ADMIRALTY RESOURCES

Admiralty Resources NL
ACN 010 195 972
Level 14, 200 Queen Street
Melbourne VIC 3000

[t] +61-3-9670 1838
[f] +61-3-9670 1898

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Members of Admiralty Resources NL (ACN 010195972) ("**Company**") is to be held in the 530 Collins Street Theatrette, Ground Floor 530 Collins Street, Melbourne on Monday 27 November 2006 at 10.00am

AGENDA

Ordinary Business

1. To receive the financial report.

To receive and consider the reports of the directors and the auditor and the Financial Report of the Company for the year ended 30 June 2006.

2. To elect a director – Mr. Phillip Thomas.

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"To elect as a director Mr. Phillip Thomas, who retires by rotation in accordance with Article 40.1 of the Company's constitution and who is eligible for re-election."

3. To elect a director – Mr. John Anderson.

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"To elect Mr. John Anderson as a director, who was appointed to the board since the last general meeting, in accordance with Article 38.1 of the Company's constitution."

4. **To approve directors fees.**

To consider and if thought fit, to pass the following resolution as an ordinary resolution:

"That the maximum total directors' fees payable to all non-executive directors in aggregate per annum be set at A$350,000, pursuant to Rule 10.17 of the Listing Rules of the Australian Stock Exchange Ltd".

5. **Approval of the change of Company Auditor.**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That, for the purposes of Section 327 of the Corporations Act 2001 (Cth) and for all other purposes , PKF Chartered Accountants having consented in writing to act as auditors of the Company, be appointed as auditors, effective immediately"

6. **Remuneration Report.**

To consider and, if thought fit, to pass the following resolution as an advisory resolution:

"That the Remuneration Report for the year ended 30 June 2006 (as set out in the Directors' Report) is adopted."

7. **Approval of the Company's Share Option Plan.**

To consider and, if thought fit, pass the following as an ordinary resolution:

"That, for all purposes, including for the purposes of Rule 7.2 as an exception to Rule 7.1 of the Listing Rules of the Australian Stock Exchange Ltd, approval be given for a period of three years, to the terms of, and to the issue of options and shares under, the Company's Share Option Plan, a summary of the rules of which is annexed to this Notice of Annual General Meeting."

8. **Issue of options to Managing Director in accordance with the Company's Share Option Plan.**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That the Company approves the acquisition by the Managing Director, Mr Phillip Thomas, of options to acquire ordinary shares in the capital of the Company under the Company's Share Option Plan in accordance with the terms set out in the Explanatory Notes accompanying this Notice of Annual General Meeting and any issue of ordinary shares upon the exercise of those options."

9. Issue of options to non-Executive Director in accordance with the Company's Share Option Plan.

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That the Company approves the acquisition by the non-Executive Director, Mr John Anderson, of options to acquire ordinary shares in the capital of the Company under the Company's Share Option Plan in accordance with the terms set out in the Explanatory Notes accompanying this Notice of Annual General Meeting and any issue of ordinary shares upon the exercise of those options."

10. Issue of options to non-Executive Director in accordance with the Company's Share Option Plan.

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That the Company approves the acquisition by the non-Executive Director, Professor J. Ross Harper, of options to acquire ordinary shares in the capital of the Company under the Company's Share Option Plan in accordance with the terms set out in the Explanatory Notes accompanying this Notice of Annual General Meeting and any issue of ordinary shares upon the exercise of those options."

