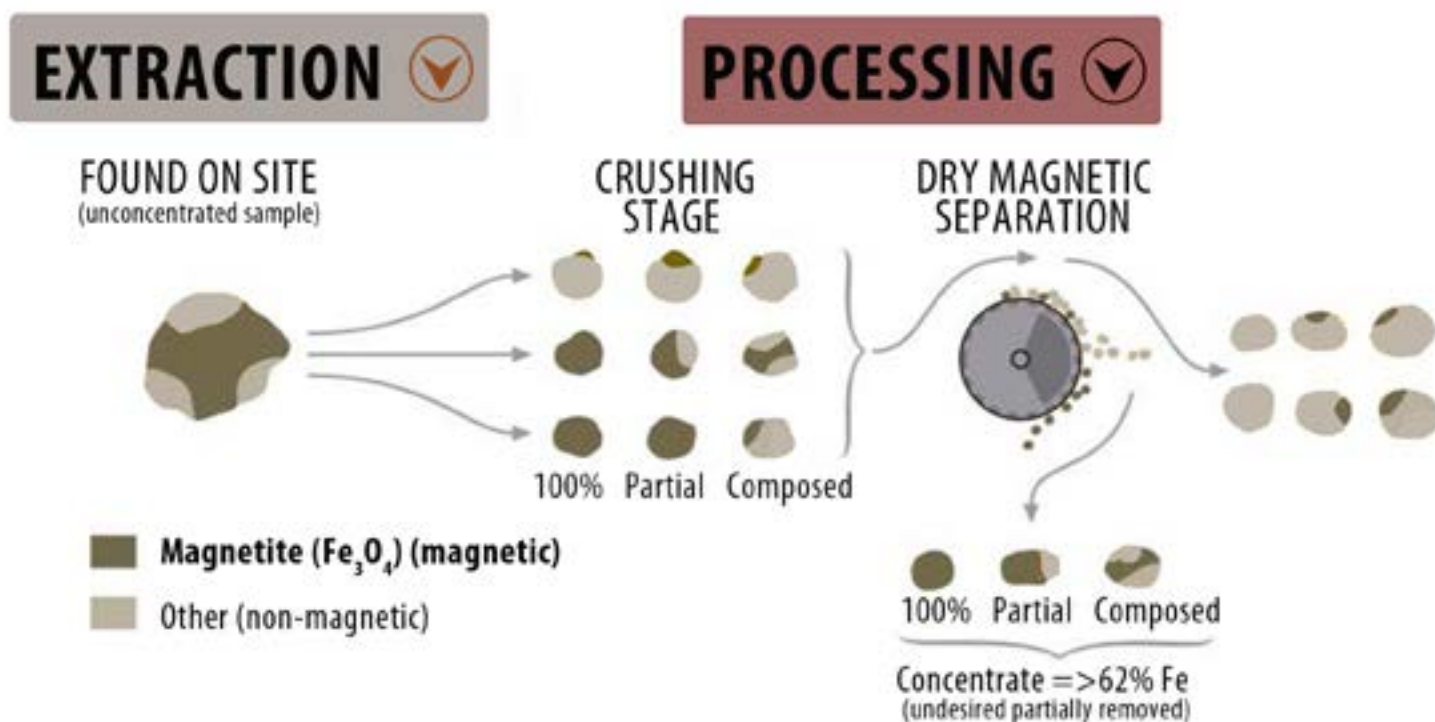
Strategy

Admiralty operates in Chile through Admiralty Minerals Chile Pty Ltd Agencia in Chile ("AMC"), its foreign branch. AMC's strategy is focussed on becoming a player in Chilean iron ore through the production of a high-grade finished product from high, medium and low grade ores using a dry magnetic separation process (See Figure 1).

Redco Mining Engineers ("Redco") are finalising a Scoping Study to produce a minimum of 360,000 tonnes per annum from Soberana, and a Pre-Feasibility Study to produce a minimum of 1 million tonnes from Mariposa, as of 2014-2015. Production is scheduled to commence in 2013-2014 (360,000 tonnes - Soberana) and 2014-2015 (1,360,000 tonnes - Mariposa and Soberana).

Active exploration is scheduled to continue in the remaining targets in order to prove their economic viability and add them to the production timeline.

Figure 1: Simplified dry magnetic separation process.



Note 1: Crushing stage is defined by metallurgical and laboratory studies.

Note 2: Selection of gauss intensity and magnetic drum properties are based on laboratory studies.

Exploration

Mariposa (Harper South)

Updated Resource Statement

Subsequent to the quarter ending, Admiralty announced that Redco updated the JORC Mineral Resource Estimate for its Mariposa Project.

The Mariposa resource update is a result of the new information obtained from the 3,040m diamond drilling campaign completed 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). All this information was compiled and an updated geological model was built.

