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23 July 2007

Company Announcements Office
Australian Stock Exchange Limited
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RINCON LITHIUM AND POTASH RESERVE ESTIMATE
Lithium – Proven 911 thousand tonnes, Total 1,403,000 tonnes
Potash – Proven 33 million tonnes, Total 50.8 million tonnes

The Directors of Admiralty Resources NL are pleased to announce that its technical and marketing team have completed the **Reserve** estimate for its Rincon Salar project in Northern Argentina. The detailed report is attached.

The Reserve summary is set out below:

(1) Lithium Reserves, expressed as Li metal, after 75% recovery:

	Low	Expected	High	Uncertainty of the estimate
	Thousand tonnes			
Proved Reserves	746	911±53	1,098	±10%
Probable Reserves	288	492±72	762	±25%
Total Reserves	1,035	1,403±126	1,861	±15%

(2) Potash Reserves, expressed as KCl, after 70% recovery:

	Low	Expected	High	Uncertainty of the estimate
	Million tonnes			
Proved Reserves	27.1	33.0±1.9	39.5	±10%
Probable Reserves	10.5	17.8±2.6	27.4	±24%
Total Reserves	37.5	50.8±4.5	67.0	±15%

This Reserve calculation has increased the size of the deposit, from the previous resource calculation of inferred resources from 253,000 tonnes of lithium to 1,403,000 tonnes, a 5.5 times increase, and an upgrade of the status from an inferred resource to proved and probable reserve. The potash reserve also increased from 2.48 million tonnes (potassium), which is equivalent to 4.728 million tonnes of potash to 50.8 million tonnes. These reserves will last approximately 400 years at the current production target of 17,000 tonnes of lithium carbonate, chloride and hydroxide per annum.

The conversion ratio from lithium to lithium carbonate is 5.32, implying a reserve of 7.46 million tonnes of lithium carbonate at $6,000 per tonne (2006 price quoted by Industrial Minerals) with a historical value of $44.7billion. The conversion ratio to lithium Chloride from lithium metal is 6.12 and for lithium Hydroxide it is 1.49 times.

Construction progress continues at a satisfactory rate at the pilot plant with plastic pond liners and other important equipment being delivered shortly.

This proven and probable reserve estimate for the project will assist with the current negotiations for project financing for which the construction budget is US$106.4 million.

Yours sincerely,

Phillip Thomas
Managing Director
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Introduction

This resource statement applies to the mining properties to which Admiralty Resources has legal title in the Salar del Rincon, Argentina (Frías, R, 2007). This statement details the lithium and potash resources as of 23 July 2007 and has been prepared in accordance with the requirements of the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* (the 'JORC Code' or 'the Code') as required by Listing Rule 5.6 of the Australian Stock Exchange.

