

21 February 2022



Adavale Commences Exploring at Highly Prospective Luhuma Nickel Project

- Conditions precedent now met and provides Adavale immediate and exclusive rights to explore and evaluate the Luhuma licence area for 12 months¹
- Staged Farm-In consideration US\$12.5k cash and US\$25k of Adavale shares per licence paid and issued to Vendor¹
- Ground based surveys and exploration on Luhuma Licence area (~99sqkms) adjacent to Adavale's Kabanga NE licences proceeding
- Total exploration area for Adavale's nickel sulphide exploration potential now extended to cover ~1,243sqkms
- Interest being generated from BHP's recent strategic investment in adjacent Licence holder's Nickel project

Adavale Resources Limited (ASX:ADD) ("Adavale" or "the Company") is pleased to advise that the Stage 1 'Luhuma' Farm-In consideration comprising US\$12,500 cash per licence and 1,778,458 fully paid ordinary shares to the value of US\$25,000 per licence has been paid and issued to the Vendor.

Adavale Executive Director, David Riekie commented:

"This is a great outcome for Adavale as the exclusive access to explore the Luhuma Licences is considered a key addition to Adavale's immediate and medium term exploration strategy.

The Luhuma Farm-In Licences are considered very prospective as they contain the Luhuma intrusion, a known mineralised intrusion, enabling us to extend our exploration footprint to capture the area which includes the 8km Luhuma corridor.

This "corridor" was identified as part of our 2021 exploration program and will feature heavily in our 2022 exploration program.

Our current ground based exploration surveys including soil sampling, DHEM and gravity surveys have recommenced. Ground based or airborne Electromagnetic (EM) surveys will also feature in the target generation and refinements for our future drilling programs.

¹Details of the staged payments and commercial arrangements for the Farm-In are included in the ASX release "Highly Prospective Nickel Sulphide Tenure Expanded" dated 15 December 2021.

ASX: ADD

DIRECTORS & OFFICERS

GRANT PIERCE
CHAIRMAN

DAVID RIEKIE
EXECUTIVE DIRECTOR

JOHN HICKS
DIRECTOR

ALLAN RITCHIE
CHIEF EXECUTIVE OFFICER

LEONARD MATH
CFO & COMPANY SECRETARY

ISSUED CAPITAL

Shares: 351 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 and a Farm-In Project 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

MORE INFORMATION

adavaleresources.com

CONTACT

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Adavale considers the scale of the opportunity we are looking to realise for the Company on our licences justify the current level of planning and preparation for drilling and will give Adavale the best chance of a significant discovery.

We now are looking forward to exploration success, building on these important workstreams as part of our planned activities for the 2022.

Adavale like many others have welcomed the re-emergence of BHP in Tanzania taking a strategic stake in our neighbour, having been the early mover in the exploration of the region some decades ago.”

The expanded tenure and Adavale’s southern licence portfolio, including the Farm-In licences, are shown in Figure 1.

