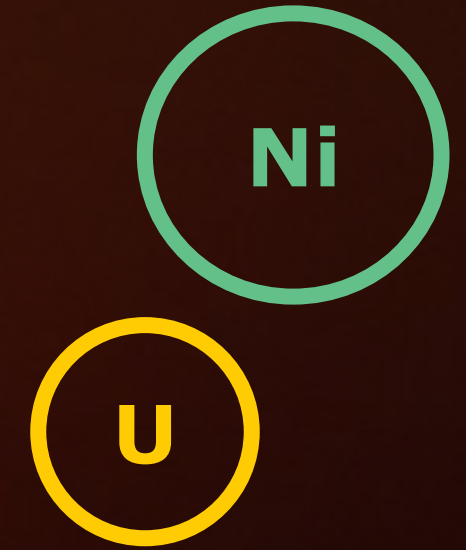




Market and Exploration Update

28 February 2022

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Competent Person Statement

The information in this release that relates to "exploration results" for the **Nickel** 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

The information in this release that relates to "exploration results" for the **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 undertaken 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.

BOARD AND CAPITAL STRUCTURE

Grant Pierce

Non-Executive Chairman

Mining engineer with ED, NED, GM experience
Strong and long-standing affinity with Tanzania

David Riekie

Executive Director

Corporate experience, ASX roles (NED, MD, ED, CEO) including Nickel, Uranium/Energy, African experience

John Hicks

Non-Executive Director

Accomplished Nickel Sulphide Geologist/Explorer, 15yrs of GM level Geo/Explorer for ASX listed

Allan Ritchie

Chief Executive Officer

Experienced ASX/HKEx Energy & Resources CEO/ED/MD, 30+yr Investment Banking career

Leonard Math

Chief Financial Officer/ Company Secretary

Experienced Resources sector executive, ASX listed ED, CFO, Coy Sec

ASX Code

Shares on Issue (FPO's)

Options¹

Performance Rights (m)¹

52 Week Trading Range

ADD

355m

26.5m

17m

\$0.035- \$0.105

Share Price

Market Capitalisation

Cash (AUD) 31 Dec 21

Debt

Top 20 Shareholders

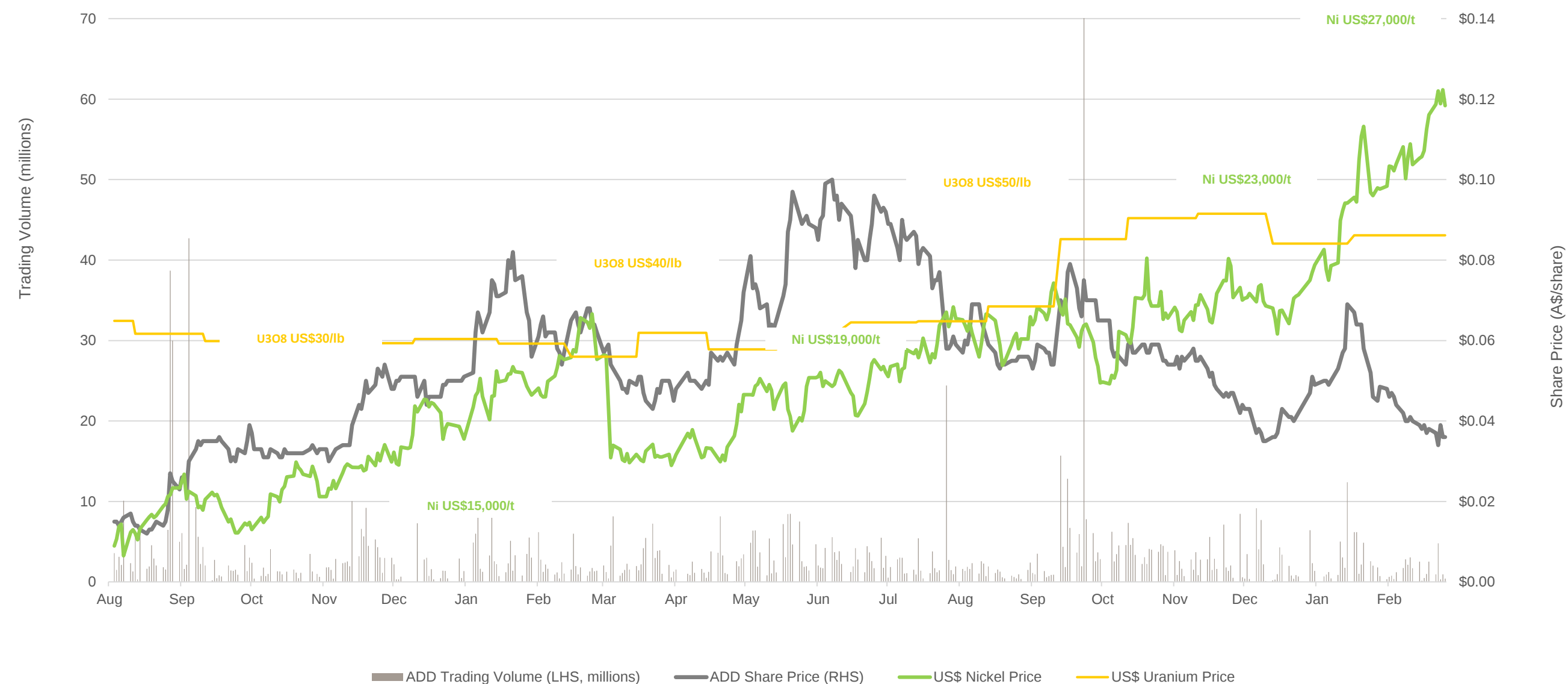
3.6 cents

~\$12.8m

~\$2m

Nil

~26%



Note 1

Unlisted Options 17.5m (expiry Dec 22; trigger to exercise 5day VWAP 12 cents)

Unlisted Options Directors/KMP 9m (expiry Dec 2025; exercise 15 cents)

