ADAVALE RESOURCES

Exploring for a Tier-1 Nickel Sulphide Discovery in the East African Nickel Belt

Africa Down Under Presentation

2 September 2022 | ASX: ADD

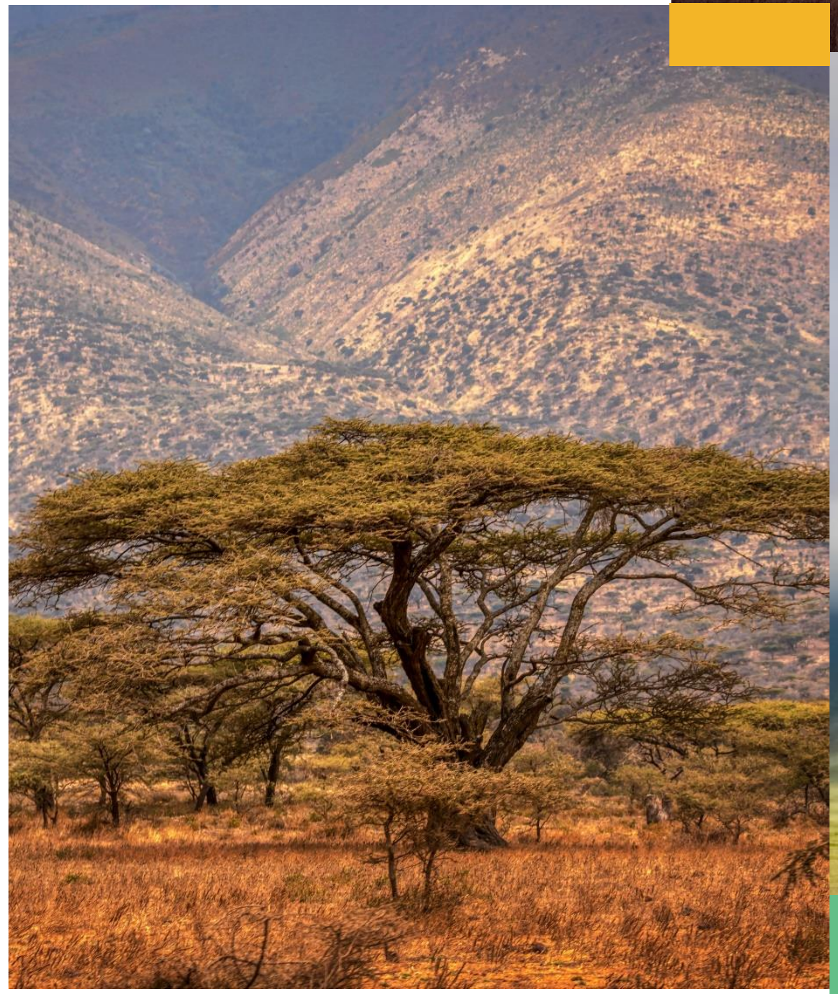
Important Notice and Disclaimer

This presentation has been prepared by Adavale Resources Ltd (ASX:ADD).This presentation contains background information about ADD current at the date of this presentation. The presentation is in summary form, has not been independently verified and does not purport be all inclusive or complete nor does it contain all the information that a prospective investor may require in evaluating a possible investment in ADD or its assets.

Recipients should conduct their own investigations and perform their own analysis in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained in this presentation. All securities transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments. Recipients of this presentation who decide to invest in ADD do so at their own risk.

This presentation is for information purposes only. Neither this presentation nor the information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sale of securities in any jurisdiction. This presentation is not a prospectus and does not contain all of the information which would be required to be disclosed in a prospectus. This presentation may not be distributed in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. Recipients should inform themselves of the restrictions that apply in their own jurisdiction. A failure to do so may result in a violation of securities laws in such jurisdiction. This presentation does not constitute investment advice and has been prepared without taking into account the recipient's investment objectives, financial circumstances or particular needs and the opinions and recommendations in this presentation are not intended to represent recommendations of particular investments to particular persons. Recipients should seek their own professional, legal, tax, business and/ or financial advice when deciding if an investment is appropriate.

To the fullest extent permitted by law, ADD and its related bodies corporate, its directors, officers, employees and representatives (including its agents and advisers), disclaim all liability, take no responsibility for any part of this presentation, or for any errors in or omissions from this presentation arising out of negligence or otherwise and do not make any representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of any information, statements, opinions, estimates, forecasts, conclusions or other representations contained in this presentation.



This presentation 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 presentation 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.

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 undertaking 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 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.

Why invest in Adavale?

Exposure to critical minerals - Nickel and Uranium
- Electrification and Decarbonisation

A dominant Nickel exploration portfolio in the East African Nickel Belt (EANB)
- Poised to become an epicentre for nickel discovery and production in Tanzania

Success through dedicated methodology and a considered exploration program
- Generating numerous and large-scale Ni sulphide targets

Near term drill targets
– 32 previously unknown and unexplored targets generated from ground-based gravity survey, now being refined and prioritised for drilling from 9 Heli EM survey areas

A team with deep African experience and a track record of major discoveries in Nickel

Fully funded to execute imminent drill programs and ongoing exploration

Board & 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 and 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

ADD	$18.3m*	~3.6cps	$3.6m
ASX Code	Market Cap	Share Price	Cash & Liquids

~5%	17m	76.4m*	Nil
Board & Management Ownership	Performance Rights	Options Avg. Ex-Price 5.1cps, Exp: 21 Dec 22 to 30 Jan 25	Debt

Current Shares on Issue Proforma (Placement + Right Issue)*notes	***m***	**507**
Pro-forma Cash & Liquids (30 June 2022)	***$m***	**3.6**
Market Cap (at 3.6 cps - last close 1 Sep 22)	***$m***	**18.3**
Enterprise Value (implied)	***$m***	**14.7**

*** Notes:**
- Refer to Placement and Entitlement Offer details in announcement "Adavale raising up to $3M to accelerate nickel exploration" dated 27 July 2022; proforma Mkt Cap
- Options include 1:3 attaching options from Placement & Rights Entitlements Issue
- Cash & liquids includes $400k (as at 30 June 2022) and $175k cash draw facility with LKC Technology Pty Ltd (LKC)
- Board & Management ownership assumes subscription for 5M shares in Tranche 2 of the Placement (subject to shareholder approval) and directors taking take up their eligible entitlements under the Entitlement Offer
- Performance rights 17m (Directors/KMP 9m tranche Ni/U308 JORC resource (exp Dec 2023); 5day VWAP 15cents (Jun 23)

Nickel Portfolio, Tanzania

A dedicated methodology and exploration program to uncover a large-scale Ni sulphide discovery in the East African Nickel Belt

