

28 April 2023



Quarterly Activities Report March 2023

NICKEL EXPLORATION

- New Prospecting Licence, PL 12175/2023, called 'The Southeast Wedge' awarded to Adavale
- Drilling results from late 2022 confirmed intersection of nickel sulphide bearing host rocks
- A soil Geochem program was completed during the wet season to refine drill targets ahead of a resumption of drilling in late April
- Geochemical soil survey identified a coherent 15km copper-in-soil anomaly that coincides with magnetics and gravity anomalies along the Luhuma trend

URANIUM EXPLORATION

- An aircore program of 56 holes for 742m was completed at Lake Surprise
- Uranium mineralisation was confirmed as being contained within a complex braided stream environment
- Follow up geophysics will be used to target uranium within the mineralised braided channels at the Company's Canegrass, Jubilee and Mookwarinna prospects

CORPORATE

- A\$2 million raised via a convertible note during the quarter to progress Nickel exploration and drilling at Kabanga Jirani
- Adavale presented to investors at the 121 Cape Town conference in February

Adavale Resources Limited (ASX: ADD) (ADD or the Company) is pleased to report on its activities for the quarter ended 31 March 2023.

Adavale's Executive Director, Mr David Riekie commented:

"The results received during and just post quarter end provide strong support for the nickel sulphide potential 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



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With funding secured, we eagerly await the opportunity to recommence drilling in April as soon as the wet season abates to test several high-priority targets that are ready to go.”

NICKEL EXPLORATION

Kabanga Jirani Nickel Project and Luhuma Nickel Project (Tanzania)

Results were received during the quarter for the initial drillholes completed as part of the larger program that was curtailed by the onset of the 2022/23 wet season. The initial drill results relate to drilling completed during the December quarter at:

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

The drilling at HEM 2 is presently considered the most promising with potential host rocks for nickel sulphide intersected over broad intervals.

HEM 2 Target area

The first two RC and diamond extended drillholes of the drill program were drilled in a “scissor” pattern to target several modelled EM conductors located towards the western margin of the strong (4.5 mGal) gravity anomaly that reflects a large mafic and possibly ultramafic intrusion.

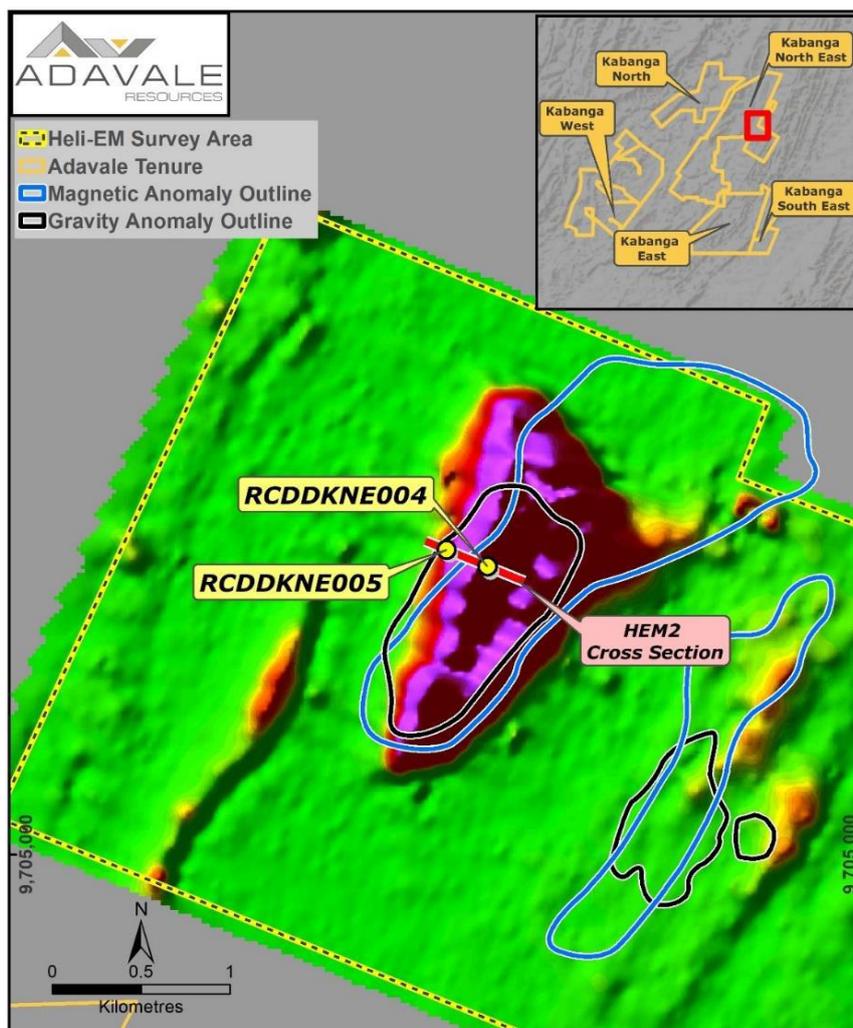


Figure 1: Plan view of HEM 2 RCDDKNE 004 & 005 (including cross section reference)

RCDDKNE 004 was drilled towards the west at -60 degrees while RCDDKNE 005 was drilled towards the east at -60 degrees, both within the confines of the intrusion (Figure 2).

As can be seen in Figure 2 below, geological logging identified a shift from a gabbro unit to a gabbronorite from west to east. This reflects a fractionation trend which suggests the intrusion at HEM 2 has been rotated (tilted) at least 60 – 70 degrees to the west after it was emplaced and therefore the more primitive and potentially nickel sulphide rich base of the intrusion is located at depth further to the east.

