

Quarterly Activities Report

For the quarter ended 31st December 2024

KEY HIGHLIGHTS

Parkes Gold and Copper Project, NSW

- All-scrip acquisition of 72.5% interest in the Parkes Gold and Copper Project located in the Lachlan Fold Belt of NSW, Australia
 - Immediate focus on the London-Victoria Gold Mine, with historical estimates of 3.70Mt @ 1.04g/t Au for 124koz gold¹
 - Diamond drilling completed in November 2024 demonstrates potential 12m thick down-dip extension of the London-Victoria mineralisation
- Parkes Project acquisition was completed in January 2025 with the London-Victoria tenement EL7242 successfully renewed until November 2030

Uranium Exploration Activities, SA

- Cultural Heritage survey finalised at MacDonnell Creek (SA) with 2,000m Uranium drilling program expected to commence in Q2 2025

Corporate

- \$1.675 million capital raising to professional and sophisticated investors with Directors and Officers co-investing ~\$100,000 (over 6%) of the Placement to advance the Parkes Project announced during the quarter
- Mr. Allan Ritchie transitioned to Executive Chairman on 31 October 2024
- Adavale maintains a strong balance sheet following completion of the Tranche 2 Placement in January 2025

Adavale's Executive Chairman and CEO, Mr. Allan Ritchie commented:

"The completion of both the Parkes Gold and Copper Project acquisition and recent Placement is a critical step forward for Adavale, with enough funding for exploration and drilling on the numerous highly prospective targets across our 4 licences located in the Lachlan Fold Belt, a Tier 1 mining

¹ ****Cautionary Statement:** Readers are cautioned that the Historical Estimate for the London-Victoria deposit referred to in this Announcement is not reported in accordance with the JORC 2012 Code. A Competent Person has not undertaken sufficient work to classify the Historical Estimate as a Mineral Resource in accordance with the JORC 2012 Code. Nothing has come to the attention of Adavale that causes it to question the accuracy or the reliability of the former owner's Historical Estimate. However, Adavale has not independently validated the former owner's estimate and therefore is not to be regarded as reporting, adopting or endorsing the estimate. Following evaluation and further exploration work, it is uncertain whether it will be possible to report the Historical Estimate as a Mineral Resource in accordance with the JORC 2012 Code. The Historical Estimate has been reported in accordance with ASX Listing Rule 5.12. Refer to ASX announcement 29th of November 2024 and the relevant appendixes and JORC tables for further information.

Directors & Officers

ALLAN RITCHIE
Executive Chairman & CEO

NIC MATICH
Non-Executive Director

JOHN HICKS
Non-Executive Director

LEONARD MATH
CFO & Company Secretary


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 AdavaleL

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jurisdiction. One of Adavale's licences also includes the London Victoria historic mine with a historic resource of 124koz Au that Adavale will work on upgrading to JORC-qualifying status.

In addition, the Adavale team have just returned from a site visit and are very excited with the Parkes Project and the opportunity it presents to develop solid shareholder value and we look forward to providing regular updates from the Parkes Project throughout the exploration programs ahead."

Adavale Resources Limited [ASX:ADD] ('Adavale' or the 'Company') is pleased to report on its activities for the quarter ended 31 December 2024.

Parkes Gold and Copper Project (NSW)

During the quarter, Adavale announced the acquisition of a 72.5% interest in the Parkes Gold and Copper Project ("Parkes Project") on 29 November 2024. The acquisition was completed in January 2025. Refer to ASX announcement dated 29 November 2024 for the terms of the acquisition.

The Parkes Project is located within the prolific gold and copper producing Macquarie Arc portion of the Lachlan Fold Belt in central NSW – hosting some of Australia's most prolific gold and copper mines. The acquisition includes four exploration tenements that encompass a total of 395km² in an area that is adjacent to the Northparkes copper gold-mine, as well as Cadia-Ridgeway – a world-class deposit for copper and gold mineralisation.

The Exploration Licences ('EL's') are situated where Early Ordovician-age Junee-Narromine Volcanic Belt rocks of the western part of the Arc are intersected by the crustal-scale structural corridor of the Lachlan Transverse Zone ('LTZ'). Significantly, the LTZ is host to Tier 1 gold and copper mines, such as Northparkes (5.2Moz Au & 4.4Mt Cu) and Cadia-Ridgeway (35.1Moz Au & 7.9Mt Cu) where it intersects Macquarie Arc rocks (Figure 1).

The Parkes Project's most advanced prospect is the former London-Victoria Gold Mine which saw estimated historical production by BHP Gold and Hargraves of **200,000 to 250,000 ounces at a head grade of 1.5-2g/t Au**. A Historical Estimate of **3.7Mt at 1.04g/t Au for 123.8koz Au** was defined for London-Victoria.

At London-Victoria, it is intended to utilise the existing drillhole database, augmented by a small number of new well-targeted deeper holes, to estimate a Mineral Resource. This opportunity comes at relatively low cost and at a time of record gold prices. Recent diamond drilling at the mine intersected a 12m potential down-dip extension of the deposit to be confirmed with assay results expected soon.

In conjunction with the acquisition of the Project, Adavale received binding commitments to raise \$1.675 million (before costs) through a placement to new and existing sophisticated and professional investors. Proceeds from the Placement will be used to accelerate exploration activities within the Parkes Project with a primarily focus on increasing and upgrading the London-Victoria resource to JORC-qualifying status.

