

27 July 2022



ADAVALE RAISING UP TO \$3M TO ACCELERATE NEAR TERM NICKEL EXPLORATION & DRILLING

HIGHLIGHTS

- Binding commitments received to raise \$1.8 million through a strongly supported Placement at 2.0c per share
- New sophisticated investors including high net worth, family office and dedicated resource funds confirmed as participants, together with Director participation (with shareholder approval)
- In addition to the Placement, Adavale is launching one (1) for six (6) Entitlement Offer to raise up to \$1.2 million at 2.0c per share
- Placement and Entitlements Offer participants will receive a one (1) unlisted Attaching Option for every three (3) New Shares subscribed for under the Placement and Entitlements Issue, exercisable at 3.0c per share, expiring 12 months from approval
- Intention to grant a one (1) for ten (10) Loyalty Option to all eligible ADD shareholders on or around late September, with the same exercise price and expiry date of the Attaching Options
- Adavale well-funded to execute an imminent Heli EM survey, RC and diamond drilling at the Kabanga Jirani and Luhuma Nickel Project in Tanzania, and a maiden air-core drill program at the Lake Surprise Uranium Project in South Australia

Adavale Resources Limited (ASX: ADD) ("ADD" or "Company") is pleased to announce that it has received binding commitments to raise c.\$1.8 million (before costs) (**Placement**). The Placement will comprise the issue of 90,045,411 new fully paid ordinary shares (**Placement Shares**) in the Company at an issue price of 2.0c per share as follows:

- Tranche 1 of the Placement will raise c.\$1.6 million by the issue of 80,045,411 shares and will be issued pursuant to the Company's existing placement capacity under ASX Listing Rules 7.1 and 7.1A (**Tranche 1**); and

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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- Tranche 2 of the Placement will raise \$200,000 through the issue of 10,000,000 shares to ADD Directors and selected cornerstone investors, subject to Shareholder Approval to be sought at a General Meeting on or around early September 2022 (**General Meeting (Tranche 2)**).

In addition to the Placement, the Company is launching a one (1) for six (6) non-renounceable Entitlement Offer to raise a total of c.\$1.2 million (before costs) through the issue of up to 59.6 million new shares (**Entitlement Shares**) at 2.0c per New Share (**Entitlement Offer**).

Placement and Entitlements Issue participants will receive one (1) free Attaching Option for every three (3) New Shares subscribed for under the Placement and Entitlement Offer, exercisable at 3.0c each with a 12-month expiry from the date of grant (**Attaching Options**). The Attaching Options will be subject to Shareholder Approval at the General Meeting and are expected to be granted on or around mid-September 2022.

The Company also intends, subject to ASX approval of the timetable and the issue of a Prospectus in compliance with the Corporations Act, to undertake a loyalty option issue of one (1) option for every ten (10) shares held to all shareholders registered on a record date proposed to be on or around late September 2022 (following completion of Tranche 2) (**Loyalty Options**). The Loyalty Options will have the same exercise price and expiry date as the Attaching Options.

Discovery Capital Limited acted as the Lead Manager for the Placement and Entitlements Issue.

Commenting on the Capital Raising, Executive Director Mr David Riekie said:

“We have received strong interest in the placement and will see the introduction of several new sophisticated investors, including high net worth, family office and resource funds to our register.

The Company has launched an Entitlements Offer on the same terms to ensure our existing shareholders have the opportunity to invest alongside these sophisticated investors.

The funding allows Adavale to accelerate the exploration programs to unlock the potential on both our nickel and uranium projects especially following the recent ground gravity survey success.

We welcome the new shareholders and look forward to eligible shareholders supporting Adavale as we continue our exciting exploration activities.”

USE OF FUNDS

The proceeds raised under the Placement and Entitlement Offer position Adavale with a strong cash position to fund accelerated nickel exploration activities in Tanzania and the upcoming uranium drilling program in South Australia including:

- Geophysical survey comprising Heli EM at high-priority targets at the Kabanga Jirani and Luhuma Nickel Sulphide Projects in Tanzania (**Nickel Projects**);
- RC and diamond drill program to test targets identified through the Heli EM at the Nickel Projects;
- Shallow Air-core drill program at the Lake Surprise uranium project in South Australia; and
- General working capital and cost associated with the Placement and Entitlements Issue.



