

21 October 2021



Second Rig Mobilising to Kabanga Jirani Nickel Project in Tanzania

Highlights:

- DE 810 Multi-purpose RC and DD capable Chained Rig mobilising to site
- 12 initial shallow drill holes across 8 priority targets identified with more expected
- Initial ~3,000m DD test program completing soon
- Expanded drilling and evaluation program funded from recent capital raising
- Gravity surveys reveal new, high priority target number 21, which expands high priority targets to 23 in total, across the southern licences

Adavale Resources Limited (ASX: ADD) (“**Adavale**” or “**the Company**”), is pleased to advise the Company has contracted a second drill-rig to its Kabanga Jirani Nickel Project in Tanzania.

The drilling rig is a DE 810 Multi-purpose unit capable of performing both Reverse Circulation (RC) and Diamond Drilling (DD) operations.

The introduction of the multi-purpose rig will provide Adavale the flexibility to quickly evaluate geological targets (initially) by RC drilling, prior to deciding whether the target warrants diamond drilling. Diamond drilling is typically more time consuming and expensive but does provide important structural geological information.

RC drilling operations with the multi-purpose rig is scheduled to commence immediately with the aim to test as many targets as possible before the onset of the wet season in Tanzania. These seasonal rains have the potential to restrict and possibly delay relocating the drill rig and continuous operations.

At this point, the Company has identified an initial 8 target areas involving a total of 12 RC holes for testing. Additional targets and follow up drill holes are anticipated to result from the initial and ongoing RC drill testing within the Company’s target areas.

ASX: ADD

DIRECTORS AND OFFICERS

GRANT PIERCE
CHAIRMAN

ALLAN RITCHIE
CHIEF EXECUTIVE OFFICER

DAVID RIEKIE
DIRECTOR

JOHN HICKS
DIRECTOR

ROD CHITTENDEN
DIRECTOR

LEONARD MATH
CFO & COMPANY SECRETARY

ISSUED CAPITAL

Shares: 326 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. Adavale is also progressing exploration on its 100% owned uranium tenements in South Australia

MORE INFORMATION

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Importantly, three of the 8 initial target areas including our new high priority target 21, are to be prioritised for drill testing as they have been interpreted to contain strong gravity anomalies mapped following the recent gravity surveys. These RC drilling targets numbered 7, 20 and 21, are highlighted in Figure 1.

The gravity anomalies in these three priority target areas are the strongest of 10 gravity anomalies the Company has identified across the Project area to date. These prioritised gravity anomalies for RC testing, are largely coincident with other high quality geochemical, EM, AMT and magnetic anomalies and thereby provide strong additional evidence for the potential presence of a nearby mafic-ultramafic body, the pre-requisite host rock type for the nickel sulphide discovery.

