ADMIRALTY RESOURCES

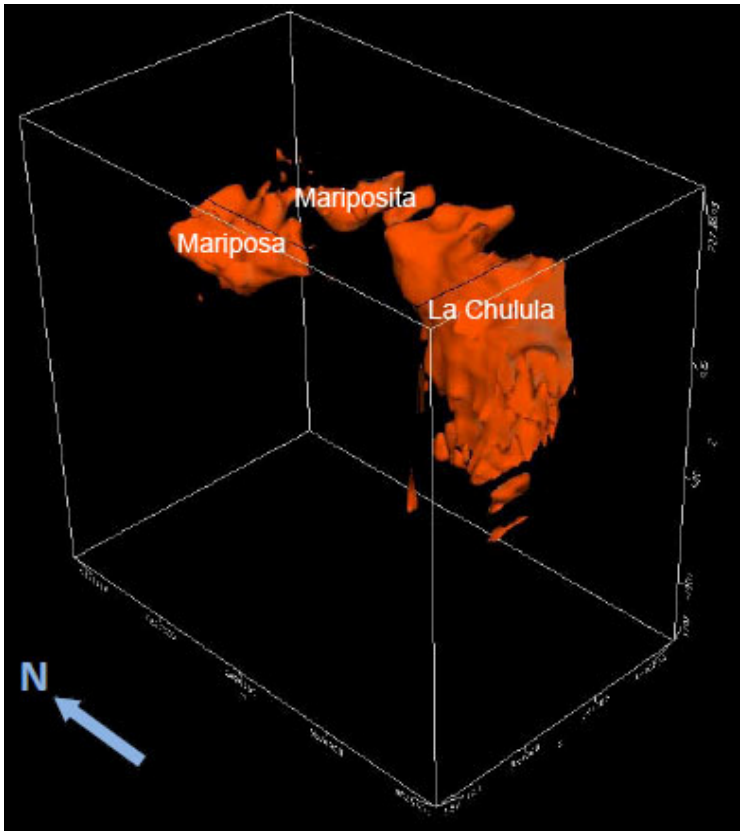
ASX ANNOUNCEMENT

Date: 10 November 2011

3 potential iron targets up to 750 m deep identified by high resolution ground magnetic survey at Mariposa

Admiralty Resources NL ("**Admiralty**" or **"the Company**") has received very positive results from a high resolution ground magnetic survey performed over the Mariposa area, located within the Harper South Iron Ore Project, in the Atacama Region, Chile.

The survey, recently completed by Quantec Geoscience Chile Limitada ("**Quantec**"), delineates high intensity magnetic anomalies of significant size. Its interpretation has confirmed the presence of three targets susceptible to contain significant iron mineralization, as follows:



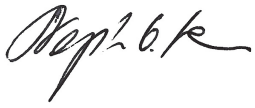
- **Target 1 – La Chulula,** a north/south vertical body, with dimensions of 250 x 750 m, located near the surface, with depths up to 700m and exhibiting magnetic susceptibility of over 0.9 S.I. units. This is the most important target in relation to size/susceptibility.
- **Target 2 - Mariposa**, a more complex oval shape with two branches, with dimensions of 250 x 300m, located at a depth of less than 100m below the surface. Although it is less deep than La Chulula, it contains similar susceptibility values.
- **Target 3 – Mariposita**, a north/west elongated body, with dimensions of 350 x 90 m, located near the surface and with depth under 100m.

The board of Admiralty believes the size and intensity of the results warrant immediate follow up exploration in Harper South and will prioritize the exploration pipeline in the Mariposa ore body, for which a diamond drilling campaign is scheduled in this quarter.

The 10 hole / 2,850m diamond drilling programme in Mariposa is a part of the mine engineering plan that was commissioned in July 2011 to produce one million of finished product per annum out of Mariposa.

The full report is attached to this announcement.

Yours faithfully,
ADMIRALTY RESOURCES NL
PER:



Stephen C. Prior
Managing Director

About Harper South

The Harper South Project (Harper South) lies 15 km south west of the city of Vallenar in the Region III of Chile. It covers an area of 2,498 hectares, divided in 14 exploitation concessions and where exploration work to date has identified six anomalous targets: Mariposa, La Chulula, Soberana, Negrita, La Vaca and Mal Pelo.

Mariposa is the most developed target, having a currently JORC compliant resource statement of 168 million tonnes in the inferred and indicated categories.

Drill hole data on Mariposa amount to 5,588 metres of drilling, distributed in 33 holes.
A diamond drilling campaign of 10 holes / 2,850 metres is scheduled this quarter.

An engineering mining plan to produce 1 million tonnes of finished product per annum has been commissioned to Redco Ingenería Ltda.

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.

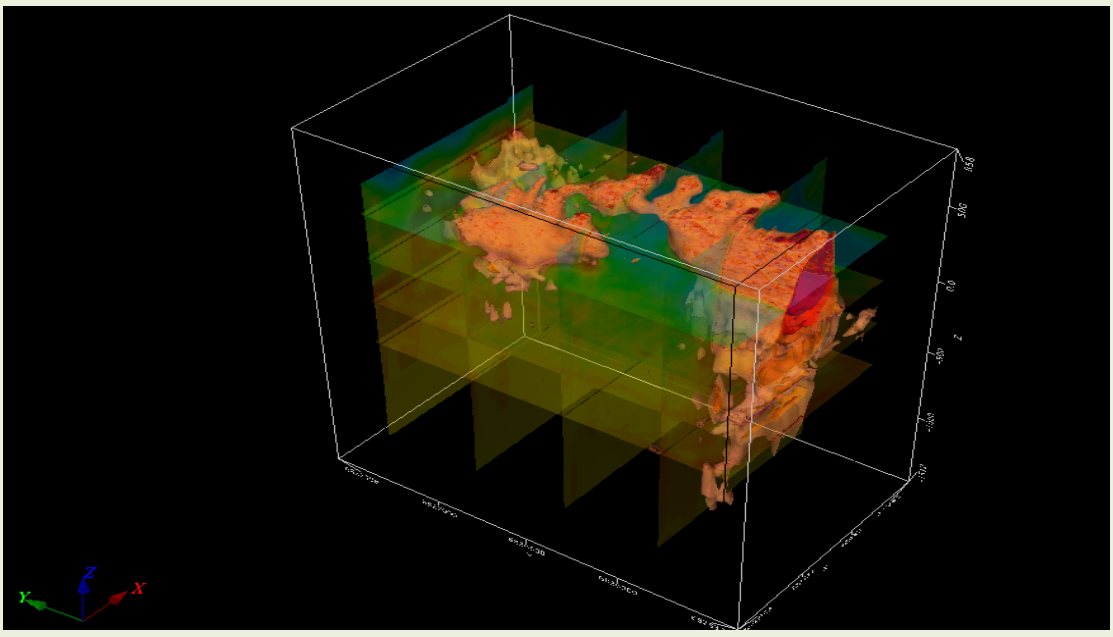
Admiralty's flagship project is the iron ore projects in Chile: Harper South (2,498 hectares south of Vallenar) and Pampa Tololo (3,455 hectares north of Vallenar).

Both projects are located in primer locations, with close and easy access to the Panamerican Highway (a major route), a railway line and operating shipping ports.

Admiralty projects in Australia are the Bulman project, a zinc and lead prospect located in the Northern Territory and the Pyke Hill project, a cobalt and lead project in which Admiralty owns 50% of the mining lease.

QUANTEC GEOSCIENCE LTD.
3D MAGNETIC INVERSION REPORT

MARIPOSA PROSPECT
(HARPER SOUTH PROJECT) ON BEHALF OF ADMIRALTY MINERALS CHILE PTY LTD AGENCIA EN CHILE



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NASREDDINE BOURNAS, PHD, PGEO

01/11/2011

EXECUTIVE SUMMARY

INTRODUCTION

A high resolution ground magnetic survey was carried out by Quantec Geoscience on the Mariposa Prospect within the Harper South Project located south of town of Vallenar, in the Atacama region, Chile on behalf of Admiralty Minerals Chile Pty Ltd Agencia en Chile. The ground magnetic survey consisted of 37 EW trending lines of 1100 m each and spaced at 50m apart, covering an area of 2 km^2 approximately. The magnetic data were recorded every 10 metres using GEM Overhauser magnetometers. A hand-held Garmin GPS unit was used to collect positioning information at each station. A magnetic base station was used to correct diurnal magnetic variations.

SURVEY OBJECTIVES

The purpose of the ground magnetic survey within the Mariposa Prospect was the identification of structural trends and the detection and definition of magnetite style mineralization and alteration patterns and to define extensions of potential targets for iron mineralization both at depth and along strike for drill targeting.

RESULTS

The ground magnetic survey conducted over the Mariposa Prospect, was successful at detecting and delineating very strong positive and negative anomalous patterns. The 3D inversion results obtained with the MAG3D UBC code suggested the presence of 3 potential targets of interest for the economic exploration of iron mineralization, named Mariposa, Mariposita and La Chulula.

The main target, La Chulula, is located in the southern portion of the grid and exhibits a very high magnetic susceptibility of over than 0.9 S.I units. It is vertical body and elongate in the north south direction and has significant depth extension of up to 750m approximately. The second target, Mariposa, exhibits a similar susceptibility value but has a more complex shape and lesser depth extensions. The 3rd target Mariposita, is located near the surface and appears to be elongate in the NW direction; however, it is has a limited depth extension of less than 100m approximately.

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1 INTRODUCTION

This report presents the 3D inversion results of the ground magnetic survey carried out from 2011/08/22 to 2011/09/01 over the Mariposa Prospect ,located within the Harper South Project, on behalf of Admiralty Minerals Chile Pty Ltd Agencia en Chile.

This report reflects the results of the 3D magnetic inversion performed with 3D UBC magnetic inversion code[1] developed by UBC-GIF.

The results were presented as horizontal depth slices, vertical sections and iso-surfaces of susceptibility solid model at different calculated susceptibility values.

1.1 SURVEY OBJECTIVES

The explorations objectives of the survey are the identification of structural trends and the detection and definition of magnetite style mineralization and alteration patterns and to define extensions of potential targets for iron mineralization both at depth and along strike for drill targeting.

The Harper South Project is located south of the magnetic equator where the geomagnetic field has an inclination of ≈-28°, a declination of ≈0.5° and average amplitude of 23600 nanoTesla(nT).

The ground magnetic survey should provide excellent means of delineating highly magnetic target mineralization including magnetite and other magnetic minerals. In addition, the ground magnetic survey can be used as a mapping tool for mapping geological contacts and mafic and ultramafic intrusive bodies.

[1] MAG3D ver.4.0

1.2 GENERAL SURVEY INFORMATION

Quantec Project No.:	CH00684C
Client:	Admiralty Minerals Chile Pty Ltd Agencia en Chile
Client Address:	Padre Mariano 87, Oficina 101 Providencia, Santiago Chile
Client representative:	Sr. Claudio Ferrada V. cferrada@ady.com.au
Project Name:	Mariposa Prospect
Survey Type:	High resolution ground magnetics
Project Survey Period:	2011/08/22 to 2011/09/01
General Location:	Approximately 13 km southwest of Vallenar
Province:	Atacama Region
District:	Harper South
Nearest Settlement:	Vallenar
Datum & Projection:	PSAD56
Latitude & Longitude:	Approx. 070°48’56”W, 28°40'17”S
UTM position:	Approx. 322802m E, 6826486m N
Number of surveyed lines:	37 Lines

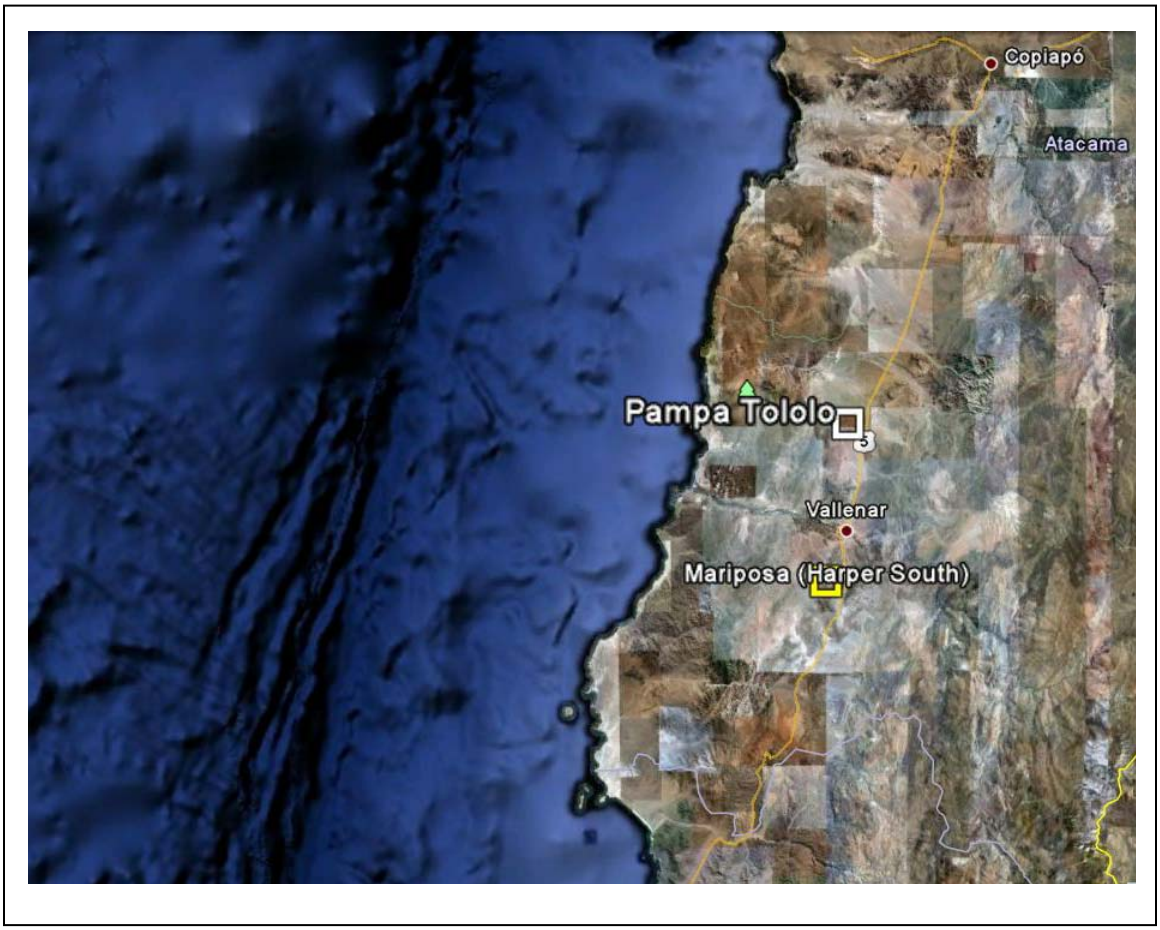

Figure 1-1: General project location[2].

[2] Image downloaded from© Google Earth™, 2011/10/23.