PLACEMENT DETAILS

The Placement and Entitlement Issue offer price of 2.0c per share represents a 16.7% discount to ADD's last closed on Friday, 22 July 2022 of 2.40c per share, an 18.7% discount to the 5-day VWAP of 2.46c per share, an 18.4% discount to the 15-day VWAP of 2.45c per share and a 23.1% discount to the 30-day VWAP of 2.60c per share.

Settlement of Tranche 1 of the Placement is expected to be completed on Thursday, 4 August 2022. Settlement of Tranche 2 of the Placement is expected to be completed on or around mid-September 2022 and subject to Shareholder Approval at the General Meeting scheduled on or around early September 2022.

Tranche 1 of the Placement has been conducted pursuant to the Company's existing Placement capacity under ASX Listing Rules 7.1 and 7.1A. A total of 44,815,571 new shares will be issued under Listing Rule 7.1 and 35,229,840 new shares will be issued under Listing Rule 7.1A.

Placement Shares will rank equally with existing fully paid ordinary shares, noting that they will be issued after the Record Date for the Entitlement Offer and will not carry an entitlement to participate in the Entitlement Offer.

ENTITLEMENT OFFER

The non-renounceable Entitlement Offer will be offered to existing shareholders on a pro-rata basis of one (1) new share for every six (6) ordinary fully paid shares held in the Company on Wednesday, 3 August 2022 (**Record Date**), at an issue price of 2.0c per share to raise up to c.\$1.2M (before costs). The pricing and terms of the Entitlement Offer have been set so that shareholders can obtain new shares at the same price and terms as subscribers under the Placement. Entitlements may only be exercised by Eligible Shareholders being persons with a registered address on the Company's Share Register in Australia or New Zealand. The Entitlement Offer shares will be issued pursuant to a disclosure document issued under section 713 of the Corporations Act to be lodged with the ASIC on Friday, 29 July 2022. Placement shares will not carry an entitlement to participate in the Entitlement Offer.

Eligible shareholders will be given the opportunity to apply for additional securities in excess of their entitlement, via a shortfall facility which shall be allocated at the absolute discretion of the ADD Board.

DIRECTOR & MANAGEMENT PARTICIPATION

Adavale Executive Director David Riekie and Non-Executive Director John Hicks intend to participate in the Placement for a total of \$100,000 (\$50,000 each) through the issue of 5,000,000 new shares (**Director Participation**). Director Participation will be subject to Shareholder Approval at the General Meeting and included in Tranche 2.

In addition, the Adavale Board of Directors intend to take up their eligible entitlements under the Entitlement Offer.

INDICATIVE PLACEMENT & ENTITLEMENT OFFER TIMETABLE

The indicative timetable below remains subject to change at the Company's discretion, subject to compliance with applicable laws and the ASX Listing Rules.

Event	Date (AWST)
Announcement of the Placement and Entitlement Offer, and lodgment of Appendix 3B with ASX	Wednesday, 27 July 2022
Lodgment of Prospectus with the ASIC and ASX	Pre-Open Friday, 29 July 2022
Existing Shares quoted on an 'EX' basis	Tuesday, 2 August 2022
Record Date for determining Entitlements	Wednesday, 3 August 2022
Anticipated Manual Settlement of new shares issued under Tranche 1 of the Placement	Thursday, 4 August 2022
Notice of General Meeting Dispatched	On or around early/mid-August 2022
Prospectus and Entitlement Offer and Acceptance Form dispatched to Eligible Shareholders	Friday, 5 August 2022
Closing Date of Entitlement Offer (Offer closes 5:00pm AWST)*	Friday, 16 September 2022
Announcement of results of the Entitlement Offer	Wednesday, 21 September 2022
Quotation of Securities issued under the Entitlement Offer*	Friday, 23 September 2022
General Meeting to approve Attaching Options and Tranche 2	On or around early/mid-September 2022
Anticipated issue of Attaching Options and Tranche 2 settlement date	5 business days following the General Meeting

**The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such the date the Securities are expected to commence trading on ASX may vary.*

The Notice of Meeting to approve the grant of the Attaching Options, Director Participation and Tranche 2 of the Placement is being prepared and will be despatched as soon as possible

If you have any queries concerning the Entitlements Offer or the action you are required to take to subscribe for the new shares, please contact your financial advisor, or the Share Registry "Computershare" on 1300 850 505 or Mr Leonard Math, the Company Secretary, on leonard@adavaleresources.com.