Kabanga Jirani and Luhuma – East African Nickel Belt

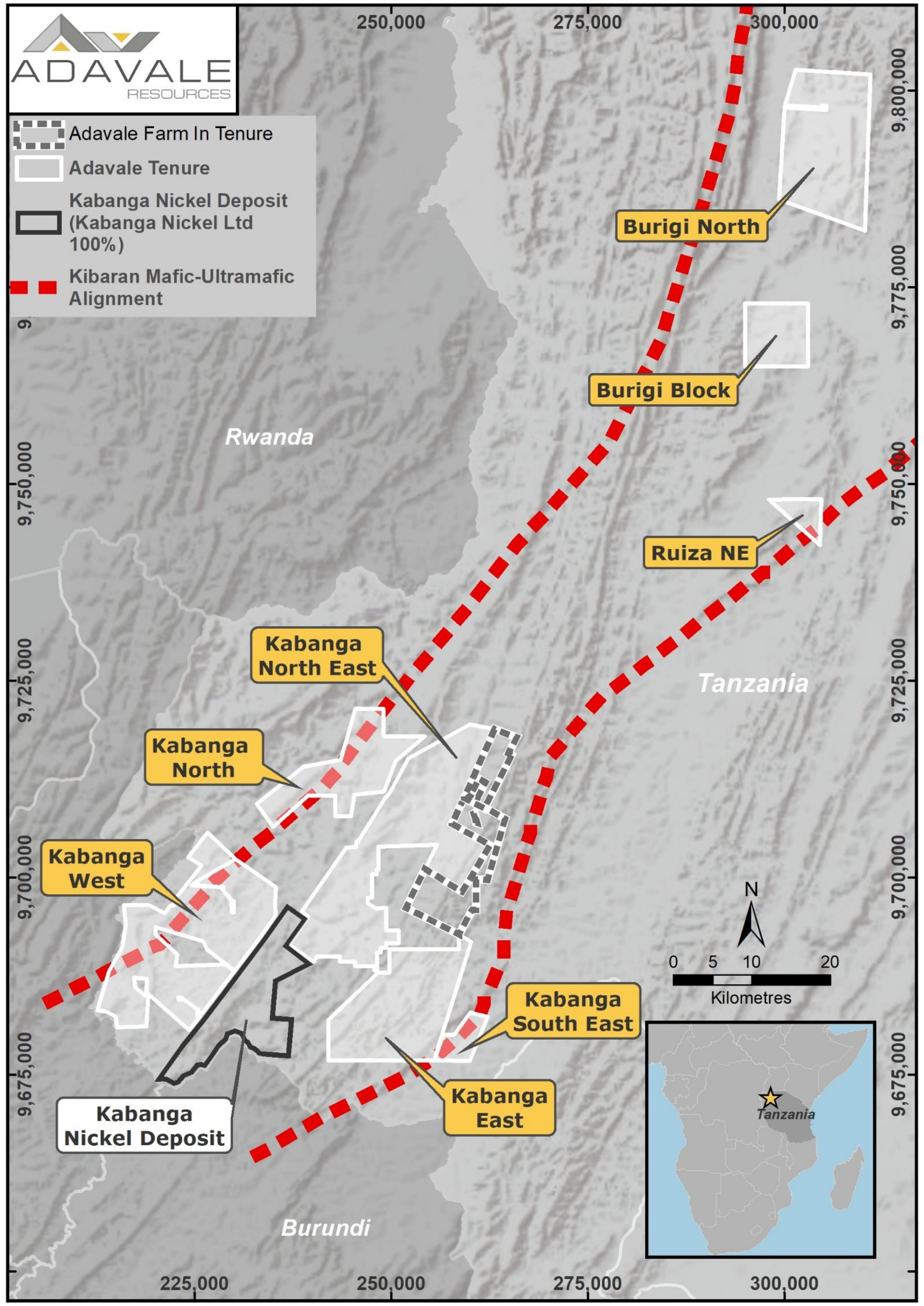
A dominant nickel licence portfolio within the East African Nickel Belt

A dedicated methodology and considered exploration program generating numerous priority Ni targets

A Company poised to uncover a large-scale Ni sulphide discovery

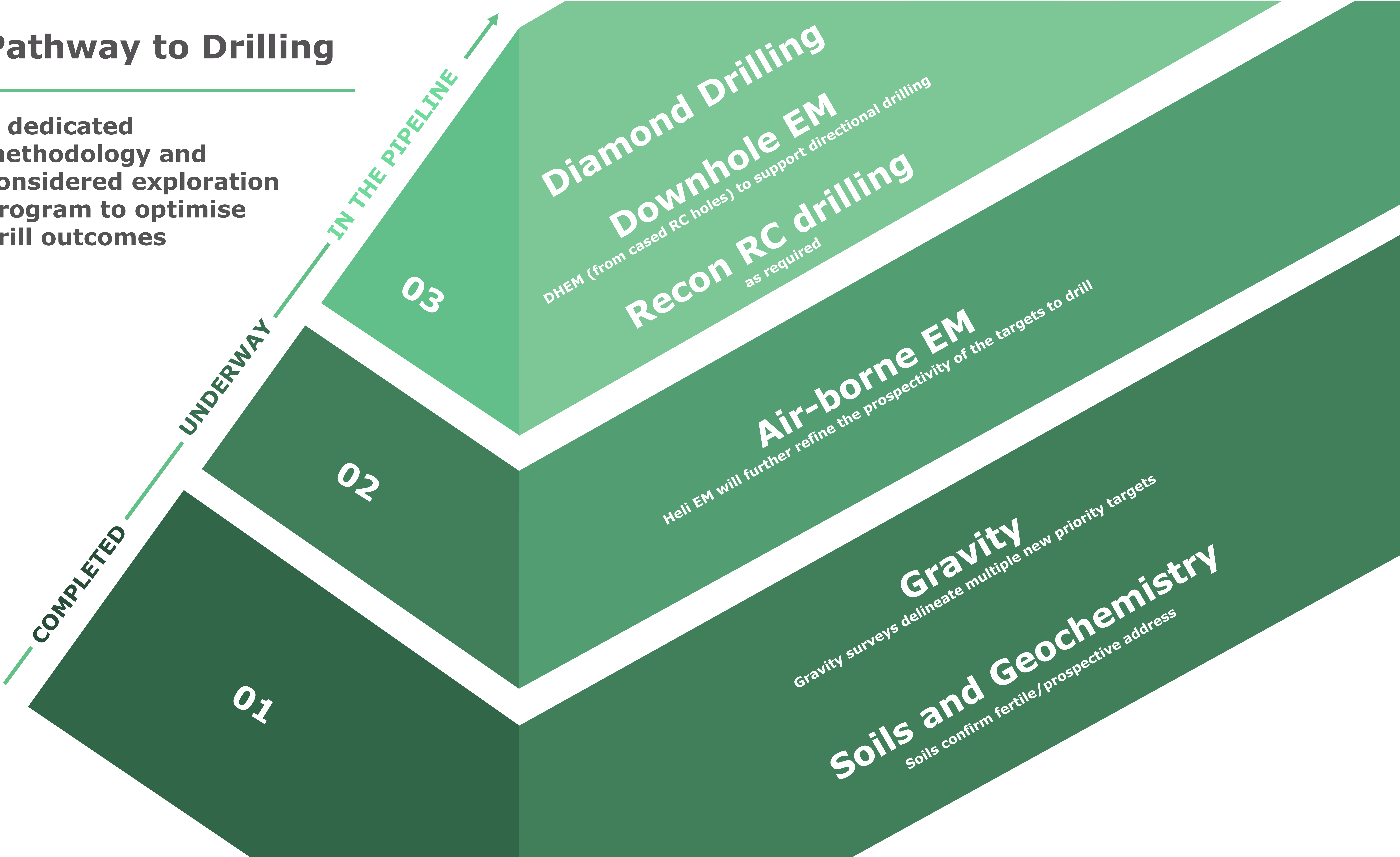
Portfolio Overview

- 100% owned Licences (exception Luhuma Farm –In) **covers 1,267 km2**
- Located along the Kabanga - Musongati mafic-ultramafic alignment within the Meso-Proterozoic Karagwe-Ankole Belt (age ~1350 to 1400Ma)
    - Prospective for Ni, Cu, Co, Cr and 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)`



Pathway to Drilling

A dedicated methodology and considered exploration program to optimise drill outcomes



