ASX ANNOUNCEMENT

9 June 2022

Outstanding Success with Multiple Previously Unknown Nickel Targets Discovered at Kabanga NE

Highlights

- **Confirmation of significant Nickel sulphide potential within Adavale's dominant Tanzanian ground holdings in the globally significant East African Nickel Belt**
- **Ongoing ground-based gravity survey has discovered 14 previously unknown and hence unexplored priority targets over a ~30 km strike length of the Luhuma Nickel Corridor**
- **Geological modelling supports a larger scale system extending significantly (north, south and east) of the Luhuma Nickel Corridor**
- **Ground based gravity program to be completed in June**
- **10-day Heli EM program to confirm optimal drilling trajectories to commence shortly after**
- **Potential of the new targets is supported by the correlation with geological information gathered from previous drilling**
- **RC and Diamond drilling campaigns scheduled to commence immediately after Heli EM**

Adavale Resources Limited **(ASX: ADD)** ("Adavale" or "the Company") is pleased to announce the outstanding results from the current ground-based gravity survey program at its 100% owned Kabanga Jirani Nickel Project ("Kabanga") and the farmed-in Luhuma Nickel Project ("Luhuma").

The regional ground-based gravity survey program has indicated significant nickel sulphide potential, discovering 14 new priority targets over ~30km strike length of the nickel sulphide mineralised Luhuma corridor.

The gravity survey program is now more than 60 percent complete with the Kabanga NE and Luhuma tenement areas now fully covered. The ground-based gravity surveys will also be completed on the Kabanga East and Kabanga West tenements soon.

ASX: ADD

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ISSUED CAPITAL

Shares: ~355 million
Unlisted options: 26.5 million
Performance rights: 17 million

ABOUT ADAVALE

Adavale Resources is an ASX-listed exploration company targeting projects in the 'battery materials' space. The company is currently focused on both its 100% owned Kabanga Jirani Nickel Project and 2 Farm-in 'Luhuma' licences 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

ADAVALE RESOURCES

adavaleresources.com

CONTACT

Adavale Resources Limited Level 2, 49 Oxford Close, West Leederville WA 6007

Tel: +61 2 8003 6733

investor@adavaleresources.com

Commenting on the program, Adavale's Executive Director, David Riekie said:

"*The regional gravity survey program has been extremely successful in identifying a series of new and previously undiscovered nickel exploration targets that pave a very clear exploration path and strategy, that we hope will deliver exceptional shareholder value.*

Our geological team and geophysical consultants in Africa have really done an excellent job.

These results have exceeded our expectations with respect to their scale, number and the intensity of the signatures. We hope to also add new target areas from the surveys in Kabanga East and West.

The Luhuma corridor has become particularly promising and now extends over 30kms with 14 new high priority targets.

As we have mentioned in earlier releases to the market, historical drilling has already established that the corridor is mineralised and has intercepted Nickel sulphide mineralisation.

The prevalence of so many positive and strong gravity features and coincident mineralized mafic-ultramafic intrusions, gives us enormous confidence. Our team can triangulate on those intrusions that have the greatest potential for nickel discoveries.

This is an exciting development and endorses our belief in gravity as an effective exploration tool.

Focused and deep penetrating EM is our critical next task that will quickly identify the best intrusions for immediate drilling. We recently contracted NRG (New Resolution Geophysics) to commence Heli-borne Time Domain EM surveys in early July. This means we can quickly prioritise the drilling of our best targets in August.

We consider the processes we have instigated will be the key to unlocking the potential of our dominant ground holding in the globally significant East African Nickel Belt.

I am looking forward to reporting on the development of the exploration activities and our further successes over the coming weeks and months."

Key Outcomes

Preliminary processing and interpretation of the Kabanga NE and Luhuma gravity data is largely complete and reveals three large high priority target areas containing a total of 14 discrete strong (>1mGal) anomalies (See Figures 1a and 1b).

High-density signatures above 0.75mGal are interpreted to indicate the presence of underlying bedrock mafic-ultramafic intrusions (similar to those that host the world class Kabanga and Nova-Bollinger nickel sulphide deposits) that when supported by other exploration indicators (Ni/Cu in soil and EM signatures) are ranked as high priority exploration targets.

