

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Admiralty Resources NL

ABN

74 010 195 972

Quarter ended ("current quarter")

30 September 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(72)	(72)
(b) development		
(c) production		
(d) staff costs	(81)	(81)
(e) administration and corporate costs	(214)	(214)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)	11	11
1.9 Net cash (used in) operating activities	(355)	(355)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets (share applications monies)	10	10

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash (used in) investing activities	10	10

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares		
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options		
3.5	Proceeds from borrowings	300	300
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from financing activities	300	300

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	246	246
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(355)	(355)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	10	10
4.4	Net cash from / (used in) financing activities (item 3.10 above)	300	300
4.5	Effect of movement in exchange rates on cash held	(1)	(1)
4.6	Cash and cash equivalents at end of period	200	200

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	155	185
5.2 Call deposits	45	61
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	200	246

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

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No payments were made to Directors during the quarter.

All Directors fee remain suspended from 1 October in order to conserve cash reserves.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

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8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$USD'000	Amounts drawn at quarter end \$USD'000
8.1 Loan facilities	3,600	2,329
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

The financing facility represents the Convertible Loan Facility Agreement with Smart East Global Limited ("SEGL") and Admiralty Resources (Hong Kong) Limited ("Admiralty HK")

As announced on 30 September 2016 throughout the quarter the Company executed an extension and revision to the current Convertible Loan Facility agreement with SEGL. SEGL has offered to increase the facility by an additional \$US1.5 million increasing the maximum principal drawdown value of the facility from \$US 2.1 million to \$US 3.6 million. The effective date will commence from 1st of September 2016 with an agreed maturity date of 31 August 2018 and formal legal documentation of the facility is currently being drafted to reflect amendment and current commercial terms.

Consistent with the current terms of the facility, the extension to the facility will contain the following material terms, which will apply to the total facility:

1. The interest rate is 12% per annum;
2. Interest is payable quarterly in arrears; and
3. The Conversion Price is 80% of the Volume Weighted Average price ("VWAP") calculated 90 days immediately prior to the Conversion Date*.

*The Conversion Date is the date of receipt of a valid Conversion Notice.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	30
9.2 Development	
9.3 Production	
9.4 Staff costs	70
9.5 Administration and corporate costs	150
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	250

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	n/a			
10.2	Interests in mining tenements and petroleum tenements acquired or increased	n/a			

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



(Company secretary)

Date: 31 October 2016

Print name: JARROD WHITE

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.