

ASX ANNOUNCEMENT/MEDIA RELEASE

25 September 2023



Contiguous Uranium Licence to Expand Footprint in South Australia

HIGHLIGHTS

- Application submitted for new 591km² Mundowdna South Uranium Exploration Licence
- New licence will take Adavale's tenure from 1,078 km² to 1,669km²
- ELA2023/00043 is contiguous with Adavale's Mundowdna EL6821 Uranium Licence approved in late 2022
- New ELA area selected on previous drilling results and strategic review identifying uranium potential from key geophysical features

Adavale Resources Limited (ASX: ADD) ("or the **Company**") is pleased to advise that it has applied for an exploration licence ELA 2023/00043, which is contiguous to and south of the Company's existing licence EL6821. The application area covers 591km² which importantly includes a large recognisable alluvial outwash system shedding from the central part of the Flinders Ranges.

Adavale's Executive Director, David Riekie, commented:

"The Mundowdna South licence is a very strategic addition to Adavale's current uranium exploration footprint in South Australia.

It will enable the Company to systematically explore the large palaeochannel system that extends north-west from the central part of the Flinders Ranges, which are considered to be the parental source of uranium occurrences in the region. The palaeochannel system, which is interpreted to extend over 40km, will be a focus of our exploration."

Technical Summary and Interpretation

The Mundowdna EL6821 licence was originally acquired based on the geological and geophysical similarities to Lake Surprise. The recent drilling by Adavale Resources at its Lake Surprise Uranium Project has identified uranium in the palaeochannel system.

A desktop study using satellite imagery, regolith landform and topographic data identified the palaeochannel system originates from the central north-western edge of the Flinders Ranges and extends over approximately 40km. The north-westerly flow of the channel outwash terminates at the

ASX: ADD

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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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Mundowdna geophysical anomaly. The palaeochannel system that flowed through the Mundowdna South Licence Application area and the associated sediments deposited in the area are the target for future exploration (See Figure 1).

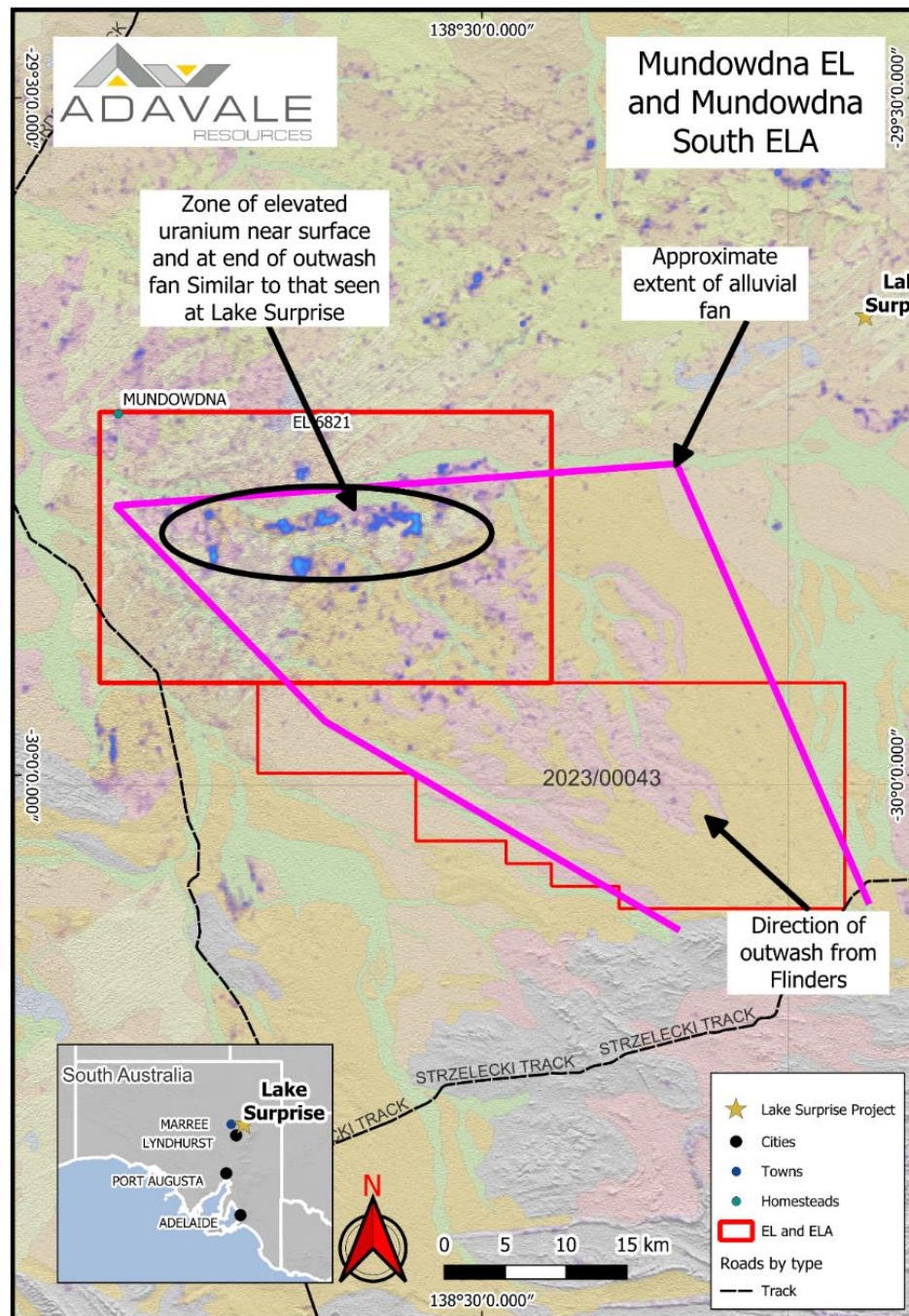


Figure 1: The alluvial fan can be seen in the regolith data. Indications on the image show the approximate extent of the fan in magenta and the direction of outwash is indicated in the SE of the map.

