



Massive Nickel Sulphide Hits In Elephant Country

Nickel Sulphide Intercepts Confirm Potential within the East African Nickel Belt

AUGUST 2023

ASX: **ADD**

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Competent Person Statement

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 undertaking 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 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.

Visual Estimates & pXRF usage

Visual estimates of mineral abundance should never be considered a proxy or substitute for laboratory analyses where concentrations or grades are the factor of principal economic interest. Visual estimates also potentially provide no information regarding impurities or deleterious physical properties relevant to valuations. The Company regularly uses a portable hand-held XRF analyser to screen drill core for mineralisation before cutting and sampling. This allows for some understanding of the distribution of mineralisation prior to sampling to better ensure that the sampled core is representative of the type and style of mineralisation. Numerous readings are obtained and recorded for future reference. The hand-held XRF provides confirmation that mineralisation is present however it is not an accurate determination of the elemental concentration within the sample analysed. Limitations include; very small analysis window, possible inhomogeneous distribution of mineralisation, analytical penetration depth and possible effects from irregular rock surface. The pXRF readings are subject to confirmation by chemical analysis from an independent laboratory.

References

1. ASX Announcement 7 July 2022 “32 Nickel Targets Identified in the East African Nickel Belt”
2. ASX Announcement 13 September 2022 “Multiple Nickel Targets generated from successful EM survey”
3. ASX Announcement 7 December 2022 “Exploration Update – Kabanga Jirani Nickel Project”
4. ASX Announcement 24 January 2023 “Strategic Expansion at Kabanga Jirani”
5. ASX Announcement 4 April 2023 “Nickel sulphide drill target and 15km anomaly defined”
6. ASX Announcement 28 April 2023 “March Quarterly Activity and Cashflow Report”
7. ASX Announcement 6 June 2023 “Massive Nickel Sulphides intersected at Kabanga Jirani”
8. ASX Announcement 8 June 2023 “Second Luhuma Central hole commenced at Kabanga Jirani”
9. ASX Announcement 19 June 2023 “ADD Continues to Intersect Zone of Strong Nickel Sulphide”
10. ASX Announcement 10 July 2023 “Assays Confirm Massive Nickel Sulphides at Luhuma Central”
11. ASX Announcement 25 July 2023 “Adavale Replicates Maiden Massive Nickel Sulphide Intersection”
12. www.lifezonmetals.com

Kabanga Jirani + Luhuma

Dominance in East African Nickel Belt

Dominant nickel licence portfolio within the **East African Nickel Belt** of Tanzania covers **1,315 sq km**