Redco's report has also delivered an updated geological model of Mariposa, where four rock types have been identified:

- 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;
- Magnetite in Veins (total iron grade below 60%, mean 30%; magnetic iron grade below 55%, mean 25%) in a Waste matrix (andesite);
- Disseminated Magnetite (total iron grade below 40%, mean 12%; magnetic iron grade below 32%, mean 10%); and
- Waste.



Example of Massive Magnetite.



Example of Magnetite in Veins.



Example of Disseminated Magnetite

Directors' Report (Continued)

Operations Overview - Chile (Continued)

Mariposa (Harper South) (Continued)

Updated Resource Statement (Continued)

The identification of the previously mentioned rocktypes and its integration with soft data (surface outcrops, geophysical survey and structural surface mapping) and hard data (lithological and mineralogical mapping of diamond drilling cores) led to the construction of a revised geological model for Mariposa. A vertical section of the updated model is shown on Figure 2.

The updated Resource Statement quantifies the resources at Mariposa at 174.5 Mt at 24.5% Fe at a cut-off grade of 15% Fe in the Measured, Indicated and Inferred categories¹.

The updated Resource Statement has doubled the total mineral resources previously defined by SRK Consulting Chile S.A. for Mariposa (as per ASX announcement on 2/9/2009) from 87.8 Mt at 23.3% Fe to 174.5 Mt at 24.5% Fe, at a cut-off grade of 15% Fe.

The JORC-compliant updated Resource Statement has been highlighted 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, which is a crucial aspect for the plant design and equipment selection for a dry magnetic separation process.

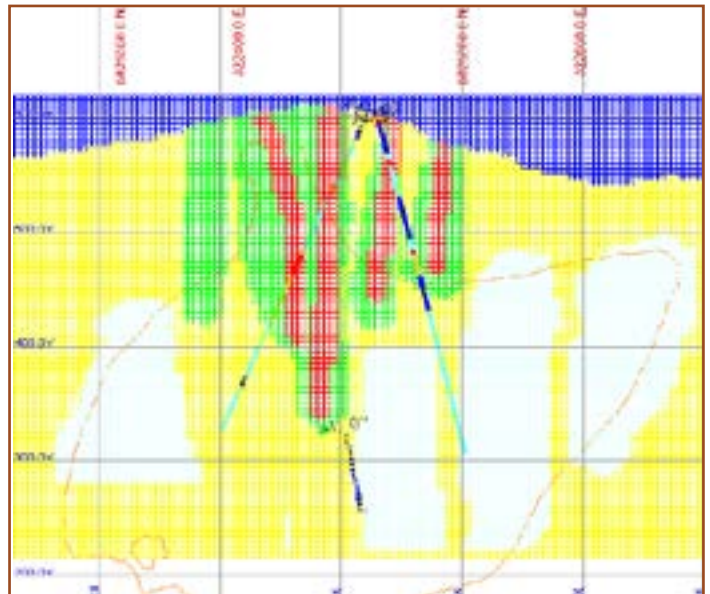


Figure 2: Vertical section of Mariposa's geological model.

Explanation of geological model section

- The blue blocks represent the air;
- The light blue blocks (sub-vertical Magnetite in Veins rock type) are pre-conceived such as 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.



Figure 3: Simplified process flowsheet for the beneficiation of iron from Mariposa.

<i>Cut-off grade</i>	<i>MEASURED RESOURCES (Mt)</i>	<i>INDICATED RESOURCES (Mt)</i>	<i>INFERRED RESOURCES (Mt)</i>	<i>TOTAL RESOURCES (Mt)</i>	<i>AVERAGE FeT (%)</i>	<i>AVERAGE FeMag (%)</i>
15	43.4	7.6	123.5	174.5	24.5	18.0

¹ Refer to ASX announcement from 25 January 2013 for full details of the updated resource estimation.

Pre-Feasibility Study (PFS)

Redco is in the final stages of completing the PFS on Mariposa. During the period, they have focussed on finalising the updated resource statement as reported earlier, the mine plan, the processing of the ore, equipment sourcing and mine operations.

As part of the a PFS draft delivered by Redco, a simplified process flowsheet to process the Mariposa ore has been delivered (Refer to Figure 3). The flowsheet consists of two main phases: the crushing phase and the beneficiation phase. The crushing phase is composed of four crushing stages and the beneficiation phase is composed of three stages, resulting in a final product of a minimum of 62% Fe.

It is expected that the final complete PFS report will be released during the March quarter of 2013.

The report will include a maiden reserve statement for Mariposa.

Soberana (Harper South)

Background

Management is currently evaluating the commissioning of small scale production from Soberana in order to provide Admiralty with its first income stream from the Harper South district, taking advantage of the prime geographical location: 7 km from a main highway, 6 km from a railway line and 20 km from the township of Vallenar, which is approximately 50 km from the coast.

