

15 FEBUARY 2021

GEOLOGICAL TEAM MOBILISED FOR NEXT PHASE OF EXPLORATION

- **Exploration strategy designed for multiple nickel sulphide targets**
- **Staged exploration strategy to fast-track to drilling**
- **Strategy replicates Kabanga Nickel Deposit methods to discover a repeat**

Adavale Resources Limited (“Adavale” and or “Company”) (ASX: ADD) is pleased to provide shareholders with an update of Adavale’s next phase of fieldwork and summary of the technical background behind its exploration program. This summary focuses on the four licences straddling the Kabanga deposit and the geophysical characteristics they exhibit.

Adavale CEO Allan Ritchie commented “Adavale’s technical team are focused on fast tracking to drilling without compromising the quality or quantity of pre-drilling sampling and EM survey work. Dave Dodd, our Competent Person is now in Tanzania and on site as we commence the next phase of exploration. We look forward to bringing our shareholders frequent and exciting exploration updates over the next few months.”

Geological Setting Implications for Exploration

Adavale’s licences are located within a mobile belt on the margin of the Tanzanian Craton which hosts the Kabanga Nickel Deposit consisting of 58.2Mt @ 2.62% Ni (Measured, Indicated and inferred; Glencore 2014). This Mid or Meso-Proterozoic belt which circumscribes several cratons in Southern Eastern Africa includes a number of other nickel sulphide deposits.

Their tectonic setting has allowed for the ingress of mafic/ultramafic intrusions which have been contaminated by sulphur rich sediments (deposited in basins along the craton margins) to form nickel bearing massive sulphide deposits.

The Kabanga deposit is the largest of these examples. The intrusion hosting this mineralisation can be identified by its magnetic signature (a magnetic low) and the mineralisation itself can be recognized by elevated nickel and copper values in the soil overlying it, as well as the conductive nature of the mineralised massive sulphides. This



ASX: ADD

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CFO

JULIAN ROCKETT
LEGAL & COMPANY SECRETARY

ISSUED CAPITAL

Shares: 285.5 million
Unlisted options: 17.5 million

ABOUT ADAVALE

Adavale Resources is an ASX-listed exploration company targeting projects in the 'battery materials' space. The company is currently focussed on its 100% owned Kabanga Jirani Nickel Project adjacent and along strike from the world's largest undeveloped nickel sulphide resource.

MORE INFORMATION

adavaleresources.com

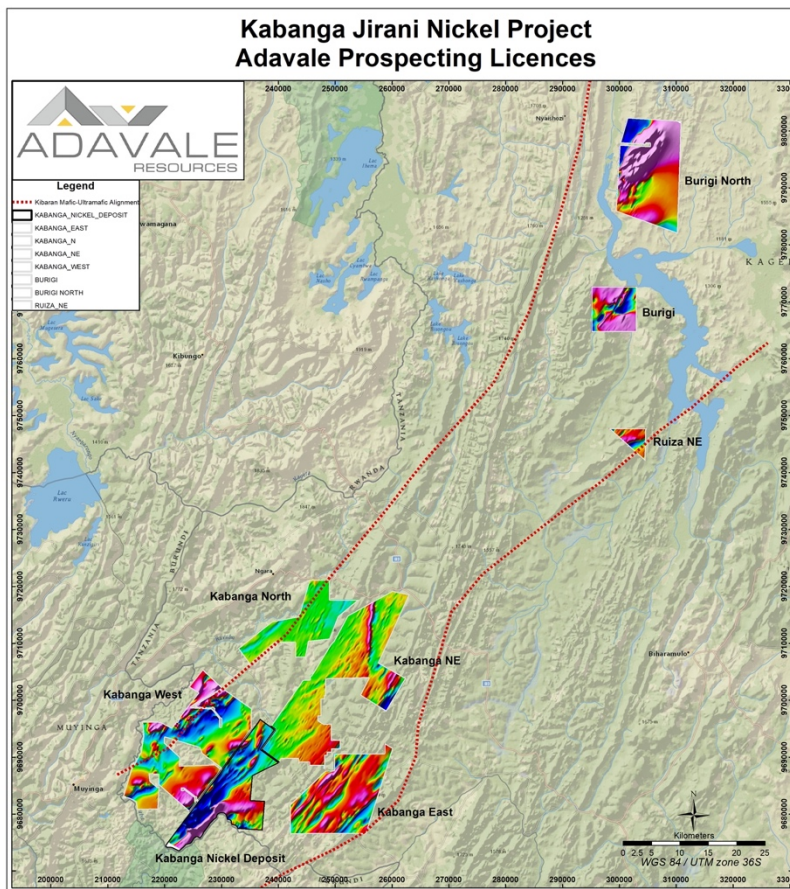
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makes it amenable to detection through soil surveys (to detect the elevated nickel and copper), electromagnetic (EM) surveys to detect the conductive sulphides and magnetic surveys to identify the host intrusions.

