

Quarterly Activities Report June 2024

URANIUM EXPLORATION

- The Company's uranium business development activities ramped up during the quarter:
 - Kilonova acquisition completed following shareholder approval which includes the MacDonnell and George Creek drill targets
 - Acquisition of EL6890 from Coast Exploration completed
 - Four new ELAs applied for covering 2,446km² on Eyre Peninsula
- The Company's uranium tenure in South Australia now covers ~5,100km²
- Experienced geologists and uranium experts, Terry Topping and Andy Rust, were appointed as uranium consultants during the quarter
- Successful exploration program completed at Mundowdna within the Marree Embayment including soil/rock chip sampling, airborne EM data processing, gravity and gamma surveys
 - Airborne EM data highlights a significant low feature along the western margin of Mundowdna, which is interpreted as a paleochannel and depocentre
 - The interpreted feature was also confirmed by the gravity results and surface soils collected and analysed during the quarter
 - The program has identified high priority targets that the Company plans to test with drilling during the September quarter, subject to approvals

Adavale's Executive Director, David Riekie commented:

"Our South Australian Uranium program stepped up during the June quarter. We completed a number of successful exploration programs within the Marree Embayment, confirming the prospectivity of this location and significantly increased the Company's uranium tenure in other locations the state that we have assessed as being prospective for uranium."

"Using smart, systematic exploration at Mundowdna, the first exploration campaign has yielded excellent results, with identified paleochannels sourced from the northern Flinders Ranges and potential depocentre for the concentration of uranium mineralisation evident in the system."

"We can't wait to get a drill rig out there to fully assess these high priority target areas. In addition, we have significantly ramped up our new business ventures in SA, with a number of new tenement applications to complement the Kilonova transaction announced last quarter."

"With the nickel price remaining depressed, we believe the best path forward, at least in the shorter term, is to focus our exploration efforts into our highly prospective uranium opportunities."

Directors & Officers

GRANT PIERCE
Chairman

DAVID RIEKIE
Executive Director

JOHN HICKS
Non-Executive Director

NIC MATICH
Non-Executive Director

ALLAN RITCHIE
CEO

LEONARD MATH
CFO & Company Secretary

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Adavale Resources Limited (ASX: ADD) (“or the **Company**”) is pleased to report on its activities for the quarter ended 30 June 2024.

URANIUM EXPLORATION

Mundowdna (Maree Embayment)

During the March quarter, re-processing and interpretation of the historical 2008 airborne EM dataset, supported by modern satellite imagery strongly indicated the presence of an extensive paleochannel system within the Company’s Mundowdna licence package¹. The analysis identified a large EM low running in a NW direction along the western margin of the Mundowdna licences (Figure 1).

The sharpness of the low feature, particularly along its NE edge suggested it may be fault controlled in part creating a half graben like feature (a depressed crustal block)².

By inference, the region of the EM low is interpreted to reflect the greatest thickness (depocentre) of the uranium prospective Eyre and Namba Formations overlying the basement Maree Subgroup sediments and as such represent the prime pathway and potential trap site for the earliest uraniferous groundwaters shedding from the adjacent Flinders Ranges.