Maiden Resource Statement

Subsequent to the end of the period, Admiralty announced a maiden inferred mineral resource estimate at Soberana of 90.2 Mt at 24.5% Fe (at a cut-off grade of 15% Fe)², prepared by Redco in accordance with the guidelines of the JORC Code (2004).

² Refer to ASX announcement from 15 January 2013 for full details of the updated resource estimation.



Directors' Report (Continued)

Operations Overview - Chile (Continued)

Soberana (Harper South) (Continued)

Maiden Resource Statement (Continued)

<i>Cut-off grade</i>	<i>MEASURED RESOURCES (Mt)</i>	<i>INDICATED RESOURCES (Mt)</i>	<i>INFERRED RESOURCES (Mt)</i>	<i>TOTAL RESOURCES (Mt)</i>	<i>AVERAGE FeT (%)</i>
15	-	-	90.2	90.2	24.5

Redco prepared the mineral resource estimation for Soberana based on the following data:

- 1) Topography study performed in October 2011;
- 2) Results of the high-resolution ground magnetic survey;
- 3) 684m reverse circulation drilling campaign;
- 4) Mineralogical testing of drilling samples; and
- 5) Resource model construction.

The Soberana resource estimation confirmed the consistent nature of the iron mineralisation within Harper South and highlights the Company's potential to increase its resource base beyond the currently stated JORC compliant total resources for Harper South, which currently stand as follows:

<i>Cut-off grade</i>	<i>MARIPOSA RESOURCES</i> ^(a)		<i>SOBERANA RESOURCES</i> ^(b)		<i>TOTAL RESOURCES</i>	
	<i>Tonnage (Mt)</i>	<i>FeT (%)</i>	<i>Tonnage (Mt)</i>	<i>FeT (%)</i>	<i>Tonnage (Mt)</i>	<i>FeT (%)</i>
15	174.5	24.5	90.2	24.5	264.7	24.5

(a) Expressed in Measured, Indicated and Inferred Resources (refer to ASX announcement on 25 January 2013).

(b) Expressed in Inferred Resources (refer to ASX announcement on 15 January 2013).

Submission of Environmental Impact Declaration -

Subsequent to 31 December 2012, Admiralty submitted an Environmental Impact Declaration (Declaración de Impacto Ambiental in Spanish) ("DIA") for its Soberana Iron Project in Chile with the Servicio de Evaluación Medioambiental ("SEA").

The DIA is a compulsory step required by the Chilean Environmental Authority to assess the environmental impact of mining operations. An archaeological study, a flora and fauna study and an environmental management plan have been completed, applying industry best practice to ensure that any potential impacts are minimal and confined to the smallest possible area.

The scope of the DIA is to assess 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.

The lodgement of the DIA is the natural step following the exploration activities that took place in Soberana during 2012 and Admiralty expects that SEA's assessment of the project will be handed out in the June Quarter 2013. In the meantime, management aims to continue its discussions with equipment suppliers and mining operators in order to fast-track the evaluation of small-scale production in 2013.

Scoping Study

In March 2012, Redco Mining Engineers were commissioned to define a Scoping Study in order to achieve early iron lump production while maximising the run of mine and minimising the capex involved in beneficiation, while producing a commercially marketable product.

Redco reviewed all 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. (Refer to Figure 4). The ore was then subjected to real live testing including blasting, screening, crushing and concentration in early July.

Following the live test, a 684m RC drilling programme was conducted in order to perform some chemical and mineralogical analysis.

Redco are currently refining the mine production plan & costing and the final version of the Scoping Study is expected during the March 2013 quarter.

La Chulula (Harper South)

Background

La Chulula was marked as a high priority target for Admiralty following the results of the 3-D inversion and interpretation of the high-resolution ground magnetic survey undertaken in 2011, which showed La Chulula as the ore body with highest susceptibility and depth within Harper South.

These results were followed up by a 600m diamond drilling test hole in February 2012 and a 2,748m reverse circulation ("RC") drilling campaign in June-July 2012.



Figure 4: Crushing and processing plant where the live production test on Soberana run of mine was performed in July. Equipment owned by Minera MACS S.A.

Directors' Report (Continued)

Operations Overview - Chile (Continued)

La Chulula (Harper South) (Continued)

Reverse circulation drilling programmes

Three drilling campaigns have been conducted at La Chulula as follows:

- A maiden RC drilling campaign of 2,748m, across ten holes with depths between 200- 350m, conducted in June-July 2012;
- A second RC drilling campaign was completed during September and October 2012, with a total 3,772m drilled distributed in 16 holes between 150-314m depth; and
- A third 1,432m RC campaign covering 6 holes between 130-342m depth took place in December 2012-January 2013.

