



17 November 2021

Dear Shareholders,

IMPACT OF COVID-19 RESTRICTIONS ON THE COMPANY'S ANNUAL GENERAL MEETING

The annual general meeting is scheduled to be held on Friday, 17th December 2021 at 12.00pm (AEDT) (**Meeting**). However, in light of the status of the evolving COVID-19 situation and Government restrictions on public gatherings in place at the time of the Meeting, the Directors have made a decision that Shareholders will not be able to attend the Meeting in person. The Company invites shareholders to attend and participate in a virtual Meeting through an online meeting platform provided by Computershare (**Virtual Meeting**).

Shareholders who attend the Virtual Meeting will be able to watch, listen, ask questions and participate in all poll votes put to the Meeting.

In accordance with the Treasury Laws Amendment (2021 Measures No. 1) Act 2021, the Company will not be sending hard copies of the Notice of Meeting to shareholders unless a shareholder has previously requested a hard copy. The Notice of Meeting can be viewed and downloaded from the link set out below.

<https://www.adavaleresources.com/investor-centre/asx-announcements/>

Alternatively, a complete copy of the important Meeting documents has been posted on the Company's ASX market announcements page (ASX: ADD).

All resolutions will be decided on a poll. The poll will be conducted based on votes submitted by proxy and at the Meeting by shareholders who have indicated that they intend to vote at the Meeting in accordance with the instructions set out below.

Venue – Virtual Meeting

If you wish to virtually attend the Meeting (which will be broadcast as a live webinar), you will be sent a Meeting ID & Shareholder ID in advance for the virtual Meeting here:

To Join Zoom Meeting use the following:

<https://us02web.zoom.us/j/2071172949?pwd=eG96RGlQQWdYR1ErNXhvMzN1VnZ1dz09>

Zoom Meeting ID – 207 117 2949

Passcode – 4G0d6H

The Company encourages shareholders to submit their votes and questions in advance of the Meeting as this will provide management with the best opportunity to prepare for the meeting, for example in preparing answers to members questions.

Questions must be submitted in writing to Leonard Math, CFO & Company Secretary at leonard@adavaleresources.com at least 48 hours before the Meeting.

Level 7, 6 Underwood Street, Sydney NSW 2000, Australia

W: www.adavaleresources.com

ABN 91 008 719 015



However, votes and questions may also be submitted during the Meeting in respect to the formal items of business as well as general questions in respect to the Company and its business.

All questions will be submitted to the Chair, who will then direct them to be answered by the most appropriate member of management during the Meeting.

Voting online on the day of the Virtual Meeting

For shareholders who instead wish to vote at the Annual General Meeting on 17th December 2021, you will be required to use the "lumiagm app" as per instructions below, this will be required in addition to logging in to the Zoom Meeting as a show of hands will not be an acceptable method at the zoom meeting.

To log in:

1. Enter **web.lumiagm.com/318016564** on a smartphone, tablet or computer (using the latest version of Chrome, Safari, Edge and Firefox).
2. Enter your unique access details:
 - a. **Security holders** will need their Securityholder Reference Number (SRN) or Holder Identification Number (HIN).
 - b. **Proxy holders** will need their proxy code which Computershare will provide via an email no later than 12 hours prior to the Meeting.
 - c. Online voting registration will commence 30 minutes prior to the start of the meeting.
 - d. For full details on how to log on and vote online, please refer to the user guide attached to www.investorvote.com.au.

Further information and support on how to use the platform is available by calling Computershare. It is recommended that you register to use the registry website well in advance of the Meeting to save time on the day of the Meeting. Should you have any difficulties, you can contact the registry by telephone on **1300 855 080** (within Australia) and **+61 3 9415 4000** (overseas).

This release was authorised by the Board of Adavale Resources Limited.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Leonard Math", is written over a faint, circular, light-grey watermark.

Leonard Math
Chief Financial Officer & Company Secretary
E: leonard@adavaleresources.com

ADAVALE RESOURCES LIMITED

ACN 008 719 015

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 12.00pm (AEDT)

DATE: Friday, 17 December 2021

PLACE: The Company is pleased to provide Shareholders with the opportunity to attend and participate in a virtual Meeting through an online meeting platform powered by:

To Join Zoom Meeting use the following

<https://us02web.zoom.us/j/2071172949?pwd=eG96RGlQQWdYR1ErNXhvMzN1VnZ1dz09>

If the above link is not successful on your device then use the zoom app and the following ID and Passcode:

Meeting ID: 207 117 2949

Passcode: 4G0d6H

If you cannot use either of the 2 methods above then you may find your local number on this link: <https://us02web.zoom.us/j/2071172949?pwd=eG96RGlQQWdYR1ErNXhvMzN1VnZ1dz09>

where Shareholders will be able to watch, listen and vote online.

Details on how to access the virtual Meeting are set out in this Notice.

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7:00pm (AEDT) on Wednesday, 15 December 2021.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2021 together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2021."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

A voting prohibition statement applies to this Resolution. Please see below.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – GRANT PIERCE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 13.2 of the Constitution and for all other purposes, Grant Pierce, a Director, retires by rotation, and being eligible, is re-elected as a Director."

4. RESOLUTION 3 – ELECTION OF DIRECTOR – JOHN HICKS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 13.3 of the Constitution and for all other purposes, John Hicks, a Director, who was appointed casually on 7 July 2021, retires, and being eligible, is elected as a Director."

5. RESOLUTION 4 – ELECTION OF DIRECTOR – DAVID RIEKIE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 13.3 of the Constitution and for all other purposes, David Riekie, a Director, who was appointed casually on 28 July 2021, retires, and being eligible, is elected as a Director."

6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES AND OPTIONS – DECEMBER 2020

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 10,000,000 Shares and 8,750,000 Options on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

7. RESOLUTION 6 – RATIFICATION OF PRIOR SECURITIES ISSUE TO JOINT LEAD MANAGERS IN LIEU OF FEES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,725,000 Shares and 8,750,000 Options on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

8. RESOLUTION 7 – RATIFICATION OF PRIOR SHARES ISSUED TO CONTRACTORS IN LIEU OF FEES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 345,285 Shares on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

9. RESOLUTION 8 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES LR7.1 – OCTOBER 2021

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 10,411,230 Shares on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

10. RESOLUTION 9 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES LR7.1A – OCTOBER 2021

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 27,588,770 Shares on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

11. RESOLUTION 10 – ISSUE OF SHARES TO GRANT PIERCE IN LIEU OF REMUNERATION

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue shares in-lieu of fees to Grant Pierce (or their nominee), a director of the Company on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

12. RESOLUTION 11 – ISSUE OF SHARES TO JOHN HICKS IN LIEU OF REMUNERATION

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue shares in-lieu of fees to John Hicks (or their nominee), a director of the Company on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

13. RESOLUTION 12 – ISSUE OF SHARES TO DAVID RIEKIE IN LIEU OF REMUNERATION

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue shares in-lieu of fees to David Riekie (or their nominee), a director of the Company on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

14. RESOLUTION 13 – ISSUE OF PERFORMANCE RIGHTS TO GRANT PIERCE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to the passing of Resolution 2, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 3,200,000 Performance Rights to Grant Pierce (or his nominee) under the Performance Rights Plan on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

15. RESOLUTION 14 – ISSUE OF PERFORMANCE RIGHTS TO JOHN HICKS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to the passing of Resolution 3, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 3,200,000 Performance Rights to John Hicks (or his nominee) under the Performance Rights Plan on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

16. RESOLUTION 15 – ISSUE OF PERFORMANCE RIGHTS TO DAVID RIEKIE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to the passing of Resolution 4, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 3,700,000 Performance Rights to David Riekie (or his nominee) under the Performance Rights Plan on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

17. RESOLUTION 16 - APPROVAL OF POTENTIAL TERMINATION BENEFITS UNDER ADAVALE SECURITIES PLAN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of sections 200B and 200E of the Corporations Act and for all other purposes, Shareholders approve the giving of benefits under the "Adavale Securities Plan", to a person by the Company in connection with a person ceasing to hold a managerial or executive office in the Company (or any of its related bodies corporate), for the purpose and on the terms set out in the Explanatory Statement."

18. RESOLUTION 17 – ISSUE OF OPTIONS TO GRANT PIERCE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to the passing of Resolution 2, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 2,000,000 Options to Grant Pierce (or his nominee) on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

19. RESOLUTION 18 – ISSUE OF OPTIONS TO JOHN HICKS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to the passing of Resolution 3, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 2,000,000 Options to John Hicks (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

20. RESOLUTION 19 – ISSUE OF OPTIONS TO DAVID RIEKIE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to the passing of Resolution 4, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 2,000,000 Options to David Riekie (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

21. RESOLUTION 20 – APPROVAL OF 7.1A MANDATE

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”

22. RESOLUTION 21 – REPLACEMENT OF CONSTITUTION

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the chairman of the Meeting for identification purposes.”

Dated: 16 November 2021

By order of the Board

Grant Pierce
Chairman

Voting Prohibition Statements

Resolution 1 – Adoption of Remuneration Report	<p>A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:</p> <ul style="list-style-type: none"> (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or (b) a Closely Related Party of such a member. <p>However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:</p> <ul style="list-style-type: none"> (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or (b) the voter is the Chair and the appointment of the Chair as proxy: <ul style="list-style-type: none"> (i) does not specify the way the proxy is to vote on this Resolution; and (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
Resolution 10 – Issue of Shares to Grant Pierce in Lieu of Remuneration	<p>In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (Resolution 10 Excluded Party). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 10 Excluded Party.</p> <p>In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> (a) the proxy is either: <ul style="list-style-type: none"> (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. <p>Provided the Chair is not a Resolution 10 Excluded Party, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.
Resolution 11 – Issue of Shares to John Hicks in Lieu of Remuneration	<p>In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (Resolution 11 Excluded Party). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 11 Excluded Party.</p>

	<p>In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> (a) the proxy is either: <ul style="list-style-type: none"> (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. <p>Provided the Chair is not a Resolution 11 Excluded Party, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.
<p>Resolution 12 – Issue of Shares to David Riekie in Lieu of Remuneration</p>	<p>In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (Resolution 12 Excluded Party). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 12 Excluded Party.</p> <p>In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> (a) the proxy is either: <ul style="list-style-type: none"> (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. <p>Provided the Chair is not a Resolution 12 Excluded Party, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.
<p>Resolution 13 – Issue of Performance Rights of Grant Pierce</p>	<p>In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (Resolution 13 Excluded Party). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 13 Excluded Party.</p> <p>In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> (a) the proxy is either: <ul style="list-style-type: none"> (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution.

