



Exploring for a Tier-1 Nickel Sulphide Discovery in the East African Nickel Belt

Investor Presentation

August 2022 | ASX: ADD

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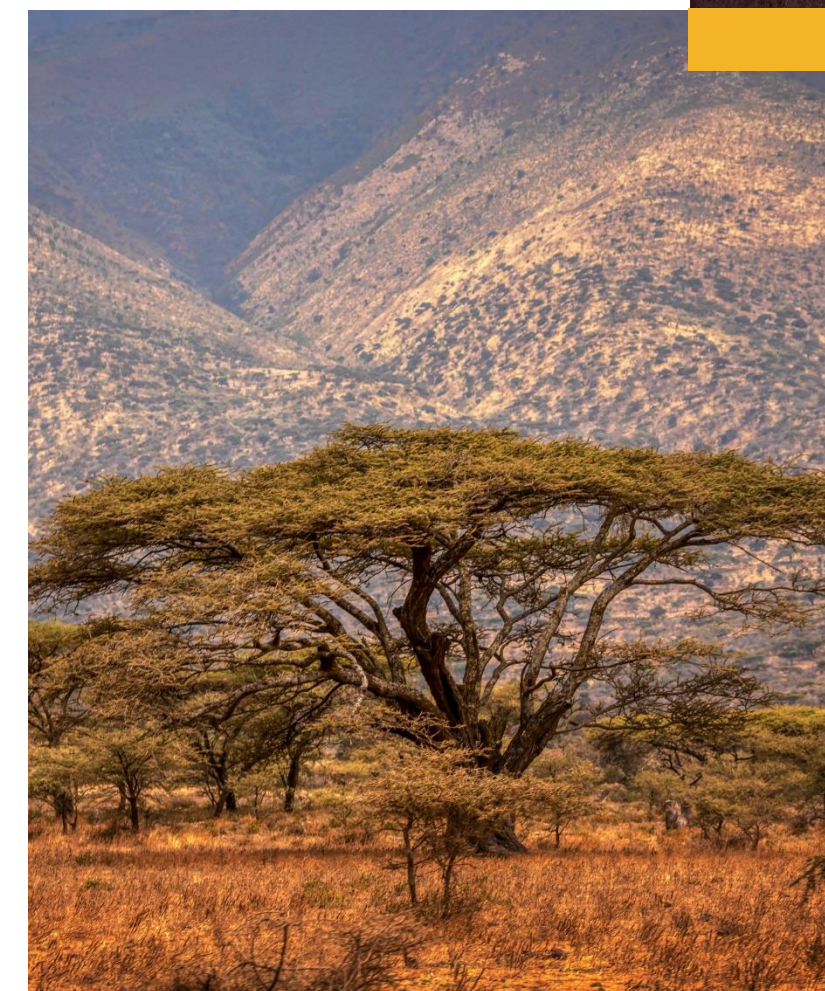
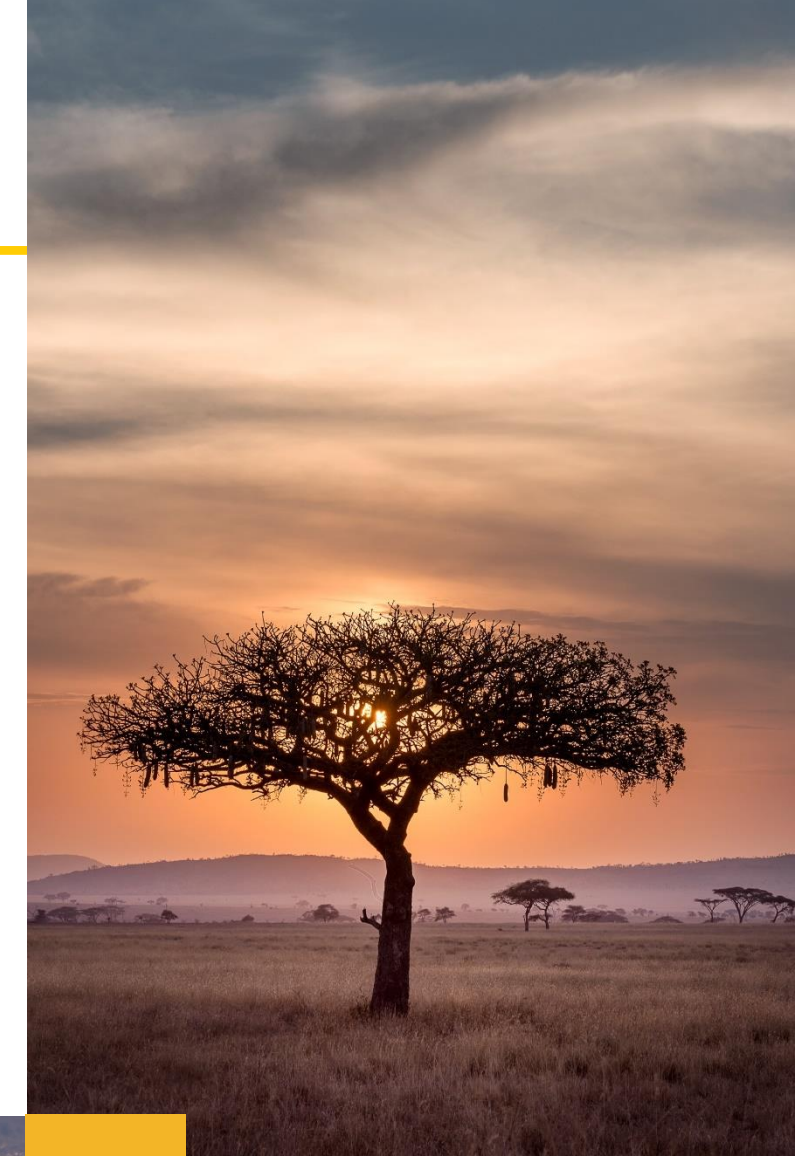
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Competent Person Statement

The information in this release that relates to "exploration results" for the **Nickel** 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.

The information in this release that relates to "exploration results" for the **Uranium** Project is based on information compiled or reviewed by **Mr Patrick Harvey** MAppSci, Australia. Mr Harvey is a consultant for Adavale Resources Limited and is a member of the AIG. Mr Harvey 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 Harvey consents to this release in the form and context in which it appears.



Why invest in Adavale?



Exposure to critical minerals - Nickel and Uranium: Electrification and Decarbonisation



A dominant Nickel exploration portfolio in the East African Nickel Belt
- poised to become an epicentre for nickel discovery and production in Africa



Success through dedicated methodology and a considered exploration program
- Generating numerous and large-scale Ni sulphide targets



Near term drill targets

- 32 previously unknown and unexplored targets generated from ground-based gravity survey, now refined and prioritised for drilling from 9 Heli EM survey areas



A team with deep African experience and a track record of major discoveries in Nickel



Fully funded to execute imminent drill programs and exploration work

Board & Capital Structure

Grant Pierce

Non-Executive Chairman

Mining engineer with ED, NED, GM experience
Strong and long-standing affinity with Tanzania

David Riekie

Executive Director

Corporate experience, ASX roles (NED, MD, ED, CEO)
including Nickel, Uranium/Energy, African experience

John Hicks

Non-Executive Director

Accomplished Nickel Sulphide Geologist/Explorer, 15yrs of
GM level Geo/Explorer for ASX listed

Allan Ritchie

Chief Executive Officer

Experienced ASX/HKEx Energy and Resources CEO/ED/MD,
30+yr Investment Banking career

Leonard Math

Chief Financial Officer/ Company Secretary

Experienced Resources sector executive, ASX listed ED, CFO,
Coy Sec

ADD	\$12.7m	2.5cps	\$3.6m
ASX Code	Market Cap	Share Price	Cash & Liquids
5.1%	17m	76.4m	Nil
Board & Management Ownership	Performance Rights	Options Avg. Ex-Price 5.1cps, Exp: 21 Dec 22 to 30 Jan 25	Debt

Current Shares on Issue	m	357.3
Tranche 1 Placement	m	80.0
Tranche 2 Placement / Director Participation (subject to shareholder approval)	m	10.0
Entitlement Offer (assuming 100% take up)	m	59.6
Pro-forma Shares on Issue	m	506.9
Cash & Liquids (30 Jun 22)	\$m	0.6
Placement Proceeds (before costs)	\$m	1.8
Entitlement Offer Proceeds (before costs)	\$m	1.2
Pro-forma Cash & Liquids	\$m	3.6
Market Cap (at 2.5cps - last close 27 Jun 22)	\$m	12.7
Enterprise Value	\$m	9.1

Notes:

- Refer to Placement and Entitlement Offer details in announcement "Adavale raising up to \$3M to accelerate nickel exploration" dated 27 July 2022
- Options include 1:3 attaching options from Placement & Entitlements Issue
- Cash & liquids includes \$400k (as at 30 June 2022) and \$175k cash draw facility with LKC Technology Pty Ltd (LKC)
- Board & Management ownership assumes subscription for 5M shares in Tranche 2 of the Placement (subject to shareholder approval) and directors taking take up their eligible entitlements under the Entitlement Offer
- Performance rights 17m (Directors/KMP 9m tranche Ni/U308 JORC resource (exp Dec 2023); 5day VWAP 15cents (Jun 23)



Nickel Portfolio, Tanzania

A dedicated methodology and exploration program to uncover a large-scale Ni sulphide discovery in the East African Nickel Belt

Kabanga Jirani and Luhuma

TANZANIA

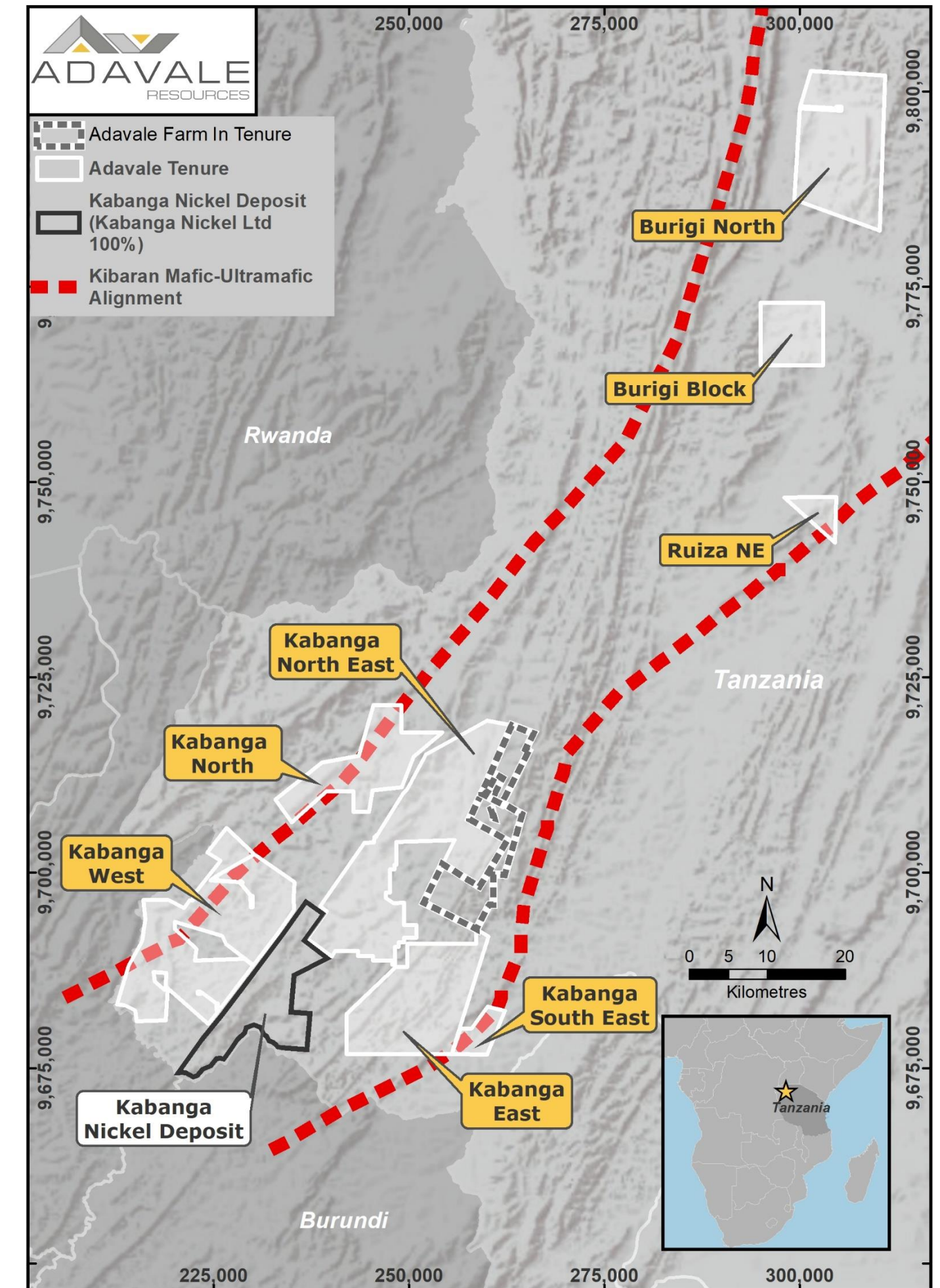
A dominant nickel licence portfolio in the East African Nickel Belt