Location and Geology

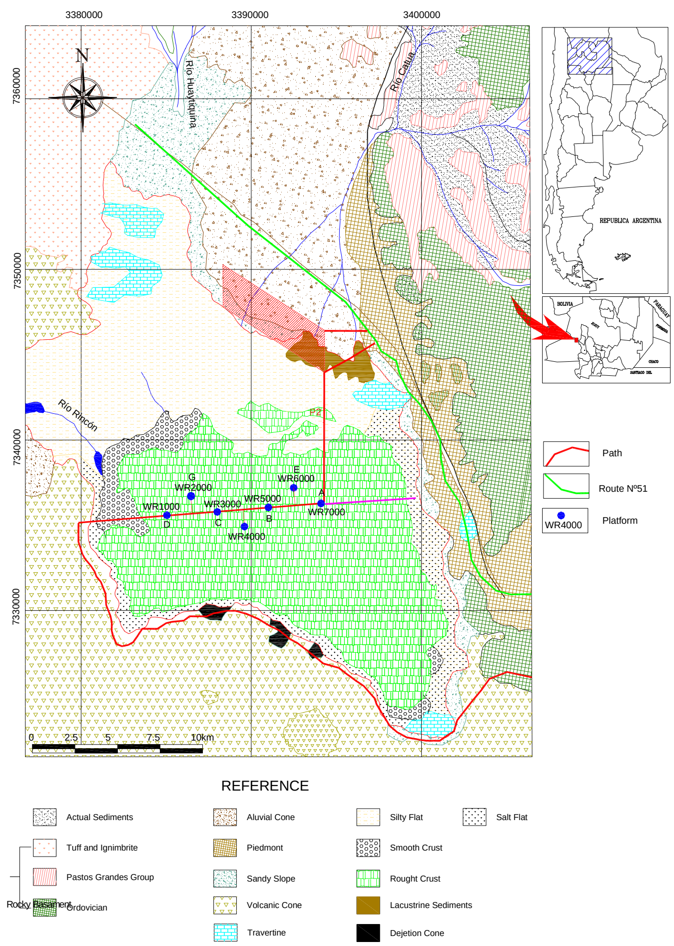


Figure 1

Located in the province of Salta, Argentina, the Salar del Rincón the centre is located at 24° 06' S and 67° 04' W, at an altitude of 3,740 metres above sea level.

Covering an area of 280 km^2, it drains a catchment area of about 2,200 km^2. Rincón has an endorheic (closed basin) hydrological regime with no outflow of water escaping the basin.

Lying unconformably at the intersection of three structural corridors, this Salar is located at the northern end of the Antofalla - Pocitos rift, which displays strong NNE to NE structural trends.

The western margin is dominated by the 5,600 m high Cerro Rincón, a Plio-Pleistocene andesitic strato-volcano while towards the NNW it is bound by a vast rhyodacitic plain of Pliocene age, the main source of the lithium and boron enrichment in the evaporite. Thermal mineral springs active along the eastern and western margins provide further input of lithium and boron enriched salts.

The Salar receives an inflow of waters from three sources:

- The Rio Catua, a well defined ephemeral drainage with a maximum seasonal surface flow of 30,000 l/h feeding into the NE margin of the basin;
- The Huaytiquina drainage, a series of ephemeral streams originating in the Cordillera Principal and draining across broad ignimbrites plains and alluvial piedmonts fans in the NNW margin of the basin; and
- The Quebrada del Rincón, a short stream that has a permanent flow of ≈3000 l/h, partly fed by thermal springs and partly by snow melting from the Cerro Rincón stratovolcano.

Annual evaporation in the Salar is a net of 3,000 mm, which ranks amongst the highest in the world but is typical of the extremely arid region where it is located, a region known as the Puna. The hydrological balance indicates the recharge is in balance with evaporation throughout it crystalline crust. With porosity ranging from 20% to 30% in the crystalline salt body, most of the Salar mass is made of supersaturated hyper saline brines protected from the extreme evaporation of the Puna by a relatively thin crust (40 to 50 cm) of salt.

The evaporite facias are dominated by halite fringed by early crystallising sulphate facias including gypsum and thenardite. The basin is hosted by impermeable Cenozoic andesite rocks dipping SW to NE, and by consolidated Ordovician sediments in the NE. The impermeability of these strata explains the endorheic regime of the deposit. The main crystalline body is a sponge-like mass partly salt, partly hyper saline brine in a state of dynamic crystallisation and re-dissolution equilibrium that gives rise to complex salts mixtures within a sodium chloride matrix. Halite (NaCl) is the predominant mineral of the solid phases, accounting for 85% to 90% of the salt mass. A marginal beach predominates in the western and eastern margins of the basin, made of finely graded saline argillaceous silts and muds with intermittent platforms of travertine ($CaCO_3$) of hydrothermal origin. Near the inner margins of the beaches, borate lenses have developed interstitially and cemented by saline argillaceous silts and muds. The observed boron minerals include ulexite ($NaCaB_5O_9 \bullet 8H_2O$) and tincal, a complex borate made of tincalconite (a pseudomorph with formula $Na_6B_{12}O_{15}(OH)_{12} \cdot 8H_2O$) and borax decahydrate ($Ba_2B_4O_7 \bullet 10H_2O$). In the interior of the Salar, some sulphate minerals crystallise the saline margins, much like in an evaporating lake system, depositing mainly gypsum ($CaSO_4 \bullet 2H_2O$), thenardite (Na_2SO_4) and lesser amounts of anhydrite ($CaSO_4$), mirabilite ($Na_2SO_4 \bullet 10H_2O$) and glauberite ($CaSO_4 \bullet Na_2SO_4$). The Salar surface is relatively flat but blocky and rugose, the result of minor seasonal rains and consequent dissolution of the surface salts and, more importantly, eolic forces that preferentially erode the softer sulphates minerals leaving in place the harder chlorides. This crust is a semipermeable membrane that protects the underlying brines, by reducing their evaporation only to that amount of solution that may be transported to the surface by capillary action. The phreatic levels begin 40 to 50 cm below the surface.