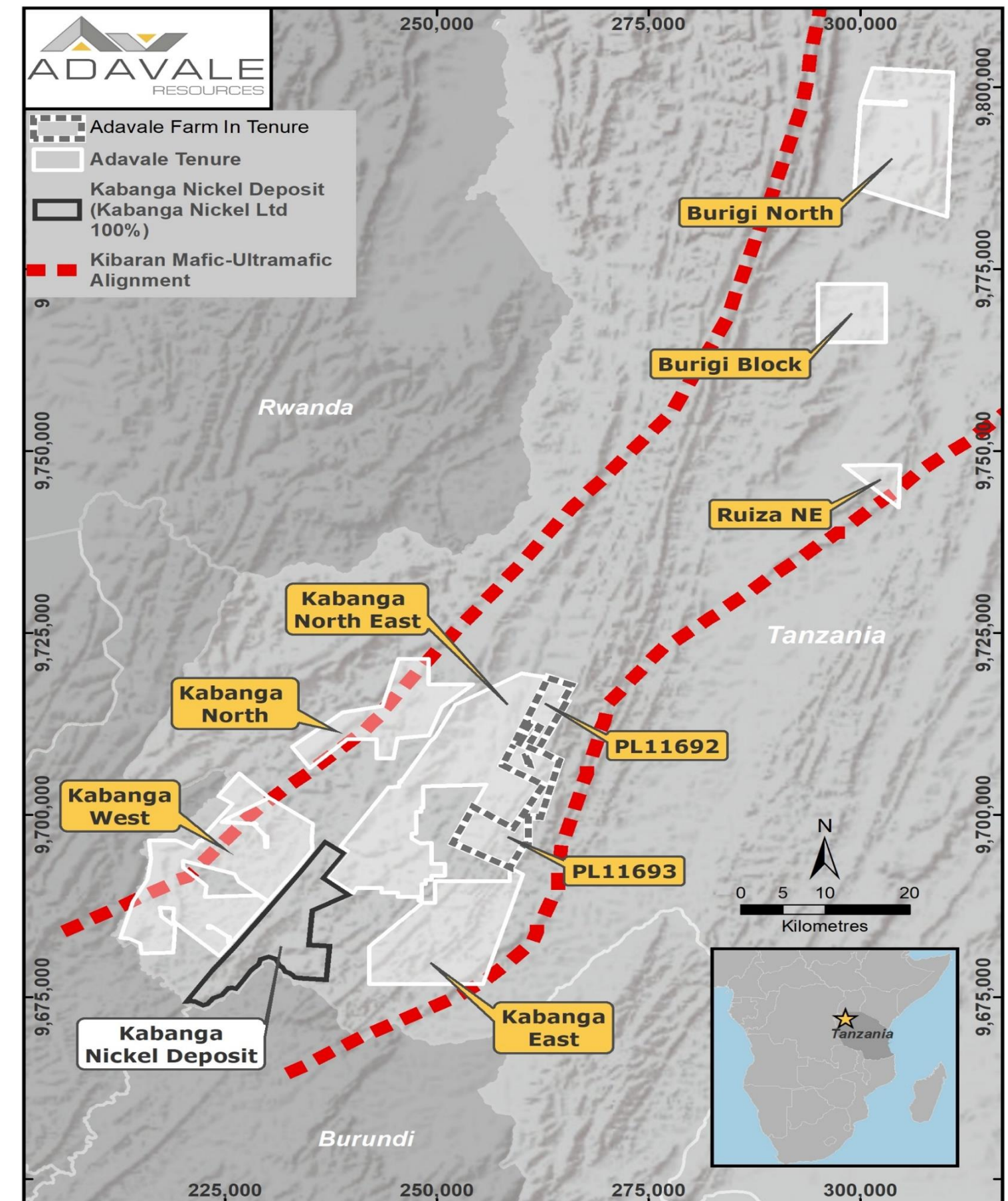
Performance rights 17m (Directors/KMP 11.25m tranche Ni/U308 JORC resource (exp Dec 2023); 5.75m tranche 5day VWAP 15cents (Jun 23))

KABANGA JIRANI & LUHUMA - TANZANIA

An enviable nickel licence portfolio. By applying a dedicated methodology and considered exploration program ensures the Company has the best chance of uncovering a large-scale Ni sulphide discovery.

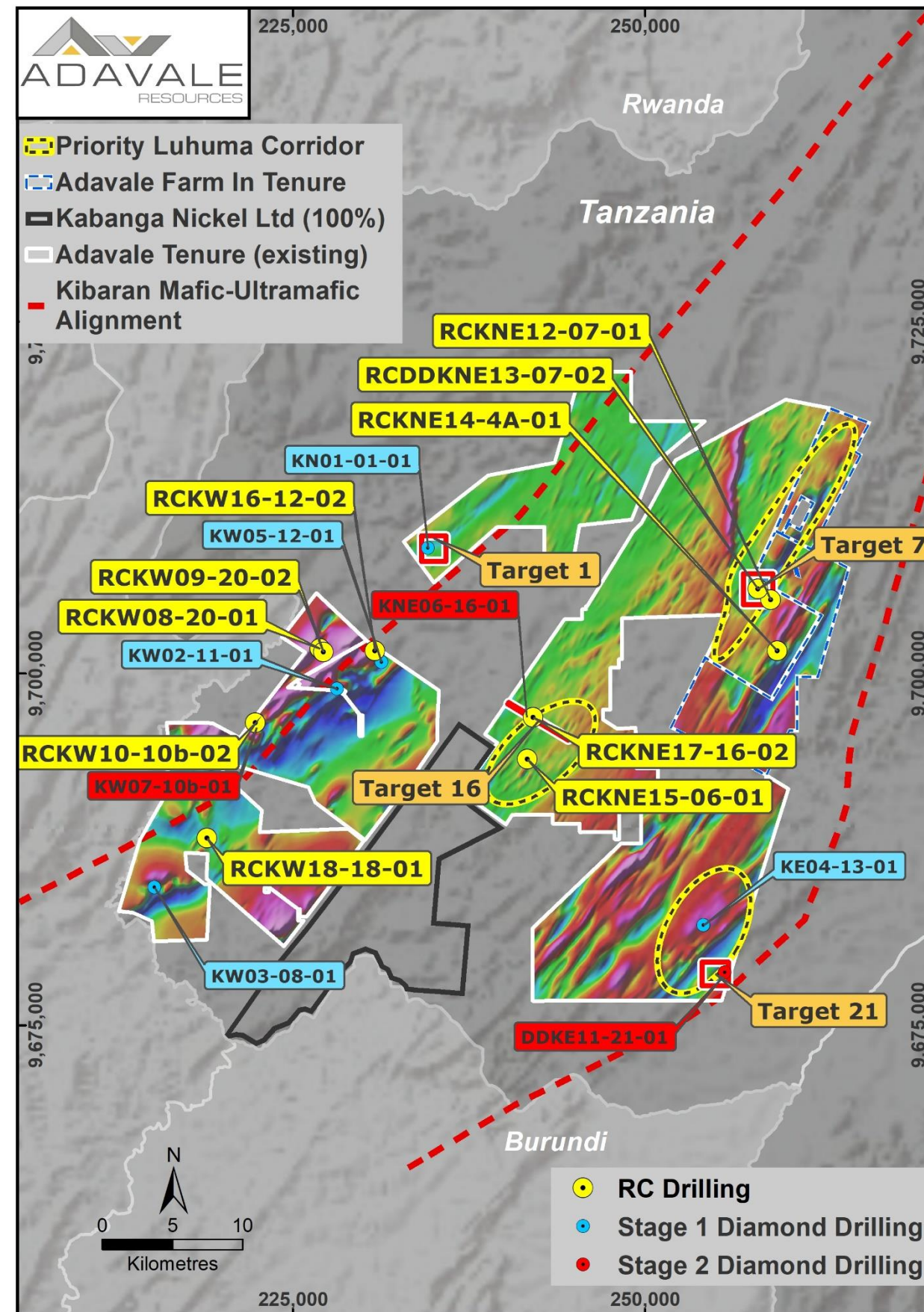
Portfolio Overview

- 100% owned Licences (exception Luhuma Farm –In)
- All Licences cover 1,243 km²
- Located along the Kabanga - Musongati mafic-ultramafic alignment within the Meso-Proterozoic Karagwe-Ankole Belt
 - Prospective for Ni, Cu, Co, Cr & PGE's
- Notable setting similarity with:
 - Thomson Nickel Belt and Raglan deposits in Canada
 - Voisey's Bay NiS deposits Canada
 - IGO's Nova in the Albany-Fraser Belt in Western Australia
- Targeting mafic-ultramafic layered intrusions emplaced within sulphur bearing sediments (sulphides)



