



ASX RELEASE

2019 Annual Report

Please find attached the Adavale Resources Limited 2019 Annual Report.

It is anticipated that the hard copy version of the Annual Report, along with the Notice of Meeting, will be distributed to shareholders mid October 2019.

Julian Rockett
Company Secretary
Adavale Resources Limited

ADAVALE RESOURCES LIMITED

ACN 008 719 015

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 June 2019

ADAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

CONTENTS

FOR THE YEAR ENDED 30 June 2019

CORPORATE DIRECTORY	4
REVIEW OF OPERATIONS	5
CORPORATE GOVERNANCE STATEMENT	7
DIRECTORS' REPORT	12
AUDITOR'S INDEPENDENCE DECLARATION	20
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	21
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	22
CONSOLIDATED STATEMENT OF CASH FLOWS	23
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	24
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	25
DIRECTORS' DECLARATION	47
INDEPENDENT AUDIT REPORT FOR THE YEAR ENDED 30 June 2019	48
ADDITIONAL INFORMATION	52

ADAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
CORPORATE DIRECTORY

Directors

Haryono Eddyarto (Chairman)
Huili Guo
Allan Ritchie
Khamtane Signavong

Secretaries

Julian Rockett

Registered Office

Level 12
225 George Street,
SYDNEY NSW 2000
Telephone +(612) 82630505
Facsimile +(612) 82630500

Share Registry

Computershare Investor Services Pty Limited
Level 4, 60 Carrington Street
Sydney NSW 2000

Auditor

HLB Mann Judd (WA) Partnership
Level 4, 130 Stirling St
Perth WA 6000

Stock Exchange

Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

ASX Code

ADD (fully paid ordinary shares)

REVIEW OF OPERATIONS

The principal activities of the Group during the period were mining exploration and development in Australia and Indonesia.

On 24 July 2017 the Company announced a Standby Subscription Agreement with GTI Holdings Limited (GTI) (formerly Addchance Holdings Ltd) for a \$1,000,000 facility to provide working capital to the Company. During the year the Company issued 38,988,097 shares capitalising \$330,000 utilising this facility (including \$50,000 which had been received prior to 30 June 2018 and included as a loan at that date). The shares are issued at 80% of 5-day VWAP prior to each drawdown. The balance of the facility at the 30 June 2019 amounts to \$361,841.

As was reported on 12 October 2017 the Company entered into an agreement with its Chairman Mr Haryono Eddyarto (subject to shareholder approval) to sell the TAPAN project to Mr Eddyarto and as consideration Mr Eddyarto would extinguish all debt between the Company and Mr Eddyarto and associated companies amounting to approximately \$667,908. Full details of the transaction were included in the Notice of Annual General Meeting held on 30 November 2017, at which shareholder approval was granted for the transaction to proceed. The Company proceeded to complete this transaction in the year ended 30 June 2018.

The Group continues to hold its uranium tenements at Lake Surprise in South Australia and is actively seeking joint venture partners to further explore the area. and continues to look for additional Mining and Energy assets to compliment Adavale's growth outlook. Adavale intends to procure the appropriate asset that will not only accrete capital appreciation for shareholders but can also soon lead to an impact on positive cash-flow outcomes.

A descriptions of the Lake Surprise project is set out below.



AUSTRALIA

LAKE SURPRISE - SOUTH AUSTRALIA - 100% ARL

Adavale Minerals Pty Ltd, the subsidiary of the Company holds three exploration licences within part of the highly prospective sedimentary uranium province within the northern part of the Lake Frome Embayment. These tenements lie within a flat, semi-arid landscape located just to the north of the Flinders Range in South Australia. These include EL 5892 comprising 92km², EL 5893 comprising 167km² and EL 5644 of 137km².

The Lake Surprise Project area contains the Jubilee and Mookwarinna Prospect areas and these lie within a shallow, structural downwarp known as the Clayton Basin. If further exploration identifies economic resources, both prospects could be mined by shallow open cut methods and uranium extraction using a simple The Jubilee Prospect contains fourteen potentially economic ore blocks that lie within a north-trending, sinuous, quartzose palaeochannel system. These blocks have eU3O8 concentrations of greater than 100ppm reaching a maximum of 611ppm and have thicknesses greater than 0.5m. The deposits comprise a mixture of unconformity, sheet-like or roll-front style deposits that in places crop out and extend to depths to about 25m below the ground surface and lie within a sinuous palaeochannel that is more than 2km in length. This channel has tributary branches and segments that are undrilled and in places are open in several directions. The palaeochannel system contains fine to coarse grained quartzose sandstone and minor siltstone. Most of the uranium, including occurrences of visible carnotite, is held within hardened silicified sandstone and silcrete layers. Adavale has made a preliminary assessment as to the quantity of uranium present from a study estimating equivalent uranium present through analyses of gamma ray logs of drill-holes. This assessment cannot be accurately completed due to relatively few geochemical analyses that were undertaken and because some uranium may not have responded as radioactive anomalies in the gamma ray logs, due to the probable disequilibrium state of recently groundwater-precipitated uranium. The Board recognises the potential economic significance of this area and has received a report recommending an infill drilling plan to further explore and upgrade knowledge of the uranium resources of this prospect.

ADAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**REVIEW OF OPERATIONS - CONTINUED**

The Mookwarinna Prospect lies in the south-central part of EL 5893 and has widely spaced drill-holes on an approximate 1km grid spacing. A broad anomalous zone of uranium enrichment is recorded in five drill-holes within a zone about 6km in strike length which appears to wrap around the southern margin of a local, structural downwarp within the Clayton Basin sequence. An area of about 300 X 400m was subjected to a ground spectrometer survey and infill drilling of six gamma-ray logged holes and contains anomalous uranium above the 100ppm cut-off grade in layers up to 3.25m in thickness. The deposits are shallow and in places lie just below surficial sand cover to depths of about 20m. It is likely that the uraniferous granites in the Flinders Range is the likely source and the proximity to this terrain may indicate that the uranium deposits could be more extensive than those located further north in the Jubilee Prospect. A programme of closer-spaced drilling, gamma-ray logging, XRF and geochemical analyses of core and cuttings, has been designed for this area.

Applications have been made and approvals received for the tenure on all three tenements to be extended to July/August 2020. Management continue to have discussions with potential joint venture parties to explore and develop the sedimentary uranium deposits. The Company is also planning to extend exploration into EL 5644 and into as yet other undrilled sectors of the Clayton Basin, within the tenements that appear to contain similar geological environments to the two identified prospects.

Competent Person Statement: The information in this report relates to Exploration Results, Mineral Resources or Ore Resources is based on information that was examined and reviewed by Dr Brian R. Senior, who is a Fellow of the Australasian Institute of Mining and Metallurgy and independent Geological Consultant to ARL. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2014 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Senior consents to the inclusion in the report of the matters based on the information supplied in the form and context in which it appears.

CORPORATE GOVERNANCE STATEMENT

CORPORATE GOVERNANCE STATEMENT

This statement outlines the main corporate governance practices currently in place for Adavale Resources Limited (**Company or Adavale**) and also addresses the 3rd Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX Recommendations**). The Board believes the Company has applied the principles and recommendations of the ASX Corporate Governance Council in a manner that is appropriate for a Company in its current stage of operation.

The corporate governance policies and practices described below are those that have been in place for the year, or as at the date of this report where indicated. The Company does not have a website that is properly maintained or up to date. As a result charters and policies referred to in this statement are not disclosed on this website as required under the ASX Recommendations.

Principle 1: Lay solid foundations for management and oversight**(a) Role of the Board**

The board is accountable to shareholders for the management of the Company's business and affairs and as such is responsible for the overall strategy, governance and performance of the Company. The Board is responsible for the following:

- ☐ Providing accountability to shareholders/stakeholders
- ☐ Appointing and working with the Managing Director /Executive Directors
- ☐ Approval of Company Strategy
- ☐ Development of Key Company policy
- ☐ Monitoring management and operations

(b) Board committees

The ultimate responsibility for the oversight of the operations of the Company rests with the Board. However, the Board may discharge any of its responsibilities through committees of the Board in accordance with the Constitution and the Corporations Act.

Given the size of the Company's operations the reliance on the experience of the members of the Board, the Board only has constituted an Audit Committee. The functions of other such committees (risk, remuneration and nomination) will be performed by the full Board.

The number of Board and Audit Committee meetings held during the year and the number of meetings attended by each of the directors is set out in the table below:

	BOARD		AUDIT COMMITTEE	
	A	B	A	B
Mr Haryono Eddyarto (Chair and Non Executive Director)	12	6	-	-
Huili Guo	12	8	-	-
Allan Ritchie	12	12	2	2
Khamtane Signavong	12	11	2	2

A: Meetings eligible to attend **B:** Meetings attended (Note: Meetings attended include circular resolutions.)

(c) Senior Executives

The Board Charter addresses the responsibilities of the Board and management. It goes further detailing the Board's relationship with Management. The Board Charter allows the Board to delegate the responsibility for the day-to-day management of the Company to a Managing Director (**MD**).

As the Company is currently assessing the future direction of the Company no new executives have been appointed during the year.

(d) Performance of Senior Executives

As there are no senior executives in the business, there is no requirement to assess performance.

(e) The Company Secretary

The Company Secretary acts as secretary of the Board, attending all meetings of the Board. The Company Secretary is accountable to the Board through the chairperson on all corporate governance matters.

Principle 2: Structure the board to add value**(a) Board size and composition**

The Constitution of the Company provides that there will be a minimum of three directors and not more than nine directors.

At the date of this report, the Board comprises four non-executive directors.