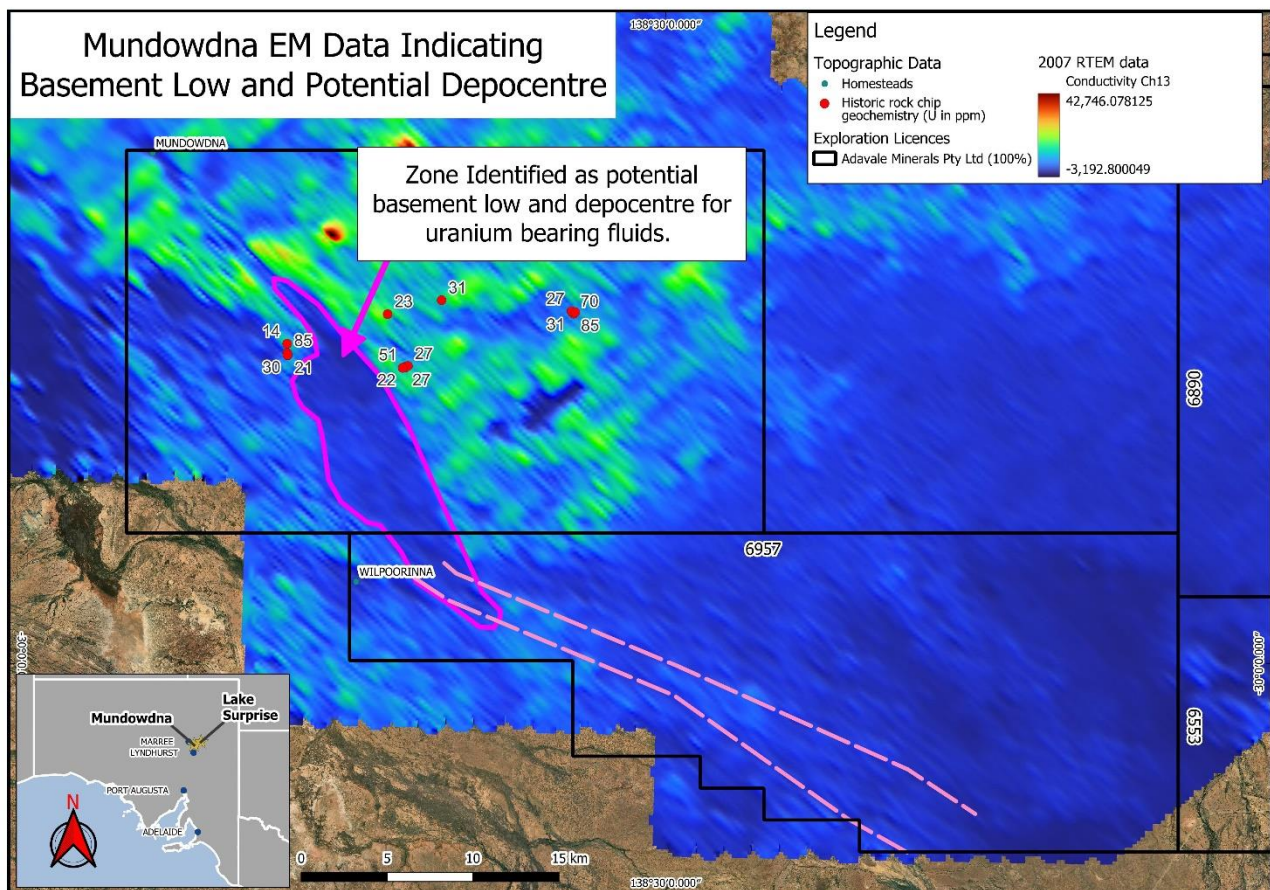


Figure 1: Area identified as potential basement low. This was identified using channel 9 – 15 of the re-processed EM Data. The image above shows channel 13 of the dataset.

In the June quarter, the maiden uranium field exploration program was undertaken at Mundowdna.

¹ ASX Announcement 7 March 2024 – Updated – EM data indicated Uranium exploration potential

² ASX Announcement 6 June 2024 – Uranium exploration yields high priority drill targets

Successful Initial Exploration Program

The initial exploration activities incorporated the collection of ~800 ionic leach soil samples (to test low threshold Pb/U indicators) and ground gravity readings along existing pastoral tracks², See Figure 2 and 3). The sampling sites were chosen based on their orientation along tracks that cut across the interpreted paleochannel systems within the two Mundowdna licences. The use of existing pastoral tracks minimised impacts and operate under a low impact Program for Environment Protection and Rehabilitation (**PEPR**) for the initial phase of exploration³.

Gravity

Supporting the EM interpretation are the results of the gravity survey undertaken as part maiden exploration program, which shows a consistent rising gravity trend towards the NE along all surveyed lines, indicating thickening sediment cover in the SW and thinning towards the NE².

Detailed interpretation of the gravity data for each line was also undertaken looking for subtle variations in the gravity that may reflect potential paleochannels. Numerous such anomalies were identified in this way with their current surface location recorded. Individual anomalies were then classified as either modern day or older paleochannel depending on their location with respect to the modern-day drainage system (Figure 2).