Other prospects in the Parkes Project area include Ashes, Myalls, Corner, Parkvale, Cunich and Birthday Mine. These prospects have had minimal or no drill testing but have recorded numerous high-grade polymetallic rock chip sampling assay results with which to guide initial exploration activities. Key drill intercepts and rock chips from the prospects are presented in Table 1.

The 'walk up' Ashes, Myalls and Corner Prospects are within tenement EL 8831; adjacent to and approximately 10km east of the Northparkes mine which contains an endowment of 5.2Moz Au and 4.4Mt Cu. These prospects share similar geology to Northparkes, as well as significant gold, silver and copper assay results in rock chip samples from the prospects, representing compelling exploration targets worthy of early follow-up by the Company (Figure 2).

Ashes is a particularly compelling porphyry copper-gold target as it comprises an untested, historical, 200m-long, north-striking, up to **7.3% copper²** and **8.8g/t gold³** rock chip sample geochemical anomaly situated 200m east across strike from a yet to be resolved historical IP chargeability anomaly and 400m south-west of historical end-of-auger-hole diamond core tails that intersected monzonite which is the felsic intrusive lithology that hosts the Northparkes deposits.

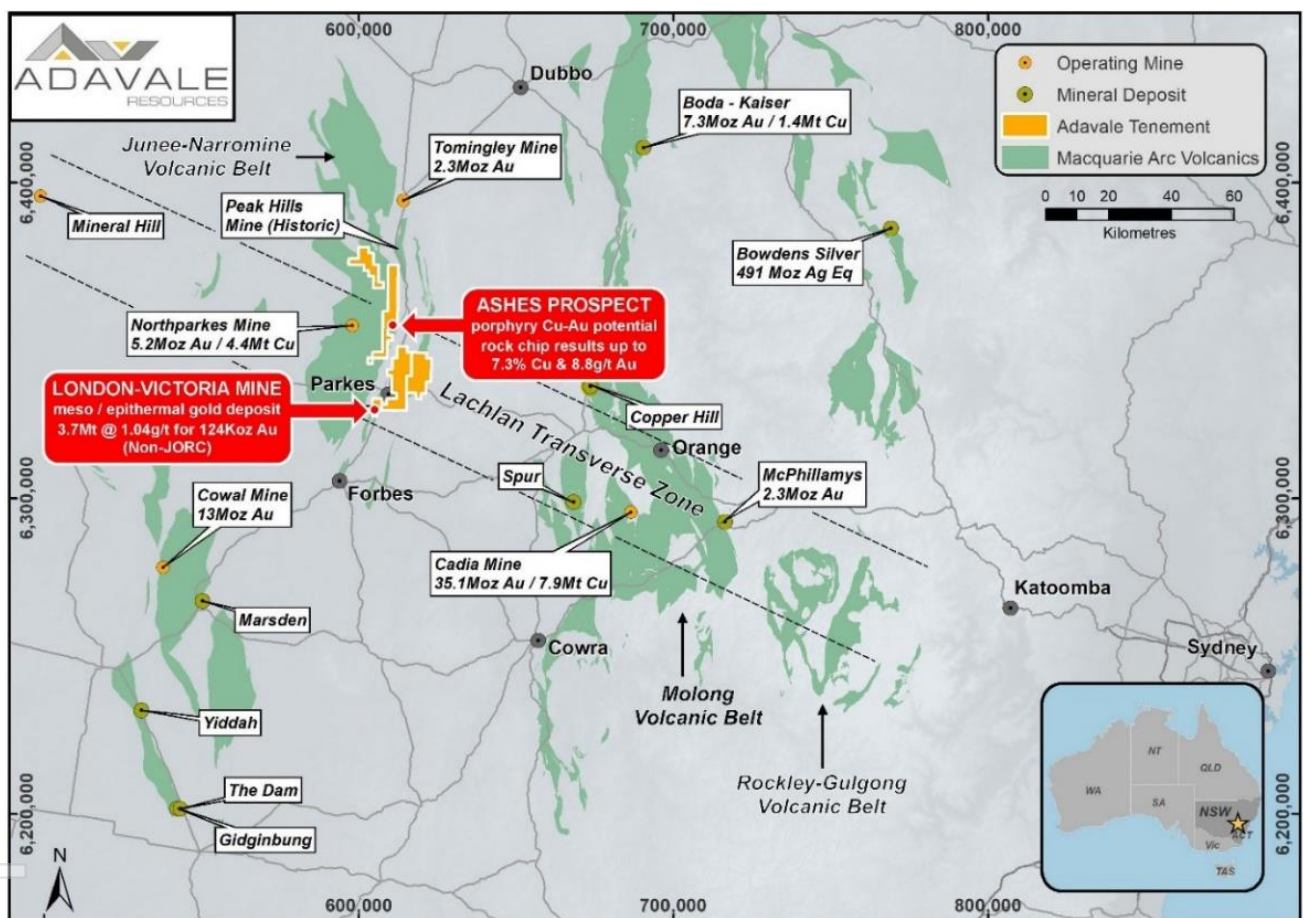


Figure 1 – Map of the central New South Wales Lachlan Fold Belt showing the location of Adavale’s newly-acquired mineral tenure relative to significant copper and gold deposits, the Lachlan Transverse Zone and Ordovician volcanic belts of the Macquarie Arc Group. Note the Project’s proximity adjacent to the Northparkes mine at the intersection of the Lachlan Transverse Zone with the Junee-Narromine Volcanic Belt.

