

ADAVALE RESOURCES LIMITED
ACN 008 719 015

ENTITLEMENT ISSUE PROSPECTUS

For a pro-rata non-renounceable entitlement issue of up to 1 Share for every 6 Shares held by those Shareholders registered at the Record Date at an issue price of \$0.02 per Share for the issue of up to 59,554,598 Shares, together with 1 free Option for every 3 Shares subscribed for and issued to raise up to \$1,200,000 (before costs) (based on the number of Shares on issue as at the date of this Prospectus) (**Offer**).

IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The Securities offered by this Prospectus should be considered as highly speculative.

IMPORTANT NOTICE

This Prospectus is dated 29 July 2022 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities offered by this Prospectus should be considered as highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be made by an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Representations contained in this Prospectus are made taking into account that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters are publicly available information or may reasonably be expected to be known to investors and professional advisers whom prospective investors may consult.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your

financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5.

Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or

to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

For further information on overseas Shareholders please refer to Section 2.9.

Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Securities.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Please refer to Section 6.2 for further details.

Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of attaching Options issued under this Prospectus. The Company and the Lead Manager will only distribute this Prospectus to those investors who fall within the target market determination (TMD) as set out on the Company's website (www.adavaleresources.com/).

By making an application under the Offer, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.adavaleresources.com/.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 2 8003 6733 during office hours or by emailing the Company at investor@adavaleresources.com.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Company Website

No documents or other information available on the Company's website is incorporated into this Prospectus by reference.

Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with

statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 0.

All references to time in this Prospectus are references to Australian Western Standard Time.

Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share

registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

Use of Trademarks

This Prospectus includes the Company's registered and unregistered trademarks.

All other trademarks, tradenames and service marks appearing in this Prospectus are the property of their respective owners.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offer please call the Company Secretary on +61 2 8003 6733.

CORPORATE DIRECTORY

Directors

Grant Pierce
(Non-Executive Chairman)

David Riekie
(Executive Director)

John Hicks
(Non Executive Director)

CEO

Allan Ritchie

CFO & Company Secretary

Leonard Math

Registered Office

CBSW Pty Ltd
Level 2, 49 Oxford Close
West Leederville WA 6007

Telephone: + 61 02 8003 6733]

Email: investor@adavaleresources.com

Website: www.adavaleresources.com/

ASX Code

ADD

Auditor*

HLB Mann Judd (WA)
Level 4
30 Stirling Street
Perth WA 6000

Share Registry*

Computershare Investor Services Pty Ltd
Level 3, 60 Carrington Street
Sydney, New South Wales 2000

Telephone: +61 02 8234 5000 (outside Australia)

Telephone: 1300 850 505 (within Australia)

Website: www.computershare.com/au

Legal Advisers

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Lead Manager

Discovery Capital Partners Pty Limited
Level 1/3 Ord Street
West Perth WA 6005

*These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus.

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1. KEY OFFER INFORMATION

1.1 Timetable

ASX Announcement of Offer / Resume Trading / Appendix 3B	Wednesday, 27 July 2022
Lodgement of Prospectus with the ASIC & ASX	Friday, 29 July 2022
Ex date	Tuesday, 2 August 2022
Record Date for determining Entitlements	Wednesday, 3 August 2022
Anticipated Placement Settlement Date for new Shares issued under Tranche 1 of the Placement	Thursday, 4 August 2022
Notice of General Meeting dispatched	In or about early / mid-August 2022
Expected date of ASX Quotation of Placement Shares	Friday, 5 August 2022
Offer opening date, Prospectus sent out to Shareholders and Company announces this has been completed	Friday, 5 August 2022
Last day to extend the Closing Date	Tuesday, 13 September 2022
Closing Date for Offer*	Friday, 16 September 2022
Shares quoted on a deferred settlement basis	Monday, 19 September 2022
ASX notified of under subscriptions	Wednesday, 21 September 2022
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Shares (before noon Sydney time)	Friday, 23 September 2022
Quotation of Shares issued under the Offer	Friday, 23 September 2022
General Meeting to approve New Options and Director Participation under the Placement	In or about early/mid-September 2022
Anticipated issue date of the New Options	5 Business Days following the General Meeting

**The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. Accordingly, the date the Shares are expected to commence trading on ASX may vary.*

***This timetable is indicative only and subject to change without notice. The Company reserves the right to amend any or all of these dates and times, subject to the ASC Listing Rules, Corporations Act and other applicable laws. In particular, the Company reserves the right to accept late applications under the Offer (either generally or in particular cases) and to withdraw the Offer without prior notice.*

1.2 Key statistics of the Offer

Shares

	Full Subscription (\$1,200,000)
Offer Price per Share	\$0.02
Entitlement Ratio (based on existing Shares)	1 New Share for every 6 Existing Shares + 1 free attaching New Option for every 3 New Shares
Shares currently on issue	357,327,587
Options currently on issue	26,500,000
Maximum number of Shares to be issued under the Offer	59,554,598
Maximum number of Options to be issued under the Offer ¹	19,851,533
Shares issued under the Placement ²	90,045,411
Options issued under the Placement ²	30,015,137
Maximum number of Shares following the Offer and Placement	506,927,596
Maximum number of Options following the Offer and Placement ³	76,366,670
Total Shares on issue post-Offer and Placement	506,927,596

Notes:

1. Refer to Section 4.2 for the terms of the New Options.
2. Refer to the Company's Announcement dated 27 July 2022 for details as to the Placement.
3. The total amount of Options does not include the proposed Loyalty Options. As set out at Section 1.3 below, it is the Company's intention to issue one (1) Option for every ten (10) Shares held to all Eligible Shareholders at a record date to be set in or about mid or late September 2022.

1.3 Background to the Offer

As announced on 27 July 2022, the Company is conducting a placement and non-renounceable entitlement offer in order to raise up to approximately \$3,000,000 (before costs).

Placement

The Company received firm commitments from sophisticated and professional investors to raise approximately \$1,800,000 via the issue of 90,045,411 Shares at an issue price of \$0.02 per Share (**Placement Shares**). It is anticipated that the Placement Shares will be issued on 4 August 2022 pursuant to the Company's available placement capacity under ASX Listing Rules 7.1 and 7.1A, as well as subject to shareholder approval at a General Meeting. The Directors of the Company intend to participate for a total of approximately \$100,000 in the

Placement (**Director Participation**), subject to Shareholder Approval at the General Meeting scheduled to take place in or about early September 2022.

