

20 July 2020

Companies Announcement
Officer Australian Securities and
Exchange Limited Exchange Centre
Level 4,
20 Bridge Street
Sydney NSW 2000

Adavale Resources Limited Announces Capital Raising of \$1,711,944 through Fully Underwritten, Non-Renounceable Rights Issue

Adavale Resources Limited (ASX:ADD) ("**Adavale**" or the "**Company**") today announces a capital raising of \$1,711,944 (before costs) for new fully paid Adavale ordinary shares ("**New Share**,") at an offer price of \$0.01 per New Share ("**Offer Price**") consisting of a 1:1 (i.e. one (1) New Share together with one free attaching option for no additional payment with an expiry date of 31 December, 2023 and an exercise price of \$0.03 per Share ("**Attaching Option**") for every one (1) existing ordinary share) non-renounceable entitlement issue to all Adavale shareholders (the "**Offer**"). The issue is being made under the exception 2 of ASX Listing Rule 7.2.

The capital raising proceeds will be used to repay creditors including outstanding directors' fees and the Convertible Note Holders as well as substantially improving the working capital position and balance sheet ratios.

The rights issue is fully underwritten, The underwriter is CoPeak Corporate Pty Ltd ACN 632 277 144 atf for Peak Asset Management Unit Trust ABN 81 891 265 739 being an authorised representative (ARN 1249050) of Equity Underwriters Pty Ltd ABN 61 056 617 862 (AFSL No. 244040).

Adavale Resources Limited ("**Adavale**") (ASX:ADD) gives this notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth) ("**Corporations Act**") as notionally modified by the ASIC Corporations Instruments 2016/84 and 2016/73 ("**ASIC Instruments**").

Indicative timetable for issue as follows:

Activity	Date
Announcement of the Offer and lodgement of offer booklet, Appendix 3B	20/07/2020
Lodgement of Offer Booklet and 708AA cleansing notice with the ASX	20/07/2020
Letter to Shareholders regarding the Entitlement Offer	20/07/2020
Ex Date	22/07/2020
Record Date for the Offer (7.00pm AEDT)	23/07/2020
Offer Booklet and Entitlement and Acceptance Form sent to Eligible Shareholders	27/07/2020



Activity	Date
Offer opens	27/07/2020
Last day to extend the Offer Closing Date	31/07/2020
Closing date for acceptances under the Offer (5.00pm AEDT)	05/08/2020
Trading on deferred settlement basis	06/08/2020
ASX notified of results	10/08/2020
Allotment of New Shares and Attaching Options issued under the Offer and Lodgement of Appendix 2A.	12/8/2020
Expected Despatch of Holding Statement and Normal ASX trading for New Shares and Attaching Options issued under the Offer.	17/08/2020

Shareholders with an address in Australia or New Zealand registered with the Company's shareholder registry on the 23 July 2020 will be eligible to participate in the entitlement issue. Subject to certain exceptions in respect of certain foreign jurisdictions, Adavale has determined that it would be unreasonable to make the Offer to Shareholders with Registered Addresses that are outside Australia or New Zealand, having regard to the number of Shareholders and the costs in complying with the legal and regulatory requirements in those jurisdictions.

Eligible shareholders entitlements are non-renounceable and they may:

- Take up their rights in full or part
- Take no action in which case their rights will lapse

Adavale has entered into an underwriting agreement with the Underwriter dated 16/07/2020 (**Underwriting Agreement**), pursuant to which the Underwriter has agreed to underwrite the Offer by procuring Applications for any New Shares that are not subscribed for by Eligible Shareholders pursuant to the Offer.

Adavale has agreed to pay the Underwriter the following fees:

- a management fee of \$17,199.44;
- an AFSL fee of \$17,199.44;
- a capital raising fee equal to four (4%) per centum of the funds raised pursuant to the Offer or introduced by the Underwriter;
- a Consulting Fee of \$5,000 per month (exc. GST) as and from 14 July 2020 until 13 July 2021

Summary of significant events as follows:

If certain events occur, the Underwriter has the right to terminate the Underwriting Agreement. In summary, these include:

- events or circumstances which will or are likely to have a material adverse effect on the Offer, the Underwriter, or Adavale, including any of the all ordinances index or the Standard and Poors/ASX 200 Index being 7.5% or more below its respective level as at the close of trading on the trading day prior to the date of the Underwriting Agreement;



- Adavale defaults on certain terms, conditions, covenants or undertakings of the Underwriting Agreement;
- a suspension, disruption or material limitation in trading generally on ASX or in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom or the United States of America;
- certain force majeure events occurring that affect Adavale's business or any obligation of Adavale under the Underwriting Agreement and lasting in excess of 7 days;
- insolvency or similar event occurs in respect of Adavale;
- any person is appointed under legislations to investigate the affairs of Adavale;
- there is an outbreak of hostilities or a material escalation of hostilities (including a terrorist act or any diplomatic, military, commercial or political establishment) involving one or more of Australia, New Zealand, the United Kingdom, the United States of America;
- a contravention by Adavale of its Constitution, the Corporations Act or the Listing Rules or any other applicable legislation, policy or requirement of ASIC or ASX;
- certain litigation, arbitration, administrative or industrial proceedings are commenced or threatened against Adavale;
- there is a change in the composition of the Board or a change in the senior management of Adavale before completion of the Offer, without the prior written consent of the Underwriter;
- a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to Adavale;
- there is a delay in any specified date in the timetable which is greater than 7 days;
- Adavale alters its capital structure in any manner not contemplated by this Offer; or
- Adavale has made certain misrepresentations, or engaged in misleading or deceptive conduct, including in respect of the Offer and this Offer.

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

Yours sincerely

Stuart Cameron
Company Secretary
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