



31 March 2023

Dear shareholder,

Adavale Resources Limited (**Company**) wishes to advise that its General Meeting (**GM**) will be held virtually at 10.00am (AWST) on Wednesday, 3<sup>rd</sup> May 2023.

As permitted by the Corporations Act 2001 (Cth), the Company will not be dispatching physical copies of the notice of general meeting unless a shareholder has made a valid election to receive documents in hard copy.

Instead, the Notice of General Meeting and accompanying explanatory materials (Meeting Materials) are being made available to shareholders electronically and can be viewed and downloaded at the following link:

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

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

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

If you have any further queries in relation to the General Meeting, please contact +61 2 8003 6733.

By order of the Board,

A handwritten signature in black ink, appearing to be "LM", written over a light blue circular stamp.

**Leonard Math**  
**CFO & Company Secretary**

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**ADAVALE RESOURCES LIMITED**  
**ACN 008 719 015**  
**NOTICE OF GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 10.00am (AWST)  
**DATE:** Wednesday, 3<sup>rd</sup> May 2023  
**PLACE:** Held as a **Virtual Meeting**

Shareholders will be able to participate in the Meeting, ask questions and make comments in real time via the Zoom Teleconference, with online voting conducted via Computershare Meeting Platform. You can participate in the General Meeting (GM) online via the Zoom Teleconference. To join the Zoom Teleconference from your computer, you will need to enter the URL below into your browser and register your details in advance of the General Meeting.

**<https://us06web.zoom.us/meeting/register/tZYocOyqpj8jHtLWeQVNUvh-eJ-kOJ4vvRtr>**

After registering, you will receive a confirmation email containing information about how to join the GM via the Zoom Teleconference. All shareholders are requested to join the GM via the Zoom Teleconference 10 minutes prior to the commencement of the GM so that all participants can be identified and registered for the GM prior to the commencement of the GM.

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

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

***The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5.00pm (AWST) on 1 May 2023.***

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES – LISTING RULE 7.1

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

*"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 9,380,423 Shares to Mr Ally Mbarak Nahdi on the terms and conditions set out in the Explanatory Statement."*

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

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#### 2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF CONVERTIBLE NOTES – TRANCHE 1 – LISTING RULE 7.1

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

*"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 99 Convertible Notes on the terms and conditions set out in the Explanatory Statement."*

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

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#### 3. RESOLUTION 3 – APPROVAL TO ISSUE CONVERTIBLE NOTES TO INVESTORS – TRANCHE 2 – LISTING RULE 7.1

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

*"That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 101 Convertible Notes on the terms and conditions set out in the Explanatory Statement."*

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

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#### 4. RESOLUTION 4 – APPROVAL TO ISSUE FREE ATTACHING OPTIONS– LISTING RULE 7.1

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

*"That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given is given for the Company to issue up to 64,994,160 free-attaching Options, on the terms and conditions set out in the Explanatory Statement."*

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

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**5. RESOLUTION 5 – APPROVAL TO ISSUE BROKER OPTIONS – GBA CAPITAL PTY LTD**

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

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 13,340,000 Broker Options on the terms and conditions set out in the Explanatory Statement.”*

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

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**Dated: 30 March 2023**

**By order of the Board**

**David Riekie  
Executive Director**

## Voting Exclusion Statements

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

<b>Resolution 1 – Ratification of prior issue of Shares – Listing Rule 7.1</b>	A person who participated in the issue or is a counterparty to the agreement being approved (namely Mr Ally Mbarak) or an associate of that person or those persons.
<b>Resolution 2 - Ratification of prior issue of Convertible Notes – Tranche 1- Listing Rule 7.1</b>	A person who participated in the issue or is a counterparty to the agreement being approved (namely the Tranche 1 Investors) or an associate of that person or those persons.
<b>Resolution 3 – Approval to issue Convertible Notes – Tranche 2 – Listing Rule 7.1</b>	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely the Tranche 2 Investors) or an associate of that person (or those persons).
<b>Resolution 4 - Approval to issue free attaching Options – Listing Rule 7.1</b>	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely the Tranche 1 Investors and the Tranche 2 Investors) or an associate of that person (or those persons).
<b>Resolution 5 - Approval to issue Broker Options - GBA Capital Pty Ltd</b>	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely GBA Capital Pty Ltd (or their nominees)) or an associate of that person (or those persons).

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

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

## Voting by proxy

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

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

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

Shareholders and their proxies should be aware that:

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

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### **Lodging Proxy Form prior to the Meeting**

If you are unable to participate in the Meeting, you are encouraged to appoint a proxy to participate and vote on your behalf. If you direct your proxy how to vote, your votes will be cast at the Meeting in accordance with your directions.

You can submit your Proxy Form online by visiting [www.investorvote.com.au](http://www.investorvote.com.au), or by post, fax, or mobile phone.

