

4 MARCH 2021

GEOCHEMICAL RESULTS CONFIRM COINCIDENCE OF ELEVATED NICKEL AND COPPER TARGETS

- **Samples assayed at SGS Tanzania and cross checked at SGS South Africa**
- **Several high priority targets identified by elevated nickel and copper readings coincident with magnetic lows and/or EM anomalies.**
- **These targets are overlaid with historical BHP geochemical and geophysical data to increase certainty and sequence staged 1H drill program**
- **Initial wide spaced sampling provided greater target definition now being followed by with infill sampling and drilling thereafter.**

Adavale Resources Limited (“Adavale” and or “Company”) (ASX: ADD) is pleased to provide an update to shareholders on its initial exploration program undertaken in the last six (6) weeks of 2020.

As outlined in the previous ASX release (14 February 2020) the objective of Tanzanian Adavale exploration programs are to find an analogue to the Kabanga Nickel Deposit. Preliminary exploration techniques that are being utilized, allow for the identification of features displayed by the Kabanga Nickel Deposit, notably:

- elevated Ni and Cu in soil samples;
- a conductive electromagnetic response resulting from massive sulphides; and
- magnetic lows typical of underlying ultramafic host rocks within the Kibaran Belt.

The current work program, commenced in February 2021, is adding the levels of detail necessary for identifying the kind of mineralization Adavale is using for the design and sequence of its maiden drilling program.

Adavale CEO Allan Ritchie commented: “We are delighted that early results are in line with our expectations and validate the vectors and process we are using for the design of our drill targets. We are eager to mobilise the rigs and get holes in the ground but the current work being conducted is methodical, very cost effective and providing



ASX: ADD

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ISSUED CAPITAL

Shares: 285.5 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 nickel sulphide resource.

MORE INFORMATION

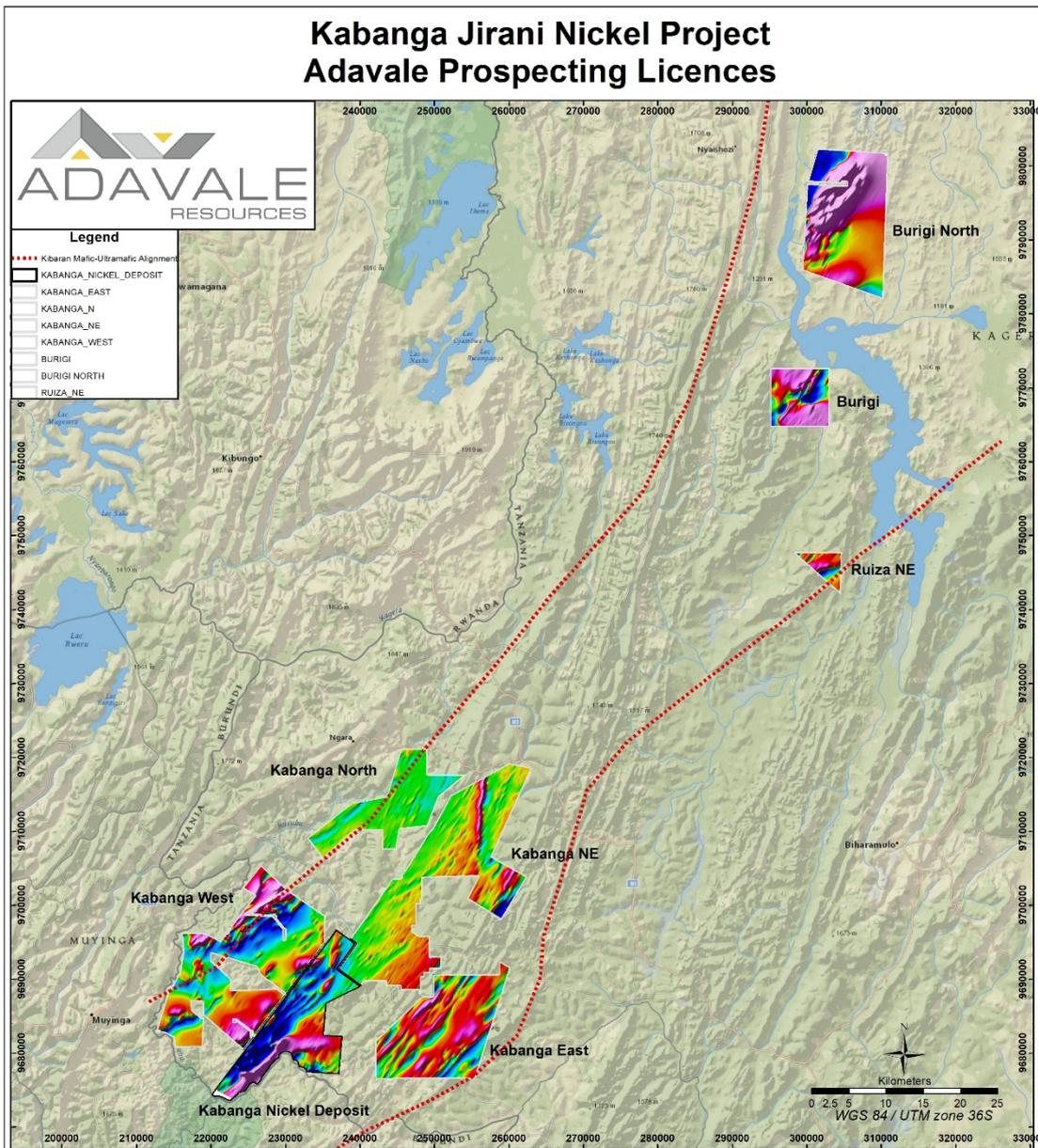
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meaningful data. Given that, we will push to complete the current program asap so that we have the highest possible level of confidence that the targets we have selected will deliver meaningful intercepts when drilling commences during Q2”.