NICKEL EXPLORATION

ACTIVITIES AND OUTCOMES – CY 2021



DD and RC drill hole collar locations and key target areas in proximity to Luhuma corridor

Prospecting Licence	DD holes	RC holes	DD/RC holes	Soils samples	Gravity (stations)	Key Targets
Kabanga North	1			2,227	120	T1
Kabanga West	4	5		5,726	869	
Kabanga East	2			2,465	657	T21
Kabanga NE	1	4	1	7,418	727	T7, T16
Total	8	9	1	17,836	2,373	

A Foundation year of activities

Outcomes achieved have enabled the refinement and reprioritisation of target selection criteria:



Inclusion of (target selection) gravity data is critical for the discovery and delineation of buried layered mafic-ultramafic intrusions at depth below extensive cover sequences



Confirmatory drilling important to establish source of the gravity anomalies (e.g. mafic-ultramafic intrusion) prior to determining what follow-up work streams should be undertaken to advance target



Deep penetrating electromagnetic survey coverage of the confirmed intrusions preferable, prior to systematic drill testing



Development of these 2021 outcomes culminated in discovery of Target 7 (Kabanga NE) from known regional potential to prospect target identification

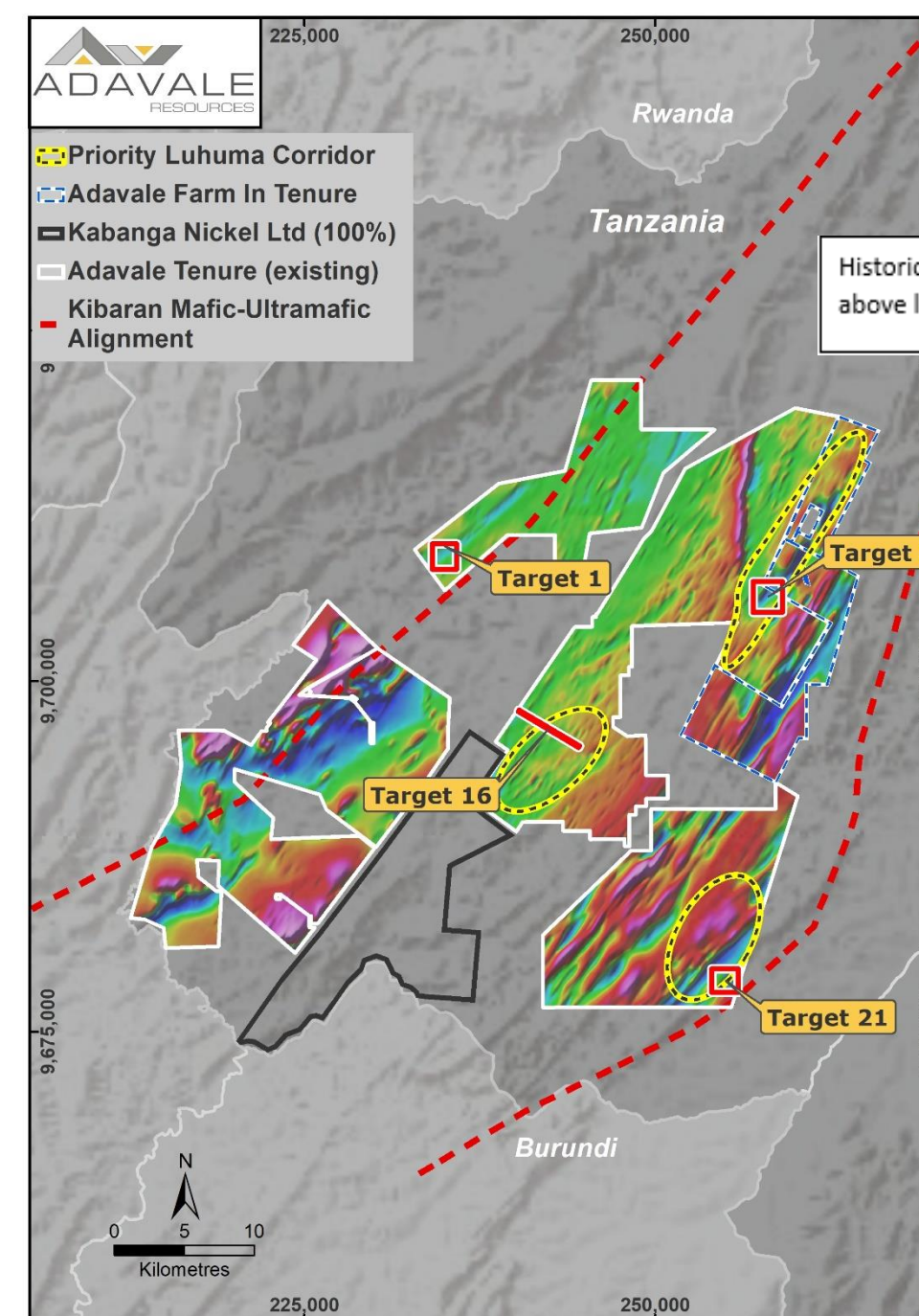


Encouraging Target 7 result being the catalyst to secure Farm-in tenure and to consolidate strike extension ground holdings over the **Luhuma Corridor** which is known to contain historical massive NiS intersections

