

ASX ANNOUNCEMENT

20 June 2022

Pathway Cleared for Uranium Drilling at Lake Surprise South Australia

Highlights

- **4,500m Air Core uranium drilling program (~ 150 holes) scheduled to commence in August 2022**
- **Uranium exploration Work Area Clearance (WAC) complete and Notice of Entry (NOE) dispatched**
- **Exploration and environmental management procedures to support drilling campaign being finalised**
- **Drilling contractor confirmed**

Adavale Resources Limited **(ASX: ADD)** ("Adavale" or "the Company") is pleased to announce the significant progress on the upcoming low-cost air-core uranium drilling campaign that will focus on the shallow target areas on the Company's 100% owned uranium tenements at Lake Surprise Uranium Project, South Australia.

The Company's tenements are prospective for uranium hosted within a silcrete capped paleochannel in proximity to the Flinders Ranges in northern South Australia.

Commenting on the program, Adavale's Executive Director, David Riekie said:

"*Our team has been working diligently and in conjunction with the Dieri traditional owners and their consultants, to secure the required work areas clearances, exploration and government environmental approvals, in advance of drilling which is scheduled to get underway in August 2022.*

The program should take approximately 3 weeks and has been designed to focus on the shallow paleochannel zones prospective for uranium using an air-core drill rig. With our target zones only being at 30 meters depth, the 80m by 180m grid spacing should ensure both a time efficient and cost-effective program.

ASX: ADD

DIRECTORS & OFFICERS

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DAVID RIEKIE
EXECUTIVE DIRECTOR

JOHN HICKS
DIRECTOR

ALLAN RICHIE
CHIEF EXECUTIVE OFFICER

LEONARD MATH
CFO & COMPANY SECRETARY

ISSUED CAPITAL

Shares: ~355 million
Unlisted options: 26.5 million
Performance rights: 17 million

ABOUT ADAVALE

Adavale Resources is an ASX-listed exploration company targeting projects in the 'battery materials' space. The company is currently focused on both its 100% owned Kabanga Jirani Nickel Project and 2 Farm-in 'Luhuma' licences 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

ADAVALE RESOURCES

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The progressive gamma readings and portable XRF results will enable our geological team to start interpreting the outcomes and planning of our immediate next steps.

We are looking forward to providing further updates on the achievement of our additional milestones."

Recent Results Exploration Licence 5893

EL5893 was previously explored by Adavale in 2007 and forms part of Lake Surprise Uranium Project. The tenement is prospective for paleochannel uranium hosted in silcrete capped sandy channels, which is overlayed by approximately 30m of transported regolith. The silcrete presents a hard barrier that is potentially a source of Naturally Occurring Radioactive Material (NORM) with the sandy channels underneath the capping also potentially containing NORM.

Adavale's surface geophysical data collection and rock chip sampling in November 2021 *(See ASX Announcement 7 February titled "Lake Surprise Uranium Geochemistry Results"*) showed significant gamma anomalies accompanying elevated uranium in rock chip samples. Results previously reported indicated that 11 of 28 samples had values greater than 100ppm, seven of which were above 200ppm and the highest reading being 356ppm (see Figure 1).