Further details in respect of the Placement and Director Participation are set out in the ASX announcement released by the Company on 27 July 2022.

Placement participants are **not** entitled to participate in the Entitlement Offer and the Placement Shares (other than the Director Participation) will be issued after the Record Date of this Offer.

Entitlement Offer

The Offer is being made as a pro-rata non-renounceable entitlement offer of one (1) Share for every six (6) Shares held by Eligible Shareholders registered at the Record Date at an issue price of \$0.02 per Share to raise up to \$1,200,000, together with 1 free attaching New Option for every three (3) Shares subscribed for under the Entitlement Offer expiring 12 months from the date of issue

Further details in respect of the Offer are set out in Section 2.

Loyalty Options

As announced on 27 July 2022, in recognition of the Company's long-term Shareholders, it is the Company's intention to also undertake a loyalty options issue of one (1) Option for every ten (10) Shares held to all- Eligible Shareholders registered at 5:00pm (AWST) on a record date to be set in or about mid to late September 2022 (**Loyalty Options**). The Loyalty Options will be issued under a Prospectus to be lodged with ASIC. The Loyalty Options will be on the same terms as the New Options issued under this Prospectus. Refer to Section 4.2 for the terms of the New Options.

Options entitlement to Lead Manager

Subject to successful completion of the Placement and the Entitlement Offer, Discovery Capital Pty Limited (**Discovery Capital**), as the Lead Manager, has the right, but not the obligation, to subscribe for 5,000,000 Options exercisable at \$0.03 each, expiring on 3 August 2025. A subscription price of \$0.001 per option will be payable on the these Options.

Further details on the Lead Manager are available at Sections 1.7 and 6.4.1

1.4 Key Risk Factors

Prospective investors should be aware that subscribing for Securities involves a number of risks and an investment in the Company should be considered as highly speculative. The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are set out in Section 5.

1.5 Directors' Interests in Securities

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below:

Director	Shares	Options ¹	Performance Rights	Entitlement	\$
Mr David Riekie ⁴	2,000,000	2,000,000	3,700,000 ²	333,333	6,667
Mr Grant Pierce ⁵	3,399,658	2,000,000	3,200,000 ³	566,610	11,332
Mr John Hicks ⁶	1,028,710	2,000,000	3,200,000 ³	171,452	3,429

Notes:

1. *Unlisted Options issued to Directors and exercisable at \$0.15 each on or before 13 January 2025.*
2. *Comprising 1,500,000 Performance Rights expiring on 30 June 2023 and 2,200,000 Performance Rights expiring on 31 December 2023.*
3. *Comprising 1,000,000 Performance Rights expiring on 30 June 2023 and 2,200,000 Performance Rights expiring on 31 December 2023.*
4. *Held by Mr Riekie, Wilhaja Pty Ltd as Trustee for the Riekie Family A/C (a company which Mr Riekie is a director and beneficiary), Riekie Superannuation Pty Ltd < Superfund A/C> (a fund which Mr Riekie is a beneficiary) and Equity Plan Services Pty Ltd (a trust which Mr Riekie is a beneficiary).*
5. *Held by Mr Pierce and Equity Plan Services Pty Ltd (a trust which Mr Pierce is a beneficiary).*
6. *Held by Mr Hicks, Nambour Valley Pty Ltd <Nordes Family A/C> (a company in which Mr Hicks is a director) and Equity Plan Services Pty Ltd (a trust which Mr Hicks is a beneficiary).*

The Board recommends all Eligible Shareholders take up their Entitlements. The Directors intend to participate in the Entitlement Offer and take up their entire Entitlement as set out in the table above.

1.6 Details of Substantial Holders

Based on publicly available information as at the date of this Prospectus, there are no persons which (together with their associates) have a relevant interest in 5% or more of the Shares.

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

The effect on the Control of the Company in the event that Shareholders do not participate in the Offer is further described in Section 1.8 below.

1.7 Lead Manager

Discovery Capital Pty Limited (**Lead Manager**) has been appointed as the lead manager of the Offer. Terms of the Lead Manager mandate and total fees payable are set out in Section 6.4.1.

1.8 Effect on Control

Based on current shareholding and Entitlements of Shareholders (including substantial Shareholders) as at the date of this Prospectus, regardless of the amount raised under the Offer, no Shareholder will increase their holding, to an amount in excess of 19.9% through applying for their Entitlements.

Further as set out in Section 2.6, on the basis of the allocation policy, no person will acquire, through participation in the Shortfall Offer a holding of Shares of, or increase their holding to, an amount in excess of 19.9% of all the Shares on issue on completion of the Offer.

Further there will be no change to any Shareholder's voting power as a result of the issue of the New Options. Where the New Options are exercised into Shares, the voting power of the Shareholders who exercise the New Options will increase. The likelihood of the New Options being exercised is dependent on the price of Shares from time to time until the New Options expire.

1.9 Potential dilution on non-participating Shareholders

In addition to potential control impacts set out in Section 1.8, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 16.67% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).

No immediate dilution will occur as a result of the issue of the New Options under this Prospectus. However subsequent exercise of any or all of the New Options will result in dilution. Assuming all New Options offered pursuant to this Prospectus are issued and exercised into Shares, Shareholders who do not participate in the Offer, are likely to be diluted by an aggregate of approximately 3.92% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus).

For illustrative purposes, the table below shows how the dilution may impact the holdings of Shareholders:

Holder	Holding as at Record date	% at Record Date ¹	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	10,000,000	2.79	1,666,667	10,000,000	2.40
Shareholder 2	5,000,000	1.39	833,333	5,000,000	1.20
Shareholder 3	1,500,000	0.42	250,000	1,500,000	0.36
Shareholder 4	400,000	0.11	66,667	400,000	0.10
Shareholder 5	50,000	0.013	8,333	50,000	0.01

Notes:

1. This is based on a share capital of 357,327,587 Shares as at the date of the Prospectus and not including the Shares to be issued under the Placement and assumes no Options currently on issue or other Shares are issued including New Options or Performance Rights are exercised.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

2. DETAILS OF THE OFFER

2.1 The Offer

The Offer is being made as a pro-rata non-renounceable entitlement issue of one (1) Share for every six (6) Shares held by Eligible Shareholders registered at the Record Date at an issue price of \$0.02 per Share together with one (1) free Option for every three (3) Shares subscribed for and issued. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus (and assuming no existing Options are exercised prior to the Record Date), approximately 59,554,598 Shares and 19,851,533 New Options may be issued under the Offer to raise up to approximately \$1,200,000. No funds will be raised from the issue of the New Options.

