

## Convertible Loan Facility Agreement

**Sydney, Australia, 30 September 2016.** Admiralty Resources NL (ASX: ADY) (“**the Company**”) is pleased to announce that it has executed an extension and revision to the current Convertible Loan Facility Agreement (“**the Agreement**”) with Smart East Global Limited (“**SEGL**”) and Admiralty Resources (Hong Kong) Limited (“**Admiralty HK**”).

Following a previous conversion of US\$900,000 of debt into equity under the Agreement as announced in June this year the face value of the facility had reduced to US\$2,100,000 with a maturity date of 30 June 2017.

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.

In advance of preparing final legal documentation that will be consistent with the terms of the current facility, SEGL and the Company have executed and countersigned a letter outlining the key Revised Facility terms. On this basis SEGL has already advanced AUD \$300,000 in funding under the extension to the facility and the Company will imminently move to finalising documentation of the revised facility.

The Agreement and by extension the Revised Facility provides for the facility and additional drawdowns amounts to be drawn to Admiralty HK, a fully owned subsidiary of the Company, and grants SEGL an option to convert any of the loan sums or the aggregate of same (together with any accrued interest) into ordinary shares in the Company.

The loans under the Agreement bear interest at a rate of 12% per annum. Interest is payable by the Company quarterly in arrears. SEGL may waive the interest on any part of the loans, however, by written notice to the Company.

SEGL has the right to convert all or any part of the Revised Facility, together with any accrued interest, into ordinary shares in the Company at any time by providing notice to the Company.

Consistent with the current terms of the Agreement such conversion will be at a conversion price of 80% of the Volume Weighted Average Price of the Company's securities for the 90 day period prior to receipt of a Conversion Notice. If the issue of the ordinary shares upon any such conversion would breach either the *Corporations Act 2001* or the ASX Listing Rules, the Company is required to use its reasonable endeavours to obtain the approval of the Company's shareholders in respect of the issue of those ordinary shares upon conversion.

If shareholder approval is required but is not obtained within six months after the date of SEGL's conversion notice to the Company, then SEGL will be entitled to require the repayment of the applicable loan and interest in cash, in lieu of conversion.

SEGL will be entitled to require all or any part of the outstanding principal amount of the loans (to the extent not converted into ordinary shares) to be repaid at any time on or after 31 August 2018.

**ENDS**

**For more information:**

**Jarrold White**  
**Company Secretary**