

Date: 20 January 2012

Update on Mariposa iron target diamond drilling campaign

New drill hole at the La Chulula iron target

The Board of Admiralty Resources NL (“Admiralty”) advise that progress continues to be made on the current diamond drilling programme at the Mariposa iron target, where 7 out of the 10 holes planned have been drilled to a combined depth of 2130m.

The drilling is now taking place at AD-10 and platforms for AD-08 and AD-09 are ready for the rig to move in.

A new drill hole at the La Chulula iron target has been delineated by Goldberg Resources, the company’s external geologists, following the promising results of the high resolution ground magnetic survey undertaken in September 2011.



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

Progress Report on Mariposa diamond drilling campaign

The diamond drilling (“DD”) campaign commenced on 19 November 2011 and it is expected to be completed in February 2012. It consists of approximately 3,000 m subdivided within 10 drill holes, with a depth distribution between 255m to 350m and a diameter of 2.5 inches (HQ diameter). Details of the drilling done to date is shown on the table below.

The sample cores extracted to date show disseminated magnetite and highly fractured thin veins, caused by the presence of faults, which confirms the geological model established by SRK Consulting Chile S.A. in the past: the ore body is composed by subvertical bodies, quite close to each other, and separated by areas with low Fe grade in which the iron is mainly located in veins with Fe grade no lower than 15% intercepted by areas in which the veins show intense Fe mineralization between 40-45%, reaching up to 50-60%.

Drill hole	Length (metres)	Completion date
AD-05	285	25 November
AD-04	320	1 December
AD-06	255	6 December
AD-03	350	9 December
AD-02	300	22 December
AD-07	300	6 January
AD-01	320	17 January

New drill hole at the La Chulula iron target

La Chulula target was identified as the most important target in relation to size/susceptibility by the high resolution ground magnetic survey carried out in September 2011.

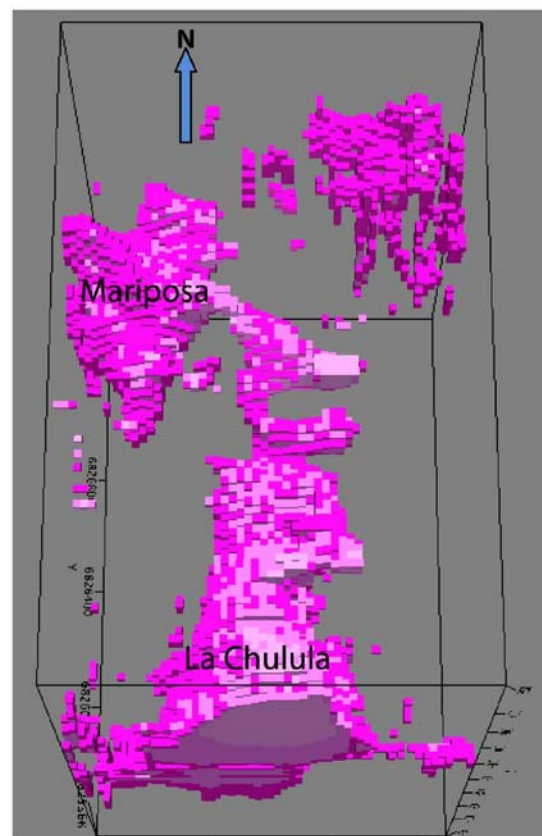
The survey identified a north/south vertical body, with dimensions of 250 x 750m, located near the surface, with depths up to 700m.

Taking advantage of the drilling rig currently at work at Mariposa, a new hole of up to 600m depth has now been scheduled to be drilled so metallurgical testing can be performed on the sample cores as this area has not been drilled before.

Work has already been completed to prepare the access roads and platform for the drill rig. The approximate cost for this hole is expected to be US\$160,000.

3D view of the Mariposa and La Chulula iron targets.

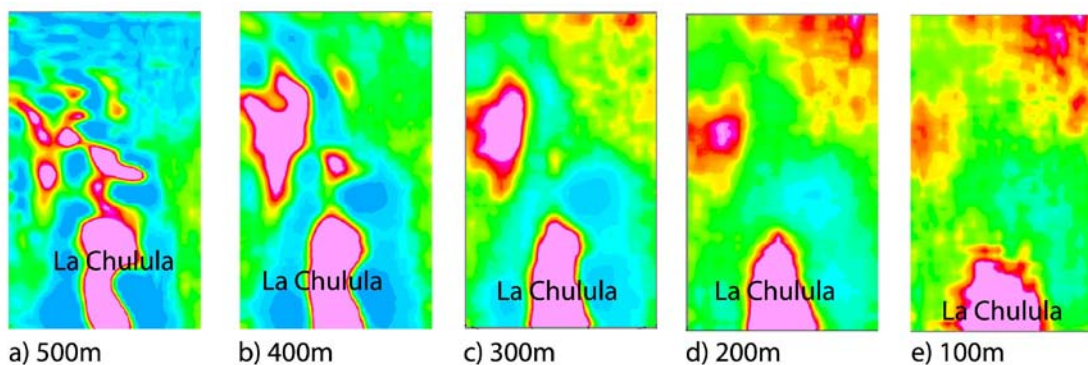
Source: High resolution ground magnetic survey – Harper South by Quantec Geoscience Chile.



Division of the Mariposa and La Chulula iron targets.



Depiction of access road to La Chulula and drilling angle of ADCH-01.



Depth slices of magnetic susceptibility at La Chulula from 500 to 100 metres deep.
Source: High resolution ground magnetic survey – Harper South by Quantec Geoscience Chile.

Execution of the DD campaign and parallel works

The DD campaign is being conducted by Superex S.A. and being monitored by Admiralty's external geological consultants, Goldberg Resources.

Redco Mining Engineers 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.

A sample room to store previous campaigns and this campaign's core samples has been erected at Mariposa. The shelving and transportation of samples is currently being undertaken.

Minor civil works are being carried out to complete the installation of 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 February 2012.
Drilling contractor:	Superex S.A.
Number of holes:	Mariposa - 10 drill holes with a depth distribution between 255/350 m; 2.5" diameter. La Chulula – 1 drill hole with a depth of up to 600 m.
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\$1,060,000

About Harper South

The Harper South Project (Harper South) lies 15 km south west of the city of Vallenar in 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 with 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 Ha) and Pampa Tololo (3,455 Ha) near 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.