

APPOINTMENT OF CEO

ANNOUNCEMENT

17 APRIL 2015

Audalia Resources Limited (**Audalia**) (ASX: ACP) is pleased to announce the appointment of Mr Brent Butler as Chief Executive Officer (**CEO**) of the Company.

Mr Butler has served as a non-executive director of Audalia since before the Company's admission to the official list of ASX in July 2011.

The Company has entered into a consultancy agreement with Mr Butler pursuant to which Mr Butler is engaged by the Company to provide services to the Company in the capacity of CEO (the **Agreement**). Mr Butler also continues to serve as a director of Audalia and receive director's fees.

In accordance with ASX Listing Rule 3.16.4, the Company provides the following information:

(a) Duration of the Agreement

The term of the Agreement commences on 14 April 2015 and continues for a period of two years, with an option to extend for a further term as mutually agreed between the Company and Mr Butler.

(b) Remuneration and Benefits

- (i) **Fee:** Mr Butler will be paid a consulting fee of \$120,000 per annum (exclusive of GST) for services as CEO.
- (ii) **Incentive benefits:** Subject to the Company obtaining all shareholder and regulatory approvals that may be required, Mr Butler will be issued with the following fully paid ordinary shares (**Shares**) in the Company upon the successful achievement of the agreed milestones:
 - 2,000,000 Shares upon the Company granting of Mining Lease Application M63/656; and
 - 2,000,000 Shares upon the completion and receipt of the Pre-feasibility Report on the Medcalf Project.

Each of the tranches of Shares will be held in escrow for a period of 2 years from their respective dates of issue.

(c) Termination of Agreement

- (i) Mr Butler's employment may be terminated at any time by the Company giving Mr Butler three (3) months' notice of termination (or payment in lieu of such notice). The Company may terminate Mr Butler's employment immediately in certain circumstances including serious misconduct and material breach of the Agreement, in which event Mr Butler will be entitled to all unpaid Fees up to the date of termination.
- (ii) Mr Butler may terminate his employment at any time by giving the Company three (3) months' notice of termination.

Authorised by:

Dato Soo Kok Lim
Executive Chairman