	<p>Provided the Chair is not a Resolution 13 Excluded Party, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.
Resolution 14 – Issue of Performance Rights to John Hicks	<p>In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (Resolution 14 Excluded Party). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 14 Excluded Party.</p> <p>In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> (a) the proxy is either: <ul style="list-style-type: none"> (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. <p>Provided the Chair is not a Resolution 14 Excluded Party, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.
Resolution 15 – Issue of Performance Rights to David Riekie	<p>In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (Resolution 15 Excluded Party). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 15 Excluded Party.</p> <p>In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> (a) the proxy is either: <ul style="list-style-type: none"> (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. <p>Provided the Chair is not a Resolution 15 Excluded Party, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.
Resolution 17 – Issue of Options to Grant Pierce	<p>In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would</p>

	<p>permit a financial benefit to be given, or an associate of such a related party (Resolution 17 Excluded Party). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 17 Excluded Party.</p> <p>In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> (a) the proxy is either: <ul style="list-style-type: none"> (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. <p>Provided the Chair is not a Resolution 17 Excluded Party, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.
Resolution 18 – Issue of Options to John Hicks	<p>In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (Resolution 18 Excluded Party). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 18 Excluded Party.</p> <p>In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> (a) the proxy is either: <ul style="list-style-type: none"> (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. <p>Provided the Chair is not a Resolution 18 Excluded Party, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.
Resolution 19 – Issue of Options to David Riekie	<p>In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (Resolution 19 Excluded Party). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 19 Excluded Party.</p>

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel;
or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 19 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of the following persons:

Resolution 5 – Ratification of prior issue of Placement Shares and Options – December 2020	The Unrelated Placement Participants or any other person who participated in the issue or is a counterparty to the agreement being approved Placement or an associate of that person or those persons.
Resolution 6 – Ratification of prior Securities issued to Joint Lead Managers in lieu of fees	A person who participated in the issue or is a counterparty to the agreement being approved or an associate of that person or those persons.
Resolution 7 – Ratification of Shares issued to Contractors in lieu of fees	A person who participated in the issue or is a counterparty to the agreement being approved or an associate of that person or those persons.
Resolution 8 & 9 – Ratification of prior issue of Placement Shares – October 2021	The Unrelated Placement Participants or any other person who participated in the issue or is a counterparty to the agreement being approved Placement or an associate of that person or those persons.
Resolution 10 – Issue of Shares to Grant Pierce in Lieu of Remuneration	Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Grant Pierce, John Hicks and David Riekie (or their nominee)) or an associate of that person or those persons.
Resolution 11 – Issue of Shares to John Hicks in Lieu of Remuneration	
Resolution 12 – Issue of Shares to David Riekie in Lieu of Remuneration	
Resolution 13 – Issue of Performance Rights to Grant Pierce	
Resolution 14 – Issue of Performance Rights to John Hicks	Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Grant Pierce, John Hicks and David Riekie (or their nominee)) or an associate of that person or those persons.
Resolution 15 – Issue of Performance Rights to David Riekie	
Resolution 17 – Issue of Options to Grant Pierce	
Resolution 18 – Issue of Options to John Hicks	Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Grant Pierce, John Hicks and David Riekie (or their nominee)) or an associate of that person or those persons
Resolution 19 – Issue of Options to David Riekie	

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Voting in person

In light of the status of the evolving COVID-19 situation, the Directors have made a decision that Shareholders will not be able to physically attend the Meeting in person.

Accordingly, the Directors strongly encourage all Shareholders to lodge a directed proxy form prior to the Meeting.

Online Voting prior to the Annual General Meeting is strongly encouraged due to COVID-19 and the challenges presented by holding the meeting online. However, for shareholders who instead wish to vote at the Annual General Meeting on 17th December 2021 you will be required to use the "lumiagm app" as per instructions below, this will be required in addition to logging in to the Zoom Meeting as a show of hands will not be an acceptable method at the zoom meeting.

To log in:

1. Enter **web.lumiagm.com/318016564** on a smartphone, tablet or computer (using the latest version of Chrome, Safari, Edge and Firefox).
2. Enter your unique access details:
 - a. **Security holders** will need their Securityholder Reference Number (SRN) or Holder Identification Number (HIN).
 - b. **Proxy holders** will need their proxy code which Computershare will provide via an email no later than 12 hours prior to the Meeting.
 - c. Online voting registration will commence 30 minutes prior to the start of the meeting.
 - d. For full details on how to log on and vote online, please refer to the user guide attached to www.investorvote.com.au.

A helpful guide for using the Lumi website is presented at the end of this Notice.

VIRTUAL MEETING

Venue

If you wish to virtually attend the Meeting (which will be broadcast as a live webinar), will be sent a Meeting ID & Shareholder ID in advance for the virtual Meeting here:

To Join Zoom Meeting use the following

<https://us02web.zoom.us/j/2071172949?pwd=eG96RGlQQWdYR1ErNXhvMzN1VnZ1dz09>

If the above link is not successful on your device then use the zoom app and the following ID and Passcode:

Meeting ID: 207 117 2949

Passcode: 4G0d6H

If you cannot use either of the 2 methods above then you may find your local number on this link: <https://us02web.zoom.us/j/2071172949?pwd=eG96RGlQQWdYR1ErNXhvMzN1VnZ1dz09>

Shareholders will be able to vote and ask questions at the virtual Meeting. Shareholders are also encouraged to submit questions in advance of the Meeting to the Company. Questions must be submitted in writing to Leonard Math, Company Secretary at **leonard@adavaleresources.com** at least 48 hours before the Meeting.

The Company will also provide Shareholders with the opportunity to ask questions during the Meeting in respect to the formal items of business as well as general questions in respect to the Company and its business.

Further information and support on how to use the platform is available by calling Computershare. It is recommended that you register to use the registry website well in advance of the Meeting to save time on the day of the Meeting. Should you have any difficulties, you can contact the registry by telephone on **1300 855 080** (within Australia) and **+61 3 9415 4000** (overseas).

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 2 8003 6733 or by email leonard@adavaleresources.com.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2021 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at <https://www.adavaleresources.com/>.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting, the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, a Spill Resolution is not relevant for this Annual General Meeting.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – GRANT PIERCE

3.1 General

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Grant Pierce, who has served as a Director since 26 August 2020 and was last elected on 21 December 2020, retires by rotation and seeks re-election.

3.2 Qualifications and other material directorships

Grant is a qualified mining engineer with 30 years of operating experience in both Australia and Africa. He has managed both open-pit and underground mines across a range of mineral commodities. In addition, he has held numerous senior development roles, taking green and brown field projects to either shovel ready status or into production.

Grant was a member of the development team that built Tanzania's first modern gold mine, Resolute's Golden Pride Project (ASX:RSG) and was Operations Manager of the mine for its first 6 years.

Other senior roles include Executive General Manager (Tanzania) for Barrick Gold Corporation (NYSE:GOLD), during which time the Tulawaka Gold Mine was built and subsequently General Manager Operations for Perseus Mining, taking the Edikan Gold Project from the environmental permitting stage to its first gold pour.

Most recently Grant was an Executive Director of EcoGraf Limited (ASX:EGR) and played a pivotal role in the development of the Company, leading to the Company receiving the Epanko Graphite Projects' Environmental Certificate, Mining Licence, delivering the Bankable Feasibility Study and subsequent completion of banking independent due diligence.

Grant has been publicly recognised within Australia and internationally for his philanthropic work with remote communities in developing nations.

3.3 Independence

If re-elected the Board does not consider Grant Pierce will be an independent Director.

3.4 Board recommendation

The Board has reviewed Grant Pierce's performance since his appointment to the Board and considers that Grant Pierce's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the re-election of Grant Pierce and recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 & 4 – ELECTION OF DIRECTOR

General

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

John Hicks and David Riekie, having been appointed by other Directors on 7 July 2021 and 28 July 2021 respectively, in accordance with the Constitution, will retire in accordance with the Constitution and being eligible, seek election from Shareholders.

4.1 Resolution 3 – Election of John Hicks as Director

Qualifications and other material directorships

John is a geologist and nickel sulphide specialist with over 40 years' experience in the exploration and mining sector, including a 15 year tenure as the General Manager of Exploration for Panoramic Resources Limited (ASX: PAN)

Prior to Panoramic, John held various roles with several notable mining companies including Australian Consolidated Minerals Limited, and WMC Limited.

John's nickel career highlights include senior exploration and development roles for the Mount Keith, Silver Swan, Lanfranchi and Savannah nickel projects. During his tenure at Panoramic Resources, John was instrumental in discovering the komatiite hosted Deacon orebody at Lanfranchi and the intrusive hosted Savannah North nickel orebodies, in Western Australia.

Independence

John has no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company as a whole rather than in the interests of an individual security holder or other party.

If elected the Board considers John Hicks will be an independent Director.

Other material information

The Company conducts appropriate checks on the background and experience of candidates before their appointment to the Board. These include checks as to a person's experience, educational qualifications, character, criminal record and bankruptcy history. The Company undertook such checks prior to the appointment of John.

John has confirmed that he considers he will have sufficient time to fulfil his responsibilities as a Non-Executive Director of the Company and does not consider that any other commitment will interfere with his availability to perform his duties as a Non-Executive Director of the Company.

4.2 Resolution 4 – Election of David Riekie as Director

Qualifications and other material directorships

David is an experienced director in the capacity of both Executive and Non-

Executive roles of ASX listed companies. His career has spanned multiple continents. Within Africa Namibia, Tanzania, Eritrea, South Africa, DRC and Mozambique are notable. He has overseen exploration and resource development, scoping and feasibility studies, production optimisation, stakeholder engagement, acquisition programs and expansion initiatives.

David most recently has served on the Boards of remote power generation and energy solutions specialist Zenith Energy Limited (ASX: ZEN), independent uranium producer Paladin Energy Limited (ASX: PDN) and minerals explorer MetalsTech Limited (ASX: MTC). David also served as interim CEO to Poseidon Nickel Limited (ASX: POS).

David holds a Bachelor of Economics and a Graduate Diploma of Accounting from Flinders University and has been a member of the Australian Institute of Chartered Accountants since 1986.

Independence

David has no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company as a whole rather than in the interests of an individual security holder or other party.

If elected the Board considers David Riekie will be an independent Director.

Other material information

The Company conducts appropriate checks on the background and experience of candidates before their appointment to the Board. These include checks as to a person's experience, educational qualifications, character, criminal record and bankruptcy history. The Company undertook such checks prior to the appointment of David.

