

## Strategic licence acquisition to expand uranium portfolio in South Australia

- Acquisition of 100% interest in EL6553 increasing Adavale's Uranium licence holdings to 2,058km<sup>2</sup>
- EL6553 covers 456km<sup>2</sup> and is proximal to the Company's Mundowdna South and Lake Surprise Uranium Project licences
- Historical exploration on EL6553 identified numerous anomalous uranium target areas including drill intercepts<sup>1</sup>:
  - 1.0 metre at 263ppm eU<sub>3</sub>O<sub>8</sub> and
  - 0.65m at 235ppm eU<sub>3</sub>O<sub>8</sub>.
- EL6553 covers the Eyre and Namba Formations where sedimentary roll-front uranium deposits are known to form including the nearby Beverley and Honeymoon uranium deposits
- Area of Adavale's exploration focus will centre around the pathfinder uranium results previously achieved at MacDonnell Creek and Geoge Creek prospects
- Field exploration activities will commence in April, over the prospective palaeochannel system identified at the Mundowdna Uranium Project area
- Adavale has reduced its debt position from \$580k to \$330k following repayment of 25 Convertible Notes at its maturity date

Adavale Resources Limited (ASX: ADD) ("or the Company") is pleased to advise that it has expanded its Uranium portfolio in South Australia with the proposed acquisition of 100% interest in EL6553. The EL is a strategically significant tenement, comprising two areas located adjacent to and east of both the Company's existing Mundowdna South and Lake Surprise project areas, respectively. Adavale has entered into a binding Heads of Agreement (HoA) with Kilonova Metals Pty Ltd to acquire EL6553. Refer to Appendix 1 for the summary key terms of the HoA.

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

*Following the recent acquisition of a significant historical EM dataset and extensive reprocessing over our Mundowdna South EL, the Company has been assessing a variety of strategic and proximal acquisitions that have demonstrated potential to host similar prospective palaeochannel systems. We consider this acquisition represents an exciting opportunity for the Company in that it has demonstrated palaeochannels containing ample evidence of elevated uranium occurrences. We also believe the area to be under-explored as the initial exploration of the area was abruptly halted following the Fukushima incident in Japan in 2011. We can now capitalise on this earlier exploration and follow up on these clearly defined targets. We see this as a huge boost to our upcoming 2024 uranium exploration programs."*

<sup>1</sup> Refer to CXU ASX announcement dated 14 July 2011 – "Maree Drilling Results"

#### Directors & Officers

**GRANT PIERCE**  
Chairman

**DAVID RIEKIE**  
Executive Director

**JOHN HICKS**  
Non-Executive Director

**ALLAN RITCHIE**  
CEO

**LEONARD MATH**  
CFO & Company Secretary

 Adavaleresources

 AdavaleL

 investor@adavaleresources.com

 +61 2 8003 6733

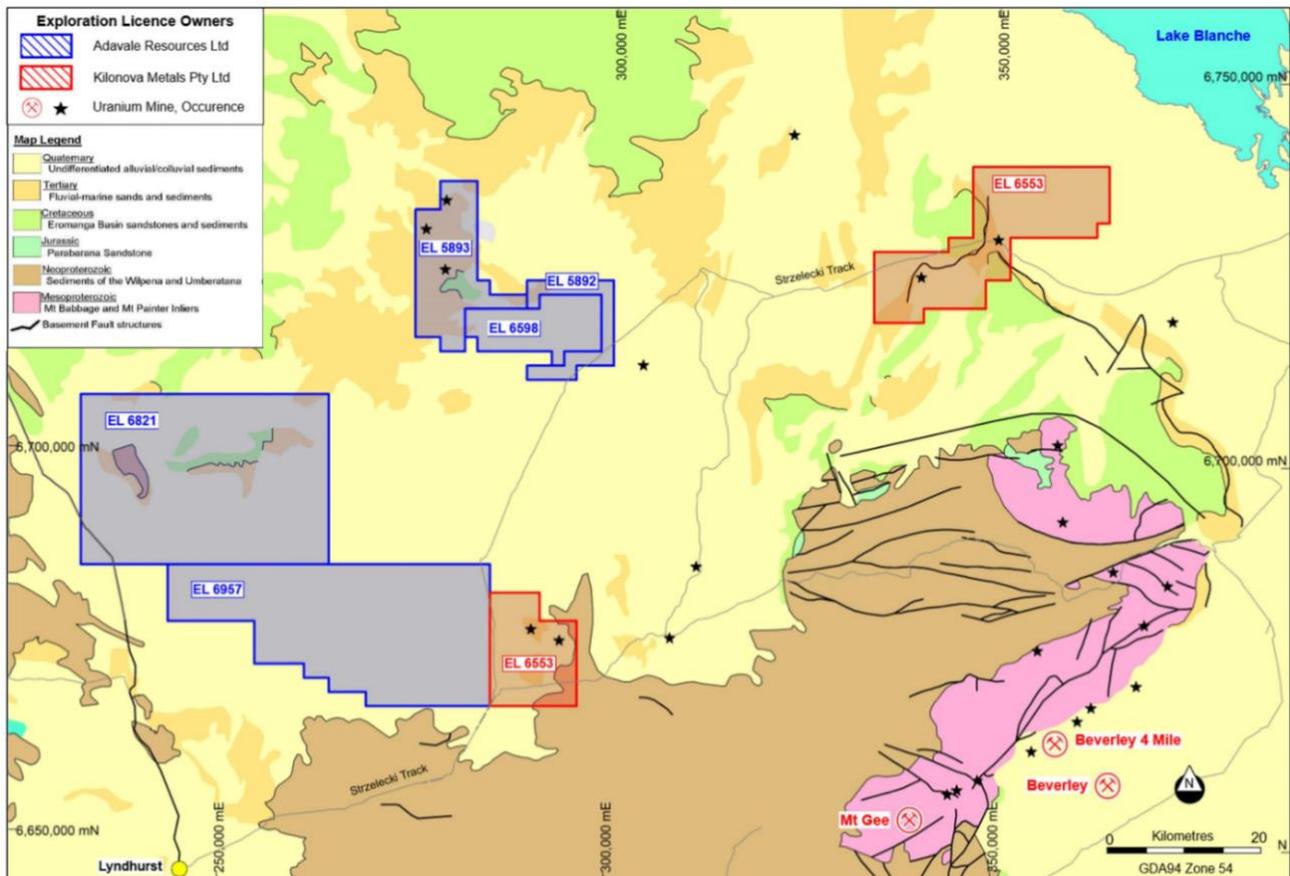
ASX: ADD  
adavaleresources.com

Adavale Resources Limited  
Level 2, 49 Oxford Close  
West Leederville, WA, 6007