Completed Proxy Forms (and any necessary supporting documents) must be received by the Company's share registry no later than 10.00am (AWST) on 1 May 2023.

Even if you plan to participate in the Meeting online, we encourage you to submit your proxy vote as early as possible so that your vote will be counted if for any reason you cannot participate on the day of the Meeting (for example, if there is an issue with your internet connection that prevents you from participating online).

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### **Meeting Information**

How to participate and vote live online You can participate in the Meeting online via the Zoom Teleconference. To join the Zoom Teleconference from your computer, you will need to enter the URL below into your browser and register your details in advance of the Meeting.

**<https://us06web.zoom.us/meeting/register/tZYocOyqpj8jHtLWeQVNUvheJ-kOJ4vvRtr>**

After registering, you will receive a confirmation email containing information about how to join the Meeting via the Zoom Teleconference.

All Shareholders and visitors are requested to join the Meeting 10 minutes prior to the commencement of the Meeting so that all participants can be identified and registered for the Meeting prior to the commencement of the Meeting.

Arrangements have been made with the Company's share registry for Shareholders who wish to participate in and vote online with Computershare Meeting Platform at the Meeting. To access the Computershare Meeting Platform please follow the instructions below.

To participate in the meeting, you can log in by entering the following URL **<https://meetnow.global/MLHQX2R>** on your computer, tablet or smartphone. Online registration will open 30 minutes before the meeting.

To make the registration process quicker, please have your SRN/HIN and registered postcode or country code ready.

Proxyholders will need to contact Computershare prior to the meeting to obtain their login details.

To participate in the meeting online follow the instructions below.

**Step 1:** Click on 'Join Meeting Now'.

**Step 2:** Enter your SRN/HIN. Proxyholders will need to contact Computershare on +61 3 9415 4024 prior to the meetings to obtain their login details.

**Step 3:** Enter your postcode registered to your holding if you are an Australian securityholder. If you are an overseas securityholder select the country of your registered holding from the drop-down list.

**Step 4:** Accept the Terms and Conditions and 'Click Continue'.

You can cast votes at the appropriate times while the meeting is in progress.

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

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

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

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## EXPLANATORY STATEMENT

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

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### 1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES – LISTING RULE 7.1

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#### 1.1 General

On 30 January 2023, the Company issued 9,380,423 Shares to Mr Ally Mbarak Nahdi (**Nahdi Shares**) pursuant to the binding farm-in agreement with Mr Nahdi in respect to two licences (**Licences**) with significant nickel sulphide exploration potential (**Luhuma Joint Venture**) as announced by the Company on 15 December 2021.

The Nahdi Shares were issued under the Agreement as part of the consideration for the Company acquiring a 65% interest in the Luhuma Joint Venture Project, as announced by the Company on 24 January 2023.

The Nahdi Shares were issued on the basis of a deemed issue price of \$0.022500 calculated on the assumption that USD\$150,000 converted into Australian Dollars (**AUD**) based on USD/AUD conversion rate of \$0.7107 and on the five (5) trading days volume weighted average price (**VWAP**) prior to the issue of the Nahdi Shares.

The Luhuma Joint Venture agreement is structured as an option agreement but is in the nature of a farm-in agreement and has four earn-in stages, payable per licence. The material terms of the Luhuma Joint Venture agreement are as follows:

Material Term	Summary
<b>Grant of Option</b>	In consideration of payment by the Company to Mr Nahdi of the consideration, Mr Nahdi grants the Company an irrevocable right to earn and acquire up to an 80% participating interest in the Licences free and clear of any encumbrances.
<b>Consideration and Earn-in</b>	<p>In consideration for exploration rights on the Licences, the Company is to pay Mr Nahdi:</p> <p>(a) <b>Stage 1 Earn-in:</b> Adavale has the immediate and exclusive right to explore and evaluate the licences for 12 months upon payment of US\$12,500 cash per Licence and US\$25,000 per Licence in fully paid ordinary Shares. During the first 12 months Adavale must spend at least the minimum exploration expenditure as required by the Mining Commission which is US\$500 per annum per square kilometre across the 98.89km<sup>2</sup>.</p> <p>(b) <b>Stage 2 Earn-in:</b> If Adavale is satisfied with the exploration results and prospectivity of the Licences then on or before the 1st year anniversary Adavale has the right to earn-in 65% ownership of the Licences upon paying the vendor US\$25,000 cash per Licence and \$75,000 per Licence in fully paid ordinary Shares. Adavale must continue to spend at least the minimum annual exploration expenditure of US\$500 per square kilometre.</p> <p>(c) <b>Stage 3 Earn-in:</b> If Adavale continues to be satisfied with the exploration results and prospectivity of the licences then on or before the 2nd year anniversary Adavale has the right to earn-in 80% ownership of the Licences upon</p>