As at the date of this Prospectus the Company has 26,500,000 Options on issue, all of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to Section 3.3 for information on the exercise price and expiry date of the Options on issue.

As at the date of this Prospectus, the Company has 17,000,000 Performance Rights on issue. None of these Performance Rights are currently eligible for exercise and therefore they cannot enable participation in the Offer.

There is no minimum subscription to participate in the Offer and all of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. The Options will be exercisable at \$0.03 expiring 12 months from the date of issue and otherwise on the terms set out in Section 4.2. Please refer to Section 4.1 for further information regarding the rights and liabilities attaching to the Shares.

The purpose of the Offer and the intended use of funds raised are set out in Section 3.

2.2 What Eligible Shareholders may do

The number of Securities to which Eligible Shareholders are entitled is shown on the personalised Entitlement and Acceptance Form which accompanies this Prospectus or can be accessed at www.adavaleresources.com/. Eligible Shareholders may choose any of the options set out in the table below.

Option	Key Considerations	For more information
Take up all of your Entitlement	<p>Should you wish to accept all of your Entitlement, then your application for Securities under this Prospectus must be made by following the instructions on the personalised Entitlement and Acceptance Form which can be accessed at www.adavaleresources.com/.</p> <p>Please read the instructions carefully.</p> <p>Payment can be made by the methods set out in Section 2.3. As set out in Section 2.3, if you pay by BPAY you do not need to return the Entitlement and</p>	Section 2.3 and Section 2.4.

Option	Key Considerations	For more information
	Acceptance Form.	
Take up all of your Entitlement and also apply for Shortfall Securities	<p>Should you wish to accept all of your Entitlement and apply for Shortfall Securities, then your application for your Entitlement and additional Shortfall Securities under this Prospectus must be made by following the instructions on your personalised Entitlement and Acceptance Form.</p> <p>Please read the instructions carefully.</p> <p>Payment can be made by the methods set out in Section 2.3. Payment should be made for your Entitlement and the amount of the Shortfall for which you are applying.</p> <p>If you apply for Shortfall Securities beyond your Entitlement you are deemed to have accepted your Entitlement in full. You should note that the allocation of Shortfall Securities is at the Company's absolute discretion as per the allocation policy set out in Section 2.6. Accordingly, your application for additional Shortfall Securities may be scaled-back.</p> <p>The Company's decision on the number of Shortfall Securities to be allocated to you will be final.</p>	Sections 2.3, 2.4 and 2.6.
Take up a proportion of your Entitlement and allow the balance to lapse	<p>Should you wish to take up only part of your Entitlement and allow the balance to lapse, your application must be made by completing the personalized Entitlement and Acceptance Form for the number of Securities you wish to take up and making payment using the methods set out in Section 2.3 below. As set out in Section 2.3, if you pay by BPAY, you do not need to return the Entitlement and Acceptance Form.</p> <p>If you take no further action, the balance of your Entitlement will lapse and you will have forfeited any potential benefit to be gained from taking up that part of your Entitlement.</p>	Section 2.3 and Section 2.4
Allow all or part of your Entitlement to lapse	If you do not wish to accept any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement by the Closing Date, the Offer to you will lapse.	N/A

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

2.3 Payment options

(a) By BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. **It is your responsibility to ensure that funds submitted through BPAY® are received by 5:00pm (WST) on the Closing Date. The Company shall not be responsible for any delay in the receipt of the BPAY® payment.**

Guidance where you have more than one CRN (Shareholding of Shares)

If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those Shareholdings only use the CRN specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form. **Do not use the same CRN for more than one of your Shareholdings.** This can result in your Application monies being applied to your Entitlement in respect of only one of your Shareholdings (with the result that any Application in respect of your remaining Shareholdings will not be valid).

(b) By Electronic Funds Transfer (overseas applicants)

For payment by Electronic Funds Transfer (EFT) for overseas Eligible Shareholders, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via EFT if you are the holder of an account that supports EFT transactions to an Australian bank account. Please note that should you choose to pay by EFT:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;

- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess.

(c) **Other payment Methods and Refunds**

Payment will only be accepted by BPAY® or EFT (only for overseas Applicants) and receipts for payment will not be issued. Cash, bank drafts and cheques will not be accepted.

2.4 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application monies by BPAY® or EFT will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety;
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® or EFT payment instruction is given in relation to any Application monies, the application may not be varied or withdrawn except as required by law.

2.5 Minimum subscription

There is no minimum subscription.

2.6 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer (**Shortfall Securities**). The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.02 per Share being the price at which Shares have been offered under the Offer.

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall Offer and potentially be allocated to other Eligible Shareholders or other third parties as part of the Shortfall Offer. The Shortfall Offer will only be available where there is a Shortfall between applications received from Eligible Shareholders and the number of Shares proposed to be issued under the Offer.

Related Parties, including Directors, are not entitled to participate in the Shortfall Offer.

The Board presently intends to allocate Shortfall Securities as follows:

- (a) to Eligible Shareholders who apply for an excess of their full Entitlement, so long as the issue of Shortfall Securities to that Eligible Shareholder would not take their voting power to in excess of 19.99%; and then

- (b) to other parties identified by the Directors, which may include parties who are not currently Shareholders.

Depending on the level of demand for Shortfall, the Company may also engage with brokers to seek to place the Shortfall Shares.

No Shares will be issued to a party under the Shortfall Offer if the effect would be to increase that party's voting power in the Company to an amount greater than 19.99%.

The Company reserves the right to issue an Eligible Shareholder a lesser number of Shortfall Securities than applied for or no Shortfall Securities at all. However, the Directors do not intend to refuse an application for Shortfall Securities from Eligible Shareholders other than in circumstances of oversubscription or where acceptance may result in a breach of the Corporations Act. If the number of Shortfall Securities applied for by Eligible Shareholders exceeds the total Shortfall, the Shortfall Securities will be allocated among applying Eligible Shareholders proportionate to their existing holdings.

All decisions regarding the allocation of Shortfall Securities will be made by the Directors and will be final and binding on all applicants under the Shortfall Offer; as such there is no guarantee that any Shortfall Securities applied for will be issued to Eligible Shareholders.

The Company will have no liability to any Applicant who receives less than the number of Shortfall Securities they applied for under the Shortfall Offer. If the Company scales back any applications for Shortfall Securities under the Shortfall Offer any Application monies will be returned (without interest) as soon as practicable.

