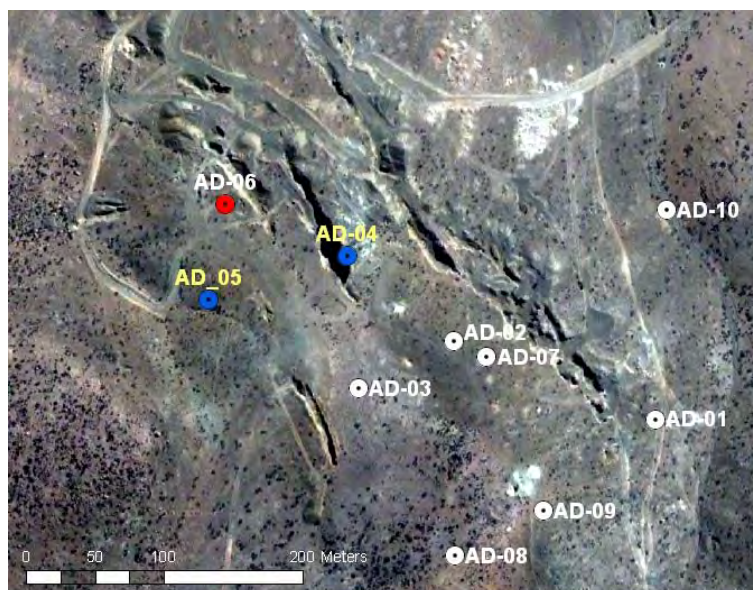


Date: 7 December 2011

Mariposa Iron Target Drilling Campaign Progress Report: 800m completed in 2 weeks

The Board of Admiralty Resources NL ("Admiralty") is delighted to advise that excellent progress continues to be made with the current diamond drilling programme at the Mariposa target, where drill holes AD-04 and AD-05 have been drilled to a combined depth of 605m, with data summarized in the table below.

The drilling is now taking place at AD-06 and it has already reached 195m, with platform for AD-03 being ready for the drill rig to move in.



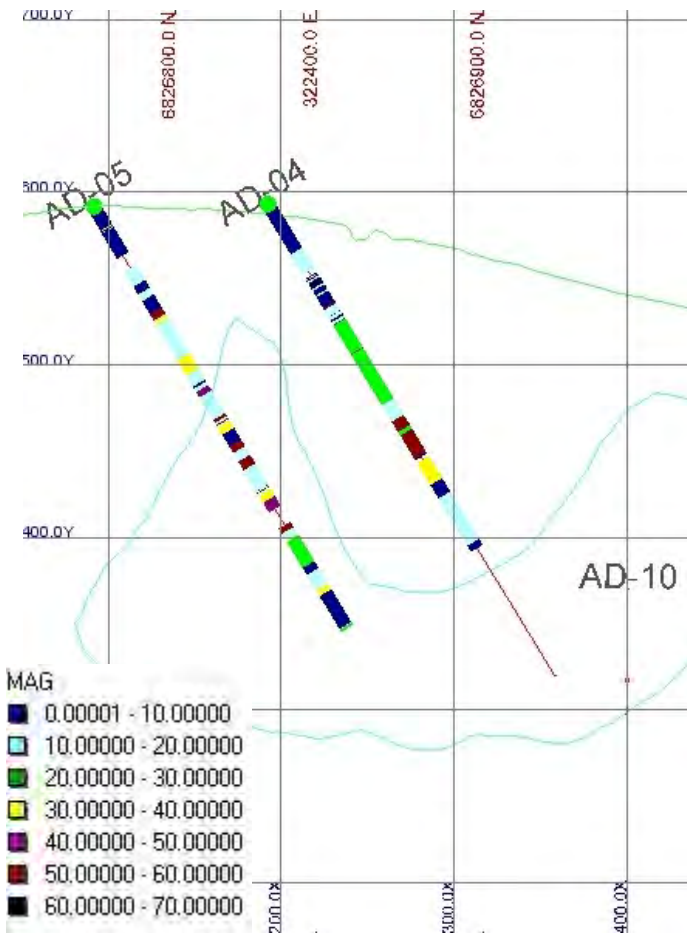
Blue dots show completed holes. Red dot shows current working hole.

