

QUARTERLY ACTIVITIES REPORT

31 October 2016

For the quarter ended 30 September 2016

Admiralty Resources NL (ASX: ADY) is pleased to report its activities for the September 2016 quarter.

Exploration Activities

Soberana

The Company has engaged with Mr. Eduardo Guerra from Goldberg Partner Resources in Santiago in order to complete the full analysis of Fe content.

The Board continues to discuss project investment potential based on the company's successful Declaration of Environmental Impacts ("DIA") approval in 2015.

It is hoped that further analysis of Soberana in conjunction with the change in commodity price climate since the original DIA approval will assist in promoting the projects potential.

Mariposa

The Company has engaged with Ambiental Chile SPA to prepare and apply for DIA approval for the Mariposa project.

Preparations are currently in order for the company to likely be able to lodge the DIA for approval in the December 2016 quarter which will likely lead to a government consultation process.

DIA approval for the Mariposa project is important to ongoing relations between ADY and state owned China Nuclear Industry 22nd Construction Co. LTD ("CNI22").

The Board will continue to keep the market informed as the DIA process continues.

Australian Projects

No activity to report during the quarter.

Financing Activities

Convertible Note Facility Revision

On 30 September 2016 the Company announced that an extension and revision to the current Convertible Loan Facility Agreement had been executed with Smart East Global Limited ("**SEGL**") and Admiralty Resources (Hong Kong) Limited ("**Admiralty HK**").

SEGL has offered to provide an additional amount of up to US\$1,500,000 as an extension to the current facility. This would give the total facility a maximum drawdown value of US\$3,600,000 if fully drawn ("**Revised Facility**") and an agreed maturity date of 31 August 2018.

The terms of the revised facility are consistent with the current terms of the Convertible Loan Facility Agreement in place.

The Company will seek shareholder approval of the revised terms the 2016 AGM.

Corporate Activities

Directors Fees Suspended

The Company continues to suspend payment of directors' benefits to preserve their cash position and continues to monitor and manage operational expenditure.

2016 Annual General Meeting of Shareholders

The Company will hold its Annual General Meeting of shareholders on 29 November 2016. Notice of the AGM and related explanatory documents and proxy have been lodged with the ASX this day.

About Admiralty

Admiralty Resources NL (ASX: ADY) is a public diversified mineral exploration company listed on the Australian Securities Exchange 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 El Cojin (600 Ha). The districts are located in prime locations, with close and easy access to the Pan-American Highway (a major route), a railway and power 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.

Admiralty in Chile

The **Harper South district** ("Harper South") is the most advanced district in respect to exploration. To date, six targets have been confirmed as carriers of iron mineralisation: Mariposa, La Chulula, Soberana, Negrita, La Vaca and Mal Pelo.

- **Mariposa** has a JORC 2004 compliant resource of 174.5 Mt (*as per ASX announcement on 25/1/2013*). An engineering mine plan (or Prefeasibility Study) for an initial production of one million tonnes of finished product per annum has been commissioned to Redco Mining Engineers.
- **La Chulula**. The Mineral Resource Estimate quantifies the resources at La Chulula at 96 Mt at 24% Fe for a 15% Fe cut-off in the inferred category. The La Chulula resource estimate is based on the results obtained from the reverse circulation and diamond drilling campaign completed in 2012
- **Soberana** has a JORC 2004 compliant resource of 90.2 Mt (*as per ASX announcement on 15/1/2013*).

Pampa Tololo district - A high resolution ground magnetic survey carried out in 2011 identified three targets: Cochrane, O'Brien and Simpson. A reverse circulation drilling campaign of 3,311m took place at Simpson in July/August 2012. The results of this campaign are currently being evaluated by the Company.

El Cojin district - It is the least advanced of the Admiralty's projects in Chile, with the first piece of exploration work being a high resolution ground magnetic survey carried out in 2012. The survey identified 5 targets in total with 3 of them showing great depth and high susceptibility.

Issued capital

1,153,249,877 shares (as of 30 September 2016)

Board

Managing Director

Ms Qing Zhong

Non-executive Directors

Mr Hanrui Zhong

Mr Bin Li

Company Secretary

Mr Jarrod White

Contact

Suite 1602

87-89 Liverpool Street

Sydney NSW 2000

Australia

Phone: 1300 239 239

Fax: 1300 329 239

Email: investors@ady.com.au

Website: www.ady.com.au