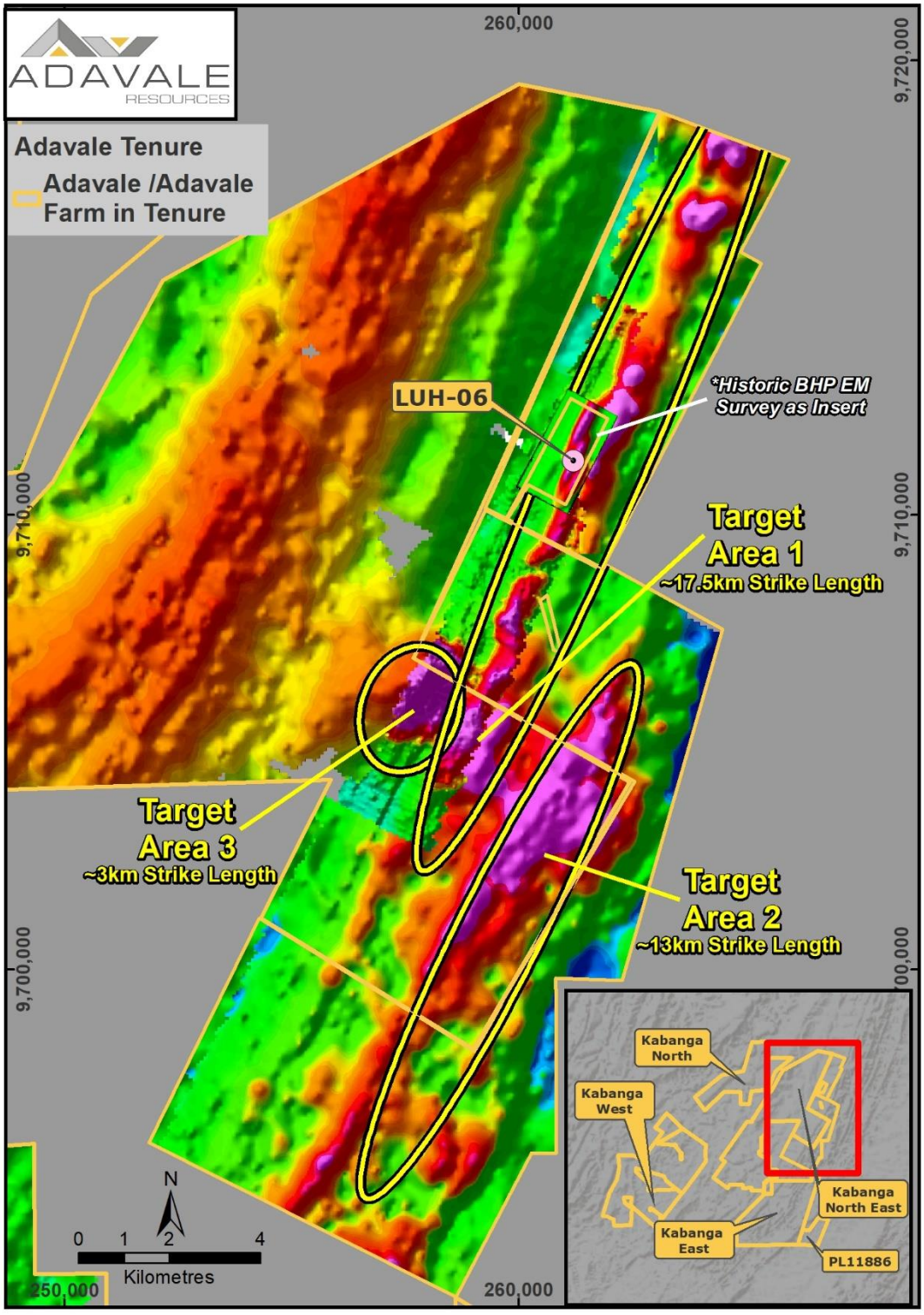


Figure 1a: Target areas within Luhuma Corridor and the newly discovered Target Area 2 (Note that the Luhuma corridor on the right has been enhanced separately from the Kabanga NE area on the left in order to better define localised gravity targets)

