

22 June 2021

## Adavale Commences Fully Funded Maiden Drilling Ahead of Schedule

### Highlights

- Drilling has commenced on Target 1
- To date, 6 high priority drill targets have been verified through modelling of geochemical and geophysical results
- 12 remaining targets are being refined for final verification and modeling of further drill targets across the 4 licenses
- Program is fully funded to include ~3,000 metres of diamond drilling expected across ~8 targets

Adavale Resources (ASX: ADD) is pleased to announce diamond drilling is underway on the first of its high priority targets.

**Adavale CEO Allan Ritchie commented:** “Having the rig turning for the first time is a significant milestone for any explorer. We now have a strong choice of targets that we’ve worked hard to refine and prioritise to ensure we get the most out of our rig as the time came. Target 1 ticked a lot of boxes from the outset so we are excited to see the forthcoming first cores.

From Company restructure, licence acquisition, through field exploration, data interpretation to commencement of drilling in the space of 10 months is a remarkable achievement.

We look forward to updating our shareholders with continuous announcements over the coming weeks and months which we hope will include exciting intercepts”.

Adavale’s initial exploration program has successfully identified 18 targets across 4 licences; Kabanga N, Kabanga E, Kabanga W and Kabanga NE. Sufficient follow up surveys have been conducted to identify six high quality targets, namely targets 1, 2, 3, 6, 8 and 10b (see Figure 1).

Additionally, targets 5, 11, 12, 15, and 16 (see Figure 1) have prospective features including high quality geochemical and Natural Source Audio-Frequency Magnetotelluric (NSAMT/AMT) anomalies. Once the magnetic and Time-Domain Electromagnetic (TDEM/EM) data has been modelled these targets will be prioritised and drilled.



**ASX: ADD**

### DIRECTORS

**GRANT PIERCE**  
CHAIRMAN

**ALLAN RITCHIE**  
CEO

**STEVEN GEORGIADIS**  
DIRECTOR

**ROD CHITTENDEN**  
DIRECTOR

**GEOFF BRAYSHAW**  
CFO

**JULIAN ROCKETT**  
LEGAL & COMPANY SECRETARY

### 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 high grade NiS resource of 58Mt @ 2.62% Ni.

### MORE INFORMATION [adavaleresources.com](http://adavaleresources.com)

### CONTACT

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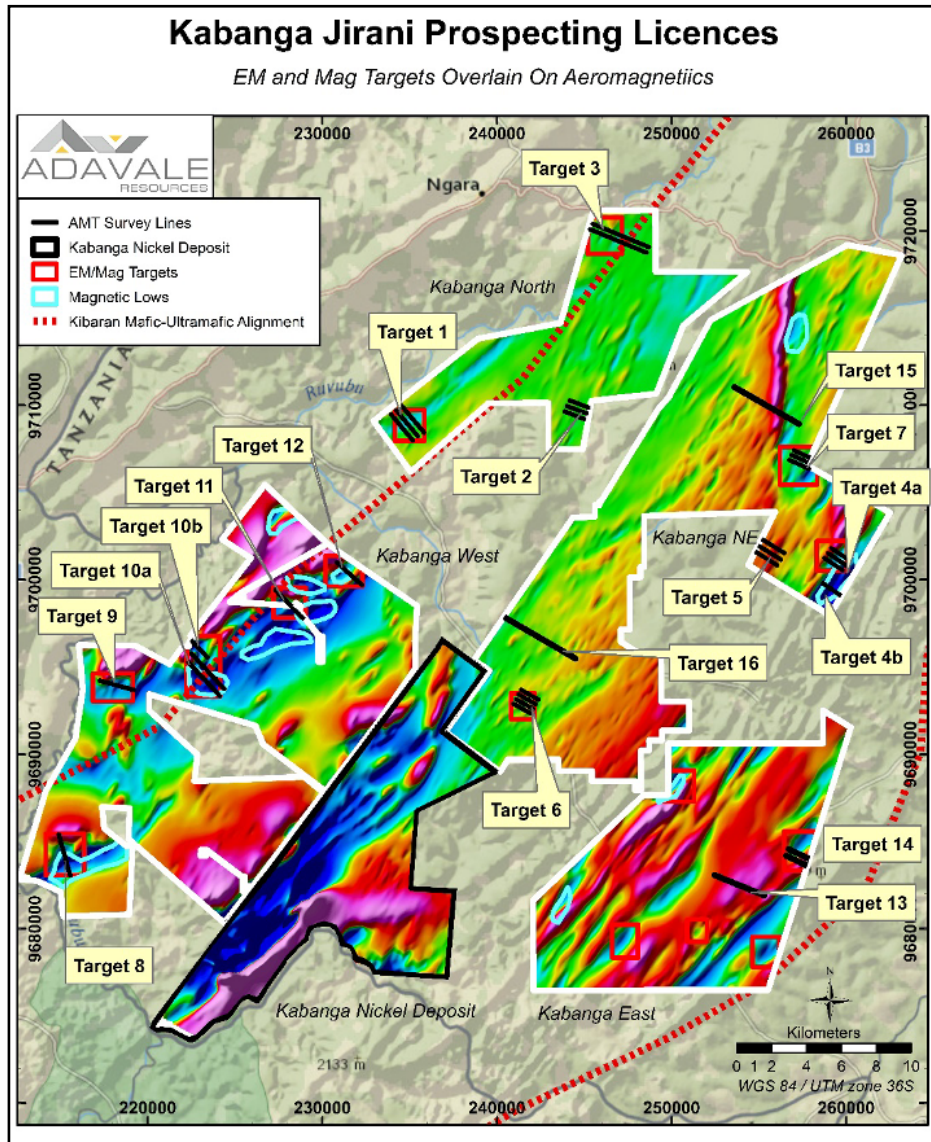


