

16 June 2015

Dear Shareholder

NON-RENOUNCEABLE PRO-RATA 1 FOR 3 RIGHTS ISSUE

As you may be aware, Admiralty Resources NL (**Company** or **ADY**) announced today that it will be conducting a non-renounceable pro-rata entitlement offer on the basis of 1 fully paid ordinary share in ADY (**New Share**) for every 3 ordinary shares held in ADY (each a **Share**), to raise up to a maximum of \$6,397,177¹ (before expenses) (**Rights Offer**).

In accordance with the ASX Listing Rules, the Company is required to provide you with certain information as part of the making of the Rights Offer. The directors of the Company encourage all shareholders to read the following information before making a decision with respect to the Rights Offer.

Offer Overview

Pursuant to the Rights Offer, the Company will issue a maximum of 319,858,832² New Shares if all eligible shareholders take up their Entitlements in full. This would result in the Company having a maximum of 1,279,435,327 Shares on issue immediately following completion of the Rights Offer.

The price payable on application for each New Share is \$0.02 per New Share, which represents a 10% discount to the closing price of Shares on the ASX on Thursday 11 June 2015, being the day prior to the date of announcement of the Rights Offer, of \$0.022 per Share.

Shareholders who are registered with the Company's share registry as at the Record Date and who have a registered address in Australia or New Zealand (**Eligible Shareholders**) will be eligible to participate in the Rights Offer.

The eligibility of shareholders to participate in the Rights Offer, and the entitlements of Eligible Shareholders under the Rights Offer (**Entitlements**), will be determined as at 7.00pm (Sydney time) on Friday 19 June 2015 (**Record Date**).

To the extent Entitlements are not taken up in full, Eligible Shareholders will have the opportunity to apply for additional New Shares in excess of their respective Entitlements at the same price as New Shares are being offered under the Rights Offer (**Shortfall Offer**).

¹ Assuming all Shareholders as at the date of this notice are eligible to participate in the Rights Offer.

² The Company is party to two convertible loan facility agreements that confer the right on the lender to convert the loan outstanding under the agreements into Shares. The Company understands that the lender does not intend to convert any of the loan outstanding into Shares by the Record Date. The Company otherwise has no outstanding options on issue.

The Rights Offer is not underwritten and there is no minimum subscription.

New Shares

New Shares issued will be fully paid ordinary shares in the issued capital of the Company and will have the same rights as, and will rank equally with, all existing Shares on issue.

It is intended that New Shares issued will be quoted on ASX.

Non-renounceable rights

The Rights Offer is non-renounceable, which means that rights to subscribe for New Shares under the Rights Offer are unable to be traded.

Eligible Shareholders that wish to participate in the Rights Offer must take up their Entitlement, in whole or in part, by the close of the Rights Offer. Otherwise, their Entitlements will lapse.

Ineligible shareholders

The Rights Offer is not being made to any shareholders who have a registered address with ADY's share registry outside of Australia or New Zealand.

This means that any shareholder of the Company with a registered address in a country other than Australia and New Zealand will not receive a copy of the Offer Document and will not have any entitlement to subscribe for New Shares under the Rights Offer.

Purpose of Offer and use of funds

The primary purpose of the Rights Offer is to raise funds to enable the Company to accelerate its existing exploration of the Harper South and Pampa Tololo districts in Chile and advance the Soberana project towards early production, with a view to encouraging the letter of intent between the Company and State-owned China Nuclear Industry 22nd Construction Co. LTD, which whom the Company entered into a letter of intent in December 2014, to progress into a more formal relationship.

Assuming that the Rights Offer is fully subscribed and the Company raises approximately \$6.39 million under the Rights Offer, it is the current intention of the directors of the Company to apply the funds raised as follows:

Progress the exploration programme at Harper South and Pampa Tololo districts in Chile and advance the Soberana project	\$2,826,177*
Partial retirement of the debt under the Company's current convertible loan facility agreements	\$1,500,000
Expenses of the Rights Offer and Shortfall Offer	\$71,000
Working capital	\$2,000,000*
Total	\$6,397,177

**Indicative amounts only.*

If the Company raises less than \$6.39 million under the Rights Offer and the Shortfall Offer, the Company proposes to defer the retirement of its debt under the convertible loan facility agreements and, if necessary, scale back its exploration programme.

Offer Document

Full details of the terms and conditions of the Rights Offer are contained in the Offer Document to be despatched to all Eligible Shareholders, together with a personalised Entitlement and Acceptance Form, on Tuesday 23 June 2015.

