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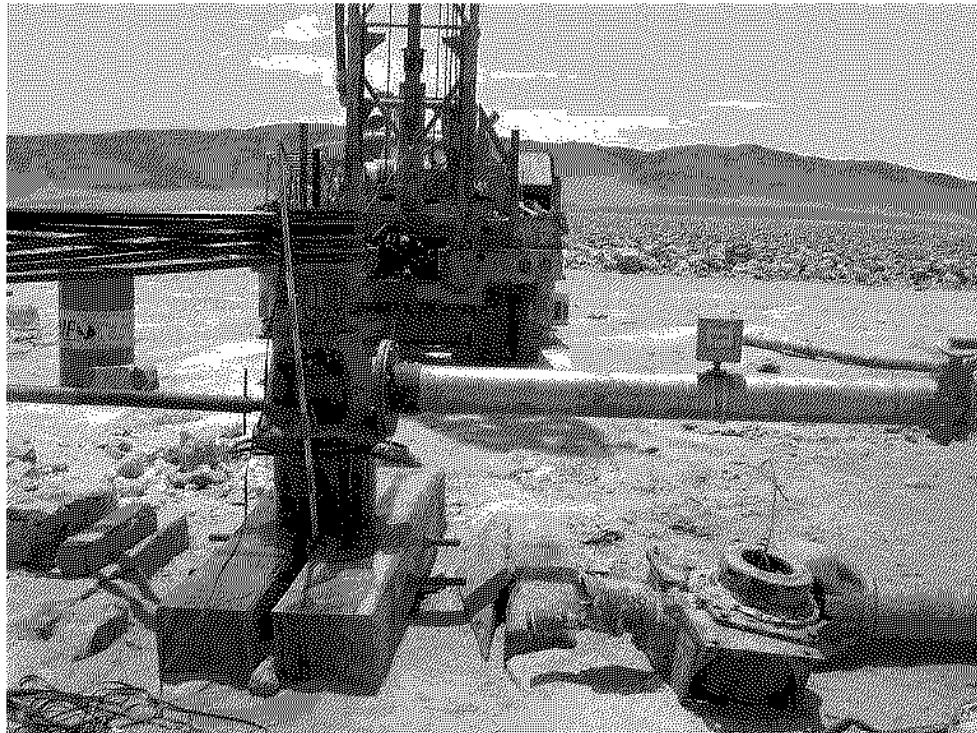
17 November 2006

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

RINCON SALAR UPDATE **Production Well Completed**

The board of Admiralty Resources NL is pleased to announce that our geo-hydrological engineers have completed testing and lining the first production well. Their November 2006 report states:

WELL WR5000 PUMPING TEST



Introduction

A pumping test to constant discharge was carried out in a well WR5000 to determine the hydraulic characteristics of the Salar del Rincon aquifer, including transmissibility (T), permeability (K) and storage coefficient (effective porosity). The data was evaluated by means of software using results from the pumping test and manually using the T and K curve values and interpolation.

Method and Analysis

The pumping test was carried out in the well WR5000, that has the follow construction features:

Final depth: 46.88 m
Casing: PVC
Diameter: 12"

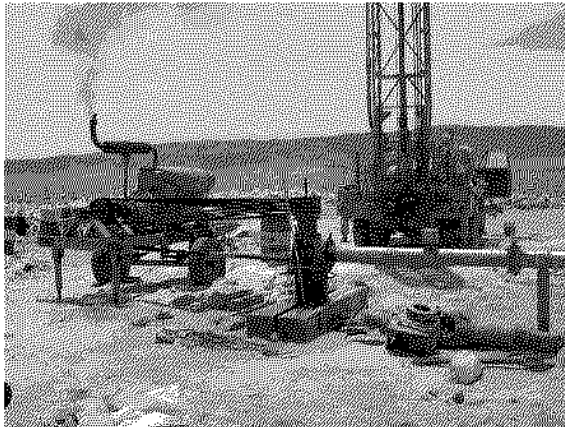
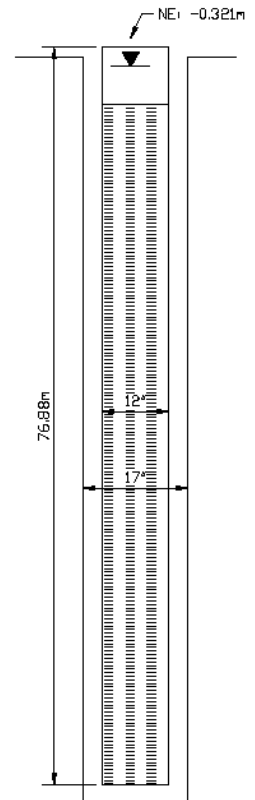


