

30 January 2009

Company Announcements Office
Australian Securities Exchange Limited
4th Floor, 20 Bridge Street
Sydney NSW 2000

SECOND QUARTER ACTIVITIES REPORT

CORPORATE

- At the AGM held on 25 November 2008 Mr John Anderson was reelected as a Director and the securities issued to clients of Lodge Partners and Ya Global Investments LP in May and June 2008 respectively were ratified.
- Mr John Anderson, Non-Executive Director of the Board since December 2005, was appointed Executive Director with effect from 1 November 2008 after the Board accepted the resignation of Mr Phillip Thomas as Managing Director on 31 October 2008. Mr Thomas later resigned as Director of the Company and its subsidiaries on 30 November 2008.
- The sale of the Company's interest in Rincon Lithium Limited to Charge Resources Pty Ltd was not completed due to the buyer's failure to produce the funds required under the contract between the parties.
- Admiralty successfully completed the sale of Rincon Lithium Limited to Sentient GP III LP for US\$22.17 million on 23 December 2008.
- The settlement of the debt owed to Hawkswood Investments Pty Ltd (In Receivership) (In Liquidation), determined by the Supreme Court of Victoria to be due on 30 September 2008, was achieved after some deferral on 23 December 2008. The debt was guaranteed by a fixed and floating charge over the Company's assets in Hawkswood's favour, which was discharged at settlement.
- The private investors holding the \$1.94m Convertible Notes Contracts notified the Company that they would not exercise their right to convert into shares and the Company repaid the loaned funds plus interest.
- The Company continues the proceedings in the Supreme Court of Victoria against Wyndham Explorations S.A., minority shareholder of SCM Vallenar Iron Company.

SCM VALLENAR IRON COMPANY - CHILE

- The company operating the iron ore project in Chile, SC Minera Santa Barbara, was renamed SCM Vallenar Iron Company in an effort to better reflect the activities and the geographical location carried out by the company.
- Representatives of the Company travelled to China in October and November 2008 to discuss with WISCO future contracts for the supply of iron ore and a possible joint venture. However, no final decisions have been made due to the difficulty that the Company encounters to estimate future production.

- Besalco Maquinarias S.A., the mine subcontractor that manages the exploitation of the Japonesa group of mines, continued to produce a monthly average of 17,000 to 24,000 tonnes of iron ore fines during October.
- The MV "Ocean Glory" and the MV "Zhi Qiang", loaded with 35,200 and 44,500 tonnes respectively with an average of 63.40% Fe, left the port of Caldera in the last week of October. The sales had been done on a depressed iron ore spot market at an average of US\$75 CIF per tonne, bringing in a revenue of about US\$6m.
- Besalco Maquinarias S.A., unilaterally and not in accord with the contract between the parties, halted mining operations on 6 November 2008 claiming payment for the invoices for the mining activities carried out in September and October.
- Besalco's invoices for their mining services were settled in December 2008. Mining has not yet resumed.
- SCM Vallenar Iron Company is conducting a full review of its operations prior to the recommencement of the mining activities, as announced at the AGM.
- The arbitration case between Besalco Maquinarias S.A. and Vallenar Iron Company for not honouring their production targets and the legal cases against the administration of Mr Leonardo Farkas for misappropriation of funds while heading the administration of former SC Minera Santa Barbara continue in the courts of Chile.

PYKE HILL – WESTERN AUSTRALIA

- The verdict of the legal case against Richore Pty Ltd, owner of 50% of the joint venture that operates the Pyke Hill project, was handed down in favour of the Company's subsidiary Pyke Hill Resources Pty Ltd. On 31 October 2008, the Mining Warden determined that Richore had to pay Pyke Hill Resources Pty Ltd a total of \$243,291.36 and the costs of the proceedings. We have since received \$152,191.25 of this.

BULMAN – NORTHERN TERRITORY

- Results from the 41 RC holes drilling programme conducted in the mining leases ML 727 and 728 were released in a report by Geos Mining Consultants Pty Ltd in which various mineralized zones of lead and zinc were detected. Further work is warranted in these areas to better define the extent and character of the mineralization.



John Anderson
Executive Director

Further information on Admiralty Resources NL can be found on our Internet site: www.ady.com.au

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