Eligible Shareholders resident in jurisdictions outside Australia should note that their participation in the Shortfall Offer may be restricted by Australia's foreign investment laws. The Company reserves the right to not issue Shortfall Shares to an Eligible Shareholder where it reasonably believes that doing so may infringe on Australia's foreign investment laws.

2.7 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out at Section 1. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all Application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

The Company will not apply for Official Quotation of the New Options issued pursuant to this Prospectus.

2.8 Issue of Securities

Securities issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at Section 1.

Securities issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Securities issued is less than the number applied for, or where no issue is made surplus Application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all Application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Securities issued under the Offer will be mailed as soon as practicable after the issue of Securities and for Shortfall Securities issued under the Shortfall Offer as soon as practicable after their issue.

2.9 Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. In particular, the new Shares may not be offered or sold in any country outside Australia, except to the extent permitted below.

New Zealand

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This Offer and the content of the Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under that Act set out how the Offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets' regulators have enforcement responsibilities in relation to this Offer. If you need to make a complaint about this Offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

Singapore

This document and any other materials relating to the Shares have not been and will not be lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document relating to the Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act of Singapore (**SFA**), or another exemption under the SFA.

This document has been given to you on the basis that you are an existing holder of the Company's shares. In the event that you are not an existing holder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

European Union – Germany

This document has not been, and will not be, registered with or approved by any securities regulator in Germany or elsewhere in the European Union. Accordingly, this document may not be made available, nor may the new Shares be offered for sale, in Germany except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "**Prospectus Regulation**").

In accordance with Article 1(4) of the Prospectus Regulation, an offer of New Shares in each member state of the European Union is limited:

- (a) to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation);
- (b) to fewer than 150 natural or legal persons (other than qualified investors); or
- (c) in any other circumstance falling within Article 1(4) of the Prospectus Regulation.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("**FSMA**")) has been published or is intended to be published in respect of the Securities.

The Securities may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to fewer than 150 persons who are existing shareholders of the Company. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("**FPO**"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

Nominees and custodians

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia, New Zealand, Singapore, Germany, or the United Kingdom without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

2.10 Enquiries

Any questions concerning the Offer should be directed to the Company Secretary, Leonard Math, on leonard@adavaleresources.com or by telephone on +61 2 8003 6733.

3. PURPOSE AND EFFECT OF THE OFFER

3.1 Purpose of the offer

The purpose of the Offer is to raise up to \$1,200,000 before costs.

The funds raised from the Offer are intended to be applied in accordance with the table set out below:

Item	Proceeds of the Offer	Full Subscription (\$)	%
1.	Nickel Project in Tanzania ¹	857,000	72.5
2.	Lake Surprise Project in South Australia ²	170,000	14.17
3.	Working capital ³	100,000	8.33
4.	Expenses of the Offer ⁴	73,000	5
	Total	1,200,000	100%

Notes:

1. The Company proposes to allocate these funds to the progression and development of the Kabanga Jirani Project and Luhuma Nickel Sulphide Project in Tanzania (**Nickel Projects**). In particular, the Company proposes to use the funds for a geophysical survey comprising Heli EM at high-priority targets and to the RC and diamond drill program to test targets identified through the Heli EM at the Nickel Project.
2. The Company proposes to allocate these funds to the progression and development of the Lake Surprise Project and in particular, to the air core drill program.
3. Funds allocated to working capital will be used for administration expenses of the Company, including director fees and salaries, and other corporate expenses.
4. Refer to Section 6.8 for further details relating to the estimated expenses of the Offer.

On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve its stated objectives. The Company's primary focus is to continue to accelerate nickel exploration activities in Tanzania and the upcoming uranium drilling program in South Australia including:

- geophysical survey comprising Heli EM at high-priority targets at the Nickel Projects;
- RC and diamond drill program to test targets identified through the Heli EM at the Nickel Projects; and
- shallow air-core drill program at the Lake Surprise uranium project in South Australia.

In the event the Offer is not fully subscribed, operational objectives are likely to be modified, which may result in delay or substantial changes to the Company's future plans. In this event (and after accounting for associated Offer costs) it is likely that the Company will appropriate scale back funds available for project work (items 1 and 2 in the Notes above) and general working capital.

The above table is a statement of the Board's current intentions as of the date of this Prospectus. However, Shareholders should note that as with any budget, intervening events including exploration success or failure, market and general economic conditions, as well as 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 funds are applied on this basis.

3.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted and the completion of the Placement, (and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date), will be to:

- (a) increase the cash reserves by \$1,200,000 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer; and
- (a) increase the number of Shares on issue by up to 59,554,598 Shares, from 357,327,587 as at the date of this Prospectus to 506,927,596 Shares following the Offer and Placement; and
- (b) increase the number of Options on issue by 19,851,533 Options, from 26,500,000 as at the date of this Prospectus to 76,366,670 Options following the Offer and the Placement.

3.3 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date, is set out below.

Shares

	Number
Shares currently on issue	357,327,587
Shares offered pursuant to the Offer	59,554,598
Shares offered pursuant to the Placement	90,045,411
Total Shares on issue after completion of the Offer	506,927,596

Options

	Number
Options currently on issue	
Options exercisable at \$0.06 on or before 31 December 2022	15,500,000
Options exercisable at \$0.06 on or before 11 December 2022	2,000,000
Options exercisable at \$0.15 on or before 31 January 2025	9,000,000
Total Options on issue as at the date of this Prospectus	26,500,000
New Options to be issued pursuant to the Offer	19,851,533
Options offered pursuant to the Placement	30,015,137
Total Options on issue after completion of the Offer	76,366,670

Performance Rights

	Number
Performance Rights currently on issue	17,000,000
Performance Rights offered pursuant to the Offer	Nil
Total Performance Rights on issue after completion of the Offer	17,000,000

Notes:

- (a) The Performance Rights were granted to Directors and Executives of the Company following shareholders approval at the 2021 AGM held on 17 December 2021. The total Performance Rights on issue comprises of three Classes.
- (i) 5,750,000 Class A Performance Rights expiring 30 June 2023 and will vest upon the Company achieving and maintaining a share price of \$0.15c or more for a continuous period of 5 trading days on or before 30 June 2023.
 - (ii) 9,250,000 Class B Performance Rights expiring on 31 December 2023 and will vest upon the Company announcing a Maiden JORC (2012) Inferred Resource of at least 1 Mt of Ni at a minimum grade of 1.5% Ni on the Kabanga Jiani Nikel Project on or before 31 December 2023.
 - (iii) 2,000,000 Class C Performance Rights expiring on 31 December 2023 and will vest upon 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 capital structure on a fully diluted basis as at the date of this Prospectus would be 400,827,587 Shares and on completion of the Offer and the Placement (assuming all Entitlements are accepted and no Shares are issued including on

exercise or conversion of other Securities on issue prior to the Record Date) would be 600,294,266 Shares.