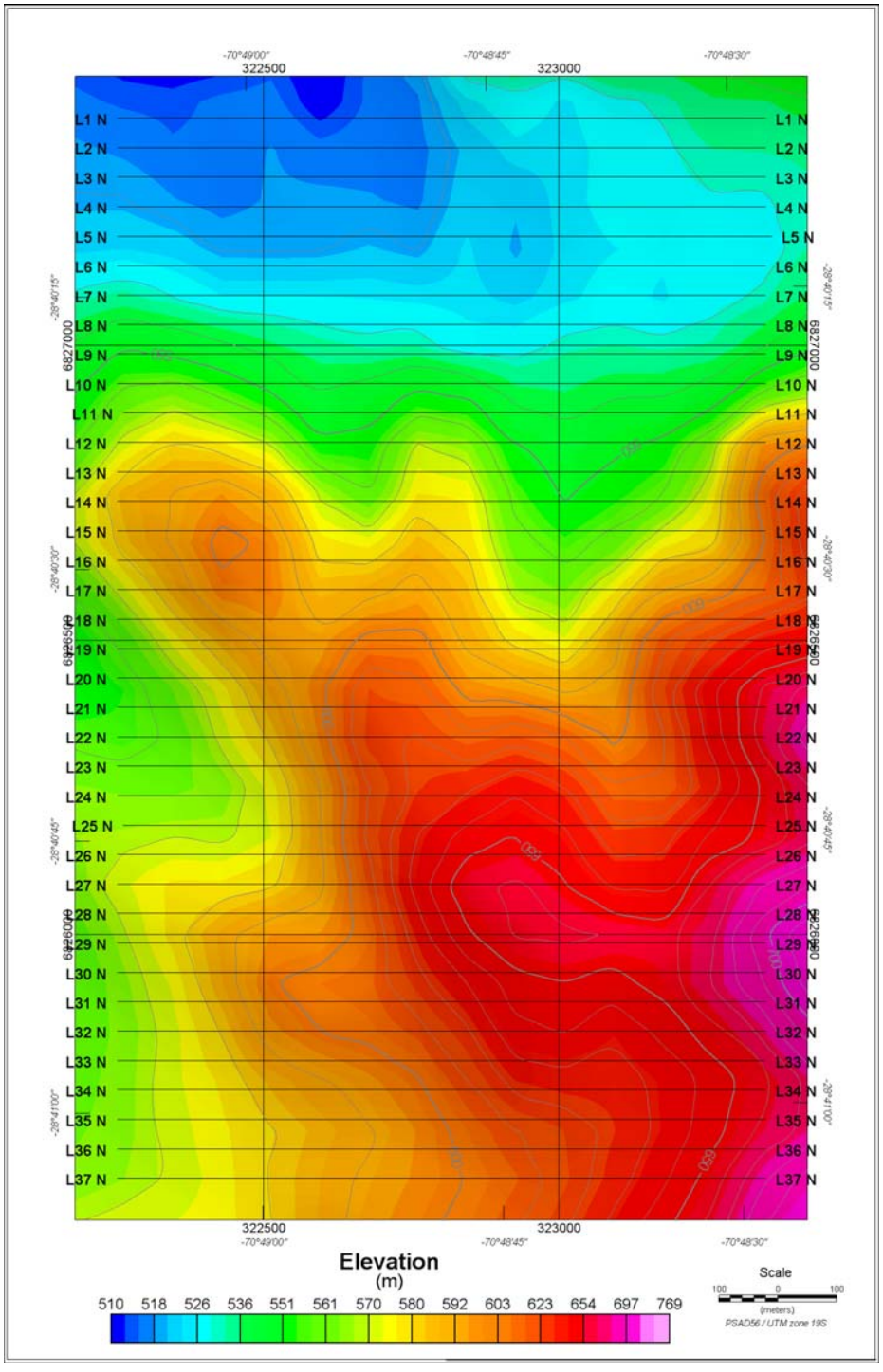

Figure 1-2: Location map and survey layout.

2 RESULTS AND INTERPRETATION

2.1 OVERVIEW OF INVERSION PROCEDURE

The magnetic data were presented in Geosoft database with X, Y coordinates in UTM zone 19S (WGS84 datum) and raw data and diurnally corrected data. The coordinates were then re-projected into Psad56 /UTM zone 19S coordinate system. The data underwent further processing including despiking using a non-linear filtering followed by a smoothing filter (upward continuation). The residual magnetic anomaly was calculated by removing the regional component (IGRF) from the corrected data. The elevations derived from the SRTM were used for station elevations.

The input data for the MAG3D inversion code[3] was the filtered residual magnetic anomaly with station location and a topographic file derived from the SRTM. The size of the mesh in the horizontal direction (EW and NS) was fixed at 20m, whereas it was variable in the vertical direction, starting from 10m and increasing gradually up to 100m. The inversion was carried out with no constraints using a homogenous half space of 0.001 S.I.units (Système International). The inversion assumes the following assumptions:

1. The magnetic susceptibility varies within a range of [0, 1] and there is no negative susceptibility.
2. Only induced magnetization is in effect and there is no remnant magnetization.

A comprehensive overview about the inversion theory can be found in the papers listed in the References section of this report.

The inversion parameters are provided on Table 1 below.

[3] UBC-GIF, 2005

Table1: 3D Magnetic inversion parameters

UBC 3D Magnetic inversion parameters	
# Inverted data points	2069
Mesh size	65 x 100 x 145
EW cell size	20m
NS cell size	20m
Vertical mesh size	Variable (10, 15, 25, 50 and 100m)
Weighting option	Depth
Mode	Chi factor (=1)
Initial model	Half space (0.001 SI)
# Iterations	5

2.1.1 3D MAGNETIC INVERSION

The 3D magnetic inverse problem is formulated as an optimization problem where an objective function of the model is minimized, subject to certain constraints. For magnetic inversion, the first question that arises concerns the definition of the "model."
Two possible choices are *the susceptibility K and* In *(K),* but any function *g(K)* can, in principle, be used. In general, *K is used* since the field anomaly is directly proportional to the susceptibility that varies on a linear scale. But depending upon the expected dynamic range of susceptibility and the physical interpretation attached to its value or variation, it may be that In *(K)* is more desirable. To perform a numeric solution the model objective function is discredited using finite difference approximation on the mesh defining the susceptibility model and then defining a 2-norm misfit measure. The inverse problem is then solved by finding a model *m* which minimise the objective function Φ_m and misfits the data by a pre-determined amount. In summary the methodology providing basic components for the 3D magnetic inversion consists in forward modeling, a model objective function that incorporates a depth weighing, a data misfit function, and a trade-off parameter that ultimately determines the quality of the fit and the logarithmic barrier method to obtain the solution with positivity, although this last option is no longer necessary in the latest version of the software in which upper and lower bounds can be defined.
By default the program uses susceptibility bounds of [0, 1]. While it is true that some rocks have susceptibility greater than 1.0 S.I. units MAG3D assumes small susceptibilities. However, in the case of very high magnetic susceptibilities, the relation between the incident and induced magnetization is no longer linear and the problem becomes more complicated. Thus, inverting the data in the presence of very high susceptibilities is still a topic of research, and the current version of MAG3D (4.0) does not allow for high susceptibilities in the solution.

2.2 DISCUSSION OF RESULTS

Figure 2-1a illustrates the residual magnetic anomaly used for the inversion and Figure 2-1b shows the susceptibility Voxel model (3D solution), the lower boundary of which is clipped at 0.6 SI. The residual magnetic anomaly shows very strong anomalous patterns with alternating strong negative (<-3000 nT and strong positive anomalies (>5000 nT). These patterns seem to be elongated in two direction, NS and NW. On the other hand the Voxel model clearly highlights 3 anomalous zones of interest that are discussed below.

In order to analyze the 3D results, a series of plan maps (depth slices) and vertical sections were generated from the Voxel model. Figure 2-2 shows a 3D view of a combination of some horizontal slices and vertical sections, whereas Figures 2-3 and 2-4 illustrate depths slices and vertical sections only, respectively.

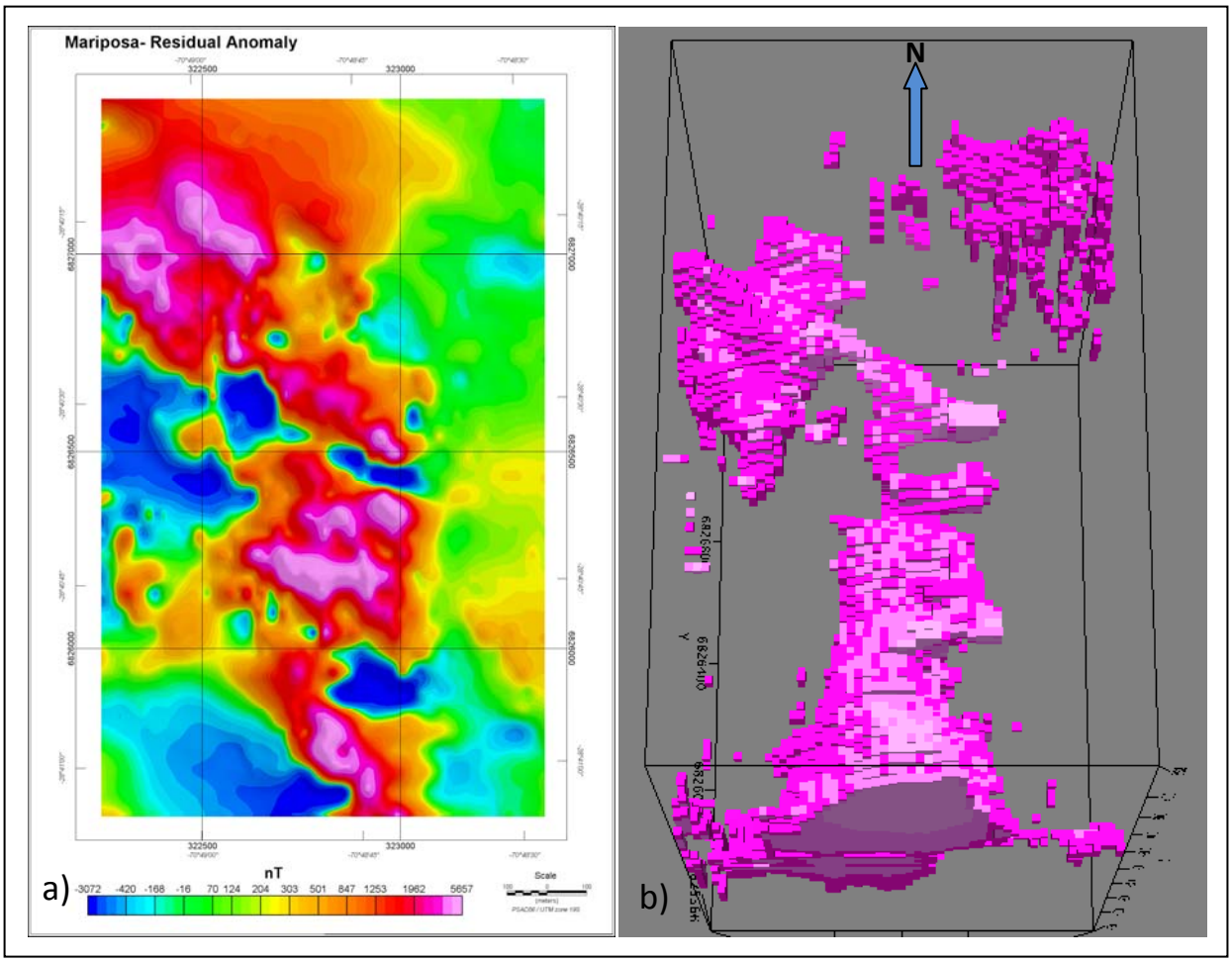

Figure 2-1: Residual magnetic anomaly of the Mariposa Prospect (a) and calculated susceptibility Voxel model (b)

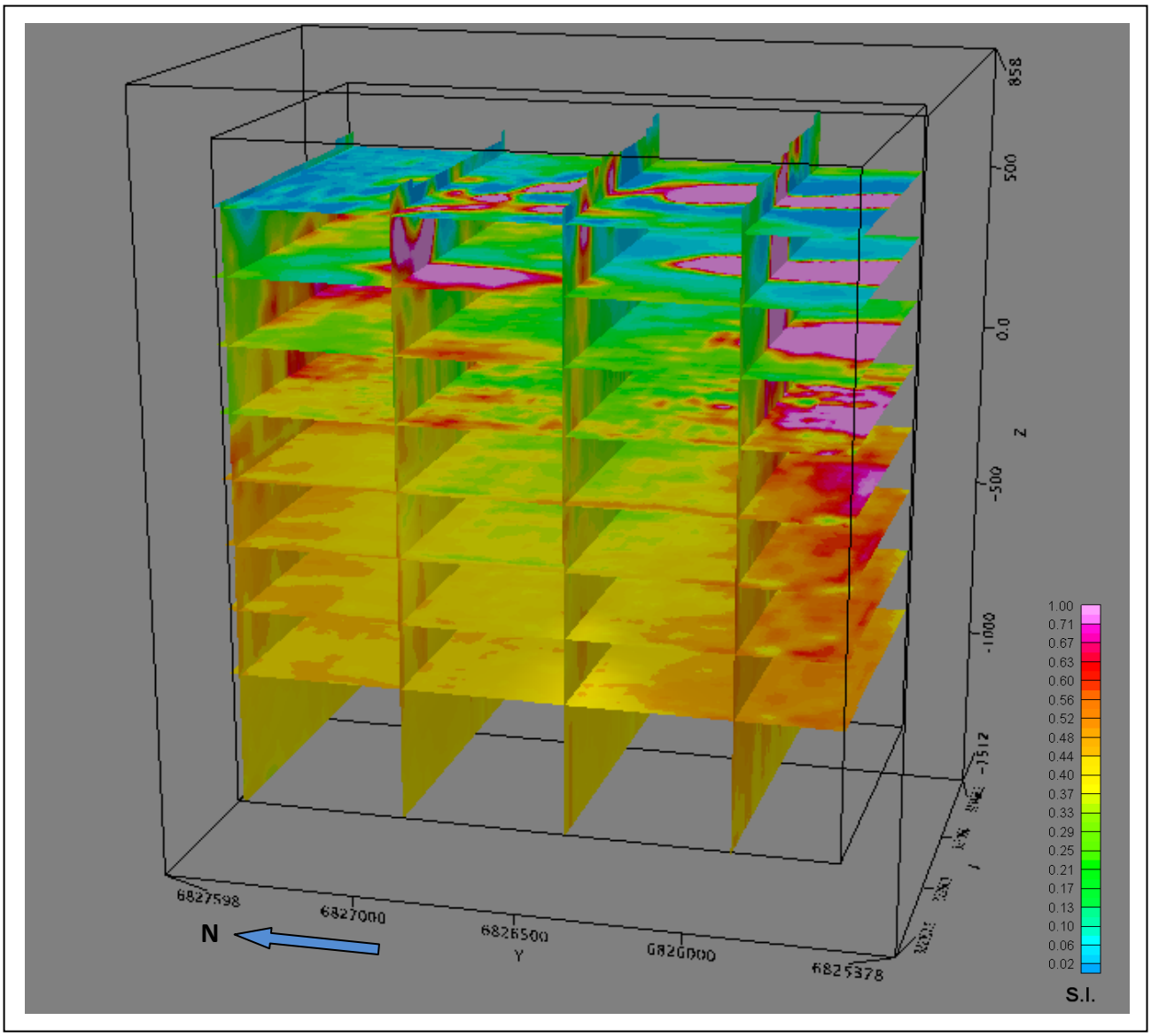

Figure 2-2: Combined horizontal depth slices and vertical sections.