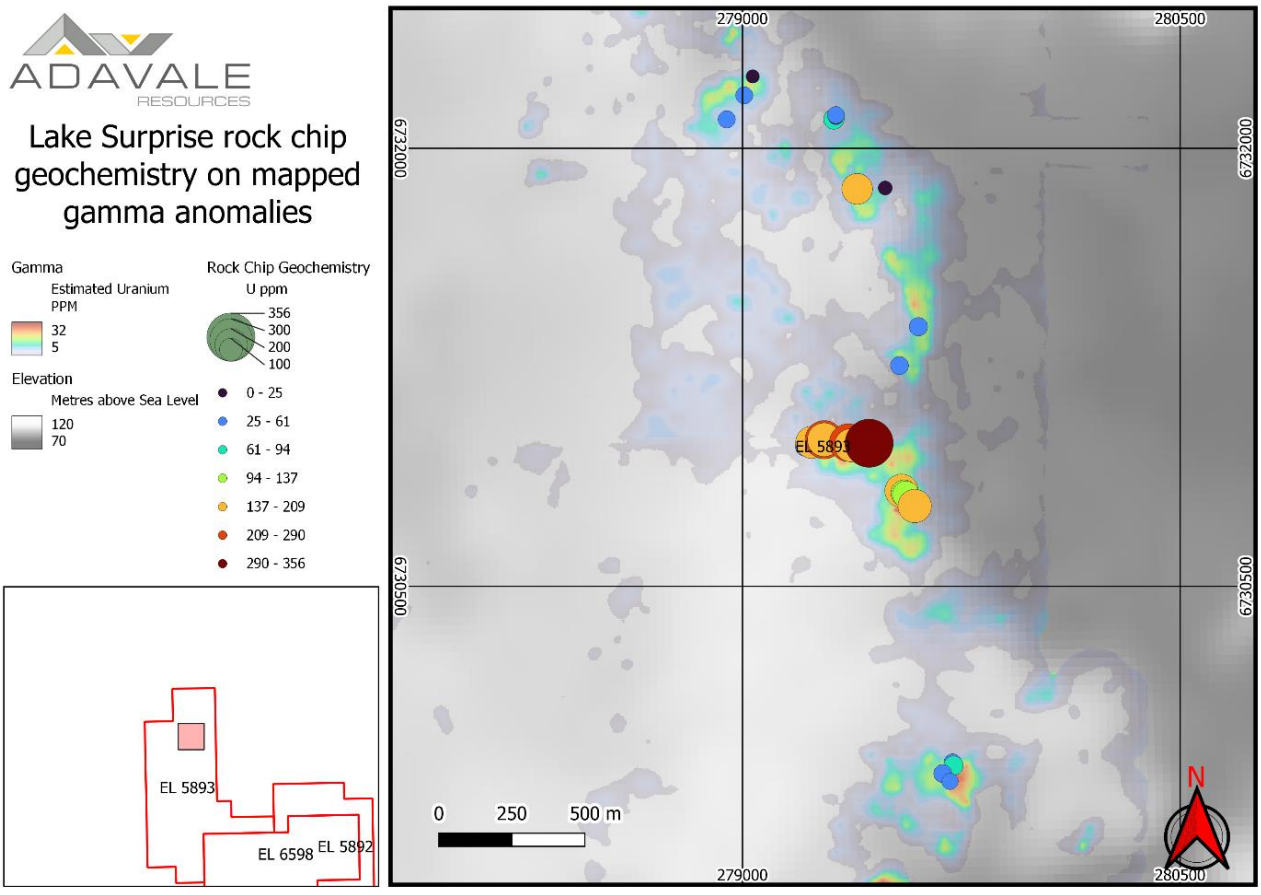


Figure 1: Previously reported results from February 2022

Summary of the Current Exploration Program and Approvals

The planned drilling program in the Lake Surprise Uranium Project will consist of a 50-150 drill hole program. Drilling will be on lines spaced 180m apart, with holes spaced 80m apart along the lines (See Figure 2).

Table 1 outlines the work that is to be completed at the site. The goal is to have the drill program finished and re-habilitated by the end of works on the site. Air Core drilling has been selected to provide a cost-effective method for rapidly gaining information over a large parcel of land.

Table 1: Details of the Air Core Drilling Program

Start Date	**August 2022**
Location	EL5893 covering part of Clayton Station, South Australia, 70km East of Marree
Total Metres	4500m Air Core with approximately 10m per hole containing silcrete requiring RC with a hammer
Total Drill Holes	Minimum of 50 drillholes with a maximum of 150
Rig Specification	Land cruiser or small truck configuration
Average Depth	30m
Minimum/Maximum Depth	15m to 45m

The required WAC was conducted over a 2km x 2km area where the current Air Core drilling is proposed. The Clearance was granted in May 2022 for the scope of the proposed works. The Notice of Access has now been provided to both the Dieri Aboriginal Corporation Board and the Pastoral Lessee regarding the scope and timing of the proposed program. The balance of the environmental management procedures to support drilling campaign are now in process.

Adavale is finalising of the Radiation Management Plan for Exploration of NORM and Completion of works for Exploration Programs for Environmental Protection and Rehabilitation (PEPR) for approval by the SA Government. The drilling contractor selected is available for the planned duration of works and has the capability to complete the program in a timely and environmentally sensitive manner.

