

28 October 2022



## Diamond drilling underway on prospective conductors at Kabanga Jirani Nickel Project, Tanzania

### Nickel Sulphide Drill Targeting Update

- Multiple conductors prospective for nickel sulphide mineralisation have been identified from the Heli Electromagnetic (HEM) surveys at Kabanga Jirani NE & East
- Diamond Drilling (DD) and Reverse Circulation (RC) has commenced over the coincident gravity and EM targets at the HEM2 target area - three DD holes initially modelled at an average depth of 300m
- Additional drill locations are being finalised for other HEM areas on Kabanga Jirani, East, South-East and West
- Initial RC drilling and RC pre-collars for Diamond Drilling (DD) progressing well as part of the initial ~8,000m drill program

Adavale Resources Limited (ASX: ADD) ("ADD" or "Company") is pleased to advise that it has progressed the initial drilling program using reverse circulation (RC) to drill pre-collars for diamond drilling extensions at priority drill targets within the HEM2 target area of the Company's Kabanga Jirani (**Kabanga**) and Luhuma Nickel Projects (**Luhuma**) located within the broader East African Nickel Belt of Tanzania.

### Adavale's Executive Director, Mr David Riekie commented:

*"Adavale's recently processed HEM data has highlighted some really compelling conductors that are coincident with our previously identified gravity anomalies. This validation is very encouraging and has helped confirm the final location and selection of our priority drill targets. We are now in the process of installing RC pre-collars at HEM 2 with the view to drill three diamond drill holes, with scope to expand this number before moving the RC rig south to install pre-collars at targets being finalised at HEM 3 and HEM 4."*

*"We then plan to relocate the rig to HEM 7, 8 & 9 on licence ground holdings to the west. We are fortunate to have this number of high-quality targets and expect drilling and outcomes to continue throughout the December quarter."*

### ASX: ADD

#### DIRECTORS & OFFICERS

**GRANT PIERCE**  
CHAIRMAN

**DAVID RIEKIE**  
EXECUTIVE DIRECTOR

**JOHN HICKS**  
DIRECTOR

**ALLAN RICHIE**  
CHIEF EXECUTIVE OFFICER

**LEONARD MATH**  
CFO & COMPANY SECRETARY

#### ISSUED CAPITAL

Shares: ~510 million  
Unlisted options: 80 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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## Initial “Target Testing” Drill Program

The drill program now underway is using an RC rig to complete pre-collars through the barren and weathered surface profile which is up to 100m thick before switching to a DD rig to complete the designed hole and test the target zones that are typically 300 to 400m below surface. Our local drilling contractor has the necessary capability to provide the flexible combination of RC and diamond drilling rigs (together with additional rigs as required) for this initial drill campaign. The current drill program is estimated to involve up to 8,000m of combined RC and DD drilling.

The proposed initial drill program has been refined to initially test high-priority target areas (see Figures 1 and 2) at:

- HEM 2 and 3 survey areas (within the Luhuma extension), followed by
- HEM 4 survey area in Kabanga East, before relocating to
- HEM 7, 8 and 9 survey areas in Kabanga West (adjacent to Kabanga Nickel Limited).