No Shares, Options or Performance Rights on issue are subject to escrow restrictions, either voluntary or ASX imposed.

3.4 Pro-forma balance sheet

The unaudited balance sheet as at 30 June 2022 and the unaudited pro-forma balance sheet as at 30 June 2022 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming the Placement has been completed and all Entitlements under this Offer are accepted, no Options or convertible securities are exercised prior to the Record Date and including expenses of the Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	UNAUDITED 30 June 2022 \$	PROFORMA Maximum Raise \$
CURRENT ASSETS		
Cash	391,386	3,202,130
Other current assets	40,802	40,802
TOTAL CURRENT ASSETS	432,188	3,242,932
NON-CURRENT ASSETS		
Plant and equipment	73,549	73,549
TOTAL NON-CURRENT ASSETS	73,549	73,549
TOTAL ASSETS	505,737	3,316,481
CURRENT LIABILITIES		
Creditors and other payables	141,023	141,023
TOTAL CURRENT LIABILITIES	141,023	141,023
TOTAL LIABILITIES	141,203	141,023

	UNAUDITED 30 June 2022 \$	PROFORMA Maximum Raise \$
NET ASSETS (LIABILITIES)	364,714	3,175,458
EQUITY		
Share capital	10,529,447	13,340,191
Options Reserve	471,745	471,745
Retained loss	(10,636,478)	(10,636,478)
TOTAL EQUITY	364,714	3,175,458

Notes:

1. The proforma balance sheet includes the proceeds from the Placement of 90,045,411 shares at \$0.02 cents per share, raising a net proceed of \$1,692,853.
2. The proforma balance sheet includes the maximum amount raised from the Entitlement Offer through the issue of approximately 59,554,598 shares at \$0.02 cents per share, with net proceeds of \$1,117,891.96 (costs of \$73,000).

4. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

4.1 Rights and liabilities attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to the Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

4.2 Terms of New Options

(a) **Entitlement**

Each Option entitles the holder to subscribe for 1 Share upon exercise of the New Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each New Option will be \$0.03 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00pm pm (WST) 12 months from the date of issue (**Expiry Date**). A New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The New Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The New Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the New Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each New 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 New 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 New 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 New 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 New 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 New Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Options without exercising the New Options.

(k) **Change in exercise price**

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

(l) **Transferability**

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

5. RISK FACTORS

5.1 Introduction

The Shares offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 5, together with all other information contained in this Prospectus.

The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 5, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares. This Section 5 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 5 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

5.2 Company specific

Risk Category		Risk
Potential dilution	for	<p>Upon implementation of the Offer, assuming all Entitlements are accepted, and the Placement completed, no other Shares are issued on exercise or conversion of Options of Performance Rights prior to the Record Date, the number of Shares in the Company will increase from 357,327,587 to 506,927,596 and the number of Options in the Company will increase from 26,500,000 to 76,366,670. This means that immediately after the Offer, each Share will represent a lower proportion of ownership in the Company.</p> <p>Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 16.67% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).</p> <p>No immediate dilution will occur as a result of the issue of New Options under this Prospectus. However subsequent exercise of any or all of the New Options will result in dilution. Assuming all New Options offered pursuant to this</p>

Risk Category	Risk
	<p>Prospectus are issued and exercised into Shares, Shareholders who do not participate in the Offer, are likely to be diluted by an aggregate of approximately 3.92% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus).</p> <p>It is not possible to predict what the value of the Company, a Share or an Option will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.</p> <p>The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.026 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.</p>
Going Concern	<p>The Company's Financial Report for the Half-Year Ended 30 December 2021 (Financial Report) includes a note on the financial condition of the Company and the possible existence of a material uncertainty about the Company's ability to continue as a going concern.</p> <p>The Financial Report was prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. The Company incurred a net loss from continuing operations of \$2,787,020 for the period ended 31 December 2021.</p> <p>Notwithstanding the 'going concern' qualification included in the Financial Report, the Directors believe that upon the successful completion of the Offer, the Company will have sufficient funds to adequately meet the Company's current exploration commitments and short-term working capital requirements. However, it is highly likely that further funding will be required to meet the medium to long-term working capital costs of the Company.</p> <p>In the event that the Offer is not completed successfully there is significant uncertainty as to whether the Company can continue as a going concern which is likely to have a material adverse effect on the Company's activities.</p>
Political (Tanzania)	<p>Risks</p> <p>The Company's operations at Kabanga Jirani Nickel Project and Luhuma Nickel Project are both located in Tanzania and will be subject to the various political, economic and other risks and uncertainties associated with operating in that country. These risks and uncertainties include, but are not limited to, economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, environmental protection, mine safety, labour relations as well as</p>

Risk Category	Risk
	<p>government control over mineral properties or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents. The Company may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity.</p> <p>Any future material adverse changes in government policies or legislation in Tanzania that affect foreign ownership, mineral exploration, development or mining activities, may affect the viability and profitability of the Company. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on exploration, development, mining production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use, local economic empowerment or similar policies, employment, contractor selection and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors adds uncertainties that cannot be accurately predicted and could have an adverse effect on the Company's operations or profitability.</p> <p>The legal systems in Tanzania may be less developed than in more established countries, which may result in risks such as political difficulties in obtaining effective legal redress in the courts whether in respect of a breach of law or regulation, or in an ownership dispute; a higher degree of discretion on the part of governmental agencies; the lack of political or administrative guidance on implementing applicable rules and regulations including, in particular, as regards to local taxation and property rights; inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions, or relative inexperience of the judiciary and courts in such matters.</p> <p>The commitment by local business people, governmental officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to licences and agreements for the Company. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that joint ventures, licences, licence applications or other legal arrangements will not be adversely affected by the actions of the government authorities or others and the effectiveness and enforcement of such arrangements cannot be assured.</p>

