

Australis Mining Update

Australis Mining Limited ("Australis") was due to make a payment of US\$1 million to Admiralty Resources NL ("Admiralty") by Friday, 16 March 2012 as part of the Purchaser Assumed Debt contemplated in the Share Sale Agreement ("SSA") entered into between Australis and the Company on 1 September 2010 and completed on 16 November 2010.

Australis has not paid the sum of US\$1 million so due.

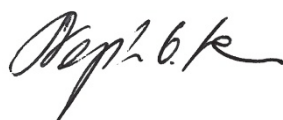
Australis has cited concerns about the quantum of carried forward losses available to Vallenar Iron Company ("VIC"), being different to that anticipated by Australis. Australis states that these concerns are relevant to the funding models which Australis has been seeking to implement to enable VIC to commence production of iron ore. The shares in VIC were subject of the SSA.

Admiralty has reviewed Australis' concerns and maintains that VIC's carried forward losses have been used in the manner contemplated by the parties at the time of entering into the SSA, as shown by the actual terms of the SSA itself. Australis has advised Admiralty that it is reviewing its position under the SSA in relation to VIC's carried forward tax losses.

Admiralty and Australis have agreed to a deferred payment plan in respect of the US\$1 million instalment which was due by 16 March 2012. Australis is to pay the sum of US\$1 million in 8 instalments with 7 monthly instalments of US\$100,000 and a final instalment of US\$300,000 which will be due on 16 October 2012. The first US\$100,000 instalment is due immediately.

Admiralty and Australis maintain a close working relationship.

Yours faithfully,



Stephen C. Prior

Managing Director

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 projects are the iron ore districts in Chile: Harper South (2,498 Ha) and Pampa Tololo (3,455 Ha) and Leo Sur (600 Ha).

The districts 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.