Samples from all the campaigns were selected and sent for laboratory assaying. The data through the quick log from the three campaigns is currently being consolidated in order to construct the geological model of the sectors A, B and C of the ore body as shown on Figure 5.

A maiden resource statement is expected to be received in the March quarter.

Negrita, Mal Pelo and La Vaca (Harper South)

These targets were subject to high-resolution ground magnetic survey in August 2011 and February 2012. However, no further work has been carried out since then.

Simpson (Pampa Tololo)

Reverse circulation drilling programme

A 3,253m RC drilling campaign was completed at Simpson in July and August 2012, distributed in 7 holes with depths between 402-495m and heralded the first drilling undertaken at the Pampa Tololo district since Admiralty acquired the concessions in 2007.

Management is currently evaluating the initial geological model produced from the results of the geological mapping and laboratory results.

El Cojin

Background

Admiralty completed a high resolution ground magnetic survey over El Cojin in March 2012. The results and 3-D inversion of the survey confirmed iron targets: C1, C2, C3, C4 and C5 exhibited susceptibility values of up to 0.90 S.I. units and depths up to 750m.

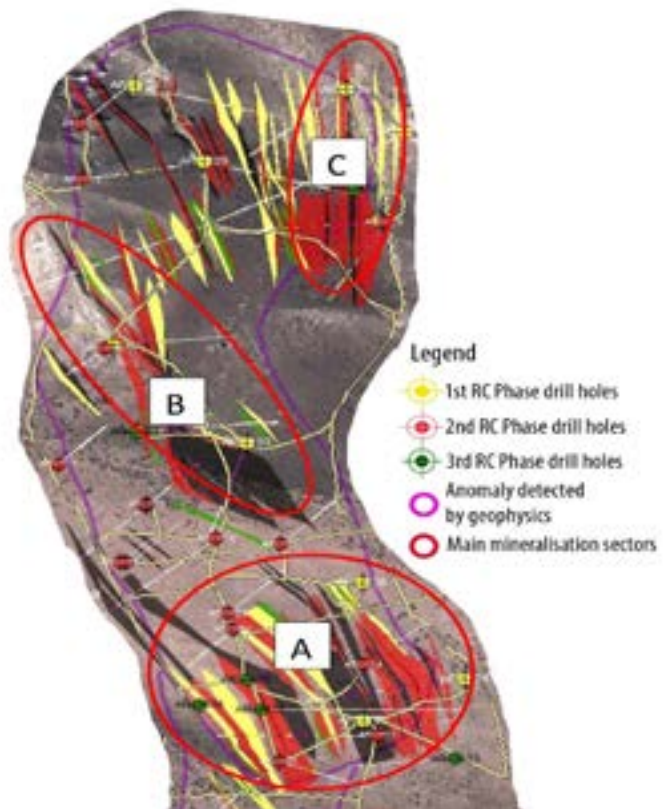


Figure 5: Consolidated image showing the different sectors of interest identified by the drilling programmes at La Chulula.

This survey was completed following a field visit in 2011 during which surface copper sulphate, hematite and magnetite in large lumps, quartz and kaolin were observed. These observations indicate a classic IOCG (Iron Oxide Copper Gold) deposit, very common in the Chilean Iron Belt, were observed.

Activities during the half year

An internal road network of approximately 10.5 km was built during the quarter in order to pave the way for future exploration.

El Cojin had some access roads in the north of its concessions. Hence, it was required to build a road network that allowed access to areas of geological interest which could accommodate drilling platforms.

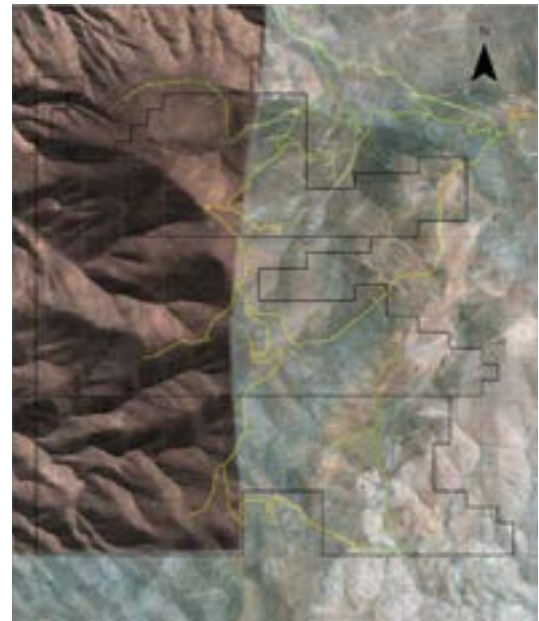


Figure 6: Mineral concessions of El Cojin District (outlined in black), showing previously existing roads (green) and newly constructed roads in December 2012 (yellow).