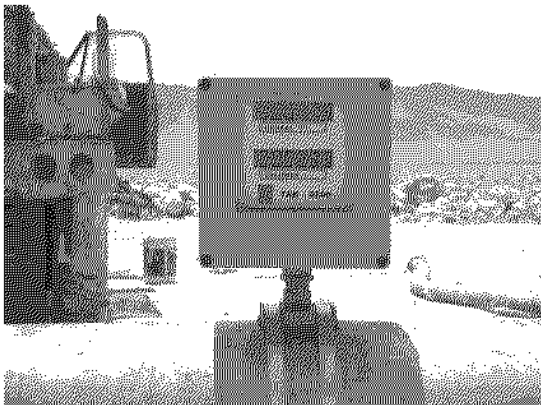
Photo 1. Motor and Pump
Well design

For the pumping test, a vertical turbine pump, Mark Jhoston, was used, located at 32m of depth, worked by means of pulleys to a 125 HP Deutz motor.



To avoid the recharge effect during the pumping, it was necessary to drive the extracted water 1500m by means of pipe of PVC.

The test was carried out with a constant discharge rate of 175 m³/h flow average during 360 minutes. It was measured in the observation drawdown well (r1) and the piezometer r2 and r3 located at 7.30m and 25.30m in the well. The flow discharge was measured by means of a digital flowmeter.



The data field was analyzed by Neuman's method to an unconfined aquifer.

The storage coefficient (S) in the unconfined aquifer, represented the effective porosity (m_e).

Photo 2. Digital Flowmeter

PUMPING TEST					
WELL:	WR500		Proyect	Salar del Rincón	
DEPTH TO PUMP	32m		DATE:	07/11/2006	
STAR			10:00	STOP	18:00