² Geopeko (A Division of Peko-Wallsend Operations Ltd). Report No. PK92/79S, First Annual Report on EL 3544, For the Period May 1990 - May 1991. (Geoscience NSW database [DIGS] report R0003275 [GS1993/055])

³ Meridian Minerals Ltd. EL6644, “North Parkes East”, Annual Report for the Period Ending on 9th October 2010, Lachlan Fold Belt Project, NSW. (Geoscience NSW database [DIGS] report RE0002336 [GS2012/0015])

Table 1: Highlights from exploration prospects. Refer to referenced sources (WGS 84 / UTM Zone 55S)

| Prospect | Licence | Coordinates | Sample | Comment |
|------------------------------|---------|-------------------|------------|--|
| London-Victoria ⁴ | EL7274 | 605450E, 6330000N | Drill core | Visual indicators of mineralisation, assays pending (drillhole AEIDD001) |
| Ashes ^{2,3} | EL8831 | 610609E, 6353745N | Rock chip | 8.8g/t Au & 19.2 g/t Ag |
| | | 610600E, 6353667N | Rock chip | 5.5% Cu & 13.3 g/t Ag |
| | | 610590E, 6353828N | Rock chip | 1.5g/t Au, 84g/t Ag & 2.1% Cu |
| | | 610563E, 6329534N | Rock chip | 7.3% Cu & 0.02g/t Au (approximate location) |
| Myalls ³ | EL8831 | 609113E, 6355834N | Rock chip | 0.86% Cu & 0.91 g/t Au, veins in andesite |
| Corner ⁵ | EL8831 | 607550E, 6367900N | RAB | 2m at 1.73 g/t Au, metaseds and intrusives |
| Parkvale ⁶ | EL8830 | 613613E, 6341984N | Rock chip | 6.3 g/t Au, over magnetic anomaly |
| Cunich ⁶ | EL8830 | 613113E, 6335984N | Rock chip | 1.4 g/t Au rock chips with elevated Cu |
| Birthday ⁶ | EL8830 | 607913E, 6329354N | Historic | 11 g/t Au historic (pre-1900) grade |

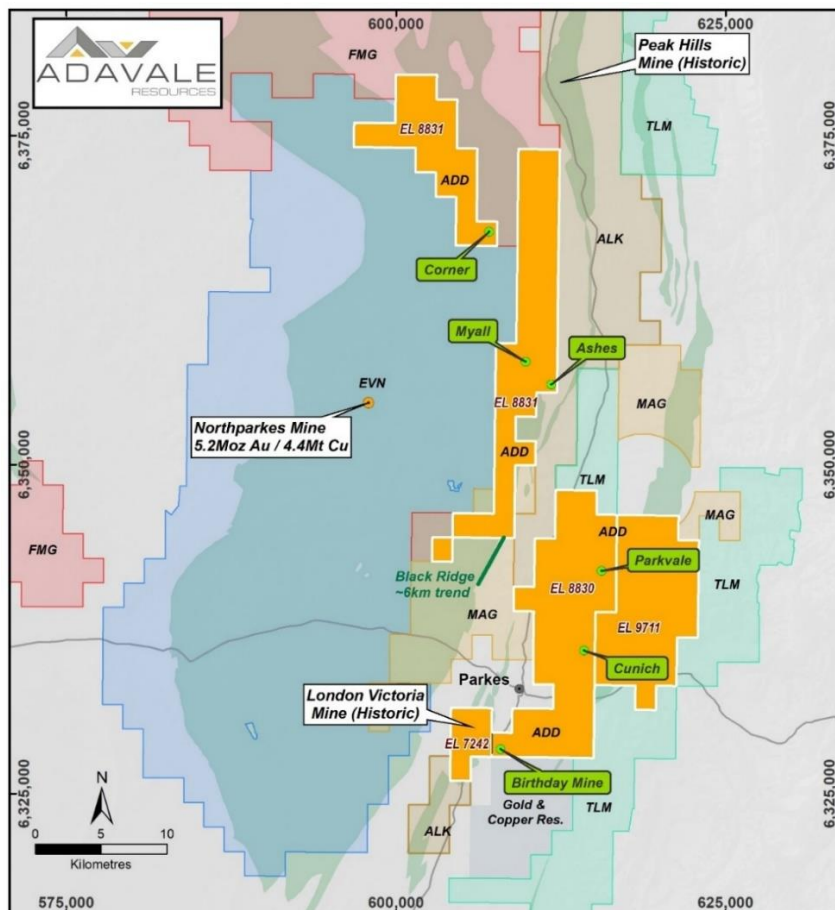


Figure 2 – Parkes Gold and Copper Project tenement location and prospect map.

⁴ Agricultural Equity Investments Pty Limited. Exploration Licence 7242, “Parkes”, Third Annual Exploration Progress Report, for the period 7th November 2010 – 6th November 2011. (Geoscience NSW database [DIGS] report RE0002336 [GS2012/0015]).

