



Announcement Summary

Entity name

ADAVALE RESOURCES LIMITED

Announcement Type

New announcement

Date of this announcement

Monday July 20, 2020

The Proposed issue is:

☒ A standard pro rata issue (including non-renounceable or renounceable)

Total number of +securities proposed to be issued for a standard pro rata issue (including non-renounceable or renounceable)

ASX +security code	+Security description	Maximum Number of +securities to be issued
n/a	Listed Options with an exercise price of \$0.03 and an expiry date of 31 December 2023 - ADDO	171,194,340
ADD	ORDINARY FULLY PAID	171,194,340

Ex date

Wednesday July 22, 2020

+Record date

Thursday July 23, 2020

Offer closing date

Wednesday August 5, 2020

Issue date

Wednesday August 12, 2020

Refer to next page for full details of the announcement



Part 1 - Entity and announcement details

1.1 Name of +Entity

ADAVALE RESOURCES LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

1.2 Registered Number Type

ABN

Registration Number

91008719015

1.3 ASX issuer code

ADD

1.4 The announcement is

☒ New announcement

1.5 Date of this announcement

Monday July 20, 2020

1.6 The Proposed issue is:

☒ A standard +pro rata issue (non-renounceable or renounceable)

1.6a The proposed standard +pro rata issue is:

☒ + Non-renounceable



Part 3 - Details of proposed entitlement offer issue

Part 3A - Conditions

3A.1 - Are any of the following approvals required for the entitlement offer to be unconditional?

- +Security holder approval
- Court approval
- Lodgement of court order with +ASIC
- ACCC approval
- FIRB approval
- Another approval/condition external to the entity

☒ No

Part 3B - Offer details

Class or classes of +securities that will participate in the proposed issue and class or classes of +securities proposed to be issued

ASX +security code and description

ADD : ORDINARY FULLY PAID

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

☒ Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

☒ Yes

If the entity has quoted company options, do the terms entitle option holders to participate on exercise?

☒ No

Details of +securities proposed to be issued

ASX +security code and description

ADD : ORDINARY FULLY PAID

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

ISIN Code for the entitlement or right to participate in a non-renounceable issue (if Issuer is foreign company and +securities are non CDIs)

Offer ratio (ratio to existing holdings at which the proposed +securities will be issued)



The quantity of additional +securities to be issued	For a given quantity of +securities held
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1

1

What will be done with fractional entitlements?

Maximum number of +securities proposed to be issued (subject to rounding)

Not applicable

171,194,340

Offer price details for retail security holders

In what currency will the offer be made?

What is the offer price per +security for the retail offer?

AUD - Australian Dollar

AUD 0.01000

Oversubscription & Scale back details

Will individual +security holders be permitted to apply for more than their entitlement (i.e. to over-subscribe)?

☒ Yes

Describe the limits on over-subscription

Up to the shortfall in acceptances of the entitlement offer provided that the issue will not result in a breach of the Listing Rules or any applicable law

Will a scale back be applied if the offer is over-subscribed?

☒ Yes

Describe the scale back arrangements

Proportionately

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

☒ Yes

Attaching +Security

Is the proposed attaching security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional +securities in a class that is already quoted or recorded by ASX)?

☒ New class

Attaching +Security - New class (+securities in a class that is not yet quoted or recorded by ASX)



Details of attaching +securities proposed to be issued

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

ISIN Code for the entitlement or right to participate in a non-renounceable issue (if Issuer is foreign company and +securities are non CDIs)

Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?

☒ Yes

Will the entity be seeking quotation of the 'new' class of +securities on ASX?

☒ Yes

ASX +security code

New class-code to be confirmed

+Security description

Listed Options with an exercise price of \$0.03 and an expiry date of 31 December 2023 - ADDO

+Security type

Options

Offer ratio (ratio of attaching securities at which the new +securities will be issued)

The quantity of attaching +securities to be issued

1

For a given quantity of the new +securities issued

1

What will be done with fractional entitlements?

Not applicable

Maximum number of +securities proposed to be issued (subject to rounding)

171,194,340

Offer price details for retail security holders

In what currency will the offer be made?

AUD - Australian Dollar

What is the offer price per +security for the retail offer?

AUD 0.00000

Oversubscription & Scale back details

Will individual +security holders be permitted to apply for more than their entitlement (i.e. to over-subscribe)?

☒ Yes

Describe the limits on over-subscription

Up to the shortfall in acceptances of the entitlement offer provided that the issue will not result in a breach of the Listing Rules or any applicable law



Will a scale back be applied if the offer is over-subscribed?

☒ Yes

Describe the scale back arrangements

Proportionately

Will all the +securities issued in this class rank equally in all respects from their issue date?

