

1 June 2021



ADAVALE GRANTED RUIZA NORTH EAST LICENCE

- Ruiza NE contains a **standout** nickel sulphide target comparable to that which revealed the Kabanga Nickel Deposit itself
- Ruiza NE takes the number of licences in Adavale's nickel sulphide portfolio to 7

Adavale Resources Limited ("Adavale" and or "Company") (ASX: ADD) is pleased to announce it has been granted the Ruiza North East (NE) tenement.

The newly granted Ruiza NE licence comprises a standout nickel sulphide exploration target in the Tanzanian Karagwe-Ankole Belt that, like the Kabanga Nickel Deposit less than 100km to the south-west, is clearly defined by historical stream sediment data.

Adavale's CEO Allan Ritchie commented:

"Ruiza North East is considered by our consultant geologist Mr Stephen Burke as one of the most exciting nickel sulphide exploration targets in the entire Karagwe-Ankole Belt, by virtue of the similarity of the Ruiza Licence geochemical and geophysical characteristics to those at the Kabanga Nickel Deposit. On this basis alone, Ruiza North East's significant potential warrants meticulous exploration and we are very eager to start work now the licence has been granted. It is great news to add such an exciting tenement to our portfolio of exciting exploration targets ahead of our imminent drilling program."

Analysis of legacy data reveals that the Ruiza intrusion is highly prospective as it highly resembles the Kabanga Nickel Deposit in terms of its geological setting, its association with a magnetic low, its conductive nature and its elevated Ni and Cu stream sediment values.

Like the Kabanga Nickel Deposit, Ruiza North East is characterised by a high-tenor Ni-Cu-Co-Cr stream sediment and rock chip anomaly proximal to:

- a large-scale negative polarity magnetic 'low',
- airborne electromagnetic survey conductivity anomalies and,
- mapped mafic-ultramafic intrusive rocks of the Kabanga-Musongati Alignment.

The highest nickel grade stream sediment sample collected by BHP, from the Karagwe-Ankole Belt outside of the Kabanga intrusive complex (BHP sample # 223614) is located downstream of a discrete 2008 VTEM airborne EM conductivity anomaly and according to a 1995 BHP map (Marcet & Kabete 1995), a nearby outcrop of mafic-ultramafic intrusive rock is located within the Ruiza North East tenement. The sample returned **218ppm**

ASX: ADD

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ISSUED CAPITAL

Shares: 286.8 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

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Ni, 63ppm Cu, 31ppm Co and 1525ppm Cr which is comparable with the highest grade sample collected by BHP from the Kabanga Nickel Deposit area which returned **315ppm Ni, 97ppm Cu, 102ppm Co and 993ppm Cr** (BHP sample # 131105).

Many of the world's largest, moderate to high-grade nickel-copper sulphide deposits are hosted in layered Mesoproterozoic (1.6-1Ga) mafic-ultramafic chonoliths (magma channel pathways) intruding Palaeoproterozoic (2.5-1.6Ga) circum-cratonic orogenic belts. Examples include Voisey's Bay, Raglan and the Thompson Belt deposits in the Circum-Superior Belt in Canada, Nova-Bollinger in the Albany Fraser Belt in Western Australia and Kabanga in the Karagwe-Ankole Belt in Tanzania. The Ruiza licence (see Figure 1) is located within the same Paleo-and Mesoproterozoic sediments that host Kabanga and the mapped mafic-ultramafic rocks (see Figure 2), as well as the magnetic low, provide evidence for intrusions that may form similar mafic-ultramafic chonoliths as those hosting mineralisation in other orogenic belts.