Technical Summary

Within the Kabanga Nickel Deposit the northern ore body is a steeply dipping tabular body associated with a subvertical ultramafic pipe and has a strike of several hundred metres whilst southern ore body has a strike of about 650m and is associated with an ultramafic sill that extends for several kilometres.

Exploration is being aimed at locating similar ultramafic intrusions and associated mineralisation. Sills and intrusions within the Kibaran Belt are generally conformable to the sediments which have a NE-SW strike and frequently exploit thrust planes and fissile shaly layers adjacent to quartzite layers although, as is the case at the northern ore body

at the Kabanga nickel deposit, the intrusions may be in the form of subvertical pipes/chonoliths and in such cases, can have quite a small surface exposure.

The work program implemented by Adavale is designed to assist in the identification of the host ultramafic intrusions and ultimately any mineralisation that may be associated with them. Exploration work in December 2020 began with a relatively broad spaced sampling program, with a line spacing of 1km and a station spacing of 500m. The objective of the program was to see if geochemical signatures could be obtained that may indicate the presence of underlying ultramafic rocks and to determine how well that data corresponds to favourable geophysical features. Preliminary targets for the subsequent infill soil sampling program that is currently underway, have already been determined based on geophysical data but has been refined based on the recently acquired soil geochemical data derived from the reconnaissance soil sampling program which is described below.

Sampling Methodology and QAQC

Soil samples were collected on a 1km x 500m grid from the B soil horizon of insitu residual soils, and the whole sample was analysed using an Olympus Delta Premium portable XRF Analyser. Samples were collected from Kabanga East, Kabanga North-East, and Kabanga North licences. A few sampling traverses were conducted over Kabanaga West but additional work needs to be undertaken on this licence. The samples were sun dried and analysed through the sample bag at three (3) different locations for seventy-five (75) seconds per location. The final result used was the mean of the three (3) locations analysed. Rigorous QAQC procedures were applied to monitor pXRF performance including insertion of 15% standards, 15% blanks and 15% field duplicate samples which performed satisfactorily.

In addition, over 50% of the pXRF samples were submitted to SGS South Africa, an ISO 17025 accredited laboratory for multi-element (32 element) ICP-AES analysis by four (4) acid digestion. The pXRF values were compared to those from the SGS Laboratory analyses and the comparative values enabled our Competent Person to be satisfied that the pXRF dataset is suitable to identify soil geochemical anomalies.