Operations Overview - Australia

Bulman, Northern Territory

Background

The Bulman Project is a lead and zinc bearing deposit located near the Bulman Aboriginal community in southern Arnhem Land, approximately 320 km north east of Katherine, in Australia's Northern Territory. The project consists of two granted mineral leases (MLN 726 and 727) and two exploration licences (EL 23814 and 25931).

Exploration

The following exploration programme for Admiralty's lead and zinc Bulman Project in the Northern Territory ("NT") have taken place during the quarter:

- Geological mapping, rock chip and soil sampling;
- Access track preparation;
- Ground based electromagnetic ("EM") surveying of selected anomalies; and
- 1,086m of RC drilling.

The programme focussed on lead and zinc ("Pb-Zn") target areas where a thicker sedimentary sequence and deeper dolerite contact was detected by the airborne electromagnetic ("AEM") survey.

The exploration programme was designed as a follow-up of targets identified by the interpretation of the AEM survey performed by Fugro Airborne Surveys Pty Ltd over EL23814 in August 2011.

The results of the programme have been delayed due to the unavailability of a suitable geological firm to interpret them in addition to the recent holiday period. They are expected to be received during the March quarter.

Directors' Report (Continued)

Operations Overview - Australia

Pyke Hill, Western Australia

The Pyke Hill Project in Western Australia comprises a single granted mining lease which covers an area of 5.37 km². The project is located approximately 40 km southeast of the Murrin Murrin nickel joint venture (60% owned by Minara Resources Limited).

Admiralty has a 50% holding in the mining lease, currently leased to Cougar Metals NL ("Cougar"), holder of the exploration and mining rights, under an agreement, by which Admiralty would receive a royalty of 20 cents per tonne of nickel ore run of the mine.

No activity took place during the period other than ongoing discussions with Cougar Metals NL, the tenant in respect of mineral rights, and Richore Pty Ltd, holder of 50% of the tenement, to facilitate a favourable commercial outcome for all parties that allow the exploitation of the asset.

Operations Overview - Corporate

Royalty stream from SCM Vallenar Iron Company

Australis Mining Ltd ("Australis") currently has an outstanding debt of US\$1,700,000 to Admiralty.

This debt relates to the default of the mutually agreed deferred payment plan in 5 of the 8 instalments in respect of US\$1 million payable on 16 March 2012. The first three instalments of US\$100,000 were received, however the remaining US\$700,000 has been overdue since 16 October 2012.

Admiralty has been in discussions with Australis' management in this respect from June to October 2012, however no successful outcome was reached. As a result, Admiralty' through its external legal consultants, Hall & Wilcox, issued a Letter of Demand to Australis on 26 October 2012 for the outstanding debt to be paid.

Australis also defaulted on the fourth and last instalment of US\$1M for the cash consideration in respect of the sale of SCM Vallenar Iron Company ("VIC") on 16 November 2012, which triggered a second Letter of Demand to Australis requesting immediate payment and a call upon the guarantees issued by Corsair Capital Ltd ("Corsair") and Base Resources Ltd ("Base"), shareholders of Australis, in respect of the US\$1,700,000 outstanding to be paid within 7 days.

No payment was received from Australis, Corsair or Base, which triggered an 'event of default' under the terms of the share mortgage over the Australis shares and that security became enforceable.

As a consequence, Admiralty instructed its legal counsel to proceed with legal action in order to recover the amounts due, which may include exercising Admiralty's security over the assets owned by VIC (mineral concessions in Harper North and the Punta Alcalde maritime concession) and proceedings were filed in the Supreme Court of Victoria in late November, with proceedings currently being served.

Other Corporate Matters

- Admiralty has continued to ensure its administration and overhead expenditure are kept to a minimum and available funds are primarily directed towards its exploration programmes.

	<i>1 July 2012 to 31 December 2012 (\$'000)</i>	<i>1 July 2011 to 31 December 2011 (\$'000)</i>
Exploration activities expenditure	2,558	920
Administration expenditure	1,103	939
Cash on hand at the end of the period	2,425	3,211

- The Company's shareholder base has continued to consolidate, with the top 20 shareholders holding 65.64% of the issued capital at 31 December 2012 (31 December 2011: 57.22%).

Operating Results

The consolidated loss after tax of the economic entity amounted to \$1,461,542 (2011 loss: \$805,970).

Dividends recommended or paid

No dividends were paid during the half-year, nor are any recommended as at 31 December 2012.

Matters subsequent to Half-Year's end

There have been no significant events subsequent to reporting date.

Auditor's independence declaration

The auditor's independence declaration is included on page 16.

Signed in accordance with a resolution of the directors made pursuant to s. 306(3) of the Corporations Act 2001 on 7 March 2013.