## Exploration Licence 6553

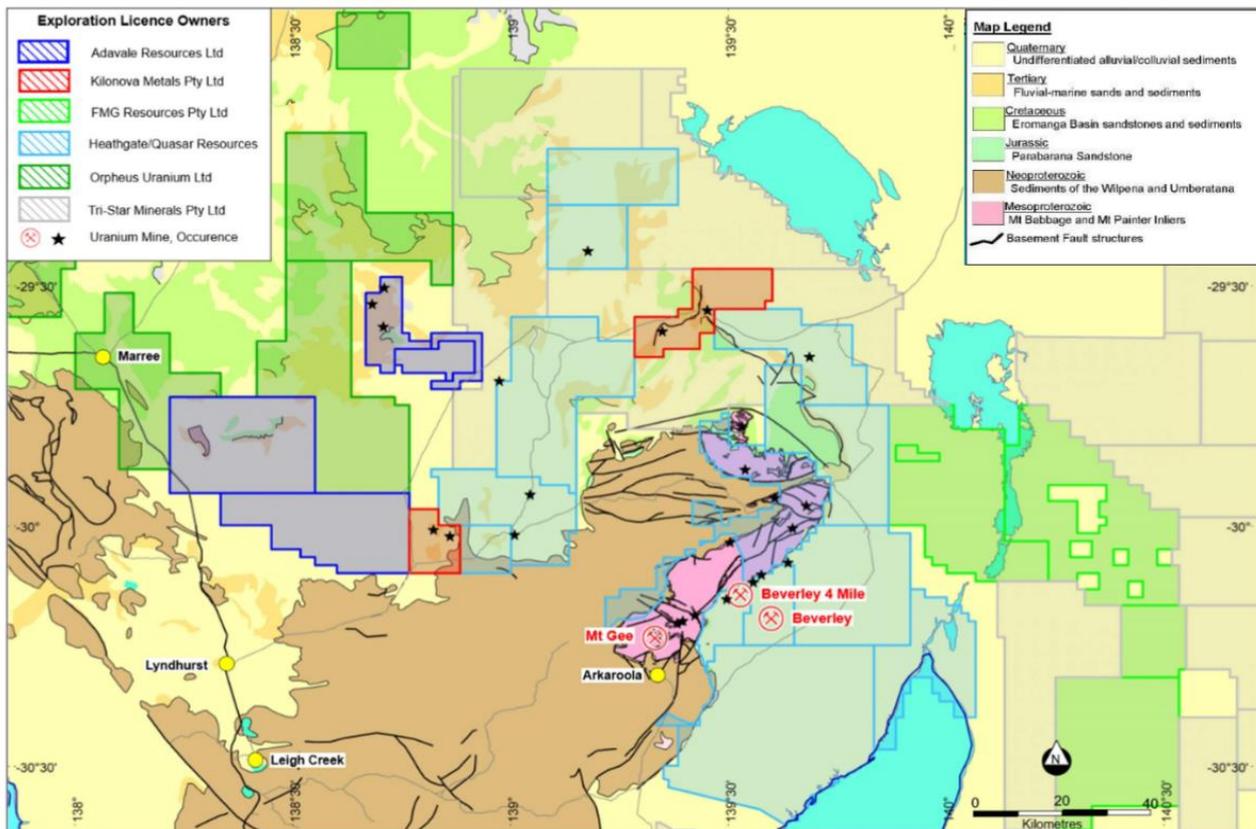
EL6553 covers 456km<sup>2</sup> across two parts, with the first part (to be called ‘Mundowdna South East’) adjacent to Mundowdna South and the other portion (‘MacDonnell Creek’) to the east of the Company’s Lake Surprise Uranium Project.

The acquisition lifts Adavale’s 100% owned tenure to 2,058km<sup>2</sup>, making it one of the largest public-listed licence holders in the region. See **Figure 1**.



**Figure 1:** Exploration Licence areas for Adavale (blue) and Kilonova’s EL6553 (red) over 2 separate Licence area

The regional interest in the uranium potential about the northern Flinders Ranges is significant and is reflected by the extensive licence coverage of the region (**Figure 2**).



**Figure 2:** Summary of localised Licence ownership and underlying geology located around the northern Flinders Ranges

### Geology - Technical

The MacDonnell Creek and Mundowdna South East are proximal to the uranium-rich Mount Babbage and Mount Painter Inliers of the northern Flinders Ranges. Both areas contain the very prospective Paleogene-aged Eyre and Neogene-aged Namba Formations which are the host to several sedimentary roll-front uranium occurrences including the Beverley, Beverley Four Mile, and Honeymoon Well uranium mines. These formations are the principal target for uranium mineralisation within the Project areas. Historical exploration drilling and helicopterborne electromagnetic surveys completed by Cauldron Energy Limited (ASX: CXU) (**Cauldron**) in the late 2000s suggests the presence of significant palaeochannel sand sequences trending through the Project area.

Underlying the Eyre and Namba Formations and outcropping in places are upper Mesozoic (Maree Subgroup) sediments. To the south these sequences abut Proterozoic Wilpena and Umberatana (Adelaidean) groups outcrops of the Flinders Ranges.

