



EQUITY-1 RESOURCES NL

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30 January 2004

Australian Stock Exchange Limited
Company Announcements Office
4th Floor, 20 Bridge Street,
Sydney NSW 2000

Dear Sirs,

EQUITY-1 RESOURCES NL – 2ND QUARTER REPORT

During the past quarter, Equity-1 Resources NL drew down \$250,000 of the debt facility from Perolin Investments Pty Ltd as outlined in the last Quarterly Report. The company will commence the draw down in the coming month. The funds will be used on the Engineering Study for the Rincon Salar in Argentina.

The company is about to change the name of Equity-1 Resources NL back to Admiralty Resources NL. This name change should occur in the next few weeks.

1. Exploration Activities

RINCON SALAR PROJECT – ARGENTINA

During the last quarter of 2003, all work has been concentrated on the Rincon Salar to secure all the infrastructure permits -ie: water and gas. Gas availability will be paramount, and to this end applications to secure natural gas have been made to the Mines Department in regard to feed valves once a new gas duct is completed, which will supply potential productions to the Salar.

Leases on the northern side of the Salar have been applied for to secure available domestic supplies as well as plant requirements.

Bulk samples have been obtained from the Salar and will be sent to Hazen Research in Golden, Colorado, USA when funding is received during January 2004. These samples will be used to obtain the necessary Phase Chemistry which will then be used to determine the best concentration of the available salts.

During the quarter, the company was involved with the development of various parameters and different options to obtain potential cost and revenues from the various alternatives available from Rincon Salar. The Engineering & Banking Feasibility Study will determine the best way to maximize results.

Additional reconnaissance was also carried out in Esquel-Chubut Province, in Catamarca Province and in San Luis Province to determine Au feasibility. Work will resume as conditions improve.

BROWNS REEF, NSW – AUSTRALIA (EL5374)

The Browns Reef tenement was relinquished as of the anniversary date of 3 November, 2003. The tenement had been comprehensively explored for Cobar style base metal mineralisation with the low tenor of mineralisation downgrading the potential of the prospect to host economic mineralisation.

PYKES HILL, WA – AUSTRALIA (M39/159)

Application for exemption from expenditure commitments was made in respect of the mining lease. The increase in interest in nickel prospects has been accompanied by commercial interest in the tenement and the potential for a Joint Venture Partner to be identified.

MISTAKE CREEK, NT – AUSTRALIA (EL 10096, EL 10097 & EL 10098)

A heads of agreement has been signed with Kajeena Mining Pty Ltd to enable evaluation of gold and base metal prospects within the tenements.

BULMAN, NT – AUSTRALIA

Negotiations are continuing with the Northern Territory Land Council on the ELA in this area.

2. The Company's Investment in Nilnav Orthopaedics Pty Ltd

During the quarter NilNav Orthopaedics (NILNAV) continued to work with NeuMedix Inc to develop a centre of excellence in Melbourne, to present to surgeons the NILNAV procedure, and to focus on expansion in Asia and the USA.

A total of 12 surgeons were trained in the NILNAV Technique, 6 from overseas, during the period.

Substantial enhancements have been incorporated into the patented toolset as part of NILNAV's ongoing product development program.

Toolsets have been sent to 2 surgeons in the USA who are aligned to a US based Prosthesis Manufacturer. Their Clinical Results will be published mid-year.

NILNAV has completed the modifications to its toolset which will enable surgeons access to the MIS Technology from 9 different Prosthesis Manufacturers.

NeuMedix continues to have success in each stage of its local and international rollout. New sales material has been developed for this purpose.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Frank B Edge', written over a horizontal line.

Frank B Edge
Director
Equity-1 Resources NL

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix E. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

EQUITY-1 RESOURCES NL (formerly ADMIRALTY RESOURCES NL)

ABN

74 010 195 972

Quarter ended ("current quarter")

31 December 2003

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(97)	(227)
(b) development	-	-
(c) production	-	-
(d) administration	(106)	(139)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
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	(203)	(366)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(203)	(366)

* See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(203)	(366)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	250	412
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (Capital Raising Costs)	-	-
	Net financing cash flows	250	412
	Net increase (decrease) in cash held	47	46
1.20	Cash at beginning of quarter/year to date	40	41
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	87	87

**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	18
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Not applicable

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

Not applicable

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

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	2,000	650
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	170
4.2 Development	Nil
Total	170

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	70	23
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (Bank Guarantee given to Landlord)	17	17
Total: cash at end of quarter (item 1.22)	87	40

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			

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.

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

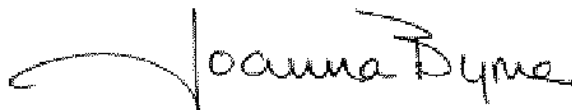
	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>	Nil			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	Nil			
7.3 Ordinary securities	394,342,630	394,342,630		
7.4 Changes during quarter (a) Increases through issues - Share Purchase Plan - Acquisition of Investment (b) Decreases through returns of capital, buy-backs	Nil			
7.5 Convertible debt securities <i>(description)</i>	Nil			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil			
7.7 Options <i>(description and conversion factor)</i>	8,500,000 172,515,425	8,500,000 172,515,425	<i>Exercise price</i> 2.5 cents 10 cents	<i>Expiry date</i> 31.07.04 29.10.04
7.8 Issued during quarter	Nil			
7.9 Exercised during quarter	Nil			
7.10 Expired during quarter	Nil			
7.11 Debentures <i>(totals only)</i>	Nil			

+ See chapter 19 for defined terms.

7.12	Unsecured notes (totals only)		
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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:
(Company Secretary)

Date: 28 January 2004

Print name:
Joanna Byrne

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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