



# STALKING ELEPHANTS

Nickel sulphide exploration in the East African Nickel Belt

May 2023

ASX:**ADD**

[adavaleresources.com](http://adavaleresources.com)

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The information in this release that relates to "exploration results" for the Nickel 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.

The information in this release that relates to "exploration results" for the 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 undertaken 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.

# Investment Highlights



Exposure to  
critical minerals –  
Nickel and  
Uranium



A dominant nickel  
exploration portfolio  
surrounding an  
'elephant'



Nickel drilling  
campaign  
underway with  
significant upside



Experienced  
management team  
with deep African  
experience and nickel  
discoveries

# Corporate Overview

**ADD**

ASX Code

**\$10.9m**

Market Cap

**520m**

Shares

**190.6m**

Options

98.3m @ \$0.03, exp 9/23  
5m @ \$0.03, exp 8/25  
9m @ \$0.15, exp 1/25  
65m @ \$0.03, exp 12/25  
13.3m @ \$0.03, exp 12/25

**2.1c**

Share Price

**17m**

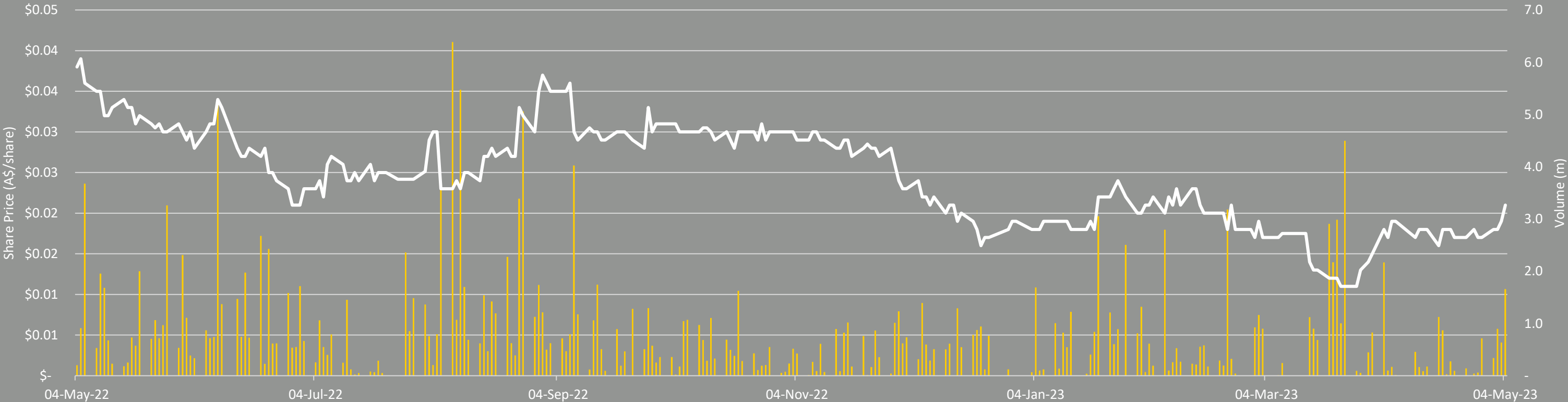
Performance  
Rights

**\$2.0m**

Proforma Cash (as at 31 March)

**~6%**

Board and  
Management Ownership



# Experienced Team



**Grant Pierce**

**Non-Executive Chairman**

Mining engineer with ED, NED, GM experience. Strong and long-standing affinity with Tanzania



**David Riekie**

**Executive Director**

Corporate experience, ASX roles (NED, MD, ED, CEO) including Nickel, Uranium/Energy, African experience



**John Hicks**

**Non-Executive Director**

Accomplished Nickel Sulphide Geologist/ Explorer, 15yrs of GM level Geo/Explorer for ASX listed companies



**Allan Ritchie**

**Chief Executive Officer**

Experienced ASX/HKEx Energy and Resources CEO/ED/MD, 30+yr Investment Banking career



**Leonard Math**

**Chief Financial Officer/ Coy Sec**

Experienced Resources sector executive, ASX listed ED, CFO, Coy Sec



**Gerald Mturi**

**Country Manager (Tanzania)**

Accountant with over 25 years' experience at Total, Resolute Mining and the Tanzanian Chamber of Mines & Energy



**Pashcal Wadeya**

**Chief Geologist (Tanzania)**

Over 13 years' experience across Tanzania in a range of commodities and geological styles



# Exposure to Electrification & Decarbonisation

## Nickel



Nickel-based batteries in electric vehicles have a higher energy density than lead-acid batteries



Nickel is used in the production of stainless steel, which is used in wind turbines, gas turbines and solar panels

## Uranium



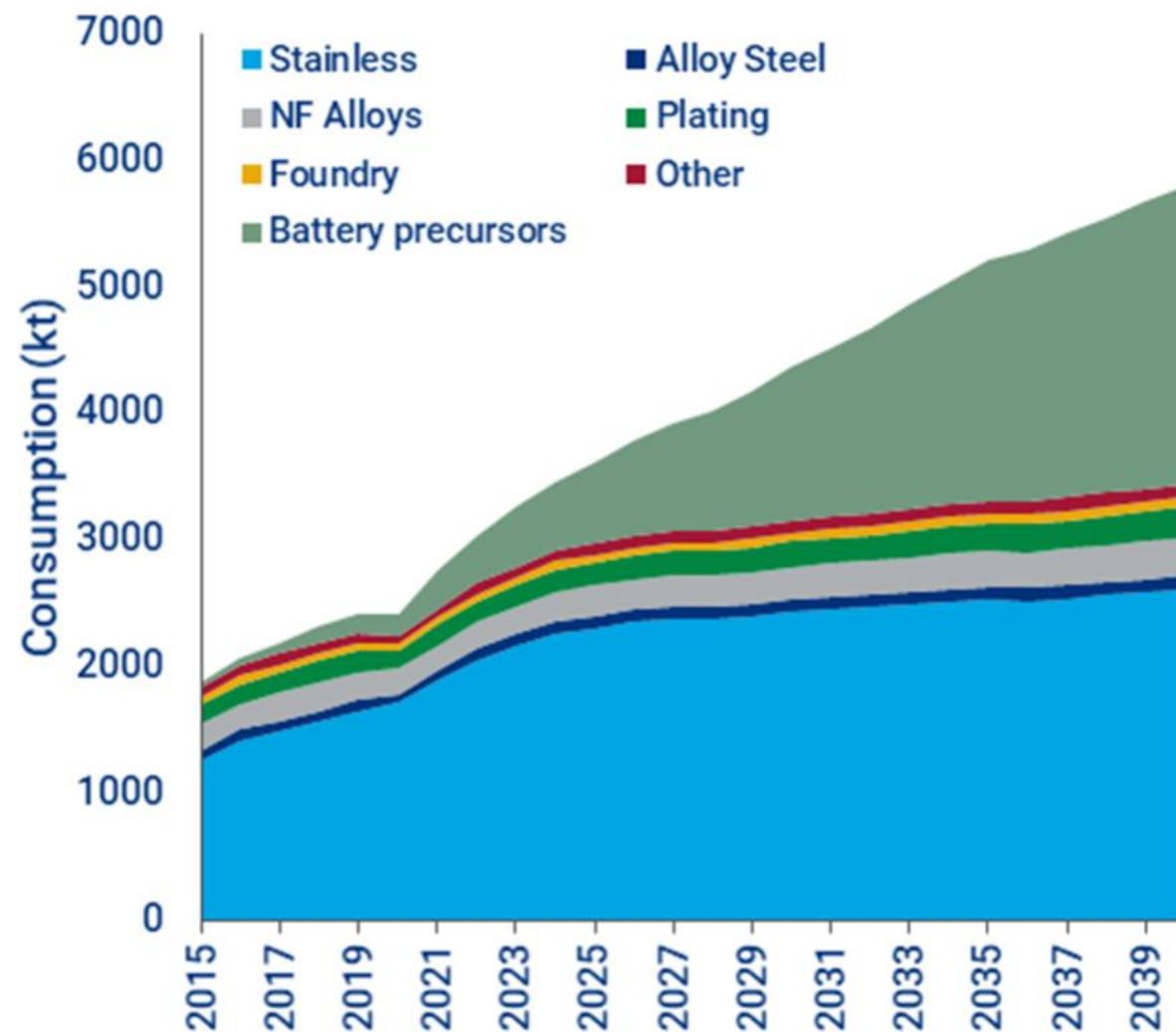
Uranium is the fuel source for nuclear power plants, which can generate electricity without emitting CO<sub>2</sub>