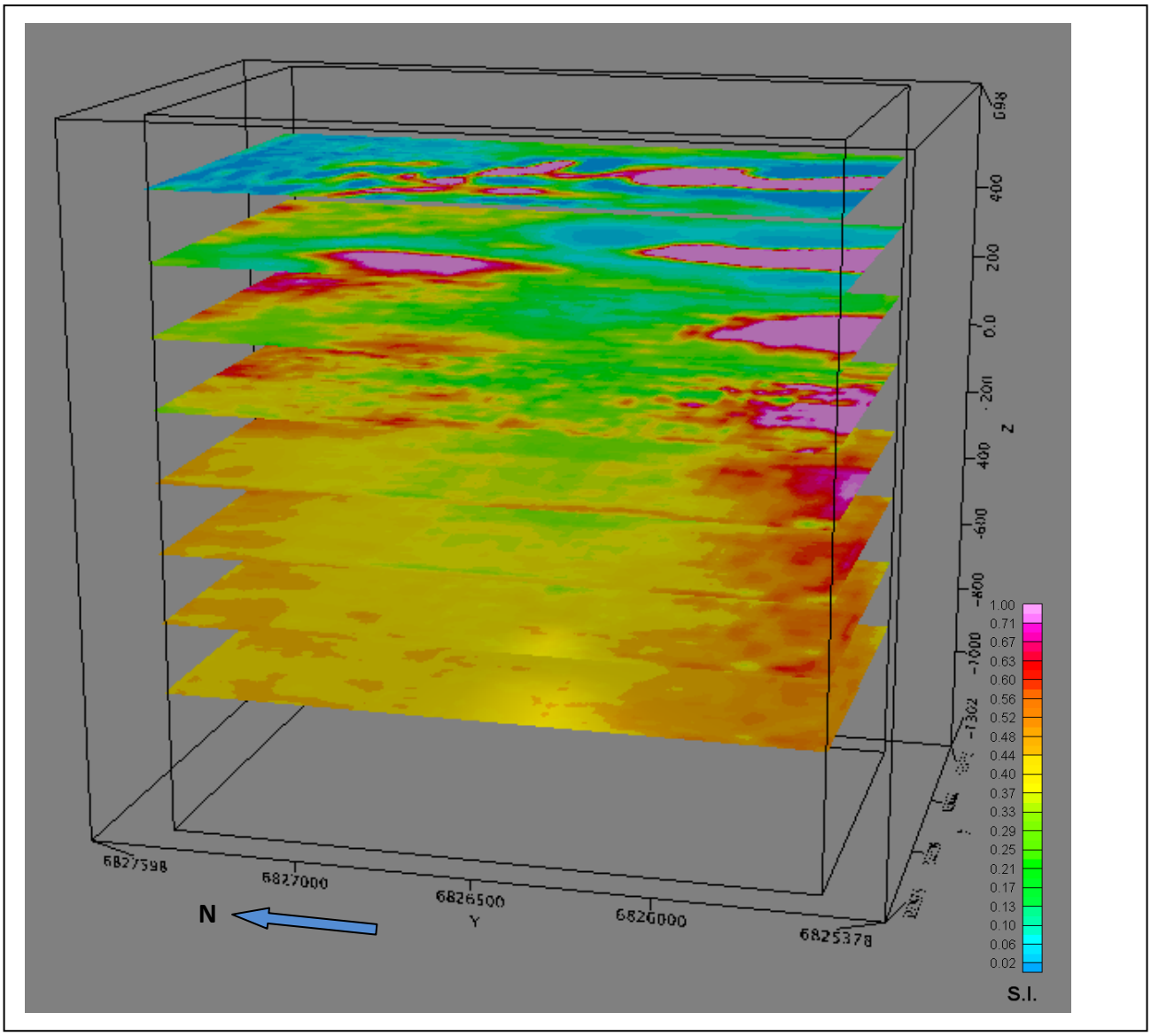

Figure 2-3: Depth slices of magnetic susceptibility

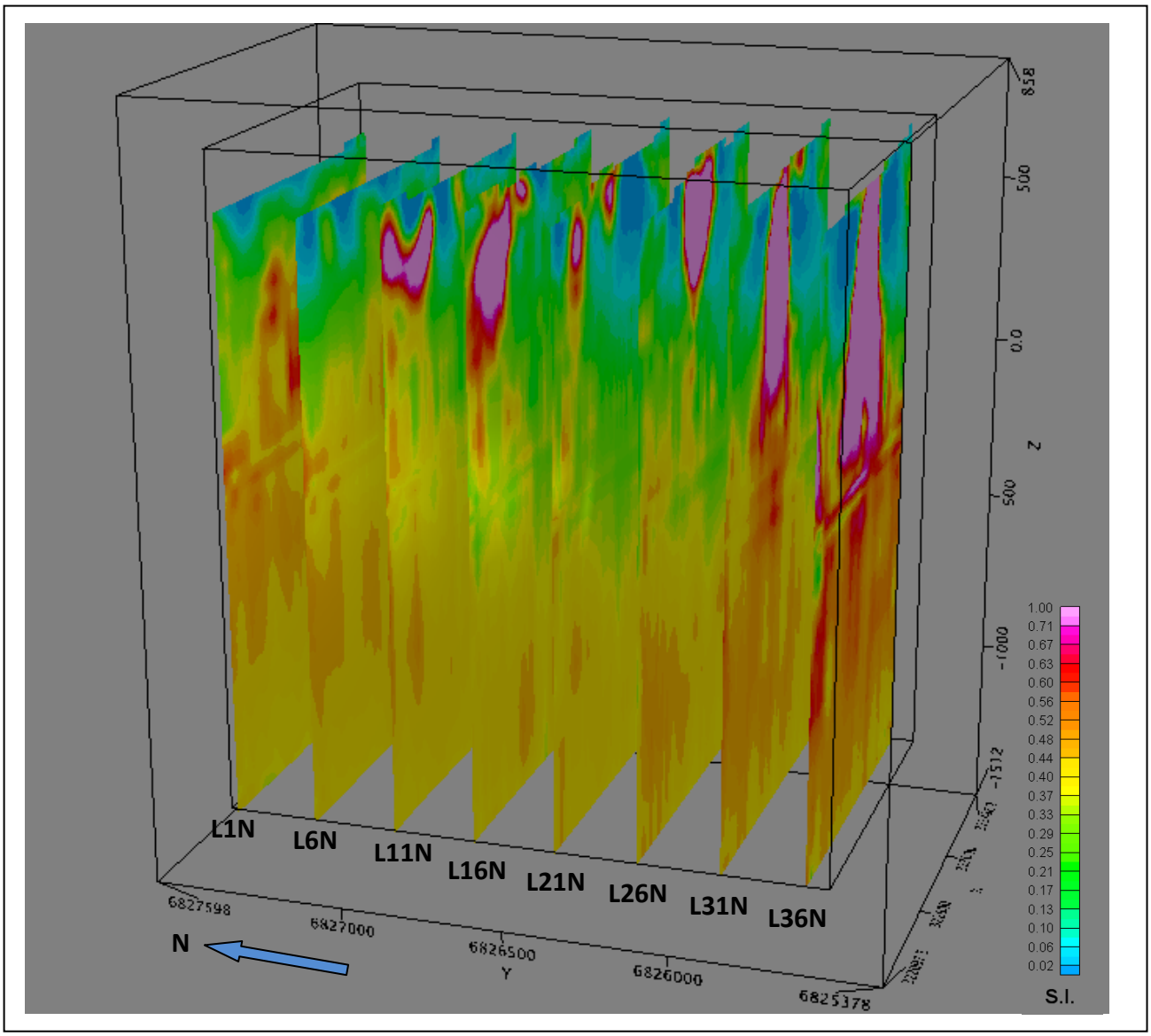

Figure 2-4: Vertical sections of magnetic susceptibility

Depth Slices:

A series of magnetic susceptibility horizontal depth slices were extracted from the 3D model solution and presented for analysis. The depths range from 500 m to -1000m at 100 m interval (Figure 2-5).

The near the surface horizontal slices (a and b) highlight mainly 3 targets with high susceptibility values (>0.9 S.I. units) consistent with the possible association with iron rich formations: La Chulula, Mariposa and Mariposita.

- La Chulula appears as the most important target due its dimensions. It is a north-south target with horizontal dimensions of 600x 250 m approximately. However, the NS dimension appears to decrease as the depth increases as shown in Figures 2-5a to 2-5g and the EW dimensions tend to increase with depth to reach a maximum of 500m approximately. In addition, La Chulula target appears to extend further to the south beyond the Prospect boundary.
- The second target, Mariposa, is located in the western portion of the grid and exhibits a complex shape, but it is clearly defined in the depth slices of 400m and 300m. This target appears to disappear at depths starting from 100m.
- The third target, Mariposita, has reduced dimensions and appears only in the 2 first horizontal slices (500m and 400m) and disappears below a depth of 300m.
- In addition the 3D solution suggest the presence of a fourth target, located in the north-eastern portion of the grid, Mariposa Norte but seems to exhibit a weaker magnetic susceptibility (<0.5 S.I. units). This target is suggested to be however, associated with a mafic or ultramafic intrusive body.

Vertical Sections:

Susceptibility vertical sections corresponding to survey lines (1N, 6N, 11N, 16N, 21N, 26N, 31N and 36N) are illustrated in Figure 2-6 below. The first 2 sections (L1N and L6N) highlight a not clearly defined target, Mariposa Norte.

Mariposa Norte:

- Located between depths of 200m and -200m approximately.
- This target is suggested to be associated with deep seated mafic or ultramafic intrusive body.

On the other hand, sections L11N and L16N clearly highlight the Mariposa target.

Mariposa Target:

- Shows a complex shape in model section L11 with two branches.
- In section L16 N it exhibits however, an oval shape, the axis of which seems to be steeply dipping in the western direction.
- The centre of the Mariposa target seems to be centred at elevation of 500m as indicated in Figure 2-6d.

Section L21N illustrated in Figure 2-6e highlights the central target, Mariposita.

Mariposita:

- Appears to have a reduced size comparing to the other targets.
- The centre of this target appears to be located at very shallow depth (<100 m) below the surface.

The last three sections (L26N, L31N and L36N) represented in Figures 2-6f, 2-6-g and 2-6h respectively highlight the main target, La Chulula.

La Chulula:

- The top of this target appears to be near the surface whereas the lower boundary appears to extend to greater depths in the southern direction.
- In section L31N, La Chulula exhibits a vertical shape with dimensions of 700mx 200m; however, it become thicker as depth increases in section L36N.

Besides the horizontal and vertical slices, susceptibility solid models represented as iso-surfaces ranging from 0.6 S.I units to 0.95 S.I. units were generated and presented under different viewing angle in Figures 2-7 and 2-8.

