Announcement Summary

Entity name

ADAVALE RESOURCES LIMITED

Announcement Type

New announcement

Date of this announcement

Thursday December 31, 2020

The Proposed issue is:

Total number of +securities proposed to be issued for a placement or other type of issue

ASX +security code	+Security description	Maximum Number of +securities to be issued
n/a	Unlisted options	6,750,000
n/a	Unlisted options	8,750,000
ADD	ORDINARY FULLY PAID	37,591,868

Proposed +issue date

Thursday December 31, 2020

Refer to next page for full details of the announcement

Part 1 - Entity and announcement details

1.1 Name of +Entity

ADAVALE RESOURCES LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

1.2 Registered Number Type

Registration Number

ABN

91008719015

1.3 ASX issuer code

ADD

1.4 The announcement is

1.5 Date of this announcement

Thursday December 31, 2020

1.6 The Proposed issue is:

☑ A placement or other type of issue

Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

7A.1 - Are any of the following approvals required for the placement or other type of issue?

- +Security holder approval
- Court approval
- Lodgement of court order with +ASIC
- ACCC approval
- FIRB approval
- Another approval/condition external to the entity

Yes

7A.1a Conditions

** Approval Approval/Condition Date for determination Is the date estimated or received/condition met? actual? +Security holder approval Monday December 21, 2020 Yes

Actual

Comments

Part 7B - Issue details

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)? Existing class

Will the proposed issue of this +security include an offer of attaching +securities? Yes

Details of +securities proposed to be issued

ASX +security code and description

ADD: ORDINARY FULLY PAID

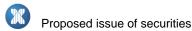
Number of +securities proposed to be issued

27,000,000

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

Yes



In what currency is the cash consideration being paid?

AUD - Australian Dollar

What is the issue price per +security?

AUD 0.04000

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class? Yes

Attaching +Security

Is the proposed attaching security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional +securities in a class that is already quoted or recorded by ASX)? New class

Attaching +Security - New class (+securities in a class that is not yet quoted or recorded by ASX)

Details of attaching +securities proposed to be issued

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

Have you received confirmation from ASX that the terms Will the entity be seeking quotation of the 'new' class of of the proposed +securities are appropriate and equitable under listing rule 6.1? ☑ No

+securities on ASX? ☑ No

ASX +security code

+Security description

New class-code to be confirmed

Unlisted options

+Security type

Options

Number of +securities proposed to be issued

6,750,000

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration? ☑ No

Please describe the consideration being provided for the +securities

One (1) option issued per four (4) shares subscribed for under the recent placement announced on 11 December 2020.

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities 0.000001

Will all the +securities issued in this class rank equally in all respects from their issue date?

✓ Yes

Options details

+Security currency

AUD - Australian Dollar

Exercise price

Expiry date

AUD 0.0600 Saturday December 31, 2022

Details of the type of +security that will be issued if the option is exercised

ADD: ORDINARY FULLY PAID

Number of securities that will be issued if the option is exercised

One (1) option when exercised will result in one (1) new fully paid ordinary share.

Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities proposed to be issued or provide the information by separate announcement.

https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02321106-2A1269663?access_token=8 3ff96335c2d45a094df02a206a39ff4

Details of attaching +securities proposed to be issued

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?

☑ No

Have you received confirmation from ASX that the terms Will the entity be seeking quotation of the 'new' class of of the proposed +securities are appropriate and +securities on ASX?

☑ No

ASX +security code

+Security description

New class-code to be confirmed

Unlisted options

+Security type

Options

Number of +securities proposed to be issued

8,750,000

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration? $\ensuremath{\mathfrak{C}}$ No



Proposed issue of securities

Please describe the consideration being provided for the +securities

Options issued as an incentive (part of remuneration) for lead broking services.

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities 0.000001

Will all the +securities issued in this class rank equally in all respects from their issue date? (% Yes

Options details

+Security currency

AUD - Australian Dollar

Exercise price

Expiry date

AUD 0.0600

Saturday December 31, 2022

Details of the type of +security that will be issued if the option is exercised

ADD: ORDINARY FULLY PAID

Number of securities that will be issued if the option is exercised

One (1) option when exercised will result in one (1) new fully paid ordinary share.

Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities proposed to be issued or provide the information by separate announcement.

https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02321106-2A1269663?access_token=8 3ff96335c2d45a094df02a206a39ff4

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

Existing class

Will the proposed issue of this +security include an offer of attaching +securities? ☑ No

Details of +securities proposed to be issued

ASX +security code and description

ADD: ORDINARY FULLY PAID

Number of +securities proposed to be issued

1,500,201

Offer price details



Are the +securities proposed to be issued being issued for a cash consideration?

