



ADMIRALTY RESOURCES

Admiralty Resources NL
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NEWS RELEASE

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SECOND QUARTER CASHFLOW REPORT

Admiralty Resources NL ("**Admiralty**" or "**the Company**") submits its quarterly cash flow report in the form of Appendix 5B for the period ended 31 December 2010.

Admiralty's cash balance as at 31 December 2010 was approximately \$502,000.

Admiralty had negative net cash flows from operating activities during the period of approximately \$907,000. However, the Company anticipates significantly reduced future operating expenditure as a result of the completed sale of SCM Vallenar Iron Company "VIC" which occurred on 16 November 2010.

Also, as agreed under the contract of sale of VIC, Admiralty will receive approximately \$330,000 for reimbursement of costs paid during the transition of ownership of VIC. It is expected these funds will be received in the coming weeks.

Further, Admiralty will receive the next instalment of US\$1 million in July 2011 with another \$2 million due during 2012, in addition to a long-term royalty stream. Also, the Company currently has the ability to issue shares under listing rule 7.1 without having to refer the matter to shareholders for approval so funds could be raised on reasonably short notice if required.

For the reasons stated above, the Board of Directors are of the opinion that Admiralty will be able to meet the Company's cash flow and working capital requirements for the next 12 months and confirm that the Company is in compliance with the Listing Rules and in particular, with Listing Rules 3.1 and 12.2.

Yours sincerely,

Patrick Rossi
Company Secretary

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

Australia

Investor Relations

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Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

ADMIRALTY RESOURCES NL

ABN

74 010 195 972

Quarter ended ("current quarter")

31 DECEMBER 2010

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'ooo	Year to date (6 months) \$A'ooo
1.1	Receipts from product sales and related debtors	-	2
1.2	Payments for (a) exploration & evaluation	(43)	(96)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(865)	(1,950)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1	3
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
Net Operating Cash Flows		(907)	(2,041)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	(1)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	12	12
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	1,019	1,019
1.12	Other: (provide details if material)		
	(a) Costs to be reimbursed	(335)	(335)
Net investing cash flows		696	695
1.13	Total operating and investing cash flows (carried forward)	(211)	(1,346)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(211)	(1,346)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	638
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	200	200
1.17	Repayment of borrowings	(200)	(200)
1.18	Dividends paid	-	-
1.19	Costs of capital raising	-	(44)
	Net financing cash flows	-	594
	Net increase (decrease) in cash held	(211)	(752)
1.20	Cash at beginning of quarter/year to date	720	1,265
1.21	Exchange rate adjustments to item 1.20	(7)	(11)
1.22	Cash at end of quarter	502	502

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	165
1.24 Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

The amount at 1.23 includes payments of director's fees and payments to a related party of Stephen Prior, Prior & Co Pty Ltd, for company secretary and administrative services, and the rental of office premises.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	(100)
4.2 Development - Option payment on mining tenement	(280)
4.3 Production	-
4.4 Administration	(400)
Total	(780)

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	502	720
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	502	720

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	As per Figure 1	Interests disposed upon completion of transaction with Icarus Derivates Ltd.	100%	0%
6.2 Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

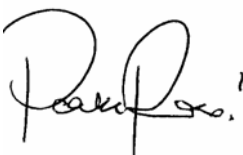
Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities <i>(description)</i>	NIL	NIL		
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+Ordinary securities	482,170,235	482,170,235		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	(a) NIL (b) 1,928,678,288	(a) NIL (b) 1,928,678,288	(a) NIL (b) NIL (Consolidation completed on basis of 1 new share for every 5 held.)	(a) NIL (b) NIL
7.5	+Convertible debt securities <i>(description)</i>	NIL	NIL		
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>(description and conversion factor)</i>	NIL	NIL	<i>Exercise price</i>	<i>Expiry date</i>
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>	NIL	NIL		
7.12	Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 31/ 1 / 2011
(Company secretary)

Print name: Patrick Rossi

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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Appendix 5B

Mining exploration entity quarterly report

Figure 1 – Mining tenements disposed of upon completion of transaction with Icarus Derivatives Ltd.

