

## ASX ANNOUNCEMENT

13 July 2022



# Heli EM Survey Areas Finalised

## Highlights

- 9 Heli-borne Electro-Magnetic (EM) survey areas have been finalised to cover 18 priority anomalies identified from the gravity survey of Adavale's southern Nickel licence portfolio
- The EM survey will be conducted to identify potential nickel mineralised conductors that correlate with these gravity anomalies
- The Heli EM surveys will cover 2,000-line km using a deep penetrating (~500m) Time Domain EM (TDEM) system over a 10-day campaign
- All high-quality EM conductors will be tested using a mix of Reverse Circulation and Diamond Drilling campaigns scheduled to commence from August 2022

Adavale Resources Limited (**ASX: ADD**) ("Adavale" or "the Company") is pleased to advise it has selected 9 high-priority areas for immediate Heli-borne EM survey coverage (Figure 1). The nine areas to be surveyed cover 18 of the 32 gravity anomalies identified by the recently concluded ground-based gravity survey program conducted over the Company's 100% owned Kabanga Jirani Nickel Project ("Kabanga") comprising Kabanga NE, North, East, Kabanga West, and the farmed-in Luhuma Nickel Project ("Luhuma") areas (refer to ASX announcement dated 7 July 2022 titled "32 Nickel Targets identified in the East African Nickel Belt"). The remaining 14 gravity anomalies outside the 9 chosen Heli-borne survey areas, will form the basis of a second-tier program of follow-up exploration targeting and testing.

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

*"The exploration program is now set to increase in momentum after our successful gravity survey."*

*"Our technical team has been working diligently to design a program that optimises the flight plans that can capture as many of the target areas as possible and also clear all the logistics issues to ensure that the Heli EM survey can start without delay."*

## ASX: ADD

### DIRECTORS & OFFICERS

**GRANT PIERCE**  
CHAIRMAN

**DAVID RIEKIE**  
EXECUTIVE DIRECTOR

**JOHN HICKS**  
DIRECTOR

**ALLAN RICHIE**  
CHIEF EXECUTIVE OFFICER

**LEONARD MATH**  
CFO & COMPANY SECRETARY

### ISSUED CAPITAL

Shares: ~357 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



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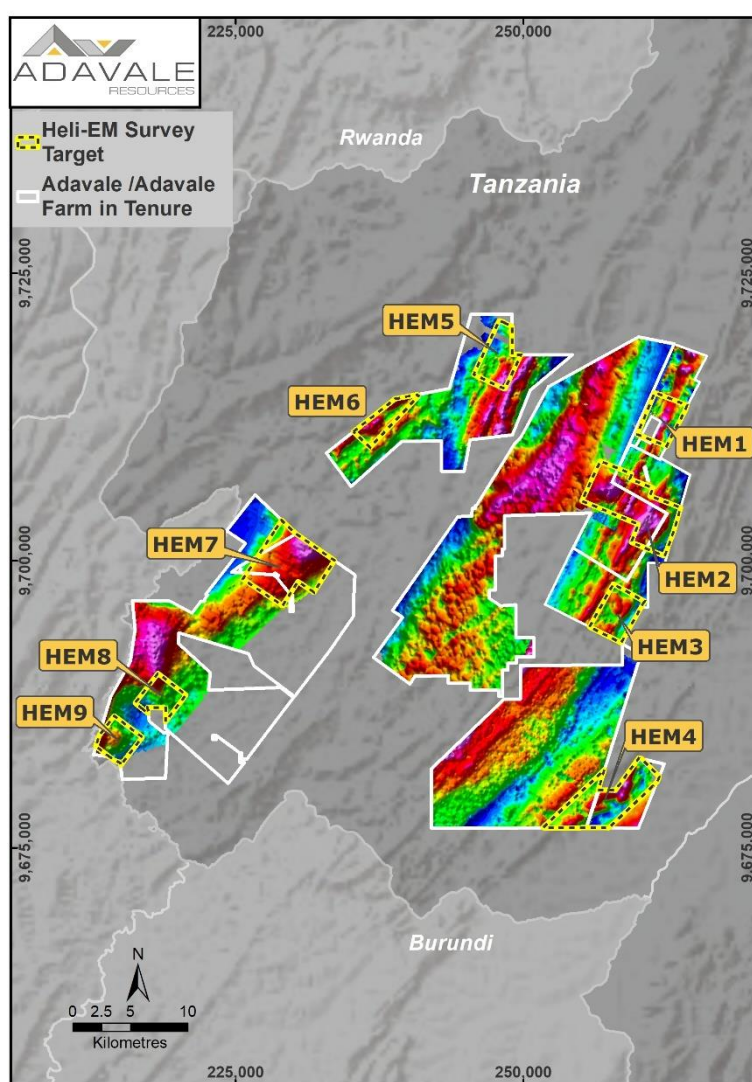
*The deep penetrating EM will build on the foundations of the gravity survey and will be specifically chasing confirmation of the presence, location, and orientation of nickel mineralisation within the priority targets identified.*

