

20th APRIL 2021



Ultramafic Intrusion Hosting Disseminated Sulphides Identified at Kabanga NE Licence

Highlights:

- Ultramafic intrusion hosting disseminated sulphides at Kabanga NE
- Identified with coincident Ni and Cu geochemical anomalies during infill sampling at high priority targets
- 15 discrete geophysical targets identified to date from BHP EM and Magnetic Data
- Audio-frequency Magnetotellurics (AMT) Survey designed to follow-up on geophysical targets planned to start before end of April.
- Ground EM surveys will test conductivity along the 15 targets (as well as Ni/Cu anomalies) after the first ~4 AMT surveys.
- In-fill soil sampling continues with 8,998 samples collected to date

Adavale Resources (ASX: ADD) is pleased to provide an update on its exploration activities to further refine drill targets for the Company's Phase 1 drilling program which is on track to commence in June.

Adavale Chairman Grant Pierce commented: "Discovering ultramafic intrusions with disseminated sulphides outcropping at surface is very exciting news that exponentially increases our confidence in the geological data-backed selection of our licences and the high priority targets being identified within them. We remain both on schedule and on budget for the commencement of our maiden drilling programme in June which will be just 9 months since the new Board and management were appointed."

Identification of an Ultramafic Intrusion hosting Disseminated Sulphides at the Kabanga NE Licence

Initial broadly spaced (1km line spacing and 500m station spacing) geochemical samples identified a number of areas with elevated Ni and Cu values, several of which were coincident with late channel EM anomalies and/or magnetic lows that may be indicative of underlying mafic/ultramafic intrusions.

These were then identified as target areas for more detailed infill soil sampling using a 400m line spacing and 50m station spacing. The soil samples from this "infill sampling program" are sieved before taking three pXRF readings per sample and using the average value for kriging

ASX: ADD

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ISSUED CAPITAL

Shares: 286.8 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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purposes. QA/QC includes readings taken of blank and standards. 10% of samples will be submitted to an accredited laboratory and pXRF values will be reconciled against the laboratory results. The results reported on in this press release have not yet been verified against laboratory results and simply reflect the values obtained from pXRF readings.

Adavale’s previous ASX announcement released 25 March 2021, described the Ni and Cu anomalies which had been identified in one of these infill target areas in the Kabanga NE licence (the area circled below in blue). Since then sampling has been ongoing in the NW part of this sampling grid, which is now almost complete, as well as in the target area in the south of the licence circled in red. This southern grid will be extended to the SE to cover geophysical targets that have been identified there. Sampling is also currently underway at the Kabanga North licence.

