

ASX ANNOUNCEMENT/MEDIA RELEASE

18 January 2024

Initial 2024 South Australia Uranium Exploration Program Finalised

- 2024 initial exploration program finalised for prospective under cover uranium targets proximal to the Northern Flinders Ranges.
- Upcoming program to include soil/rock chip, gravity and gamma surveys in a 3 to 4 week program.
- Initial work to utilise existing pastoral tracks to identify near surface uranium across interpreted paleochannel system.
- Notice of Entry submissions will soon confirm commencement dates for exploration.
- Adavale is well placed to capitalise on the strong uranium price environment, which has seen prices exceed US\$100/lb.

Adavale Resources Limited (ASX: ADD) ("or the Company") is pleased to advise that plans are finalised for the initial uranium focused exploration of recently granted EL6821 and EL6957 (**Mundowdna** and **Mundowdna South**) in South Australia, where an extensive series of covered palaeochannels have been interpreted¹. The broad aim of the program is to assess the potential of these palaeochannel systems to host significant uranium mineralisation.

Adavale's Executive Director, David Riekie commented:

"This program is an exciting entry towards unlocking the prospectivity of Adavale's tenure at Mundowdna and Mundowdna South. The two licences encapsulate 1,305km² within which the Company has recently identified a broad series of potential palaeochannel systems shedding from the Flinders Ranges.

"Significant uranium is present in historical rock chip data over the area but limited drilling has occurred in the past, leaving the area largely unexplored. Adavale is now well positioned to quickly progress this project and identify those areas that offer the highest level of uranium prospectivity.

"An increase in the uranium price from US\$40/lb to over US\$100/lb in the past six months places Uranium as a key solution to global decarbonisation."

ASX: ADD

DIRECTORS & OFFICERS

GRANT PIERCE
CHAIRMAN

DAVID RIEKIE
EXECUTIVE DIRECTOR

JOHN HICKS
DIRECTOR

ALLAN RITCHIE
CHIEF EXECUTIVE OFFICER

LEONARD MATH
CFO & COMPANY SECRETARY

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

¹ ASX Announcement 27 November 2023 – Satellite imagery identifies paleochannels for uranium exploration

Program Details

The planned initial exploration activities incorporate the collection of approximately 800 soil samples and ground gravity readings along existing pastoral tracks. The sampling sites have been chosen based on their orientation along tracks that cut across the recently interpreted palaeochannel systems within the two Mundowdna licences. The use of existing pastoral tracks is to minimize impacts and operate under a low impact Program for Environment Protection and Rehabilitation (**PEPR**) for the initial phase of exploration.

Soil samples will be analysed at Intertek using the ionic leach method, which has very low detection limits and is purposely designed to detect mobile metals in soil above buried systems. The gravity maps small density differences between the palaeochannel sediments and the bedrock that hosts the channels. The data will be interrogated to define palaeochannel locations along the individual transects.

In addition to the collection of this soil and gravity data, gamma surveys will be conducted along all pastoral tracks covering the interpreted palaeochannel systems, which can then be correlated with the regional geophysical data (including the satellite data used in 2023). These three survey activities have been chosen due to their minimal impact and their rapid completion timeframe of 3 to 4 weeks. Their results will provide information on the presence of near surface mineralisation and the location of older buried palaeochannels.