*Armed with the interpretation of the EM data, we can promptly decide upon the location and type of drilling for these targets. We consider this is how we will maximise our chances of making new nickel discoveries while also being both time and cost-effective.*

*We look forward to providing regular updates to the market on these important activities and the corresponding outcomes.”*

### **Heli-borne Electro Magnetic Survey Details**

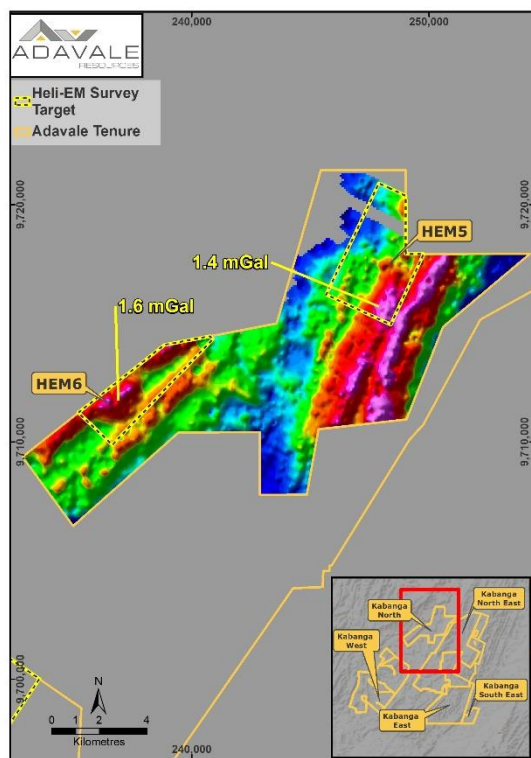
New Resolution Geophysics (NRG) based in Cape Town, South Africa has been contracted to fly the Heli-borne surveys using their high-powered TDEM system which is capable of detecting EM anomalies up to 500-600m below the surface (depending on local ground conditions). The surveys will be flown on 100m spaced lines which will provide much greater resolution and depth penetration than the currently available 400m spaced GeoTEM survey data that was flown by BHP in the early 1990s. Figure 1 summarises the nine Heli EM survey areas of the Company's southern Nickel Licence portfolio. The localised HEM survey areas are shown in Figure 2 (Kabanga N), Figure 3 (Kabanga NE/Luhuma), Figure 4 (Kabanga W), Figure 5 (Kabanga E).



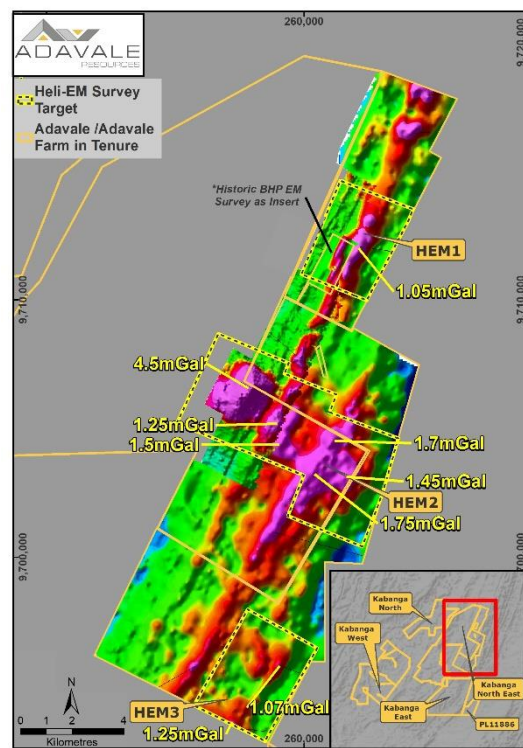
**Figure 1:** Plan view of the nine Heli-EM (HEM) target areas scheduled to be flown



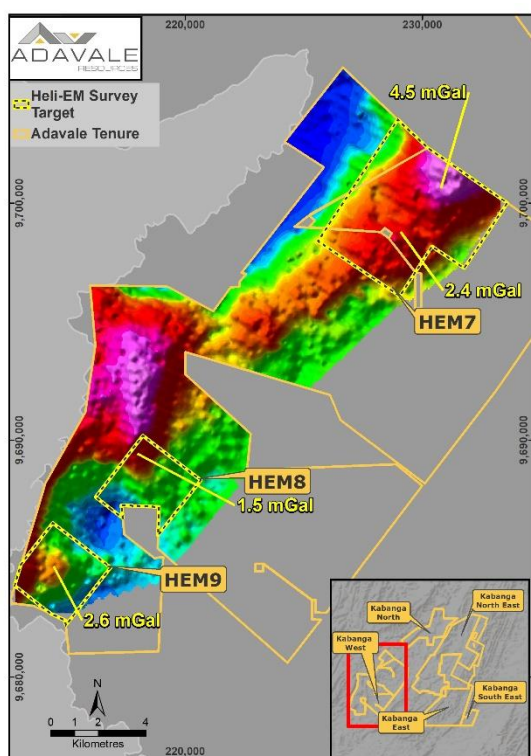
The gravity survey identified anomalies that are indicative of underlying mafic-ultramafic intrusions whilst the EM survey will test for conductors which are potentially caused by sulphide mineralisation hosted within these intrusions. Coincident EM and gravity anomalies identified in this way will form the immediate focus of Adavale's follow-up ongoing exploration including drill testing which is anticipated to commence in August.