A dedicated methodology and considered exploration program generating numerous priority Ni targets

A Company poised to uncover a large-scale Ni sulphide discovery

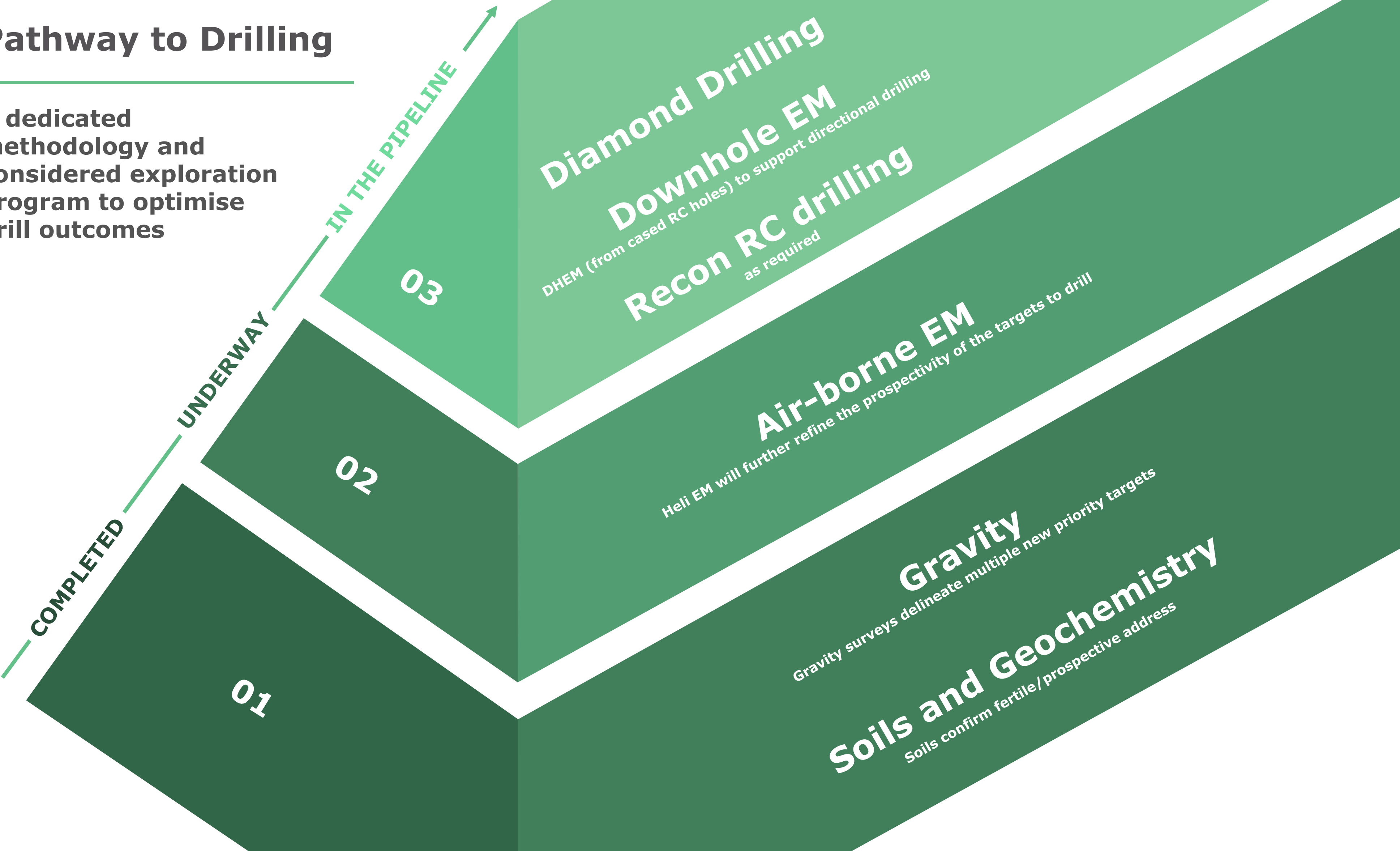
Portfolio Overview

- 100% owned Licences (exception Luhuma Farm –In)
- All Licences cover 1,243 km²
- Located along the Kabanga - Musongati mafic-ultramafic alignment within the Meso-Proterozoic Karagwe-Ankole Belt
 - Prospective for Ni, Cu, Co, Cr and PGE's
- Notable setting similarity with:
 - Thomson Nickel Belt and Raglan deposits in Canada
 - Voisey's Bay NiS deposits Canada
 - IGO's Nova in the Albany-Fraser Belt in Western Australia
- Targeting mafic-ultramafic layered intrusions emplaced within sulphur bearing sediments (sulphides)







Pathway to Drilling

A dedicated methodology and considered exploration program to optimise drill outcomes



2021 - A defining year to revise strategies and methodology

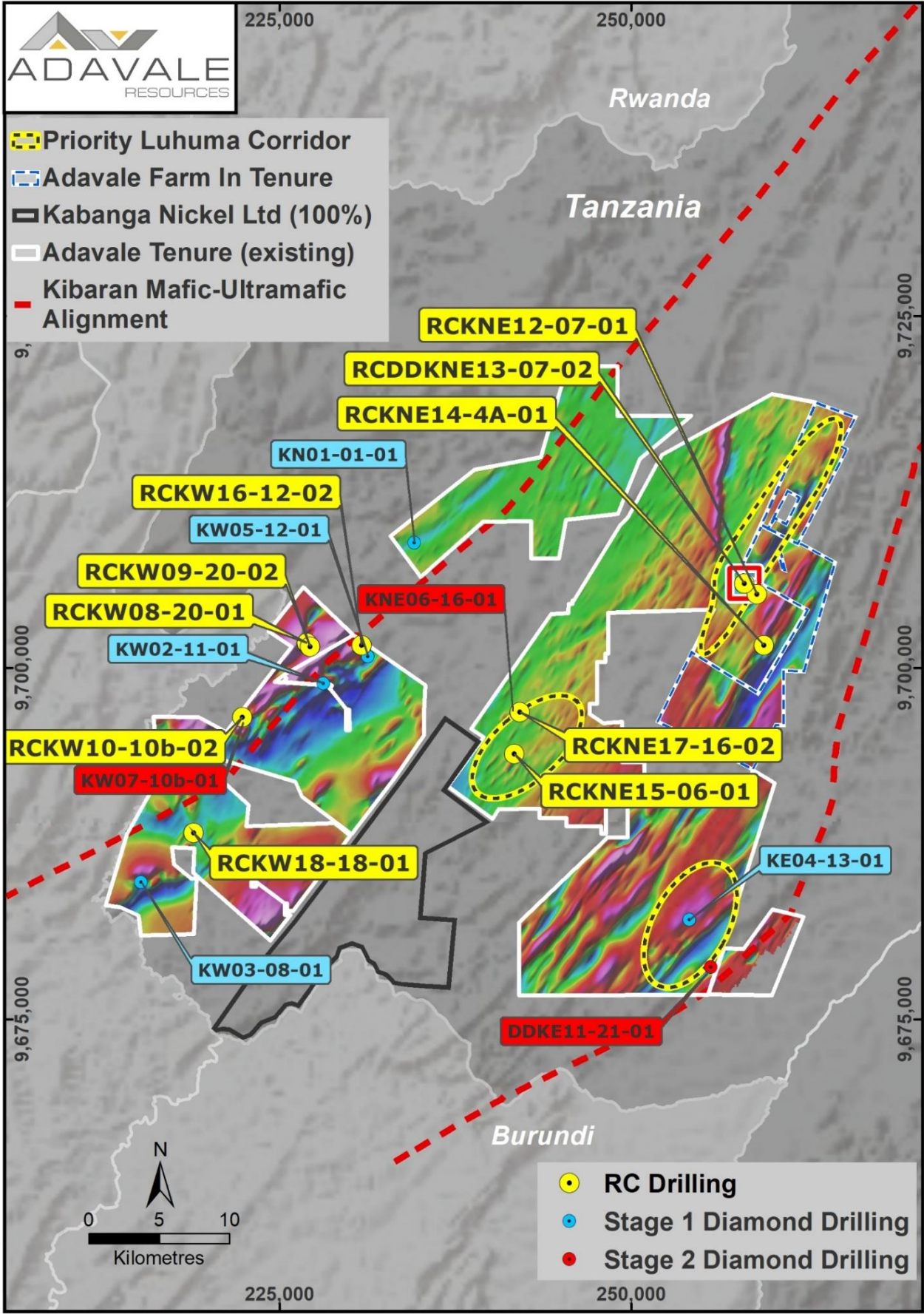
Outcomes achieved have enabled the refinement and reprioritisation of target selection criteria:

-  Gravity data defines targets
-  Drilling to establish source of the gravity anomalies (e.g. mafic-ultramafic intrusion)
-  Deep penetrating electromagnetic survey coverage of the confirmed intrusions
-  Development of these 2021 outcomes culminated in discovery of Target 7 (Kabanga NE) from known regional potential to prospect target identification

Luhuma Nickel Corridor

Encouraging **Target 7** result was the catalyst to secure **Luhuma Farm-in** tenure and consolidate strike extension ground holdings which is known to contain historical massive NiS intersections

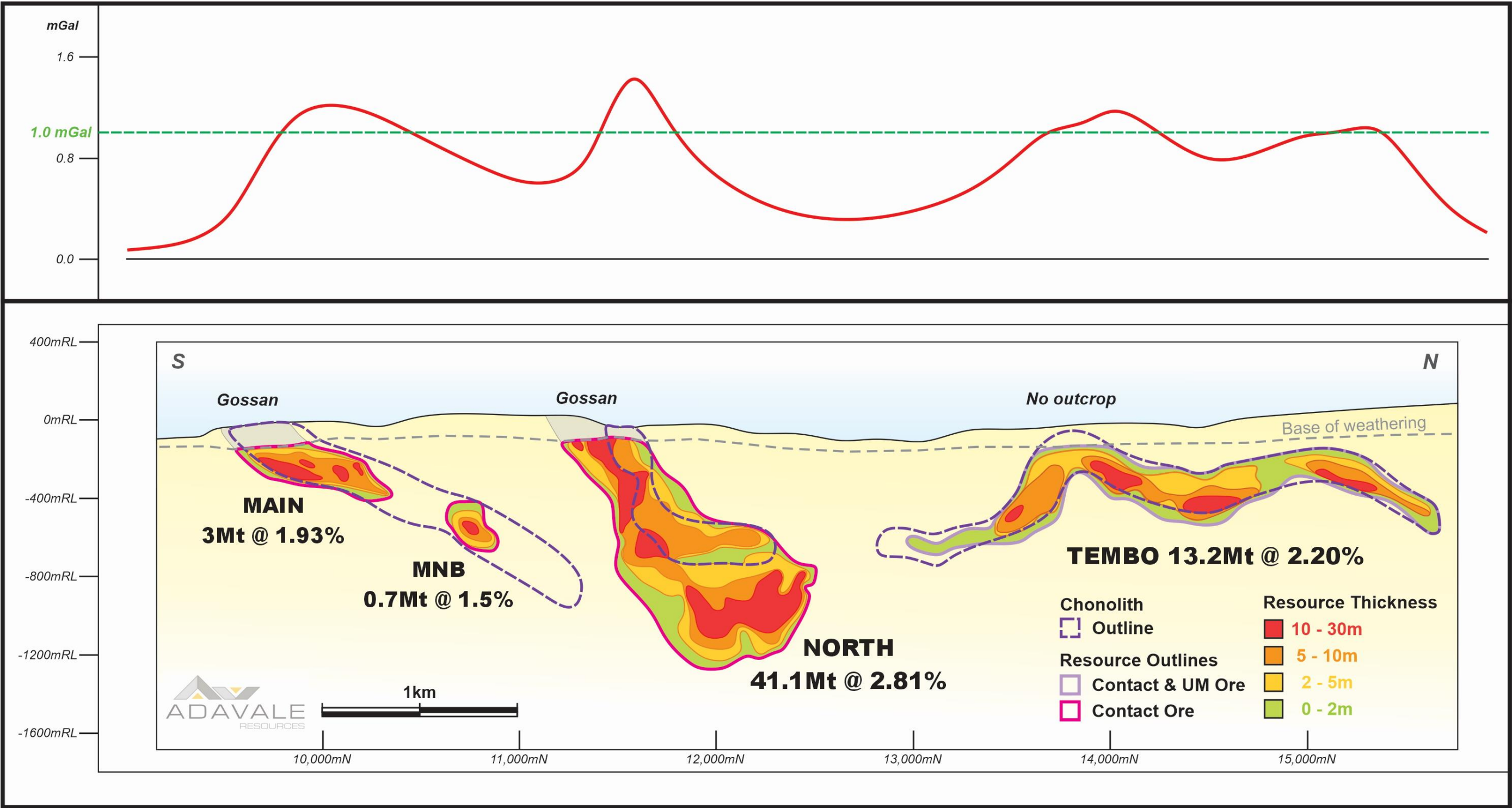
Prospecting Licence	DD holes	RC holes	DD/RC holes	Soils samples	Gravity (stations)	Key Targets
Kabanga North	1			2,227	120	T1
Kabanga West	4	5		5,726	869	
Kabanga East	2			2,465	657	T21
Kabanga NE	1	4	1	7,418	727	T7, T16
Total	8	9	1	17,836	2,373	