Material Term	Summary
	<p>paying the vendor US\$50,000 cash and US\$112,500 worth of Adavale shares. Adavale must continue to spend at least the minimum annual exploration expenditure of \$500 per square kilometre.</p> <p>(d) <b>Stage 4 Earn-in:</b> Following registration by the Mining Commission of Adavale's 80% Interest in the Licences, Adavale must pay US\$112,500 per Licence to Mr Nahdi.</p>
<b>Right of refusal</b>	<p>If Adavale continues to be satisfied with the exploration results and prospectivity of the Licences and has earned in and acquired a total 80% ownership, then Adavale has the right of first refusal to match any independent bona fide arm's length third party offer to buy out the remaining 20% participating interest in the licences held by the licence holder on or before the 3rd year anniversary from the Effective Date (being the 3rd business day after the conditions precedent have been satisfied). If Mr Nahdi wishes to sell the 20% participating interest in the Licences during this period, he must also give notice to Adavale and set out the terms on which he proposes to sell and the parties shall use best endeavours to negotiate agreeable terms.</p>
<b>Best endeavours</b>	<p>On estimation of an economic Ore Reserve pursuant to the JORC Code within the Licences, Adavale shall use its best endeavours to convert the Licences to Mining Licenses. Should an operational mine come into production from such Mining Licenses, Mr Nahdi shall receive a Net Smelter Return of 1.5% from the sale of minerals produced at the mine paid on a monthly basis</p>
<b>Exclusivity period</b>	<p>Period starting from the date of the Joint Venture Agreement up to and including the third anniversary of the Effective Date, being the 3<sup>rd</sup> Business Day following the date on which the conditions precedent were satisfied by Adavale.</p>
<b>Termination</b>	<p>Adavale may, at any time, relinquish its Interest in the Licences by providing 30 days' notice of its intention to do so to Mr Nahdi. Mr Nahdi may terminate the agreement by giving notice to Adavale if it fails to pay any amount due under the Luhuma Joint Venture on the date due for payment and remains in default for 30 days and if Adavale is in breach of its obligations under the Luhuma Joint Venture.</p>

## 1.2 Listing Rule 7.1

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

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

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

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

Resolution 1 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Nahdi Shares.

### 1.3 Technical information required by Listing Rule 14.1A

If Resolution 1 is passed, the Nahdi Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1 effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Nahdi Shares.

If Resolution 1 is not passed, the Nahdi Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Nahdi Shares.

### 1.4 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 1:

- (a) the Nahdi Shares were issued to Mr Ally Mbarak Nahdi the holder of the Licenses the subject of the Luhuma Joint Venture;
- (b) 9,380,423 Nahdi Shares were issued, and the Nahdi Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (c) the Nahdi Shares were issued on 30 January 2023;
- (d) the Nahdi Shares were issued on the basis of a deemed issue price of \$0.022500 per Share, which was calculated based on the assumption of USD\$150,000 converted to A\$ at 0.7107 and VWAP for the last five (5) trading days preceding the issue of the Nahdi Shares;
- (e) the purpose of the issue of the Nahdi Shares was for the Company to acquire 65% of the Licenses under the Luhuma Joint Venture; and
- (f) the Nahdi Shares were issued to Mr Nahdi under the Luhuma Joint Venture agreement. A summary of the material terms of the Luhuma Joint Venture agreement are set out in Section 1.1 above.

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## 2. BACKGROUND: RESOLUTION 2 TO RESOLUTION 5

### 2.1 Overview

As announced on 15 March 2023, the Company has secured funding of up to \$2,000,000 (before costs) through the issue of unsecured convertible notes to new and existing sophisticated and professional investors (**Capital Raising**) with a total of 200 convertible notes subscribed for, each with a face value of \$10,000 (**Convertible Notes**). The Company has entered into convertible note agreements with investors (**Convertible Note Agreements**). A summary of the material terms of the Convertible Note Agreements is set out in Schedule 1.

The funds raised from the Capital Raising are intended to be used by the Company to progress further drill testing at the Kabanga Jirani Nickel Project in Tanzania (diamond drilling at the Heli-borne Electro Magnetic (**HEM**) targets identified within the Luhuma Nickel project area, with drilling expected to resume in April 2023 and for corresponding down-hole electromagnetic (DHEM), audio-magnetotellurics (AMT) survey and assays and general working capital.

Each Convertible Note will have a conversion price of 15% discount to the historical 15-day volume weighted average price (**VWAP**) of the Company's Shares prior to the conversion date and may be converted to Shares in the Company after 30 June 2023, subject to a ceiling price of \$0.03 (**Conversion Formula**). The Convertible Notes have a term of 12 months, with interest payable by the Company at 12% per annum, accrued daily and paid quarterly.