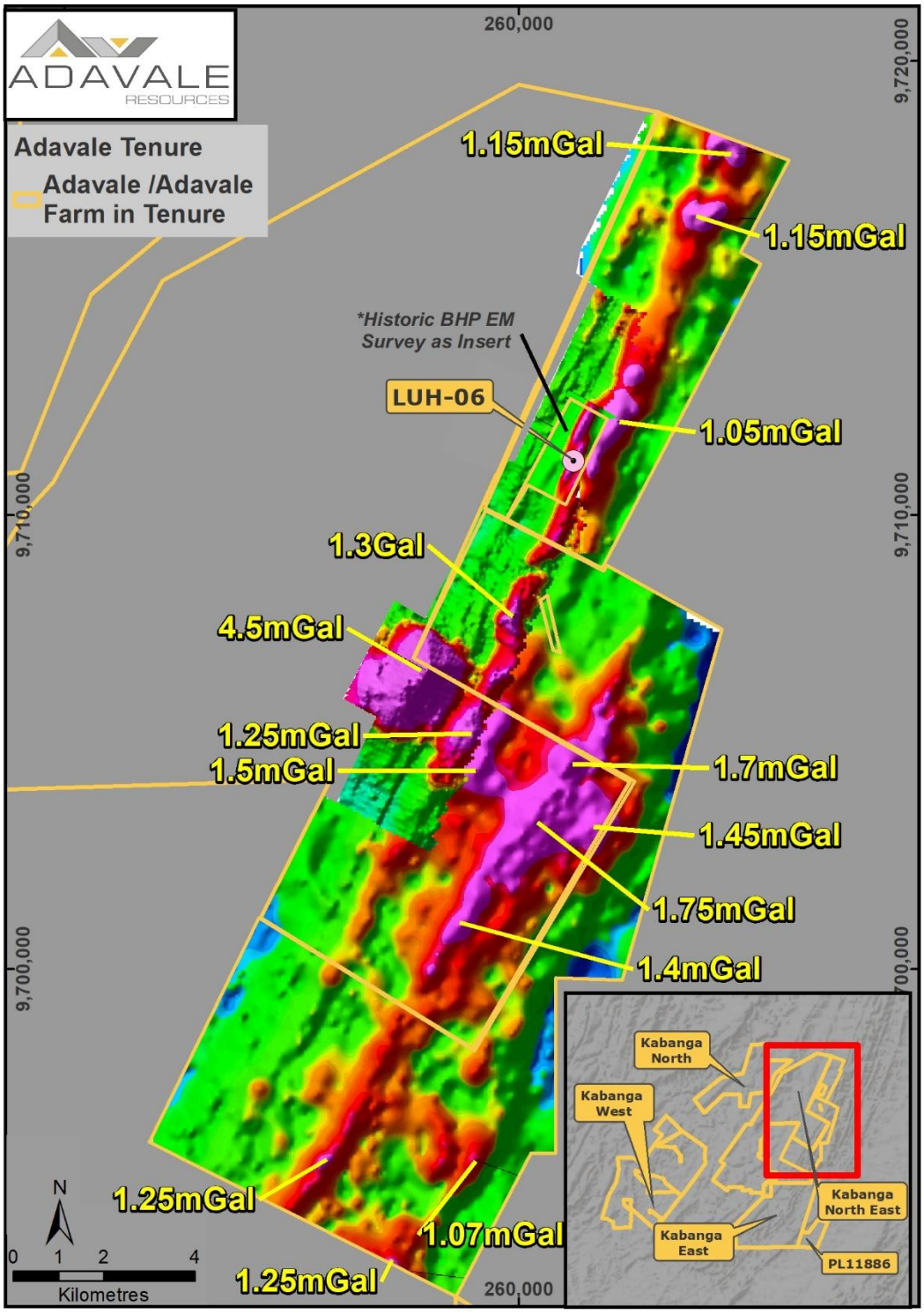


Figure 1b: Location of the 14 discrete high density high priority targets within the Luhuma Corridor

Gravity Survey Details - Kabanga NE (Incorporating the Luhuma Nickel Corridor)

The processed Kabanga NE and Luhuma regional gravity data completed to date is presented in Figure 2 and has covered approximately 600 Sq kms. The remainder (<40%) of the gravity surveys at Kabanga West and East will be completed during the current month of June.