On behalf of the Directors,



Stephen Charles Prior
Managing Director
7 March 2013

Auditor's Independence Declaration



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AUSTRALIA

DECLARATION OF INDEPENDENCE BY RICHARD DEAN TO THE DIRECTORS OF ADMIRALTY RESOURCES NL

As lead auditor for the review of Admiralty Resources NL for the half-year ended 31 December 2012, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect Admiralty Resources NL and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'R Dean', written in a cursive style.

Richard Dean
Partner

BDO East Coast Partnership
Melbourne, 7 March 2013

Independent Auditor's Review Report



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 Melbourne VIC 3000
 GPO Box 5099 Melbourne VIC 3001
 AUSTRALIA

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ADMIRALTY RESOURCES NL

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Admiralty Resources NL, which comprises the consolidated statement of financial position as at 31 December 2012, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Admiralty Resources NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Admiralty Resources NL, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Admiralty Resources NL is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

BDO East Coast Partnership

Richard Dean
 Partner

Melbourne, 7 March 2013

Directors' Declaration

In the opinion of the directors of Admiralty Resources NL ('the Company'),

- 1) The financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - a) Giving a true and fair view of the financial position of the consolidated entity as at 31 December 2012 and its performance for the six month period ended on that date; and
 - b) Complying with Accounting Standard AASB 134 Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- 2) There are reasonable grounds to believe that the Company will be able to pay its debts when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

On behalf of the Directors,



Stephen C. Prior
Managing Director
Melbourne, 7 March 2013

Consolidated Statement of Comprehensive Income

for the half year ended 31 December 2012

	<i>Note</i>	<i>Consolidated Half-year ended</i>	
		<i>31 December 2012</i>	<i>31 December 2011</i>
		<i>\$</i>	<i>\$</i>
<i>Income</i>			
Interest income		125,327	61,202
Finance income - unwinding of discount		49,993	122,451
Other income		26,611	125,909
		201,931	309,562
<i>Expenses</i>			
Administration expenses		(193,979)	(161,587)
Assets written off		(25,539)	-
Consultancy and professional expenses		(386,470)	(330,138)
Depreciation expense		(8,452)	(1,910)
Employee and director costs		(359,118)	(297,280)
Exploration expenses		(587,115)	(270,518)
Finance costs		(53)	-
Occupancy expenses		(22,222)	(16,800)
Tenement costs		(21,238)	-
Travel expenses		(59,287)	(37,299)
		(1,663,473)	(1,115,532)
LOSS BEFORE INCOME TAX		(1,461,542)	(805,970)
Income tax expense		-	-
NET LOSS AFTER TAX		(1,461,542)	(805,970)
<i>Other comprehensive income/(loss)</i>			
Foreign exchange differences arising in translation of foreign operations		(981)	(4,494)
Income tax on other comprehensive income		-	-
Total other comprehensive loss net of taxes		(981)	(4,494)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		(1,462,523)	(810,464)
Basic and diluted loss per share (cents per share)		(0.20)	(0.16)

The above Consolidated Statement of Comprehensive Income is to be read in conjunction with the Notes to the Financial Statements on pages 23 and 25.

Consolidated Statement of Financial Position

as at 31 December 2012

	<i>Consolidated As at</i>	
	<i>31 December 2012</i>	<i>30 June 2012</i>
	\$	\$
<i>Current assets</i>		
Cash and cash equivalents	2,425,467	6,222,753
Trade and other receivables	613,234	338,530
Other financial assets	1,708,448	1,622,371
Total current assets	4,747,149	8,183,654
<i>Non-current assets</i>		
Contractual royalty rights	16,040,913	16,040,913
Property, plant and equipment	319,983	168,607
Mining interests	18,799,252	16,898,587
Other	-	6,112
Total non-current assets	35,160,148	33,114,219
TOTAL ASSETS	39,907,297	41,297,873
<i>Current liabilities</i>		
Trade and other payables	261,922	189,975
Total current liabilities	261,922	189,975
<i>Non-current liabilities</i>		
Total non-current liabilities	-	-
TOTAL LIABILITIES	261,922	189,975
NET ASSETS	39,645,375	41,107,898
<i>Equity</i>		
Contributed equity	139,828,649	139,828,649
Foreign currency translation reserve	(690,516)	(689,535)
Accumulated losses	(99,492,758)	(98,031,216)
TOTAL EQUITY	39,645,375	41,107,898

The above Consolidated Statement of Financial Position is to be read in conjunction with the Notes to the Financial Statements on pages 23 and 25.