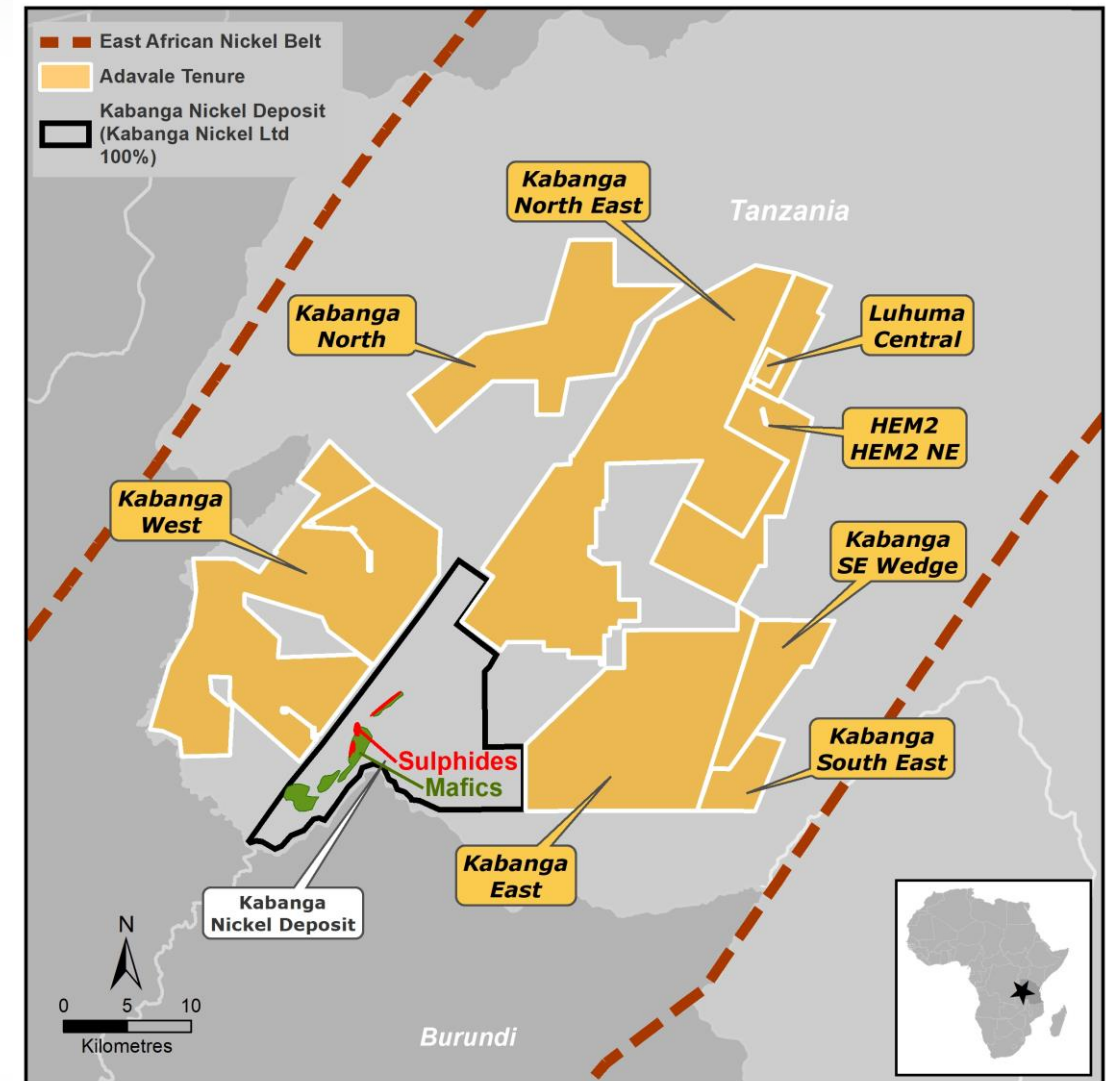
Portfolio Overview

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**, 58Mt @ 2.62% Ni

Gravity, magnetics, Heli-EM, soil geochemistry and Audio-MagnetoTellurics have been used for prospect targeting

Drilling is targeting high-priority conductors



Luhuma Central

New Massive Nickel Sulphides intersected in DDLUHC003



7.55 m of Massive Nickel Sulphides intersected from 261.7m

Dominated by pyrrhotite with between 1% to 5% pentlandite and minor chalcopyrite

Third successive intersection of Nickel massive sulphide units at Luhuma Central

pXRF readings returned results between 0.97% and 1.78% Ni



5.13 m zone of disseminated sulphides from 237.42m

7% to 10% disseminated sulphides

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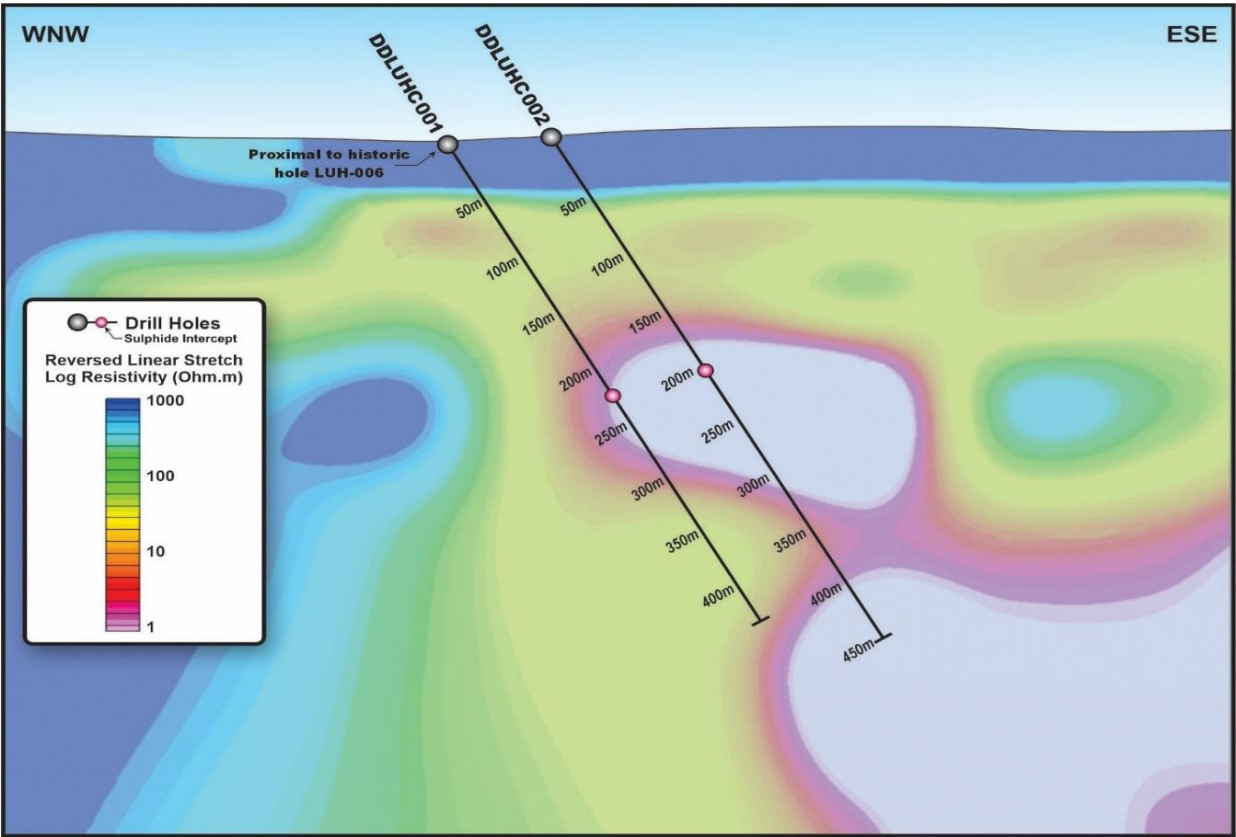
Nickel Massive Sulphides intersected in first Adavale drillholes

DDLUHC-001



Luhuma Central

Nickel Massive and “Blebbly” Sulphides intersected in all drillholes



Drillhole ID.	Nature of Mineralisation	From (m)	To (m)	Thickness (m)
DDLUHC001	Massive Sulphide	223.35	227.5	4.15
DDLUHC002	Semi Massive/ Blebby Sulphide	200.7	205.6	4.90
DDLUHC003	Massive Sulphide	261.7	269.25	7.55