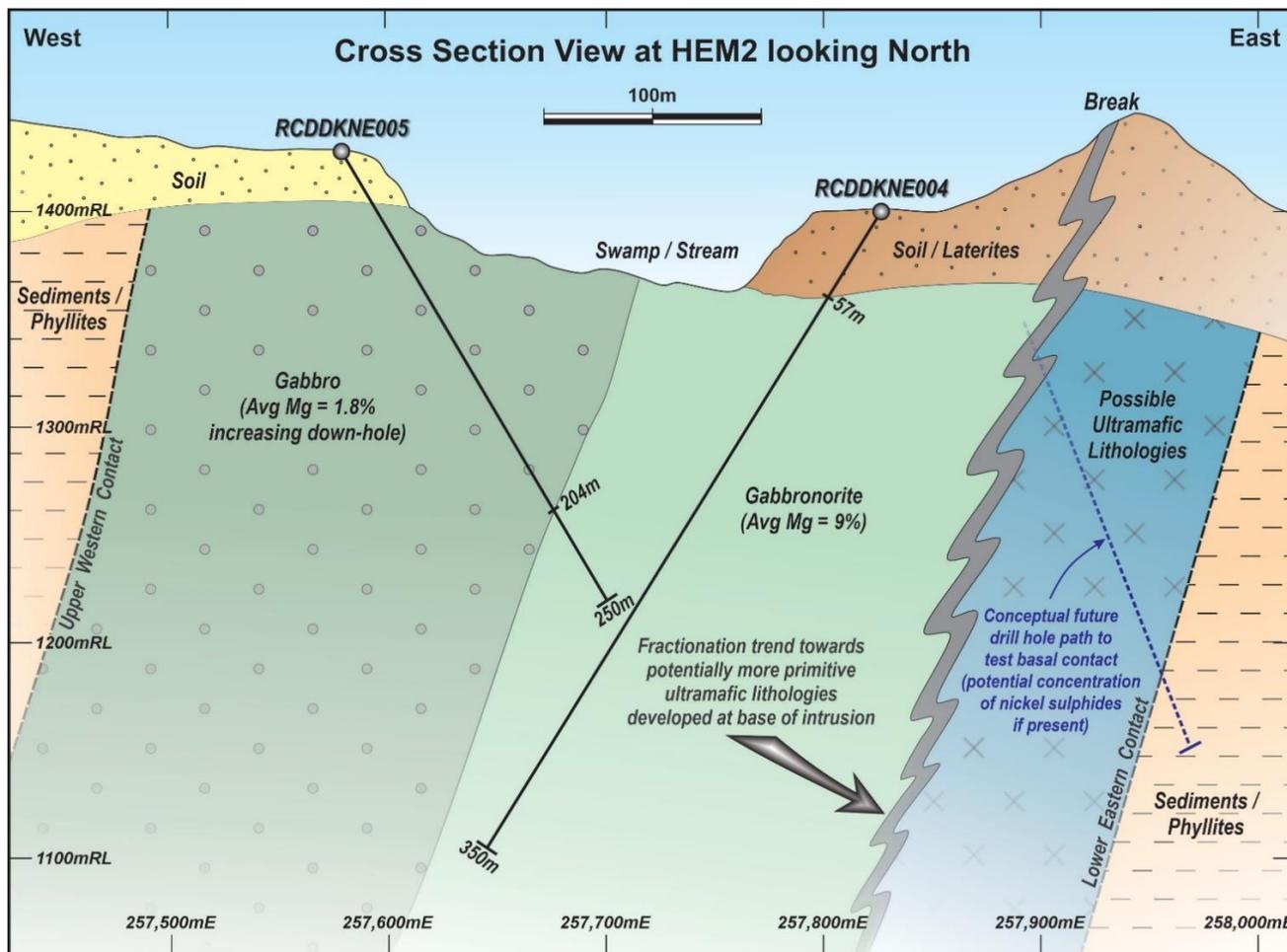


Figure 2: Section View of HEM 2 RCDDKNE 004 & 005. Both holes have been cased in order to allow for DHEM surveys to be completed.

HEM 4 Target Area

Drilling was also completed at HEM 4 with drill hole RCDDKE 006 (500.5m deep) designed to test a discrete EM anomaly underlying a gravity anomaly (Figure 4). The EM modelling shows a well-defined 2.5D modelled vertical conductor, which at depth flattens out and envelopes a smaller 1D modelled EM conductor.

Drillhole RCDDKE 006 intersected an abundance of dolerite after 170m that may explain the source of the HEM 4 gravity anomaly, while two zones of finely disseminated and narrow veins of sulphide (chalcopyrite and pyrrhotite) maybe the cause of the conductivity. With the grant of the Wedge and recently completed geochemical soil surveys in the area over the wet season further drilling at the HEM 4 target area is planned for the June quarter.

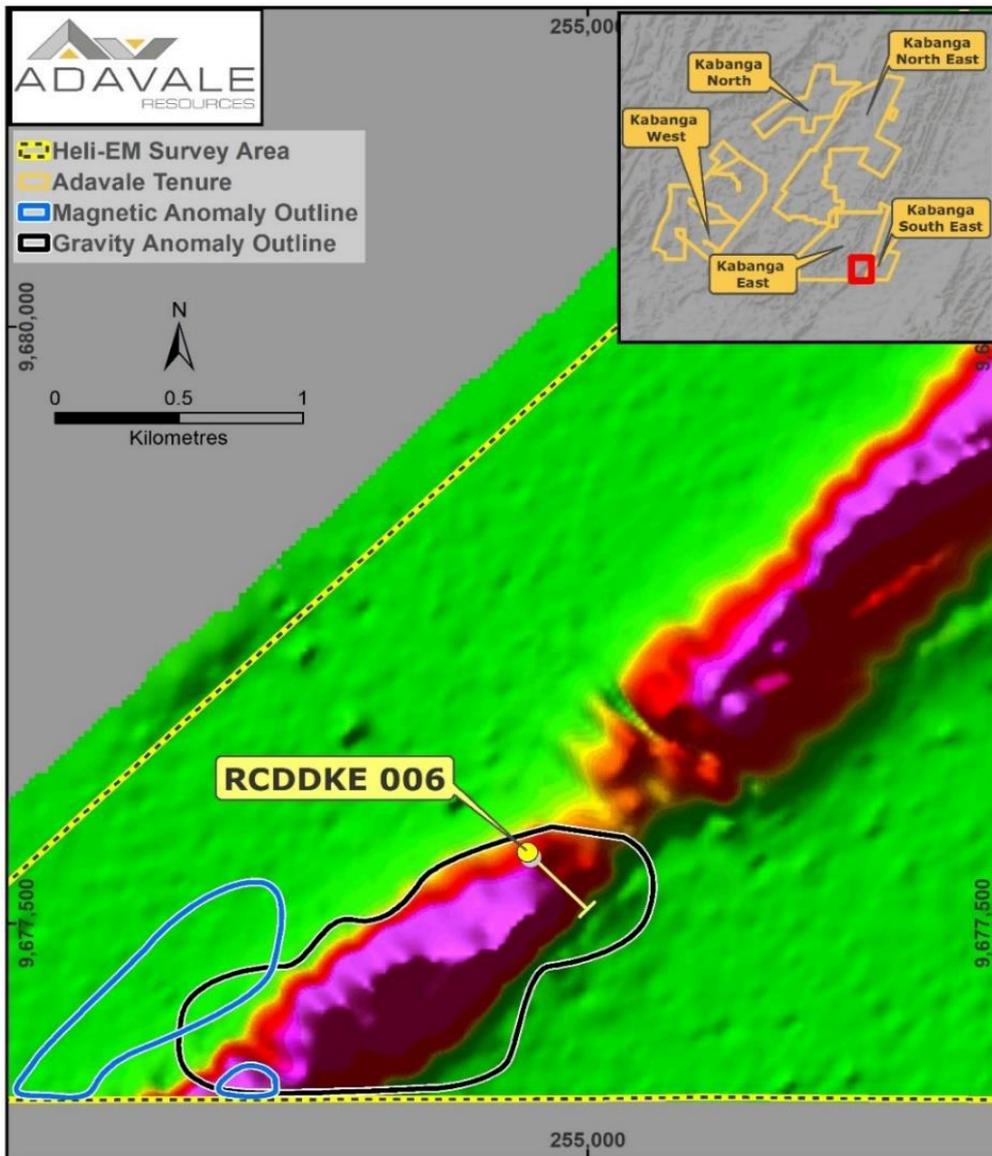


Figure 3: Plan View of HEM 4 drillhole RCDDKE 006. The background image is gridded EM and where the black outline represents the 2.4mGal gravity contour.

