



Admiralty Resources NL
ACN 010 195 972

Level 6, 150 Queen Street
Melbourne VIC 3000

[t] +61-3-9642 3535
[f] +61-3-9670 8965
[w] www.ady.com.au

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

JORC Measured Resource Estimate 55,700 tonnes of Borate
JORC Total Resource Estimate 129,800 tonnes of Borate
Production of 230,600 tonnes Boric Acid, with Mine Life Revenues of US\$92 million at current prices of \$400 per tonne.

The Board of Admiralty Resources is pleased to announce that it has acquired tenements covering a surface mine at Salar Olaroz salt lake in Argentina. This tenement is close to the Rincon Salar Argentina tenements already owned by Admiralty Resources. Admiralty Resources paid USD650,000 for the tenements.

The newly acquired tenements will be used to mine ulexite, from which boric acid will be extracted. This is an opportunistic acquisition in line with board strategy of developing the Rincon Salar salt lake. The board estimates that this business will generate sufficient revenue from operations to pay back the investment cost of the tenement and plant within 18 months of commencing construction of the plant. The mine will then generate revenue which will be used to support the development of Admiralty Resources other mines in Argentina.

Dr Carlos Sorentino of Ekos Research Pty Ltd has provided a JORC (Australasian Joint Ore Reserves Committee) compliant measured resource calculation of the Ulexite deposit at the Rapè mine located at the Salar de Olaroz, which is in close proximity to the Rincon Salar. Dr Sorentino's report is attached.

Inferred, Indicated and Measured Resources

Dr Sorentino sets out three estimations in his report, each with a higher degree of accuracy (measured being the highest). Each estimation calculates the amount of Borate (B_2O_3) and the Boric acid equivalent as H_3BO_3 .

The table of results is set out below:

	Volume m ³	Mean thickness cm	Tonnage t	Grade, expressed as B ₂ O ₃	Contained mineral	
					as B ₂ O ₃ t	as H ₃ BO ₃ t
Measured Mineral Resource	215,000	33	301,000	18.5%	55,700	98,900
Indicated Mineral Resource	186,350	96	261,000	15.7%	41,000	72,900
Inferred Mineral Resource	196,700	35	275,000	12.0%	33,100	58,800
Mineral Resources Total	598,050		837,000		129,800	230,600

Mine Life

The rate of extraction of Borates is planned to be sufficient to produce up to 10,000 tonnes of Boric Acid per annum, implying a mine life of more than 23 years from total reserves. The Board has concluded that the mine life is more than sufficient to justify the proposed capital expenditure of US\$2.25 million (including acquisition costs).

Final Product Amounts and Revenues

The Board has computed that the 230,600 tonnes of boric acid equates to US\$92 million at current long term contract prices of US\$400 per tonne.

Market Size, Price and Applications

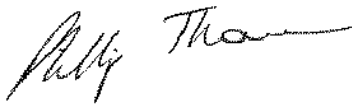
The market for Boric acid is very buoyant. Demand from fibreglass and specialty glass manufacturers continues. Details of sales and exports from the Salta province are detailed in Appendix 2. The current retail price for a 22 kilogram bag is US\$3,600 per tonne. Long term contracts are around US\$400 per tonne.

Commissioning the Plant

A tender to design, construct and build the plant has been completed and the successful tenderer will be announced shortly. They are expected to commence in late September 2005.

For more details on Admiralty Resources NL please go to www.ady.com.au.

Yours sincerely



Phillip Thomas
Managing Director
Admiralty Resources NL
[t] +61-3-9642 3535
[f] +61-3-9670 8965
[e] pthomas@ady.com.au

Appendix One

THE OCCURRENCE OF ULEXITE IN THE RAPÉ MINE

JORC Report for Admiralty Resources NL

Introduction

Admiralty Resources N.L. (ADY) commissioned Dr. Carlos Sorentino to carry out a due diligence on the ulexite Rapé Mine (pronounced Ra-pay) located in the Salar de Olaroz, province of Jujuy, Argentine.

ADY is interested in producing approximately 6,000 tonnes per year of boric acid, H_3BO_3 from ulexite ^[1] occurring in the Salar de Olaroz.

The Salar de Olaroz

In the Argentinean Puna, evaporitic strata accumulation began about 15 Ma in a process that is still continuing, and currently covers about 5,000 km² in 16 distinct evaporitic bodies, 'salares' in Spanish (Figure 1) ² These salares vary in surface area from 1600 km² in Arizaro down to 40 km² in Diablillos and, collectively, constitute one of the largest evaporites in the world. Similar evaporitic deposits exist in the Chilean Puna and in the Bolivian Altiplano.