⁵ Newmont Australia Ltd. EL7940, “Dunmore”, Annual Exploration Report for 2013, Appendix A Previous Work. (Geoscience NSW database [DIGS] report RE0004378 [GS2013/0854]).

⁶ Agricultural Equity Investments Pty Limited. EL8830, First Annual Exploration Report, “About 4.84km NE of Parkes Project”, Covering Period 13 April 2019 to 12 April 2020. (Geoscience NSW database [DIGS] report RE0012838 [GS2020/0571]).

London-Victoria Gold Mine – November 2024 Diamond Drilling

An angled 453m-long diamond core hole (AEIDD001) was drilled by the Vendor in November 2024 to test the down-dip depth potential of the London-Victoria gold deposit. The hole targeted the deposit approximately 250m below surface and 150m below the bottom of the pit.

The hole intersected a prospective 12m-wide zone of quartz-carbonate veining and shearing in pyrite-sericite altered andesitic volcanoclastic rock from 339m to 351m. The intercept is broadly consistent with the geology, thickness, structure and alteration assemblage, exhibited by the ore that was mined at the bottom of the London-Victoria pit by BHP Gold and Hargraves in the 1980's and 1990's.

The drill core appears to be mineralised however no inferences can be drawn from these observations about the gold grade of this intersection at present. Assay results for AEIDD001 are pending and will be reported in full by Adavale as soon as they become available.

Figure 3 displays a satellite image showing AEIDD001's location relative to the London-Victoria pit. A photo of the drill core from the potential down-dip extension interval of the London-Victoria deposit intersected in AEIDD001 is provided in Figure 4.



Figure 3 – Satellite image of the historic London-Victoria pit showing AEIDD001's collar location and drillhole trace.



Figure 4 – Photo of core trays 107 and 108 from DDH AEIDD001 (344.97-351.63m) showing most of the 12m-thick zone of quartz-carbonate veining and shearing in sericite-pyrite altered andesitic volcanoclastic rock intersected 339 to 351m downhole, which is thought to be the down-dip extension of the London-Victoria deposit. Core tray length is 1m.

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Uranium Projects (SA)

Following the acquisition of EL6553 from Kilonova Metals Pty Ltd, the Company has completed the required heritage clearance survey to enable infill and extensional drilling of broad spaced historical uranium drill intercepts at MacDonnell Creek. Final approval for the drill program is expected shortly. This is an important step in Adavale's planned Aircore drilling program at MacDonnell Creek and for further potential paleochannel extensions within the Marree Embayment in South Australia.

