

NEWS RELEASE

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Date 6 June 2008

Highlights

- **12 tonnes of 97% pure lithium carbonate produced YTD**
- **Next stage of pilot plant will produce 30 tonnes per month of 99.0+% Li_2CO_3 , targetted completion by November 2008**
- **10,000 tonnes of sodium sulphate produced from Rio Grande – 12 staff operating facility**
- **Potash purification facility to be installed soon**

The Board of Directors are delighted to report that progress at the Rincon Salar is progressing well. We have experienced very favourable evaporation conditions during the summer and our improved production process is now consistently producing high recoveries of lithium. The mass balance results have been outstanding in terms of minimal loss of lithium as the brine moves through the production process.

The Rincon team under the leadership of Drs Sorentino, Galli and Alonso have been able to produce 12 tonnes of lithium carbonate using our new production process and chemicals that we have produced ourselves. The lithium carbonate will be further purified to 99.0+% when additional equipment is installed which among other things produces sodium hydroxide.

Production of Potash will commence when the necessary equipment is installed to bring it up to 99.75% purity. The focus to date has been on lithium carbonate production but potash will commence soon.

We have acquired an R-C drill which we are sending to Argentina to assist our geological team with further work on our new lithium prospect and also in their search for potash deposits to supplement production from Rincon.

Rio Grande

The Rio Grande mine is fully operational producing 10,000 tonnes of sodium sulphate to date. This has already created savings of more than US\$1.3million (\$190 vs \$60 per tonne) to date compared to buying finished product. We need approximately 110,000 tonnes of sodium sulphate to produce 17,000 tonnes of lithium product. Rincon's strategy is to produce all our own input materials to keep our production costs as low as possible. We now have all these in place.

We have a team of twelve working at the Rio Grande and shortly we will be completing construction of permanent offices and a geological office facility.

17025 and ISO9000 Certification

The laboratory had its audit for this standard and met 99% of the requirements enabling it to certify the quality of our lithium, potash and other products when commercial production commences. Minor changes to the documentation have to be made, but the audit team were impressed with our procedures and process.

A new laboratory will be located adjacent to a planned 1,600 sq metre warehouse facility we are building near the township of Jujuy.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Phillip Thomas', followed by a horizontal line.

Phillip Thomas
Managing Director

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

Australia
Investor Relations
Tel: +61 3 9642 8787
Email: investors@ady.com.au