☑ No.

Please describe the consideration being provided for the +securities

Issued in-lieu of three (3) months for six (3) with a base fee of \$3000 (excluding GST) - calculated using the VWAP formula described (and including the three (3) of the six (6)) current directors in the Explanatory Memorandum of the 2020 AGM Notice for Resolutions 9-11.

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

54,741.000000

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?
☑ Yes

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

Existing class

Will the proposed issue of this +security include an offer of attaching +securities? ☑ No

Details of +securities proposed to be issued

ASX +security code and description

ADD: ORDINARY FULLY PAID

Number of +securities proposed to be issued

1,725,000

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

✓ No

Please describe the consideration being provided for the +securities

In-lieu of fees (6%) for lead broking services

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

69,000.000000

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

✓ Yes

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

Existing class

Will the proposed issue of this +security include an offer of attaching +securities? ☑ No

Details of +securities proposed to be issued

ASX +security code and description

ADD: ORDINARY FULLY PAID

Number of +securities proposed to be issued

1,575,000

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

☑ No

Please describe the consideration being provided for the +securities

Shares issued in-lieu-of fees historical ex-directors described in the Notice of Meeting for resolutions 12-13.

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

50,400.000000

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

✓ Yes

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

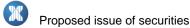
© Existing class

Will the proposed issue of this +security include an offer of attaching +securities? ☑ No

Details of +securities proposed to be issued

ASX +security code and description

ADD: ORDINARY FULLY PAID



Number of +securities proposed to be issued

3,916,667

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

☑ No

Please describe the consideration being provided for the +securities

In-lieu of services as described in resolution 18 of the AGM Notice of Meeting, issued in partial advance, and subject to holding locks pursuant to contract terms.

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

150,000.000000

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

✓ Yes

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

Existing class

Will the proposed issue of this +security include an offer of attaching +securities? ☑ No

Details of +securities proposed to be issued

ASX +security code and description

ADD: ORDINARY FULLY PAID

Number of +securities proposed to be issued

1,875,000

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

Yes

In what currency is the cash consideration being paid?

AUD - Australian Dollar

What is the issue price per +security?

AUD 0.04000

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

✓ Yes

Part 7C - Timetable

7C.1 Proposed +issue date

Thursday December 31, 2020

Part 7D - Listing Rule requirements

7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the entire issue under listing rule 7.1?
☑ No

7D.1b Are any of the +securities proposed to be issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?

✓ Yes

7D.1b (i) How many +securities are proposed to be issued without security holder approval using the entity's 15% placement capacity under listing rule 7.1?

15,500,000 options

7D.1c Are any of the +securities proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?

✓ Yes

7D.1c (i) How many +securities are proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A?

6,725,001

7D.1c (ii) Please explain why the entity has chosen to do a placement rather than a +pro rata issue or an offer under a +security purchase plan in which existing ordinary +security holders would have been eligible to participate

The Board felt it was a convenient means to draw institutional interest and sophisticated investors in the Company. It was felt this was appropriate due to these being issued at a 25% premium (excluding an exercise of attaching options at \$0.06) to the prior Share Purchase Plan.

7D.2 Is a party referred to in listing rule 10.11 participating in the proposed issue?

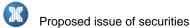
✓ Yes

7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?

⊗ No

7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?

✓ Yes



7D.4a Please enter the number and +class of the +securities subject to +voluntary escrow and the date from which they will cease to be subject to +voluntary escrow

1,250,000 FPO - escrowed until 22 March 2021

1,000,000 FPO - escrowed until 21June 2021

Part 7E - Fees and expenses

7E.1 Will there be a lead manager or broker to the proposed issue? ✓ Yes

7E.1a Who is the lead manager/broker?

As disclosed Ironside, Foster stockbroking and Taylor Collison are acting jointly.

7E.1b What fee, commission or other consideration is payable to them for acting as lead manager/broker?

6% (issued as shares at \$0.04) and 8,750,000 incentive options issued otherwise on the same option terms as other investors.

7E.2 Is the proposed issue to be underwritten? ⊗ No

7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue

Part 7F - Further Information

7F.01 The purpose(s) for which the entity is issuing the securities

To accelerate Tanzanian exploration programs and for general working capital.

7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds? ☑ No

7F.2 Any other information the entity wishes to provide about the proposed issue

22,000,000 ordinary shares (of the 27,000,000 described in this Appendix 3B) were approved under the Resolution 7 of the 2020 AGM.