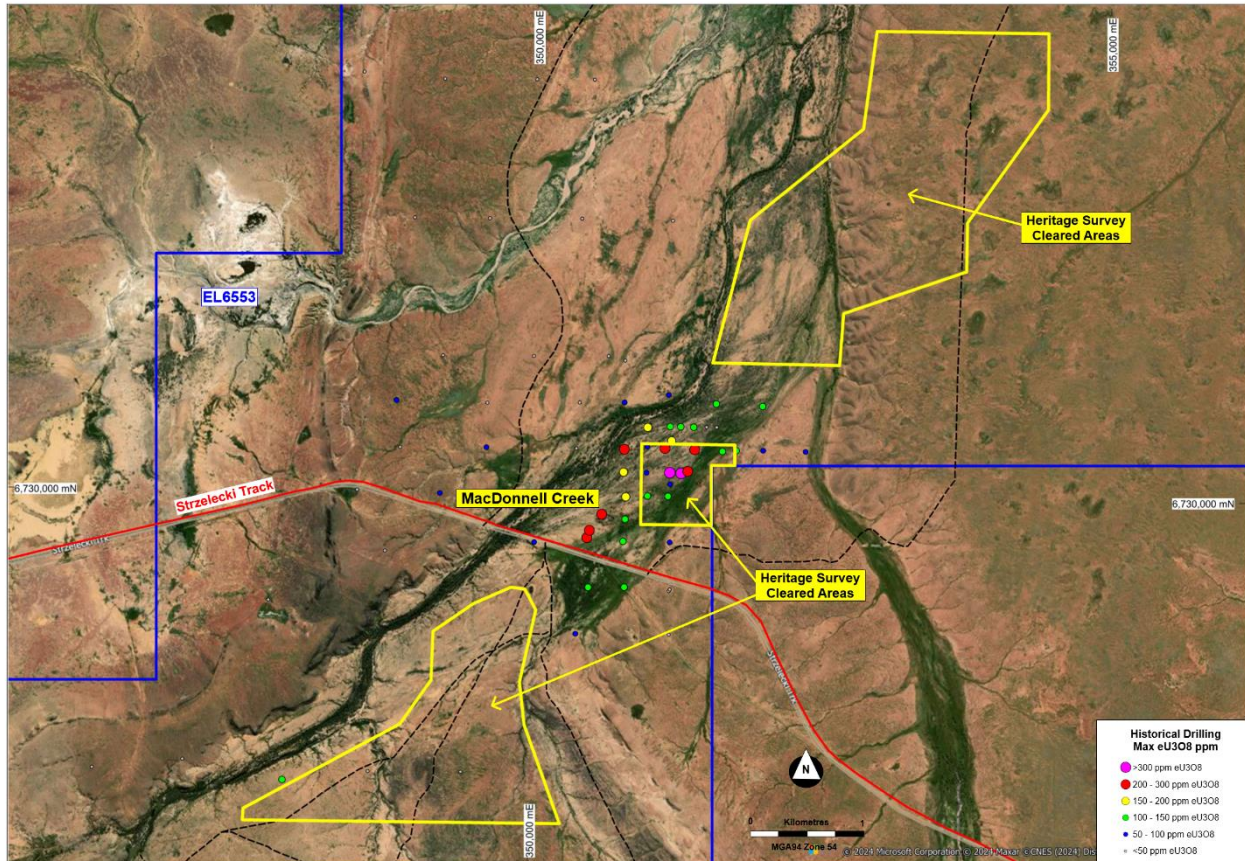


Figure 5: Adavale's recent heritage survey areas cleared at MacDonnell Creek, South Australia.

Adavale's 2,000m Aircore program at MacDonnell Creek will be the first drilling at this prospect since 2011. The paleochannel at MacDonnell Creek is dominated by oxidised sands with the highest-grade uranium mineralisation located in interbedded reduced sands and clays at the bottom of the channel. The initial drill program will primarily target extensions of the known mineralisation both up and down stream as well as minor infilling about the historical drill holes. (refer Figure 5).

Adavale's 100% owned tenure in the Marree Embayment now makes it one of the largest public-listed licence holders in the region (refer Figure 6). In previous quarter, the Company has also applied for a large uranium project area east of Ceduna in South Australia, covering 2,446km². During the quarter, these tenements were granted bringing the total Company holding to approximately 4,959km².

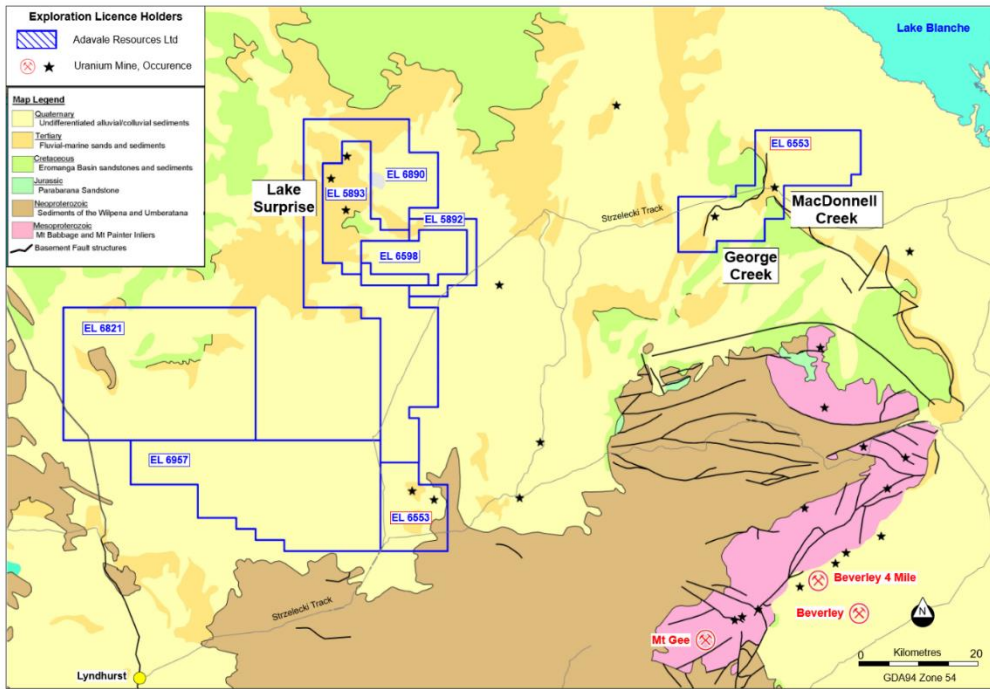


Figure 6: Adavale's expanded Exploration Licence areas in the Marree Embayment South Australia.

In July 2024, Adavale executed a binding Heads of Agreement with Pinnacle Minerals Limited (ASX: PIM) to acquire 100% of its uranium rights on the Wirrulla Project in South Australia.

Following announcing acquisition of the Parkes Project in November 2024, the Company has decided not to proceed with the acquisition of the uranium rights of the Wirrulla Project.

Indicative Exploration Schedule

| | Q4 – 2024 | Q1 2025 | Q2 2025 |
|---|-----------|---------|---------|
| Gold (NSW) | | | |
| -EL8831 | | | |
| Front Gate (Ashes, Myall, Corner) - Rock Chipping | | | |
| Front Gate (Ashes, Myall, Corner) - Target Generation | | | |
| Front Gate (Ashes, Myall, Corner) - Drilling | | | |
| -EL8830 | | | |
| No Mistake (Parkvale, Cunich, Birthday) - Rock Chipping | | | |
| No Mistake (Parkvale, Cunich, Birthday) - Target Generation | | | |
| No Mistake (Parkvale, Cunich, Birthday) - Drilling | | | |
| -EL7242 | | | |
| London Victoria - Assays from diamond hole | | | |
| London Victoria - Resource Definition Drilling | | | |
| London Victoria - JORC Resource | | | |
| Uranium (SA) | | | |
| MacDonnell and George Creek - Infill Drilling | | | |
| MacDonnell and George Creek - JORC Resource | | | |

NICKEL EXPLORATION

Kabanga Jirani Nickel Project and Luhuma Nickel Project (Tanzania)

No significant exploration activities were undertaken during the quarter. The Company continues to plan for a resumption of exploration activities once the nickel market recovers.

