

ADAVALE RESOURCES LIMITED

ACTIVITY STATEMENT FOR THE QUARTER ENDED 31 March 2018

CORPORATE

On 24 July 2017 the Company announced a Standby Subscription Agreement with Addchance Holdings Ltd for a \$1,000,000 facility to provide working capital to the Company. During the quarter the Company issued 3,846,153 shares raising \$40,000 utilising this facility. To the end of March 2018 \$308,157 had been drawn against this facility and 27,193,552 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 \$691,842.

MANAGEMENT AND GOVERNANCE

As reported last quarter the transaction to realise the sale of the former subsidiary company PT Prima Perkasi Abadi, (and hence the TAPAN project) was approved at the November 2017 AGM, and has now proceeded to completion.

LAKE SURPRISE

The Company holds three tenements in the Lake Surprise region. ELs 5892 and 5893 have been renewed for two years effective from 29 August 2016 and EL 5644 for three years from 17 July 2015.

No field activities were undertaken during the quarter ended 31 March 2018. At the same time the Company has continued to look for a farm-in partner.

OUTLOOK

With the sale of the Indonesian Coal asset "Tapan" now completed the management team focus on plans for the "Lake Surprise" Uranium tenement and continue to look for additional Mining and Energy assets to compliment Adavale's growth outlook. Adavale intends to procure the appropriate asset that will not only accrete capital appreciation for shareholders but can also soon lead to an impact on positive cash-flow outcomes.

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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 MARCH 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(-)	(22)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(118)	(307)
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)	-	-
1.9 Net cash from / (used in) operating activities	(118)	(329)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
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)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	40	308
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	-	-
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)	25	-
3.10	Net cash from / (used in) financing activities	65	308

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	79	47
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(118)	(329)
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)	65	308

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	26	26

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	26	79
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	26	79

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

Current quarter \$A'000
19
-

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

Current quarter \$A'000
-
-

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities (refer below)	\$1,000	\$1,000
8.2 Credit standby arrangements	\$1,000	\$308
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.		

CONVERTIBLE LOAN FACILITY

The Convertible Loan Facility with Jun Moon Limited for \$1,000,000 is fully drawn and contains the following conditions;

- Repayable within 24 months of execution date (26 April 2017) or any other date as agreed,
- Interest shall accrue at a rate of 8% per annum,
- At the lender's discretion, all or a proportion of the advance, and any or all accrued interest thereon shall be applied to the subscription of shares by the lender at a price of \$0.05 per share.

STANDBY SUBSCRIPTION AGREEMENT

On 24 July 2017 the Company announced a Standby Subscription Agreement with Addchance Holdings Ltd for a \$1,000,000 facility to provide working capital to the Company. To the end of March 2018 \$308,157 had been drawn against this facility and 27,193,552 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 \$691,842.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	10
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	60
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	70

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