The current members of the Board are:

Mr Haryono Eddyarto(Chair and Non-Executive Director), (appointed 28 September 2011)

Mr Huili Guo (Non-executive Director), (appointed 28 April 2017);

Mr Allan Ritchie (Non-executive Director), (appointed 28 April 2017);

Mr Khamtane Signavong (Non-executive Director) (appointed 28 April 2017).

CORPORATE GOVERNANCE STATEMENT (CONT)

The Board considers that the existing Board composition and structure is appropriate for the Company's current operations and stage of development. Directors' details are listed in the Annual Report in the Directors Report, including details of their other listed entity directorships and experience.

(b) Board skills and diversity

The Board considered the merits of developing a Board Skills Matrix but has not undertaken this process for the year ended 30 June 2019 due to its stage of operations and the strategic review process being undertaken to determine the future of the Company. The qualifications and expertise of each Board Member are outlined in the Directors Report contained within the Annual Report.

(c) Director Appointments

Given the stage of the Company's operations and the strategic review process being undertaken to determine the future of the Company and the heavy reliance on the experience of the members of the Board, no additional director appointment have been made during the year ended 30 June 2019. At the appropriate time, the Board will make decisions on the size and composition of the board, including assessment of necessary and desirable competencies of board members.

The full Board will determine who is invited to fill a casual vacancy after extensive one-on-one and collective interviews with candidates and thorough due diligence and reference checking.

(d) Terms of appointment

Non-executive directors are appointed pursuant to formal letters of appointment which, among other things, set out the key terms and conditions of the appointment, the Board's expectations in relation to the performance of the director, procedures for dealing with a director's potential conflict of interest and the disclosure obligations of the director, together with the details of the director's remuneration.

The Company has not established a formal director induction program as there is no current intention to appoint any additional directors. All current directors were informally given induction to their positions. The Board will consider the implementation of an induction program as part of its strategic review process being undertaken to determine the future of the Company.

(e) Directors' independence

The Board considers that it is able to exercise its judgement in an independent and unfettered manner and provide independent and effective oversight of management.

All members of the board, whether independent directors or not, exercise independent judgement in making decisions in the best interests of the Company as a whole.

In determining the independent status of each director, the Board has adopted the approach contained in ASX Principle 2, and specifically assesses the independence of all directors against the criteria outlined in Box 2.3 of the ASX Recommendations.

The Company does not use prescribed or pre-determined materiality thresholds for the purposes of assessing director independence but instead assesses independence on a case by case basis, having regard to the extent to which any relevant relationship or connection may materially interfere with the director's ability to exercise unfettered and independent judgement in the discharge of their responsibilities and duties.

Given the recent executive position held and the fact that Mr Haryono Eddyarto is a substantial shareholder, he is considered to be non-independent based on the criteria in Principle 2 of the ASX Recommendations. Mr Huili Guo is considered to be non-independent given his indirect interest in substantial shareholder Jun Moon Limited. Mr A Ritchie and Mr K Signavong are considered independent Directors.

The Board believes that this is an appropriate structure given the stage of the Company's operations, as it will be important to draw heavily on the industry experience of the members of the Board while it undertakes its strategic review to determine the Company's future.

(f) Directors' interests

Directors are required to keep the Board advised of any interest that may be in conflict with those of the Company, and restrictions are applied to directors' rights to participate in discussion and to vote, as circumstances dictate when a conflict has been identified. In particular, where a potential conflict of interest may exist, directors concerned may be required to leave the Board meeting while the matter is considered in their absence.

(g) Chairman

The Board Charter provides that where practical, the Chairman of the Board should be an independent Director.

Currently, the Chairman of the Board is not independent. The Company will consider appointing an independent Director as Chairman as part of its strategic review of the Company's future direction.

(h) Board meetings

The Board typically schedules meetings on a quarterly basis, with additional meetings convened as required. Agenda's for each meeting are prepared by the Company Secretary together with the input from the Chairman, and are distributed prior to the meeting together with supporting papers.

Standing items include the Operations report and the financial report, as well as reports addressing matters of strategy, governance and compliance.

(i) Independent advice

The Board has a policy of enabling directors to seek independent professional advice for Company related matters at the Company's expense, subject to the prior notification of the Chairman and where the estimated costs are considered to be reasonable.

(j) Board and director performance

Whilst the board is committed to enhancing its effectiveness through performance management and review, the board considers it inappropriate timing to undertake a board review process. This is due to the current state of the business effectively under review.

ADAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
CORPORATE GOVERNANCE STATEMENT (CONT)

Principle 3: Act Ethically and Responsibly

(a) Code of conduct

The Board acknowledges the need for high standards of corporate governance practice and ethical conduct by all directors and employees of the Company. Whilst the Company has not adopted a Code of Conduct, various measures have been established to ensure that a high standard of ethical business behaviour is observed by all staff members, including policies and procedures for:

- Continuous Disclosure Obligations; and
- Trading in Adavale Securities.

In addition to their obligations under the Corporations Act in relation to inside information, all directors, employees and consultants have a duty of confidentiality to the Company in relation to confidential information they possess.

Once the future direction of the Company

(b) Employee and director trading in Adavale securities

In accordance with ASX Listing Rule 12.9, the Company has in place a Security Trading Policy that governs the ability of directors, employees and contractors to trade in the Company's securities. Subject to necessary prior written consents being obtained, the Company's directors, executives and employees may trade in the Company's securities at any time outside closed periods. Closed periods cover the following:

- The day after the announcement of Adavale's half yearly results to the ASX;
- The day after the announcement of Adavale's annual preliminary financial results to the ASX; or
- for any other time period determined by the Board.

Directors and employees may, in exceptional circumstances as defined in the policy, trade in a closed period but only with the prior written consent of the Disclosure Officer. Notwithstanding the closed periods and approval requirements, a person is prohibited from trading at any time if they possess material, price-sensitive information about the Company that is not generally available to the public.

The policy also prohibits short term trading of the Company's securities.

(c) Diversity

A formal diversity policy has not been adopted by the Board as there are employees of the company and no current intention to appoint any new directors.

This position may change, including the establishment of measurable gender diversity objectives in the foreseeable future whilst the Board undertakes a strategic review of the Company's future direction.

The current gender diversity is as follows:

- The proportion of female directors: 0%
- The proportion of female employees on the executive committee: 0%
- The proportion of female employees in the whole organisation: 0%

Principle 4: Safeguard integrity in corporate reporting

The Audit Committee is responsible for assisting the board in discharging its responsibilities to safeguard the integrity of the Company's financial reporting and the system of internal control. A key component of the committee's role is to provide appropriate advice and recommendations to the board to assist the board to fulfil its responsibilities in regard to financial reporting, the internal control environment, and audit management where appropriate across the Company.

The Audit Committee Charter takes into account the roles and responsibilities of the Audit Committee as well as contemporary governance practices. The Audit Committee Charter includes details on the appointment and oversight of the external auditor. The Company will ensure the external auditor is available to shareholders at the annual general meeting to answer any questions they may have about the Company's external audit.

The Audit Committee's current membership, the independence of the members and details of Audit Committee meetings and attendance by each Committee member are set out earlier in this Corporate Governance Statement and the Directors Report.

CORPORATE GOVERNANCE STATEMENT (CONT)

The qualifications and experience of the members of the Audit Committee are outlined in the Directors Report.

In accordance with the Company's legal obligations and Recommendation 4.2 of the ASX Recommendations, the delegated director and the Chief Financial Officer equivalent make the following certifications to the Board in relation to the Financial Statements for the financial period:

- The financial statements and associated notes comply in all material respects with the Accounting Standards as required by Section 296 of the Corporations Act 2001, Corporations Regulations, International Reporting Standards and other mandatory professional reporting requirements;

- The financial statements and associated notes give a true and fair view, in all material respects, of the financial position as at 30 June 2019 and performance of the Company for the period ended as required by Section 297 of the Corporations Act 2001;

- The financial records of the company have been properly maintained in accordance with Section 286 of the Corporations Act 2001;

- The integrity of the financial statements are founded on a sound system of risk management and internal compliance and control which, in all material respects, implements the policies adopted by the board of directors;

- The risk management and internal compliance and control systems of the Company relating to financial reporting objectives are operating effectively, in all material respects; and

- Subsequent to the end of the financial period, no changes or other matters have arisen that would have a material effect on the operation of risk management and internal compliance and control systems of the Company.

The Company is committed to complying with its continuous disclosure obligations under the ASX Listing Rules and Corporations Act and to ensuring that its shareholders are kept well-informed of all major developments affecting the Company's state of affairs, in order to promote transparency and investor confidence. The Company has a Continuous Disclosure Policy and it incorporates the continuous disclosure framework as set out in the ASX Listing Rules Chapter 3. The Policy creates a framework for compliance with relevant disclosure obligations and establishes the accountability of the Board for achieving compliance. More specifically, the Policy:

- Explains the Company's obligations under ASX Listing Rule 3.1 and the Corporations Act 2001;
- Establishes internal processes for reporting of information considered to be potentially price-sensitive and for consideration of information reported by the Board;
- Establishes processes for the disclosure of price sensitive information, taking into account the clarification provided by ASX Guidance Note 8;
- Establishes internal processes for briefing of analysts, investor and media Company's, responding to market speculation, leaks and rumours and calling trading halts where appropriate to avoid trading occurring in an uninformed market;
- Outlines authorisation procedures for ASX announcements; and
- Delegates to the Company Secretary the authority to release information or make disclosures to the ASX and responsibility for decisions regarding price sensitive information, coordinating disclosures, establishing and monitoring procedures under this Policy and making recommendations to the Board on any necessary updates to the Policy.