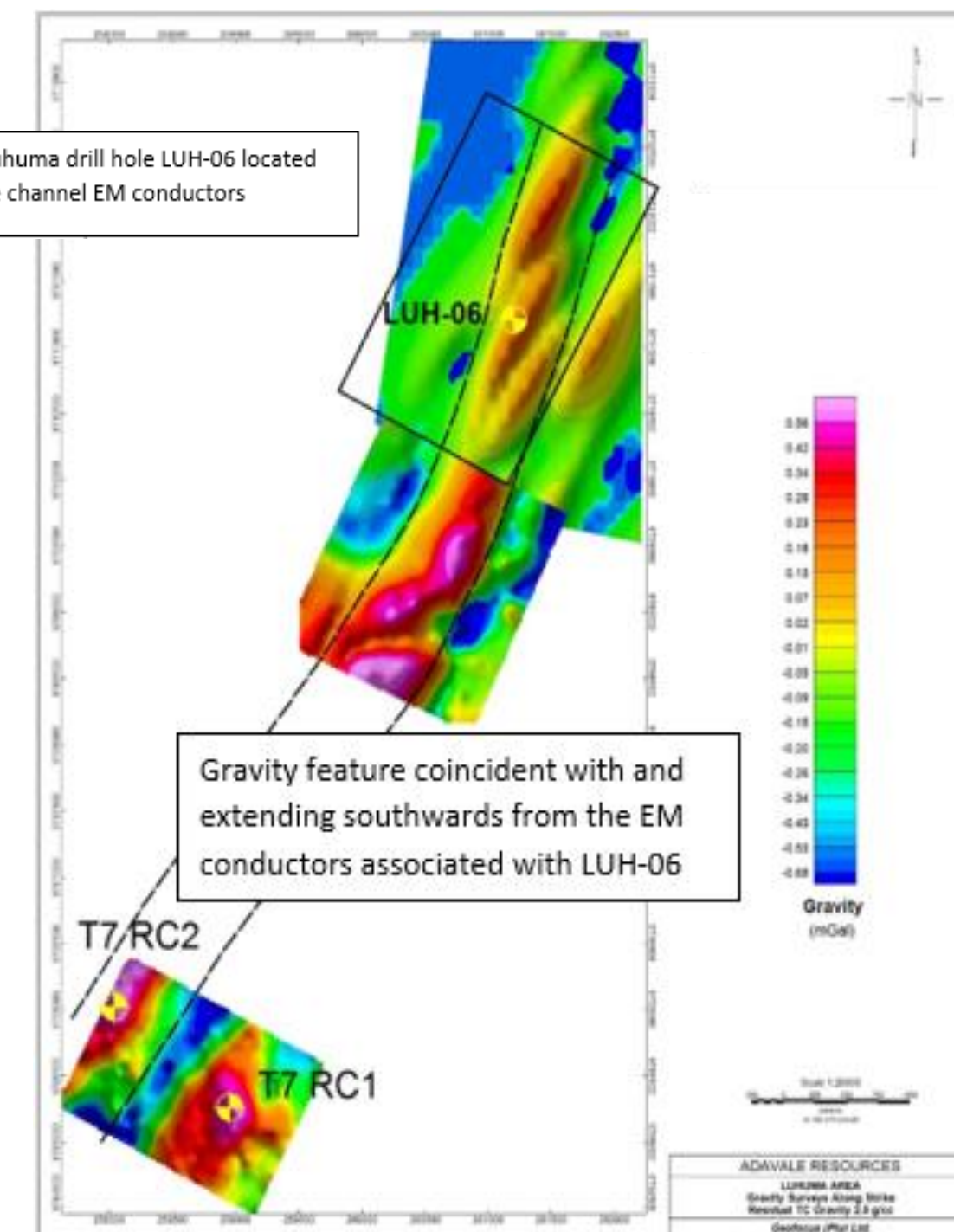
TARGET 7- MAFIC- ULTRAMAFIC DISCOVERY*

Immediate success bringing Gravity into the mix

- Previously unknown mafic-ultramafic intrusion associated with strong gravity anomaly confirmed by RC/DD drill hole RCDDKNE13-07-02 at Target 7 on Adavale's Kabanga NE Licence*
- **~248m Fine grain disseminated sulphides** intersected throughout most of the drill hole (from 83m to end of hole 330.9m) and **confirming the prospectivity of the intrusion**
- Higher sulphide concentrations of ~10% intersected over two intervals between 148 to 161m and 172 to 182m and fine disseminated sulphides ranging to ~5% from 240m to 330.9m
- pXRF readings of the core returned readings to **1.7% Ni and MgO levels up to 24%** typical of mafic-ultramafic intrusions
- Possible gravity connection recognised between Target 7 and historical massive sulphide intersection 6km away at **LUH06 (8.4m @ 1.14% Ni)**, creating exciting high priority follow up work stream for 2022
- Mafic intrusions associated with gravity anomalies at Targets 16 and 21 also identified for follow up testing in 2022



Current priority target areas Targets 7, 16, 21 together with Target 1 based on prolific sulphide veining



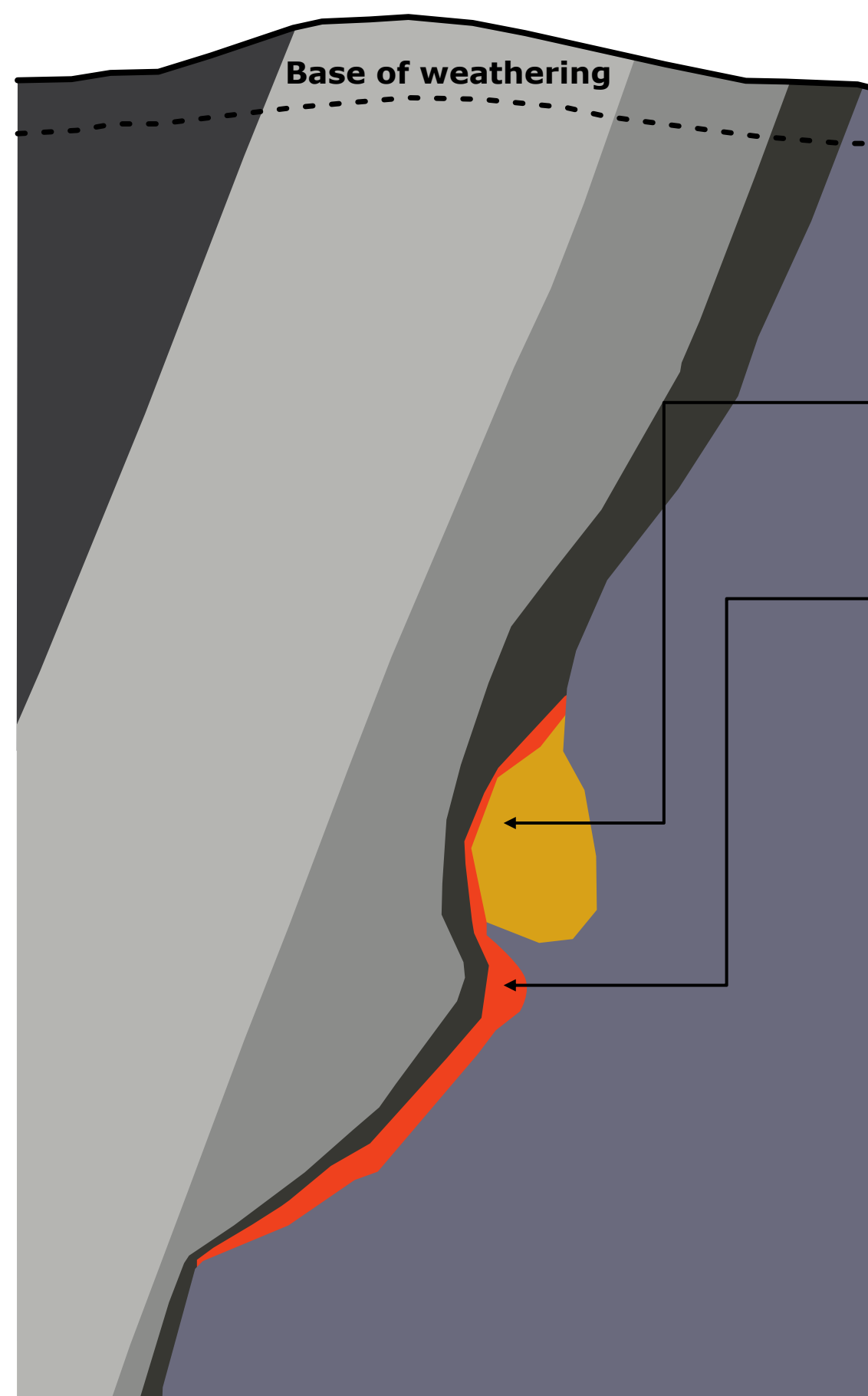
Plan showing relative location between Target 7 and historic Luhuma drill hole LUH-06. Also shown is the possible strong gravity connection between Target 7 and the mineralised Luhuma intrusion