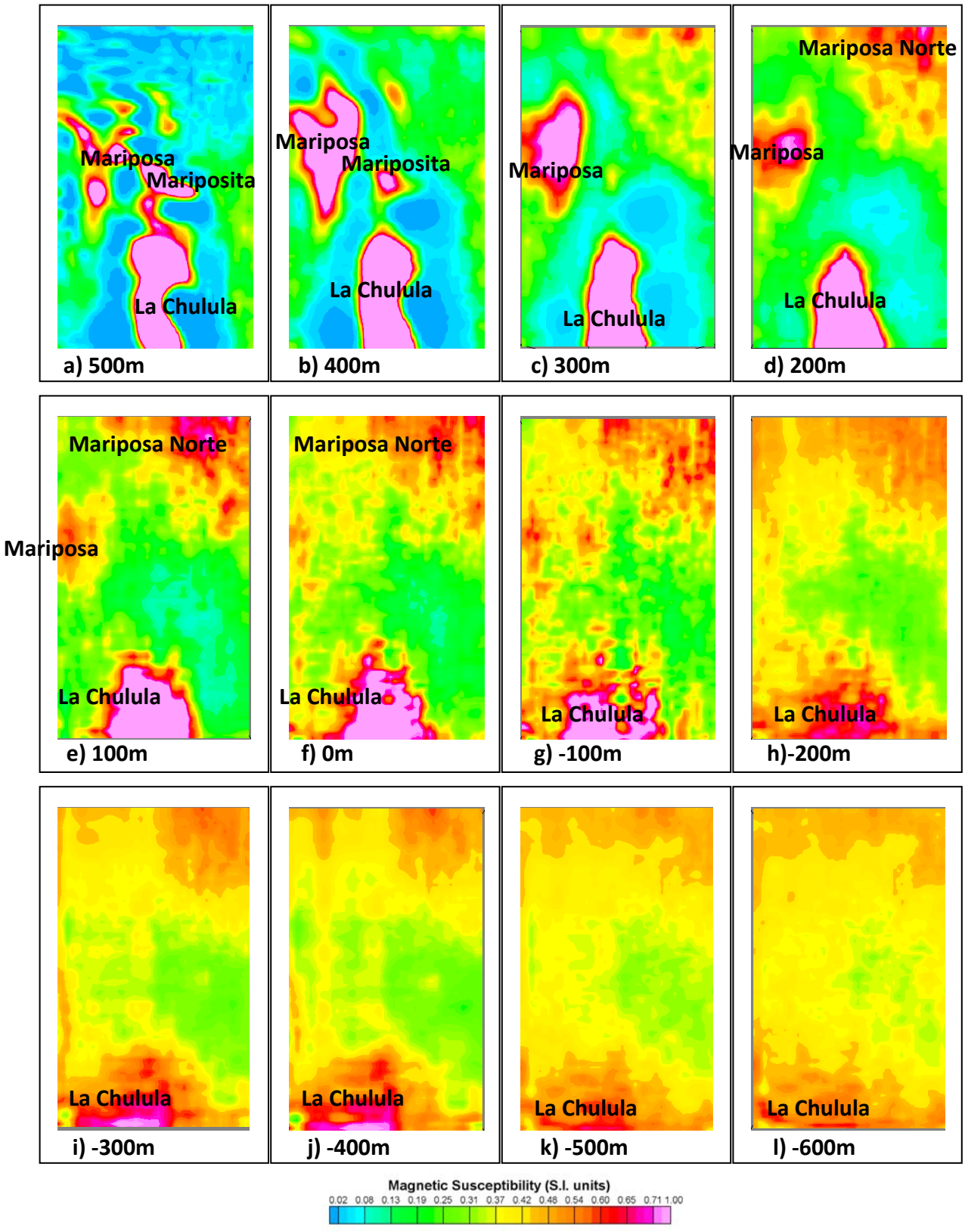

Figure 2-5: Depth slices of magnetic susceptibility

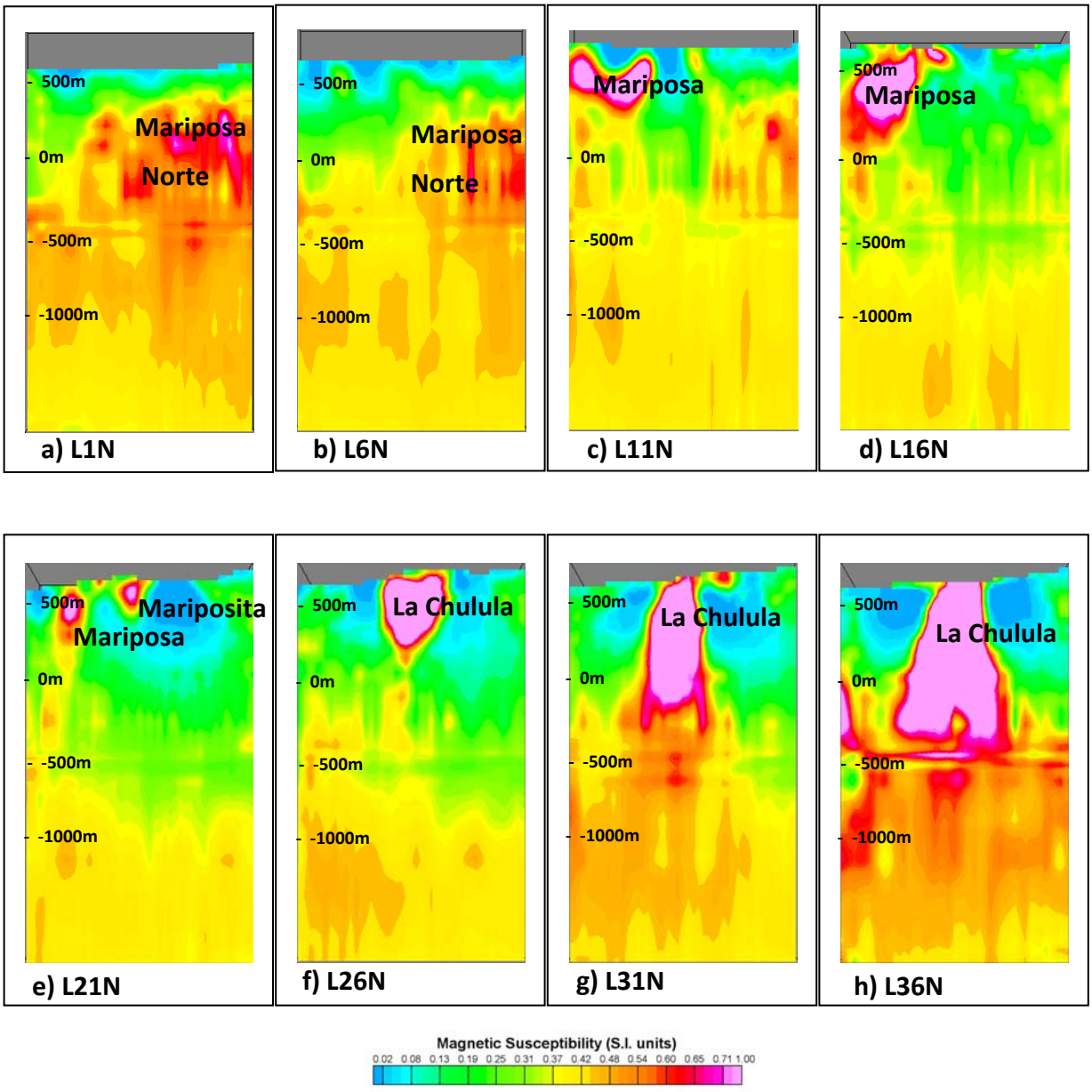

Figure 2-6: Vertical sections of magnetic susceptibility

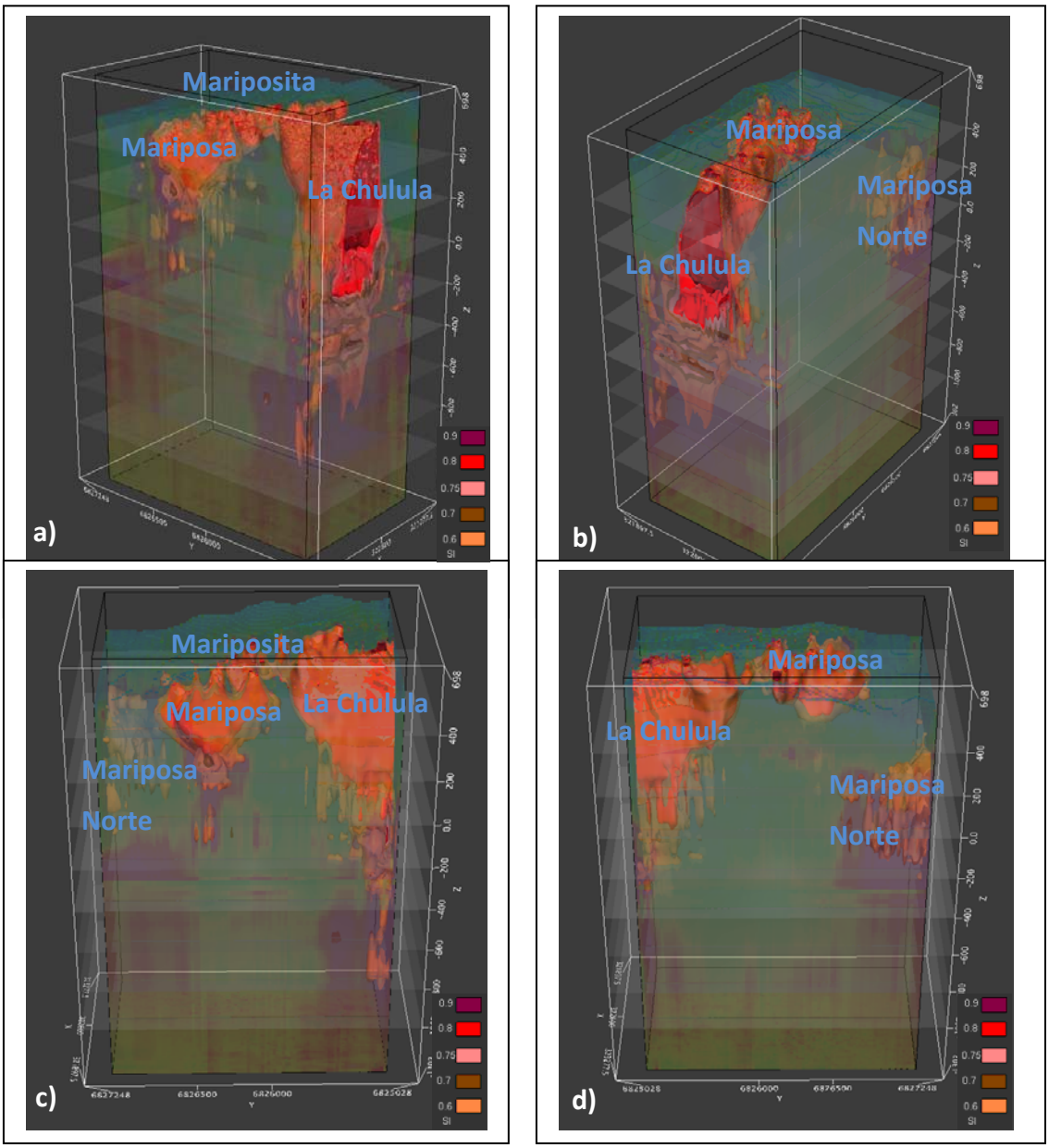

Figure 2-7: Susceptibility solid models.

(a-Looking NE, b-Looking NW, c-Looking east, d-Looking west)

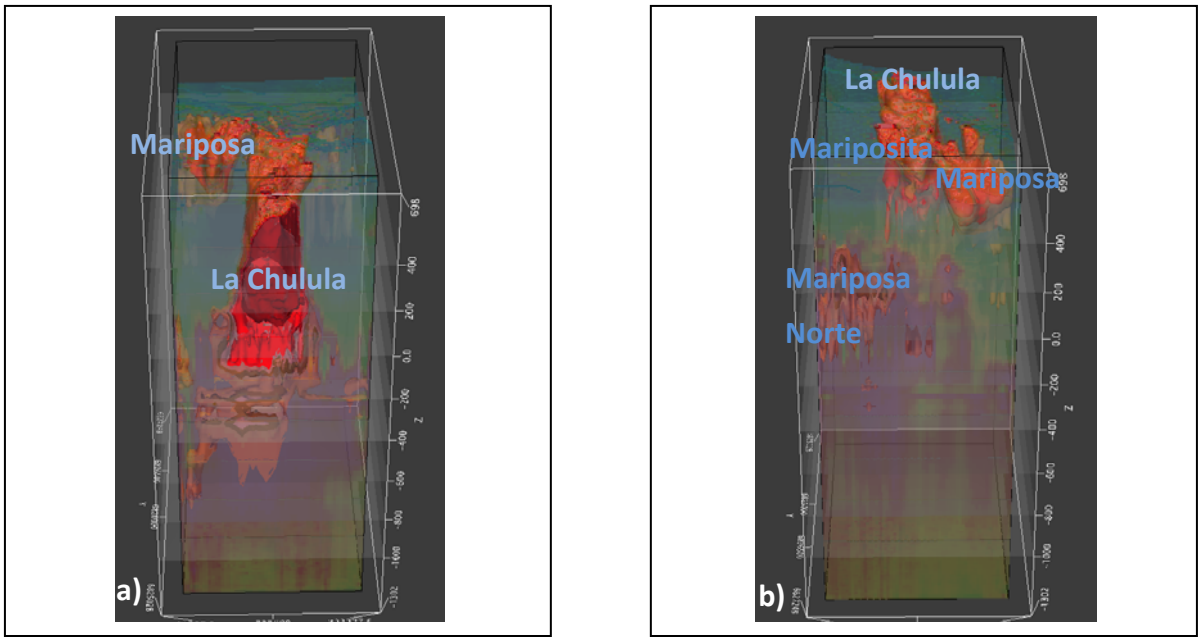

Figure 2-8: Susceptibility solid models

(a-Looking north, b-Looking south)

Targets:

In the light of the 3D magnetic inversion results and their interpretation, 3 potential targets for iron mineralization exhibiting very high susceptibilities (>0.9 S.I. units) were identified within the Mariposa Prospect (Figure 2-9).

La Chulula- NS trending vertical body with maximum dimensions of 250x 750 with top located near the surface. Target La Chulula represents the most important target due to its size and very high susceptibility.

Mariposa- Complex shape body located in the western portion of the prospect with maximum dimensions of 250x 300 m approximately with top located near the surface. This Target seems to be steeply dipping in the western direction.

Mariposita- Confined and shallow-seated body (<100 m depth) with complex shape but it appears to be elongate in the NW direction with horizontal dimensions of 350m X 90m and vertical extension of less than 100m approximately.

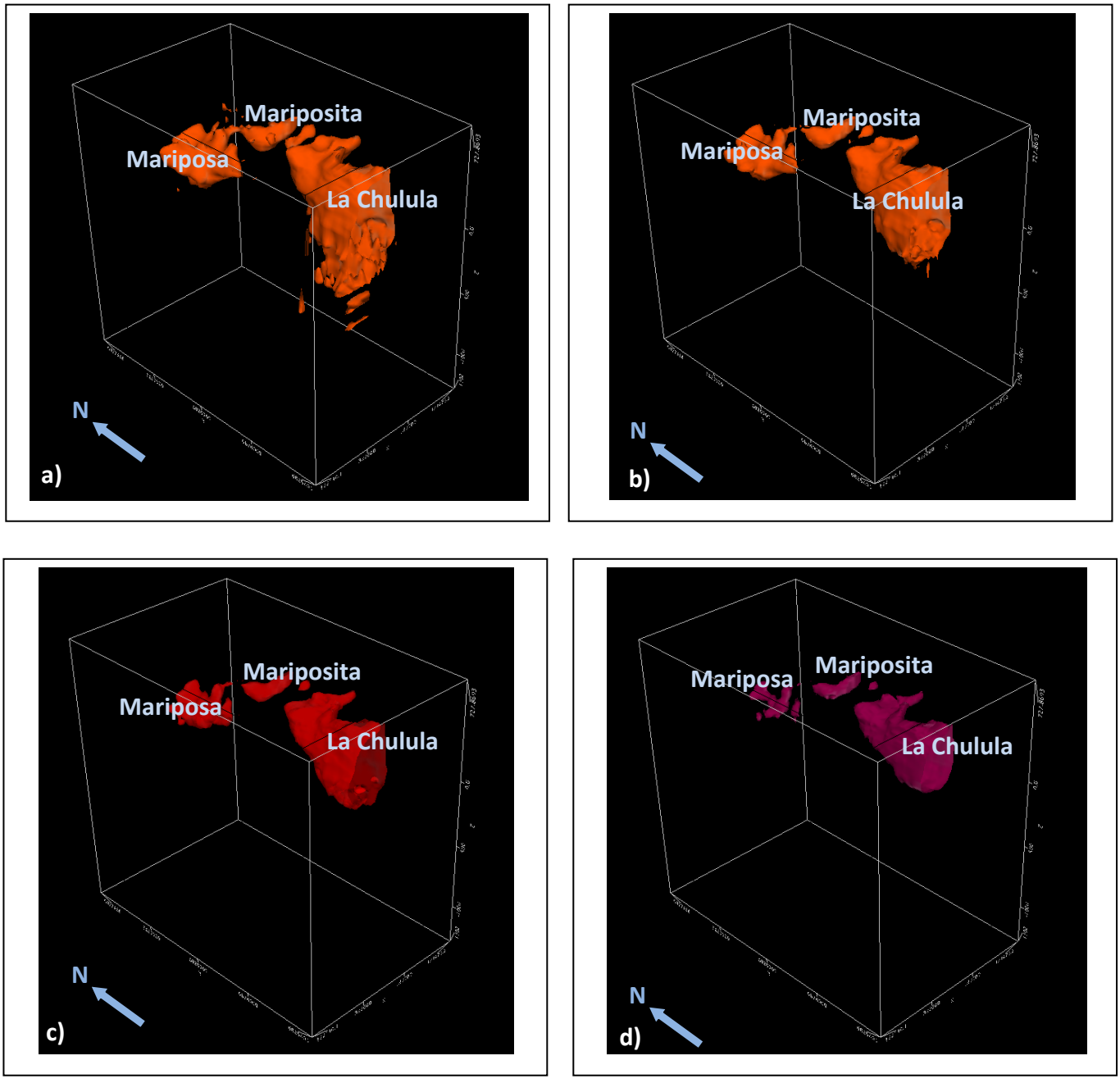

Figure 2-9: 3D view of the identified targets

(a- Susceptibility iso-surface=0.75 S.I. units, b- 0.85 S.I. Units, c- 0.9 S.I. units, and d-0.95 S.I. units)

3 CONCLUSIONS AND RECOMMENDATIONS

Conclusions:

The ground magnetic survey carried out the Mariposa Prospect was successful at detecting very strong positive and negative anomalous patterns. The 3D inversion results obtained with the MAG3D UBC code highlighted 3 potential targets for the economic exploration of iron mineralization within this area.

- The main target, La Chulula, is located in the southern portion of the grid; it exhibits a very high susceptibility of over than 0.9 S.I units. It is a vertical body and elongates in the north south direction and has significant depth extension of up to 750m approximately.
- The second target, Mariposa, located to the west**,** exhibits a similar susceptibility value but has a more complex shape and lesser depth extension.
- The third target, Mariposita, is located near the surface and appears to be elongate in the NW direction; however, it is characterized by a depth extension less than 100m approximately.

Recommendations:

Based on the successful results of the ground magnetic survey carried out on the Mariposa Prospect, within the Harper South Project it is recommended to drill test the identified targets.

Respectfully Submitted

Toronto, ON, the 01/11/2011,

Nasreddine Bournas, PhD, PGeo

Quantec Geoscience Ltd

4 STATEMENT OF QUALIFICATIONS AND COMPETENT PERSON STATEMENT

NASREDDINE BOURNAS, PHD, PGEO

I, Nasreddine Bournas, declare that

I am a Senior Geophysicist with residence in Aurora, Ontario and am presently employed in this capacity with Quantec Geoscience Ltd., Toronto, Ontario.

I obtained an Engineer Degree in Geophysics, from the Mining Institute of Saint-Petersburg, Russia in 1986, a Master of Science Degree (M.Sc.), Geophysics, from Houari Boumediene University, Algiers in 1998, and a Doctor of Philosophy Degree (Ph.D.), Geophysics, from the Houari Boumediene University of Algiers in 2001.

I am a registered practicing geophysicist, since 2008, with license to practice in the Province of Ontario (APGO member # 1614), a registered geoscientist, since 2008 with a license to practice in the Province of Quebec (OGQ #1235), and a member of SEG, since 2006.

I have been practicing my profession continuously in the mining industry since 1987, in Africa, Asia, Europe and North-America.

I have no interest, nor do I expect to receive any interest in the properties or securities of **Admiralty Minerals Chile Pty Ltd Agencia en Chile**, its subsidiaries or its joint-venture partners.

I undertook the 3D Magnetic inversion, interpreted the results and wrote this report.

The statements made in this report represent my professional opinion in consideration of the information available to me at the time of writing this report.

Toronto, Ontario

November, 2011

Nasreddine Bournas, PhD, PGeo

Quantec Geoscience Ltd.

COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Nasreddine Bournas, who is a member of the Association of Professional Geoscientist of Ontario (“APGO”). APGO is a “Recognised Overseas Professional Organisation”(“ROPO”) included in the list published by the ASX.

Dr Nasreddine Bournas is a full time employee of Quantec Geoscience Ltd. 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 Nasreddine Bournas consents to the inclusion in the report of the matters based on his information and context in which it appears.

5 DIGITAL ARCHIVE

The CD or DVD attached to this report contains a copy of all the inversion results, final processed data, including the survey files, the daily processing (and field) notes, and an electronic copy of this report .