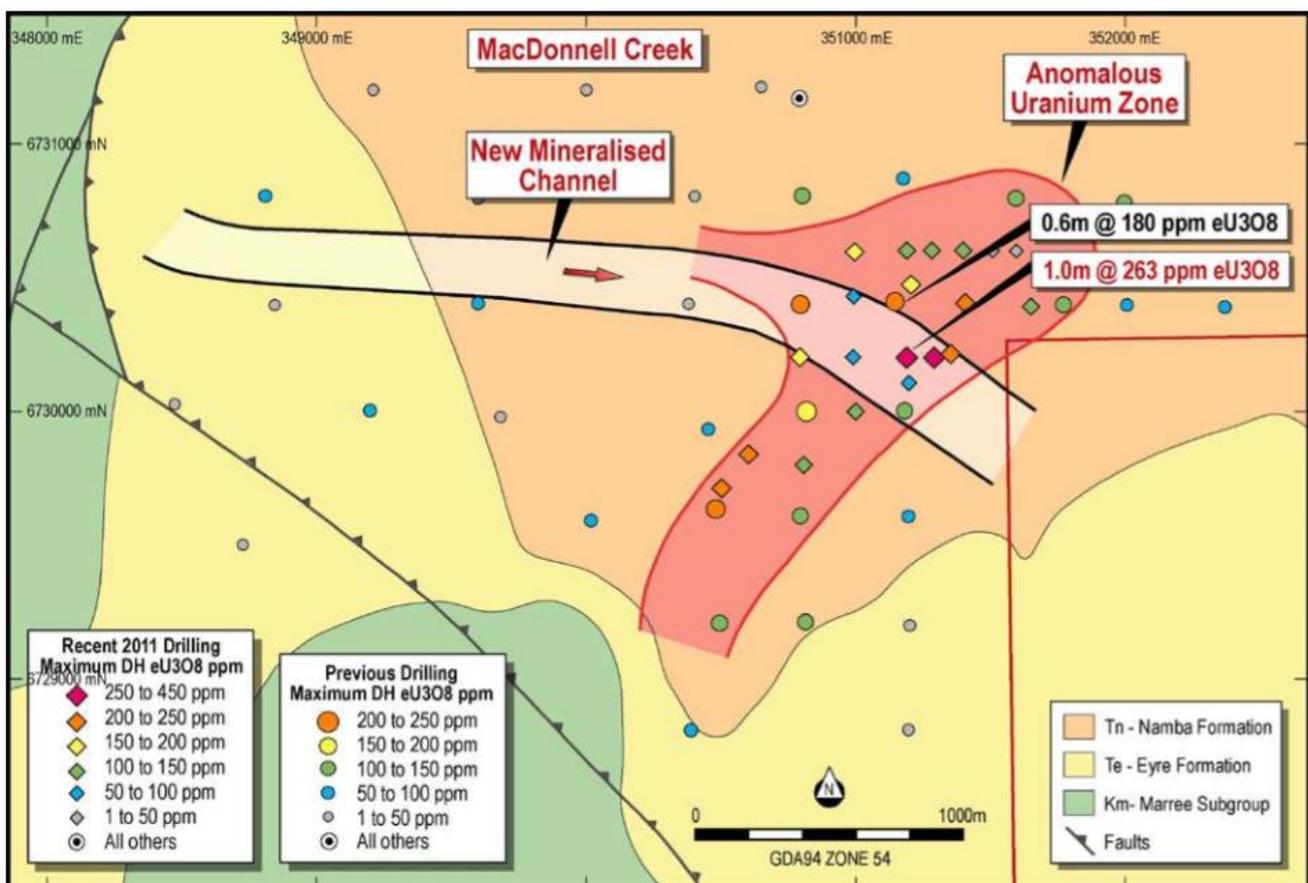
## Previous Exploration

### MacDonnell Creek

In August 2008, Cauldron undertook an initial mud rotary drilling program at MacDonnell Creek targeting uranium mineralisation within Eyre Formation sands adjacent to a basement intersecting fault system. A total of 19 vertical mud rotary holes were drilled for a total of 2,486 metres. The holes were generally drilled on at 800m spacing with lines 1200m apart and were logged with a Geovista gross gamma downhole tool, which recorded a maximum elevation of 61ppm eU<sub>3</sub>O<sub>8</sub> over 0.5m in hole MAMR006.<sup>2</sup>

In 2009, Cauldron entered into a Farm-In and Joint Venture Agreement with a Korean Consortium comprising the Korean government (KORES), Daewoo, and LG to jointly explore, drill and develop what was called the Marree Uranium Project. The MacDonnell Creek tenure (EL6553) overlies the central and eastern part of Cauldron's earlier tenure.