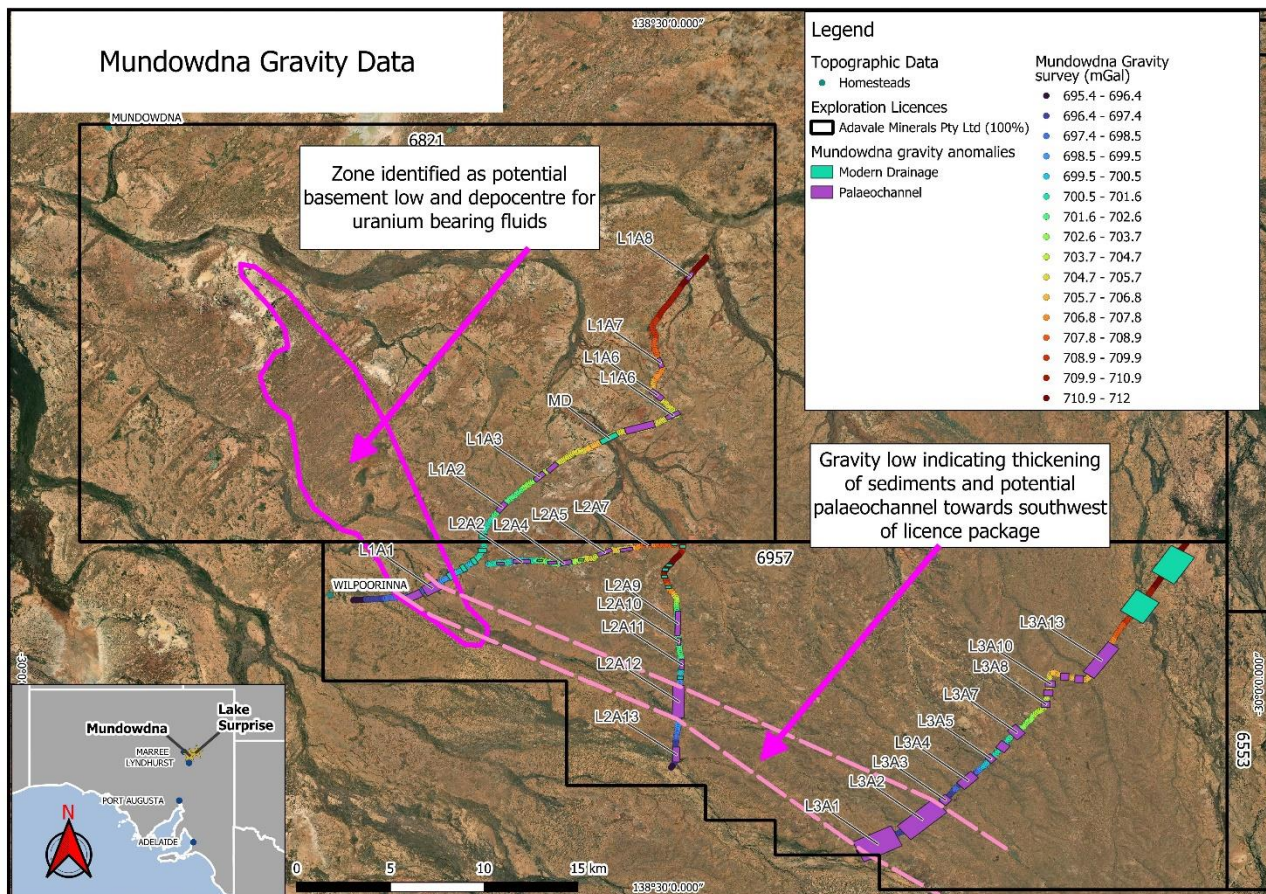


Figure 2: Newly acquired gravity data indicating a thickening of sediments in the southwestern portion of the licence package.

³ ASX Announcement 18 January 2024 – South Australian Exploration Program finalised

Soil Sampling

Soil samples and surface spectrometer readings collected a part of the Mundowdna program defined numerous surface uranium anomalies. The anomalies present targets for follow up work programs to test and validate as they are significantly elevated compared to the surrounding samples in the data. Importantly, these targets coincide with the interpreted gravity anomalies related to the paleochannels described in Figure 3.

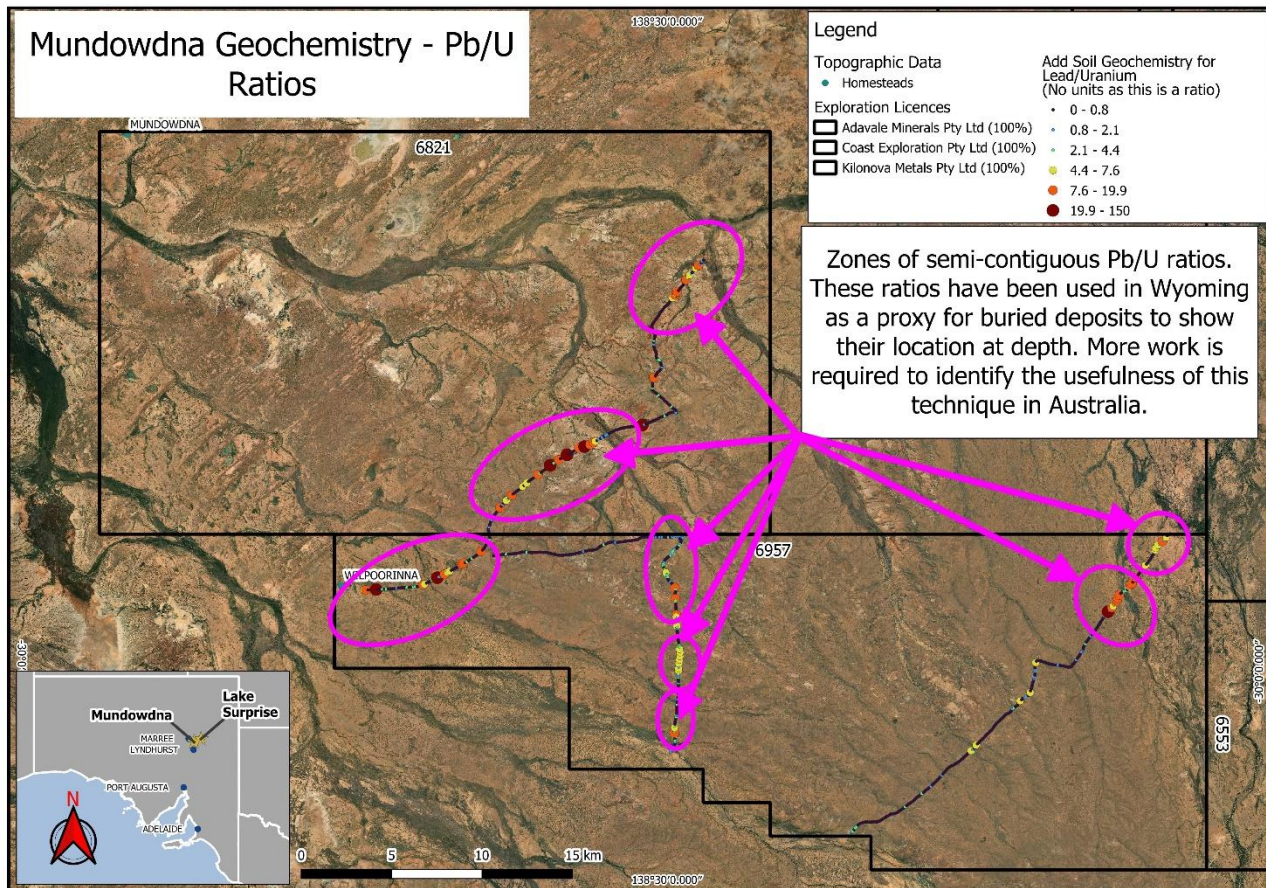


Figure 3: Zones of anomalous Pb/U Ratios along transects 1-3. Pink circles represent semi-continuous anomalies that have been mapped by the sampling program. Additional work on these anomalies is required to determine their usefulness in mapping systems.