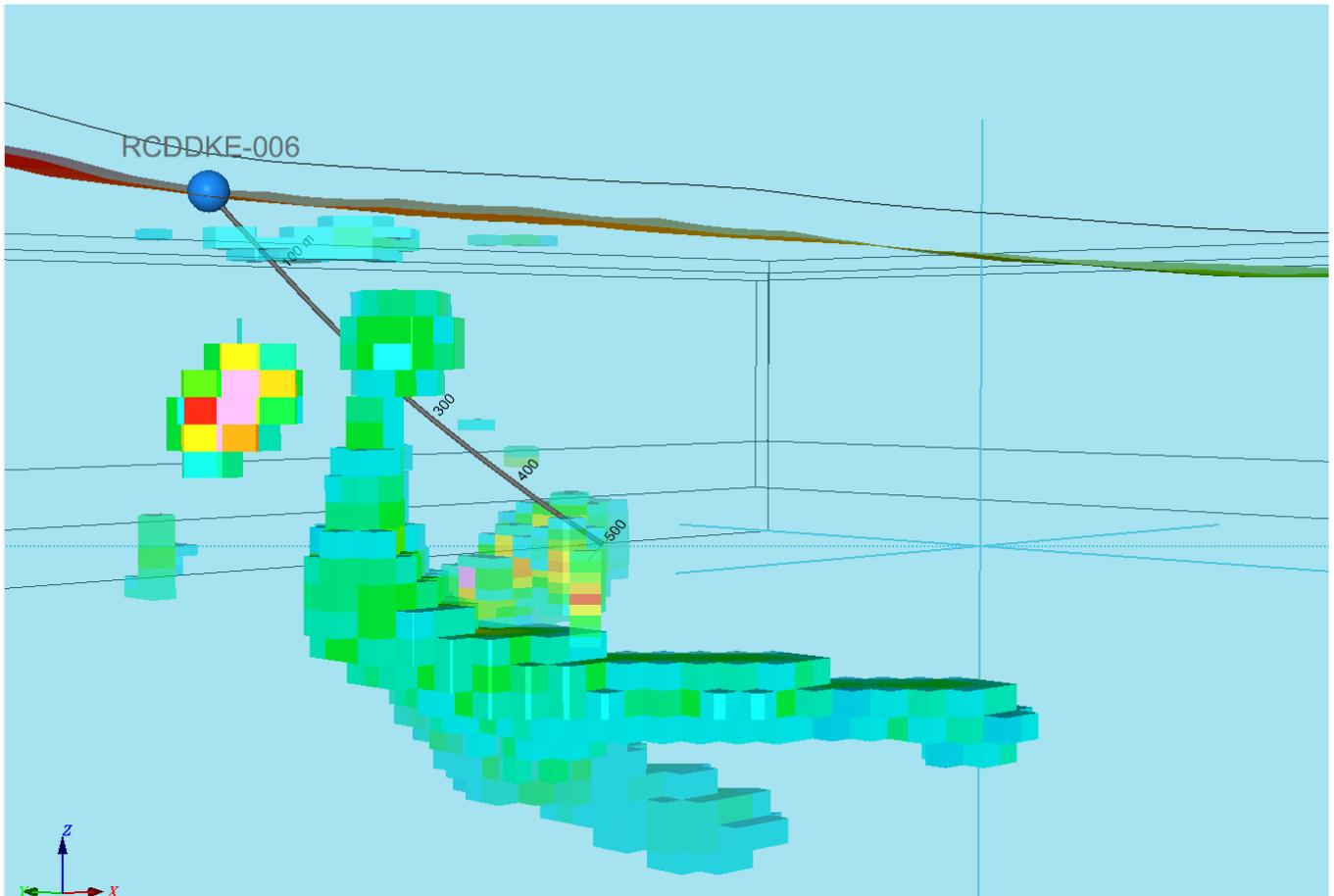


Figure 4: Cross-section of drillhole RCDDKE 006 targeting the 2.5D EM model enveloping the 1D modelled EM.

HEM 9 Target Area

Drilling was also completed at HEM 9, which has discrete, coincident magnetic, gravity and EM conductors as shown in Figure 5. The EM target at HEM 9, reflected by the fairly flat lying conductor shown in Figure 6, was drill tested to a depth of 371.1m by DDKW 007.

As was the case at HEM 4, a 70m thick dolerite unit intersected in DDKW 007 may explain the HEM 9 gravity anomaly while the conductivity maybe attributed to the thin sulphide veins encountered over an interval of 300m. Adavale's geophysical surveys correctly identified zones of greater density and conductivity as evidenced by the dolerite and sulphide vein intercepts at these two locations.

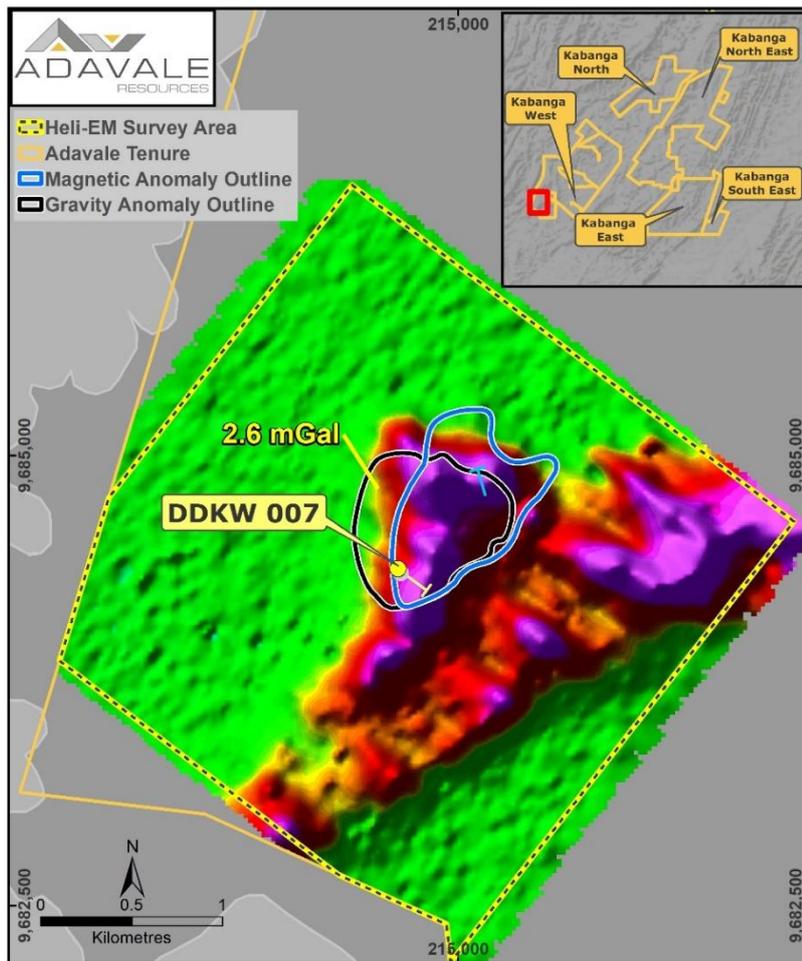


Figure 5: Plan View of HEM 9 showing drill hole DDKW 007. The background image is gridded EM and the black outline represents the 2.6mGal gravity contour.

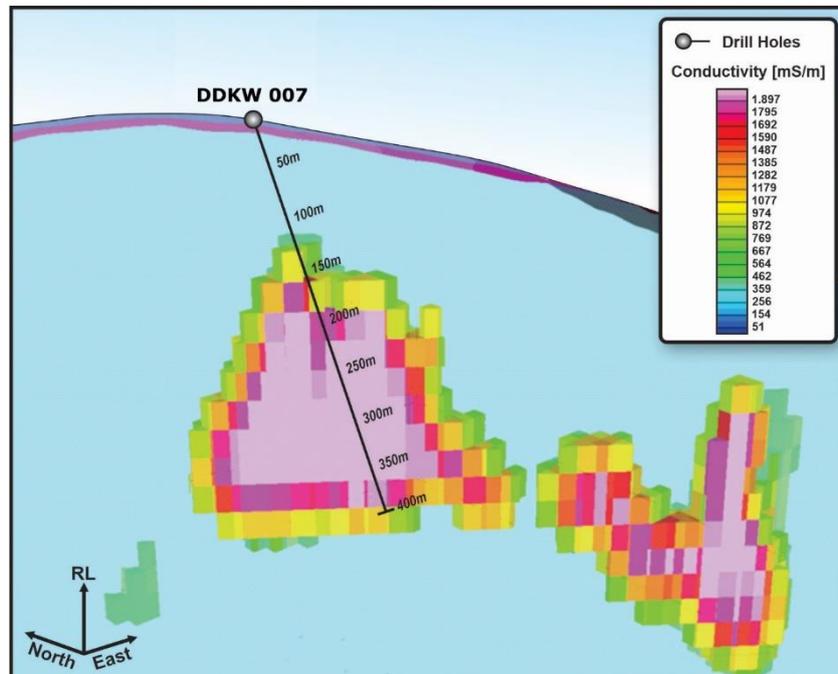


Figure 6: Cross-section of drillhole targeting the 2.5D EM model



Geochemical Soil Surveys

To assist with differentiating between gravity anomalies associated with thickened dolerite units and mafic-ultramafic intrusions, the Company completed a series of additional geochemical soil sampling programs during the wet season.

A total of approximately 10,000 samples were collected during the geochemical soil survey. The samples were collected on a 400m x 50m line spacing across specific areas within the Company's southern tenement package. In addition, some gaps from earlier surveys were infilled during the program.

The samples were analysed using pXRF at the exploration field camp.

Survey Results

The Kabanga Jirani Nickel Project area is known to contain both massive and disseminated sulphide mineralisation. In order to 'filter out' the geochemical response from surficial lateritic nickel, the Company assays for and measures the response of nickel, copper and cobalt as well as various mafic indices such as Cr, V, Fe etc.

The combination of geochemical responses, as well as gravity and EM anomalies, assists the Company to filter out the background noise from the extensive exploration data and vector into the areas of highest interest and current priority drill targets.

The current soil geochemical program has confirmed a coherent copper anomaly of 15km strike length, which the Company considers to be important given the association of copper and cobalt with nickel mineralisation at the Kabanga deposit.