VOTING RESTRICTIONS

1. The Company will disregard any votes cast on resolution 4 by any director of the Company or any of their associates.
2. The Company will disregard any votes cast on resolution 7 by any director of the Company or any of their associates.
3. The Company will disregard any votes cast on resolution 8 by any director of the Company eligible to participate in the Company's Share Option Plan or any of their associates.
4. The Company will disregard any votes cast on resolution 9 by any director of the Company eligible to participate in the Company's Share Option Plan or any of their associates.
5. The Company will disregard any votes cast on resolution 10 by any director of the Company eligible to participate in the Company's Share Option Plan or any of their associates.
6. However, the Company need not disregard a vote by any of the persons referred to in respect of the resolution above if:

- It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- It is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

DATED THIS 30TH DAY OF OCTOBER 2006

BY ORDER OF THE BOARD

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STEPHEN C PRIOR

COMPANY SECRETARY

Explanatory Notes

These Explanatory Notes should be read in conjunction with the accompanying Notice of Annual General Meeting of Admiralty Resources NL (ACN 010 195 972) (the "**Company**").

Item 2 – To elect a director – Phillip Thomas

Phillip is the CEO of the Company and the longest serving director of the current board.

He commenced his geological career working for the Control Data Mining Centre as a consultant specialising in drill hole analysis and computer based exploration and mine applications. Subsequently he worked in the investment banking and asset management industries. Phillip was the managing partner of Panopus Partners, a marketing strategy firm, prior to taking up his role with Admiralty Resources.

Phillip Thomas is an Associate member of the Australian Institute of Geoscientists. He holds a Bachelor of Science degree majoring in geology from the Australian National University, and a Master of Business (Marketing) degree from Monash University.

All of the directors, other than Mr Thomas, recommend that shareholders vote in favour of the resolution.

Item 3 – To elect a director – John Anderson

John was appointed to the Board on 14 December 2005. He has over 25 years experience in the finance sector in banking, investment banking and consulting areas. John has held positions of Managing Director or Chairman with a number of public and private companies during his Australian career.

John Anderson has specialised in general financing and capital raisings, balance sheet and profit and loss management, resource and technology analysis, investment and development, design and implementation of planning information and control systems, strategic advice, and developing business plans for new and existing entities.

John is an executive director of Powersave Pty Ltd (a company supplying energy management solutions). Among previous positions held John was the managing director of an Australian publicly listed mining company and was responsible for the turning around of its unprofitable operations and the implementation of mining and operating plans.

All of the directors, other than Mr Anderson, recommend that shareholders vote in favour of the resolution.

Item 4 - To approve director's fees for non-executive directors

At the 2004 Annual General Meeting the Company approved aggregate remuneration for non-executive directors (all-combined) totalling A$250,000 per annum. The proposal will increase this aggregate limit to A$350,000

With the increase in time and effort required to comply with corporate governance, and the Company moving into the production phase , it is felt that an appropriate level of remuneration should be set. This level of remuneration reflects the size of the Company's key projects and the skill and expertise of the current three directors and any future directors. This will allow the projected fees to be paid for up to five non-executive directors at the outset and will allow for an expansion of the board should this become possible and desirable, and small future increases in their remuneration.

As the Non-Executive Directors have a personal interest in Resolution 4, they make no recommendation in respect of it. The Executive Director recommends you vote in favour of the resolution.

Item 5 - To approve change of the Company Auditor

Deloitte has advised the Company that it will resign as auditors of the Company at the Annual General Meeting of the Company to be held on 27 November 2006. Directors are of the view that the resignation would enable the Company to obtain cost savings by appointing a firm whose fee structure is more appropriate of Admiralty's size and operations.

Upon the resignation of Deloitte as auditor, the board intends to appoint PKF Chartered Accountants as the Company's auditor. The appointment of PKF Chartered Accountants is subject to the ASIC's consent to the resignation of Deloitte as auditor of the Company.

Resolution 5 seeks your approval to appoint PKF Chartered Accountants as the auditors of the Company. A shareholder of the Company has nominated PKF Chartered Accountants as auditor of the Company. A copy of this nomination is attached as Appendix B. PKF Chartered Accountants has consented to act as the Company's auditor.

All of the directors recommend that shareholders vote in favour of the resolution.

