

UPDATE ON FUNDING

ANNOUNCEMENT

21 FEBRUARY 2018

Audalia Resources Limited (**Audalia**) (ASX: ACP) advises that it has negotiated a short-term loan of A\$500,000 from a director, Siew Swan Ong, to meet its current capital requirements (**Short-Term Loan**).

The Company advises the material terms of the Short-Term Loan are follows:

- Repayment date: one (1) month from receipt of the Short-Term Loan, which may be extended on the same terms by mutual agreement of the parties.
- Interest rate: no interest is payable on the Short-Term Loan.
- Security: The Short-Term Loan is unsecured.
- Fees: No fees are payable by Audalia for the establishment or provision of the Short-Term Loan.

Audalia continues to assess all funding alternatives to ensure that the Company can continue exploration and evaluation activities and advance the next stage of approvals for the Medcalf Project.

Authorised by:

Brent Butler
Executive Director and CEO