Corporate

During the quarter, Mr. Allan Ritchie transitioned to Executive Chairman on 31 October 2024 following the resignation of Mr. David Riekie as Executive Director.

In conjunction with the acquisition of the Parkes Project, Adavale received binding commitments to raise \$1.675 million (before costs) through a placement to new and existing sophisticated and professional investors.

The Company issued 670,000,000 fully paid ordinary shares at an issue price of \$0.0025 per share. Each Placement Share received 1 free attaching Option with an exercise price of \$0.005 each expiring 31 December 2027 (“Attaching Options”).

The first Tranche of the Placement was issued under the ASX Listing Rule 7.1 and 7.1A in December 2024 and the remaining of the Placement together with the free Attaching Options were completed in January 2025.

Directors and management participated on the same terms of the Placement for \$95,000.

Proceeds from the Placement will be used to accelerate exploration activities within the Parkes Gold and Copper Project with a primarily focus on increasing and upgrading the London-Victoria resource to JORC-qualifying status. Proceeds will also be used for Adavale’s maiden drilling program (aircore) at MacDonnell and George Creek prospects in South Australia for uranium.

Summary of Cashflow for the Quarter

Adavale held cash reserves at the end of the quarter of approximately \$356,000.

During the quarter, approximately \$97,000 was paid to directors and officers. Included in the amount \$76,000 (as shown at 6.1), was paid to directors in accordance with their standard employment agreements. During the quarter, Directors participated in the placement totaling \$33,500 as announced on 31 July 2024 following receiving shareholder approval in October 2024.

The Company spent approximately \$433,000 on exploration and evaluation activities as per the table below:

| Project | Nature of expenses | Amount \$ |
|---|---|----------------|
| Kabanga and Luhuma Nickel Project | | |
| | Project administration and compliance expenses | 24,000 |
| | Field expenses | 20,000 |
| | Geology consultants, field workers and other staff salaries | 58,000 |
| | Travel expenses | 2,000 |
| | Sub-total | 104,000 |
| Uranium Projects (South Australia) | | |
| | Tenement management fees | 4,000 |
| | Geological services | 57,000 |
| | Heritage survey | 54,000 |
| | Tenement rental rates | 69,000 |
| | Sub-total | 184,000 |

| Parkes Gold and Copper Project | | |
|---|---------------------|------------------|
| | Acquisition costs | 40,000 |
| | Geological services | 7,000 |
| | Drilling costs | 98,000 |
| | | 145,000 |
| TOTAL EXPLORATION AND EVALUATION EXPENDITURE | | \$433,000 |

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

Further information:

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Competent Persons Statement

The information in this release that relates to “exploration results” for the Uranium Projects 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.

The information in this report that relates to Exploration Results and Historical Estimates on the Parkes Gold and Copper Project is based on information compiled or reviewed by Stephen Burke, a Competent Person who is a Member of the Australian Institute of Geoscientists. Stephen is employed by Burke Geoscience Pty. Ltd. as a consultant to Adavale Resources Limited. He has sufficient experience that is relevant to the styles of mineralisation and types of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ (the ‘JORC Code’). Stephen consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

ASX Announcements References

- 1 October 2024: Heritage Survey completed for Uranium Drilling in SA
- 24 October 2024: Executive Changes
- 29 November 2024: Transformational Gold and Copper Project Acquisition
- 28 January 2025: Completion of Placement, Parkes Acquisition and Site Visit

The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

Tenement Holdings and Movements

Schedule of Mining Tenements and Beneficial Interests

Held as at the end of the December 2024 Quarter

| Project/Location | Country | Tenement | Percentage held/earning |
|--------------------------------------|----------|------------------------------------|-------------------------|
| Kabanga Jirani Nickel Project | Tanzania | Kabanga West (PL11590/2021) | 100% |
| | | Kabanga North (PL 11405/2020) | 100% |
| | | Kabanga North East (PL 11406/2020) | 100% |
| | | Kabanga East (PL 11591/2021) | 100% |
| | | Ruiza NE (PL 11592/2021) | 100% |
| | | Burigi Block (PL11538/2021) | 100% |
| | | Burigi North (PL11537/2021) | 100% |
| | | Kabanga South East (PL11886/2022) | 100% |
| | | Southeast Wedge (PL12175/2023) | 100% |
| Luhuma Central (PL12350/2023) | 100% | | |

| | | | |
|------------------------------|----------|---------|-----|
| Luhuma Nickel Project | Tanzania | PL11692 | 65% |
| | | PL11693 | 65% |

The Company entered into a Farm-In Agreement to earn up to 100% of the Luhuma Nickel Project. The Company currently has achieved a 65% interest in the project on 8 February 2023.