Luhuma Central

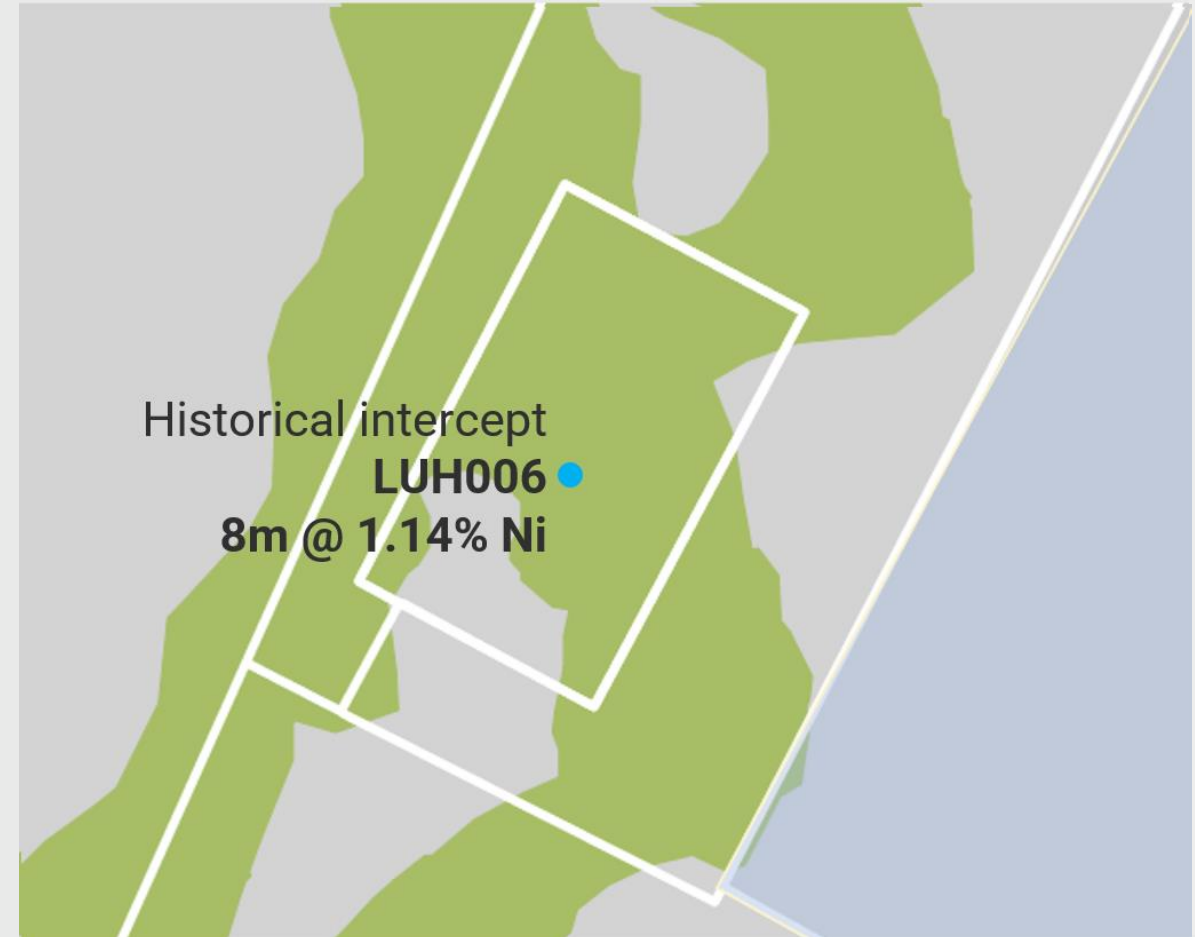
Historical nickel intercepts leading the way

New 100% owned tenement has identified nickel sulphides

- Tenement awarded to Luhuma Central in May 2023 sits within the Luhuma JV ground
- Previous drilling by BHP intersected 8.4m @ 1.14% Ni in LUH-06
- Along strike from coincident gravity and heli-EM anomalies

“Luhuma Central was targeted for acquisition due to the known presence of nickel sulphides.

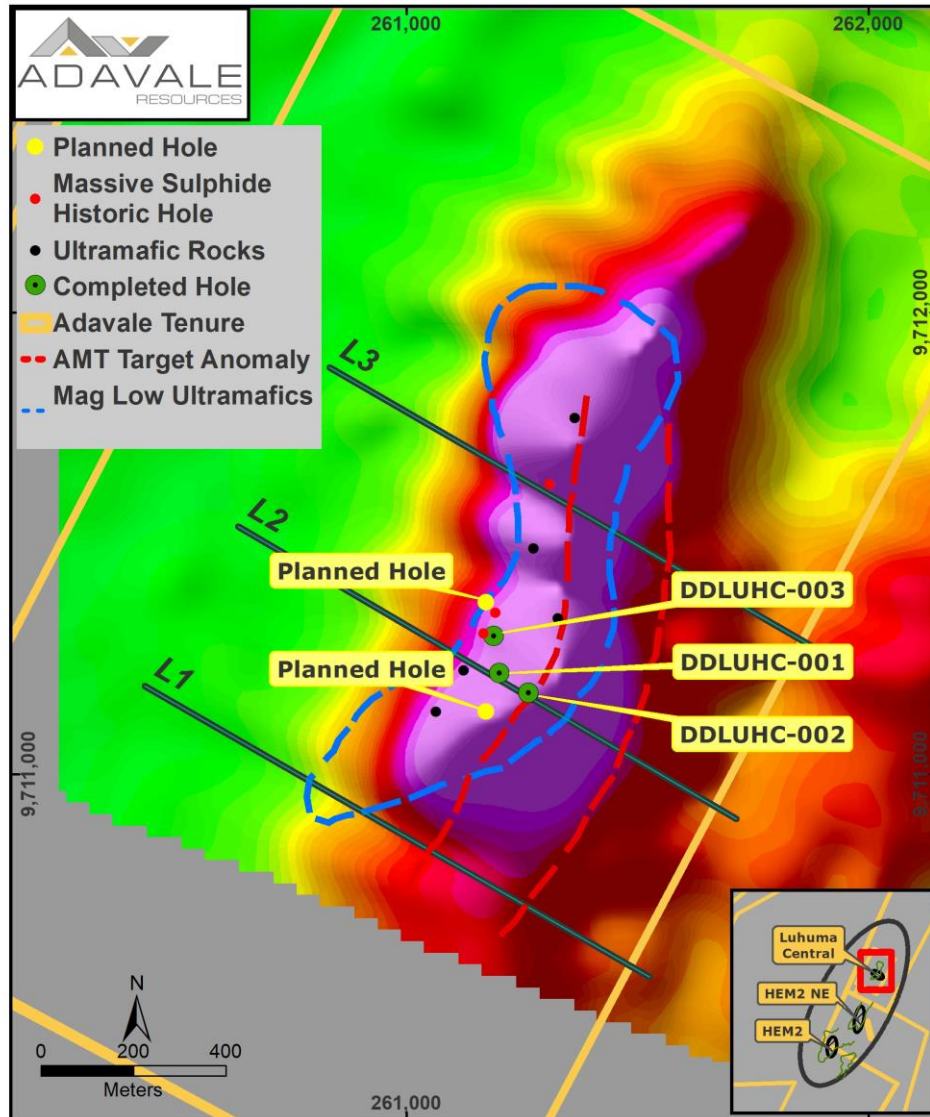
“Our initial drilling has not disappointed.”



