



NEWS RELEASE

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SCM VALLENAR IRON ACCEPTS AN OFFER FOR US\$9.9m FOR THE SALE STOCKPILED MATERIAL & MINING EQUIPMENT

The Board of Admiralty Resources NL is pleased to announce that its fully owned subsidiary, SCM Vallenar Iron Company, has received and accepted an offer to purchase the company's waste and low grade reject stockpiles plus the remaining components of the processing plant used at the Japonesa mine for a price of US\$9,900,000 (including VAT). Payments are expected to be received over a 20 months period.

This commercial transaction effectively turns what was considered zero value waste products derived from the former mining operations at the Japonesa mine into commercial resources and provides the opportunity to substantially improve the operating liquidity of the company and its subsidiary and they will be used as follows:

- Cover the running expenses of the company;
- Fund a geological exploration program focused on increasing SCM Vallenar Iron Company's mineral resources, identifying additional resources within the five ore bodies where JORC compliant exploration has already begun (Japonesa, Japonesita, Mariposa, Primavera and Mirador) and identify new mineral resources within the other four ore bodies of the Japonesa group of mines (Negrita, Soberana, Viviana and Chillán Viejo); and
- Strengthen the position of the company in the discussions with various parties that have expressed an interest in pursuing a joint venture opportunity to exploit the Chilean iron ore assets.

Yours faithfully, _____

Stephen C. Prior
Company Secretary

Further information on Admiralty Resources NL can be found on our Internet site:
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