Previous Activities and Outcomes - 2021

2021 - A defining year to revise strategies and methodology

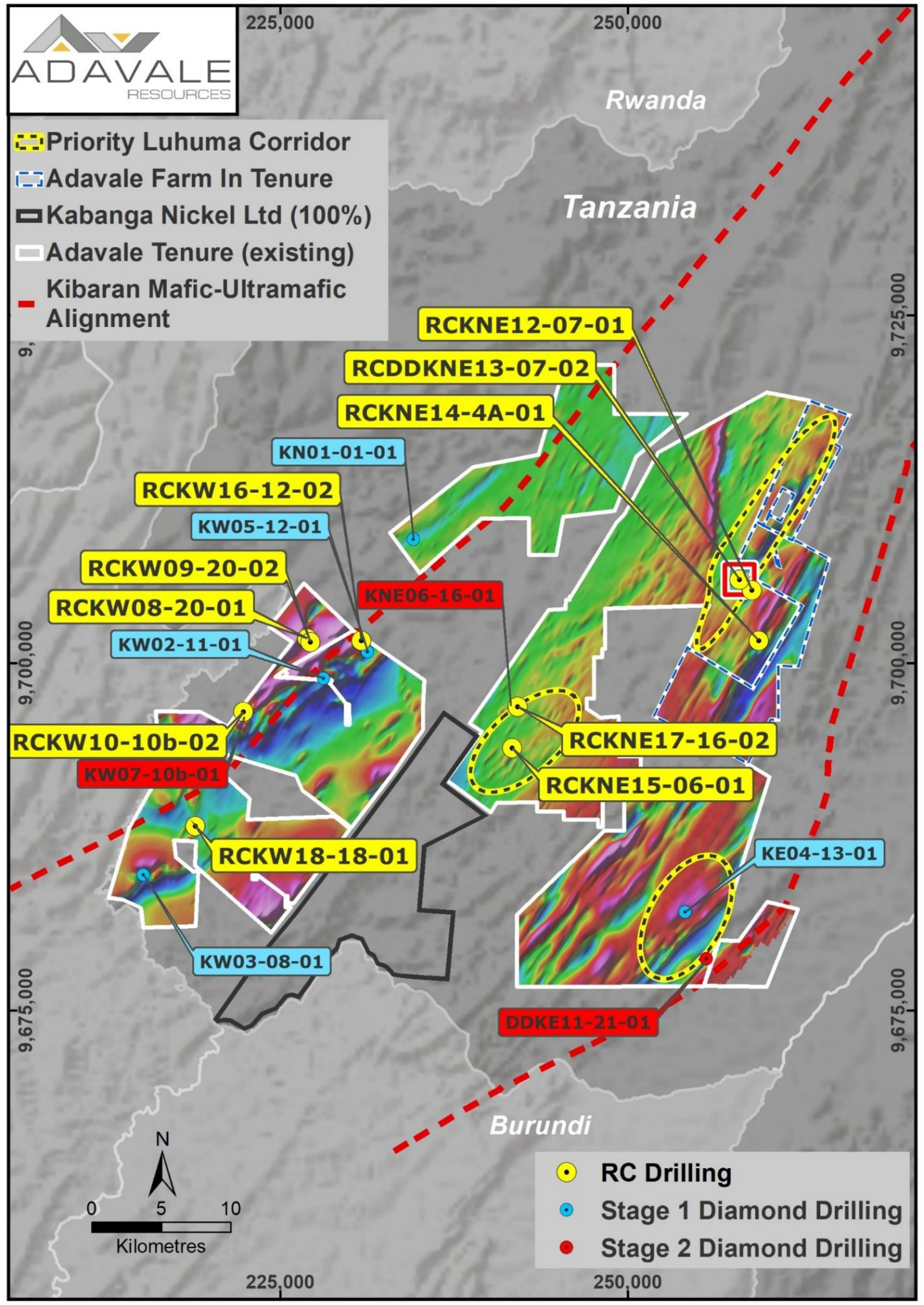
Outcomes achieved have enabled the refinement and reprioritisation of target selection criteria:

- Gravity data defines targets
- Drilling to establish source of the gravity anomalies (mafic-ultramafic intrusions)
- Deep penetrating electromagnetic survey coverage of the confirmed intrusions
- Development of these 2021 outcomes culminated in **discovery of Target 7** (Kabanga NE) from known regional potential to prospect target identification

Luhuma Nickel Corridor

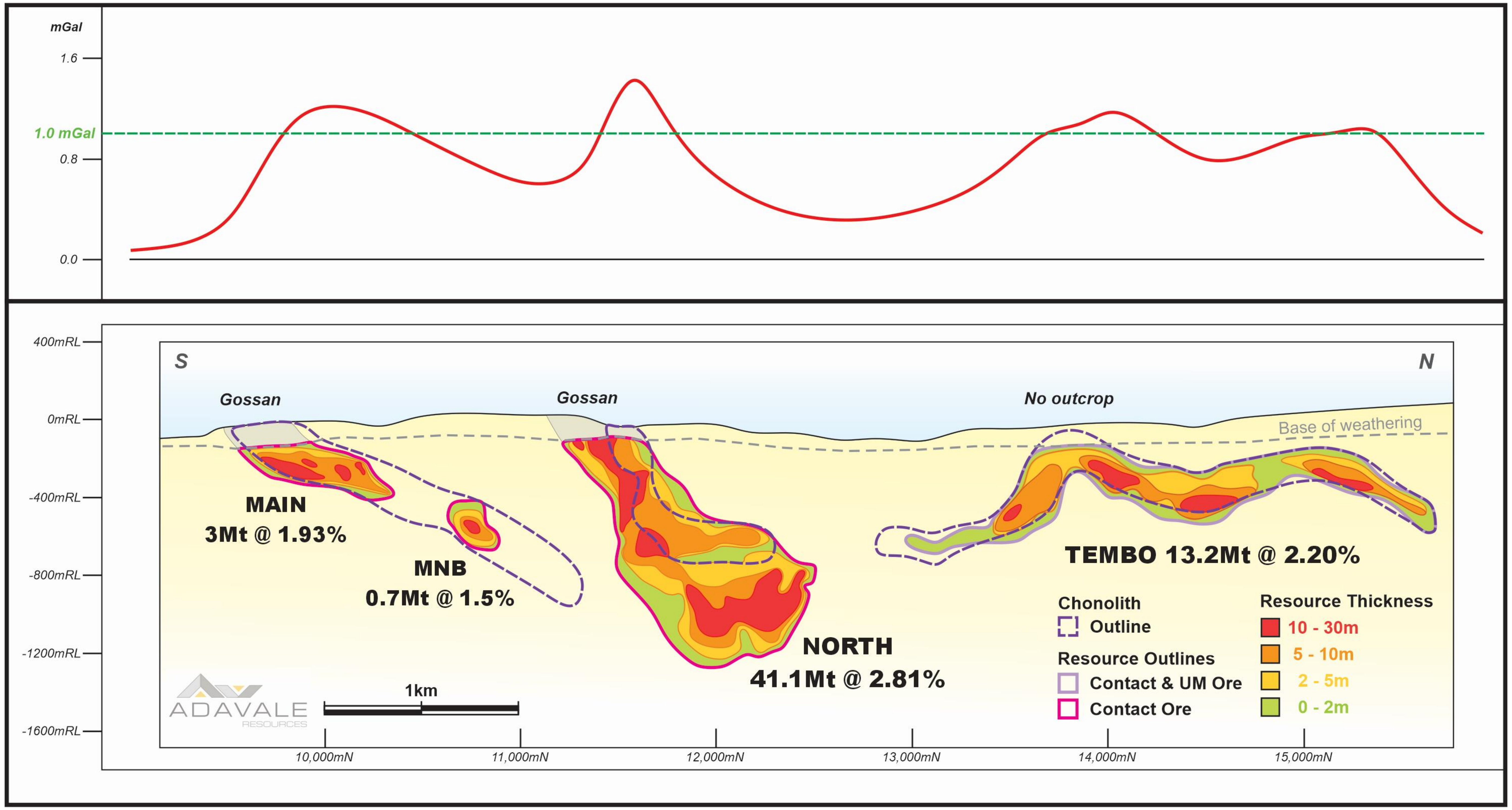
Encouraging **Target 7** result was the catalyst to secure **Luhuma Farm-in** tenure and consolidate strike extension ground holdings which is known to contain historical massive NiS intersections

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**	



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

Pathfinder Gravity Signatures of Neighbouring Resources



Modelling & Outcomes

- Modeling has been undertaken by ADD based on the underlying deposits and Resources at Kabanga* to generate a range of corresponding (mGal) gravity signatures
- These indicative gravity signatures show mGal amplitudes of between ~ 0.6 to 1.4mGal around the large scale mafic/ultramafic intrusions
- ADD originally applied an exploration target threshold of +0.75mGal for the current gravity program to identify larger scale mafic/ultramafic intrusions
- ADD has already identified 16 discrete priority targets with gravity signatures+1mGal (increased density)

Source: Evans, D. M., Hunt, J. P. P. M. and Simmonds, J. R., 2016. An overview of nickel mineralisation in Africa with emphasis on the Mesoproterozoic East African Nickel belt (EANB). Episodes, 39/2, 319-333. DOI: 10.18814/epiiugs/2016/v39i2/95780

32 new Nickel Targets Discovered with Gravity Surveys

Gravity providing the foundation for exploration success

- **24,000 gravity readings over ~1,000 sq km** have now generated a total of **32 newly discovered and unexplored sulphide nickel targets**