Drill Planning – Marree Embayment including MacDonnell and George Creek

Planning/design of drilling program is to test structures for uranium redox boundaries initially at MacDonnell and George Creek (~3,000m of aircore drilling to a depth of approximately 100m)⁴.

The paleochannel at MacDonnell Creek and George Creek is dominated by oxidised sands with the highest-grade uranium mineralisation located in interbedded reduced sands and clays at the bottom of the channel. This initial drill program will target extensions of known mineralisation and roll fronts of oxidised and reduced sediments further downstream (Refer Figure 4).

⁴ ASX Announcement 11 July 2024 Adavale to commence Drilling for Uranium in South Australia

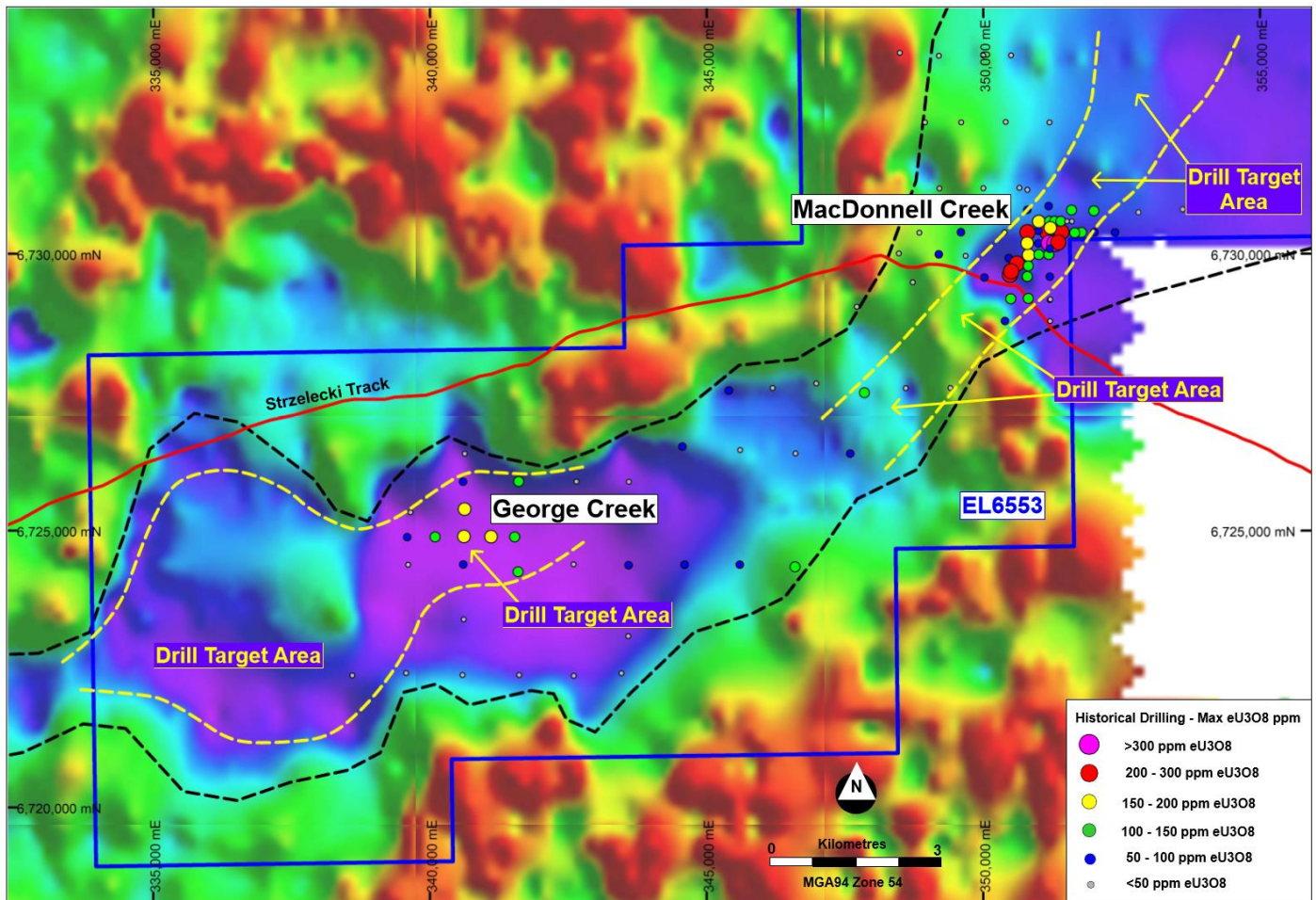


Figure 4: Current exploration and drill target areas at MacDonnell and George Creek

Heritage clearances including Working Area Clearances are being advanced at MacDonnell and George Creek and along existing pastoral tracks and trails crossing interpreted basement low/depocentre on western margin of the Mundowdna project and additional possible targets for advanced exploration and drilling.