*See ASX Release "Adavale Discovers Significant Mafic-Ultramafic Intrusion" dated 16 December 2021

CURRENT EXPLORATION - RATIONALE AND PATHFINDER TASKS

Techniques/Rationale

- In the right setting, “blue chip” address – sulphide rich intercepts; significant deposits “right next door”
- Ni exploration involves a staged set of pathfinder tasks to improve the “resolution” needed to locate and drill massive sulphide Ni
- Pinpoint and confirm prospective mafic-ultramafic intrusions using gravity (supported with other survey data) and RC drilling
- Campaign RC/DD drilling programs to delineate potential material deposit and resource definition



Focused on the identification of both the location and orientation of mafic-ultramafic layered intrusions

Mafic-ultramafic magmas developed deep within the crust exploit weakness or fractures in the country (host) rock as they ascend towards the surface to form layered “intrusions”

When ascending through the extensive “**sulphide rich**” **host rocks** of the region the magmas, under the right conditions or chemistry, can facilitate the formation of Ni Sulphide (NiS) deposits

Deposits typically form at the base or immediately **below the intrusion** – in the area known as a “**basal footwall**” which becomes the **primary foci for NiS exploration**

Regional deformation (uplift/overturning/twisting etc.) over time can shift the basal footwall relative to its original position and thereby **requires interpretation and understanding of what has occurred in order to correctly identify and target the basal footwall**

Layering between certain rock types and the concentration of specific elements within the intrusion can provide strong vectors to the basal footwall

■ Graphitic schist
 ■ Quartzite
 ■ Andalusite schist
 ■ Banded semipelite
 ■ Massive sulphide
 ■ Mafic-ultramafic rock
 ■ Micaceous phyllite

2022 NICKEL EXPLORATION PROGRAM - OVERVIEW

Q1



Downhole EM survey

Target 7, 16, 21



Ground based survey(s)

Soil sampling (orientation)
Gravity survey (1 field team)

Q2



Ground based survey(s)

Gravity survey (3 field teams)
Electromagnetic (EM)



Airborne Survey

Electromagnetic (EM) - proposed



Drilling Programs

Preliminary RC testing of
gravity anomalies



Prospect Ranking

Hierarchy

Q3



Campaign Drilling

Targeted (RC/Diamond) of
priority prospects
Assay results/pXRF readings



Airborne Survey

Electromagnetic (EM) -
proposed



Ground based survey(s)

Gravity survey (2 field teams)

Q4



Campaign Drilling

Targeted (RC/Diamond) of
priority prospects
Assay results/pXRF readings



Campaign Drilling

RC Drilling
Preliminary/Intrusives



KABANGA SOUTHERN LICENCES



NORTHERN LICENCES

NICKEL, TESLA, BHP AND COUNTRY DYNAMICS – ALL LINING UP

THE CITIZEN NEWS MAGAZINES OPED PHOTOS VIDEO SUPPLEMENT JOBS

Government eyes Sh17.2 trillion as nickel project gets the nod

THURSDAY OCTOBER 28 2021

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January 20, 2022
1:20 AM GMT+8
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2 minute read

European Markets

Supply squeeze pushes nickel up 5% to 11-year high

Reuters

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LONDON, Jan 19 (Reuters) - Nickel prices on Wednesday shot to their highest since 2011 as a supply shortage forced traders to pay huge premiums to get their hands on metal.

July 22, 2021
2:24 PM GMT+8
Last Updated 6 months ago

Business

BHP to supply greener Australian nickel to Tesla

Reuters

AUTOS JULY 23, 2020 / 3:33 PM / UPDATED A YEAR AGO

'Please mine more nickel,' Musk urges as Tesla boosts production

By Yilei Sun, Melanie Burton

4 MIN READ

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Metals rally heats up as nickel price hits \$24,000 on supply snarls

[Bloomberg News](#) | January 20, 2022 | 8:09 am [Intelligence](#) [Markets](#) [China](#) [Europe](#) [Nickel](#)

BHP Buys Into Tanzania Nickel Mine After Failed Canadian Bid

- World's biggest miner to invest \$100 million in Kabanga Nickel
- BHP will take a 17.8% stake in the Tanzanian nickel project