David has confirmed that he considers he will have sufficient time to fulfil his responsibilities as a Non-Executive Director of the Company and does not consider that any other commitment will interfere with his availability to perform his duties as a Non-Executive Director of the Company.

4.3 Board recommendation

The Board has reviewed John Hick's and David Riekie's performance since their appointment to the Board and considers that their respective skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the election of John Hicks and David Riekie and recommends that Shareholders vote in favour of Resolution 3 and 4.

5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES AND OPTIONS – DECEMBER 2020

5.1 General

On 11th December 2020, the Company announced private placement of shares to institutional and sophisticated investors. Following the announcement, 8,000,000 shares and 2,000,000 unlisted options were issued utilising the Company's available capacity under Listing Rule 7.1 (these securities are subject to ratification).

The remainder of the shares were to be issued after seeking shareholder approval at the 2020 AGM. Shareholders' approval was obtained for the issue of further shares not exceeding 30,000,000 in aggregate but no more than the aggregate of \$1,000,000 raised. The Company issued 27,000,000 shares at \$0.04 per share and 6,750,000 unlisted options (2,000,000 of these shares and all the unlisted options are subject to ratification).

Pursuant to Listing Rule 7.4, the Company is seeking Shareholders' approval under Resolution 5 for ratifying the issue of 10,000,000 shares and 8,750,000 unlisted options, forming part of the December 2020 Securities Placement ('**December 2020 Securities Placement**') so that these securities are not taken into account in determining the Company's capacity to issue up to 15% of its issued Shares, over the next 12 months without the need for further Shareholder approval.

5.2 Listing Rule 7.1 and 7.1A

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 21 December 2020.

The issue of the December 2020 Securities Placement does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the December 2020 Securities Placement.

5.3 Listing Rule 7.4

Listing Rule 7.4 allows for subsequent shareholder approval of issues of equity securities for the purposes of Listing Rule 7.1 if the Company did not breach the ASX Listing Rule 7.1 placement limit at the time of issue and the holders of ordinary shares subsequently approve the issue. The Company is now seeking approval for the issue of these securities in the manner provided by ASX Listing Rule 7.4.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under ASX Listing Rule 7.1.

If Resolution 5 is passed, the 10,000,000 shares and 8,750,000 unlisted options will be excluded in calculating Adavale's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue without shareholder approval over the 12-month period following the issue date.

If resolution 5 is not passed, the 10,000,000 shares and 8,750,000 unlisted options will be included in Adavale's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12-month period following the Issue Date.

In accordance with ASX Listing Rule 7.5, the following information is provided in relation to the above Resolution and the securities subject of their ratification:

Resolution 5	
Date of issue	<ol style="list-style-type: none"> 1. 18 December 2020 – 8,000,000 shares and 2,000,000 unlisted options; 2. 31 December 2020 – 2,000,000 shares and 6,750,000 unlisted options
Number of securities issued	10,000,000 shares – LR 7.1 8,750,000 unlisted options – LR 7.1
Terms of Securities	<p>Shares - Fully paid ordinary shares</p> <p>Unlisted Options - Call option exercise price of \$0.06 and includes Company's put option exercise price of \$0.06 when 5-day VWAP of \$0.12 is reached.</p> <ul style="list-style-type: none"> • 2,000,000 options will expire on 18 December 2022; and • 6,750,000 unlisted options expiring on 31 December 2022.
Names of persons who received securities or basis on which those persons were determined	<p>December 2020 Securities Placement were issued to professional and sophisticated investors who are clients of Ironside Capital, Foster Stockbroking and Taylor Collison ("Joint Lead Manager"). The recipients were identified through a bookbuild process, which involved the Joint Lead Manager seeking expressions of interest to participate in the placement from non-related parties of the Company.</p> <p>In accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:</p> <ol style="list-style-type: none"> (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and (ii) issued more than 1% of the issued capital of the Company.
Issue Price of Securities	<p>Shares – \$0.04 per share Options – Nil</p> <p>The Company has not and will not receive any other consideration for the issue of the securities (other than in respect of funds received on exercise of the Options).</p>
Use of funds	Funds were used for exploration and drilling on the Company's Tanzanian Nickel Project and for other general working capital.

Voting exclusion statement	Refer to the Notice of Meeting for details of the voting exclusion statement for the resolution.
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Recommendations

The Chair of the meeting intends to vote all undirected proxies in favour of this resolution.

The Board recommends that shareholders vote in favour of Resolution 5.

6. RESOLUTION 6 – RATIFICATION OF PRIOR SECURITIES ISSUE TO JOINT LEAD MANAGERS IN LIEU OF FEES

6.1 General

Ironside Capital, Foster Stockbroking and Taylor Collison acted as the **Joint Lead Managers** to the **December 2020 Securities Placement**. As agreed, 1,725,000 Shares and 8,750,000 options were issued to the Joint Lead Managers in lieu of fees.

Pursuant to Listing Rule 7.4 and under Resolution 6, the Company is seeking Shareholders' approval to ratify the issue of 1,725,000 shares and 8,750,000 unlisted options to the Joint Lead Managers so that these securities are not taken into account in determining the Company's capacity to issue up to 15% of its issued Shares, over the next 12 months without the need for further Shareholder approval.

Listing Rule 7.1 and 7.4 - Refer to the 5.2 and 5.3 above on a general description of Listing Rule 7.1 and 7.4.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under ASX Listing Rule 7.1.

If resolution 6 is passed, the 1,725,000 shares and 8,750,000 unlisted options will be excluded in calculating Adavale's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue without shareholder approval over the 12-month period following the issue date.

If resolution 6 is not passed, the 1,725,000 shares and 8,750,000 unlisted options will be included in Adavale's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the Issue Date.

In accordance with ASX Listing Rule 7.5, the following information is provided in relation to the above Resolution and the securities subject of their ratification:

Resolution 6	
Date of issue	31 December 2020
Number of securities issued	1,725,000 shares – LR 7.1 8,750,000 unlisted options – LR 7.1
Terms of Securities	Shares - Fully paid ordinary shares Unlisted Options – <ul style="list-style-type: none"> • Call option exercise price of \$0.06 and includes Company's put option exercise price of \$0.06 when 5-day VWAP of \$0.12 is reached; and • Expiring on 31 December 2022.

Names of persons who received securities or basis on which those persons were determined	<p>Securities issued to Ironside Capital, Foster Stockbroking and Taylor Collison (or their nominees), being the Joint Lead Managers for the December 2020 securities placement in-lieu of their fees.</p> <p>In accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:</p> <ul style="list-style-type: none"> (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and (ii) issued more than 1% of the issued capital of the Company.
Issue Price of Securities	<p>Shares – \$0.04 per share Options – Nil</p> <p>The Company has not and will not receive any other consideration for the issue of the securities (other than in respect of funds received on exercise of the Options).</p>
Use of funds raised	<p>No funds have been raised on the issue of the shares as shares were issued in lieu of brokerage services provided.</p> <p>Funds raised on exercise of options will be used for the working capital and other requirements of the company at the time of issue.</p>
Purpose of issue	<p>The purpose of the issue of the securities was to satisfy the Company's obligations under the Joint Lead Manager's Mandate. The securities were issued to Ironside Capital, Foster Stockbroking and Taylor Collison (or their nominees) under the mandate to act as Joint Lead Managers to the December 2020 Securities Placement. A summary of the material terms of the Mandate are set out at Schedule 6.</p>
Voting exclusion statement	<p>Refer to the Notice of Meeting for details of the voting exclusion statement for the resolution.</p>

Recommendations

The Chair of the meeting intends to vote all undirected proxies in favour of this resolution.

The Board recommends that shareholders vote in favour of the proposed resolution 6.

7. RESOLUTION 7 – RATIFICATION OF PRIOR SHARES ISSUED TO CONTRACTORS IN LIEU OF FEES

On 9th August 2021, the Company issued 345,285 shares to various contractors in satisfaction of fees for services rendered by the contractors.

Pursuant to Listing Rule 7.4, the Company is seeking Shareholders' approval under Resolution 7 to ratify the issue of 345,285 shares to the contractors so that these shares are not taken into account in determining the Company's capacity to issue up to 15% of its issued Shares, over the next 12 months without the need for further Shareholder approval.

Listing Rule 7.1 and 7.4 - Refer to 5.2 and 5.3 above on a general description of Listing Rule 7.1 and 7.4.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under ASX Listing Rule 7.1.

If resolution 7 is passed, the 345,285 shares issued will be excluded in calculating Adavale's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue without shareholder approval over the 12-month period following the issue date.

If resolution 7 is not passed, the 345,285 shares issues will be included in Adavale's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the Issue Date.

In accordance with ASX Listing Rule 7.5, the following information is provided in relation to the above Resolution and the securities subject of their ratification:

Resolution 7	
Date of issue	9 August 2021
Number of securities issued	345,285 – LR 7.1
Terms of Securities	Fully paid ordinary shares
Names of persons who received securities or basis on which those persons were determined	<p>Various contractors who provided consultancy services to the Company.</p> <p>In accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:</p> <ul style="list-style-type: none">(i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and(ii) issued more than 1% of the issued capital of the Company.
Issue Price of Securities	\$0.059 per share

	The Company has not and will not receive any other consideration for the issue of the Shares.
Use of funds raised	No funds have been raised on the issue of the shares. Shares were issued in satisfaction of fees for services rendered by the consultants.
Voting exclusion statement	Refer to the Notice of Meeting for details of the voting exclusion statement for the resolution.

Recommendations

The Chair of the meeting intends to vote all undirected proxies in favour of this resolution.

The Board recommends that shareholders vote in favour of the proposed resolution 7.

8. RESOLUTION 8 AND 9 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES LR7.1 AND LR7.1A – OCTOBER 2021

8.1 General

On 5th October 2021, the Company announced a private placement of shares to sophisticated and professional investors through the issue of 38,000,000 Fully Paid Ordinary Shares at \$0.055 per share, raising \$2.09m (before costs) ("**October 2021 Placement**").

The October 2021 Placement was completed on 11th October 2021 and issued under the Company's existing ASX Listing Rule 7.1 and 7.1A.

Euroz Hartleys Limited acted as Lead Manager to the October 2021 Placement.

10,411,230 Shares were issued pursuant to the Company's capacity under Listing Rule 7.1 and 27,588,770 Shares were issued pursuant to the Company's 7.1A mandate which was approved by Shareholders at the annual general meeting held on 21st December 2020.