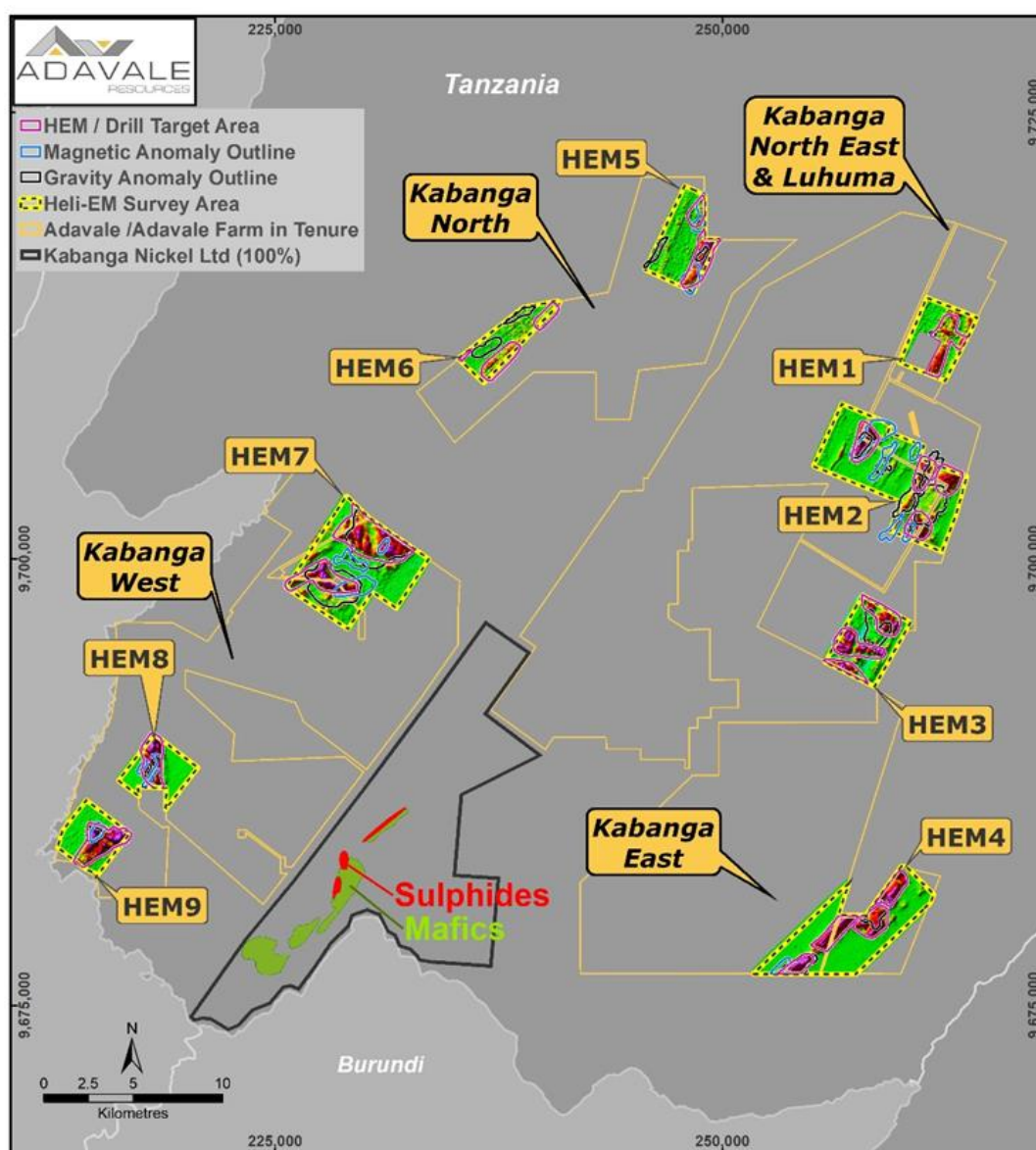


Figure 1: HEM survey area plan showing broad internal target areas and the location of the Kabanga nickel sulphide deposits and associated mafic intrusions

The proposed drill location at HEM 2 is shown in Figure 2 below.

