

7 August 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 AS\$1,711,944 through a 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 for every one (1) existing ordinary share) renounceable entitlement issue to all Adavale shareholders (the "**Offer**"). The issue is being made under the exception 1 of ASX Listing Rule 7.2.

The capital raising proceeds will be used to repay creditors including outstanding directors' fees and the outstanding interest owed to Convertible Note Holders as well as substantially improving the working capital position (which can be applied to carrying out exploration work on the Company's tenements in Tanzania and South Australia) and balance sheet ratios.

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:

Indicative Timetable for the Entitlement Offer *	
Activity	Date
Announcement of the Offer and lodgement of offer booklet, Appendix 3B	07/08/2020
Lodgement of Offer Booklet and 708AA cleansing notice with the ASX	07/08/2020
Letter to Shareholders regarding the Entitlement Offer	07/08/2020
Rights trading commences and ordinary shares quoted ex rights. Ex Date	11/08/2020
Record Date to determine Entitlements to New Shares (5.00pm AEST)	12/08/2020
Offer Booklet and Entitlement and Acceptance Form sent to Eligible Shareholders	17/08/2020
Last day of rights trading	19/08/2020



Indicative Timetable for the Entitlement Offer *

Activity	Date
If agreed by ASX New Shares quoted on a deferred settlement basis from market open	20/08/2020
Last day to extend the Offer Closing Date	21/08/2020
Closing date for acceptances under the Offer (5.00pm AEST)	26/08/2020
Announcement of results of issue	31/08/2020
Allotment of New Shares issued under the Offer and Lodgement of Appendix 2A with ASX.	02/09/2020
Expected Dispatch of Holding Statement and Normal ASX trading for New Shares issued under the Offer.	03/09/2020

* The above dates are indicative only and may be subject to change. Subject to the Corporations Act, the Listing Rules and other applicable laws, the Directors reserve the right to vary the dates of the Offer. The Directors reserve the right not to proceed with the whole or part of the Offer at any time prior to issue of the New Shares. In that event, Application Monies (without interest) will be returned in full to the Applicants. An extension of the Closing Date for the Offer will delay the anticipated date for issue of the New Shares. The commencement of quotation of New Shares is subject to confirmation from ASX.

Eligible Shareholders who are recorded on Adavale's share register at 5.00pm (AEST) on 12 August, 2020 ("Record Date") will be entitled to subscribe for one (1) New Shares for every one (1) Share held on the Record Date. The Issue Price for each New Shares is \$0.01, which is payable in full on application. Fractional Entitlements are being rounded up to the next whole number of New Shares.

The Offer is being made to Eligible Shareholders only. Eligible Shareholders are persons who are registered as a holder of Shares as at the Record Date that:

have a Registered Address in Australia or New Zealand or are a Shareholder that Adavale has otherwise determined (in its absolute discretion) is eligible to participate in the Offer; and

are not located in the United States and are not a US Person or acting for the account of or benefit of a person in the United States or US Person

Eligible shareholders entitlements are renounceable and they may:

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





In compliance with ASX Listing Rule 7.7.1:

- Adavale has decided that it is unreasonable to make the offer to holders who do not have registered addresses in Australia or New Zealand ("**Ineligible Foreign Shareholders**") having regard to each of the number of holders in the place where the offer would be made and the number and value of securities the holders would be offered and the cost of complying with the legal requirements, and requirements of a regulatory authority, in the foreign jurisdiction;
- Adavale will send each holder to whom it will not offer the New Shares, details of the issue and advice that Adavale will not offer securities to the holder.
- Adavale will appoint a nominee to arrange for the sale of the entitlements that would have been given to those holders and to account to them for the net proceeds of the sale.
- Adavale hereby advises each Ineligible Foreign Shareholder not given the Entitlements that a nominee in Australia will arrange for sale of the entitlements and, if they are sold, for the net proceeds to be sent to the holder.

Shortfall Offer

Eligible Shareholders, who apply for their full Entitlement, may apply for New Shares in excess of their Entitlement (Additional Shares), provided that the issue of those Additional Shares will not result in a breach of the Listing Rules or any applicable law.

Any Additional Shares will be limited to the extent that there are sufficient New Shares available after satisfying all Applications received from Eligible Shareholders pursuant to the Entitlement Offer (i.e. there is a shortfall between the number of New Shares applied for under the Entitlement Offer and the total number of New Shares offered to Eligible Shareholders under the Entitlement Offer).

The Directors reserve the right to issue any Additional Shares not taken up by Shareholders in the Entitlement Offer and the Shortfall Offer through a share placement to third parties who are sophisticated investors no later than 3 months after the Closing Date at an issue price not less than \$0.01 per New Shares.

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

Yours sincerely

Stuart Cameron

Company Secretary

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