DD and RC dill hole collar locations and key target areas in proximity to Luhuma nickel corridor

Modelling & Outcomes

- Modeling has been undertaken by ADD based on the underlying deposits and Resources at Kabanga* to generate a range of corresponding (mGal) gravity signatures
- These indicative gravity signatures show mGal amplitudes of between ~ 0.6 to 1.4mGal around the large scale mafic/ultramafic intrusions
- ADD originally applied an exploration target threshold of +0.75mGal for the current gravity program to identify larger scale mafic/ultramafic intrusions
- ADD has already identified 16 discrete priority targets with gravity signatures +1mGal (increased density)



Source: 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/epiugs/2016/v39i2/95780

32 new Nickel Targets Discovered with Gravity on Kabanga Licences

Gravity providing foundation for exploration success

- **24,000 gravity readings over ~1,000 sq km** have now generated a total of **32 newly discovered and unexplored sulphide nickel targets**
- The **number and order of magnitude** of the gravity targets generated **confirms the prospectivity and large-scale nickel exploration potential** of Adavale's licences within the globally significant **East African Nickel Belt**
- Ground-based **gravity survey has discovered priority targets over a ~55 km strike length** that will become the focus of Adavale's future drilling programs and ongoing exploration
- **9 Heli-borne Electro Magnetic (EM) survey areas will be flown in mid July** in order to identify conductors within these gravity targets
- EM conductors identified will be tested with Reverse Circulation and Diamond **Drilling campaigns scheduled to commence from August 2022**

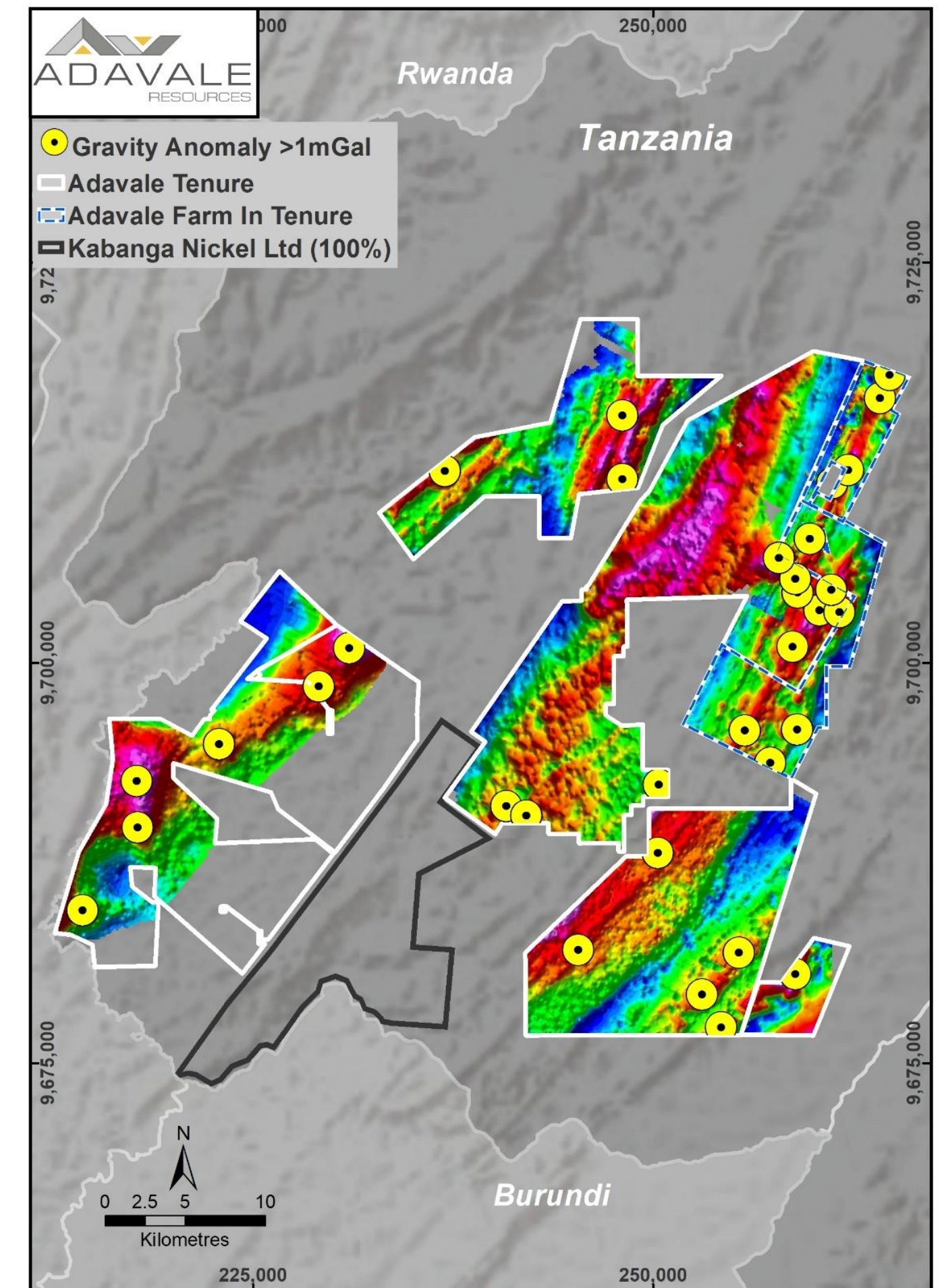


Figure Regional gravity survey areas showing location of identified targets

*ADD ASX Release dated 7 July 2022 titled "Outstanding Success with Multiple Previously Unknown Nickel Targets Discovered at Kabanga NE"