- The **number and order of magnitude** of the gravity targets generated **confirms the prospectivity and large-scale nickel exploration potential** of Adavale's licences within the globally significant **East African Nickel Belt**

- Ground-based **gravity survey has discovered priority targets over a ~55 km strike length** that will become the focus of Adavale's future drilling programs and ongoing exploration

- **9 Heli-borne Electro Magnetic (EM) survey areas will be flown in mid July** in order to identify conductors within these gravity targets

- EM conductors identified will be tested with Reverse Circulation and Diamond **Drilling campaigns now scheduled to commence from September 2022**

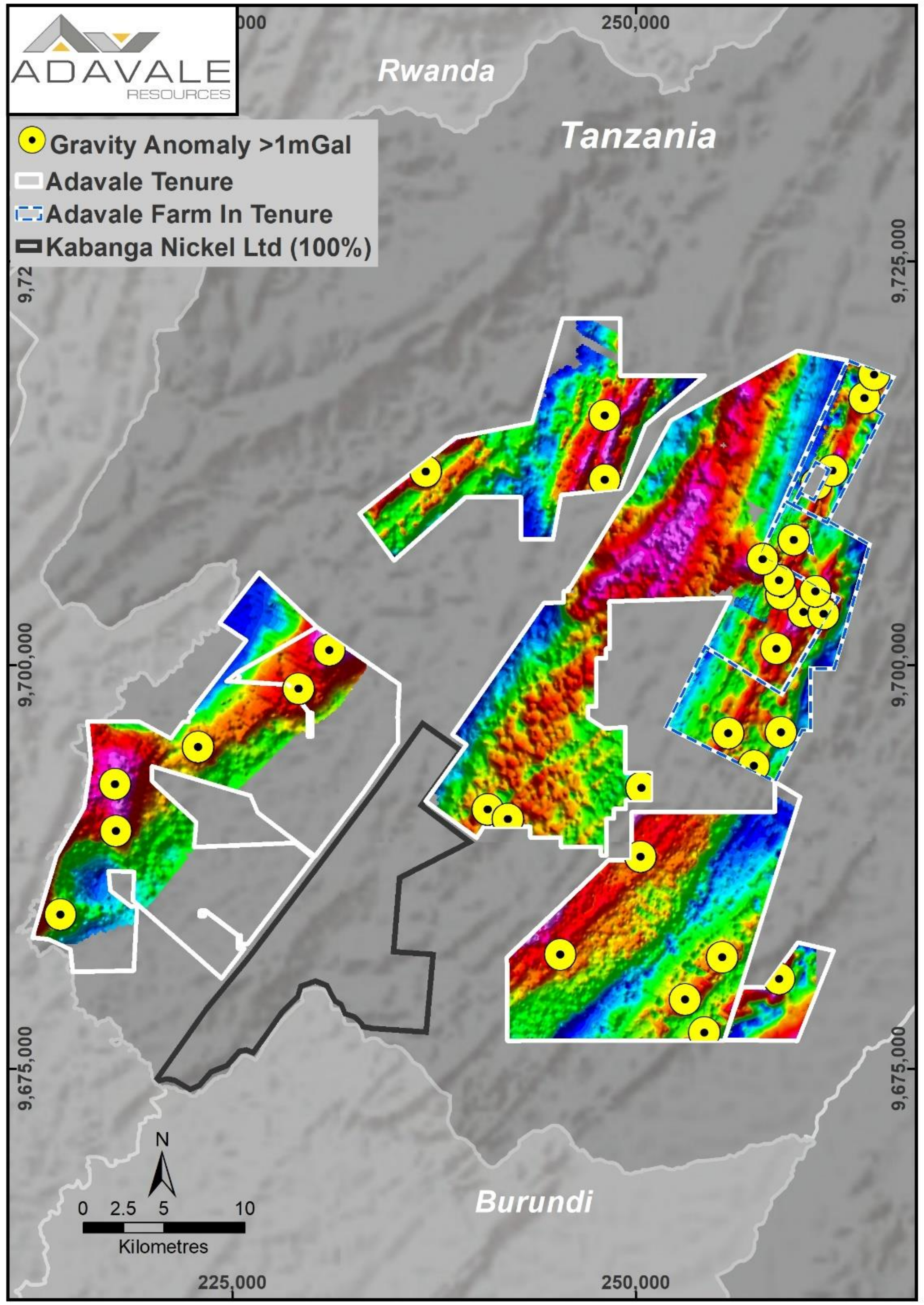


Figure Regional gravity survey areas showing location of identified targets

**ADD ASX Release dated 7 July 2022 titled "Outstanding Success with Multiple Previously Unknown Nickel Targets Discovered at Kabanga NE"*