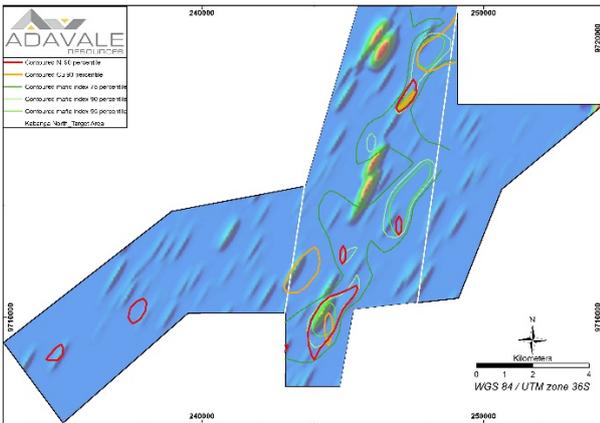
The 90th percentile was set as a threshold for both Ni and Cu and is presented as contours in the images below. In addition, a Mafic Index was calculated utilising elements with a known mafic affinity in order to facilitate identification of mafic and ultramafic rock underlying the soil. The Mafic Index was calculated as the median normalised additive index of Ti, Cr, Cu and Ni. The Mafic Index is presented as 75th, 90th and 95th percentile contours in the images below.

The areas being targeted with the more detailed infill soil sampling, were identified as those where the Cu and Ni values exceed the 90th percentile and are coincident with the soils with a mafic affinity as well as possible coincidence with EM anomalies and/or magnetic lows. The stippled line in the images below show the target areas considered prospective that will be followed up with infill sampling.

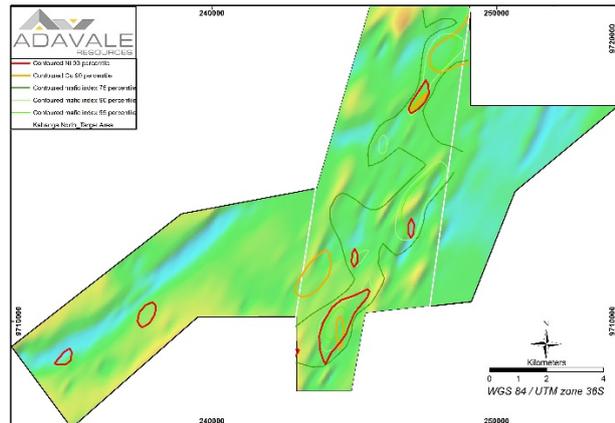
Kabanga North

Kabanga North is characterized by a NNE-SSW trending zone of late channel EM anomalies which are coincident with the percentile contours of the Mafic Index as well as elevated Ni and Cu values as shown below. The ground with elevated indicator mafic minerals is located adjacent to a quartzite within the more fissile shaly units which is the interface where ultramafics are known to intrude within the Kibaran Belt. Gabbro has been mapped within the vicinity of the mafic indicator minerals and may be part of a more extensive mafic/ultramafic plumbing system.

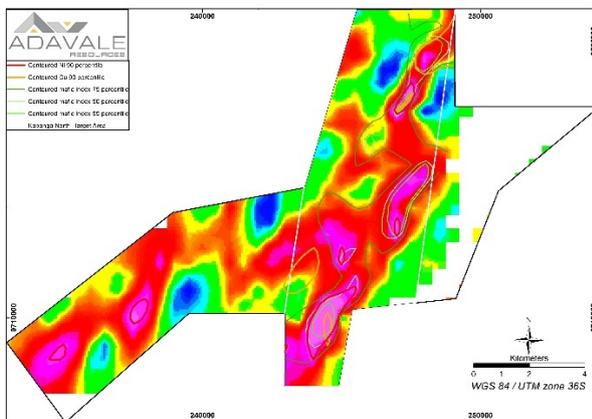
**Kabanga Jirani Nickel Project
Kabanga North Prospecting Licence**
Various Anomalies Overlain On Late Channel EM



