



**ACN 008 719 015**

**ANNUAL REPORT  
FOR THE YEAR ENDED  
30 June 2024**

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**ADAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**  
**TABLE OF CONTENTS**  
**FOR THE YEAR ENDED 30 JUNE 2024**

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|                                                                                   |           |
|-----------------------------------------------------------------------------------|-----------|
| <b>CORPORATE DIRECTORY .....</b>                                                  | <b>4</b>  |
| <b>LETTER TO SHAREHOLDERS .....</b>                                               | <b>5</b>  |
| <b>REVIEW OF OPERATIONS .....</b>                                                 | <b>6</b>  |
| <b>DIRECTORS' REPORT .....</b>                                                    | <b>22</b> |
| <b>AUDITOR INDEPENDENCE DECLARATION .....</b>                                     | <b>30</b> |
| <b>CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ..</b> | <b>31</b> |
| <b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION .....</b>                         | <b>32</b> |
| <b>CONSOLIDATED STATEMENT OF CASH FLOWS .....</b>                                 | <b>33</b> |
| <b>CONSOLIDATED STATEMENT OF CHANGES IN EQUITY .....</b>                          | <b>34</b> |
| <b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS .....</b>                       | <b>35</b> |
| <b>CONSOLIDATED ENTITY DISCLOSURE STATEMENT .....</b>                             | <b>55</b> |
| <b>DIRECTORS' DECLARATION .....</b>                                               | <b>56</b> |
| <b>INDEPENDENT AUDIT REPORT .....</b>                                             | <b>57</b> |
| <b>ADDITIONAL SHAREHOLDER INFORMATION .....</b>                                   | <b>61</b> |

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## **ADAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**

### **CORPORATE DIRECTORY**

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#### **Directors & Management**

Grant Pierce (Chairman)

David Riekie (Executive Director)

John Hicks (Non-executive Director)

Maurice Matich (Non-executive Director)

Allan Ritchie (Chief Executive Officer)

Leonard Math (Chief Financial Officer & Company Secretary)

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Telephone: 1300 850 505

#### **Auditor**

HLB Mann Judd

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Perth WA 6000

#### **Stock Exchange**

Australian Securities Exchange

20 Bridge Street

SYDNEY NSW 2000

#### **ASX Code**

ADD, ADDOA

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## LETTER TO SHAREHOLDERS

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Dear Fellow Shareholders,

On behalf of the Adavale Board and executive team, we are pleased to present the Annual Report and summary of the activities and milestones achieved during the 2024 financial year.

In anticipation of the renewed global interest and increasing focus on uranium during the course of the last year, Adavale has significantly expanded its exploration portfolio in South Australia. This strategy focused on geological localities that have demonstrated uranium occurrences, recognised paleochannels emanating from uranium-bearing source rocks to underlying geological structures as potential fluid pathways. As a consequence of these recognised attributes, our expanded Exploration Licences (granted and in application) now cover approximately 6,100 sq km.

During the year, the Company acquired and reprocessed several historical datasets to generate in a cost and time effective manner, a number of priority target areas. Additionally, the acquisition of the uranium bearing Kilonova ELs situated within the northern outwash fan of the Flinders Ranges has provided the opportunity to commence the approvals process to enable a 2,000m aircore drilling campaign to commence shortly at MacDonnell and George Creek prospects. Furthermore, exploration undertaken by the Company involving gravity, geochemistry, and soil sampling, has identified an exciting target area described as the Marree Embayment “depocentre,” where exploratory drilling is planned once the statutory approval process is finalised. We would also like to express our thanks to the Dieri and Adnyamathanha Traditional Custodians for their assistance and support with these current and proposed work programs.

The model for the assembly of the South Australian portfolio is based on the amenability for this geological style of paleochannel hosted uranium mineralisation to be recoverable by In Situ Leaching, which is the production and processing methodology at the nearby Honeymoon Well (ASX:BOE) and Beverley uranium mines.

The uranium market, as mentioned, has recently experienced a significant resurgence, driven by the reduced production profile of key players globally, and the expanding shortfall to meet increasing demand by the new and scheduled nuclear facilities being developed. The political landscape and baseload energy required are providing strong fundamentals for explorers and uranium producers alike, and Adavale considers that it is very well placed to benefit through any anticipated exploration success over the years ahead.

The nickel market and changing dynamics have created a challenging environment for explorers, but the Company was pleased to see a number of notable drilling successes undertaken at our flagship Kabanga Jirani and Luhuma Nickel Projects in Tanzania. Exploration has been suspended, and activities introduced to preserve the value of the significant outcomes achieved.

I would like to make special mention and thank our respective management and technical teams in both Australia and Tanzania for their dedication and contributions over the year.

The Board looks forward to updating our shareholders as we continue to receive results from our upcoming exploration programs in South Australia and thank you for your ongoing support as we look forward to continuing to unlock the value of our projects.

**The Board of Directors**

## REVIEW OF OPERATIONS

### NATURE OF OPERATIONS

The principal activities of the Group during the year was mineral exploration in Australia for Uranium and Tanzania for Nickel. The following sets out the major changes to the Group from both a corporate and operational perspective during the reporting period and up to the date of the Directors' report.

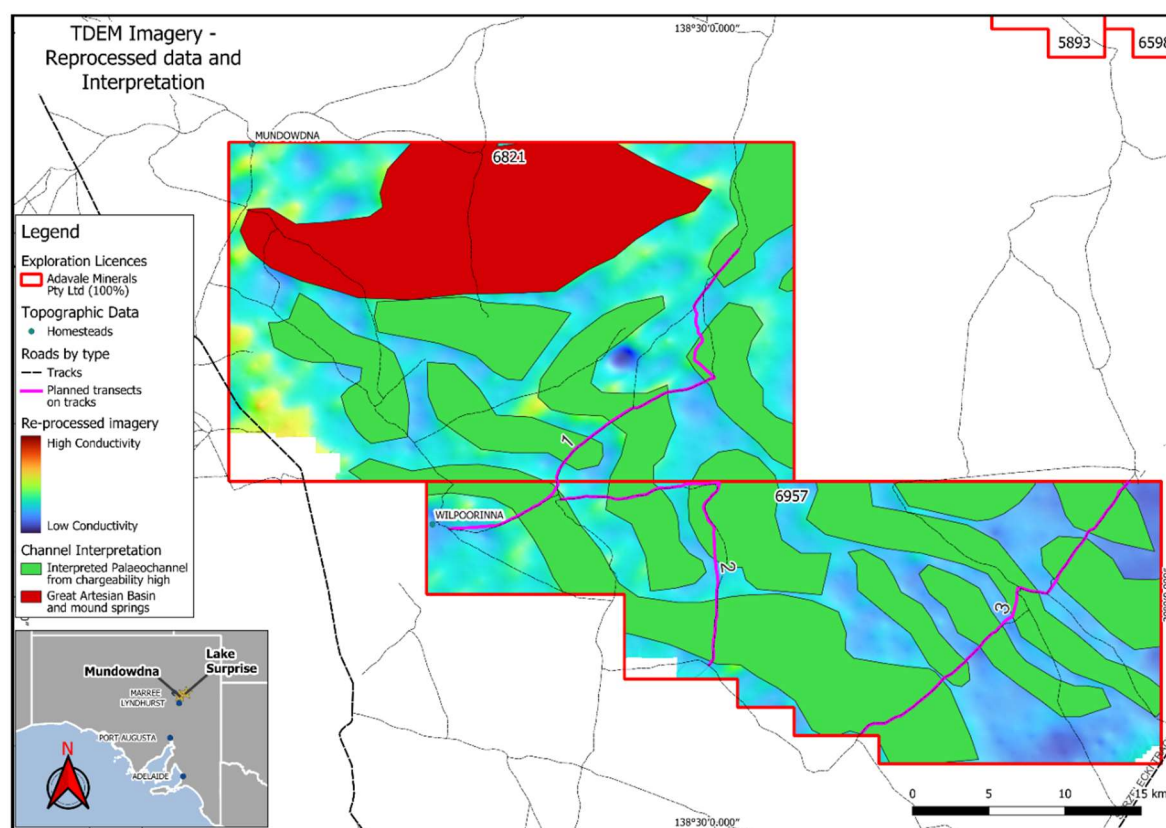
### Uranium Exploration – South Australia

#### Mundowdna and Mundowdna South

The Company was awarded a new 591km<sup>2</sup> Mundowdna South Uranium Exploration Licence in December 2023. The new licence (EL6957) is contiguous with Adavale's Mundowdna EL6821 Uranium Licence that was approved in late 2022<sup>1</sup> (Mundowdna licence package).

Following the grant of the Mundowdna South project in 2023, the Company undertook a process of reprocessing historical electromagnetic (EM) and gravity datasets over the Mundowdna (EL6821) and Mundowdna South (EL6957) project areas<sup>2</sup>.

The EM dataset, covering most of the Mundowdna licence package, was originally flown in 2007 for the purpose of identifying paleochannels within a large recognised alluvial fan extending north-westward out from the Flinders Ranges. Re-processing and interpretation of the EM dataset, supported by modern satellite imagery strongly indicates the presence of an extensive paleochannel system within the Company's Mundowdna licence package.



**Figure 1:** Interpreted Channels from reprocessed data showing the channels in the alluvial fan and the area of Great Artesian Basin Influence<sup>2</sup>

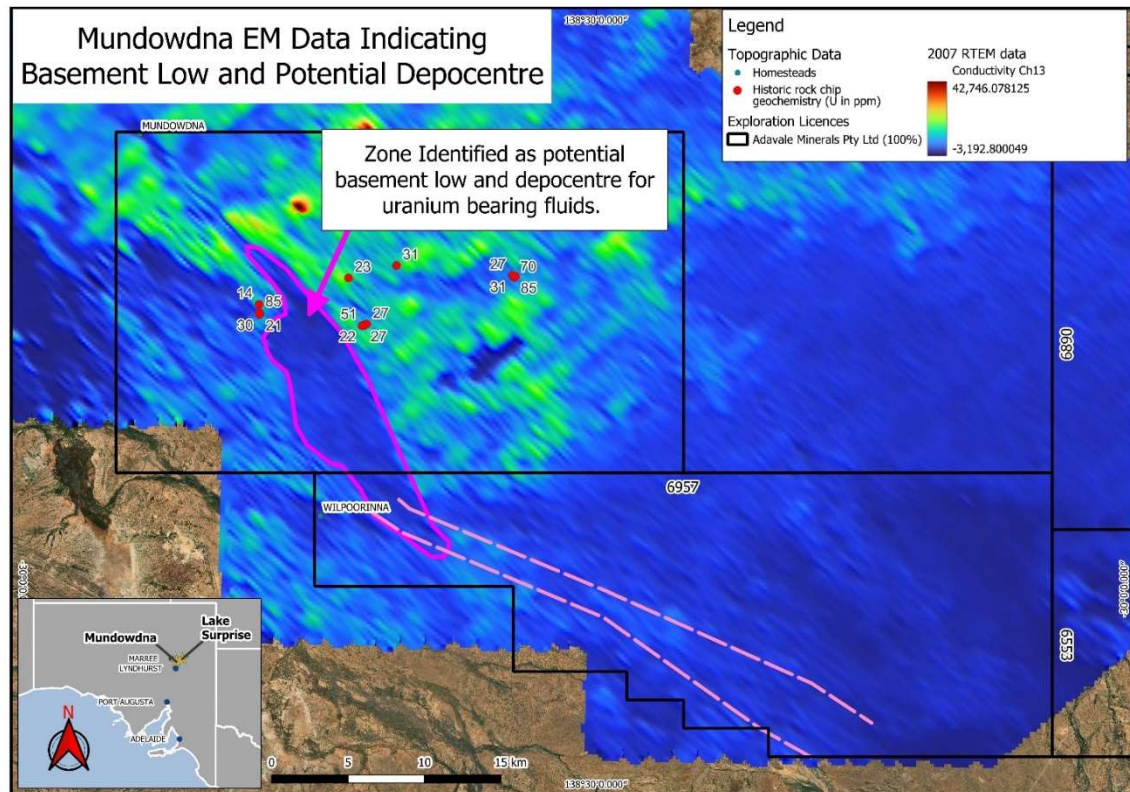
<sup>1</sup> ASX Announcement – 25 September 2023 – Contiguous Uranium Licence to Expand Footprint in South Australia

<sup>2</sup> ASX Announcement – 7 March 2024 – Updated - EM data indicates uranium exploration potential

The analysis identified a large EM low running in a NW direction along the western margin of the Mundowdna licences (Figure 2).

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)<sup>3</sup>.

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 uraniumiferous groundwaters shedding from the adjacent Flinders Ranges.



**Figure 2:** 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.

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 tracks<sup>3</sup>, See Figures 3 and 4). 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 exploration<sup>4</sup>.

#### Gravity

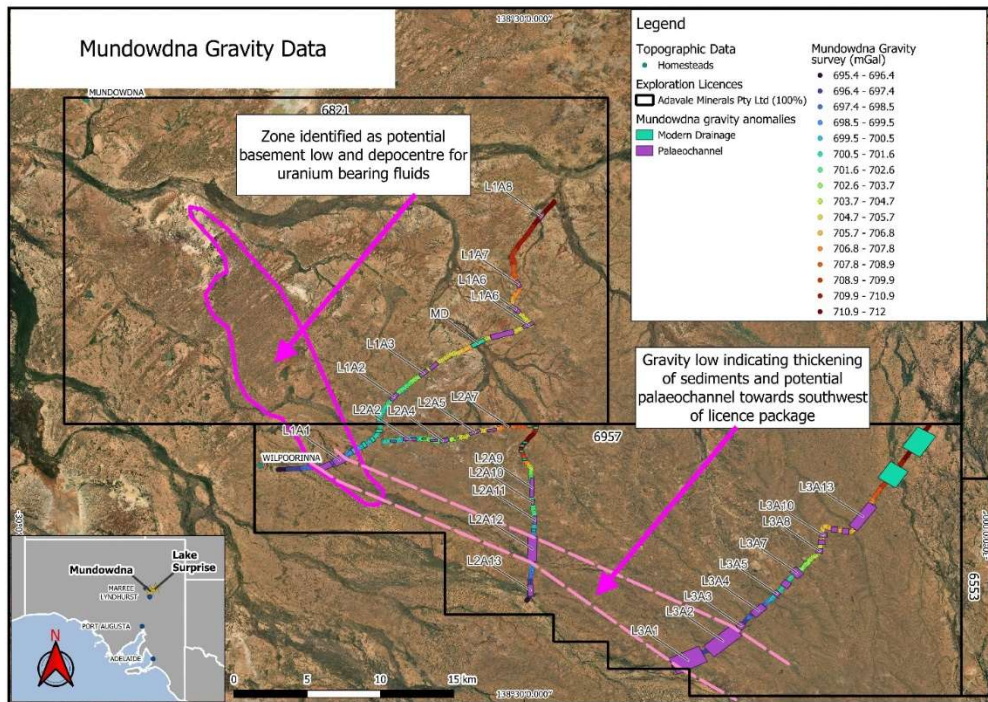
Supporting the EM interpretation are the results of the gravity survey undertaken as part maiden exploration program, which shows a consistent rising gravity trend towards the NE along all surveyed lines, indicating thickening sediment cover in the SW and thinning towards the NE<sup>3</sup>.

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 ).

<sup>3</sup> ASX Announcement 6 June 2024 – Uranium exploration yields high priority drill targets

<sup>4</sup> ASX Announcement 18 January 2024 – South Australian Exploration Program finalised

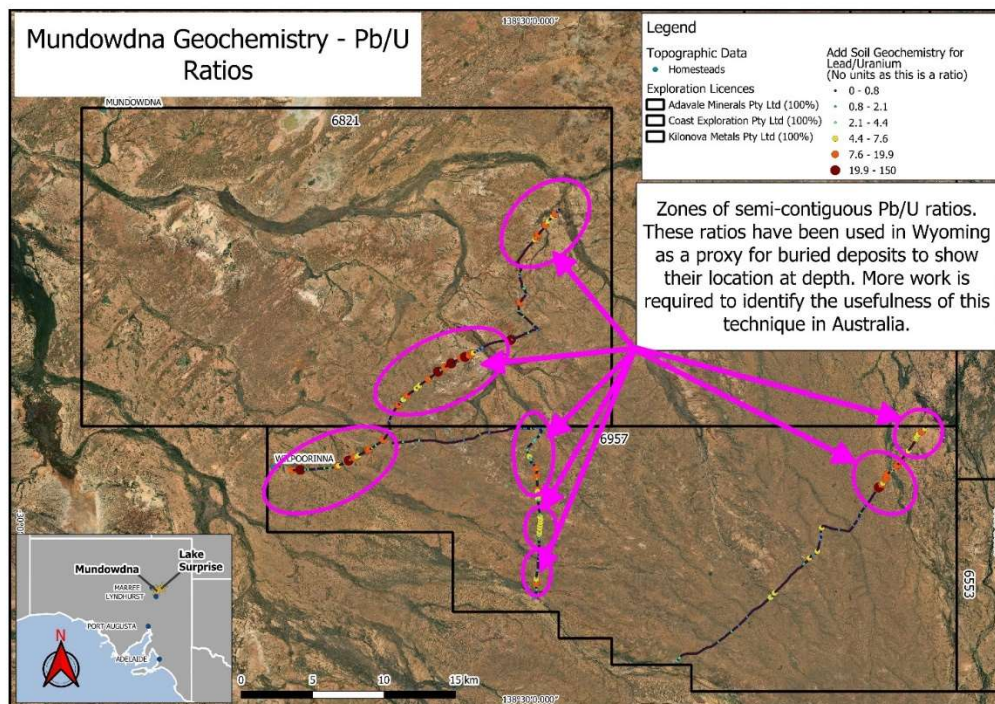




**Figure 3:** Newly acquired gravity data indicating a thickening of sediments in the southwestern portion of the licence package.