Listing Rule 7.1 and 7.4 - Refer to 5.2 and 5.3 above on a general description of Listing Rule 7.1 and 7.4.

Under Listing Rule 7.1A however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 21st December 2020.

The issue of the October 2021 Placement does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 and 7.1A for the 12 month period following the date of issue of the October 2021 Placement.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under ASX Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the October 2021 Placement.

If Resolutions 8 and 9 are passed, the October 2021 Placement shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the October 2021 Placement.

If Resolutions 8 and 9 are not passed, the October 2021 Placement shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the October 2021 Placement.

In accordance with ASX Listing Rule 7.5, the following information is provided in relation to the above Resolution and the securities subject of their ratification:

Resolution 8 and 9	
Date of issue	11 October 2021
Number of securities issued	10,411,230 shares – LR 7.1 27,588,770 shares – LR 7.1A
Terms of Securities	Shares - Fully paid ordinary shares
Names of persons who received securities or basis on which those persons were determined	<p>October 2021 Placement were issued to professional and sophisticated investors who are clients of Euroz Hartleys Limited (Lead Manager). The recipients were identified through a bookbuild process, which involved the Lead Manager seeking expressions of interest to participate in the placement from non-related parties of the Company.</p> <p>In accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:</p> <ul style="list-style-type: none"> (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and (ii) issued more than 1% of the issued capital of the Company;
Issue Price of Securities	Shares – \$0.055 per share The Company has not and will not receive any other consideration for the issue of the Shares.
Use of funds	Funds raised will be used to accelerate the exploration program on the Kabanga Jirani Nickel Project, initiate exploration on the Company's South Australian uranium tenements and for general working capital.

Voting exclusion statement	Refer to the Notice of Meeting for details of the voting exclusion statement for the resolution.
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Recommendations

The Chair of the meeting intends to vote all undirected proxies in favour of this resolution.

The Board recommends that shareholders vote in favour of Resolution 8 & 9.

9. RESOLUTIONS 10 - 12 – ISSUE OF SHARES TO DIRECTORS IN LIEU OF REMUNERATION

9.1 Background

The Shareholders at the 2020 Annual General Meeting approved the Company's employee incentive plan, the "Adavale Securities Plan" or "ASP". Shares can be issued to Directors in lieu of their fees, for the purposes of ASX Listing Rule 7.1 while relying on the relevant exception 13 of the Listing Rule 7.2.

Resolutions 10, 11 and 12 seek Shareholders' approval for the purposes of ASX Listing Rule 10.14 for the proposed issue of Shares to Directors, Messrs Grant Pierce, John Hicks and David Riekie (**Related Parties**) in-lieu of remuneration. The grant of these shares will occur under the ASP.

9.2 Listing Rule 10.14 and Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

As Shares are proposed to be issued to all of the Directors, the Directors are unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act applies to the issue of the Shares. Accordingly, Shareholder approval for the issue of Shares to the Related Parties is sought in accordance with Chapter 2E of the Corporations Act.

Listing Rule 10.14

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire equity securities under an employee incentive scheme without the approval of the holders of its ordinary securities:

- 10.14.1 a director of the entity;
- 10.14.2 an associate of a director of the entity; or

- 10.14.3 a person whose relationship with the entity or a person referred to in Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders.

The issue of the shares to the Related Parties falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolutions 10 to 12 seek the required Shareholder approval for the issue of the of Shares for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.14.

If Resolution 10, 11 and 12 are passed, then Company is permitted to issue Shares to the Related Parties, in-lieu of remuneration price based on the monthly VWAP for each month the relevant Related Party has served as a director of the Company as per the terms agreed in their contract, being a base rate as per the relevant directors remuneration package described below (subject to the addition of ad-hoc invoices up capped at no more than an additional \$5,000 per month, described further below).

If Resolution 10, 11 and 12, not be passed, then Company will not issue Shares to the Related Parties in-lieu of services and will then be required to remunerate directors using cash reserves.

Terms of the Issuance

For the purposes of ASX Listing Rule 10.14 the following information is provided to Shareholders.

The relevant allottees and related party status are each relevant Director as described in each resolution (or may be issued to their lawful nominees).

Maximum number of Shares to be issued

Subject to shareholder approval, the Related Parties may receive their remuneration in Shares (based on the formula set out in Section 9.3(b) below) or in cash.

Each Director's current remuneration package, payable monthly, is set out below.

Name of Director	Monthly Base Salary payable in either shares or cash and at each director's election.	Extraordinary Services payable in either shares or cash and at each director's election
Grant Pierce	\$3,000	\$5,000 per monthly (maximum)
John Hicks	\$3,000	\$5,000 per monthly (maximum)
David Riekie	\$3,000	\$5,000 per monthly (maximum)

Despite some of the Directors are Non-Executives, given the stage of the Company it is recognised that their services are required to be more 'hands on'

then is the case in a more developed company, and this reality informs the Company's remuneration policy.

9.3 Technical information required by ASX Listing Rule 10.14 and section 219 of the Corporations Act

In compliance with the information requirements of Listing Rule 10.14 and section 219 of the Corporations Act, Shareholders are advised of the following information:

- (a) Shares will be issued to the following persons:
- (i) Mr Grant Pierce (or his nominee) with respect to Resolution 10;
 - (ii) Mr John Hicks (or his nominee) with respect to Resolution 11; and
 - (iii) Mr David Riekie (or his nominee) with respect to Resolution 12;

Each of whom falls within the category set out in Listing Rule 10.11.1 by virtue of being a Director;

- (b) The number of Shares that may be issued per month (until the 2022 Annual General Meeting) if Resolutions 10, 11 and 12, are passed are calculated as follows:

$\$Y Z = (\$3,000 + \$XZ)$ multiplied (x) by Bz, being the "Share Compensation Formula" or "SCF"

- (i) $\$Y$ = total remuneration payable for each month, but no greater \$3,000 for each relevant month of service.
- (ii) A = \$3,000 being a base salary for each Non-Executive Director.
- (iii) "X" is the duly aggregated invoiced figures for "extraordinary services"
- (iv) B = the 5 Day VWAP for the closing each relevant month of service.
- (v) z = being the relevant month that was performed.
- (vi) "Extraordinary Services" mean services that are beyond the scope of the person's relevant service agreements; and that the Company is unable to be acquired more efficiently and / or more affordably on an arms-lengths-basis by third parties or entities.

Example	
Resolution 10 is passed	
<ol style="list-style-type: none"> 1. Mr Grant Pierce invoices his salary for September 2021; 2. He performs nil "extraordinary services" in September; 3. Elects to be paid in cash and not shares. 	<p>\$3,000 is paid to Mr Grant Pierce from the Company's cash reserves for September 2021.</p> <p>The number of shares to be issued to Mr Grant Pierce for September 2021 is nil shares.</p>

<p>Resolution 11 is passed.</p> <ol style="list-style-type: none"> 1. John Hicks is entitled and elects to be paid remuneration for the month of September 2021 in shares. 2. If for example, \$2,000 was duly invoiced for "extraordinary services" being duly invoiced fees for example, connected with geological services over September 2021. 	<p>\$3,000 in base salary (September) + \$2,000 in extraordinary services (September) = \$5,000 payable for September 2021.</p> <p>The 5 Day VWAP for the closing the month of September 2021 was for example 7.43 cents per share.</p> <p>Therefore, the number of shares to be issued to John Hicks for the September month is $\\$5,000 / \\$0.0743 = 67,294$ shares.</p>
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- (c) Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares will be issued no later than 3 years after the date of the Meeting (or such later date as permitted by ASX waiver or modification of the Listing Rules) and it is intended that issue of the Shares will occur on the progressively;
- (e) the issue price of the Shares will be nil, in lieu of salary owed to Related Parties as Directors. As such no funds will be raised from the issue of the Shares;
- (f) the purpose of the issue of the Shares is to preserve cash and incentivise Related Parties in their roles as Directors, in a manner that encourages the alignment of the Board and shareholders;
- (g) a summary of the material terms and conditions of the Adavale Securities Plan is set out in Schedule 3;
- (h) no loans are being made to the Related Parties in connection with the acquisition of the Shares;
- (i) details of any Shares issued under the ASP will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;
- (j) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Shares under the ASP and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14;
- (k) the number of Shares to be issued to each of the Related Parties has been determined based upon a consideration of:
 - (i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;

- (ii) the remuneration of the Related Parties; and
- (iii) incentives to attract and retain the service of the Related Parties who have appropriate knowledge and expertise, while maintaining the Company's cash reserves.

The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Shares upon the terms proposed;

- (l) the relevant interests of the Related Parties in securities of the Company as at the date of this Notice are set out below:

Related Party	Shares ¹	Options	Performance Rights
Grant Pierce	2,288,231	Nil	540,000
John Hicks	Nil	Nil	Nil
David Riekie	800,000 ²	Nil	Nil

Notes:

1. Fully paid ordinary shares in the capital of the Company (ASX:ADD).
2. 500,000 Held indirectly through Wilhaha Pty Limited as Trustee for Riekie Family A/C (a trust which Mr Riekie is a director and beneficiary).

- (m) the total remuneration package for each of the Related Parties for the previous financial year and the proposed total remuneration package for the current financial year are set out below:

Related Party	Current Financial Year	Previous Financial Year
Grant Pierce ¹	\$145,540 ²	\$44,621 ¹
John Hicks ³	\$145,540 ⁴	-
David Riekie ⁵	\$156,340 ⁶	-

Notes:

1. Comprising Director's annual salary of \$30,581 and share-based payments of \$14,040.
2. Comprising Director's annual salary of \$36,000 including superannuation and share-based payments of \$52,000 (including an increase of \$52,000, being the value of the Options to be issued under Resolution 17 and \$57,540, being the value of the Performance Rights to be issued under Resolution 13).
3. Mr Hicks was appointed on 7 July 2021.
4. Comprising Director's annual salary of \$36,000 including superannuation and share-based payments of \$52,000 (including an increase of \$52,000, being the value of the Options proposed to be issued under Resolution 18 and \$57,540, being the value of the Performance Rights proposed to be issued under Resolution 14).
5. Mr Riekie was appointed on 28 July 2021.
6. Comprising Director's annual salary of \$36,000 including superannuation and share-based payments of \$52,000 (including an increase of \$52,000, being the value of the Options proposed to be issued under Resolution 19 and \$68,340,

being the value of the Performance Rights proposed to be issued under Resolution 15).