6 APPENDIX A. SUSCEPTIBILITY PLAN MAPS (ELEVATION SLICES)

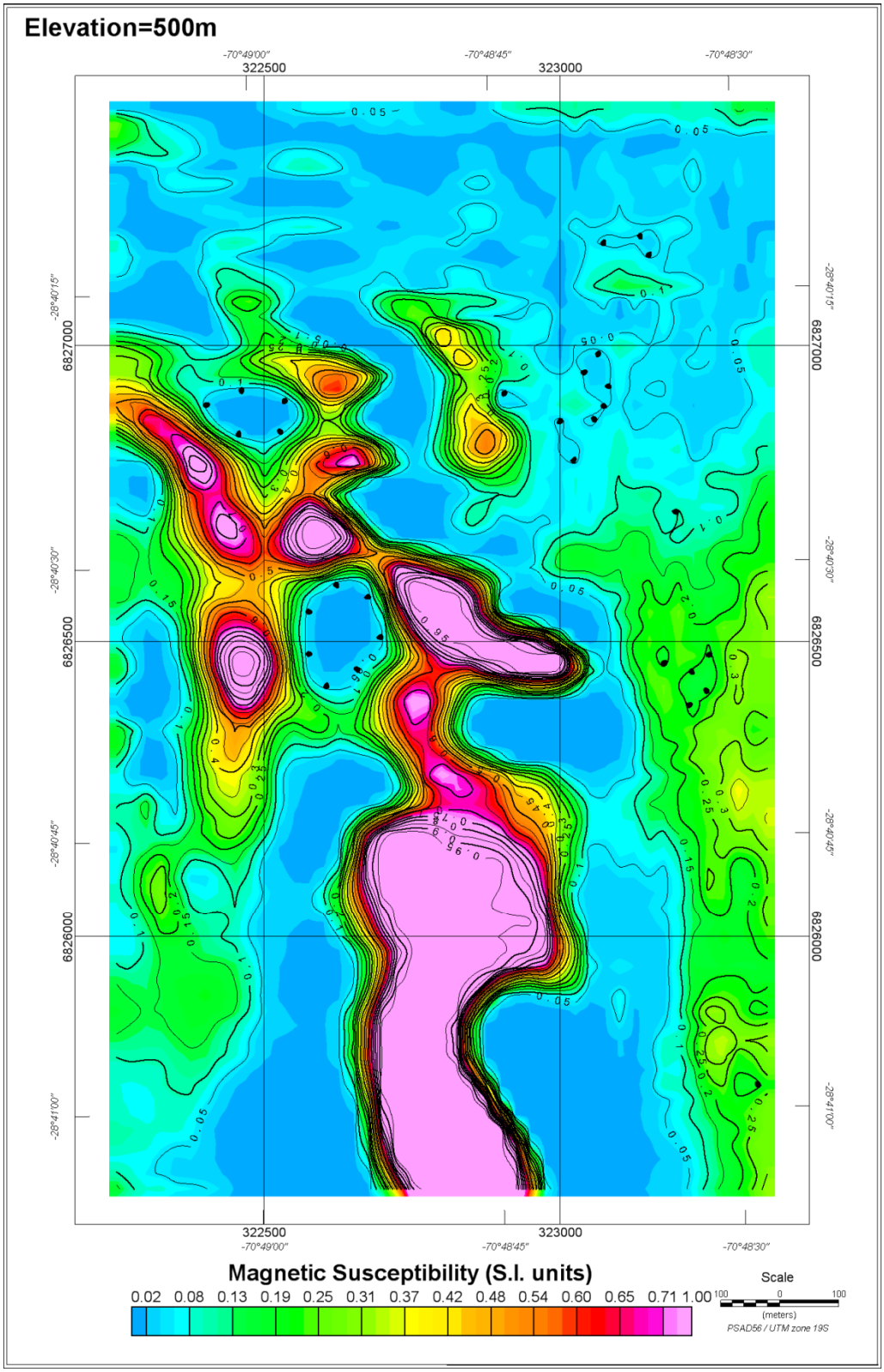

Figure 6-1: Susceptibility elevation map (500m ASL)

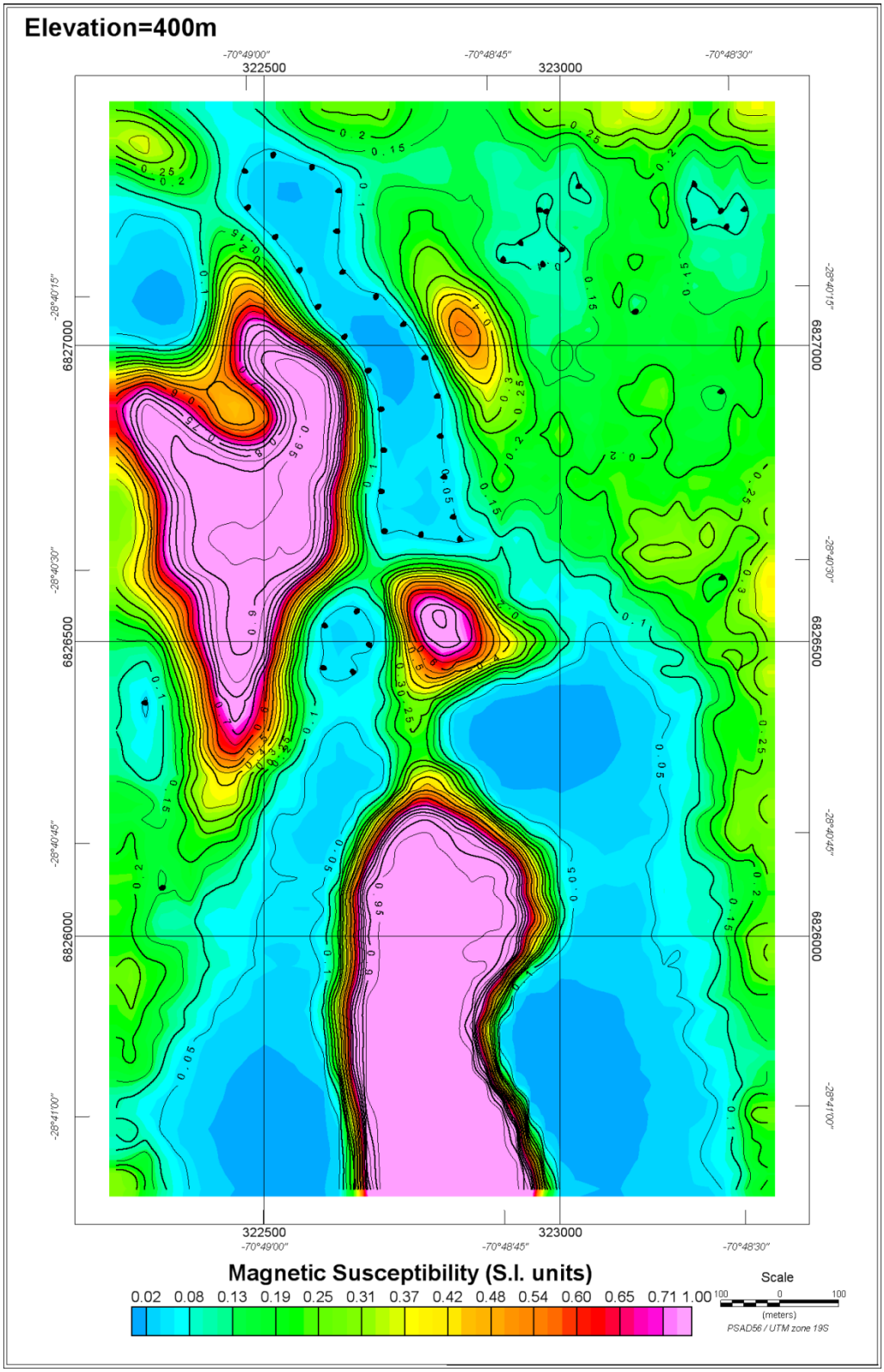

Figure 6-2: Susceptibility elevation map (400m ASL)

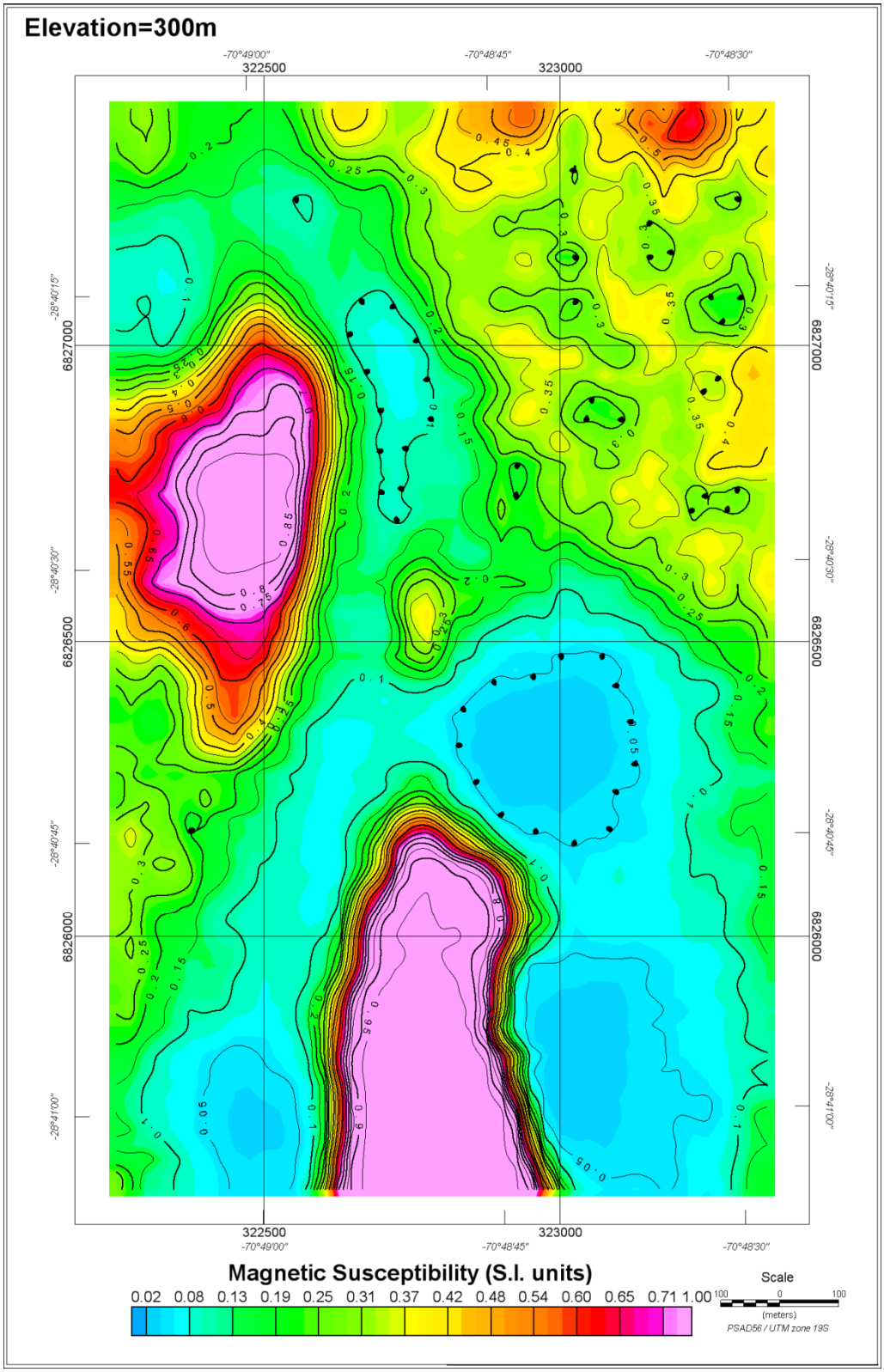

Figure 6-3: Susceptibility elevation map (300m ASL)

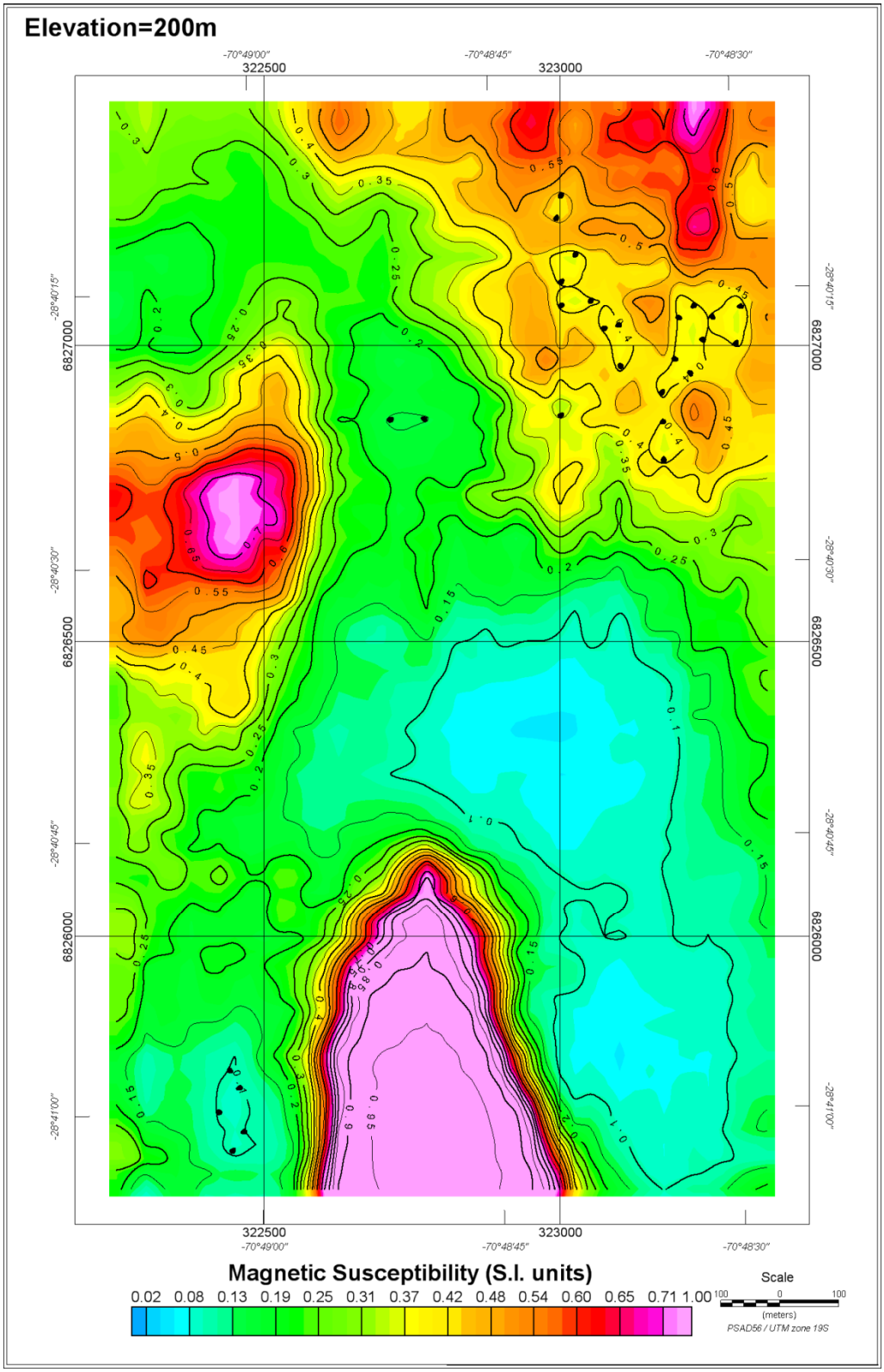

Figure 6-4: Susceptibility elevation map (200m ASL)