Used in high-temperature electrolysis to produce hydrogen, a clean fuel source for transportation

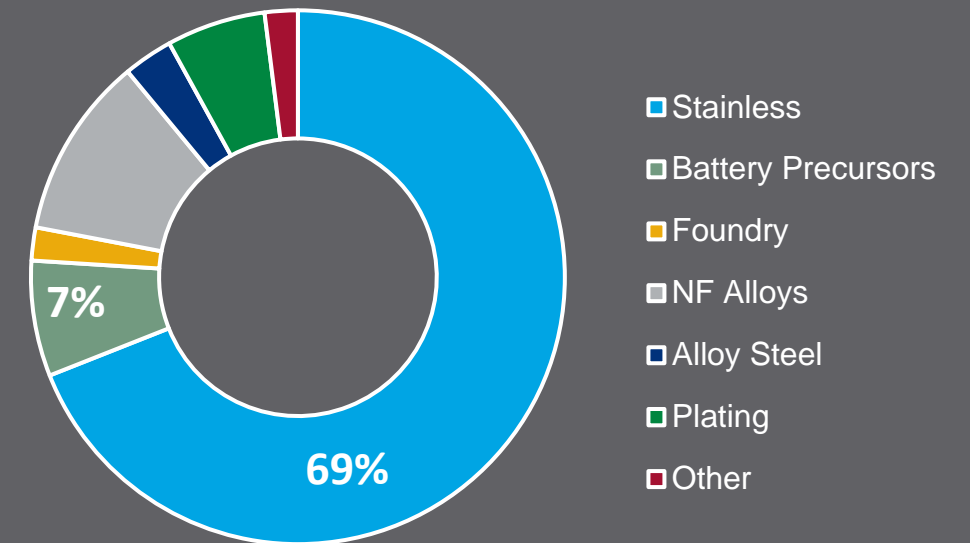
# Nickel - Global Demand

Use in batteries will double global nickel demand by 2040

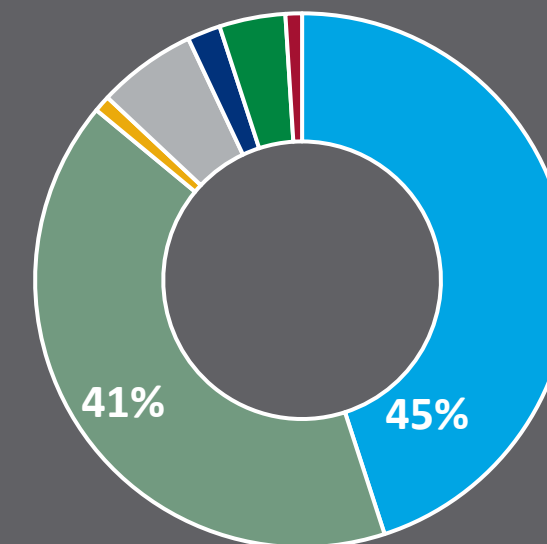


Source: Wood Mackenzie

2021



2040





# Tanzania – An Attractive Mining Destination

- Mining is a crucial sector for Tanzania, generating more than US\$2.5 billion annually and accounting for over 50% of the country's exports by value
- President Samia Suluhu Hassan, has pledged a “commitment to the development of the mining sector”, with the aim of the mining sector accounting for 10% of the country's GDP by 2025, up from 6.7% in 2020
- Renewal of public sector management with focus on project delivery
- Framework Agreements with consistent terms are being executed with international mining company investors
- Clear government ownership interest (16%) established
- Good infrastructure in place, with upgrades underway



President Samia Suluhu Hassan and US Vice President Kamala Harris recently met to discuss strengthening ties between the two countries.



# Tanzanian Social and Community Focused Initiatives

## Commitment to local contract & employment opportunities

Local geological field assistants and contractors

- Drilling
- DHEM Surveys
- Ground Based Surveys (Soil and Gravity Surveys)
- Logistics



## Local community and health focused initiatives



### Bridge2Aid Australia

- Prevention of infant oral mutilation
- Training, awareness and treatment



### Vaka Health Foundation (sponsorship)

- Providing professional development train for 60 nurses at Ngara District Hospital
- AAMEG 2022 award winner: **Best Workforce & Industry Development Initiative**



# Kabanga Jirani + Luhuma – Dominance in East African Nickel Belt

Dominant nickel licence portfolio within the East African Nickel Belt of Tanzania covers **1,311 sq km\***

