Announcement Summary

Entity name

ADAVALE RESOURCES LIMITED

Announcement Type

New announcement

Date of this announcement

15/3/2023

The Proposed issue is:

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

ASX +security code	+Security description	Maximum Number of +securities to be issued
New class-code to be confirmed	Convertible Note	99
New class-code to be confirmed	Options exercisable at \$0.03 each expiring 31 December 2025	32,172,109

Proposed +issue date

24/3/2023

Refer to next page for full details of the announcement

Part 1 - Entity and announcement details

1.1 Name of +Entity

ADAVALE RESOURCES LIMITED

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

If the +securities are being offered under a +disclosure document or +PDS and are intended to be quoted on ASX, we also apply for quotation of all of the +securities that may be issued under the +disclosure document or +PDS on the terms set out in Appendix 2A of the ASX Listing Rules (on the understanding that once the final number of +securities issued under the +disclosure document or +PDS is known, in accordance with Listing Rule 3.10.3C, we will complete and lodge with ASX an Appendix 2A online form notifying ASX of their issue and applying for their quotation).

1.2 Registered Number Type

Registration Number

ACN

008719015

1.3 ASX issuer code

ADD

1.4 The announcement is

☑ New announcement

1.5 Date of this announcement

15/3/2023

1.6 The Proposed issue is:

☑ A placement or other type of issue

Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

7A.1 Do any external approvals need to be obtained or other conditions satisfied before the placement or other type of issue can proceed on an unconditional basis? ☑ No

Part 7B - Issue details

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

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

Details of +securities proposed to be issued

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

ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1? Yes

Have you received confirmation from Will the entity be seeking quotation of the 'new' class of +securities on ASX?

☑ No

ASX +security code

+Security description

New class-code to be confirmed

Convertible Note

+Security type

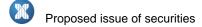
+Convertible debt securities

Number of +securities proposed to be issued

99

Offer price details

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



In what currency is the cash consideration being paid?

AUD - Australian Dollar

What is the issue price per +security?

AUD 1,000.00000

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

Yes

+Convertible debt securities details

These securities are: Type of security

Convertible note or bond Convertible

+Security currency Face value

AUD - Australian Dollar AUD 10,000.0000

Interest rate type

Fixed rate

Frequency of coupon/interest

payments per year

Quarterly

First interest payment date

1/7/2023

Interest rate per annum

12.00000 %

Is the interest rate per annum estimated at this time?

☑ No

s128F of the Income Tax Assessment Act status applicable to the +security

Not applicable

Is the +security perpetual (ie. no

maturity date)? ☑ No

Maturity date

23/3/2024

Select other features applicable to

the +security ☑ Redeemable

Is there a first trigger date on which a If yes, what is the first trigger date right of conversion, redemption, call

or put can be exercised (whichever is

1/7/2023

first)? Yes

Details of the type of +security that will be issued if the securities are converted, transformed or exchanged

ADD: ORDINARY FULLY PAID

Number of +securities that will be issued if the +securities are converted, transformed or exchanged (including, if applicable, any interest)

Based on the last 15-days VWAP and applying a 15% discount the conversion price will be \$0.015386. Total shares to be issued for the conversion of 99 Notes (\$990,000) is 64,344,209 shares.

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

Attaching +Security

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

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

Details of attaching +securities proposed to be issued

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

Have you received confirmation from ASX that the terms Will the entity be seeking quotation of the 'new' class of of the proposed +securities are appropriate and equitable under listing rule 6.1? ✓ Yes

+securities on ASX? Yes

ASX +security code

+Security description

New class-code to be confirmed

Options exercisable at \$0.03 each expiring 31 December 2025

+Security type

Options

Number of +securities proposed to be issued

32,172,109

Offer price details

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

Please describe the consideration being provided for the +securities

The options are issued as part of free attaching to the Convertible Notes subscribed for.

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

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

Part 7C - Timetable

7C.1 Proposed +issue date

24/3/2023

Part 7D - Listing Rule requirements

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

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

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

99 Convertible Notes (64,344,209 Shares is converted based on conversion price of \$0.015386) Free attaching options of 32,172,109 will be subject to shareholders approval.

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

7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?

☑ No

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

7F.3 Any on-sale of the +securities proposed to be issued within 12 months of their date of issue will comply with the secondary sale provisions in sections 707(3) and 1012C(6) of the Corporations Act by virtue of:

☑ The publication of a cleansing notice under section 708A(5), 708AA(2)(f), 1012DA(5) or 1012DAA(2)(f)

Proposed issue of securities