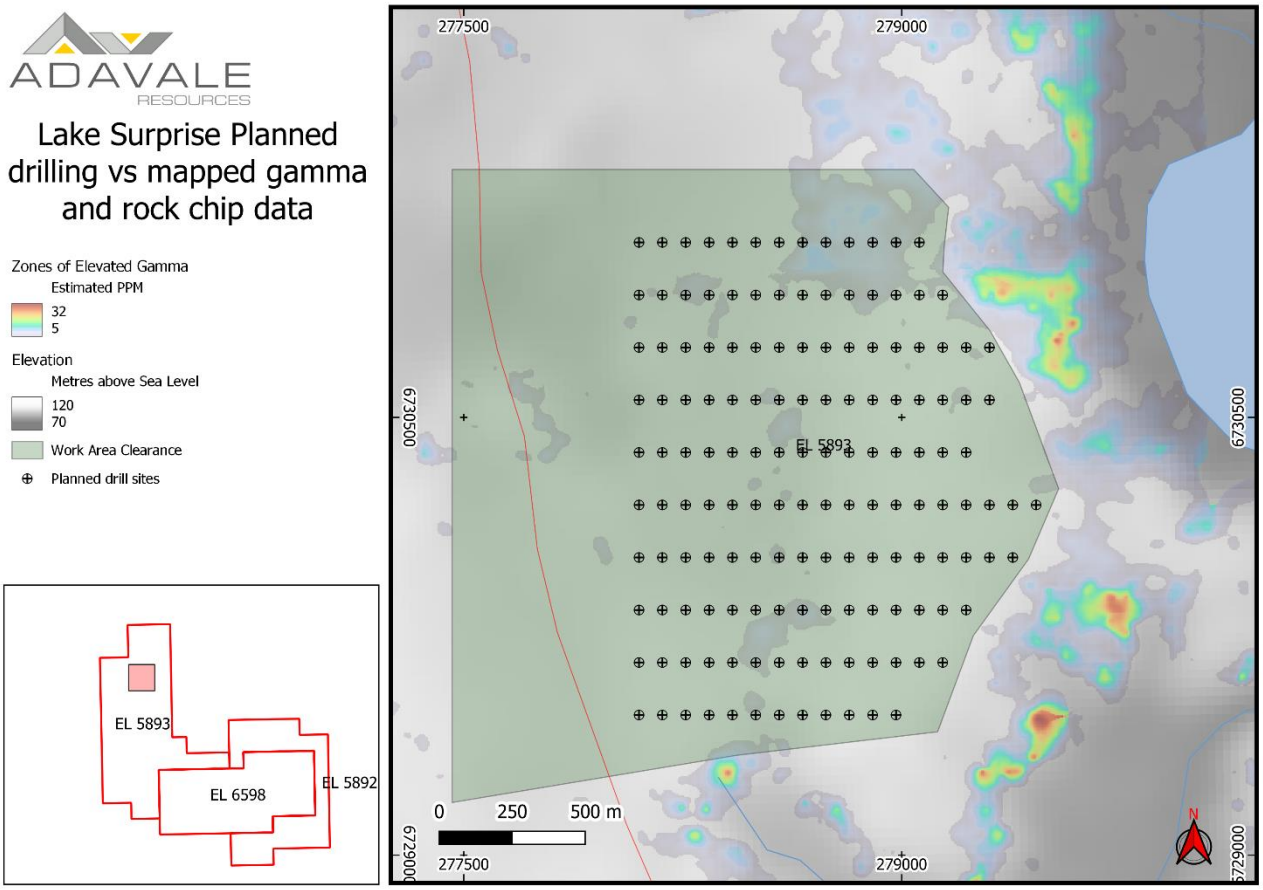


Figure 2: planned drilling locations for the 150-hole program. Mapped gamma anomalies are shown with drilling targeting the buried extension of these anomalies.

Drilling and Proposed Data Collection

Drilling will target the continuation of the surface anomalies mapped by Adavale in the November 2021 work program. The proposed 150-hole program covers an area approximately 2km x 2km and targets the buried extension of the surface outcrop hosting elevated uranium.

Logging of geological, geophysical and geochemical data will occur on site, with associate QA/QC geochemical validation from laboratory analysis. The geologist will log the geology into a database and record results from a handheld spectrometer and portable -XRF on samples brought to surface. Sampling will be based on the zones recorded and where elevated uranium and gamma readings are recorded. Samples will be sent to a lab that can analyze material containing NORM (naturally occurring radioactive material). This will be used to validate the results as recorded in-field.

Focus and rationale

The focus and goal of this program will be the development of a robust dataset that can be used to rapidly convert drilling results into a JORC compliant resource, based on underlying mineralisation and economic quantities in accordance with the JORC 2012 Code. Additional but limited drilling to confirm continuity of results between drill holes is anticipated however past surface soil and gamma surveys suggest the current target area demonstrates the highest uranium values at surface and shallow mineralisation in EL5893.

Acknowledgements to traditional owners

Adavale acknowledges the Dieri 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.

