



Admiralty Resources NL  
ACN 010 195 972

Level 14, 200 Queen Street  
Melbourne VIC 3000

[t] +61-3-96701838  
[f] +61-3-9670 1898  
[w] www.ady.com.au

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Company Announcements Office  
Australian Stock Exchange Limited  
20 Bridge Street  
**SYDNEY NSW 2000**

## **ADMIRALTY RESOURCES SIGNS US\$65M IRON ORE SALES AGREEMENT WITH WUGANG – 17 VESSELS FIXED BETWEEN FEB AND SEPT 2007**

The board of Admiralty Resources NL is delighted to announce that its sales distributor **ITOCHU**, a major Japanese trading group, based in Toyko, with offices in Perth has secured an eight month sales agreement with International Economic and Trading Corporation, Wugang Group (“Wugang” also know as Wuhan Iron and Steel (Group) Corporation). Wugang is one of the largest iron and steel manufacturers in China, with over 17 million tonnes crude steel production per annum, 112,000 staff and US\$7 billion in profit before tax.

A memorandum of agreement and sales contract has been signed confirming the terms of the supply of iron ore fines. The memorandum sets out the terms and conditions to be negotiated for a longer term agreement after September 2007, when it is anticipated that the panamax port will be available.

The contract is for 940,000 tonnes of iron ore to be shipped between 15 February 2007 and 30 September 2007, from the handymax port of Caleta, Caldera. Total revenues will be approximately US\$45 to US\$65 million, subject to the volume shipped, which is dependent on each vessel.

### **Plant Test Successful**

The twin processing plant able to produce 100,000 tonnes of premium grade iron ore was completed and tested successfully with only minor adjustments to be made. A washing plant and wet high speed drum is going to be added to enhance the quality of the iron ore fines product in February 2007.

Yours sincerely,



**Phillip Thomas**  
Managing Director  
Admiralty Resources NL  
[t] +61-3-96701838  
[f] +61-3-9670 1898  
[e] pthomas@ady.com.au