9 High Priority Heli EM Survey areas – including Luhuma Nickel Corridor

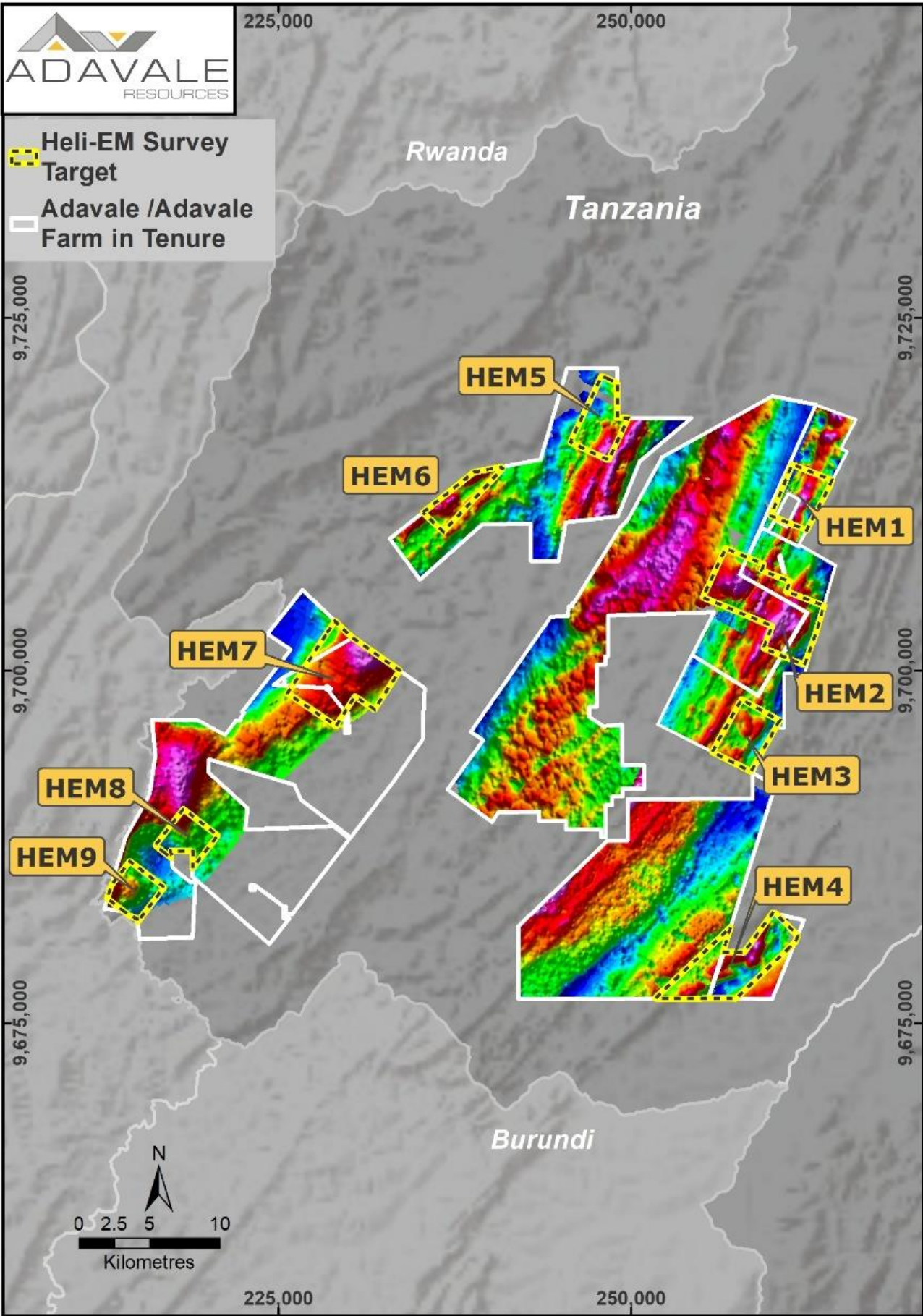


Figure : Plan view of the nine Heli-EM (HEM) target areas scheduled to be flown

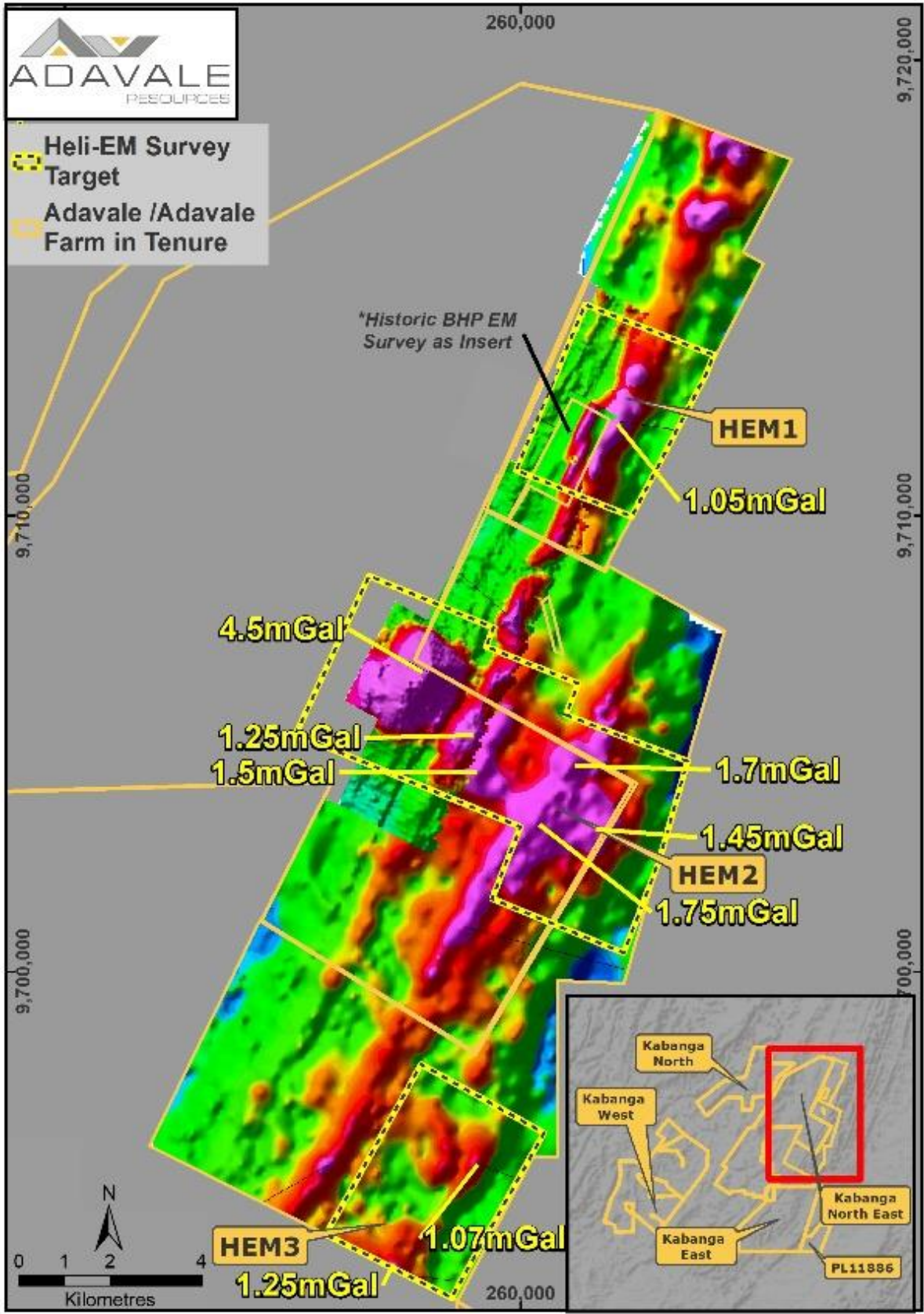


Figure Location of the 14 discrete high density high priority targets within the 30 km Luhuma Nickel Corridor

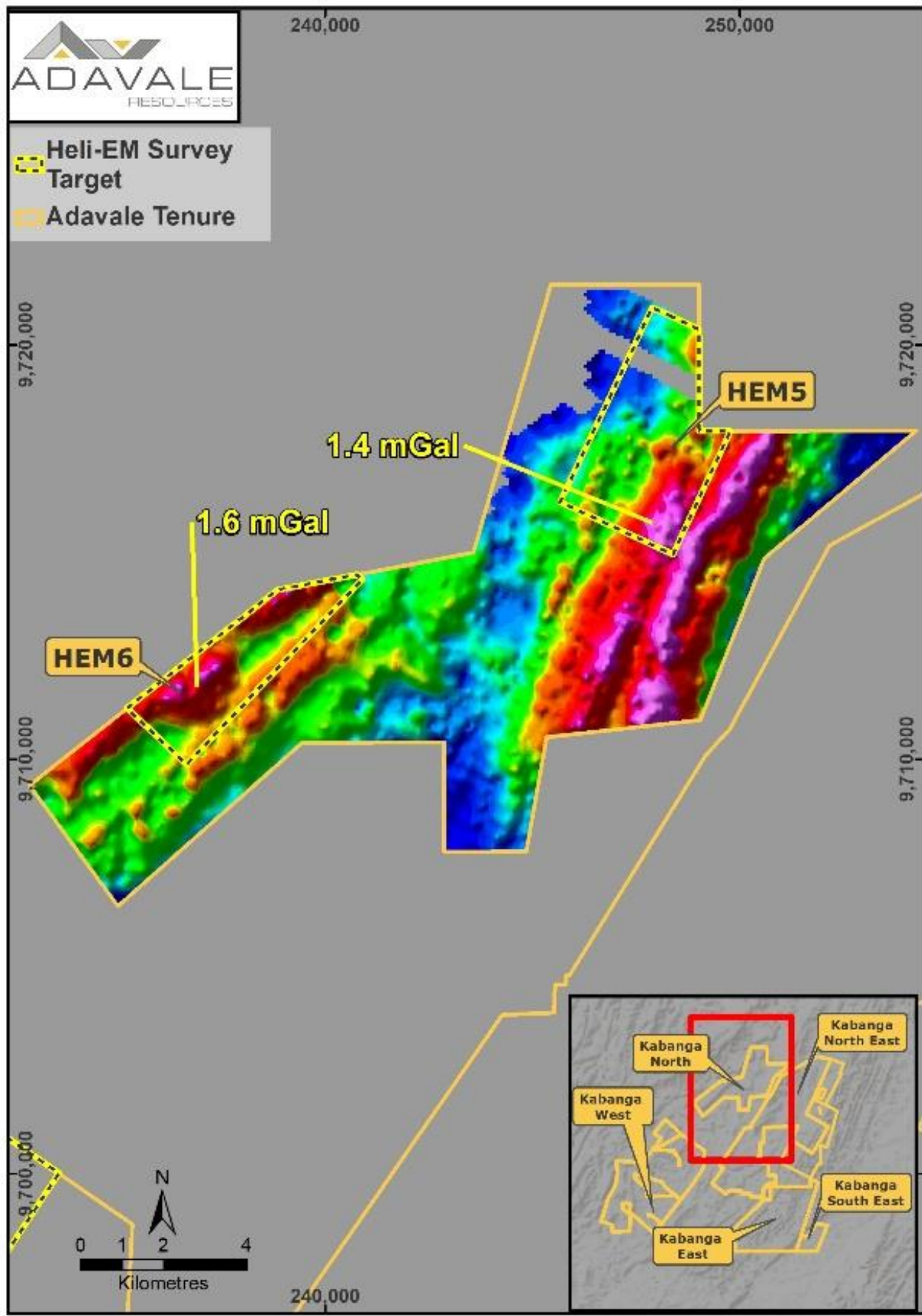
Source: ADD ASX Release dated 9 Jun 2022 titled "Outstanding Success with Multiple Previously Unknown Nickel Targets Discovered at Kabanga NE" + 13 July ASX release "Heli EM Survey Area Finalised"

"High-density signatures above 0.75mGal are interpreted to indicate the presence of underlying bedrock mafic-ultramafic intrusions (like world class Kabanga and Nova-Bollinger nickel sulphide deposits)"

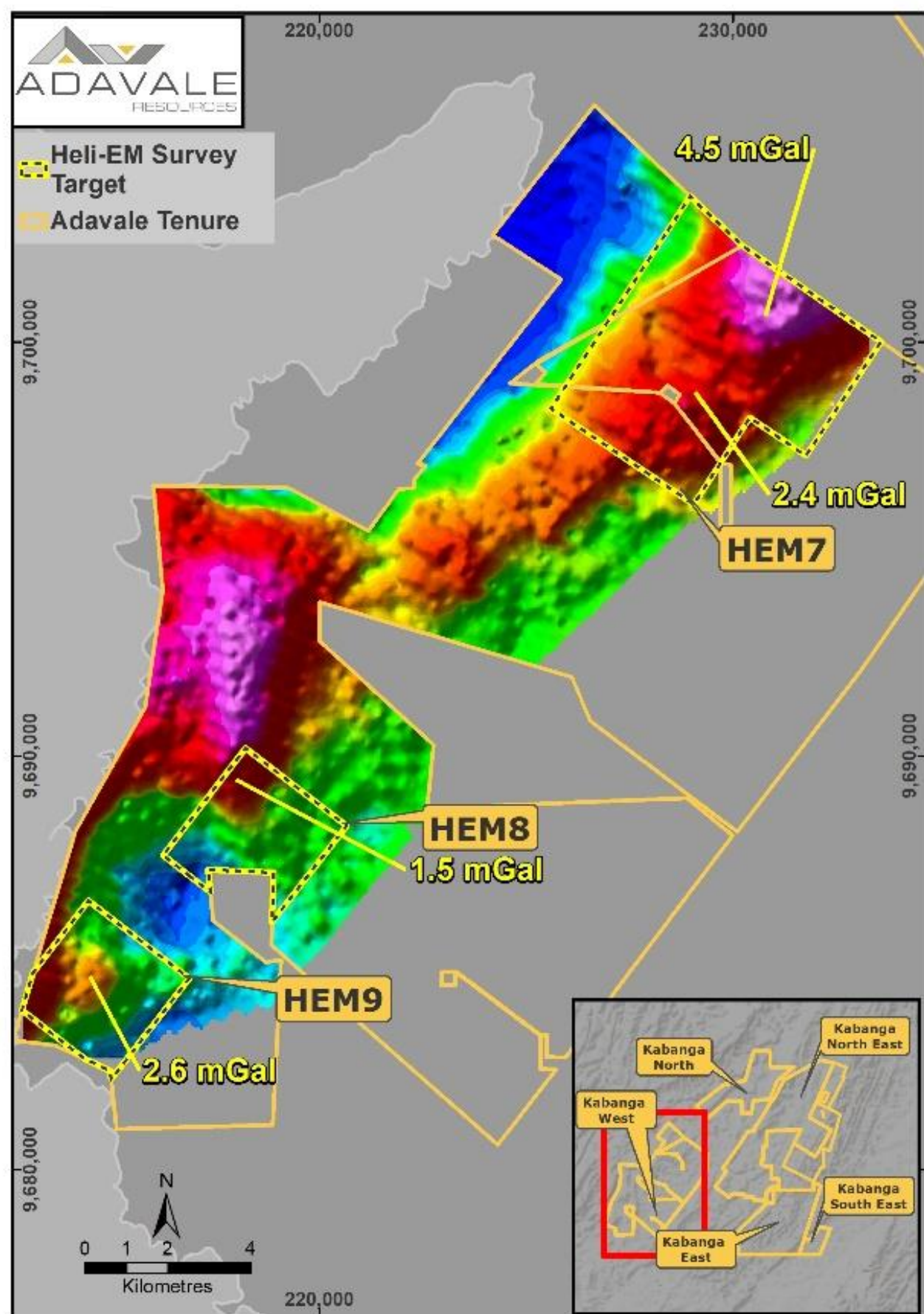
*When supported by other exploration indicators (Ni/Cu in soil and EM signatures) are ranked as high priority exploration targets.**