## Portfolio Overview

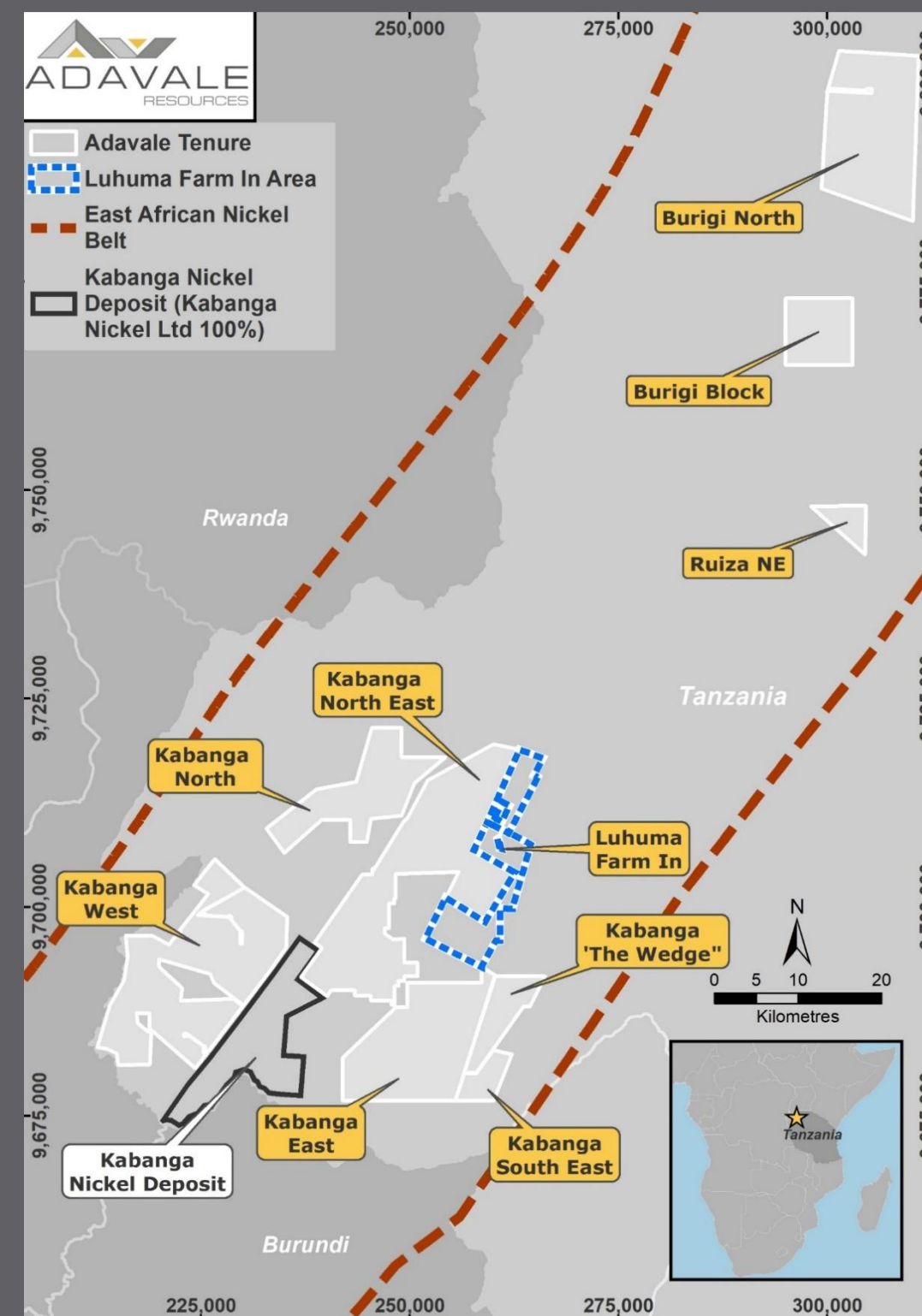
- Located within the Meso-Proterozoic Karagwe-Ankole Belt, prospective for Ni, Cu, Co, Cr and PGE's
- Notable setting similarity with:
  - Thomson Nickel Belt, Raglan and Voisey's Bay deposits in Canada
  - IGO's Nova in the Albany-Fraser Belt in Western Australia

100% owned Licences + Luhuma Farm – In ground (initial 65%, moving to 80%, trigger to 100%)

**Licences are adjacent** and along strike from the world's largest "under development" high-grade **Kabanga nickel sulphide deposit**,

Adavale is poised to uncover a large-scale Ni sulphide discovery utilizing its mix of gravity, magnetics and heli-EM used for prospect targeting

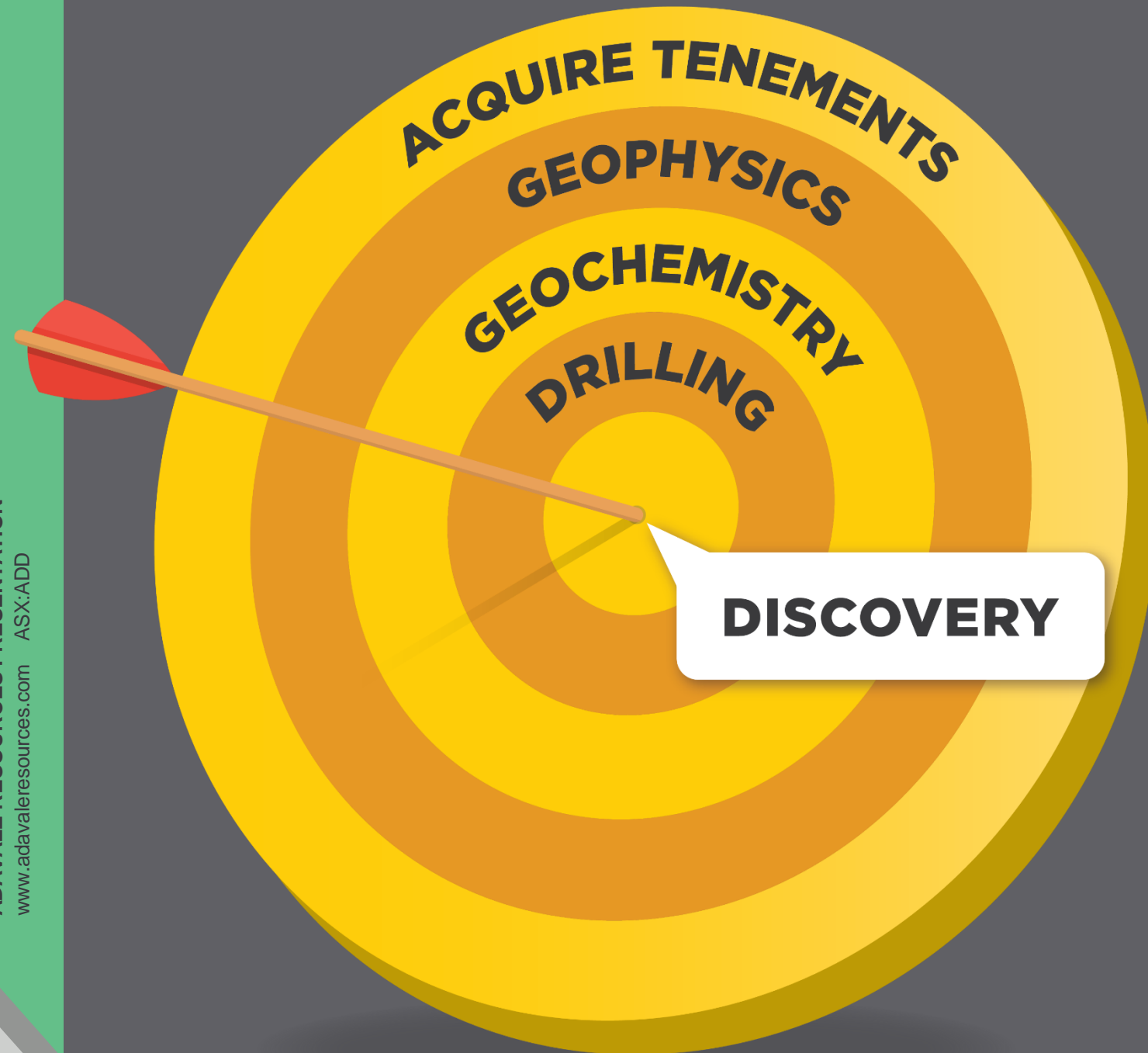
Drilling has commenced targeting high-priority conductors