The diamond drilling ("DD") campaign, which started on 19 November 2011, is currently yielding an average of 85m drilled per day and is expected to be completed in February 2012. It consists of 3,000 m subdivided within 10 drill holes, with a depth distribution between 255m to 320m and a diameter of 2.5 inches (HQ diameter).

	drill hole AD-05	drill hole AD-04
Length(m)	285	320
Mean drilling rate (m/h)	2.64 ¹	1.85 ¹
Deviation (degrees)	0.26 / 0.14	0.44 / 0.17
Core recovery (%)	95	90
Observations	50% of the core shows magnetite presence associated with calcite and evidence of high temperature within the ore body.	20% of the core shows disseminated magnetite and highly fractured thin veins, caused by the possible presence of faulting.

¹ The actual drilling rate at for AD-05 is 4.3m/h and 2.88m/h at AD-04. However, this speed is dramatically reduced due to the major discontinuities and faults and heavy fracturing present in the samples. This observation is under study to take into account as part of the mine design plan, however an early assumption points at a potential faulting zone.

Admiralty's Chairman, Professor Ross Harper said "this programme is the first significant step of a focused strategy to identify a "minable" reserve that could lead to early cashflow for the Harper South project, which covers Mariposa and 5 other unexplored ore bodies".



Brief commentary on samples obtained

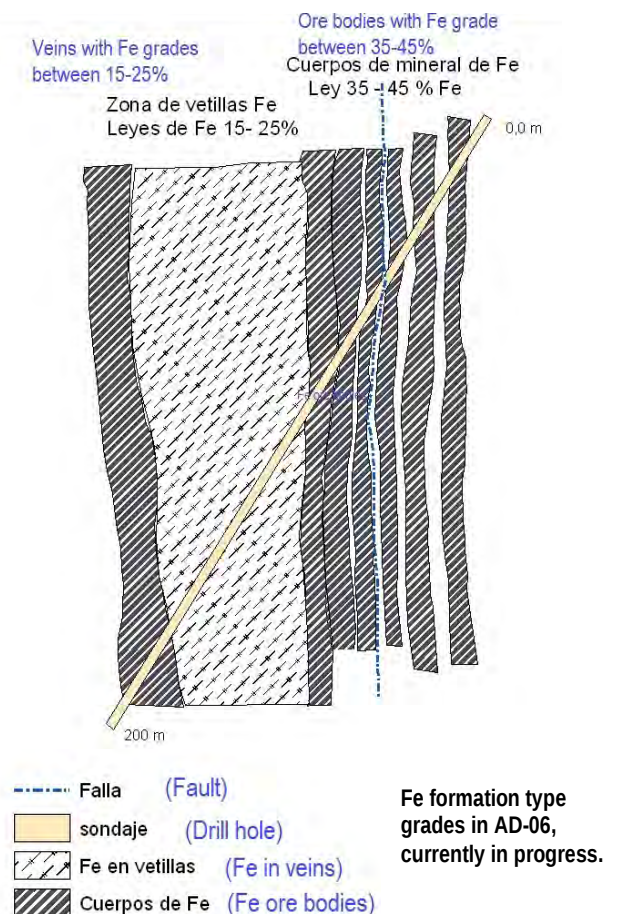
- Drill hole AD-05.** More than 50% of the sample cores obtained in AD-05 show evidence of containing magnetite mineral, with the host rock being mainly Andesites. Evidence of a high temperature ore body formation is reflected by the presence of calcite. A valid hypothesis to explain the heat could be the presence of disseminated actinolite (high heat metamorphic minerals), which is one of the three forms in which magnetite presents itself. The other two are in veins and in faulting zones.
- Drill hole AD-04.** It shows three main structured areas of 20m width each rich in magnetite. An initial presence of magnetite shows in veins of 0.5m width between intervals of Andesite from 4-5m up to 100m. A second vein 7m width is located at 145m deep and it is separated by 2m of waste rock from a third vein of 10-13m width with high content magnetite.

- Drill hole AD-06.** A preliminary review of the sample cores in AD-06 confirms the ore body modelling constructed by SRK Consulting Chile S.A. It is composed of continuous small bodies which are separated by areas low in Fe grade, with the higher Fe, mainly above 15%, grade being presenting itself mainly in veins.

Execution of the DD campaign

The DD campaign is being conducted by Superex SA, using a Boart Longyear LY 44 drill rig manned by 16 people in two shifts, and being monitored by Admiralty's external geological consultants, Goldberg Resources and Redco Mining Engineers ("Redco").