Figure 1: Location of Geophysical Targets overlying airborne magnetics

### Target 1

The cross section and 3D model of Target 1 in figures 2 and 3 respectively shows the first drill hole (KN-01-01) dipping towards the bottom right of the image. Exploration and survey work have identified four important qualifying vectors that coincide at this target providing indications of potential underlying mineralisation:

1. Coincident elevated Ni and Cu anomalies at surface
2. Magnetic lows indicative of an ultramafic intrusion
3. Conductors identified through NSAMT
4. Conductors identified through TDEM

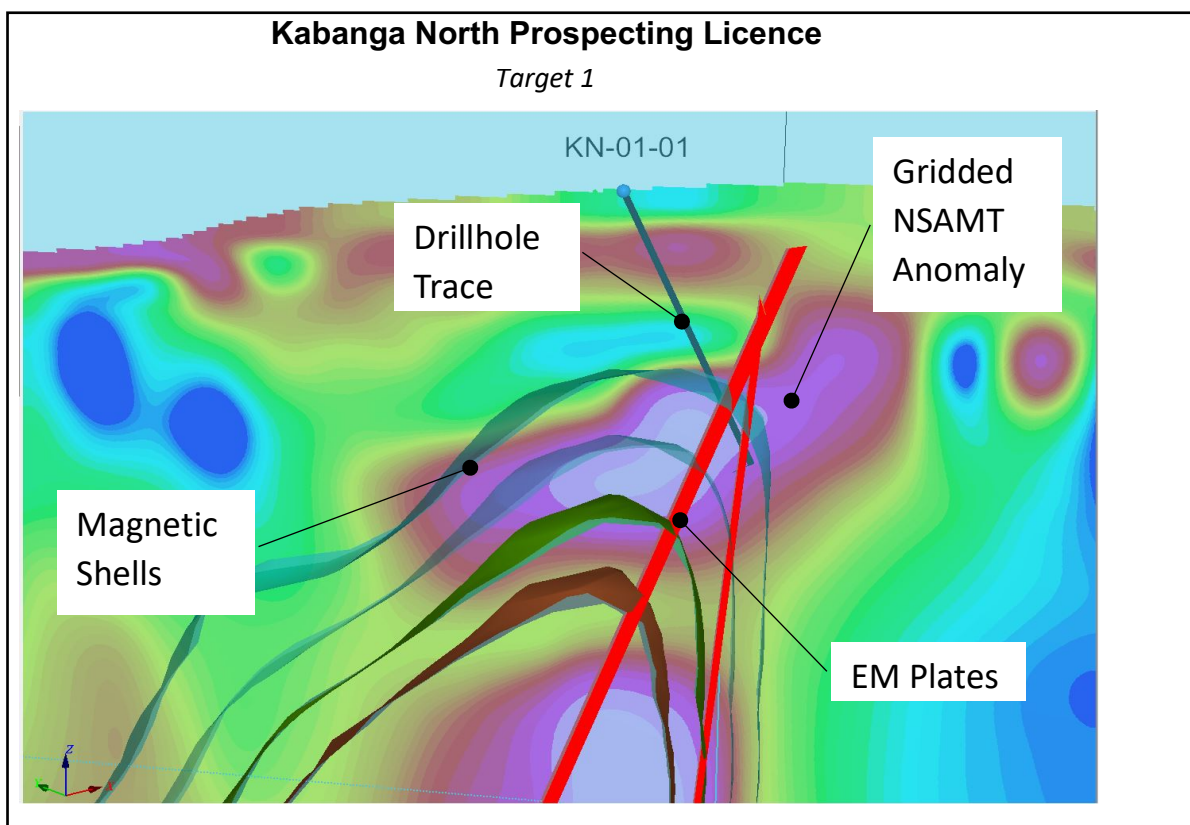


Figure 2: Cross-Section of Target 1 showing the drillhole KN-01-01 intercepting the EM plates (in red), AMT anomaly (gridded image in background) as well as the magnetic shell

