ASX ANNOUNCEMENT

14 September 2022

Approvals Advanced for Drilling at Lake Surprise Uranium Project, South Australia

Highlights

- **Exploration Program of Environmental Protection and Rehabilitation ("PEPR") submitted to Department of Energy and Mining (DEM) in South Australia**
- **Final environmental works completed for field exploration including:**
  - **Aerial imagery of drilling site for PEPR**
  - **Radiation management plan for sampling**
- **Aircore drill program will target shallow mineralisation (~30m), as surface soil and gamma surveys suggest the highest uranium values are near surface**
- **Drilling contractor confirmed and on standby**
- **New tenement EL 6821 (714 km^2) granted, south-west of Lake Surprise area**

Adavale Resources Limited **(ASX: ADD)** ("**Adavale**" or "the **Company**") is pleased to announce advancements for the upcoming air-core drill program that will test the shallow (~30m) uranium targets at the Company's 100% owned Lake Surprise Uranium Project ("**Lake Surprise**"), located in South Australia.

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

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

"*Our team has been working diligently and in collaboration with the Dieri traditional owners and their consultants to secure the remaining exploration and government environmental approvals that will enable drilling to commence in October 2022.*

The aircore drill program will take approximately 3 weeks and has been designed to focus on the shallow paleochannel zones prospective for

ASX: ADD

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LEONARD MATH
CFO & COMPANY SECRETARY

ISSUED CAPITAL

Shares: ~437 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

adavaleresources.com

CONTACT

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

Tel: +61 2 8003 6733

investor@adavaleresources.com

uranium. Our target zones are at 30 meters depth, therefore the 80m x 180m grid spacing will result in a time and cost-efficient program.

During the program the progressive gamma readings and portable XRF results will enable our geological team to interpret the preliminary results and commence planning for the next steps."

Environmental works for PEPR and associated compliance reporting

Adavale's geologist Patrick Harvey visited the proposed drill site in July 2022, to both locate and peg the proposed 150 drill hole sites and to also record the current condition of each site for subsequent rehabilitation (See Figure1).

This program was completed in conjunction with a drone survey as this imagery will assist compliance required for the "before" and "after" drilling condition of the site, and the drill site rehabilitation process as required by the DEM of South Australia. Associated incident reporting documentation and the radiation management plans for exploration have also been submitted as part of the comprehensive process required for the PEPR.



Figure 1: *Adavale Geologist Patrick Harvey pegging drilling site in July 2022 for publication in PEPR submitted to DEM*