NICKEL PORTFOLIO

9 High Priority Heli EM Survey areas – including Luhuma Nickel Corridor

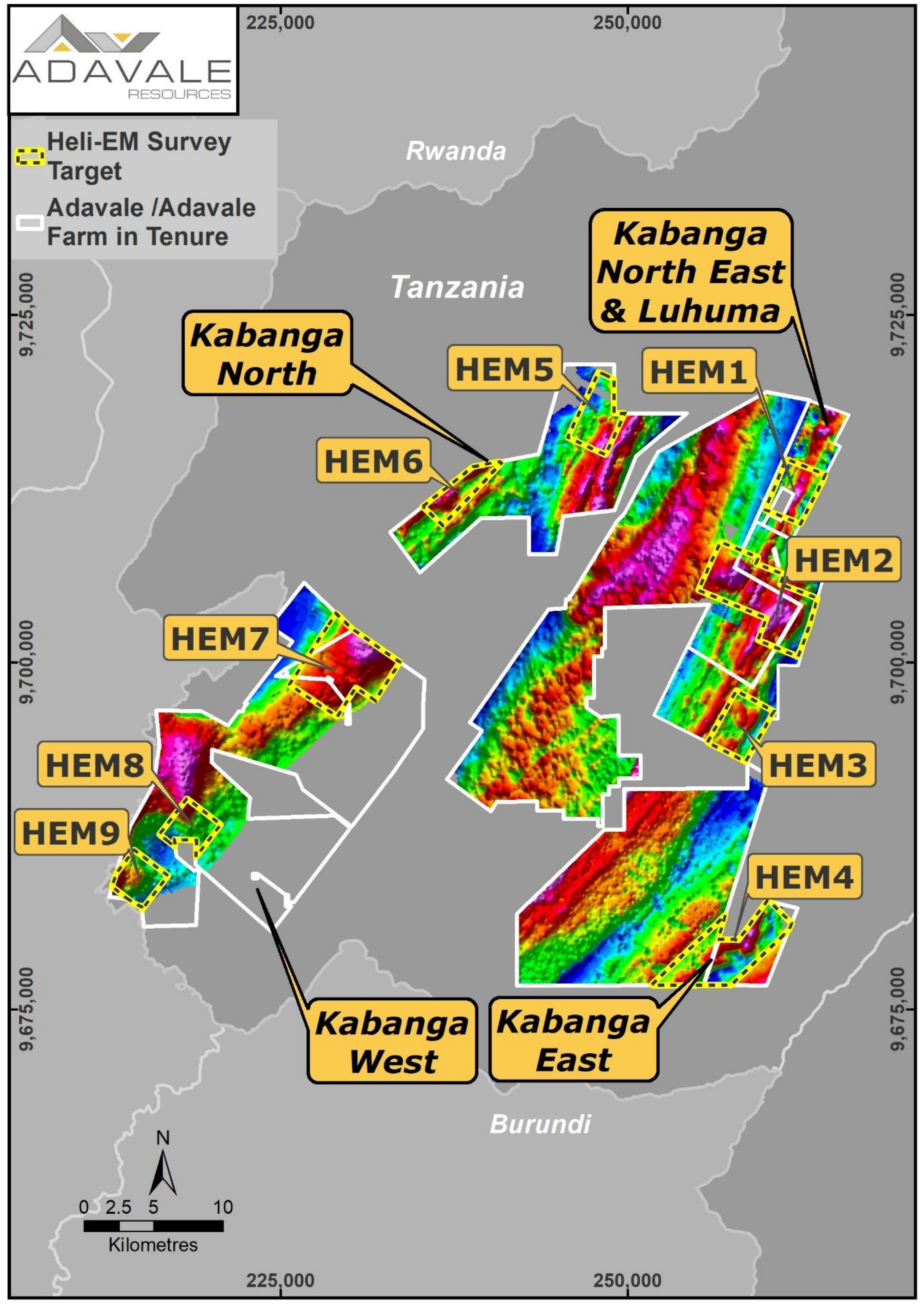


Figure : Plan view of the nine Heli-EM (HEM) target areas currently being flown

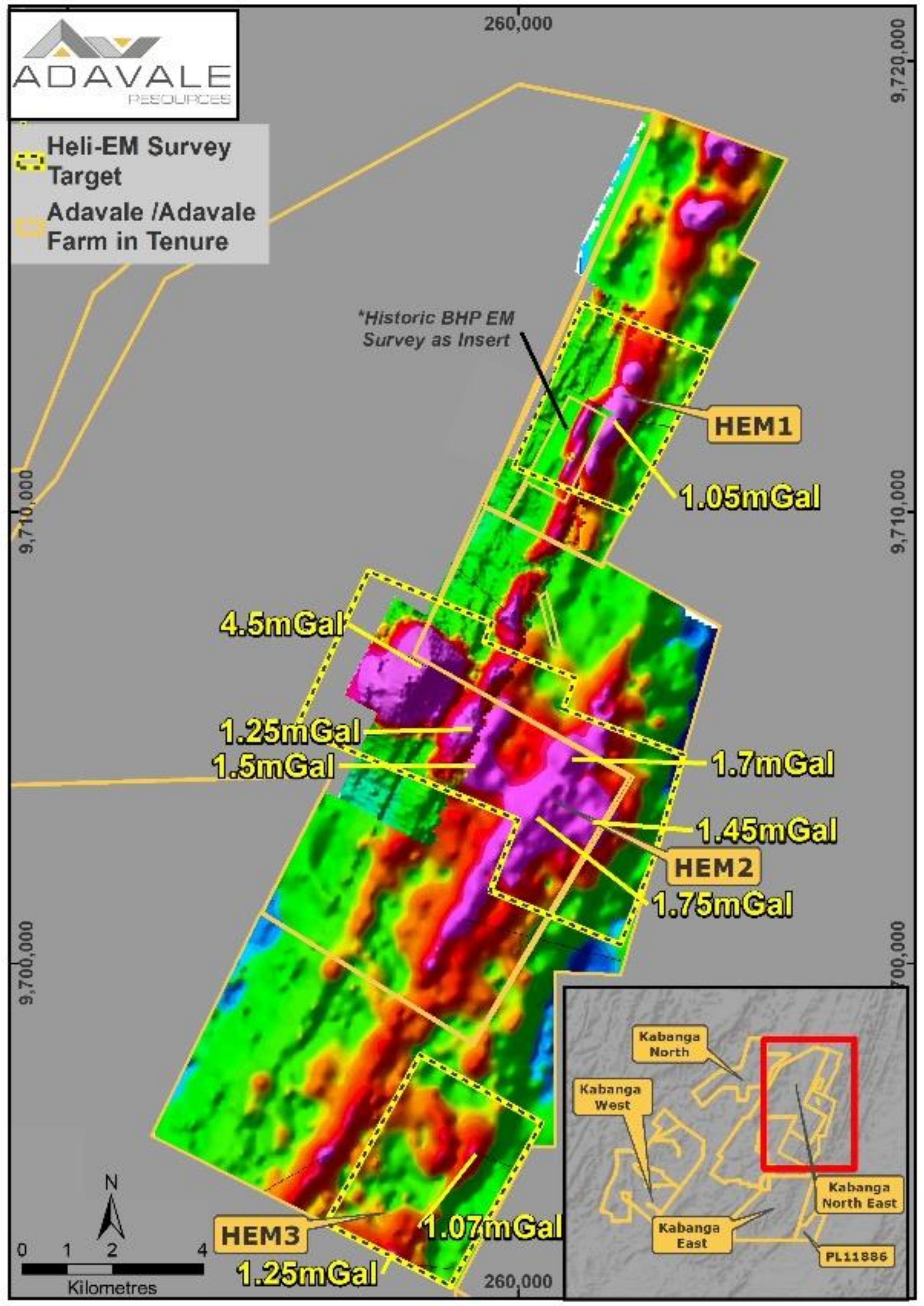


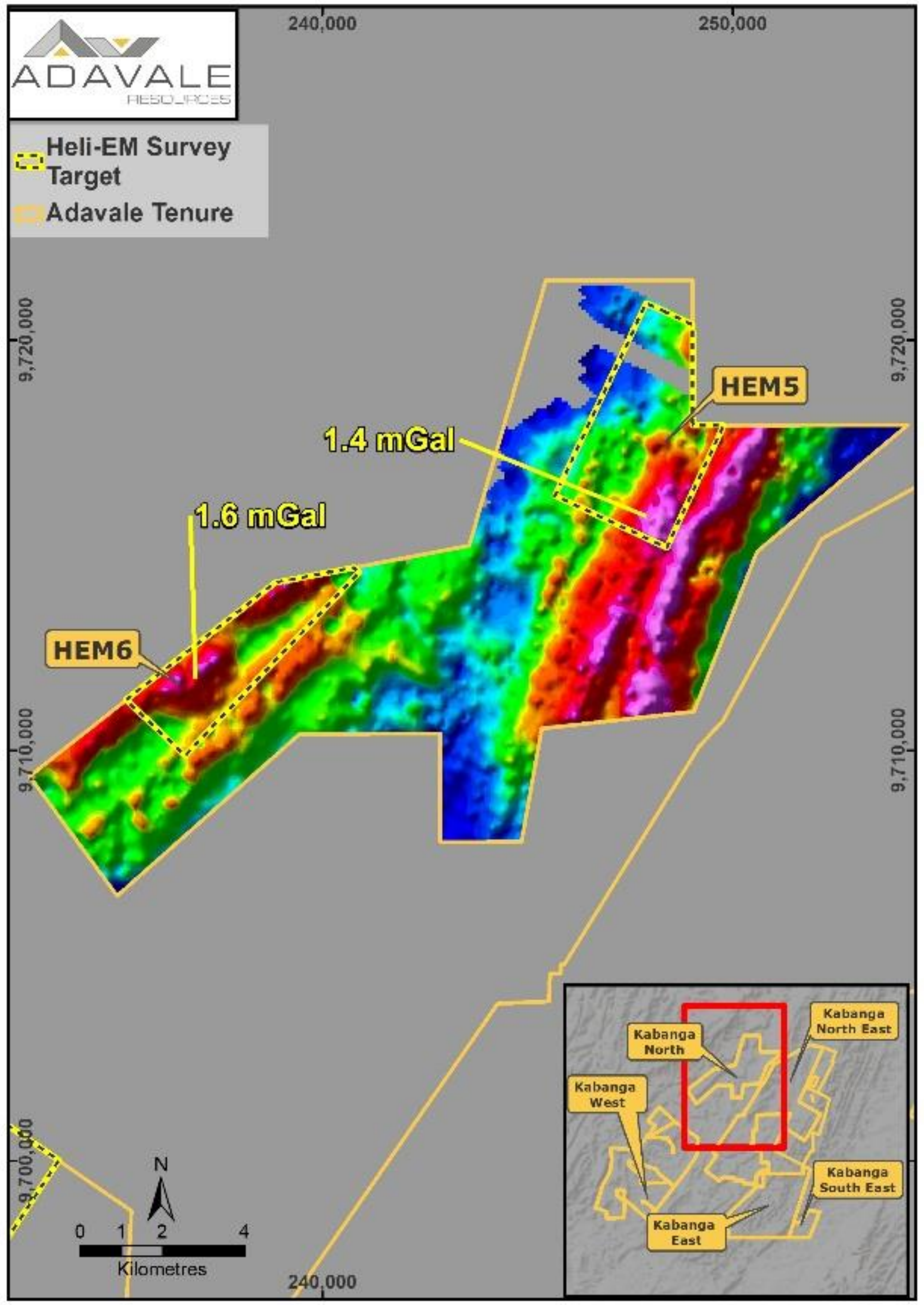
Figure Location of the 14 discrete high density high priority targets within the 30 km Luhuma Nickel Corridor and Kabanga NE