#### 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 .

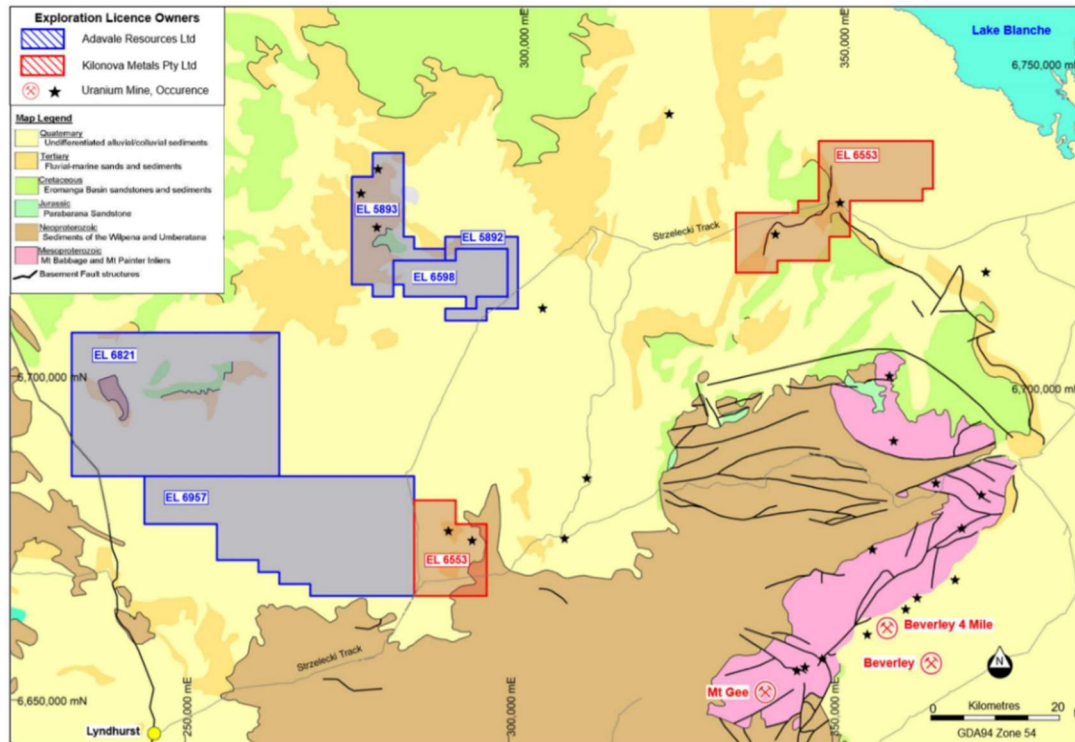


**Figure 4:** Zones of anomalous Pb/U Ratios along transects 1-3. Pink circles represent semi-continuous anomalies that have been mapped by the sampling program. Additional work on these anomalies is required to determine their usefulness in mapping systems.

## Strategic Acquisition - Exploration Licence 6553

In March 2024, the Company entered into an agreement with Kilonova Metals Pty Ltd for the acquisition of EL6553 in South Australia<sup>5</sup>.

EL6553 covers 456km<sup>2</sup> across two parts, with the first part (to be called '**Mundowdna South East**') adjacent to Mundowdna South and the other portion ('**MacDonnell Creek**') to the east of the Company's Lake Surprise Uranium Project (See Figure 5).



**Figure 5:** Exploration Licence areas for Adavale (blue) and Kilonova's EL6553 (red) over 2 separate areas

The MacDonnell Creek drilling (21 holes for 2,442m, MAMR120-MAMR140) identified a major new uranium-bearing, paleochannel located within an extensive sedimentary package high in anomalous uranium. The channel, which is trending to the east, is up to 300m wide and 12m deep and has been generated as a result of regional faulting to the west of the drilling area (Figure ).

The drilling returned the project's best uranium intercepts, with downhole gamma probing returned a maximum intersection of **1.0 metre at 263ppm eU<sub>3</sub>O<sub>8</sub>** and **0.65 metres at 235ppm eU<sub>3</sub>O<sub>8</sub>** in reduced sediments directly below the channel itself (Figure and Figure ).<sup>6</sup>

Seven of the drillholes intercepted the paleochannel, with four of these (MAMR 132-135) containing significant uranium intercepts.

There is an extensive zone of elevated uranium that occurs throughout the Eyre Formation units within the drilling area. Large volumes of uranium appear to have migrated along a localised fault and have moved through the permeable sand units within an approximate one kilometre radius. Within a thickness of approximately 25 metres of Eyre Formation interbedded sand and clay units, there are numerous permeable zones for uranium to move into as seen by the broad zone of elevated uranium identified in many of the recent drillholes. The channel itself directly crosses the fault where uranium has migrated along as well as passing through the zone of elevated uranium and appears to have acted as a preferred pathway for uranium migration.

Evidence that uranium is moving through the channel comes from the fact there is often a thin zone of elevated uranium located within the underlying interbedded reduced sand and clay unit. Uranium has moved from within the channel itself, which is highly oxidized, into the more reduced sediments below. The highest grade intersections

<sup>5</sup> ASX Announcement 26 March 2024 – Strategic licence acquisition to expand uranium portfolio in South Australia

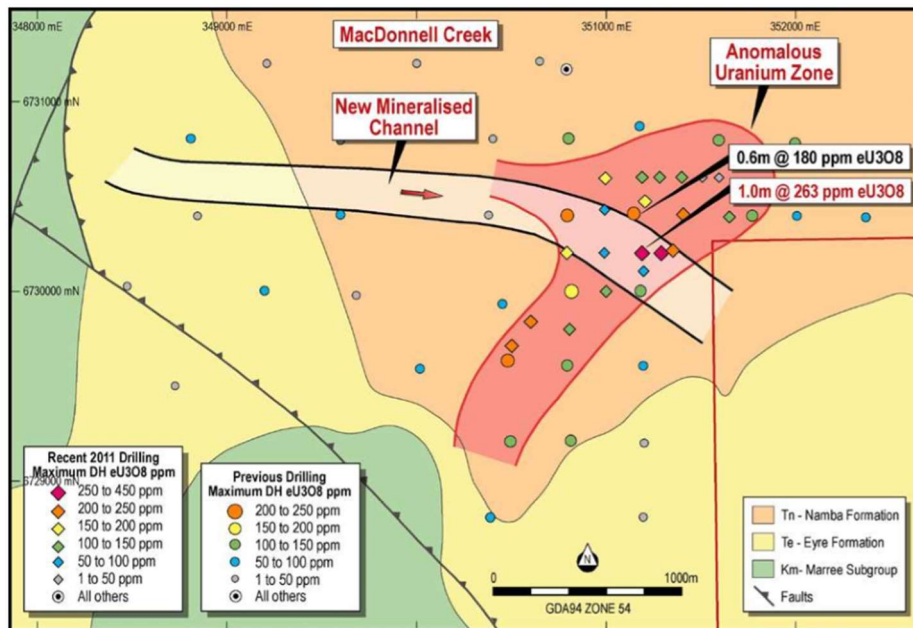
<sup>6</sup> Refer to CXU ASX announcement date 14 July 2011 – "Maree Drilling Results"



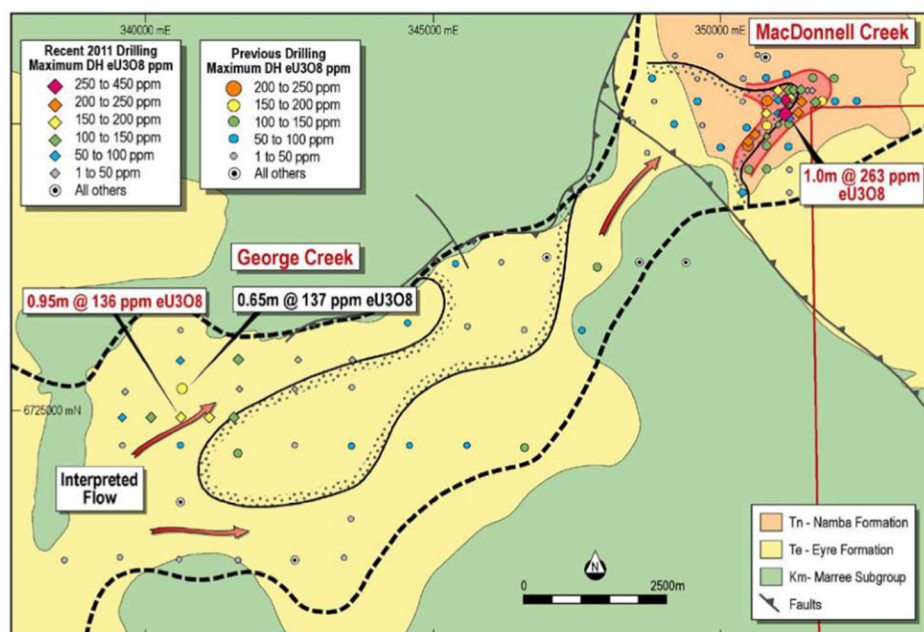
identified from drilling at MacDonnell Creek was **1.0 metre at 263ppm eU<sub>3</sub>O<sub>8</sub> from 107.6m**, in hole MAMR132 and **0.65m at 235ppm eU<sub>3</sub>O<sub>8</sub> from 105.7m**, in hole MAMR134.<sup>6</sup>

Further to the west, drilling at George Creek (12 holes for 1,134m) returned significant anomalous uranium mineralisation associated with a deepening of the sedimentary sequences towards an embayment in a regional scale fault system. A region of anomalous uranium mineralisation was centred around MAMR149, which returned a maximum intersection of **0.95m at 136ppm eU<sub>3</sub>O<sub>8</sub>** within variable oxidised and reduced sands and clays of the interpreted Eyre Formation (Figure ).<sup>6</sup>

The uranium mineralisation at MacDonnell Creek and George Creek are located at redox boundaries within sediments of Eyre and Namba Formations. The full extent of the MacDonnell Creek and George Creek mineralisation are yet to be determined and as such will form the principal focus of Adavale's exploration effort over the area.



**Figure 6:** MacDonnell Creek drilling by Cauldron up to 2011 (Source CXU 2011 Annual Report)<sup>5</sup>



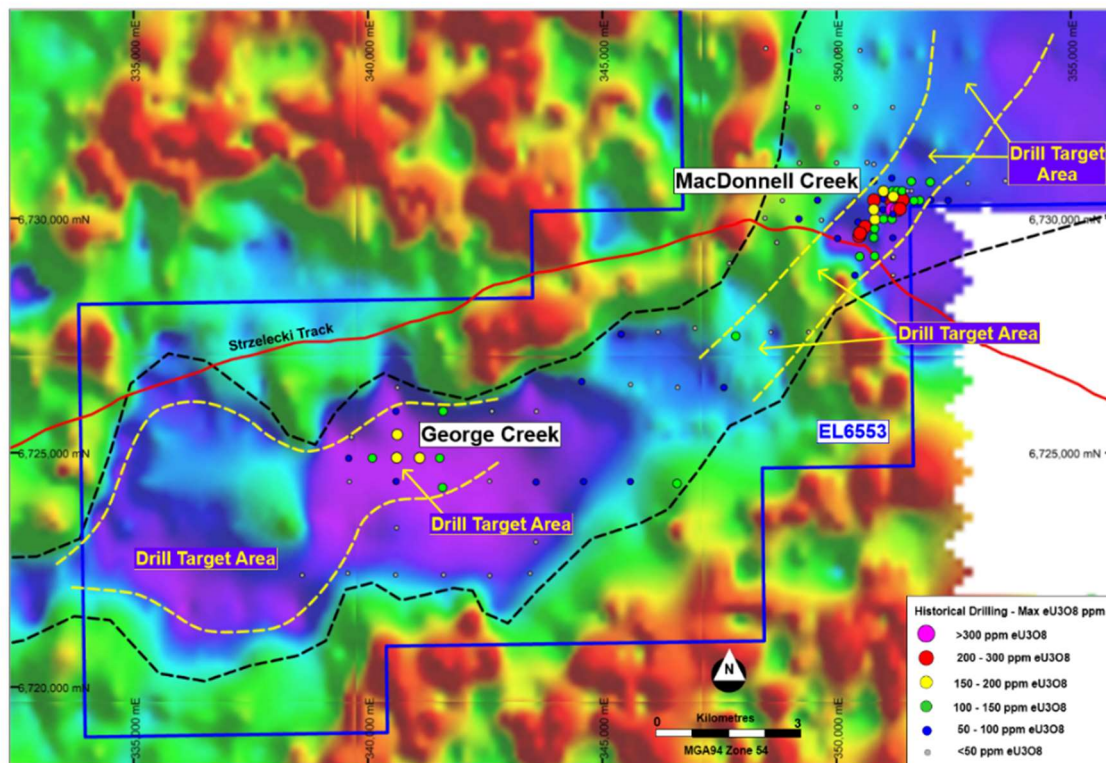
**Figure 7:** George Creek and MacDonnell Creek prospects identified by Cauldron (within the new MacDonnell Creek tenure) (source CXU 2011 Annual Report)<sup>5</sup>

Subsequent to the end of the financial year, the prerequisite statutory requirements for the aircore drill program at the MacDonnell Creek and George Creek prospects (EL6553), within the broader Marree Embayment have progressed with the lodgement of Adavale's Program for Environment Protection and Rehabilitation (**PEPR**) application with the SA Department for Energy and Mining (**DEM**).

Stage 1 of the aircore drill program involves approximately 20 holes for 2,000 drill metres and is designed targeting extensions to known uranium redox boundaries at both MacDonnell and George Creek prospects. There is capacity for additional drilling should the initial results be positive for uranium mineralisation.

Arrangements have been finalised with the Dieri Traditional Owners to complete a Heritage Clearance Survey over the program area commencing mid September 2024. Accordingly, Adavale anticipates commencing drilling in early October 2024.

Engagement with the Special Administrator for the Adnyamathanha Traditional Owners to secure heritage clearances over Marree Embayment Depocentre target areas within ELs 6957 and 6821 is ongoing. The grant of access to test this drill ready and exciting target area, remains a high priority for Adavale as part of the underlying uranium strategy for South Australia.



**Figure 8:** Current exploration and drill target areas at MacDonnell and George Creek.

As part of the South Australian government's PEPR approval system, Adavale's geological team has completed the required site surveys and ground access assessment for the upcoming drill program.

Drill hole locations were pegged as per the PEPR requirements and to facilitate the future Dieri Heritage Clearance Survey of the area. Selected images from the field survey program can be seen in the images below.

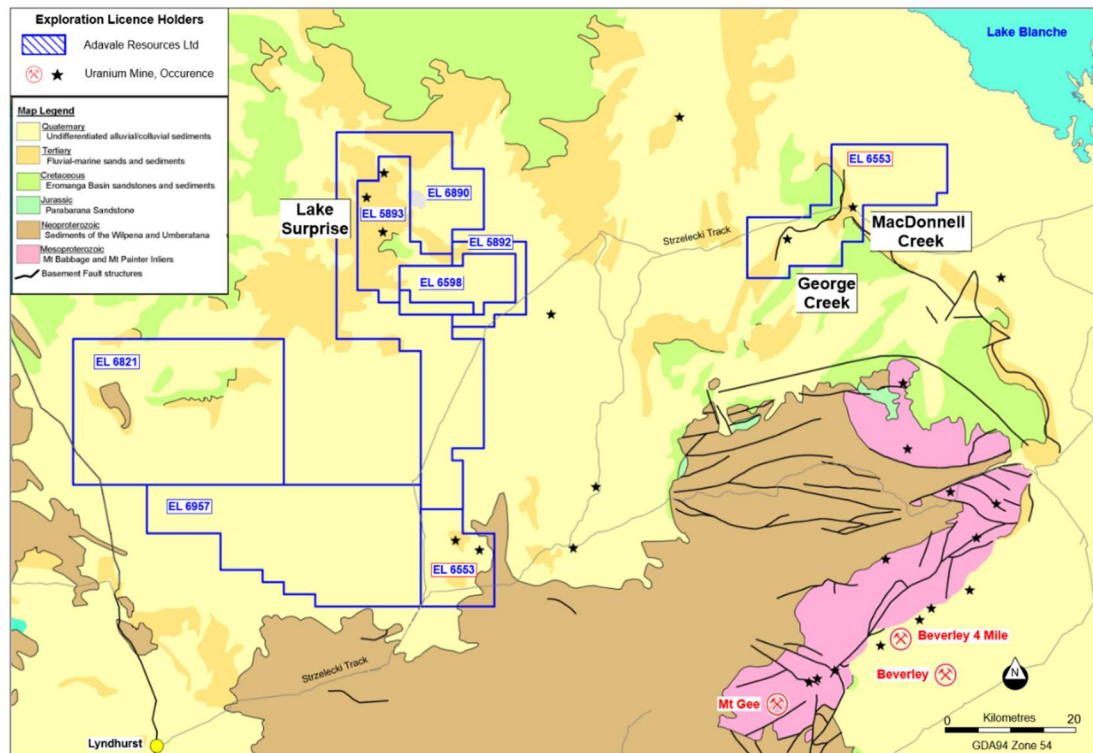
The MacDonnell and George Creek areas are topographically flat with relatively easy vehicular access for the initial aircore drill program.

### **Mundowdna South East**

In 1973, Nissho-iwai (Australia) Pty Ltd completed a regional exploration program of mapping, rock chip sampling and drilling for uranium minerals within an area that covers Mundowdna South East. Several anomalous uranium target areas were highlighted but not extensively followed up.

## Acquisition - Exploration Licence 6890

In May, the Company announced that it had acquired EL6890 from Coast Exploration Pty Ltd. The exploration licence covers 599km<sup>2</sup> and is strategically significant, being contiguous to the Company's existing Mundowdna and Lake Surprise project areas (See Figure 5).



**Figure 9:** Adavale's expanded Exploration Licence areas in the Marree Embayment South Australia

## Further expansion in east of Ceduna and Eyre Peninsula

In June, the Company announced that it had applied for four exploration licences covering 2,446 km<sup>2</sup>, 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.

### Narlaby Project

The Company has applied for two applications covering 189 km<sup>2</sup> and 260 km<sup>2</sup> 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 U<sub>3</sub>O<sub>8</sub> from 67m, IR1377 1m at 3,550 ppm U<sub>3</sub>O<sub>8</sub> from 66m, and IR1378 1m at 1,400 ppm U<sub>3</sub>O<sub>8</sub> from 69m<sup>7</sup>. This mineralisation is associated with channel sequences of the Narlaby paleochannel.