Soil Anomalies

Luhuma Central

Massive Nickel Sulphides intersected in first Adavale drillholes + Planned holes



Plan view of current and proposed drillhole locations

Hole Legend

- red dot massive sulphides intercepted
- black dots indicate Ultramafic rocks intercepted
- yellow dots are planned holes

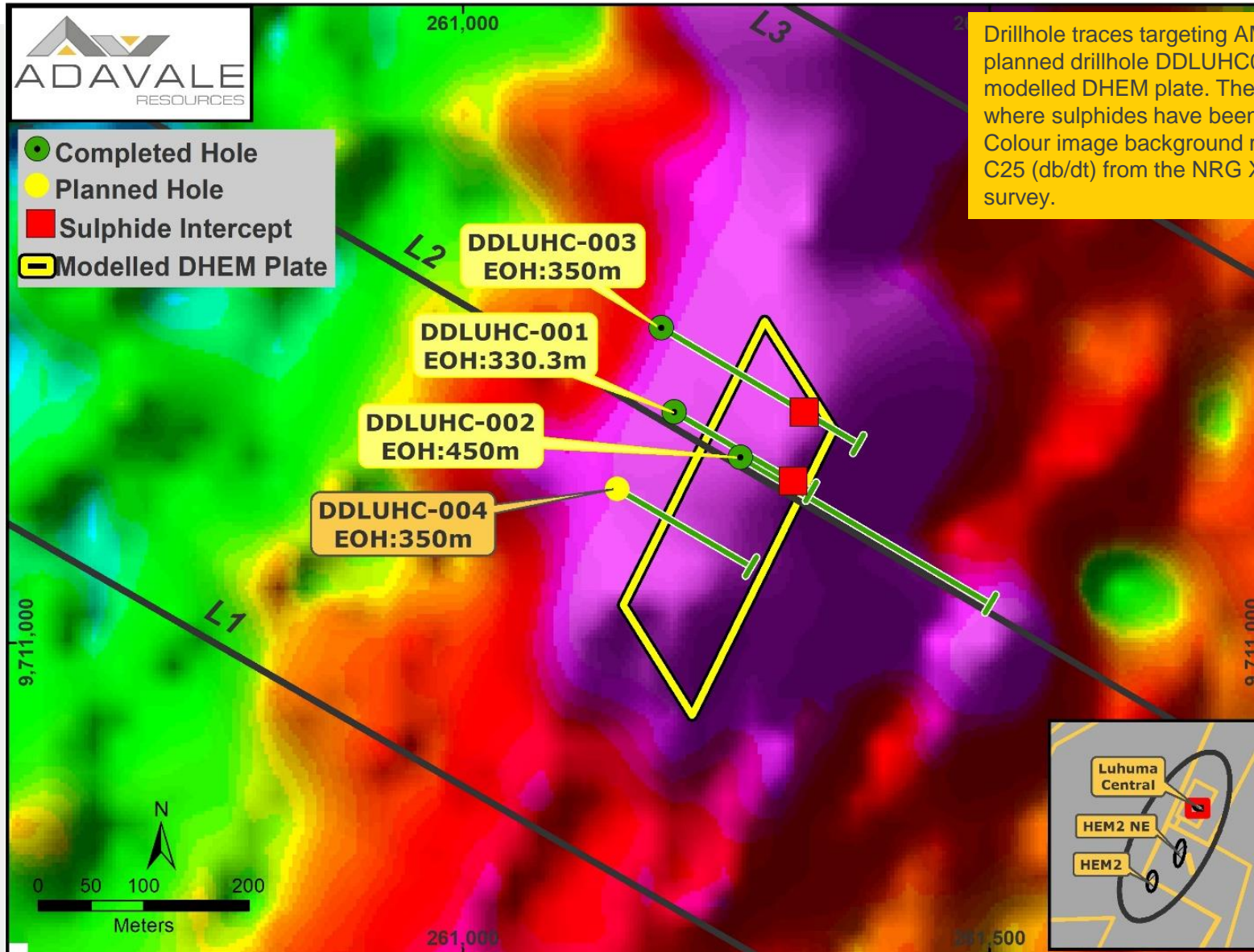
AMT lines L1 to L3 surveyed by Adavale

Blue outline magnetic low interpreted to be the host ultramafics

Red corridor AMT anomaly interpreted as the mineralised trend

Strike length 1 - 1.5km (that remains open)

