



09 JANUARY 2020

APPLICATIONS SUBMITTED ON ADJOINING TENEMENTS TO THE WORLD FAMOUS KABANGA NICKEL SULPHIDE PROJECT

Highlights

- **Applications submitted cover over 400Km² of tenements adjoining the Kabanga Nickel Project**
- **The Kabanga Nickel Project possesses one of the largest undeveloped high-grade nickel sulphide resource of 58Mt @ 2.62% Nickel**
- **BHP Billiton (ASX: BHP) was a historic owner of the tenements**
- **High Grade Nickel targets have been identified from historic data**
- **Company assessing whether to tender for the Kabanga Nickel Project**

Adavale Limited ("Adavale" and or "Company") (ASX:ADD) is extremely pleased to announce that it has submitted applications over the Kabanga North and Kabanga North East tenements in the highly prospective high grade nickel region which hosts the world class Kabanga Nickel Project.

As part of the new board's direction recently announced to the market, nickel plays a major role in the cathode chemistry for the "New Energy" of Lithium-ion Batteries and it's demand from the battery sector has led to significant gains in the nickel price over the last 12 months.

Kabanga North and Kabanga North East Nickel tenements

The tenements are in the Karagwe – Ankolean system which hosts The Kabanga Nickel Project one of the largest undeveloped nickel sulphide project in the world. The tenements cover 411Km² and directly adjoin the Kabanga Nickel Project as highlighted in Figure 1.

About the Kabanga Nickel Project

The Kabanga Nickel Project boasts a JORC Resource of 57Mt @ 2.62% Nickel. The project has demonstrated an easily floated sulphide ore with approximately 70% of the resource in measured and indicated categories. Data suggests that the quality of the mineralisation is exceptional with low-risk sulphide metallurgy producing low impurity nickel.

In recent times there has been significant interest in acquiring the Kabanga Nickel project from the government. This has included at least one of the Top 3 Lithium-ion battery producers in the world and some of the largest nickel producers.

The company is assessing the situation as to whether it will join the tendering process for The Kabanga Nickel Project.

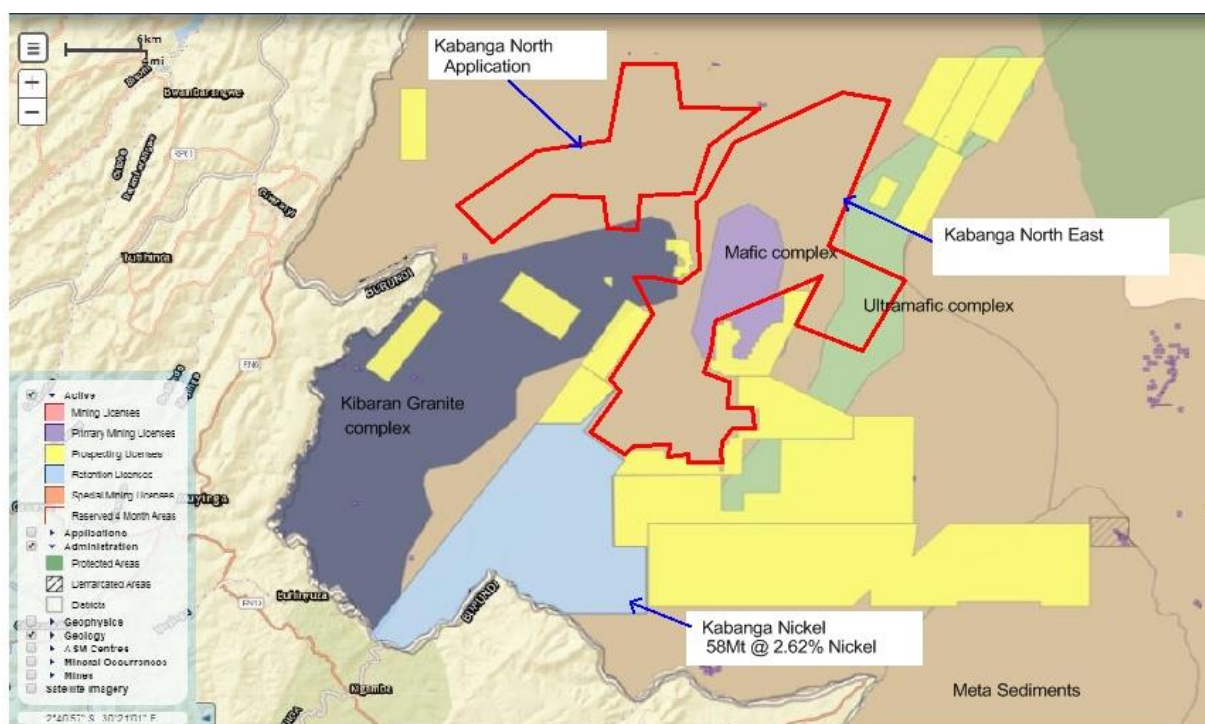


Figure 1 – Outline of Adavale applications in red and the Kabanga Nickel Project

Future Activities

The Company plans to test high grade targets identified via historic data along with field work to begin soon. One of the previous owners of the tenements was BHP Billiton (ASX:BHP) who conducted airborne radiometric surveys and a number of other activities.

Louis Clinton, Chairman of Adavale said: “We have identified some tenements with huge potential adjoining one of the largest undeveloped high-grade nickel sulphide resources. We will work hard to prove that the potential of an exciting high-grade nickel resource exists on our tenements which would lead to a major re-rating for the company while adding value within our current tenements and looking for other opportunities in the “New Energy” space.”

For queries about this release please contact:

Louis Clinton,
Chairman
Ph: (02) 8003 6733