<sup>7</sup> 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/> and Open File Envelope No.4010, Carpentaria Exploration Co. Pty Ltd, 1984)



### **Tolmer Project**

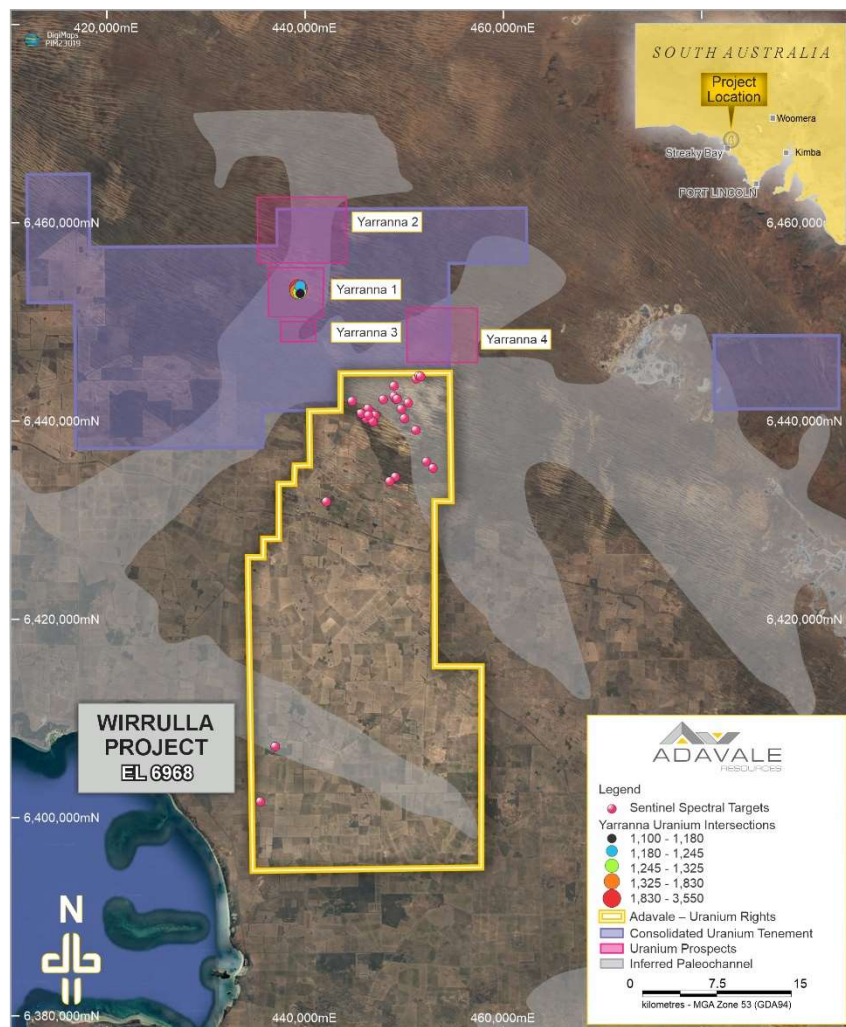
Adavale has also applied for two exploration licences (ELA 2024/00041, ELA 2024/00042) covering ~1,997km<sup>2</sup>, located in the Yellabinna area, ~90km south of Tarcoola and 95km northeast of Ceduna (Figure 11). The Company is targeting sandstone hosted uranium mineralisation in the Tolmer paleochannel 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.

### **Wirrulla Project**

In July 2024, 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 957km<sup>2</sup> of tenure in the northwestern extents of the Eyre Peninsula South Australia.

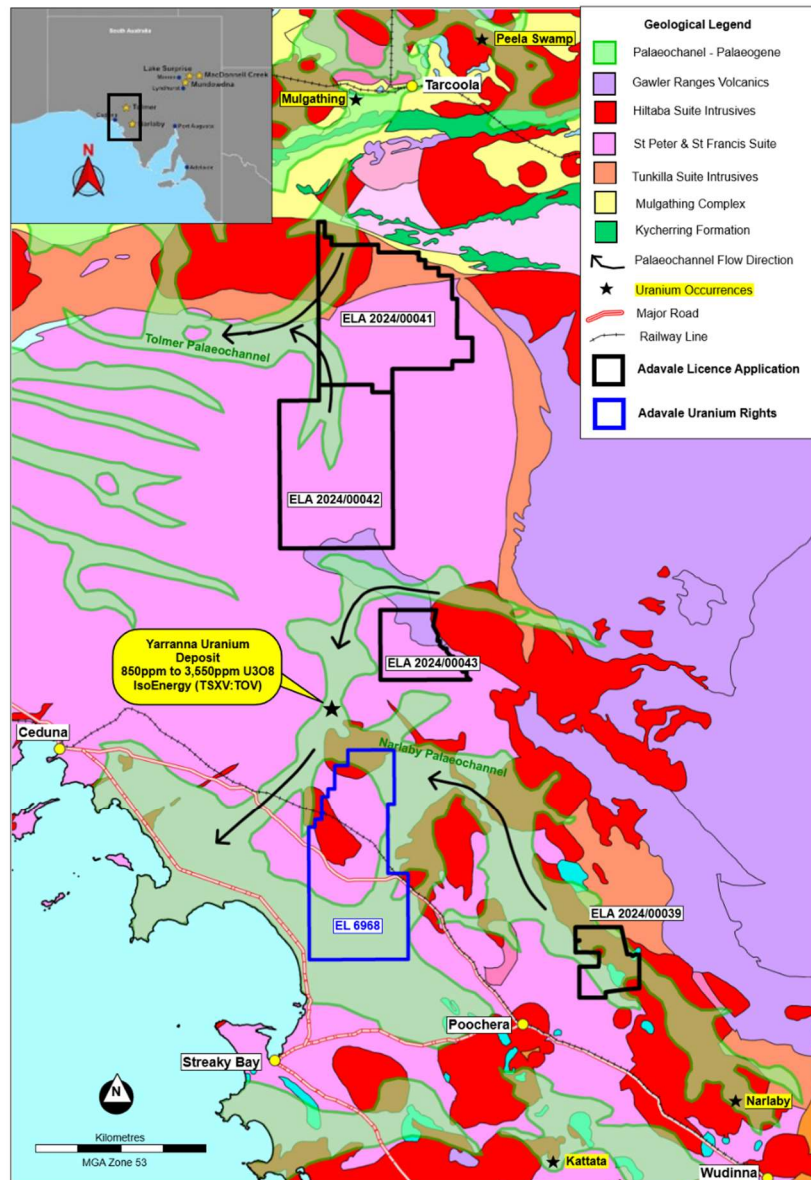
Desktop studies have highlighted the uranium prospectivity in the northern extents of the tenement where the uranium-bearing Narlaby palaeochannel is mapped continuing into the tenement. The palaeochannel hosts high grade uranium mineralisation at Yarranna, only 10km from the targets identified by satellite and radar imagery analysis conducted by Pinnacle Minerals.



**Figure 10:** Wirrulla Uranium Project highlighting uranium mineralisation and targets

An Environment Protection and Rehabilitation (EPEPR/PEPR) plan has been submitted to the SA Department for Energy and Mining. Adavale is expecting to receive approval this quarter to conduct a maiden drilling program of the Narlaby paleochannel within EL6968.

The strategic location of EL6968 relative to Adavale's exploration licence application and the interpreted paleochannels.



**Figure 11:** Adavale Exploration Licence application and Warrulla Project areas and regional paleochannels and uranium occurrences identified.

Adavale has now increased its uranium tenement holdings including uranium rights to 6,117km<sup>2</sup>, making Adavale one of the largest public listed uranium license holders in the region.

### 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.

The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements as referred above. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.



## Nickel Exploration – Tanzania

### Kabanga Jirani Nickel Project and Luhuma Nickel Project (Tanzania)

Luhuma Central (100% owned) (PL12350/2023) is fully enclosed within Prospecting Licence PL11692/2021 of which Adavale has to date earned a majority interest of 65% with rights to earn up to 100%<sup>8</sup>.

The Company views Luhuma Central as a geologically important addition to its existing exploration tenure, due to its historical results and being within the broader 15km Luhuma geological trend discovered by Adavale<sup>9</sup>. Historical results included an intercept of 1.14% Ni over 8.4m in massive sulphides and as such it has been the primary focus for the Company.

Nickel mineralisation has been intersected in all completed holes to date, with DDLUHC005 intersecting mineralisation over 340m downhole and then ground electromagnetics extending the strike to a potential 700m during the reporting period.

#### ***Luhuma Central Drilling***

During the September 2023 quarter, the Company received assays from the first four holes drilled at Luhuma Central. Results from its maiden hole DDLUHC001 recorded 4.13m @ 1.03% Ni from 223.3 as well as 1m at 0.63% Ni from 249m<sup>10</sup>.

The drillholes DDLUHC001 and DDLUHC002 intersected 4.13m of massive sulphides and 4.90m of blebby and heavily disseminated sulphides respectively. If mineralised intersections are connected between the drillholes as they are interpreted to be, then these sulphide bearing intervals would approximate their true thickness (although the drillholes are not completely orthogonal to the dip).

Sitting approximately 60m to the north of the first two holes DDLUHC003 delivered 7.55m @ 0.96% Ni from 261.7m<sup>11</sup>.

The massive nickel sulphide intersected in the third hole between 261.7m to 269.25m was hosted within mafic rocks and dominated by pyrrhotite with between 1% to 5% pentlandite and minor pyrite and chalcopyrite. The massive sulphides occur below a 5.13m zone of interlayered mafic rocks and meta-phyllite sediments intersected between 237.42m to 242.55m, which host a series of thin semi-massive pyrrhotite rich veins.

Headline results from DDLUHC004 included 1.12m @ 1.34% Ni from 256m and 7.5m @ 0.42% Ni from 286m. The fourth hole was located approximately 200m to the south of drillhole DDLUHC003. The sulphide zones intersected in DDLUHC004 between 250m to 323m are dominated by pyrrhotite with between 1% to 5% pentlandite and minor pyrite and chalcopyrite<sup>12</sup>.

Toward the end of the reporting period, the Company received assays from the fifth diamond hole at Luhuma Central, DDLUHC005, with over 340m of weak disseminated nickel sulphide mineralisation intersected. Within this interval DDLUHC005 was a 15.6m (downhole) zone of semi-massive and heavily disseminated nickel sulphides including thin massive sulphide veins between 408m and 423.6m, which upon follow-up check assaying appears to be of a slightly higher tenor than similar mineralisation intersected in drillholes further to the north.

In addition to this, DDLUHC005 provided another important piece of geological information in that this broad sulphide zone was associated with a more significantly MgO rich rock type compared to the more northern drillholes. Subsequent petrographic studies performed on samples from drillholes DDLUHC004 and 005 confirm the ultramafic character of the Luhuma Central intrusion with thin sections taken over broad intervals described as either harzburgite or iherzolite containing up to 50% olivine.

Importantly, the petrographic descriptions support the Company's previously reported observation that the MgO content of the Luhuma Central intrusion appears to be increasing towards the south, possibly reflecting increasing prospectivity in this direction<sup>13</sup>.

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<sup>8</sup> ASX Announcement 15 December 2021 – Highly Prospective Nickel Sulphide Tenure Expanded.

<sup>9</sup> ASX Announcement 4 April 2023 – Nickel sulphide drill targets & 15km soil anomaly defined.

<sup>10</sup> ASX Announcement 11 July 2023 - Assays Confirm Massive Nickel Sulphides at Luhuma Central

<sup>11</sup> ASX Announcement 25 July 2023 – Adavale Replicates Maiden Massive Nickel Sulphide Intersection in Third Diamond Hole.

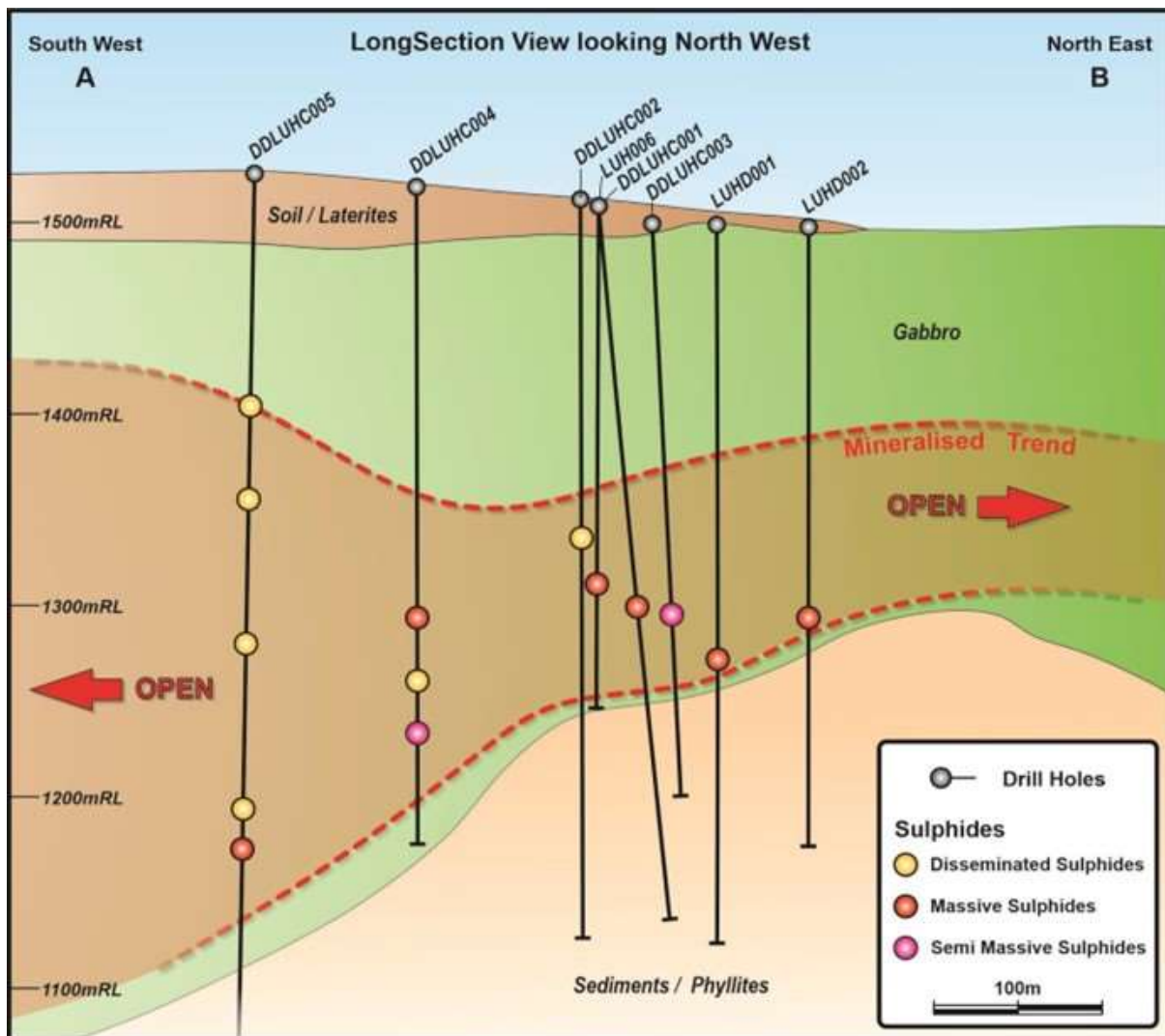
<sup>12</sup> ASX Announcement 17 August 2023 – Multiple Massive and Semi Massive Nickel Sulphide Zones Intersected at Luhuma Central.

<sup>13</sup> ASX announcement 2 November 2023 titled - Ground EM Highlights Potential 700m of Strike Extent of Nickel.

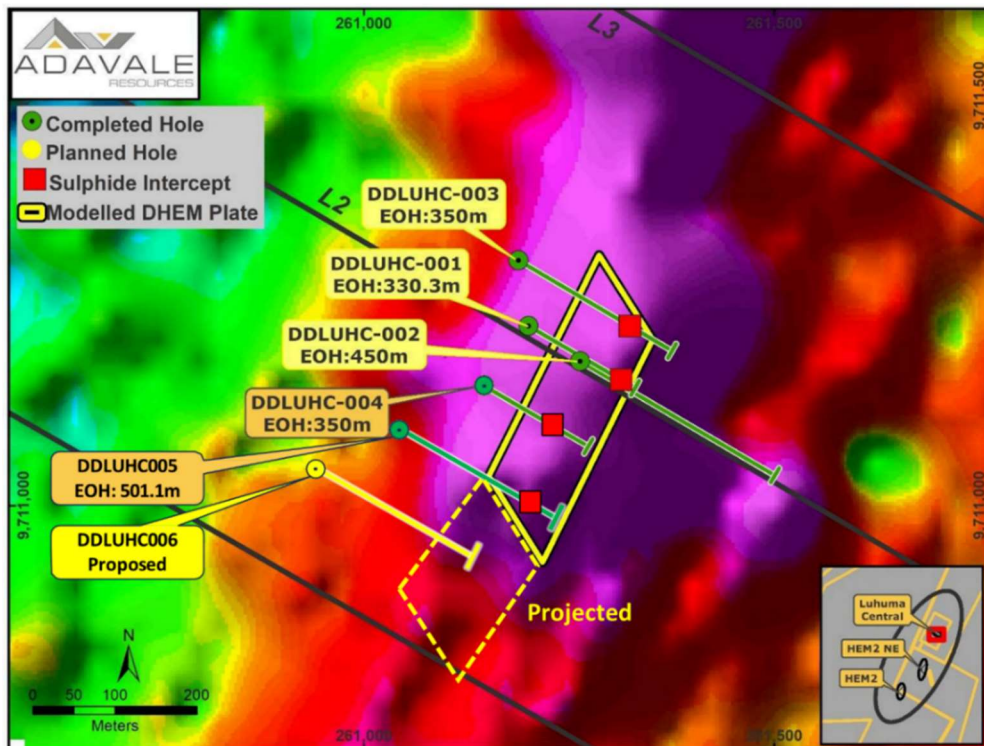
Visual estimates of mineral abundance should never be considered a proxy or substitute for laboratory analyses where concentrations or grades are the factor of principal economic interest. Visual estimates also potentially provide no information regarding impurities or deleterious physical properties relevant to valuations.

The potential increase in nickel tenor towards the south described above, together with the similar more primitive (increasing MgO content) nature of the associated host rocks in this direction indicates that the more prospective part of the Luhuma Central intrusion may lie further to the south. The significance of these trends pointing to this part of the intrusion is that further work in this area may identify the high MgO rich ultramafic chonolith ('magma tube') that formed the Luhuma intrusion and from where the magma spread laterally north and south 'fractionating' to form the lower MgO rich peripheral lithologies to the main conduit. If present, this high MgO ultramafic chonolith is where nickel sulphide mineralisation of both higher grade and tenor is likely to have accumulated.

Drillhole DDLUHC006 commenced during the December quarter, stepping out 250m to the south of DDLUHC005. Unfortunately, a combination of wet weather and drill rig operator issues led to the hole being abandoned prior to the intersection of the target zone.