Kabanga Jirani Nickel Project Kabanga NE Prospecting Licence

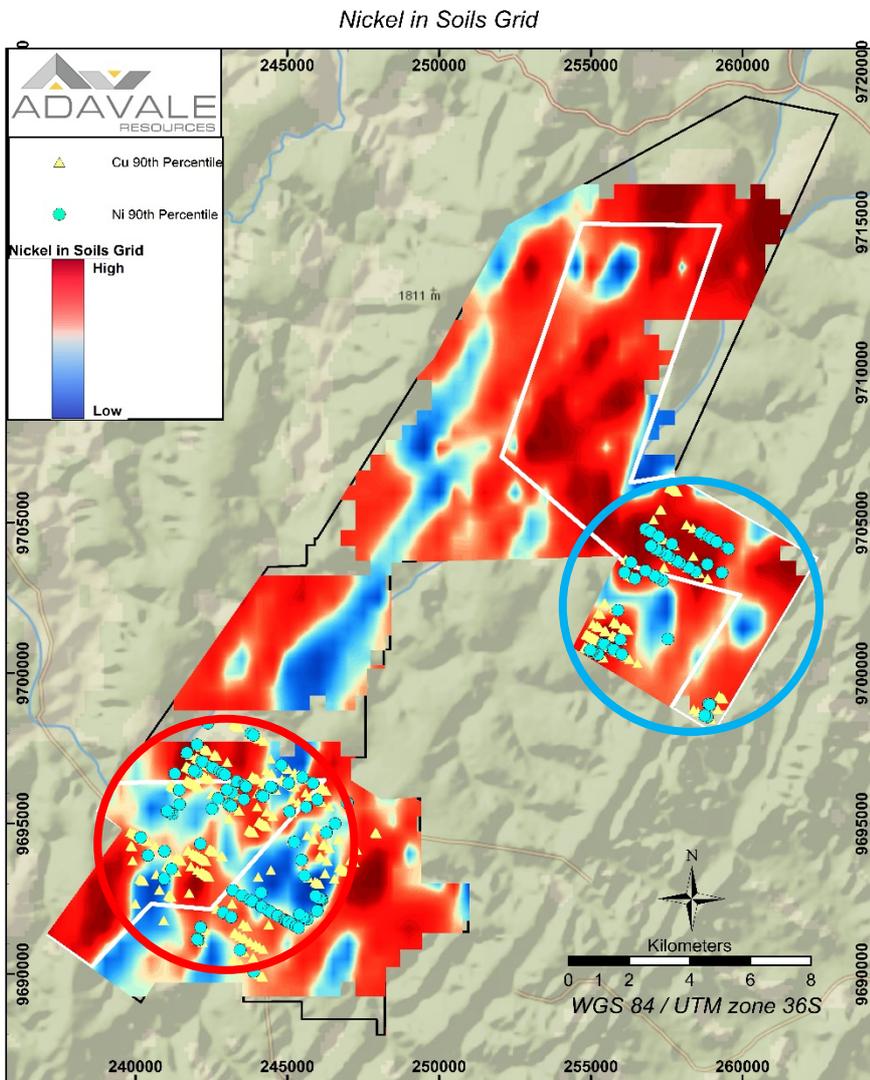


Figure 1: Kriged Ni values derived from Regional and Detailed Soil Sampling across the Kabanga NE licence

The infill sampling in the southern portion of the Kabanga NE licence has enabled the identification of anomalous Ni and Cu values in the NW portion of the sampling grid as shown in

the two figures below. Values of Ni and Cu that exceed the 90th percentile are shown below in blue for Ni and yellow for Cu with Figure 2 showing the Ni values and Figure 3 the gridded Cu values. The areas of anomalous Ni and Cu values are outlined in white.

Kabanga Jirani Nickel Project Kabanga NE Prospecting Licence

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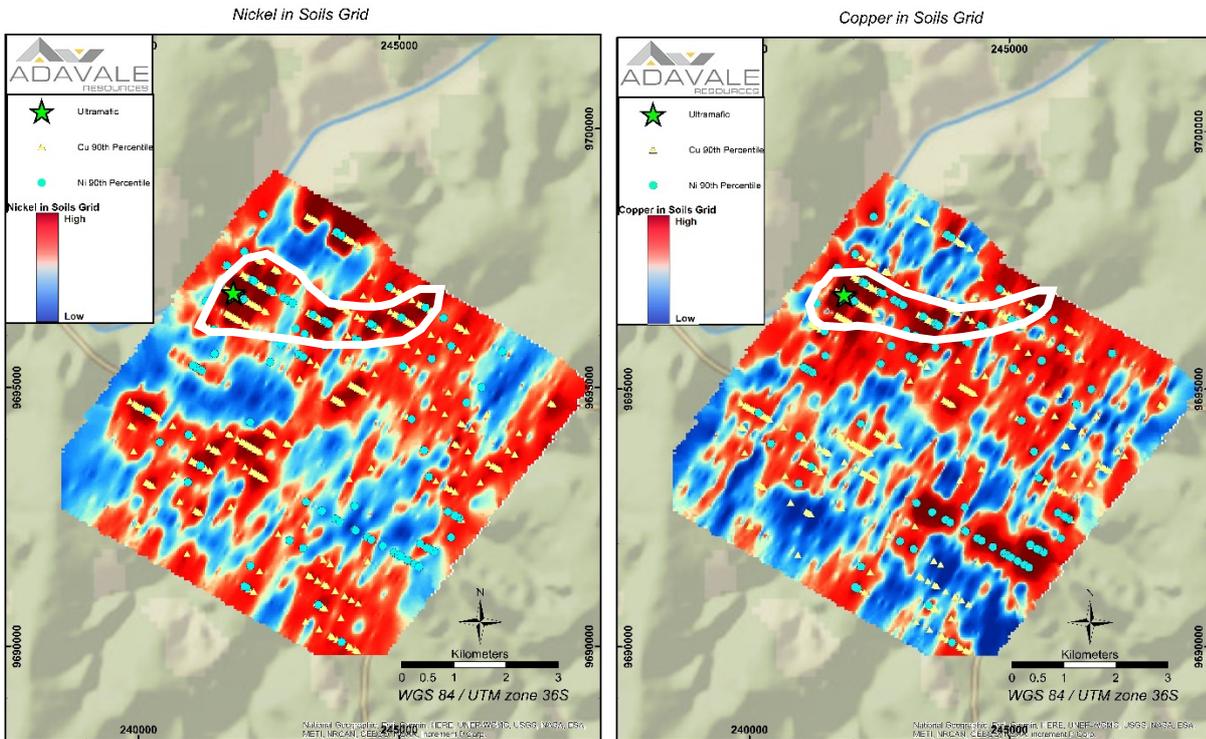