Adavale has secured seven exploration licences (6 granted, one application pending), shown in white outlines in image below. Totaling 1,145 km² along this prospective belt, four envelop the Kabanga deposit (black outline in image below) and another three that are further north, broadly along strike from the Kabanga deposit. Within these seven licences, exploration targets have been identified based on similar exploration characteristics that proved successful in the discovery of the Kabanga Nickel Deposit.



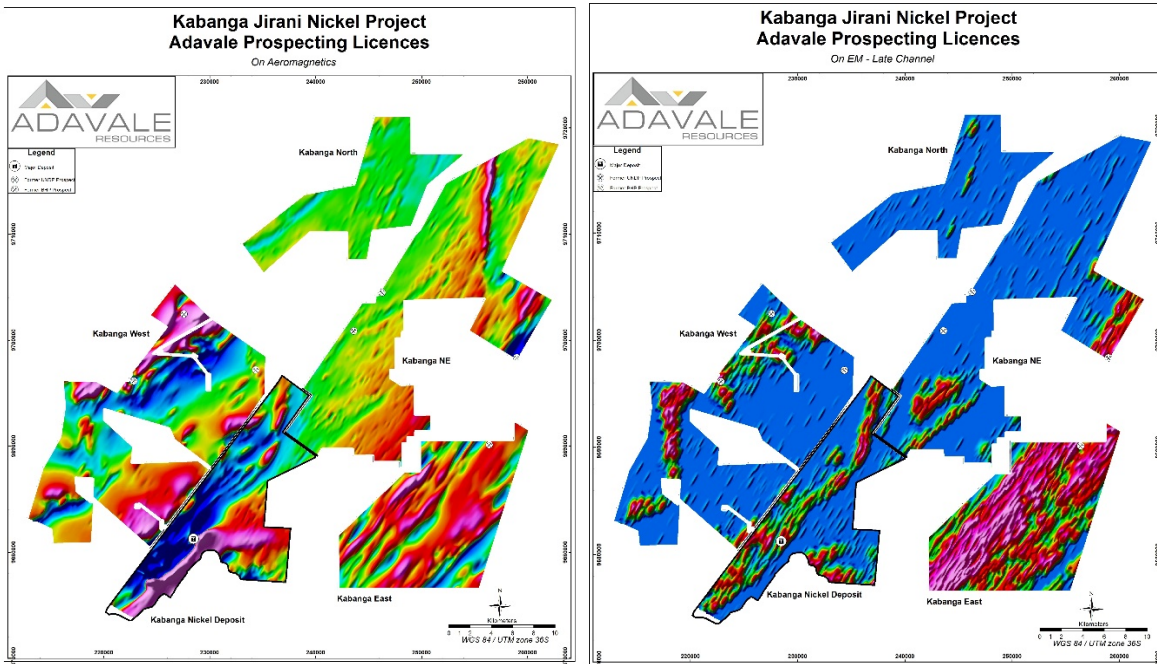
Adavale’s tenure locations neighbouring/relative to the Kabanga Nickel Deposit

Identification of Exploration Target

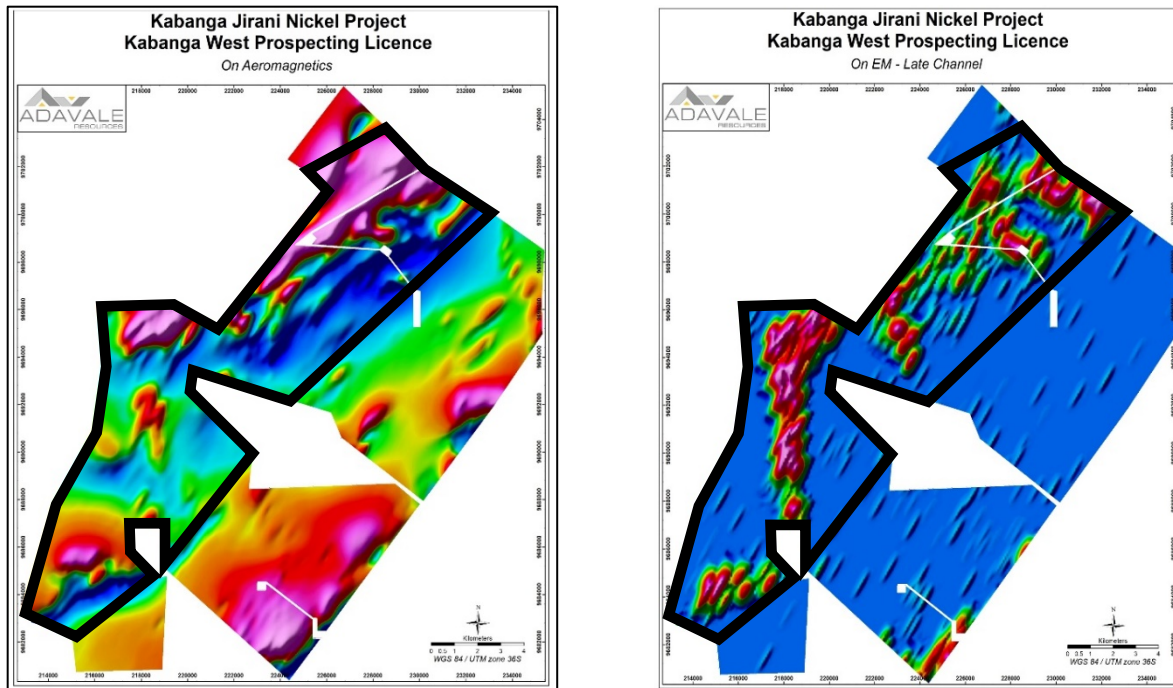
Several exploration targets have now been identified within the four licenses surrounding the Kabanga deposit, namely the Kabanga West, Kabanga North, Kabanga North East and Kabanga East licences which are collectively known as the Kabanga Jirani Nickel Project.