Risk Category	Risk
	<p>There can be no guarantee that the Company will be able to generate a positive return for its shareholders if an event occurs in Tanzania which materially adversely affects the value of the Company, its assets and/or its business.</p>
<p>Environmental Health and Safety matters</p>	<p>The Company's mining operations will be subject to extensive Australian health and safety and environmental laws and regulations which could impose significant costs and burdens on the Company (the extent of which cannot be predicted). These laws and regulations provide for penalties and other liabilities for violation of such standards and if established, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. Permission to operate could be withdrawn temporarily where there is evidence of serious breaches of health and safety and environmental laws and regulations and even permanently in the case of extreme breaches.</p> <p>Environmental laws in Tanzania are strict. Every activity from exploration through to mining requires compliance with the regulations for environmental protections in section 81 of the Environmental Management Act, 2004. Under section 81, an Environmental Impact Assessment Report is a mandatory requirement and the outcome of the assessment may be negative. It is expected that the Company's activities will have an impact on the environment, particularly at the time of advanced exploration and any mine development.</p> <p>It is in the interest of the Company to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws, in order to minimise damage to the environment and risk of liability. It is to be expected that there are certain risks inherent to the Company's activities, such as accidental spills, leakages or other unforeseen circumstances, which could subject the Company to environmental liability.</p> <p>Tanzanian environmental laws are dynamic and can change over time. The Company is unable to predict the effect of additional environmental laws and regulations that may be adopted in the future. Additional laws or regulations may materially increase the Company's cost of doing business or affect its operations. The cost and complexity of complying with any additional environmental laws and regulations may prevent the Company from being able to develop potentially viable mineral deposits.</p>
<p>Coronavirus (COVID-19)</p>	<p>The outbreak of the coronavirus disease (COVID-19) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance</p>

Risk Category	Risk
	<p>of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.</p> <p>The Company's operations in both Western Australia and Tanzania may continue to be impacted in various ways including supply chain and operational challenges, possible disruptions in access, limited specialised workers' availability, and any cross border movement restrictions. The Company will however continue to operate with the best intentions of fulfilling commitments to Shareholders.</p> <p>In addition, the effects of COVID-19 on the Company's Share price and global financial markets generally may also affect the Company's ability to raise equity or debt or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders or the COVID-19 pandemic may also give rise to issues, delays or restrictions in relation to land access and the Company's ability to freely move people and equipment to and from exploration projects may cause delays or cost increases.</p> <p>The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. In compliance with its continuous disclosure obligations, the Company will continue to update the market in regard to the impact of COVID-19 on its revenue channels and any adverse impact on the Company.</p>
Additional requirements for capital	<p>The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.</p>
Exploration Costs	<p>The exploration costs of the Company are based on certain assumptions with respect to method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, as a result, the actual costs may materially differ from</p>

Risk Category	Risk
	these estimates and underlying assumptions will be realised in practice which may materially and adversely affect the Company's viability.
Exploration success	The Company's tenements in both South Australia and in Tanzania are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of the Company's tenements, or any other licences that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.
Operational Uncertainties	As with mining and processing operations they are subject to uncertainty with respect to (among other things) ore tonnes, mine grade, ground conditions, recovery and unanticipated metallurgical issues, mining performance, milling performance, regulatory changes, accidents and other unforeseen circumstances such as unplanned mechanical failure of plant or equipment, storms, floods, bushfires or other natural disasters. The occurrence of any of these circumstances could result in adverse production or financial performance.
Tenement applications and licence renewal	<p>The Company cannot guarantee additional applications for tenements made by the Company will ultimately be granted, in whole or in part. Further the Company cannot guarantee that renewals of valid tenements will be granted on a timely basis, or at all.</p> <p>As at the date of this Prospectus, all Tenements and licences held in Tanzania and South Australia are currently in good standing.</p>
"Luhuma" Farm-in licences - Tanzania	<p>The Company entered into a Farm-in Agreement to earn up to 100% of the Luhuma Nickel Project in Tanzania. The Company currently has the exclusive right to explore and evaluate the licenses for a period of 12 months. The licenses are subject to various milestone payments, and ongoing expenditure requirements.</p> <p>As at the date of this Prospectus, the Company is yet to earn any interest in the project. The licences are at an early stage of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. The required ongoing expenditures may not result in exploration success from the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.</p> <p>The Company is not the registered owner of the licenses and therefore the Company's ability to achieve its objectives in respect of the licenses is dependent upon it and the registered holder of the licenses complying with their obligations under the relevant earn-in agreements</p>

Risk Category	Risk
	<p>giving rise to the Company's interest, and on the registered holder complying with the terms and conditions of the licenses and any other applicable legislation.</p> <p>Any failure to comply with these obligations may result in the Company losing its interest in those licenses, which may have a material adverse effect on the Company's operations and the performance and value of the Shares.</p> <p>The Company has no current reason to believe that the registered owners of the Tenements will not meet and satisfy their respective obligations under the relevant agreements, the tenement conditions and other applicable legislation.</p> <p>There is also a risk of financial failure or default under the joint venture arrangements by a participant in any joint venture to which the Company is, or may become, a party. Any withdrawal by a joint venture party or any issues with their ability to perform the obligations due under the joint venture arrangements could have a material adverse impact on the financial position of the Company. There is also the risk of disputes arising with the Company's joint venture partners, the resolution of which could lead to delays in the Company's proposed development activities or financial loss.</p>

5.3 Industry specific

Risk Category	Risk
Environmental	<p>The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.</p> <p>Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with</p>

Risk Category	Risk
	<p>environmental laws or regulations.</p> <p>The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.</p> <p>Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programs or mining activities.</p>
Climate Risk	<p>There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:</p> <ul style="list-style-type: none"> (a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and (b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.
Mine development	<p>Possible future development of a mining operation at any of the Company's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from</p>

Risk Category	Risk
	<p>third parties providing essential services.</p> <p>If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its project.</p> <p>The risks associated with the development of a mine will be considered in full should the projects reach that stage and will be managed with ongoing consideration of stakeholder interests.</p>
Occupational health and safety	<p>The Company is committed to providing a healthy and safe environment for its personnel, contractors and visitors. Mining activities have inherent risks and hazards. The Company provides appropriate instructions, equipment, preventative measures, first aid information and training to all stakeholders through its occupational, health and safety management systems.</p>
Operational	<p>The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, insufficient or unreliable infrastructure such as power, water and transport, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.</p> <p>In the event that any of these potential risks eventuate, the Company's operational and financial performance may be adversely affected.</p> <p>No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.</p>
Safety	<p>Safety is a fundamental risk for any exploration and production company in relation to personal injury, damage to property and equipment and other losses. The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage or destruction of property, regulatory investigation, and penalties or suspension of operations.</p>

Risk Category	Risk
	Damage occurring to third parties as a result of such risks may give rise to claims against the Company.
Commodity price volatility and exchange rate	If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.
Access	The Company's access to the tenements may be affected by landholder and pastoralist approvals, native title rights and/or the terms of native title agreements. While the Company intends to do those things necessary to minimise these risks, it cannot guarantee that the access it has to the tenements in which it has an interest will remain unfettered in the future.