Properties

ADY Resources Limited, a 100% owned subsidiary of Admiralty Resources N.L., has clear title to the following properties:

Mine name	File number	Application date	Date granted	Type of title	Area in Hectares
Rincón	16.879	09/12/99	29/05/00	Mining Group (File No 18.119)	18,467.3
Rincón I	16.880	09/12/99	03/10/00		
Rincón II	16.881	09/12/99	29/05/00		
Rincón III	16.882	09/12/99	03/10/00		
Rincón IV	16.883	09/12/99	29/05/00		
Rincón V	16.884	09/12/99	03/10/00		
Rincón VII	16.983	13/04/00	02/10/00		
Rincón VIII	16.984	13/04/00	03/10/00		
Rincón IX	16.985	13/04/00	02/10/00		
Rincón X	16.986	13/04/00	03/10/00		
Rincón XI	16.987	13/04/00	02/10/00		
Rincón XII	16.988	13/04/00	03/10/00		
Rincón XIII	16.989	13/04/00	02/10/00		
Rincón XIV	16.990	13/04/00	03/10/00		
Rincón XV	16.991	13/04/00	02/10/00		
Adriana II	17.052	15/06/00	05/02/01		
Adriana III	17.053	15/06/00	02/10/00		
Adriana IV	17.054	15/06/00	29/12/00		
Adriana V	17.055	15/06/00	02/10/00		
Adriana VI	17.056	15/06/00	29/12/00		
Adriana VII	17.057	15/06/00	02/10/00		
Adriana VIII	17.058	15/06/00	29/12/00		
Adriana IX	17.059	15/06/00	29/12/00		
Silvina	9.084	08/09/00	07/12/06		
Alvaro	17.004	02/05/00	03/10/00		
Estela	5.449	08/09/01	13/03/00		
Rincón VI	16.982	13/04/00	03/10/00	Mine	204.0
Paula V	17.190	28/09/00	27/03/01		13.0
Paula XV	17.170	07/09/00	28/02/01		800.0
Belén IV	17.112	02/08/00	29/12/00		794.0
Inti	4.730	28/09/00	11/12/00		16.0
Belén	17.083	07/07/00	29/12/00		280.0
Belén I	17.084	07/07/00	29/12/00		690.0
La Costera I	18.589	17/11/06	19/03/07		1,052.0
La Costera II	18.590	17/11/06	08/05/07		1,100.0
Paula IV	17.160	17/11/06	02/05/07		800.0
Paula I	17.157	17/11/06	02/05/07		793.0
Yabiru	18.725	12/04/07	Pending		500.0
La Lucía	18.429	10/10/06	Pending	Limestone Quarry	40.0
Servitude	18.202	15/07/05	07/09/06	Servitude (Cauchari)	25.0
Servitude	18.470	30/06/06	Pending	Servitude (Rincón)	1,494.0

The total area, excluding the quarry and the Cauchari servitude, is 27,003.3 Ha (270 km^2).

A legal due diligence indicates that at the 29 August 2007, except for the Yabiru Mine and the La Lucía Quarry, ADY Resources Limited had clear and unencumbered right to all these properties. There are good reasons to assume that the three pending applications, the servitudes, the Yabiru Mine and the La Lucía Quarry, will be granted. In the eventuality that they were not granted, this would not affect in any form whatsoever the recovery of lithium and potash from the remaining properties.

Exploration

In June 2005, Geos Mining (Border, 2005) re-evaluated the results of a previous exploration, fourteen small diameter drill holes perforated in 1998 and 1999. These boreholes surveyed a small region of 65 hectares in the southern part of the Salar. Geos Mining concluded that, in this surface, the Salar contained an Inferred Resource of 253,000 t of lithium (expressed as lithium metal) and 4.8 Mt of potassium (expressed as potassium metal). In that report, Geos estimated porosity at 8% and noted, *"There are no test results available for the porosity of this Salar. Other Salares in this region have measured extractable brine porosities (effective porosities) between 7.8% and 8.9%. ... Therefore, we have assumed an effective saturated porosity of 8% for the Salar del Rincon."* The Geos report also noted a number of inconsistencies in the analytical information available commenting *"I have classified the whole resource as inferred, due mainly to the lack of directly measured effective porosity and some doubts over the results from hole 1 which may affect the estimated lithium concentrations."* Furthermore, Geos recommended Admiralty to undertake a *"program of confirmatory drilling, together with pumping tests, will enable the drilled portion of the resource to be upgraded to indicate."*

