

ASX ANNOUNCEMENT

01 December 2016

ADAVALE SIGNS MOU WITH NEW STRATEGIC INVESTOR

Adavale Resources Limited (ASX: ADD) (**Adavale** or **Company**) is pleased to advised it has entered into a Memorandum of Understanding (**MOU**) with Jun Moon Limited, a new strategic investor, to ensure the Company's sustainability and future growth.

Subject to shareholder approval, under the terms of the MOU it is proposed that Jun Moon Limited will:

- Acquire the existing convertible note facility from Mr Haryono Eddyarto;
- Acquire 12 million shares from existing Adavale shareholders;
- Be issued up to a maximum of new 25 million Adavale shares;
- Appoint three new directors to the board; and
- Grant to each existing director 1 million options to acquire shares in the Company at an exercise price of 1.5 cents.

Completion of the MOU is subject to the successful completion of due diligence by Jun Moon Limited, execution of a binding Sale and Purchase Agreement and Adavale shareholder approval.

Further details on the transaction will be provided in the Notice of Meeting expected to be dispatched to shareholders early January 2017.

For and on behalf of Adavale Resources Limited

Leanne Ralph
Company Secretary