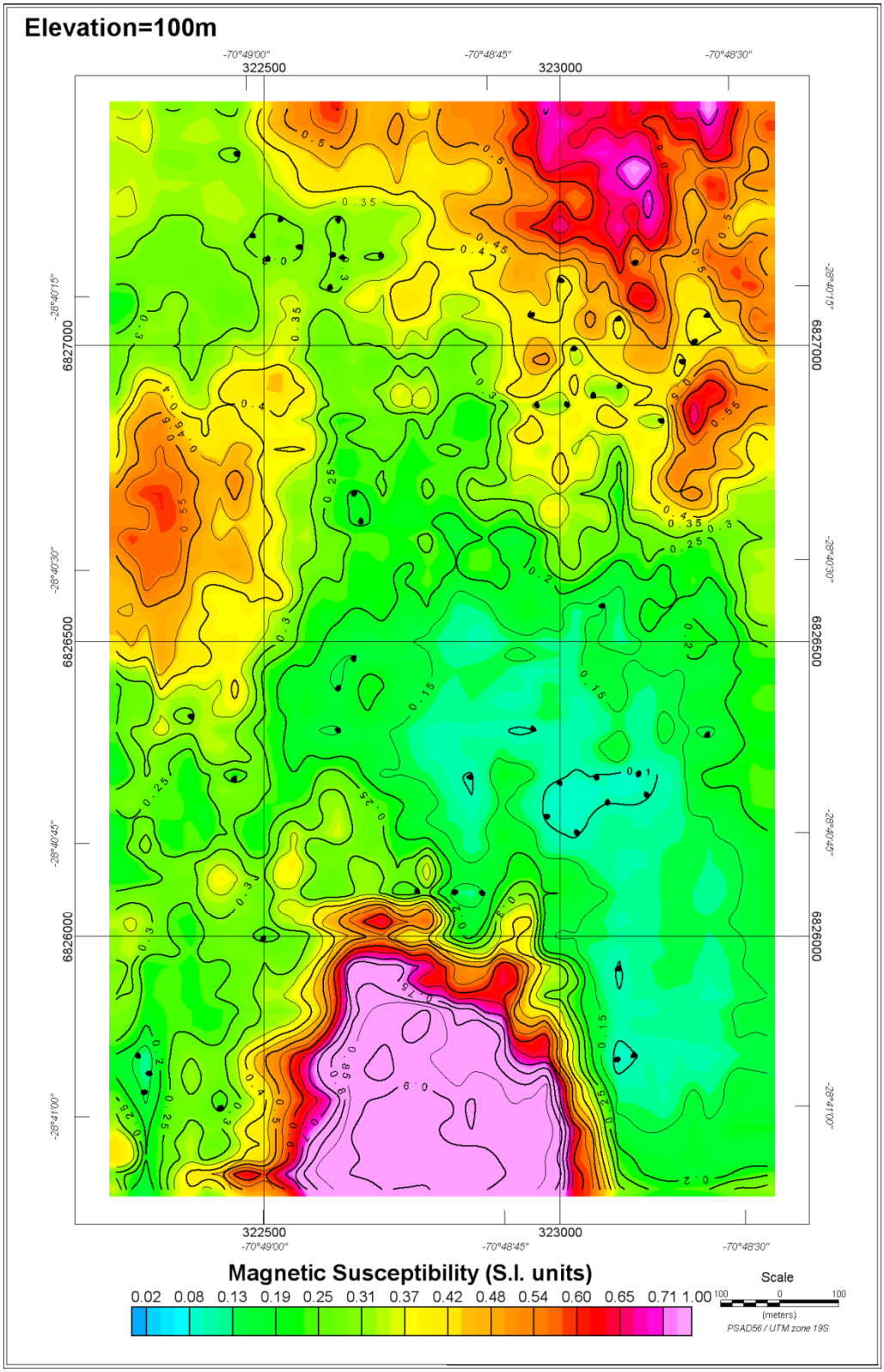

Figure 6-5: Susceptibility elevation map (100m ASL)

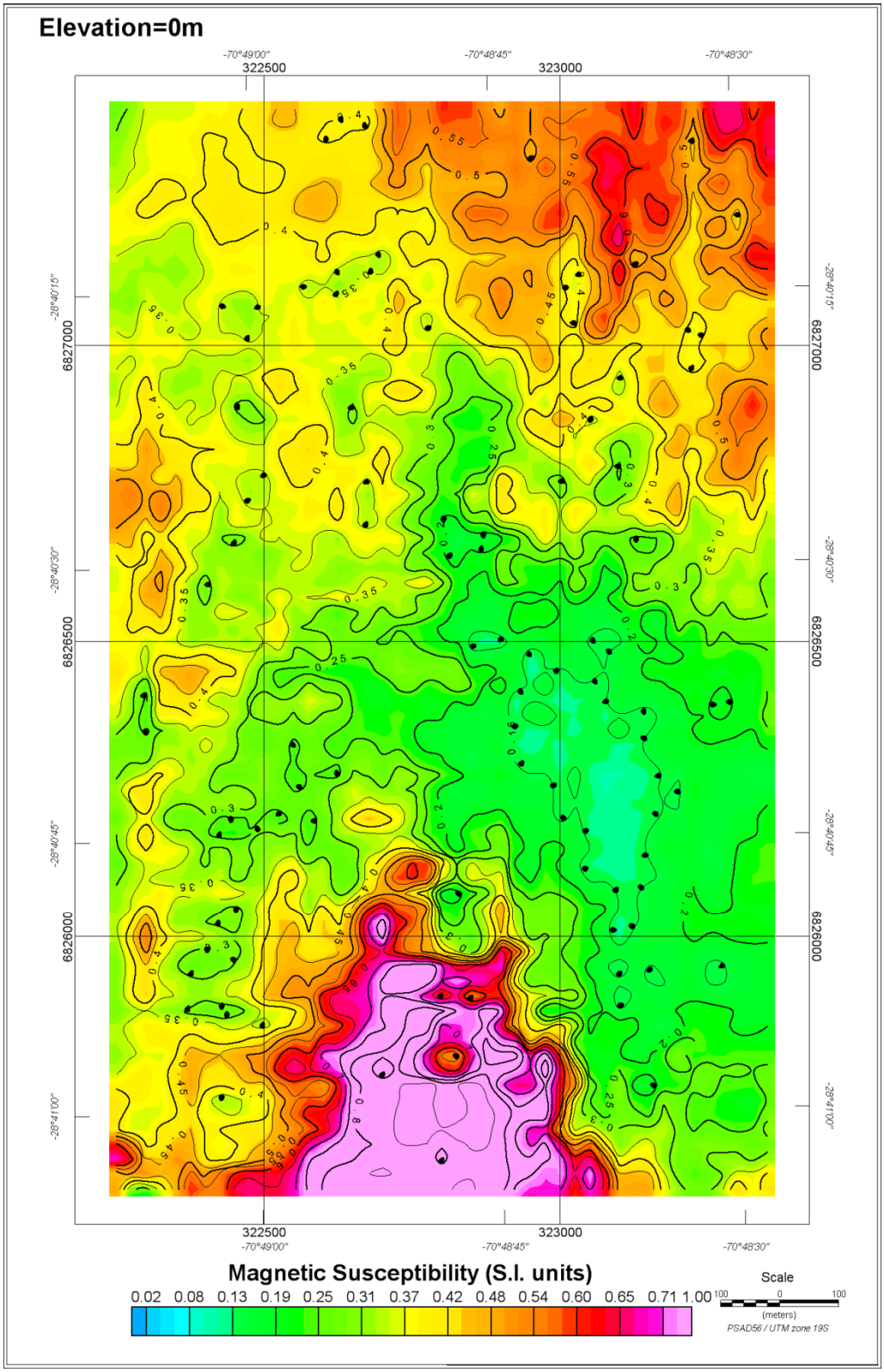

Figure 6-6: Susceptibility elevation map (0m ASL)

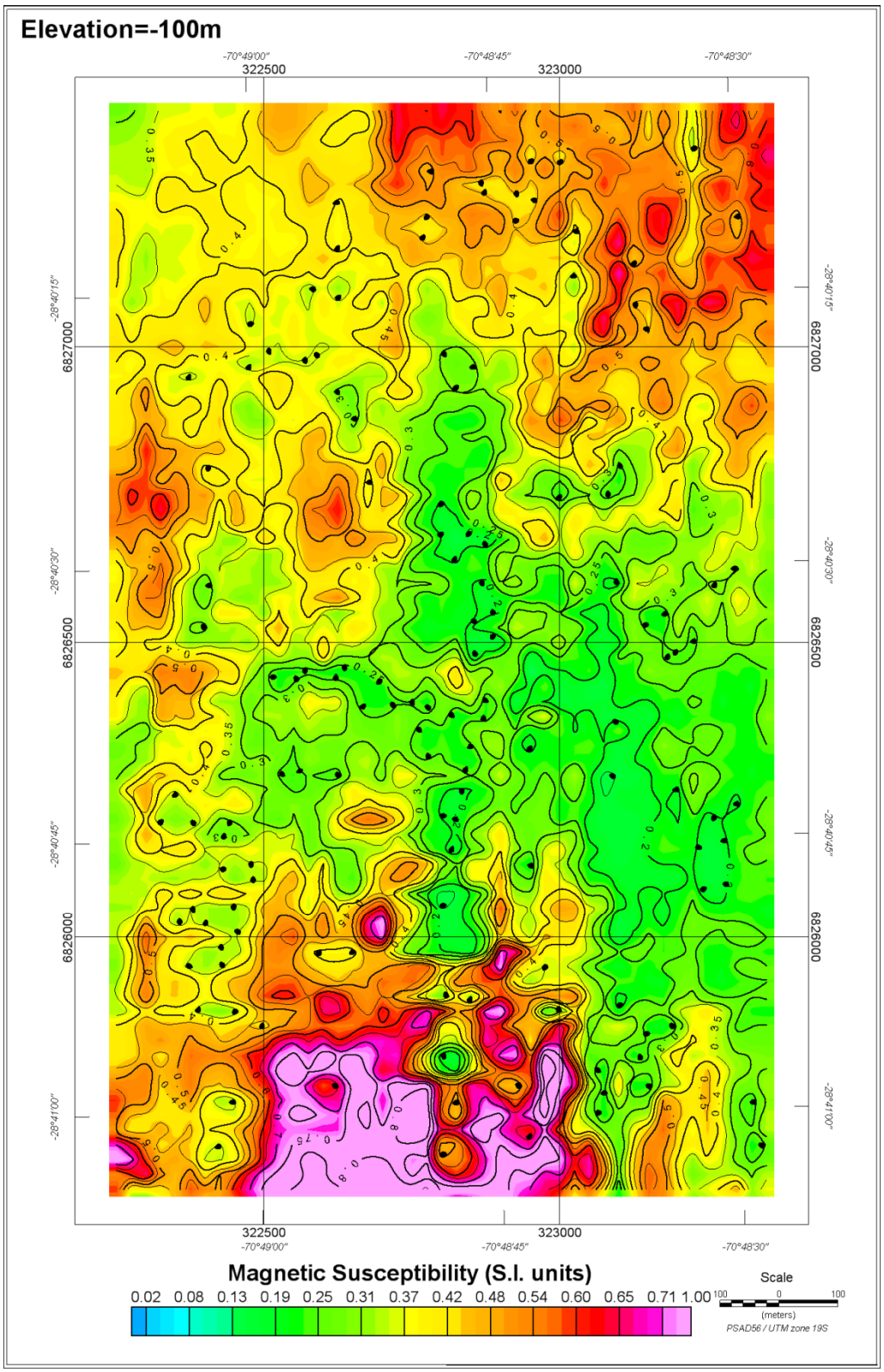

Figure 6-7: Susceptibility elevation map (-100m ASL)

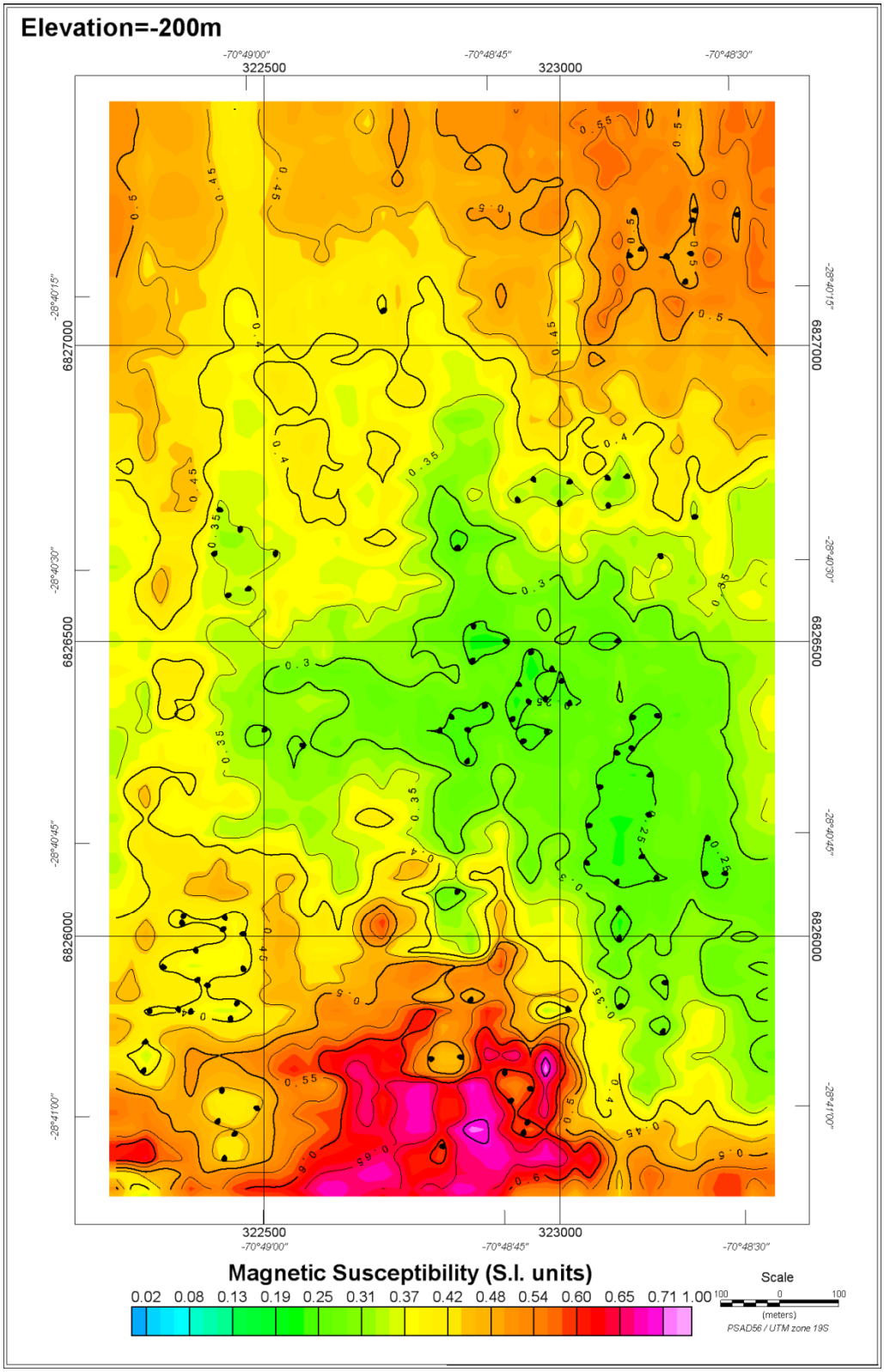

Figure 6-8: Susceptibility elevation map (-200m ASL)

