



03 August 2020

Companies Announcement  
Officer Australian Securities and  
Exchange Limited Exchange Centre  
Level 4,  
20 Bridge Street  
Sydney NSW 2000

## **Adavale Resources Limited Exploration Licenses Renewed – EL 5892, EL 5893, EL 5644**

Adavale Resources Limited (ASX:ADD) ("**Adavale**" or the "**Company**") today announces it has renewed 3 Exploration Licenses for Uranium in South Australia.

Adavale Minerals Pty Ltd, the subsidiary of the Company holds three exploration licences within part of the highly prospective sedimentary uranium province within the northern part of the Lake Frome Embayment. These tenements lie within a flat, semi-arid landscape located just to the north of the Flinders Range in South Australia. These include EL 5892 comprising 92km<sup>2</sup>, EL 5893 comprising 167km<sup>2</sup> and EL 5644 of 137km<sup>2</sup>.

The Lake Surprise Project area contains the Jubilee and Mookwarinna Prospect areas and these lie within a shallow, structural downwarp known as the Clayton Basin. If further exploration identifies economic resources, both prospects could be mined by shallow open cut methods and uranium extraction. The Jubilee Prospect contains fourteen potentially economic ore blocks that lie within a north-trending, sinuous, quartzose palaeochannel system. These blocks have eU<sub>308</sub> concentrations of greater than 100ppm reaching a maximum of 611ppm and have thicknesses greater than 0.5m. The deposits comprise a mixture of unconformity, sheet-like or roll-front style deposits that in places crop out and extend to depths to about 25m below the ground surface and lie within a sinuous palaeochannel that is more than 2km in length. This channel has tributary branches and segments that are undrilled and in places are open in several directions. The palaeochannel system contains fine to coarse grained quartzose sandstone and minor siltstone. Most of the uranium, including occurrences of visible carnotite, is held within hardened silicified sandstone and silcrete layers. Adavale has made a preliminary assessment as to the quantity of uranium present from a study estimating equivalent uranium present through analyses of gamma ray logs of drill-holes. This assessment cannot be accurately completed due to relatively few geochemical analyses that were undertaken and because some uranium may not have responded as radioactive anomalies in the gamma ray logs, due to the probable disequilibrium state of recently groundwater-precipitated uranium. The Board recognises the potential economic significance of this area and has received a report recommending an infill drilling plan to further explore and upgrade knowledge of the uranium resources of this prospect.

The Mookwarinna Prospect lies in the south-central part of EL 5893 and has widely spaced drill-holes on an approximate 1km grid spacing. A broad anomalous zone of uranium enrichment is recorded in five drill-holes within a zone about 6km in strike length which appears to wrap around the southern margin of a local, structural downwarp within the Clayton Basin sequence. An area of about 300 X 400m was subjected to a ground spectrometer survey and infill drilling of six gamma-ray logged holes and contains anomalous uranium above the 100ppm cut-off grade in layers up to 3.25m in thickness. The deposits are shallow and in places lie just below surficial sand cover to depths of about 20m. It is likely that the uraniumiferous granites in the Flinders Range is the likely source and the proximity to this terrain may indicate that the uranium deposits could be more extensive than those located further

Adavale Resources Limited

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north in the Jubilee Prospect. A programme of closer-spaced drilling, gamma-ray logging, XRF and geochemical analyses of core and cuttings, has been designed for this area.

Management continue to have discussions with potential joint venture parties to explore and develop the sedimentary uranium deposits. The Company is also planning to extend exploration into EL 5644 and into as yet other undrilled sectors of the Clayton Basin, within the tenements that appear to contain similar geological environments to the two identified prospects.

This announcement has been authorised for release by the Company Secretary.

Yours sincerely

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Company Secretary  
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