



## **ADAVALE RESOURCES LIMITED**

### **ACTIVITY STATEMENT FOR THE QUARTER ENDED 31 DECEMBER 2016**

#### **CORPORATE**

As previously announced, Adavale has signed a Memorandum of Understanding (**MOU**) with Jun Moon Limited (**JML**) as new investor to recapitalise the company ensuring sustainability and future growth.

JML is expected to not only inject new capital into the Company but also new strategic initiatives that will increase the overall shareholder value.

Subject to shareholder approval JML will:

- Acquire existing loan facility from Mr. Haryono Eddyarto and establish new loan facility;
- Acquire 12 million shares from existing Adavale shareholders;
- Be issued up to 25 million new Adavale Shares; and
- Appoint 3 new directors to the board.

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

#### **LAKE SURPRISE**

EL's 4949 and 4950 have been replaced by granted EL.s 5892 and 5893 respectively, for two years effective from 29 August 2016. Due to relinquishments, the total area now held including 5644 which was granted for three years from 17 July 2015, is 557 sq kms.

No field activities were undertaken during the recent six month period. However aerial photographs and Google Earth were examined in order to ascertain access to EL 5644 for a proposed drill program.

At the same time Adavale Resources Ltd is continuing to look for a farm in partner and or a potential sale of these leases.

In the meantime it would appear that the Uranium market has bottomed and there is more interest being shown in this sector.

## **TAPAN**

PPA is still in process of updating the Exploration of 2053.92 Ha to an approximately 400 Ha Operating Production Tenement. This process takes considerable time due to the reports that have to be completed such as Exploration Report, Feasibility Study, Environment Impact Analysis (AMDAL) etc.

## **LEGAL UPDATE**

The Supreme Court is still in the process of examining the case and examining the Memorandum of Appeal from the Plaintiffs and the Contra of Memorandum of Appeal from the lawyers of PT Prima Perkasa Abadi (PPA) and Mr. John Risinger, and all related documents. The company is still waiting on the official notification from the Clerk of South Jakarta District regarding the verdict from the Supreme Court for this case.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96~Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

**Name of entity**

ADAVALE RESOURCES LIMITED

**ABN**

96 008 719 015

**Quarter ended ("current quarter")**

31 DECEMBER 2016

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(10)	(18)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(34)	(59)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(44)</b>	<b>(77)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	39	74
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>39</b>	<b>74</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	31	29
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(44)	(77)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	39	74
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>26</b>	<b>26</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	26	31
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>26</b>	<b>31</b>

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**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

<b>Current quarter \$A'000</b>
-
-

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

<b>Current quarter \$A'000</b>
-
-

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities (excluding Gurney facility, refer below)	\$1,000,000	\$860,000
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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 \$860,000 had been made to 31 December 2016.

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 2016 \$181,157 had been drawn against this facility and 12,399,617 shares issued as a consequence. The shares are issued at 80% of 15-day VWAP prior to each drawdown. The balance of the facility amounts to \$818,843.

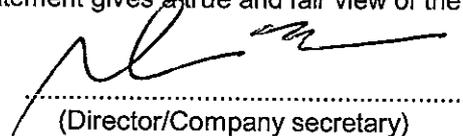
9. <b>Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	10
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	80
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>90</b>

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	NIL			
10.2	Interests in mining tenements and petroleum tenements acquired or increased	NIL			

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:

  
 (Director/Company secretary)

Date: 31/1/17

Print name:

HARRYONO EDDYARTO

### 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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.