

16 September 2021

Adavale Exploration Tightens the Net: 3 Drill Holes Complete

Highlights

- Initial ~8-hole drill program on 4 of 7 licences continues
- 3 drill holes now completed totaling 1175.31m.
- 4th hole nearing completion.
- 2nd hole (KW02-11-01) intersects a package of sulphide veins in 2 zones:
 - 1st interval of 39.3m from a depth of 64.46m to 103.76m; and
 - 2nd interval of 155.77m from depth of 146.05m to 301.82m
- 3rd hole (KW03-08-01) intersects a package of sulphide veins with an interval of 285.98m from 77.41m to 363.12m.
- All veins are hosted within sediments and will be analyzed with XRFs to identify elevated Ni or Cu potentially indicating a nearby source of mineralised sulphides.
- Gravity survey techniques initiated to identify nearby sources of mineralised sulphides and ultramafic intrusions.
- New pXRF instrument, with more sensitive Mg detection, is now being used with a second hired instrument to fast track pXRF readings.
- Down Hole Electromagnetic (DHEM) surveys to be scheduled for selected drill holes.

Adavale's Chairman Grant Pierce commented:

"Our current exploration strategy has been designed to vector in on the geological setting and rock types that are most conducive for the discovery of nickel sulphide occurrences. Early results have revealed strong indicators and drilling continues as we await assays from cores from hole 1.

We are excited to progress this maiden program into our Kabanga East and West licences which have never been drilled and are essentially unexplored in that sense.

Progress to date has confirmed the prospectivity of the Karagwe-Angkole belt and our licences situated within it. We are now implementing gravity surveying techniques to provide even more data to our target selection armoury to better refine and prioritise our rich portfolio of targets."



ASX: ADD

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ISSUED CAPITAL

Shares: 288 million
Unlisted options: 17.5 million

ABOUT ADAVALE

Adavale Resources is an ASX-listed exploration company targeting projects in the 'battery materials' space. The company is currently focussed on its 100% owned Kabanga Jirani Nickel Project adjacent and along strike from the world's largest undeveloped high grade NiS resource of 58Mt @ 2.62% Ni.

MORE INFORMATION

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All three holes drilled to date have intercepted lengthy intervals of veins which tells us that we are in close proximity to a substantial sulphide source. We are confident that continuing our methodical work and harvesting new data from gravity techniques, our new high Mg sensitivity XRFs and downhole EM will show us the way.”

Our 1st drillhole has detected **elevated values of up to 0.86% Ni and 4.84% Cu** in a package of sulphide veins over 195m (see ASX Announcement 26 July 2021) which could possibly have originated from a nearby mineralised intrusion. Work will be performed to identify the source of these veins but it’s in the Boards opinion Adavale is in the right geological address along the Kabanga Musongati Kibaran Mafic-Ultramafic alignment.

Likewise in the next two drillholes thick packages of sulphide veins hosted in sediments have been intercepted and these will be tested by XRF to determine if any may have grade and hence originated from a magmatic source. Adavale’s 2nd hole (KW02-11-01) at a depth 301.82m intersected two zones of sulphide veins: 1st interval of 39.3m from a depth of 64.46m to 103.76m and 2nd interval of 155.77m from depth of 146.05m to 301.82m.



Figures 1 and 2 - Examples of hole 2 (KW02-11-01) cores featuring sedimentary sulphide veins.

Adavale has successfully completed the 3rd drill hole (depth 418.25 m) and are currently completing the next hole (Target 13) of this ~3,000m 8-hole initial program. Early observations from 3rd hole (KW03-08-01) shows a package of sulphide veins with an interval of 285.98m from 77.41m to 363.12m was intercepted.

Whilst completing pXRF readings on the 2nd drill hole some damage occurred to the pXRF device which has now been replaced with a new pXRF and a second hired pXRF with lower Magnesium (Mg) detection capability. This additional capability will assist in detecting ultramafic intrusions which typically exhibit MgO levels above 24%. XRF readings will now be conducted on KW02-11-01 and KW03-08-01.

Casing is being inserted in the first three drill holes of the program to ensure the drill holes remain open for DHEM surveys. These DHEM surveys may also warrant follow up drilling on initial targets drilled.

The current drillhole locations are shown below in Figure 3 for the southern licences.