Luhuma Central – Downhole EM Survey



- Initial Downhole Electro Magnetic (DHEM) survey completed on drillhole DDLHC002
- Strong off-hole 360m x 160m late time conductor identified southwest of drillhole DDLHC001 correlating with recent Massive Nickel Sulphide intercepts
- Survey indicates mineralisation remains open along strike and down dip
- DHEM survey is continuing on the remaining two drillholes at Luhuma Central
- Drilling of DDLHC004 has commenced and expected to intersect target zone in the coming days
- Ongoing drilling and DHEM surveys will test strike extension within the 1.5km mafic-ultramafic intrusion at Luhuma Central

Luhuma Trend

Anomalous prospects over 10km strike

LUHUMA CENTRAL

Awarded in May 2023

High priority targets, refined using AMT

Nickel sulphides intercepted all three drillholes

DHEM surveys underway to identify strike extension

Planned DD holes north and south of drilling success

HEM 2

Initially drilled in 2022

Sulphides and right geology intersected

Drilling targeting basal ultramafics underway and expanding

HEM 2NE

AMT surveys completed

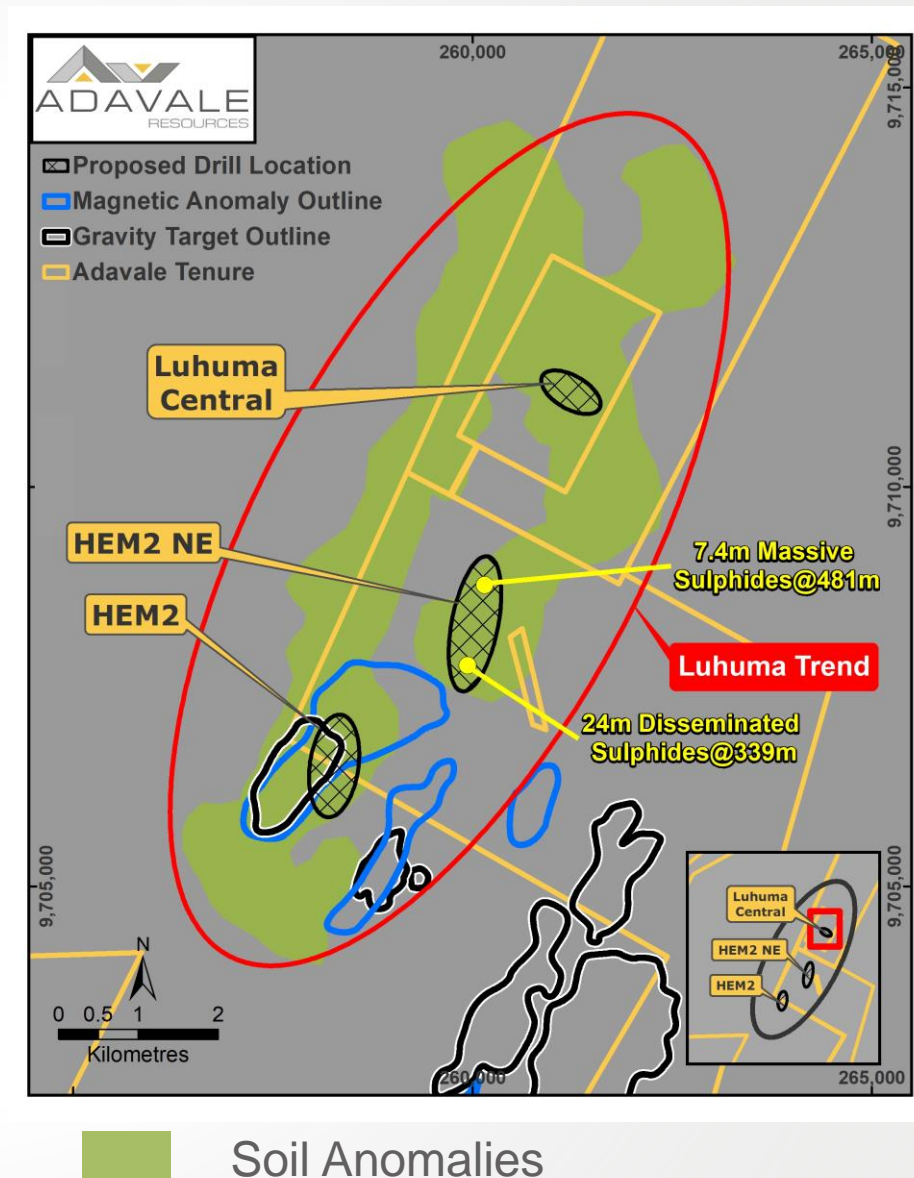
Historical disseminated and massive nickel sulphide intercepts

Planned DD holes (~500m)