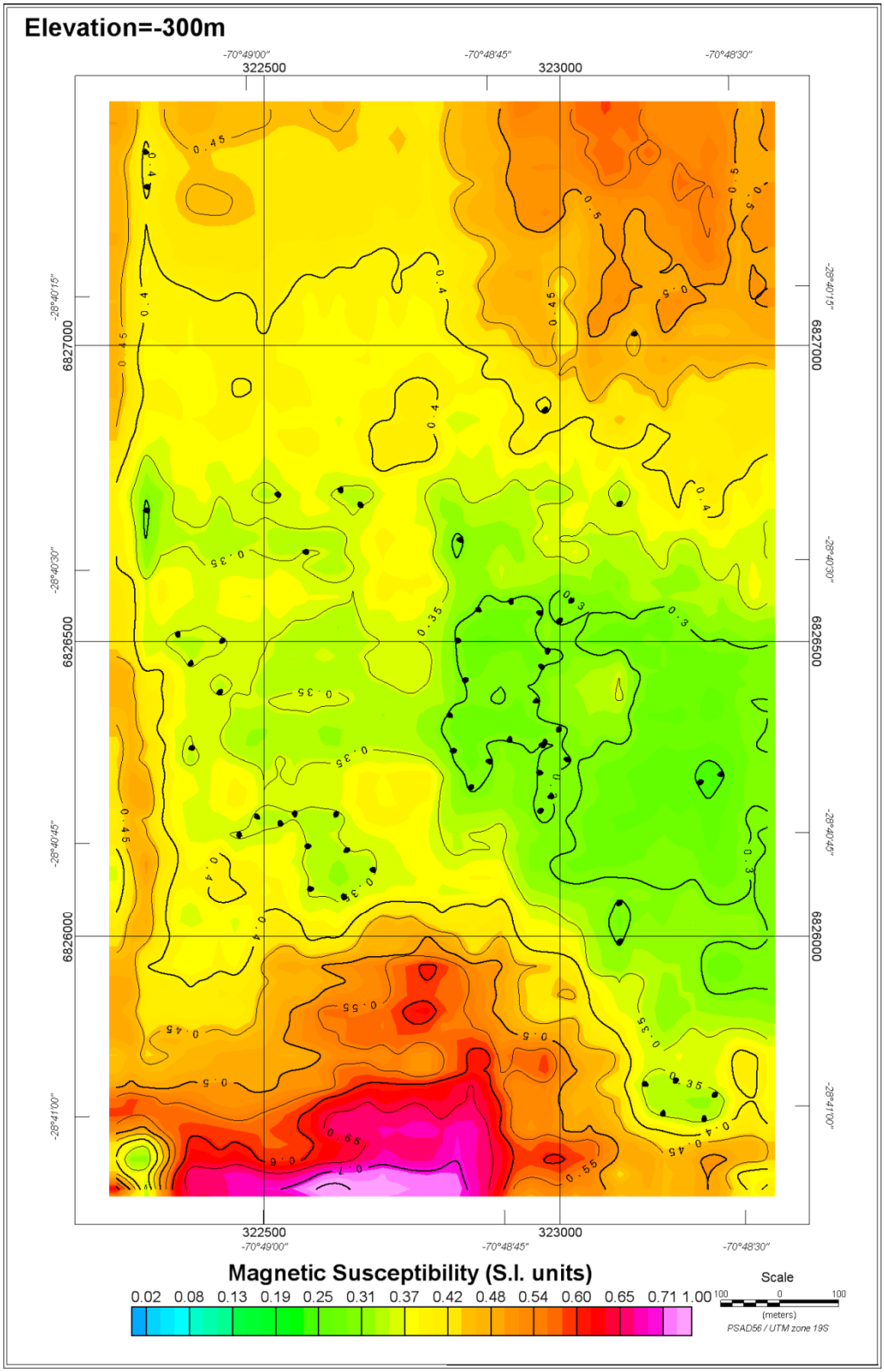

Figure 6-9: Susceptibility elevation map (-300m ASL)

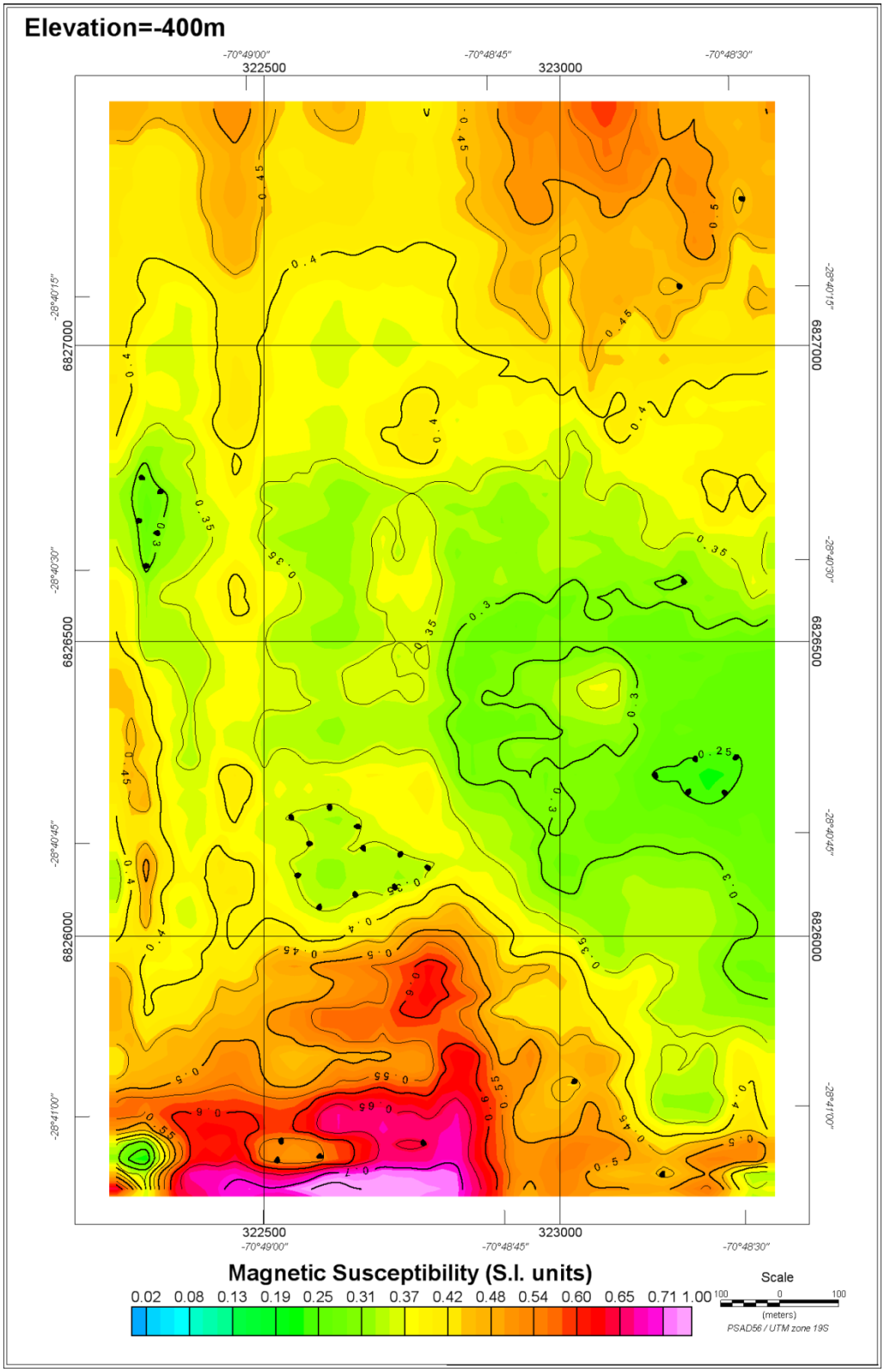

Figure 6-10: Susceptibility elevation map (-400m ASL)

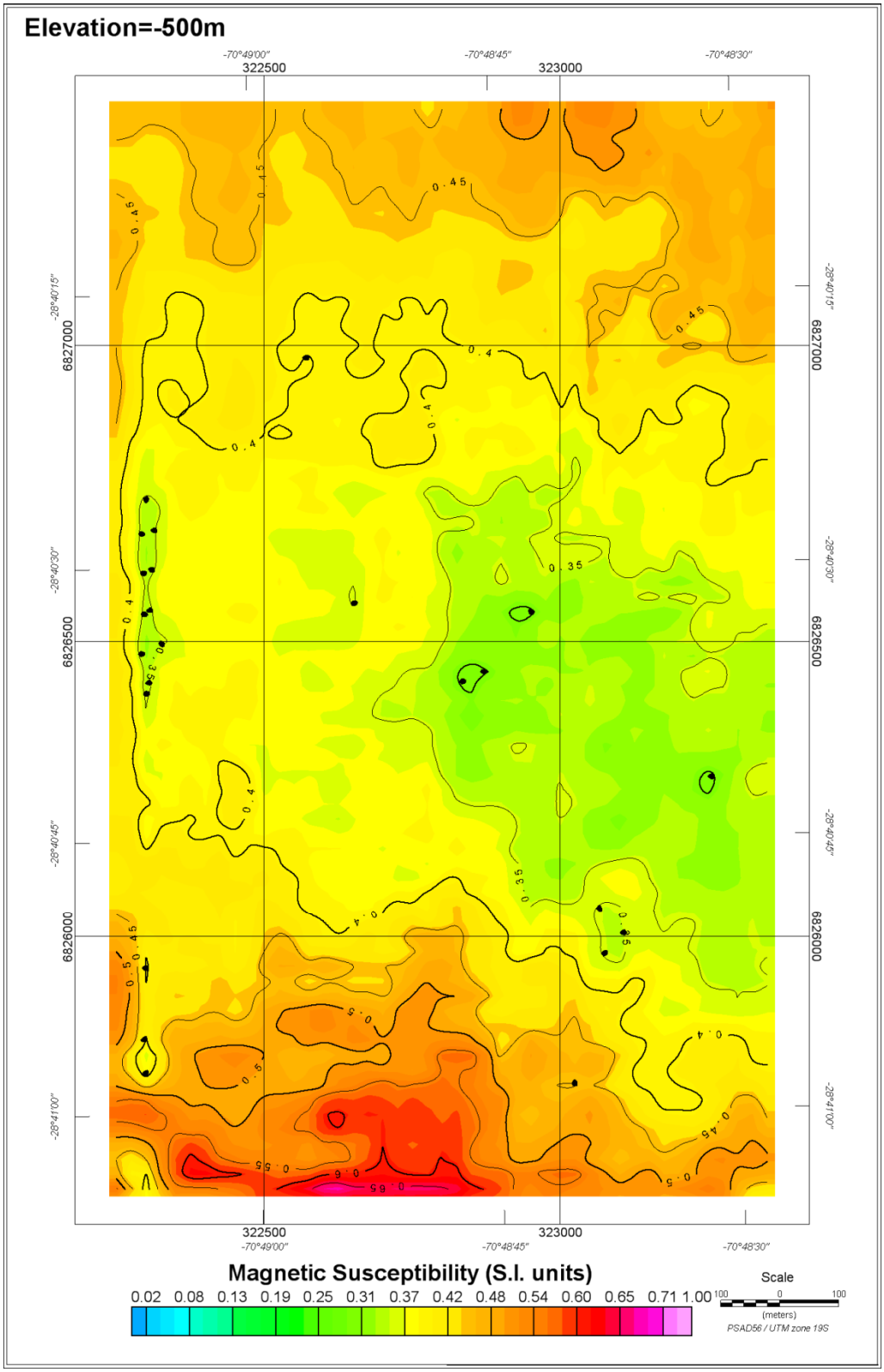

Figure 6-11: Susceptibility elevation map (-500m ASL)

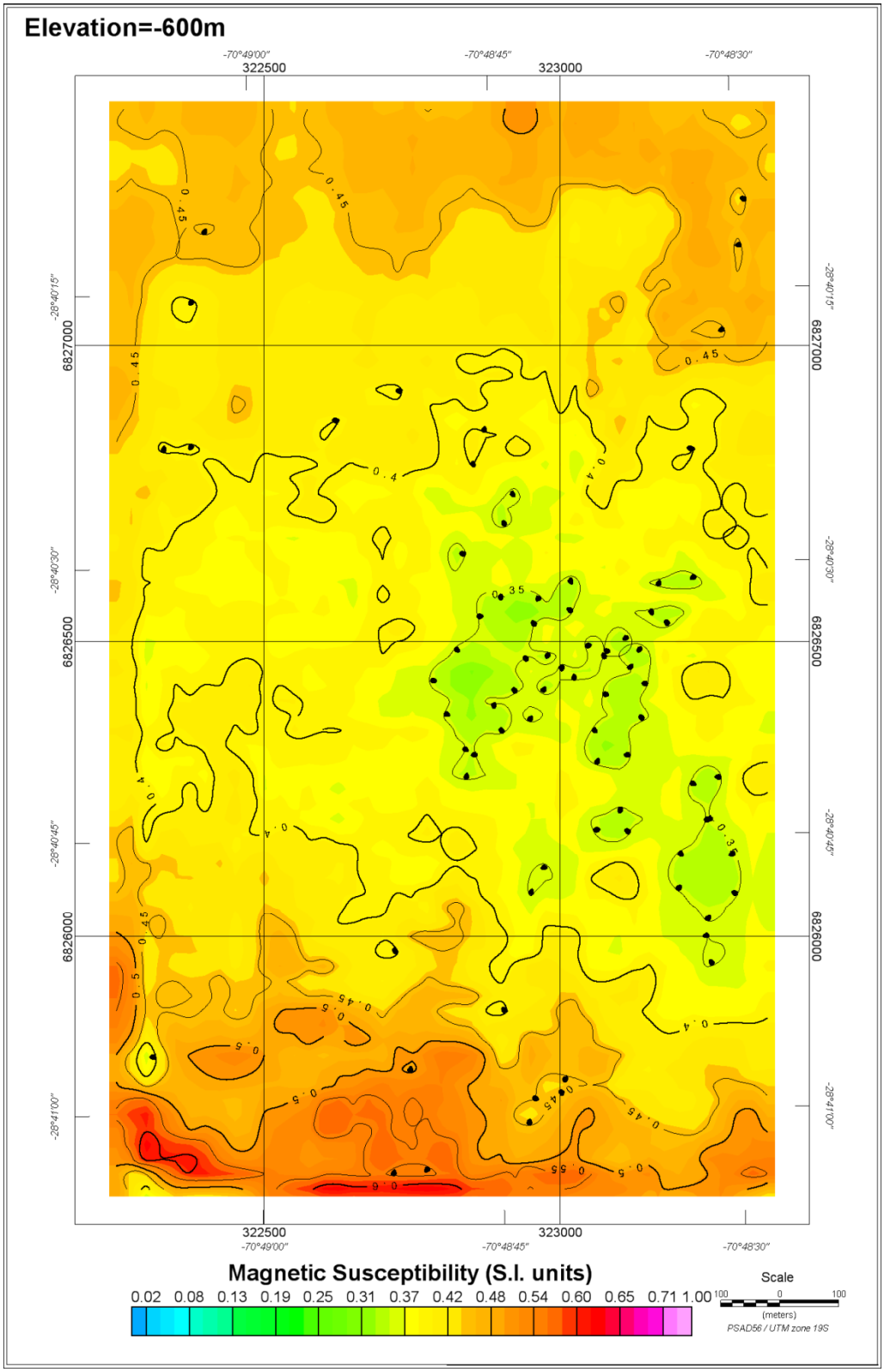

Figure 6-12: Susceptibility elevation map (-600m ASL)

