

27 September 2022



Drill Rig Mobilising to Kabanga Jirani and Luhuma Nickel Sulphide Projects

HIGHLIGHTS

- Multi-purpose RC/DD drill rig mobilising to commence a high impact 6,000m to 8,000m “Priority Target Testing” program
- Drilling scheduled to commence in the first week of October
- Target areas selection based on coincident Heli-borne Electro Magnetic (HEM) and gravity anomalies
- Initial drill program to test multiple anomalies within 7 priority HEM/Nickel target areas within Adavale’s East African Nickel Belt licences in Tanzania

Adavale Resources Limited (ASX: ADD) (“ADD” or “Company”) is pleased to advise that it has commenced mobilisation of a multi-purpose reverse circulation (RC)/diamond drill rig following completion of the 9 recent HEM surveys (HEM 1 to 9) conducted over the Company’s Kabanga Jirani (**Kabanga**) and Luhuma Nickel Projects (**Luhuma**) located within the East African Nickel Belt of Tanzania.

The drill program will initially focus on 7 high-priority nickel target areas (**Target Areas**) within the Kabanga North-East/Luhuma extension, Kabanga East and Kabanga West Licences (**See Figure 1**). The program will be subject to ongoing refinement based on drill results, field assessments and the final processed data from the HEM contractor.

Adavale’s Executive Director, Mr David Riekie commented:

“I’m very pleased that having completed the recent comprehensive geophysical survey work, the Company is now entering into a very exciting phase of drill testing multiple targets. We are preparing for a highly active exploration period in the December quarter and expect a similar level of regular updates to the market.”

ASX: ADD

DIRECTORS & OFFICERS

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CHAIRMAN

DAVID RIEKIE
EXECUTIVE DIRECTOR

JOHN HICKS
DIRECTOR

ALLAN RICHIE
CHIEF EXECUTIVE OFFICER

LEONARD MATH
CFO & COMPANY SECRETARY

ISSUED CAPITAL

Shares: ~464 million
Unlisted options: 35.5 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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Adavale's Technical Director, Mr John Hicks commented:

"Our initial high-priority target drill program will focus on 7 broad target areas which encompass the HEM survey areas 1 to 4 and 7 to 9.

The drill rig will initially mobilise to Kabanga West to evaluate the HEM areas 7-9, which are on a similar latitude to our neighbor's 58Mt @ 2.62% Ni, Kabanga Nickel deposit.

We will remain flexible to ongoing adjustments to the drill program based on ongoing field assessment of drill locations, drill results and the receipt of all final processed HEM survey data from the contractor, which is due over the coming weeks. Interpretation and modelling of the HEM data therefore remains ongoing at this point.

We plan to test a number of anomalies identified within the broader target areas with diamond drill holes up to 500m deep, typically targeted at deeper coincident gravity and EM anomalies. Shallower RC holes may be drilled into individual gravity anomalies, to confirm the presence of prospective mafic-ultramafic bodies at depth. Down hole electromagnetic (DHEM) surveys will be performed on most holes to aid ongoing drill targeting."