The Salar de Olaroz is located in the Jujuy Puna. The geographical coordinates for its centre are approximately 66° 45' W and 25° 30' S. With a perimeter of some 60 km, the Salar covers an area of 160 km² and has a catchment area of 2,350 km². The Salar is located 3,800 m above sea level.

The dominant boron mineral occurs as a surficial layer of ulexite, a playa, occurring as strata of up to 1.5 m of ulexite mineral or as ulexite crystallised as cotton balls varying from less than 2 and up to 20 cm in diameter.

In 1926, Catalano ³ carried out a detailed survey of the Olaroz Salar, including 326 boreholes, to study the development and distribution of borate layers. Apart from ulexite and tincal, he also reports the presence of hydroboracite ⁴ and colemanite ⁵ minerals that have not been confirmed in later studies.

Borate concentrations are related to a fault located in the Salar's western boundary that is expressed in the surface and shows signs of hydrothermal activity. A wide calc-sinter platform and some geyser cones are evident on the slopes of the Salar. Tincal and ulexite are associated with boron flows from

¹ **Ulexite** has a formula of $\text{B}_2\text{O}_6(\text{OH})_6$. It is composed of three borate tetrahedrons and two borate triangular groups. Ulexite is found with the mineral borax and is directly deposited in arid regions from the evaporation of water in intermittent lakes called playas. Ulexite may form a "cotton ball" ("papas" in Spanish) tuft of acicular crystals. Ulexite is also found in a vein-like bedding habit made of closely-packed fibrous crystals, known as "bars" ("barras" in Spanish)

² Sorentino, C.; (2005) "Evaporites of the Argentinean Puna. A rich endowment of industrial minerals." Australian Institute of Geoscientists Bulletin No. 41.

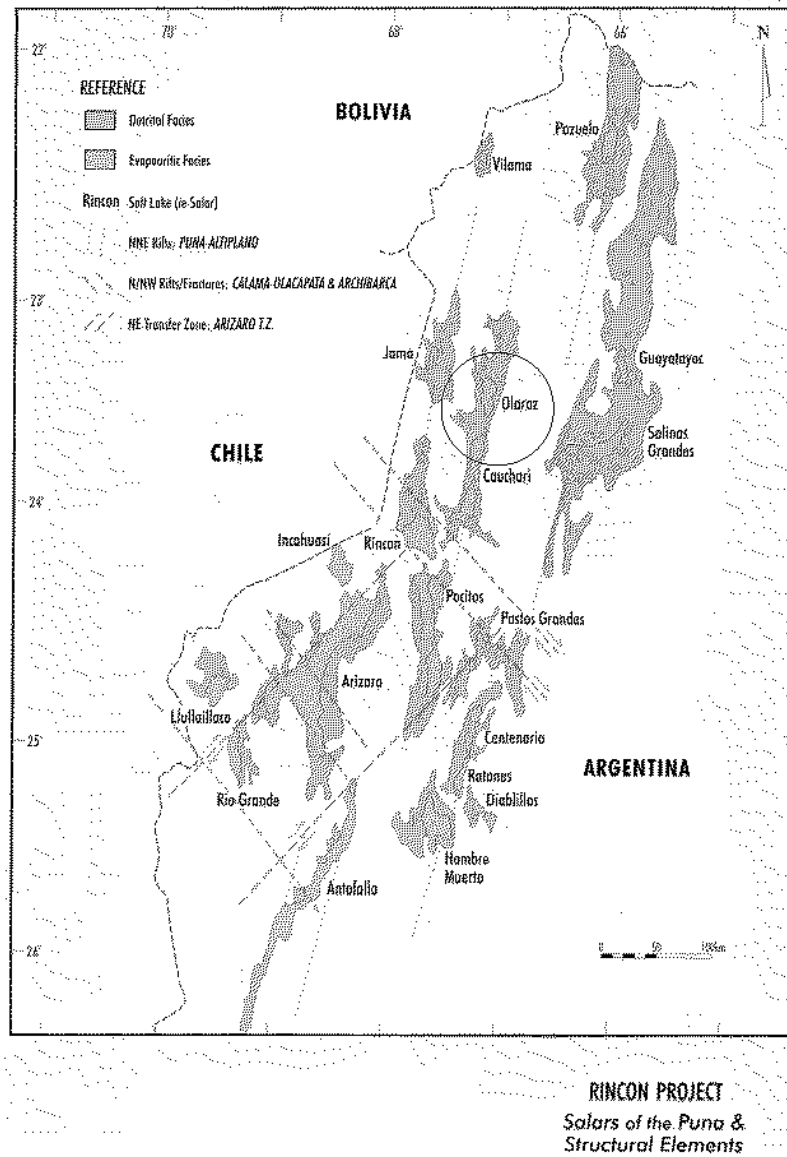
³ Catalano, L (1926) "Geología de los yacimientos de boratos y materiales de las cuencas". Dirección General de Minas, Geología e Hidrología, Publicación 23, 110 p, Buenos Aires.