Kabanga North, West and East – Multiple gravity/Heli-EM targets

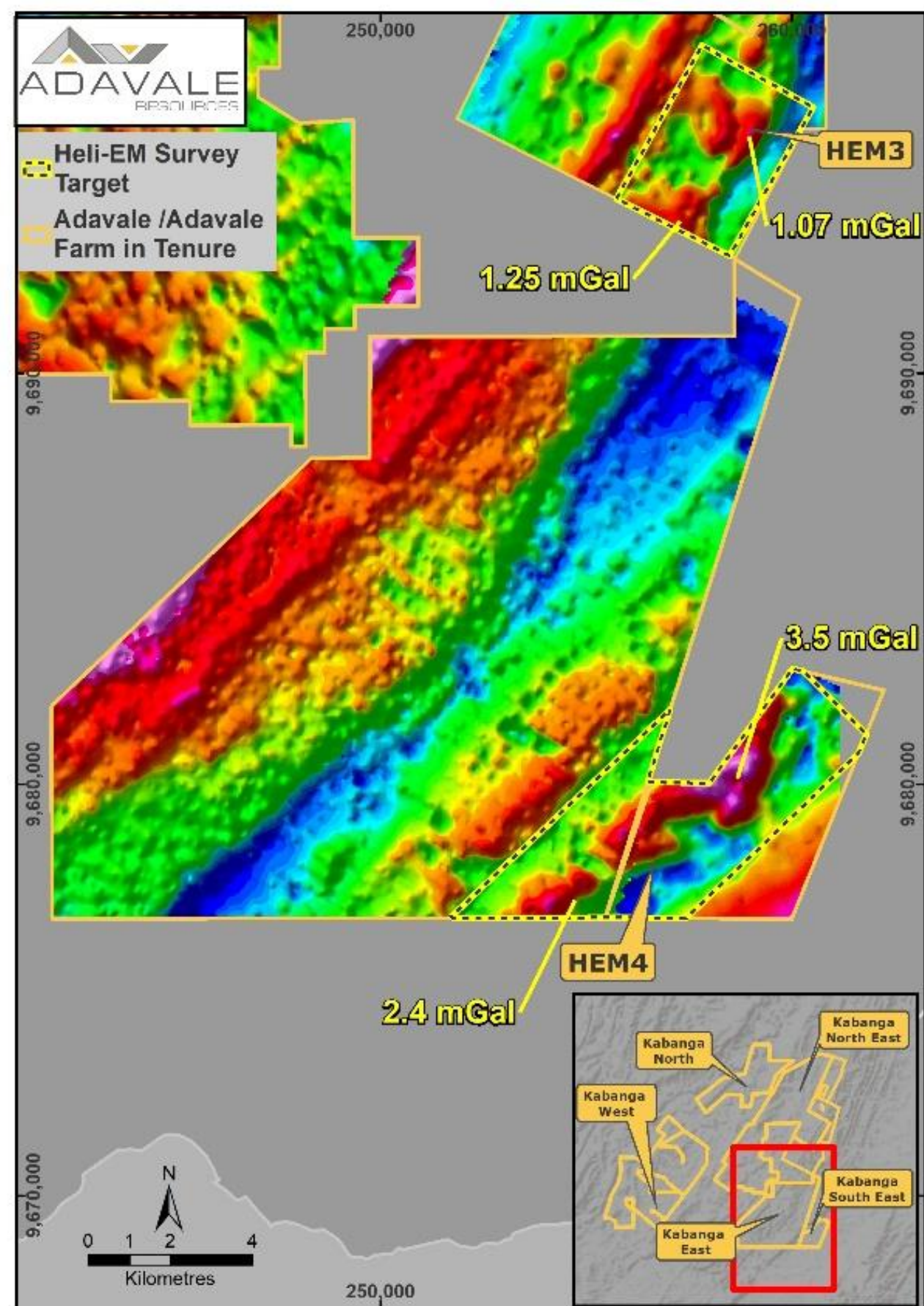
NICKEL PORTFOLIO



Kabanga North



Kabanga West



Kabanga East

Q2/Q3 CY22



Completed

- Completion of the regional gravity survey including Kabanga East, West and North
- Processing and interpretation to rank the identified anomalies for follow-up EM survey



Step 1- Identified

- Priority targets will be systematically covered using detailed Heli-borne, time domain EM (TDEM) and magnetic survey equipment
- NRG (Heli EM) will conduct a minimum of 2,000-line km of survey



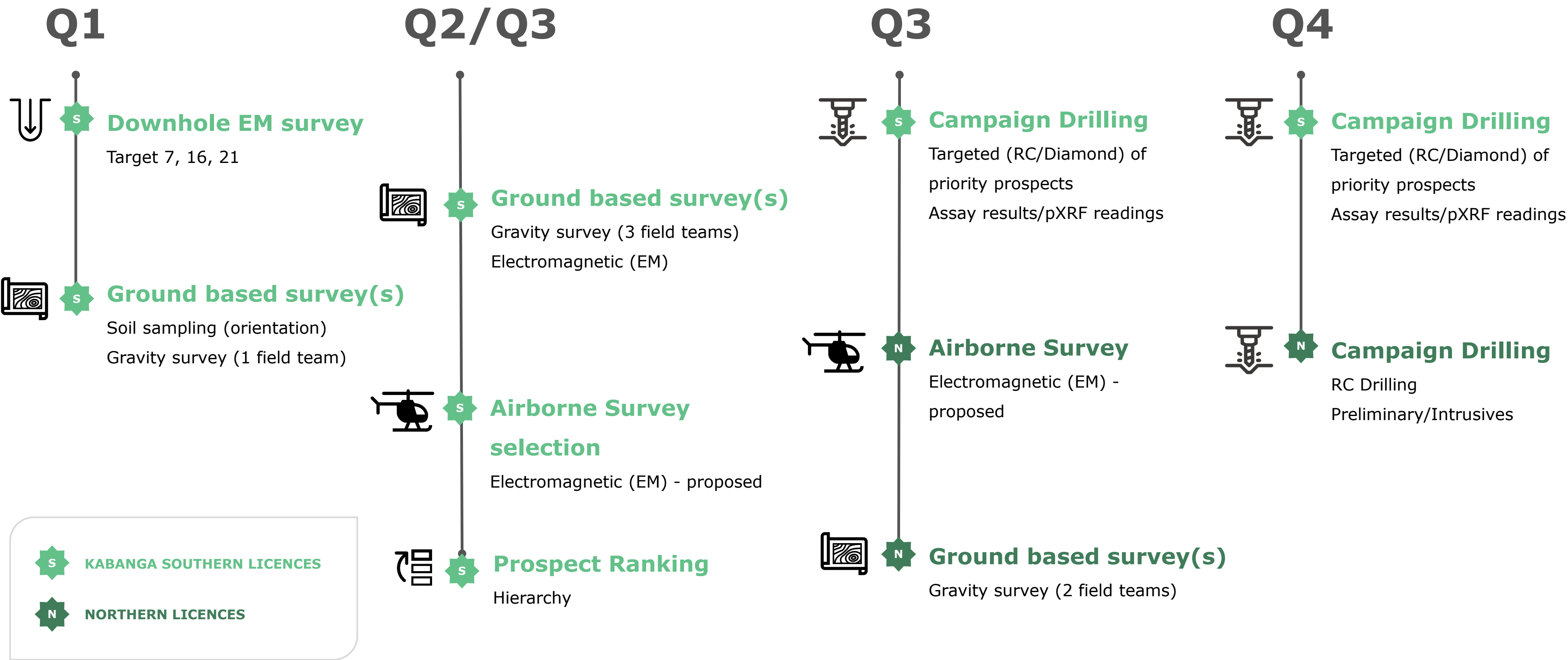
Step 2 – July 2022

- Receival and interpretation of final TDEM data
- Selection of priority targets for drill testing



2022 Nickel Exploration Program Overview

NICKEL PORTFOLIO



Nickel, Tesla, BHP & Country Dynamics – All Lining Up

THE CITIZEN NEWS MAGAZINES OPED PHOTOS VIDEO SUPPLEMENT JOBS

Government eyes Sh17.2 trillion as nickel project gets the nod

THURSDAY OCTOBER 28 2021
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European Markets

Supply squeeze pushes nickel up 5% to 11-year high

Reuters



LONDON, Jan 19 (Reuters) - Nickel prices on Wednesday shot to their highest since 2011 as a supply shortage forced traders to pay huge premiums to get their hands on metal.

2 minute read

July 22, 2021
2:24 PM GMT+8
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Business

BHP to supply greener Australian nickel to Tesla

Reuters

AUTOS JULY 23, 2020 / 3:33 PM / UPDATED A YEAR AGO

'Please mine more nickel,' Musk urges as Tesla boosts production

By Yilei Sun, Melanie Burton

4 MIN READ



Metals rally heats up as nickel price hits \$24,000 on supply snarls

[Bloomberg News](#) | January 20, 2022 | 8:09 am [Intelligence](#) [Markets](#) [China](#) [Europe](#) [Nickel](#)

BHP Buys Into Tanzania Nickel Mine After Failed Canadian Bid

- World's biggest miner to invest \$100 million in Kabanga Nickel
- BHP will take a 17.8% stake in the Tanzanian nickel project

By [Felix Njini](#) and [Thomas Biesheuvel](#)
10 January 2022, 16:29 GMT+8 *Updated on 10 January 2022, 17:53 GMT+8*

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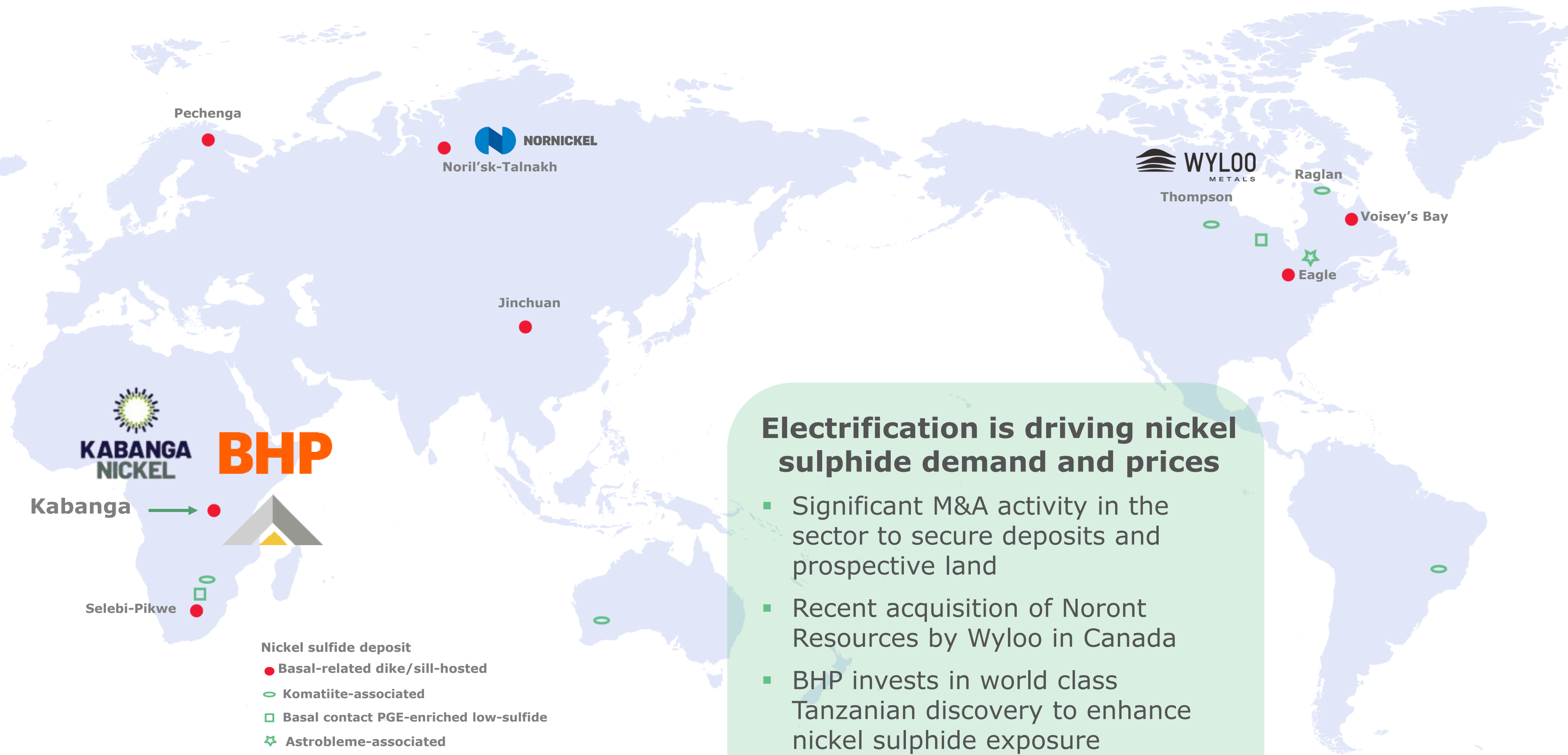
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Deals

Wyloo to buy nickel miner Noront after BHP drops off from race

Reuters

Nickel Sulphide Deposits – Rare and In Demand



Country Dynamics And Recent Nickel Focussed Actions

Tanzania as a destination is at an important inflection point

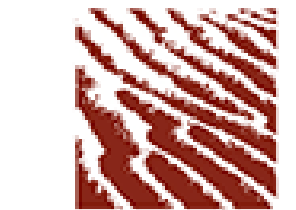
- Numerous projects for various minerals are progressing or in the pipeline for government consideration and approval
- Dedicated negotiation teams to progress projects
- Clear government ownership interest (16%) established

BHP has made a significant investment in Kabanga Nickel (equity/technology)

- US\$40m stage 1
- US\$10m technology
- US\$50 stage 2 milestone (scope for future commitments) to secure ~18% interest in Kabanga Nickel

Relevance and context

- BHP responsible for the original regional surveys 1990's (foundation for Kabanga discovery)
- Global relevance of Tanzanian Ni Sulphide deposits as a destination
- Signals changing sentiment - Tanzania as an investment destination
- Benefit to ADD of proximal green processing and mining operation/jurisdiction
- Significant local economic benefit current and ongoing anticipated