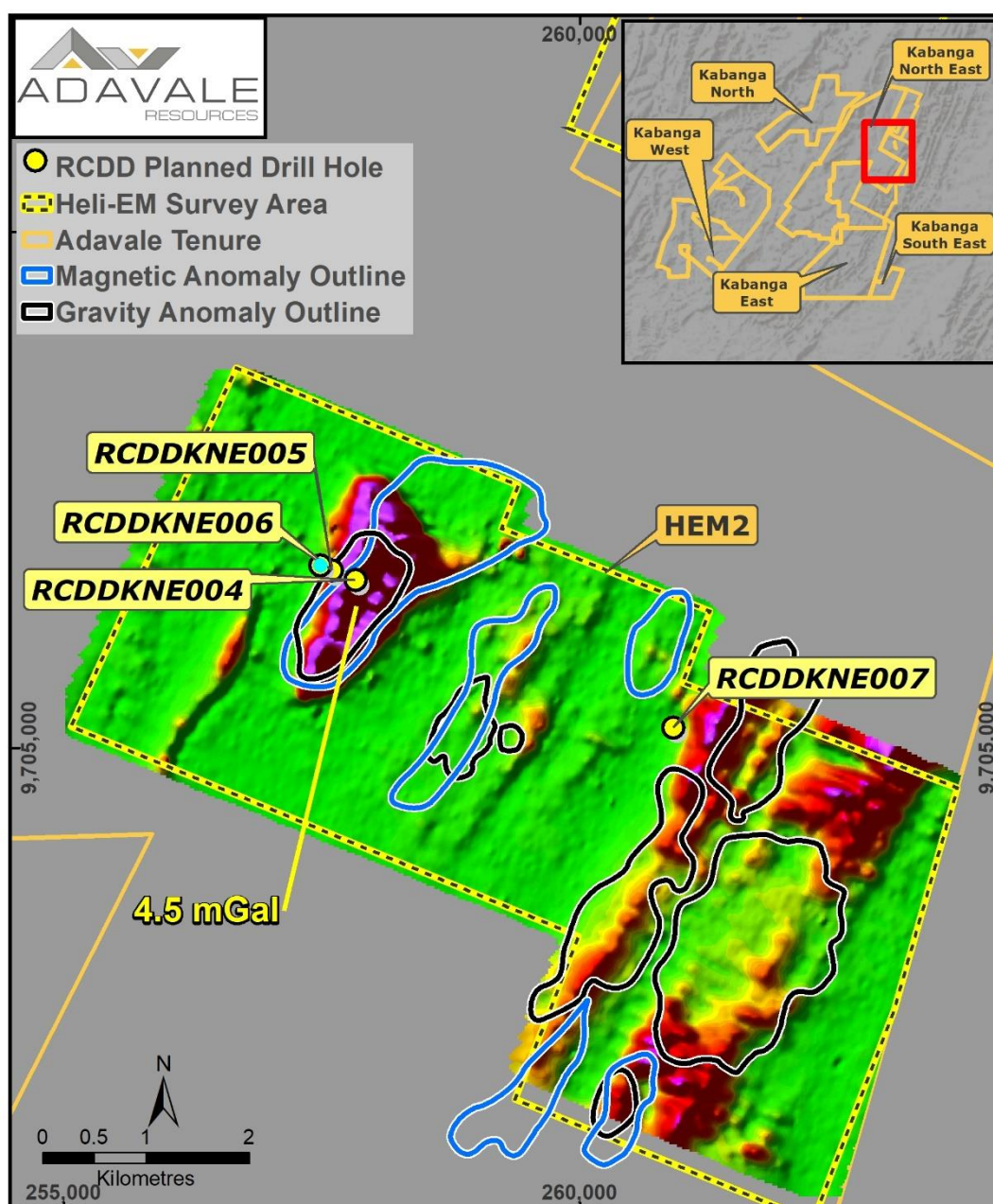


Figure 2: Plan view of HEM 2

The coloured background to Figures 1 and 2 is the Heli-borne EM data (channel 20) on which polygons are superimposed to represent areas of strong gravity (black) and magnetic (blue) anomalies that are used to assist in the selection and prioritisation of drill locations. The gravity and magnetic anomalies are generally broader and show the possible extent of intrusions, whereas the EM conductors are modelled as discrete features offering a more specific drill target.

The planned drill hole locations at HEM 2 are scheduled to be drilled over the coming weeks (see Figure 3). Final drill target locations are currently being generated for HEM 3 and 4.

Final hole locations and designs are continually being refined as new reprocessed and modelled data comes to hand from our expert geophysical consultants.





Figure 3: RC DDKNE 004 pre-collar installation at HEM 2 - Kabanga North-East

A 3D representation of the HEM 2 target area together with the current planned DD drilling is shown in Figure 4 below. This image has been processed using Xcite data collected for the HEM program to indicate the conductive drill target area shown in Voxel format. The image models the perimeter of an intrusion (determined from gravity) enveloping a zone of high conductivity (modelled by processing HEM data) and described in the legend and shown in red. The conductivity of the HEM target is estimated to be around 0.8 S/m and has been refined using a combination of 3D voxels and conductivity depth images (CDI's) models.

