

ASX Release
17 April 2020

NOTICE OF BREACH OF ASX LISTING RULE 10.11

Adavale Resources Limited (**ASX:ADD**) advises that in March 2020, a Placement of 12,000,000 ordinary shares were made to sophisticated investors. Refer to announcement 13 March 2020. The ordinary shares were for the raising of \$240,000 as announced previously. Mr Louis Clinton and Mr Gary Stewart participated in this placement for 1,250,000 at the disclosed \$0.02 issue. Mr Louis Clinton and Mr Gary Stewart are directors of Adavale Resources and received the holding in direct and indirect interests.

Director's participation in the Placement was a breach of ASX Listing Rule 10.11 on the basis that Mr Louis Clinton and Mr Gary Stewart are related parties and the directors could not participate in the placement unless prior approval from the holders of ordinary shares had been made. There were no exemptions to the ASX Listing rule that would facilitate this subscription and corrective action would need to be taken to remedy the breach.

The corrective action advised already undertaken is the two holdings of total 1,250,000 have been placed on a temporary holding lock and will be disposed of within 30 days of the breach letter from the ASX. Future corrective action is any profit made on the transactions will be donated to an entity that is listed with the Australian Charities and Not-For-Profits Commission as a charity. The directors change in interests Appendix 3Y's will be published to the ASX.

Adavale wishes to advise that the administrative error has not resulted in profits for the two directors and has occurred due to an oversight. A review of its administrative policy of the ASX Listing Rules is currently being undertaken.

This announcement has been authorised for release by the Company Secretary.

For further information, please contact:

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