This has focussed the Company's current exploration program on the eastern side of the Company's southern licences (refer Figure 7).

The following section describes the results of the soil geochemical surveys for the following areas:

- Luhuma Trend
- Luhuma North
- HEM 2, HEM 2 East and HEM 2 North East
- HEM 4



Figure 7: Location of targets generated from the recent geochemical soil survey conducted during 2023 and previous HEM and gravity surveys.

Exploration Target Areas - Stage 1 commencing from Q2, 2023

Luhuma Trend

The Luhuma Trend is a recognised narrow strike extensive (15km) zone within Adavale’s Kabanga North-East Licence that is host to a series of mafic-ultramafic intrusions from which several historical massive Ni sulphide intersections have been reported. The denser mafic-ultramafic intrusions of the Luhuma Trend are clearly evident from the gravity surveys completed over the area by Adavale in 2022.

As this area is known to contain both prospective host rocks and sulphide mineralisation, it is considered highly prospective.

Geochemical soil surveys completed over most of the Luhuma Trend during the wet season identified a large, broadly coincident copper anomaly (Figures 7 & 8). The objective of the next phase of work will be to include modern geophysical data such as audiomagnetotellurics (AMT) combined with knowledge of existing mineralisation to complete I diamond holes at priority drill sites.

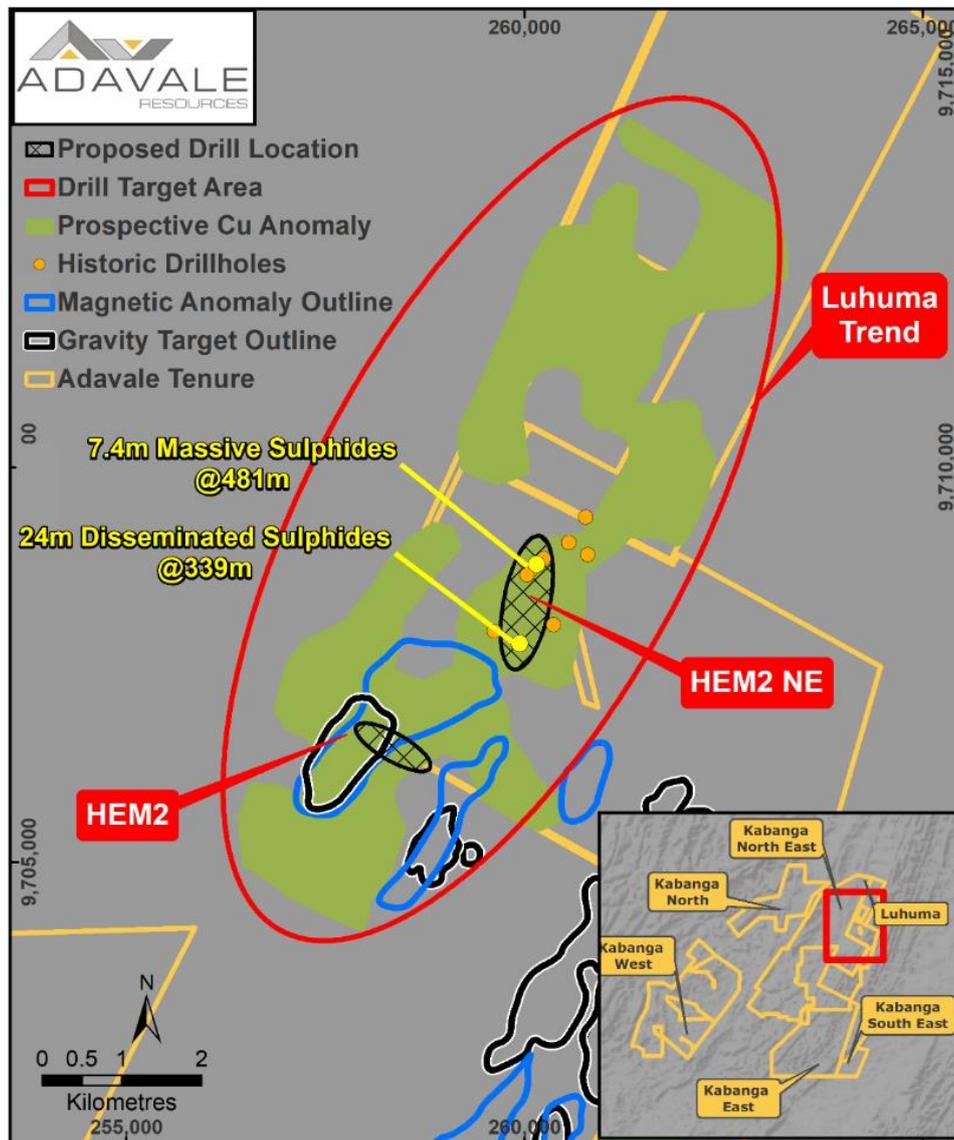


Figure 8: Luhuma Trend soil geochemical survey anomalies, target areas and proposed drill locations

Luhuma North

The geochemical anomalies (mafic indices plus nickel and copper) at Luhuma North are broadly coincident (although offset) with two strong gravity features that support the contention that the gravity features may reflect hidden, potentially nickel-sulphide bearing mafic-ultramafic bodies at depth (Figure 9).

These two Luhuma North target areas will be tested with RC holes in the first instance to confirm the origin of the gravity and geochemical signatures and then, depending on results, progress to a diamond drilling phase.

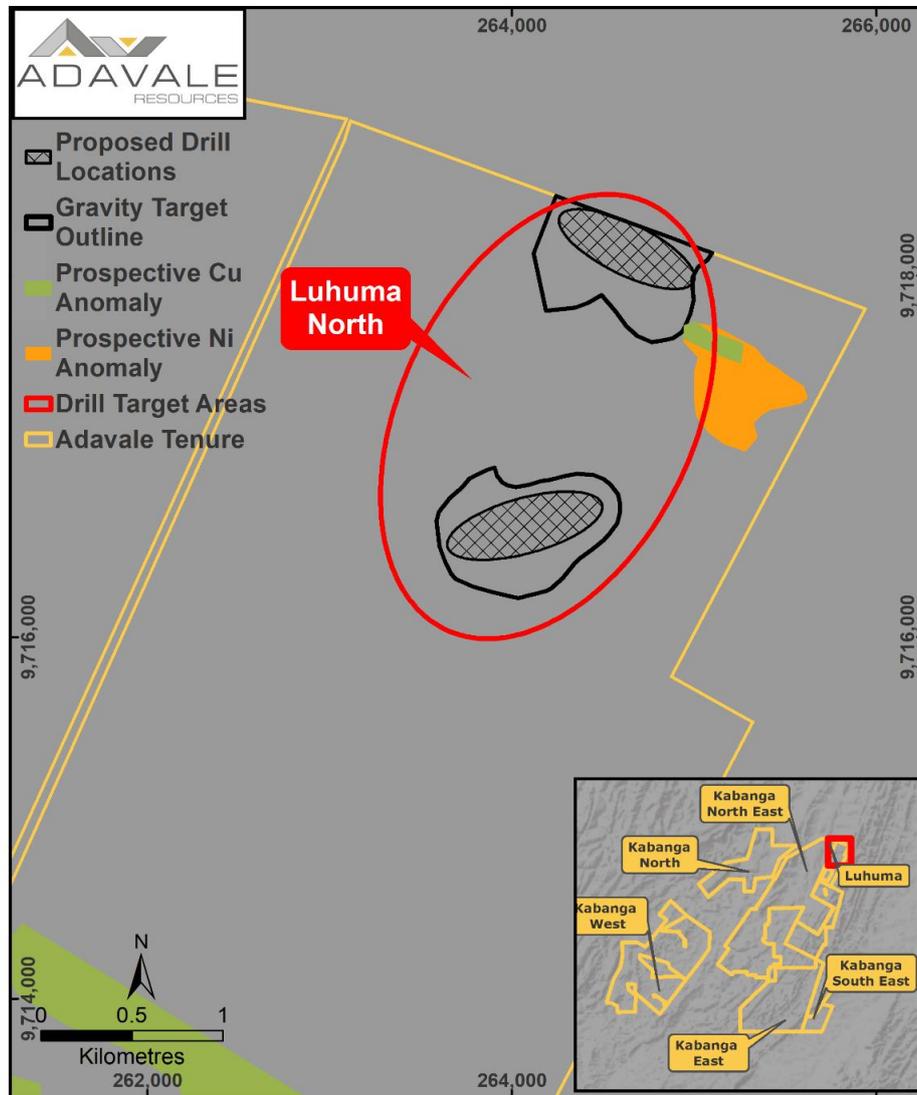


Figure 9: Luhuma North soil geochemical survey anomalies, target areas and proposed drill locations

HEM 2

During 2022, Adavale completed a detail Heli-borne EM (**HEM**) survey over a broad area of strong gravity anomalism located at the southern extension of the Luhuma Trend. The HEM survey identified several anomalies including one coincident with the very strong discrete gravity anomaly located towards the western edge of the survey area (Figures 1 and 10). It can be seen from Figure 10 that the HEM 2 target lies within the broad copper anomaly defined over the Luhuma Trend during the wet season and is also coincident with both gravity and magnetic anomalies identified earlier by Adavale.

