



STRATEGIC PLACEMENT TO EXPEDITE NICKEL SULPHIDE EXPLORATION AND DRILLING

Highlights

- **Adavale secures \$1.4 million (excluding costs) in its targeted equity capital raising**
- **Adavale's Tanzanian tenure attracts top tier institutional and broker interest**
- **Strengthened balance sheet provides seamless transition to 2021 drilling program**

Overview

Adavale Resources (ASX: ADD) ("Adavale" or "the Company") is pleased announce it has received firm commitments from institutional and and sophisticated investors for a placement to raise \$1,400,000 at \$0.04 (excluding fees). Funds will be used for exploration, drilling and for other general working capital. Commitments to the targeted 35,000,000 new shares (and attaching options) have been received.

Ironside Capital, Foster Stockbroking and Taylor Collison have acted as Joint Lead Managers to this raise that have attracted multiple world class institutions to the register including Ausbil Global Resources.

Under the Company's existing Listing Rule 7.1 capacity, 10,000,000 securities are going to be issued within 7 days (four (4) shares to carry the right to one (1) unlisted option), being 8,000,000 shares and 2,000,000 unlisted options. The remaining securities shall be issued from:

- renewed issue capacity after the upcoming Annual General Meeting; or
- otherwise once issue capacity is made available.

A further \$1,050,000, therefore \$2.45 million in total, is anticipated provided that 100% of the unlisted options (priced at \$0.06) are exercised (see further details below).

Adavale's Chairman Grant Pierce commented:

"It's extremely pleasing to see all of the hard work and milestones achieved both corporately and operationally since August, acknowledged in the market by new and existing shareholders, as we enter a very exciting period in the Company's development. Achieving top tier broker and institutional demand for a company the size of Adavale is validation of our forward strategy as we push towards a drilling campaign in H1 next year. I would also like to take this opportunity to thank Adavale's CEO Allan Ritchie for his tireless dedication to date and success in attracting such valuable investors to this raise."

Basis for fund raise

In addition to the opportunity to increase its balance sheet, the strong institutional support enables the Company to accelerate its strategy. Initial activities are being focussed on completing critical geological field work in preparation for a 1H 2021 drilling campaign at Adavale's licences in Kagera Region, Tanzania. The existing licences and licences under application surround the world class 58Mt @2.62% Nickel Kabanga Nickel Deposit.

The team is currently testing numerous anomalies which were identified using the recently acquired historical BHP exploration data. This initial field exploration program includes surface reconnaissance geological mapping, geochemical soil sampling, trenching, pitting. A drilling campaign is planned for 1H 2021. The exploration team is first exploring the Kabanga licences before moving north to Adavale's recently acquired Burigi licences.

Details of the placement

1. Placement of 35,000,000 new fully paid ordinary shares
2. Investors receive 1 free attaching unlisted option for every 4 ordinary shares issued, exercisable at a price of \$0.06, that expire 24 months from the date of issue (totalling 8,750,000 options) – see below for further T&Cs.
3. Adavale has the right to require options to be exercised upon the Company achieving a 10-day VWAP at \$0.12 per share (or higher) before their expiry. Other T&Cs are described below.

Details of Lead Manager Fee and Incentive structure

- 6% fee on funds raised by the Lead Managers that may be paid by way of issuing shares at \$0.04 per share (max. 1,725,000 shares); and
- 8,750,000 incentive unlisted options will be issued (on the same terms) to our joint-lead managers (on a pro rata basis).

Options – T&Cs

- The price of exercising this option is \$0.06 and exercisable over the whole of the Option grant only (ie. no partial exercise).
- Option Holder agrees to pay the exercise price in clear funds to the Australian Bank account nominated by ADD within seven (7) days of notifying ADD that Option Holder intends to exercise its option.
- ADD may at its discretion give notice and demand the Option Holder exercise their Options upon ADD reaching a 10 day VWAP above \$0.12, which must occur within seven (7) days of receipt of said notice.
- The Options are not quoted or transferable and may not be assigned.
- There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.
- If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of Options (including their Exercise Price) are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- Options do not confer upon the holder an entitlement to vote or receive dividends.

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

About Adavale

Adavale Resources Limited (ASX:ADD) is a nickel sulphide exploration company with a portfolio of highly prospective prospecting licences in the Kagera Region of the United Republic of Tanzania. All Adavales' tenements are situated within 110km of the Kabanga Nickel Deposit and were selected based on their strong geochemical and geophysical signatures from previous exploration undertaken by BHP Billiton.