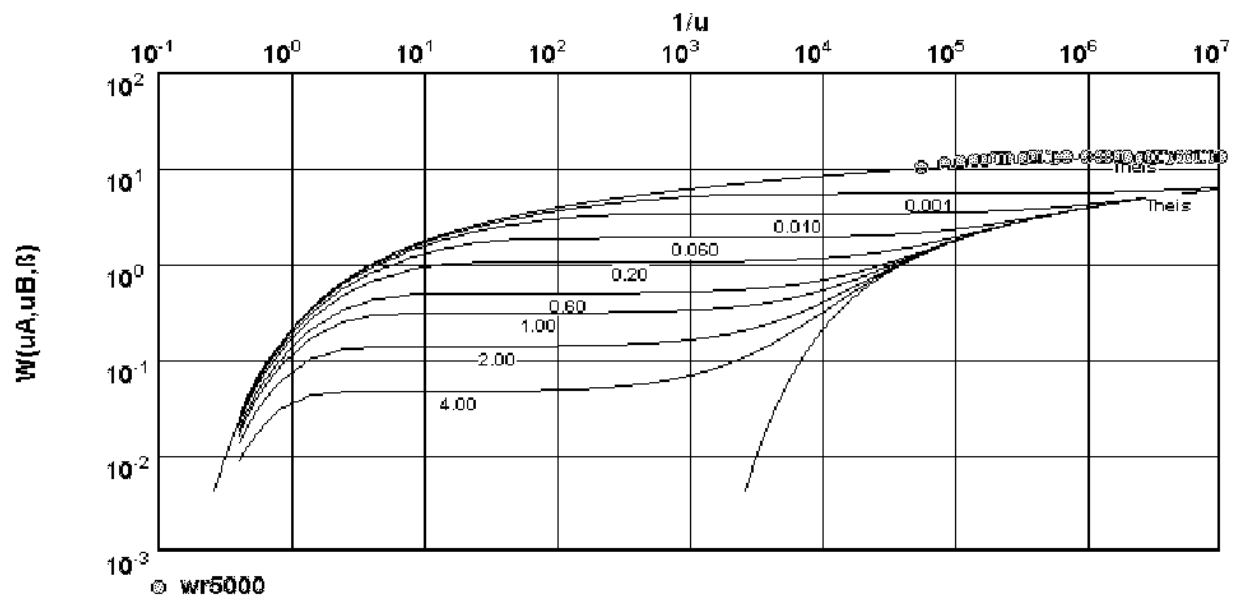
DISCHARGE RATE: 1750m³/h

TIME		WELL		Piezometer 2		Piezometer 3	
Hora	Minutos	Dist.(r ₁): 0.20m nitial water level: 0.331m		Dist.(r ₂):7.30m nitial water level:0.308m		Dist.(r ₃):25.30m nitial water level: 0.304m	
		Nivel Dinámico	Depresión	Nivel Dinámico	Depresión	Nivel Dinámico	Depresión
	2	0.358	0.027	0.31	0.002		
	3	0.36	0.029	0.311	0.003		
	4	0.362	0.031	0.312	0.004		
	5	0.362	0.031	0.312	0.004		
	6	0.363	0.032	0.312	0.004		
	7	0.364	0.033	0.312	0.004		
	8	0.365	0.034	0.312	0.004		
	9	0.365	0.034	0.312	0.004		
	10	0.365	0.034	0.312	0.004		
	12	0.365	0.034	0.312	0.004	0.305	0.001
	14	0.366	0.035	0.312	0.004	0.305	0.001
	16	0.367	0.036	0.312	0.004	0.305	0.001
	18	0.366	0.035	0.312	0.004	0.305	0.001
	20	0.364	0.033	0.312	0.004	0.305	0.001
	25	0.366	0.035	0.312	0.004	0.304	0
	35	0.366	0.035	0.312	0.004	0.304	0
	45	0.366	0.035	0.312	0.004	0.304	0
	50	0.366	0.035	0.312	0.004	0.305	0.001
1:00	60	0.366	0.035	0.312	0.004	0.304	0
1:10	70	0.366	0.035	0.312	0.004	0.304	0
1:30	90	0.365	0.034	0.312	0.004	0.304	0
1:45	105	0.366	0.035	0.312	0.004	0.305	0.001
2:00	120	0.366	0.035	0.312	0.004	0.304	0
2:15	135	0.366	0.035	0.312	0.004	0.304	0
2:30	150	0.365	0.034	0.312	0.004	0.304	0
3:00	180	0.366	0.035	0.312	0.004	0.304	0
3:30	210	0.366	0.035	0.312	0.004	0.304	0
4:00	240	0.366	0.035	0.312	0.004	0.304	0
4:30	270	0.366	0.035	0.312	0.004	0.304	0
5:00	300	0.366	0.035	0.312	0.004	0.304	0
06:00	360	0.366	0.035	0.312	0.004	0.304	0

Only the data from piezometer r₁ located 0.20m of the well of pumping was interpreted because the negligible drawdown registered in the piezometers r₂ and r₃.

Another analysis used manual fitting curves to the field data into a family of Neuman's curves, obtaining the following results:

The first interpretation was done using the AQUITEST software, obtaining the following results:



Transmissivity (T)[m²/min]: 8.99×10^1
 Storage coefficient (S): 3.32×10^{-1}
 Hydraulic conductivity (K) [m/min]: 1.95×10^0
 Effective porosity: 32.3%.

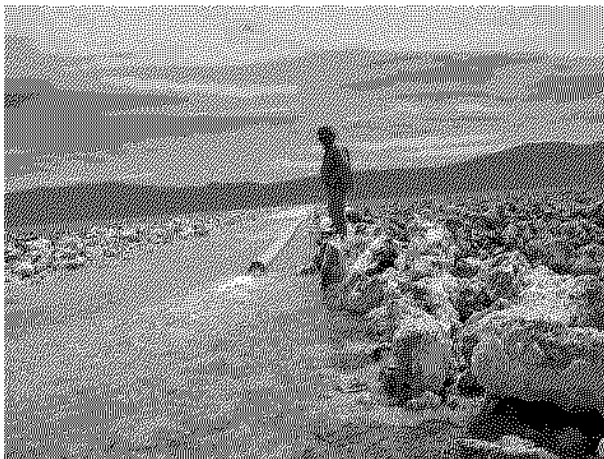


Photo 3. Discharge at 1500m to the well .
 piezometers.