Source: ADD ASX Release dated 9 Jun 2022 titled "Outstanding Success with Multiple Previously Unknown Nickel Targets Discovered at Kabanga NE"+ 13 July ASX release "Heli EM Survey Area Finalised"

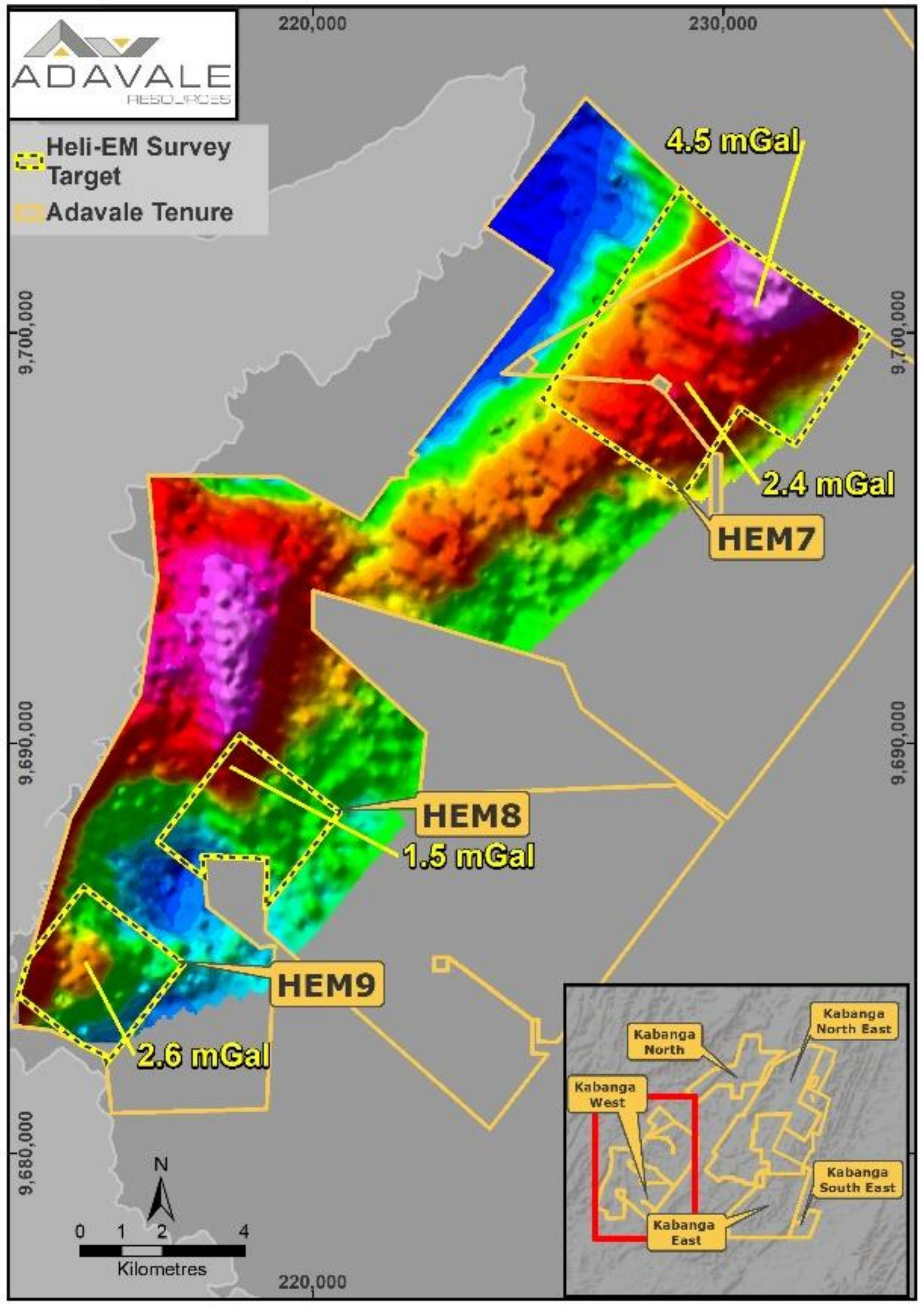
"High-density signatures above 0.75mGal are interpreted to indicate the presence of underlying bedrock mafic-ultramafic intrusions (like world class Kabanga and Nova-Bollinger nickel sulphide deposits)

When supported by other exploration indicators (Ni/Cu in soil and EM signatures) are ranked as high priority exploration targets."*

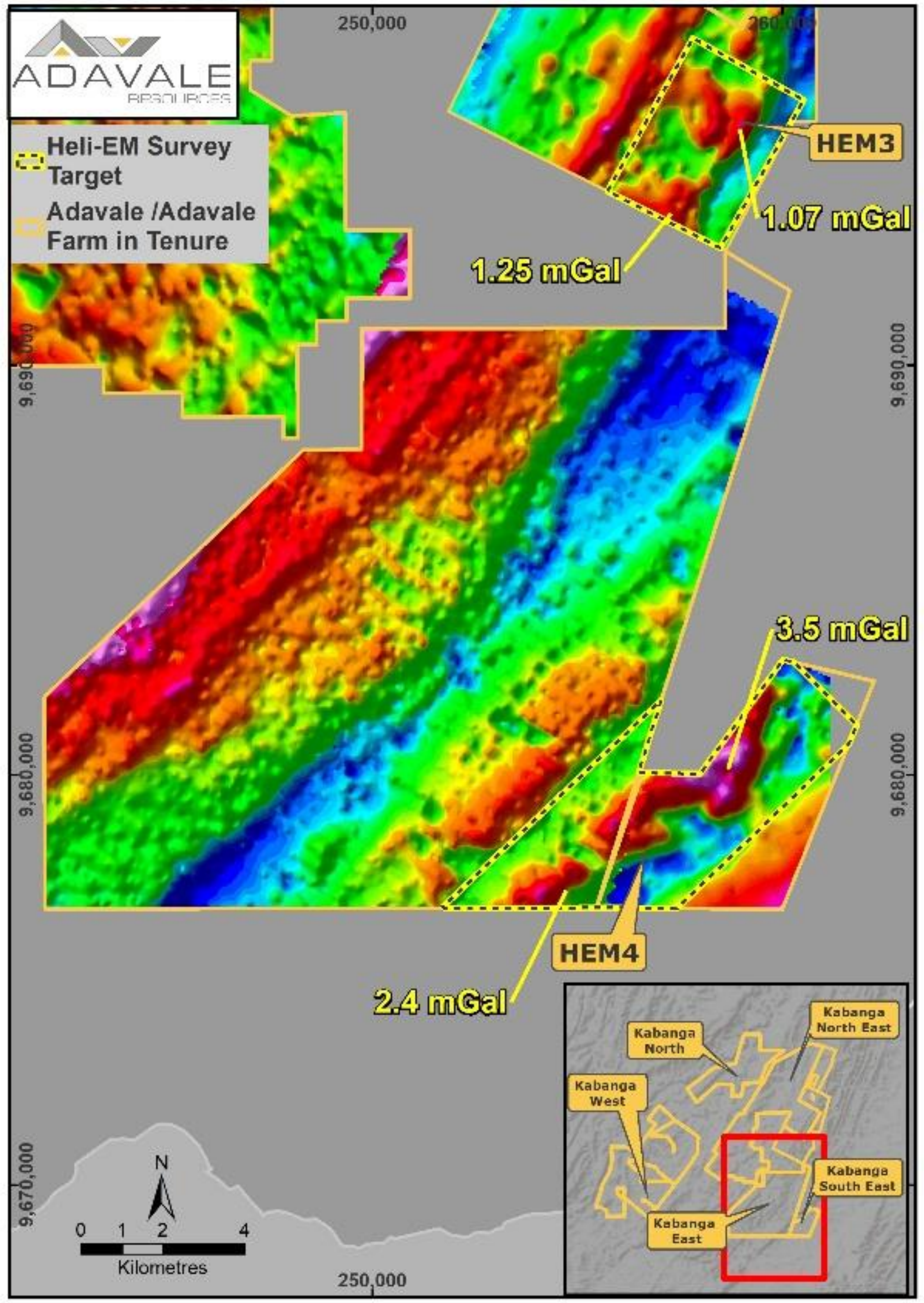
Kabanga North, West and East – Multiple gravity/Heli-EM targets