⁴ **Hydroboracite** is a hydrated calcium magnesium borate with formula $\text{CaMgB}_6\text{O}_{11} \cdot 6\text{H}_2\text{O}$, forming monoclinic crystal. Hydroboracite is an uncommon borate mineral, forming silky, fibrous crystal clusters.

⁵ **Colemanite** is a hydrated calcium borate hydroxide with formula $\text{CaB}_2\text{O}_4(\text{OH})_3 \cdot \text{H}_2\text{O}$. The mineral, found in evaporitic playas, contains very long chains of interlocking $\text{BO}_2(\text{OH})$ triangles and $\text{BO}_3(\text{OH})$ tetrahedrons with calcium, water and hydroxides interspersed between the chains.

extinguished hydrothermal fountains located alongside important fractures adjacent to the Salar's western boundary.⁶

Figure 1 Salares of the Argentine Puna showing major structural elements



⁶ Alonso, R N (1998) "Los Boratos de la Puna", Cámara de la Minería de Salta, Salta.

The Salar is covered by a number of mining titles and has been exploited for a considerable number of years. Borax and anhydrous borates have also been produced from other Salares such as Centenario, Ratones, Diablillos, Pozuelos and Pastos Grandes, resulting in Argentina being one of the world's three largest boron producers, with annual production reaching 350,000 t/y, all of it mined in the Puna. The reserves have been estimated to exceed 75 Mt expressed as B_2O_3 .

In mines operated by Borax Argentina located nearby, ulexite cotton balls containing about 29% B_2O_3 are mined with hydraulic excavators mounted on rubber tires and transported to shore in tipping trucks where the mineral is beneficiated by drying and screening prior to storage. During this treatment, the tincal mineral loses water, reaching 33% B_2O_3 . Similarly, ulexite enters the same beneficiation at a grade of 16% and leaves it at 26%. These grades provide an indication of the different economic value of these minerals.

Tincal^[7] is also present at Rapé in variable concentrations, occurring mainly in the centre and southern centre of the Salar. Tincal grows in euhedrals^[8] crystals of 3 to 5 cm diameter within a red to greyish clayish-lime matrix. Borax is also found in layers 1 to 1.5 m thick below the surface and covered by red to greyish sandy layers that often host ulexite nodules (Schalamuk et al, 1983, Alonso 1998).

Borax Argentina drilled its mines in Olaroz to depths of between 0.30 m and 5.50 m that showed a stratified sedimentary sequence consisting of borax intermingled in layers of black clay of fetid odour at 1.5 m of depth, beneath a boron-barren clay layer, in turn, overlaid by an ulexite lode: this sequence suggests that tincal was formed prior to the ulexite with a barren depositional episode between them – represented by the clay layers that separates both mineralisation episodes. Tincal occurs as evapocrystals grown in the black mud as individual euhedrals to sub-euhedrals crystals 3 cm to 5 cm long. The mineralised layer reaches up to 0.50 m in width. It is interesting to note the presence of sodium sulphate facies (a economic mineral) of variable thickness. A vast platform of travertine and saltpetre bed of thermal origin occurs in playas on the edges of the Salar.

The Rapé Mine

The Rapé Mine is located in the south-eastern border of the Salar, at 30.3 km from the town of Susques, and can be accessed by the National Road 51, a fully sealed double lane road that connects the provincial capitals of Salta and Jujuy with the Chilean deep sea ports of Tocopilla, Antofagasta and Iquique on the coast of the Pacific Ocean. The same road connects with the Argentinean road grid and allows freight to the consumers' ports of Rosario and Buenos Aires in Argentina and Sao Paulo in Brazil.

LEGAL STATUS

The Rapé Mine is registered to Dra. Graciela Comas in the Mining Court of Jujuy (Expte. N° 058-B-2.002). Admiralty Resources N.L. has expressed its intention to acquire this mine and contracts have been prepared.

⁷ **Tincal**, also known as **borax**, is a soft mineral with the chemical formula $Na_2B_4O_5(OH)_4 \cdot 8(H_2O)$. It is a white, yellowish, seldom bluish or greenish monoclinic crystal that in air dehydrates to **tincalconite**.

