



ADMIRALTY RESOURCES

Admiralty Resources NL
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Company Announcements Office
ASX Limited
4th Floor, 20 Bridge Street
SYDNEY NSW 2000

SEPTEMBER 2007 QUARTERLY REPORT

HIGHLIGHTS

Corporate

- The Company announced that it would undertake a demerger in early 2008, listing the unlisted public company that holds the lithium and potash asset, Rincon Lithium Limited. A consolidation of Admiralty Resources shares to 280 million would also take place simultaneously, and 280 million shares would be the number of shares on issue in Rincon Lithium Limited, allowing investors to invest directly into iron ore mining stock or lithium, potash chemical stock.
- Fortune Global Holdings Corporation, a wholly owned subsidiary of Admiralty Resources paid Wyndham Explorations the initial instalment to acquire a further 10% of Cia Minera Santa Barbara (CMSB) taking its equity to 60% in the joint venture. The total purchase price for the 10% of the joint venture was USD\$10million and the issue of 10 million shares. This places a value on the joint venture of USD\$150m, which compares to a purchase price of 25 million shares and US\$18.5m in cash.
- (Robert) Michael Clarke was appointed Managing Director of Admiralty Resources NL in anticipation of a demerger of the unlisted public company Rincon Lithium Limited in February/March 2008. Phillip Thomas will remain a Director of Admiralty Resources, become Chairman of Cia Minera Santa Barbara once the acquisition to 60% is finalised, and assume the role of Managing Director and director of Rincon Lithium Limited
- A US\$12 million short term debt facility was put in place with a private investor. No issue of shares was involved.

Chile – Santa Barbara

- Cia Minera Santa Barbara plant has been operating at about 30,000 tonnes per month, which is slightly below capacity, given the status of construction and delivery of equipment. The following equipment is still on back order with the exception of the Barmac 9100 3mm crusher/separator which arrived on 30 October 2007:

Santa Barbara – Equipment on Order

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- Eriez (Five Drums 10p)
 - Eriez (Three Drums 10p Two Drums 25p)
 - Eriez (Six 25p) First Payment
 - Eriez (Two Electro Pulley)
 - Eriez (Three Electro Pulley)
 - Polimin HSD accessories
 - Magnetic Conveyors Weight System and sampling system
 - Encapsulated Conveyors Crusher
 - Barmac 9100 Separator (delivered into Chile October 2007)
 - Conveyors
 - Electricity System Generator
 - Primary Crusher (due Feb/Mar 2008)
- We completed two shipments in the September quarter shipping approximately 85,000 tonnes of iron ore. WISCO are sympathetic to the issues associated with the start up of the Santa Barbara plant, and have accepted in principle the delivery schedule for the balance of the contract past 30 September 2007 in 2008.
 - SRK, a major international geological consulting firm completed the drilling results analysis covering more than 14,500 metres in total, and provided an outstanding JORC resource report bring the total of the resource to 84 million tonnes. We are working on producing JORC resource and reserve estimates (measured and indicated) at the mines adjacent to the Japonesa mine, being Japonesta, Primavera and Mariposa mines which are located within 4 kilometres of the plant.
 - Substantial negotiations were held with WISCO in Wuhan and other clients in China, which culminated in a binding heads of agreement.

Argentina – Rincon Salar

- Substantial work has been done in refining the lithium carbonate product and reducing the operations cost by using other techniques apart from ionisation, membranes and solvent extraction.
- The Pilot Plant is expected to be operating by 19 Dec 2007, with first production of unrefined lithium carbonate on 16 Apr 2008. Purification of this material will take a further week and production of refined commercial lithium carbonate is expected by the end of April 2008.
- The ponds will require 30,000,000 litres of brine. To reduce costs at this stage, brines to the ponds will be trucked from the production bore field, at a rate of 600,000 litres per day. Evaporation to the point of precipitating unrefined lithium carbonates is estimated to take 108 days from 16 Nov '07 to 15 Apr '08.

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- The Environment Impact Statement was filed with the Authorities on 27 September 2007 and the initial response from the government authorities has been positive and it is expected the EIS will be formally approved by the government before the end of the year.
 - We have submitted our banking feasibility study to a bank that is currently analysing it with the view to provide project finance for the completion of the project.

Bulman

- A 12 day geochemical soil analysis program was undertaken and three new anomalous areas were identified with at least three samples exceed 25,000ppm zinc.
- Geos Consulting geologists also arranged a geomagnetic survey of the new exploration licences and existing mineral leases to identify drilling targets
- Drilling has been deferred till May 2008 when more satisfactory weather occurs and we have had time to consider the full interpretation of the geomagnetics.

KEY OBJECTIVES FOR THE SEPT TO DEC 2007 QUARTER

Corporate

- a. Complete work on the demerger and prepare for the Extraordinary General Meeting.
- b. Continue discussions with buyers and others to finance the Rincon Salar development.

Chile

- a. Install additional processing equipment at Santa Barbara.
- b. Complete a review of our engineering and metallurgy at Santa Barbara to improve efficiency and yield.
- c. Finalise and release JORC resource studies.
- d. Finalise sales contracts for 2008-2011 and the heads of agreement for 2011-2018.

Argentina

- a. Complete construction of the pilot plant solar ponds.

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- a. Interpret geophysics data.

A handwritten signature in blue ink, appearing to read "M. Clarke", with a long horizontal flourish extending to the right.

Michael Clarke
Managing Director

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