<i>Tenement Reference</i>	<i>Registered Holder</i>	<i>Country</i>	<i>Project Group</i>
<i>NORTHERN REGION - HARPER GEOLOGICAL DISTRICT</i>			
Japonesa 1-8	Sociedad Contractual Minera Vallenar Iron Company	Chile	Japonesa Group
Japonesa 1-17	Sociedad Contractual Minera Vallenar Iron Company	Chile	Japonesa Group
Phil	Sociedad Contractual Minera Vallenar Iron Company	Chile	Japonesa Group
Gibaiju 1-9	Sociedad Contractual Minera Vallenar Iron Company	Chile	Japonesa Group
Pamela 1-7	Sociedad Contractual Minera Vallenar Iron Company	Chile	Japonesa Group
Tatiana 1-3	Sociedad Contractual Minera Vallenar Iron Company	Chile	Japonesa Group
Phil Tres 1-20	Sociedad Contractual Minera Vallenar Iron Company	Chile	Japonesa Group
Leo Dos 1-40	Sociedad Contractual Minera Vallenar Iron Company	Chile	Japonesa Group
Leo 20, 1-40	Sociedad Contractual Minera Vallenar Iron Company	Chile	Japonesa Group
Zapallo Uno, 1-30	Sociedad Contractual Minera Vallenar Iron Company	Chile	Japonesa Group
Zapallo Dos, 1-30	Sociedad Contractual Minera Vallenar Iron Company	Chile	Japonesa Group
Mirador 1-30	Sociedad Contractual Minera Vallenar Iron Company	Chile	Mirador Group
Phil Dos 1-7	Sociedad Contractual Minera Vallenar Iron Company	Chile	Mirador Group
Leo Quince, 1-60	Sociedad Contractual Minera Vallenar Iron Company	Chile	Mirador Group
Chinchilla Cuatro 1-20	Sociedad Contractual Minera Vallenar Iron Company	Chile	Mirador Group
Leo Tres, 1-40	Sociedad Contractual Minera Vallenar Iron Company	Chile	Chillán Viejo Group
Leo Cuatro, 1-40	Sociedad Contractual Minera Vallenar Iron Company	Chile	Chillán Viejo Group
Paco 1-2	Sociedad Contractual Minera Vallenar Iron Company	Chile	Chillán Viejo Group
Chinchilla Dos 1-40	Sociedad Contractual Minera Vallenar Iron Company	Chile	Chillán Viejo Group
Chinchilla Tres 1-40	Sociedad Contractual Minera Vallenar Iron Company	Chile	Chillán Viejo Group
Chivi Uno	Sociedad Contractual Minera Vallenar Iron Company	Chile	Chillán Viejo Group
Chivi Dos	Sociedad Contractual Minera Vallenar Iron Company	Chile	Chillán Viejo Group
Leo Uno, 1	Sociedad Contractual Minera Vallenar Iron Company	Chile	Viviana Group
Zapallo Cinco, 1-30	Sociedad Contractual Minera Vallenar Iron Company	Chile	Viviana Group
Chinchilla Uno, 1-40	Sociedad Contractual Minera Vallenar Iron Company	Chile	Viviana Group
Natasha 1-5	Sociedad Contractual Minera Vallenar Iron Company	Chile	Primavera Group
Zapallo Tres, 1-30	Sociedad Contractual Minera Vallenar Iron Company	Chile	Primavera Group
Leo 16, 1-40	Sociedad Contractual Minera Vallenar Iron Company	Chile	Primavera Group
Leo 7, 1-40	Sociedad Contractual Minera Vallenar Iron Company	Chile	Primavera Group
Dani Dos	Sociedad Contractual Minera Vallenar Iron Company	Chile	Primavera Group
Dani Tres	Sociedad Contractual Minera Vallenar Iron Company	Chile	Primavera Group

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