- (n) the Shares are not being issued under an agreement;
- (o) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$0.105	28/06/2021
Lowest	\$0.03	06/11/2020
Last	\$0.054	29/10/2021

- (p) each Director has a material personal interest in the outcome of Resolutions 10 to 12 on the basis that all of the Related Parties (or their nominees) are to be issued Shares should Resolutions 10 to 12 be passed. For this reason, the Directors do not believe that it is appropriate to make a recommendation on Resolutions 10 to 12 of this Notice; and
- (q) the Directors are not aware of any other information that is reasonably required by Shareholders to allow them to make a decision on whether it is in the best interests of the Company to pass Resolutions 10 to 12.

10. RESOLUTION 13 – 15 - ISSUE OF PERFORMANCE RIGHTS TO RELATED PARTIES

10.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue an aggregate of up to 10,100,000 Performance Rights to the Related Parties (or their respective nominees) pursuant to the ASP and on the terms and conditions set out below (**Performance Rights**).

The Performance Rights will convert into Shares on a one for one basis upon satisfaction of the following milestone:

- (a) **Class A Performance Rights:** the Company achieving and maintaining a share price of \$0.15 or more for a continuous period of 5 trading days on or before 30 June 2023;
- (b) **Class B Performance Rights:** the Company announcing a Maiden JORC (2012) Inferred Resource of at least 1Mt of Ni at a minimum grade of 1.5% Ni on the Kabanga Jirani Nickel Project on or before 31 December 2023; and
- (c) **Class C Performance Rights:** the Company announcing a Maiden JORC (2012) Inferred Resource of at least 5Mlbs of U₃O₈ at a minimum grade of 300ppm U₃O₈ on the South Australian Uranium Project on or before 31 December 2023.

The maximum number of Performance Rights to be issued to the Related Parties is set out in the table below.

	Tranche 1	Tranche 2	Tranche 3	Total
Grant Pierce	1,000,000	2,000,000	200,000	3,200,000
John Hicks	1,000,000	2,000,000	200,000	3,200,000
David Riekie	1,500,000	2,000,000	200,000	3,700,000

10.2 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is set out in Section 9.2 above.

The issue of Performance Rights to the Related Parties constitutes giving a financial benefit and each of the Related Parties is a related party of the Company by virtue of being a Director.

As the Performance Rights are proposed to be issued to all of the Directors, the Directors are unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act applies to the issue of the Performance Rights. Accordingly, Shareholder approval for the issue of Performance Rights to the Related Parties is sought in accordance with Chapter 2E of the Corporations Act.

10.3 Listing Rule 10.14

A summary of Listing Rule 10.14 is set out in Section 9.3 above. Resolutions 13 to 15 seek the required Shareholder approval for the issue of the of the Performance Rights under and for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.14.

10.4 Technical information required by Listing Rule 14.1A

If Resolutions 13 to 15 are passed, the Company will be able to proceed with the issue of the Performance Rights to the Related Parties under the ASP within three years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Performance Rights (because approval is being obtained under Listing Rule 10.14), the issue of the Performance Rights will not use up any of the Company's 15% annual placement capacity.

If Resolutions 13 to 15 are not passed, the Company will not be able to proceed with the issue of the Performance Rights to the Related Parties under the ASP.

10.5 Technical information required by Listing Rule 10.15 and section 219 of the Corporations Act

Pursuant to and in accordance with the requirements of Listing Rule 10.15 and section 219 of the Corporations Act, the following information is provided in relation to Resolutions 13 to 15:

- (a) the Performance Rights will be issued to the following persons:
 - (i) Grant Pierce (or his nominee) pursuant to Resolution 13;
 - (ii) John Hicks (or his nominee) pursuant to Resolution 14; and

- (iii) David Riekie (or his nominee) pursuant to Resolution 15, each of whom falls within the category set out in Listing Rule 10.14.1, by virtue of being a Director;
- (b) the maximum number of Performance Rights to be issued to the Related Parties (being the nature of the financial benefit proposed to be given) is 10,100,000 comprising:
 - (i) 3,200,000 Performance Rights to Grant Pierce (or his nominee) pursuant to Resolution 13;
 - (ii) 3,200,000 Performance Rights to John Hicks (or his nominee) pursuant to Resolution 14;
 - (iii) 3,700,000 Performance Rights to David Riekie (or his nominee) pursuant to Resolution 15; and
 - (iv) Since the adoption of the Adavale Securities Plan on 21st December 2020, 1,620,000 Performance Rights have been previously issued under this ASP:
 - Grant Pierce – 540,000 Performance Rights
 - Rod Chittenden – 540,000 Performance Rights
 - Steve Georgiadis – 540,000 Performance Rights
- (c) a summary of the material terms and conditions of the Performance Rights is set out in Schedule 1;
- (d) the Performance Rights are unquoted performance rights. The Company has chosen to issue the Performance Rights to the Related Parties for the following reasons:
 - (i) the Performance Rights are unquoted, therefore, the issue of the Performance Rights has no immediate dilutionary impact on Shareholders;
 - (ii) the milestones attaching to the Performance Rights will align the interests of the Related Parties with those of Shareholders; and
 - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Performance Rights on the terms proposed;
- (e) the number of Performance Rights to be issued to each of the Related Parties has been determined based upon a consideration of:
 - (i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
 - (ii) the remuneration of the Related Parties; and
 - (iii) incentives to attract and ensure continuity of service of the Related Parties who have appropriate knowledge and expertise, while maintaining the Company's cash reserves.

The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Performance Rights upon the terms proposed;

- (f) the total remuneration package for each of the Related Parties for the previous financial year and the proposed total remuneration package for the current financial year are set out in Section 9.3(m);
- (g) the valuation of the Performance Rights has been independently calculated based on the share price as at the valuation date (closing share price of \$0.054 on 29 October 2021) adjusted for the probability of these market vesting conditions being met, which is a qualitative assessment (Refer to Schedule 2 for further valuation details);
- (h) the Performance Rights will be issued to the Related Parties no later than 3 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Performance Rights will be issued on one date;
- (i) the issue price of the Performance Rights will be nil, as such no funds will be raised from the issue of the Performance Rights;
- (j) the purpose of the issue of the Performance Rights is to provide a performance linked incentive component in the remuneration package for the Related Parties to align the interests of the Related Parties with those of Shareholders, to motivate and reward the performance of the Related Parties in their roles as Directors and to provide a cost effective way from the Company to remunerate the Related Parties, which will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties;
- (k) a summary of the material terms and conditions of the Adavale Securities Plan is set out in Schedule 3;
- (l) no loans are being made to the Related Parties in connection with the acquisition of the Performance Rights;
- (m) the Performance Rights are not being issued under an agreement;
- (n) details of any Performance Rights issued under the Performance Rights Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;
- (o) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights under the ASP and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14;
- (p) the relevant interests of the Related Parties in securities of the Company as at the date of this Notice are set out in Section 9.3(l);
- (q) if the milestones attaching to the Incentive Performance Rights issued to the Related Parties are met and the Incentive Performance Rights are converted, a total of 10,100,000 Shares would be issued. This will increase the number of Shares on issue from 325,957,985 (being the total number of Shares on issue as at the date of this Notice) to 336,057,985 (assuming

that no Shares are issued and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of approximately 3.10%, comprising 0.98% by Grant Pierce, 0.98% by John Hicks and 1.14% by David Riekie;

- (r) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out in Section 9.3(o);
- (s) each Director has a material personal interest in the outcome of Resolutions 13 to 15 on the basis that all of the Directors (or their nominees) are to be issued incentive Performance Rights should Resolutions 13 to 15 be passed. For this reason, the Directors do not believe that it is appropriate to make a recommendation on Resolutions 13 to 15 of this Notice; and
- (t) the Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolutions 13 to 15.

11. RESOLUTION 16 – APPROVAL OF POTENTIAL TERMINATION BENEFITS UNDER THE ADAVALE SECURITIES PLAN

11.1 Background

The Corporations Act restricts the benefits that can be given to persons who hold a "managerial or executive office" (as defined in the Corporations Act) on leaving their employment with a Company or any of its related bodies corporate. Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with them ceasing to hold a managerial or executive office, if the benefit is approved by shareholders or an exemption applies.

Resolution 16 seeks Shareholder approval for the potential provision of termination benefits to participants under the Adavale Securities Plan. A summary of the key terms and conditions of the Adavale Securities Plan is set out in Schedule 3.

If Resolution 16 is passed, the Company will still be required to comply with Listing Rules 10.18 and 10.19, which place restrictions on the circumstances in which termination benefits can be paid and a limit on the value of termination benefits that can be paid to officers of the Company.

11.2 Details of the proposed termination benefits

The proposed termination benefits allow the Board, upon the retirement, death or total and permanent disablement of a Participant, to have the discretion to determine, as soon as reasonably practical after such occurrence, how many (if any) of that Participant's unvested Performance Rights will vest.

This permission to vest may constitute a "benefit" for the purposes of section 200B of the Corporations Act (**Vesting Benefit**).

The Company is therefore seeking Shareholder approval to exclude any Vesting Benefit from being included in any current or future Participant's termination benefits, in respect of a Participant who holds:

- (a) a managerial or executive office in the Company (or any of its related body corporate) at the time of their leaving that office or at any time in the three years prior to their leaving that office; and

- (b) Performance Rights under the Adavale Securities Plan at the time of their leaving that office.

If Resolution 16 is approved, the value of the Vesting Benefits may be disregarded when applying section 200F(2)(b) or section 200G(1)(c) of the Corporations Act (i.e. the approved Vesting Benefit will not count towards the statutory limitation under that legislation).

The Board's current intention is to only exercise their discretion to determine the vesting of Performance Rights where a Participant leaves employment of the Company or a related body corporate without fault on that Participant's part.

11.3 Technical information required by section 200E(2) of the Corporations Act

The value of the termination benefits that a Participant may receive, or the Board may give under the Adavale Securities Plan cannot be determined in advance. This is because various matters will or are likely to affect that value between the date of their issue and the date of their vesting.

In particular, the value of a particular Vesting Benefit will depend on several factors including the Share price at the time of vesting and the number of Performance Rights that vest.

The following additional factors may also affect the value of a Vesting Benefit:

- (a) the Participant's term of employment;
- (b) the status of the Performance Conditions attaching to the Performance Rights at the time when the Participant's employment ceases; and
- (c) the number of unvested Performance Rights that the Participant holds at the time when the Participant's employment ceases.

12. RESOLUTION 17 – 19 – ISSUE OF OPTIONS TO RELATED PARTIES

12.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue an aggregate of up to 6,000,000 Options to the Related Parties (or their respective nominees) on the terms and conditions set out below (**Director Options**).