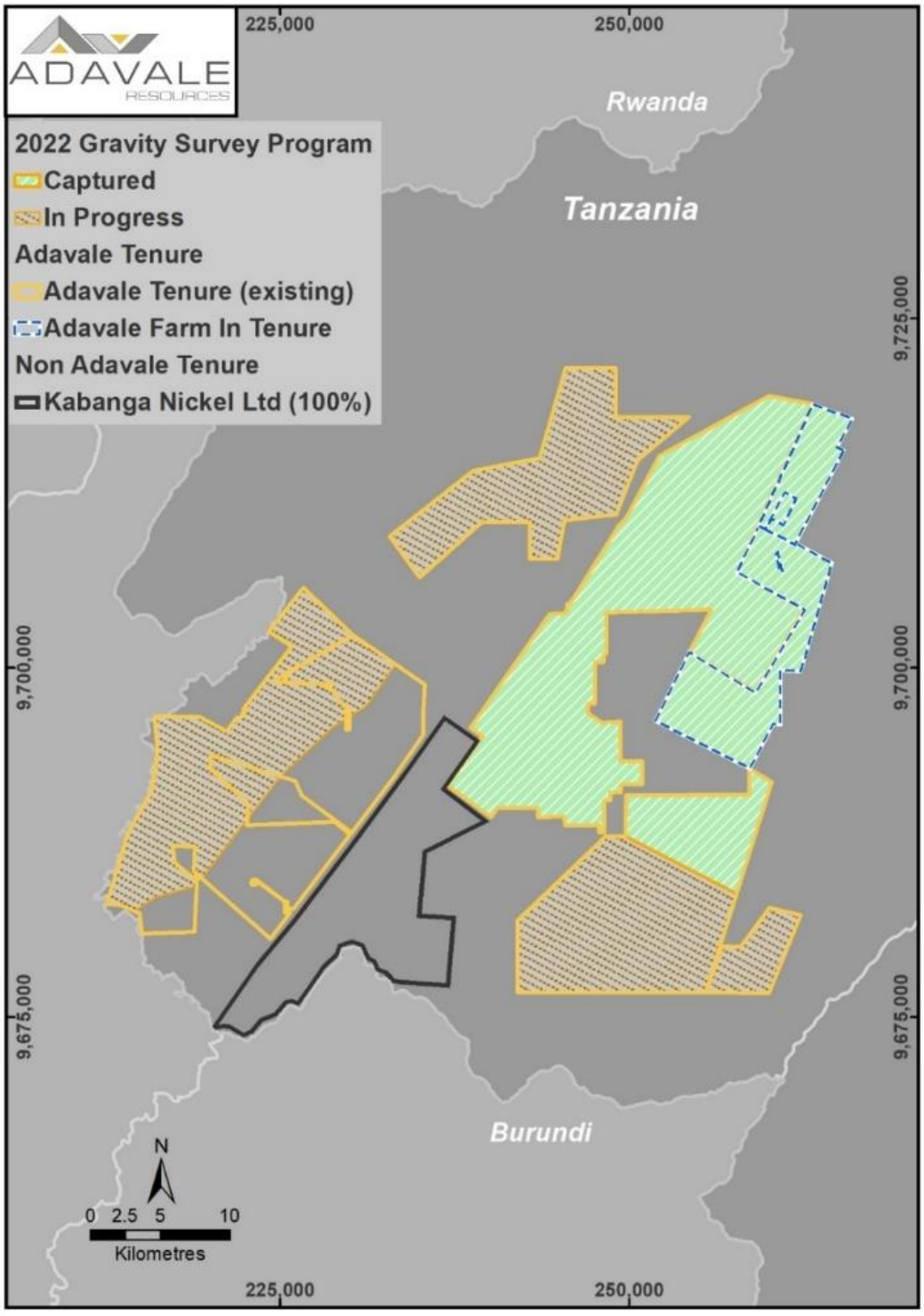


Figure 2: Summary of gravity surveys completed and remaining areas in progress

In addition to the three high priority Target Areas within the Luhuma Corridor, the Company has also identified a series of anomalies within the Enigma Target that also warrant additional investigation and exploration including EM survey (see Figure 3).

Three standout and broad Target Areas have been identified along the Luhuma trend towards the eastern side of the Figure 1a. This Area contains multiple discrete targets as detailed in Figure 1b.

Target Area 1 defines and significantly extends the limits of the historically recognized Luhuma mafic-ultramafic intrusion. The Area has now been identified to comprise 6 semi-continuous discrete +1mGal gravity highs that extend 15km NE and SW from the Luhuma drill hole LUH06 which intersected 1.14% Ni over 8m[1]. The previously recorded known extents of the intrusion based on limited historical (circa 1990s) mapping and drilling was approximately 8km.

Target Area 2 delineates what is interpreted to be a completely new mafic-ultramafic intrusion located immediately to the east and possibly stratigraphically below and parallel to the Luhuma intrusion. It consists of 7 large discrete +1mGal gravity feature with several smaller isolated highs extending over 7.5km. Target Area 2 has never been drill tested.