Item 6 – Remuneration Report

The Remuneration Report is contained in the Directors' Report, part of the Company's 2006 Annual Report. The report explains the Company's executive remuneration practices and the link between the remuneration of employees and the Company's performance and sets out remuneration details for each Director and for each named Executive.

The Corporations Act 2001 now requires listed companies to put the Remuneration Report for each financial year to a resolution of members at their Annual General Meeting. Under the Corporations Act 2001, the vote is advisory only and does not bind the Directors.

While there is no legal requirement to abstain from voting, the Company believes it appropriate that the Directors and their associates abstain from voting except as directed by any proxies. The Directors make no recommendation with respect to voting.

Item 7 - Approval of the Company's Share Option Plan

ASX Listing Rule 7.1 provides that a company may not issue shares equal to more than 15% of the company's issued share capital in any 12 months without obtaining shareholder approval unless the share issue falls into one of the exceptions listed in Rule 7.2. The cap is 15% of the company's capital at the beginning of the 12-month period.

One of the exceptions to Rule 7.1 is Exception 9(b) of Rule 7.2, which provides that shares issued pursuant to an employee incentive scheme are exempted from this 15% cap, provided that the issue of securities under the scheme was approved by holders of ordinary securities, within three years before the date of issue.

Accordingly, shareholder approval will result in all shares issued under the Company's Share Option Plan (the ***Plan***) being excluded from the restrictions of Rule 7.1 for three years from the date of the approval. This approval will give the Company maximum flexibility for raising new capital in the future.

For the purposes of the Plan, the Board currently intends to issue 51.72 million options over the next three years, including the Options referred to in Resolutions 8, 9 and 10. This equates to approximately 6% of the Company's presently issued fully diluted capital. As the Plan has not yet commenced operation, no options or shares have been issued under it to date.

<u>Background</u>

The Company believes in rewarding employees for their loyalty and dedication to the Company and hence has established the Plan.

The Plan has been established upon the recommendation of the remuneration committee of the Board, to attract, motivate and retain eligible persons, to provide an incentive to eligible persons to drive continuing improvement in the Company's performance and to provide eligible persons with the opportunity to acquire an ownership interest in the Company.

The Rules of the Plan are summarised below.

<u>Summary of Rules of the Plan</u>

1 Those eligible to participate in the Plan are employees and directors of the Company and its related bodies corporate.

2 Eligible persons selected by the Board and accepting an invitation to participate will be granted a number of Options as determined by the Board.

3 The Company will limit the number of Options that may be offered or issued under the Plan at any particular time, such that the number of Shares which may be allocated upon exercise of those Options and any other unexercised

Options already issued under the Plan, together with the total number of Shares issued during the last 5 years pursuant to the Plan (or any similar incentive plan extending only to those eligible to participate in the Plan), shall not exceed 5% of the Company's total issued Shares at that time, but disregarding any offer made, Option acquired or share issued by way of or as a result of:

(a) an offer that did not need disclosure to investors under the Corporations Act;

(b) an offer to a person situated at the time of receipt of the offer outside Australia; or

(c) an offer made under a prospectus or other disclosure document.

4 The participant must pay the offer price of the Options (if any) and the exercise price for those Options as set out in the participant's invitation. Each Option will be unlisted, and the Board will apply for ASX listing of the relevant Shares upon valid exercise of the Options.

5 The Plan will initially run for 3 years, but may be extended by the Board. The Plan may also be suspended or terminated at any time by the Board.

6 Participants cannot encumber the Options.

7 Options will only be exercisable within any prescribed exercise period.

8 An Option lapses at the end of the exercise period (if the Option has not been exercised prior).

9 Despite the Board imposing any period during which any issued Options cannot be exercised, Options which have not lapsed become exercisable if a person announces an intention to make offers under a takeover scheme or takeover announcement for shares in the Company, or initiates a scheme of arrangement, selective reduction of capital or share buyback which, in each case, has an effect similar to a takeover scheme for shares in the Company.

