



ASX Release
30 April 2020

ADAVALE RESOURCES LIMITED

ACTIVITY STATEMENT FOR THE QUARTER ENDED 31 MARCH 2020

CORPORATE

Adavale Resources Limited (“Adavale”, or “Company”) was pleased to announce the successful capital raising via placement of ordinary shares to sophisticated investor via Alpha Securities as Lead Manager. The placement consisted of 12,000,000 at A\$0.02 to raise \$240,000 for the use in exploration of the Kabanga North and North East Nickel Project.

BOARD AND OFFICE CHANGES

During the period Adavale accepted the resignation of Julian Rockett & Jurgen Behrens as Joint Company Secretary’s and welcomed Stuart Cameron into the role.

STANDBY SUBSCRIPTION AGREEMENT

The board reviewed options for funding exploration through other avenues as the Standby Subscription Agreement with GTI Holdings Limited lapsed. Other Standby Subscription Agreement prospects were in discussion and considered viable funding facilities.

OUTLOOK

In January 2020 Adavale submitted applications over the Kabanga North and Kabanga North East tenements which adjoins the world class Kabanga Nickel Project. These Tanzanian nickel tenements were granted in March 2020 covering 400km², adjoining the Kabanga Nickel Project which holds one of the largest undeveloped high-grade nickel sulphide resources.

Adavale plans to test high grade targets identified via historic data, which have previously been conducted by BHP via airborne radiometric surveys and other activities.

The adjoining Kabanga Nickel Project holds a JORC Resource of 57Mt @ 2.62% Nickel and has demonstrated an easily floated sulphide ore. Adavale is currently in discussions with potential JV partners regarding tendering the neighbouring Kabanga Nickel Project.

Louis Clinton
Chairman

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

ADAVALE RESOURCES LIMITED

ABN

96 008 719 015

Quarter ended ("current quarter")

31 MARCH 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (..9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(94)	(97)
	(b) development		
	(c) production		
	(d) staff costs		
	(e) administration and corporate costs	(36)	(179)
1.3	Dividends received (see note 3)		
1.4	Interest received		
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)		
1.9	Net cash from / (used in) operating activities	(130)	(276)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) exploration & evaluation (if capitalised)		
	(e) investments		
	(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (..9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities		

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	225	390
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(14)	(46)
3.5	Proceeds from borrowings		40
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	211	384

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	50	23
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(130)	(276)
4.3	Net cash from / (used in) investing activities (item 2.6 above)		
4.4	Net cash from / (used in) financing activities (item 3.10 above)	211	384

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (..9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	131	131

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	131	50
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	131	50

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
0

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

NOTE _ (3.1) The Company made a placement of \$240,000 of which \$14,850 was paid by way of an expense contra.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	1,000	1,000
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities	1,000	1,000

7.5 **Unused financing facilities available at quarter end** 0

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

CONVERTIBLE LOAN FACILITY

The Convertible Note Facility (CNF) initially taken out with Jun Moon Limited for \$1,000,000 was assigned during the previous quarter to various new investors. The CNF is fully drawn and contains the following conditions;

- Repayable within 36 months of execution date (07 January 2017) or any other date as agreed (subsequently agreed to defer to 7 January 2022),
- Interest shall accrue at a rate of 8% per annum,
- At the lender's discretion, all or a proportion of the advance, and any or all accrued interest thereon shall be applied to the subscription of shares by the lender at a price of \$0.05 per share.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	130
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	130
8.4 Cash and cash equivalents at quarter end (Item 4.6)	131
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	131
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	1.0

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: The Company has resolved to further reduce its administration overhead. In addition, the large costs associated with Tanzania tenements in the current quarter were one off tenement application costs. It is not expected that exploration expenditure going forward will be of this order.

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

CAPITAL RAISING.

During the previous quarter ended 31 December 2019 and following the changes in corporate management and ownership, the company raised \$160,000 cash by share placement. In the current quarter the Company placed a further 12,000,000 shares to raise \$240,000 in capital to fund administration and upfront costs associated with the Tanzanian tenements. As and when required it is the intention of the Company to raise further capital.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes – refer 2 above

Compliance statement

1. This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
2. This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2020



Authorised by:

Louis Clinton Non Executive Chairman

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: *Exploration for and Evaluation of Mineral Resources* and AASB 107: *Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.