Adavale's Kabanga Jirani and Luhuma farm-in Licences



# Methodical, Targeted Approach to Exploration



## Ground Based/Field Survey(s)

- Field checking, logistics/Soil sampling (orientation);
- Initial gravity and preliminary drilling



## Regional Scale Gravity Survey

- 1,000 sq km- 32 anomalies identified



## Prospect Ranking for EM survey

- Hierarchy to identify priority survey areas (200 sq kms)



## Heli Airborne EM (HEM) Survey

- 9 HEM areas outlined



## Prospect Ranking - Drilling

- Hierarchy of priority and type of drilling recommended
- Coincident/correlation review - gravity targets + HEM signatures



## Campaign Drilling Underway

- Targeted (RC/Diamond) over high priority prospects
- Assay results/pXRF readings

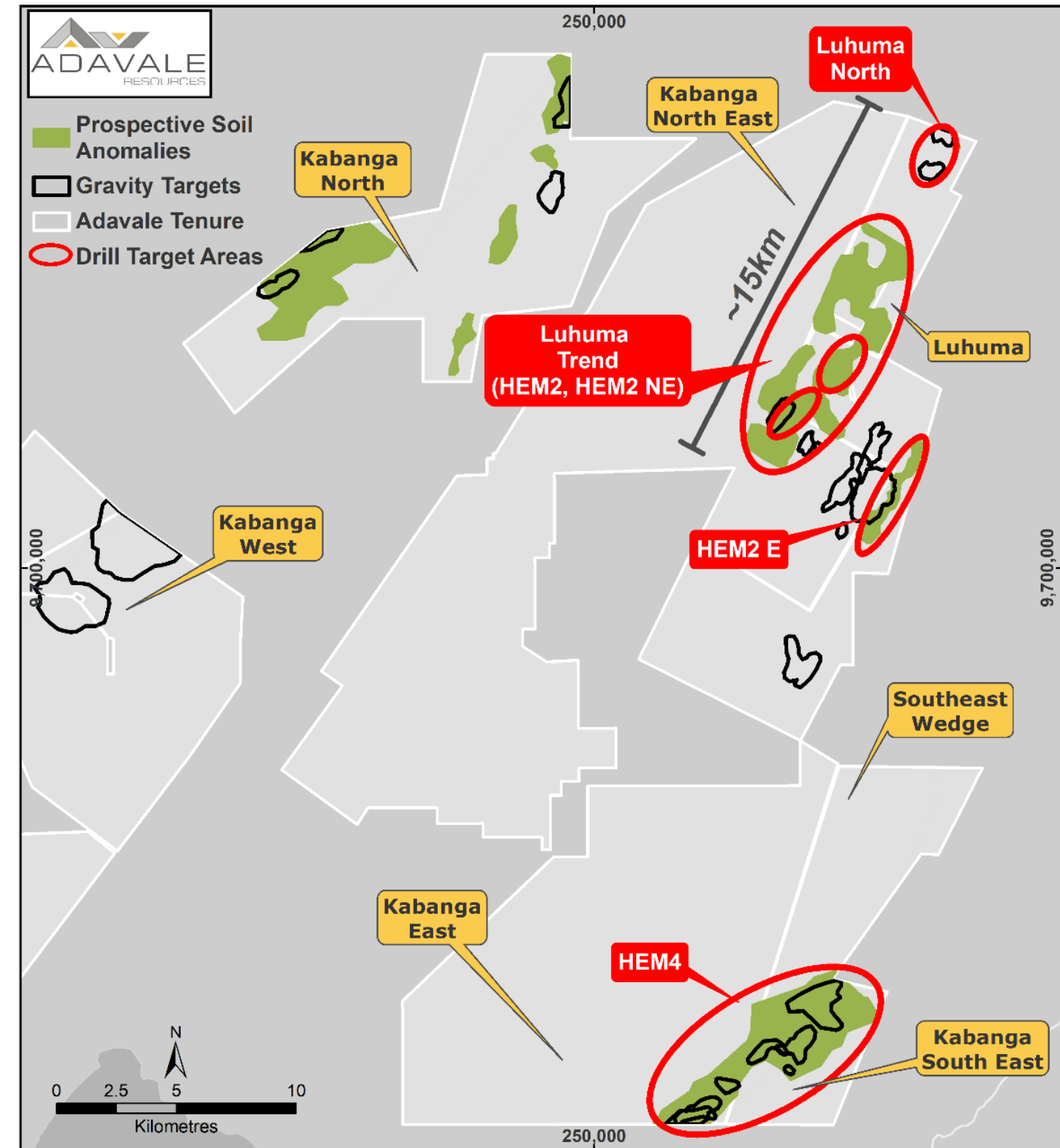


# High Priority Coincident Anomalies To Test

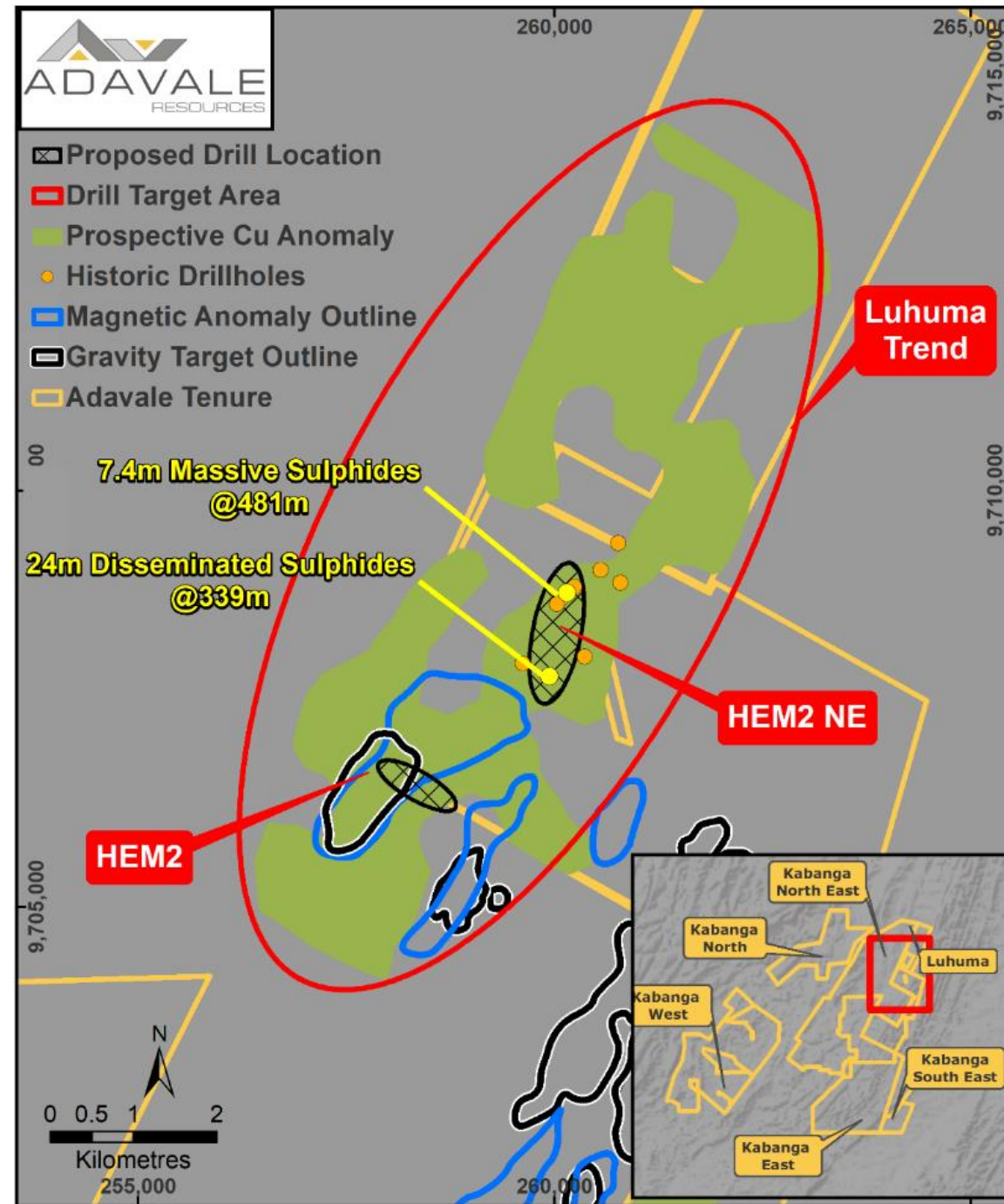