By Felix Njini and Thomas Biesheuvel

10 January 2022, 16:29 GMT+8 *Updated on 10 January 2022, 17:53 GMT+8*

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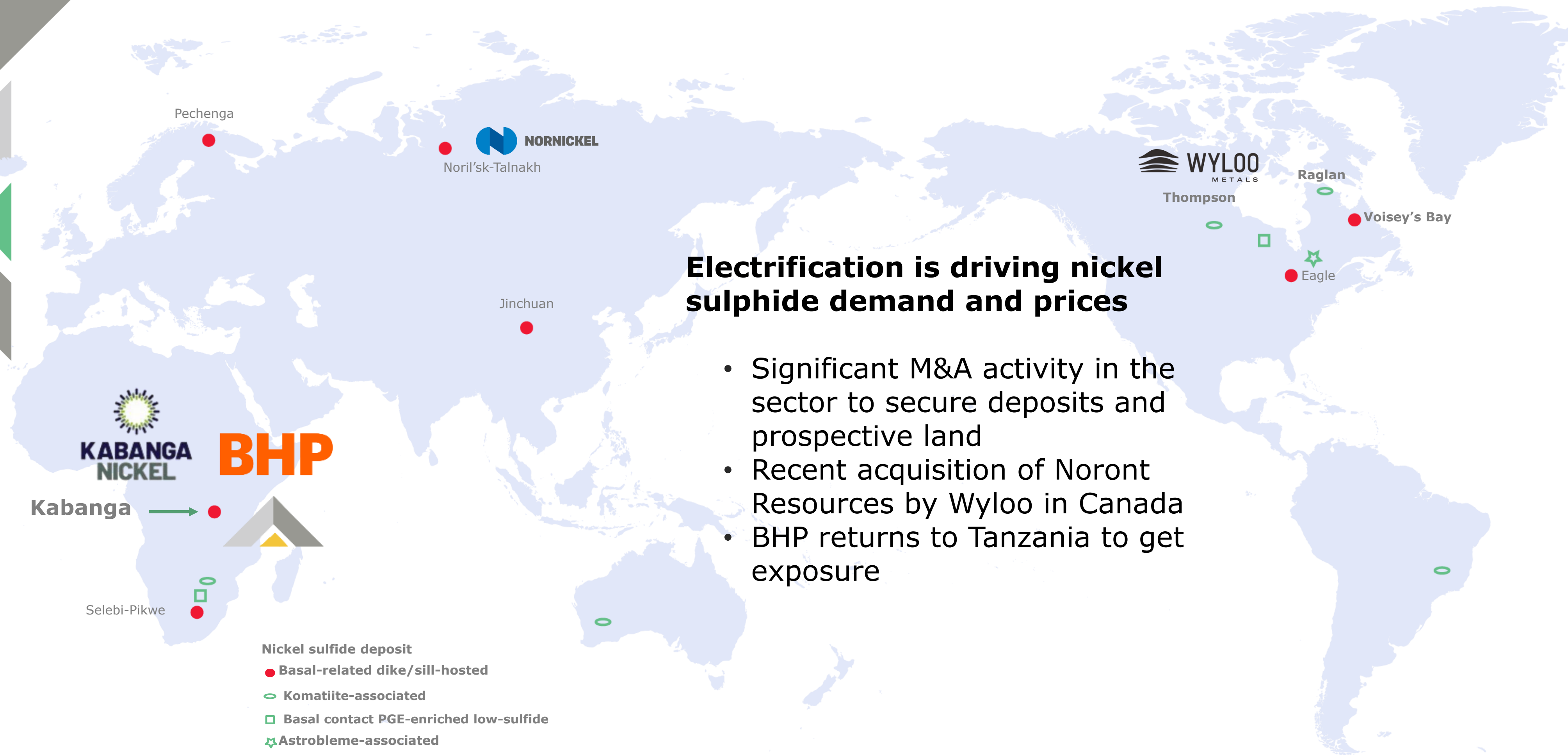
December 22, 2021
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Deals