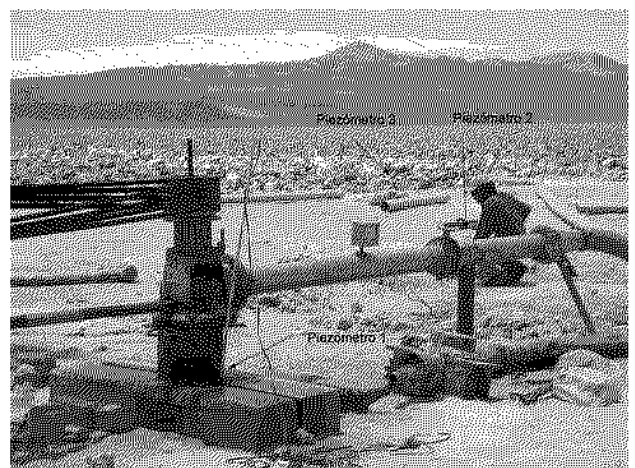
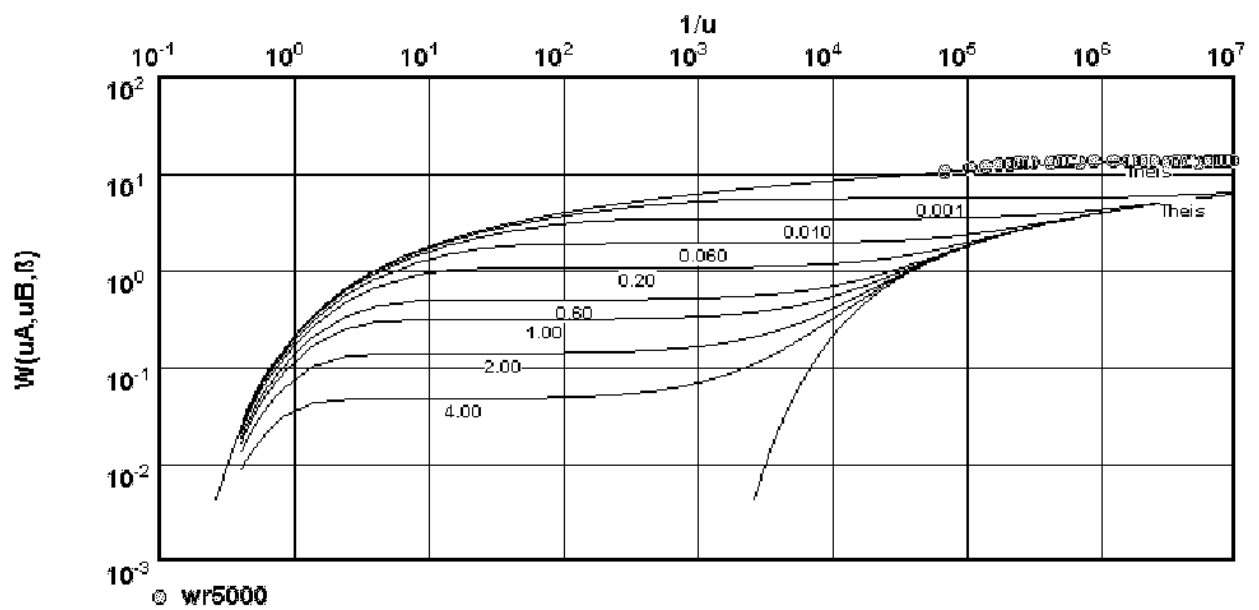


Photo 4. Well and
 piezometers.



Transmisividad [m^2/min]: 8.99×10^1

Coefficiente de almacenamiento 2.57×10^{-1}

Cond. hidráulica (K) [m/min]: 1.95×10^0

Transmissivity (T) [m^2/min]: 8.99×10^1

Storage coefficient (S): 2.57×10^{-1}

Hydraulic conductivity (K) [m/min]: 1.95×10^0

Effective porosity: 25.7%.



Photo 5. Discharge Casing PVC 8"

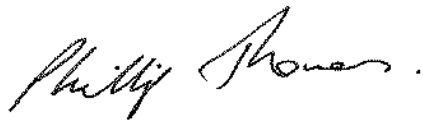
Conclusions

- The static level in the well is 0.331m

- Final drawdown to 175 m³/h in the piezometers 1, 2 and 3 are 0.035m, 0.004m and 0m.
- The aquifer parameters obtained, according to the Neuman's method for unconfined aquifers are the following:
 1. Transmissivity (T)[m²/min]: 8.99 x 10¹
 2. Storage coefficient (S): 2.57 x 10⁻¹
 3. Hydraulic conductivity (K)[m/min]: 1.95 x 10⁰
 4. Effective porosity: 25.7%.

A new JORC study of reserves will be completed now that the porosity is known to be more than three times higher than previously estimated, inferring a much larger resource than previously thought.

Yours sincerely,



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