- Targets have been generated based on coincidence of gravity, magnetics and heli-EM
- Soil geochemistry completed during the wet season has refined the targets for the current drilling season.
- Key targets for 2023 include:
  - HEM 2 / HEM 2NE
  - HEM2 E
  - HEM 4
  - Luhuma North
- Drilling has recommenced, initially with RC with follow up diamond drilling from May 2023
- Downhole EM to refine drill planning during year
- 5,000m+ drilling program to be completed over remainder of 2023
- Location and intensity of additional drilling based on outcomes

\*ADD ASX Release dated 7 July 2022 titled "32 Nickel Targets Identified in the East African Nickel Belt" and 13 September 2022

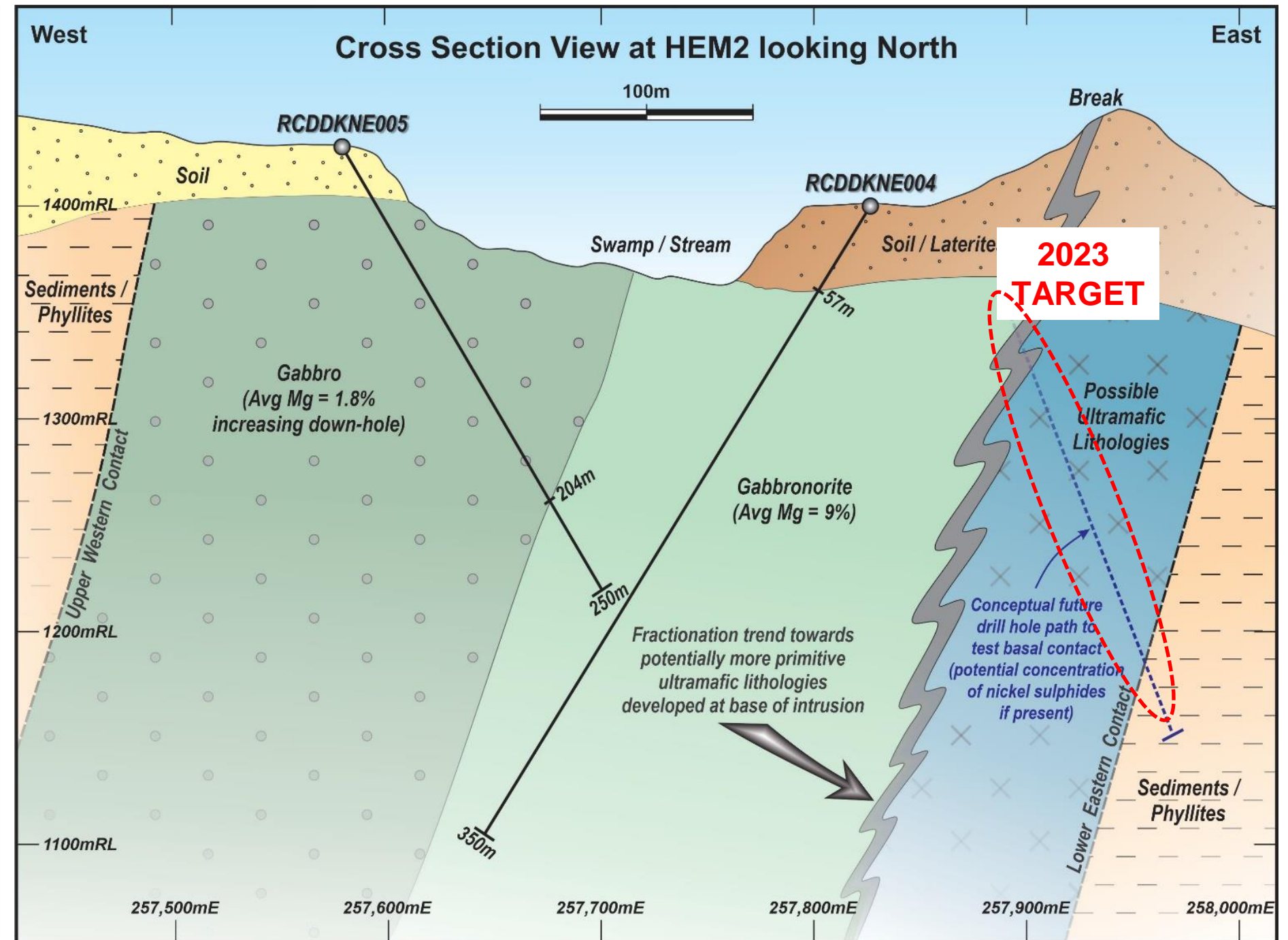
"Multiple Nickel Targets Generated from Successful EM Survey" and 4 April 2023 "Nickel Sulphide Drill Target and 15km Anomaly Defined"