The key responsibilities of Goldberg Resources include: setting up the drilling platforms, define the angle, orientation and depth of the drilling of each hole, logging the presence of magnetite or interesting faults that could contribute to the structural delineation of the ore body, core handling and management, drill hole sealing and overall supervision of adequate O.H. & S. procedures. Goldberg is also expected to provide a drilling programme report stating the penetration rate, the pressure, water pressure and the fragmentation of each of the cores.



Fe formation type grades in AD-06, currently in progress.

Redco is conducting weekly audits upon the drilling process as well as data interpretation and quality control to conduct the due diligence section of the prefeasibility study.

Parallel works to the campaign

A sample room to store previous campaign and this campaign's core samples has been erected and shelving is currently being undertaken.

Minor civil works are being carried out in order to install a modular office and camp site.

Yours faithfully,



Stephen C. Prior
Managing Director

Drilling campaign factsheet

Commencement date:	19 November 2011, expected to be completed in January 2012.
Drilling contractor:	Surflex S.A., a respected drilling company with experience in working in projects in Chile for Anglo American and XSTRATA, among others
Number of holes:	10 drillholes with a depth distribution between 255/320m with HQ diameter (2.5 inches)
Area extension:	12 hectares (120,000 m ²), about 200m in the East/West direction and 600m in the North/South direction.
Equipment and staff:	Boart Longyear LY 44 drill rig, 2 shifts working continuously and manned by 16 workers.
Quality Assurance:	Performed by Goldberg Geologists, Admiralty's geological consultants
Programme supervisor:	Redco Mining Engineers, engaged by Admiralty to perform a mine engineering plan
Expected total cost:	US\$900,000

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.

An engineering mining plan to produce one million tonnes of finished product per annum has been commissioned to Redco Mining Engineers.

About Admiralty Resources NL

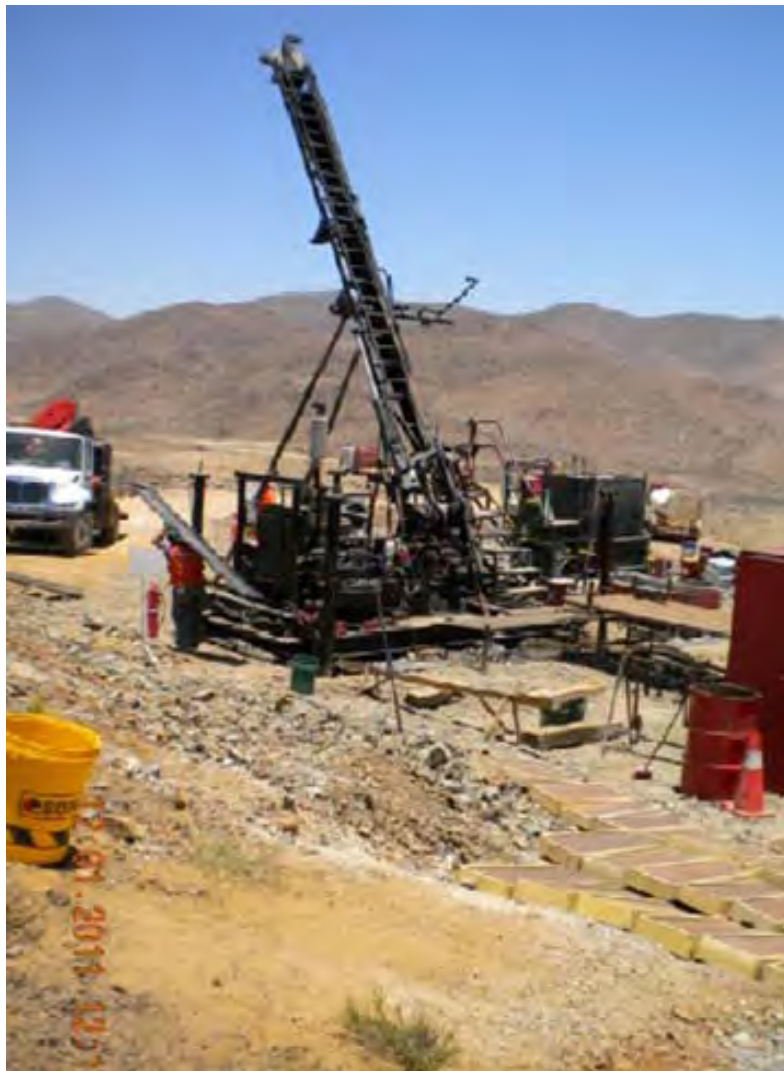
Admiralty Resources NL is a public diversified mineral exploration company listed in the Australian Securities Exchange (ASX: ADY) with mineral interests in Chile and in Australia.

