



ASX Release
21 May 2020

RESPONSE TO ASX QUERY

Adavale Resources Limited (**ASX:ADD**) advises the Appendix 3Y – Change in Directors Interest was lodged late due to limited communication with Mr Louis Clinton. The special circumstances involving the disposal of shares from the prior announcement regarding ASX Listing Rule 10.11 led to a lack of communication regarding this change in interests.

Adavale Resources maintains a commitment to Continuous Disclosure regarding director's interests and has implemented communications procedures to ensure any notifiable interests will be disclosed within the ASX Listing Rule 3.19A & ASX Listing Rule 3.19B.

A director liaises with the Company Secretary when a notifiable change in interest of the director occurs. The Company Secretary will then prepare an Appendix 3Y and confirm the information is correct. This Form is then lodged on the ASX Market Announcements Platform within 5 Business days.

In this instance, an administrative oversight has occurred resulting in the late notice of the change in directors interests. Further precautions and a review of the mentioned communication procedures will ensure this will not occur in the future.

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

For further information, please contact:

Stuart Cameron
Company Secretary
Ph: +61 404 267 365



20 May 2020

Reference: 18465

Mr Stuart Cameron
Partner
KS Black & Co Chartered Accountants
20 Grose Street
North Parramatta
NSW 2151

By email

Dear Mr Cameron

Adavale Resources Limited ('ADD'): Appendix 3Y – Change of Director's Interest Notice Query

ASX refers to the following:

1. ADD's Appendix 3Y lodged on the ASX Market Announcements Platform ('MAP') on 20 May 2020 for Mr Louis Alfred Clinton (the 'Notice');
2. Listing Rule 3.19A which requires an entity to tell ASX the following:

3.19A.1 *'The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.*

- *On the date that the entity is admitted to the official list.*
- *On the date that a director is appointed.*

The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.

3.19A.2 *A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) including whether the change occurred during a closed period where prior written clearance was required and, if so, whether prior written clearance was provided. The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.*

3.19A.3 *The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.'*

3. Listing rule 3.19B which states that:

'An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.'

The Notice indicates that a change in Mr Clinton's notifiable interest occurred on 12 May 2020. It appears that the Notice should have been lodged with ASX by 19 May 2020. Consequently, ADD may have breached Listing Rules 3.19A and/or 3.19B.

Please note that ASX is required to record details of breaches of the Listing Rules by listed entities for its reporting requirements.

ASX reminds ADD of its contract with ASX to comply with the Listing Rules. In the circumstances, ADD should make necessary arrangements to ensure it does not continue to breach the Listing Rules.

Request for Information

Under Listing Rule 18.7, we ask that you answer each of the following questions having regard to Listing Rules 3.19A and 3.19B and *Guidance Note 22: Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities*.

1. Please explain why the Appendix 3Y was lodged late.
2. What arrangements does ADD have in place under Listing Rule 3.19B with its directors to ensure that it is able to meet its disclosure obligations under Listing Rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does ADD intend to take to ensure compliance with Listing Rule 3.19B?

When and where to send your response

Your response should be sent to me by e-mail at ListingsComplianceSydney@asx.com.au. It should not be sent to the ASX Market Announcements Office.

A response is requested as soon as possible and, in any event, no later than half an hour before the start of trading (i.e. before 9:30 am AEST) on 22 May 2020.

Under Listing Rule 18.7A, a copy of this letter and your response will be released to the market, so your response should be in a form suitable for release and must separately address each of the questions asked.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Kind regards

Lin Kang
Adviser, Listings Compliance (Sydney)