The Convertible Notes will be issued in two tranches:

- (a) **Tranche 1:** comprising of 99 Convertible Notes each with a face value of \$10,000 to raise up to \$990,000 (**Tranche 1 Notes**) and to be issued under the Company's Listing Rule 7.1 placement capacity. It is anticipated the Tranche 1 Convertible Notes will be issued on or around 24 March 2023 to unrelated sophisticated and professional investors. The ratification of the issue of Tranche 1 Notes is the subject of Resolution 2
- (b) **Tranche 2:** comprises of up to 101 Convertible Notes each with a face value of \$10,000 to raise up to \$1,010,000 (**Tranche 2 Notes**) and to be issued under the Company's Listing Rule 7.1 placement capacity, subject to Shareholder approval under Resolution 3.

The Company proposes to issue up to 64,994,160 free attaching options to subscribers of Convertible Notes, on the basis that each investor will receive 32.49708 free attaching options for every \$1.00 subscribed for, with an exercise price of \$0.03 each and expiring on 31 December 2025 (**Options**). The issue of the Options is subject to receipt of Shareholder approval under Resolution 4. The Company will apply to have the Options quoted and tradeable on the ASX, subject to meeting ASX Listing Rule requirements.

GBA Capital Pty Ltd (**GBA Capital**) were engaged by the Company as the Lead Manager to the Capital Raising under a lead manager mandate (**Lead Manager Mandate**).

As consideration for these services, the Company will issue to GBA Capital (or their nominees):

- (a) a Capital Raising fee of 6% of the funds raised by GBA under the Capital Raising; and
- (b) 13,340,000 options with an exercise price of \$0.03 each and expiring on 31 December 2025 (**Broker Options**), the issue of which are subject to Shareholder approval under Resolution 5.

The Company will apply to have the Broker Options quoted and tradeable on the ASX subject to meeting ASX Listing Rule requirements.

Further details in respect of the Capital Raising are set out in the ASX announcement released on 15 March 2023.

## **2.2 Summary of Resolutions**

### **2.2.1 Resolution 2 to Resolution 5 seek:**

- (a) **Resolution 2** – Shareholder approval to ratify the issue of the Tranche 1 Notes;
- (b) **Resolution 3** – Shareholder approval for the issue of the Tranche 2 Notes;
- (c) **Resolution 4** – Shareholder for the issue of the free attaching Options; and
- (d) **Resolution 5** – Shareholder approval for the issue of the Broker Options.

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## **3. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF CONVERTIBLE NOTES – TRANCHE 1 – LISTING RULE 7.1**

### **3.1 General**

As set out in Section 2.1 above, the Company entered into the Convertible Note Agreements for the issue of the Convertible Notes. Under Tranche 1, the Company issued 99 Convertible Notes on 24 March 2023, to the value of \$990,000, to sophisticated and professional investors (**Tranche 1 Notes**).

The Convertible Notes can be converted after 30 June 2023 in accordance with the Conversion Formula. A summary of the key terms of the Convertible Note Agreements is set out in Schedule 1.

### **3.2 Listing Rule 7.1**

As summarised in Section 1.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12-month period.

The issue of the Tranche 1 Notes does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Tranche 1 Notes.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 1 Notes.

### **3.3 Technical information required by Listing Rule 14.1A**

If Resolution 2 is passed, the Tranche 1 Notes will be excluded in calculating the Company's 15% limit in Listing Rule 7.1 effectively increasing the number of equity

securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Tranche 1 Notes.

If Resolution 2 is not passed, the Tranche 1 Notes will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Tranche 1 Notes.

Resolution 2 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 1 Notes.

### **3.4 Technical information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 2:

- (a) the Tranche 1 Notes were issued to new and existing professional and sophisticated investors who are clients of GBA Capital. The recipients were identified through a bookbuild process, which involved GBA Capital seeking expressions of interest to participate in the Capital Raising from non-related parties of the Company;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
  - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
  - (ii) issued more than 1% of the issued capital of the Company;
- (c) the Tranche 1 Notes were issued with a total face value of \$990,000. The Tranche 1 Notes issued will convert into fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares in accordance with the Conversion Formula;
- (d) the Tranche 1 Notes were issued on 24 March 2023;
- (e) the maximum number of Shares to be issued on conversion of the Tranche 1 Notes is variable depending on the date at which the Investor wishes to convert their Convertible Notes and the market price of the Company's Shares at the time of conversion. The Tranche 1 Note conversion will be calculated using the Conversion Formula. The Company has set out various dilution scenarios that may occur on the conversion of the Tranche 1 Notes at Section 3.5 below;
- (f) the Company will not receive any other consideration for the issue of the Tranche 1 Notes other than the net amount paid by the Investors to subscribe for the Tranche 1 Notes in accordance with the Convertible Note Agreements;
- (g) the purpose of the issue of the Tranche 1 Notes is to raise \$990,000, which the Company intends to apply as set out in Section 2.1; and
- (h) the Tranche 1 Notes were issued to the Investors pursuant to the Convertible Note Agreements. A summary of the material terms of the Convertible Note Agreements is set out in Schedule 1.