HEM 2E

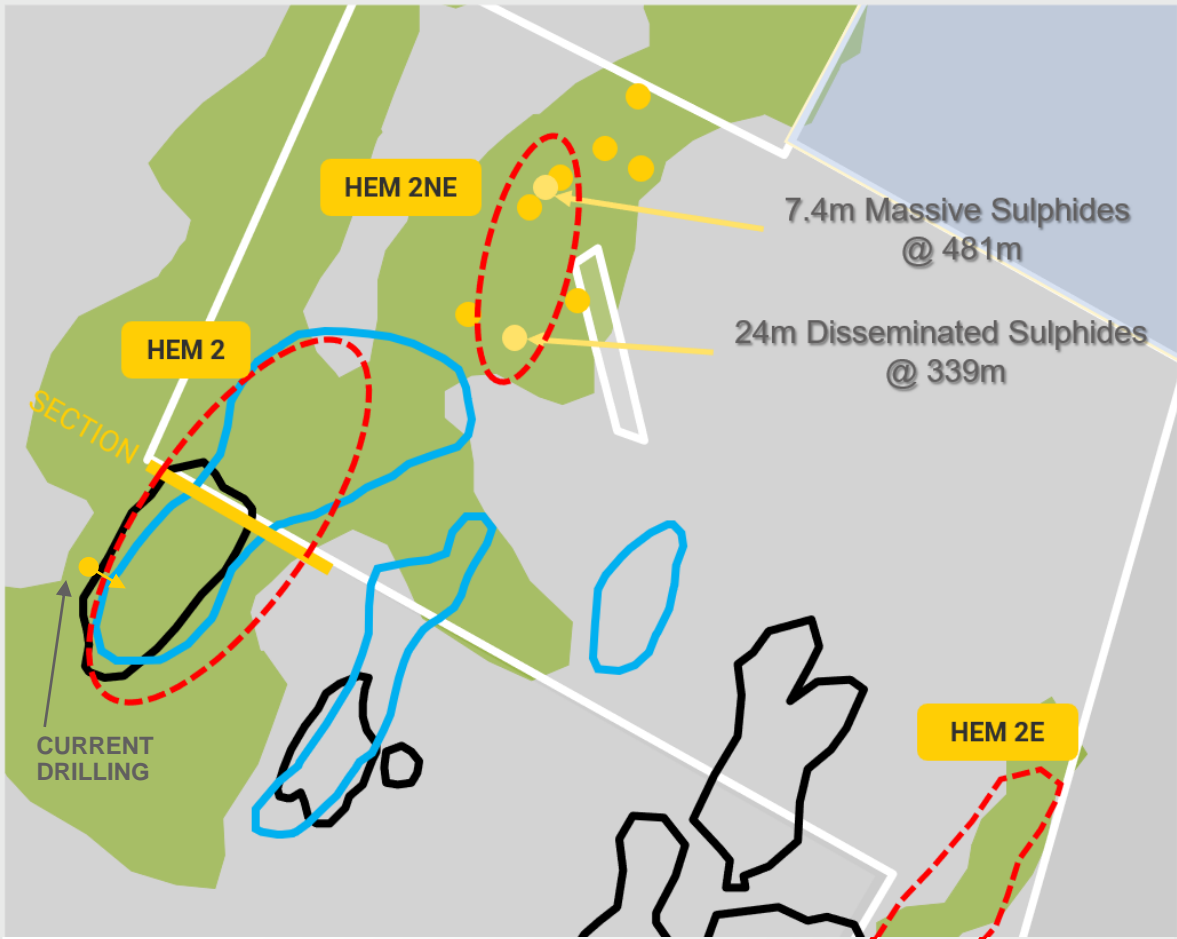
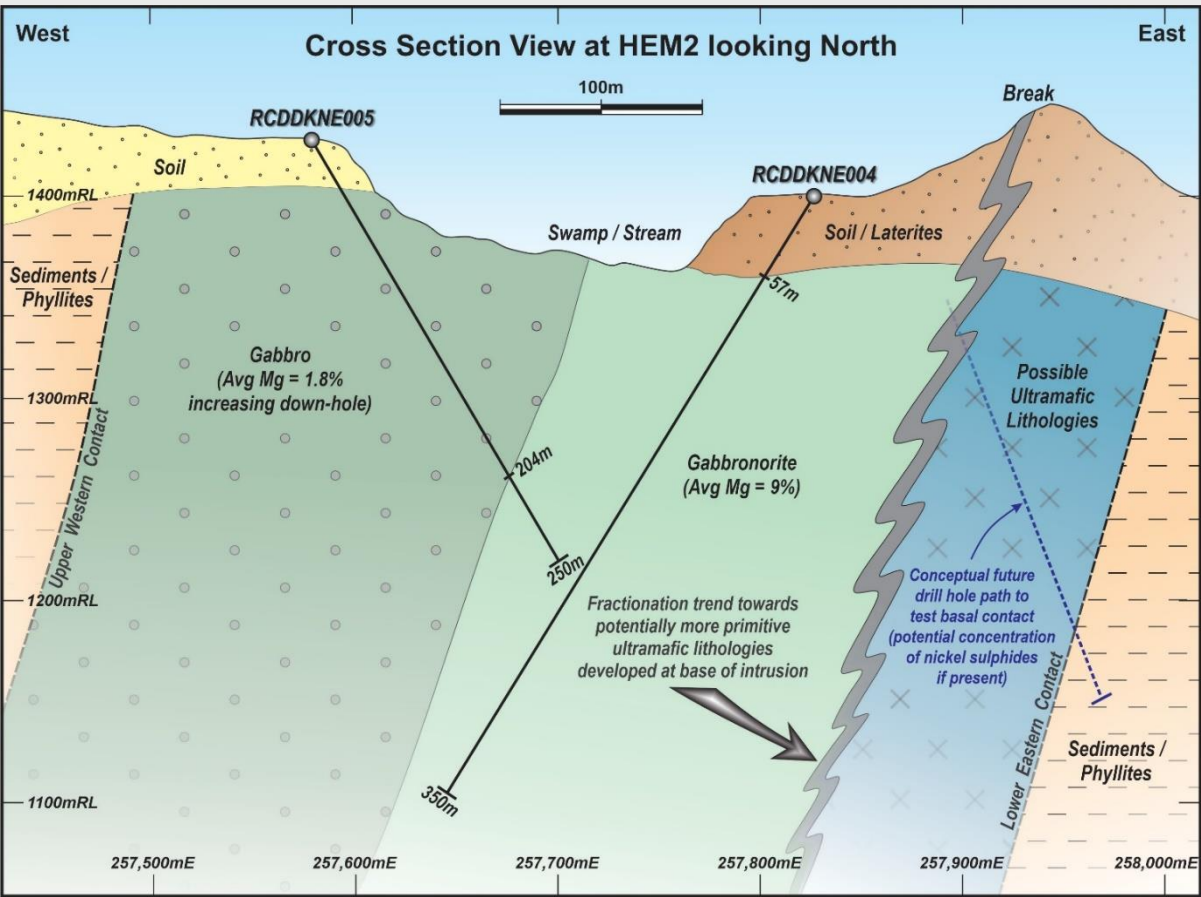
Coincident EM, gravity and soil geochem generated targets