| | | | |
|----------------------------|----------|--------------|------|
| Nachingwea Prospect | Tanzania | PL11887/2022 | 100% |
|----------------------------|----------|--------------|------|

| | | | |
|--------------------------------------|-----------|--------|------|
| Lake Surprise Uranium Project | Australia | EL5892 | 100% |
| | | EL5893 | |
| | | EL6598 | |

| | | | |
|--|-----------|--------|------|
| Maree Embayment Uranium Project | Australia | EL6821 | 100% |
| | | EL6957 | |
| | | EL6890 | |

| | | | |
|--|-----------|--------|------|
| MacDonnell/George Creek Uranium Project | Australia | EL6533 | 100% |
|--|-----------|--------|------|

| | | | |
|---|-----------|--------|------|
| Narlaby and Tolmer Uranium Project | Australia | EL7014 | 100% |
| | | EL7024 | |
| | | EL7026 | |
| | | EL7025 | |

Acquired during the December 2024 Quarter

| Project/Location | Country | Tenement | Granted/ Acquired Date |
|---|-----------|----------|---------------------------|
| Narlaby and Tolmer Uranium Project | Australia | EL7014 | October 2024 |
| | | EL7024 | December 2024 |
| | | EL7026 | December 2024 |
| | | EL7025 | December 2024 |

Disposed of during the December 2024 Quarter

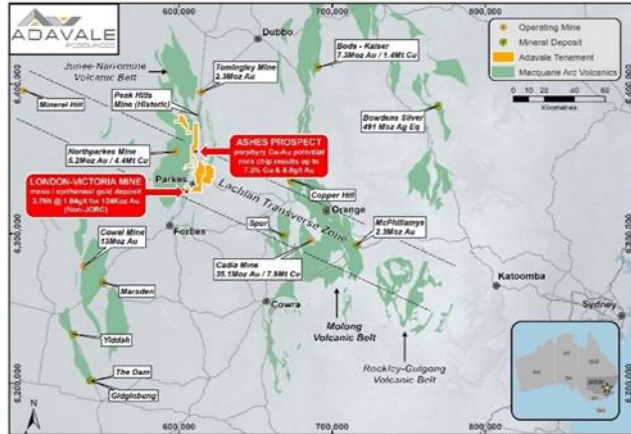
| Project/Location | Country | Tenement | Withdrawal Date |
|------------------|---------|----------|-----------------|
| Nil | | | |

ABOUT ADAVALE RESOURCES

Exploring for Gold and Copper in the NSW Lachlan Fold Belt, Uranium in South Australia, and Nickel Sulphide in Tanzania.

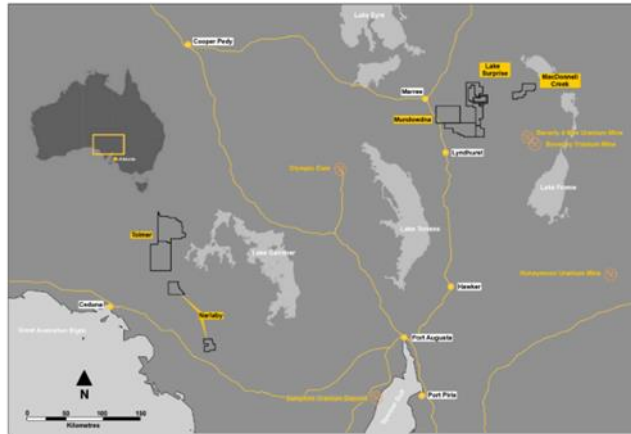
The Parkes Project

Adavale Resources Limited (ASX:ADD) holds a 72.5% interest in the Parkes Gold and Copper Project, consisting of four granted exploration licences that are highly prospective for Au-Cu, primarily due to their location adjacent the giant Northparkes copper-gold mine and encompassing the Ordovician-aged rocks of the Macquarie Arc, within the crustal-scale structure of the Lachlan Transverse Zone (LTZ) that contain both Northparkes and the world-class Cadia gold-copper Mine.



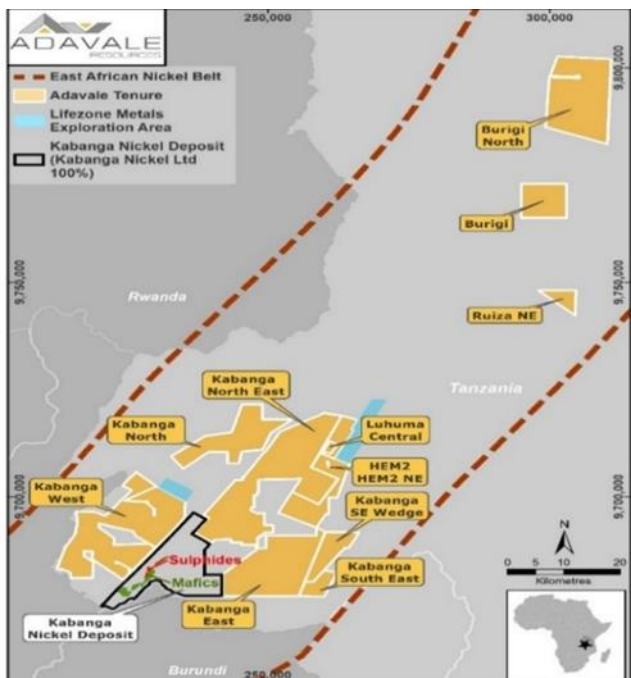
South Australian Uranium Portfolio

Adavale also holds seven granted exploration licences that are prospective for their sedimentary uranium potential within the northern part of the highly-prospective Northern outwash from the Flinders Ranges in South Australia, as well as four exploration licences east of Ceduna on the Eyre Peninsula, increasing Adavale's uranium tenement holdings including to include uranium rights to 4,959km².