In 2006, Admiralty undertook a drilling program aimed to:

- o Extend the exploration to the whole of the Salar by drilling in the centre of the evaporite, a task that required considerable civil works to make accessible the highly rugose surface of the Salar.
- o Determine the chemical composition of the Salar brines.
- o Establish the effective porosity of the Salar.
- o Establish the geohydrological characteristics of the Salar

The details of this program are detailed in a separate report (Abraham and Dib Ashur, 2007). In summary, it consisted of drilling in the centre of the Salar seven large diameter production wells (WR wells, 300 mm diameter, Figure 1), each provided with two small diameter observation wells for piezometric studies (PPR wells, 60 mm diameter), one PPR located 5 metres west of the WR well it observes and the other PPR 10 meters due east of the WR well it observes.

Production wells	Piezometric wells	
WR1000	PPR1001	PPR1002
WR2000	PPR2001	PPR2002
WR3000	PPR3001	PPR3002
WR4000	PPR4001	PPR4002
WR5000	PPR5001	PPR5002
WR6000	PPR6001	PPR6002
WR7000	PPR7001	PPR7002

Between November 2006 and March 2007, the 7 large WR and 14 diamond drill PPR holes were perforated and tested (See location in Figure 1). The 14 PPR diamond drill piezometric holes were drilled with a BQ bit to 60 mm diameter. The cylindrical cores were recovered (core recovery rate of 92%) and the samples obtained were arranged in sealed plastic tubes and placed sequentially in 1.5 and 3 meters sample boxes. After drilling, each bore was cased with PVC to a final 40 mm diameter. The casing was fitted with a screen located at 10 meters intervals to allow vertical sampling of the brines. The WR series wells were designed for large scale pumping testing and as future production wells, effectively creating a production bore field in the centre of the Salar. The holes were continued until the underlaying sand beds were reached. These boreholes were drilled with a rotary Hole Master 1500 rig, using 17" bit to allow casing with 12" diameter PVC tubes. Pumping tests in a constant flow rate allows determining the hydraulic characteristics of the aquifer including transmissivity and storage coefficient, which in unconfined aquifers, represents the effective porosity of the evaporitic body

To confirm the results of the pumping tests, three central wells, WR3000, 4000 and 5000, were chosen for detailed geophysical logging including:

- o **Radioactive Logs**: Neutronic and Lithodensity and Gamma Spectral and Gamma Ray.
- o **Neutronic Log**: This log is used to determine porosity.
- o **Lithodensity Log**: This tool is used to determine the lithology and porosity (with a neutronic log). As a radioactive source ^{137}Cs is used. This source emits gamma rays which are measured by the detector to indicate the density of the surrounding material

- **Gamma Ray Log**: This tool measures the natural gamma activity of the formation. It is emitted mainly by K_{40} contents into the rock.
- **Spectral Gamma Ray**: This tool provides information about potassium, thorium and uranium, data used to identify the features of clay around the well bores.
- **Calliper Log**: This tool measures the borehole size with a mechanic arm.

Hydraulic characteristic of the Salar del Rincón's aquifer

The aquifer in the evaporitic body can be regarded as an unconfined aquifer with two distinct sections:

- The central section where large cavities and geodes (hollow salt structures) increase the effective porosity, and
- In the North and the East playas represented by WR6000 and WR7000, where there are thick clay beds, especially in the first 20 m and few if any cavities. These playas occupy about 7% of the Salar's surface.