The Board aims to ensure that its shareholders are kept well-informed of all major developments and business events that are likely to materially affect the Company's operations and financial standing, and the market price of its securities. Information is communicated to security holders through:

- Annual, half year financial reports and quarterly cashflow reports and market updates, lodged with the ASX and made available to all security holders;
- Announcement of market-sensitive and other information, including annual and half year results announcements and analyst presentations released to the ASX; and
- The chairman and CEO's addresses to, and the results of, the Annual General Meeting.

The Company does currently have a website although not properly maintained nor up to date. As a result, charters and policies referred to in this statement are not disclosed in the website as required by the ASX. The further development and enhancement of the website of the Company will be part of the strategic review being undertaken by the Company to consider its future direction.

ADAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
CORPORATE GOVERNANCE STATEMENT (CONT)

The Company has a Continuous Disclosure Policy that includes a formal procedure for dealing with potentially price-sensitive information. The policy sets out how the Company meets its disclosure obligations under ASX Listing Rule 3.1. The Company's policy is to lodge with the ASX and place on its website all market-sensitive information, including annual and half year result announcements and analyst presentations, as soon as practically possible.

Shareholders have the right, and are encouraged, to attend the Company's annual general meeting, held in November each year, and are provided with explanatory notes on the resolutions proposed through the notice of meeting. A copy of the notice of meeting will also be posted on the Company website and lodged with the ASX.

Shareholders are encouraged to vote on all resolutions and unless specifically stated otherwise in the notice of meeting, all security holders are eligible to vote on all resolutions. Shareholders who cannot attend the annual general meeting may lodge a proxy in accordance with the Corporations Act. Proxy forms may be lodged with the share registry by mail, hand delivery, facsimile or electronically.

Transcripts of the chairman reports to shareholders are released to the ASX upon the commencement of the Annual General Meeting. These transcripts, together with the results of the meeting are also posted on the Company's website and the ASX.

All shareholders are provided the option to receive communications from the share registry electronically (and are encouraged to do so, with election documentation included in regular mail outs to security holders).

The Board is responsible for ensuring that sound risk management framework and policies are in place. The Board will devote time at its meetings to fulfilling the roles and responsibilities associated with overseeing risk and maintaining the Company's risk management framework and associated internal compliance and control procedures.

The Company's risk management framework is integrated with its day-to-day business processes and functional responsibilities.

The Board considers risk matters on an ongoing basis but did not undertake a formal review of its risk management framework during the year ended 30 June 2019 due to the fact that the Board is undertaking a strategic review of the future direction of the business. It is intended that this framework review will be undertaken as part of the strategic review of the future direction of the business.

(a) Internal Audit

The Company does not have an internal audit function as it is not considered appropriate for the Company's current stage of development and operations.

(b) Economic, environmental and social sustainability risks

In accordance with Recommendation 7.4, the Board has considered whether the Company has any material exposure to economic, environmental and social sustainability risks and determined that there is no material exposure to these risks.

Principle 8: Remunerate fairly and responsibly

Given the stage of the Company's operations and the heavy reliance on the experience of the members of the Board, the Board does not initially propose to establish a remuneration committee and the function of such a committee will be performed by the full Board, acting in the best interests of the Company.

The Board will devote time at its meetings to fulfilling the roles and responsibilities associated with setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

For details of the Company's remuneration structure, please refer to the Remuneration Report

DIRECTORS' REPORT

The Directors present their report on the Company and its controlled entities for the financial year ended 30 June 2019.

Directors

The Directors of the Company at any time during or since the end of the financial year are:

Name and Qualifications	Interests in Shares and Options at 30 June 2019	Experience and Special Responsibilities
Haryono Eddyarto Chairman Non-executive director Appointed 28 September 2011	4,238,778 fully paid ordinary shares	<p>Mr Eddyarto is an Indonesian Resident and has over 35 years experience in International trade. He has extensive business activities ranging from Commodity Trading, Mining, Chemical, Television and Property. Mr Eddyarto is a strong promoter of the Asian region having represented Indonesian Chamber of Commerce and Industry in the G-15, G-77 and the Indian Ocean Rim ARG-Business Forum.</p> <p>Current directorships include: Pt House of Indonesia, Pt Inter Mineral Resources, Pt Nikelindo, SpaceBee Broadcasting Services AG, Switzerland and Pt Teras Nirwana Bali.</p>
Huili Guo Non-executive Director Appointed 28 April 2017	53,000,000 shares	<p>Mr Huili Guo, aged 42, joined the People Liberation Army (PLA) in the PRC from 1993 to 1996. Since his resignation from the PLA, he has worked extensively in the Petrochemical industry in China, mainly in sales and marketing.</p> <p>He started JML in 2010 as its majority shareholder and Chairman of the Board. JML's main business is procuring off-take of Petroleum products, both within China and overseas.</p> <p>Under Mr Guo's guidance and strategy JML has made a number of successful investments, more noticeably, as a majority shareholder in a Molybdenum mine in Guizhou, China, as well as in various financial investments and asset management concerns in Hong Kong, and China.</p>
Allan Ritchie Non-executive Director Appointed 28 April 2017	34,035 shares	<p>Allan has served as a Board Director on several private and public listed companies and is a principal of his own firm where he focuses on asset acquisitions and off-take arrangements of Energy, Resources, and Infrastructure.</p> <p>Allan is an Investment Banking professional with a career spanning 30 years of Origination & Structuring. He held senior positions in Westpac, ANZ Bank, HSBC and BNP Paribas, in London, NY and Asia Pacific. He engages with the Chief Executives of major corporations and State Owned Enterprises spanning the largest Global Resources, Energy & Infrastructure groups. He was voted No. 1 in the Business Review (BRW) poll of Financial Markets bankers each year in that role in Australia. Allan graduated from the University of Technology, Sydney with Bachelor of Business and a Post Graduate Diploma in Applied Finance FINISA. Allan is currently a director of Indago Energy Limited, having been appointed 3 April 2017.</p>

DIRECTORS' REPORT (CONT)

Khamtane Signavong
Non-executive Director
Appointed 28 April 2017

Nil shares

Kham is a successful entrepreneur, a solid leader, a published author, and trusted executive.

Kham has taken several businesses from inception to overseas expansion in sectors including Hospitality, property and supply chain, he is an asset to any organisation. Kham has a wealth of experience in, and is a great asset to, cross border businesses with multiple languages and a solid understanding of many Asian cultures both personally and professionally, including Laos, Thailand, Hong Kong China and his home Australia.

Company Secretary

Julian Rockett, B Arts, LLB, GDLP

Julian Rockett is a qualified corporate lawyer and listed company secretary. His background in law has included corporate compliance, advising on IPOs, M&As, RTOs and capital raising for ASX listed entities. His diverse ASX listed company secretarial experience includes supporting fin-tech, artificial intelligence, medical technology, logistics, equity, mining, energy, technology and commercial property ASX listed companies.

Principal Activities

The principal activities of the Group during the period were mining exploration and development in Australia.

On 24 July 2017 the Company announced a Standby Subscription Agreement with GTI Holdings Limited (GTI) (formerly Addchance Holdings Ltd) for a \$1,000,000 facility to provide working capital to the Company. During the year the Company issued 38,988,097 shares capitalising \$330,000 utilising this facility (including \$50,000 which had been received prior to 30 June 2018 and included as a loan at that date). The shares are issued at 80% of 15-day VWAP prior to each drawdown. The balance of the facility at the 30 June 2019 amounts to \$361,841.

As was reported on 12 October 2017 the Company entered into an agreement with its Chairman Mr Haryono Eddyarto (subject to shareholder approval) to sell the TAPAN project to Mr Eddyarto and as consideration Mr Eddyarto would extinguish all debt between the Company and Mr Eddyarto and associated companies amounting to approximately \$667,908. Full details of the transaction were included in the Notice of Annual General Meeting held on 30 November 2017, at which shareholder approval was granted for the transaction to proceed. The Company proceeded to complete this transaction in the previous financial year and presently there are no continuing or residual operations in Indonesia.

The Group continues to hold its uranium tenements at Lake Surprise in South Australia and is actively seeking joint venture partners to further explore the area, and continues to look for additional Mining and Energy assets to compliment Adavale's growth outlook. Adavale intends to procure the appropriate asset that will not only accrete capital appreciation for shareholders but can also soon lead to an impact on positive cash-flow outcomes.

ADAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**DIRECTORS' REPORT (CONT)**

Review and Results of Operations

The Company has continued to maintain its ownership and interest in its Lake Surprise Uranium area in South Australia. The Company will continue to review other opportunities in the energy sector. As reported elsewhere, during the previous year the Company sold its interest in subsidiary company PT Prima Perkasi Adabi, and hence its interest in the Indonesian coal asset project TAPAN. The details and terms of the sale were described in detail in the Annual General Meeting held in November 2017.

The consolidated loss of the Company from continuing operations was \$527,093 which compared with a net profit for the prior year of \$122,451. In 2018 the Company had a loss of \$545,457 from continuing operations and a profit of \$667,908 from discontinued operations.

The loss from Company activities before income tax expense includes the following revenue and expense disclosures which are relevant in explaining the financial performance of the entity:

	2019	2018
	\$	\$
Revenue from continuing operations	-	-
Expenses from continuing operations	(527,093)	(545,457)
Loss from continuing operations	(527,093)	(545,457)
Profit/(loss) on sale discontinued operations	-	667,908
Profit/(loss) from continuing activities	(527,093)	122,451

The major costs incurred in the year were focused on statutory compliance as well as the administration effort associated with our tenements in Australia.