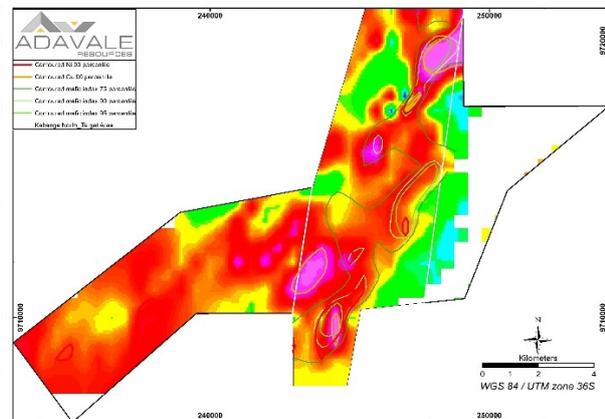
**Kabanga Jirani Nickel Project
Kabanga North Prospecting Licence**
Various Anomalies Overlain On Aeromagnetics (TM)



**Kabanga Jirani Nickel Project
Kabanga North Prospecting Licence**
Nickel In Soils

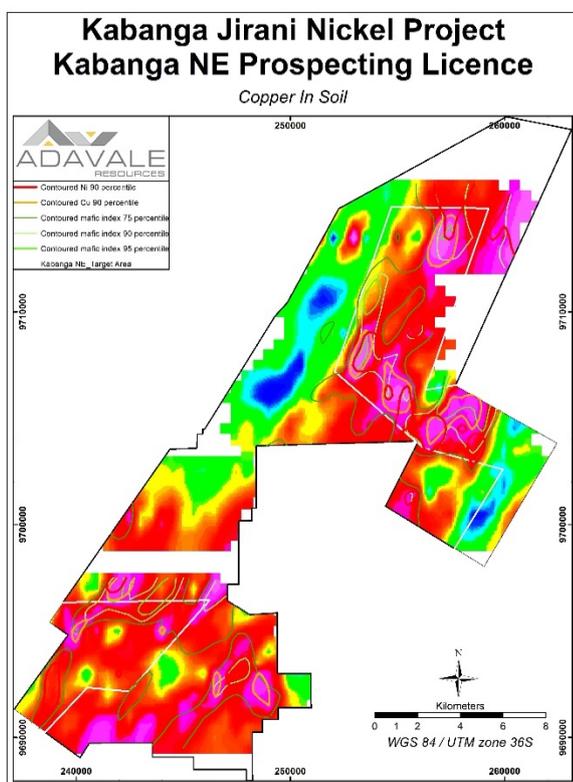
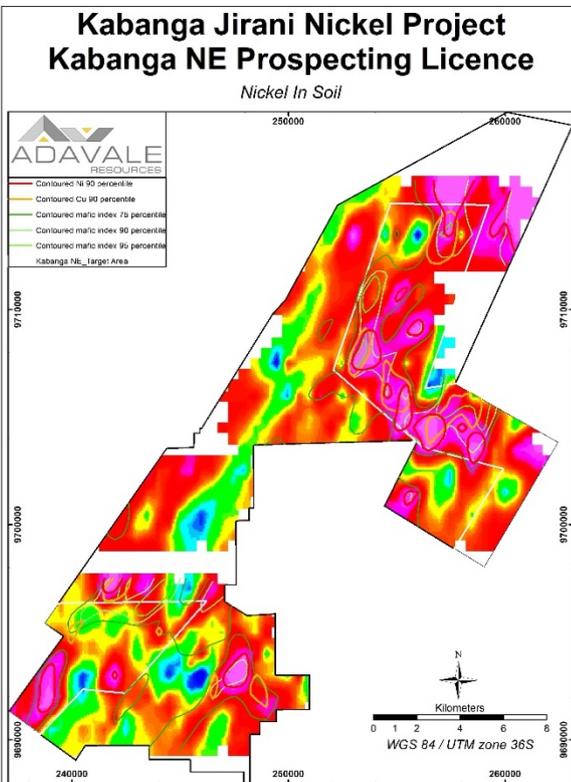
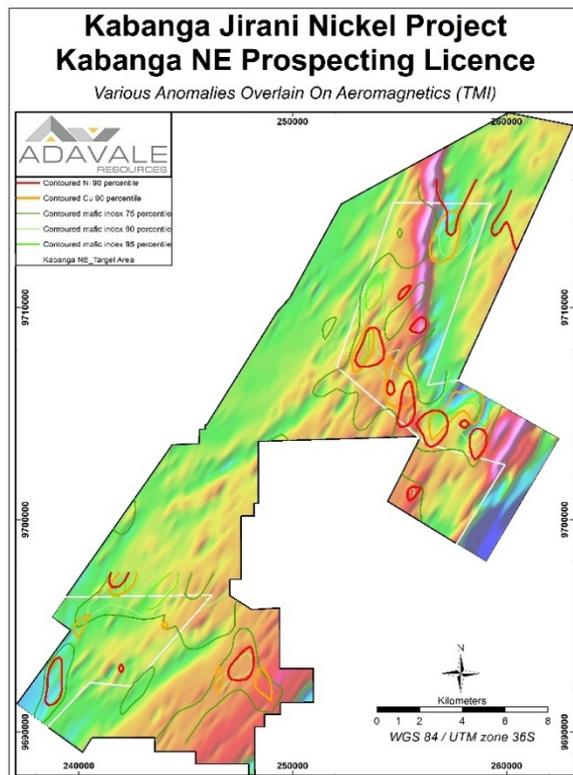
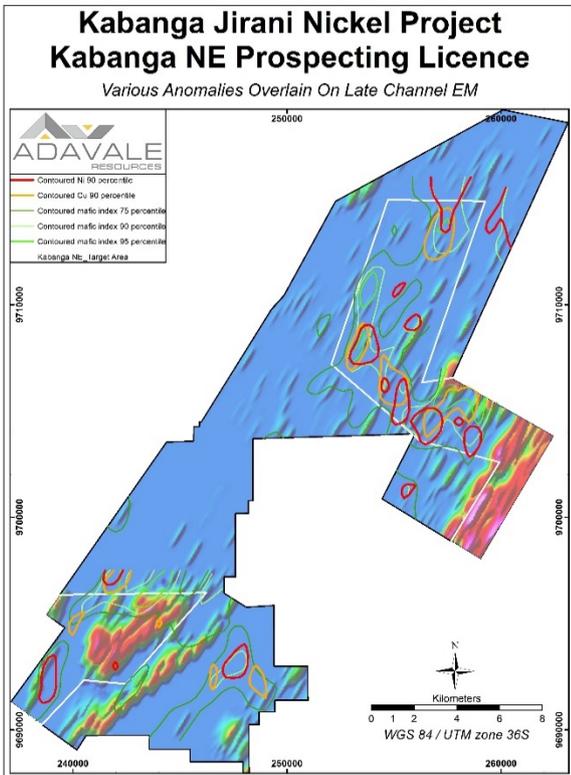