The hydraulic characteristics of these two zones are:

Well	Effective porosity	Storage coefficient	Transmissivity	Permeability
	m_e, %	S	T, m^2/d	K, m/h
Central Zone				
WR1000	31.0	0.31	4.80 x 10^{-4}	0.00133
WR2000	38.0	0.38	2.27 x 10^{-5}	0.00539
WR3000	38.0	0.38	1.09 x 10^{-5}	0.00273
WR4000	37.0	0.37	1.12 x 10^{-5}	0.00253
WR5000	39.0	0.40	1.09 x 10^{-5}	0.00237
Arithmetic mean	**38.0**	**0.38**	**1.39 x 10^{-5}**	**0.00326**
Population's std dev	±1.3	±0.01	±8.34 x 10^{-5}	±0.0006
Playas				
WR6000	4.7	0.05	9.24 x 10-3	0.00220
WR7000	8.0	0.08	2.76 x 10-4	0.00673

The geophysical logging confirms these observations. It is interesting to note the contribution of cavities and geodes to the effective porosity: while the crystalline mass of the Salar has a porosity between 3% and 8%, the presence of very large cavities containing hypersaline solution increase the effective porosity to an average of 38.0±1.3: the system of interconnected caverns and geodes is that main contributor to the Salar's effective porosity.

The lithium and potassium reserves are contained in brines; hence, the estimation of the volume of brines contained in the Salar is one of the two critical parameters required to estimate the reserve. In the previously mentioned report, in the absence of firm data, Geos Mining assumed an effective porosity of 8%: in this sense, Geos Mining's assumption underestimated the resource by a factor of almost five.

Brines' chemical quality

a) Sampling and analytical systemic errors

During 2005 and 2006, Admiralty established a certified laboratory capable of analysing the ions of interest and carried out an extensive program of quality control aimed to minimise systemic analytical chemistry errors. The detailed results of this program are contained in a separate document.

The precision, accuracy and correctness of the analysis were determined in accordance to the APHA-AWWA-WPCF Standard Method 104 (APHA, AWWA, WPCF, 1999). Brine samples were collected and prepared in accordance to the APHA-AWWA-WPCF Standard Method 105 (APHA-AWWA-WPCF, 1999).

According to these standards, the laboratory *precision* is the reproducibility of a method when it is repeated in a homogenous sample under controlled conditions, regardless of whether or not the observed values are widely dispersed from the true value as a result of constant error present throughout the measurement. In the samples collected for chemical analysis, the laboratory precision in the determination of lithium showed a standard error of ±0.80%, while the determination of potassium has a precision error of ±0.87%

The laboratory accuracy is its ability of a measurement to match the actual value of the quantity being measured. In practice this is measured against standard samples, that is to say, samples that have been prepared from high purity chemicals and that have been analysed and certified by an organisation such as the Chemical Science and Technology Laboratory (CSTL) of the National Institute of Standards and Technology (NIST), the United States' reference laboratory for chemical measurements. In the case of lithium, the accuracy of the analysis performed on the brine samples was ±1.35% while the accuracy for K was ±0.97%.

The correctness of the analysis, determined according to APHA-AWWA-WPCF Standard Method 104 C (APHA-AWWA-WPCF, 1999) was -2.44 ± 1.85.

Given these ranges of precision, accuracy and correctness, the absolute maximum systemic error for the chemometric determination of lithium is ±4.8% and ±4.5% for potassium. These errors allow the grades to be estimated at a significance level of 95%.

b) Brines chemical analysis and concentration

The brines' chemical analysis is:

	Lithium	Potassium	
	expressed as Li^+	expressed as K^+	expressed as KCl
	mg/L		
Minimum at 95% CI	386	7,869	15,004
Arithmetic Mean	**397**	**8,070**	15,387
Maximum at 95% CI	409	8,270	15,769
Standard deviation	4.5	77.9	148
Skewness	0.049	-0.285	
Kurtosis	2.481	3.055	

It must be noted that the statistical moments indicate both lithium and potassium to have neither normal nor lognormal distributions. CI is an abbreviation for confidence interval.

c) Chemical homogeneity of the brines

The distribution of lithium and potassium both between holes and at different depths are shown in the following tables.

