



NEWS RELEASE

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UPDATE ON JOINT VENTURE DISCUSSIONS

Following the news release made by the Admiralty Resources NL ("Admiralty" or "Company") on 12 October 2009, the Board of Directors of Admiralty are pleased to announce to shareholders that discussions with interested parties in participating in a joint venture to develop the mineral and port concessions property of its fully owned subsidiary SCM Vallenar Iron Company ("VIC") in the Third Region of Chile have been fruitful and are progressing satisfactorily.

The joint venture discussions focus on the development of the SCM Vallenar Iron Company Geological District, the development of the Pampa Tololo iron prospect and the construction of a cape-size port within the wholly owned Punta Alcalde Maritime Concession.

Admiralty have considered the following options in the discussions held to date with the interested parties:

1. Provision of funds that enable VIC Iron to execute an exhaustive drilling program within its geological district, composed of nine ore bodies spread across over 10,000 Ha and that can be divided into these groups:

Group I: Japonesa, Japonesita, Mirador, Mariposa, Primavera, Viviana and Chillán Viejo

The exploration and drilling performed since 2005 to date in these tenements have returned a mineral resource of 423 million tonnes at a cut-off grade of 10%, as per the JORC statement release to the ASX on 4 September 2009.

Group II: Negrita and Soberana

Geological mapping, rock chip sampling, geophysical information and reverse circulation drill holes have shown that these tenements are highly prospective but they remain untested.

The objective of the drilling program is to elevate the existing mineral resources in the inferred and indicated categories to measured mineral resources and to quantify and qualify additional mineral resources contained within the geological district thus expanding VIC's current mineral resource base in accordance with the JORC code.

Upon completion of the drilling program, the joint venture partner can either acquire the right to earn a yet undetermined equity interest in VIC by assisting the funding exploration through to completion of a feasibility study or enter into a secured debt agreement against Vallenar Iron's assets for the repayment of the loaned funds.

Upon completion of a bankable feasibility study and subject to financing, the design, engineering and construction of a 2,500,000 tonnes processing plant shall follow. Construction of infrastructure to support mining and mineral processing operations such as electrical power requirements, water requirements and final product transport form essential components of the project development and are all under discussion with potential joint venture partners.

2. Obtain funding from interested parties in conjunction with Vallenar Iron to build and operate a cape size port in Punta Alcalde, near the township of Huasco, located 60 km from VIC's Geological District.

VIC is currently conducting discussions with seven parties, interested in different aspects of the options detailed above. All the parties have performed site inspections and four of them have signed Confidentiality Agreements, which foreclose them from acquiring any interest in Admiralty.

The parties include the Natural Resources Department of a financial institution in Chile, an European commodity trader, one listed company in the Santiago Stock Exchange and an US based private equity firm. Parties in Australia have also expressed interest. Confidentiality Agreements and market sensitive information prevent the Company from naming any of the parties involved.

The options discussed with the above mentioned parties include a loan in exchange for equity, secured debt loan against Vallenar Iron's assets, signing an MOU to provide final product and port development.

The Board wishes to stress to shareholders the Directors and staff of Admiralty and VIC continue to work with these parties and continue seeking for potential interested parties in order to find an outcome that return the most value to shareholders.

The Board expects to be able in to be in a position to provide a further update on the joint venture discussions prior to the end of the second quarter of 2010.

Yours faithfully,



Stephen C. Prior
Executive Director

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

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