**Kabanga Jirani Nickel Project
Kabanga North Prospecting Licence**
Copper In Soils



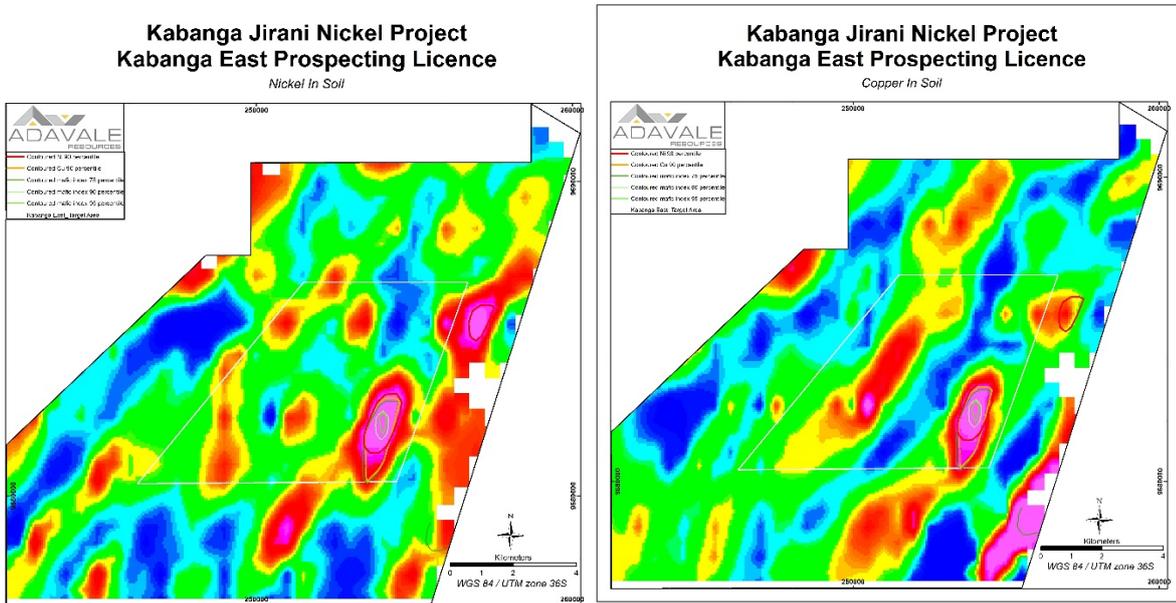
Kabanga NE

This licence has two (2) areas that have been identified for follow up infill sampling. The one in the NE has an arcuate shape that is not conformable to the NE-SW trend of the local geology whilst the target in the south has several NE-SW trending zones of anomalous Ni and Cu. As with Kabanga North the southern target within Kabanga NE is located adjacent to a quartzite and close to mapped gabbro indicating it may be well located to host an ultramafic intrusion.



Kabanga East

This target has a zone of elevated Ni and Cu associated with the Mafic Index.



Next Steps Toward Drilling

The target areas identified through the first phase of sampling are currently being followed up with infill soil sampling to be conducted on a 400m to 500m line spacing, and 50m station spacing. The 50m station spacing is considered appropriate to identify the potentially small footprint of an ultramafic chonolith given that ideally any feature of interest is sampled multiple times.

The option of conducting a regional Anisotropic Magnetic Susceptibility (AMT) survey is being investigated to be implemented at the same time as the infill soil sampling ahead of ground EM. In this manner 3D voxels can be generated from the ground magnetic surveys as well as the AMT. These can be used to generate cross-sections potentially illustrating host intrusions, stratigraphic conductors and conductors with potential to have originated from massive sulphides. The cross-sections can then be interpreted together with the soil geochemical results in order to best site the ground EM surveys.

Due to the significant number of drilling targets expected to be generated, Adavale's strategy is to select one (1) tenement for its first drilling campaign, whilst AMT and ground EM continues on its other tenements.

The Company is arranging the ground EM consultant and preparing the drilling contract tender document. Tenderers will be required to quote on both reverse circulation and diamond drilling and preference may be given for tenderers who can provide a multipurpose rig.

Adavale's team of geologists already enjoy a good relationship with District and Regional Government officials and the local community however the Company intends to recruit a

Community Liaison Officer prior to commencement of drilling to ensure sound relations with the community stakeholders from the outset.

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

For further information please contact investor@adavaleresources.com

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 SACNASP. Mr Dodd has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is 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 and should not be read as statements of historical facts or actual events. Therefore, results may differ materially from the descriptions contained in the forward-looking statements as the result of a variety of risks, uncertainties or other factors. Forward-looking statements are inherently subject to business, economic, competitive, political, environmental, social uncertainties and contingencies. Many factors may cause the Company’s actual results to differ materially from those, expressed or implied in any forward-looking information by, or on behalf of the Company. Such factors include, but not limited to, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability or 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 forward-looking information, except in accordance with applicable securities exchange rules, the Corporations Act or other legislation. For the above reasons, the Company is unable to provide representations, warranties or undertakings, whether express or implied, that occurrence of the events expressed or implied in its forward- looking statements in this presentation will occur.

About Adavale Resources’ Kabanga Jirani Nickel Project

Adavale Resources Limited (ASX:ADD) is a nickel sulphide exploration company and holds the Kabanga Jirani Nickel Project a portfolio of highly prospective licences, covering over 1,120km² surrounding and proximal to the world class Kabanga Nickel Deposit (58Mt @ 2.62% Ni) and located along the Karagwe-Ankolean belt in Tanzania. Adavale’s licences were selected based on their strong geochemical and geophysical signatures from previous exploration undertaken by BHP. Adavale also holds three exploration licences within part of the highly prospective sedimentary uranium province within the northern part of the Lake Frome Embayment.