Well	Depth sampled, m				
	10	20	30	40	50
	Lithium, expressed as Li^+, mg/L				
PPR 1001	456	397	409		
PPR 1002	401	400	392	334	
PPR 2001	385	369	345	337	
PPR 2002	393	395	379	338	
PPR 3001	388	361	369	380	
PPR 3002	417	418	415	383	376
PPR 4001	394	426	390	427	370
PPR 4002	427	438	389	401	
PPR 5001	383	405	393	390	384
PPR 5002	444	456	449	408	453
PPR 6001	410	414	446	435	
PPR 6002	436	423	390	372	
PPR 7001	370	364	369	349	
PPR 7002	434	407	388	372	

Well	Depth sampled, m				
	10	20	30	40	50
	Potassium, expressed as K+, mg/L				
PPR 1001	8,141	7,836	8,072		
PPR 1002	7,898	7,990	7,659	7,156	
PPR 2001	7,346	7,510	7,038	6,584	
PPR 2002	7,965	7,918	7,696	6,632	
PPR 3001	8,756	8,018	8,137	8,692	
PPR 3002	8,638	8,393	8,394	7,585	7,200
PPR 4001	8,851	9,531	8,623	8,604	7,982
PPR 4002	8,449	8,520	8,022	7,859	
PPR 5001	8,177	8,331	8,018	7,850	7,813
PPR 5002	8,484	8,824	8,542	8,247	8,805
PPR 6001	8,419	8,508	8,854	8,762	
PPR 6002	8,911	8,505	7,791	7,497	
PPR 7001	7,907	7,368	7,411	7,889	
PPR 7002	8,505	7,978	7,660	7,355	

In these tables, each value is the average of four analytical determinations, two made using atomic adsorption spectrophotometry and the other using selective ion electrodes. As discussed previously, the lithium results have a systemic error of ±4.8%, while the error for potassium is ±4.5%.

The above tables, when grouped as contingent tables, allow a test of two null hypotheses:

(a) The ***Vertical Homogeneity Hypothesis*** postulates that the mean of each row is equal to the mean of each other row, that is to say:

$\boldsymbol{H_o}$: *Mean Li for PPR1001 = Mean Li of PPR1002 = ··· = Mean Li of PPR7002*

This is equivalent to postulate that the population of lithium is the same for all the observation wells, that is to say, that there are no differences in lithium concentration amongst any of the wells

(b) The ***Horizontal Homogeneity Hypothesis*** postulates that the mean of each column is equal to the mean of each other column, that is to say:

$\boldsymbol{H_o}$: *Mean Li for 10 m depth = Mean Li for 20 m dept = ··· etc*

This is equivalent to postulate that the population of lithium is the same, regardless the depth from where the sample was taken.

(c) The results obtained during this exploration were compared with the results of the previous exploration (Border, 2005) to the test the ***Vertical Homogeneity Hypothesis*** that there the mean of the results for each hole drilled in 2007 are the same as the means of the results obtained previously in the southern section of the Salar.

$\boldsymbol{H_o}$: *Mean Li 2007 = Mean Li 1997*

(d) The same three null hypotheses are postulated for potassium.

As it is known that the statistical distribution of these analysis are not Gaussian, these hypothesis were tested using three non-parametric tests of goodness of fit: Chi squared, Anderson and Kolgomorov. All three tests show that:

(1) There are no significant differences in the lithium and potassium content between wells,

(2) There are no significant differences in lithium and potassium concentration amongst samples from different depths.

(3) There are not significant differences between the concentrations observed in the wells drilled in 2007 and those drilled previously. This extend the are of influence to the whole of the Salar

(4) All of the above 6 two-tailed tests have a significance level lesser than 5%.

On the basis of these results, it is concluded that the Salar brines are *spatially homogenous* with respect of lithium and potassium concentrations; that is to say, **regardless of their origin, all brines have the same lithium and potassium concentration**.

These conclusions are supported by the chemical solubilities of lithium and potassium halides, both highly soluble ionic species and by the time that has been available to these salts to achieve thermodynamic equilibrium within the Salar brines.

Lithium and potassium reserves:

The results discussed above permit to quantify the magnitude of the lithium and potassium reserves. To effect the conversion from resources to reserves, the following facts must be kept in mind:

(a) Commercial Feasibility: During 2005 and 2006, Admiralty undertook extensive metallurgical testing in order to determine optimum process parameters for the extraction and separation of lithium chloride, potassium chloride and magnesium chloride from the brines contained in the Salar. These studies (Humana, 2007) established:

- The engineering parameters for an engineering feasible extractive process in the Salar.
- Determined that it is technically and commercially feasible to extract the chlorides of lithium and potassium from the Salar brines.
- Determined that it is feasible to produce commercially significant quantities of lithium chloride, lithium carbonate, lithium hydroxide, lithium metal and potassium chloride.
- Demonstrated that is not commercially feasible to extract magnesium or magnesium salts from these brines.
- Other salts, such as sodium chloride, produced in relatively pure form during the process of recovering lithium and potassium chloride, are of not economic interest.
- Therefore, this report is concerned only with the two cations of commercial interest, lithium and potassium.