Summary of the Current Exploration Program and Approvals

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

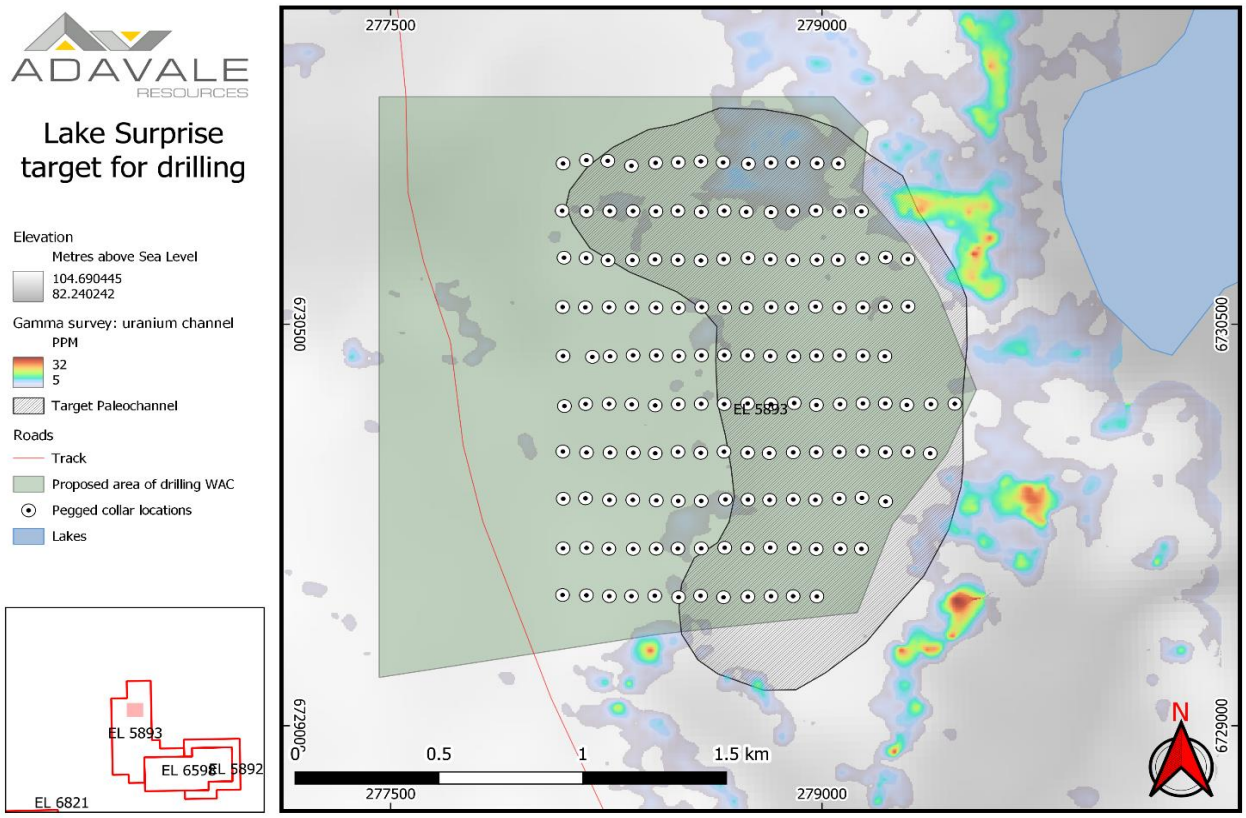


Figure 2: *Planned drilling locations for the 150-hole program. Mapped gamma anomalies are shown with drilling targeting the buried extension of these anomalies.*

An outline of the work that is to be completed at the site is shown in Table 1; this will also include the rehabilitation of the drill areas at the conclusion of the current drill program. Aircore drilling has been selected by Adavale to provide a cost-effective method to rapidly gain information over the current exploration area and assess the projects uranium prospectivity.

Table 1: Details of the Air Core Drilling Program

Start Date	**Mid-October, 2022**
Location	EL5893 covering part of Clayton Station, South Australia, 70km East of Marree
Total Metres	4500m of Aircore with ~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 (Min/Max)	30m (15m to 30m)

The required Work Area Clearance ("WAC") for EL 5893 was granted in May 2022 for the current scope of the proposed works and covers a ~2km x 2km area where the current Aircore drill program is proposed. Additionally, the Notice of Access has been provided to both the Dieri Aboriginal Corporation Board and the Pastoral Lessee.

Adavale has received notification that the radiation management plan for the exploration has been accepted by the EPA and submitted to the Department of Energy and Mining for final approvals within the PEPR. This is the final environmental approval required before the ground based, exploration activities can commence.

The drilling contractor is available and currently on standby for the commencement of drilling and rehab works, which is now expected to commence in mid-October.

Drilling Objectives

The objective of the drill program will be to develop 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 as shallow mineralisation in EL5893.

New Exploration Licence on Granted – EL 6821 (previously ELA2021/00151)

Adavale is pleased to report that the ELA2021/00151 submitted in September 2021 has been granted by DEM, now known as EL6821 (714 km^2). The area has demonstrated similarities to that of the Lake Surprise Uranium Project, including similar geology and geophysical anomalies.

The additional license is complimentary to Adavale's existing uranium prospects in South Australia within the prospective area to the north of the Flinders Ranges and will be systematically advanced in parallel with Lake Surprise. The location of EL 6821 and its proximity to Adavale's existing EL's is shown in Figure 3.