Uranium Project, South Australia

**Early exploration success in Australia's most prospective
region for uranium**

Lake Surprise South Australia

- Located in South Australia - 550km north of Adelaide and 75km east of Marree
- 100% owned tenure comprising 3 granted EL's (~400sqkms) and 1 pending Application (700sqkms) on the northern flank of the Flinders Ranges (considered highly uraniferous)
- Ground holding comprises 3 granted EL's (~400sqkms); 1 pending Application (700sqkms) on the northern flank of the Flinders Ranges (considered highly uraniferous)
- Proven uranium province hosting multiple mines and deposits - ~90km from Beverly Four Mile Uranium mine
- Original regional anomalies now expanded to encompass a significantly larger (1.8km x 8km) and stronger radiometric anomaly, which is also coincident with a recently identified helium anomaly survey
- Recent helium study from satellite imagery shows several anomalies coincident with gamma anomalies and better defines uranium targets for exploration. Correlation between helium and uranium occurrences supported by known neighbouring Uranium deposits
- Ongoing engagement with the Dieri and Adnyamathanha as the Traditional Custodians of the land on which our Exploration Licences are located

Ministry ID	Area	Project Location
EL 5892	92km ²	Lake Arthur East, South Australia
EL 5893	167km ²	Lake Arthur, South Australia
EL 6598	137km ²	Canegrass Swamp, South Australia



Location Map Lake Surprise South Australia

Field Program Success

- 400km gamma survey completed Nov 2021¹
- Gamma anomalies interpreted to be hosted in the silicified sediments of a palaeochannel system that discharged from the northern Flinders Ranges
- Assay summary from rock chip samples²
 - Highest uranium content of 356ppm
 - 11 of 28 rock chip samples with uranium content above 100ppm (7 above 200ppm)
 - Elevated gamma correlating with the uranium in samples
- **CY22 Exploration Strategy**
 - Correlation of gamma reading with soil samples, historical logged holes
 - AC drilling, sampling and assays across the palaeochannel to define zones of high uranium content
 - Completion of regional scale gamma survey
 - Air core drilling, sampling and assays across the palaeochannel (to define zones where high uranium content expected)
 - Completion of original (regional scale) gamma survey across areas originally identified
 - Sampling helium anomalies highlighted (regional/additional exploration focal points)
 - Progressive development of targeted drilling programs for resource definition (based on approved actions)

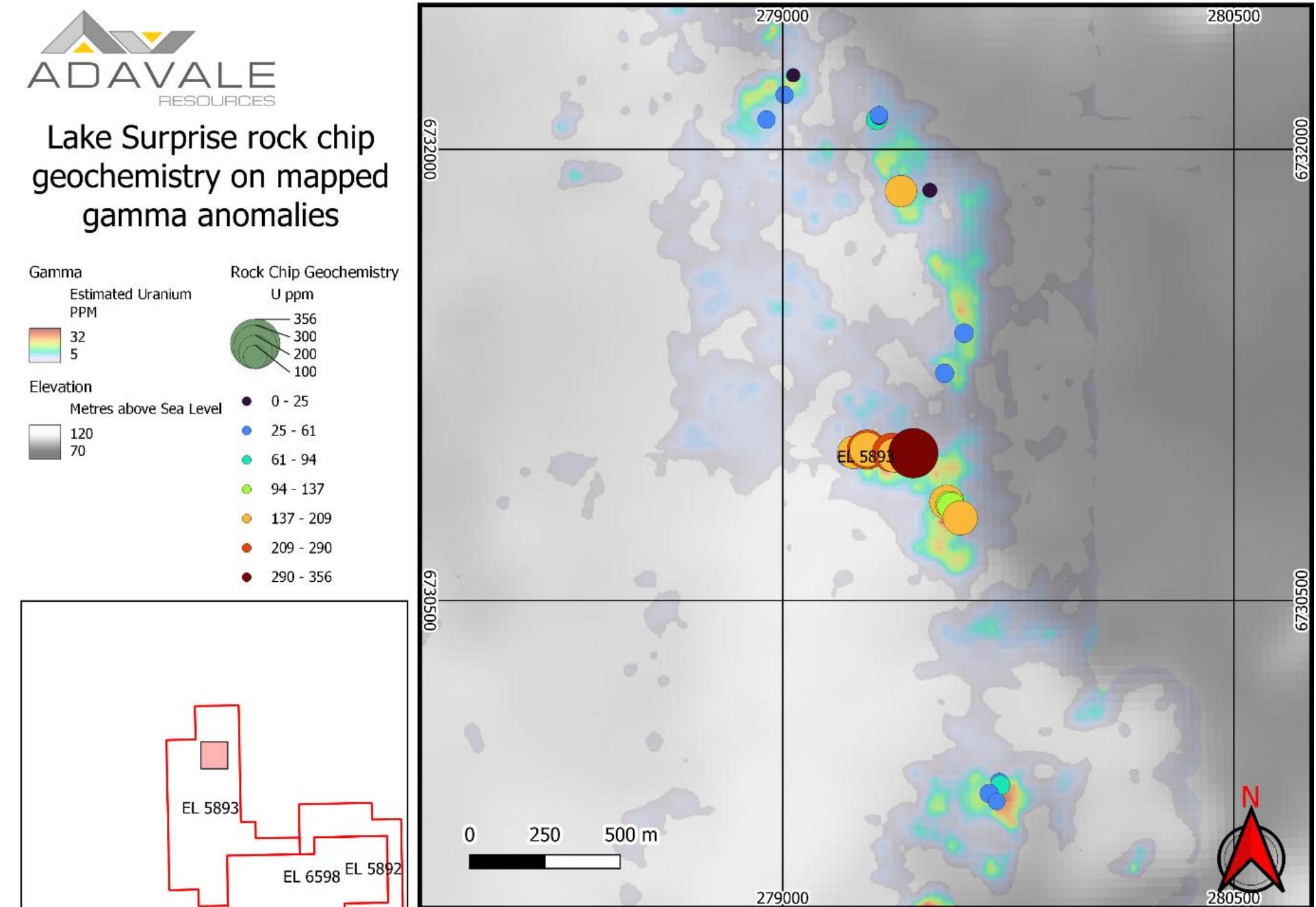


Image of the processed data from the gamma survey highlighting zones of anomalously high gamma radiation at the surface together with the location of rock chip samples relative to elevated gamma results

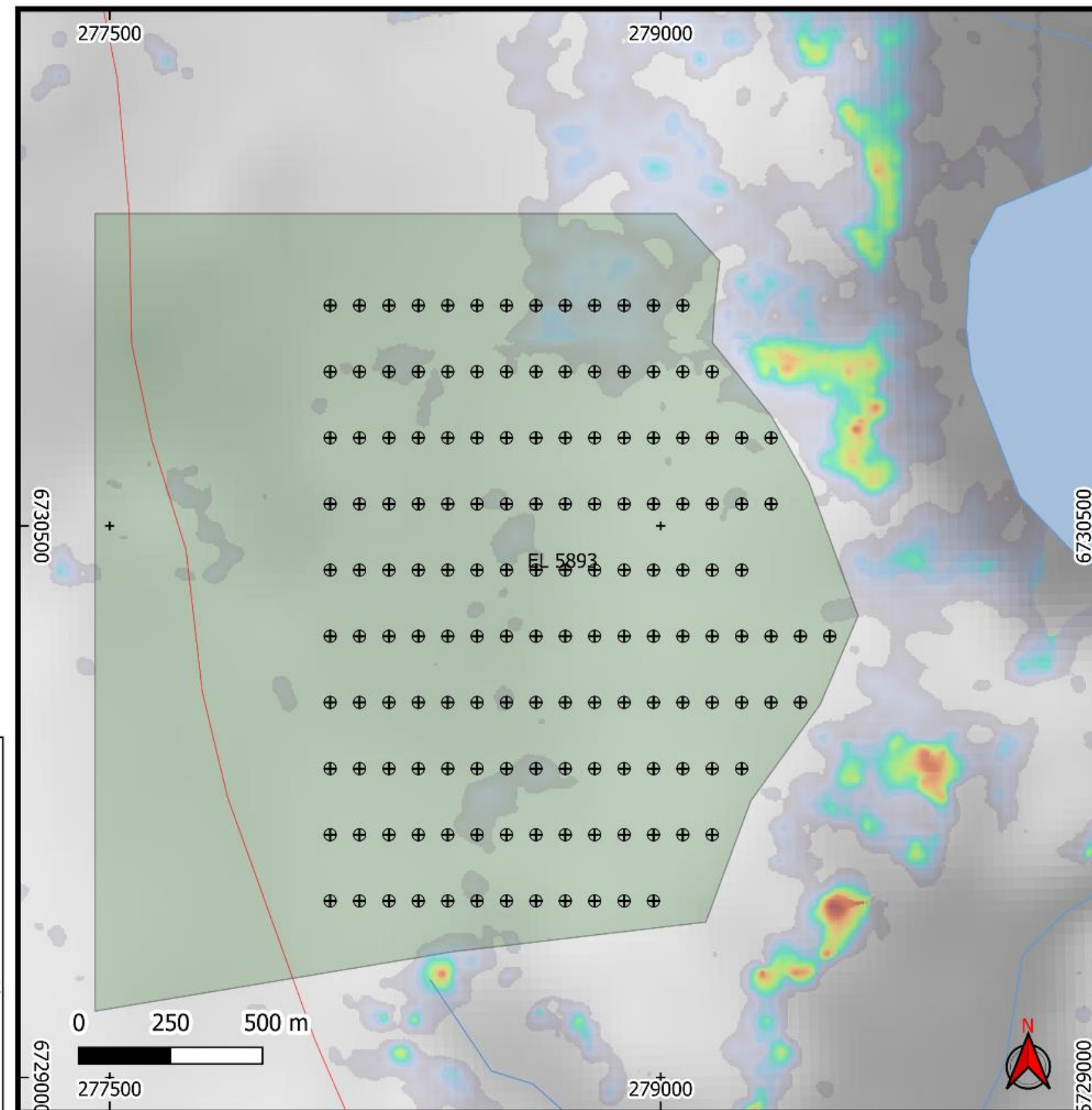
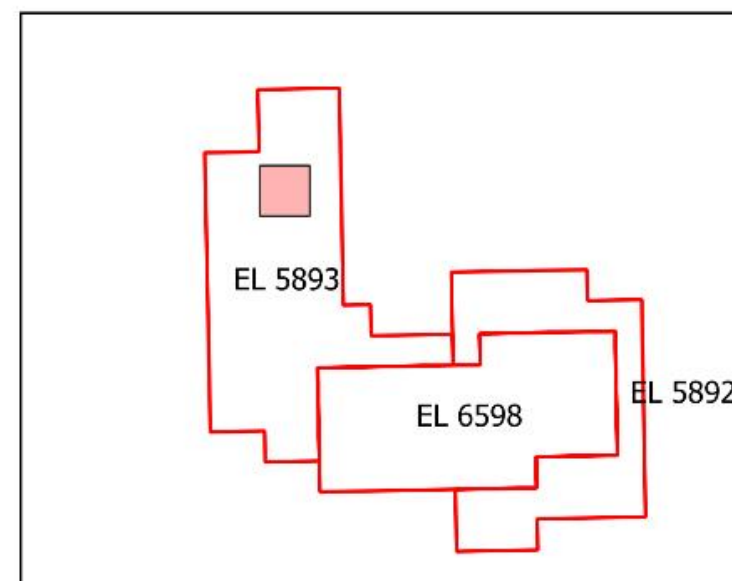
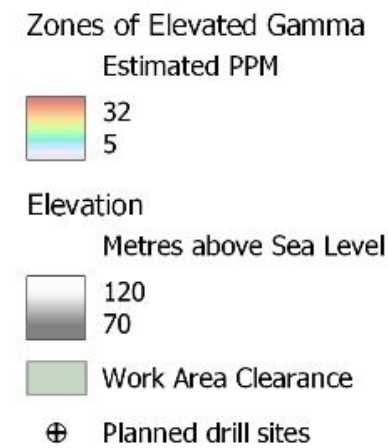
^{*1} ASX release dated 17 December 2021 "Gamma Results Between 5 and 40 Times Background Radiation Levels at Adavale's Uranium Licences"

^{*2} ASX release dated 7 February "Lake Surprise Uranium Geochemistry Results"

Pathway to Drilling



Lake Surprise Planned drilling vs mapped gamma and rock chip data



- 4,500m Air Core uranium drilling program (~ 150 holes) scheduled to commence in August 2022
- Uranium exploration Work Area Clearance (WAC) complete and Notice of Entry (NOE) dispatched
- Exploration and environmental management procedures to support drilling campaign being finalised
- Drilling contractor confirmed

Planned drilling locations for the 150-hole program. Mapped gamma anomalies are shown with drilling targeting the buried extension of these anomalies.