Resolutions 17 to 19 seek Shareholder approval for the issue of the Director Options to the Related Parties.

Grant Pierce (Chairman)	2,000,000 exercisable at \$0.15 each expiring 3 years
John Hicks (Non Executive Director)	2,000,000 exercisable at \$0.15 each expiring 3 years
David Riekie (Non Executive Director)	2,000,000 exercisable at \$0.15 each expiring 3 years

12.2 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is set out in Section 9.2 above.

The issue of Director Options to the Related Parties constitutes giving a financial benefit and each of the Related Parties is a related party of the Company by virtue of being a Director.

As the Director Options are proposed to be issued to all of the Directors, the Directors are unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act applies to the issue of the Director Options. Accordingly, Shareholder approval for the issue of Director Options to the Related Parties is sought in accordance with Chapter 2E of the Corporations Act.

12.3 ASX Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of Director Options falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 17 to 19 seek the required Shareholder approval for the issue of the Director Options under and for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11.

12.4 Technical information required by Listing Rule 14.1A

If Resolutions 17 to 19 are passed, the Company will be able to proceed with the issue of the Director Options to the Related Parties within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Director Options (because approval is being obtained under Listing Rule 10.11), the issue of the Director Options will not use up any of the Company's 15% annual placement capacity.

If Resolutions 17 to 19 are not passed, the Company will not be able to proceed with the issue of the Director Options.

12.5 Section 195(4) of the Corporations Act

Each of the Directors has a material personal interest in the outcome of Resolutions 17 to 19 (as applicable to each Director) in this Notice of Meeting by virtue of the fact that Resolutions 17 to 19 are concerned with the issue of Director Options to the Related Parties.

Section 195 of the Corporations Act essentially provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a material personal interest are being considered. In the absence of Shareholder approval under section 195(4) of the Corporations Act, the Directors may not be able to form a quorum at Board meetings necessary to carry out the terms of these Resolutions. The Directors have accordingly exercised their right under section 195(4) of the Corporations act to put the issue to Shareholders to determine.

12.6 Technical information required by section 219 of the Corporations Act and Listing Rule 10.13

In compliance with the information requirements of Listing Rule 10.13 and section 219 of the Corporations Act, Shareholders are advised of the following information:

- (a) the Director Options will be issued to the following persons:
 - (i) Mr Grant Pierce (or his nominee) with respect to Resolution 17;
 - (ii) Mr John Hicks (or his nominee) with respect to Resolution 18; and
 - (iii) Mr David Riekie (or his nominee) with respect to Resolution 19;Each of whom falls within the category set out in Listing Rule 10.11.1 by virtue of being a Director;
- (b) the maximum number of Director Options to be issued to the Related Parties (being the nature of the financial benefit proposed to be given) is up to 6,000,000 comprising:
 - (i) The maximum number of Options to be issued to Mr Pierce (or his nominee) under Resolution 17 is up to 2,000,000 Options;
 - (ii) The maximum number of Options to be issued to Mr Hicks (or his nominee) under Resolution 18 is up to 2,000,000 Options; and
 - (iii) The maximum number of Options to be issued to Mr Riekie (or his nominee) under Resolution 19 is up to 2,000,000 Options;
- (c) the terms and conditions of the Director Options are set out in Schedule 4;
- (d) the Director Options will be issued no later than 1 month after the date of the Meeting (or such later date as permitted by ASX waiver or modification of the Listing Rules) and it is intended that issue of the Director Options will occur on the same date;
- (e) the issue price of the Director Options will be nil. The Company will not receive any other consideration in respect of the issue of the Director Options (other than in respect of funds received on exercise of the Director Options);
- (f) the purpose of the issue of the Director Options is to provide a performance linked incentive component in the remuneration package for the Related Parties to align the interests of the Related Parties with those of Shareholders, to motivate and reward the performance of the Related Parties in their roles as Directors and to provide a cost effective way from the Company to remunerate the Related Parties, which will

allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties;

- (g) the Director Options are unquoted Options. The Company has agreed to issue the Director Options to the Related Parties subject to Shareholder for the following reasons:
 - (i) the Director Options are unquoted; therefore, the issue of the Director Options has no immediate dilutionary impact on Shareholders;
 - (ii) the deferred taxation benefit which is available to the Related Parties in respect of an issue of Director Options is also beneficial to the Company as it means the Related Parties are not required to immediately sell the Director Options to fund a tax liability (as would be the case in an issue of Shares where the tax liability arises upon issue of the Shares) and will instead, continue to hold an interest in the Company; and
 - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Director Options on the terms proposed;
- (h) the number of Director Options to be issued to each of the Related Parties has been determined based upon a consideration of:
 - (i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
 - (ii) the remuneration of the Related Parties; and
 - (iii) incentives to attract and retain the service of the Directors who have appropriate knowledge and expertise, while maintaining the Company's cash reserves.

The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Director Options upon the terms proposed;

- (i) the relevant interests of the Related Parties in securities of the Company as at the date of this Notice are set out in Section 9.3(l);
- (j) the total remuneration package for each of the Directors for the previous financial year and the proposed total remuneration package for the current financial year are set out in Section 9.3(m);
- (k) the valuation of the Director Options has been calculated using the Black Scholes method (Refer Schedule 5) based on the share price as at the valuation date (closing share price of 5.9 cents on 25 October 2021) adjusted for the probability of these non-market vesting conditions being met, which is a qualitative assessment:

Directors	Director Options	Value of Director Options
Grant Pierce	2,000,000	\$52,000
John Hicks	2,000,000	\$52,000
David Riekie	2,000,000	\$52,000

- (l) the Director Options are not being issued under an agreement;
- (m) if the Director Options issued to the Related Parties are exercised, a total of up to 6,000,000 Shares would be issued. This will increase the number of Shares on issue from 325,957,985 (being the total number of Shares on issue as at the date of this Notice) to 331,957,985 (assuming that no Shares are issued and no other securities are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 1.84%, comprising 0.61% by Mr Grant Pierce, 0.61% by Mr John Hicks and 0.61% by Mr David Riekie.

The market price for Shares during the term of the Director Options would normally determine whether the Options are exercised. If, at any time any of the Director Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Director Options, there may be a perceived cost to the Company.
- (n) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out in Section 9.3(o);
- (o) each Director has a material personal interest in the outcome of Resolutions 17 to 19 on the basis that all of the Directors (or their nominees) are to be issued Director Options should Resolutions 17 to 19 be passed. For this reason, the Directors do not believe that it is appropriate to make a recommendation on Resolutions 17 to 19 of this Notice; and
- (p) the Directors are not aware of any other information that is reasonably required by Shareholders to allow them to make a decision on whether it is in the best interests of the Company to pass Resolutions 17 to 19.

A voting exclusion statement for Resolution 17, 18 and 19 are included in the Notice of General Meeting preceding this Explanatory Statement.

13. RESOLUTION 20 – APPROVAL OF 7.1A MANDATE

13.1 General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

As at the date of this Notice, the Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$16.62 million (based on the number of Shares on issue and the closing price of Shares on the ASX on 16 November 2021).

Resolution 20 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If Resolution 20 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 20 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

13.2 Technical information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to Resolution 20:

(a) Period for which the 7.1A Mandate is valid

The 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

(b) Minimum price

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 13.2(b)(i), the date on which the Equity Securities are issued.

(c) Use of funds raised under the 7.1A Mandate

The Company intends to use funds raised from issues of Equity Securities under the 7.1A Mandate towards:

- (i) to accelerate the exploration program on the Kabanga Jirani Nickel Project;
- (ii) initiate exploration on the Company's South Australian uranium tenements;
- (iii) the development of the Company's current business; and
- (iv) general working capital.

(d) **Risk of Economic and Voting Dilution**

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 20 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue or proposed to be issued as at 15 October 2021.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

		Dilution			
Number of Shares on Issue (Variable A in Listing Rule 7.1A.2)		Shares issued – 10% voting dilution	Issue Price		
			\$0.0285	\$0.057	\$0.0855
			50% decrease	Issue Price	50% increase
			Funds Raised		
Current	325,957,985	32,595,798	\$928,980	\$1,857,960	\$2,786,940
50% increase	488,936,977	48,893,697	\$1,393,470	\$2,786,940	\$4,180,411
100% increase	651,915,970	65,191,597	\$1,857,960	\$3,715,921	\$5,573,881

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 325,957,985 Shares at the date of this Notice of Meeting.
2. The issue price set out above is the closing market price of the Shares on the ASX on 15 October 2021 being \$0.057.
3. The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.

4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
5. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A Mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(e) **Allocation policy under the 7.1A Mandate**

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) **Previous approval under Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 21 December 2020 (**Previous Approval**).

During the 12 month period preceding the date of the Meeting, being on and from 21 December 2020, the Company has issued the Equity Securities set out in the tables below.

Date of Issue and Appendix 3B / 2A	Date of Issue: 31 December 2020 Date of Appendix 3B: 31 December 2020 Date of Appendix 3G: 31 December 2020
Recipients	6,750,000 free-attaching Options to Professional and sophisticated investors as part of a placement which raised \$1,400,000 announced on 11 December 2020. 8,750,000 free-attaching Options to Ironside Capital, Foster Stockbroking and Taylor Collison have acted as joint lead managers of the placement.
Number and Class of Equity Securities Issued	15,500,000 unquoted Options
Issue Price and discount to Market Price¹ (if any)	Nil (free attaching options) (at a discount 100% to Market Price).
Total Cash Consideration and Use of Funds	Amount raised: \$1,400,000 Amount spent: \$1,400,000 Use of funds: for exploration and drilling activities at the Kabanga Jirani Nickel Project and for other general working capital. Amount remaining: \$Nil

Date of Issue and Appendix 3B / 2A	Date of Issue: 11 October 2021 Date of Appendix 3B: 8 October 2021 Date of Appendix 2A: 11 October 2021
Recipients	Professional and sophisticated investors as part of a placement announced on 5 October 2021.
Number and Class of Equity Securities Issued	27,588,770 Shares ²
Issue Price and discount to Market Price¹ (if any)	\$0.055 per Share (at a discount 1.85% to Market Price).
Total Cash Consideration and Use of Funds	Amount raised: \$1,517,382 Amount spent: Nil

	<p>Use of funds: To accelerate the exploration program on the Kabanga Jirani Nickel Project, initiate exploration on the Company's South Australian uranium tenements and for general working capital.</p> <p>Amount remaining: \$1,517,382.</p> <p>Proposed use of remaining funds³: To accelerate the exploration program on the Kabanga Jirani Nickel Project, initiate exploration on the Company's South Australian uranium tenements and for general working capital.</p>
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Notes:

1. Market Price means the closing price of Shares on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: ADD (terms are set out in the Constitution).
3. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

13.3 Voting Exclusion Statement

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.