10 The Options are not transferable, except with the approval of the Board.

11 Shares once issued following the exercise of an Option will rank equally with ordinary fully paid shares in the Company.

12 The Board may amend the Plan, but no amendments will retrospectively adversely affect an Option already granted unless for specified reasons.

13 If there is any conflict between the terms of the Plan and the ASX Listing Rules, the relevant ASX Listing Rule(s) will apply.

<u>Recommendation</u>

The directors of the Company recommend that shareholders vote in favour of the establishment of the Plan and the issue of options under the Plan to eligible employees.

Item 8 - Issue of options to Managing Director in accordance with the Company's Share Option Plan

<u>Background</u>

ASX Listing Rule 10.11 provides that a company may not issue shares, options or other forms of "equity securities" to a director without shareholder approval.

An exception exists to the prohibition under ASX Listing Rule 10.11 where the director receives the equity securities under an employee incentive scheme with approval under ASX Listing Rule 10.14.

The grant of the options to Mr Phillip Thomas under the terms of the Plan is subject to the prior approval of the Company's shareholders, and is the subject of Resolution 8. If Resolution 8 is approved by the Company's shareholders, the options will be granted to Mr Phillip Thomas on or before the third anniversary of the date of this Annual General Meeting.

Any funds received by the Company in connection with the exercise of the options will be used by the Company for general corporate purposes.

<u>Terms of issue of options</u>

The issue of the options to Mr Phillip Thomas will be pursuant to the terms of the Share Option Plan described in the explanatory note to Resolution 7, and in the tranches and on the terms set out below. No consideration will be paid by Mr Phillip Thomas upon the grant of any option.

Immediate:	
Number to be granted:	7,500,000 (maximum)
Exercise price:	$0.10 each
Exercise period:	3 years from the date of granting (at any time)
Vesting:	Fully vested upon grant

Short-term incentives:	
Number of options:	15,000,000 (maximum)
Availability period:	3 years
Exercise price:	
If Granted during FY 2006 - 07	$0.10
If Granted during FY 2007 – 08	$0.10

If Granted during FY 2008 – 09	$0.12
If Granted during FY 2009 – 10	$0.14
Exercise Period:	3 years from the date of granting (at any time)
Vesting:	Fully vested upon grant

Long-term incentives:	
Number of options:	15,000,000 (maximum)
Availability period:	3 years
Annual availability:	3,750,000
Exercise price:	
If Granted during FY 2006 - 07	$0.10
If Granted during FY 2007 – 08	$0.10
If Granted during FY 2008 – 09	$0.12
If Granted during FY 2009 – 10	$0.14
Exercise Period:	3 years from the date of granting (at any time).
Vesting:	Fully vested upon grant

Any grant of options to the managing director is in the discretion of the Board and will be subject to pre-determined performance targets set by the Board and communicated to the managing director from time to time. The maximum options available to the managing director will total 37,500,000 should all options be granted during the tenure of the program. This equates to approximately 4.35% of the presently issued fully diluted capital of the Company as at the date of this document.

Details of any securities issued to Mr Phillip Thomas under the Plan will be published in each annual report of the Company relating to a period in which securities have been issued, and that approval for the issue of those securities was obtained under ASX Listing Rule 10.14.

Any additional directors or their associates who become entitled to participate in the Plan after this resolution is approved and who are not named in this Notice of Annual General Meeting will not participate until approval is obtained under ASX Listing Rule 10.14.

Related parties

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties such as directors. Section 208 of the Corporations Act provides that the Company must obtain shareholder approval pursuant to Chapter 2E, unless the benefit falls within an exception in the Corporations Act. As the remaining directors consider the benefits to be provided to Mr Phillip Thomas to be part of reasonable remuneration payable by the Company to directors, and provided on arms length terms, shareholder approval is not required under Chapter 2E.

Recommendation

The directors of the Company, other than Mr Phillip Thomas, recommend that shareholders vote in favour of the issue of Options to Mr Phillip Thomas under the terms of the Plan, on the basis set out above.

