

15 March 2023



Financing Secured to Progress Kabanga Jirani Nickel Project in Tanzania

- \$2 million to be raised in two tranches of a 12-month unsecured convertible note to both new and existing groups of sophisticated and professional investors
- Tranche 1 comprising \$990,000 to be settled by 24 March 2023 and Tranche 2 comprising \$1,010,000 will be subject to shareholders approval
- Funds raised to progress further drill testing priority nickel sulphide targets at the Kabanga Jirani Nickel Project in Tanzania, with drilling expected to resume in April.

Adavale Resources Limited (ASX: ADD) (“ADD” or “Company”) is pleased to announce that it has secured funding up to \$2 million (before costs) through the issue of unsecured Convertible Notes to progress the drilling testing priority nickel sulphide targets at the Kabanga Jirani Nickel Project in Tanzania.

The Convertible Notes will be issued to both new and existing groups of sophisticated and professional investors and will be issued in two tranches. Tranche 1 comprising of \$990,000 (99 Convertible Notes at \$10,000 each) will be issued pursuant to the Company’s available placement capacity under ASX Listing Rule 7.1. Tranche 1 is expected to be settled by 24 March 2023.

The balance of the funding comprising Tranche 2, \$1,010,000 (101 Convertible Notes at \$10,000 each) will be issued and paid upon receiving shareholder approval to be sought at a general meeting proposed to be held in April 2023 (EGM). The Company is also proposing to issue investors with free attaching options, to be issued subject to shareholder approval at the EGM.

Adavale’s Executive Director, Mr David Riekie commented:

“We are pleased to secure the funding especially in this current market and welcome a number of new sophisticated and professional investors. This funding allows us to hit the ground running at the end of the wet season in Tanzania, continuing the testing of our high-priority targets at Kabanga Jirani.”

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: ~520 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



adavaleresources.com




CONTACT

Adavale Resources Limited Level 2,
49 Oxford Close, West Leederville
WA 6007

Tel: +61 2 8003 6733

investor@adavaleresources.com



Current site activities include a soil geochemistry survey and downhole EM will be used to refine the drilling program, which is planned to re-commence in April.”

Convertible Notes (Notes):

The Convertible Notes are unsecured with a face value of \$10,000 each and will be issued in two tranches:

- Tranche 1: 99 Convertible Notes raising \$990,000
- Tranche 2: 101 Convertible Notes raising \$1,010,000

The Notes have a term of 12 months, with interest payable quarterly at 12% per annum. Noteholders will receive 32.49708 free attaching options per \$1 subscribed. For example, an investor who subscribes for \$100,000 of the Notes would receive 3,249,708 attaching options. The Options will have an exercise price of \$0.03 each expiring 31 December 2025 (“Options”).

The issue of Tranche 2 Convertible Notes and the free attaching Options will be subject to shareholder approval at the proposed EGM. Subject to meeting ASX Listing Rule requirements and upon receiving shareholders approval, the Company will apply for these Options to be quoted.

The Convertible Notes can only be converted after 30 June 2023 at a 15% discount to the 15 day VWAP prior to the conversion date, with a ceiling price of \$0.03. Each share issued upon conversion will rank equally with the Company’s existing shares on issue. At the end of the term, a Noteholder may elect to redeem the Note and seek repayment of monies advanced, rather than converting to Adavale’s shares.

GBA Capital acted as Lead Manager to the raising and will be issued 13,340,000 Options exercisable at \$0.03 each expiring 31 December 2025 (“Broker Options”). The Broker Options will be issued subject to receipt of shareholder approval at the EGM.

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

Further information:

David Riekie
Executive Director
E: investor@adavaleresources.com

For broker and media enquiries:

Andrew Rowell
White Noise Communications
E: andrew@whitenoisecomms.com
P: +61 400 466 226

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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.