# Nickel Sulphide Drill Target – Luhuma Trend including HEM2\*



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



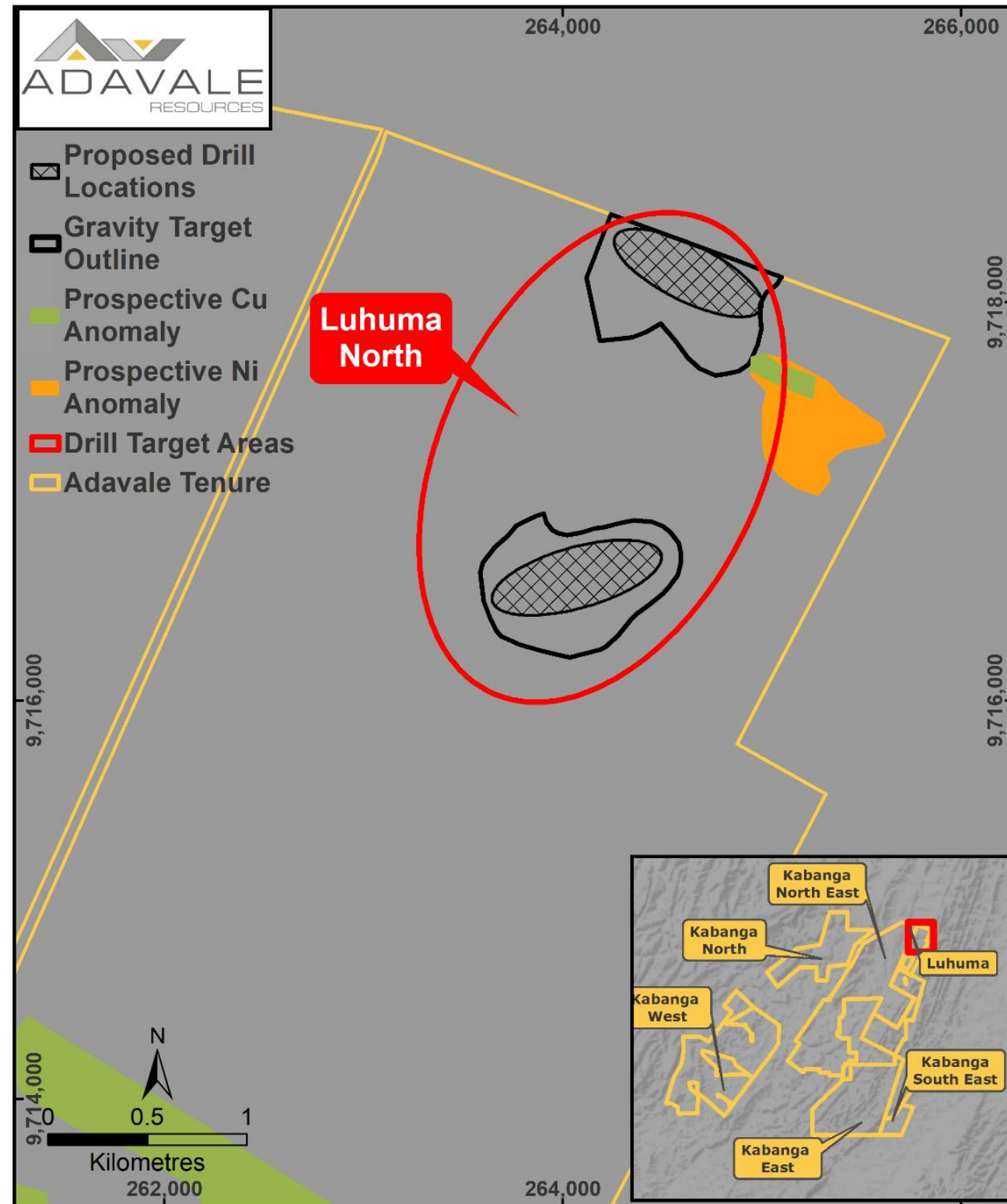
Section view of RCDDKNE004 and RCDDKNE005 (scissor hole) •

\*ADD ASX Release dated 7 December 2022 "Exploration Update - Kabanga Jirani Nickel Project"

ADD ASX Release dated 4 April 2023 "Nickel Sulphide Drill Targets and 15km Soil Anomaly Defined at Kabanga Jirani Nickel Project"