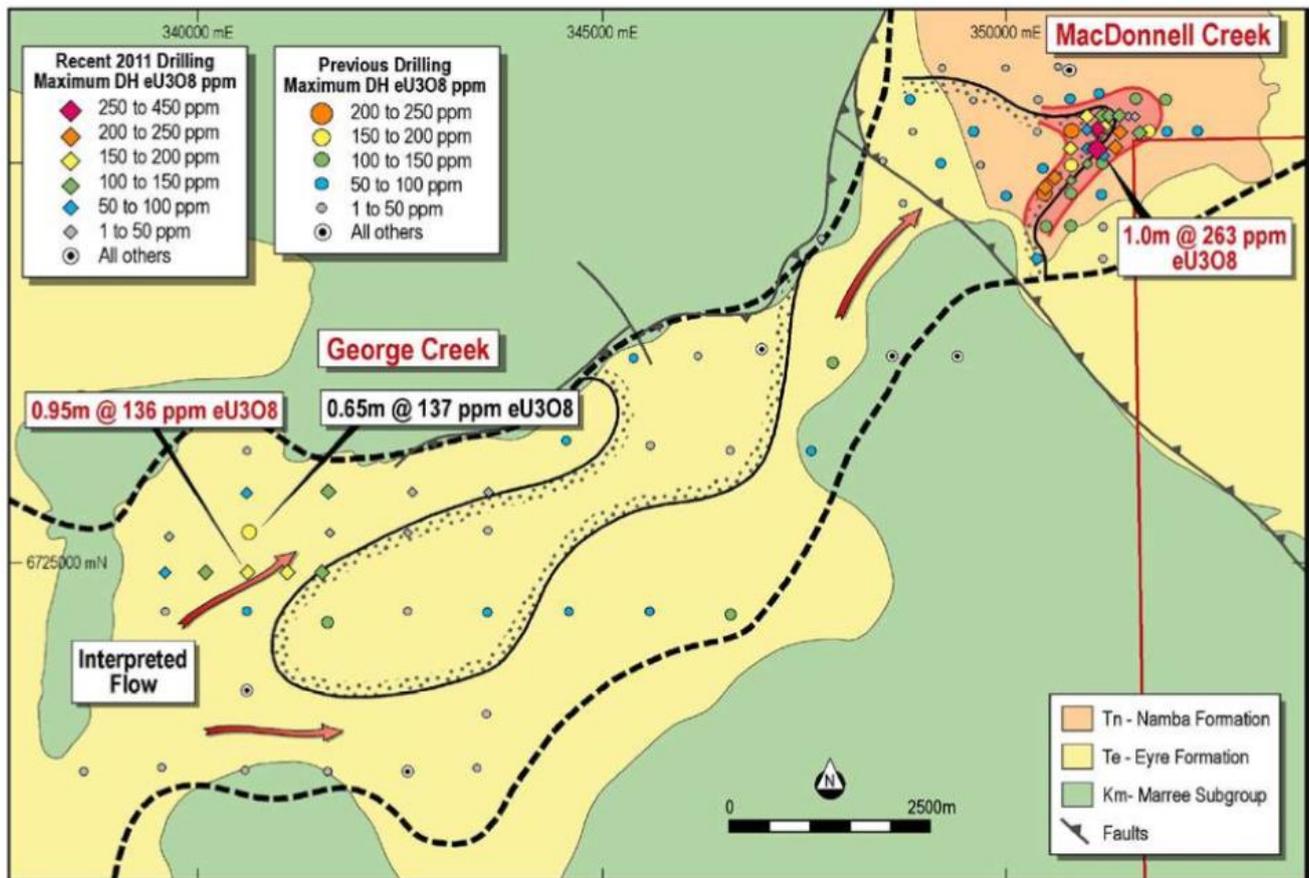
In July 2011, Cauldron completed additional drilling programs at MacDonnell Creek (**Figure 3**) and George Creek (**Figure 4**). In total, 33 (MAMR120-152) vertical drillholes (3,576 metres) were drilled on a 200m x 100m pattern at MacDonnell Creek and 1,000m x 500m pattern at George Creek. The drilling generally intersected similar thicknesses and lithologies of Namba and Eyre Formations as were intersected from previous drilling campaigns, indicating the dominantly depositional nature of the sedimentary package in the MacDonnell Creek area.<sup>3</sup>



**Figure 3:** MacDonnell Creek drilling by Cauldron up to 2011 (Source: CXU 2011 Annual Report)

<sup>2</sup> Refer to SIM ASX announcement dated 28 October 2008 – “Maree Project Update”

<sup>3</sup> Refer to CXU ASX announcement dated 14 July 2011 – “Maree Drilling Results”



**Figure 4:** George Creek and MacDonnell Creek prospects identified by Cauldron (within the new MacDonnell Creek tenure) (Source: CXU 2011 Annual Report)

The MacDonnell Creek drilling (21 holes for 2,442m, MAMR120-MAMR140) identified a major new uranium-bearing, palaeochannel located within an extensive sedimentary package high in anomalous uranium. The channel, which is trending to the east, is up to 300m wide and 12m deep and has been generated as a result of regional faulting to the west of the drilling area (**Figure 4**).

The drilling returned the project's best uranium intercepts, with downhole gamma probing returned a maximum intersection of **1.0 metre at 263ppm eU<sub>3</sub>O<sub>8</sub>** and **0.65 metres at 235ppm eU<sub>3</sub>O<sub>8</sub>** in reduced sediments directly below the channel itself (**Figure 3** and **Figure 4**)<sup>3</sup>.

Seven of the drillholes intercepted the palaeochannel, with four of these (MAMR 132-135) containing significant uranium intercepts.

There is an extensive zone of elevated uranium that occurs throughout the Eyre Formation units within the drilling area. Large volumes of uranium appear to have migrated along a localised fault and have moved through the permeable sand units within an approximate one kilometre radius. Within a thickness of approximately 25 metres of Eyre Formation interbedded sand and clay units, there are numerous permeable zones for uranium to move into as seen by the broad zone of elevated uranium identified in many of the recent drillholes. The channel itself directly crosses the fault where uranium has migrated along as well as passing through the zone of elevated uranium and appears to have acted as a preferred pathway for uranium migration.

Evidence that uranium is moving through the channel comes from the fact there is often a thin zone of elevated uranium located within the underlying interbedded reduced sand and clay unit. Uranium has moved from within the channel itself, which is highly oxidized, into the more reduced sediments below. The highest grade intersections identified from drilling at MacDonnell Creek was **1.0 metre at**

**263ppm eU<sub>3</sub>O<sub>8</sub> from 107.6m**, in hole MAMR132 and **0.65m at 235ppm eU<sub>3</sub>O<sub>8</sub> from 105.7m**, in hole MAMR134.<sup>3</sup>

Further to the west, drilling at George Creek (12 holes for 1,134m) returned significant anomalous uranium mineralisation associated with a deepening of the sedimentary sequences towards an embayment in a regional scale fault system. A region of anomalous uranium mineralisation was centred around MAMR149, which returned a maximum intersection of **0.95m at 136ppm eU<sub>3</sub>O<sub>8</sub>** within variable oxidised and reduced sands and clays of the interpreted Eyre Formation (**Figure 3**).<sup>3</sup>

The uranium mineralisation at MacDonnell Creek and George Creek are located at redox boundaries within sediments of Eyre and Namba Formations. The full extent of the MacDonnell Creek and George Creek mineralisation are yet to be determined and as such will form the principal focus of Adavale's exploration effort over the area.