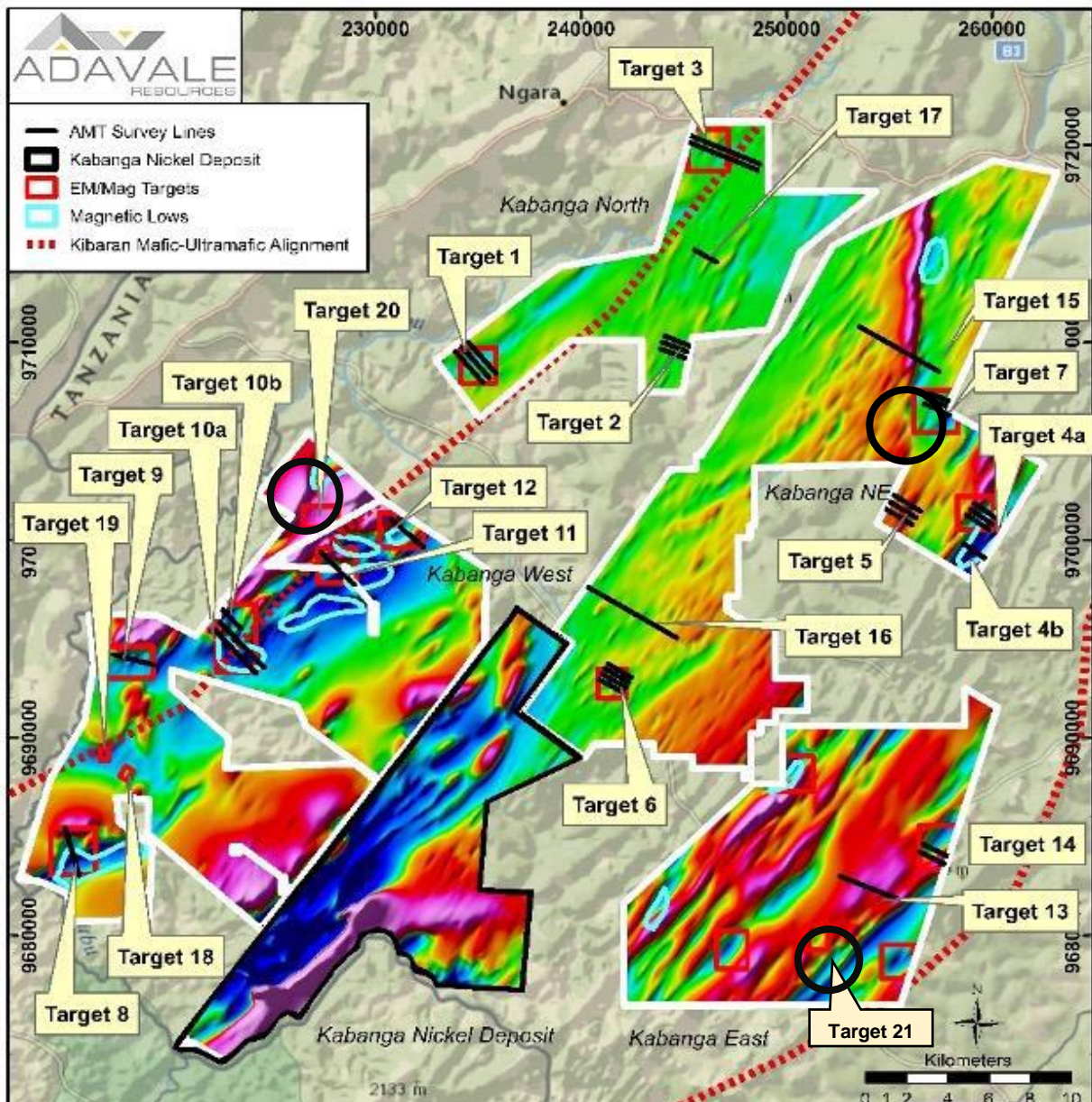


Figure 1. High priority targets locations including RC drilling target 7, 20 and 21, (highlighted with Black outline); all of which are located within the Kabanga Jirani Nickel Project area.

Adavale CEO Allan Ritchie commented:

“We are pleased to have a second rig mobilising to site, to pursue the numerous geochemical and geophysical targets identified by the Adavale geological team to date.

The recent addition of gravity surveying to our targeting selection criteria, brings further confidence that we will discover new, potentially mineralised mafic-ultramafic bodies in the future.

Our initial diamond drill test program has been an invaluable exercise for the Company and a pathfinder for generating numerous new targets, many of which can be more efficiently tested by RC techniques prior to undertaking deeper and more costly diamond drilling.

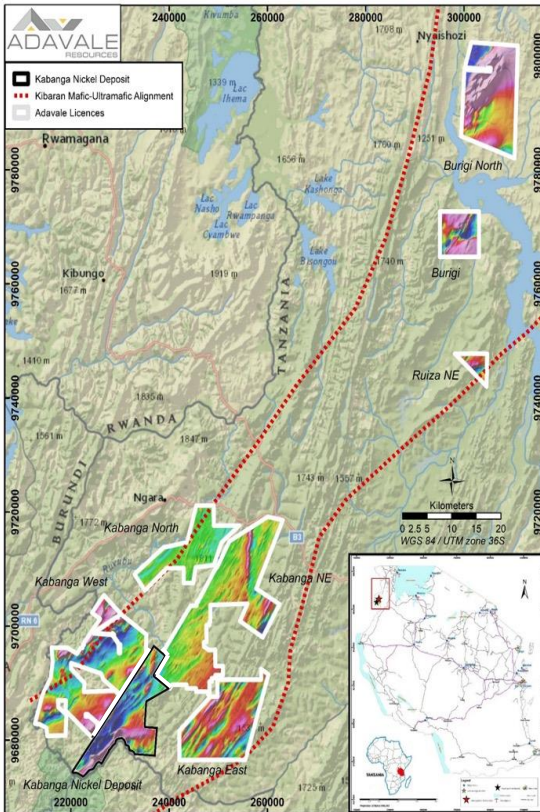
The Board looks forward to reporting the outcomes of this new phase of drill testing in Tanzania to our shareholders in the near future.”

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

For further information please contact investor@adavaleresources.com or visit www.adavaleresources.com

About Adavale

Adavale Resources Limited (ASX:ADD) is a nickel sulphide exploration company that holds 100% of the Kabanga Jirani Nickel Project, a portfolio of 7 highly prospective granted licences, covering over 1,145km² 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 in South Australia