Target Area 3 defines Adavale's +4.5mGal T7 "Bullseye anomaly" which the Company tested with a single drill hole in 2021 and confirmed the source of the anomaly was due to an underlying mineralised mafic-ultramafic intrusion (*refer to Company ASX announcement dated 16 December 2021 titled "Adavale Discovers Significant Mafic – Ultramafic Intrusion"*). The orientation of the intrusion and the position of its more prospective basal contact (focal point for NiS) is not known at this point, nor has it been covered by modern powerful EM techniques and consequently it remains an exciting exploration target for the Company.

Within this broader Luhuma area (comprising the Target Areas 1, 2 and 3) there are a total of 14 discrete gravity anomalies in-excess of +1mGal each potentially representing an underlying mafic-ultramafic intrusion. The concentration of the strong gravity features extending from Target Area 3 across to Target Area 2 is particularly intriguing (Figure 1a) as it reflects an area of focused magmatic activity which is favourable for the formation of large nickel sulphide deposits.

The "Enigma" Target

Further to the west within the Kabanga NE tenement the regional gravity data appears to show a distinctive broad fold pattern and within this broad elevated gravity feature there are a series of significant Cu geochemical anomalies which may be related to discrete mafic-ultramafic bodies whose individual gravity response is being masked by the regional gravity high (Figure 3).

Further gravity processing and modeling will be conducted to help resolve this conundrum on the prospect that has been referenced as "The Enigma". These anomalies with others that are expected to be identified are significant and will be earmarked and ranked for follow-up exploration.

[1] Evans, D. M., Hunt, J. P. P. M. and Simmonds, J. R., 2016. An overview of nickel mineralisation in Africa with emphasis on the Mesoproterozoic East African Nickel belt (EANB). Episodes, 39/2, 319-333. DOI: 10.18814/epiiugs/2016/v39i2/95780

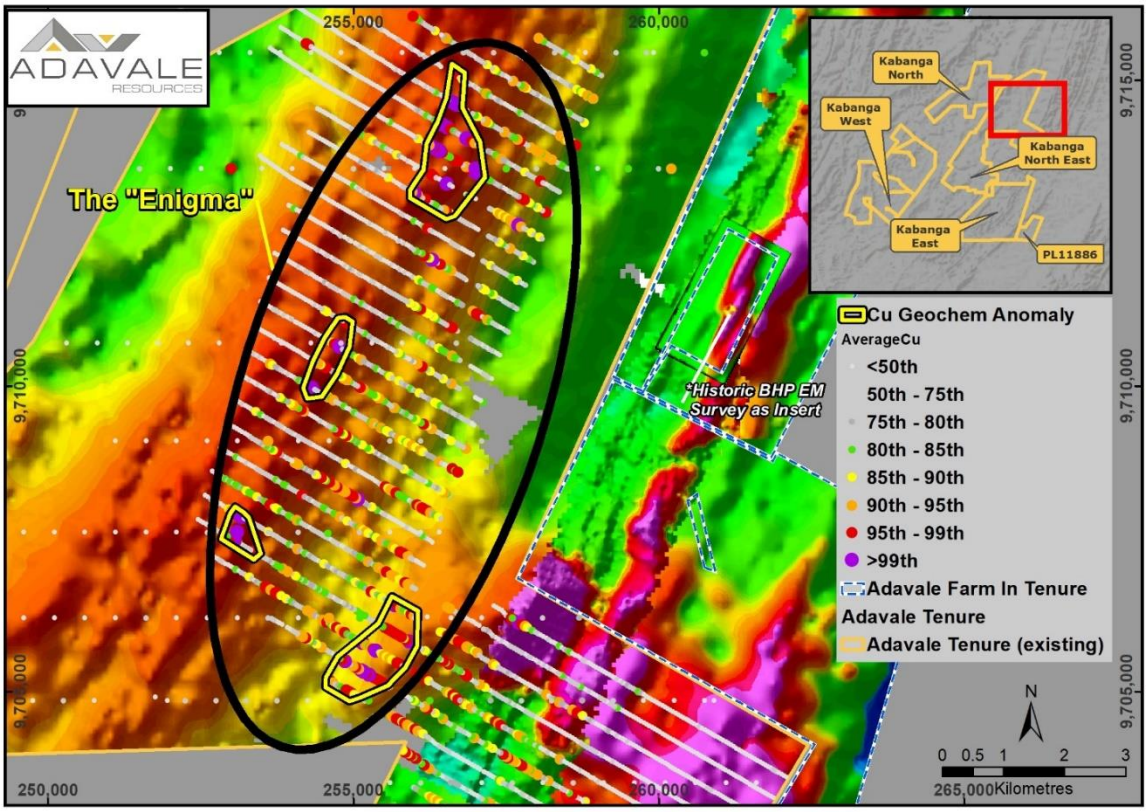


Figure 3 Enigma anomaly hosting four distinct Cu anomalies that overly the regional gravity high

