

ASX ANNOUNCEMENT

15 January 2015

1 MILLION DOLLARS FUNDING FACILITY

Adavale Resources Limited (**Company**) (ASX: ADD) advises that it has entered into a Standby Subscription Agreement with Gurney Capital Pty Ltd for a \$1,000,000 facility to provide working capital to the Company.

The key terms of the facility are as follows:

- Facility limit: \$1,000,000
- Purpose: Working capital
- Period of facility: 5 years
- Drawing: The Company need not use the facility. However if the Company wants to use the facility, it may do so by one or more drawdown against the facility limit. Each drawdown will be result in an issue of fully paid ordinary shares to Gurney Capital Pty Ltd.
- Issue price for shares: 80% of 15-day VWAP prior to each drawdown.
- First Drawdown: Expected to be \$30,000 – \$50,000 as part of the Company's capacity under ASX Listing Rule 7.1 to issue shares without shareholder approval. The utilization of the facility beyond the available capacity of ASX Listing Rules 7.1 and 7.1A will require shareholder approval, and a General Meeting will be held in due course for this. In addition, shareholder approval will be required for Gurney Capital Pty Ltd to exceed 19.99% shareholding in the Company.

For and on behalf of Adavale Resources Limited

Leanne Ralph
Company Secretary