Figure 2 Nickel values derived from infill soil sampling Figure 3: Cu values derived from infill soil sampling

The area of anomalous values was field checked and an ultramafic intrusion hosting disseminated sulphides was identified. The identification of sulphides is based on field observations in the weathered profile and will be verified through thin-section descriptions and laboratory analyses. This spot is indicated by the green star in the images above. The host rock, although weathered, returned pXRF Ni values in the range of 1000 to 1500ppm and average MgO values of 24.86% (validating the ultramafic nature of the outcrop which exceeds the 18% MgO required to be defined as such) as well as S values, of the sulphides, of up to 1.7%. Samples have been submitted for assay, thin section and polished section descriptions. Photographs of the intrusion are shown below:



Identification of Fifteen Discrete Geophysical Targets

Adavale's recent announcement dated (25th March) mentioned the appointment of geophysicist Gavin Selfe. Gavin has reviewed the BHP EM and magnetic data and identified fifteen discrete geophysical targets as shown below:

Kabanga Jirani Nickel Project Kabanga NE Prospecting Licence

Geophysical EM/Mag Targets On Aeromagnetics

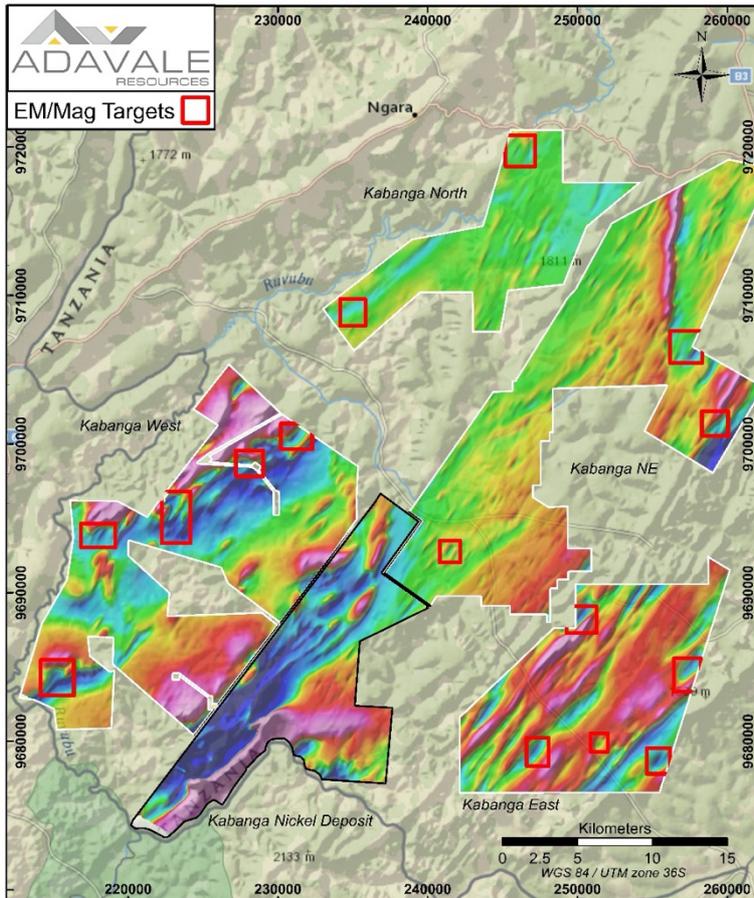


Figure 4: Location of Geophysical Targets based on BHP EM and Magnetic Data

The initial evaluation of the BHP data had resulted in the identification of broad targets but Gavin's review has resulted in the identification of more discrete targets which will be followed up with AMT and geochemical soil sampling in order to prioritise EM surveys.