⁸ **Euhedral** or **idiomorphic** refers to a rock mineral bounded by the crystal faces peculiar to the species.

A Court Resolution dated 30 June 2005 (Nº 72-J-2.005) granted ten properties in a single mine named Rapé, covering 1907.37 Ha for the exploitation of ulexite and related borates. This Resolution also requests:

- (i) The cadastral survey and pegging of the mine, to be carried out not later than 31 September 2005;
- (ii) The inscription of the mine in the provincial Register of Mining Producers not later than 30 August 2005;
- (iii) The preparation within a period of 12 months of an investment plan in accordance with Article 217 of the Mining Code
- (iv) The preparation of an Environmental Impact Statement for the exploitation of the mine before commencing mining; and
- (v) The payment of a mining canon estimated at Arg\$6,000 per year (AUD 2,500) from the first semester of 2008.

Dra. Comas has requested an extension of the above deadlines, a common procedure in Argentinean Mining Courts that commonly results in a 90 days postponement of these dates.

Mineralization

In the property southern section, ulexite mineralization is expressed on the surface as a playa containing "cotton balls" of about 5 to 10 cm diameter, ranging from less than 2 cm to more than 20 cm in some parts of the property.

This playa has little or no overburden and has a thickness typically 30 to 40 cm and ranging from 25 to 120 cm.

Towards the centre of the property, the percentage of cotton balls decreases with a transition to bars indicative of erosional episodes that have removed some of the surface borates. In this part of the Salar, it is possible to observe bars and cotton balls with surface incrustations of yellowish clay mixed with gypsum, with a strong sulphide smell, indicating the proximity of the surficial mineralised layers to the barren depositional episode. It is possible that, as observed in other regions of this Salar, below this clay layer that underlies the surficial playa, there is an older sedimentary layer of tincal.

This mineralisation extends to two adjacent mines currently being exploited for the production of boric acid and calcined ulexite. These adjacent mines produce an average of 600 and 780 tonnes per month of ulexite, processed in plants located in Jujuy, much further away than the plant site proposed by ADY Resources Ltd, 100% owned subsidiary of Admiralty Resources NL. These adjacent plants use processes designed a few decades ago and thus are not as economically competitive as those that may be used by ADY.

The Rapé Mine was covered with a grid of 836 points surveyed and pegged topographically in the field by Mr. R. Moreno, a qualified surveyor. The grid covered the whole of the mine in the following spatial density:

Hole number	Spacing	Area covered
1 to 383	100 X 100 m	383 Ha
368 to 383	100 x 300 m	42 Ha
384 to 836	200 x 200 m	1804 Ha

On each grid point, a hole was excavated until reaching the clay layer underlying the mineralised playa. The lithology was documented and the material from the mineralised zones was collected and quartered by Mr. Luis Rojas, a qualified geologist working under the supervision of Dr. Carlos Sorentino.

Two composite samples from the mineralised section of each hole were bagged in impermeable polyethylene bags, one kept as a reference sample and another for the analysis of boron oxide (as B_2O_3), moisture, acid insoluble matter, sulphate (as SO_4) and chloride (as Cl). All results were expressed as a percent of the analysis weight by weight.

Samples from seventy four holes were selected for analysis representing the lithological facies observed in the holes. A number of samples were selected to create a statistically representative sample with a statistical confidence of 95% and a sampling error of 10%. The samples were analysed in the Minerals Laboratory of the Secretaria de Minas of the province of Salta, a locally accredited laboratory, under the supervision of Mr. Daniel Galli, a qualified industrial chemist.

The analytical data obtained was subject to non-parametric statistical tests that showed the samples belong to a homogenous population, thus establishing geological continuity in the mineralised playa. The samples, and thus the mineralization, exhibits a lognormal distribution with an average B_2O_3 concentration of 17.57 ± 3.61 % w/w with a skewness of 0.013 and a kurtosis of 2.303.

The resources of the Rapé Mine were estimated using a Krigging evaluation method as:

	Volume m^3	Mean thickness cm	Tonnage t	Grade, expressed as B_2O_3	Contained mineral	
					as B_2O_3 t	as H_3BO_3 t
Measured Mineral Resource	215,000	33	301,000	18.5%	55,700	98,900
Indicated Mineral Resource	186,350	96	261,000	15.7%	41,000	72,900
Inferred Mineral Resource	196,700	35	275,000	12.0%	33,100	58,800
Mineral Resources Total	598,050		837,000		129,800	230,600

A further 782,575 m^3 of material was classified as below grade mineralisation with surface grades below 10% of B_2O_3 .