Two holes drilled by Adavale into the HEM 2 target intersected layered, cumulate textured host rocks (refer Figure 2)¹ where drilling indicated that the more primitive and therefore nickel prospective ultramafic base of this HEM 2 intrusion potentially lies at depth further to the east and this will be a priority in the upcoming drill program.

Initial RC drilling (~150m depth holes) will be used to determine the position of the eastern contact of the intrusion and assist the positioning of DD holes estimated to be ~350m+ depths that will target potential sulphide mineralisation at the base of the intrusion.

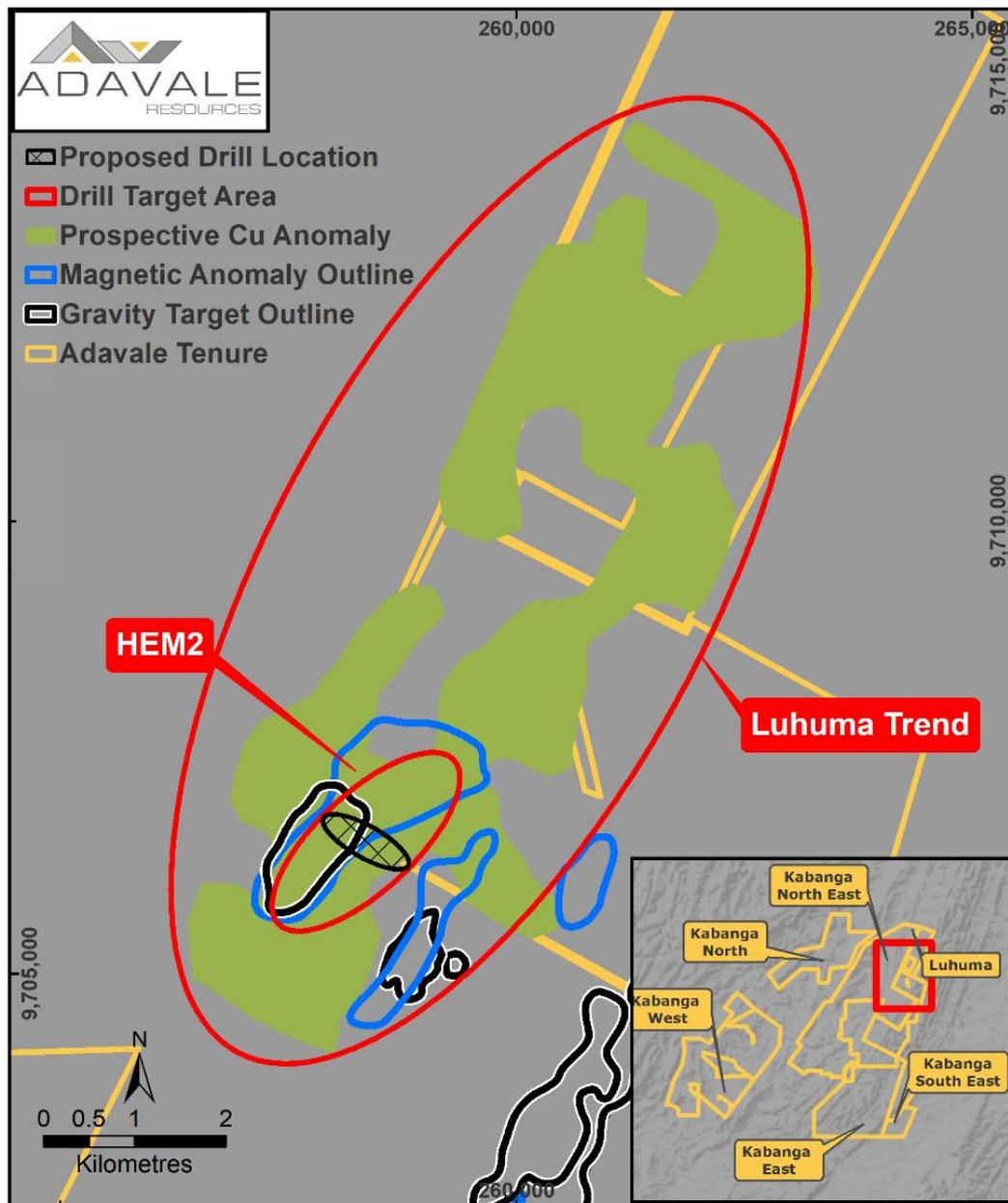


Figure 10: HEM 2 soil geochemical survey anomalies, target areas and proposed drill locations

¹ ASX Release 27 January 2023 "Nickel Sulphide host rocks intercepted at Kabanga Jirani"

HEM 2 East

As part of the soil geochemical survey over HEM 2 during the wet season, a new anomaly was defined to the east, with elevated Ni and Cu as well as the mafic indicators, Fe and Cr. The anomaly which is broadly coincident with the eastern edge of a previously recognised gravity anomaly that extends over a strike extent of approximately 2.5km, represents a high priority drill target. The upcoming program will include RC drillholes to test this zone initially (refer Figure 11).

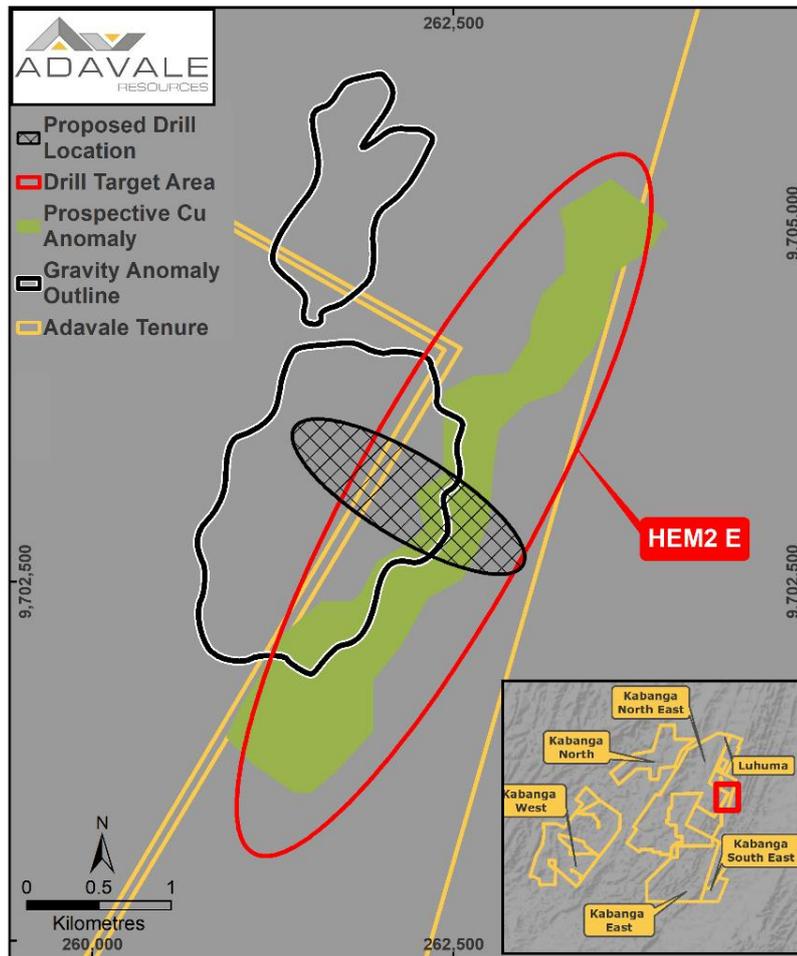


Figure 11: HEM 2 East soil geochemical survey anomalies, target areas and proposed drill locations (this fig does not show the HEM 2 East target)

HEM 2 North East

The HEM 2 North East target area lies to the north-east of HEM 2 within the same broad Luhuma Trend copper anomaly that covers HEM 2 (Figure 12).