Drilling at MacDonnell Creek licence areas is anticipated to comprise ~40 holes designed to trace, extend and test the uranium redox boundaries that were previously intersected. The average depth of the holes will be around 100m and testing will be conducted on site using pXRF and subsequently verified by laboratory based assays.

New Project Acquisitions

In line with the increased focus on uranium exploration in South Australia, the Company has undertaken acquisitions and new tenement applications over areas of good uranium prospectivity.

The **Kilonova** acquisition, which included tenement EL6553, covering 456km² across two parts, was completed in early July⁵. The first part (called '**Mundowdna South East**') adjacent to Mundowdna South and the other portion ('**MacDonnell Creek**') is to the east of the Company's Lake Surprise Project.

⁵ ASX Announcement 4 July 2024 – Adavale completes strategic uranium licence acquisition

In May, the Company announced that it had acquired EL6890 from Coast Exploration Pty Ltd. The exploration licence covers 599km² and is strategically significant, being contiguous to the Company's existing Mundowdna and Lake Surprise project areas (See Figure 5).

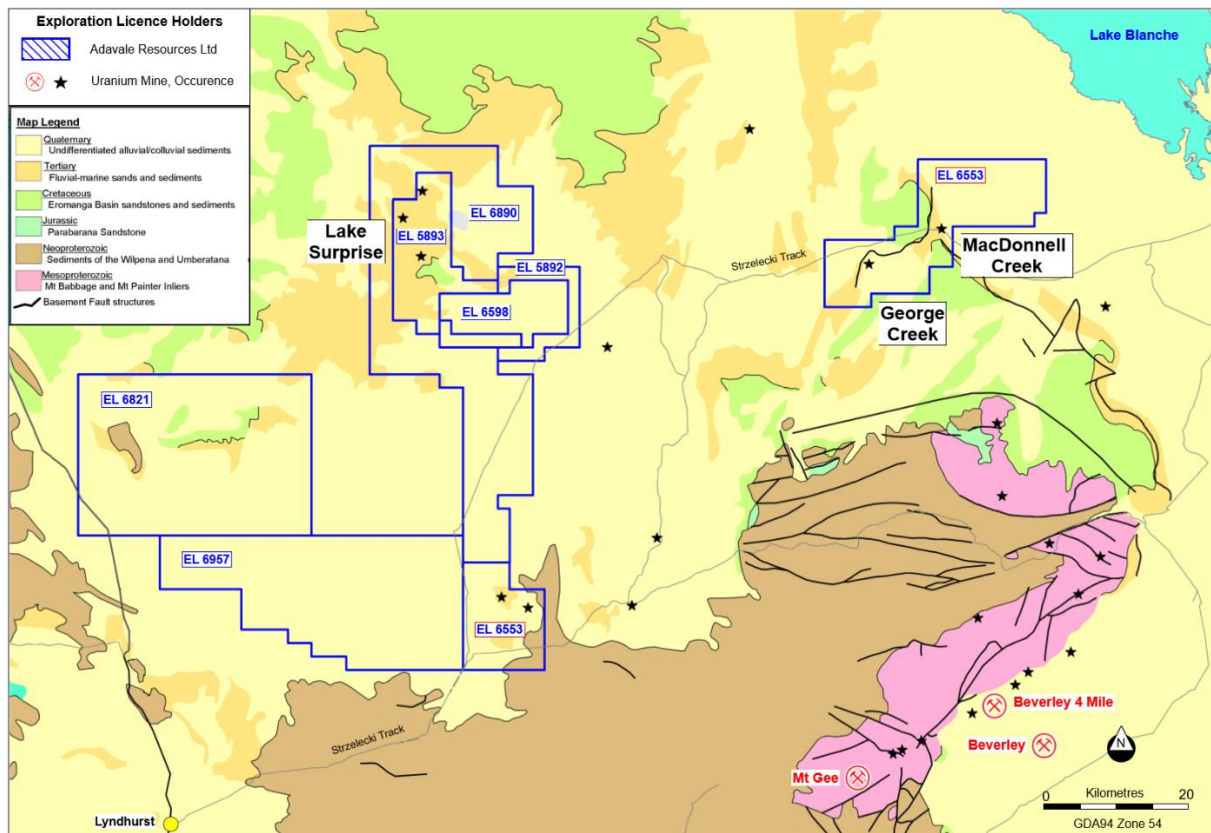


Figure 5: Adavale's expanded Exploration Licence areas in the Marree Embayment South Australia

In June, the Company announced that it had applied for four exploration licences covering 2,446 km², with a central location in the Yellabinna area, ~85km east-northeast of Ceduna. The Company is specifically targeting paleochannel, sandstone hosted uranium mineralisation, which may also be associated with basement intersecting faults and buried uranium enriched granites of the underlying and adjacent Hiltaba Suite. The new projects comprise two ELA's each and have been named the Narlaby Project and Tolmer Project, respectively.