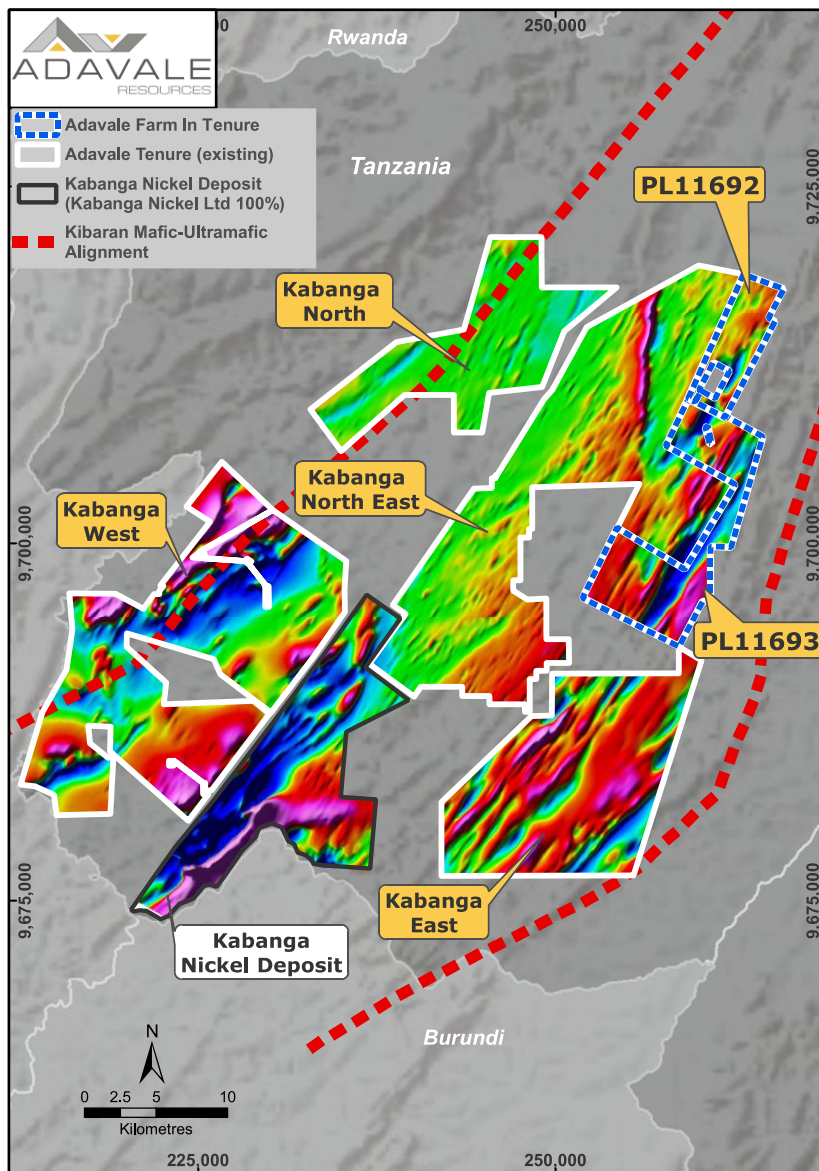


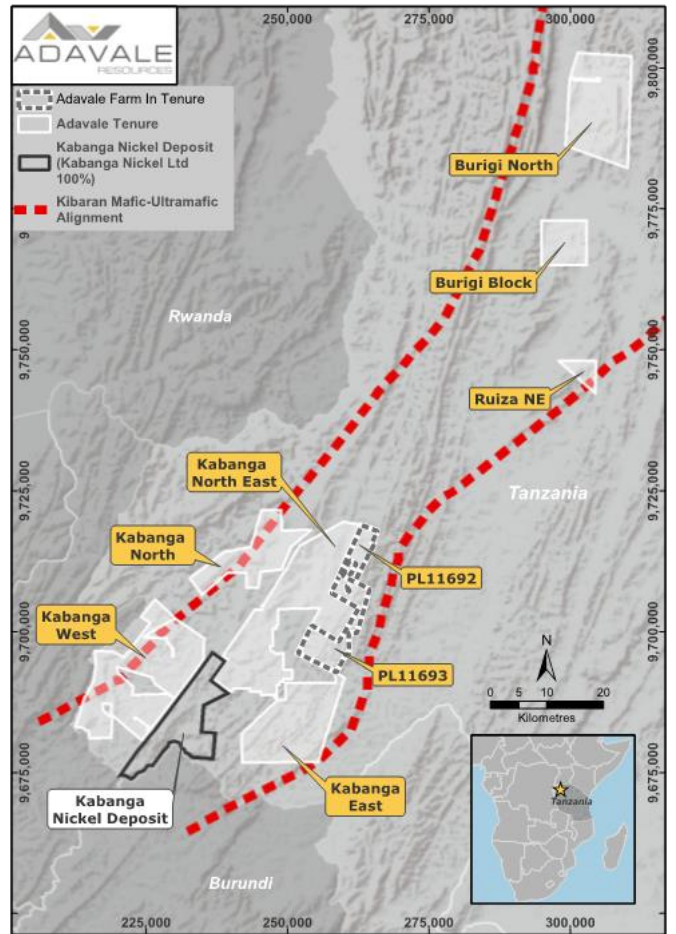
Figure 1 – Map of Adavale’s existing 4 southern licences and the 2 contiguous Farm-in licences proximal to Kabanga Nickel Deposit

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

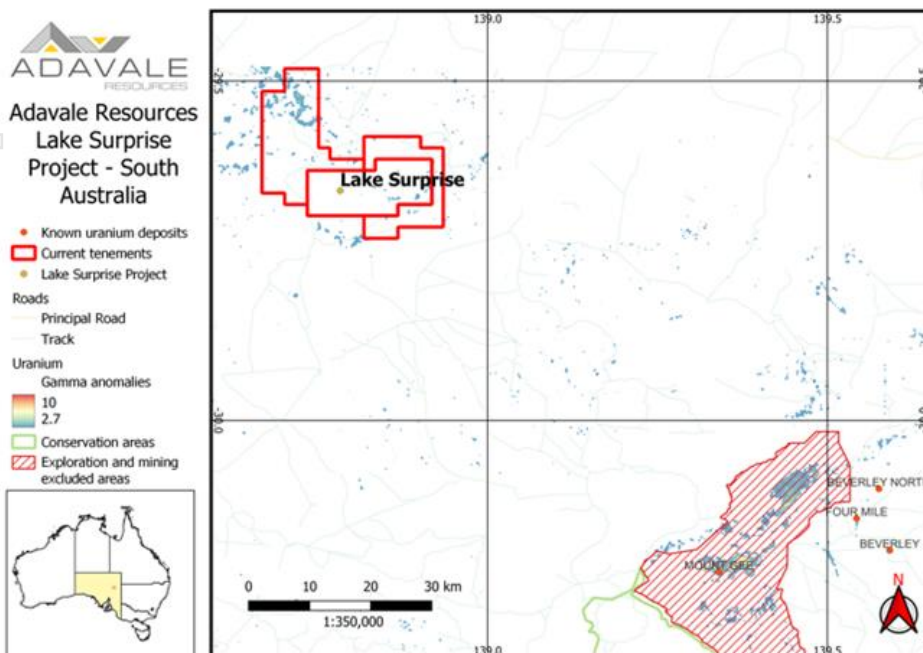
For further information please contact investor@adavaleresources.com or visit www.adavaleresources.com

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 7 highly prospective granted licences covering ~ 1,145km² along the Karagwe-Ankolean belt in Tanzania. The 4 southernmost licences are proximal to the world class Kabanga Nickel Deposit (58Mt @ 2.62% Ni). Adavale has Farmed-In 2 more highly prospective licences contiguous to our 4 southernmost licences, adding a further 99km² to the portfolio (Luhuma Nickel Project). 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 for their sedimentary uranium potential within the northern part of the highly prospective Lake Frome Embayment in South Australia.



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 undertaken 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.