Consolidated Statement of Changes in Equity

for the half year ended 31 December 2012

31 December 2012	Contributed equity	Foreign currency translation reserve	Accumulated losses	Total equity
	\$	\$	\$	\$
Balance at 1 July 2012	139,828,649	(689,535)	(98,031,216)	41,107,898
Loss for the period	-	-	(1,461,542)	(1,461,542)
Other Comprehensive loss	-	(981)	-	(981)
Total comprehensive loss for the half year	-	(981)	(1,461,542)	(1,462,523)
<i>Transactions with owners in their capacity as owners</i>				
Issue of share capital net of costs	-	-	-	-
Balance at 31 December 2012	139,828,649	(690,516)	(99,482,758)	39,645,375

31 December 2011	Contributed equity	Foreign currency translation reserve	Accumulated losses	Total equity
	\$	\$	\$	\$
Balance at 1 July 2011	134,514,263	(675,205)	(82,724,310)	51,114,748
Loss for the period	-	-	(805,970)	(805,970)
Other Comprehensive loss	-	(4,494)	-	(4,494)
Total comprehensive loss for the half year	-	(4,494)	(805,970)	(810,464)
<i>Transactions with owners in their capacity as owners</i>				
Issue of share capital net of costs	-	-	-	-
Total equity at the end of the half-year	134,514,263	(679,699)	(83,530,280)	50,304,284

The above Consolidated Statement of Changes in Equity is to be read in conjunction with the Notes to the Financial Statements on pages 23 and 25.

Consolidated Statement of Cash Flows

for the half year ended 31 December 2012

	<i>Consolidated Half-year ended</i>	
	<i>31 December 2012</i>	<i>31 December 2011</i>
	\$	\$
<i>Cash flows from operating activities</i>		
Receipts from customers	13,979	-
Payments to suppliers and employees	(1,103,462)	(939,331)
Exploration expenses	(544,723)	(264,674)
Interest received	56,031	61,202
Net cash flows used in operating activities	(1,578,175)	(1,142,803)
<i>Cash flows from investing activities</i>		
Payment for capitalised exploration and evaluation	(2,042,489)	(654,970)
Purchase of property, plant and equipment	(184,235)	(78,478)
Guarantees reimbursed	7,613	-
Net cash flows used in by investing activities	(2,219,111)	(733,448)
<i>Cash flows from financing activities</i>		
Proceeds from issues of equity securities	-	-
Net cash flows provided by financing activities	-	-
Net decrease in cash held	(3,797,286)	(1,876,251)
Cash at the beginning of the financial period	6,222,753	5,032,970
Foreign exchange adjustment	-	54,183
CASH AT THE END OF THE FINANCIAL PERIOD	2,425,467	3,210,902

The above Consolidated Statement of Cash Flows is to be read in conjunction with the Notes to the Financial Statements on pages 23 and 25.

Notes to the Financial Statements

for the half year ended 31 December 2012

Note 1 Basis of Preparation of the Half-Year Financial Report

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year financial report should be read in conjunction with the annual financial report of Admiralty Resources NL as at 30 June 2012.

(a) Basis of accounting

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements.

The half-year financial report has been prepared on a historical cost basis.

Significant accounting policies

The half-year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2012.

Contractual Royalty Rights

The half year report includes non-current assets relating to contractual royalty rights to the amount of \$16,040,913. These rights represent the value of the royalties due under an agreement with SCM Vallendar Iron Company ("VIC"). The royalties are due on all production of iron ore fines produced by VIC from Harper North. As a result, the royalty rights will be amortised using a method based on the production of iron ore fines.

Other Financial Assets

Australis Mining Ltd ("Australis") currently has an outstanding debt of US\$1,700,000 to Admiralty which is classified under other current financial assets in the consolidated statement of financial position. Admiralty, through its external legal consultants, issued a Letter of Demand to Australis on 26 October 2012 for the outstanding debt to be paid. Proceedings were filed in the Supreme Court of Victoria in late November, with summons currently being served. Australis have indicated concerns over a tax audit of VIC which disallowed tax losses however no formal claim has been lodged by VIC or Australis.

Basis of consolidation

The half-year consolidated financial statements comprise the financial statements of Admiralty Resources NL and its subsidiaries ("the consolidated entity").

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Notes to the Financial Statements (Continued)

(b) Going concern

The half year financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The ability of the consolidated entity to continue as going concern is dependent upon a number of factors, one being the continuity and availability of funds. To this end, the Directors continue the ongoing and active management of the expenditure incurred by the consolidated entity to preserve the current cash levels.

The cash flow forecast indicates that the consolidated entity will require cash inflows within the next 12 months to support planned activities and commitments of the consolidated entity. The funds may come from a number of sources and the directors are actively seeking payment of the Australis receivable and are advancing other funding plans with the aim of maximising shareholder value. The main sources of inflows being considered are:

- The receipt of US\$1.7 million owing by Australis Mining Ltd due in relation to the sale of SCM Vallendar Iron Company to which Admiralty has issued a letter of demand seeking immediate payment;
- A placement of shares to an additional cornerstone investor to assist in development and further exploration of the consolidated entity's tenements in addition to funding working capital. The consolidated entity currently has the capacity to issue up to 15% of the issued capital without requiring shareholder approval; and
- The raising of trade finance and working capital via an off-take agreement to support the commencement of profitable production at the Soberana Project.