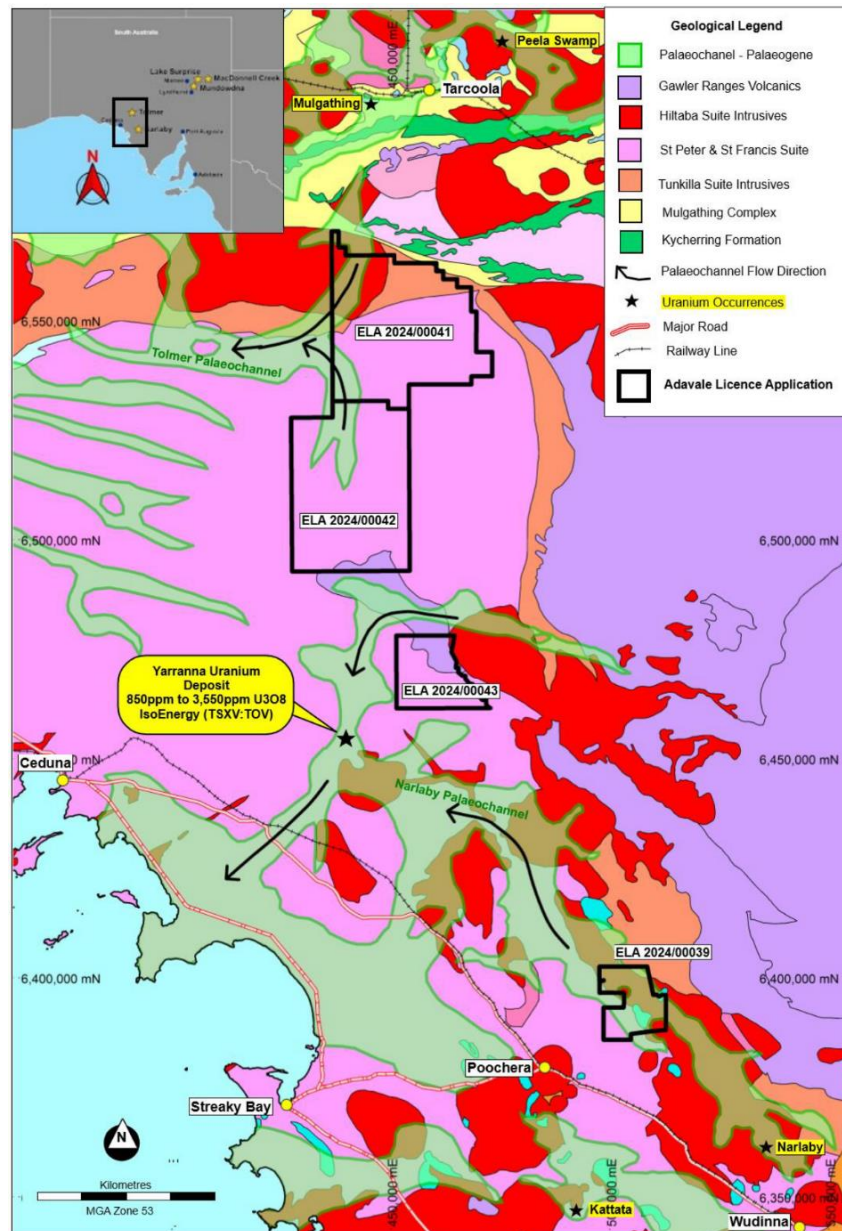


Figure 6: Adavale Exploration Licence application areas and regional palaeochannels and uranium occurrences identified.

Narlaby Project

The Company has applied for two applications covering 189 km² and 260 km² respectively with one to the northwest of the upper branch of the Narlaby paleochannel (*ELA 2024/00043*), which hosts the Yarranna roll front uranium deposits, and one southeast of the Yarranna deposits (*ELA 2024/00039*), 16 km northeast of Poochera on the Eyre Peninsula

The Yarranna Uranium Project is held by IsoEnergy Ltd (TSXV:ISO) and is an advanced stage exploration project discovered by Carpentaria Exploration Pty Ltd in the 1980s. Carpentaria completed aircore and mud rotary drilling, which resulted in the intersection of significant uranium mineralisation including IR1306 4m at 859 ppm U₃O₈ from 67m, IR1377 1m at 3,550 ppm U₃O₈ from

66m, and IR1378 1m at 1,400 ppm U_3O_8 from 69m⁶. This mineralisation is associated with channel sequences of the Narlaby paleochannel.

Tolmer Project

Adavale has also applied for two exploration licences (ELA 2024/00041, ELA 2024/00042) covering ~1,997km², located in the Yellabinna area, ~90km south of Tarcoola and 95km northeast of Ceduna (Figure 6). The Company is targeting sandstone hosted uranium mineralisation in the Tolmer paleochannel that may also be associated with basement intersecting faults and buried uranium enriched granites of the underlying Hiltaba Suite.

The application areas cover the upper branches of the Tolmer paleochannel with historical drilling within the application area limited to coal and heavy minerals exploration.

Summary of South Australian Uranium Tenure

Following the acquisitions of the Kilonova and Coast tenements and the application for the Narlaby and Tolmer Projects, the Company now holds 5,103km² of prospective uranium tenure in South Australia (Figure 7), making it one of the largest listed company uranium tenement holders in the state.

