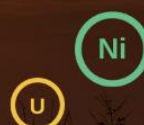


ASX ANNOUNCEMENT/MEDIA RELEASE

1 February 2023



Drilling underway at Lake Surprise Uranium Project, South Australia

- The shallow 4,500m air-core drill program will target mineralisation at an average depth of 30 metres
- Drilling campaign estimated to take 3 weeks with on-site pXRF assessment prior to dispatching samples for assay to Adelaide
- Lab results expected during March 2023

Adavale Resources Limited (ASX: ADD) (ADD or the Company) is pleased to advise that its drilling contractor has mobilised to site to commence a 4,500m aircore drill program that will test the shallow (~30m) uranium targets at the Company's 100% owned Lake Surprise Uranium Project (**Lake Surprise**), located in South Australia.

The Company's tenements are prospective for uranium hosted within a silcrete capped palaeochannel in close proximity to the Flinders Ranges in northern region of South Australia.

The drilling will be undertaken using a truck mounted aircore rig that enables a cost-effective program with a low environmental footprint. Samples will be geologically logged and our field team will record and log gamma readings and portable XRF results, prior to dispatching the samples to Adelaide for analysis.

Adavale's Executive Director, Mr David Riekie commented:

"The current program will assess a palaeochannel structure over an area of 1.5km by 1km, which is part of a much larger prospective area that strikes to over 8km.

The grid pattern has been designed to provide significant information about the palaeochannel, historical flow directions and assess trap zones.

Whilst we will obtain real-time information from the gamma logs and XRF readings, we will only really understand the full implications of the program when the assay results are returned in March."

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: 130.1 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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Current drilling will be undertaken on Adavale's EL5893, situated at Clayton Station 70km east of Marree. The sites for the 150 proposed drillholes were pegged during field surveys in July 2022. A high-resolution image mosaic was produced using drones to identify the site of each hole and record the condition of each site for subsequent rehabilitation.

A summary of the planned drilling is shown below in Figure 1.

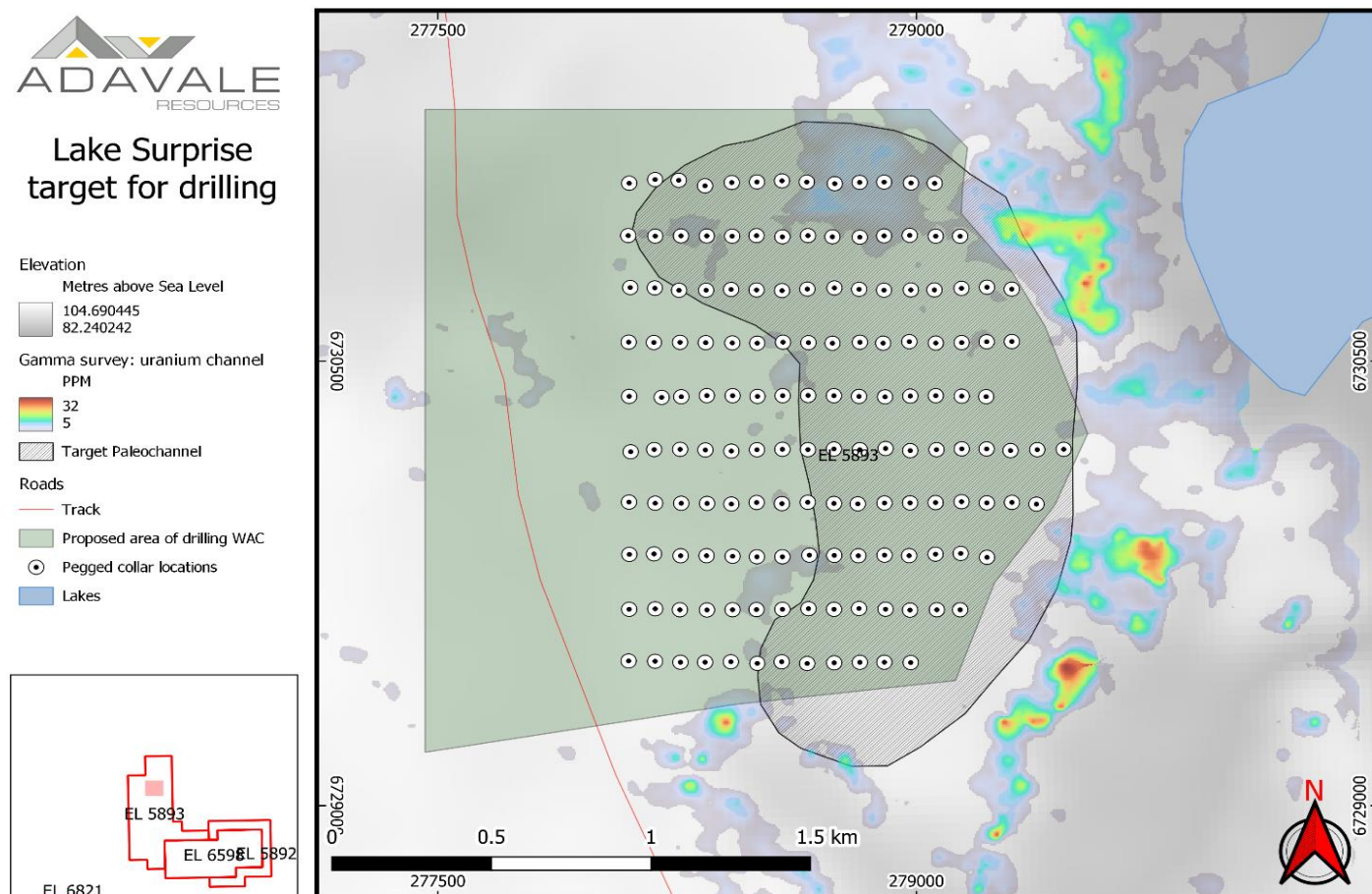


Figure 1: Planned drilling locations for the 150-hole program over 1.5km. Mapped gamma anomalies are shown with drilling targeting the buried extension of these anomalies.

Acknowledgements to traditional owners

Adavale acknowledges the Dieri as Traditional Custodians of the land on which our current works are located. With respect to Elders past, present and emerging, Adavale is committed to conducting its activities with respect to the communities in which it operates.

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 Lake Surprise 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.

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.