Items 9 and 10 - Issue of options to non-Executive Directors in accordance with the Company's Share Option Plan.

Background

ASX Listing Rule 10.11 provides that a company may not issue shares, options or other forms of "equity securities" to a non-executive director without shareholder approval.

An exception exists to the prohibition under ASX Listing Rule 10.11 where the director receives the equity securities under an employee incentive scheme with approval under ASX Listing Rule 10.14.

The grant of the options to Mr John Anderson under the terms of the Plan is subject to the prior approval of the Company's shareholders, and is the subject of Resolution 9. If Resolution 9 is approved by the Company's shareholders, the options will be granted to Mr John Anderson on or before the third anniversary of the date of this Annual General Meeting.

The grant of the options to Professor J. Ross Harper under the terms of the Plan is subject to the prior approval of the Company's shareholders, and is the subject of Resolution 10. If Resolution 10 is approved by the Company's shareholders, the options will be granted to Professor J. Ross Harper on or before the third anniversary of the date of this Annual General Meeting.

Any funds received by the Company in connection with the exercise of the options will be used by the Company for general corporate purposes.

Terms of issue of options

The issue of the options to Mr John Anderson and Professor J. Ross Harper will be pursuant to the terms of the Share Option Plan described in the explanatory note to Resolution 7, and in the tranches and on the terms set out below. No consideration will be paid by Mr John Anderson or Professor J. Ross Harper upon the grant of any option.

Long-term incentives for Mr John Anderson:	
Number of options:	1 million
Availability period:	3 years
Exercise price:	$0.10
Exercise period:	3 years from the date of granting (at any time).
Vesting:	Fully vested upon grant

Long-term incentives for Professor J. Ross Harper:	
Number of options:	1 million
Availability period:	3 years
Exercise price:	$0.10
Exercise period:	3 years from the date of granting (at any time).
Vesting:	Fully vested upon grant

Any grant of options to the non-executive directors is in the discretion of the Board and will be subject to pre-determined performance targets set by the Board and communicated to each non-executive director from time to time. The maximum options available to each non-executive director will total 1 million should all options be granted during the tenure of the program. In respect of each non-executive director, this equates to approximately 0.12% of the presently issued fully diluted capital of the Company as at the date of this document.

Details of any securities issued to Mr John Anderson and / or Professor J. Ross Harper under the Plan will be published in each annual report of the Company relating to a period in which securities have been issued, and that approval for the issue of those securities was obtained under ASX Listing Rule 10.14.

Any additional non-executive directors or their associates who become entitled to participate in the Plan after this resolution is approved and who are not named in this Notice of Annual General Meeting will not participate until approval is obtained under ASX Listing Rule 10.14.

<u>Related Parties</u>

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties such as directors. Section 208 of the Corporations Act provides that the Company must obtain shareholder approval pursuant to Chapter 2E, unless the benefit falls within an exception in the Corporations Act. As the remaining directors consider the benefits to be provided to each of Mr John Anderson and Professor J. Ross Harper to be part of reasonable remuneration payable by the Company to directors, and provided on arms length terms, shareholder approval is not required under Chapter 2E.

Recommendations

The directors of the Company, other than Mr John Anderson, recommend that shareholders vote in favour of the issue of Options to Mr John Anderson under the terms of the Plan, on the basis set out above.

The directors of the Company, other than Professor J. Ross Harper, recommend that shareholders vote in favour of the issue of Options to Professor J. Ross Harper under the terms of the Plan, on the basis set out above.