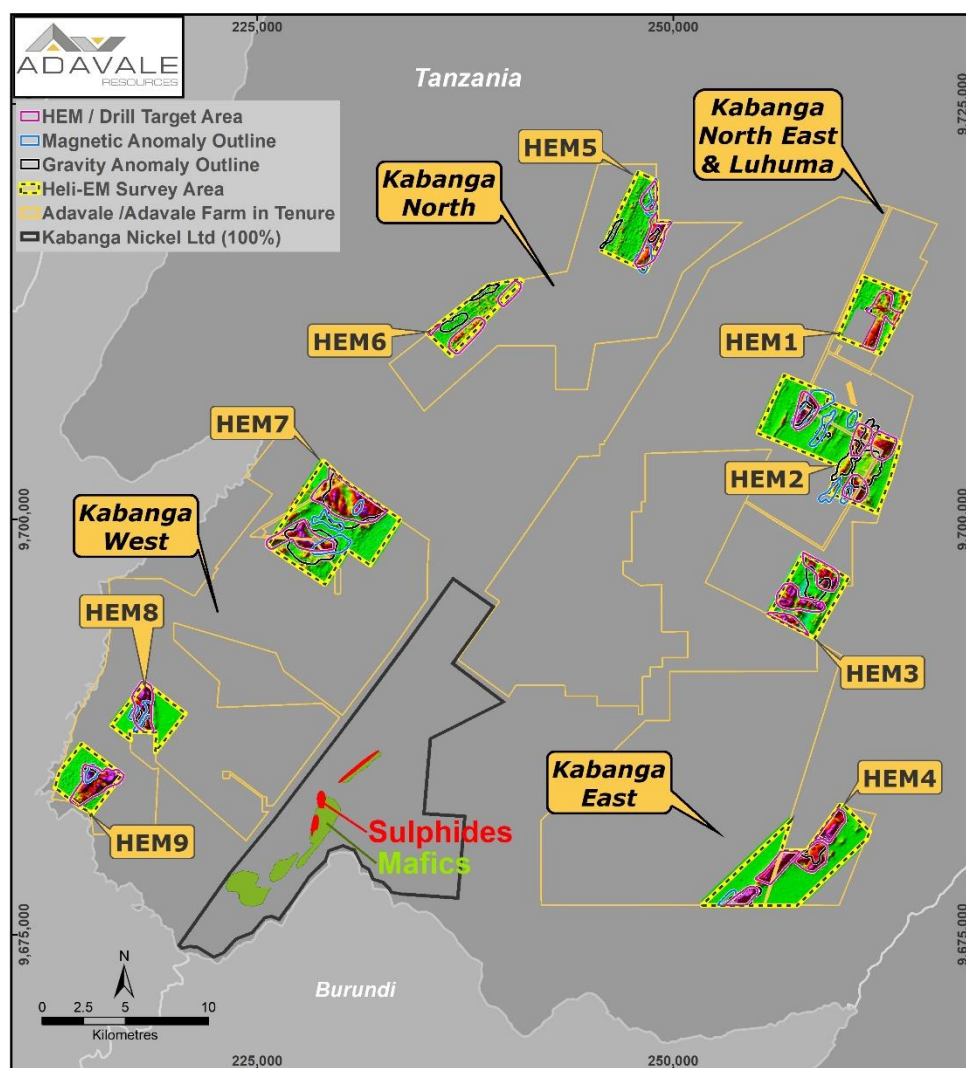


Figure 1: HEM survey area plan showing broad internal target areas and the location of the Kabanga nickel sulphide deposits and associated mafic intrusions

Overview of the Initial “Target Testing” Drill Program

The Company has engaged a local drilling contractor that offers a flexible combination of RC and diamond drilling options (together with additional rigs as required), for this initial drill campaign. The drill contractor has previously been engaged by Adavale and therefore has a comprehensive understanding ground conditions in the region, operating procedures and requirements.

The proposed initial drill program will test high-priority target areas comprises of:

- HEM survey areas 1, 2 and 3 (within the Luhuma extension),
- HEM survey area 4 in Kabanga East and
- HEM survey areas 7, 8 and 9 in Kabanga West (adjacent to Kabanga Nickel Limited)

Testing the multiple anomalies within each of these 7 broad Target Areas is anticipated to require several drill holes. Final hole locations and designs is subject to the delivery of the final processed survey data from the HEM contractor and completion of the EM modelling process currently in progress. Indications are that 2 to 3 diamond drill holes will be required to test each area with hole depths up to 500m for a total of 5,000m to 6,000m. Additional drilling will be completed to follow-up positive mineralised intersections or associated DHEM anomalies identified in any of the initial diamond drill holes.

As part of the initial drill program a total of 13 RC holes (average depth of 100 to 150m) are planned to test a number of strong gravity and geochemical anomalies in addition to the diamond drill holes. Shown below in **Figures 2 and 3** are the broad HEM and drill target areas for HEM survey areas 2 and HEM 8 & 9, respectively. The coloured background to each figure is the Heli-borne EM data (channel 20) on which superimposed are polygons representing the strong coincident gravity (black) and magnetic (blue) features that are used to select and prioritise drill locations.

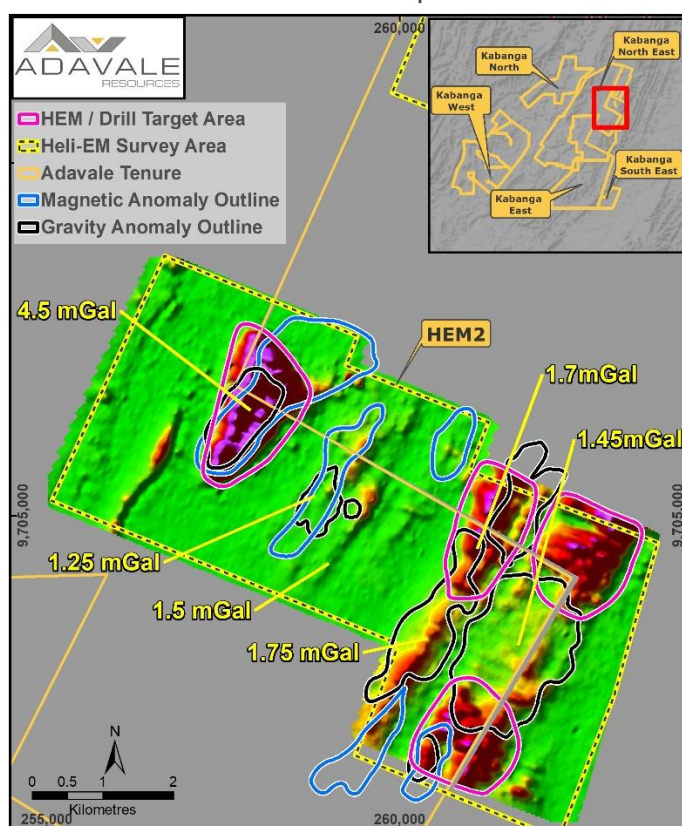


Figure 2: Plan view of HEM survey area 2 showing background channel 20 data, overlain with colour polygons reflecting areas of associated strong gravity, magnetics and EM