☒ Yes

Options details

+Security currency

AUD - Australian Dollar

Exercise price

AUD 0.0300

Expiry date

Sunday December 31, 2023

Details of the type of +security that will be issued if the option is exercised

ADD : ORDINARY FULLY PAID

Number of securities that will be issued if the option is exercised

One Fully Paid Ordinary Share (ASX:ADD)

Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities proposed to be issued or provide the information by separate announcement.

www.adavaleresources.com

Part 3C - Timetable

3C.1 +Record date

Thursday July 23, 2020

3C.2 Ex date

Wednesday July 22, 2020

3C.4 Record date

Thursday July 23, 2020

3C.5 Date on which offer documents will be sent to +security holders entitled to participate in the +pro rata issue

Monday July 27, 2020

**3C.6 Offer closing date**

Wednesday August 5, 2020

3C.7 Last day to extend the offer closing date

Friday July 31, 2020

3C.9 Trading in new +securities commences on a deferred settlement basis

Thursday August 6, 2020

3C.10 Last day for entity to announce the results of the offer to ASX, including the number and percentage of +securities taken up by existing +security holders and any shortfall taken up by underwriters or other investors

Monday August 10, 2020

3C.11 +Issue date

Wednesday August 12, 2020

3C.12 Date trading starts on a normal T+2 basis

Thursday August 13, 2020

3C.13 First settlement date of trades conducted on a +deferred settlement basis and on a normal T+2 basis

Monday August 17, 2020

Part 3E - Fees and expenses

3E.1 Will there be a lead manager or broker to the proposed offer?

☒ No

3E.2 Is the proposed offer to be underwritten?

☒ Yes

3E.2a Who are the underwriter(s)?

CoPeak Corporate Pty Ltd ACN 632 277 144 as the Trustee for Peak Asset Management Unit Trust ABN 81 891 265 739

3E.2b What is the extent of the underwriting (ie the amount or proportion of the offer that is underwritten)?

Fully Underwritten

3E.2c What fees, commissions or other consideration are payable to them for acting as underwriter(s)?

- ζ a management fee of \$17,199.44;
- ζ an AFSL fee of \$17,199.44;
- ζ a capital raising fee equal to four (4%) per centum of the funds raised pursuant to the offer or introduced by the Underwriter;
- ζ a Consulting Fee of \$5,000 per month (exc. GST) as and from 14 July 2020 until 13 July 2021
- ζ 40million Options with an exercise price of \$0.03 and an expiry date of 31 December 2023



3E.2d Please provide a summary of the significant events that could lead to the underwriting being terminated

- ¿ Insolvency of ADD or related body corporate
- ¿ ASIC applies for an order under s 1324B of the Corporations Act or makes an order under s 739 of the Corporations Act
- ¿ There is a fall in the S&P at a level that is 10% or more below the level of the S&P the business day before
- ¿ ADD is in default under the agreement
- ¿ A director, CEO or CFO of ADD or a related body corporate is charged with an indictable offence
- ¿ ADD alters its capital structure without consent of the Underwriter (save as set out in the Offer Booklet)
- ¿ ADD alters its constitution without consent of the Underwriter
- ¿ A new law or policy is announced, introduced or adopted which does or is likely to prohibit or restrict or have a materially adverse effect on the Offer
- ¿ breach of material contract without the consent of the Underwriter
- ¿ There is a major outbreak or escalation of hostilities (whether or not war has been declared) in Australia, USA, Tanzania, PRC, North Korea or Japan.

3E.2e Is a party referred to in listing rule 10.11 underwriting or sub-underwriting the proposed offer?

☒ No

3E.3 Will brokers who lodge acceptances or renunciations on behalf of eligible +security holders be paid a handling fee or commission?

☒ No

3E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed offer

Part 3F - Further Information

3F.1 The purpose(s) for which the entity intends to use the cash raised by the proposed issue

to fund payment of outstanding creditors including outstanding directors¿ fees of \$52,800 and outstanding interest on the convertible notes of \$254,011 with the balance to fund the on-going working capital requirements of the Company

3F.2 Will holdings on different registers or subregisters be aggregated for the purposes of determining entitlements to the issue?

☒ No

3F.3 Will the entity be changing its dividend/distribution policy if the proposed issue is successful?

☒ No

3F.4 Countries in which the entity has +security holders who will not be eligible to participate in the proposed issue

All countries other than Australia or New Zealand

3F.5 Will the offer be made to eligible beneficiaries on whose behalf eligible nominees or custodians hold existing +securities

☒ No

3F.6 URL on the entity's website where investors can download information about the proposed issue

www.adavaleresources.com



3F.7 Any other information the entity wishes to provide about the proposed issue

3F.8 Will the offer of rights under the rights issue be made under a disclosure document or product disclosure statement under Chapter 6D or Part 7.9 of the Corporations Act (as applicable)?

☒ No