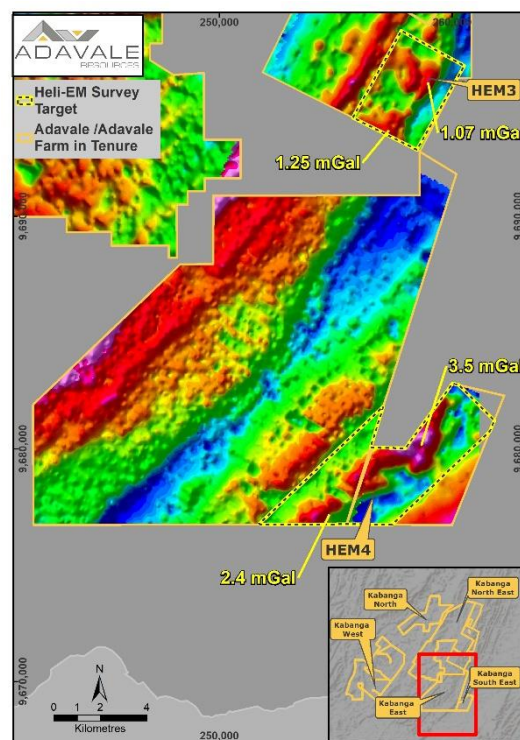
**Figure 2: Kabanga North**




**Figure 3: Kabanga NE/Luhuma**



**Figure 4: Kabanga West (gravity conducted over prospective areas (excluding granite intrusive considered un-prospective on eastern flank))**



**Figure 5: Kabanga East**



The cumulative total line kilometers to be flown over the nine survey areas is approximately 2,000 km. The helicopter, associated survey equipment, and technical personnel are currently being mobilised to the site with survey flying scheduled to commence the week beginning 18 July 2022.

The anticipated duration of the survey is between 10 and 14 days with preliminary data available to Adavale's consultant geophysicists regularly throughout the course of the survey. This will enable progress to be monitored closely facilitating program refinements (if required), QA/QC of generated data, and early identification of targets for drill testing.

The final processed survey data from NRG to Adavale is anticipated in early August.

Once completed and processed, Adavale will use the Heli EM data in conjunction with all other data sets (including historical magnetic data and Adavale's geochemical survey data) to rank and prioritise targets for follow-up drill testing. At this point drill, testing of priority targets is anticipated to commence from late August.

### Next Steps and Progress milestones

In summary, over July and August the Company will be undertaking several important exploration workstreams.

Milestones	Date
Complete the detailed Heli-borne EM surveys (the subject of this announcement)	July 2022
Receival and interpretation of final TDEM data	August 2022
Selection and prioritization of targets for drill testing	August 2022
Drill test priority targets (commencing)	End August 2022

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

### Further information:

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**Allan Ritchie**  
Chief Executive Officer  
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### 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.

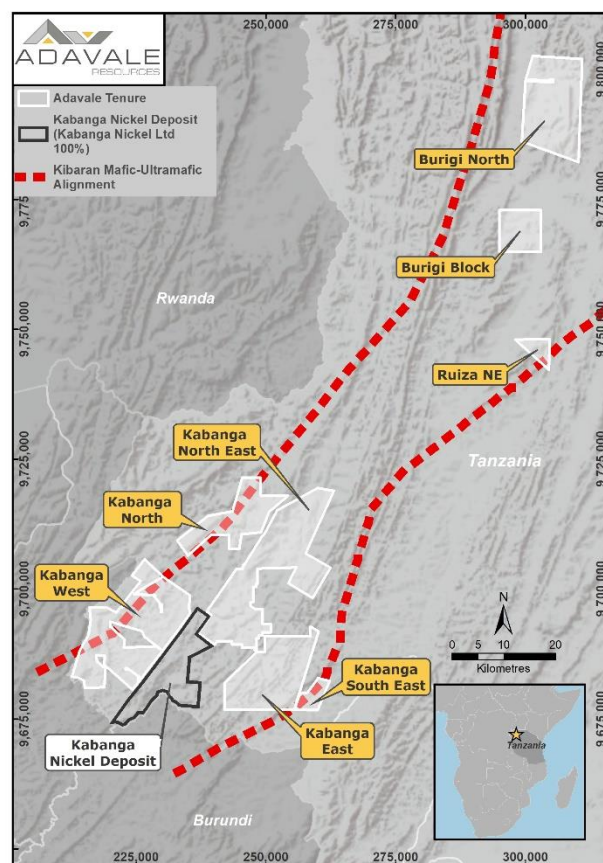
### Forward looking statements

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<sup>2</sup> along the Karagwe-Ankolean belt in Tanzania. The four southernmost licences are proximal to the world class Kabanga Nickel Deposit (58Mt @ 2.62% Ni). Adavale has Farmed-in to two more highly prospective licences contiguous to our 4 southernmost licences, adding a further 99km<sup>2</sup> 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.