



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

5 August 2022

Dear Shareholder,

Non-Renounceable Rights Offer – Notification to Ineligible Shareholders

On 27 July 2022, **Adavale Resources Limited** (ASX: ADD, “Adavale” or “The Company”) announced a capital raising up to \$3 million (before costs), through a placement to institutional investors including Directors participation of \$1.8 million and a non-renounceable rights offer of one (1) fully paid ordinary shares (**New Shares**) for every six (6) existing shares to eligible shareholders held as at 5.00pm (WST) on 3 August 2022 (**Record Date**) to raise approximately \$1.2 million (**Entitlement Offer**). The Company is also offering one (1) free attaching option for every three (3) New Shares subscribed for under the Placement and the Entitlement Offer (**Options**).

The Entitlement Offer will be made by the Company pursuant to an offer document prepared in accordance with section 713 of the Corporations Act 2001 (Cth) (**Offer Document**), which is available to be downloaded at www.adavaleresources.com and on ASX’s website.

Following completion of the Entitlement Offer, assuming any shortfall is subsequently placed, and the full subscription is raised, the Company will have issued approximately 59,554,598 New Shares and 19,851,533 Options resulting in total Shares on issue of 506,927,596 (including 90,045,411 issued under the Placement), and total Options on issue of 76,366,670 (including 30,015,137 issued under the Placement).

Ineligible shareholders

The Offer is being made to all shareholders of the Company named on its register of members on the Record Date, whose registered address is in Australia, New Zealand, Singapore, Germany, and the United Kingdom.

You are receiving this letter as, according to our records, you unfortunately do not satisfy the eligibility criteria to participate in the Entitlement Offer. The Company has decided pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules that it is unreasonable to extend the Entitlement Offer to shareholders with a registered address outside Australia, New Zealand, the United Kingdom, Singapore or Germany (**Ineligible Shareholders**), having regard to the number of such shareholders, their holdings and the compliance costs required to offer the shares under the Entitlement Offer to those shareholders.

Unfortunately, since you are an Ineligible Shareholder, the Entitlement Offer is not being made to you and the Offer Document prepared by the Company in relation to the Entitlement Offer is available to you for information purposes only. As the Entitlement Offer is non-renounceable (entitlements are not tradeable on ASX or otherwise transferable), you will not receive any payment or value for entitlements in respect of any New Shares or options that would have been offered to you if you were eligible.

This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares. You do not have to take any further action in relation to the Entitlement Offer.

If you have any questions in relation to any of the above matters, please contact the Company Secretary on +61 2 8003 6733 at any time between 8.30am to 5.30pm (WST), Monday to Friday.

Yours sincerely,



Leonard Math
CFO & Company Secretary