Recently acquired geological logs by Adavale for several holes drilled in this area in the 1990's record the presence of sulphide mineralisation but without nickel assays being recorded. Hole LUH011 reportedly intercepted 7.4m of massive sulphide (not true thickness) from 481m whilst LUHD007 is reported to have intercepted 24m of disseminated sulphide (not true thickness) from 339m. Given the historical nature of these holes, other key targeting methods will be employed to further refine the potential of the area. As a first step the Company intends to complete an AMT survey over the prospect in order to better define the geometry and potential extent of the sulphides prior to drilling.

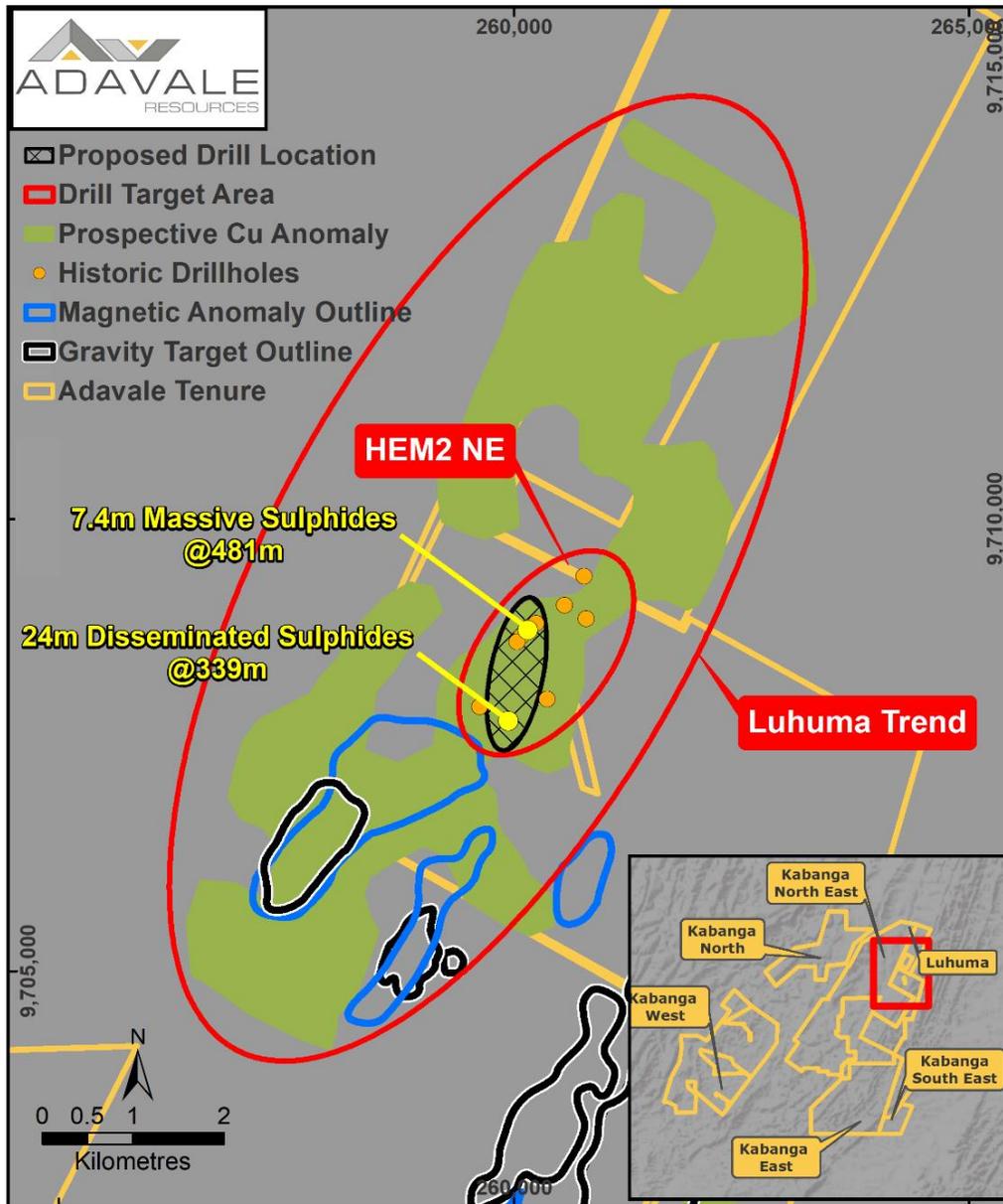


Figure 12: HEM 2 North East soil geochemical survey anomalies, target areas and proposed drill locations together with recently acquired drillholes

HEM 4

In late 2022, Adavale was awarded a new licence, The Southeast Wedge, along strike from HEM 4. Previous gravity and HEM surveys indicated that the HEM 4 anomalous zone continued NE into the Wedge tenement (Figure 13). Expanded and infill soil geochemical surveys completed during the wet season over the area confirms that a broad copper anomaly aligns with the gravity and EM anomalies. The initial 2023 drill test at HEM 4 will involve a traverse of three RC holes across the target area. Further testing of the area will be determined by the results of the RC program.

