

Date: 30 May 2013

## Update On Action Against Australis Mining Ltd

The Company's Quarterly Report dated 30 April 2013 for the quarter ended 31 March 2013 included, at page 8, the following information regarding the Company's dispute with Australis Mining Ltd and its shareholders:-

"Australis Mining Ltd ("Australis") currently has an outstanding debt of US\$1,700,000 to Admiralty.

This debt relates to the default of the mutually agreed deferred payment plan in 5 of the 8 instalments in respect of US\$1 million payable on 16 March 2012. The first three instalments of US\$100,000 were received, however the remaining US\$700,000 has been overdue since 16 October 2012.

Admiralty has been in discussions with Australis' management in this respect from June to October 2012, however no successful outcome was reached. As a result, Admiralty's external legal consultants, Hall & Wilcox, issued a Letter of Demand to Australis on 26 October 2012 for the outstanding debt to be paid.

Australis also defaulted on the fourth and last instalment of US\$1m for the cash consideration in respect of the sale of VIC on 16 November 2012, which triggered a second Letter of Demand to Australis requesting immediate payment and a call upon the guarantees issued by Corsair Capital Ltd ("**Corsair**") and Base Resources Ltd ("**Base**"), shareholders of Australis, in respect of the US\$1,700,000 outstanding to be paid within 7 days.

No payment was received from Australis, Corsair or Base, which triggered an '*event of default*' under the terms of the share mortgage over the Australis shares and that security became enforceable.

As a consequence, Admiralty instructed its legal counsel to proceed with legal action in order to recover the amounts due, which may include exercising Admiralty's security over the assets owned by VIC (mineral concessions in Harper North and the Punta Alcalde maritime concession) and proceedings were filed in the Supreme Court of Victoria in late November.

To date, all parties have been served with the proceeding, with Corsair and Base having filed an appearance and Australis a conditional appearance."

The Company advises that appearances from all three defendants have now been filed and the appearance of Australis is no longer conditional.

Further, the Company has received from each of Australis and Base a Defence and Counter-Claim which the Company and its solicitors are currently evaluating.

Yours faithfully,

**ADMIRALTY RESOURCES NL**

PER:

A handwritten signature in black ink, appearing to read 'M. Perry', with a stylized flourish at the end.

**Michael S. Perry**

Director and Acting-Chair

30 May 2013

## **About Admiralty Resources NL**

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Admiralty Resources NL is a public diversified mineral exploration company listed on the Australian Securities Exchange (ASX: ADY) with mineral interests in Chile and in Australia.

Admiralty's flagship projects are the iron ore districts in Chile: Harper South (2,498 Ha), Pampa Tololo (3,455 Ha) and Cojin (600 Ha). The districts are located in prime locations, with close and easy access to the Pan-American Highway (the major national route), a railway line and operating shipping ports. Admiralty's projects in Australia are the Bulman project, a lead and zinc project located in the Northern Territory and the Pyke Hill project, a cobalt and nickel project in Western Australia, whose mining lease is 50% owned by Admiralty.