(b) Marketing factors: Extensive research has demonstrated the feasibility of marketing significant quantities of lithium chloride, lithium carbonate, lithium hydroxide, lithium and potassium chloride.

(c) Environmental factors: The Salar del Rincón Project has obtained environmental approval from the relevant authorities. In addition to overall environmental consent, the Argentinean environmental legislation prescribes a continuos permitting system where every development activity requires approval at the time it is undertaken: Admiralty has obtained all these approvals and there are no known environmental reasons that could prevent Admiralty from exploiting the resources of the Salar del Rincón.

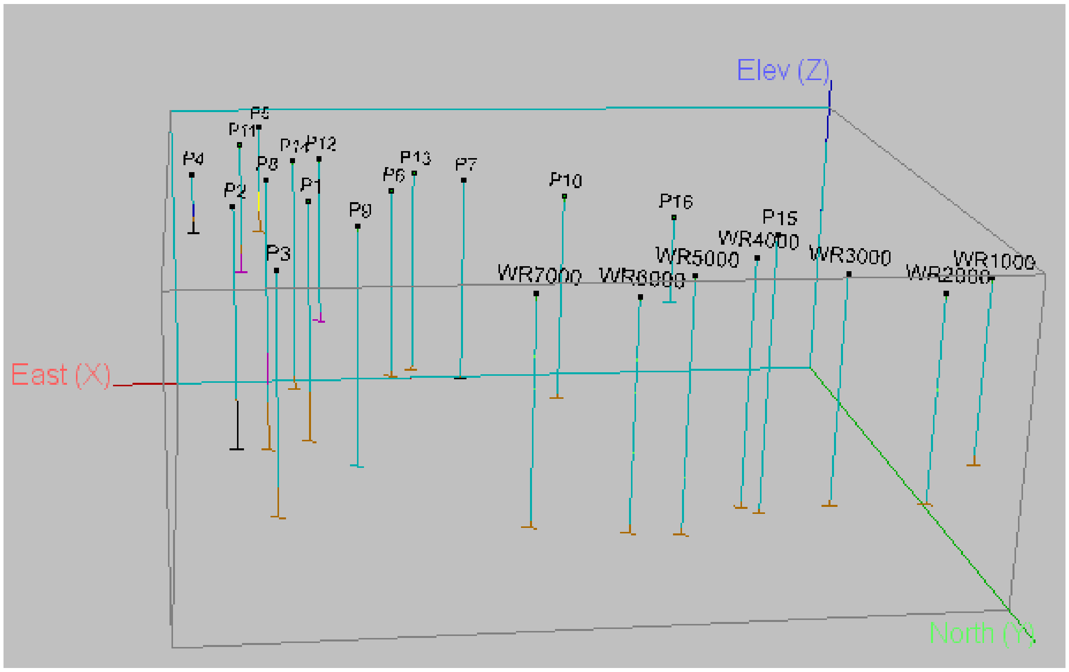
(d) Legal factors: There is no known legal reason that could prevent Admiralty from exploiting the resources of the Salar del Rincón.

(e) Social factors: Social surveys and day-to-day contact with aboriginal communities and with the larger community shows that there are no reasons that could prevent Admiralty from exploiting the resources of the Salar del Rincón.