## Mundowdna South East

In 1973, Nissho-iwai (Australia) Pty Ltd completed a regional exploration program of mapping, rock chip sampling and drilling for uranium minerals within an area that covers Mundowdna South East. Several anomalous uranium target areas were highlighted but not extensively followed up.

## Vendors

The vendors of EL6553, Mr Terry Topping and Mr Andrew Rust are both experienced geologists and previously held executive and management roles with Cauldron Energy during its exploration phase in this region. They have extensive experience in the exploration and discovery of uranium deposits and a deep understanding of the northern Flinders Ranges geology and the controls on mineralisation in the region.

Adavale has access to Messrs Topping and Rust to assist with the development of the Company's upcoming uranium exploration plans.

## Next Steps

- Completion of data review on EL6553 provided by Kilonova
- Confirmation of target areas on EL6553 followed by preparation of an exploration program
- Commencement of Exploration program on Mundowdna uranium Project (April)
- Land access and notice of entry forms for EL6553
- Delineation of extensions to the prospective areas - soil sampling/surface sampling to refine drill targets
- Prepare drill program in conjunction with cultural surveys/submissions of EPEPR and associated statutory documents
- Drilling programs to determine uranium mineralisation potential (EL6553/Mundowdna)

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

## Acknowledgements to traditional owners

Adavale acknowledges the Dieri and Adnyamathanha as Traditional Custodians of the land on which our current works are located. With respect to Elders past, present and emerging, Adavale is committed to conducting its activities with respect to the communities in which it operates.

<sup>3</sup>Refer to CXU ASC announcement dated 14 July 2011 – "Maree Drilling Results"

**Further information:**

**David Riekie**  
**Executive Director**  
E: [investor@adavaleresources.com](mailto:investor@adavaleresources.com)  
P: +61 2 8003 6733

**For broker and media enquiries:**

**Andrew Rowell**  
**White Noise Communications**  
E: [andrew@whitenoisecomms.com](mailto:andrew@whitenoisecomms.com)  
P: +61 400 466 226

**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 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.

**Forward looking statements**

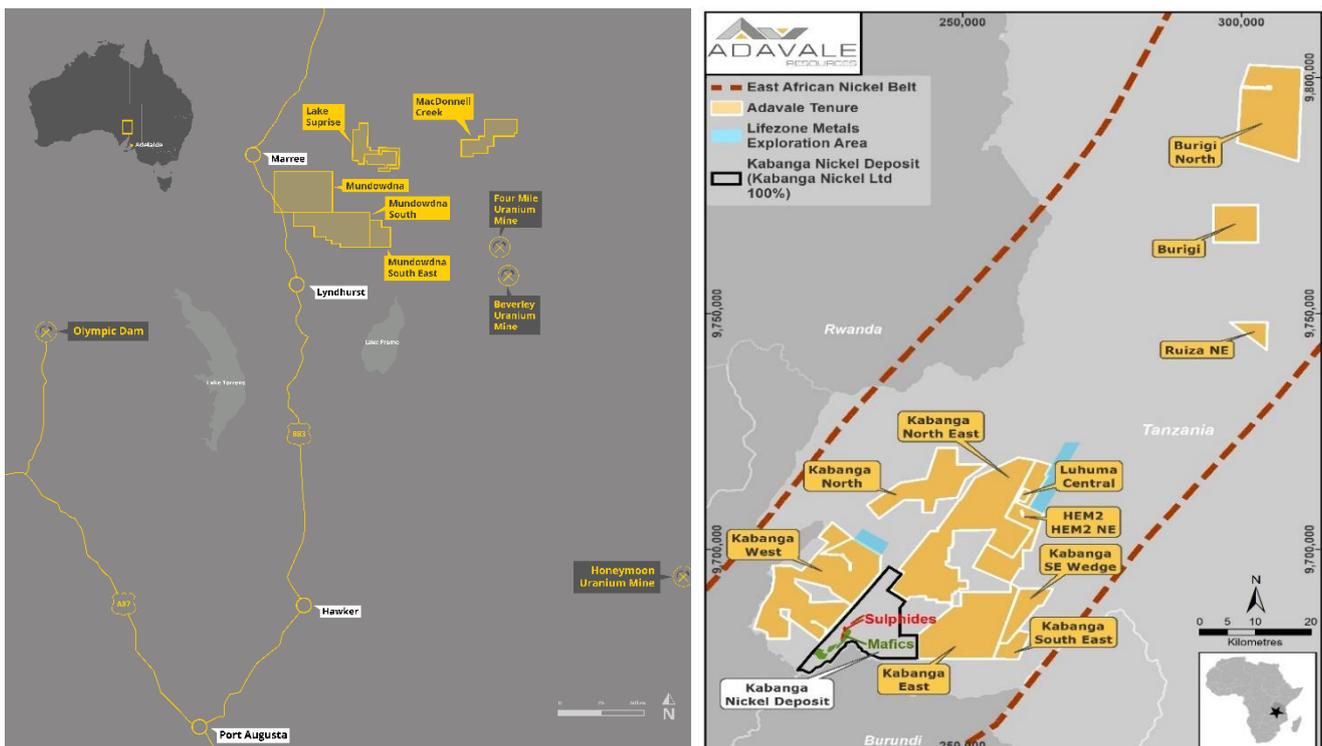
This document contains forward-looking statements concerning Adavale. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward-looking statements as a result of a variety of risks, uncertainties and other 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 – Uranium and Nickel Sulphide Explorer

Adavale Resources Limited (ASX:ADD) holds the Kabanga Jirani Nickel Project, a portfolio of 12 highly prospective granted licences along the Karagwe-Ankolean belt in Tanzania. The 9 southernmost licences are proximal to the world-class Kabanga Nickel Deposit (87.6Mt @ 2.63% Ni Eq). Adavale holds 100% of all licences except 2 licences known as the Luhuma-Farm-in are held 65% adding a further 99km<sup>2</sup> bringing the portfolio to 1,315sq km). Adavale’s licences were selected based on their strong geochemical and geophysical signatures from the previous exploration undertaken by BHP.