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

Further information:

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Competent Persons Statement

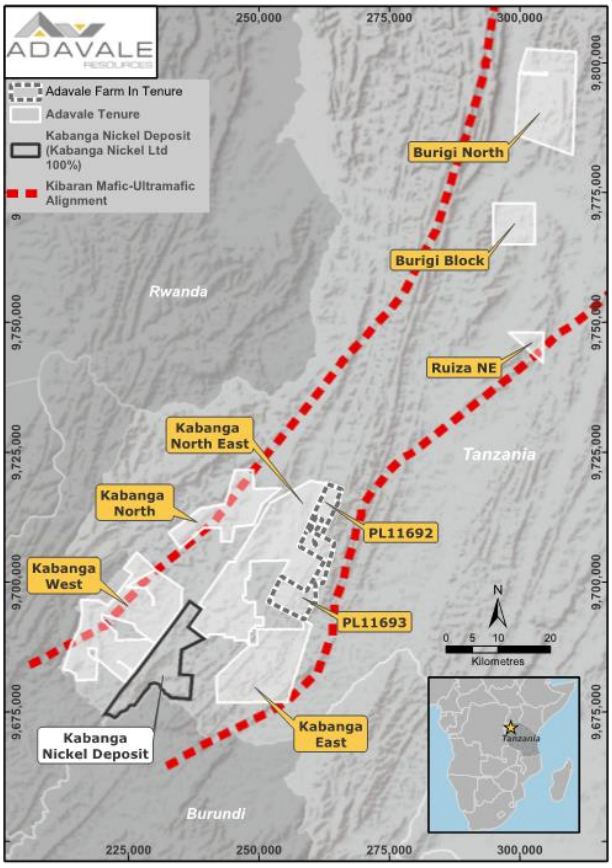
The information in this release that relates to "exploration results" for the Lake Surprise Uranium Project is based on information compiled or reviewed by Mr Patrick Harvey MAppSci, Australia. Mr Harvey is a consultant for Adavale Resources Limited and is a member of the AIG. Mr Harvey has sufficient 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.

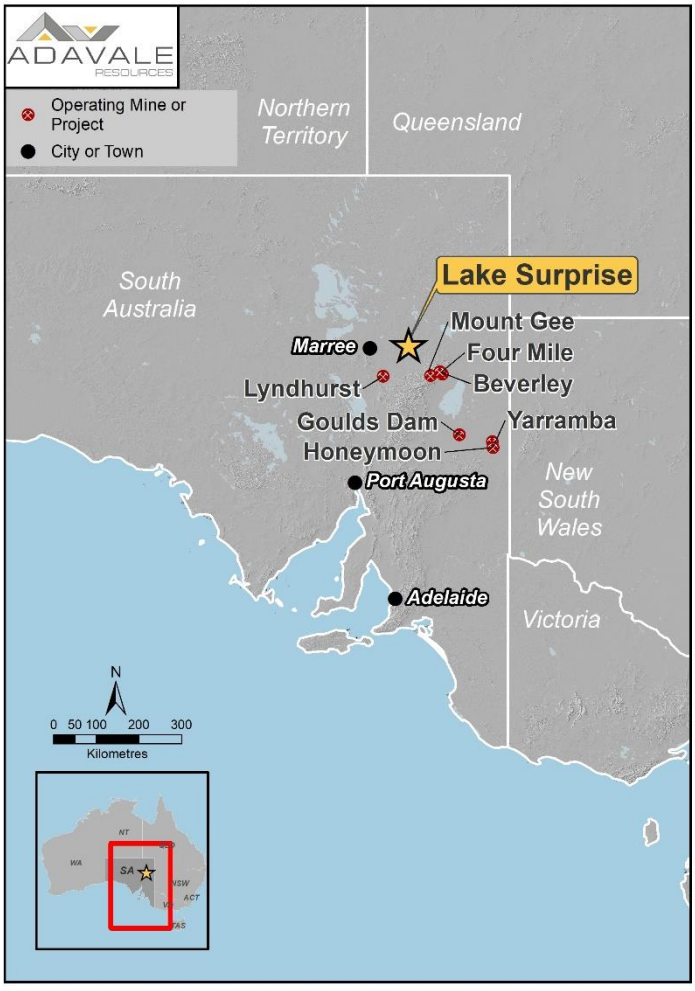
Forward looking statements

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

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 ~ 1,145km^2 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 to 2 more highly prospective licences contiguous to our 4 southernmost licences, adding a further 99km^2 to the portfolio. 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 for their sedimentary uranium potential within the northern part of the highly prospective Lake Frome Embayment in South Australia.