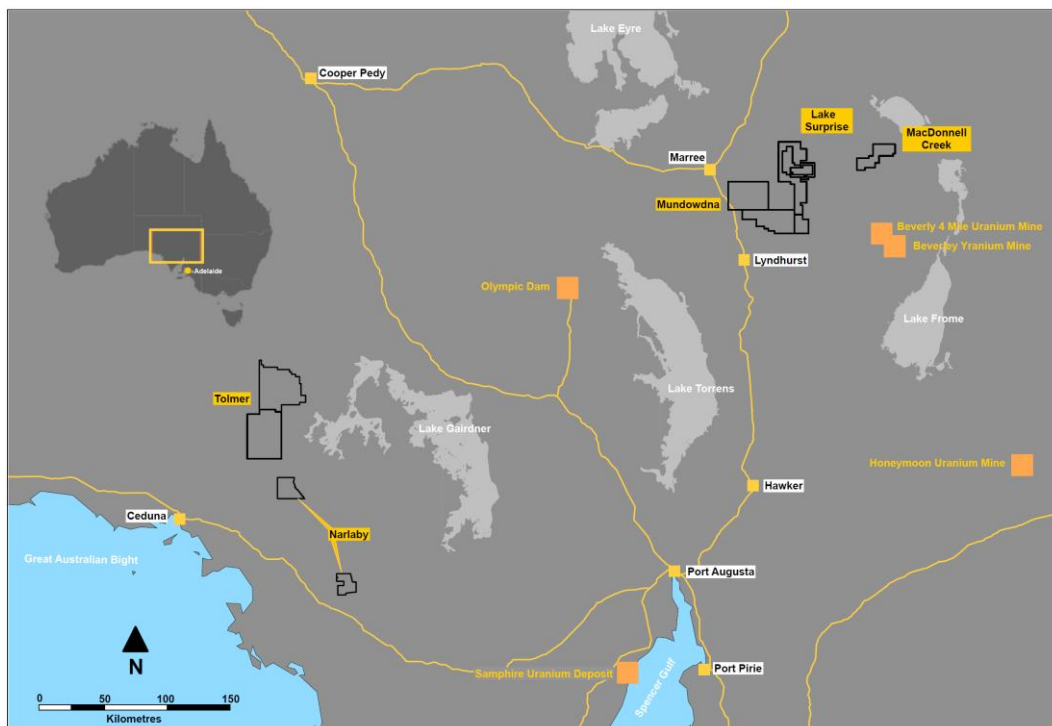


Figure 7: Adavale's South Australian uranium tenure

⁶ ASX Announcement 4 July 2024 – New Uranium Exploration Licenses expand uranium footprint in South Australia. (Refer to IsoEnergy Ltd – <https://www.isoenergy.ca/portfolio/australia/yarranna/>)

NICKEL EXPLORATION

Kabanga Jirani Nickel Project and Luhuma Nickel Project (Tanzania)

No significant exploration activities were undertaken during the quarter. The Company continues to plan for a resumption of exploration activities when the nickel market recovers.

September 2024 Quarter Exploration Plans

Next Steps

- Finalise uranium drill programs in conjunction with cultural surveys/submissions of EPEPR and associated statutory documents.
- Drilling programs to determine uranium mineralisation potential (EL6533 & Marree Embayment targets)

CORPORATE

Subsequent to quarter end, the Company has received firm commitments to raise a total of \$550,000 via a two tranche Placement to professional and sophisticated investors including Directors and management participation of approximately \$114,000. The funding will allow Adavale to aggressively advance its SA uranium exploration strategy.

The Company will issue 183,333,334 fully paid Ordinary shares at an issue price of \$0.003 per share. Each Placement Share will receive a 1 free attaching Option with an exercise price of \$0.005 each expiring 31 December 2027 (“**Attaching Options**”). The Placement of 145,166,667 New Shares will be issued pursuant to the Company’s available placement capacity under ASX Listing Rule 7.1 and is expected to be settled on or about 7 August 2024 (“**Tranche 1**”). Subject to receipt of shareholder approval at a General Meeting of shareholders to be convened, a further 38,166,667 New Shares and the Attaching Options will be issued (“**Tranche 2**”).

Directors and management will participate on the same terms of the Placement for \$114,000. The Directors Placement New Shares and Attaching Options will be subject to shareholder approval and, if approved, issued as part of Tranche 2.

In addition, Adavale has executed a binding Heads of Agreement with Pinnacle Minerals Limited (ASX:PIM) to acquire 100% of its uranium rights on the Wirrulla Project in South Australia. Wirrulla Project (EL6968) is 957km² of tenure in the northwestern extents of the Eyre Peninsula South Australia.

As part of the transaction, Mr Nic Matich has been appointed to the Board of Adavale as Non-Executive Director. Nic is a mechanical engineer and finance professional with over 17 years’ experience in the resources sector. Nic is currently the Managing Director of Pinnacle Minerals Limited (ASX:PIM). His wide industry experience includes the provision of engineering, risk consulting and insurance services to numerous tier 1 mining companies with operations in lithium, iron ore, mineral sands, gold and kaolin. Nic’s familiarity within the Wirrulla Project and operational nuances in South Australia add to Adavale’s aim of discovering an economic uranium deposit in South Australia.