CAPITAL RAISING FACILITY

In July 2017 the Company entered into a capital raising facility (Facility) with a non-related entity GTI Holdings Limited (GTI) (Formerly Addchance Holdings Ltd) a Hong Kong based company. The purpose of this agreement is to provide further working capital to the Company. The general terms of the agreements are as follows:

- Facility limit: \$1,000,000;
- Period of facility: 5 years;
- The Company may draw down in one or more amounts within the facility limit, each draw down will result in an issue of fully paid ordinary shares to Addchance or its nominee(s); and

Should any project require major funding beyond the funds immediately available to the Company, the Company would consider either introducing joint venture parties to the project, or carry out a capital raising to enable a full ownership retention of the project. Such decisions would be made on a case by case basis.

Dividends

No dividends were paid during the financial year and the directors recommend that no dividend be paid in respect of the year ended 30 June 2019.

Significant Changes in the State of Affairs

Except as referred to above there have not been any significant changes in the state of affairs of the Company.

Future Developments

The Group expects to continue its exploration and evaluation activities in Australia into the foreseeable future and will examine options for maximising the value of its mineral interests.

Events Subsequent to Reporting Date

No matters or circumstances have arisen since the end of the year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

DIRECTORS' REPORT (CONT)

Remuneration Report (audited)

The directors of Adavale Resources Limited present the Remuneration Report for non-executive directors, executive directors and key management personnel, prepared in accordance with the Corporations Act 2001 and Corporations Regulations 2001.

The remuneration report is set out under the following main headings:

- a. Principles used to determine the nature and amount of remuneration
- b. Details of remuneration
- c. Share based remuneration
- d. Service agreements

(a) Remuneration Policies

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Group, including directors of the Company and other executives. Key management personnel comprise of directors of the company and senior executives of the Group.

The compensation structure takes into account:

- the capability and experience of the key management personnel
- the key management personnel's ability to control the relevant segment performance
- the group's performance including:
 - the group's earning
 - the growth of the share price and delivering constant return to shareholders

Compensation packages include a mix of fixed and variable compensation and short and long term performance based incentives. Short and long term performance - based incentives are designed to reward key management personal for meeting or exceeding their financial and personal objectives.

Currently with regard to Director's retainer there is no relationship between remuneration and performance.

Remuneration levels are competitively set to attract and retain qualified and experienced directors, executives and staff, and

having regard for the overall performance of the Company. Where necessary the Board obtains independent advice on the appropriateness of remuneration packages, given trends in comparative companies and industry surveys. No such advice from a remuneration consultant was requested or received in the current year.

Currently the company does not have a Remuneration committee, but the Board establishes and monitors remuneration packages and policies.

When appointed, the Board establishes and monitors the remuneration of the Managing Director. Currently no Chief Executive Officer has been appointed.

ADAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT (CONT)

(b) Company Directors' remuneration

The remuneration paid during the year to each director of the Company are as follows. There are no long term employee benefits or termination benefits. See below relating to service agreements.

2019

DIRECTORS

Haryono Eddyarto (Chairman - non-executive director) -
Huili Guo (non-executive director) -
Yuk Chor Choi (non-executive director - resigned 7 August 2017) -
Allan Ritchie (non-executive director) i 67,502
Khamtane Signavong (non-executive director) ii 20,002

SHORT TERM EMPLOYEE BENEFIT	POST EMPLOYEE BENEFIT	SHARE BASED PAYMENT	Total	% PERFORMANCE RELATED
Salary & Fees \$	Super- annuation \$	Options \$	\$	
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
67,502	-	-	67,502	-
20,002	-	-	20,002	-
87,504	-	-	87,504	

OTHER KEY MANAGEMENT PERSONNEL

Julian Rockett (Secretary) iii

35,400	-	-	35,400
---------------	---	---	---------------

2018

DIRECTORS

Haryono Eddyarto (non-executive chairman) -
Huili Guo (non-executive director) -
Allan Ritchie (non-executive director) i 50,000
Khamtane Signavong (non-executive director) ii 20,005

SHORT TERM EMPLOYEE BENEFIT	POST EMPLOYEE BENEFIT	SHARE BASED PAYMENT	Total	% PERFORMANCE RELATED
Salary & Fees \$	Super- annuation \$	Options \$	\$	
-	-	-	-	-
-	-	-	-	-
50,000	-	-	50,000	-
20,005	-	-	20,005	-
70,005	0	0	70,005	

Other Key Management Personnel

Julian Rockett (Secretary) iii

35,400	-	-	35,400
---------------	---	---	---------------

DIRECTORS' REPORT (CONT)

- i A Ritchie was paid a monthly retainer of \$4,167 (\$10,000 for 3 months on a special project from 1 April 2019 to 30 June 2019) to perform general management and administrative duties of the Company
- ii K Signavong is on a monthly retainer of \$1,667 to perform general management and administrative duties of the Company.
- iii Fees paid for services of L Ralph and J Rockett as joint company secretary, paid to Boardroom Pty Ltd.

(c) Share Based Remuneration

The 4,000,000 options issued in April 2017 expired on 26 April 2019.

(d) Service Agreements

As of 1 July 2019 the service agreement payments to A Ritchie and K Signavong have been agreed to be nil until further notice.

DIRECTORS' REPORT (CONT)

(e) Other Information

Options held by Key Management Personnel

The number of options to acquire shares in the Company held during the 2019 reporting period by any of the Key Management Personnel of the Group, including their related parties are set out below. The only current director holding options is Mr Haryono Eddyarto.

2019

PERSONNEL	Balance at start of year	Expired	Granted as remuneration	Vested and exercisable at the end of the reporting period	Vested and unexercisable at the end of the reporting period
Haryono Eddyarto	1,000,000	1,000,000	-	-	-

2018

PERSONNEL	Balance at start of year	Expired	Granted as remuneration	Vested and exercisable at the end of the reporting period	Vested and unexercisable at the end of the reporting period
Haryono Eddyarto	1,000,000	-	-	-	1,000,000

In addition to the above, in accordance with the terms of the Convertible Loan Agreement between the Company and Jun Moon Limited (JML) wherein JML has lent \$1,000,000 to the Company, the lender may, at its discretion, direct the borrower to satisfy the repayment of the loan by applying the loan and accrued interest in payment for the subscription of shares by JML at a price of \$0.05 per share. At 30 June 2019 the potential number of shares which would be issued under the terms of this agreement would be 23,475,940.

Shares held by Key Management Personnel

The number of ordinary shares in the Company held during the 2019 reporting period by any of the Key Management Personnel of the Group, including their related parties are set out below.

PERSONNEL	Balance at start of year	Granted as remuneration	Other changes (i)	Held at the end of the reporting period
Haryono Eddyarto	4,238,778	-	-	4,238,778
Huili Guo	37,000,000	-	16,000,000	53,000,000
Allan Ritchie	34,035	-	-	34,035

(i) These shares are held by Jun Moon Limited, a company related to Mr H Guo. Further shares were acquired in an off market transaction.

END OF REMUNERATION REPORT

Indemnification of Officers and Auditors

The Company indemnifies, to the extent permitted by law, all current and former Directors and the Company Secretaries of the Company against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as Directors or Company Secretary of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

DIRECTORS' REPORT (CONT)

The Company also indemnifies the current Directors and Company Secretary of its controlled entities for all liabilities to another person (other than the Company or a related body corporate) that may arise from their position, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

The Company also indemnifies executive officers of the Company and its controlled entities for all liabilities to another person (other than the Company or a related body corporate) that may arise from their position in the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

The Company does not indemnify its auditors.

Options

At the date of this report there no unissued ordinary shares of Adavale Resources Limited.

Environmental Issues

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or a State or Territory.

Non-Audit Services

HLB Mann Judd did not provide any non-audit services during either the year ended 30 June 2019 or 30 June 2018.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2019 has been received and can be found on the following page.

Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company, or intervene in any proceedings for which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Signed in accordance with a resolution of the Directors:



Haryono Eddyarto
Chairman

19/09/2019

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Adavale Resources Limited for the year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.



Perth, Western Australia
19 September 2019

B G McVeigh
Partner

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

ADAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 June 2019**

	Notes	Consolidated 2019 \$	Consolidated 2018 \$
Continuing operations			
Other Revenue		-	-
Total revenue		-	-
 Audit Fees	4	(39,926)	(46,737)
Director fees		(87,504)	(70,005)
Finance cost - financial instrument		(229,556)	(213,610)
Insurance		(26,922)	(22,060)
Share registry fees		(38,979)	(43,159)
Management and administration		(93,954)	(88,506)
Interest expense - funding		(1,104)	(1,342)
Exploration and evaluation expenditure		(7,397)	(12,431)
Legal fees		-	(44,454)
Other expenses from ordinary activities		(1,751)	(3,153)
 (Loss) before income tax expense		(527,093)	(545,457)
Income tax expense	5	-	-
(Loss) for the year from continuing activities		(527,093)	(545,457)
 (Loss)/Profit on sale of discontinued operation	9	-	667,908
(Loss)/Profit for the year		(527,093)	122,451
 Other comprehensive income/loss			
Items which may subsequently be transferred to profit or loss			
Movement in foreign exchange reserve		-	43,149
Total comprehensive (Loss)/Profit for the year		(527,093)	165,600
 Earnings per Share attributable to the ordinary shareholder of the Company - cents			
Basic (loss)/earnings per share – continuing operations	6	(0.55)	(0.77)
Basic (loss)/earnings per share – discontinued operations	6	0.00	0.94
Diluted (loss)/earnings per share – continuing operations	6	(0.55)	(0.77)
Diluted (loss)/earnings per share – discontinued operations	6	0.00	0.94

These consolidated financial statements should be read with the accompanying notes

ADAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 June 2019

	Notes	Consolidated 2019 \$	Consolidated 2018 \$
CURRENT ASSETS			
Cash assets	7	23,855	13,469
Other assets	8	30,806	26,985
TOTAL CURRENT ASSETS		54,661	40,454
TOTAL ASSETS		54,661	40,454
CURRENT LIABILITIES			
Payables	10	275,946	164,208
Borrowings	11	-	50,000
TOTAL CURRENT LIABILITIES		275,946	214,208
NON-CURRENT LIABILITIES			
Borrowings	12	1,000,000	850,438
TOTAL LIABILITIES		1,275,946	1,064,646
NET ASSETS		(1,221,285)	(1,024,192)
EQUITY			
Contributed equity	13	2,318,159	1,988,159
Reserves	14	299,409	327,409
Accumulated losses		(3,838,853)	(3,339,760)
TOTAL EQUITY		(1,221,285)	(1,024,192)

These consolidated financial statements should be read with the accompanying notes

ADAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 June 2019

		Consolidated	Restated Consolidated
	Notes	2019	2018
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(262,217)	(378,854)
Payments for exploration and evaluation expenditure		(7,397)	(12,431)
Net cash flows used in operating activities	21(b)	(269,614)	(391,285)
Cash flows from financing activities			
Issue of shares		-	308,159
Loan funds received - unrelated party	21(c)	280,000	50,000
Net cash provided by financing activities		280,000	358,159
Net increase/ (decrease) in cash held		10,386	(33,126)
Cash at beginning of financial year		13,469	46,595
Cash at end of financial year	21(a)	23,855	13,469

These consolidated financial statements should be read with the accompanying notes

ADAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 June 2019

	Share Capital	Accumulated Losses	Equity Component Instrument Reserve	Option Reserve	Foreign Currency Translation Reserve	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017	1,500,000	(3,462,211)	299,409	28,000	(43,149)	(1,677,951)
Loan issue	-	-	-	-	-	0
Issue of shares/options	488,159	-	-	-	-	488,159
Transactions with owners	488,159	-	-	-	-	488,159
Loss for the year	-	122,451	-	-	-	122,451
Other comprehensive income	-	-	-	-	43,149	43,149
Total Comprehensive Loss	-	122,451	-	-	43,149	165,600
Balance at 30 June 2018	1,988,159	(3,339,760)	299,409	28,000	-	(1,024,192)
Balance at 1 July 2018	1,988,159	(3,339,760)	299,409	28,000	-	(1,024,192)
Loan issue	-	-	-	-	-	-
Transfer on option termination	-	28,000	-	(28,000)	-	-
Issue of shares/options	330,000	-	-	-	-	330,000
Transactions with owners	330,000	28,000	-	-	-	330,000
Loss for the year	-	(527,093)	-	-	-	(527,093)
Other comprehensive income	-	-	-	-	-	-
Total Comprehensive Loss	-	(527,093)	-	-	-	(527,093)
Balance at 30 June 2019	2,318,159	(3,838,853)	299,409	-	-	(1,221,285)

These consolidated financial statements should be read with the accompanying notes

ADAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2019**

NATURE OF OPERATIONS Adavale Resources Limited (“the Company”) and its controlled entities (“the Group”) principal activities of the consolidated entity during the year include mining exploration and development in Australia.

CAPITAL RAISING FACILITY

On 24 July 2017 the Company announced a Standby Subscription Agreement with GTI Holdings Limited (GTI) (Formerly Addchance Holdings Ltd) for a \$1,000,000 facility to provide working capital to the Company. During the year the Company issued 38,988,097 shares capitalising \$330,000 utilising this facility. The shares are issued at 80% of 5-day VWAP prior to each drawdown. The balance of the facility at 30 June 2019 amounts to \$361,841. The Group is continuing to evaluate its uranium project at Lake Surprise in South Australia as well as evaluating farm-out or joint venture opportunities. The Company continues to look for additional Mining and Energy assets to compliment Adavale's growth outlook. Adavale intends to procure appropriate the assets that will not only accrete capital appreciation for shareholders but can also soon lead to an impact on positive cash-flow outcomes.

1. REPORTING ENTITY

Adavale Resources Limited (the “Company”) is a for profit company incorporated and domiciled in Australia. The consolidated financial statements of the Company as at and for the year ended 30 June 2019 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in associates and joint venture entities. The Group is primarily involved in mining exploration.

The registered office of the Company is:
Adavale Resources Limited
Level 12, 225 George Street
SYDNEY NSW 2000

The principal place of business is Australia.

2. BASIS OF PREPARATION**(a) Statement of Compliance**

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards including

Accounting Standards interpretations, adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. Compliance with Australian Accounting Standards ensures compliance with the International Financial Reporting Standards (‘IFRS’) as issued by the International Accounting Standards Board (IASB).

The financial statements were authorised for issue on 96 September 2019 by the Directors of the Company.

(b) Use of Estimates and Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. All significant areas of estimation uncertainty and critical judgements in applying accounting policies have been disclosed in the following notes to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2019**

(c) Going Concern Basis of Accounting

This financial report has been prepared on the basis of going concern, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The consolidated loss of the Company was \$527,093 which compared with a net profit for the prior year of \$122,451. During the previous year the Company had a loss of \$545,457 from continuing operations and a profit of \$667,908 from discontinued operations, and cash outflows from operations of \$269,614 (2018: \$391,285). Additionally, its liabilities exceeded its assets by \$1,221,285 (2018 \$1,024,192) as at 30 June 2019.

The Group is committed to payments to maintain rights to perform its evaluation activity. As a result the Group has and expects further cash outflows from operating and investing activities in the next financial period. Funding of these ongoing activities is required from either the new Capital Raising Facility from GTI Holdings Ltd or from future capital raisings. The Directors consider the use of the going concern assumption appropriate as:

1) Currently the Group has a Loan Agreement of \$1million with Jun Moon Limited (a Company related to Mr Huili Guo, a Director of the Company). At 30 June 2019, this had been fully drawn. This facility expires on 7 January 2022.

2) In July 2017 the Company has entered into a capital raising facility (the 'Facility') with a non-related entity named GTI Holdings Ltd (previously named Addchance Holdings Ltd). The purpose of this Facility is to provide further working capital to the Company.

The general terms of the Facility and the Agreement are as follows:

- Facility limit: \$1,000,000; and
- Period of facility: 5 years.

Since inception to 30 June 2019 draw-downs amounting to \$638,159 have been made on the facility and 66,181,649 shares have been issued in accordance with the Agreement. There is \$361,841 still available under this facility.

The Directors recognise that the above represents a material uncertainty as to the Group's ability to continue as a going concern, however, they are confident that the Group will be able to continue its operations into the foreseeable future.

Should the Group be unable to obtain the funding as described above, there is a material uncertainty as to whether the Group will be able to continue as a going concern, and therefore, whether it will be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that may be necessary should the Group be unable to continue as a going concern.

3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Material accounting policies adopted in the preparation of this financial report are presented below. The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by all entities in the Group unless otherwise stated.

(a) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Adavale Resources Limited (the parent entity) as at 30 June 2019 and the results of all controlled entities for the year then ended. Adavale Resources Limited and its controlled entities together are referred to in this financial report as the group or consolidated entity.

ADAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 June 2019**

Controlled Entities

A controlled entity is any entity controlled by Adavale Resources Limited. Control exists where Adavale Resources Limited is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to offset those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

Where controlled entities have entered or left the economic entity during the year, their financial statements have been included from the date control was obtained or until the date control ceased.

Transactions Eliminated on Consolidation

Unrealised gains and losses and inter-entity balances resulting from transactions with or between controlled entities are eliminated on consolidation.

(b) Revenue Recognition

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST). Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

Interest Revenue

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

(c) Sale of Non-Current Assets

The gross proceeds of non-current asset sales are recognised as at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed.

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal and is recognised as other income or expense.

(d) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

ADAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 June 2019**

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(e) Foreign Currency Transactions and Balances**Functional and Presentation Currency**

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction.

Foreign currency monetary items are translated at the year end exchange rate. Non-monetary items measured at historical cost continued to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at their fair value are reported at the exchange rate at the date when fair values were determined.

The Company's previous subsidiary, PT Prima Perkasa Abadi transacted in USD. The monetary items are translated into AUD, using the average exchange rate for reporting purposes. The non-monetary items are translated into AUD, using the historical exchange rate for reporting purposes.

Exchange differences arising on the translation of monetary items are recognised in the profit and loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of profit or loss and other comprehensive income.

Foreign Operations

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- Income and expenses are translated at average exchange rates for the period; and
- Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

The transactions are translated to Australian Dollars which is the Company's functional and presentation currency.

ADAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2019**

(f) Taxation

The income tax expense/(revenue) for the year comprises current income tax expense/(income) and deferred tax expense/(income).

Current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the reporting date. Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability settled. Deferred tax is credited in the income statement except where it relates to items that may be recognised in the income statement. Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(g) Financial Instruments**Recognition**

Financial instruments are initially measured at cost on trade date basis, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

ADAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2019**

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at cost using the effective interest rate method.

Financial Liabilities

Non-derivative financial instruments are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the value of all unlisted securities, including recent arms length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the comprehensive income statement.

(h) Receivables

The collectability of debts is assessed at reporting date and specific provision is made for any doubtful accounts.

(i) Payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

(j) Provisions

A provision is recognised when a legal or constructive obligation exists as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

(k) Cash

For the purposes of the statement of cash flows, cash includes deposits at call with financial institutions and other highly liquid investments with short periods to maturity which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

(l) Earnings per Share**(i) Basic earnings per share:**

Basic earnings per share is determined by dividing net profit or loss after income tax attributable to members of the Company by the weighted average number of ordinary shares outstanding during the financial year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2019**

(m) Earnings per Share (continued)

- (ii) Diluted earnings per share:
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(n) Exploration and Evaluation Assets

The current accounting policy is to expense all exploration expenditure as incurred.