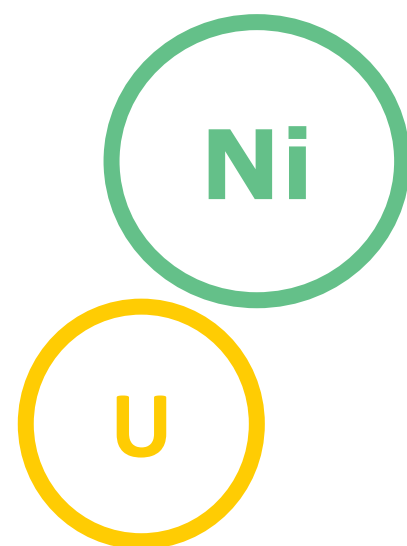
Investment Thesis



Alignment of opportunity and knowledge with activities focused on discovery with a highly prospective ground holding for sulphide Nickel and Uranium

Strong and experienced Board, Management and team: extensive Tanzanian experience, nickel exploration - discoveries and corporate actions and resource development

Board and key executives: material shareholdings, performance-based incentive: **leveraged to value uplift** via significant outcomes including discovery



Exposure to both Nickel and Uranium: Electrification and Decarbonisation



Proximal high-grade nickel sulphide deposits

Contiguous with the world richest undeveloped nickel deposit – 58Mt @ 2.62% Ni

Licences/Farm –in of licences surrounding LUH06 intercept 1.1% Ni over 8.4m



Tanzanian Government is open to investment, mining and exploration

BHP have re-emerged in via a strategic investment



Uranium exploration in South Australia demonstrating early initial success



Clear pathways and exploration plans for high impact drilling campaigns



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Multiple Nickel Targets Discovered/Heli EM to follow

- Ground-based **gravity survey has initially unearthed previously unknown** and hence unexplored **priority targets over a ~30 km strike length of the Luhuma Nickel Corridor**
- The Nickel Corridor is defined by a series of extensive gravity highs along strike from the historic drill hole LUH06 which intersected 1.14% Ni over 8m*2

Target Area 1	Target Area 2	Target Area 3
<p>"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 8m1."</p>	<p>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</p>	<p>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")."</p>

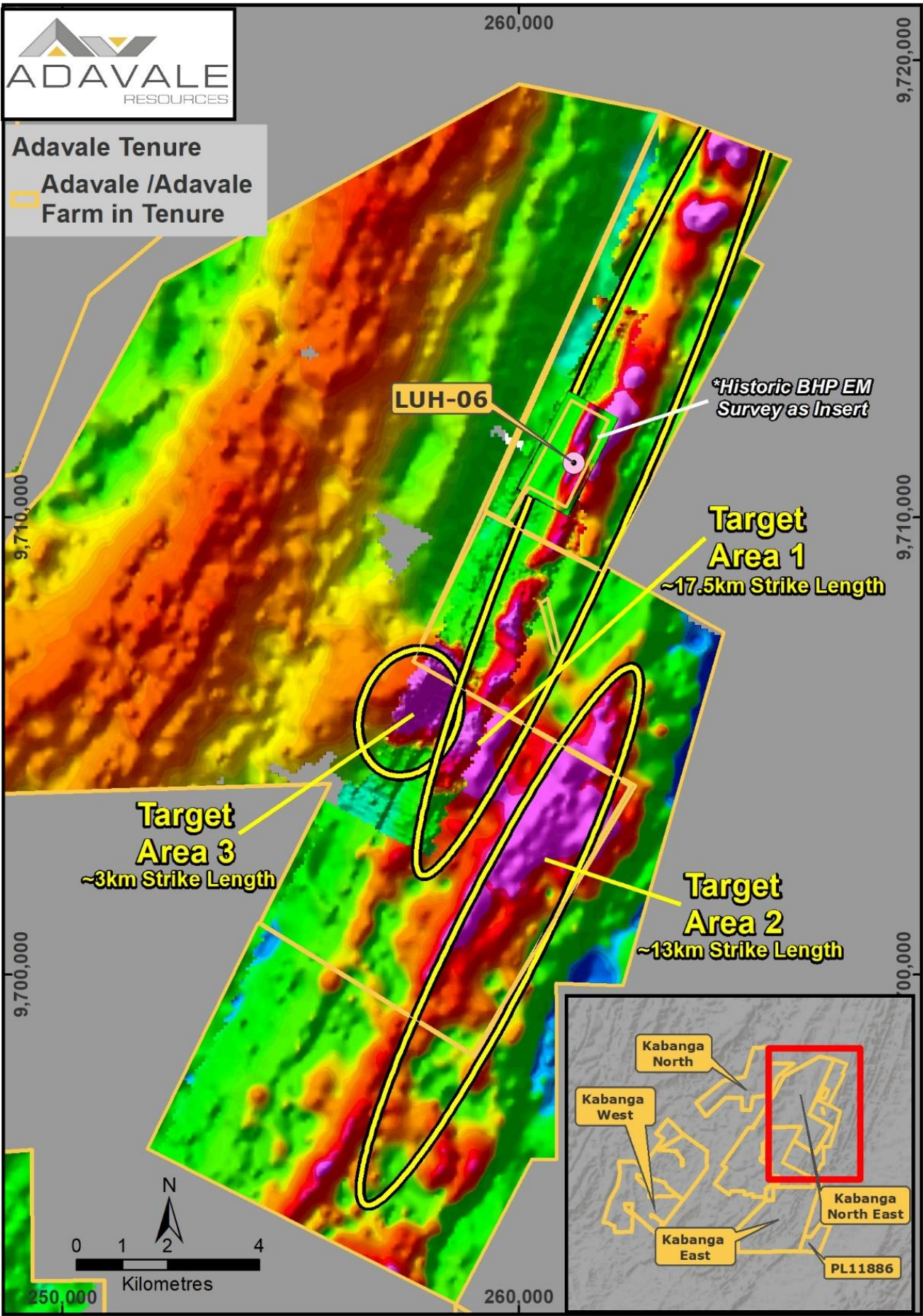


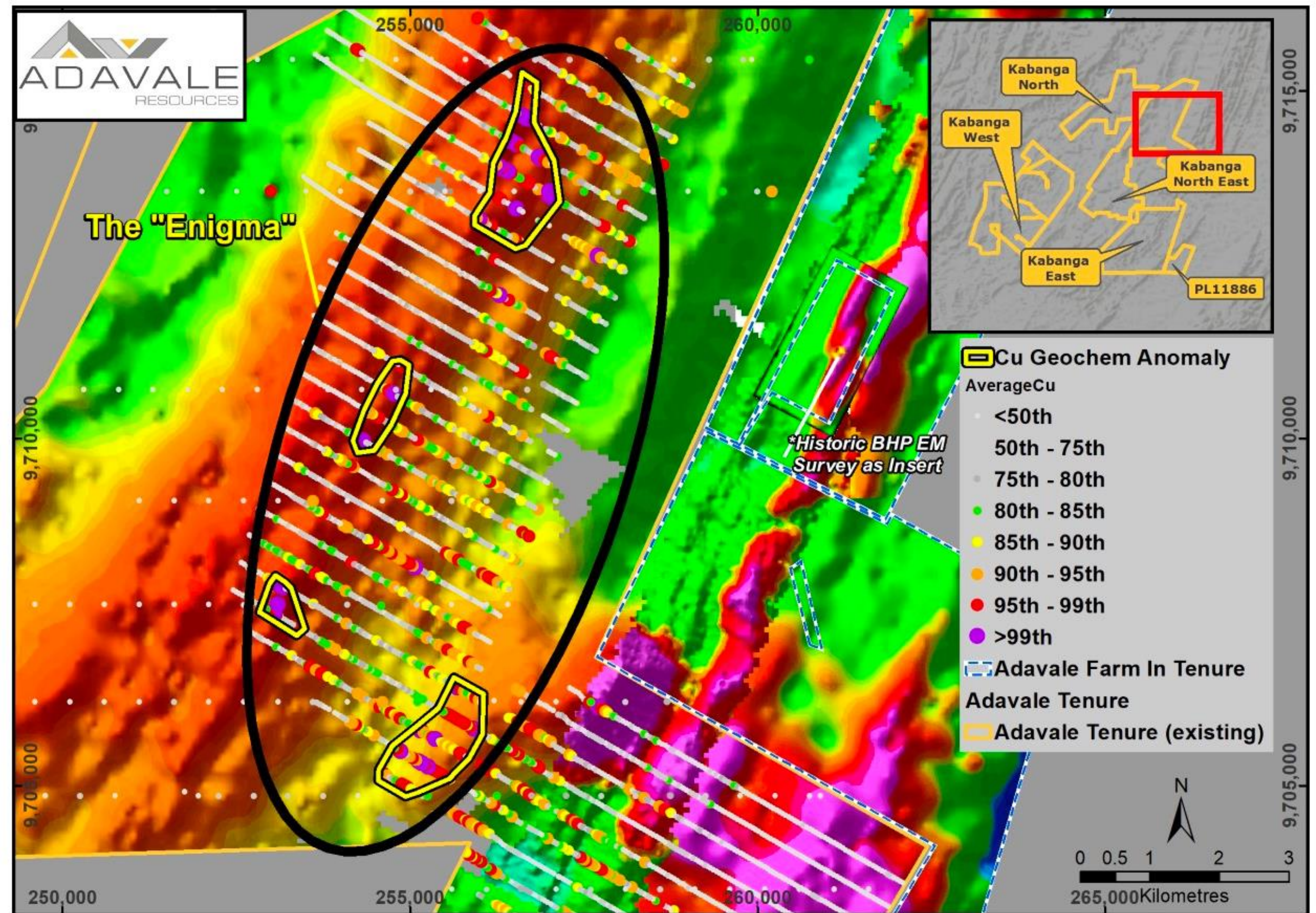
Figure Target areas within Luhuma Nickel Corridor and the newly discovered Target Area 2 (Note that the Luhuma Nickel Corridor on the right has been enhanced separately from the Kabanga NE area on the left in order to better define localised gravity targets)

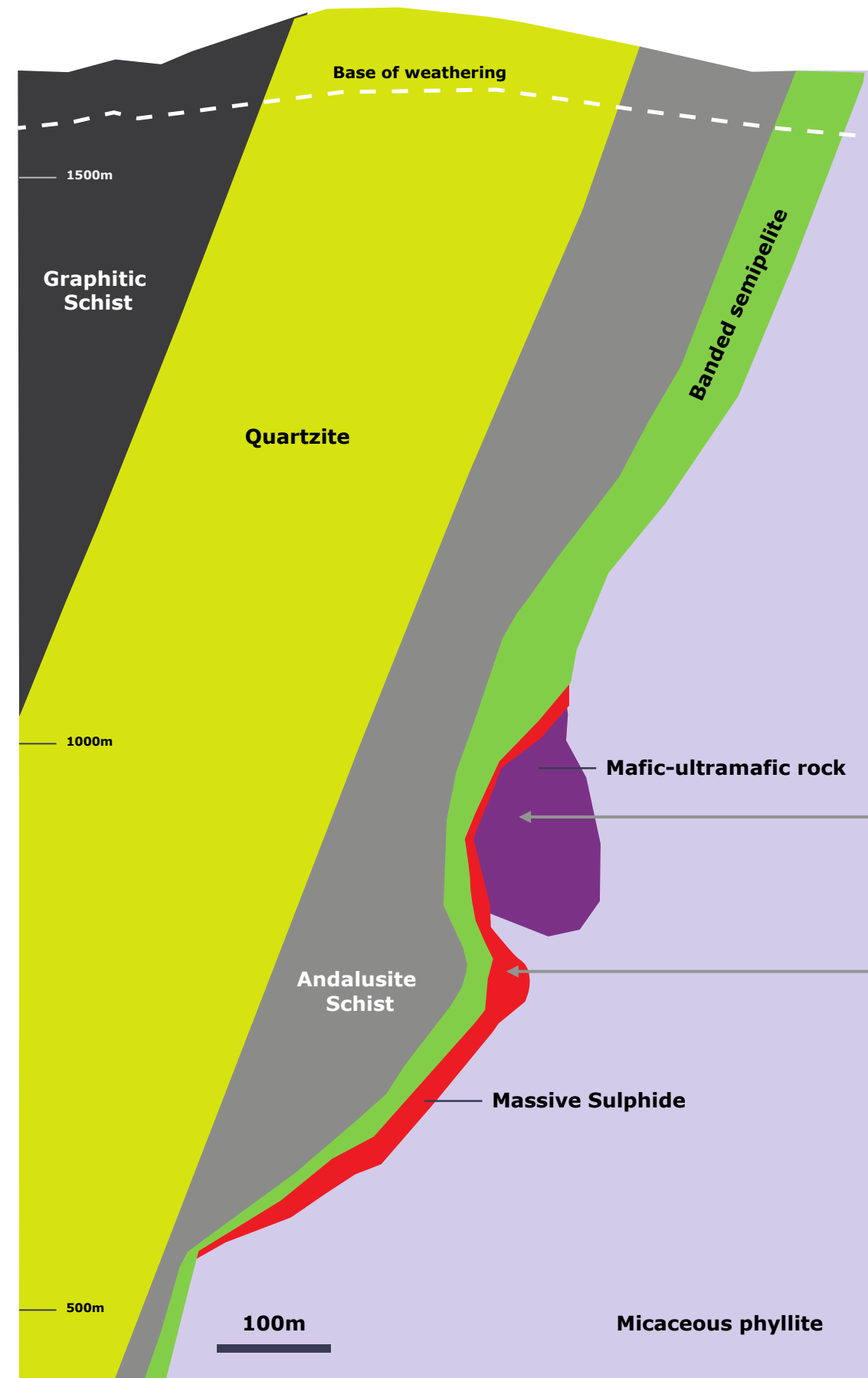
*1 ADD ASX Release dated 9 Jun 2022 titled "Outstanding Success with Multiple Previously Unknown Nickel Targets Discovered at Kabanga NE"
 *2 Evans, D. M., Hunt, J. P. P. M. and Simmonds, J. R., 2016. An overview of nickel mineralisation in Africa with emphasis on the Mesoproterozoic East African Nickel belt (EANB). Episodes, 39/2, 319-333. DOI: 10.18814/epiugs/2016/v39i2/95780