Wyloo to buy nickel miner Noront after BHP drops off from race

Reuters

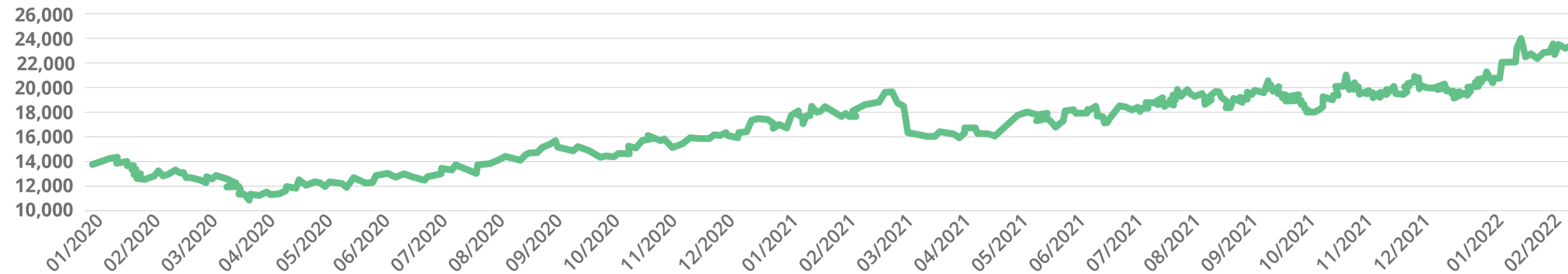
NICKEL SULPHIDE DEPOSITS – RARE AND IN DEMAND



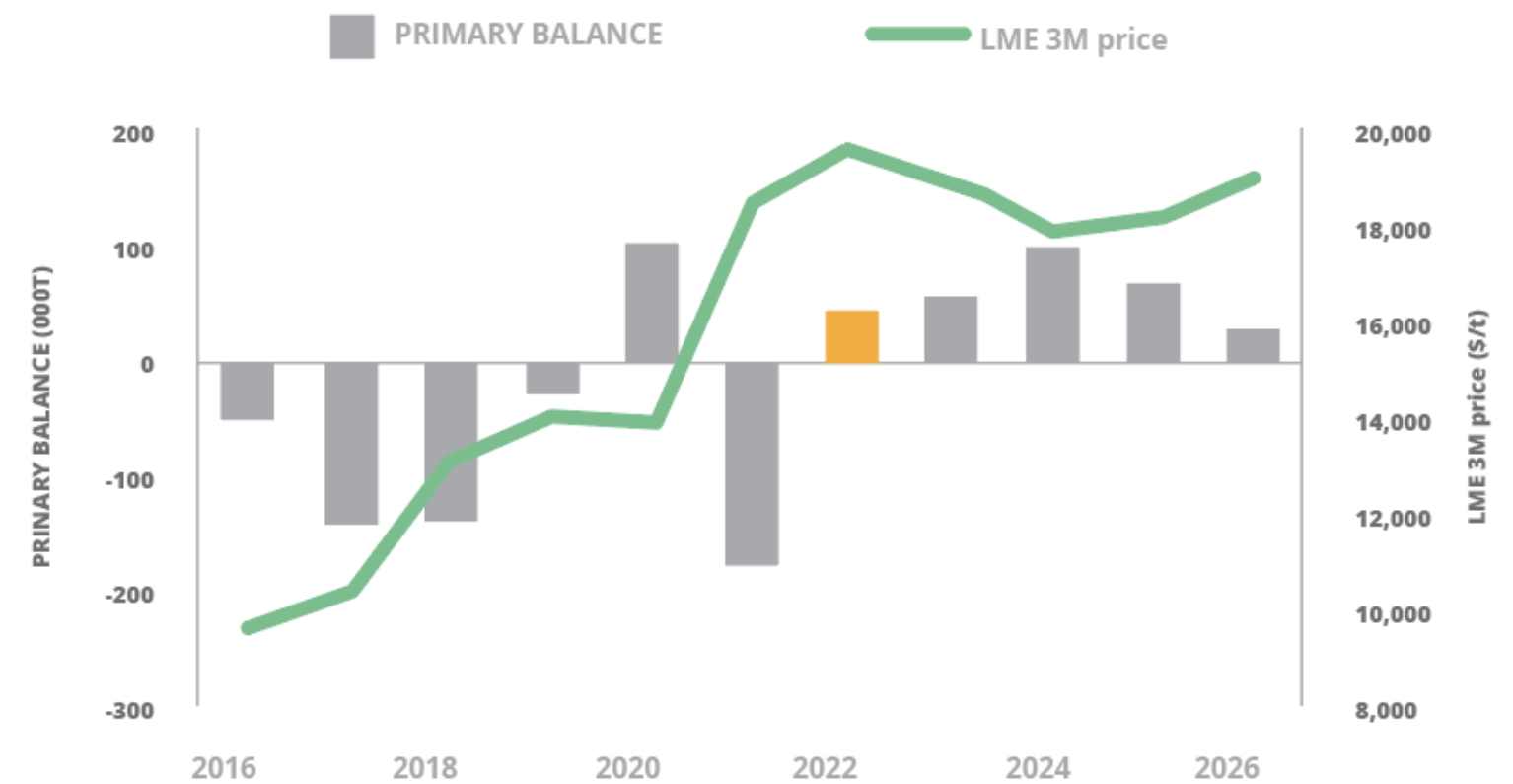
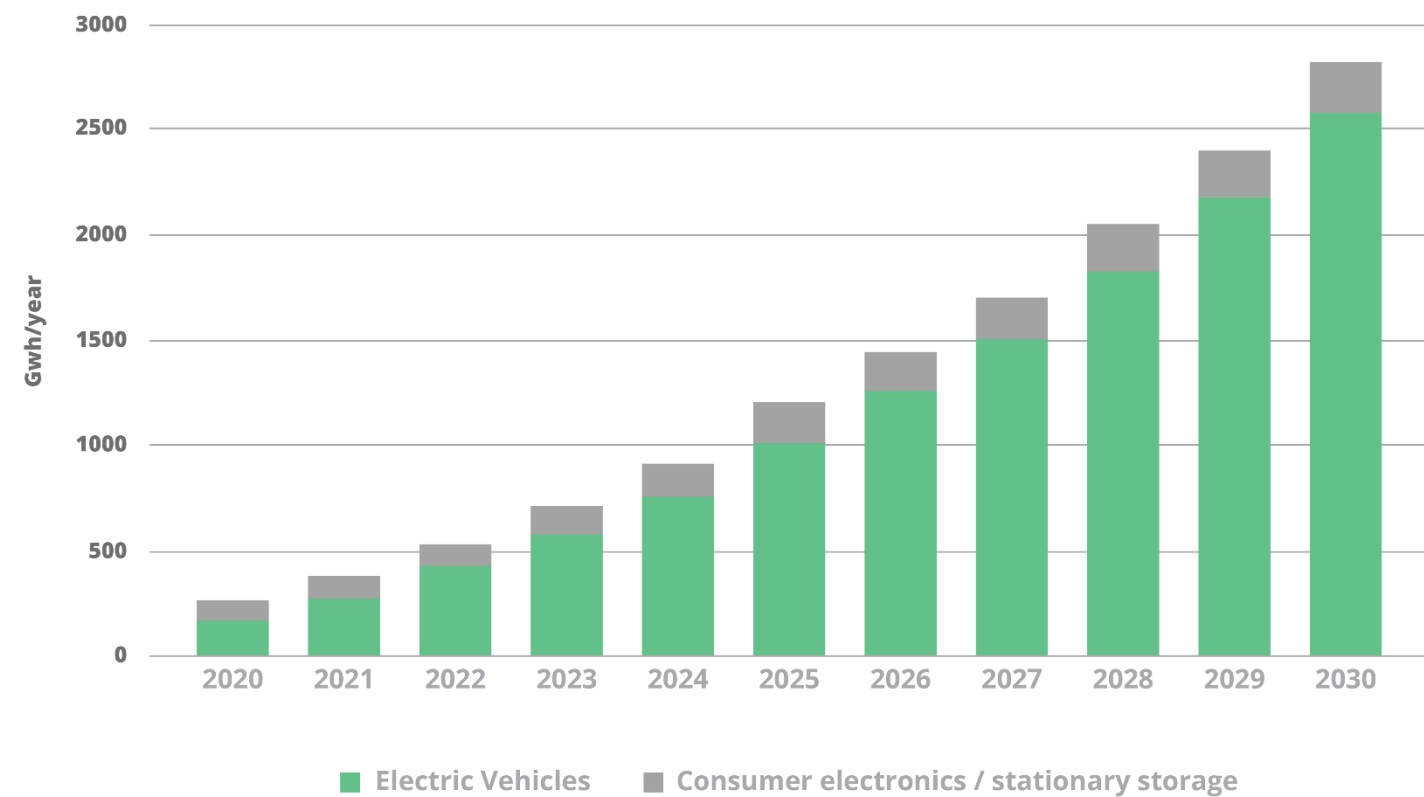
NICKEL TRENDS – PRICE, DEMAND (LIB) , PRIMARY BALANCE

LME Closing prices graph

Source: LME 3 Month contract price Nickel \$USD – last 2 years



Lithium-ion Battery Demand



Source: S&P Global Market Intelligence; London Metal Exchange Data as of Jan. 25, 2022

COUNTRY DYNAMICS AND RECENT NICKEL FOCUSSED ACTIONS

Tanzania as a destination is at an important inflection point

- Numerous projects for various minerals are progressing or in the pipeline for government consideration and approval
- Dedicated negotiation teams to progress projects
- Clear government ownership interest (16%) established

BHP has made a significant investment in Kabanga Nickel (equity/technology)

- US\$40m stage 1
- US\$10m technology
- US\$50 stage 2 milestone (scope for future commitments) to secure ~18% interest in Kabanga Nickel

Relevance and context

- BHP responsible for the original regional surveys 1990's (foundation for Kabanga discovery)
- Global relevance of Tanzanian Ni Sulphide deposits as a destination
- Signals changing sentiment - Tanzania as an investment destination
- Benefit to ADD of proximal green processing and mining operation/jurisdiction
- Significant local economic benefit current and ongoing anticipated

We are of the view that 2022 will be a "break out" year for Adavale



URANIUM PROJECT

LAKE SURPRISE - SOUTH AUSTRALIA

- The 100% owned Project in South Australia, situated 550kms north of Adelaide, 75 kms east of Marree
- Ground holding comprises 3 granted EL's (~400sqkms); 1 pending Application (700sqkms) on the northern flank of the Flinders Ranges (considered highly uraniferous)
- ~90kms from Beverly Four-mile Uranium mine
- Original regional anomalies now expanded to encompass a significantly larger (1.8km x 8km) and stronger radiometric anomaly, which is also coincident with a recently identified helium anomaly survey
- **Recent helium study from satellite imagery** shows several anomalies coincident with gamma anomalies and better defines uranium targets for exploration. Correlation between helium and uranium occurrences supported by known neighbouring Uranium deposits
- Ongoing engagement with the Dieri and Adnyamathanha as the Traditional Custodians of the land on which our Exploration Licences are located

Ministry ID	Area (km ²)	Project Location
EL 5892	92km ²	Lake Arthur East, South Australia
EL 5893	167km ²	Lake Arthur, South Australia
EL 6598	137km ²	Canegrass Swamp, South Australia



