



Successful Share Purchase Plan closed at \$1,290,000

- **Over 100% of target SPP capital has been raised**
- **SPP outperforms withdrawn Renounceable Rights Issue**
- **Shareholder dilution minimised**
- **Zero debt allows maximum funds to be directed to exploration**

Adavale Resources (ASX: ADD) ("Adavale" or "the Company") is pleased to announce the results of the Share Purchase Plan. The primary purpose of the fund raising relates directly to formulating and implementing the Company's exploration strategy for nickel sulphide deposits in the Kagera Nickel Belt in Tanzania, East Africa.

The Board is grateful for the solid support shown from all shareholders that participated in the SPP at a price of 3 cents per ordinary share.

The Company raised \$1,290,000 from the SPP culminating in the issue of only ¹43,000,000 new shares. This when viewed with the previously announced agreement for the conversion of the \$1,000,000 Convertible Note and all accrued interest in full for a further 25,746,504 shares, means that for a total dilution of only 28% of the Company's issued capital prior to these events, the company can now devote all of the \$1,290,000 raised to working capital and exploration activities.

In order to provide our shareholders with clarity on the new Board's decision to withdraw the RRI in preference for undertaking the SPP, a comparative summary of the SPP outcome versus the implications of the Renounceable Rights Issue (RRI) is provided below.

The previous Board's 1 for 1 Renounceable Rights Issue (RRI) at 1 cent was withdrawn by the Company's new Board on 28 August 2020. Based on the final actual numbers the RRI would have required the issue of 150,460,991 of new shares, with 60% of these new shares going to shortfall and diluting the overall shares of the company by 47%.

The remaining free cash less working capital would not have been enough to fund exploration activities in any meaningful way due to, as previously announced in the RRI booklet, cash payments to directors of \$58,000 and payment of Convertible Note interest of \$254,011. In addition, the Company would have remained with the burden of \$1,000,000 of Convertible Note debt which would have continued to accrue interest.

The Board and management sincerely thank all participating shareholders and hope all are pleased with this outcome. Below provides a tabular comparison of the actual SPP outcome against what would have been the outcome of the RRI had it proceeded.

¹ 42,999,965 shares will be shown on the Appendix 3B due to the rounding down rule applied to funds

**Withdrawn 28 Aug 2020
Renounceable Rights Issue**

**Successful 29 October 2020
Share Purchase Plan**

Subscription price	\$0.01	\$0.03
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Total Issued Shares pre-raise	171,194,340	171,194,340
New Shares to be issued from raise	150,460,991	43,000,000
New Shares - Con Note conversion	-	25,746,504
Dilution	47%	28%

A\$ Raised from entitlements	\$592,085.00	\$1,290,000.00
A\$ Raised from Shortfall	\$912,524.91	-
A\$ Total cash raised	\$1,504,609.91	\$1,290,000.00
Cash for Directors Fees	(\$52,800.00)	-
Cash for Con Note Interest	(\$254,011.00)	-
Outstanding Con Note Principal	(\$1,000,000.00)	-
Net financial position	\$197,798.91	\$1,290,000.00

Share Price at Close of Cap Raise	\$0.018	\$0.034
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This announcement has been authorised for release by the Board of Adavale Resources Limited.

To contact the Company about this announcement please email Julian Rockett, julian@adavaleresources.com.

For further information on the Company and our projects please visit www.adavaleresources.com

**Level 7
6 Underwood Street
Sydney NSW 2000
t: +61 2 8003 6733**