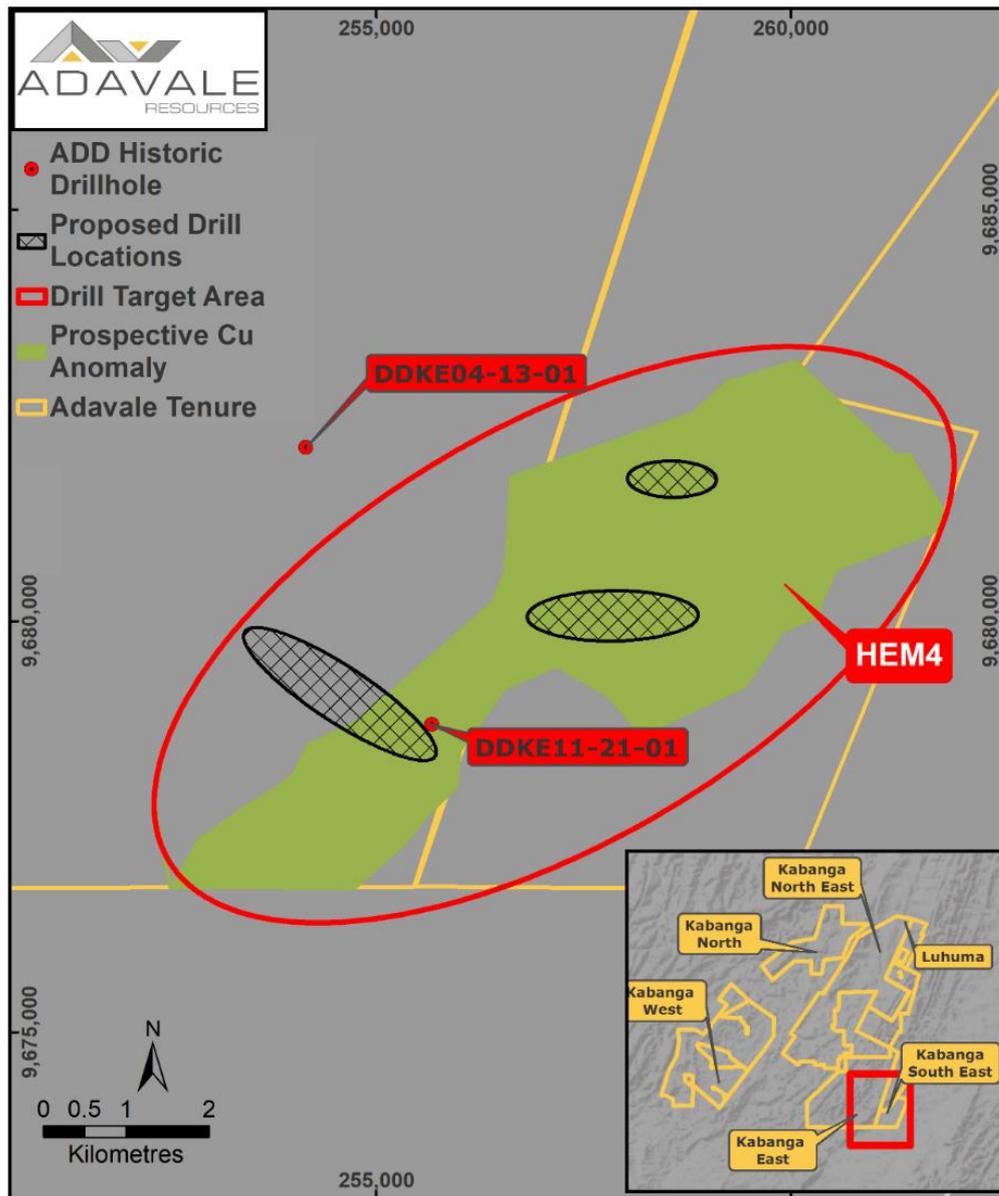


Figure 13: HEM 4 soil geochemical survey anomalies, target areas and proposed drill locations

Downhole EM Surveys

The Company will mobilise a geophysical contractor to site to complete DHEM surveys on the four DD holes completed as part of the 2022 drill program and future DD holes completed in 2023. This will include HEM 2 area where the geology intersected implied the existence of a potentially more primitive ultramafic footwall sequence further to the east (Figure 12).

Strategic addition to Kabanga Jirani tenement package

On 23 January 2023, Adavale’s wholly owned subsidiary, Adavale Resources Tanzania Limited was awarded Prospecting Licence, PL 12175/2023. The tenement covers an area of 44.83km² and is contiguous with Adavale’s Kabanga East and Kabanga Southeast Projects (Figure 14).

The Southeast Wedge completes coverage over a cluster of coincident gravity and Heli-EM anomalies identified by Adavale in 2022. The prospectivity of the area was further enhanced by the completion of expanded soil geochemical coverage over the area during the 2022/23 wet season.

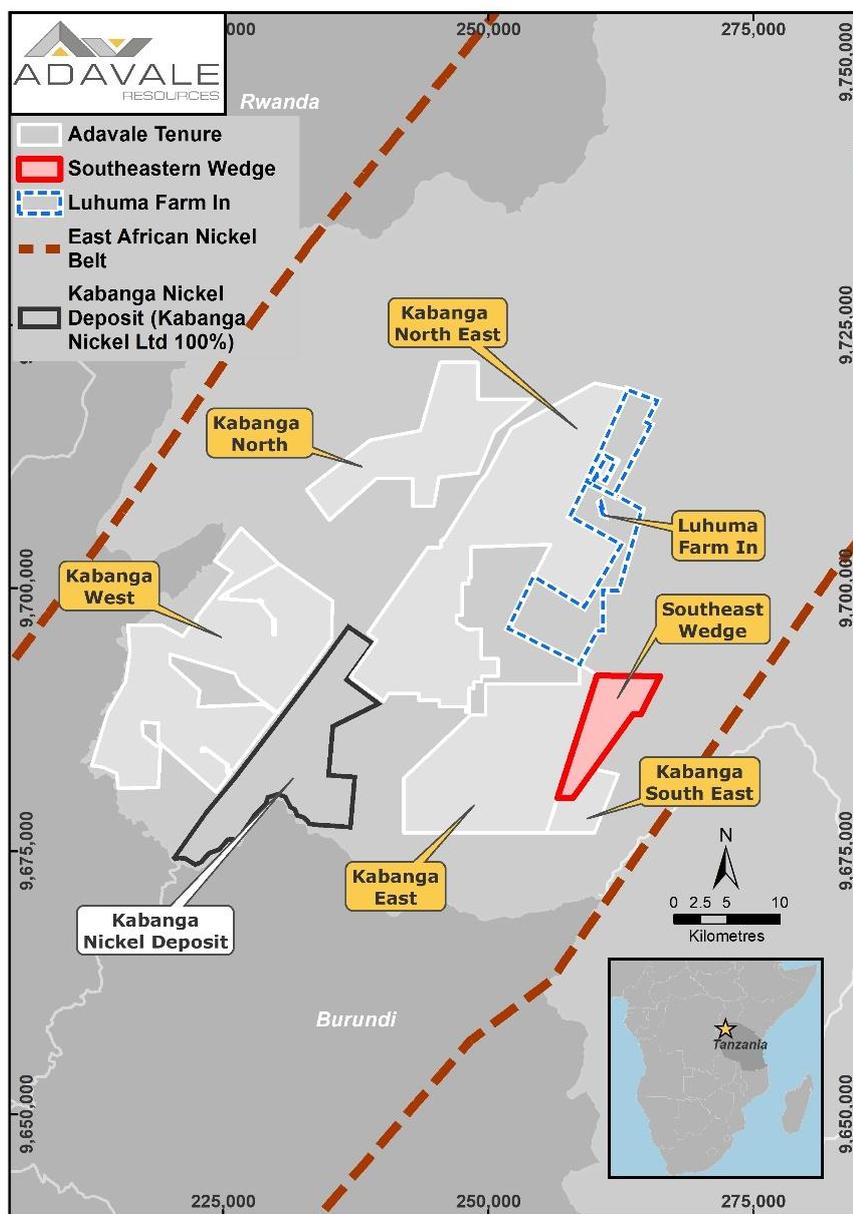


Figure 14: Luhuma Project tenure and Southeast Wedge PL 12175/2023

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

During the quarter, the Company proceeded with the Stage 2 payment to acquire the 65% interest in the Luhuma Nickel Project licences. The 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.

URANIUM EXPLORATION

Lake Surprise Uranium Project

During the quarter², the Company reported on the results of the initial reconnaissance drilling program undertaken at the Company's 100% owned Lake Surprise Uranium Project during February 2023.

The drilling program was ultimately designed to penetrate the silcrete horizons and test a prospective zone in EL5893. The prospective zone was identified from previous exploration that showed a helium anomaly, surface gamma anomaly and rock chip data.

The recent drilling encountered a series of braided channels, confirming the pre-drill interpretation that the area was part of a broad delta like fan system. The drilling intersected anomalous uranium with associated gamma anomalies and indicates an increase in concentration of anomalous readings, trending in a southerly direction, within Adavale's tenure.

Twenty-Four (24) samples were selected for chemical analysis based on pXRF and gamma log readings. The samples were dispatched to Intertek in Adelaide for analysis. The assay results produced a peak result of 87 ppm Uranium, which is not considered to be economic but indicative of further potential, particularly towards the south.

The program has confirmed the need to isolate the braided channel geometry to target higher grade mineralised zones. Geophysics including magnetics and resistivity is being planned to cover this drilled area as well as the Canegrass, Jubilee and Mookwarinna prospects to calibrate the drill results achieved.

The program was completed with 56 holes for 742 metres drilled.