**Figure 12:** Long section at Luhuma Central indicating a thickening to the south-west



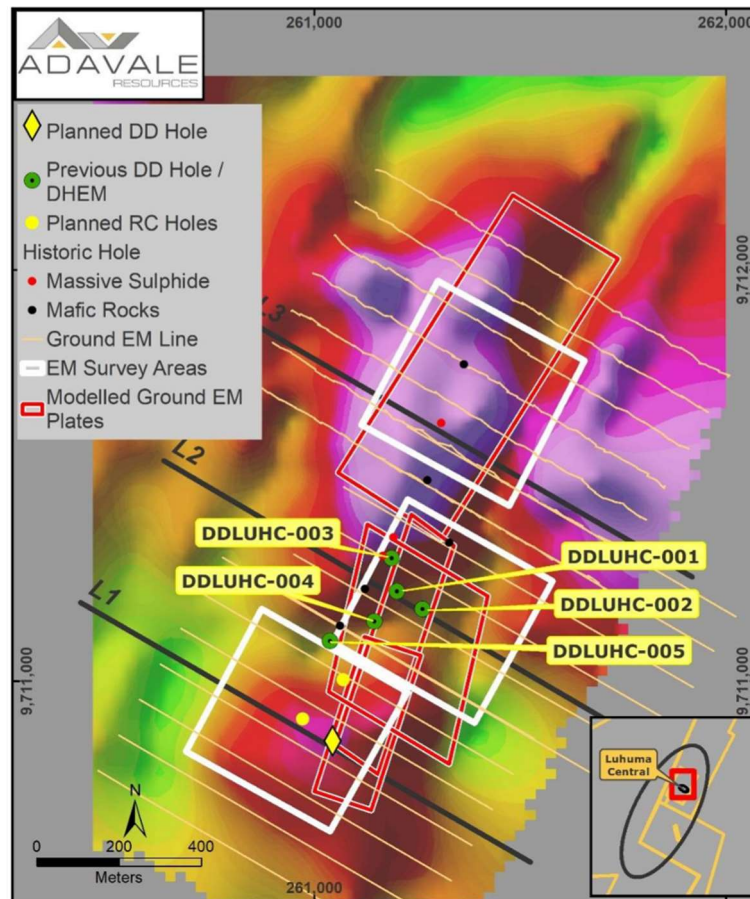
**Figure 13:** Plan view of current and proposed drill hole location (yellow dot) at Luhuma Central, with estimated projected position of the sulphide plate

### ***Downhole EM Surveys***

Downhole EM (DHEM) surveys are an important tool in assessing the nickel sulphide potential of the project, providing a vector for follow up exploration. All holes in the current program are being cased with DHEM planned for all. This will aid in future drill planning.

Following on from the orientation EM survey at Luhuma Central, Adavale completed the detailed ground EM surveys across the entire previously identified airborne EM anomaly at Luhuma. The survey lines and modelled plates generated by the surveys are shown in Figure 3. The central plate was derived from the initial orientation survey that was conducted over drillholes DDLUHC001 to DDLUHC005 to verify that ground EM could correctly identify the massive sulphide mineralisation intersected in these holes at depth.

Based on the successful correlation confirmed through the orientation survey, additional surveys were conducted to the north and south of the orientation survey. These extended surveys enabled anomalies to be identified and modelled over the full strike length of the Luhuma airborne EM anomaly. It should be noted however that the northernmost plate has a lower modelled conductance than the central plate, thereby implying that the sulphide mineralisation may not be as well developed in this area. The modelled plates extending across the central survey area and further to the south do however show an equally strong measure of conductance to the central plate, implying that the massive sulphide mineralisation intersected in the central area extends to the south. These high conductance plates cover a strike extent of about 700m.



**Figure 14:** Locality of plates modelled from ground EM including collar positions of historically drilled holes as well as locations of planned RC holes and diamond hole overlying historic airborne EM

#### **HEM 4 RC Drilling**

At HEM 4, RC drilling was completed to determine if a series of coincident EM, geochemical and gravity anomalies identified there are associated with favourable host rocks at depth below the cover sequence. A total of nine drillholes for 1,894 drill metres were completed as part of this program.

Initial interpretations at the HEM4 west, indicate six of the nine RC drill holes ended in favourable mafic lithologies, with one of these holes ending in ultramafic. Further exploration is planned for the HEM 4 area in 2024.

#### **Competent Person Statement**

The information in this release that relates to “exploration results” for the Kabanga Jirani Nickel and Luhuma 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 company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements as referred above. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.



## **CORPORATE**

During the September quarter, the Company completed a capital raising of \$2.47m via a placement to sophisticated and professional investors. The total placement comprised the issue of 130 million new fully paid Ordinary shares at an issue price of \$0.019 per share and a 1:1 attaching listed option exercisable at \$0.03 per share expiring 31 December 2025.

In addition, the Company raised a further \$800,000 through an Entitlement Offer at the same terms as the Placement, which was partially underwritten by GBA Capital Limited.

In February 2024, the Company raised \$1.5 million (before costs) through a placement to new and existing institutional and sophisticated investors. The placement was oversubscribed and comprised of the issue of approximately 214.3 million new fully paid Ordinary shares at an issue price of \$0.007 per share ("New Shares") and a 1:1 attaching listed option (ADDOA) exercisable at \$0.03 per share expiring 31 December 2025.

Proceeds from the placement will be used to recommence exploration activities at the Company's Lake Surprise Uranium Project area (primarily Mundowdna and Mundowdna South) in South Australia.

Subsequent to the end of the financial year, the Company received binding commitments to raise \$632,000 via the issue of approximately 210 million new fully paid Ordinary shares at an issue price of \$0.003 per share and a 1:1 free attaching option exercisable at \$0.005 each, expiring 31 December 2027 to new and existing professional and sophisticated investors.

Proceeds from the Placement will be used to accelerate exploration activities within Adavale's highly prospective uranium prospects including an aircore drilling program at MacDonnell and George Creek as well as the Maree Embayment Project.

The Placement will be conducted in two tranches to professional and sophisticated investors including Directors and management participation of approximately \$125,000. The Placement of 158,500,000 New Shares was issued pursuant to the Company's available placement capacity under ASX Listing Rule 7.1. Subject to receipt of shareholder approval at a General Meeting of shareholders to be convened, a further 52,166,667 New Shares and the free attaching options will be issued.

The Directors placement shares and attaching options will be subject to shareholder approval.

### **New Board Appointment**

On 31 July 2024, Mr Maurice (Nic) Matich was appointed to the Board of Adavale as a 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.

## **RISK MANAGEMENT**

Risk management is a key part of improving our business and our aim is to ensure that all business operations are performed within Board approved risk tolerance levels. To achieve this aim, Risk Management standards will be created, maintained and continually improved. This will involve risk identification and risk evaluation linked to practical and cost-effective risk control measures commensurate with our business. Risk Management is a continuous process demanding awareness and proactive action from all Company employees and contractors to reduce the possibility and impact of accidents and losses, whether caused by the Company (and its subsidiaries, collectively "The Group") or externally.

## **FACTORS AND BUSINESS RISKS AFFECTING FUTURE BUSINESS PERFORMANCE**

The following factors and business risks could have a material impact on the Company's success in delivering its strategy:

### **Funding**

The Group is likely to need to raise capital to explore and develop its projects. There is no guarantee that the Group will be able to secure any additional funding or will be able to secure funding on terms that are favourable or acceptable to the Group.

### **Health and Safety**

The Group is exposed to potential safety hazards within its operations in Australia and Tanzania.

### **Political Risks (Tanzania)**

The Group's projects - Kabanga Jirani Nickel Project and Luhuma Nickel Project, both are in Tanzania and will be subject to the various political, economic and other risks and uncertainties associated with operating in that country. These risks and uncertainties include, but are not limited to, economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, environmental protection, mine safety, labour relations as well as government control over mineral properties or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents. The Group may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. Any future material adverse changes in government policies or legislation in Tanzania that affect foreign ownership, mineral exploration, development or mining activities, may affect the viability and profitability of the Company.

### **Aboriginal title and consultation issues**

Native title claims as well as related consultation issues may impact the ability to pursue exploration, development and mining at its Lake Surprise Uranium Project. Managing relations with traditional owners is a matter of paramount importance to the Group. However, there may be no assurance that title claims as well as related consultation issues will not arise on or with respect to the Group's exploration Licences.

### **Public Perception**

Unique political, technological and environmental factors affect the nuclear industry, exposing it to the risk of public opinion, which could have a negative effect on the demand for nuclear power and increase the regulation of the nuclear power industry. An accident at a nuclear reactor anywhere in the world could affect acceptance of nuclear energy and the prospects for nuclear generation. Debate on the relative dangers and benefits of uranium as an energy source will continue into the foreseeable future.

### **Commodity Prices, Services and Exchange Rates**

Commodity prices (specifically nickel and uranium) and the cost of services fluctuate according to changes in demand and supply. Changes in commodity prices can significantly impact exploration activities and investment decisions. As the Group operates in USD in Tanzania, significant unfavourable movements between AUD and USD impacts the exploration and operational costs in Tanzania.

### **Key Person and Workforce**

The Group's success is to a large extent dependent upon the retention of key personnel and the competencies of its directors, senior management, and personnel. The inability to attract and retain a suitably skilled and diverse

leaders and workforce is a risk to Group performance in the conduct of its business especially in Tanzania and within the Uranium industry.

**Tenure and Access risk**

While the Group does not anticipate there to be any issues with the grant or renewals of its tenements, there can be no assurance that the application (or future applications) will be granted. Mining and exploration tenements are subject to periodic renewal and reviews. The renewal of the term of granted tenure may be subject to the discretion of the relevant authorities and may include increased expenditure or obligations on the Group or compulsory relinquishment of areas of the tenements.

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**ADAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES****DIRECTORS' REPORT**

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The Directors present their report on the Company and its controlled entities for the financial year ended 30 June 2024.

**Directors**

The Directors of the Company at any time during or since the end of the financial year are:

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**Mr Grant Pierce**  
**Non-Executive Chairman**

*8,737,639 Fully Paid Ordinary Shares*  
*952,573 Listed Options exercisable at \$0.03 each*  
*expiring 31 December 2025*  
*2,000,000 Unlisted Options exercisable at \$0.15*  
*each expiring 13 January 2025*  
*11,100,000 Performance Rights*

Grant is a qualified mining engineer with 30 years of operating experience in both Australia and Africa. He has managed both open-pit and underground mines across a range of mineral commodities. In addition, he has held numerous senior development roles, taking green and brown field projects to either shovel ready status or into production.

Grant was a member of the development team that built Tanzania's first modern gold mine, Resolute's Golden Pride Project (ASX:RSG) and was Operations Manager of the mine for its first 6 years. Other senior roles include Executive General Manager (Tanzania) for Barrick Gold Corporation (NYSE:GOLD), during which time the Tulawaka Gold Mine was built and subsequently General Manager Operations for Perseus Mining, taking the Edikan Gold Project from the environmental permitting stage to its first gold pour.

Grant was an Executive Director of EcoGraf Limited (ASX:EGR) from 2014 – 2020 and played a pivotal role in the development of the Company, leading to the Company receiving the Epanko Graphite Projects' Environmental Certificate, Mining Licence, delivering the Bankable Feasibility Study and subsequent completion of banking independent due diligence.

Grant has been publicly recognised within Australia and internationally for his philanthropic work with remote communities in developing nations.

Directorships in the last 3 years - nil.

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**Mr David Riekie**  
**Executive Director**

*7,482,283 Fully Paid Ordinary Shares*  
*1,808,160 Listed Options exercisable at \$0.03 each*  
*expiring 31 December 2025*  
*2,000,000 Unlisted Options exercisable at \$0.15*  
*each expiring 13 January 2025*  
*11,100,000 Performance Rights*

David is an experienced listed company director, in both executive and non-executive roles. His career spans multiple continents including within Africa Namibia, Tanzania, Eritrea, South Africa, DRC and Mozambique. He holds a Bachelor of Economics and a Graduate Diploma of Accounting from Flinders University and has been a member of Chartered Accountants Australia and New Zealand since 1986. David has served on the Boards of Zenith Energy Limited, Paladin Energy Limited and also served as interim CEO to Poseidon Nickel Limited.

David holds a Bachelor of Economics and a Graduate Diploma of Accounting from Flinders University and has been a member of the Australian Institute of Chartered Accountants since 1986.

Directorships in last 3 years:  
Nil.



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**Mr John Hicks**  
**Non-Executive Director**

5,425,760 Fully Paid Ordinary Shares  
789,473 Listed Options exercisable at \$0.03 each  
expiring 31 December 2025  
2,000,000 Unlisted Options exercisable at \$0.15  
each expiring 13 January 2025  
11,100,000 Performance Rights

John is a geologist and nickel sulphide specialist with over 40 years' experience in the exploration and mining sector, including a 15 year tenure as the General Manager of Exploration for Panoramic Resources Limited (ASX: PAN). Prior to Panoramic, John held various roles with several notable mining companies including Australian Consolidated Minerals Limited, and WMC Limited.

John's nickel career highlights include senior exploration and development roles for the Mount Keith, Silver Swan, Lanfranchi and Savannah nickel projects. During his tenure at Panoramic Resources, John was instrumental in discovering the komatiite hosted Deacon orebody at Lanfranchi and the intrusive hosted Savannah North nickel orebodies, in Western Australia.

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**Mr Maurice Matich**  
**Non-Executive Director**  
(Appointed on 31 July 2024)

Directorships in last 3 years – nil

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.

Directorships in the last 3 years:  
Pinnacle Minerals Limited (appointed 20 October 2022)  
Heavy Minerals Limited (February 2021 – September 2022)

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**Management**

**Mr Allan Ritchie – Chief Executive Officer**

Allan graduated from the University of Technology in Sydney in 1986 with a Bachelor of Business and subsequently attained a post graduate Diploma in Applied Finance from the Financial Services Institute of Australia. Allan's distinguished career spans 30 years in both the energy and resources sectors, in investment banking and leadership roles in both private and publicly listed companies.

Allan has served as Non-Executive Director of ASX listed Hydrocarbon Dynamics Limited (HCD:ASX) and previously as Executive Director and Deputy CEO of HK Listed energy group EPI Holdings Limited (0689.HKEX).

Allan's investment banking background includes structuring commercial transactions in the energy and resources sector. Senior roles include positions within Westpac, ANZ Bank, HSBC and BNP Paribas in Australia, London, New York and Asia Pacific.

Allan's career achievements have been recognised several times in BRW's annual poll of bankers.

**Mr Leonard Math – Chief Financial Officer & Company Secretary**

Leonard is a Chartered Accountant with more than 15 years of resources industry experience. He previously worked as an auditor at Deloitte and is experienced with public company responsibilities including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting and shareholder relations.

Mr Math also currently holds other CFO, Company Secretary and directorship roles for a number of ASX listed companies.

**Meetings of Directors**

The number of Board meetings held and circular resolutions during the financial year and the number of meetings attended by each director. In addition to the Board meetings, the Board and management meets regularly on a fortnightly basis to discuss the operations of the Company.

| Director     | Eligible to Attend | Attended |
|--------------|--------------------|----------|
| Grant Pierce | 5                  | 5        |
| David Riekie | 5                  | 5        |
| John Hicks   | 5                  | 5        |

## Principal Activities

The Company is in the business of mineral exploration for Nickel in Tanzania and Uranium in South Australia. The Company's primary aim in the near-term is to explore for, discover and develop nickel and uranium deposits on the mineral exploration projects in Tanzania and South Australia. The Group has also been actively reviewing additional projects or mineral resources investment opportunities that would create wealth for the Group and its shareholders.

## Review and Results of Operations

The activities of the Company during the period under review are set out above in the Review of Operations.

The consolidated loss of the Company was \$4,700,626 which compared with a net loss for the prior year of \$4,947,890.

The loss from Company activities before income tax expense includes the following revenue and expense disclosures which are relevant in explaining the financial performance of the entity:

|             | 2024               | 2023               |
|-------------|--------------------|--------------------|
|             | \$                 | \$                 |
| Income      | 103,640            | 4,564              |
| Expenses    | (4,804,266)        | (4,952,454)        |
| <b>Loss</b> | <b>(4,700,626)</b> | <b>(4,947,890)</b> |

## Dividends

No dividends were paid during the financial year and the directors recommend that no dividend be paid in respect of the year ended 30 June 2024.

## Significant Changes in the State of Affairs

Except as referred to above there have not been any significant changes in the state of affairs of the Group during the financial year.

## Future Developments

The Group expects to continue its exploration and evaluation activities in Africa and Australia into the foreseeable future and will examine options for maximising the value of its mineral interests.

## Events Subsequent to Reporting Date

On 31 July 2024, the Company secured binding commitments to raise \$550,000 (before costs) through a placement to new and existing professional and sophisticated investors. The placement involved the issue of approximately 183 million new fully paid ordinary shares at \$0.003 per share, along with a 1:1 free attaching option exercisable at \$0.005 each, expiring on 31 December 2027. A further \$82,000 was secured on 7 August 2024 on the same terms for an additional 27 million new fully paid ordinary shares.

The Company also announced on 31 July 2024 that it had executed a binding Heads of Agreement for the purchase of the uranium rights in tenement EL6968 from Pinnacle Minerals Ltd for a total consideration of \$20,000 in cash, 10 million fully paid shares and 5 million options exercisable at \$0.005 each expiring 31 December 2027.

Except for the above there have been no matters or circumstances which have arisen since the end of the year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

## Remuneration Report (audited)

The Directors of Adavale Resources Limited present the Remuneration Report prepared in accordance with the Corporations Act 2001 and Corporations Regulations 2001.

The Remuneration Report is set out under the following main headings:

- a. Remuneration Policies
- b. Key Management Personnel remuneration
- c. Executive Service Agreements
- d. Non-Executive Directors
- e. Share based compensation
- f. Key Management Personnel Compensation – other transactions

### (a) Remuneration Policies

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Group, including directors of the Company and other executives. Key management personnel comprise of directors of the Company and any senior executives of the Group.

The compensation structure takes into account:

- The capability and experience of the key management personnel
- The key management personnel's ability to control the relevant segment performance
- The Group's performance including:
  - The Group's earning
  - The growth of the share price and delivering constant return to stakeholders

Compensation packages may include a mix of fixed and variable compensation and short- and long-term performance-based incentives. Short and long-term performance – based incentives are designed to reward key personnel for meeting or exceeding their financial and personal objectives.

At the Annual General Meeting held on 24 November 2023, the shareholders approved the Adavale Incentive Performance Rights Plan. The stated purpose of the Plan is to provide competitive, incentive-based remuneration supporting the retention, incentive and reward functions of that remuneration.