Luhuma Nickel Corridor – the “Enigma”

“Enigma” target has the scale and scope to generate multiple new targets

Hosting four distinct Cu anomalies that overlie the regional gravity high





Focused on the identification of both the location and orientation of mafic-ultramafic layered intrusions

Mafic-ultramafic magmas developed deep within the crust exploit weakness or fractures in the country (host) rock as they ascend towards the surface to form layered "intrusions"

When ascending through the extensive **"sulphide rich" host rocks** of the region the magmas, under the right conditions or chemistry, can facilitate the formation of Ni Sulphide (NiS) deposits

Deposits typically form at the base or immediately **below the intrusion** – in the area known as a **"basal footwall"** which becomes the **primary focus for NiS exploration**

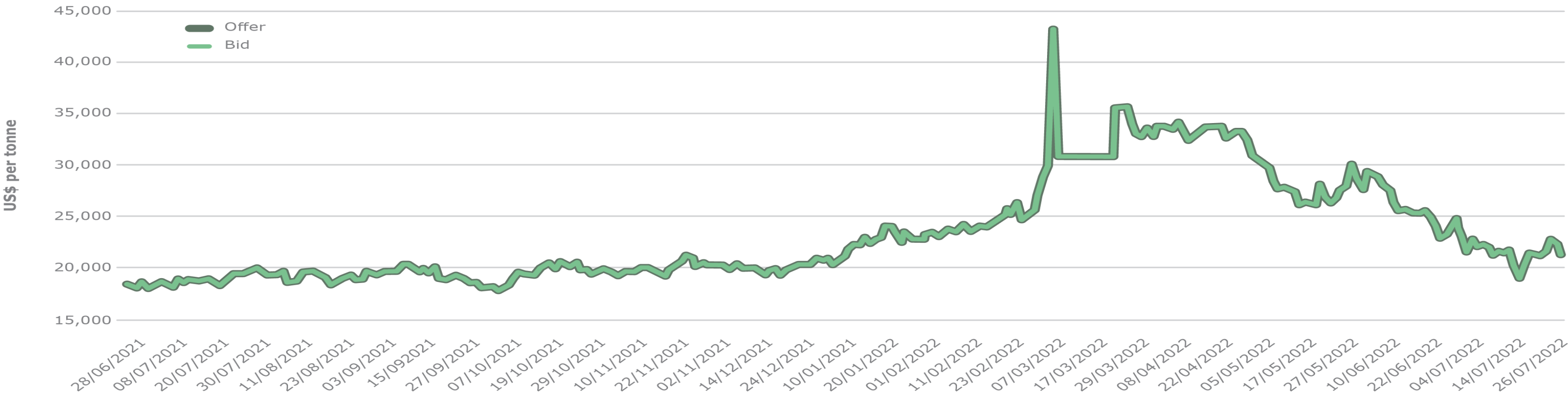
Regional deformation (uplift/overturning/twisting etc.) over time can shift the basal footwall relative to its original position and thereby **requires interpretation and understanding of what has occurred in order to correctly identify and target the basal footwall**

Layering between certain rock types and the concentration of specific elements within the intrusion can provide strong vectors to the basal footwall

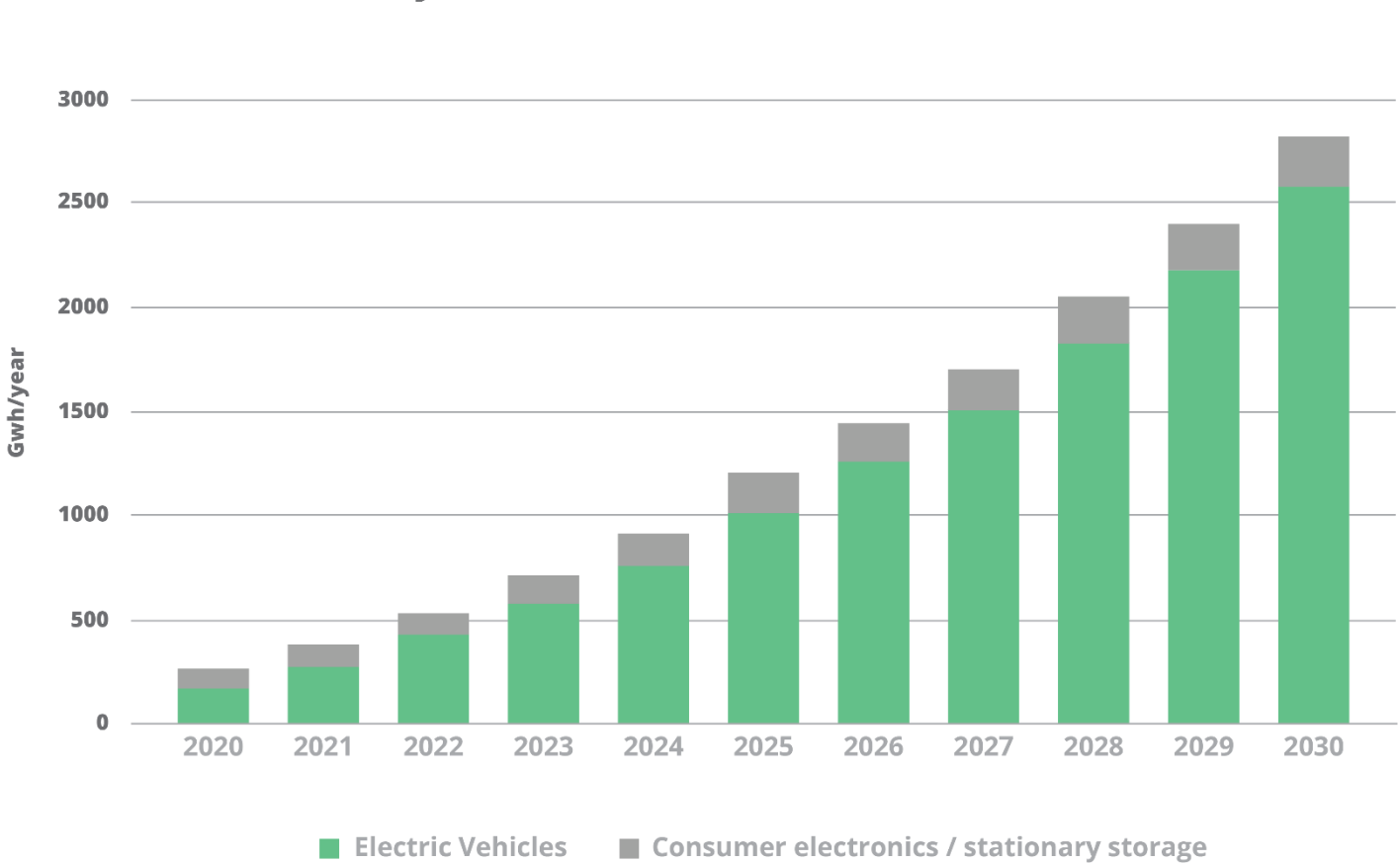
Techniques/Rationale

- In the right setting, "blue chip" address – sulphide rich intercepts; significant deposits "right next door"
- Ni exploration involves a staged set of pathfinder tasks to improve the "resolution" needed to locate and drill massive sulphide Ni
- Pinpoint and confirm prospective mafic-ultramafic intrusions using gravity (supported with other survey data) and RC drilling
- Campaign RC/DD drilling programs to delineate potential material deposit and resource definition

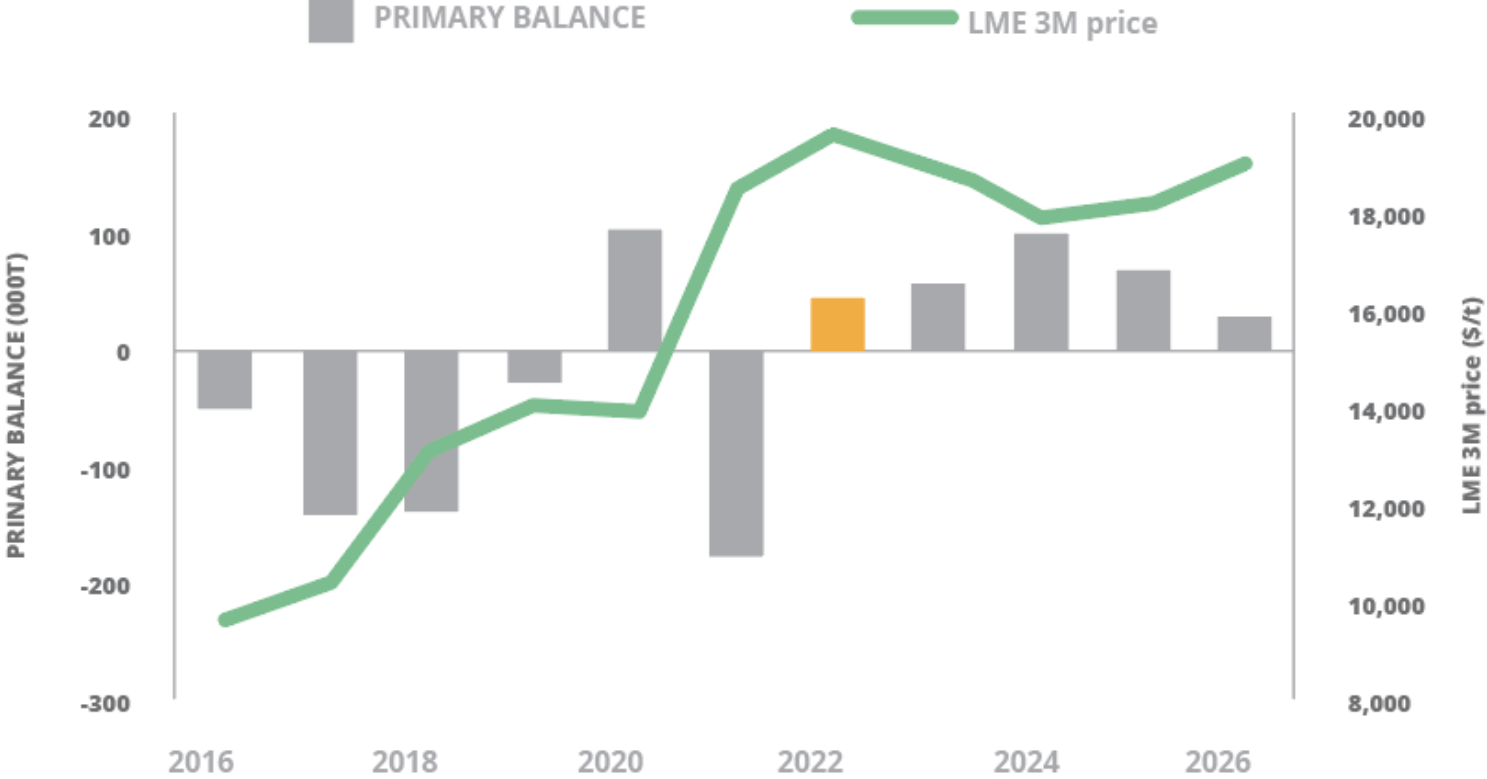
Nickel Trends – Price LME, Demand (Lib), Primary Balance



Lithium-ion Battery Demand



Source: Benchmark Mineral Intelligence



Source: SandP Global Market Intelligence; London Metal Exchange Data as of Jan. 25, 2022