A copy of the Offer Document, as lodged with ASX today, is available from the ASX website (www.asx.com.au) (ASX code: ADY) and the Company's website (<http://ady.com.au/investor-center/>).

The Rights Offer is being made without a disclosure document in reliance on section 708AA of the Corporations Act.

In accordance with section 708AA, a cleansing notice was announced by the Company to the ASX today in connection with the Rights Offer. For the reasons set out in the cleansing notice, the Rights Offer is not expected to have any effect on the control of the Company.

Before taking up Entitlements under the Rights Offer, Eligible Shareholders should read the Offer Document in its entirety together with the announcements released by the Company to the market on the ASX. If you have any enquiries, please consult your professional adviser.

Entitlement and acceptance of the Rights Offer

The personalised Entitlement and Acceptance Forms that accompany the Offer Document set out the maximum number of New Shares to which Eligible Shareholders are entitled under the Rights Offer. Where the determination of your Entitlement results in a fraction of a New Share, such fraction has been rounded up to the nearest whole New Share. Shareholdings on different registers or subregisters will be aggregated in calculating entitlements.

Eligible Shareholders who wish to subscribe for some or all of the New Shares making up their Entitlement (and, if applicable, additional New Shares under the Shortfall) must return a completed Entitlement and Acceptance Form with the relevant application money in full to the Company's share registry by the close of Offer, which is scheduled to occur at **5.00pm (Sydney time) on Tuesday 21 July 2015** (unless varied by the Company).

Based on the current timetable of the Rights Offer set out on the next page, New Shares are expected to be issued on **Tuesday 28 July 2015**.

No shareholder approval

No shareholder approval is required for the Company to make the Rights Offer.

New Shares subscribed for under the Rights Offer (and the Shortfall Offer, if applicable) will be issued without shareholder approval, in reliance on the exceptions to Listing Rule 7.1 available in respect of the issue of securities under a pro-rata issue or to make up the shortfall under a pro-rata offer.

Therefore, the Company will continue to have issue capacity of 15% under Listing Rule 7.1, without shareholder approval, immediately after completion of the Rights Offer. The Company has not sought the approval of shareholders for additional issue capacity under Listing Rule 7.1A, as at the date of this notice.

Dividend policy

Given the Company's status as a mining exploration company, the Company is not presently earning any revenue from mining and therefore has no established dividend policy. An investment in New Shares should be considered speculative.

Timetable

The Rights Offer is proposed to be conducted in accordance with the following indicative timetable:

Event	Anticipated Date
Announcement of Rights Offer and Appendix 3B and Offer Document lodged with ASX	Friday 12 June 2015
Notice of Rights Offer sent to Shareholders	Tuesday 16 June 2015
Shares quoted on an "ex-rights" basis*	Wednesday 17 June 2015
Record date for determining eligibility of Shareholders to participate under the Rights Offer	Friday 19 June 2015 7.00 pm (Sydney time)
Offer Document and Entitlement and Acceptance Forms dispatched to Eligible Shareholders	Tuesday 23 June 2015
Last date to extend the Closing Date	Thursday 16 July 2015
Closing Date of the Rights Offer	Tuesday 21 July 2015 5.00pm (Sydney time)
Expected commencement of trading of New Shares on a deferred settlement basis on ASX	Wednesday 22 July 2015
Notify ASX of under subscriptions (if any)	Friday 24 July 2015
New Shares (including those subscribed for under the Shortfall Offer) are issued, shareholder holding statements dispatched and deferred settlement trading ends	Tuesday 28 July 2015
Normal trading of New Shares commences	Wednesday 29 July 2015

* Shares in the Company commence trading without the right to participate in the Rights Offer.

The above timetable is indicative only and subject to change. Subject to the Corporations Act and the ASX Listing Rules, the Company reserves the right to vary the dates in connection with the Rights Offer, including the closing date, without prior notice.

If you have any questions or require any further information regarding the Rights Offer, please contact our Company Secretary on +61 2 8296 0000.

Yours sincerely,



Qing Zhong
Managing Director
on behalf of the Board of Directors of Admiralty Resources NL

About Admiralty Resources NL

Admiralty Resources NL is a public diversified mineral exploration company listed on the Australian Securities Exchange (ASX: ADY) with mineral interests in Chile and Australia.

Admiralty's flagship projects are the iron ore districts in Chile: Harper South (2,498 Ha), Pampa Tololo (3,455 Ha) and Cojin (600 Ha). The districts are located in prime locations, with close and easy access to the Pan-American Highway (the major national route), a railway 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.