Adavale also holds 5 granted exploration licences prospective for their sedimentary uranium potential within the northern part of the highly prospective Northern outwash from the Flinders Ranges in South Australia. ADD is in the process of acquiring an additional exploration licence EL6553 (456km<sup>2</sup>) to increase this strategic holding to 2,058km<sup>2</sup>.



## Appendix 1 – Material Terms of Binding Heads of Agreement

<b>Acquisition</b>	<p>Adavale Resources Limited (ASX:ADD) (<b>ADD</b>) agrees to acquire and Kilonova Metals Pty Ltd (<b>Kilonova</b>) agrees to sell all of its rights, title and interest in exploration licence, EL6553 (<b>Tenement</b>).</p>
<b>Consideration</b>	<p>The consideration comprises;</p> <ul style="list-style-type: none"> <li>a) A\$15,000 non-refundable deposit (<b>Deposit</b>);</li> <li>b) 25,000,000 ADD shares (at a deemed price of \$0.005 per share)(<b>Consideration Shares</b>) subject to shareholder approval;</li> <li>c) Deferred Consideration of 25,000,000 ADD shares payable upon Adavale completing a maiden drilling program and returning an intercept of a minimum of 1m combining to at least 10m at 0.05% U<sub>3</sub>O<sub>8</sub> by 31 December 2025 (<b>Deferred Consideration Shares</b>).</li> </ul>
<b>Conditions Precedent</b>	<p>Completion of the Acquisition is conditional upon the satisfaction (or waiver by ADD) of the following <b>Conditions Precedent</b>:</p> <ul style="list-style-type: none"> <li>• completion of financial, legal and technical due diligence by ADD on the Tenement, to the absolute satisfaction of ADD within 30 days of the date of the agreement;</li> <li>• the Parties obtaining all necessary regulatory approvals or waivers pursuant to the ASX Listing Rules, <i>Corporations Act 2001</i> (Cth) or any other applicable law by 31 July 2024;</li> <li>• the Parties obtaining all third party approvals and consents, including the consent of the Minister responsible for the <i>Mining Act 1971</i> (SA) and associated <i>Mining Regulations 2020</i> (SA) by 31 July 2024; and</li> <li>• ADD obtaining all necessary Shareholder approvals including approval for the issue of the Consideration Shares by 31 July 2024.</li> </ul> <p>A party may terminate this agreement by written notice to the other party if the conditions precedent are not satisfied (or waived by ADD) on or before 5pm (Perth time) on 31 July 2024 (or such later date as the Parties may agree).</p>

The binding heads of agreement is otherwise on standard terms and conditions, including confidentiality provisions, and representations and warranties.

## Appendix 2 – Drillhole Locations

Tenement	Hole ID	Easting	Northing	Depth	Dip	Azimuth	Date Drilled	Max U <sub>3</sub> O <sub>8</sub> ppm
EL4609	MAMR120	350998	6730431	132	-90	360	5/03/2011	74
EL4609	MAMR121	35141.2	6730406	126	-90	360	5/03/2011	206
EL4609	MAMR12.2	351654	6730395	126	-90	360	7/03/2011	108
EL46C9	MAMR123	351000	6730595	120	-90	360	7/03/2011	160
EL4609	MAMR124	351196	6730607	6	-90	360	21/05/2011	Not probed
EL4609	MAMR125	351196	6730605	126	-90	360	21/05/2011	144
EL4609	MAMR126	351288	6730604	126	-90	360	22/05/2011	126
EL46æ	MAMR127	351401	6730602	126	-90	360	24/05/2011	113
EL4609	MAMR128	352512	6730605	120	-90	360	24/05/2011	48
EL4609	MAMR129	351600	6730604	120	-90	360	25/05/2011	43
EL4609	MAMR130	351.209	6730481	120	-90	360	27/05/2011	170
EL4609	MAMR131	350995	6730203	120	-90	360	27/05/2011	58
EL46CA	MAMR132	351197	6730205	120	-90	360	27/05/2011	355
EL4609	MAMR133	350793	6730205	120	-90	360	28/05/2011	197
EL4609	MAMR134	3512.96	6730200	120	-90	360	28/05/2011	431
EL4609	MAMR135	351354	6730218	120	-90	360	29/05/2011	205
EL4609	MAMR136	351202	6730106	120	-90	360	30/05/2011	86
EL4609	MAMR137	351005	6730001	120	-90	360	30/05/2011	136
EL4609	MAMR138	350608	6729837	120	-90	360	30/05/2011	249
EL4609	MAMR139	35081.2	6729797	120	-90	360	31/05/2011	134
EL4609	MAMR140	350502	6729697	114	-90	360	1/06/2011	213
EL4610	MAMR141	341602	6725902	96	-90	360	1/06/2011	109
EL4610	MAMR142	342646	6725902	84	-90	360	2/06/2011	25
EL4610	MAMR143	343593	6725896	72	-90	360	2/06/2011	25
EL4610	MAMR144	342594	6725402	96	-90	360	3/06/2011	29
EL4610	MAMR145	341632	6725397	102	-90	360	4/06/2011	47
EL4610	MAMR146	340598	6725897	96	-90	360	4/06/2011	56
EL4610	MAMR147	339646	6725345	96	-90	360	5/06/2011	47
EL4610	MAMR148	339589	6724895	90	-90	360	5/06/2011	82
EL4610	MAMR149	340613	6724907	102	-90	360	5/06/2011	183
EL4610	MAMR150	341530	6724900	108	-90	360	6/06/2011	109
EL4610	MAMR151	341103	6724903	96	-90	360	6/06/2011	152
EL4610	MAMR152	340094	6724901	96	-90	360	6/06/2011	146