The gravity survey has also successfully identified two new and previously unknown anomalies within the regional data set near the SW boundary of Kabanga NE (Figure 4). The dimension of these anomalies is in excess of 1km in length and with gravity values of +1mGal these are also considered significant anomalies for follow up investigation including EM survey.

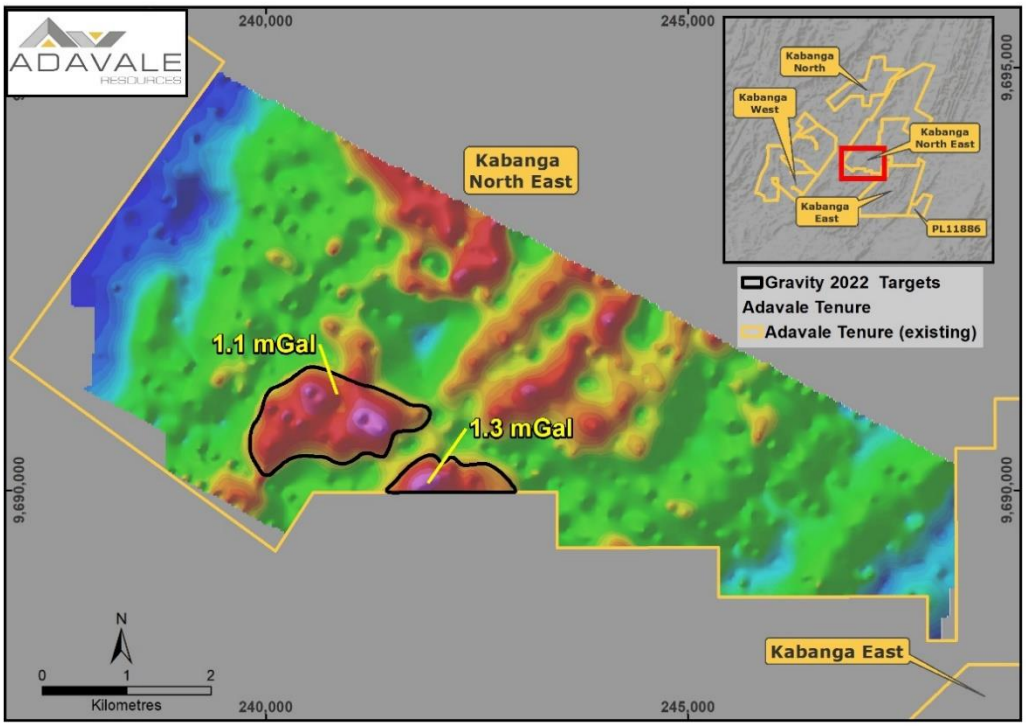


Figure 4: Gravity anomaly in SW portion of Kabanga NE

Next Steps and Progress milestones

Over the months of July and August, the Company will be undertaking a number of important exploration workstreams.

Milestones	Date
Completion of the regional gravity survey including Kabanga East, West and North. Processing and interpretation of the survey data will be undertaken to rank the identified anomalies for follow-up EM survey	**June 2022**
The priority targets will be systematically covered using a detailed Heli-borne, time domain EM (TDEM) and magnetic survey equipment. NRG will conduct a minimum of 2,000-line km of survey from early July	**July 2022**
Receival and interpretation of final TDEM data	**August 2022**
Selection of priority targets for drill testing	**August 2022**

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

Further information:

David Riekie
Executive Director
E: investor@adavaleresources.com

Allan Ritchie
Chief Executive Officer
E: investor@adavaleresources.com

Competent Persons Statement

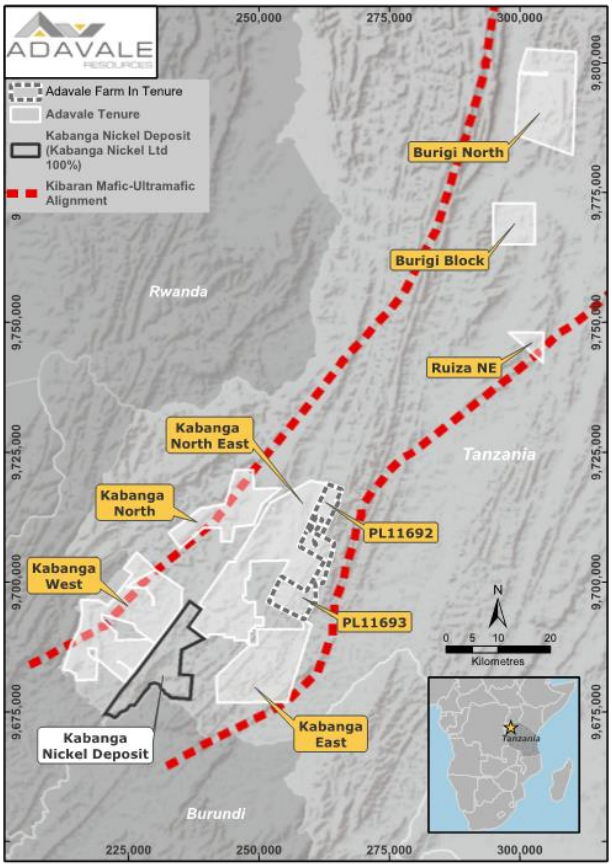
The information in this release that relates to “exploration results” for the Project is based on information compiled or reviewed by Mr David Dodd of MSA, South Africa. Mr Dodd is a consultant for Adavale Resources Limited and is a member of the SACNASP. Mr Dodd has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration 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.

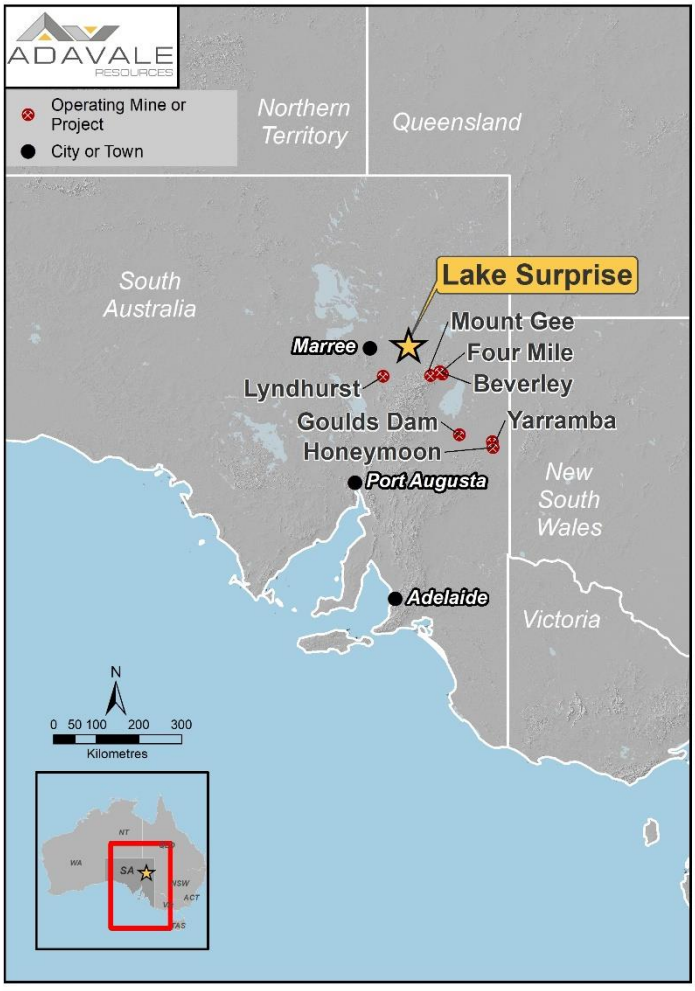
Forward looking statements

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 document will actually occur.

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 ~ 1,145km^2 along the Karagwe-Ankolean belt in Tanzania. The 4 southernmost licences are proximal to the world class Kabanga Nickel Deposit (58Mt @ 2.62% Ni). Adavale has Farmed-in to 2 more highly prospective licences contiguous to our 4 southernmost licences, adding a further 99km^2 to the portfolio. 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 for their sedimentary uranium potential within the northern part of the highly prospective Lake Frome Embayment in South Australia.