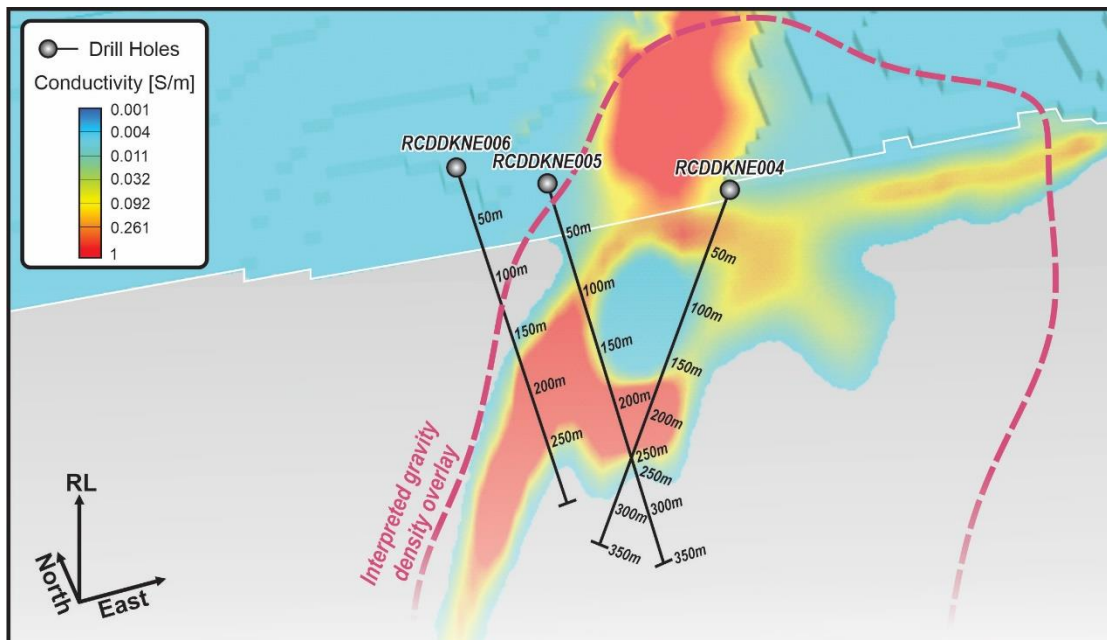



Figure 4: Interpreted extent of the intrusion based on a 3D Voxel generated image prepared from NRG 1D inversions, overlaid with 3 DD drill hole traces. RCDDKNE004 will be drilled first followed by RCDDKNE005 (scissor hole) and dependent on results, RCDDKNE006. The red dashed line represents the outline of the interpreted strong gravity anomaly associated with this target area.



The Company's strategy is to maintain a flexible and iterative approach in respect to the sequence and expansion of its drilling program based on information gained through field assessments of drill locations, drill results and the continual processing refinements made to the HEM survey data by our expert consultants.

As part of the current drill program, down hole electromagnetic (DHEM) surveys are anticipated to be performed on all completed DD holes to explain the source of the individual conductors and identify potential new drill target areas.

The current drilling program is progressing well and is scheduled to continue throughout the current quarter.

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

**Further information:**

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**Competent Persons Statement**

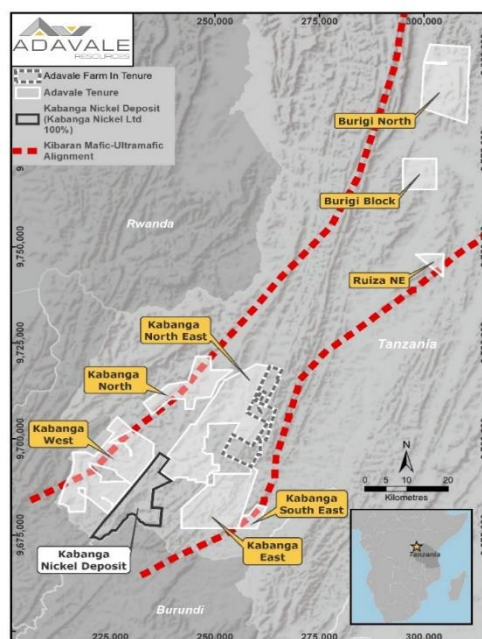
The information in this release that relates to "exploration results" for the Project is based on information compiled or reviewed by Mr David Dodd of MSA, South Africa. Mr Dodd is a consultant for Adavale Resources Limited and is a member of the SACNASP. Mr Dodd has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration as well as to the activity that is being 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.

**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 8 highly prospective granted licences covering ~1,168km<sup>2</sup> along the Karagwe-Ankolean belt in Tanzania. The four 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 5 southernmost licences, adding a further 99km<sup>2</sup> to the portfolio. 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.