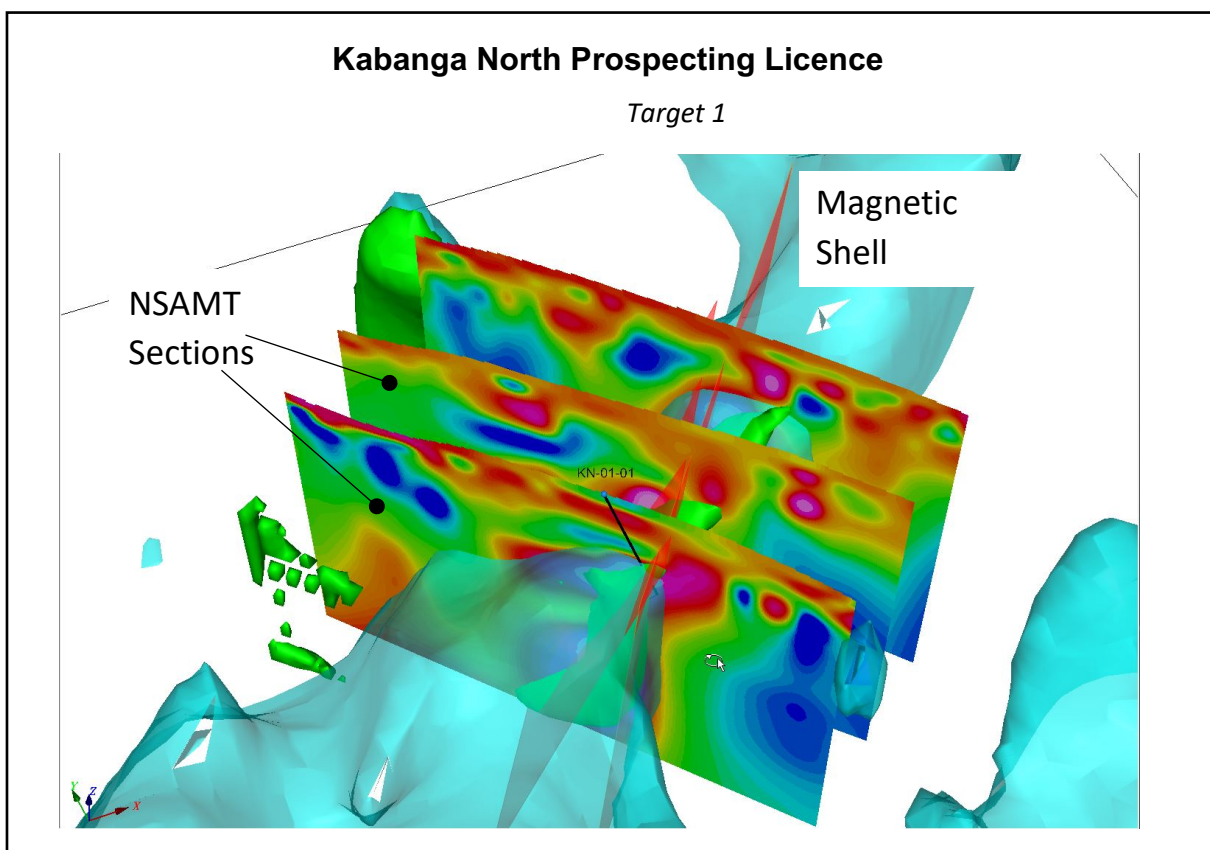


Figure 3: Target 1 shown with EM plates in red, AMT sections, modelled AMT conductor in green and magnetic shell in blue



## General Methodology Used for Adavale's Target Identification

Drill targets have been identified on the following basis:

- Initially the Adavale licences were identified utilising the UNDP stream sediment and BHP airborne electromagnetic (EM) and magnetic data.
- This data was then used to identify more discrete geophysical targets (associated with magnetic lows being indicative of underlying ultramafic intrusions and EM conductors – which could possibly be attributed to underlying sulphides).
- Regional geochemical surveys were then conducted using a line spacing of 1000m and a station spacing of 500m.
- Target areas identified from the airborne geophysics and the regional soil sampling were then followed up with infill soil sampling using a 400m line spacing and 50m station spacing.
- The infill soil sampling combined with the airborne geophysical data was then used to identify where ground geophysical surveys should be conducted.
- Geochemical anomalies were ranked according to the clustering of anomalous Cu and/or Ni sample points.
- Ground geophysics started with AMT which is relatively quick and can be conducted with single traverse lines across a target (unlike TDEM which requires a loop and an array of readings).
- The combined results of the AMT and infill soil geochemistry was used to determine where ground magnetic and TDEM surveys would be conducted.
- All geophysical results are then modelled and viewed in 3D.
- In this manner the presence of the metals of interest, being Cu and Ni, is tested through soil geochemistry, the conductive nature of Ni and Cu bearing sulphides is tested through the TDEM and NSAMT and the presence of ultramafic intrusions (which are the hosts to Ni bearing sulphides) is tested through airborne and ground magnetics.
- Ideally targets will have a coincident Ni and Cu anomaly overlying a TDEM plate that coincides with an AMT conductor. The elevated Ni and Cu values overlying a conductor is indicative of Ni-bearing sulphides. Sulphides are hosted in mafic/ultramafic intrusions which are in turn detected through magnetic lows so the combination of soil anomalies, conductors and magnetic lows provide favourable drill targets.**

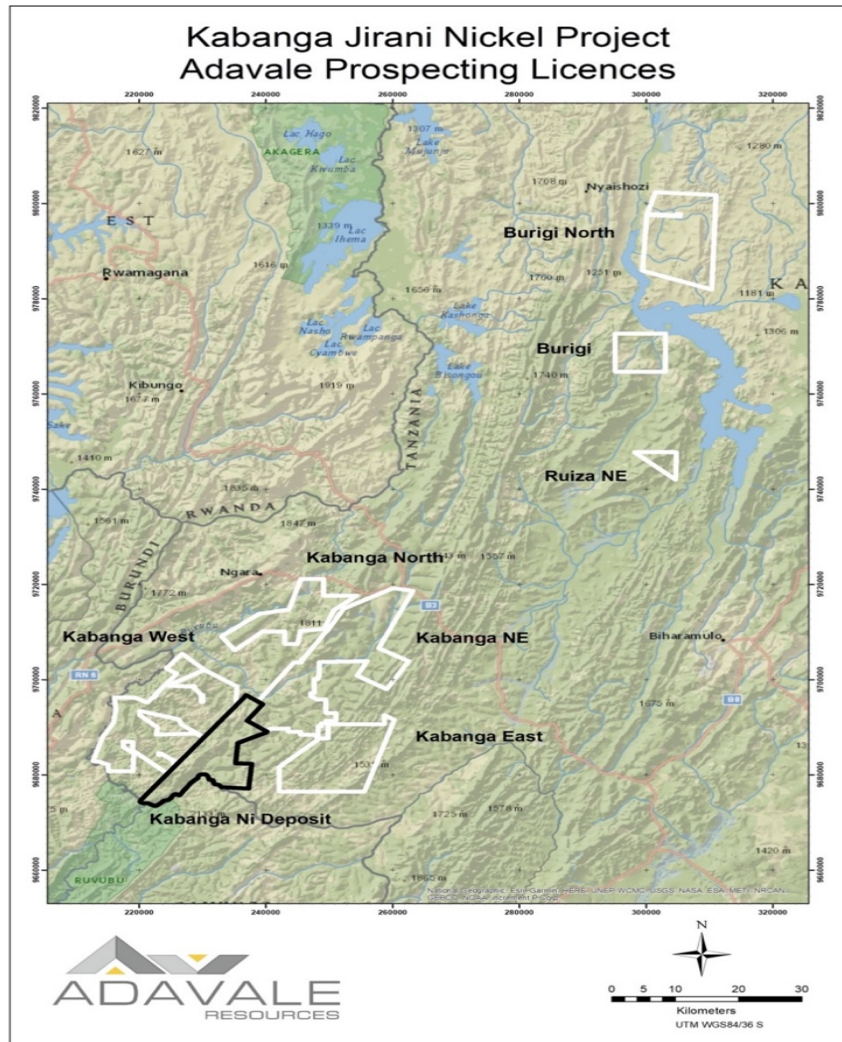
*This announcement has been authorised for release by The Board of Adavale Resources Limited.*

For further information please contact [investor@adavaleresources.com](mailto:investor@adavaleresources.com) or visit [www.adavaleresources.com](http://www.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 7 highly prospective granted licences, covering over 1,145km<sup>2</sup> 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.