RC drilling to test geological settings



HEM 2 and HEM 2NE – NEW HORIZONS

Drilling underway targeting base of intrusion



Mag Anomaly

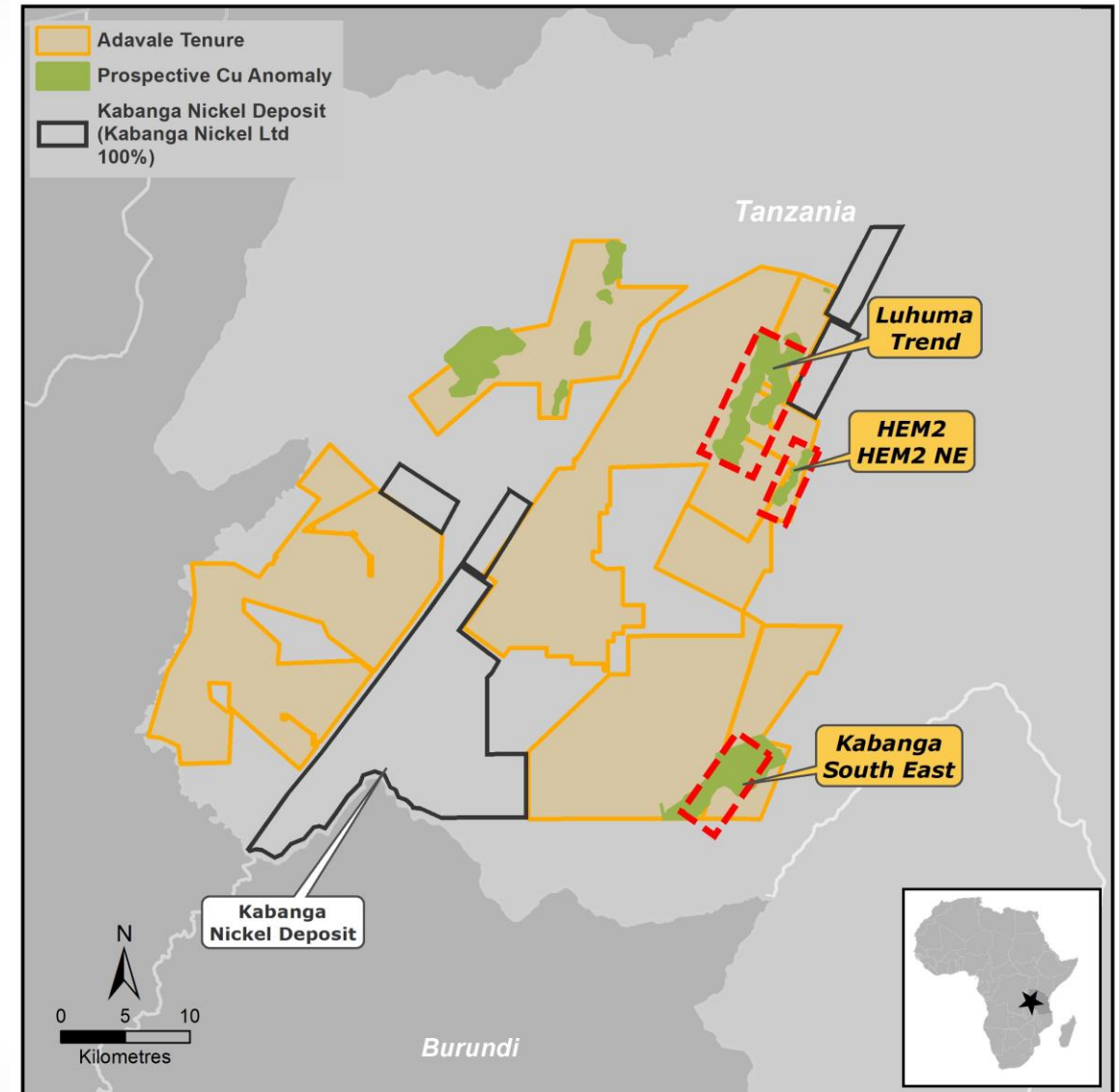
Gravity Anomaly

Soils Anomaly

Next Steps

Busy exploration program anticipated for the remainder of CY 23

- Expand diamond drilling at Luhuma Central
- Diamond drilling at HEM 2 & HEM2 NE
- RC drilling at HEM 2E & HEM 4
- Downhole EM on all diamond holes
- AMT at select targets
- Further assays during July and onwards



