



ADMIRALTY RESOURCES

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28 April 2007

Company Announcements Office
Australian Stock Exchange Limited
4th Floor, 20 Bridge Street
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MARCH 2007 QUARTERLY REPORT

HIGHLIGHTS

Corporate

- On 12 April 2007 Cia Minera Santa Barbara made its first shipment of 64.2% Fe iron ore fines to its client, WISCO.
- US\$500,000 of the loan from ITOCHU was repaid.
- Visits were made to Japan to discuss pre-payment contracts with potential buyers of lithium and to visit sales agents
- A capital raising of US\$6.0m was completed with Cornell Capital Partners LLP.

Chile – Santa Barbara

- Cia Minera Santa Barbara completed the construction of its Japonesa Santa Barbara plant which now has the capability to process 110,000 tonnes per month of iron ore.
- Hoppers were built for loading the iron ore using the handymax ship cranes and successfully achieved and exceeded 15,000 tonnes loading rate per day. This achievement reduced our shipping costs on the CFR contracts.
- A geophysics, geology and drilling contract was let to SRK, a major international geological consulting firm to evaluate and compute the JORC resources at the mines adjacent to Japonesa mine, and at Primavera and Mariposa mines which are located within 4 kilometres of the plant.
- A further 5 high speed drums were ordered to assist with the processing of fines at Santa Barbara from the USA and these are expected in May 2007.
- ITOCHU, our sales agents arranged a site visit for its clients in January 2007 and its technical evaluation team in April 2007.

Argentina – Rincon Salar

- Phillip Thomas, the CEO of Admiralty Resources, visited potential clients in Japan in January 2007. The trip highlighted the chronic shortage of Lithium Carbonate in Japan and China. Prices are being maintained well above previous long term contract levels. Import statistics show prices of Lithium

Carbonate imported from the USA, Argentina, Chile and China to be in excess of \$4,500 per tonne before sales and distribution margins.

- Due diligence is being carried out with a number of selected organisations with a view to securing large takeoff contracts when a target date for delivery is known.
- Substantial work was completed at the Rincon, including the pilot plant evaporation ponds earthworks, completion of the laboratory at Jujuy, and completion of the observation and production drill holes.

Infrastructure

- 40 km of mining roads were completed to service the pipeline from the borefield to the evaporation ponds and to serve as an access road to the project.
- Freshwater boreholes were drilled to supply water to the project at the Rincon.

Major Tasks

The major tasks currently underway with the estimated budget in brackets include:

- Construction of the pre-treatment pilot plant that also produces potash (\$300K)
- Engineering Camp (\$250K)
- Plant Building (\$250K)
- Maintenance workshop (\$180k)
- Fresh water supply installation at our 17,000 tonne plant site at Cauchari
- Fresh water supply at Rincon Salar
- Brine pumping pipeline and pumps (60K)
- Generators, boilers and pumping equipment (\$100K)
- Laboratory equipment, XRF, XRD etc (\$330K)

KEY OBJECTIVES FOR THE MARCH TO JUNE 2007 QUARTER

Corporate

- a. Make the final payment of US\$2.5m to increase our equity to 50% interest in Cia Minera Santa Barbara project.
- b. Continue discussions with buyers and others to finance the Rincon Salar development. Circulate the "virtual equity" prepayment document to interested buyers in Japan, USA and Europe.

Chile

- a. Complete production of 320,000 tonnes of iron ore by end of June 2007.
- b. Install additional processing equipment at Santa Barbara and Santa Fe.
- c. Complete a review of our engineering and metallurgy at Santa Barbara to improve efficiency and yield.

Argentina

- a. Complete the plant buildings.
- b. Continue laboratory work on the final purification process.
- c. Complete construction of the pilot plant solar ponds.
- d. Complete the virtual equity document for circulation to interested parties.

Bulman

- a. Lodge and receive work plan approvals from Northern Land Council and from Northern Territory Mines Department.
- b. Determine and implement what exploration work can be done prior to the wet season.



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