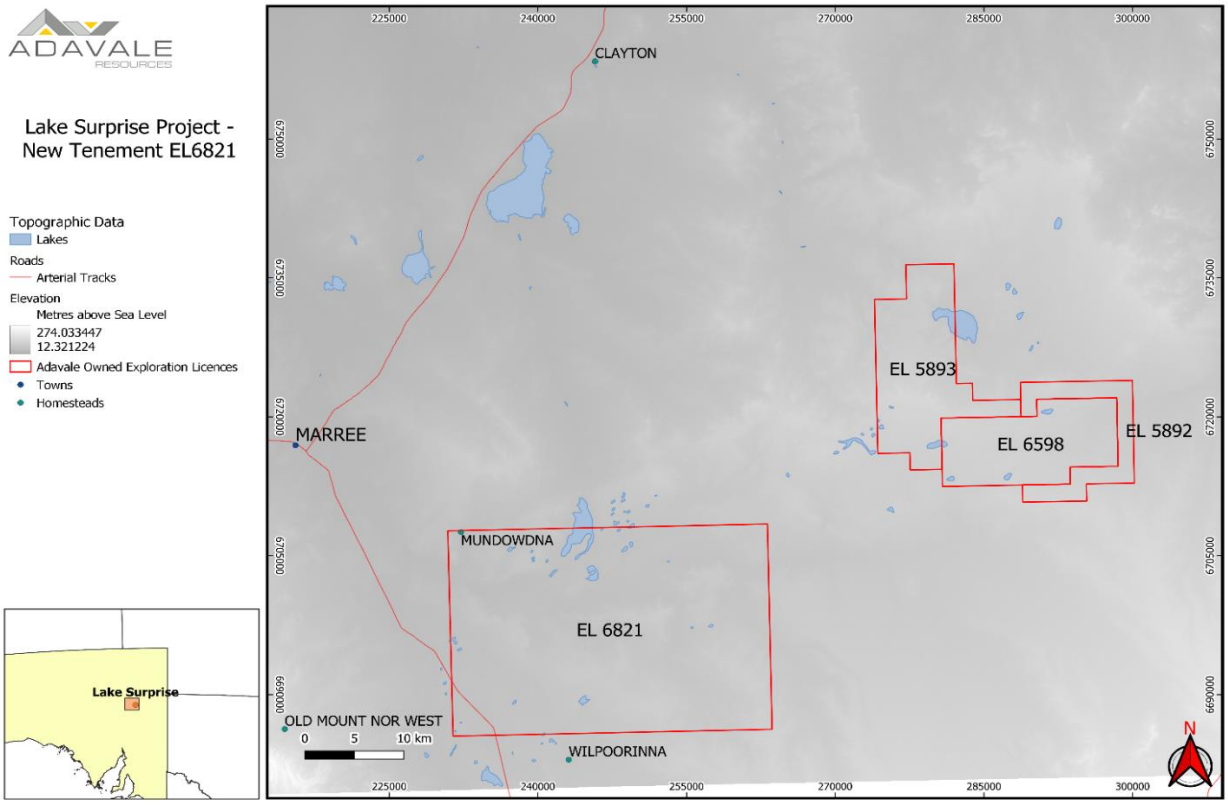


Figure 3: *New Tenement granted to the southwest of Lake Surprise*

Adavale has recently reduced the exploration area for EL 5892 based on expenditure and prospectivity considerations. The Company's uranium Exploration Licences now comprise 1,078 km^2 and is summarised in Table 2.

Table 2: Summary of Uranium Licences in South Australia

Licence Number	Area	Tenement period*
EL 5892	60 km^2 (reduced from 92 km^2)	Renewal in process*
EL 5893	167 km^2	Renewal in process*
EL 6598	137 km^2 (Pending reduction)	3 Years to July 2025
EL 6821	714 km^2	6 Years to Aug 2028
Total	**1078km^2**	

**Please note the tenements with renewal confirmation pending have been accepted and approved by the DEM and Adavale is awaiting receipt of the confirmations*

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:

David Riekie
Executive Director
E: investor@adavaleresources.com

Allan Ritchie
Chief Executive Officer
E: investor@adavaleresources.com

Competent Persons Statement

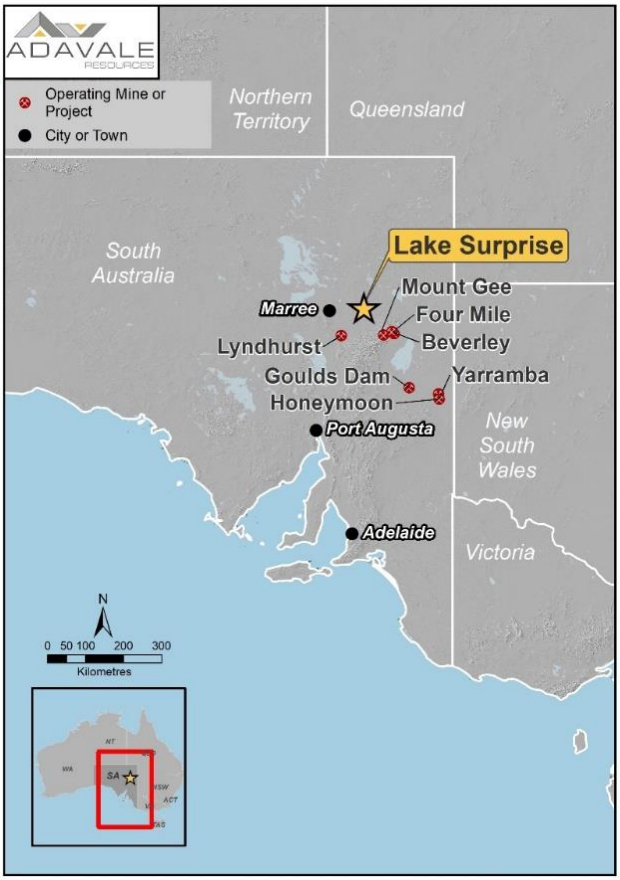
The information in this release that relates to "exploration results" for the Lake Surprise Uranium Project is based on information compiled or reviewed by Mr Patrick Harvey MAppSci, Australia. Mr Harvey is a consultant for Adavale Resources Limited and is a member of the AIG. Mr Harvey has sufficient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

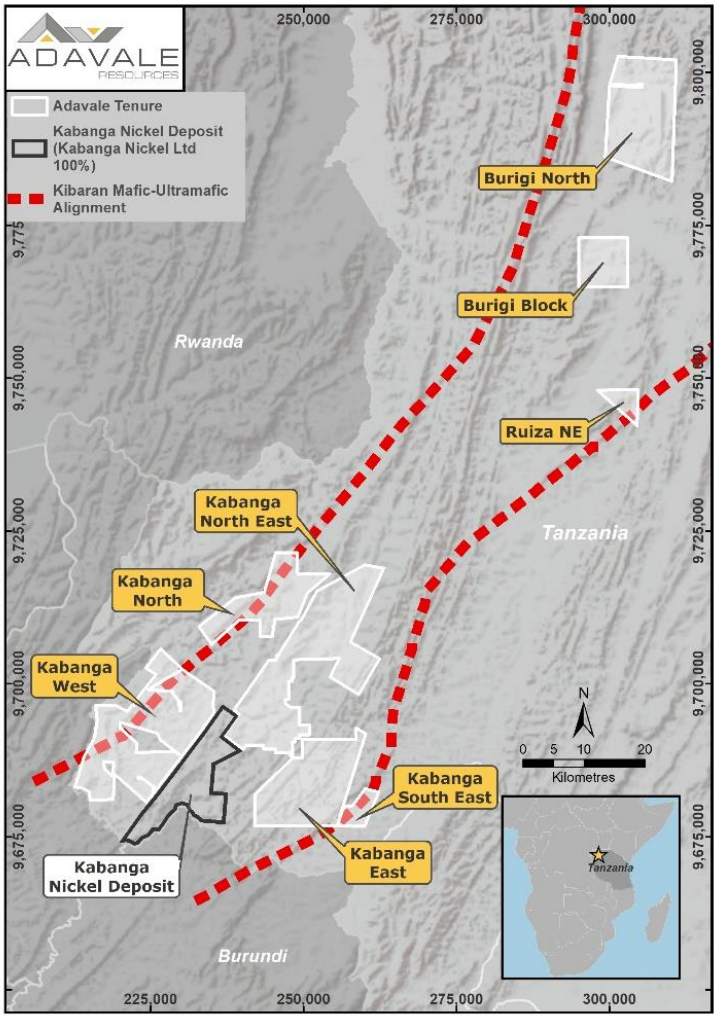
Forward looking statements

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 8 highly prospective granted licences covering ~ 1,168km^2 along the Karagwe-Ankolean belt in Tanzania. The four southernmost licences are proximal to the world-class Kabanga Nickel Deposit (58Mt @ 2.62% Ni). Adavale has Farmed-in to two more highly prospective licences contiguous to our 5 southernmost licences, adding a further 99km^2 to the portfolio. Adavale's licences were selected based on their strong geochemical and geophysical signatures from the previous exploration undertaken by BHP.





Adavale now holds four exploration licences (1,078 km^2) for their sedimentary uranium potential within the northern part of the highly prospective Lake Frome Embayment in South Australia.