5.4 General risks

Risk Category	Risk
Economic conditions and other global or national issues	<p>General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development, and production activities, as well as on its ability to fund those activities.</p> <p>Factors such as fluctuations in currencies, commodity prices, inflation, interest rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics may have an impact on the Company's exploration, development and production activities, as well as on its ability to fund those activities. The Company's future possible revenues and Share price can be affected by these factors, all of which are beyond the control of the Company or its Directors.</p>
Ukraine conflict	The current conflict between Ukraine and Russia (Ukraine Conflict) is impacting global economies and financial markets. The nature and extent of the effect the Ukraine Conflict may have on the Company's operations remains uncertain at this time. In the short to medium term, the Company's Share price may be adversely affected by the economic uncertainty caused by the Ukraine Conflict and the wider effect the conflict has on global economies and financial markets.

Risk Category	Risk
	<p>The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by the conflict between Ukraine and Russia and overall impacts on global macroeconomics. Given the situation is continually evolving, the outcomes and consequences are inevitably uncertain.</p>
Market conditions	<p>Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> (a) general economic outlook in both Australia and Internationally; (b) introduction of tax reform or other new legislation, regulation or policy; (c) changes in exchange rates, interest rates and inflation rates; (d) changes in investor sentiment toward particular market sectors; (e) the demand for, and supply of, capital; and (f) the global security situation and the possibility of terrorist disturbances or other hostilities. <p>Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.</p>
Litigation risks	<p>The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position.</p> <p>The Company is not currently engaged in any litigation.</p>
Dividends	<p>Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.</p>
Taxation	<p>The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All prospective investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation</p>

Risk Category	Risk
	<p>viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.</p>
Reliance on key personnel	<p>The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.</p>

5.5 Speculative investment

The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities.

Prospective investors should consider that an investment in the Company is highly speculative.

There is no guarantee that the Securities offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Securities.

Before deciding whether to subscribe for Securities under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

6. ADDITIONAL INFORMATION

6.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

6.2 Continuous disclosure obligations

As set out in the Important Notes Section of this Prospectus, the Company is a disclosing entity for the purposes of section 713 of the Corporations Act. Accordingly, information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
27 July 2022	Proposed issue of securities – ADD
27 July 2022	Proposed issue of securities – ADD
27 July 2022	Proposed issue of securities – ADD

Date	Description of Announcement
27 July 2022	Proposed issue of securities – ADD
27 July 2022	Adavale raising up to \$3M to accelerate nickel exploration
25 July 2022	Trading Halt
13 July 2022	Heli EM Survey Areas Finalised
7 July 2022	32 Nickel Targets identified in East African Nickel Belt
29 June 2022	Change of Director's Interest Notice
23 June 2022	Change of Director's Interest Notice
20 June 2022	Pathway Cleared for Uranium Drilling at Lake Surprise
15 June 2022	Change of Director's Interest Notice x 2
15 June 2022	Cleansing Notice
15 June 2022	Application for quotation of securities – ADD
9 June 2022	Outstanding Success with Multiple Nickel Targets Discovered
23 May 2022	Change of Director's Interest Notice
3 May 2022	Tanzania Operations Update
21 April 2022	Quarterly Activities and Cashflow Report – March 2022 Quarter
19 April 2022	Gravity Surveys Generate Immediate Success at Luhuma
31 March 2022	Change of Director's Interest Notice
15 March 2022	Fast-Tracker Large-Scale Gravity Survey Commenced
11 March 2022	Half Year Accounts
28 February 2022	Investor Presentation – Market and Exploration Update
25 February 2022	Notification of cessation of securities – ADD
25 February 2022	Change of Director's Interest Notice x 2
21 February 2022	Cleansing Notice
21 February 2022	Application for quotation of securities - ADD
21 February 2022	Adavale Commences Exploring at Luhuma Nickel Project
7 February 2022	Lake Surprise Uranium Geochemistry Results
24 January 2022	Exploration Update – Nickel
21 January 2022	Change of Director's Interest Notice
21 January 2022	Expiry of Performance Rights
20 January 2022	Quarterly Activities and Cashflow Report – December 2021 Quarter

Date	Description of Announcement
14 January 2022	Change of Director's Interest Notice x 3
14 January 2022	Cleansing Notice
14 January 2022	Application for quotation of securities – ADD
14 January 2022	Notification regarding unquoted securities – ADD
14 January 2022	Notification regarding unquoted securities – ADD
4 January 2022	Executive Director Appointed to Drive Adavale
20 December 2021	Adavale to Participate in Port Jackson Securities Webinar
17 December 2021	AGM Results and change of Registered Office
17 December 2021	AGM Presentation
17 December 2021	Significant Gamma Results at Lake Surprise Uranium Project
16 December 2021	Adavale Discovers Significant Mafic-Ultramafic Intrusion
15 December 2021	Proposed issue of securities – ADD
15 December 2021	Highly Prospective Nickel Sulphate Tenure Expanded
7 December 2021	Lake Surprise Delivers Encouraging Gamma Readings
19 November 2021	Change in Director's Interest Notice x 2
19 November 2021	Cleansing Notice
19 November 2021	Application for quotation of securities – ADD
17 November 2021	Notice of Annual General Meeting / Proxy Form
17 November 2021	Successful Share Purchase Plan Closed at \$1.34M
15 November 2021	Change of Director's Interest Notice
9 November 2021	Date of AGM
8 November 2021	Uranium Prospectively at Lake Surprise Project
1 November 2021	Intrusions Hosting Mineralised Sulphides
26 October 2021	Final Director's Interest Notice
26 October 2021	Resignation of Rod Chittenden
26 October 2021	Quarterly Activities and Cashflow Report
22 October 2021	Second Rig Mobilising to Kabanga Jirani Nickel Project
18 October 2021	Share Purchase Plan and Application Form
18 October 2021	Cleansing Notice SPP
15 October 2021	Proposed Issue of Securities – ADD
15 October 2021	Termination and Re-launch of New SPP
11 October 2021	Cleansing Notice

Date	Description of Announcement
11 October 2021	Application for quotation of securities – ADD
11 October 2021	Share Purchase Plan and Application Form
8 October 2021	Resignation of Joint Company Secretary and In-House Counsel
8 October 2021	Update – Proposed issue of securities – ADD
5 October 2021	Appointment of CFO and Joint Company Secretary
5 October 2021	Proposed issue of securities – ADD
5 October 2021	Adavale Raises \$2M via Placement and to Launch SPP
1 October 2021	Trading Halt
30 September 2021	Corporate Governance Statement and Appendix 4G

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.adavaleresources.com/.