(see CXU ASX announcement dated 14 July 2011 “Marree Drilling Results”)

### Appendix 3 – Significant Intercepts

Hole ID	Prospect	From (metre)	To (metre)	Width (metres)	eU <sub>3</sub> O <sub>8</sub> ppm	Max U <sub>3</sub> O <sub>8</sub> ppm
MAMR 121	MacDonnell Creek	102.6	103.25	0.65m	175	206
MAMR 123	MacDonnell Creek	98.55	98.85	0.3m	134	161
MAMR 125	MacDonnell Creek	103.3	103.55	0.25m	129	144
MAMR 126	MacDonnell Creek	102.5	102.7	0.2m	116	126
MAMR 130	MacDonnell Creek	100.2	100.6	0.4m	135	170
MAMR 132	MacDonnell Creek	107.6	109.3	1.7m	216	355
			<b>including</b>	<b>1.0m</b>	<b>263</b>	<b>355</b>
MAMR133	MacDonnell Creek	101.2	101.65	0.45m	125	153
		113.1	113.5	0.4m	157	196
MAMR134	MacDonnell Creek	105.7	106.35	0.65m	235	431
			<b>including</b>	<b>0.3m</b>	<b>342</b>	<b>431</b>
		108.5	109.1	0.6m	159	209
MAMR 135	MacDonnell Creek	109.6	110.1	0.5m	150	205
MAMR 137	MacDonnell Creek	103.05	103.45	0.4m	120	136
MAMR 138	MacDonnell Creek	90.95	91.3	0.35	131	152
		92.7	93.55	0.85m	164	249
MAMR139	MacDonnell Creek	92.9	93.1	0.2m	123	134
MAMR140	MacDonnell Creek	91.1	91.45	0.35m	167	214
		93	93.45	0.45m	135	165
		105.65	106	0.35m	129	156
MAMR149	George Creek	79.3	80.25	0.95m	126	183
MAMR151	George Creek	83.4	83.85	0.45m	119	152
MAMR152	George Creek	68.5	68.7	0.2m	123	146

(see CXU ASX announcement dated 14 July 2011 “Marree Drilling Results”)

## Appendix 4 – JORC Table 1

### Adavale Resources Limited – Lake Surprise and Mundowdna Projects, South Australia

#### JORC Code Edition 2012: Table 1

##### Section 1: Sampling Techniques and Data

Criteria	JORC Code Explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li><i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i></li> <li><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></li> <li><i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i></li> </ul>	<p>No Sampling or drilling has been completed by Adavale Resources</p> <p>Historic drilling was completed between 2008 and 2011 by Cauldron Energy. Drilling was mud rotary to a depth of 130m. Initial holes at MacDonnell Creek were drilled 800m apart along lines. Lines were 1200m apart, with later drilling infilling some areas to 400m x 400m, 200m x 200m and some 200m x 100m in 2011. Initial drilling at George Creek was on 1km x 1km spacings with later drilling infilling some areas to 500m x 500m.</p> <p>Holes were downhole gamma logged by Borehole Wireline Pty Ltd with a Geovista 38mm total count gamma probe, which was calibrated in Adelaide at the Department of Water, Land and Biodiversity Conservation in calibration pits constructed under the supervision of CSIRO. The gamma tool measures the total gamma ray flux in the drill hole. Readings are averaged over 5 centimetre intervals and the readings and depth were recorded on a portable computer. The gamma ray readings were converted to equivalent U<sub>3</sub>O<sub>8</sub> readings by using the calibration factors derived from the Adelaide calibration pits. These factors also take into account differences in hole size and water content.</p> <p>The grade and calibration was calculated by Borehole Wireline based in South Australia. Grade thickness intervals were calculated by 3D Exploration Ltd based in Western Australia.</p>
Drilling techniques	<ul style="list-style-type: none"> <li><i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i></li> </ul>	<p>Historic drilling by CXU was by open hole rotary mud.</p>

Criteria	JORC Code Explanation	Commentary
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> <li>• <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></li> <li>• <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></li> <li>• <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></li> </ul>	<p>2 metre composite samples for geological logging were collected from the open-hole drill collar, as the drill cuttings were lifted from the hole by the drilling muds</p> <p>The geological logging recorded various geological parameters, including lithology, colour, grain size and reduction and oxidation state.</p> <p>No relationship exists between sample recovery and uranium grade, as the grade is calculated from a separate downhole gamma tool.</p>
<i>Logging</i>	<ul style="list-style-type: none"> <li>• <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></li> <li>• <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></li> <li>• <i>The total length and percentage of the relevant intersections logged.</i></li> </ul>	<p>Historic geological logging was completed by Cauldron Energy from drill chips derived from open hole mud rotary methods. The drill logging is being reviewed. All holes were drilled vertically to a depths up to 130m. All holes were geologically logged and gamma logged using a Geovista 38mm total count gamma probe.</p>
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> <li>• <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li> <li>• <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></li> <li>• <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> <li>• <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> <li>• <i>Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.</i></li> <li>• <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul>	<p>No historic geochemical sub-sampling was completed by CXU.</p>
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> <li>• <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li>• <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></li> <li>• <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory</i></li> </ul>	<p>No historical geochemical analysis was completed by CXU. All results were derived from downhole gamma logging utilising a Geovista 38mm total count gamma probe.</p> <p>All CXU holes were downhole gamma logged by Borehole Wireline Pty Ltd with a Geovista 38mm total count gamma probe, which was calibrated in Adelaide at the Department of Water, Land and Biodiversity Conservation in</p>