# Luhuma North

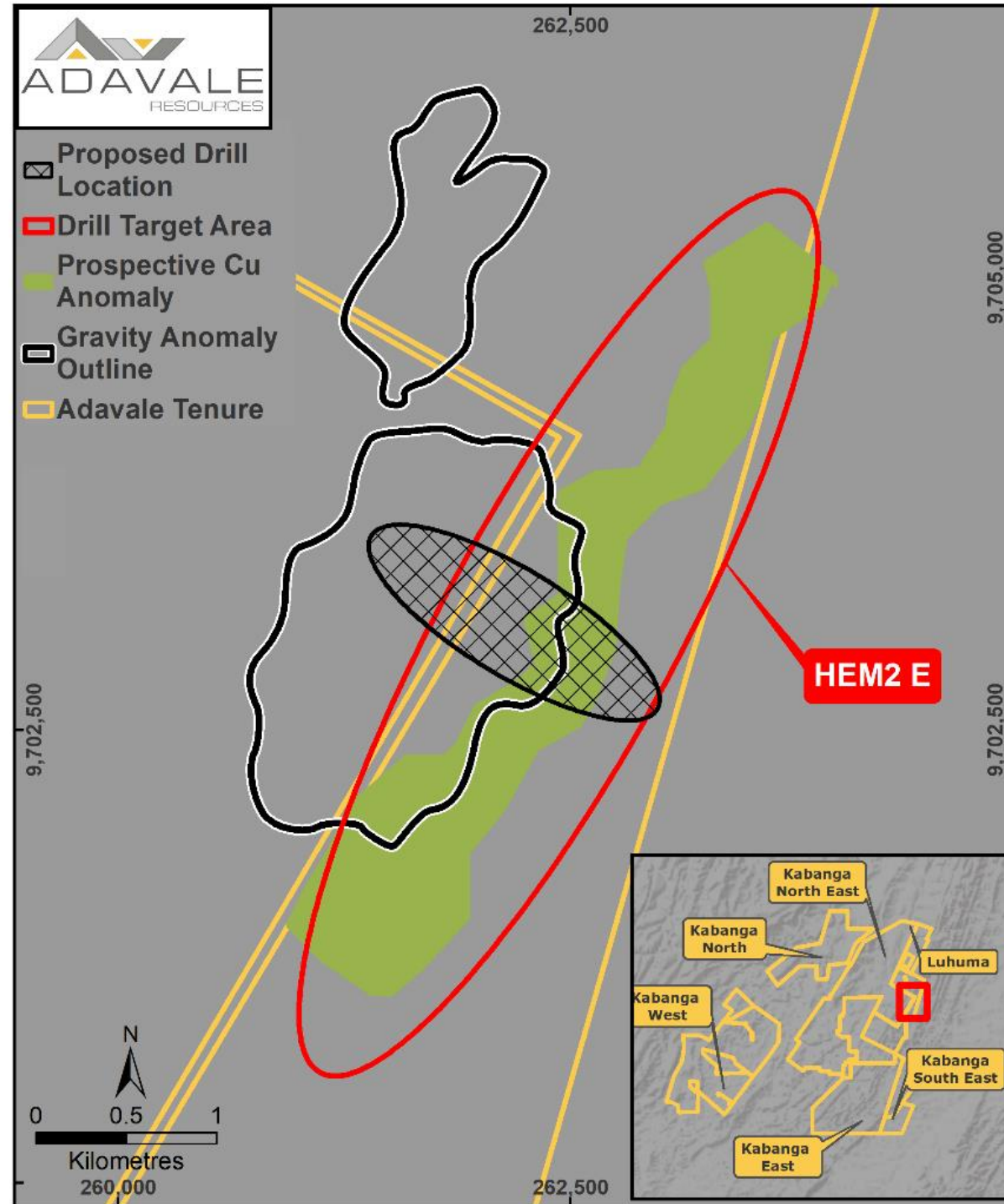


- Geochemical anomalies at Luhuma North are broadly coincident (although offset) with two strong gravity features
- Supports the contention that the gravity features may reflect hidden, potentially nickel-sulphide bearing mafic-ultramafic bodies at depth
- These two Luhuma North target areas will be tested with RC holes initially
- Potential diamond drilling follow up, dependant on results

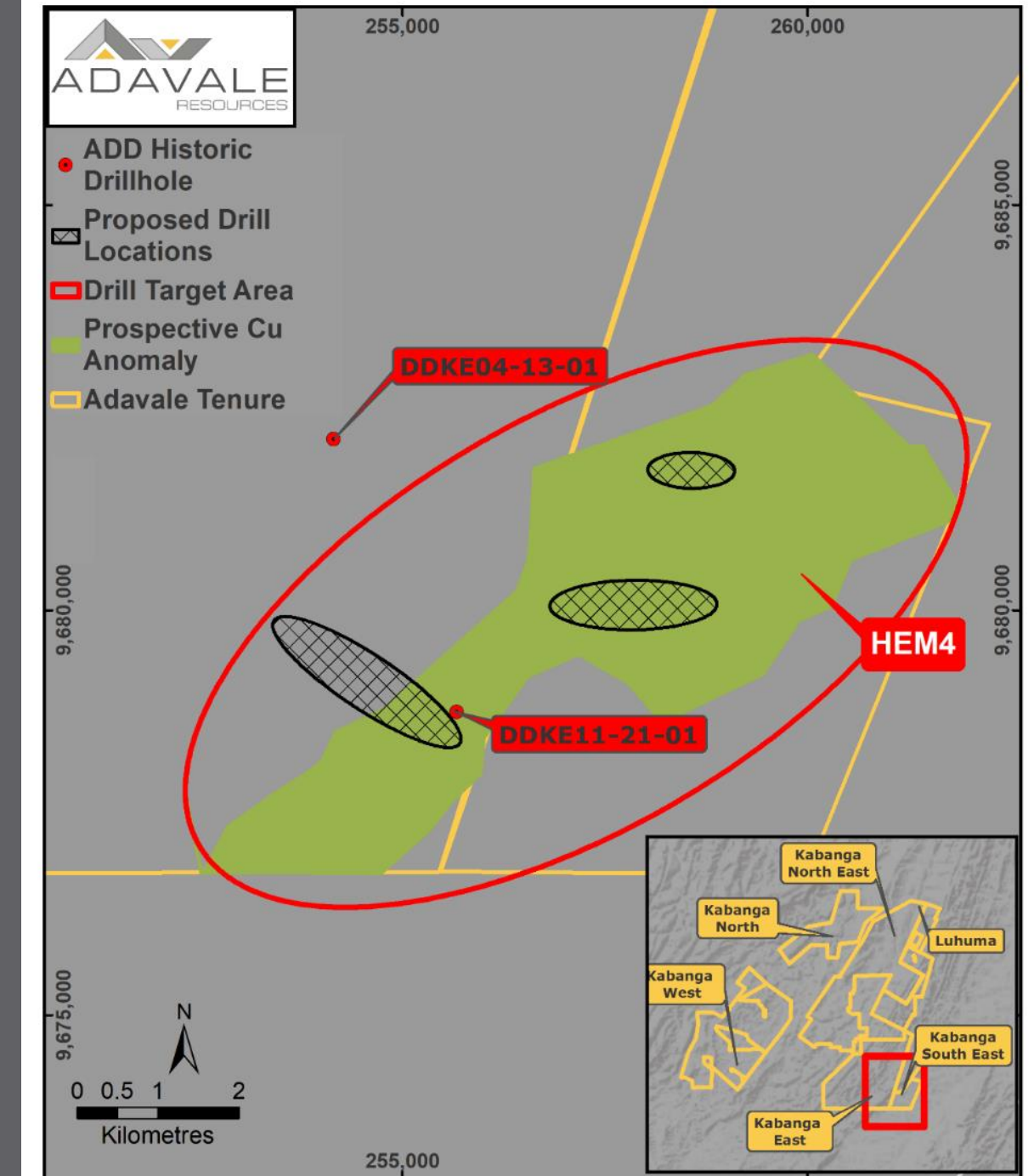
ADD ASX Release dated 4 April 2023 "Nickel Sulphide Drill Targets and 15km Soil Anomaly Defined at Kabanga Jirani Nickel Project"