Summary of Cashflow for the Quarter

Adavale held cash reserves and funding availability at the end of the quarter of approximately \$0.455 million.

During the quarter, approximately \$147,000 was paid to directors and officers. Included in the amount \$92,000 (as shown at 6.1), was paid to directors in accordance with their standard employment agreements.

The Company spent approximately \$475,000 on exploration and evaluation activities as per the table below:

Project	Nature of expenses	Amount \$
Kabanga and Luhuma Nickel Project		
	Project administration and compliance expenses	28,000
	Field expenses	41,000
	Geology consultants, field workers and other staff salaries	74,000
	Annual tenement rental rates	176,000
	Travel expenses	27,000
	Sub-total	346,000
Maree Embayment, Narlaby and Tolmer Uranium Project		
	Assay costs	33,000
	Gravity Survey	40,000
	Field expenses	7,000
	Geological services	39,000
	Tenement application and management fees	10,000
	Sub-total	129,000
TOTAL EXPLORATION AND EVALUATION EXPENDITURE		475,000

Reduction in Corporate Overheads

In consideration of the current market condition, Directors and Officers of the Company have decided to receive part cash and part shares for their remuneration in order to conserve cash within the Company. The Board has also taken appropriate measures to reduce corporate overhead costs. The issue of shares to Directors in lieu of fees will be subject to shareholder approval, which will be sought at the General Meeting.

This announcement is 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 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.

Tenement Holdings and Movements

Schedule of Mining Tenements and Beneficial Interests

Held as at the end of the June 2024 Quarter

Project/Location	Country	Tenement	Percentage held/earning
Kabanga Jirani Nickel Project	Tanzania	Kabanga West (PL11590/2021)	100%
		Kabanga North (PL 11405/2020)	100%
		Kabanga North East (PL 11406/2020)	100%
		Kabanga South East (PL 18602/2021)	100%
		Kabanga East (PL 11591/2021)	100%
		Ruiza NE (PL 11539/2021)	100%
		Burigi Block (PL11538/2021)	100%
		Burigi North (PL11537/2021)	100%
		Kabanga South East (PL11886/2022)	100%
		Southeast Wedge (PL12175/2023)	100%
		Luhuma Central (PL12350/2023)	100%
Luhuma Nickel Project	Tanzania	PL11692	65%
		PL11693	65%
The Company entered into a Farm-In Agreement to earn up to 100% of the Luhuma Nickel Project. The Company currently has achieved a 65% interest in the project on 8 February 2023.			
Nachingwea Prospect	Tanzania	PL11887/2022	100%
Lake Surprise Uranium Project	Australia	EL 5892	100%
		EL 5893	100%
Maree Embayment Uranium Project	Australia	EL 6598	100%
		EL 6821	100%
		EL 6957	100%
		EL 6890	100%

Acquired during the June 2024 Quarter

Project/Location	Country	Tenement	Granted/ Acquired Date
Maree Embayment Uranium Project (The Hook)	Australia	EL 6890	May 2024

Disposed of during the June 2024 Quarter

Project/Location	Country	Tenement	Withdrawal Date
Nil			

Appendix 5B

Mining exploration entity quarterly cash flow report

Name of entity

ADAVALE RESOURCES LIMITED

ABN

96 008 719 015

Quarter ended ("current quarter")

30 June 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(475)	(2,983)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(147)	(593)
	(e) administration and corporate costs	(144)	(752)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(21)	(133)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (GST (Paid)/Received)	(2)	(12)
1.9	Net cash from / (used in) operating activities	(789)	(4,473)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	(30)	(45)
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(30)	(45)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	100	4,782
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	1
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(297)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings (Con Notes)	(330)	(580)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(230)	3,906

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,331	893
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(789)	(4,473)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(30)	(45)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(230)	3,906

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(2)	(1)
4.6	Cash and cash equivalents at end of period	280	280

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	280	1,331
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	280	1,331

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	92
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end	Amount drawn at quarter end
		\$A'000	\$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	250	75
7.3	Other (Convertible Notes)	-	-
7.4	Total financing facilities	250	75
7.5	Unused financing facilities available at quarter end		175
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	Standby Subscription Agreement The unsecured facility arrangement with LKC Technology Pty Ltd (LKC) is a 5-year agreement for \$250,000 as announced on 29 April 2020, with \$175k undrawn currently. LKC subscribes for shares upon the Company issuing a drawdown notice. Fully paid ordinary shares are issued at 80% of the 5-day VWAP that precedes the drawdown notice. No interest rate applicable to this facility.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(789)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(789)
8.4	Cash and cash equivalents at quarter end (item 4.6)	280
8.5	Unused finance facilities available at quarter end (item 7.5)	175
8.6	Total available funding (item 8.4 + item 8.5)	455
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	-
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Yes.	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	As announced on 31 July 2024, the Company has successfully received firm commitments to raise \$550,000 via a Placement to professional and sophisticated investors. The funding will be sufficient to fund the Company's operations.	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Yes as per above 8.8.2.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 July 2024

Authorised by: **The Board of Directors of Adavale Resources Limited**
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.