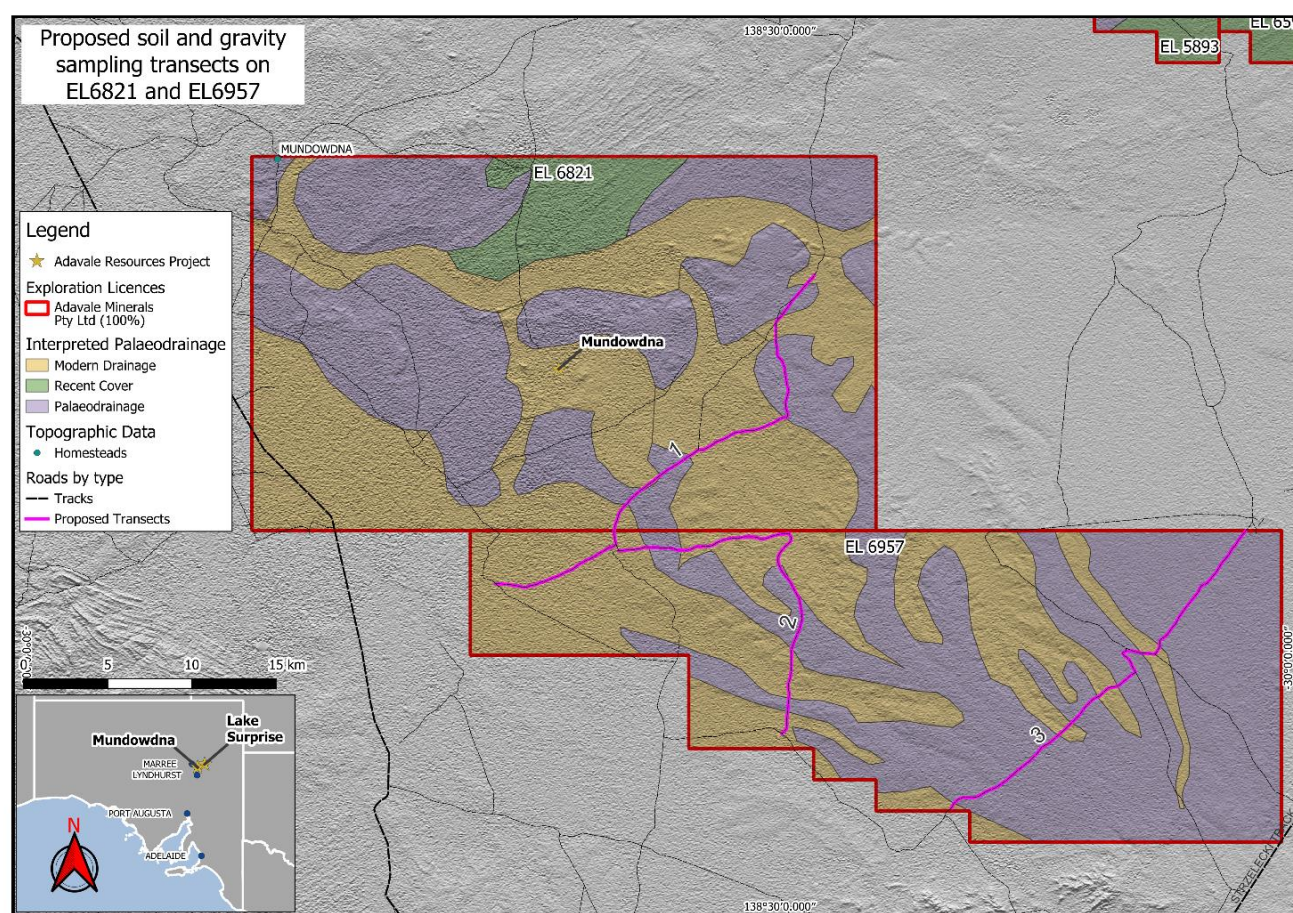


Figure 1: Overview of interpreted palaeodrainage and palaeochannels with proposed transects for soil and gravity program.

Uranium Sector Commentary

Whilst the majority of the Company's focus in 2023 was exploring the excellent potential of the Kabanga Jirani Nickel Project in northwest Tanzania, the Company has also been building a large prospective uranium portfolio in South Australia.

The uranium price has been subdued for an extended period, commencing following the Fukushima disaster in 2011. The decline in prices led to production cutbacks and reduced exploration.

Supply and demand are playing a key role in the current strength of the uranium price. More countries are looking for ex-Russia sources of supply, putting additional demand into the market that is already experiencing increased demand from China's expanding domestic nuclear power industry.

Financial speculators and physical uranium ETFs are adding an extra dimension to the supply-demand equation. As the market strengthens, investors are coming into the market, increasing the physical uranium stockpiles held by ETFs and other funds, reducing the supply for power users and further increasing the price.

The Sprott Physical Uranium Trust (UU.TO) was launched in 2021 to buy up uranium on the spot market, taking volumes out of circulation. The Trust is currently worth US\$6 billion, up nearly 100% since mid-2023.



Figure 2: 12-month uranium price chart (source: markets.businessinsider.com)

Analyst commentary in 2023 highlighted that the uranium price needed to see an extended period above US\$70-80/lb to provide an incentive price for new investment. The commentary also noted that with projects such as Jabiluka in Australia unlikely to restart, the focus will be on the development of new greenfields opportunities.

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



Acknowledgements to traditional owners

Adavale acknowledges the Dieri and Adnyamathanha 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.

Further information:

David Riekie
Executive Director
E: investor@adavaleresources.com

For broker and media enquiries:

Andrew Rowell
White Noise Communications
E: andrew@whitenoisecomms.com
P: +61 400 466 226

Competent Persons Statement

The information in this release that relates to “exploration results” for the 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 12 highly prospective granted licences covering ~1,216km² along the Karagwe-Ankolean belt in Tanzania. The six 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 seven southernmost licences, adding a further 99km² to the portfolio (1,315sq km). Adavale's licences were selected based on their strong geochemical and geophysical signatures from the previous exploration undertaken by BHP.

Adavale also holds exploration licences for their sedimentary uranium potential within the northern part of the highly prospective Lake Frome Embayment in South Australia.