6.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

	(\$)	Date
Highest	\$0.040	2 May 2022
Lowest	\$0.021	28 June 2022
		29 June 2022
		30 June 2022
Last	\$0.026	28 July 2022

6.4 Material Contracts

6.4.1 Lead Manager Mandate

The Company has appointed Discovery Capital to act as lead manager of the Offer (**Lead Manager Mandate**), the material terms and conditions of which are summarised below:

Fees	<p>2% Management Fee and 4% Capital Raising Fee on funds raised by the Company during the Term.</p> <p>The Capital Raising Fee is not payable by the Company to Discovery Capital on any Entitlements issued under the</p>
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	Offer. The Management Fee will apply to the Offer.
Lead Manager Options	5,000,000 Options exercisable at \$0.03 each, expiring on 3 August 2025. A subscription price of \$0.001c per option will be payable on the Lead Manager Options.
Term	Term of six months, from execution of the Lead Manager Mandate.
Shortfall	Discovery Capital retains the right to place the shortfall, if any, under the Entitlement Offer
Right of First Refusal	The Company undertakes to give Discovery Capital the first right of refusal to act as lead or joint lead manager to any future capital raising and corporate advisor to any mergers and acquisition transaction undertaken in the 12-month period following the initial Term.

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

6.5 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (i) the Offer.

Security holdings

The relevant interest of each of the Directors in the Securities as at the date of this Prospectus, together with their respective Entitlement, is set in Section 1.5.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The

total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$300,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive Directors as disclosed in the Company's 2020 and 2021 Annual Report.

Director	FY ending 2019/2020	FY ending 2020/2021	FY ending 2021/2022
Grant Pierce ¹	-	\$44,621	\$45,001
David Riekie ²	-	-	\$90,387.10
John Hicks ³	-	-	\$37,419.35
Rod Chittenden ⁴	-	\$44,621	\$8,600
Stergios Georgiadis ⁵	-	\$44,621	\$6,000
Gary Stewart ⁶	\$21,000	\$3,000	
Louis Clinton ⁷	\$21,000	\$3,000	
Alan Armstrong ⁸	-	\$3,000	

Notes:

1. Appointed 27 August 2020. The amount \$44,621 comprises \$30,581 short term employee benefit (salary and fees) and \$14,040 share-based payment (performance rights). Mr Pierce did not receive any post-employee benefits (superannuation) for the FY2020/2021. For FY2021/2022, the amount \$45,001 comprises superannuation payment of \$1,363.65.
2. Appointed on 28 July 2021 as a Non-Executive Director and transitioned to Executive Director on 1 January 2022.
3. Non-Executive Director – Appointed 7 July 2021.
4. Resigned 26 October 2021. The amount \$44,621 comprises \$30,581 short term employee benefit (salary and fees) and \$14,040 share-based payment (performance rights). Mr Chittenden did not receive any post-employee benefits (superannuation) for the FY2020/2021.
5. Resigned 28 July 2021. The amount \$44,621 comprises \$30,581 short term employee benefit (salary and fees) and \$14,040 share-based payment (performance rights). Mr Georgiadis did not receive any post-employee benefits (superannuation) for the FY2020/2021.
6. Resigned 26 August 2020.
7. Resigned 26 August 2020.
8. Resigned 7 July 2020.

6.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$10,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$7,771.00 (excluding GST and disbursements) for legal services provided to the Company.

Discovery Capital will be paid a 2% management fee of approximately \$24,000 in respect of this offer. During the 24 months preceding lodgement of this Prospectus with the ASIC, Discovery Capital has not received any fees from the Company for any other services but will be expected to be paid approximately \$96,055 for management and capital raising fee for the Placement expected to be completed on 4 August 2022.

6.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus.

Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- (c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Discovery Capital has given its written consent to being named as the Lead Manager to the Offer in this Prospectus.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus.

6.8 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$73,000 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	10,000
Legal fees	13,000
Broker management fee	24,000
Printing and distribution	18,000
Miscellaneous	4,794
Total	73,000

6.9 Directors' Authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



David Riekie
Executive Director
Adavale Resources Limited

Glossary

\$ means the lawful currency of the Commonwealth of Australia.

Applicant means an Eligible Shareholder who submits and Entitlement & Acceptance Form and/or payment of Application Monies.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

Application Monies means monies paid by Eligible Shareholders in respect of the Shares the subject of an Application Form.

ASIC means the Australian Securities and Investments Commission.

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

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

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.

CHESS means the Clearing House Electronic Sub-Register System operated by ASX Settlement Pty Ltd (ACN 008 504 532).

Closing Date means the date specified in the timetable set out at Section 1 (unless extended).

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

Constitution means the constitution of the Company as at the date of this Prospectus.

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

CRN means Customer Reference Number in relation to BPAY®.

Directors means the directors of the Company as at the date of this Prospectus.

Eligible Shareholder means a Shareholder as at the Record Date who is eligible to participate in the Offer.

Entitlement means the number of Shares for which an Eligible Shareholder is entitled to subscribe for under the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Exercise Price means the exercise price of the New Options being \$0.03.

New Option means an Option issued on the terms set out in Section 4.2.

Offer means the non-renounceable entitlement issue the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Performance Right means a right to subscribe for a Share upon vesting of specified performance conditions.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at Section 1.

Section means a section of this Prospectus.

Securities means Shares and/or Options as the context requires.

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

Shareholder means a holder of a Share.

Shortfall means the Securities not applied for under the Offer (if any).

Shortfall Application Form means the Shortfall Offer application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall Securities on the terms and conditions set out in Section 2.6.

Shortfall Securities means those Securities not applied for under the Offer (if any) and offered pursuant to the Shortfall Offer.

WST means Western Standard Time as observed in Perth, Western Australia.