# Additional HEM Targets



HEM 2 East soil geochemical survey anomalies, target areas and proposed drill locations



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

# Lake Surprise Uranium Project, South Australia

- Located in South Australia - 550km north of Adelaide and 75km east of Marree
- Proven uranium province hosting multiple mines and deposits - 90km from Beverly Four Mile Uranium mine
- 100% owned tenure comprising 4 granted EL's (~1,080sqkms) on the northern flank of the Flinders Ranges (considered highly uraniferous)
- Helium study from satellite imagery indicated several anomalies coincident with gamma anomalies and better defines uranium targets for exploration.
- 400km gamma survey completed Nov 2021<sup>1</sup> interpreted to be hosted in the silicified sediments of a palaeochannel system discharging from northern Flinders Ranges
- Assay summary from rock chip samples<sup>2</sup> :
  - ✓ Highest uranium content of 356ppm
  - ✓ 11 of 28 rock chip samples with uranium content above 100ppm (7 above 200ppm)
  - ✓ Elevated gamma correlating with the uranium in samples

<sup>\*1</sup> ASX release dated 17 December 2021 "Gamma Results Between 5 and 40 Times Background Radiation Levels at Adavale's Uranium Licences" <sup>\* 2</sup> ASX release dated 7 February "Lake Surprise Uranium Geochemistry Results"

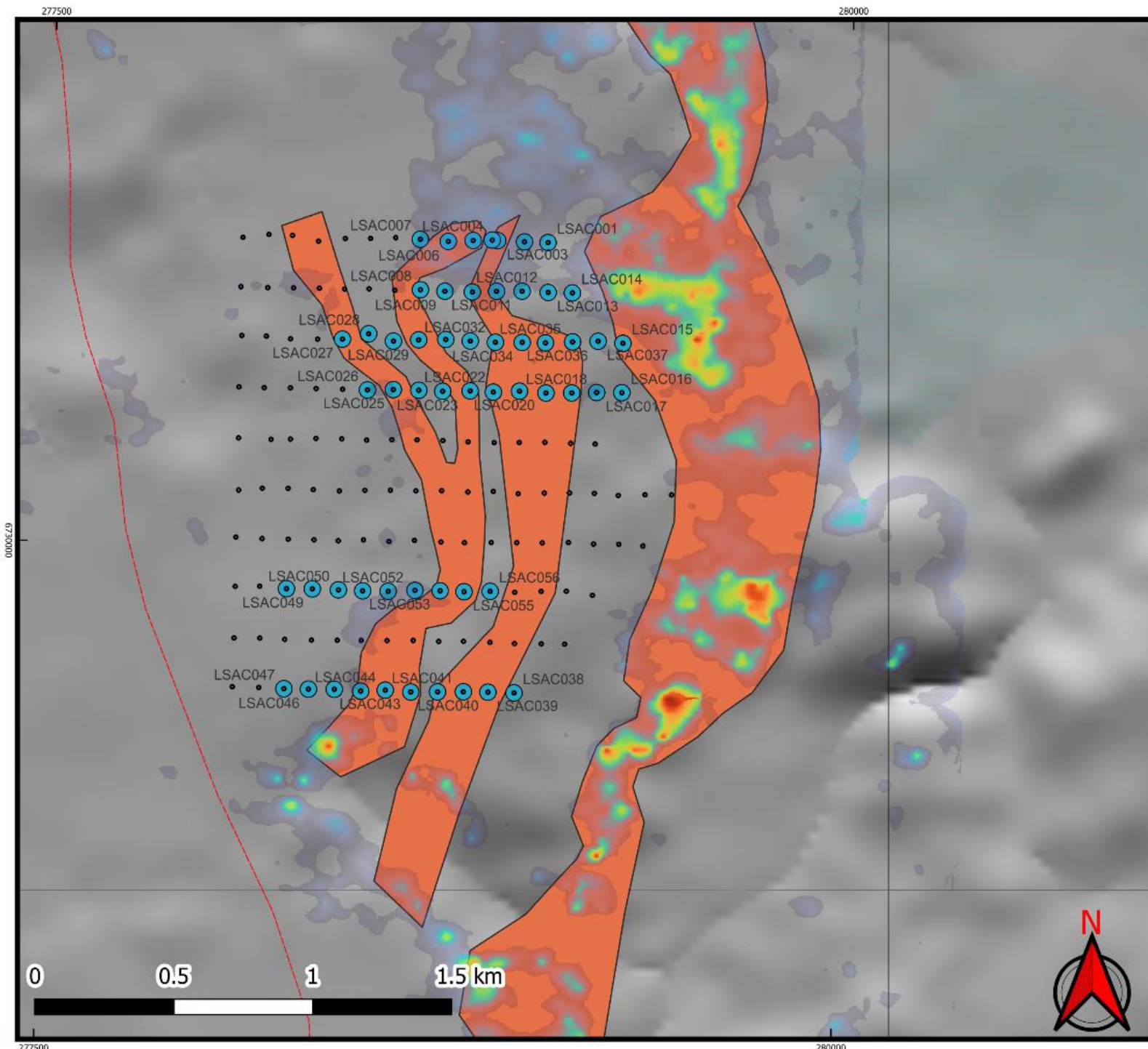
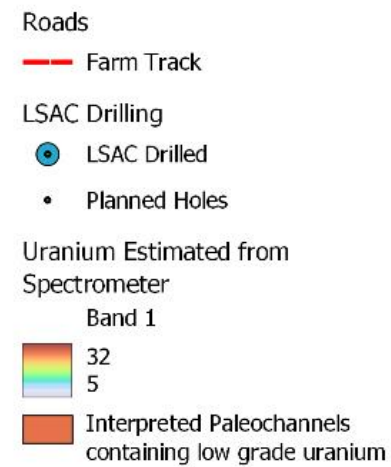




# Drilling Confirms Uranium Mineralisation



## Lake Surprise Interpreted Palaeochannel System hosting uranium



- 742m aircore uranium drilling program (~ 56 holes) completed in February 2023
- Results identified uranium hosted in a complex braided channel environment.
- Drilled area is a very small subset of the overall tenement package.
- Next step is geophysics to target the mineralised braided channels at Lake Surprise and the Company's Canegrass, Jubilee and Mookwarinna prospects.

\* ASX release dated 3 March 2023 "Initial Lake Surprise Drilling Program Yields Results"



# Investment Highlights



## **Electrification & Decarbonisation**

Exposure to both Nickel & Uranium



## **Nearology**

Proximal to high-grade nickel sulphide resources in the East African Nickel Belt



## **Nickel Results**

High impact drilling campaign restarted ~8,000m



## **Uranium Bonus**

Large project area with identified uranium mineralisation





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