(o) Segment Reporting

The Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Adavale Resources Limited.

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transaction with any of the Company's other components.

Unallocated items comprise mainly of head office assets, expenses and liabilities.

(p) Share Based Payments

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant directors become fully entitled to the award (the vesting period).

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification. If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph. The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of

It is measured by fair value of the equity at the grant date. Fair value is measured by the use of a Black Scholes model.

The purpose of performance securities are to provide cost effective consideration to directors for their ongoing commitment and contribution to the Company in their respective roles as Directors.

ADAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2019**

(q) Parent Entity Financial Information

The financial information for the parent entity, Adavale Resources Limited, disclosed in Note 24 has been prepared on the same basis as the basis of the consolidated financial statements of the Group.

In the Company's financial statements, investments in controlled entities are carried at cost. A list of controlled entities is contained in Note 19 of the accounts.

Investments in controlled entities are carried in the Company's financial statements at the lower of cost and recoverable amount.

(r) New Accounting Standards and Interpretations**Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group**

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Group.

Management anticipates that all of the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Group's financial statements is provided below.

Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Group's financial statements.

AASB 15 Revenue from Contracts and Customers

AASB 15 replaces AASB 118 Revenue and AASB 111 Construction Contracts and related contracts and it applies to all revenues arising from contracts with customers, unless those contracts are in the scope of other Standards. The Group has adopted AASB 15 with the effect of applying the Standard recognised at the date of initial application, being 1 July 2018. The Company has assessed that the initial application of this Standard had no material impact on the transactions and balances recognised in the financial statements.

AASB 16 Leases

AASB 16 replaces AASB 117 Leases. AASB 16 removes the classification of leases as either operating leases or finance leases for the lessee - effectively treating all leases as finance leases. AASB 16 is applicable to annual reporting periods beginning on or after 1 July 2019. AASB 16 will have no material impact on the Group's financial statements.

AASB 9 Financial Instruments

AASB 9 came in to effect on or after 1 January 2018. The Standard introduced new requirements for the classification and measurement of financial assets and liabilities. These requirements improved and simplified the approach for classification and measurement of financial assets compared with the requirements of AASB 139.

The entity has made an assessment that the Standard did not have any material impact on the transactions and balances recognised in the financial statements when first adopted for the year ending 30 June 2019.

ADAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2019

4. AUDITORS' REMUNERATION

	Consolidated	
	2019	2018
	\$	\$
Audit and review of financial statements		
- auditors of Adavale Resources Limited - Grant Thornton	-	1,500
- auditors of Adavale Resources Limited - HLB Mann Judd	39,926	45,237
Remuneration for audit and review of financial statements	39,926	46,737
Other services	-	-
Total other service remuneration	-	-
Total auditor's remuneration	39,926	46,737

5. TAXATION

	Consolidated	
	2019	2018
	\$	\$
The prima facie tax on loss before income tax is reconciled to income tax as follows:		
a. Prima facie tax receivable on loss at 30% (2017: 30%)	(158,128)	36,735
Tax effect of deferred tax assets not brought to account	158,128	-36,735
Income tax expense attributable to entity	-	-

The Directors have not recognised any tax assets in respect of losses, as they do not believe that the conditions for recognition set out in Note 3(f) have been met. The Directors estimate the carry-forward income tax losses to be approximately \$10,878,716 (2017: \$10,589,300) available to offset against future taxable income.

Since 30 June 2017 the equity interest held by Jun Moon Limited has increased from zero at 1 January 2017 to 46% at the date of this report. This, together with issues made through the GTI facility translates to a greater than 50% change in ownership since the majority of losses were incurred. To retain the future benefit of losses to date the Company will require compliance with the same business test.

ADAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 June 2019**

6. EARNINGS PER SHARE

	Consolidated	
	2019	2018
	\$	\$
Continuing Operations		
Earnings per share		
- Basic – continuing operations - cents	(0.55)	(0.77)
- Basic – discontinuing operations - cents	0.00	0.94
- Diluted – continuing operations - cents	(0.55)	(0.77)
- Diluted – discontinuing operations - cents	0.00	0.94
Loss used in the calculation of basic and diluted EPS from continuing operations	(527,093)	(545,457)
Profit/(loss) used in the calculation of basic and diluted EPS from dis-continued operations	-	667,908
Weighted average number of ordinary shares used in the calculation of basic and diluted EPS		
- in the calculation of basic EPS	95,514,356	70,693,364
- in the calculation of diluted EPS	95,514,356	70,693,364
Number of options not considered dilutive	-	4,000,000

As the Company reported a loss for the year ended 30 June 2019, options on issue were not included in the calculation of diluted earnings per share.

7. CASH ASSETS

	Consolidated	
	2019	2018
	\$	\$
Cash at bank	23,855	13,469

Cash at bank earns interest at floating rates based on daily bank deposit rates.

8. RECEIVABLES

	Consolidated	
	2019	2018
	\$	\$
Current		
Other receivables	30,806	26,985
	30,806	26,985

ADAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 June 2019**

9. DISPOSAL OF ASSET GROUP HELD FOR SALE (PRIOR YEAR)

As was reported on 12 October 2017 the Company entered into an agreement with its Chairman Mr Haryono Eddyarto (subject to shareholder approval) to sell the TAPAN project to Mr Eddyarto and as consideration Mr Eddyarto would extinguish all debt between the Company and Mr Eddyarto and associated companies'. The mechanism by which this agreement was transacted was for Adavale Resources Limited to sell its equity interest in PT Prima Perkasi Abadi (PPA), the owner and title holder of the TAPAN project. This agreement was ratified by shareholders at the Annual General Meeting on 30 November 2017, and completed in the year ended 30 June 2018.

The consideration for the sale was essentially as follows;

- \$24,706 cash (being the cash balance in PPA at date of sale)
- \$198,869 being accrued interest owing to Mr Eddyarto
- \$445,795 being net liabilities included in PPA at date of sale considered extinguished.

At the date of disposal the carrying amounts of the net assets included in the disposal are as follows;

	\$
Cash and cash equivalents	24,706
Trade and other payments	(17,689)
Owing to related party	(499,805)
Accrued interest owing to Mr Eddyarto	(198,869)
Foreign exchange variation at date of sale	46,993
Consideration (cash offset)	(23,244)
Profit on sale of discontinued operation	<u><u>\$667,908</u></u>

10. PAYABLES

	Consolidated	
	2019	2018
	\$	\$
Trade creditors	62,548	10,256
Accrued interest - related party	173,797	93,803
Other creditors and accruals	39,601	60,149
	<u><u>275,946</u></u>	<u><u>164,208</u></u>

Further information relating to trade creditors to related parties is set out in Note 22.

The accrued interest owing to related party will not be called upon for payment until the Company has available funds. Refer Going Concern note in Note 2(c).

The terms and conditions of the transactions with directors and related parties are no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-Director related entities on an arm's length basis.

ADAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2019**

11. BORROWINGS -CURRENT

	Consolidated	
	2019	2018
	\$	\$
Equity funding from related party	-	-
Equity funding from unrelated party	-	50,000
Total borrowings - current	-	50,000

Prior to 30 June 2018 the Company received an advance of funds from GTI Holdings which was an advance of capital funds against the capital facility with GTI Holdings which was subject to shareholder approval. The advance was unsecured and interest free and since converted to capital in the current year.

12. BORROWINGS NON-CURRENT

	Consolidated	
	2019	2018
	\$	\$
Borrowings	1,000,000	1,000,000
Less: Equity component of instrument	(299,409)	(299,409)
Add: unwinding of interest	299,409	149,847
Loan from related party	1,000,000	850,438

In 2017 the Company announced it had entered into a Convertible Loan Agreement with Jun Moon Limited, a company related to Mr Huili Guo. The loan was executed on 28 April 2017, the terms of which are as follows;

- (a) Loan has a Face Value of \$1,000,000;
- (b) The Company made a single draw down under the Loan for the full amount of the facility;
- (c) Interest shall accrue on the Loan at 8%;
- (d) If the Loan has not been repaid or converted by 7 January 2022, the Company will repay any or all of the Loan.
- (e) Where an event of default occurs, Jun Moon Limited may require the Company to repay any or all of the Loan plus any interest.
- (f) The loan is convertible into shares at a conversion price of 5 cents per Share;
- (g) The Loan is an unsecured debt instrument ranking alongside general secured creditors.

The convertible loan is considered a Compound Financial Instrument, that is, an instrument that has both a debt and equity component. The equity component of \$299,408 has been credited to equity. A review of the convertible loan for accounting purposes has determined that applicable market interest rate for this convertible loan would be 30% pa. Consequently, the drawn down amount of \$1,000,000 has been split between debt and equity using that rate as a basis for the split.

ADAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 June 2019

13. CONTRIBUTED EQUITY

	Consolidated		Consolidated	
	2019	2019	2018	2018
	No	\$	No	\$
Issued and Paid-up Share Capital				
(a) Ordinary shares, fully paid	119,431,105	2,318,159	80,443,008	1,988,159
	119,431,105	2,318,159	80,443,008	1,988,159
Number	No	\$	No	\$
Ordinary Shares				
Balance as at 1 July	80,443,008	1,988,159	35,249,456	1,500,000
Shares issued	38,988,097	330,000	45,193,552	488,159
Closing balance at 30 June	119,431,105	2,318,159	80,443,008	1,988,159

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share when a poll is called or else one vote each on a show of hands.