### 3.5 Dilution

Set out below is a worked example of the number of Shares that may be issued subject to conversion of the Tranche 1 Notes based on the assumed conversion prices of \$0.03 and \$0.0102 per Convertible Note, being the conversion price of the Tranche 1 Notes if converted after 30 June 2023, at the ceiling price of \$0.03 and an assumed conversion price which is a 15% discount to the Share price as of 21 March 2023, being \$0.0102, pursuant to the terms of the Convertible Note Agreements.

Assumed issue price	Maximum number of Shares which may be issued on conversion of the Tranche 1 Notes	Current Shares on issue as at the date of this Notice <sup>2</sup>	Increase in the number of Shares on issue assuming the conversion of the maximum amount of Tranche 1 Notes pursuant to Resolution 2 <sup>3</sup>	Dilution effect on existing Shareholders
\$0.03	33,000,000	519,526,091	552,526,091	5.97%
\$0.0102	97,058,824	519,526,091	616,584,915	15.74%

**Notes:**

1. Rounded to the nearest whole number.
2. There are currently 519,526,091 Shares on issue as at the date of this Notice and this table assumes no Options are exercised, no performance securities converted or additional Shares issued, other than the maximum number of Shares which may be issued on conversion of the Tranche 1 Notes pursuant to Resolution 2 (based on the assumed conversion prices set out in the table).
3. The Company notes that the above workings are an example only and the actual issue price may differ. This will result in the maximum number of Shares to be issued and the dilution percentage to also differ.

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## 4. RESOLUTION 3 – APPROVAL TO ISSUE CONVERTIBLE NOTES TO INVESTORS – TRANCHE 2

### 4.1 General

As set out in Section 2.1 above, the Company entered into the Convertible Note Agreements for the issue of the Convertible Notes. Under Tranche 2, the Company proposes to issue 101 Convertible Notes on or about 5 May 2023, to the value of \$1,010,000, to sophisticated and professional investors (**Tranche 2 Notes**).

The Convertible Notes can be converted after 30 June 2023 in accordance with the Conversion Formula. A summary of the key terms of the Convertible Note Agreements is set out in Schedule 1.

The Company intends to issue the Tranche 2 Notes in accordance with the Convertible Note Agreements, subject to this Resolution 3 being passed.

### 4.2 Listing Rule 7.1

As summarised in Section 1.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12-month period. The proposed issue of the Tranche 2 Notes does not fall within any of the exceptions and exceeds the 15% limit in Listing Rule

7.1. Accordingly, the Company is seeking Shareholder approval under Listing Rule 7.1 for the issue of the Tranche 2 Notes.

#### **4.3 Technical information required by Listing Rule 14.1A**

If Resolution 3 is passed, the Company will be able to proceed with the issue of the Tranche 2 Notes. In addition, the issue of the Tranche 2 Notes and any Shares issued on conversion, will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 3 is not passed, the Company may not be able to proceed with the issue of the Tranche 2 Notes and the funds raised under the Tranche 2 Notes shall be treated as a loan, repayable in cash by the Company to the Investors, in accordance with the redemption provisions in the Convertible Note Agreements.

Resolution 3 seeks Shareholder ratification pursuant to Listing Rule 7.1 for the issue of the Tranche 2 Notes.

#### **4.4 Technical information required by Listing Rule 7.1**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 3:

- (a) \$1,010,000 worth of Convertible Notes will be issued to professional and sophisticated investors who are clients of GBA Capital at Tranche 2 of the Capital Raising. The recipients have been identified through a bookbuild process, which involved GBA Capital seeking expressions of interest to participate in the Capital Raising from non-related parties of the Company;
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients will be:
  - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
  - (ii) issued more than 1% of the issued capital of the Company;
- (c) the Tranche 2 Notes will be issued to Investors with a total face value of \$1,010,000. The Tranche 2 Notes issued will convert into fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares in accordance with the Conversion Formula;
- (d) the maximum number of Shares to be issued on conversion of the Tranche 2 Notes is variable depending on the date at which the Investor wishes to convert their Convertible Notes and the market price of the Company's Shares at the time of conversion. The Tranche 2 Notes conversion will be calculated using the Conversion Formula. The Company has set out various dilution scenarios that may occur on the conversion of the Tranche 2 Notes at Section 4.5 below;
- (e) the Tranche 2 Notes will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX

waiver or modification of the Listing Rules) and it is intended that issue of the Tranche 2 Notes will occur on the same date;

- (f) the Company will not receive any other consideration for the issue of the Tranche 2 Notes other than the net amount paid by the Investors to subscribe for the Tranche 2 Notes in accordance with the Convertible Note Agreements;
- (g) the purpose of the issue of the Tranche 2 Notes is to raise \$1,010,000, which the Company intends to apply as set out in Section 2.1;
- (h) the Tranche 2 Notes are being issued to the Investors pursuant to the Convertible Note Agreements. A summary of the material terms of the Convertible Note Agreements is set out in Schedule 1; and
- (i) the Tranche 2 Notes are not being issued under, or to fund, a reverse takeover.