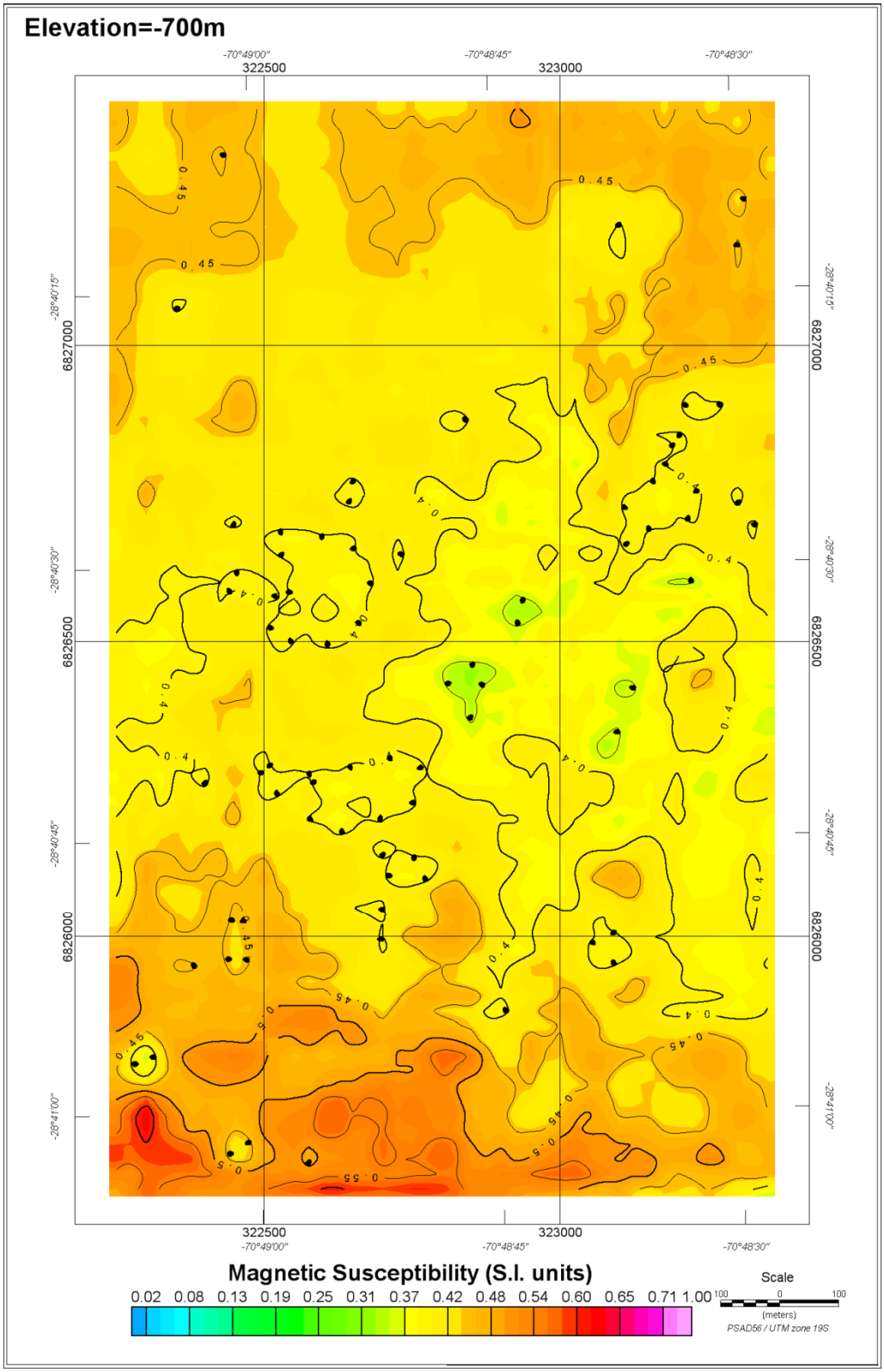

Figure 6-13: Susceptibility elevation map (-700m ASL)

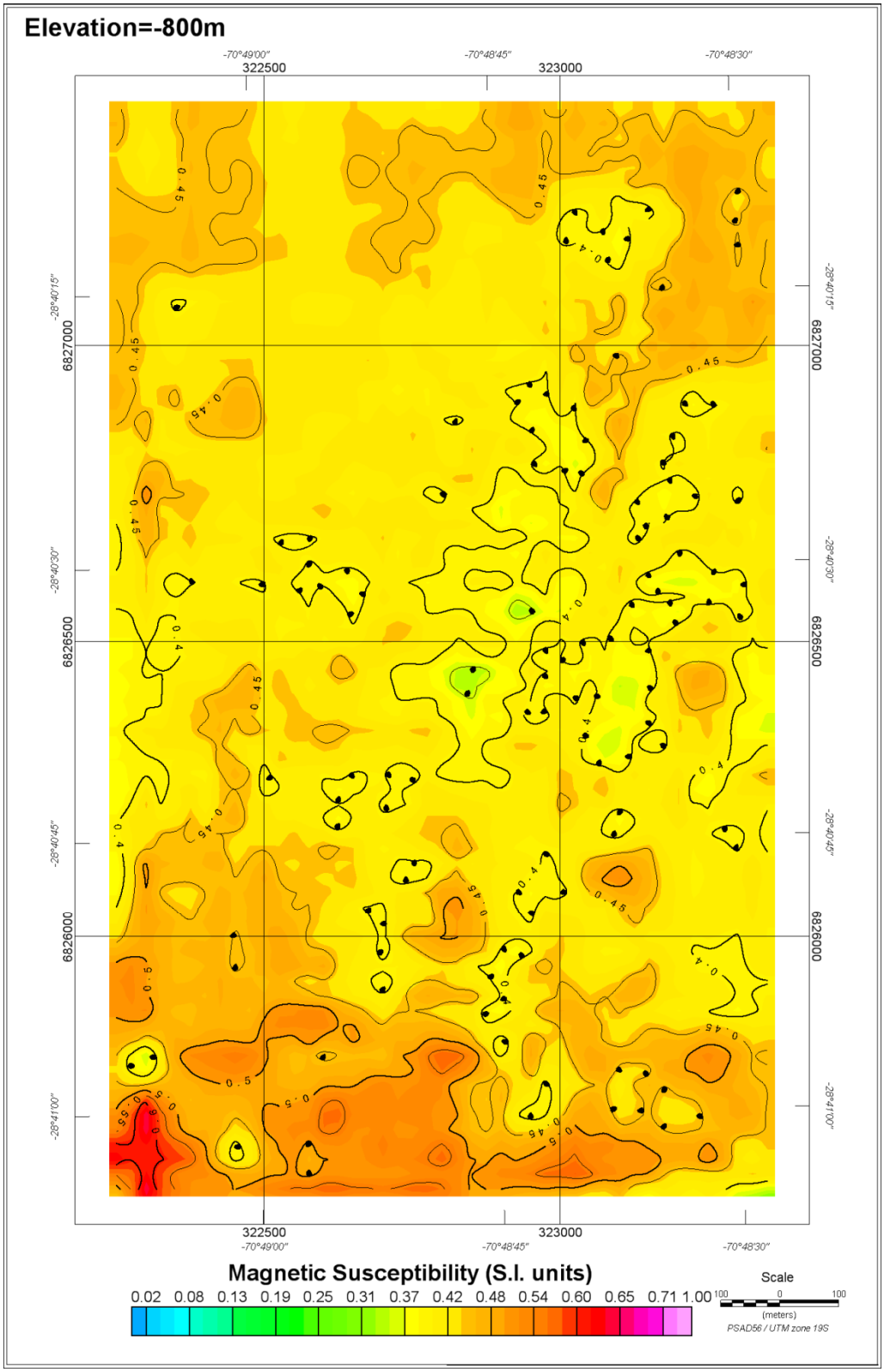

Figure 6-14: Susceptibility elevation map (-800m ASL)

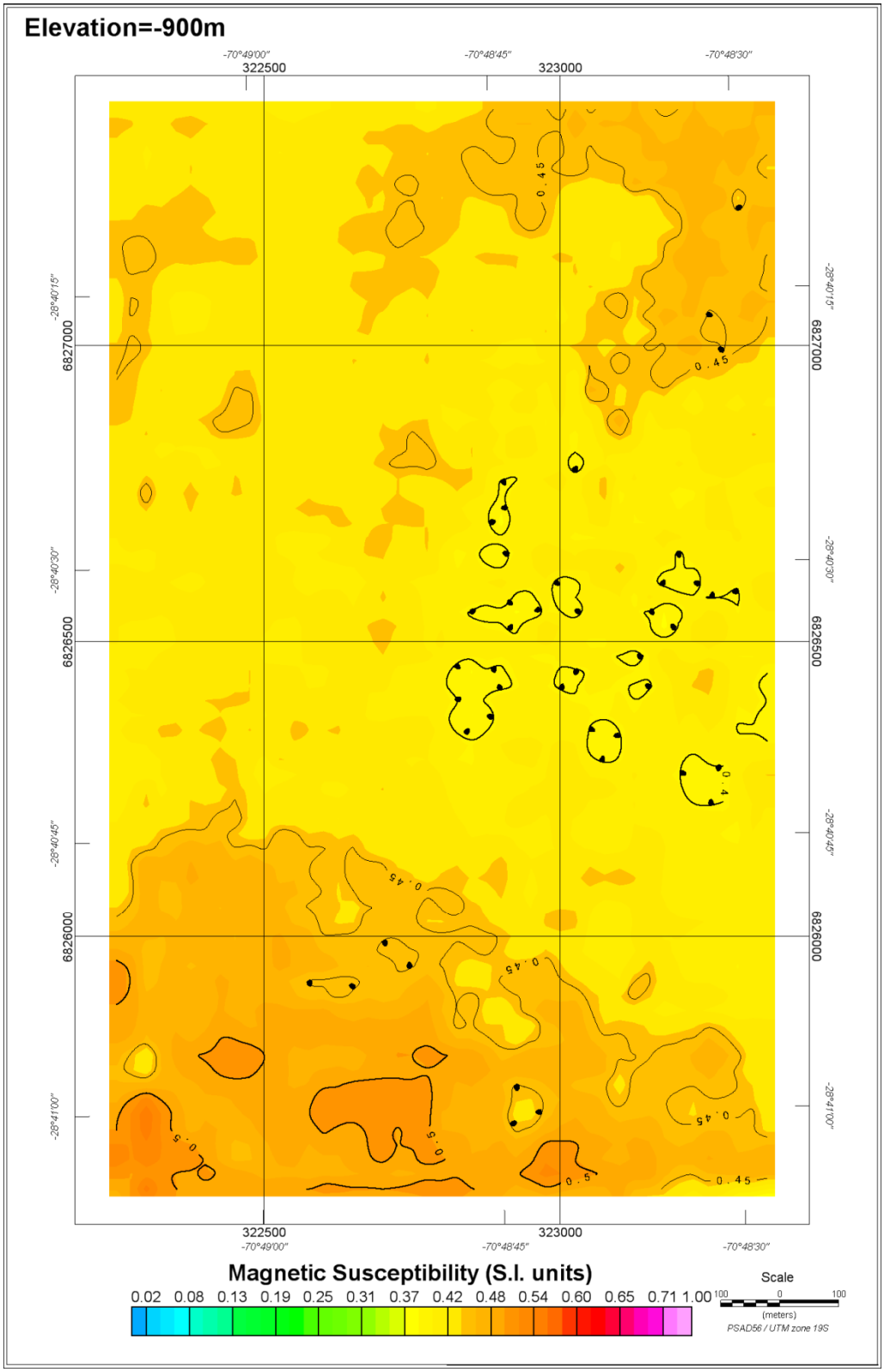

Figure 6-15: Susceptibility elevation map (-900m ASL)

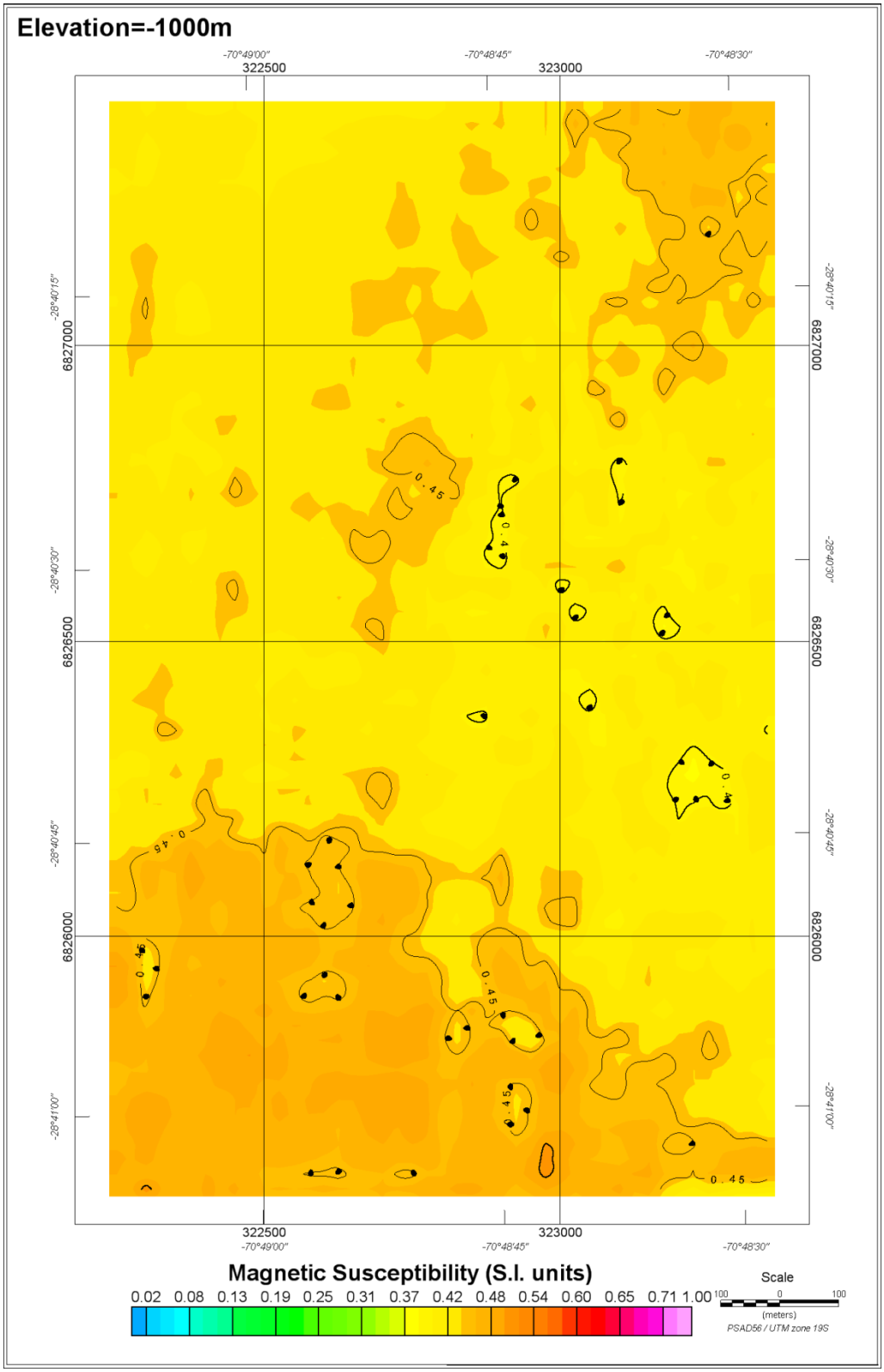

Figure 6-16: Susceptibility elevation map (-1000m ASL)

7 REFERENCES

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- Li, Y. and Oldenburg, D. W., 1998, Separation of regional and residual magnetic field data: Geophysics, 63, no. 02, 431-439.

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- MAG3D, A program Library for Forward Modeling and Inversion of Magnetic Data Over 3D Structures, ver. 4.0, 2005 UBC-GIF.

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Competent Person's Consent Form

Pursuant to the requirements of ASX Listing Rule 5.6 and clause 8 of the 2004 JORC Code
(Written Consent Statement)

Report Description

3D Magnetic Inversion Report, Mariposa Prospect (Harper South Project), Chile

Quantec Geoscience Ltd.,

November 8th, 2011

Statement

I, Nasreddine Bournas confirm that:

- The information in the report to which this statement is attached is based on information compiled by me, Nasreddine Bournas.
- I have read and understood the requirements of the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("2004 JORC Code").
- I am a Competent Person as defined by the 2004 JORC Code, having twenty years experience which is relevant to the style of mineralisation and type of deposit described in the Report, and to the activity for which I am accepting responsibility.
- I am a Member in good standing of the Association of Professional Geoscientists of Ontario, ("APGO"). APGO is a Recognised Overseas Professional Organisation ("ROPO"), included in the list published by the ASX.
- I am a Member in good standing of the Ordre des Géologues du Québec, ("OGQ"). OCQ is a ROPO included in the list published by the ASX.
- I have reviewed the Report to which this Consent Statement applies.

- I am a full time employee of Quantec Geoscience Ltd.

I verify that the Report is based on and fairly and accurately reflects in the form and context in which it appears, the information in my supporting documentation relating to Exploration Results.

CONSENT

I consent to the release of the Report and this Consent Statement by the directors of:

Admiralty Resources NL

Signature of Christopher Bourdias

8 November 2011
Date:

Association of Professional Geoscientists of Ontario, APGO
Professional Membership:
(insert organisation name)

1614
Membership Number:

Signature of Witness:

Aurea Escobar, Newmarket ON
Print Witness Name and Residence (eg. Town/Suburb):