Kabanga North



Kabanga West



Kabanga East

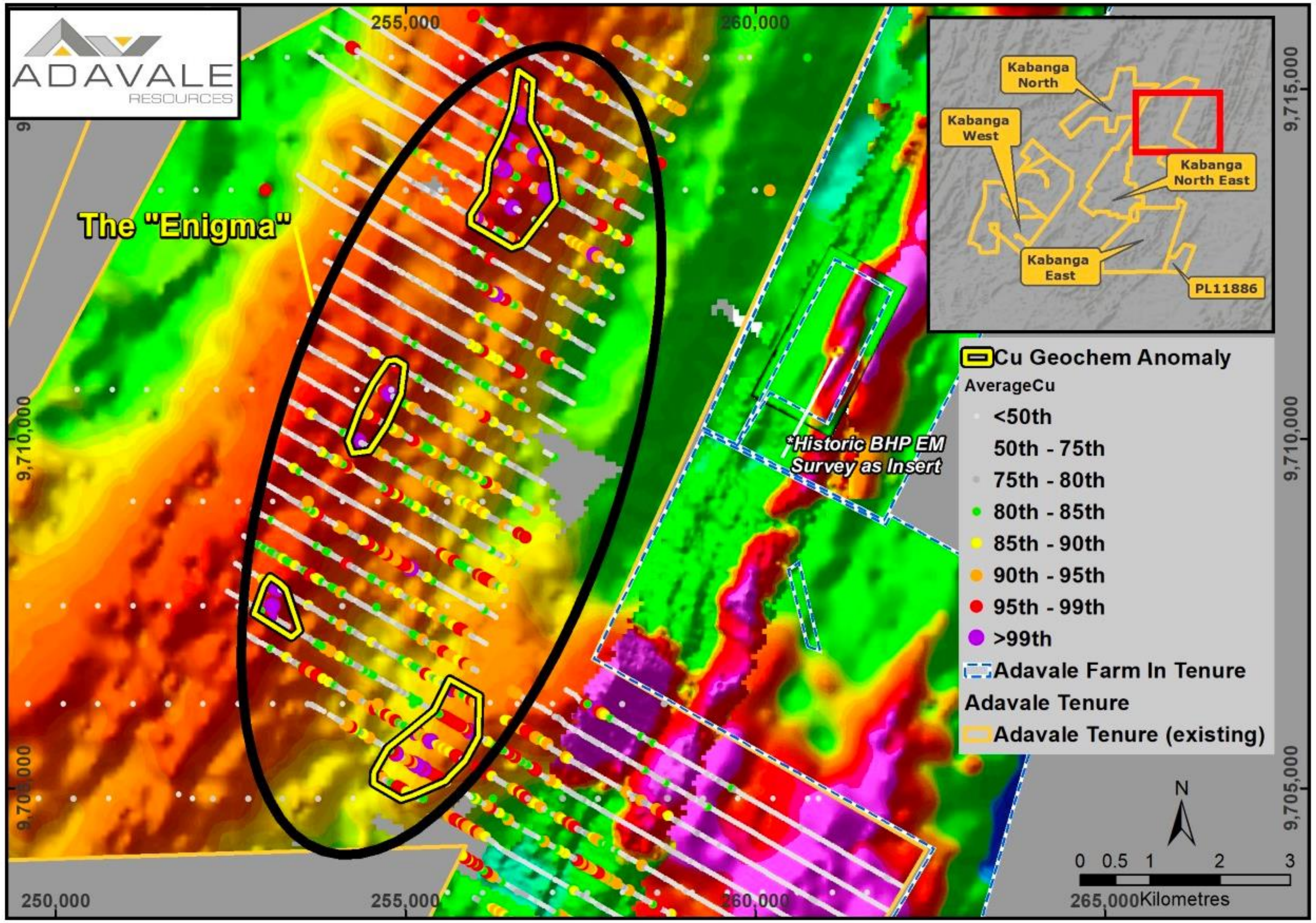
NICKEL PORTFOLIO

Luhuma Nickel Corridor – the “Enigma”

The “Enigma” target has the scale and scope to generate multiple new targets

Hosting four distinct Cu anomalies that overly the regional gravity high

More work is still needed to unlock the “Enigma”



Milestones Achieved and Immediate Next steps

Q2/Q3 CY22

Completed

- Completion of the regional gravity survey including Kabanga East, West and North
- Processing and interpretation to rank the identified anomalies for follow-up EM survey

Step 1- Identified

- Priority targets will be systematically covered using detailed Heli-borne, time domain EM (TDEM) and magnetic survey equipment
- NRG (Heli EM) will conduct a minimum of 2,000-line km of survey

Step 2 – August 2022

- Receival and interpretation of final TDEM data
- Selection of priority targets for drill testing

2022 Nickel Exploration Program Overview

NICKEL PORTFOLIO

Q1

S **Downhole EM survey**

Target 7, 16, 21

S **Ground based survey(s)**

Soil sampling (orientation)

Gravity survey (1 field team)

Q2/Q3

S **Ground based survey(s)**

Gravity survey (3 field teams)

Electromagnetic (EM)