## 4.5 Dilution

Set out below is a worked example of the number of Shares that may be issued subject to conversion of the Tranche 2 Notes based on the assumed conversion prices of \$0.03 and \$0.0102 per Convertible Note, being the conversion price of the Tranche 2 Notes if converted after 30 June 2023 at the ceiling price of \$0.03 and an assumed conversion price which is a 15% discount to the Share price as of 21 March 2023, being \$0.012, pursuant to the terms of the Convertible Note Agreements.

Assumed issue price	Maximum number of Shares which may be issued on conversion of the Tranche 2 Notes	Current Shares on issue as at the date of this Notice <sup>2</sup>	Increase in the number of Shares on issue assuming the conversion of the maximum amount of Tranche 2 Notes pursuant to Resolution 3 <sup>3</sup>	Dilution effect on existing Shareholders
\$0.03	33,666,667	519,526,901	553,193,568	6.09%
\$0.0102	99,019,608	519,526,901	618,546,509	16%

### Notes:

1. Rounded to the nearest whole number.
2. There are currently 519,526,091 Shares on issue as at the date of this Notice and this table assumes no Options are exercised, no performance securities converted or additional Shares issued, other than the maximum number of Shares which may be issued on conversion of the Tranche 2 Notes pursuant to Resolution 3 (based on the assumed conversion prices set out in the table).
3. The Company notes that the above workings are an example only and the actual issue price may differ. This will result in the maximum number of Shares to be issued and the dilution percentage to also differ.

## 5. RESOLUTION 4 - APPROVAL TO ISSUE FREE ATTACHING OPTIONS – LISTING RULE 7.1

### 5.1 General

As summarised in Section 2.1 above, the Company entered the Convertible Note Agreements for the issue of the Convertible Notes and is proposing to issue up to 64,994,160 free attaching options (**Options**) to Investors. Investors will receive



32.49708 Options for every \$1.00 subscribed for. The Options will have an exercise price of \$0.03 each, expiring on 31 December 2025.

The terms and conditions of the Options are set out in Schedule 2.

## **5.2 Listing Rule 7.1**

As summarised in Section 1.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the Options falls within exception 17 of Listing Rule 7.2. It therefore requires the approval of Shareholders under Listing Rule 7.1.

## **5.3 Technical information required by Listing Rule 14.1A**

If Resolution 4 is passed, the Company will be able to proceed with the issue of the Options. In addition, the issue of the Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 4 is not passed, the Company will not be able to proceed with the issue of the Options.

## **5.4 Technical information required by Listing Rule 7.1**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 4:

- (a) the Options will be issued to sophisticated and professional Investors of the Convertible Notes in accordance with the Convertible Note Agreements. The recipients are clients of GBA Capital and have been identified through a bookbuild process, which involved GBA Capital seeking expressions of interest to participate in the Capital Raising from non-related parties of the Company;
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients will be:
  - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
  - (ii) issued more than 1% of the issued capital of the Company;
- (c) the maximum number of Options to be issued is 64,994,160. The terms and conditions of the Options are set out in Schedule 2;
- (d) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Options will occur on the same date;
- (e) the Options will be issued free attaching to the Convertible Notes issued at Tranche 1 and Tranche 2 pursuant to the Capital Raising and therefore the issue price is nil. The Company will not receive any other consideration

for the issue of the Options (other than in respect of funds received on exercise of the Options);

- (f) the purpose and use of the funds raised from the issue of the Convertible Notes for which the Options are free attaching to, is set out in Section 2.1 above;
- (g) the Options are being issued to Investors under the Convertible Note Agreements. A summary of the material terms of the Convertible Note Agreements is set out in Schedule 1; and
- (h) the Options are not being issued under, or to fund, a reverse takeover.

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## **6. RESOLUTION 5 – APPROVAL TO ISSUE BROKER OPTIONS – GBA CAPITAL PTY LTD**

### **6.1 General**

As summarised in Section 2.1 above, the Company entered into the Lead Manager Mandate dated 12 March 2023 and has agreed to issue GBA Capital 13,340,000 Broker Options as part consideration for their services under the Lead Manager Mandate. The Company will also pay a 6% Capital Raising fee to GBA on the gross proceeds raised under the Capital Raising.