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 prime 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.

DRILLING AT MARIPOSA



Drill rig placed at AD-04.

Core samples from AD-06 showing Fe grades of 35-45% from 68m deep onwards.

Field workers delineating AD-06, the third hole of the campaign, currently at 196m.





Intense Fe mineralisation being shown at from 89.5m to 95.75 m deep, with grades between 40-50% Fe. Veins with mineralization between 10-15% grade also shown between 95.75-100.25m deep.



Drill rig working on platform at hole AD-06.

View of campsite and sample room.



DRILLING AT MARIPOSA

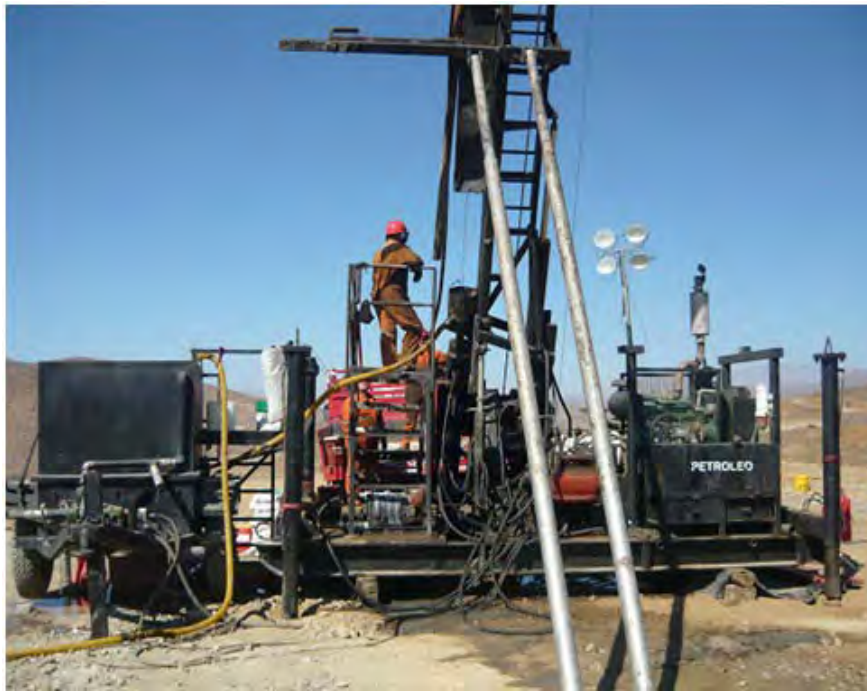
DRILLING AT MARIPOSA



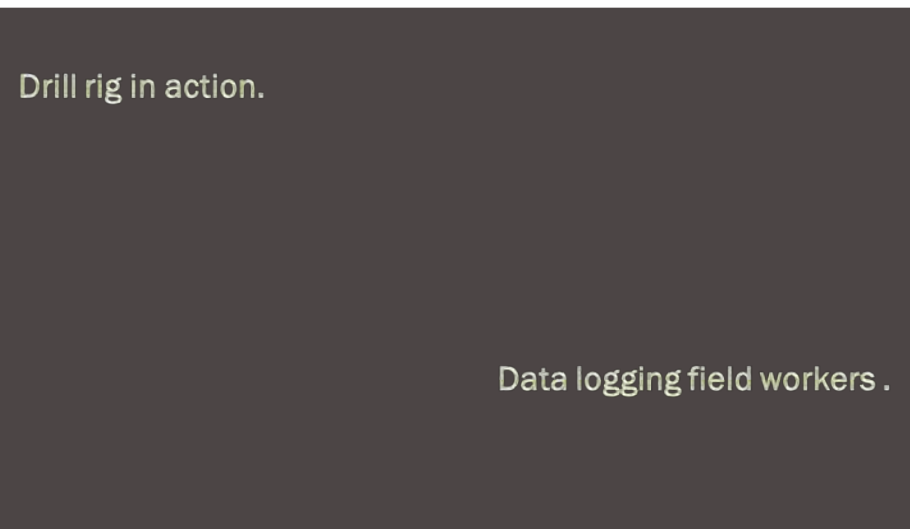
Intense Fe mineralisation being shown at 145m-173m deep, These core samples belong to a 29m long fragment, showing an estimated 45-50% Fe grade.



Drill rig and water truck. Each day, we are using 60 m³ of water.



Sample room at Mariposa.



Data logging field workers .

DRILLING AT MARIPOSA