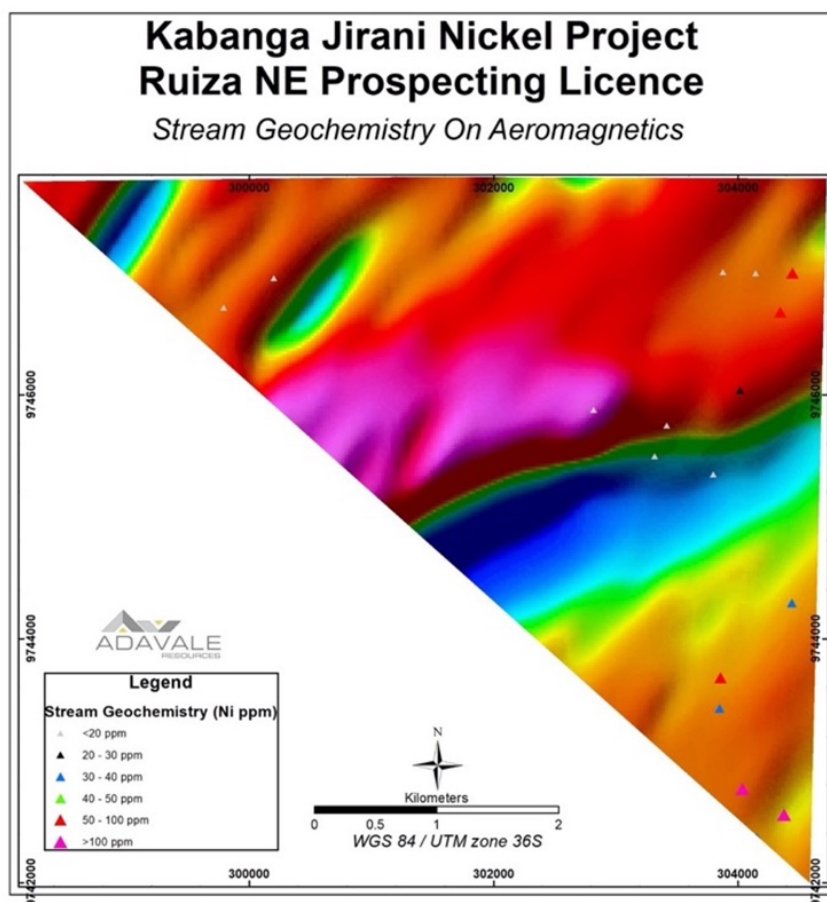


Figure 1: Ruiza Licence displaying magnetic low and Ni Stream Sediment Values

Adavale Licences Adjacent To The Kabanga Deposit

Geophysical Mag/EM Targets with planned AMT Grids overlying Airborne Magnetics'

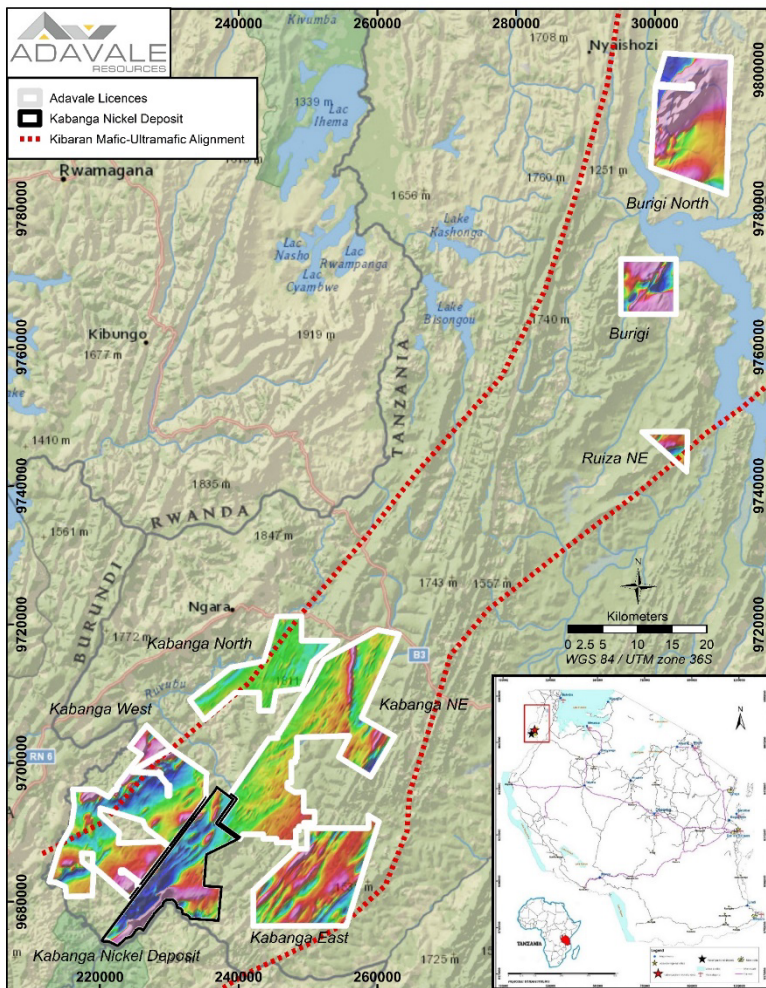


Figure 2: Adavale Licences located within the Kibaran Kabanga-Musongati Mafic Ultramafic Alignment (indicated by the stippled red lines)

References

¹ Marcet, P. & Kabete, J., 1995. Kagera Project Ruiza Prospect Map. BHP Minerals International Exploration Inc.

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

For further information please contact investor@adavaleresources.com.

About Adavale

Adavale Resources Limited (ASX:ADD) is a nickel sulphide exploration company that holds of the Kabanga Jirani Nickel Project a portfolio of highly prospective granted 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.

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 as well as to the activity that is being 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.

Forward looking statements

This document contains forward looking statements concerning Adavale. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward-looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes. Forward looking statements in this document are based on Adavale's beliefs, opinions and estimates of Adavale as of the dates the forward-looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments. Although management believes that the assumptions made by the Company and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. Forward-looking information involves known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any anticipated future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, the actual market price of nickel, the actual results of future exploration, changes in project parameters as plans continue to be evaluated, as well as those factors disclosed in the Company's publicly filed documents. Readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws. No representation, warranty or undertaking, express or implied, is given or made by the Company that the occurrence of the events expressed or implied in any forward- looking statements in this presentation will actually occur.