Location Map Lake Surprise South Australia

URANIUM PROJECT

FIELD PROGRAM SUCCESS*

- 400km gamma survey completed Nov 2021¹
- Gamma anomalies interpreted to be hosted in the silicified sediments of a palaeochannel system that discharged from the northern Flinders Ranges
- Assay summary from rock chip samples² :
 - Highest uranium content of 356ppm
 - 11 of 28 rock chip samples with uranium content above 100ppm (7 above 200ppm)
 - Elevated gamma correlating with the uranium in samples
- **CY22 Exploration Strategy**
 - Correlation of gamma reading with soil samples, historical logged holes
 - Air core drilling, sampling and assays across the palaeochannel (to define zones where high uranium content expected)
 - Completion of original (regional scale) gamma survey across areas originally identified
 - Sampling helium anomalies highlighted (regional/additional exploration focal points)
 - Progressive development of targeted drilling programs for resource definition (based on approved actions)

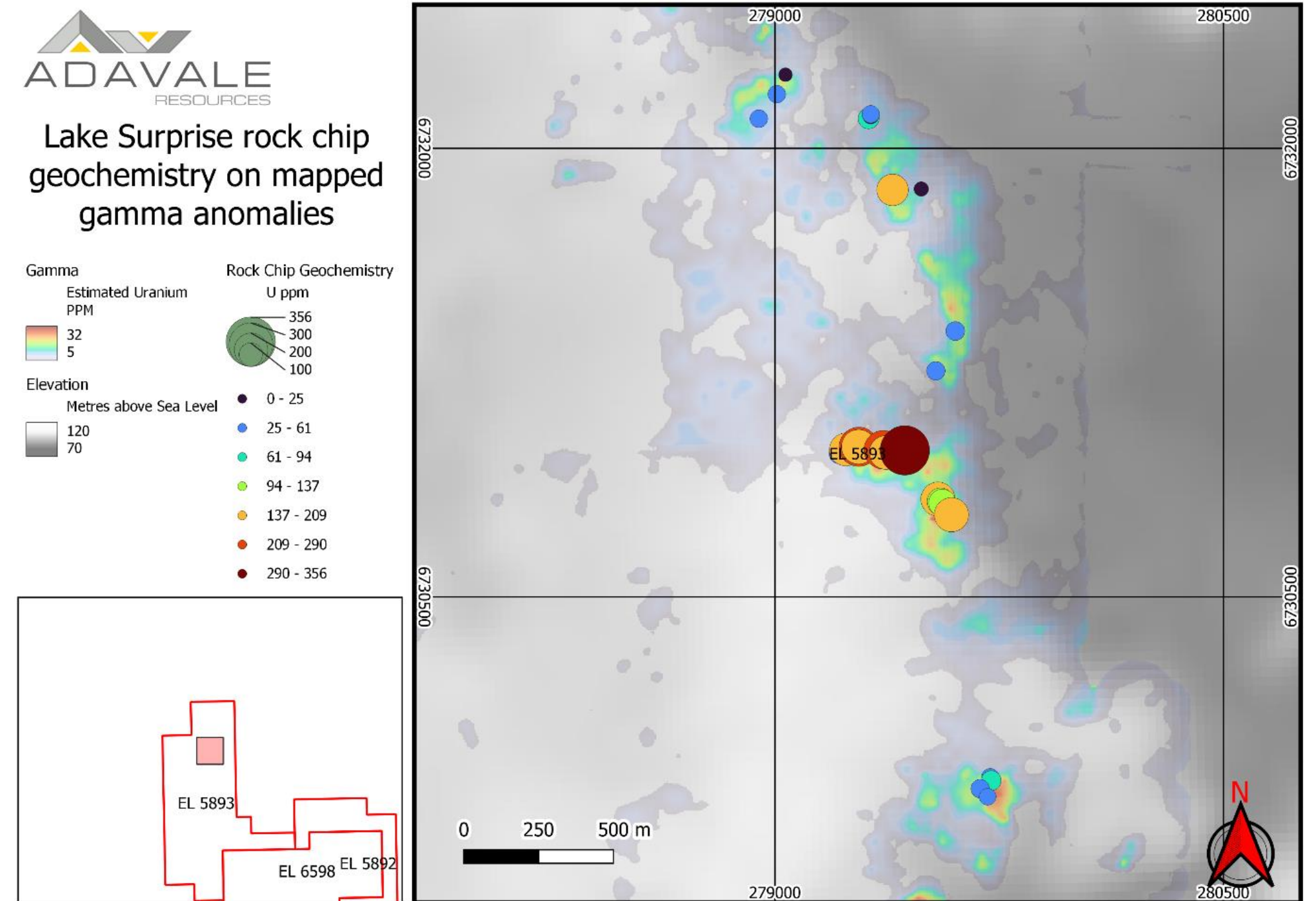


Image of the processed data from the gamma survey highlighting zones of anomalously high gamma radiation at the surface together with the location of rock chip samples relative to elevated gamma results

*¹ ASX release dated 17 December 2021 "Gamma Results Between 5 and 40 Times Background Radiation Levels at Adavale's Uranium Licences"

* ²ASX release dated 7 February "Lake Surprise Uranium Geochemistry Results"

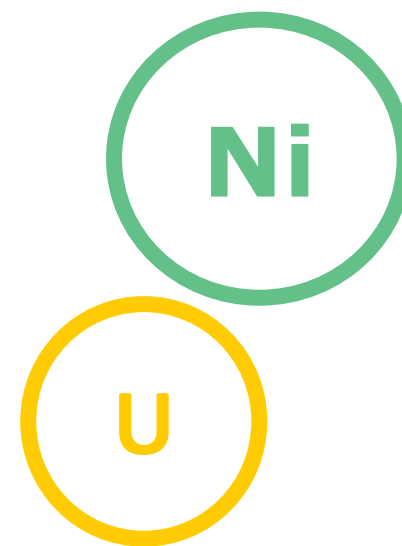
INVESTMENT THESIS



Alignment of opportunity and knowledge with activities focused on discovery with a highly prospective ground holding for sulphide Nickel and Uranium

Strong and experienced Board, Management and team: extensive Tanzanian experience, nickel exploration - discoveries and corporate actions and resource development

Board and key executives: material shareholdings, performance-based incentive: **leveraged to value uplift** via significant outcomes including discovery



Exposure to both Nickel and Uranium: Electrification and Decarbonisation



Proximal high-grade nickel sulphide deposits

Contiguous with the world richest undeveloped nickel deposit – 58Mt @ 2.62% Ni

Licences/Farm –in of licences surrounding LUH06 intercept 1.1% Ni over 8.4m



Tanzanian Government is open to investment, mining and exploration

BHP have re-emerged in via a strategic investment



Uranium exploration in Sth Australia demonstrating early initial success



Clear pathways and exploration plans for high impact drilling campaigns



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