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Quarterly Activities Report for the quarter ended 30 September 2013

Admiralty Resources NL (ASX: ADY) is pleased to report its activities for the September 2013 quarter on the Company's mineral projects in Chile and Australia.

Highlights

- **La Chulula Project:** Release of Pre-Feasibility Study (PFS).
- Establishment of a Hong Kong subsidiary
- Update to the dispute with Australis Minerals Ltd
- The quarter ended with cash on hand of \$1,627,340 (previous quarter: \$2,191,661)
- New principal place of business address
- Upcoming Annual General Meeting (AGM) – Wednesday 27 November 2013

(ASX:ADY)

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ADMIRALTY RESOURCES

Activities for the Quarter

Harper South District

Background

The Harper South District (“Harper South”) lies 15km south of the city of Vallenar in Region III of Chile. The district covers an area of 2,498 hectares, where exploration to date has identified six targets: Mariposa, Soberana, La Chulula, Negrita, Mal Pelo and La Vaca.

Harper South is the most advanced district in respect of the Company’s exploration portfolio, with the three most important projects on Admiralty’s exploration pipeline being Mariposa, Soberana and La Chulula.



Location map showing Admiralty’s main projects location.

Mariposa

Sedgman S.A. have provided the Pre-Feasibility Study, however, the board of directors are yet to make a decision on the recommendations. The board will advise in due course, its intended future actions relating to this site.

No other activity took place during the period.

Soberana

Submission of Environmental Impact Declaration - Soberana

Admiralty Resources (“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 Environmental Impact Statement has recently been received by the new board of directors for review, which contains comments raised by the Regional Environmental Evaluation Service, which Admiralty will address.

Admiralty is seeking to engage ARA Worley Parsons to respond to comments raised by the Regional Environmental Evaluation Office and an update will be provided in the next Quarterly Activity Report.

No other activity took place during the period.

La Chulula

Admiralty Minerals commissioned Golder Associates S.A. (Golder) to build the resource model for the La Chulula Iron Project, located near Vallenar, III Region, Chile.

The La Chulula project is a high priority target for Admiralty, because this orebody has the highest susceptibility and depths within Harper South. The data used for this resource estimation was the result of 3 drilling campaigns made by Admiralty between February 2012 and January 2013 in La Chulula.

The maiden mineral statement was completed in October 2013; however, it did not comply with JORC 2012. Admiralty has recommissioned the statement and will provide an update in due course.

No other activity took place during the period.

Negrita, La Vaca & Mal Pelo

At present, a geological recognition and sampling process is being developed as a future target for exploration. It is expected that this will be finalised in November 2013.

No other activity took place during the quarter.

Pampa Tololo District

No activity took place during the quarter.

El Cojin District

No activity took place during the quarter.

Bulman Resources Pty Ltd (“Bulman”), Northern Territory

The Bulman project is located near the Bulman Aboriginal community within Arnhem Land, approximately 320km north east of Katherine (refer to *Figure 1* below). This project consists of two granted exploration licences (EL 23814 and 25931) and two granted mineral leases (MLN 726 and 727).

The project is a mature exploration play; targets have been defined and two small drilling programmes have been completed. Prospects for eventual delineation of resources of lead-zinc are considered reasonably good, but the geological environment is poorly explored.

Following completion of airborne and ground electromagnetic surveys in 2011-2012, a small drilling programme was initiated to test geophysical and geological targets (see previous Admiralty Quarterly

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Activity Reports). Drill samples at the Dingo Argentus prospect, reported widespread zinc anomalism, highlighting the prospectivity of this area for future exploration.

Bulman Resources will complete exploration planning, in anticipation of further field season drilling early 2014.

