



ACTIVITY REPORT FOR THE QUARTER 1 OCTOBER 2014 TO 31 DECEMBER 2014

CORPORATE - AUSTRALIA

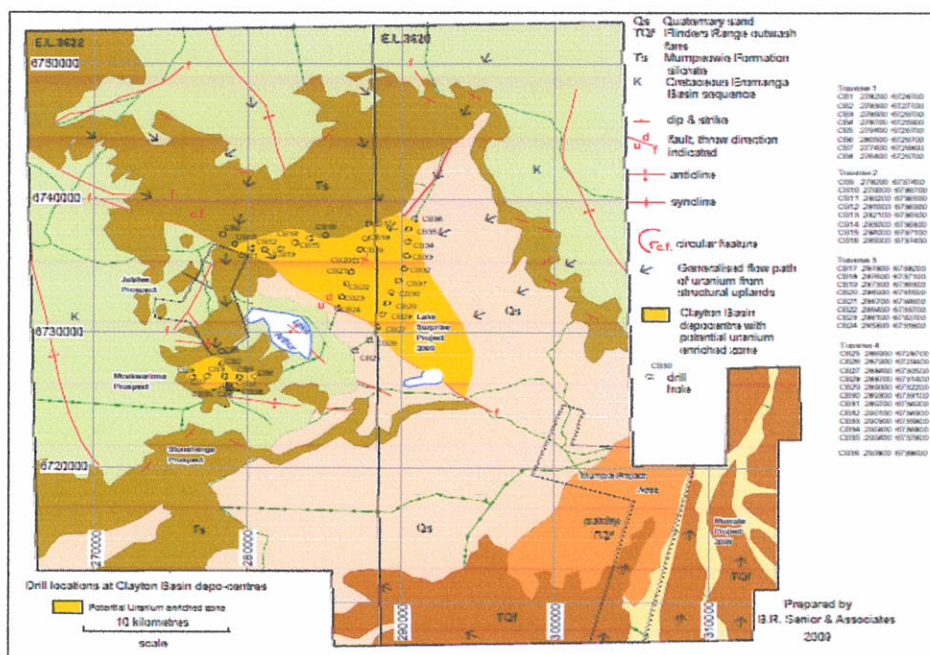
As approved by the shareholders at the Annual General Meeting held on 25 November 2014, the Company completed a 20 to 1 share consolidation in December 2014.

LAKE SURPRISE - AUSTRALIA

The management has decided to focus to continue further study on the Stonehenge Prospect, in the southern part of EL 3622.

Our geological consultant is continuing to evaluate the previous drilling data and his recommendation will enable the company to discuss with potential strategic partners the further development of the tenement.

MAP - LAKE SURPRISE



COAL PROJECTS (Penajam, Passer, Anggana)

The Company (ADD) has decided not to continue conducting due diligence of the coal projects and will more focus to utilize its owned mining assets and intends to study other mineral projects that will provide benefits to the stake holder not only in the long term but also provide short term benefits.

PPA

TAPAN

Exploration Tenement (IUP Eksplorasi) no. C516/126/KPTS/BPT-PS/2010 with the total area of 2053.92 has been granted Clear and Clean Status by the government while Production Tenement (IUP Produksi) No. C540/432/KPTS/BPT-PS/2010 with the total area of 198.88 Ha is still in progress of obtaining the Clear and Clean Status.

TAPAN CASE

The company has received the official copy of the verdict of District Court of South Jakarta No.: 267/Pdt.G/2013/PN.Jkt.Sel.

The decision is not in favour of the Company. However, it is not effective immediately and not legally binding since the Lawyer acting for the Defendants (PT Prima Perkasa Abadi and Mr. John Risinger) has lodged an appeal in the High Court.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Adavale Resources Limited

ABN

96 008 719 015

Quarter ended ("current quarter")

31 December 2014

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (6 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration and evaluation	(30)	(30)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(66)	(92)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other –	-	-
	Net Operating Cash Flows	(96)	(122)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a)prospects	-	-
	(b)equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a)prospects	-	-
	(b)equity investments	-	-
	(c)other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	-	-
1.13	Total operating and investing cash flows (carried forward)	(96)	(122)

1.13	Total operating and investing cash flows (brought forward)	(96)	(122)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	100	100
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (cost of raising funds and sale unmarketable parcel of shares)	-	-
	Net financing cash flows	100	100
	Net increase (decrease) in cash held	4	(22)
1.20	Cash at beginning of quarter/year to date	25	51
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	29	29

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	-
1.24 Aggregate amount of loans to the parties included in item 1.10	-
1.25 Explanation necessary for an understanding of the transactions	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows
- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	\$1,000,000	\$700,000
3.2 Credit standby arrangements	-	-

On 1 August 2012 the Company announced that it had entered into a Convertible Loan Agreement with Mr Haryono Eddyarto (Company Chairman) (HE) to the value of up to \$1,000,000. The loan facility is for a period to 01 October 2015, carries interest at 8% (or 15% on any default amount), and is convertible into shares at a conversion price of 5 cents per share. Drawings of \$700,000 had been made to 31 December 2014

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	0
4.2 Development	0
4.3 Production	-
4.4 Administration	50
Total	50

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	29	25
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	29	25

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements			
	1/ EL 4949 (South Australia)	Wholly owned	100%	100%
	2/ EL 4950 South Australia)	Wholly owned	100%	100%
	3/ MEPL (IUPOP) 540/452/Kpts/BPT-PS/2011 (Incorporating MEL (IUP) 540/22/Kpts/BPT-PS/2013) West Sumatera, Indonesia	Wholly Owned	100%	100%
6.2	Interests in mining tenements acquired or increased	N/A		

A

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities (description)				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+Ordinary securities	15,849,839	15,849,839		Fully Paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	301,140,196 20:1 share consolidation			
7.5	+Convertible debt securities (description)				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	500,000 500,000 1,000,000 1,000,000 <u>1,000,000</u>		Exercise price 0.09 1.00 1.20 1.40	Expiry date 31 Jul 2015 31 Jul 2016 31 Jul 2015 31 Jul 2016
7.8	Issued during quarter - Milestone options	Nil			
7.9	Exercised during quarter	Nil			
7.10	Expired during quarter	Nil			
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

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Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here:



(Director)

Date:

30/01/15

Print name:

HARRYONO EDDYANTO

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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