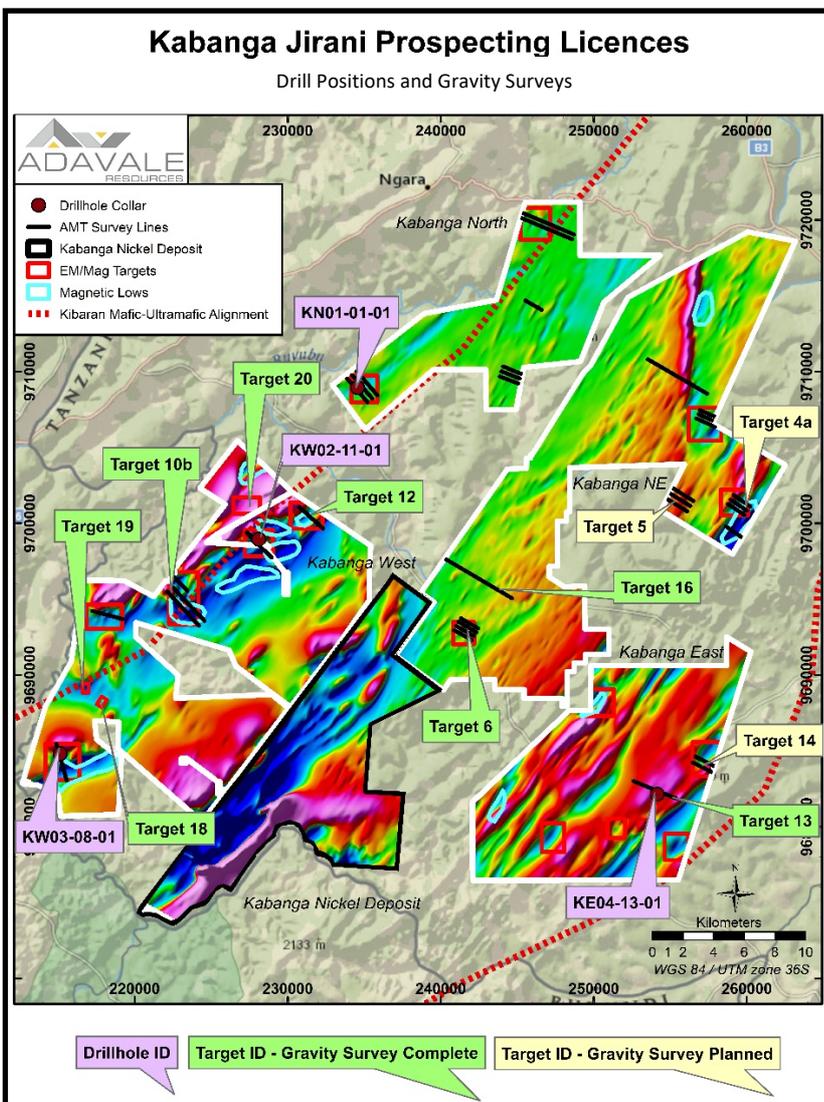


Figure 3: Locality of Completed/Current Drillholes and Gravity Surveys

Rationale for Implementing Gravity Surveys

Adavale has instigated gravity surveys to run concurrently with the current drilling program. Gravity surveys are useful in that they help in identifying intrusions which are more dense than the surrounding sediments. Massive sulphides have a particularly high density and can also be identified within intrusions (depending on their size and depth). Magnetic surveys are typically used to identify intrusions but due to the abundance of magnetic sulphides, the additional use of gravity will help in distinguishing intrusions from sulphur bearing sediments.

Magmatic nickel bearing sulphides are hosted in intrusions so correctly identifying them is of the utmost importance.

Gravity surveys have identified potential intrusions at targets 6, 10b, 12, 16, 18, 19 and 20 with targets 5, 4a, and 14 still to be surveyed.

Drilling Update and Selection of Drill Targets

Drilling to date has verified that Time Domain Electromagnetic (**TDEM**) surveys and AMT have correctly identified sulphides. To date, these have been hosted in sediments whereby the elevated Ni and Cu values of select veins may indicate proximity to mineralised magmatic sulphides– see table 1 below.

Target	Drillhole	EOH Depth	Comment
1	KN01-01-01	455.24	Several mineralised sulphide veins (chalcopyrite and pyrrhotite) intercepted (see previous announcement). The origin of these will be tested with DHEM.
8	KW02-11-01	301.82	Intersects sulphide veins in 2 zones: 1 st interval of 39.3m from a depth of 64.46m to 103.76m and 2 nd interval of 155.77m from depth of 146.05m to 301.82m
11	KW03-08-01	418.25	Intersects sulphide veins with an interval of 285.98m veined sulphides from 77.41m to 363.12m.

Table 1 Drillhole reference for identified target, drillhole depth and associated comments

Next Steps

Tanzanian Nickel

- Continued drilling of the ~8 hole, ~3,000m maiden program.
- Assessment of pending assay results from initial drill holes.

South Australian Uranium

- Geological work on South Australia uranium licences is expected to recommence during October with access to South Australia anticipated to be granted for our fully vaccinated consultant geology team.

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

For further information please contact CEO Allan Ritchie at allan@adavaleresources.com.

For further information on the Company and our projects please visit

www.adavaleresources.com