A summary of the material terms of the Lead Manager Mandate is as follows:

<b>Term</b>	
<b>Fees</b>	The Company has agreed to pay GBA Capital a 6% Capital Raising fee (plus GST if applicable) on the gross proceeds raised under the Capital Raising.
<b>Broker Options</b>	The Company has agreed to issue GBA Capital with 13,340,000 Broker Options as part of the consideration for their services under the Lead Manager Mandate.
<b>Expenses</b>	The Company will pay or reimburse GBA Capital for all out of pocket expenses, reasonably incurred in respect of the Lead Manager Mandate. GBA Capital must obtain the Company's consent for individual expenses in excess of \$1,000.
<b>Termination</b>	GBA Capital may terminate the Lead Manager Mandate if the Company breaches the agreement and does not remedy the breach within 14 days of written notice. In this case, all accrued fees are payable by the Company to GBA.
<b>Term</b>	Term of six (6) months from execution of the Lead Manager Mandate.

The Lead Manager Mandate otherwise contains standard terms and conditions for an agreement of this nature.

Resolution 5 seeks Shareholder approval for the issue of the Broker Options to GBA Capital.

### **6.2 Listing Rule 7.1**

As summarised in Section 2.1 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

The proposed issue of the Broker Options does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

Resolution 5 seeks Shareholder ratification pursuant to Listing Rule 7.1 for the issue of the Broker Options.

### **6.3 Technical information required by Listing Rule 14.1A**

If Resolution 5 is passed, the Company will be able to proceed with the issue of the Broker Options. In addition, the issue of the Broker Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 5 is not passed, the Company will not be able to proceed with the issue of the Broker Options and will be forced to find another way to compensate the Brokers for their services.

### **6.4 Technical information required by Listing Rule 7.1**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 5:

- (a) the Broker Options will be issued to GBA Capital;
- (b) the maximum number of Broker Options to be issued is 13,340,000. The terms and Conditions of the Broker Options are set out in Schedule 2;
- (c) the Broker Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Broker Options will occur on the same date;
- (d) the Broker Options will be issued at a nil issue price, in part consideration for broker services provided by GBA Capital under the Capital Raising;
- (e) the purpose of the issue of the Broker Options is to remunerate the Brokers for their services introducing the Investors to the Company;
- (f) the Broker Options are being issued to GBA Capital (or its nominee) pursuant to the Lead Manager Mandate. A summary of the Lead Manager Mandate is set out in Section 6.1; and
- (g) the Broker Options are not being issued under, or to fund, a reverse takeover.

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## GLOSSARY

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**\$** means Australian dollars.

**ASIC** means the Australian Securities & Investments Commission.

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

**Board** means the current board of directors of the Company.

**Broker Options** has the meaning given to it at Section 2.1.

**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.

**Capital Raising** has the meaning given by Section 2.1.

**Chair** means the chair of the Meeting.

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

**Constitution** means the Company's constitution.

**Conversion Formula** has the meaning given to it at Section 2.1.

**Convertible Note Agreements** has the meaning given to it at Section 2.1.

**Convertible Notes** means convertible notes convertible into Shares according to the terms of the Convertible Note Agreements.

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

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**GBA Capital** means GBA Capital Pty Ltd (ABN 51 643 039 123) (AFSL 237 549).

**Investors** means the new and existing sophisticated and professional investors who have subscribed for the Convertible Notes.

**Lead Manager Mandate** means the lead manager mandate that the Company entered into with GBA Capital in respect to the Capital Raising dated 12 March 2023.

