



4 SEPTEMBER 2020

ADAVALE TO CONVERT \$1M (PLUS INTEREST) LOAN AT 5 CENTS PER SHARE

Highlights

- **Adavale to be free of all its historical long-term debt**
- **Convertible note purchased by several long-term shareholders**
- **Converted at a 117% premium to the previous closing price**
- **Company can focus on fast tracking work on Kabanga North and North East tenements along with identification of advanced Nickel Sulphide projects.**

Adavale Resources Limited ("Adavale" and or "Company") (ASX:ADD) is pleased to announce a binding agreement with recent acquirers of a \$1M face value convertible note to convert 100% of their interest, at a significant premium to the current share price.

The \$1M face-value convertible note accrued interest at 8% per annum from 28 April 2017. This conversion removes all long-term debt from the Company's balance sheet and on unquestionably favourable terms.

Post-conversion, the convertible note holder's interests will be fully aligned with the Company's. The removal of debt presents a significant opportunity in terms of the Company's ability to move the Company's projects forward and create shareholder value.

Adavale's Interim Chairman Grant Pierce commented: "Conversion of the note frees the Company of debt and allows the new Board to not only fast track work on the Kabanga North and North East tenements but also actively focus on expanding the Company's portfolio of African nickel sulphide assets."

"The Board thanks the loyal and long-term shareholders who, at a large premium to market price, removed this debt. The newly appointed Board now have a clear runway to progress the Company's strategic plan."

Nickel Sulphide Assets

The Company currently owns 100% of The Kabanga North and Kabanga North East tenements in the highly prospective high-grade nickel sulphide region which hosts the world class Kabanga Nickel Project in Tanzania.

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.

The board is currently assessing the acquisition of other advance stage nickel sulphide projects in the region.

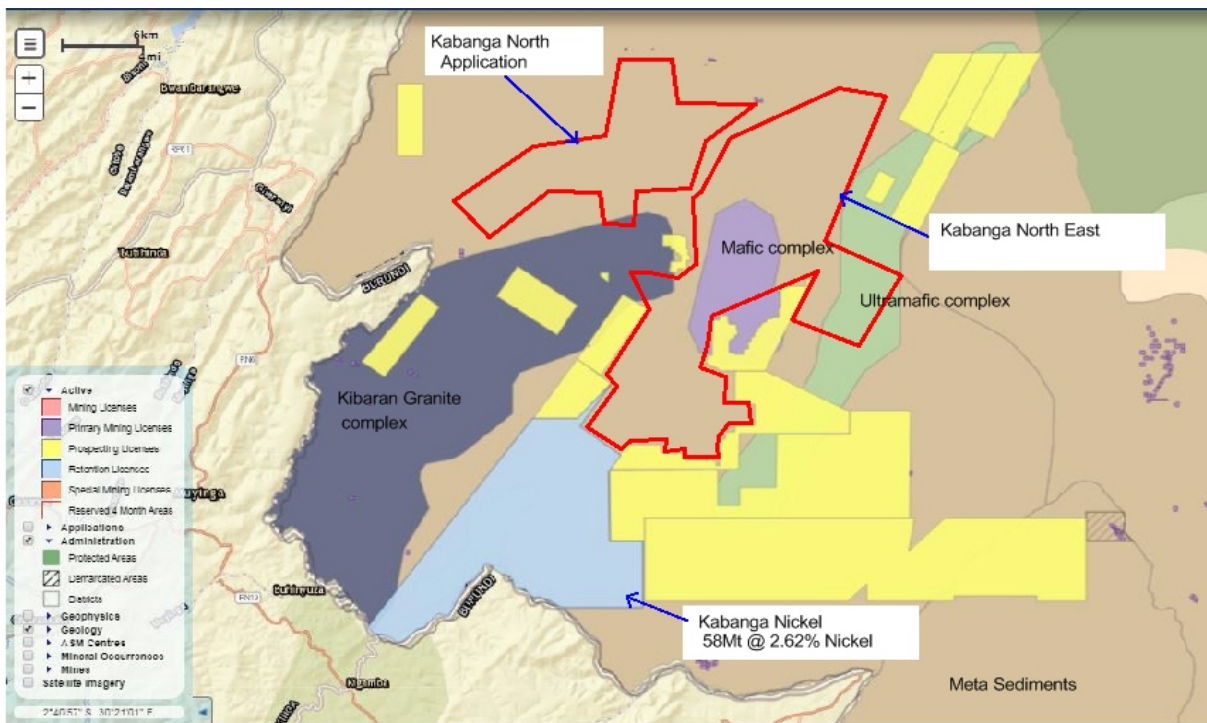


Figure 1 – Outline of Adavale applications in red and the Kabanga Nickel Project

This announcement has been authorised for release by the Board of Adavale Resources Limited.

To contact the Company about this announcement please email Julian Rockett, jr@karmalawyers.com

For further information on the Company and our projects please visit www.adavaleresources.com