In the event of a winding up of the Company, ordinary shareholders rank after all creditors and are fully entitled to any proceeds of liquidation.

OPTIONS RESERVE

The following share-based payment arrangements were in place during the current and prior periods:

	Number	Grant date	Expiry date	Exercise price due at grant date		Vesting date
				\$	\$	
Directors options	4,000,000	26/04/2017	26/04/2019	\$0.015	\$0.007	26/04/2019

There was no alteration of the terms and conditions of the above share-based payment arrangement since grant date. Options expired on 26 April 2019.

The following table illustrates the number and weighted average exercise prices of and movements in share options issued

	2019		2018	
	Number	Weighted average exercise price	Number	average exercise price
		\$		\$
Brought forward from prior year	4,000,000	0.015	4,000,000	0.015
Exercised during the year	-	-	-	-
Expired during the year	4,000,000	0.015	-	-
Outstanding at the end of year	-	-	4,000,000	0.015
Exercisable at the end of year	-	-	4,000,000	0.015

The options expired on 26 April 2019. The related option reserve of \$28,000 has been transferred to accumulated funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2019**

13. CONTRIBUTED EQUITY (continued)

(c) Capital Risk Management

The Company's objective when managing capital is to safeguard its ability to continue as a going concern. In order to maintain or adjust the capital structure, the Company may issue new shares or return capital to shareholders.

The Company's strategy, which is unchanged from the prior year, was to maintain a sufficient level of cash to meet its obligations, as and when any debts are due, and to meet any investment commitments.

There is no externally imposed capital requirements for the Company.

14. RESERVES

Option Reserve

The option reserve recorded items recognised as expenses on valuation of Directors' share options. Given the expiry of the options in April 2019, the Option Reserve of \$28,000 has been transferred to Accumulated Losses.

Equity Component Reserve

The Equity Component Reserve recognises the equity component of the Compound Financial Instrument when initiated, refer Note 13.

Foreign Currency Translation Reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries. It is also used to record the effect of hedging net investments in foreign operations.

15. DIVIDENDS

The Directors do not recommend a dividend for the year ended 30 June 2019. No dividend was paid for the year ended 30 June 2019.

16. FINANCIAL INSTRUMENTS

Financial Risk Management

The Company's activities expose it to a variety of financial risks; market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

Risk management is carried out by the Board of Directors under policies approved by the Board. The Board identifies and evaluates financial risks and provides principles for overall risk management.

ADAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 June 2019

16. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Interest Rate Risk

The consolidated entity is exposed to interest rate fluctuations as interest rate is fixed at 8%.

Interest Rate Risk Exposures

The consolidated entity's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below:

			Weighted Average Fixed Interest rate	Floating Interest rate	Fixed interest maturing in:			Non- Interest Bearing	Total
	Note				1 year or less	1 to 5 years	more than 5 years		
				\$	\$	\$	\$	\$	\$
2019									
Financial assets									
Cash assets	7	0%		-	-	-	-	23,855	23,855
Receivables	8			-	-	-	-	30,806	30,806
				-	-	-	-	54,661	54,661
Financial liabilities									
Loans and borrowings	12	8%		-	-	1,000,000	-	-	1,000,000
Borrowings	11	0%		-	-	-	-	-	-
Payables	10			-	-	-	-	275,946	275,946
				-	-	1,000,000	-	275,946	1,275,946
2018									
Financial assets									
Cash assets	7	0%		-	-	-	-	13,469	13,469
Receivables	8			-	-	-	-	26,985	26,985
				-	-	-	-	40,454	40,454
Financial liabilities									
Loans and borrowings	12	8%		-	-	850,438	-	-	850,438
Loans and borrowings	11	0%		-	-	-	-	50,000	50,000
Payables	10			-	-	-	-	164,208	164,208
				-	-	850,438	-	214,208	1,064,646

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2019**

16. FINANCIAL INSTRUMENTS (CONTINUED)

Financial Risk Management (continued)

Interest Rate Sensitivity Analysis

As interest rates are fixed there is no sensitivity to changes in interest rate.

(b) Fair Values of Financial Assets and Liabilities

Valuation Approach

Fair values of financial assets and liabilities are determined by the consolidated entity on the following basis:

Monetary financial assets and financial liabilities not readily traded in an organised financial market are determined by valuing them at the present value of contractual future cash flows on amounts due from customers (reduced for expected credit losses) or due to suppliers. Cash flows are discounted using standard valuation techniques at the applicable market yield having regard to the timing of the cash flows. The carrying amounts of bank term deposits, trade debtors, other debtors, accounts payable, bank loans and lease liabilities approximate net fair value.

The fair value of investments in unlisted shares in other corporations is determined by reference to the underlying net assets and an assessment of future maintainable earnings and cash flows of the respective corporations.

The balances of financial assets and liabilities approximate their fair value.

16. FINANCIAL INSTRUMENTS DISCLOSURE (CONTINUED)

(c) Unrecognised Financial Instruments

The Company and controlled entities do not have any unrecognised financial instruments.

(d) Foreign Currency Risk

The Company is not now exposed to any foreign currency risk.

(e) Credit Risk Exposures

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The Company measures credit risk on a fair value basis. The credit risk on financial assets, excluding investments, of the consolidated entity, which have been recognised on the statement of financial position, is the carrying amount, net of any provision for doubtful debts.

The Company has no significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

ADAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2019**

16. FINANCIAL INSTRUMENTS (CONTINUED)

(f) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through credit facilities or other fund raising initiatives, to meet commitments as and when they fall due.

Management monitors rolling forecasts of the Group's liquidity on the basis of expected cash flow. The Economic Entity cash reserves of \$23,855 (2018: \$13,469) as at 30 June 2019 will meet liquidity requirements in the short term. Funding for long-term liquidity needs is secured by a share issue facility of \$1 million entered into in July 2017.

As at 30 June 2019 the Group's non-derivative financial liabilities have contractual maturities as summarised below:

	Current		Non-current	
	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years
30-Jun-19				
Trade and other payables	275,946	-	-	-
Borrowings - current	-	-	-	-
Borrowings non-current	-	-	1,000,000	-
TOTAL	275,946	-	1,000,000	-

This compares to the maturity of the Group's non-derivative financial liabilities in the previous reporting period as follows;

	Current		Non-current	
	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years
30-Jun-18				
Trade and other payables	164,208	-	-	-
Borrowings - current (i)	50,000	-	-	-
Borrowings non-current	-	-	1,000,000	-
TOTAL	214,208	-	1,000,000	-

Note (i) - these borrowings were converted to share capital in early November 2018.

(g) Capital Management Risk

The Company's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets.

The Company monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowing less cash and cash equivalents. Total capital is calculated as equity shown in the statement of financial position plus net debt. As the Company is in a transitionary stage the gearing ratio has been monitored as a secondary matter to total borrowings and maturity.

ADAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2019**

17. COMMITMENTS

	Consolidated	
	2019	2018
	\$	\$
Exploration lease commitments		
Minimum expenditure commitments on exploration licences		
Committed but not provided for and payable:		
Within one year	-	-
One year or later and no later than for five years	770,000	770,000
	770,000	770,000

Note : The three tenement areas referred to as Lake Surprise have been renewed for a 2 year period expiring on or about August 2020.

18. SEGMENT INFORMATION

The Company has identified its operating segments based on internal reports that are reviewed by the Board and management. The Company operated in one operating segment during the year, being mineral exploration and in two geographical areas, being Australia and Indonesia. Expenditure, assets and liabilities not directly related to either is referred to as other.

The segment reporting is detailed below:

**(b) Primary Reporting – Business Segments
Year ended 30 June 2019**

	Mineral exploration \$ Australia	Mineral exploration \$ Indonesia	Corporate \$	Total \$
Revenue				
Sales	-	-	-	-
Interest	-	-	-	-
Total Segment Revenue	-	-	-	-
Segment Result				
Depreciation	-	-	-	-
Profit/(loss) before income tax	(7,397)	-	(519,696)	(527,093)
Income tax expense	-	-	-	-
Net Profit/(loss)	(7,397)	-	(519,696)	(527,093)
Total segment assets				
- Exploration expenditure	-	-	-	-
- Receivables	3,084,491	-	-	3,084,491
- Others	-	-	54,661	54,661
	3,084,491	-	54,661	3,139,152
Total segment liabilities				
- Loans	3,084,491	-	1,000,000	4,084,491
- Others	-	-	275,946	275,946
	3,084,491	-	1,275,946	4,360,437

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 June 2019

18. SEGMENT INFORMATION (CONT)

(a) Primary Reporting – Business Segments Year ended 30 June 2018	Restated Mineral exploration \$ Australia	Restated Mineral exploration \$ Indonesia	Corporate \$	Total \$
Revenue				
Sales	-	-	-	-
Interest	-	-	-	-
Total Segment Revenue	-	-	-	-
Segment Result				
Depreciation	-	-	-	-
Profit/(loss) before income tax	(12,431)	-	134,882	122,451
Income tax expense	-	-	-	-
Net Profit/(loss)	(12,431)	\$ -	134,882	122,451
Total segment assets	-			
- Receivables	3,076,245	-	40,454	3,116,699
- Others	-	-	-	-
	3,076,245	-	40,454	3,116,699
Total segment liabilities				
- Loans	3,076,245	-	900,438	3,976,683
- Others	-	-	164,208	164,208
	3,076,245	-	1,064,646	4,140,891

All segment assets are located in Australia and Indonesia.

c) Segment assets:

Reportable segments' assets reconciled to total assets as follow:

	Consolidated 30 June 2019	Consolidated 30 June 2018
Segment Assets	3,139,152	3,116,699
Consolidation	(3,084,491)	(3,076,245)
Total assets as per statement of financial position	54,661	40,454

ADAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2019**

18. SEGMENT INFORMATION (CONT)**d) Segment liabilities:**

Reportable segments' liabilities reconciled to total liabilities as follow:

	Consolidated 30 June 2019	Consolidated 30 June 2018
Segment Liabilities	4,360,437	4,140,891
Consolidation	(3,084,491)	(3,076,245)
Total liabilities as per statement of financial position	1,275,946	1,064,646

19. CONTROLLED ENTITIES**Particulars in relation to controlled entities**

Ordinary Shares	
Consolidated Entity Interest	
2019	2018
%	%

Company:

Adavale Resources Limited

Controlled entities:

Adavale Minerals Pty Ltd	100	100
Adavale Queensland Pty Ltd	-	100
Adavale Indonesia Pty Ltd	-	100

The above entities were incorporated in Australia.

