

24 January 2023



Strategic Expansion of Kabanga Jirani Nickel Project

- Adavale increases its quality nickel exploration tenure in Tanzania
- Kabanga Southeast Wedge Prospecting Licence granted
 - The Southeast Wedge (100% Adavale) is a contiguous extension of Adavale's important HEM 4 targets identified at Kabanga East
- Adavale has also triggered the acquisition of 65% of the Luhuma Farm-in prospecting licences
- Adavale's fully owned tenure coupled with earn-in tenure now covers an unrivalled 1,311km² within the East African Nickel Belt of Tanzania

Adavale Resources Limited (ASX: ADD) ("or the **Company**") is pleased to advise that its wholly owned subsidiary has been granted Prospecting Licence, PL 12175/2023, covering an area of 44.83km² (**The Southeast Wedge**). In addition, the Company has exercised its option to acquire 65% of the Luhuma Nickel (Farm-in) Project*.

Adavale's Chairman, Grant Pierce commented:

"Adavale's core strategy to explore its existing licences whilst in parallel expand its footprint with additional prospective licences is very much on track."

The granting of the Southeast Wedge licence and the Company's acquisition in the Luhuma prospect expands the Company's tenure to an unrivalled 1,311km² within the East African Nickel Belt of Tanzania."

The Company looks forward to an exciting 2023 nickel exploration program, building on the foundations of the 2022 program."

*Refer ASX announcement dated 15 December 2021 titled "Highly Prospective Nickel Sulphide Tenure Expanded via Staged Farm-In Agreement"

ASX: ADD

DIRECTORS & OFFICERS

GRANT PIERCE
CHAIRMAN

DAVID RIEKIE
EXECUTIVE DIRECTOR

JOHN HICKS
DIRECTOR

ALLAN RITCHIE
CHIEF EXECUTIVE OFFICER

LEONARD MATH
CFO & COMPANY SECRETARY

ISSUED CAPITAL

Shares: ~510 million
Unlisted options: 112 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 Southeast Wedge

Adavale's wholly owned subsidiary, Adavale Resources Tanzania Limited was awarded Prospecting Licence, PL 12175/2023, on 23 January 2023. The tenement covers an area of 44.83km² and is contiguous with Adavale's Kabanga East and Kabanga Southeast Projects.