Criteria	JORC Code Explanation	Commentary
	<p><i>checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i></p>	<p>calibration pits constructed under the supervision of CSIRO. The gamma tool measures the total gamma ray flux in the drill hole. Readings are averaged over 5 centimetre intervals and the readings and depth were recorded on a portable computer. The gamma ray readings were converted to equivalent U<sub>3</sub>O<sub>8</sub> readings by using the calibration factors derived from the Adelaide calibration pits. These factors also take into account differences in hole size and water content.</p> <p>The grade and calibration was calculated by Borehole Wireline based in South Australia. Grade thickness intervals were calculated by 3D Exploration Ltd based in Western Australia.</p>
<p><i>Verification of sampling and assaying</i></p>	<ul style="list-style-type: none"> <li>• <i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li>• <i>The use of twinned holes.</i></li> <li>• <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li>• <i>Discuss any adjustment to assay data.</i></li> </ul>	<p>Not applicable as early stages of exploration. Work aimed at identifying broader areas of mineralisation and infill for compliance and verification was to follow in later programs.</p>
<p><i>Location of data points</i></p>	<ul style="list-style-type: none"> <li>• <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></li> <li>• <i>Specification of the grid system used.</i></li> <li>• <i>Quality and adequacy of topographic control.</i></li> </ul>	<p>Handheld GPS using GDA94 was used by CXU to locate and record drill collars.</p>
<p><i>Data spacing and distribution</i></p>	<ul style="list-style-type: none"> <li>• <i>Data spacing for reporting of Exploration Results.</i></li> <li>• <i>Whether the data spacing, and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></li> <li>• <i>Whether sample compositing has been applied.</i></li> </ul>	<p>Historic drilling was completed between 2008 and 2011 by Cauldron Energy. Initial holes at MacDonnell Creek were drilled 800m apart along lines. Lines were 1200m apart, with later drilling infilling some areas to 400m x 400m, 200m x 200m and some 200m x 100m in 2011. Initial drilling at George Creek was on 1km x 1km spacings with later drilling infilling some areas to 500m x 500m.</p>
<p><i>Orientation of data in relation to geological structure</i></p>	<ul style="list-style-type: none"> <li>• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li>• <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is</i></li> </ul>	<p>Drilling was on a regular grid pattern.</p>

Criteria	JORC Code Explanation	Commentary
	<i>considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	
Sample security	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	Not applicable as no geochemical sample was collected.
Audits or reviews	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	Not applicable as no audits has been undertaken.

## Section 2: Reporting of Exploration Results

(Criteria in this section apply to all succeeding sections)

Criteria	Explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<p>The Lake Surprise Uranium Project covers an area of 396km<sup>2</sup>. The tenement package is located in the North-East Pastoral District of South Australia. It is 100% owned and operated by Adavale Resources.</p> <p>Tenement ID's are: EL5892, EL5893 and EL6589</p> <p>The Native Title holder for the area is the Dieri People.</p> <p>The tenements cross the boundary of Clayton Station and Murnpeowie Station.</p> <p>The Mundowdna Project comprises: EL6821 (682 km<sup>2</sup>) and EL6957 (591km<sup>2</sup>)</p> <p>These licences are centred approximately 45 km south east of Marree and are on the pastoral leases of Farina, Mundowdna, Wilpoorinna and Mount Lyndhurst.</p> <p>EL6821 is 100% owned and operated by Adavale Resources, While at the time of writing, ELA2023/00043 is still under consideration for grant by the department.</p> <p>EL6553 is made up of two sections. The smallest section is adjacent to and contiguous with EL6957. This part of the licence is wholly within the property of Mt Lyndhurst.</p> <p>The second part of the licence is wholly within the property of Murnpeowie.</p> <p>Native Title on the licences is held by The Arabana People, The Adnyamathanha People and The Dieri People.</p>

Criteria	Explanation	Commentary
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <li><i>Acknowledgment and appraisal of exploration by other parties.</i></li> </ul>	<p>Assessment of the work done by previous parties is yet to be completed.</p> <p>Adavale will have a period of time to undertake due diligence on the work completed by the previous parties.</p>
<i>Geology</i>	<ul style="list-style-type: none"> <li><i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<p>The exploration target is a sandstone hosted palaeochannel deposit of uranium within sediment outwash from the Northern Flinders Ranges.</p>
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <li><i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <li><i>easting and northing of the drill hole collar</i></li> <li><i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li><i>dip and azimuth of the hole</i></li> <li><i>down hole length and interception depth</i></li> <li><i>hole length.</i></li> </ul> </li> <li><i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i></li> </ul>	<p>Not applicable as no drilling was conducted by Adavale Resources. All work outlined in this release is from historic announcements.</p>
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> <li><i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i></li> <li><i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></li> <li><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul>	<p>Not applicable as no such information was referred to.</p>
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> <li><i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li><i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg ‘down hole length, true width not known’).</i></li> </ul>	<p>Reporting of widths and grades in this release are based on historic data. This information is to be validated as part of the due diligence that will be undertaken by Adavale.</p>

Criteria	Explanation	Commentary
<i>Diagrams</i>	<ul style="list-style-type: none"> <li>• <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i></li> </ul>	Not applicable as reported information is from past companies and due diligence is to be conducted before entering into the agreement.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <li>• <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i></li> </ul>	Not applicable as information presented here has been reported by past companies.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <li>• <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i></li> </ul>	Not applicable.
<i>Further work</i>	<ul style="list-style-type: none"> <li>• <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li>• <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul>	Planned further work will be defined from a thorough review of the datasets provided as part of this venture.