The Directors have reviewed the consolidated entity's overall position and outlook in respect of the matters identified above and are of the opinion that the use of the going concern basis is appropriate.

Note 2 Segment Information

Primary reporting - Geographical segments

The consolidated entity currently operates in two geographical locations: Australia and Chile.

The consolidated entity reports its segment information to the Board of Directors on the same basis as its internal management reporting structure; which drives how the consolidated entity is organised and managed. The financial performance of segments is measured as operating result before tax.

	<i>Half Year ended</i>					
	<i>Australia</i>		<i>Chile</i>		<i>Consolidated Entity</i>	
	<i>31 December 2012</i>	<i>31 December 2011</i>	<i>31 December 2012</i>	<i>31 December 2011</i>	<i>31 December 2012</i>	<i>31 December 2011</i>
	\$	\$	\$	\$	\$	\$
Revenue						
Revenue	61,981	248,360	14,623	-	76,604	248,360
Unallocated interest income					125,327	61,202
Total segment revenue					201,931	309,562
Result						
Total segment result	(1,127,777)	(657,762)	(333,765)	(148,208)	(1,461,542)	(805,970)
Operating loss before income tax	(1,127,777)	(657,762)	(333,765)	(148,208)	(1,461,542)	(805,970)

	<i>As at</i>					
	<i>31 December 2012</i>	<i>30 June 2012</i>	<i>31 December 2012</i>	<i>30 June 2012</i>	<i>31 December 2012</i>	<i>30 June 2012</i>
	\$	\$	\$	\$	\$	\$
Assets						
Segment assets	20,176,906	23,898,433	19,730,391	17,399,440	39,907,297	41,297,873
Liabilities						
Segment liabilities	101,714	166,047	160,208	23,928	261,922	189,975

Appendix

JORC Compliant Mineral Resources Statements by Redco Mining Consultants.



*Mineral Resources Statement for the Mariposa iron deposit,
III Region, Chile, Redco Mining Engineers, January 2013*

Table 1. Mineral Resource Statement for the Mariposa & Soberana iron targets, Vallenar, III Region, Chile.

<i>Resource Classification</i>	<i>Tonnage (Mt)</i>	<i>Iron Grade (Percentage)</i>
Measured - Mariposa	43.4	24.5
Indicated - Mariposa	7.6	24.5
Total Measured and Indicated	51	24.5
Inferred - Mariposa	123.5	17.4
Inferred - Soberana	90.2	
Total Inferred	213.7	
TOTAL RESOURCES	264.7	24.5

* reported at a cut-off grade of 15% Fe.

Table 2. Iron Mineral Resources by cut-off grade for the Mariposa iron target.

<i>CUT-OFF GRADE</i>	<i>MEASURED RESOURCES</i>	<i>INDICATED RESOURCES</i>	<i>INFERRED RESOURCES</i>	<i>TOTAL RESOURCES</i>	<i>AVERAGE</i>	<i>AVERAGE</i>
	<i>Tonnage Mt</i>	<i>Tonnage Mt</i>	<i>Tonnage Mt</i>	<i>Tonnage Mt</i>	<i>FeT %</i>	<i>FeMag %</i>
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

Table 3. Iron Mineral Resources by cut-off grade for the Soberana iron target.

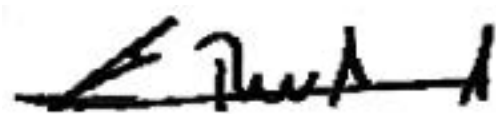
CUT-OFF GRADE	MEASURED RESOURCES	INDICATED RESOURCES	INFERRED RESOURCES	TOTAL RESOURCES	AVERAGE
	Tonnage Mt	Tonnage Mt	Tonnage Mt	Tonnage Mt	FeT %
35	-	-	10.1	10.1	48.4
30	-	-	26.6	26.6	37.1
25	-	-	34.3	34.3	34.9
20	-	-	39.3	39.3	33.4
15	-	-	90.2	90.2	24.5
10	-	-	107.5	107.5	22.5

COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Results and Mineral Resources of the Mariposa iron deposit, is based on information 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-Esquivel is a full time employee of Ingeniería Redco Limitada, a Chilean engineering firm, and has sufficient experience which is relevant to the style of mineralisation and type of mineral deposit under consideration and to the activity which he is undertaken 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 this information in the form and context in which they appear.



Dr Enrique Rubio-Esquivel, PhD
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