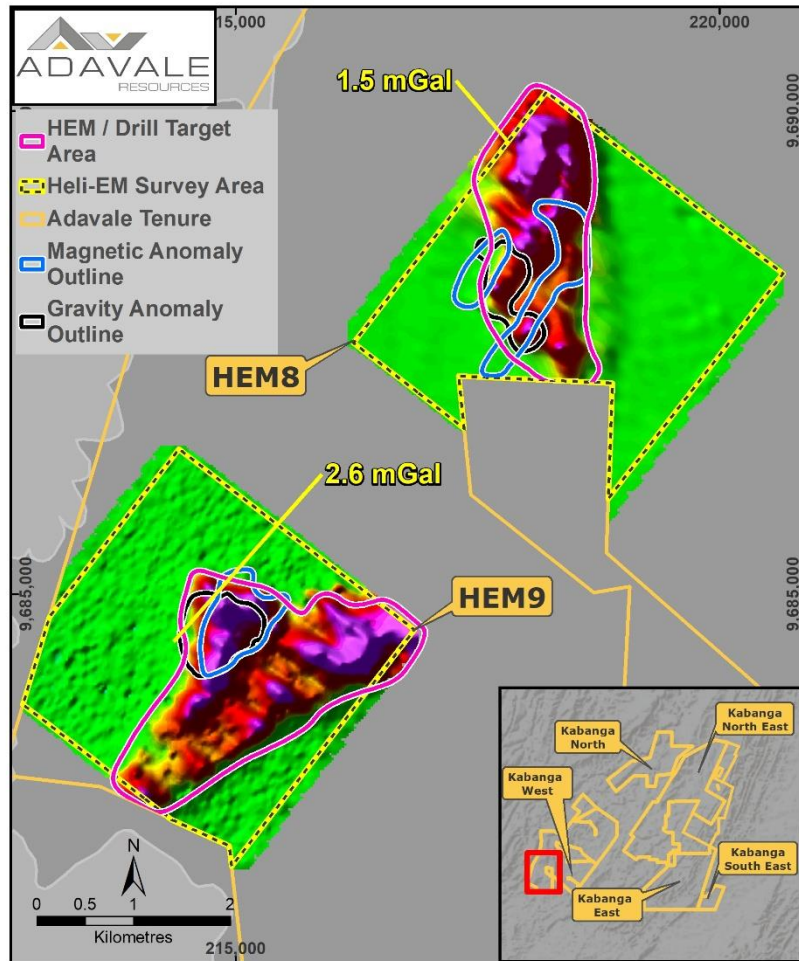


Figure 3: Plan view of HEM survey areas 8 & 9 showing background channel 20 data, overlain with colour polygons reflecting areas of associated strong gravity, magnetics and EM

The current drilling program is scheduled to continue over the 3-month period to December 2022 and be reviewed for ongoing refinement and reassessment including extensions to the program, based on results and additional drill target locations.

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

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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.

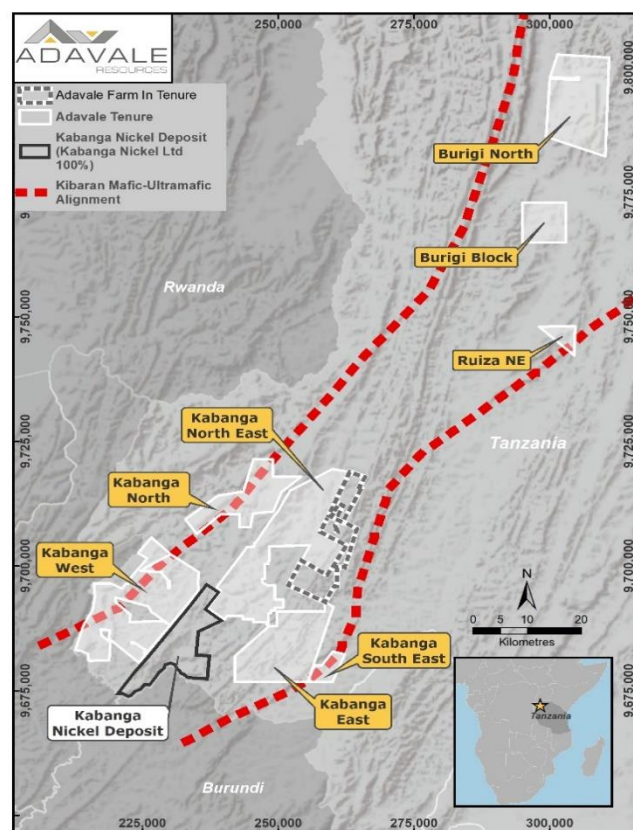
Forward looking statements

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 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.



Adavale also holds exploration licences for their sedimentary uranium potential within the northern part of the highly prospective Lake Frome Embayment in South Australia.