Declaration

This statement was prepared by Dr. Carlos Sorentino who is a Fellow of the Australasian Institute of Mining and Metallurgy and a Member of the Mineral Industry Consultants Association. Dr. Sorentino is a competent person for the purposes of this report as defined in the 2004 edition of Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves published by the Australasian Institute of Mining and Metallurgy, the Minerals Council of Australia and the Australian Institute of Geoscientists. Dr. Sorentino consents to the publication of this statement in the form and context in which it appears.




CARLOS N. R. SORENTINO
MANAGEMENT
Mineral Industry Consultants
Association Founded 1999

Dr. Carlos Sorentino
2 August 2005

Appendix Two

APPLICATIONS FOR BORIC ACID AND BORATES

GLASS INDUSTRY: Boric silicates and thermal glass used for laboratory material, tubes, glasses, thermometers, etc. Also used for heat-resistant cooking utensils such as oven trays and those exposed to direct flame such as milk pots and coffeepots. Automobile lights. Lenses for bright signs and traffic lights. Lenses for glasses, Photographic cameras, telescopes, microscopes, etc. Glass fiber used as thermal and acoustic insulator.

ENAMELS: Manufacturing of long-lasting, easy-to-wash hard surfaces, such as those found in cooking stoves, washing machines, refrigerators, bath tubs, heaters, ovens, etc.

BAKED ENAMELS: vitreous enamel for the ceramics industry: glazed ceramics, floor tiles. Roof tiles, etc.

CHEMICAL BYPRODUCTS: Fluoro-borate, borate fluorine, boric alloys, boric carbon, ferroboration, etc. Boron hydride, borons, di-borons, boronic acids, borazines, etc.

- FRUIT GROWING: citrus washing and conservation.
- FUNGICIDES.
- COSMETICS AND PHARMACEUTICALS: Creams, lotions and facial powders, toothpaste, deodorants, shampoo, eye solutions, medicines.
- COLOR STABILIZERS.
- NON-FERROUS METAL REFINING: Chromium, Nickel, Copper, Lead, Aluminum, etc.
- INSECT SPRAYS.
- TANNING: finishing touches on leather and fur.
- TEXTILE INDUSTRY: finishing touches on fabrics.
- MEAT CONSERVATION.
- FIREPROOF PRODUCTS: fireproof protection of theater curtains, wall paper, fireproof suits
- PAINTS: latex-based paints.

Table from AUSTRADE Report May 2005 to Admiralty Resources NL

DESTINATION OF BORIC ACID EXPORTS 2004 – FROM SALTA, ARGENTINA COUNTRY TONS F.O.B (US\$)

Germany	20	7,600
Australia	192	71,040
Belgium	216	82,510
Brazil	17,015	6,782,982
Canada	1,945	884,928
China	2,256	832,402
Costa rica	308	119,490
Spain	580	223,100
U.s.a.	1,606	602,588
France	354	134,545
Guatemala	10	4,180

Holland	444	170,433
Hungary	20	8,000
India	3,430	1,364,512
Indonesia	65	25,580
England	41	16,540
Ireland	20	7,700
Italy	145	87,933
Malaysia	44	15,730
Mauritius	10	3,730
New zealand	72	27,960
South africa	545	215,500
Thailand	132	49,280
Uruguay	15	6,720
Venezuela	216	86,832
TOTAL	29,701	16,087,761

EXPORTS OF MINERAL PRODUCTS – PROVINCE OF SALTA

		2003		2004		2005
	tn	F.O.B. (U\$S)	tn	F.O.B. (U\$S)	tn	F.O.B. (U\$S)
Boric acid	7,918	3,129,472	11,599	4,649,612	29,701	11,831,814
Anhydrous borax	116	98,845	207	174,330	625	486,634
Decahydrated borax	6,480	2,794,503	2,720	956,966	4,745	1,815,498
Tetrahydrated borax					404	355,230
Pentahydrated borax	3,312	1,230,628	5,530	2,327,481	10,323	3,946,842
Sodium pentaborate	260	198,545	442	364,700	391	301,960
Sodium octoborate	720	573,172	458	383,686	2,498	2,075,637
Ulexite	6,219	494,956	1,212	78,024	5,798	681,896
Anhydrous ulexite	7,242	2,215,830	5,340	1,514,128	8,005	1,864,015
Colemanite	7,091	1,068,007	5,069	872,108	10,124	1,765,554
Hydroboracite	36,652	4,349,613	45,278	5,268,173	29,822	2,794,495
Perlite	1,853	144,392	1,379	110,706	910	104,871
Total	77,863	16,297,963	79,235	16,699,912	103,346	28,024,447