

ASX ANNOUNCEMENT/MEDIA RELEASE

17 July 2023

Third Drillhole for Massive Nickel Sulphides Underway and Mobilising for DHEM

- Third hole (DDLUHC003) targeting massive nickel sulphides at Luhuma Central Prospect is underway
- First drillhole intersected 4.15m of massive nickel sulphide (DDLUHC001)
- Second drillhole intersected zone of blebby and heavily disseminated nickel sulphides with occasional semi-massive veinlets over 4.90m (DDLUHC002)
- DHEM survey specialist and equipment now mobilising equipment to site
- Six drillholes to be surveyed using DHEM to identify off-hole conductors to facilitate targeted strike and depth extension drilling

Adavale Resources Limited (ASX: ADD) ("or the **Company**") is pleased to advise that the Company has commenced diamond drilling of the third hole (DDLUHC003) at the Luhuma Central Prospect ("**Luhuma Central**"), targeting further massive nickel sulphides following previous intersections from the first and second drill holes.

Adavale's Executive Director, David Riekie commented: *"We are very excited about drillhole three, following the presence of massive nickel sulphides in the first two drillholes. The DHEM surveys will provide invaluable information in planning further drilling within the interpreted 1km -1.5km extension at Luhuma Central."*

Diamond drillholes for DDLUHC001 and DDLUHC002 at Luhuma Central and RCDDKNE004, RCDDKNE005 and HEM2-12 at HEM2 have been cased in preparation for the DHEM surveys. DHEM survey teams and equipment are currently being mobilised initially to Luhuma Central to commence the survey of these three holes.

The DHEM data, once processed, will be invaluable in determining the location of further diamond drilling over the interpreted 1km to 1.5km interpreted strike extension at Luhuma Central (See Figure 1).

ASX: ADD

DIRECTORS & OFFICERS

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CHIEF EXECUTIVE OFFICER

LEONARD MATH
CFO & COMPANY SECRETARY

ISSUED CAPITAL

Shares: ~523 million
Options: 191 million
Performance rights: 11.25million

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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DHEM surveys are an effective technique to generate drill targets based on the “off-hole” conductive responses that can materially reduce the number of drilling metres and refine the direction of drilling.

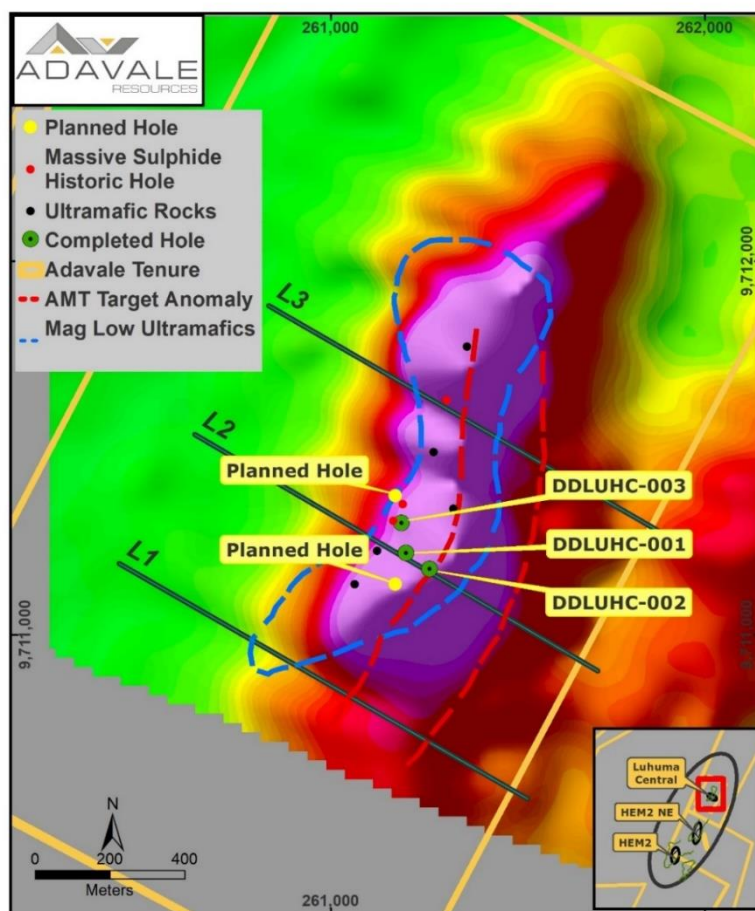


Figure 1 Plan view of current and proposed drillhole locations (yellow dots) at Luhuma Central plus historical holes (red dot massive sulphides intercepted, black dots indicate ultramafic rocks intercepted) together with location of the AMT lines L1 to L3 that have been surveyed by Adavale. Blue outline shows the magnetic low interpreted to be the host ultramafics and the red corridor is the AMT anomaly projected to surface and interpreted as the mineralised trend.



Figure 2 DHEM technicians undertaking equipment testing prior to mobilisation to Luhuma Central



Figure 3 Diamond drilling in progress at LUHC003

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

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References previous Announcements

¹ See ASX:ADD release on 22 May 2023 titled “Geologically Significant Nickel Sulphide Licence Granted”.

² Evans, D. M., Hunt, J. P. P. M. and Simmonds, J. R., 2016. An overview of nickel mineralisation in Africa with emphasis on the Mesoproterozoic East African Nickel belt (EANB). Episodes, 39/2, 319-333. DOI: 10.18814/epiiugs/2016/v39i2/95780; see also ASX:ADD release 16 December 2021 “Adavale Discovers Significant Mafic-Ultramafic Intrusion”.

³ See ASX:ADD release on 4 April 2023 titled “Nickel Sulphide Drill Targets and 15km Soil Anomaly Defined”.

⁴ See ASX:ADD release on 6 June 2023 titled “Massive Nickel Sulphides Intersected at Kabanga Jirani”.

⁵ See ASX:ADD release on 19 June 2023 titled “ADD Continue to Intersect Zone of Strong Nickel Sulphides”.

⁶ See ASX:ADD release on 11 July 2023 titled “Assays Confirm Massive Nickel Sulphides at Luhuma Central”.

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 12 highly prospective granted licences covering ~1,216km² 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 seven southernmost licences, adding a further 99km² to the portfolio (1,315sq 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.

