

COMPLETION OF TRANCHE 2 OF PLACEMENT

ANNOUNCEMENT

26 FEBRUARY 2015

Audalia Resources Limited (**Audalia** or the **Company**) (ASX: **ACP**) advises that further to ASX announcement on 6 February 2015, the Company is pleased to announce the completion of Tranche 2 of the \$1.5 million placement to a sophisticated investor. Tranche 2 relates to the placement of 2,000,000 fully paid ordinary shares at \$0.375 per share to raise \$750,000. The issue of Tranche 2 Placement Shares is within the Company's 15% capacity under Listing Rule 7.1

The funds raised from the overall \$1.5 million placement will be used to repay the short-term loan of \$700,000 due for repayment on 20 March 2015, to advance the metallurgical testwork at the Medcalf Project, to progress the Company's ongoing exploration activities at its Medcalf and Gascoyne Projects and for general working capital.

Secondary Trading Notice Pursuant to Paragraph 708A(5)(e) of the Corporations Act 2001 ("Act")

The Act restricts the on-sale of securities issued without disclosure, unless the sale is exempt under section 708 or 708A of the Act. By giving this notice, a sale of the Shares noted above will fall within the exemption in section 708A(5) of the Act.

The Company hereby notifies ASX under paragraph 708A(5)(e) of the Act that:

- (a) the Company issued the Shares without disclosure to investors under Part 6D.2 of the Act;
- (b) as at the date of this Notice, the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company, and section 674 of the Act; and
- (c) as at the date of this Notice, there is no information:
 - (i) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
 - (ii) that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - a. the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - b. the rights and liabilities attaching to the relevant Shares.

Authorised by:

Dato Soo Kok Lim
Executive Chairman