Ongoing Soil Sampling

To date 8,998 samples have been collected from Kabanga NE and Kabanga North leaving just over 1,000 samples still to be collected at Kabanga NE. The planned sampling traverses across the remaining targets in Kabanga W and Kabanga E will result in the collection of another approximately 1,000 samples, which may be extended depending on results obtained.

Work Programme

The geophysical and geochemical targets that are considered to be of high quality will be followed up with AMT surveys. The geophysical targets that have been generated in Kabanga

W and Kabanga E will be surveyed with between one to three traverse lines per target. These traverse lines will be in the order of 400m apart and include AMT stations and soil sample stations at 100m and 50m intervals respectively. In this manner multiple targets will quickly be assessed.

The results from the soil traverses will be viewed as profiles along the traverse lines (as opposed to gridding the soil data as is the case at Kabanga NE). For Kabanga NE and Kabanga N there will be more comprehensive soil geochemistry grids but the same philosophy of one to three traverse lines will be applied to designing AMT surveys to be conducted in these licences. Where necessary the AMT surveys will be supplemented by more detailed magnetic surveys.

Where conductors are identified infill AMT stations and possibly extended soil sampling will be required but otherwise EM surveys will be conducted directly on the targets generated from the AMT/soil traverse lines. The EM plates that are modelled will then form the drill targets. The AMT surveys are expected to start within the next three to four weeks.

A ground EM survey will start, promptly after ~4 AMT surveys, aimed at testing the soil anomaly in the NW corner of the first grid sampled at Kabanga NE, outlined in white in images 2 and 3 above.

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

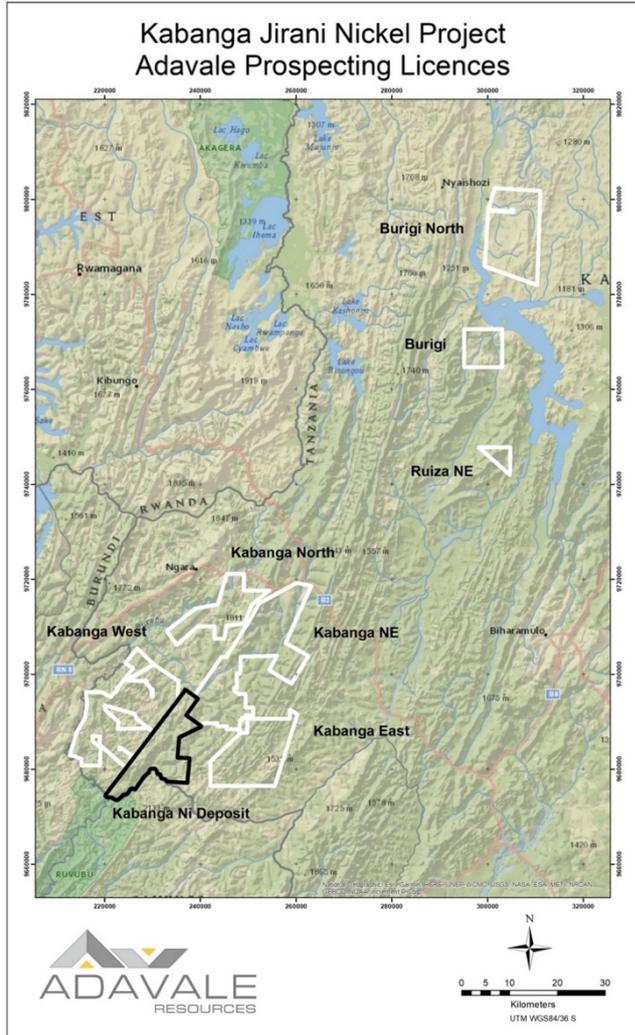
To contact about this announcement please email Julian Rockett, julian@adavaleresources.com.

For further information on the Company and our projects please visit www.adavaleresources.com

About Adavale

Adavale Resources Limited (ASX:ADD) is a nickel sulphide exploration company with a portfolio of highly prospective prospecting licences in the Kagera Region of the United Republic of Tanzania. All Adavale's tenements are situated within 110km of the world class Kabanga Nickel Deposit and were selected based on their strong geochemical and geophysical signatures from previous exploration undertaken by BHP Billiton.





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 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 presentation will actually 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 Billiton. Adavale also holds three exploration licences within part of the highly prospective sedimentary uranium province within the northern part of the Lake Frome Embayment.