With regard to any directors' retainer and/or remuneration except as referred to above regarding the issue of incentive rights to the then non-executive directors, there is no relationship between remuneration and performance. Remuneration levels are competitively set to attract and retain qualified and experienced directors, executives and staff, and having regard for the overall performance of the Company. Where necessary the Board obtains independent advice on the appropriateness of remuneration packages, given trends in comparative companies and industry surveys. No such advice from a remuneration consultant was requested or received in the current year.

Currently the Company does not have a Remuneration Committee, but the Board establishes and monitors remuneration packages and policies. When appointed, the Board establishes and monitors the remuneration for the Executive Director and/or Chief Executive Officer.

### Group Performance, Shareholder Wealth and Directors' and Executives' Remuneration

No relationship exists between the Group performance, earnings, shareholder wealth and Directors' and Executive remuneration for this financial period. No remuneration is currently performance related.

#### *Overview of Group Performance*

The table below sets out information about the Group's earnings and movements in shareholder wealth for the past five years up to and including the current financial year.

|                                          | 2024        | 2023        | 2022        | 2021        | 2020      |
|------------------------------------------|-------------|-------------|-------------|-------------|-----------|
| <b>NET (LOSS) AFTER TAX</b>              | (4,700,626) | (4,947,890) | (4,670,136) | (2,045,665) | (534,975) |
| <b>SHARE PRICE AT YEAR END (ASX)</b>     | 0.004       | 0.026       | 0.021       | 0.092       | 0.012     |
| <b>BASIC (LOSS) PER SHARE (CENTS)</b>    | (0.57)      | (1.01)      | (1.41)      | (0.86)      | (0.37)    |
| <b>TOTAL DIVIDENDS (CENTS PER SHARE)</b> | -           | -           | -           | -           | -         |

**(b) Key Management Personnel remuneration**

The remuneration paid to, or incurred for each director and other key management personnel of the Company during the year is as follows. There are no long-term employee benefits or termination benefits. See below relating to service agreements.

|                                                | SHORT TERM<br>EMPLOYEE<br>BENEFIT | POST<br>EMPLOYEE<br>BENEFIT | SHARE<br>BASED<br>PAYMENT |                | PERFORMANCE<br>RELATED |
|------------------------------------------------|-----------------------------------|-----------------------------|---------------------------|----------------|------------------------|
| 2024                                           | Salary & Fees                     | Super-<br>annuation         | Incentives                | Total amount   |                        |
| Directors                                      | \$                                | \$                          | \$                        | \$             | %                      |
| Mr Grant Pierce<br>(Non-executive Chairman)    | 87,973                            | 8,027                       | 10,729                    | 106,729        | 10.1%                  |
| Mr David Riekie<br>(Executive director)        | 212,500                           | -                           | 10,729                    | 223,229        | 4.8%                   |
| Mr John Hicks<br>(Non-executive director)      | 69,000                            | -                           | 10,729                    | 79,729         | 13.5%                  |
| <b>Executives</b>                              |                                   |                             |                           |                |                        |
| Allan Ritchie<br>(Chief Executive Officer)     | 95,333                            | -                           | 10,729                    | 106,062        | 10.1%                  |
| Leonard Math<br>(CFO and<br>Company Secretary) | 110,000                           | -                           | 10,729                    | 120,729        | 8.9%                   |
|                                                | <b>574,806</b>                    | <b>8,027</b>                | <b>53,645</b>             | <b>636,478</b> | <b>8.4%</b>            |

|                                                | SHORT TERM<br>EMPLOYEE<br>BENEFIT | POST<br>EMPLOYEE<br>BENEFIT | SHARE<br>BASED<br>PAYMENT |                | PERFORMANCE<br>RELATED |
|------------------------------------------------|-----------------------------------|-----------------------------|---------------------------|----------------|------------------------|
| 2023                                           | Salary & Fees                     | Super-<br>annuation         | Incentives                | Total amount   |                        |
| Directors                                      | \$                                | \$                          | \$                        | \$             | %                      |
| Mr Grant Pierce<br>(Non-executive Chairman)    | 107,128                           | 6,839                       | -                         | 113,967        | -                      |
| Mr David Riekie<br>(Executive director)        | 150,000                           | -                           | -                         | 150,000        | -                      |
| Mr John Hicks<br>(Non-executive director)      | 52,000                            | -                           | -                         | 52,000         | -                      |
| <b>Executives</b>                              |                                   |                             |                           |                |                        |
| Allan Ritchie<br>(Chief Executive Officer)     | 132,000                           | -                           | -                         | 132,000        | -                      |
| Leonard Math<br>(CFO and<br>Company Secretary) | 60,000                            | -                           | -                         | 60,000         | -                      |
|                                                | <b>501,128</b>                    | <b>6,839</b>                | <b>-</b>                  | <b>507,967</b> |                        |

### **(c) Executive Service Agreements**

Mr David Riekie was appointed as Executive Director on 1 January 2022 and received an annual remuneration package of \$150,000 per annum through a Consultancy Agreement. On 1 January 2024, the annual remuneration was reviewed and adjusted to \$225,000 per annum. Subsequent to financial year end, the annual remuneration was revised to \$150,000 per annum effective from 1 August 2024. The agreement may be terminated without reason by the Group giving 3 months' notice. The Group may otherwise terminate his employment without notice for cause.

Mr Allan Ritchie entered into a Services Agreement to provide Chief Executive Officer services on 31 January 2022 and received an annual remuneration package of \$72,000 per annum. On 1 January 2024, the annual remuneration was reviewed and adjusted to \$100,000 per annum. Subsequent to financial year end, the annual remuneration was revised to \$70,000 per annum effective from 1 August 2024. The agreement may be terminated without reason by the Group giving 3 months' notice. The Group may otherwise terminate his employment without notice for cause.

Mr Leonard Math was appointed as Chief Financial Officer and Company Secretary on 1 October 2021 and currently received an annual remuneration package of \$60,000 per annum through a Consultancy Agreement. On 1 January 2024, the annual remuneration was reviewed and adjusted to \$120,000 per annum. Subsequent to financial year end, the annual remuneration was revised to \$84,000 per annum effective from 1 August 2024. The agreement may be terminated without reason by the Group giving 1 month's notice. The Group may otherwise terminate his employment without notice for cause.

### **(d) Non-Executive Directors**

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. In determining competitive remuneration rates, the Board review local and international trends among comparative companies and the industry generally. Typically, the Group will compare non-executive remuneration to companies with similar market capitalisations in the exploration and resource development sector.

### **(e) Share based compensation**

There was \$53,645 (FY2023: nil) in share-based compensation paid to KMP during the financial year, representing the value of performance rights granted during this year. Further details are set out in Note 13.

### **(f) Key Management Personnel Compensation – other transactions**

(i) Options provided as remuneration and shares issued on exercise of such options.

Other than disclosed above, no further options were provided as remuneration during the year and no shares were issued on exercise of such options.

(ii) Loans to key management personnel

No loans were made to any director or other key management personnel of the Group, including related parties during the financial year.

(iii) Other transactions with key management personnel

No other transactions with key management personnel occurred during the financial year.

#### *Terms and conditions of related party transactions*

Transactions between related parties are on commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated.



**(g) Securities held by Key Management Personnel**

The number of ordinary shares in the Company held during the 2024 reporting period by any of the Key Management Personnel of the Group, including their related parties are set out below.

| PERSONNEL     | Balance at start of year | Received as part of director / executive entitlement(i) | Purchased/(sold) during the year | Balance at 30 June 2024 |
|---------------|--------------------------|---------------------------------------------------------|----------------------------------|-------------------------|
| Grant Pierce  | 4,951,733                | -                                                       | 2,785,906                        | 7,737,639               |
| David Riekie  | 6,040,790                | -                                                       | 1,441,493                        | 7,482,283               |
| John Hicks    | 4,636,287                | -                                                       | 789,473                          | 5,425,760               |
|               |                          |                                                         |                                  |                         |
| Allan Ritchie | 14,190,013               | -                                                       | 980,238                          | 15,170,251              |
| Leonard Math  | 1,361,642                | -                                                       | 1,267,066                        | 2,628,708               |
| <b>TOTAL</b>  | <b>31,180,465</b>        | <b>-</b>                                                | <b>7,264,176</b>                 | <b>38,444,641</b>       |

The number of Performance Rights in the Company held during the 2024 reporting period by any of the Key Management Personnel of the Group, including their related parties are set out below.

| PERSONNEL     | Balance at start of year | Received as part of director / executive entitlement | Purchased/(lapsed) during the year | Balance at 30 June 2024 |
|---------------|--------------------------|------------------------------------------------------|------------------------------------|-------------------------|
| Grant Pierce  | 3,200,000                | 11,100,000                                           | (3,200,000)                        | 11,100,000              |
| David Riekie  | 3,700,000                | 11,100,000                                           | (3,700,000)                        | 11,100,000              |
| John Hicks    | 3,200,000                | 11,100,000                                           | (3,200,000)                        | 11,100,000              |
|               |                          |                                                      |                                    |                         |
| Allan Ritchie | 3,700,000                | 11,100,000                                           | (3,700,000)                        | 11,100,000              |
| Leonard Math  | 2,200,000                | 11,100,000                                           | (2,200,000)                        | 11,100,000              |
| <b>TOTAL</b>  | <b>16,000,000</b>        | <b>55,500,000</b>                                    | <b>(16,000,000)</b>                | <b>55,500,000</b>       |

The number of Options in the Company held during the 2024 reporting period by any of the Key Management Personnel of the Group, including their related parties are set out below.

| PERSONNEL     | Balance at start of year | Received as part of director / executive entitlement | Purchased/(lapsed) during the year | Balance at 30 June 2024 |
|---------------|--------------------------|------------------------------------------------------|------------------------------------|-------------------------|
| Grant Pierce  | 2,459,474                | -                                                    | 493,099                            | 2,952,573               |
| David Riekie  | 3,142,780                | -                                                    | 665,380                            | 3,808,160               |
| John Hicks    | 3,004,113                | -                                                    | (214,640)                          | 2,789,473               |
|               |                          |                                                      |                                    |                         |
| Allan Ritchie | 3,949,167                | -                                                    | (1,204,643)                        | 2,744,524               |
| Leonard Math  | 1,201,005                | -                                                    | 966,061                            | 2,167,066               |
| <b>TOTAL</b>  | <b>13,756,539</b>        | <b>-</b>                                             | <b>705,257</b>                     | <b>14,461,796</b>       |

**END OF REMUNERATION REPORT**

### Indemnification of Officers and Auditors

The Company indemnifies, to the extent permitted by law, all current and former Directors and the Company Secretaries of the Company against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as Directors or Company Secretary of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

The Company also indemnifies the current Directors and Company Secretary of its controlled entities for all liabilities to another person (other than the Company or a related body corporate) that may arise from their position, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

The Company also indemnifies executive officers of the Company and its controlled entities for all liabilities to another person (other than the Company or a related body corporate) that may arise from their position in the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

The Company does not indemnify its auditors.

### Options

During the financial year, 98,279,306 of options exercisable at \$0.03 each lapsed on 22 September 2023. During the year, 45,708 options exercisable at \$0.03 each expiring 22 September 2023 were exercised, raising \$1,371. A further 4,567 options exercisable at \$0.03 each expiring 31 December 2025 were also exercised for a value of \$137. A total of 274,281,147 Listed Options exercisable at \$0.03 each expiring 31 December 2025 were issued during the year.

As at the date of this report, the current outstanding options on issue are:

|                                                                      |             |
|----------------------------------------------------------------------|-------------|
| Listed Options exercisable at \$0.03 each expiring 31 December 2025  | 542,720,571 |
| Unlisted Options exercisable at \$0.03 each expiring 3 August 2025   | 5,000,000   |
| Unlisted Options exercisable at \$0.15 each expiring 13 January 2025 | 9,000,000   |

### Environmental Issues

The Company's operations are not impacted by any significant environmental regulation under a law of the Commonwealth or a State or Territory.

### Non-Audit Services

HLB Mann Judd did not provide any non-audit services during the years ended 30 June 2024 or 30 June 2023.

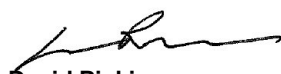
### Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings for which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

### Auditor's Independence Declaration

Refer to page 30 for the Auditor's Independence Declaration.

Signed in accordance with a resolution of the Directors:



**David Riekie**  
**Executive Director**  
23 September 2024

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Adavale Resources Limited for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia  
23 September 2024



L Di Giallonardo  
Partner

**hlb.com.au**

**HLB Mann Judd ABN 22 193 232 714**

A Western Australian Partnership

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HLB Mann Judd is a member of HLB International, the global advisory and accounting network.

ADAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 30 JUNE 2024**

|                                                                                                                 | Note | 30 June 2024<br>\$ | 30 June 2023<br>\$ |
|-----------------------------------------------------------------------------------------------------------------|------|--------------------|--------------------|
| <b>Revenue</b>                                                                                                  |      |                    |                    |
| Revenue from services provided                                                                                  | 4    | 103,640            | -                  |
| Gain from foreign exchange                                                                                      |      | -                  | 4,564              |
| <b>Expenditure</b>                                                                                              |      |                    |                    |
| Insurance                                                                                                       |      | (42,282)           | (50,914)           |
| Share registry fees                                                                                             |      | (88,631)           | (83,365)           |
| Administration, corporate, consultant fees and salaries                                                         |      | (1,156,333)        | (912,272)          |
| Share based payments                                                                                            | 13   | (56,085)           | -                  |
| Legal expenses                                                                                                  |      | (52,328)           | (79,119)           |
| Effective interest of convertible notes                                                                         | 11   | (770,879)          | (321,063)          |
| Net gain/(loss) on fair value of embedded derivatives                                                           | 11   | 707,615            | (226,109)          |
| Interest expense                                                                                                |      | (102,413)          | (46,833)           |
| Exploration and evaluation expenditure                                                                          |      | (3,217,363)        | (3,205,068)        |
| Depreciation                                                                                                    | 9    | (23,831)           | (27,711)           |
| Loss from foreign exchange                                                                                      |      | (1,736)            | -                  |
| Loss before income tax                                                                                          |      | (4,700,626)        | (4,947,890)        |
| Income tax expense                                                                                              | 5    | -                  | -                  |
| <b>Loss after income tax</b>                                                                                    |      | <b>(4,700,626)</b> | <b>(4,947,890)</b> |
| <b>Other Comprehensive income</b>                                                                               |      |                    |                    |
| <i>Items that may be reclassified to profit or loss</i>                                                         |      | -                  | -                  |
| <b>Total comprehensive loss for the year</b>                                                                    |      | <b>(4,700,626)</b> | <b>(4,947,890)</b> |
| Basic and diluted loss per share attributable to the ordinary security holders of the Company (cents per share) | 6    | (0.57)             | (1.01)             |

These consolidated financial statements should be read with the accompanying notes.

ADAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2024**

|                                  | Notes | 30 June<br>2024<br>\$ | 30 June<br>2023<br>\$ |
|----------------------------------|-------|-----------------------|-----------------------|
| <b>CURRENT ASSETS</b>            |       |                       |                       |
| Cash and cash equivalents        | 7     | 280,295               | 893,473               |
| Other assets                     | 8     | 55,911                | 125,115               |
| <b>TOTAL CURRENT ASSETS</b>      |       | <b>336,206</b>        | <b>1,018,588</b>      |
| <b>NON-CURRENT ASSETS</b>        |       |                       |                       |
| Property, plant and equipment    | 9     | 24,487                | 48,318                |
| <b>TOTAL NON-CURRENT ASSETS</b>  |       | <b>24,487</b>         | <b>48,318</b>         |
| <b>TOTAL ASSETS</b>              |       | <b>360,693</b>        | <b>1,066,906</b>      |
| <b>CURRENT LIABILITIES</b>       |       |                       |                       |
| Trade and other creditors        | 10    | 72,520                | 191,441               |
| Convertible notes                | 11    | -                     | 1,936,735             |
| <b>TOTAL CURRENT LIABILITIES</b> |       | <b>72,520</b>         | <b>2,128,176</b>      |
| <b>TOTAL LIABILITIES</b>         |       | <b>72,520</b>         | <b>2,128,176</b>      |
| <b>NET ASSETS/(LIABILITIES)</b>  |       | <b>288,173</b>        | <b>(1,061,270)</b>    |
| <b>EQUITY</b>                    |       |                       |                       |
| Issued capital                   | 12    | 19,477,276            | 13,615,292            |
| Reserves                         | 13    | 1,249,633             | 1,061,548             |
| Accumulated losses               |       | (20,438,736)          | (15,738,110)          |
| <b>TOTAL EQUITY</b>              |       | <b>288,173</b>        | <b>(1,061,270)</b>    |

These consolidated financial statements should be read with the accompanying notes.



ADAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2024**

|                                                                    | Notes     | 30 June<br>2024<br>\$ | 30 June<br>2023<br>\$ |
|--------------------------------------------------------------------|-----------|-----------------------|-----------------------|
| <b>Cash flows from operating activities</b>                        |           |                       |                       |
| Receipts from customers                                            |           | 103,640               | -                     |
| Payments to suppliers and employees                                |           | (1,180,235)           | (1,051,927)           |
| Payments for exploration and evaluation expenditure                |           | (3,305,628)           | (3,296,180)           |
| <b>Net cash (used in) operating activities</b>                     | <b>20</b> | <b>(4,382,223)</b>    | <b>(4,348,107)</b>    |
| <b>Cash flow from Investing activities</b>                         |           |                       |                       |
| Purchase of property, plant and equipment                          |           | -                     | (2,480)               |
| <b>Net cash (used in) investing activities</b>                     |           | <b>-</b>              | <b>(2,480)</b>        |
| <b>Cash flows from financing activities</b>                        |           |                       |                       |
| Proceeds from share issues (net of costs) and exercise of options  |           | 4,480,946             | 2,853,317             |
| Proceeds from issue of convertible notes                           |           | -                     | 2,000,000             |
| Repayment of convertible notes                                     |           | (580,000)             | -                     |
| Interest payment                                                   |           | (130,165)             | (5,208)               |
| <b>Net cash provided by financing activities</b>                   |           | <b>3,770,781</b>      | <b>4,848,109</b>      |
| <b>Net (decrease) / increase in cash and cash equivalents held</b> |           | <b>(611,442)</b>      | <b>497,522</b>        |
| Cash and cash equivalents at the beginning of the year             |           | 893,473               | 391,386               |
| Foreign exchange differences                                       |           | (1,736)               | 4,565                 |
| <b>Cash and cash equivalents at the end of the year</b>            | <b>7</b>  | <b>280,295</b>        | <b>893,473</b>        |

These consolidated financial statements should be read with the accompanying notes.

ADAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2024**

| <b>2024</b>                                  | <b>Issued<br/>Capital</b> | <b>Share-<br/>based<br/>Payments<br/>Reserve</b> | <b>Accumulated<br/>Losses</b> | <b>Total</b>       |
|----------------------------------------------|---------------------------|--------------------------------------------------|-------------------------------|--------------------|
|                                              | <b>\$</b>                 | <b>\$</b>                                        | <b>\$</b>                     | <b>\$</b>          |
| <i>Opening Balance – 1 July 2023</i>         | <b>13,615,292</b>         | <b>1,061,548</b>                                 | <b>(15,738,110)</b>           | <b>(1,061,270)</b> |
| Loss for the year                            | -                         | -                                                | (4,700,626)                   | (4,700,626)        |
| <i>Total comprehensive loss for the year</i> | -                         | -                                                | <b>(4,700,626)</b>            | <b>(4,700,626)</b> |
| Net issue of shares                          | 5,861,984                 | -                                                | -                             | 5,861,984          |
| Share based payments                         | -                         | 188,085                                          | -                             | 188,085            |
| <i>Balance as at 30 June 2024</i>            | <b>19,477,276</b>         | <b>1,249,633</b>                                 | <b>(20,438,736)</b>           | <b>288,173</b>     |

| <b>2023</b>                                  | <b>Issued<br/>Capital</b> | <b>Share-<br/>based<br/>Payments<br/>Reserve</b> | <b>Accumulated<br/>Losses</b> | <b>Total</b>       |
|----------------------------------------------|---------------------------|--------------------------------------------------|-------------------------------|--------------------|
|                                              | <b>\$</b>                 | <b>\$</b>                                        | <b>\$</b>                     | <b>\$</b>          |
| <i>Opening Balance – 1 July 2022</i>         | <b>10,529,447</b>         | <b>471,745</b>                                   | <b>(10,790,220)</b>           | <b>210,972</b>     |
| Loss for the year                            | -                         | -                                                | (4,947,890)                   | (4,947,890)        |
| <i>Total comprehensive loss for the year</i> | -                         | -                                                | <b>(4,947,890)</b>            | <b>(4,947,890)</b> |
| Net issue of shares                          | 3,085,845                 | -                                                | -                             | 3,085,845          |
| Share based payments                         | -                         | 589,803                                          | -                             | 589,803            |
| <i>Balance as at 30 June 2023</i>            | <b>13,615,292</b>         | <b>1,061,548</b>                                 | <b>(15,738,110)</b>           | <b>(1,061,270)</b> |

These consolidated financial statements should be read with the accompanying notes.

**ADAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2024**

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**1. REPORTING ENTITY**

Adavale Resources Limited ("the Company") is a for profit company incorporated and domiciled in Australia. The consolidated financial statements of the Company as at and for the year ended 30 June 2024 comprise the Company and its subsidiaries (together referred to as "the Group"). The Group is primarily involved in mining exploration in Tanzania and Australia.

**2. BASIS OF PREPARATION**

**(a) Statement of Compliance**

The financial report is a general-purpose financial report which has been prepared in accordance with Australian Accounting Standards including Accounting Standards interpretations, adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. Compliance with Australian Accounting Standards ensures compliance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The financial statements were authorised for issue on 23 September 2024 by the Directors of the Company.

**(b) Use of Estimates and Judgements**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. All significant areas of estimation uncertainty and critical judgements in applying accounting policies have been disclosed in the following notes to the financial statements.

*Share based payments*

Significant management estimates have been made by management in valuation of equity instruments issued during the financial year, in particular the issue of options and performance rights. Details of the valuation methodology used for each of these instruments is set out in Note 13 to the financial statements.

*Fair value judgements on Derivative in Convertible Notes*

Management has considered the fair value on derivative in the Convertible Notes as disclosed in Note 11 to the financial statements. The fair value on derivative has been valued based on management's judgment based on best available current information.

**(c) Going Concern Basis of Accounting**

The Group is at the exploration and evaluation phase of each of its mining entities. The Group has incurred a loss from continuing operations for the year of \$4,700,626 and had a cash outflow from operating activities of \$4,382,223, while over the same period raised an amount of \$4,480,946 cash (net of cash costs) from placement of shares and exercise of options. At year end, the Group's cash reserves were \$280,295, plus an undrawn Share Subscription Agreement facility of \$175,000. Current assets exceeded current liabilities by \$263,686. The Group is committed to payments to maintain rights to perform its continuing exploration and evaluation activity for Uranium in South Australia and in the Kabanga Jirani Nickel Project and the Luhuma Nickel Project in Tanzania, which entails continued cash outflows from operating activities in the next financial year.

On 31 July 2024, the Company secured binding commitments to raise \$550,000 (before costs) through a placement to new and existing professional and sophisticated investors. The placement involved the issue of approximately 183 million new fully paid ordinary shares at \$0.003 per share, along with a 1:1 free attaching option exercisable at

\$0.005 each, expiring on 31 December 2027. A further \$82,000 was secured on 7 August 2024 on the same terms for an additional 27 million new fully paid ordinary shares.

Funding will come from the utilisation of existing cash facilities, the existing Share Subscription Agreement from LKC Technology Pty Limited and future capital raisings when required. On the basis of the above, the Directors consider it is appropriate to prepare the financial statements on a going concern basis. The directors recognise that depending on future capital raisings represents a degree of uncertainty as to the Group's ability to continue as a going concern, however they are confident that the Group will be able to continue its operations into the foreseeable future. Should the Group not be successful in obtaining adequate funding, there is a material uncertainty that may cast significant doubt as to the ability of the Group to continue as a going concern and whether it will be able to realise its assets and extinguish its liabilities in the ordinary course of business.

### **3. STATEMENT OF MATERIAL ACCOUNTING POLICIES**

Material accounting policies adopted in the preparation of this financial report are presented below. The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by all entities in the Group unless otherwise stated.

#### **(a) Principles of Consolidation**

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Adavale Resources Limited (the parent entity) as at 30 June 2024 and the results of all controlled entities for the year then ended. Adavale Resources Limited and its controlled entities together are referred to in this financial report as the Group or consolidated entity.

#### **Controlled Entities**

A controlled entity is any entity controlled by Adavale Resources Limited. Control exists where Adavale Resources Limited is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to offset those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

Where controlled entities have entered or left the Group during the year, their financial statements have been included from the date control was obtained or until the date control ceased.

#### **Transactions Eliminated on Consolidation**

Unrealised gains and losses and inter-entity balances resulting from transactions with or between controlled entities are eliminated on consolidation.

#### **(b) Revenue Recognition**

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST). Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

#### **(c) Foreign Currency Transactions and Balances**

##### **Functional and Presentation Currency**

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. Adavale's wholly owned subsidiary Adavale Resources Tanzania Limited operates in Tanzania Shilling (TZS) and US Dollar (USD). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

## **Transactions and Balances**

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction.

Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continued to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at their fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the profit and loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of profit or loss and other comprehensive income.

## **Foreign Operations**

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- Income and expenses are translated at average exchange rates for the period; and
- Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Transactions are translated to Australian Dollars which is the Company's functional and presentation currency.

## **(d) Taxation**

The income tax expense for the year comprises current income tax expense and deferred tax expense. Current income tax expense is based on the loss for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the reporting date.

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

## **(e) Financial Instruments**

### **Recognition**

Financial instruments are initially measured at cost on trade date basis, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

#### *Receivables*

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at cost using the effective interest rate method.

#### *Financial Liabilities*

Non-derivative financial instruments are recognised at amortised costs, comprising original debt less principal payments and amortisation.

#### *Fair Value*

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the value of all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

#### *Impairment of financial assets*

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit

risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

**(f) Receivables**

The collectability of debts is assessed at reporting date and expected provision is made for any expected credit losses.

**(g) Payables**

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

**(h) Cash**

For the purposes of the statement of cash flows, cash includes deposits at call with financial institutions and other highly liquid investments with short periods to maturity which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.'

**(i) Earnings per Share**

**Basic earnings/loss per share**

Basic earnings/loss per share is determined by dividing net profit or loss after income tax attributable to members of the Company by the weighted average number of ordinary shares outstanding during the financial year.

**Diluted earnings/loss per share**

Diluted earnings/loss per share adjusts the figures used in the determination of basic earnings/loss per share to take into account the after-tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

**(j) Exploration and Evaluation Assets**

The current accounting policy is to expense all exploration and evaluation expenditure as incurred.

**(k) Segment Reporting**

The Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Adavale Resources Limited.

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transaction with any of the Company's other components.

Unallocated items comprise mainly of head office assets, expenses and liabilities.



## **(l) Share Based Payments**

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant directors become fully entitled to the award (the vesting period).

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

It is measured by fair value of the equity at the grant date. Fair value is measured by the use of a Black Scholes model.

The purpose of performance securities is to provide cost effective consideration to directors for their ongoing commitment and contribution to the Company in their respective roles as Directors.

## **(m) Property, plant and equipment**

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end. Depreciation is calculated on a diminishing value basis over the estimated useful life of the assets as follows:

IT equipment – 3 years

Mining equipment – 4 years

## **(n) Issued Capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributed to the issue of new shares for the acquisition of a business are not included in the cost of acquisition as part of the purchase consideration.

## **(o) Convertible Notes**

Convertible notes are accounted for as follows:

- Contracts that exhibit the characteristics of equity (ie - they pass the 'fixed for fixed test') are accounted for as equity.
- Contracts that exhibit characteristics of a liability are recognised as a liability in the statement of financial position, net of transaction costs.
- Compound contracts – the embedded derivative is separated from the host contract. The derivative is initially recognised at fair value on the date a derivative contract is entered into and is subsequently remeasured to its fair value at each reporting date. The host contract is accounted for at amortised cost with the effective interest being the difference between the face value of the contract less the embedded derivative. If the contract contains one or more embedded derivatives, the Group may designate the entire contract at fair value through profit or loss.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date.

## **(p) Parent Entity Financial Information**

The financial information for the parent entity, Adavale Resources Limited, disclosed in Note 24 has been prepared on the same basis as the basis of the consolidated financial statements of the Group.

In the Company's financial statements, investments in controlled entities are carried at the lower of cost and recoverable amount. A list of controlled entities is contained in Note 18 of the financial report.

**(q) New and Revised Standards and Interpretations**

For the year ended 30 June 2024, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for annual reporting periods beginning on or after 1 July 2023.

It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group and, therefore, no change is necessary to Group accounting policies.

AASB 101 (Presentation of Financial Statements) has been applied and material accounting policy narratives have been revised where appropriate.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2024. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group and, therefore, no change is necessary to Group accounting policies.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024**

**4. REVENUE**

|                                | <b>Consolidated</b> |             |
|--------------------------------|---------------------|-------------|
|                                | <b>2024</b>         | <b>2023</b> |
|                                | <b>\$</b>           | <b>\$</b>   |
| Revenue from services provided | 103,640             | -           |
|                                | <b>103,640</b>      | <b>-</b>    |

Revenue was generated through an agreement to provide geological site work assistance, management and administration oversight services to a Company conducting a drilling campaign in Tanzania. Revenue was recognised over time of services provided.

**5. TAXATION**

**a) Income tax expense**

|              |          |          |
|--------------|----------|----------|
| Current Tax  | -        | -        |
| Deferred Tax | -        | -        |
|              | <b>-</b> | <b>-</b> |

**b) Numerical reconciliation of income tax expense to prima facie tax payable**

|                                                                                                |                   |                   |
|------------------------------------------------------------------------------------------------|-------------------|-------------------|
| Loss before income tax expense                                                                 | (4,700,626)       | (4,947,890)       |
| Prima facie tax benefit at Australian tax rate of 30% (2023: 30%)                              | (1,410,188)       | (1,484,367)       |
| <i>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</i> |                   |                   |
| Tax effect on amounts which are not tax deductible                                             | 1,153,145         | 1,061,248         |
| Tax effect on other deductible items and non-assessable income                                 | (254,515)         | (55,921)          |
| Movement in temporary differences                                                              | (12,482)          | 37,785            |
| Tax effect of deferred tax assets not brought to account                                       | 524,040           | 441,255           |
|                                                                                                | <b>-</b>          | <b>-</b>          |
| <b>Deferred tax assets (liabilities) not brought to account</b>                                |                   |                   |
| Unused tax losses                                                                              | 17,216,597        | 15,469,798        |
| Future 'blackhole' deductions                                                                  | 1,293,619         | 514,116           |
| Other timing differences                                                                       | 51,914            | 122,082           |
|                                                                                                | <b>18,562,130</b> | <b>16,105,996</b> |
| Tax at 30% (2023: 30%)                                                                         | <b>5,568,639</b>  | <b>4,831,799</b>  |

The Directors have not recognised a deferred tax asset in respect of losses as they do not believe that the conditions of recognition set out in Note 3(e) have been met. The Directors estimate the carried forward revenue tax losses to be \$17,216,597 (2023: \$15,469,798) which are available to be offset against future taxable income.

In the 2017 and 2020 financial year, the Company has not satisfied the continuity of ownership test. Therefore, in order to be able to obtain the benefit of tax losses carried forward, the Company will need to satisfy the Business Continuity Test (for losses incurred up to 30 June 2015 or the Similar Business Test (for losses from 1 July 2025).

## 6. EARNINGS PER SHARE

|                                                                                  | Consolidated |             |
|----------------------------------------------------------------------------------|--------------|-------------|
| Continuing Operations                                                            | 2024         | 2023        |
|                                                                                  | \$           | \$          |
| Loss per share                                                                   |              |             |
| - Basic (cents)                                                                  | (0.57)       | (1.01)      |
| - Diluted (cents)                                                                | (0.57)       | (1.01)      |
| Loss used in the calculation of basic and diluted EPS from continuing operations | (4,700,626)  | (4,947,890) |

Weighted average number of ordinary shares used in the calculation of basic and diluted EPS

|                                     |             |             |
|-------------------------------------|-------------|-------------|
| - in the calculation of basic EPS   | 831,103,009 | 487,800,687 |
| - in the calculation of diluted EPS | 831,103,009 | 487,800,687 |

As the Group reported a loss for the year ended 30 June 2024, options on issue were not included in the calculation of diluted loss per share.

## 7. CASH AND CASH EQUIVALENTS

|                          |         |         |
|--------------------------|---------|---------|
| Cash at bank and on hand | 280,295 | 893,473 |
|--------------------------|---------|---------|

## 8. OTHER CURRENT ASSETS

|             |               |                |
|-------------|---------------|----------------|
| Prepayments | 16,470        | 21,948         |
| Other       | 39,441        | 103,167        |
|             | <b>55,911</b> | <b>125,115</b> |

## 9. PROPERTY, PLANT AND EQUIPMENT

|                                                 |               |               |
|-------------------------------------------------|---------------|---------------|
| Property, plant and equipment – carrying amount | <b>24,487</b> | <b>48,318</b> |
|-------------------------------------------------|---------------|---------------|

### *Movement for the year*

|                                     |                |                |
|-------------------------------------|----------------|----------------|
| Beginning of financial year at cost | 106,091        | 103,611        |
| Additions                           | -              | 2,480          |
| End of the financial year at cost   | <b>106,091</b> | <b>106,091</b> |

### **Accumulated Depreciation**

#### *Movement for the year*

|                             |               |               |
|-----------------------------|---------------|---------------|
| Beginning of financial year | 57,773        | 30,062        |
| Depreciation                | 23,831        | 27,711        |
| End of the financial year   | <b>81,604</b> | <b>57,773</b> |

|                                                  |               |               |
|--------------------------------------------------|---------------|---------------|
| Carrying amount at the end of the financial year | <b>24,487</b> | <b>48,318</b> |
|--------------------------------------------------|---------------|---------------|

## 10. TRADE AND OTHER CREDITORS

|                              |               |                |
|------------------------------|---------------|----------------|
| Trade creditors              | 23,975        | 63,084         |
| Other creditors and accruals | 48,545        | 128,357        |
|                              | <b>72,520</b> | <b>191,441</b> |

## 11. CONVERTIBLE NOTES

|                                                | Consolidated |                  |
|------------------------------------------------|--------------|------------------|
|                                                | 2024         | 2023             |
|                                                | \$           | \$               |
| <b>Convertible Notes</b>                       |              |                  |
| Financial Liabilities at amortised cost        | -            | 1,229,120        |
| Embedded Derivatives at FVTPL                  | -            | 707,615          |
|                                                | <b>-</b>     | <b>1,936,735</b> |
| <b>Financial Liabilities at amortised cost</b> |              |                  |
| Opening balance                                | 1,299,120    | -                |
| Convertible note proceeds                      | -            | 2,000,000        |
| Conversion of convertible notes                | (1,420,000)  | -                |
| Transaction costs                              | (69,999)     | (289,375)        |
| Derivative liability recognised at inception   | -            | (802,568)        |
| Effective interest of host liability           | 770,879      | 321,063          |
| Repayment of convertible note                  | (580,000)    | -                |
|                                                | <b>-</b>     | <b>1,299,120</b> |
| <b>Embedded Derivative</b>                     |              |                  |
| Opening balance                                | 707,615      | -                |
| Derivative liability recognised at inception   | -            | 481,506          |
| Fair value movement                            | (707,615)    | 226,109          |
|                                                | <b>-</b>     | <b>707,615</b>   |

In the prior year, the Company secured funding of up to \$2 million (before costs) through the issue of unsecured Convertible Notes. The Convertible Notes were issued to both new and existing groups of sophisticated and professional investors and were issued in two tranches.

The Convertible Notes were unsecured with a face value of \$10,000 each and were issued in two tranches:

- Tranche 1: 99 Convertible Notes raising \$990,000
- Tranche 2: 101 Convertible Notes raising \$1,010,000

Tranche 1 comprised of \$990,000 (99 Convertible Notes at \$10,000 each) were issued pursuant to the Company's available placement capacity under ASX Listing Rule 7.1. Tranche 1 was completed on 24 March 2023.

The balance of the funding comprising Tranche 2, \$1,010,000 (101 Convertible Notes at \$10,000 each) was completed on 19 May 2023 following receiving shareholder approval at a general meeting.

The Notes had a term of 12 months, with interest payable quarterly at 12% per annum. Noteholders received 32.49708 free attaching options per \$1 subscribed. The Options have an exercise price of \$0.03 each expiring 31 December 2025 ("Options").

The Convertible Notes were only allowed to be converted after 30 June 2023 at a 15% discount to the 15 day VWAP prior to the conversion date, with a ceiling price of \$0.03. Each share issued upon conversion would equally with the Company's existing shares on issue. At the end of the term, a Noteholder may elect to redeem the Note and seek repayment of monies advanced, rather than converting to Adavale shares.