The contiguous licence footprint, which now encompasses the majority of palaeochannel system from the interpreted source in the Flinders Ranges to its termination at Mundowdna, provides the Company the unique opportunity to systematically explore the entire system.

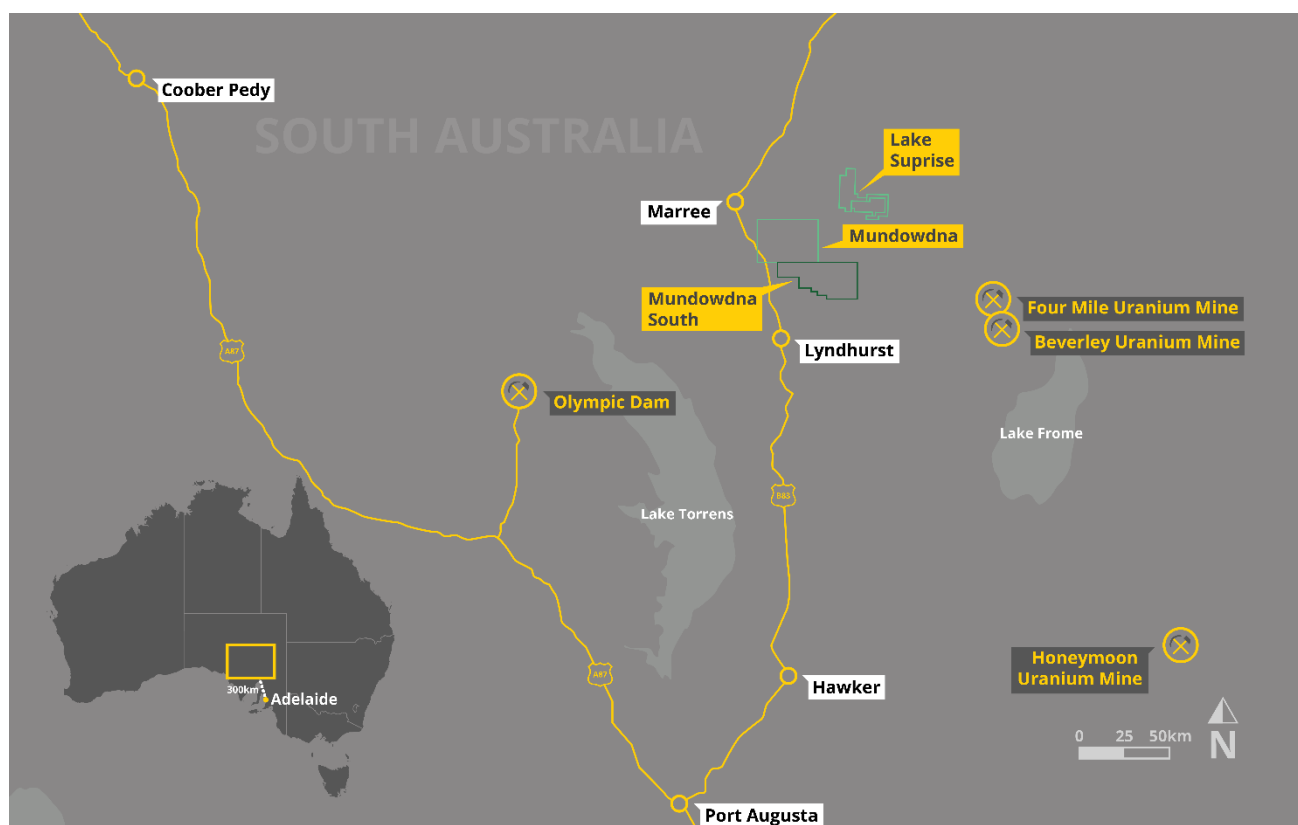


Figure 2: Location plan showing Adavale's uranium tenure in South Australia

Market Commentary

The uranium price reached over US\$ 68 per/lb in September following ten weeks of gain to reach its highest point since 2011 after starting the year hovering around US\$49 per/lb.

In its "Nuclear Fuel Report" which was released this month, the World Nuclear Association (WNA) predicted the number of operating nuclear power plants could almost double from 440 today to 841 by 2040.

Decarbonisation goals and the rising cost of fossil fuels have been seen as two factors behind the surge in recent demand.

Next Steps

The Company will commence preparations for the exploration programs of larger scale and cost-effective field assessments and access to the priority areas within the system for local heritage clearances, pending the approval of the new licence.

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

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Acknowledgements to traditional owners

Adavale acknowledges the Dieri and the Adnyamathanha 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.

References/ Previous ASX Releases

¹ ASX release 23 November 2022 "Approval Received for Drilling at Lake Surprise Uranium Project"

² ASX release 1 February 2023 "Drilling Underway at Lake Surprise Uranium Project"

³ ASX release 3 March 2023 "Initial Lake Surprise Drilling Project Yields Results"

Competent Persons Statement

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

