



ADMIRALTY RESOURCES

Admiralty Resources NL
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NEWS RELEASE

Release Time IMMEDIATE

Date 29 January 2009

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 2009.

Admiralty’s cash balance as at 31 December 2009 was approximately \$907,000.

Admiralty had negative net cash flows from operating activities during the period of approximately \$2,320,000. However, Admiralty will not continue to expend cash at the rate indicated for the quarter 31 December 2009. The Company’s expenditure increased this quarter due to the payment of the costs associated to the Rights Offer and the payment of US\$250,000 in royalties in relation to the tenements owned by SCM Vallenar Iron Company in Chile.

The Company expects to receive cash inflows from the sale of remaining plant and low grade stockpiles over the coming year. In addition, the Directors will consider making an equity issue if required to raise further working capital. 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.

As disclosed on an announcement to the ASX on 12 October 2009, the Company actively continues to discuss joint venture opportunities to develop the iron ore assets in Vallenar and the cape size port in Punta Alcalde with interested parties.

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,

Stephen Prior
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.

Name of entity

ADMIRALTY RESOURCES NL

ABN

74 010 195 972

Quarter ended ("current quarter")

31 December 2009

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	-	630
1.2 Payments for		
(a) exploration and evaluation	(37)	(78)
(b) development		
(c) production		
(d) administration	(2,098)	(4,188)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received		
1.5 Interest and other costs of finance paid	(154)	(154)
1.6 Income taxes paid		
1.7 GST Refunds/(Payments)	(31)	(18)
Net Operating Cash Flows	(2,320)	(3,808)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a)prospects		
(b)equity investments		
- Vallenar Iron Company	-	(1,726)
(c) other fixed assets	(26)	(68)
1.9 Proceeds from sale of:		
(a)prospects		
(b)equity investments		
(c)other fixed assets	-	654
1.10 Loans to other entities:		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	(26)	(1,140)
1.13 Total operating and investing cash flows (carried forward)	(2,346)	(4,948)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(2,346)	(4,948)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	5,808	7,743
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	-	250
1.17	Repayment of borrowings	(2,923)	(2,923)
1.18	Proceeds from Converting Notes		
1.19	Costs of capital raising	(176)	(302)
	Net financing cash flows	2,749	4,808
	Net increase (decrease) in cash held	403	(140)
1.20	Cash at beginning of quarter/year to date	483	1,071
1.21	Exchange rate adjustments to item 1.20	21	(24)
1.22	Cash at end of quarter	907	907

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	(95)
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

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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

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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

Not Applicable

Financing facilities available

+ See chapter 19 for defined terms.

Add notes as necessary for an understanding of the position.

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

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	-
4.2 Development	-
Total	-

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	907	483
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	907	483

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	NIL		
6.2	Interests in mining tenements acquired or increased	NIL		

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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.

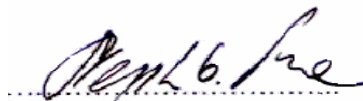
	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>	NIL			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	NIL			
7.3 +Ordinary securities	2,098,390,020	2,098,390,020		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	1) 417,678,004 2) 10,000,000	1) 417,678,004 2) 10,000,000	1) \$0.014 2) \$0.016	1) \$0.014 2) \$0.016
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		<i>Exercise price</i> NIL	<i>Expiry date</i> NIL
7.8 Issued during quarter	NIL		NIL	NIL
7.9 Exercised during quarter	NIL			
7.10 Expired during quarter	1,000,000	1,000,000	\$0.10	30/11/2009
7.11 Debentures <i>(totals only)</i>	NIL			
7.12 Unsecured notes <i>(totals only)</i>	NIL			

+ 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: 29/1/2009

(Company secretary)

Print name: Stephen Prior

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.

+ See chapter 19 for defined terms.