During the year, 142 notes (\$1,420,000 face value) were converted to Adavale shares and 58 notes (\$580,000 face value) were repaid by the Company.

## 12. ISSUED CAPITAL

### (a) Share capital

|                                                                      | Consolidated<br>2024 | 2023              |
|----------------------------------------------------------------------|----------------------|-------------------|
|                                                                      | \$                   | \$                |
| 1,040,265,367 ordinary fully paid shares<br>(June 2023: 519,543,000) | <b>19,477,276</b>    | <b>13,615,292</b> |

|                                                                     | 30 June 2024<br>Number of<br>shares | \$                |
|---------------------------------------------------------------------|-------------------------------------|-------------------|
| <b>Movements in share capital during the financial year</b>         |                                     |                   |
| <i>Balance at beginning of the financial year</i>                   | <b>519,543,000</b>                  | <b>13,615,292</b> |
| <i>Issued during the year:</i>                                      |                                     |                   |
| Shares issued on conversion of convertible notes including interest | 124,281,114                         | 1,433,038         |
| Placement and rights issue at 1.9 cents per share                   | 172,105,264                         | 3,270,001         |
| Placement at 0.7 cents per share                                    | 214,285,714                         | 1,511,773         |
| Exercise of Options at 3 cents per option                           | 50,275                              | 1,508             |
| Shares issued to acquire EL6890*                                    | 10,000,000                          | 50,000            |
| Share issue cost                                                    | -                                   | (302,336)         |
| Share issue cost – share based payment                              | -                                   | (102,000)         |
| <i>Balance at end of the financial year</i>                         | <b>1,040,265,367</b>                | <b>19,477,276</b> |

\*On 17 May 2024, the Company issued 10,000,000 fully paid ordinary shares and 10,000,000 Listed Options (ADDOA) exercisable at \$0.03 each expiring on 31 December 2025 to Coast Exploration Pty Ltd for the acquisition of EL6890.

|                                                                | 30 June 2023<br>Number of<br>shares | \$                |
|----------------------------------------------------------------|-------------------------------------|-------------------|
| <b>Movements in share capital for the financial year</b>       |                                     |                   |
| <i>Balance at beginning of the financial year</i>              | 357,327,587                         | 10,529,447        |
| <i>Issued during the year:</i>                                 |                                     |                   |
| Placement and Rights Issue at 2 cents per share                | 149,600,009                         | 2,992,000         |
| Shares issued in lieu of fees                                  | 1,465,315                           | 40,000            |
| Exercise of Options at 3 cents per option                      | 1,769,666                           | 53,090            |
| Shares issued to acquire 65% interest in Luhuma Nickel Project | 9,380,423                           | 211,060           |
| Option application (5,000,000 at \$0.0001)                     | -                                   | 50                |
| Share issue cost                                               | -                                   | (111,824)         |
| Share issue cost – share based payment                         | -                                   | (98,531)          |
| <i>Balance at end of the financial year</i>                    | <b>519,543,000</b>                  | <b>13,615,292</b> |

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share when a poll is called or else one vote each on a show of hands. In the event of a winding up of the Company, ordinary shareholders rank after all creditors and are fully entitled to any proceeds of liquidation.

There is no externally imposed capital requirements for the Company.

### 13. RESERVES

|                                                              | <b>Consolidated</b> |                  |
|--------------------------------------------------------------|---------------------|------------------|
|                                                              | <b>2024</b>         | <b>2023</b>      |
|                                                              | <b>\$</b>           | <b>\$</b>        |
| Share based payments reserve                                 | <b>1,249,633</b>    | <b>1,061,548</b> |
| <i>Movement for the year</i>                                 |                     |                  |
| Beginning of financial year                                  | <b>1,061,548</b>    | 471,745          |
| Share based payments (options – cost of share issue)         | 102,000             | 98,531           |
| Share based payments (options – borrowings transaction cost) | -                   | 491,272          |
| Share based payments (options - consultancy)                 | 20,000              | -                |
| Share based payments (performance rights)                    | 56,085              | -                |
| Issue of options to acquire EL6890                           | 10,000              | -                |
| End of the financial year                                    | <b>1,249,633</b>    | <b>1,061,548</b> |

#### *Ordinary Performance Rights on issue for the financial year*

On 22 December 2023, 60,000,000 Performance Rights were granted to Directors, KMP and key consultants. The following Performance Rights were granted to Directors, executives and consultant of the Company following shareholders' approval at the 2023 Annual General Meeting held on 24 November 2023:

| <b>Participants</b>           | <b>Class A</b> | <b>Class B</b> | <b>Class C</b> | <b>Class D</b> | <b>TOTAL</b> |
|-------------------------------|----------------|----------------|----------------|----------------|--------------|
| Grant Pierce                  | 3,300,000      | 3,300,000      | 3,000,000      | 1,500,000      | 11,100,000   |
| Allan Ritchie                 | 3,300,000      | 3,300,000      | 3,000,000      | 1,500,000      | 11,100,000   |
| David Riekie                  | 3,300,000      | 3,300,000      | 3,000,000      | 1,500,000      | 11,100,000   |
| John Hicks                    | 3,300,000      | 3,300,000      | 3,000,000      | 1,500,000      | 11,100,000   |
| Leonard Math                  | 3,300,000      | 3,300,000      | 3,000,000      | 1,500,000      | 11,100,000   |
| Key employees and consultants | 750,000        | 750,000        | 750,000        | 2,250,000      | 4,500,000    |

**Class A Performance Rights** would vest upon the Company achieving and maintaining a share price of \$0.04 or more for a continuous period of 5 trading days on or before 31 December 2024.

**Class B Performance Rights** would vest upon the Company achieving and maintaining a share price of \$0.06 or more for a continuous period of 5 trading days on or before 31 December 2025.

**Class C Performance Rights** would vest upon the Company announcing a total JORC Code compliant Mineral Resource of 40,000 metric tonne (or equivalent) contained Nickel signed off by a competent person on or before 31 December 2026.

**Class D Performance Rights** would vest upon the Company announcing a total JORC Code compliant Inferred Mineral Resource of 5Mlbs at a grade of 300ppm U3O8 (or equivalent) signed off by a competent person on or before 31 December 2026.

#### **Share based payments – performance rights expense in previous year**

|                                                  | <b>Class A</b>                           | <b>Class B</b>            | <b>Class C</b>            | <b>Class D</b>            |
|--------------------------------------------------|------------------------------------------|---------------------------|---------------------------|---------------------------|
| Number Issued                                    | 17,250,000                               | 17,250,000                | 15,750,000                | 9,750,000                 |
| Expiry Date                                      | 31 Dec 2024                              | 31 Dec 2025               | 31 Dec 2026               | 31 Dec 2026               |
| Grant Date                                       | 24 Nov 2023                              | 24 Nov 2023               | 24 Nov 2023               | 24 Nov 2023               |
| Volatility                                       | 119%                                     | 120%                      | N/A                       | N/A                       |
| Risk Free Rate (%)                               | 4.40%                                    | 4.16%                     | N/A                       | N/A                       |
| Underlying Fair Value on Grant Date              | \$0.0034                                 | \$0.0049                  | \$0.009                   | \$0.009                   |
| Total Fair Value (\$) – Life of rights           | \$58,650                                 | \$84,525                  | \$141,750                 | \$87,750                  |
| Total Fair Value (\$) – expensed to 30 June 2024 | \$31,951                                 | \$24,134                  | - <sup>1</sup>            | - <sup>1</sup>            |
| Method of valuation                              | Hoadley Barrier Model and Parisian Model | Share price at grant date | Share price at grant date | Share price at grant date |

*Note 1: No amount was expensed in relation to these rights as it was not considered probable that the vesting conditions of these rights would be achieved.*



During the year, 17,000,000 Performance Rights have lapsed due to expiry. No amounts had previously been expensed in relation to these rights.

*Options issued during the financial year*

During the year, 18,000,000 Listed Options exercisable at \$0.03 each expiring 31 December 2025 (ADDOA) were issued to GBA Capital as part of the Lead Manager and Underwriting consideration following shareholder approval on 14 September 2023. At the date of the approval, the ADDOA listed price is \$0.004 per option. The value of these options (\$72,000) was included in share issue costs and applied against the cost of the capital raising.

A further 172,105,264 Listed Options exercisable at \$0.03 each expiring 31 December 2025 (ADDOA) were issued to shareholders as part of the placement and rights issue in September 2023.

In April 2024, 200,000,000 Listed Options exercisable at \$0.03 each expiring 31 December 2025 (ADDOA) were issued to shareholders as part of the placement and 30,000,000 Listed Options exercisable at \$0.03 each expiring 31 December 2025 (ADDOA) were issued as part of the Lead Manager Options. At the date of the approval, the ADDOA listed price is \$0.001 per option. The value of the Lead Manager Options (\$30,000) was included in share issue costs and applied against the cost of the capital raising.

On 9 May 2024, 10,000,000 Listed Options exercisable at \$0.03 each expiring 31 December 2025 (ADDOA) were issued as part of the consideration for EL6890 acquisition. At the date of the approval, the ADDOA listed price is \$0.001 per option. The value of these options (\$10,000) has been expensed as exploration and evaluation expenditure.

A further 20,000,000 Listed Options exercisable at \$0.03 each expiring 31 December 2025 (ADDOA) were issued as incentive options to key consultants as part of their consultancy agreement on 10 May 2024. At the date of the approval, the ADDOA listed price is \$0.001 per option. The value of these options (\$20,000) was expensed as consultant fees.

On 29 May 2024, a further 14,285,714 Listed Options exercisable at \$0.03 each expiring 31 December 2025 (ADDOA) were issued to shareholders as part of the tranche 2 placement.

During the year, 45,708 options exercisable at \$0.03 each expiring 22 September 2023 were exercised. A further 4,567 options exercisable at \$0.03 each expiring 31 December 2025 were exercised.

*Options expired during the financial year*

During the year, 98,279,306 options exercisable at \$0.03 each expired unexercised on 22 September 2023.

**Options Movement**

| <b>2024</b>                                                  | <b>Balance at the beginning of the financial year</b> | <b>Issued during the financial year</b> | <b>Exercised during the financial year</b> | <b>Lapsed during the financial year</b> | <b>Balance at the end of the financial year</b> |
|--------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------|--------------------------------------------|-----------------------------------------|-------------------------------------------------|
| (i) Option exercisable at \$0.15 expiring 13 January 2025    | 9,000,000                                             | -                                       | -                                          | -                                       | 9,000,000                                       |
| (ii) Option exercisable at \$0.03 expiring 22 September 2023 | 98,325,014                                            | -                                       | (45,708)                                   | (98,279,306)                            | -                                               |
| (iii) Option exercisable at \$0.03 expiring 3 August 2025    | 5,000,000                                             | -                                       | -                                          | -                                       | 5,000,000                                       |
| (iv) Option exercisable at \$0.03 expiring 31 December 2025  | 78,334,160                                            | 464,390,978                             | (4,567)                                    | -                                       | 542,720,571                                     |
|                                                              | <b>190,659,174</b>                                    | <b>464,390,978</b>                      | <b>(50,275)</b>                            | <b>(98,279,306)</b>                     | <b>556,720,571</b>                              |
|                                                              |                                                       |                                         |                                            |                                         |                                                 |

| <b>2023</b>                                                  | <b>Balance at the beginning of the financial year</b> | <b>Issued during the financial year</b> | <b>Exercised during the financial year</b> | <b>Lapsed during the financial year</b> | <b>Balance at the end of the financial year</b> |
|--------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------|--------------------------------------------|-----------------------------------------|-------------------------------------------------|
| (i) Option exercisable at \$0.06 expiring 21 December 2022   | 2,000,000                                             | -                                       | -                                          | (2,000,000)                             | -                                               |
| (ii) Option exercisable at \$0.06 expiring 31 December 2022  | 15,500,000                                            | -                                       | -                                          | (15,500,000)                            | -                                               |
| (iii) Option exercisable at \$0.15 expiring 13 January 2025  | 9,000,000                                             | -                                       | -                                          | -                                       | 9,000,000                                       |
| (iv) Option exercisable at \$0.03 expiring 22 September 2023 | -                                                     | 100,094,680                             | (1,769,666)                                | -                                       | 98,325,014                                      |
| (v) Option exercisable at \$0.03 expiring 3 August 2025      | -                                                     | 5,000,000                               | -                                          | -                                       | 5,000,000                                       |
| (vi) Option exercisable at \$0.03 expiring 31 December 2025  | -                                                     | 78,334,160                              | -                                          | -                                       | 78,334,160                                      |
|                                                              | <b>26,500,000</b>                                     | <b>183,428,840</b>                      | <b>(1,769,666)</b>                         | <b>(17,500,000)</b>                     | <b>190,659,174</b>                              |

### **Share Based Payments Reserve**

Share based payments reserve represents the value of options and performance rights issued to KMP and other parties.

### **14. DIVIDENDS**

The Directors do not recommend a dividend for the year ended 30 June 2024. No dividend was paid for the year ended 30 June 2024.

### **15. FINANCIAL INSTRUMENTS**

#### **Financial Risk Management**

The Company's activities expose it to a variety of financial risks; market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

Risk management is carried out by the Board of Directors under policies approved by the Board. The Board identifies and evaluates financial risks and provides principles for overall risk management.

#### **(a) Interest Rate Risk**

The Group is not exposed to interest rate fluctuations as presently there are no interest bearing loans.

#### *Interest Rate Risk Exposures*

The consolidated entity's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below:

|                              | Weighted<br>Average<br>Fixed<br>Interest<br>Rate | Floating<br>Interest<br>Rate | Fixed interest maturing in: |                 |                         | Non-<br>Interest<br>Bearing | Total            |
|------------------------------|--------------------------------------------------|------------------------------|-----------------------------|-----------------|-------------------------|-----------------------------|------------------|
|                              |                                                  |                              | 1 year or<br>less           | 1 to 5<br>years | more<br>than 5<br>years |                             |                  |
|                              |                                                  | \$                           | \$                          | \$              | \$                      | \$                          | \$               |
| <b>2024</b>                  |                                                  |                              |                             |                 |                         |                             |                  |
| <b>Financial Assets</b>      |                                                  |                              |                             |                 |                         |                             |                  |
| Cash and cash equivalents    | 0%                                               | 280,295                      | -                           | -               | -                       | -                           | 280,295          |
| Receivables                  |                                                  | -                            | -                           | -               | -                       | 55,911                      | 55,911           |
|                              |                                                  | <b>280,295</b>               | <b>-</b>                    | <b>-</b>        | <b>-</b>                | <b>55,911</b>               | <b>336,206</b>   |
| <b>Financial Liabilities</b> |                                                  |                              |                             |                 |                         |                             |                  |
| Trade and other payables     |                                                  | -                            | -                           | -               | -                       | 72,520                      | 72,520           |
| Borrowings                   | 0%                                               | -                            | -                           | -               | -                       | -                           | -                |
|                              |                                                  | <b>-</b>                     | <b>-</b>                    | <b>-</b>        | <b>-</b>                | <b>72,520</b>               | <b>72,520</b>    |
| <b>2023</b>                  |                                                  |                              |                             |                 |                         |                             |                  |
| <b>Financial Assets</b>      |                                                  |                              |                             |                 |                         |                             |                  |
| Cash and cash equivalents    | 0%                                               | 893,473                      | -                           | -               | -                       | -                           | 893,473          |
| Receivables                  |                                                  | -                            | -                           | -               | -                       | 125,115                     | 125,115          |
|                              |                                                  | <b>893,473</b>               | <b>-</b>                    | <b>-</b>        | <b>-</b>                | <b>125,115</b>              | <b>1,018,588</b> |
| <b>Financial Liabilities</b> |                                                  |                              |                             |                 |                         |                             |                  |
| Trade and other payables     |                                                  | -                            | -                           | -               | -                       | 191,441                     | 191,441          |
| Borrowings                   | 12%                                              | -                            | 1,936,735                   | -               | -                       | -                           | 1,936,735        |
|                              |                                                  | <b>-</b>                     | <b>1,936,735</b>            | <b>-</b>        | <b>-</b>                | <b>191,441</b>              | <b>2,128,176</b> |

#### *Interest Rate Sensitivity Analysis*

As there are no present floating interest rate, interest-bearing loans, and previous loan interest rates were fixed there is no sensitivity to changes in interest rate.

#### **(b) Fair Values of Financial Assets and Liabilities**

##### **Valuation Approach**

Fair values of financial assets and liabilities are determined by the Group on the following basis:

Monetary financial assets and financial liabilities not readily traded in an organised financial market are determined by valuing them at the present value of contractual future cash flows on amounts due from customers (reduced for expected credit losses) or due to suppliers. Cash flows are discounted using standard valuation techniques at the applicable market yield having regard to the timing of the cash flows. The carrying amounts of bank term deposits, trade debtors, other debtors, accounts payable, bank loans and lease liabilities approximate net fair value.

The valuation of the Convertible Notes are classified as level 3 in the fair value hierarchy.

The balances of financial assets and liabilities approximate their fair value.

#### **(c) Unrecognised Financial Instruments**

The Company and controlled entities do not have any unrecognised financial instruments.

#### (d) Foreign Currency Risk

Foreign exchange risk arises from future commitments and recognised assets and liabilities that are denominated in a currency that is not the functional currency of the Group. The Australian dollar is the reporting currency for the Group and the functional currency for the parent company; however during the financial year, the Group currently held foreign currency in US dollars and Tanzanian schillings. The Group also makes certain payments in US\$ and Tanzanian schillings in Tanzania. Based on the above the impact of any change in foreign exchange rates is not material.

The Group's exposure to foreign currency risk at balance date was as follows, based on notional amounts:

|                      | 30 June 2024 |             | 30 June 2023 |             |
|----------------------|--------------|-------------|--------------|-------------|
|                      | Assets       | Liabilities | Assets       | Liabilities |
|                      | \$           | \$          | \$           | \$          |
| United States dollar | 44,325       | -           | 334,889      | 5,298       |
| Tanzanian schillings | 11,805       | -           | 25,143       | -           |

#### (e) Credit Risk Exposure

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The Company measures credit risk on a fair value basis. The credit risk on financial assets, excluding investments, of the consolidated entity, which have been recognised on the statement of financial position, is the carrying amount, net of any provision for doubtful debts.

The Company has no significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

#### (f) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through credit facilities or other fund-raising initiatives, to meet commitments as and when they fall due.