The Kabanga Jirani Nickel Project

Adavale also holds the Kabanga Jirani Nickel Project, a portfolio of twelve highly prospective granted licences along the Karagwe-Ankolean belt in Tanzania. The nine southernmost licences are proximal to the world class Kabanga Nickel Deposit (87.6Mt @ 2.63% Ni Eq). Adavale holds 100% of all licences except for two licences that are known as the Luhuma-Farm-in, which are held at 65%, adding a further 99km² and bringing the portfolio to 1,315km². Adavale's licences were selected based on their strong geochemical and geophysical signatures from the previous exploration undertaken by BHP.



Appendix 5B

Mining exploration entity quarterly cash flow report

Name of entity

ADAVALE RESOURCES LIMITED

ABN

96 008 719 015

Quarter ended ("current quarter")

31 December 2024

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 1. | Cash flows from operating activities | | |
| 1.1 | Receipts from customers | - | 44 |
| 1.2 | Payments for | | |
| | (a) exploration & evaluation | (433) | (645) |
| | (b) development | - | - |
| | (c) production | - | - |
| | (d) staff costs | (97) | (195) |
| | (e) administration and corporate costs | (93) | (223) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | - | - |
| 1.5 | Interest and other costs of finance paid | - | - |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Government grants and tax incentives | - | - |
| 1.8 | Other (GST (Paid)/Received) | (19) | (9) |
| 1.9 | Net cash from / (used in) operating activities | (642) | (1,028) |
| 2. | Cash flows from investing activities | | |
| 2.1 | Payments to acquire or for: | | |
| | (a) entities | - | - |
| | (b) tenements | - | (20) |
| | (c) property, plant and equipment | - | - |
| | (d) exploration & evaluation | - | - |
| | (e) investments | - | - |
| | (f) other non-current assets | - | - |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | - | - |
| | (e) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | - |
| 2.6 | Net cash from / (used in) investing activities | - | (20) |
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | 763 | 1,238 |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | - | - |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | (76) | (101) |
| 3.5 | Proceeds from borrowings | 110 | 110 |
| 3.6 | Repayment of borrowings | (110) | (110) |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | (13) | (13) |
| 3.10 | Net cash from / (used in) financing activities | 674 | 1,124 |
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 324 | 280 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (642) | (1,028) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | - | (20) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 674 | 1,124 |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|---|---|------------------------------------|--|
| 4.5 | Effect of movement in exchange rates on cash held | (1) | (1) |
| 4.6 | Cash and cash equivalents at end of period | 355 | 355 |

| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|------------|---|------------------------------------|-------------------------------------|
| 5.1 | Bank balances | 355 | 324 |
| 5.2 | Call deposits | - | - |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (provide details) | - | - |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 355 | 324 |

| 6. | Payments to related parties of the entity and their associates | Current quarter \$A'000 |
|-----------|---|------------------------------------|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 76 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| 7. | Financing facilities | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|-----|--|---|--|
| | <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | | |
| 7.1 | Loan facilities | - | - |
| 7.2 | Credit standby arrangements | 250 | 75 |
| 7.3 | Other (Convertible Notes) | - | - |
| 7.4 | Total financing facilities | 250 | 75 |
| 7.5 | Unused financing facilities available at quarter end | | 175 |
| 7.6 | Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | | |
| | <p>Standby Subscription Agreement</p> <p>The unsecured facility arrangement with LKC Technology Pty Ltd (LKC) is a 5-year agreement for \$250,000 as announced on 29 April 2020, with \$175k undrawn currently. LKC subscribes for shares upon the Company issuing a drawdown notice. Fully paid ordinary shares are issued at 80% of the 5-day VWAP that precedes the drawdown notice. No interest rate applicable to this facility.</p> | | |

| 8. | Estimated cash available for future operating activities | \$A'000 |
|-------|---|----------------|
| 8.1 | Net cash from / (used in) operating activities (item 1.9) | (642) |
| 8.2 | (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | - |
| 8.3 | Total relevant outgoings (item 8.1 + item 8.2) | (642) |
| 8.4 | Cash and cash equivalents at quarter end (item 4.6) | 355 |
| 8.5 | Unused finance facilities available at quarter end (item 7.5) | 175 |
| 8.6 | Total available funding (item 8.4 + item 8.5) | 530 |
| 8.7 | Estimated quarters of funding available (item 8.6 divided by item 8.3) | 0.82 |
| | <i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i> | |
| 8.8 | If item 8.7 is less than 2 quarters, please provide answers to the following questions: | |
| 8.8.1 | Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? | |
| | Yes. | |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

As announced on 29 November 2024, the Company has successfully received firm commitments to raise \$1.675m via a Placement to professional and sophisticated investors. Tranche 1 was completed during the quarter and the balance of approximately \$687,000 (Tranche 2) was completed in January 2025.

The current cash balance will be sufficient to fund the Company's operations.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Yes as per above 8.8.2.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2025

Authorised by: **The Board of Directors of Adavale Resources Limited**
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.