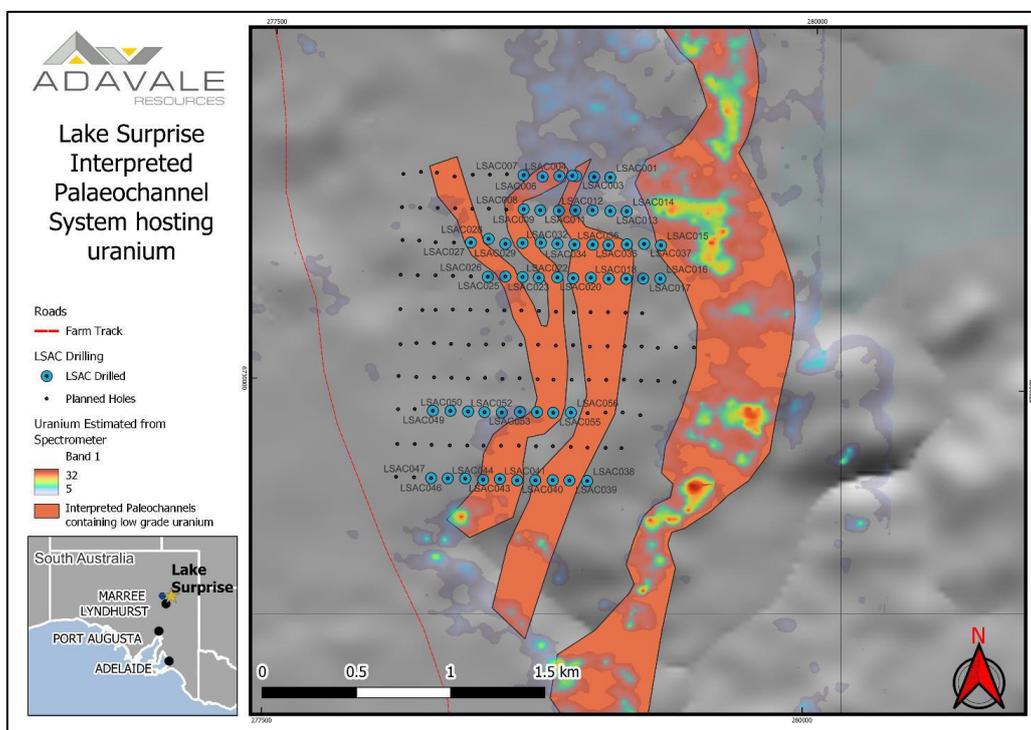


Figure 15: Planned drilling locations for the 150-hole program over 1.5km. Mapped gamma anomalies are shown with drilling targeting the buried extension of these anomalies.

² ASX Announcement 3 March 2023 "Initial Lake Surprise Drilling Program Yields Results"



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.

Summary of Cashflow for the Quarter

Adavale held cash reserves and funding availability at the end of quarter of approximately \$1.27 million.

During the quarter, approximately 77,000 was paid to directors and officers. Included in the \$77,000 payment, \$59,000 (as shown at 6.1) was paid to directors in accordance with their standard employment agreement.

The Company spent approximately \$694,000 on exploration and evaluation activities including aircore drilling, consumables, geological consultants, geophysical consultants and assaying. There were no substantive mining production and development activities during the quarter.

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

Further information:

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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.

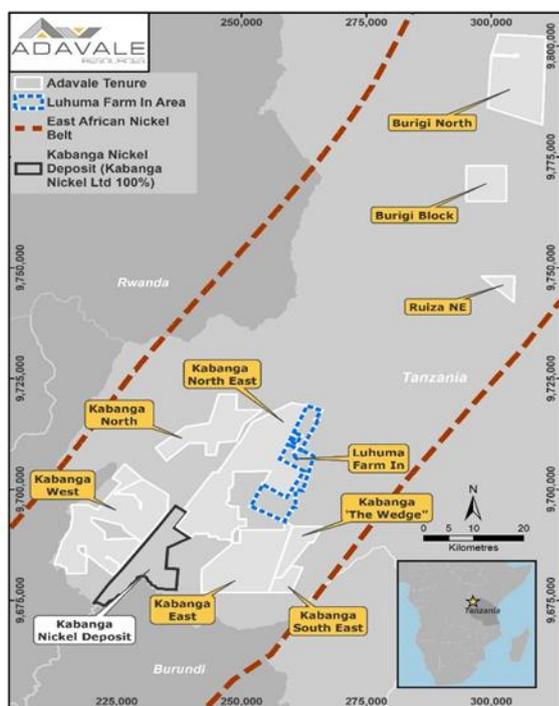
Forward looking statements

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.



Tenement Holdings and Movements

Schedule of Mining Tenements and Beneficial Interests

Held as at the end of the March 2023 Quarter

Project/Location	Country	Tenement	Percentage held/earning
Kabanga Jirani Nickel Project	Tanzania	Kabanga West (PL11590/2021)	100%
		Kabanga North (PL 11405/2020)	100%
		Kabanga North East (PL 11406/2020)	100%
		Kabanga South East (PL 18602/2021)	100%
		Kabanga East (PL 11591/2021)	100%
		Ruiza NE (PL 11539/2021)	100%
		Burigi Block (PL11538/2021)	100%
		Burigi North (PL11537/2021)	100%
		Kabanga South East (PL11886/2022)	100%
		Southeast Wedge (PL12175/2023)	100%
Luhuma Nickel Project	Tanzania	PL11692	65%
		PL11693	65%
<p>The Company entered into a Farm-In Agreement to earn up to 100% of the Luhuma Nickel Project. The Company currently has achieved a 65% interest in the project on 8 February 2023.</p>			
Nachingwea Prospect	Tanzania	PL11887/2022	100%
Lake Surprise Uranium Project	Australia	EL 5892	100%
		EL 5893	100%
		EL 6598	100%
		EL 6821	100%

Acquired during the March 2023 Quarter

Project/Location	Country	Tenement	Granted/ Acquired Date
Luhuma Nickel Project	Tanzania	PL11692	8 February 2023
		PL11693	8 February 2023
Kabanga Jirani Nickel Project	Tanzania	PL12175/2023	24 January 2023

Disposed of during the March 2023 Quarter

Project/Location	Country	Tenement	Withdrawal Date
Nil			

Appendix 5B

Mining exploration entity quarterly cash flow report

Name of entity

ADAVALE RESOURCES LIMITED

ABN

96 008 719 015

Quarter ended ("current quarter")

31 March 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(694)	(2,410)
(b) development	-	-
(c) production	-	-
(d) staff costs	(77)	(350)
(e) administration and corporate costs	(55)	(476)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (GST (Paid)/Received)	(29)	(47)
1.9 Net cash from / (used in) operating activities	(855)	(3,283)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(2)	(2)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(2)	(2)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	3,032
3.2	Proceeds from issue of convertible debt securities	1,060	1,060
3.3	Proceeds from exercise of options	-	53
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(59)	(171)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	1,001	3,974
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	946	391
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(855)	(3,283)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2)	(2)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,001	3,974

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(4)	6
4.6	Cash and cash equivalents at end of period	1,086	1,086

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,086	946
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,086	946

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	59
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Part of Directors and CEO fees are being satisfied through the issue of Adavale fully paid ordinary shares.

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	250	75
7.3	Other (Convertible Notes)	1,060	1,060
7.4	Total financing facilities	1,310	1,135
7.5	Unused financing facilities available at quarter end		175
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	<p>Standby Subscription Agreement</p> <p>The facility arrangement with LKC Technology Pty Ltd (LKC) is a 5-year agreement for \$250,000 as announced on 29 April 2020, with \$175k undrawn.</p> <p>LKC subscribes for shares upon the Company issuing a drawdown notice. Fully paid ordinary shares are issued at 80% of the 5-day VWAP that precedes the drawdown notice.</p> <p>Convertible Notes</p> <p>Convertible Notes are unsecured with a term of 12 months with a face value of \$10,000 each. Interest rate of 12% per annum, accrued daily and paid quarterly. Each convertible note can be converted into shares at a conversion price of 15% discount to the historical 15-day VWAP before the date of conversion, subject to the ceiling price of \$0.03 each.</p> <p>If not converted by maturity date, the Convertible Notes will be redeemed in full at face value per note. Noteholders can convert their notes into shares at any time after 30 June 2023.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(855)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(855)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,086
8.5	Unused finance facilities available at quarter end (item 7.5)	175
8.6	Total available funding (item 8.4 + item 8.5)	1,261
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.47
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

The Company expects the same level of net operating cash flow for the next quarter with the possible commencement of a drilling program at the Kabanga Jirani and Luhuma Nickel Project.

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

As announced on 15 March 2023, the Company secured a \$2m financing through the issue of Convertible Notes. The financing will be completed in 2 tranches in which the 1st Tranche has been completed and the balance of approximately \$1m will be completed following receiving shareholders approval in the coming General Meeting currently scheduled on 3 May 2023.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Yes as discussed above 8.8.2.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 April 2023

Authorised by: **The Board of Directors of Adavale Resources Limited**
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: *Exploration for and Evaluation of Mineral Resources* and AASB 107: *Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.