Capital Structure

Based on the assumptions that:

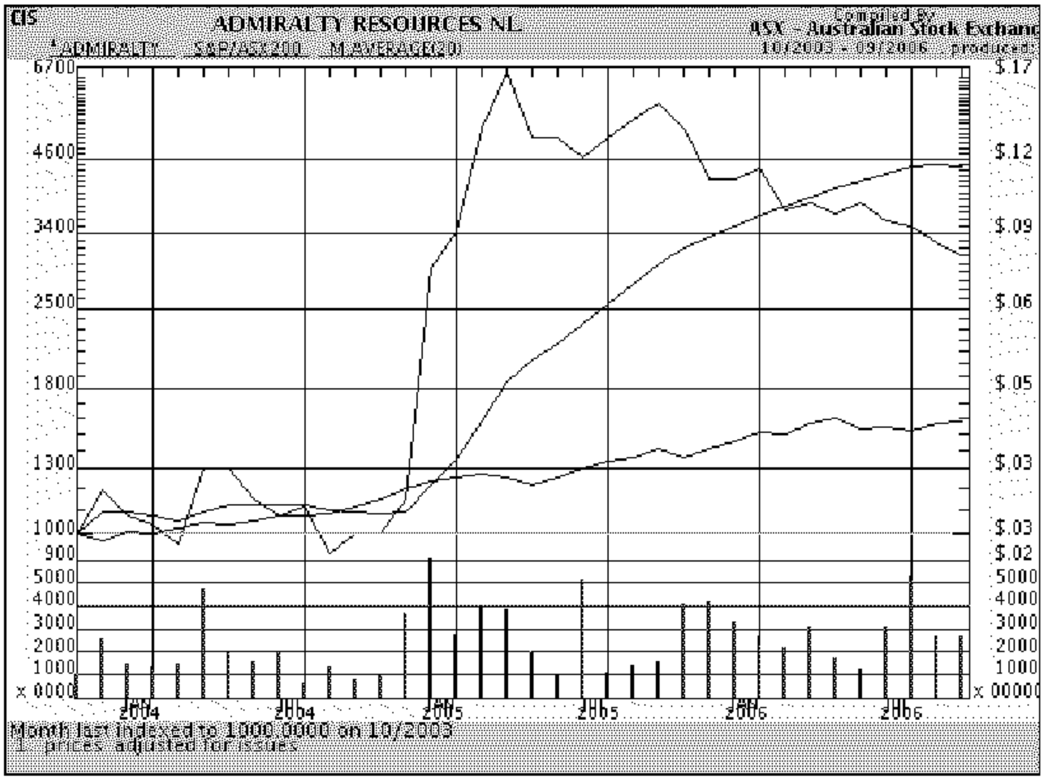
1. all of the options referred to in Resolutions 8, 9 and 10 are granted;
2. all holders of convertible notes issued by the Company have not converted their notes into shares; and
3. no other shares or securities are issued by the Company (including under the Share Option Plan),

the capital structure of the Company both prior to and after the resolutions set out above will be as follows:

	Current	**Post approval of resolutions 8, 9 and 10**
Ordinary Shares	556,253,157	556,253,157
Options	109,800,000	149,300,000
Convertible Notes	1,960,734	1,960,734
Fully Diluted	*862,126,557*	*901,626,557*

Share Price

The Company's share price as at 26 October 2006 was $0.082. A chart showing the movement of the Company's share price over the past 3 years is set out below: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- Appendix A

Gurtan Pty Limited

ABN 54 103 134 845

Level 14, 200 Queen Street, Melbourne 3000
GPO Box 517, Melbourne 3001
Ph: 03-96701838
Fax:03-96701898
M: 0402 291671
philthomas2@optusnet.com.au

Investment Bankers
Consultants

20 October 2006

Private & Confidential

The Secretary
Admiralty Resources NL
Level 14, 200 Queen Street
Melbourne VIC 3000

Dear Sir,

NOMINATION OF AUDITOR

Gurtan Pty Ltd a shareholder of Admiralty Resources NL hereby nominates pursuant to Section 328(1) of the Corporations Act 2001(Cth) PKF Chartered Accountants for appointment as auditor of the Company at the next annual general meeting of the Company or any adjournment thereof.

Yours faithfully,

Phillip Thomas
Director