Admiralty Resources NL
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4 August 2009

Ms Frances Finucan
ASX Markets Supervision Pty Ltd
Level 5, Riverside Centre,
123 Eagle Street
Brisbane QLD 4000

By email to frances.finucan@asx.com.au

Dear Ms Finucan,

Re: Appendix 5B

We have received your letter dated 30 July 2009 by email regarding the topic Appendix 5B and that lists a number of questions, which are listed below, along with the Company's answers.

1. *Is it possible to conclude on the basis of the information provided that if the company were to continue to expend cash at the rate for the quarter indicated by the Appendix 5B, taking into account future administration costs, the Company may not have sufficient cash to fund its activities. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?*

   The position stated in the question is an accurate assessment. However, the company continues to reduce its operating costs and expects to be able to raise cash to meet its operating expenses. An example of this is the raising of $432,000 announced on 29 July 2009.

2. *Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 5B for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?*

   The Company does expect negative operating cash flows, albeit at a reduced rate, until a major change occurs in relation to the Company's iron ore interests in Chile.

   The Company conducted a full review of all aspects of its Chilean iron ore operations and has established a business plan with detailed information about mining costs, rail, transport, operations and loading cost per tonne on the basis of a production of 2,5000,000 tonnes of iron ore fines per annum.

   Talks continue with different parties to arrange funding to resume the operations and the implementation of a drilling program to further prove resources.

3. *What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?*

   The Company is in discussion with parties who would assist the Company to raise the funds necessary for the Company to meet its major objective of maximising the value to shareholders of its iron ore interests in Chile.

4. *Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?*

   The Company confirms that it is in compliance with the listing rules and is in compliance with listing rule 3.1.

5. *Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.*

   With regards to listing rule 12.2, we note that the Company's assets are significantly more than its liabilities. The Company's Financial Report for the half year ended 31 December 2008 showed total assets of $45.7m and total liabilities of $22.6m.
   Since 31 December 2008 the Company's liabilities have been substantially reduced.

Yours faithfully,

....

Stephen C. Prior
Company Secretary

Cc: scp@priorco.com.au
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30 July 2009

Mr Stephen Prior
Company Secretary
Admiralty Resources NL
c/- Prior & Co Pty Ltd
Level 14, 200 Queen Street
MELBOURNE VIC 3000

By email: scp@priorco.com.au

Dear Mr Prior

Admiralty Resources NL (the "Company")
Appendix 5B

I refer to the Company's Quarterly Report in the form of Appendix 5B for the period ended 30 June 2009, released to ASX Limited ("ASX") on 29 July 2009 (the "Appendix 5B").

ASX notes that the Company has reported the following.

1. Receipts from product sales and related debtors of $267,000.

2. Net negative operating cash flows for the quarter of ($819,000).

3. Cash at end of quarter of $1,071,000

In light of the information contained in the Appendix 5B please respond to each of the following questions.

1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 5B, taking into account future administration costs, the Company may not have sufficient cash to fund its activities. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?

2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 5B for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?

3. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?

4. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?

5. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

This letter and your response may be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to me by email at frances.finucan@asx.com.au or on facsimile number (07) 3832 4114. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than 9.30am (EST) on Tuesday, 4 August 2009.

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company's securities.

If you have any queries, please do not hesitate to contact me on (07) 3835 4017.

Yours sincerely

Finucan

Frances Finucan
Senior Adviser, Issuers (Brisbane)