

SHORTFALL ON ENTITLEMENT ISSUE

ANNOUNCEMENT

26 SEPTEMBER 2016

Audalia Resources Limited (**Audalia** or the **Company**) (ASX: ACP) advises that the non-renounceable entitlement issue to shareholders (**Entitlement Issue**) at an offer price of \$0.01 per share closed on 21 September 2016.

Audalia received strong interest with 143,297,433 shares subscribed for representing a take up of 60% of the total shares offered under the Entitlement Issue. A total of 36 shareholders took up their entitlement, which raised \$1,432,974 (before costs).

The Company advises the results of the Entitlement Issue as follows:

	Shares
Number of securities available under the Entitlement Issue	240,660,001
Number of securities taken up	143,297,433
Shortfall (i.e. securities not taken up)	97,362,568

The Entitlement Issue was launched on 8 August 2016 to fund the ongoing metallurgical testwork at the Company's flagship Medcalf Project and advance exploration and evaluation activities at the Company's Medcalf and Gascoyne Projects.

Audalia is pleased with the response to the Entitlement Issue, and would like thank all shareholders who participated for their continued support.

The Company will now proceed to issue the shares in accordance with the Entitlement Issue timetable. Upon completion of the Entitlement Issue, Audalia will have 383,957,434 shares on issue.

Authorised by:

Mr Brent Butler
CEO and Executive Director