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

Local community and health focused initiatives



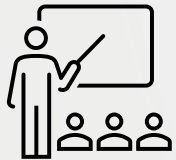
Vaka Health Foundation (sponsorship)

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



Bridge2Aid Australia

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



Rulenge District School

- Donation of 80 classroom desks



Corporate Overview

ADAVALE
RESOURCES

ADD

ASX Code

688m*

Shares

1.7c

Share Price (4 Aug 23)

\$11.7m

Market Cap

\$3.4m*

Proforma Cash
(@ 30 June)

~6%

Board and
Management Ownership

320.6m*

Options

98.3m (unlisted) @ \$0.03, exp 9/23
5m (unlisted) @ \$0.03, exp 8/25
9m (unlisted) @ \$0.15, exp 1/25
208.3m (listed) @ \$0.03, exp 12/25 ADDOA

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Convertible Notes

Face value \$10,000 each

11.25m

Performance
Rights

* Placement of 130m shares at 1.9 cents with free attaching 130m listed options exercisable at 3 cents expiring 31 Dec 2025

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

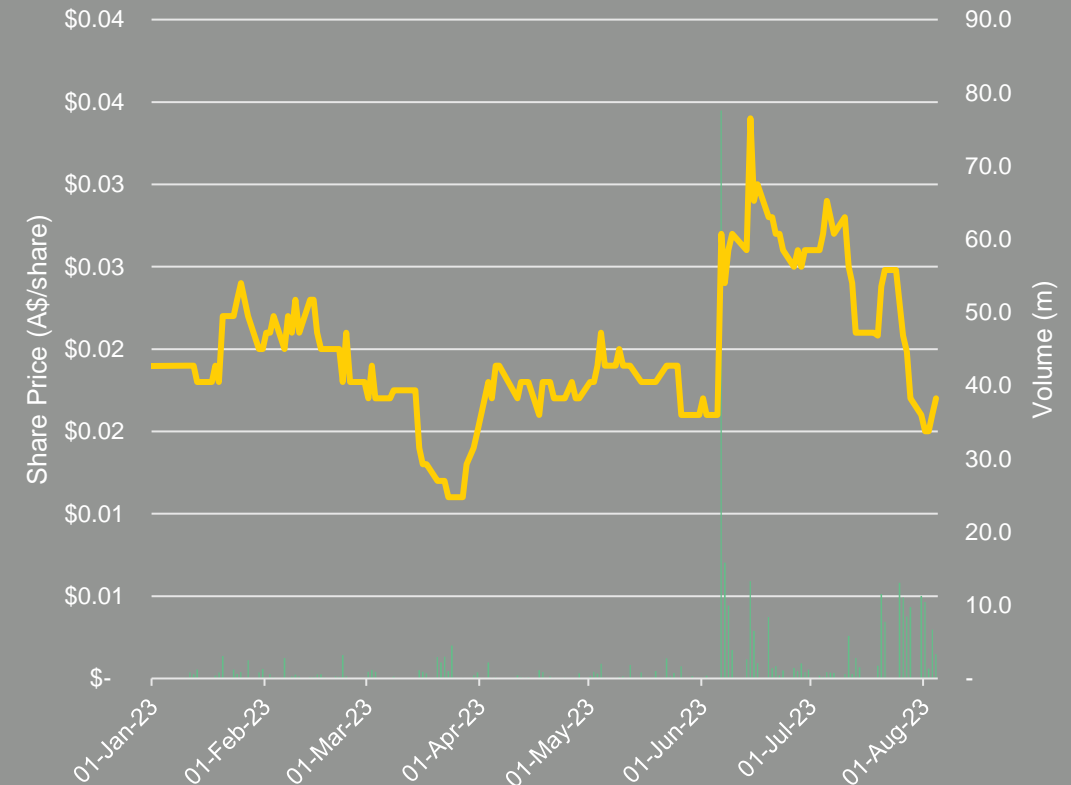
Accomplished Nickel Sulphide Geologist/ Explorer, 15yrs of GM level Geo/Explorer for ASX listed companies

Allan Ritchie

Chief Executive Officer

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

ADD Share Price - YTD



Adavale Pro Rata Entitlement Offer Details

Offer Size and Structure	<ul style="list-style-type: none">• Non-renounceable entitlement issue on a 1 for 5 ratio basis• Raising approximately \$2.065 million• 1 free attaching listed option (ADDOA - Ex \$0.03 each expiring 31 Dec 2025) for every share applied• New Shares will rank pari passu with existing fully paid ordinary shares
Offer Price	Offer price of A\$0.019 per New Share
Use of Proceeds	<ul style="list-style-type: none">• Progress and accelerate the nickel exploration at the Kabanga Jirani Nickel Project:<ul style="list-style-type: none">- Downhole Electromagnetic (DHEM) Survey- RC and Diamond drilling• Working capital and cost of the offer
Timetable	Record Date: 31 July 2023 Offer Opens: 3 August 2023 Closing Date: 31 August 2023 Quotation of securities: 7 September 2023
Underwriter	Entitlement Offer is underwritten for \$800,000 by GBA Capital

Investment Highlights

ADAVALE
RESOURCES



Electrification & Decarbonisation

Exposure to both Nickel & Uranium



Nearology

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



Nickel Results

Successful intercepts in first 3 DD holes and delivering Massive Nickel Sulphide



Uranium Bonus

Large project area with identified uranium mineralisation



Contacts

David Riekie

Executive Director

david@adavaleresources.com

For media and broker enquiries

Andrew Rowell

White Noise Communications

andrew@whitenoisecomms.com

investor@adavaleresources.com

M: 0400 466 226



www.adavaleresources.com



investor@adavaleresources.com



Adavale Resources Limited



@AdavaleL