14. RESOLUTION 21 – REPLACEMENT OF CONSTITUTION

14.1 General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of shareholders.

Resolution 21 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and Listing Rules.

This will incorporate amendments to the Corporations Act and Listing Rules since the current Constitution was adopted in 2008.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website www.adavaleresources.com and at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary (+61 2 8003 6733). Shareholders are invited to contact the Company if they have any queries or concerns.

14.2 Summary of material proposed changes

Restricted Securities (clause 2.12)

The Proposed Constitution complies with the changes to Listing Rule 15.12 which took effect from 1 December 2019. As a result of these changes, ASX will require certain more significant holders of restricted securities and their controllers (such as related parties, promoters, substantial holders, service providers and their associates) to execute a formal escrow agreement in the form Appendix 9A, as is currently the case. However, for less significant holdings (such as non-related parties and non-promoters), ASX will permit the Company to issue restriction notices to holders of restricted securities in the form of the new Appendix 9C advising them of the restriction rather than requiring signed restriction agreements.

Minimum Securityholding (clause 3)

Clause 3 of the Constitution outlines how the Company can manage security holdings which represent an "unmarketable parcel" of securities, being a security holding that is less than \$500 based on the closing price of the Company's securities on ASX as at the relevant time.

The Proposed Constitution is in line with the requirements for dealing with "unmarketable parcels" outlined in the Corporations Act such that where the Company elects to undertake a sale of unmarketable parcels, the Company is only required to give one notice to holders of an unmarketable parcel to elect to retain their security holding before the unmarketable parcel can be dealt with by the Company, saving time and administrative costs incurred by otherwise having to send out additional notices.

Clause 3 of the Proposed Constitution continues to outline in detail the process that the Company must follow for dealing with unmarketable parcels.

Fee for registration of off market transfers (clause 8.4(c))

On 24 January 2011, ASX amended Listing Rule 8.14 with the effect that the Company may now charge a "reasonable fee" for registering paper-based transfers, sometimes referred to "off-market transfers".

Clause 8.4 of the Proposed Constitution is being made to enable the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers.

Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

Joint Holders (clause 9.8)

CHESS is currently being replaced by ASX with a projected go-live date of April 2023. As part of the CHESS replacement, the registration system will be modernised

to record holder registration details in a structured format that will allow up to four joint holders of a security. Clause 9.8 of the Proposed Constitution provides that the number of registered joint holders of securities shall be as permitted under the Listing Rules and the ASX Settlement Operating Rules.

Capital Reductions (clause 10.2)

The Proposed Constitution now permits sales of unmarketable parcels to a sale nominee as part of a capital reduction.

Direct Voting (clause 13, specifically clauses 13.35 – 13.40)

The Proposed Constitution includes a new provision which allows Shareholders to exercise their voting rights through direct voting (in addition to exercising their existing rights to appoint a proxy). Direct voting is a mechanism by which Shareholders can vote directly on resolutions which are to be determined by poll. Votes cast by direct vote by a Shareholder are taken to have been cast on the poll as if the Shareholder had cast the votes on the poll at the meeting. In order for direct voting to be available, Directors must elect that votes can be cast via direct vote for all or any Resolutions and determine the manner appropriate for the casting of direct votes. If such a determination is made by the Directors, the notice of meeting will include information on the application of direct voting.

Use of technology (clause 14)

The Proposed Constitution includes a new provision to permit the use of technology at general meetings (including wholly virtual meetings) to the extent permitted under the Corporations Act, Listing Rules and applicable law.

Closing date for Director nominations (clause 15.3)

On 19 December 2019, ASX amended Listing Rule 3.13.1 to provide that companies must release an announcement setting out the date of its meeting and the closing date for nominations at least 5 business days before the closing date for the receipt of such nominations. The closing date period under clause 15.3 of the Proposed Constitution has been amended to at least 30 business days allow the Company time to issue the required notification for director nominations prior to circulating the notice of meeting.

Dividends (clause 23)

Section 254T of the Corporations Act was amended effective 28 June 2010.

There is now a three-tiered test that a company will need to satisfy before paying a dividend replacing the previous test that dividends may only be paid out of profits.

The amended requirements provide that a company must not pay a dividend unless:

- (a) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- (b) the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and

- (c) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

The existing Constitution reflects the former profits test and restricts the dividends to be paid only out of the profits of the Company. The Proposed Constitution is updated to reflect the new requirements of the Corporations Act. The Directors consider it appropriate to update the Constitution for this amendment to allow more flexibility in the payment of dividends in the future should the Company be in a position to pay dividends.

Partial (proportional) takeover provisions (new clause 37)

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

Information required by section 648G of the Corporations Act

Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a Resolution to approve the proportional off-market bid is passed.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

As at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;
- (c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (a) proportional takeover bids may be discouraged;
- (b) lost opportunity to sell a portion of their Shares at a premium; and
- (c) the likelihood of a proportional takeover bid succeeding may be reduced.

Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 21.

GLOSSARY

\$ means Australian dollars.

7.1A Mandate has the meaning given in Section 13.1.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (e) a spouse or child of the member;
- (f) a child of the member's spouse;
- (g) a dependent of the member or the member's spouse;
- (h) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (i) a company the member controls; or
- (j) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Adavale Resources Limited (ACN 008 719 015).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the Listing Rules of ASX.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2021.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Variable A means "A" as set out in the formula in Listing Rule 7.1A.2.

AEDT means Australian Eastern Daylight Time as observed in Sydney, New South Wales.

SCHEDULE 1 – TERMS AND CONDITIONS OF DIRECTOR PERFORMANCE RIGHTS

(a) Vesting Conditions

The Performance Rights shall convert to Shares upon satisfaction of the following vesting conditions:

- i. **Class A Performance Rights:** the Company achieving and maintaining a share price of \$0.15 or more for a continuous period of 5 trading days on or before 30 June 2023;
- ii. **Class B Performance Rights:** the Company announcing a Maiden JORC (2012) Inferred Resource of at least 1Mt of Ni at a minimum grade of 1.5% Ni on the Kabanga Jirani Nickel Project on or before 31 December 2023; and
- iii. **Class C Performance Rights:** the Company announcing a Maiden JORC (2012) Inferred Resource of at least 5Mlbs of U₃O₈ at a minimum grade of 300ppm U₃O₈ on the South Australian Uranium Project on or before 31 December 2023.

(together, the **Vesting Conditions**).

(b) Notification to holder

The Company shall notify the holder in writing when the relevant Vesting Condition has been satisfied.

(c) Conversion

Subject to paragraph (m), following satisfaction of the relevant Vesting Condition, each Performance Right will, at the election of the holder, convert into one (1) Share.

(d) Share ranking

All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other Shares.

(e) Application to ASX

The Performance Rights will not be quoted on ASX. The Company must apply for the official quotation of a Share issued on conversion of a Performance Right on ASX within the time period required by the ASX Listing Rules.

(f) Transfer of Performance Rights

The Performance Rights are not transferable.

(g) Lapse of a Performance Right

If the Vesting Condition attached to the relevant Performance Right has not been satisfied within the time period set out in paragraph (a), the relevant Performance Rights will automatically lapse.

(h) **Participation in new issues**

A Performance Right does not entitle a holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues, other than as set out below.

(i) **Reorganisation of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a holder will be changed in a manner consistent with the applicable ASX Listing Rules and the Corporations Act at the time of reorganisation.

(j) **Adjustment for bonus issue**

In the event the Company proceeds with a bonus issue of securities to Shareholders after the date of issue of the Performance Rights, a Performance Right does not confer the right to a change in the number of underlying securities over which the Performance Right can be converted.

(k) **Dividend and Voting Rights**

The Performance Rights do not confer on the holder an entitlement to vote (except as otherwise required by law) or receive dividends.

(l) **Change in Control**

Subject to paragraph (m), upon:

- (i) a bona fide Takeover Bid is declared unconditional and the bidder has acquired a Relevant Interest in at least 50.1% of the Company's issued Shares;
- (ii) a court approves, under Section 411(4)(b) of the Corporations Act, a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (iii) in any other case, a person obtains Voting Power in the Company which the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring that Voting Power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board,
- (iv) then, to the extent Performance Rights have not converted into Shares due to the non-satisfaction of the relevant Vesting Condition, the Performance Rights will automatically vest and convert into Shares on a one-for-one basis.

(m) **Deferral of conversion if resulting in a prohibited acquisition of Shares**

If the conversion of a Performance Right under paragraph (c) or (l) would result in any person being in contravention of section 606(1) of the Corporations Act (**General Prohibition**) then the conversion of that Performance Right shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Right would result in a contravention of the General Prohibition:

- (i) holders may give written notification to the Company if they consider that the conversion of a Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition; and
- (ii) the Company may (but is not obliged to) by written notice to a holder request a holder to provide the written notice referred to in paragraph (m) within seven days if the Company considers that the conversion of a Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.

(n) **No rights to return of capital**

A Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(o) **Rights on winding up**

A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.

(p) **No other rights**

A Performance Right gives the holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

(q) **Subdivision 83AC-C**

Subdivision 83A-C of the *Income Tax Assessment Act 1997* applies to the Performance Rights.

(r) **Eligible Participant**

If the holder ceases to be an Eligible Participant (as defined in the Adavale Securities Plan) other than due to:

- (i) the Company terminating the holder's appointment letter or employment or services agreement with the Company for reason; or
- (ii) the Eligible Participant not being re-elected as a director by the Shareholders of the Company; or
- (iii) the Eligible Participant becoming disqualified or prohibited by law from being or acting as a director or from being involved in the management of a company,

notwithstanding any provision of the Adavale Securities Plan, the holder will be entitled to retain all unvested Performance Rights with their respective Vesting Conditions.