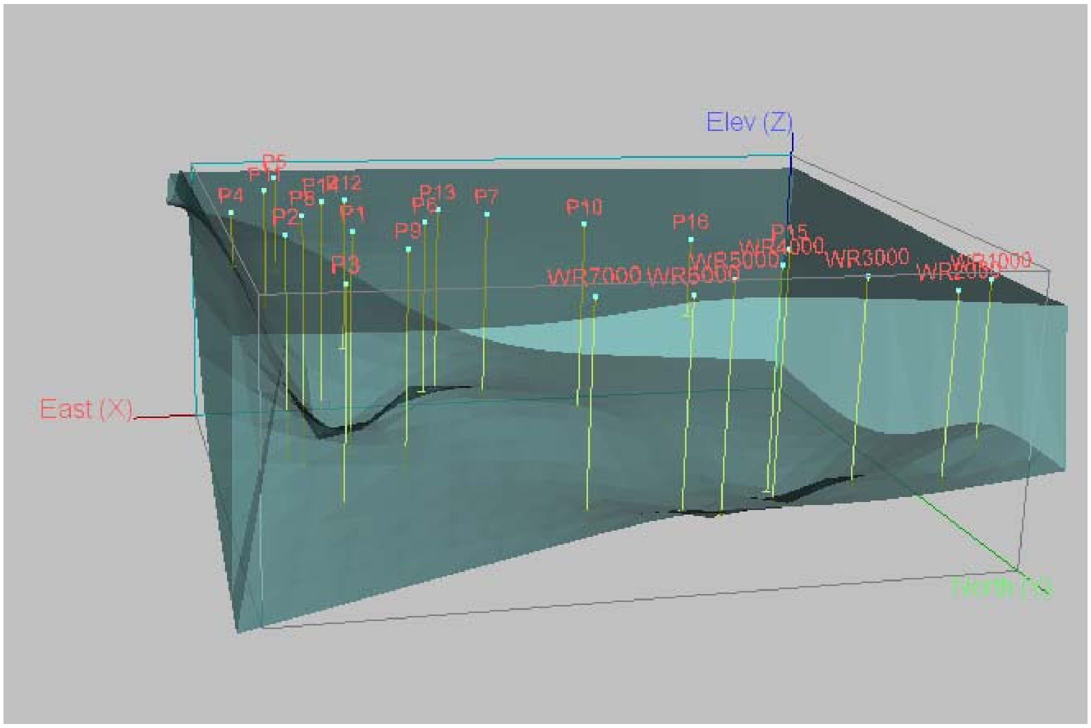
(f) Political factors: The provincial and nation governments have explicitly manifested their support for the project and there are no reasons that could prevent Admiralty from exploiting the resources of the Salar del Rincón.

In summary, these assessments and feasibility studies have taken into account mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors and demonstrate at the time of reporting that extraction could reasonably be justified, hence in this report the recoverable parts of the Measured and Indicated Mineral Resources of the Salar del Rincón have been converted to Probable Ore Reserves and Proved Ore Reserves.

Salar del Rincón
Wells Location



Geohydrological 3D Model



A block model of the lithium and potassium reserves contained in brines of the Salar del Rincon yield the following reserves:

(1) Lithium Reserves, expressed as Li metal, after 75% recovery:

	Low	**Expected**	High	Uncertainty of the estimate
	kilo tonnes			
Proved Reserves	746	**911±53**	1,098	±10%
Probable Reserves	288	**492±72**	762	±25%
Total reserves	1,035	**1,403±126**	1,861	±15%

(2) Potash Reserves, expressed as KCl, after 70% recovery:

	Low	**Expected**	High	Uncertainty of the estimate
	mega tonnes			
Proved Reserves	27.1	**33.0±1.9**	39.5	±10%
Probable Reserves	10.5	**17.8±2.6**	27.4	±24%
Total reserves	37.5	**50.8±4.5**	67.0	±15%

Competent Person Declaration

This report has been prepared by Dr. Carlos Sorentino who declares that:

1. He has read and understood the requirements of the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("2004 JORC Code").
2. He is a Competent Person as defined by the 2004 JORC Code, having five years experience which is relevant to the style of mineralisation and type of deposit described in the Report, and to the activity for which he is accepting responsibility.
3. He is a Fellow of The Australasian Institute of Mining and Metallurgy.
4. He is a Chartered Professional of The Australasian Institute of Mining and Metallurgy
5. He is a member of the Mining Industry Consulting Association.
6. He is employed as the Director of Technical Services of Admiralty Resources N.L. and ADY Resources Limited.
7. He has designed and supervised the geological exploration and the technical investigations described in this report.
8. He has full access to all other relevant information about the Project to which this report refers.
9. The Report is based on and fairly and accurately reflects in the form and context in which it appears, the information in my supporting documentation relating to Exploration Results, Mineral resources and Ore Reserves.

Consent

I consent to the release of the Report and this Consent Statement by the directors of Admiralty Resources N.L.

Signature of Competent Person
Fellow, Australasian Institute of Mining and Metallurgy

23 July 2007

Membership Number: 107343

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