LOYALTY OPTION ISSUE

In recognition of the continuing support received from our shareholder base, Adavale wishes to advise that it is the Company's intention, subject to ASX approval of the timetable and subject to issue of a Prospectus in compliance with the Corporations Act, to also undertake a Loyalty Option issue to all Shareholders with a registered address for their shareholding in Australia or New Zealand (Eligible Shareholders). The Record Date for the Loyalty Option Issue is expected to be post completion of Tranche 2 of the Placement in mid/late September 2022 (**Loyalty Option Record Date**). Adavale will work with the legal and advisory teams to ensure this Loyalty Option offer is available to as many shareholders as possible and practical based on jurisdictional requirements outside of Australia and New Zealand.

For every ten (10) shares held at 5:00 pm (Melbourne time) on the Loyalty Option Record Date, Eligible Shareholders will be issued with one (1) free Loyalty Option.

The Loyalty Options will have the same exercise price (3.0c) and expiry date as the Attaching Options. If exercised, each Loyalty Option will result in the allotment and issue of one (1) fully paid ordinary share in Adavale.

Adavale will not seek quotation of the Loyalty Options on the ASX.

Participants in the Placement will be eligible for the offer of Loyalty Options and holders of the Company's existing Unlisted Options (**Existing Options**) will be advised of the timetable for exercise of their securities in order to participate if they so wish. Holders of Existing Options will not be entitled to participate in the Loyalty Option issue in respect of the Existing Options that they hold, unless those Existing Options have been validly exercised (and resulting Shares are allotted and issued) before the Loyalty Option Record Date.

A further announcement, including the timetable for the entitlement to and issue of the Loyalty Options will be provided by the Company on lodgment of the Prospectus.

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

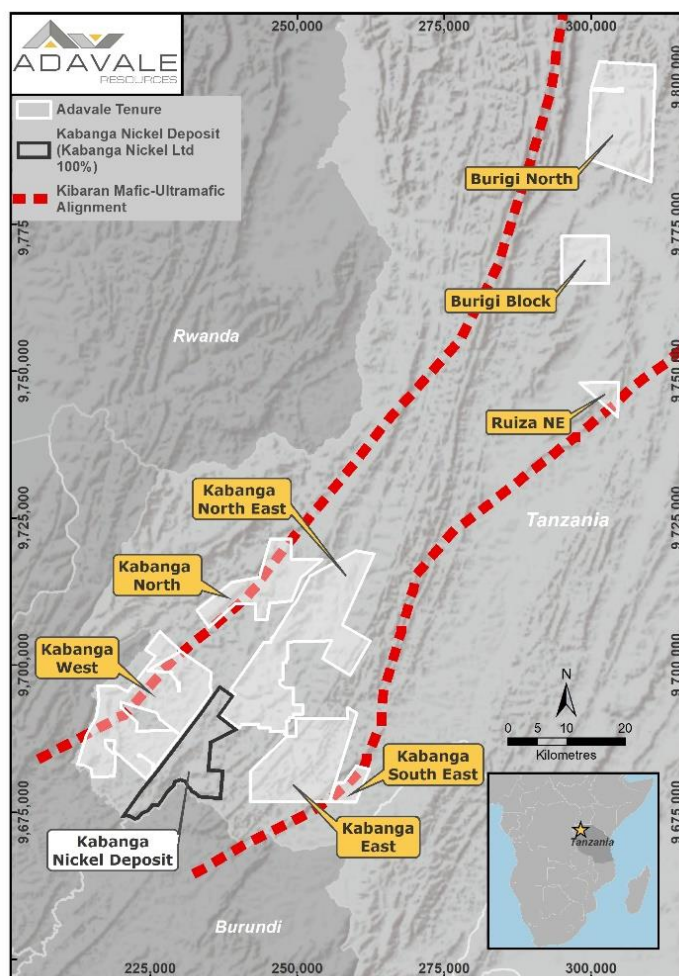
Further information:

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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 8 highly prospective granted licences covering ~ 1,168km² 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 5 southernmost licences, adding a further 99km² to the portfolio. Adavale's licences were selected based on their strong geochemical and geophysical signatures from the 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.