SCHEDULE 2 – VALUATION OF DIRECTORS PERFORMANCE RIGHTS PLAN

The Performance Rights to be issued to the Related Parties pursuant to Resolutions 13 – 15 have been independently calculated based on the share price as at the valuation date (closing share price of \$0.054) adjusted for the probability of these market vesting conditions being met, which is a qualitative assessment based on the assumptions set out below:

Assumptions:	
Valuation date	29 October 2021
Market price of Shares	5.4 cents
Expiry date (length of time from issue)	Class A: 30 June 2023 Class B & C: 31 December 2023
Indicative value per Related Party Option	Class A: 2.18 cents Class B: 5.4 cents Class C: 5.4 cents
Total Value of Performance Rights	\$183,220

SCHEDULE 3 – TERMS AND CONDITIONS OF ADAVALE SECURITIES PLAN

The material terms and conditions of the Adavale Securities Plan (ASP) are summarised below:

(a) **Eligibility**

Participants in the ASP may be:

- (i) a Director (whether executive or non-executive) of the Company or any Associated Body Corporate of the Company (each, a **Group Company**);
- (ii) a full or part time employee of any Group Company;
- (iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 as amended or replaced (Class Order); or
- (iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a participant under subparagraphs (i), (ii), or (iii) above,

who is declared by the Board to be eligible to receive grants of Performance Rights under the ASP (**Eligible Participant**).

(b) **Offer**

The Board may, from time to time, at its absolute discretion, make a written offer to any Eligible Participant to apply for Performance Rights, upon the terms set out in the ASP and upon such additional terms and conditions as the Board determines.

(c) **Plan limit**

The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Performance Rights offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.

(d) **Consideration**

Performance Rights granted under the ASP will be issued for nil cash consideration.

(e) **Vesting conditions**

A Performance Right may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Performance Right (**Vesting Conditions**).

(f) **Vesting**

The Board may in its absolute discretion by written notice to a Participant (being an Eligible Participant to whom Performance Rights have been granted under the

ASP or their nominee where the Performance Rights have been granted to the nominee of the Eligible Participant (**Relevant Person**)), resolve to waive any of the Vesting Conditions applying to Performance Rights due to:

- (i) special circumstances arising in relation to a Relevant Person in respect of those Performance Rights, being:
 - (A) a Relevant Person ceasing to be an Eligible Participant due to:
 - (I) death or total or permanent disability of a Relevant Person; or
 - (II) retirement or redundancy of a Relevant Person;
 - (B) a Relevant Person suffering severe financial hardship;
 - (C) any other circumstance stated to constitute "special circumstances" in the terms of the relevant offer made to and accepted by the Participant; or
 - (D) any other circumstances determined by the Board at any time (whether before or after the offer) and notified to the relevant Participant which circumstances may relate to the Participant, a class of Participant, including the Participant or particular circumstances or class of circumstances applying to the Participant,

(**Special Circumstances**), or
- (ii) a change of control occurring; or
- (iii) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.

(g) **Lapse of a Performance Right**

A Performance Right will lapse upon the earlier to occur of:

- (i) an unauthorised dealing in, or hedging of, the Performance Right occurring;
- (ii) a Vesting Condition in relation to the Performance Right is not satisfied by its due date, or becomes incapable of satisfaction, as determined by the Board in its absolute discretion, unless the Board exercises its discretion to waive the Vesting Condition and vest the Performance Right in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Performance Rights to remain unvested after the Relevant Person ceases to be an Eligible Participant;
- (iii) in respect of unvested Performance Right only, a Relevant Person ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Performance Right in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Performance Rights to remain unvested after the Relevant Person ceases to be an Eligible Participant;
- (iv) in respect of vested Performance Rights only, a Relevant Person ceases to be an Eligible Participant and the Performance Rights granted in

respect of that Relevant Person are not exercised within one (1) month (or such later date as the Board determines) of the date that Relevant Person ceases to be an Eligible Participant;

- (v) the Board deems that a Performance Right lapses due to fraud, dishonesty or other improper behaviour of the Eligible Participant;
- (vi) the Company undergoes a change of control or a winding up resolution or order is made, and the Board does not exercise its discretion to vest the Performance Right; and
- (vii) the expiry date of the Performance Rights.

(h) **Not transferrable**

Subject to the Listing Rules, and except as otherwise provided for by an offer, Performance Rights are only transferrable in Special Circumstances with the prior written consent of the Board (which may be withheld in its absolute discretion) or by force of law upon death, to the Participant's legal personal representative or upon bankruptcy to the participant's trustee in bankruptcy.

(i) **Shares**

Shares resulting from the vesting of the Performance Rights shall, subject to any sale restrictions (refer to paragraph (j)) from the date of issue, rank on equal terms with all other Shares on issue.

(j) **Sale restrictions**

The Board may, in its discretion, determine at any time up until exercise of Performance Rights, that a restriction period will apply to some or all of the Shares issued to a Participant on exercise of those Performance Rights (**Restriction Period**). In addition, the Board may, in its sole discretion, having regard to the circumstances at the time, waive any such Restriction Period.

(k) **Quotation of Shares**

If Shares of the same class as those issued under the ASP are quoted on the ASX, the Company will, subject to the Listing Rules, apply to the ASX for those Shares to be quoted on ASX within 5 business days of the later of the date the Shares are issued and the date any Restriction Period applying to the Shares ends. The Company will not apply for quotation of any Performance Rights on the ASX.

(l) **No participation rights**

There are no participation rights or entitlements inherent in the Performance Rights and Participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights without exercising the Performance Right.

(m) **No change**

A Performance Right does not confer the right to a change in the number of underlying Shares over which the Performance Right can be exercised.

(n) **Reorganisation**

If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a Participant are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reorganisation.

(o) **Amendments**

Subject to express restrictions set out in the Performance Rights Plan and complying with the Corporations Act, Listing Rules and any other applicable law, the Board may, at any time, by resolution amend or add to all or any of the provisions of the ASP, or the terms or conditions of any Performance Rights granted under the ASP including giving any amendment retrospective effect.

SCHEDULE 4 – TERMS AND CONDITIONS OF DIRECTOR OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

The amount payable upon exercise of each Option is \$0.15 each (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire three (3) years from the date of issue at 7:00 pm (EST) (**Expiry Date**):

An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable from the date of issue until the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 5 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the

Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE 5 – VALUATION OF DIRECTOR OPTIONS

The Options to be issued to the Related Parties pursuant to Resolutions 17 to 19 have been valued by internal management.

Using the Black & Scholes option model and based on the assumptions set out below, the Options were ascribed the following value:

Assumptions:	
Valuation date	25 October 2021
Market price of Shares	5.9 cents
Exercise price	15 cents
Expiry date (length of time from issue)	3 years
Risk free interest rate	1.25%
Volatility (discount)	100%
Indicative value per Related Party Option	2.6 cents
Total Value of Options	\$156,000

Note: The valuation noted above is not necessarily the market price that the Options could be traded at and is not automatically the market price for taxation purposes.

SCHEDULE 6 – SUMMARY OF JOINT LEAD MANAGERS' MANDATE

The key terms of the Mandate are set out below.

a) Scope of services

- i) Act as Joint Lead Managers ("JLM") to the capital raising activities of Adavale Resources Limited;
- ii) Managing the Capital Raising anticipated to be undertaken by the Company;
- iii) Managing and liaising on settlement of the Capital Raising;
- iv) In conjunction with the Company's legal and other professional advisers;
 - Advising and assisting with the structuring of the Capital Raising;
 - Assisting with dealings with ASX and ASIC in relation to the Capital Raising; and
 - Assisting with the communications strategy in relation to the Capital Raising.
- v) Participating in due diligence processes for the Capital Raising;
- vi) Advising on the marketing of the Capital Raising and market facing activities; and
- vii) Providing such other assistance to the Company with the Capital Raising as agreed in writing from time to time.

b) Term

Minimum of 12 months

c) Fees and Expenses

For the provision of the Capital Raising Services, the Company will pay to the JLMs (or their nominee/s- which has prevailing meaning through this "Fees" section) the following fees within 5 business days of completion of the Capital Raising:

Option Fee: The Company will issue the JLMs (or their nominee/s) 6,095,000 options with an execution price of \$0.06 (Raise Options). Each option is exercisable into one (1) fully paid ordinary share in the Company. The options will expire 24 months from the date of issue. The Raise Options will be split evenly between the JLMs. Referencing the Indicative Capital Table above as an example only, in this scenario, each of the JLMs (or their nominee/s) would receive 2,031,666 of the 6,095,000 Raise Options issued. The issue of the Raise Options is subject to shareholder approval if the Company does not have sufficient placement capacity to issue the Raise Options or refreshment of the companies 15% capacity.

The Company's right to call the execution of these options will be triggered by;

- A 10-day VWAP of greater than \$0.12 per share
- A mutual agreement between the JLMs and the Company

Capital Raising Fee: The Company will pay the JLMs, (or their nominee/s) a 6% + GST capital raising fee pro rata to capital raised, on the gross proceeds received by the Company on the issue of equity securities (as applicable), payable in cash or shares on the same terms as the capital raising component of this Mandate, at the sole election of the Company, subject to shareholder approval or refreshment of the companies 15% capacity under section 7.1 of the Corporations Act.

The Company agrees to reimburse the JLM for all reasonable out-of-pocket expenses (including any applicable GST) incurred by JLM in connection with the Mandate.

The Mandate otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

Adavale Resources Limited

ABN 96 008 719 015

Need assistance?



Phone:

1300 855 080 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact

ADD

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **12.00pm (AEDT) on Wednesday, 15 December 2021.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

Step 1

Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Adavale Resources Limited hereby appoint



the Chairman
of the Meeting

OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Adavale Resources Limited to be held as a virtual meeting on Friday, 17 December 2021 at 12.00pm (AEDT) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 10 - 19 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1 and 10 - 19 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 10 - 19 by marking the appropriate box in step 2.

Step 2

Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director - Grant Pierce	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Election of Director - John Hicks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Election of Director - David Riekie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Ratification of prior issue of placement shares and options - December 2020	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Ratification of prior securities issue to joint lead managers in lieu of fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Ratification of prior shares issued to contractors in lieu of fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Ratification of prior issue of placement shares LR7.1 - October 2021	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Ratification of prior issue of placement shares LR7.1A - October 2021	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10 Issue of shares to Grant Pierce in lieu of remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11 Issue of shares to John Hicks in lieu of remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12 Issue of shares to David Riekie in lieu of remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13 Issue of performance rights to Grant Pierce	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14 Issue of performance rights to John Hicks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15 Issue of performance rights to David Riekie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16 Approval of potential termination benefits under Adavale securities plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17 Issue of options to Grant Pierce	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18 Issue of options to John Hicks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19 Issue of options to David Riekie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20 Approval of 7.1A mandate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21 Replacement of Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3

Signature of Securityholder(s)

This section must be completed.

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

202084_01_V1

ADD

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Computershare

