



ACTIVITY REPORT FOR THE QUARTER 1 JULY 2015 TO 30 SEPTEMBER 2015

LAKE SURPRISE - AUSTRALIA

Based upon the study conducted by the independent Geologist, Dr Brian Senior and reported in our last Quarterly, management has applied for the renewal of EL 4949 (formerly EL 3620) and EL 4950 (formerly EL 3622) and relinquished areas as is the requirement of renewal.

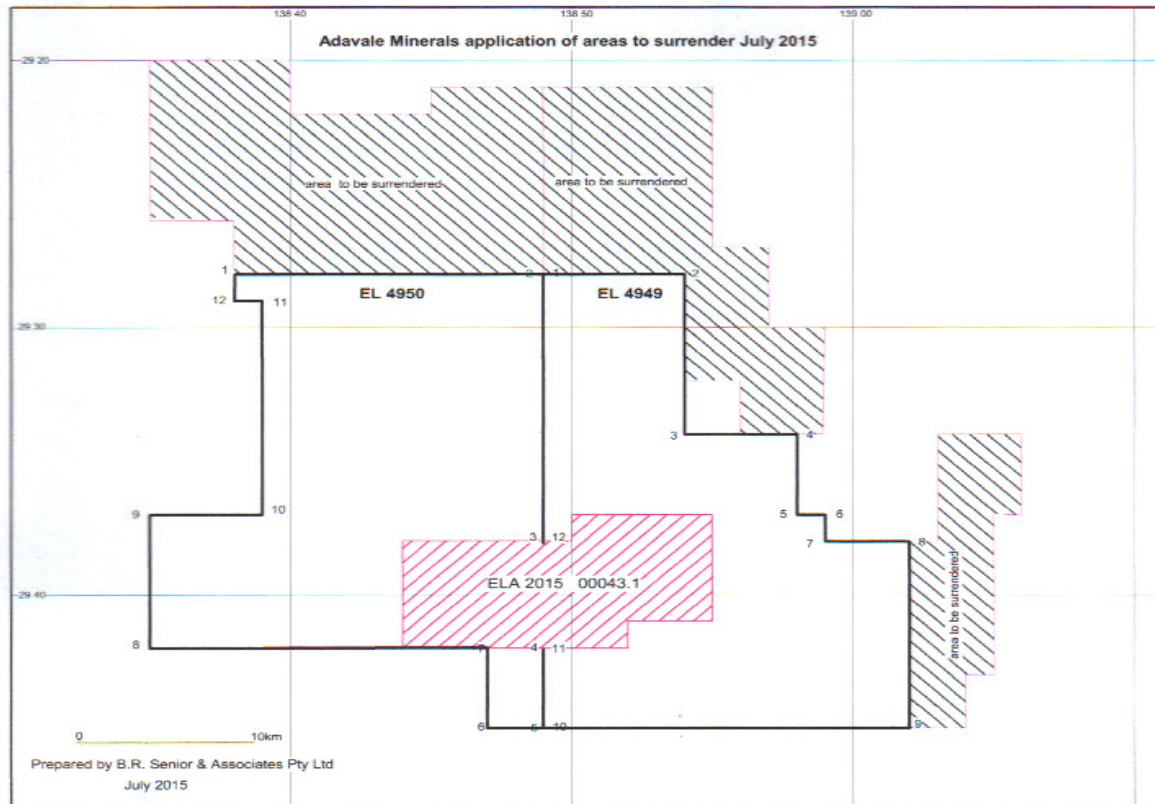
The strategy is to remove areas where the host rocks to sedimentary uranium are absent (mainly outcropping areas of the Cretaceous Eromanga Basin) and retain areas where potential uranium in Tertiary quartzose sediments are 10m or more in thickness and occupy structural downwarps or depressions on the gently folded Eromanga Basin sequence. In EL 4950 the northern one third has been relinquished. In EL 4949 the northern and northeastern area has been eliminated along with the eastern sector where previous drilling has failed to find quartzose sediments in the Flinders Range outwash fans.

Furthermore our application ELA 2015/00043 has been granted and is now EL 5644.

The attached map details the renewal applications for EL 4949 and 4950 along with the relinquishment areas and the newly granted EL 5644.

Confirmation of the renewal for EL 4949 and 4950 has been received and management will now actively pursue discussions with interested parties.

MAP - LAKE SURPRISE



EL 4950

1. 138 38 29 28
2. 138 49 29 28
3. 138 49 29 38
4. 138 49 29 42
5. 138 49 29 45
6. 138 47 29 45
7. 138 47 29 42
8. 138 35 29 42
9. 138 35 29 37
10. 138 39 29 37
11. 138 39 29 29
12. 138 38 29 29

EL 4949

1. 138 49 29 28
2. 138 54 29 28
3. 138 54 29 34
4. 138 58 29 34
5. 138 58 29 37
6. 138 59 29 37
7. 138 59 29 38
8. 139 02 29 38
9. 139 02 29 45
10. 138 49 29 45
11. 138 49 29 42
12. 138 49 29 38

PPA - TAPAN

PPA is still in the process of upgrading the Exploration Tenement of 2053.92 Ha to an approximately 400 Ha Operation Production Tenement.

LEGAL UPDATE

PPA has lodged an appeal to high court. PPA requests that the Jakarta High Court to annul the South Jakarta District Court Decision and stating that the Plaintiffs' litigation to be premature and obscured and therefore inadmissible.

The Plaintiffs has sent a reply to our appeal. Until now the High Court of Jakarta has not issued its verdict.

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")

30 September 2015

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration and evaluation	(17)	(17)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(42)	(42)
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 –	-	-
		(59)	(59)
Net Operating Cash Flows			
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)	(59)	(59)

1.13	Total operating and investing cash flows (brought forward)	(59)	(59)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	25	25
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	30	30
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	55	55
	Net increase (decrease) in cash held	(4)	(4)
1.20	Cash at beginning of quarter/year to date	32	32
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	28	28

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 (excluding Gurney facility, refer below).	\$1,000,000	\$750,000
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 2016, carries interest at 8% (or 15% on any default amount), and is convertible into shares at a conversion price of \$1.00 per share. Drawings of \$750,000 had been made to 30 September 2015.

Additionally, on 15 January 2015 the Company announced a Standby Subscription Agreement with Gurney Capital Pty Ltd for a \$1,000,000 facility to provide working capital to the Company. To the end of September 2015 \$96,357 had been drawn against this facility and 5,696,571 shares issued as a consequence. The shares are issued at 80% of 15-day VWAP prior to each drawdown. Except for approx. \$25,500, the balance of the facility amounting to \$903,643 requires shareholder approval prior to drawing any further funds.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	10
4.2 Development	0
4.3 Production	-
4.4 Administration	70
Total	80

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	28	32
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	28	32

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%
	2/ EL 4950 South Australia)	Wholly owned	100%	100%
	3/ EL 5644 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	Nil		

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	21,546,410	21,546,410		Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	1,736,111	1,736,111	0.0144	0.0144
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)	1,000,000 500,000 <hr/> 1,500,000		Exercise price 1.40 1.00	Expiry date 31 Jul 2016 31 July 2016
7.8 Issued during quarter - Milestone options	Nil			
7.9 Exercised during quarter	Nil			
7.10 Expired during quarter	1,000,000 500,000		1.20 0.90	31 Jul 2015 31 Jul 2015
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

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.

By order of the board:



Sign here:

(Company Secretary)

Date: 31 October 2015

Print name: Leanne Ralph

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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