

# Admiralty Resources

**ADMIRALTY RESOURCES** (ADY) started shipping iron ore to China in April, giving investors more reason to focus on a company whose shares have risen more than 130 per cent in a year amid strong earnings growth. Admiralty looks for and develops mineral deposits in Australia, Argentina and Chile. The company has a 49 per cent stake in the Sociedad Contractual Minera Santa Barbara iron ore mines in Chile. Its Rincon Salar project in Argentina focuses on lithium, potassium, sodium and borates. Admiralty shares hit a record 25.5¢ on April 27, shortly after it secured \$US6 million (\$7.3 million) in funds that will allow it to continue “its rapid

progress” on projects and its Candelaria port facility, which will allow ships to pick up its Chilean iron ore. Admiralty’s first shipment of iron ore to China is part of a \$US65 million agreement with Wuhan Iron and Steel.

## Si view

Investors with a greater risk appetite may seek out Admiralty for its developing iron ore interests. The company should lift earnings and revenue in the near to medium term.

It has been shipping iron ore from stockpiles and hopes to start mining ore in Chile soon, once it has environmental approval. Production is forecast at 3.6 million tonnes a year and Admiralty hopes to expand this to 5 million tonnes. It would need a new environmental permit for this. In January, Admiralty secured a \$2 million loan from Japan’s Itochu against the Wuhan contract. The previous month it raised \$2.13 million to fund iron ore production at Santa Barbara. The group posted a net loss of \$3.16 million for the six months to December 31, an improvement on a loss of \$5.71 million in the same period a year earlier.

## ASX CODE: ADY

**Materials**  
Admiralty is an iron ore and diversified mineral developer.  
Year end: June



52 week ▲	25.5¢		2005	2006
52 week ▼	7.4¢	Revenue	\$23,136	\$291,748
Yield	N/A	Net loss	\$3.0m	\$7.5m
Market cap	\$185.6m	EPS	-0.65¢	-1.41¢
Hist. P/E	N/A	Dividend	Nil	Nil