JORC Code Edition 2012: Table 1

Section 1: Sampling Techniques and Data

Criteria	JORC Code Explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	Soil sampling undertaken with a line spacing of 500m and a station spacing of 50m conducted perpendicular to the regional strike direction. Samples taken from beneath the upper organic horizon. Any remaining organic and coarse material removed by sieving. Line and station spacing of gravity survey detailed under "*Data spacing and distribution".*
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	Not applicable to current work program and announcement on gravity survey.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	Not applicable to current work program and announcement on gravity survey.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	Not applicable to current work program and announcement on gravity survey.

Criteria	JORC Code Explanation	Commentary
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Quality control measures have been implemented as follows for the Gravity Survey: Auto –rejection of bad readings and spikes, constant monitoring of Standard deviation and tilts in field. Any readings with high SD or tilts outside of -10 to +10 arc.seconds are re-taken. For GPS quality control, each station is held until 2-5cm accuracy obtained and the no. of satellites is monitored. During processing, Bouguer density corrections are run from 2.2 – 3.0 g/cc at 0.1 g/cc intervals to check the correlation with topography and the appropriate dataset is then used.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	For Gravity Survey: Scintrex CG5 Autogravs instrument used. Readings are taken for 60 seconds per station and drift calibrations done in Tanzania on arrival. Visits to the main camp base station are conducted twice a day and to local base stations 2 times a day. At least 5 readings are taken at each base visit. For soil samples pXRF Olympus VANTA portable XRF VCA was used. QAQC measures include periodically measuring CRM's, blanks and duplicates 5% of all analyses are for QAQC purposes. pXRF calibrated if discrepancies arise.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	Data is captured daily and emailed to geophysicist daily. Data is stored at two locations on PC, and on DropBox in the cloud.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys),*	For Gravity Survey: UTM36S Arc1960 Tanzania is the projection used.

Criteria	JORC Code Explanation	Commentary
	trenches, mine workings and other locations used in Mineral Resource estimation. • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	An RTK differential GPS is used with local base stations and up to 25 satellites visible form 4 different networks. 2-5cm vertical accuracy is obtained at all times.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	For Gravity Survey Readings have been taken using a 150m line spacing and a 100m station spacing. The Ultramafic bodies of interest show kilometres of strike length and hundreds of metres width, so this is considered a good resolution in comparison. For Soil Sampling a line spacing of 400 m and station spacing of 50m was used.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	Gravity readings have been conducted along NW-SE orientated traverse lines which are perpendicular to the regional strike. Soil sampling conducted along NW-SE orientated lines perpendicular to the reginal strike
Sample security	• *The measures taken to ensure sample security.*	Soil samples stored in secure building.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	Two geophysicists are engaged in the gravity programme who cross-check and validate the data and ensure there are no QAQC issues.

Section 2: Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	The Kabanga Jirani Nickel Project covering 1,145km2 comprises of 7 granted licences, all are 100% owned by Adavale Resources as follows: PL 11405/2020 113.84 km^2 Kabanga North, Tanzania PL 11406/2020 298.02 km^2 Kabanga North East, Tanzania PL 11537/2021 194.08 km^2 Burigi North, Tanzania PL 11538/2021 64.08 km^2 Burigi, Tanzania PL 11590/2021 273.27 km^2 Kabanga West, Tanzania PL 11591/2021 181.74 km^2 Kabanga East, Tanzania PL 11592/2021 19.4 km^2 Ruiza North East, Tanzania

		Adavale Resources has a farm-in agreement with Mr Ally Mbarak Nahdi for the Luhuma Nickel Project for 2 licences to earn up to 80%: PL11692/2021 26.01 km^2 Extension of Kabanga North East, Tanzania PL 11693/2021 72.88 km^2 Extension of Kabanga North East, Tanzania
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	Not applicable, not referred to.
Geology	• *Deposit type, geological setting and style of mineralisation.*	The exploration target is massive or disseminated sulphides hosted within mafic/ultramafc rocks akin to the Kabanga Deposit.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		Not applicable as no drilling results reported.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	Soil sample results are presented as percentiles.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	No drill core results reported.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Gravity maps include a scalebar and labels to show strength of gravity.

Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	Gravity anomalies over area surveyed has been reported on.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	No other exploration data is material to the current report.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Detailed planning of further surveys still to be determined but plans to conduct airborne EM and drilling have been outlined.