S **Airborne Survey selection**

Electromagnetic (EM) - proposed

S **Prospect Ranking**

Hierarchy

Q3

S **Campaign Drilling**

Targeted (RC/Diamond) of priority prospects

Assay results/pXRF readings

N **Airborne Survey**

Electromagnetic (EM) - proposed

N **Ground based survey(s)**

Gravity survey (2 field teams)- proposed

Q4

S **Campaign Drilling**

Targeted (RC/Diamond) of priority prospects

Assay results/pXRF readings

N **Campaign Drilling**

RC Drilling

Preliminary/Intrusives

S KABANGA SOUTHERN LICENCES

N NORTHERN LICENCES

Nickel, Tesla, BHP & Country Dynamics – All Lining Up

NICKEL PORTFOLIO

THE CITIZEN | NEWS | MAGAZINES | OPED | PHOTOS | VIDEO | SUPPLEMENT | JOBS

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

THURSDAY OCTOBER 28 2021

January 20, 2022
1:20 AM GMT+8
Last Updated 3 days ago

European Markets

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

Reuters

2 minute read

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

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*

LIVE ON BLOOMBERG
Watch Live TV >
Listen to Live Radio >

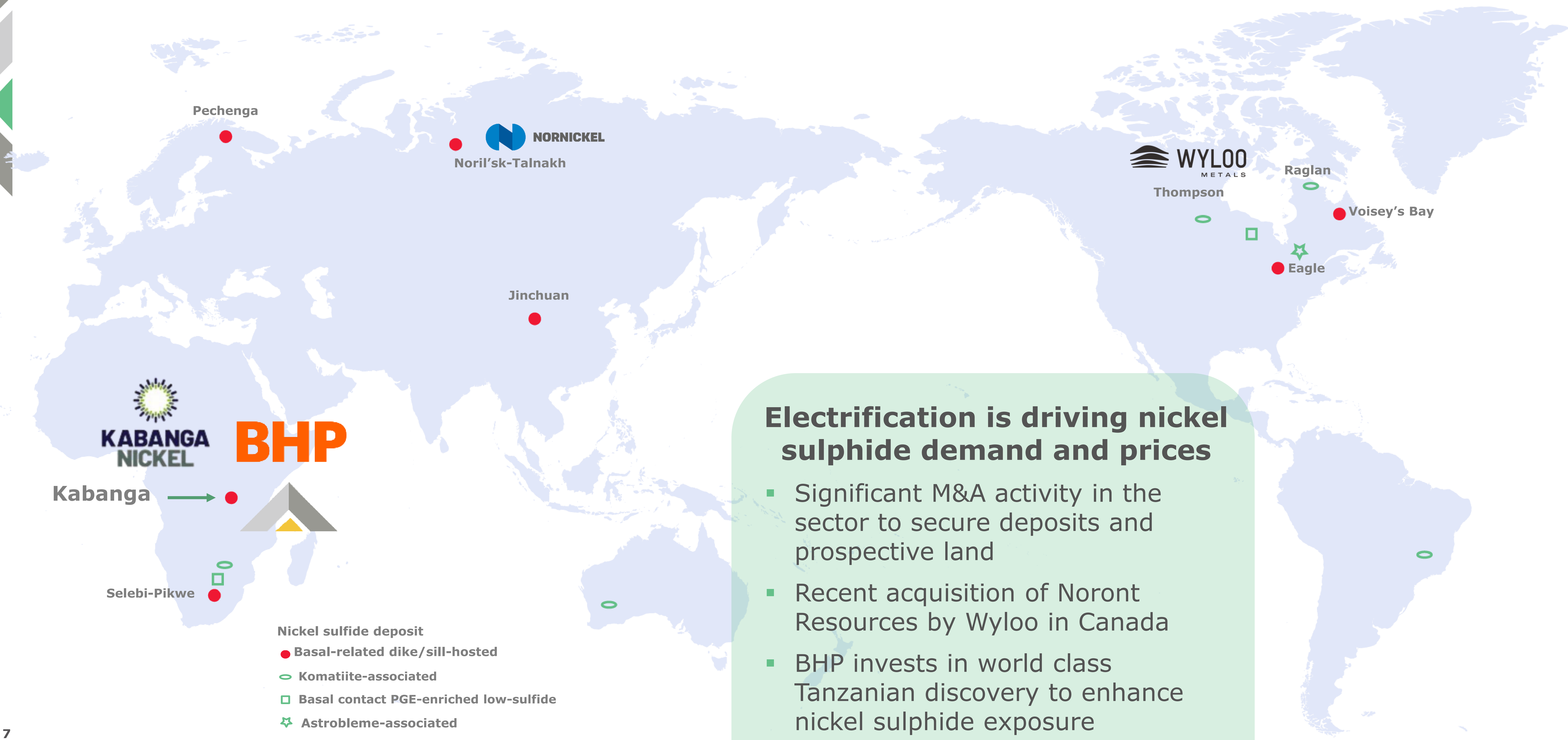
December 22, 2021
7:38 PM GMT+8
Last Updated a month ago

Deals

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

Reuters

Nickel Sulphide Deposits – They are Rare and In Demand



Electrification is driving nickel sulphide demand and prices

- Significant M&A activity in the sector to secure deposits and prospective land
- Recent acquisition of Noront Resources by Wyloo in Canada
- BHP invests in world class Tanzanian discovery to enhance nickel sulphide exposure

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

Tanzanian Social and Community focussed initiatives

NICKEL PORTFOLIO

Regional contract and employment opportunities

- Local geological field assistants and contractors
  - Drilling
  - DHEM surveys
  - Ground based surveys (soil and gravity surveys)
  - Logistics

Local Community and Health focused initiatives

Bridge2Aid Australia

- Prevention of infant oral mutilation
- Training, awareness and treatment

VAKA Health Foundation (spon

- Providing professional development training for 60 nurses at Ngara District Hospital’
- AAMEG 2022 award winner:

“Best Workforce and Industry Development Initiative”

SCAN ME

Uranium Project, South Australia

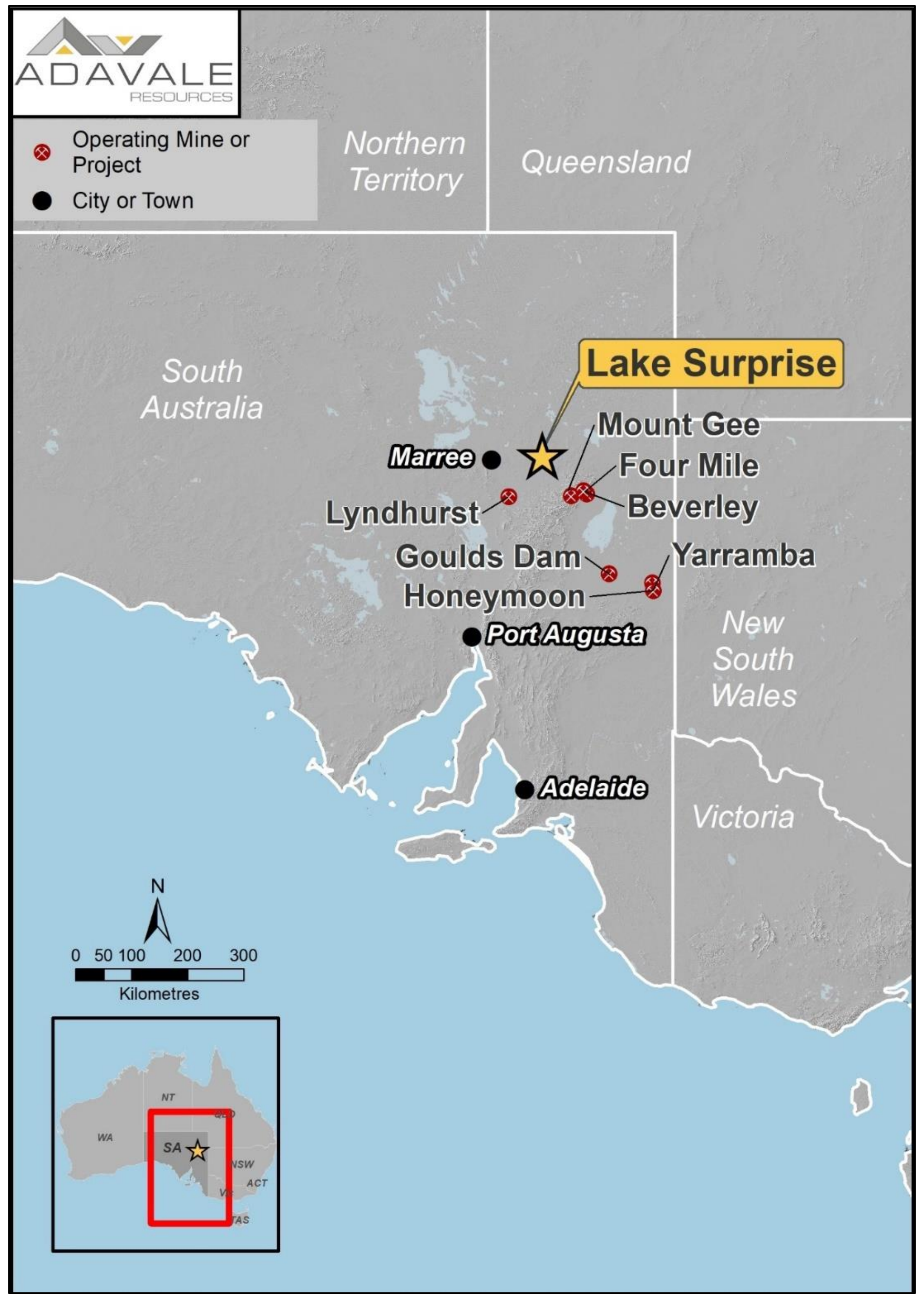
Early exploration success in Australia’s most prospective region for uranium

Lake Surprise South Australia

- Located in South Australia - 550km north of Adelaide and 75km east of Marree Proven uranium province hosting multiple mines and deposits - ~90km from Beverly Four Mile Uranium mine
- 100% owned tenure comprising 3 granted EL's (~400sqkms) and 1 pending Application (700sqkms) on the northern flank of the Flinders Ranges (considered highly uraniferous)

Ministry ID	Area	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

- 1 pending Application (700sqkms) on the northern flank of the Flinders Ranges



Location Map Lake Surprise South Australia

Pathway to Drilling

- 4,500m Air Core uranium drilling program (~ 150 holes) scheduled to Sept/Oct 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

URANIUM PROJECT

Ongoing engagement with the Dieri and Adnyamathanha as the Traditional Custodians of the land on which our Exploration Licences are located

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

Ni

U

Exposure to both Nickel and Uranium: Electrification and Decarbonisation

Proximal high-grade nickel sulphide Resources in the East African Nickel Belt

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 also re-emerged in via a strategic investment

Uranium exploration in South Australia demonstrating early initial success

Clear pathways and exploration plans for high impact near term drilling campaigns

David Riekie
Executive Director

david@adavaleresources.com

www.adavaleresources.com

investor@adavaleresources.com

Adavale Resources Limited

@AdavaleL