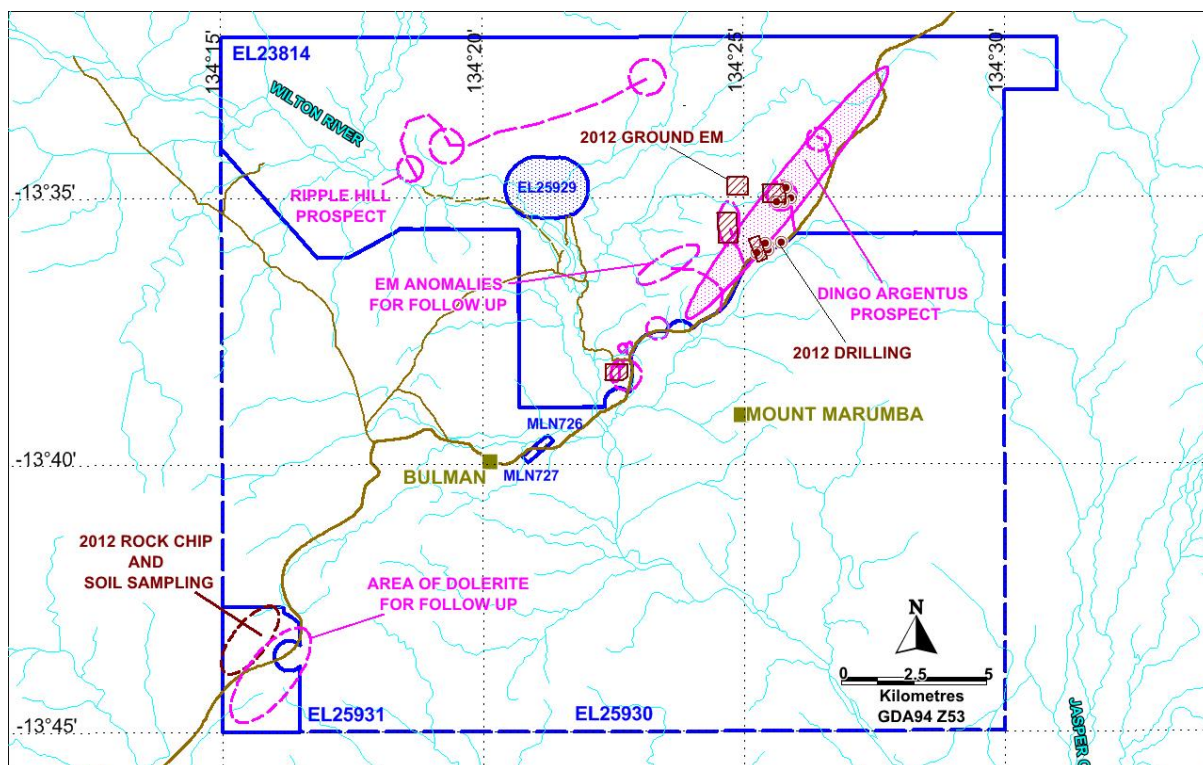


Figure 1: Location of 2012 Drilling/ EM and Proposed Exploration 2013-2014

Pyke Hill Resources Pty Ltd (“Pyke Hill”), Western Australia

No activity took place during the quarter.

Corporate

Dispute with Australis and discussions for settlement

Australis Mining Ltd (“Australis”) currently has an outstanding debt of US\$1,700,000 to Admiralty under the share sale agreement relating to the sale of VIC to Australis.

Admiralty is at present in discussions with Australis with regard to settlement of the matter. We will advise in due course of any update to this situation.

Establishment of Subsidiary Company in Hong Kong

Admiralty has established a subsidiary company, Admiralty Resources (Hong Kong) Limited, that will be used as a platform to trade mineral commodities between China and the Company’s existing assets in Australia and Chile, as well as from new sources in Latin America and elsewhere.

The Company’s registered office is located at room 2107, 21/F, C C WU Building, 302-308 Hennessy Road, Wanchai, Hong Kong.

New Principal Place of Business

Admiralty has changed its principal place of business (effective 1 November 2013) to: Suite 1602, 87-89 Liverpool Street, Sydney NSW 2000. **The telephone and fax numbers have not changed.**

Annual General Meeting

Notice is given that the Annual General Meeting of members, will be held in the Heritage Room at the Shangri-La Hotel, 176 Cumberland Street, The Rocks, Sydney, New South Wales on Wednesday 27 November 2013 at 11:00am AEDT.

Admiralty looks forward to providing a further company update at the conclusion of this meeting.

Yours faithfully,



Hanrui Zhong
Managing Director
31 October 2013

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About Admiralty

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

Admiralty's flagship projects are the iron ore districts in Chile: Harper South (2,498 Ha), Pampa Tololo (3,455 Ha) and El Cojin (600 Ha). The districts are located in prime locations, with close and easy access to the Pan-American Highway (a major route), a railway and power line and operating shipping ports.

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.

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 iron mineralisation: Mariposa, La Chulula, Soberana, Negrita, La Vaca and Mal Pelo.

- **Mariposa** has a JORC compliant resource of 174.5 Mt (*as per ASX announcement on 25/1/2013*). 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 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 revised resource statement is expected in the December 2013 quarter.
- **Soberana** has a JORC compliant resource of 90.2 Mt as 24.5% Fe (at a cut-off grade of 15% Fe) (*as per ASX announcement on 15/1/2013*).

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.

El 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.

Admiralty in Australia

Bulman Project

The Bulman Project is located within Arnhem Land, approximately 320km northeast of Katherine, in the NT and it comprises two exploration licences and two mineral leases. Targets identified by the 2011 airborne electromagnetic survey have been drill tested in part and anomalous zinc geochemistry recorded. Further exploration is planned to explore both geochemical and geophysical anomalies.

Pyke Hill Project

The Pyke Hill Project comprises a single granted Mining Lease which covers an area of 5.37km² and it is located near Leonora, in WA, approximately 40km southeast of the Murrin Murrin Nickel Operation operated by Minara Resources Limited. The Pyke Hill Project has a publicly available JORC compliant nickel and cobalt mineral resource. The project is 50% owned by Admiralty and is leased to Cougar Metals NL (ASX: CGM).

Issued capital

727,822,759 shares (as of 30 September 2013)

727,822,759 shares (previous quarter)

Top 20 shareholders: 66.88% (as of 30 September 2013)

Top 20 shareholders: 66.99% (previous quarter)

Directors' holdings: 15.51% (as of 31 September 2013)

Directors' holdings: 15.51% (previous quarter)

Board

Chairman

Mr David Karpin

Managing Director

Mr Hanrui Zhong

Non-executive Directors

Mr Scott Bennison

Ms Aping Wang

Mr Zexing Ling (resigned 16 October 2013)

Company Secretary

Mr Blair Lucas

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Competent Person's Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Llyle Sawyer, who is a Member of the Australian Institute of Geoscientists.

Mr Sawyer is employed by Geos Mining 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'.

Mr Sawyer consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



Mr Llyle Sawyer, Geos Mining