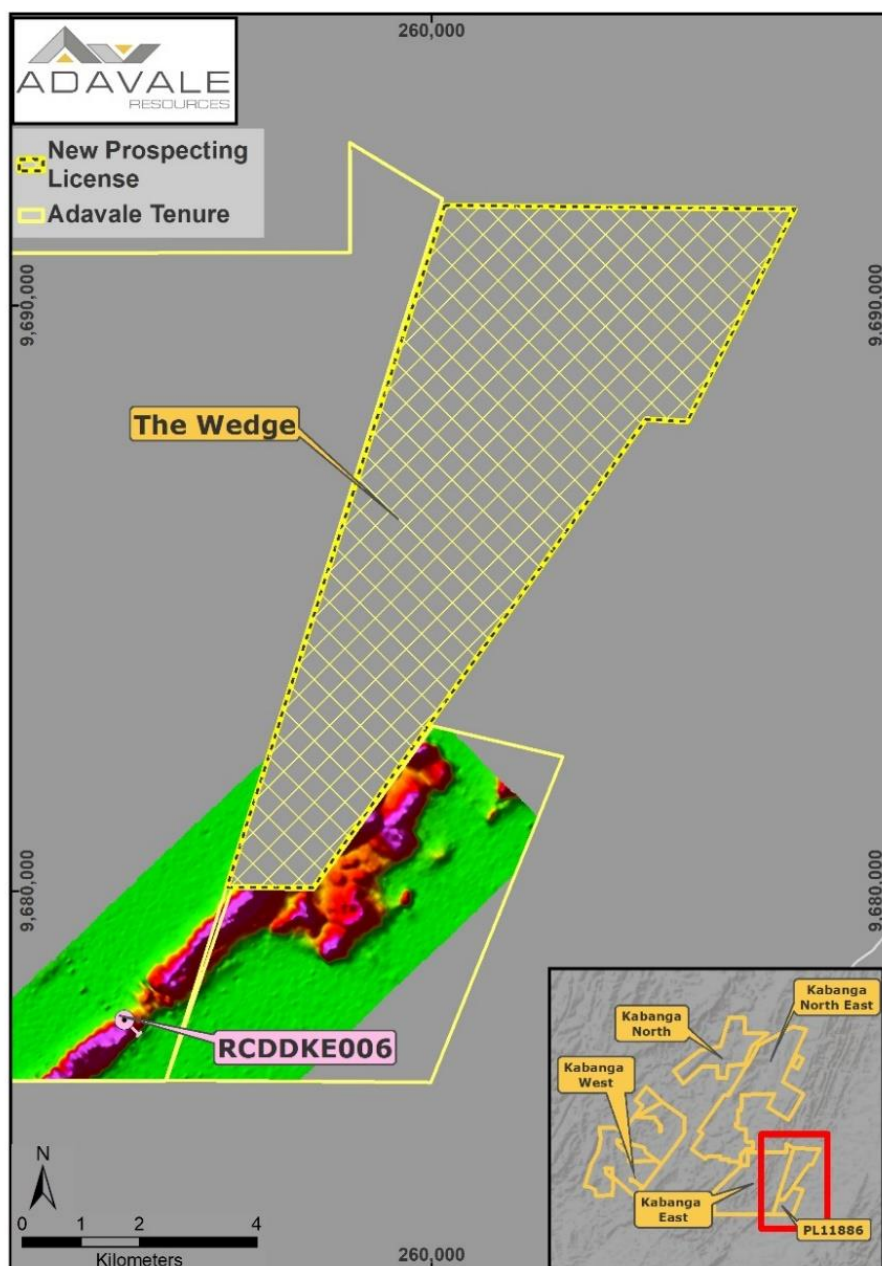


Figure 1: The "Southeast Wedge" PL 22100//2022 proximity to drill hole RCDDKE006

The Southeast Wedge completes coverage over a cluster of coincident gravity and Heli-EM anomalies identified by Adavale in 2022. The anomalies, which are considered prospective for nickel and copper mineralisation, will feature in future Company drill programs. They are also along strike from drill hole RCDDKE006 which was drilled to a depth of 500m in late 2022 and has assays pending.

Luhuma Nickel (Farm-in) Project – 65% Interest

As announced on 15 December 2021 titled “*Highly Prospective Nickel Sulphide Tenure*”, Adavale executed a binding farm-in agreement to earn up to 80% interest in the Luhuma licenses (comprising PL’s 11692/2021 and 11693/2021). The farm-in allows Adavale to earn into the project through staged payments.

Following the recent exploration activities conducted on the Luhuma farm-in tenements with multiple drill targets identified, the Company decided to proceed with the Stage 2 payment to acquire the 65% interest in the licences. The Luhuma farm-in licences cover 99 km² over what is referred to as the Luhuma trend, an area known to contain several prospective mafic-ultramafic intrusions. The Company considers these licences as key areas, as the Company continues to build its presence in the East African Nickel Belt.

The Stage 2 payments consist of a US\$50,000 cash payment and US\$150,000 worth of Adavale shares, calculated based on the volume weighted average price for the five days preceding the issue of shares.

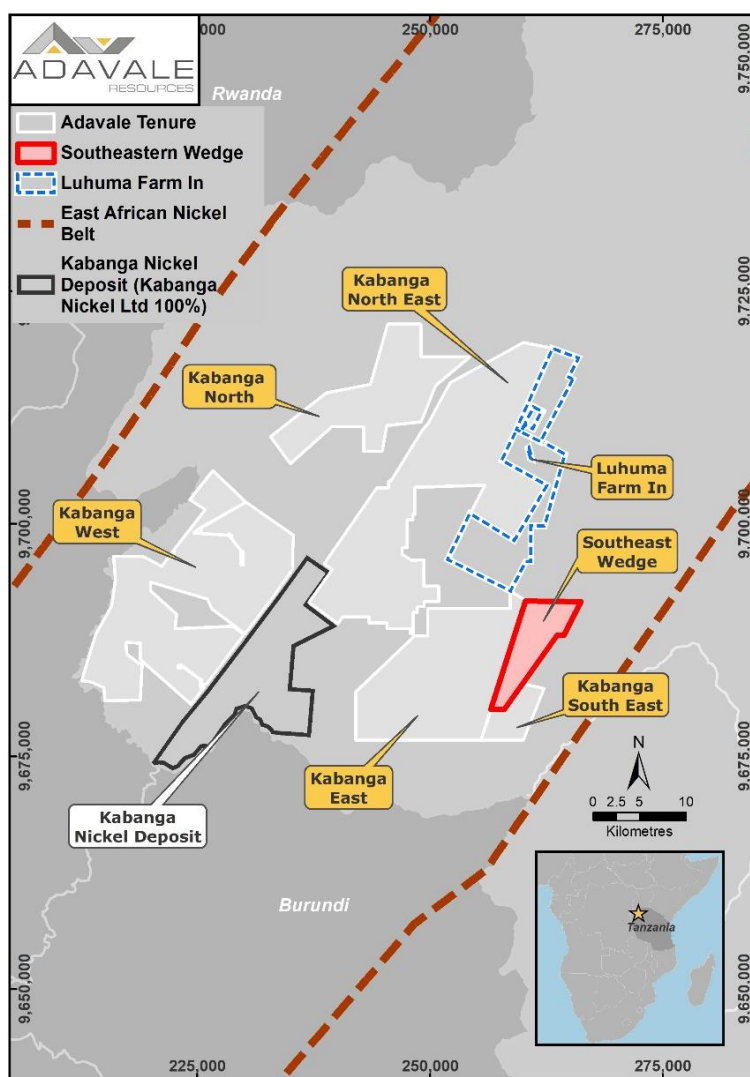



Figure 2: Luhuma Project tenure and Southeast Wedge PL 22100//2022

The Company plans to continue exploring and drill within the Luhuma trend during 2023.



This announcement is 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 undertaken 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 nine highly prospective granted licences covering ~1,212km² along the Karagwe-Ankolean belt in Tanzania. The six 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 six southernmost licences, adding a further 99km² to the portfolio 1,311sq km). 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. Drilling is planned for Lake Surprise in early 2023.