**Listing Rules** means the Listing Rules of ASX.

**Meeting** means the meeting convened by the Notice.

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

**Option** means an option to acquire a Share on the terms and conditions set out in Schedule 2.

**Optionholder** means a holder of an Option.

**Proxy Form** means the proxy form accompanying the Notice.

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

**Section** means a section of the Explanatory Statement.

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

**Shareholder** means a registered holder of a Share.

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

## SCHEDULE 1 – TERMS OF THE CONVERTIBLE NOTE AGREEMENTS

1.	<b>Issuer</b>	Adavale Resources Limited ( <b>Company</b> )
2.	<b>Subscribers</b>	Sophisticated and professional investors ( <b>Noteholder</b> )
3.	<b>Aggregate Face Value</b>	A\$2,000,000 (each Convertible Note has a face value of \$10,000)
4.	<b>Interest Rate</b>	12% per annum, accrued daily and paid quarterly
5.	<b>Interest Payment</b>	<p>The interest will be paid in cash, quarterly in arrears, on the second Monday following the end of each calendar quarter or Tuesday if that Monday is not a business day, as that term is defined in the ASX listing rules (<b>Interest Payment Date</b>), into the Noteholder's nominated account. In the event that a Convertible Note is converted during a quarter, interest will be calculated up to the date of conversion and paid on the next Interest Payment Date.</p> <p>If the Company does not pay an amount of interest payable under the Convertible Note Agreement on its due date for payment and fails to do so within 7 days of receiving written notice of default of payment from the Noteholder, then the amount of such interest due shall be increased by 6% and, from that date, the Convertible Notes will accrue interest on a daily basis at a rate of 18% per annum until the amount of interest (as determined under this clause) is paid in full.</p> <p>Alternatively, the Noteholder may elect to capitalise all of the interest payable by giving the Company written notice to that effect. The effect of such capitalisation will be to increase the Note Face Value proportionately across all Convertible Notes outstanding as at the relevant Interest Payment Date. Any notice by the Noteholder under this clause must be made at least 5 business days before the relevant Interest Payment Date.</p>
6.	<b>Maturity Date</b>	The Convertible Notes must be converted or redeemed on or before the date which is 12 months from the relevant Issue Date (the <b>Maturity Date</b> ) unless the Convertible Notes have already been converted into Shares.
7.	<b>Free-attaching Options</b>	32.49708 free attaching options per \$1 of Notes subscribed ( <b>Options</b> ). The Options will have an exercise price of \$0.03 each expiring 31 December 2025 and will otherwise be issued on the further terms set out in Schedule 2. The issue of the Free Attaching Options is subject to shareholder approval to be sought at the General Meeting.
8.	<b>Security</b>	The Convertible Notes are unsecured. Each investor who subscribes for Convertible Notes shall rank as an unsecured general creditor of the Company.
9.	<b>Conversion Price</b>	Each Convertible Note shall convert into Shares at a conversion price of 15% discount to the historical 15-day VWAP before the date of conversion, subject to the Ceiling Price.
10.	<b>Ceiling Price</b>	\$0.03 cents
11.	<b>Redemption</b>	<p>(a) If not converted prior to the Maturity Date, the Convertible Notes will be redeemed in full at Face Value per Note (as may have been increased as a result of capitalised interest) on the Maturity Date.</p> <p>(b) The redemption shall be paid in cash by cheque or, at the Noteholder's election, to a bank account nominated by the Noteholder and notified to the Company in writing.</p>

		A failure by the Company to redeem the Convertible Notes in accordance with these provisions shall be deemed a default event under the Convertible Note Agreement.
12.	Conversion	<p>(a) Noteholders can convert their Convertible Notes into Shares at any time after 30 June 2023, at the Conversion Price.</p> <p>(b) If the Noteholder elects for all or some of the outstanding Notes to be converted into Shares, the Noteholder must give written notice to the Company. The minimum aggregate value of Convertible Notes to be converted is \$10,000.</p> <p>(c) The Shares issued upon the conversion will rank equally in all respects with all issued fully paid ordinary shares in the capital of the Company.</p> <p>(d) The Company must procure the allotment and issue of the Shares and instruct its share registrar accordingly by no later than the next business day following receipt of the Conversion Notice.</p> <p>(e) A failure by the Company to allot and issue the Shares in accordance with these provisions shall be a deemed default event under this Agreement.</p> <p>(f) Within 2 business days after the date that the Shares are issued on conversion of a Note, the Company will:</p> <p>(g) 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</p> <p>(h) apply for official quotation on ASX of the Shares issued pursuant to the conversion of the Notes.</p>

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## SCHEDULE 2 – TERMS OF THE OPTIONS AND THE BROKER OPTIONS

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The terms and conditions of the free attaching Options and the Broker Options are set out below:

(a) **Entitlement**

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

(b) **Exercise Price**

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

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 31 December 2025 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

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

(f) **Exercise Date**

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

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

Not more than 14 days after the Exercise Date, the Company will:

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



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

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **Participation in new issues**

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

(k) **Change in exercise price**

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

(l) **Quoted**

The Company will apply for quotation of the Options on ASX subject to meeting all requirements under the ASX Listing Rules.

(m) **Transferability**

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

## Need assistance?



**Phone:**

1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)



**Online:**

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (AWST) on Monday, 1 May 2023.**

# Proxy Form

## How to Vote on Items of Business

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

### APPOINTMENT OF PROXY

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

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

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

**A proxy need not be a securityholder of the Company.**

## SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

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

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

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

## PARTICIPATING IN THE MEETING

### Corporate Representative

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

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 182510**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

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

### By Fax:

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



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

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

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

# Proxy Form

Please mark ☒ to indicate your directions

## Step 1 Appoint a Proxy to Vote on Your Behalf

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

☐ the Chairman of the Meeting **OR**

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Adavale Resources Limited to be held as a virtual meeting on Wednesday, 3 May 2023 at 10:00am (AWST) and at any adjournment or postponement of that meeting.

## Step 2 Items of Business

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

		For	Against	Abstain
Resolution 1	Ratification of prior issue of Shares – Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Ratification of prior issue of Convertible Notes – Tranche 1 – Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval to issue Convertible Notes to Investors – Tranche 2 – Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval to issue free attaching Options – Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval to issue Broker Options – GBA Capital Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

## Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

**Update your communication details** (Optional)

Mobile Number

Email Address

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

ADD

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Computershare