Adavale Queensland Pty Ltd and Adavale Indonesia Pty Ltd were struck off during the year.

ADAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2019**

20 CONTINGENCIES

There are no contingent liabilities.

21. NOTES TO THE STATEMENT OF CASH FLOWS

	Notes	Consolidated	
		2019	2018
		\$	\$
(a) Reconciliation of Cash			
For the purposes of the statements of cash flows, cash includes cash on hand and at bank and short term deposits at call, net of outstanding bank overdrafts. Cash as at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the statement of financial position as follows:			
Cash at bank	7	23,855	13,469
(b) Reconciliation of the operating loss after tax to the net cash flow from operations			
Profit/(loss) after income tax		(527,093)	122,451
Add/(less) non cash items:			
Non-cash component of gain on sale discontinuing operation (d)		-	(667,908)
Interest capitalised		229,556	133,615
- Other		-	(3,353)
		(297,537)	(415,195)
Changes in assets and liabilities:			
- (Increase)/decrease in receivables		(3,821)	(7,110)
- Increase/(decrease) in trade creditors and accruals		31,744	31,020
Net cash (used in) operating activities		(269,614)	(391,285)

(c) Changes in liabilities arising from financing activities

	Consolidated	
	Loans - equity funding	Convertible loan
	\$	\$
Balance as at 1 July 2018	50,000	850,438
Funds advanced in year	280,000	-
Converted to share capital	(330,000)	-
Non-cash unwinding of discount rate	-	149,562
Balance as at 30 June 2019	-	1,000,000

(d) Non-cash financing transactions

As shown in Note 9, the sale of TAPAN (PT PPA) in the prior year was achieved primarily by the extinguishment of debt. Except for the FX movement on cash held there was no cash movement for the group relating to the sale.

ADAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 June 2019**

22. RELATED PARTIES**Key Management Personnel**

The directors of Adavale Resources Limited are considered the key management personnel of the consolidated economic entity.

The directors' remuneration and equity holdings have been disclosed in the directors report attached to the financial statements.

(a) The key management personnel compensation comprised:

	Consolidated	
	2019	2018
	\$	\$
Short-term employee benefits	87,504	70,005
Long-term employee benefits	-	-
Total	87,504	70,005

Apart from the details disclosed in this note and elsewhere in the financial report, no director or other related party has entered into a material contract with the Company or the consolidated entity since the end of the previous financial year and there were no material contracts involving directors' interests existing at year-end.

Other related party transactions

The Group has a convertible loan with Jun Moon Limited, a company related to Mr Huili Gui. The loan balance at 30 June 2019 is \$1,000,000 and at 30 June 2018 \$1,000,000. Interest is charged at 8%. The loan is unsecured and ranks alongside general creditors. The loan is convertible into shares at a conversion price of 5 cents per share. The loan is repayable on 7 January 2022. The carrying value of the loan is \$1,000,000, (30 June 2018 : \$850,438).

23. EVENTS SUBSEQUENT TO REPORTING DATE

Except as referred to above, no matters or circumstances have arisen since the end of the year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

24. PARENT ENTITY FINANCIAL INFORMATION**(a) Summary financial information**

The individual financial statements for the parent entity show the following aggregate amounts:

	2019	2018
	\$	\$
Statement of financial position		
Current Assets	54,660	40,452
Total Assets	54,660	40,452
Current Liabilities	275,946	214,208
Non Current Liability	1,000,000	850,438
Total Liabilities	1,275,945	1,064,646
Shareholders' contributed equity	2,318,158	1,988,158
Share based payment reserves	-	28,000
Compound Financial Instrument reserve	299,408	299,408
Accumulated Losses	(3,838,851)	(3,339,760)
	(1,221,285)	(1,024,194)
Statement of profit or loss and other Comprehensive Income		
Total profit/(loss)	(527,090)	(974,278)
Total comprehensive income/(loss)	(527,090)	(974,278)

(c) Commitments

The parent entity did not have any contractual commitments or contingencies as at 30 June 2019.

ADAVALE RESOURCES LIMITED
DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 21 to 47 are in accordance with the Corporations Act 2001 including:
 - (a) complying with Australian Accounting Standards, the Corporations Regulations 2001 professional reporting requirements and other mandatory requirements, and
 - (b) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the year ended on that date;
2. in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. Note 2 confirms that the consolidated financial statements also comply with International Financial Statements
4. This declaration has been made after receiving declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2019.

This declaration is made in accordance with a resolution of the Board of Directors.

On behalf of the Directors



Haryono Eddyarto
Chairman
19/09/2019

INDEPENDENT AUDITOR'S REPORT

To the members of Adavale Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Adavale Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration for the Company and the Group.

In our opinion, the accompanying financial report of Adavale Resources Limited is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Company's and the Group's financial position as at 30 June 2019 and of their financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company and the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2c in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. We have determined that there are no key audit matters to communicate in our report.

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company and the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company or the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Adavale Resources Limited for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
19 September 2019



Brad McVeigh
Partner

Additional information included in accordance with the Listing Rule 4.10 and are not shown elsewhere in this Annual Report are as follows.

1. SHAREHOLDER INFORMATION

(a) Distribution of holders at 19 September 2019

	Number of holders	Fully paid ordinary shares
Distribution is:		
1 - 1,000	406	97,924
1,001 - 5,000	276	677,656
5,001 - 10,000	58	420,904
10,001 - 100,000	79	2,361,837
100,001 and Over	27	115,872,784
	846	119,431,105

(b) Less than marketable parcels of ordinary shares

There are 807 shareholders with unmarketable parcels totalling 2,632,738 shares.

(c) Voting rights

In accordance with the Constitution each member present at the meeting whether in person , or by proxy, or by power of attorney , or in a duly authorised representative in the case of a corporate member, shall have one vote on a show of hands, and one vote for each fully paid ordinary share, on a poll. Performance rights and Options have no voting rights.

(d) Substantial shareholders (as at 19 September 2019)

The Company's register of substantial shareholders as at the above date are as follows:

Shareholder	Number of shares	%
JUN MOON LIMITED	53,000,000	44.38%
PERFECT ATTEMPT LIMITED	38,181,649	31.97%
SHINE BRIGHT ENTERPRISES LTD	12,000,000	10.05%
HARYONO EDDYARTO	4,238,778	3.55%

(e) Shareholders

The twenty largest shareholders hold 96.31% of the total issued ordinary shares in the Company as at 19 September 2019 are as follows.

RANK	NAME	NUMBER OF SHARES	% OF SHARES ISSUED
1	JUN MOON LIMITED	53,000,000	44.38
2	PERFECT ATTEMPT LIMITED	38,181,649	31.97
3	SHINE BRIGHT ENTERPRISE LTD	12,000,000	10.05
4	MR HARYONO EDDYARTO	4,238,778	3.55
5	ARTHUR PHILLIP NOMINEES PTY LTD	2,906,102	2.43
6	GEOFFREY FRANK BRAYSHAW	966,667	0.81
7	BYRON DEVESON SUPERANNUATION FUND PTY LTD <THE BYRON DEVESON S/F A/C>	381,417	0.32
8	LIM & TAN SECURITIES PTE LTD (LIM & TAN CLIENT ACCOUNT)	376,277	0.32
9	BLUEKNIGHT CORPORATION PTY LTD	337,474	0.28
10	MR DENNIS VOSSOS AND MRS ANGELA KOSTARAS-VOSSOS	328,423	0.27
11	MR ALBERT SAYCHUAN CHEOK + MR ERIC VICTOR CHEOK	300,000	0.25
12	GURNEY CAPITAL NOMINEES PTY LTD	300,000	0.25
13	MR IAN PETER RAKICH	300,000	0.25
14	SING CAPITAL PTY LTD	268,076	0.22
15	WORKPOWER PTY LTD	261,744	0.22
16	LARCA PTY LTD <THE RISINGER FAMILY A/C>	201,967	0.17
17	ROUNDHAY PTY LTD	184,399	0.15
18	BIRKDALE NOMINEES PTY LTD <RISINGER SUPER FUND A/C>	183,334	0.15
19	MR VINCENZO BRIZZI & MRS LUCIA BRIZZI (BRIZZI FAMILY S/F A/C)	168,436	0.14
20	MR BRADLEY GRAEME READ	153,357	0.13
		115,038,100	96.31

(f) Restricted Securities

There are no shares the subject of any restrictions.

(g) Unquoted Equity Securities (as at 19 September 2019)

The Company has nil unquoted fully paid ordinary shares on issue as at 19 September 2019
The Company has nil unquoted option securities on issue as at 19 September 2019

(h) On-Market Buy-Backs

There is no current on-market buy-back in relation to the Company's securities.

2. QUOTATION

Listed securities in Adavale Resources Limited are quoted on the Australian Stock Exchange.