The apparent continuity of geophysical features between Kabanga West and the Kabanga deposit highlights the potential of this licence. In the images below, it can be seen that the magnetic low (that appears blue in the images on the left) and sinuous late channel EM signature at the Kabanga deposit (that appears red in the image on the right) are very similar to those of the Kabanga West licence making this a high priority target for Adavale, having potential to contain similar intrusions to those at Kabanga

(based on the magnetic lows). These potential intrusions are also associated with EM conductors that could have originated from massive sulphides (although massive sulphides are not the exclusive cause for conductivity).



The images below show the target area (outlined in black) within this licence where our geologists are currently conducting tighter spaced soil sampling over the area of the magnetic low and coincident EM anomaly.



The Kabanga North East licence is also characterized by distinctive EM anomalies. The eastern anomaly coincides broadly with a distinctive magnetic low and the southern anomaly with a less pronounced magnetic low.



Exploration Program

Exploration targets across all seven licences may be refined after receiving the SGS analytical results but based on preliminary pXRF values, as well as the location of the EM anomalies and magnetic lows the targets are unlikely to change significantly.

These targets are currently being followed up by our geological teams with a more detailed infill sampling program totaling approximately 13,000 samples which is expected to take up to three months to complete. Samples will be collected along sample lines running perpendicular to the general NE-SW geological strike with a sample line spacing of 400m to 500m and a station spacing of 50m.

As infill sampling results from each high-value target area are verified Adavale will define the targets for a focused ground EM survey overlaying and fine tuning the acquired BHP data to pin-point drill hole locations. Each ground EM survey is expected to take approximately 6 days including survey design and modelling the data. On the premise that each licence will have two targets warranting ground EM this will result in eight targets and 40 days of surveying and be conducted as the infill sampling program continues. All high-quality EM anomalies will be followed up with drilling.

Once geochemical results are verified from the initial infill sampling target, EM and drilling will proceed whilst infill sampling and EM continues on the remaining licences, allowing drilling to commence in late H1. Drilling will then continue on the remaining licences, once the soil sampling and EM surveys are completed on those licences. A similar program will be implemented at Ruiza North East, Burigi and Burigi North.

This announcement has been authorised for release by The Board of Adavale Resources

For further information please contact investor@adavaleresources.com

Competent Persons Statement

The information in this release that relates to “exploration results” for the Project is based on information compiled or reviewed by Mr David Dodd of MSA, South Africa. Mr Dodd is a consultant for Adavale Resources Limited and is a member of the SACNASP. Mr Dodd has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person under the ASX Listing Rules. Mr Dodd consents to this release in the form and context in which it appears.

About Adavale Resources’ Kabanga Jirani Nickel Project

Adavale Resources Limited (ASX:ADD) is a nickel sulphide exploration company and holds the Kabanga Jirani Nickel Project a portfolio of highly prospective licences, covering over 1,120km² surrounding and proximal to the world class Kabanga Nickel Deposit (58Mt @ 2.62% Ni) and located along the Karagwe-Ankolean belt in Tanzania. Adavale’s licences were selected based on their strong geochemical and geophysical signatures from previous exploration undertaken by BHP Billiton. Adavale also holds three exploration licences within part of the highly prospective sedimentary uranium province within the northern part of the Lake Frome Embayment.