Management monitors rolling forecasts of the Group's liquidity on the basis of expected cash flow. The Group's cash reserves of \$280,295 as at 30 June 2024 (2023: \$893,473) and subsequent successful capital raisings post 30 June 2024 will meet liquidity requirements. Liquidity is also complemented by the 5 year Standby Subscription Agreement entered into in April 2020 for an amount of \$250,000, with an undrawn capacity of \$175,000 at 30 June 2024.

As at 30 June 2024 the Group's non-derivative financial liabilities have contractual maturities as summarised below:

|                          | Current         |                | Non-current  |                    |
|--------------------------|-----------------|----------------|--------------|--------------------|
|                          | Within 6 months | 6 to 12 months | 1 to 5 years | Later than 5 years |
| <b>30 June 2024</b>      |                 |                |              |                    |
| Trade and other payables | 72,520          | -              | -            | -                  |
| <b>TOTAL</b>             | <b>72,520</b>   | <b>-</b>       | <b>-</b>     | <b>-</b>           |

This compares to the maturity of the Group's non-derivative financial liabilities in the previous reporting period as follows:

|                          | Current         |                  | Non-current  |                    |
|--------------------------|-----------------|------------------|--------------|--------------------|
|                          | Within 6 months | 6 to 12 months   | 1 to 5 years | Later than 5 years |
| <b>30 June 2023</b>      |                 |                  |              |                    |
| Trade and other payables | 191,441         | -                | -            | -                  |
| Convertible Notes        | -               | 1,299,120        | -            | -                  |
| <b>TOTAL</b>             | <b>191,441</b>  | <b>1,299,120</b> | <b>-</b>     | <b>-</b>           |

## (g) Capital Risk Management

The Company's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets.

The Company monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowing less cash and cash equivalents. Total capital is calculated as equity shown in the statement of financial position plus net debt. As the Company is in a transitionary stage the gearing ratio has been monitored as a secondary matter to total borrowings and maturity.

## 16. COMMITMENTS

|                                                                | Consolidated   |                  |
|----------------------------------------------------------------|----------------|------------------|
|                                                                | 2024           | 2023             |
|                                                                | \$             | \$               |
| <b>Exploration lease commitments</b>                           |                |                  |
| <b>Minimum expenditure commitments on exploration licences</b> |                |                  |
| Committed but not provided for and payable:                    |                |                  |
| Within one year                                                | 829,894        | 1,035,841        |
| One year or later and no later than for five years             | 45,000         | 560,000          |
|                                                                | <u>874,894</u> | <u>1,595,841</u> |

Minimum expenditure commitments include annual rates and exploration commitments to date of expiry of current licence term. This includes all uranium licences in South Australia and Kabanga and Luhuma Nickel Projects in Tanzania.

## 17. SEGMENT INFORMATION

The Company has identified its operating segments based on internal reports that are reviewed by the Board and management. The Company operated in one operating segment during the year, being mineral exploration and in two geographical areas, being Australia and Africa. Expenditure, assets and liabilities not directly related to either is referred to as "Corporate".

The segment reporting is detailed below:

|                                  | Mineral<br>Exploration<br>\$<br>Australia | Mineral<br>Exploration<br>\$<br>Africa | Corporate<br>\$    | Total<br>\$        |
|----------------------------------|-------------------------------------------|----------------------------------------|--------------------|--------------------|
| <b>Year ended 30 June 2024</b>   |                                           |                                        |                    |                    |
| <b>Income</b>                    |                                           |                                        |                    |                    |
| Revenue from services provided   | -                                         | 103,640                                | -                  | 103,640            |
| Gain on embedded derivatives     | -                                         | -                                      | -                  | -                  |
| <b>Total Segment Income</b>      | <b>-</b>                                  | <b>103,640</b>                         | <b>-</b>           | <b>103,640</b>     |
| <b>Segment Result</b>            |                                           |                                        |                    |                    |
| (Loss) before income tax         | (462,570)                                 | (2,743,769)                            | (1,494,286)        | (4,700,626)        |
| <b>Net (Loss)</b>                | <b>(462,570)</b>                          | <b>(2,743,769)</b>                     | <b>(1,494,286)</b> | <b>(4,700,626)</b> |
| <b>Total Segment Assets</b>      | <b>-</b>                                  | <b>38,844</b>                          | <b>321,849</b>     | <b>360,693</b>     |
| <b>Total Segment Liabilities</b> | <b>-</b>                                  | <b>-</b>                               | <b>(72,520)</b>    | <b>(72,520)</b>    |

|                                  | Mineral<br>Exploration<br>\$<br>Australia | Mineral<br>Exploration<br>\$<br>Africa | Corporate<br>\$    | Total<br>\$        |
|----------------------------------|-------------------------------------------|----------------------------------------|--------------------|--------------------|
| <b>Year ended 30 June 2023</b>   |                                           |                                        |                    |                    |
| <b>Income</b>                    |                                           |                                        |                    |                    |
| Other income                     | -                                         | 3,791                                  | 773                | 4,564              |
| <b>Total Segment Income</b>      | -                                         | <b>3,791</b>                           | <b>773</b>         | <b>4,564</b>       |
| <b>Segment Result</b>            |                                           |                                        |                    |                    |
| (Loss) before income tax         | (187,404)                                 | (3,017,701)                            | (1,742,785)        | (4,947,890)        |
| <b>Net (Loss)</b>                | <b>(187,404)</b>                          | <b>(3,017,701)</b>                     | <b>(1,742,785)</b> | <b>(4,947,890)</b> |
| <b>Total Segment Assets</b>      | -                                         | <b>379,920</b>                         | <b>686,986</b>     | <b>1,066,906</b>   |
| <b>Total Segment Liabilities</b> | <b>(1,840)</b>                            | <b>(51,446)</b>                        | <b>(2,074,890)</b> | <b>(2,128,176)</b> |

## 18. CONTROLLED ENTITIES

### Particulars in relation to controlled entities

|                                    | Ordinary Shares<br>Interest |           |
|------------------------------------|-----------------------------|-----------|
|                                    | 2024<br>%                   | 2023<br>% |
| <b>Company:</b>                    |                             |           |
| Adavale Resources Limited          |                             |           |
| <b>Controlled Entities:</b>        |                             |           |
| Adavale Minerals Pty Ltd           | 100                         | 100       |
| Adavale Resources Tanzania Limited | 100                         | 100       |
| Adavale Africa Pty Ltd             | 100                         | 100       |
| Adavale Burundi Pty Ltd            | 100                         | 100       |
| Adavale Resources Burundi SU       | 100                         | 100       |

Adavale Minerals Pty Ltd and Adavale Africa Pty Ltd are incorporated in Australia and are wholly owned subsidiaries of Adavale Resources Limited. Adavale Resources Tanzania Limited is incorporated in Tanzania and is a wholly owned subsidiary of Adavale Africa Pty Ltd. Adavale Resources Burundi is incorporated in Burundi and is a wholly owned subsidiary of Adavale Burundi Pty Ltd.

## 19. CONTINGENCIES

The Company executed a binding farm-in agreement for two licences PL11692/2021 and PL11693/2021 (Luhuma Nickel Project) with significant nickel sulphide exploration potential.

The Farm-In Agreement is structured as an option, but is in the nature of a farm-in and has four stages as per below, payable per licence:

**Stage 1:** Adavale has the immediate and exclusive right to explore and evaluate the licences for 12 months upon payment of US\$12.5k cash - and US\$25k worth of Adavale shares. During the first 12 months Adavale must spend at least the minimum exploration expenditure as required by the Mining Commission which is US\$500 per annum per square kilometre across the 98.89km<sup>2</sup>.

In February 2022, the Company completed the Stage 1 payment including issuing 1,778,458 fully paid ordinary shares in accordance with the agreement.

**Stage 2:** If Adavale is satisfied with the exploration results and prospectivity of the licences then on or before the 1st year anniversary Adavale has the right to earn-in 65% ownership of the licences upon paying the vendor US\$25k cash and US\$75k worth of Adavale shares. Adavale must continue to spend at least the minimum annual exploration expenditure of US\$500 per square kilometre.

In February 2023, the Company completed the Stage 2 payment including issuing 9,380,423 fully paid ordinary shares in accordance with the agreement, earning 65% interest in the Luhuma Nickel Project.

**Stage 3:** If Adavale continues to be satisfied with the exploration results and prospectivity of the licences then on or before the 2nd year anniversary Adavale has the right to earn-in 80% ownership of the licences upon paying the vendor US\$50k cash and US\$112.5k worth of Adavale shares. Adavale must continue to spend at least the minimum annual exploration expenditure of \$500 per square kilometre.

**Stage 4:** If Adavale continues to be satisfied with the exploration results and prospectivity of the licences and has earned in and acquired a total 80% ownership, then Adavale has the right of first refusal to match any independent bona fide arm's length third party offer to buy out the remaining 20% participating interest in the licences held by the licence holder on or before the 3rd year anniversary from the Effective Date (being the 3<sup>rd</sup> business day after the conditions precedent have been satisfied). If the licence holder wishes to sell the 20% participating interest in the licence during this period, he must also give notice to Adavale and set out the terms on which he proposes to sell and the parties shall use best endeavours to negotiate agreeable terms.

On estimation of an economic Ore Reserve pursuant to the JORC Code within the Prospecting Licences, Adavale shall use its best endeavors to convert the Prospecting Licences to Mining Licenses. Should an operational mine come into production from such Mining Licenses, the Vendor shall receive a Net Smelter Return of 1.5% from the sale of minerals produced at the mine paid on a monthly basis.

During the financial year, Adavale has not proceeded with the Stage 3 payment. Adavale will remain as a 65% interest holder in the Luhuma Nickel Project.

## 20. NOTES TO THE STATEMENT OF CASH FLOWS

|                                                                                            | <b>Consolidated</b> |                    |
|--------------------------------------------------------------------------------------------|---------------------|--------------------|
|                                                                                            | <b>2024</b>         | <b>2023</b>        |
|                                                                                            | <b>\$</b>           | <b>\$</b>          |
| Cash at bank (Note 7)                                                                      | 280,295             | 893,473            |
| <b>Reconciliation of the operating loss after tax to the net cash flow from operations</b> |                     |                    |
| (Loss) after income tax                                                                    | (4,700,626)         | (4,947,890)        |
| Add (less) non-cash items:                                                                 |                     |                    |
| Depreciation                                                                               | 23,831              | 27,711             |
| Other non-cash items                                                                       | 1,736               | (4,564)            |
| Interest compounded                                                                        | 102,413             | 46,833             |
| Effective interest of Convertible Notes                                                    | 770,879             | 321,063            |
| Net fair value loss/(gain) – embedded derivatives                                          | (707,615)           | 226,109            |
| Shares issued in lieu of exploration expenditure                                           | 50,000              | 211,060            |
| Options issued in lieu of exploration expenditure                                          | 10,000              | -                  |
| Options issued as payment for consultancy services                                         | 20,000              | -                  |
| Share based payments (incentive rights)                                                    | 56,085              | -                  |
|                                                                                            | <b>(4,373,297)</b>  | <b>(4,119,678)</b> |
| Changes in assets and liabilities:                                                         |                     |                    |
| (Increase)/decrease in receivables                                                         | 69,205              | (84,315)           |
| (Decrease) in trade creditors and accruals                                                 | (78,131)            | (144,114)          |
| <b>Net cash (used in) operating activities</b>                                             | <b>(4,382,223)</b>  | <b>(4,348,107)</b> |
| <b>Changes in liabilities arising from financing activities:</b>                           |                     |                    |
| <b>Opening balance</b>                                                                     | 1,936,735           | -                  |
| Financial Liabilities at amortised cost                                                    | (1,229,120)         | 1,229,120          |
| Embedded Derivatives at FVTPL                                                              | (707,615)           | 707,615            |
| <b>Closing balance</b>                                                                     | <b>-</b>            | <b>1,936,735</b>   |
| (See Note 11)                                                                              |                     |                    |

### Non-cash financing and investing activities:

Shares were issued during the year to acquire EL6890 (see Note 12(a)). Options were issued during the year to brokers and consultants (see Note 13).



## 21. KEY MANAGEMENT PERSONNEL REMUNERATION

The table below sets out Key Management Personnel remuneration during the year.

|                              | Consolidated   |                |
|------------------------------|----------------|----------------|
|                              | 2024           | 2023           |
|                              | \$             | \$             |
| Short-term employee benefits | 582,833        | 507,967        |
| Share based payments         | 53,645         | -              |
|                              | <b>636,478</b> | <b>507,967</b> |

Details of payments to directors and key management personnel is set out in the Remuneration Report section of the Directors' Report. The detail related to share based payments is set out in Note 22 below. Apart from the details disclosed in this note and elsewhere in the financial report, no director or other related party has entered into a material contract with the Company or the consolidated entity since the end of the previous financial year and there were no material contracts involving directors' interests existing at year-end.

## 22. RELATED PARTY TRANSACTION – PERFORMANCE RIGHTS AND OPTIONS

On 22 December 2023, 60,000,000 Performance Rights were granted (33,300,000 to Directors and KMP). The following Performance Rights were granted to Directors, executives and consultant of the Company following shareholders' approval at the 2023 Annual General Meeting held on 24 November 2023:

| Participants                  | Class A   | Class B   | Class C   | Class D   | TOTAL      |
|-------------------------------|-----------|-----------|-----------|-----------|------------|
| Grant Pierce                  | 3,300,000 | 3,300,000 | 3,000,000 | 1,500,000 | 11,100,000 |
| Allan Ritchie                 | 3,300,000 | 3,300,000 | 3,000,000 | 1,500,000 | 11,100,000 |
| David Riekie                  | 3,300,000 | 3,300,000 | 3,000,000 | 1,500,000 | 11,100,000 |
| John Hicks                    | 3,300,000 | 3,300,000 | 3,000,000 | 1,500,000 | 11,100,000 |
| Leonard Math                  | 3,300,000 | 3,300,000 | 3,000,000 | 1,500,000 | 11,100,000 |
| Key employees and consultants | 750,000   | 750,000   | 750,000   | 2,250,000 | 4,500,000  |

**Class A Performance Rights** would vest upon the Company achieving and maintaining a share price of \$0.04 or more for a continuous period of 5 trading days on or before 31 December 2024.

**Class B Performance Rights** would vest upon the Company achieving and maintaining a share price of \$0.06 or more for a continuous period of 5 trading days on or before 31 December 2025

**Class C Performance Rights** would vest upon the Company announcing a total JORC Code compliant Mineral Resource of 40,000 metric tonne (or equivalent) contained Nickel signed off by a competent person on or before 31 December 2026

**Class D Performance Rights** would vest upon the Company announcing a total JORC Code compliant Inferred Mineral Resource of 5Mlbs at a grade of 300ppm U3O8 (or equivalent) signed off by a competent person on or before 31 December 2026.

### Share based payments – performance rights expense during year

|                                                  | Class A                                  | Class B                   | Class C                   | Class D                   |
|--------------------------------------------------|------------------------------------------|---------------------------|---------------------------|---------------------------|
| Number Issued                                    | 17,250,000                               | 17,250,000                | 15,750,000                | 9,750,000                 |
| Expiry Date                                      | 31 Dec 2024                              | 31 Dec 2025               | 31 Dec 2026               | 31 Dec 2026               |
| Grant Date                                       | 24 Nov 2023                              | 24 Nov 2023               | 24 Nov 2023               | 24 Nov 2023               |
| Volatility                                       | 119%                                     | 120%                      | N/A                       | N/A                       |
| Risk Free Rate (%)                               | 4.40%                                    | 4.16%                     | N/A                       | N/A                       |
| Underlying Fair Value on Grant Date              | \$0.0034                                 | \$0.0049                  | \$0.009                   | \$0.009                   |
| Total Fair Value (\$) – Life of rights           | \$58,650                                 | \$84,525                  | \$141,750                 | \$87,750                  |
| Total Fair Value (\$) – expensed to 30 June 2024 | \$31,951                                 | \$24,134                  | - <sup>1</sup>            | - <sup>1</sup>            |
| Method of valuation                              | Hoadley Barrier Model and Parisian Model | Share price at grant date | Share price at grant date | Share price at grant date |

*Note 1: No amount was expensed in relation to these rights as it was not considered probable that the vesting conditions of these rights would be achieved.*

## 23. AUDITOR'S REMUNERATION

|                                                           | Consolidated  |               |
|-----------------------------------------------------------|---------------|---------------|
|                                                           | 2024          | 2023          |
|                                                           | \$            | \$            |
| <b>Audit and review of financial statements</b>           |               |               |
| Auditors of Adavale Resources Limited – HLB Mann Judd     | 58,238        | 39,058        |
| Remuneration for audit and review of financial statements | <b>58,238</b> | <b>39,058</b> |
| Other services                                            | -             | -             |
| Total other service remuneration                          | -             | -             |
| <b>Total auditor's remuneration</b>                       | <b>58,238</b> | <b>39,058</b> |

## 24. EVENTS SUBSEQUENT TO REPORTING DATE

On 31 July 2024 the Company secured binding commitments to raise \$550,000 (before costs) through a placement to new and existing professional and sophisticated investors. The placement involved the issuance of approximately 183 million new fully paid ordinary shares at \$0.003 per share, along with a 1:1 free attaching option exercisable at \$0.005 each, expiring on 31 December 2027. A further \$82,000 was secured on 7 August 2024 on the same terms for an additional 27 million new fully paid ordinary shares.

The Company also announced on 31 July 2024 that it had signed a Head of Agreement for the purchase of the uranium rights in tenement EL6968 from Pinnacle Minerals Ltd for a total consideration of \$20,000, 10 million fully paid shares and 5 million options.

Except for the above there have been no matters or circumstances which have arisen since the end of the year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

## 25. PARENT ENTITY FINANCIAL INFORMATION

### (a) Summary financial information

|                                                                   | 2024               | 2023               |
|-------------------------------------------------------------------|--------------------|--------------------|
|                                                                   | \$                 | \$                 |
| <b>Statement of financial position</b>                            |                    |                    |
| Current Assets                                                    | 304,281            | 658,005            |
| Non-Current Assets                                                | 15,124             | 28,981             |
| Total Assets                                                      | <b>319,405</b>     | <b>686,986</b>     |
| Current Liabilities                                               | 72,520             | 2,122,878          |
| Non-Current Liabilities                                           | -                  | -                  |
| Total Liabilities                                                 | 72,520             | 2,122,878          |
| Net Assets                                                        | <b>246,885</b>     | <b>(1,435,892)</b> |
| Issued Capital                                                    | 19,477,276         | 13,615,292         |
| Share based payment reserve                                       | 1,249,633          | 1,061,548          |
| Accumulated losses                                                | (20,480,024)       | (16,112,732)       |
|                                                                   | <b>246,885</b>     | <b>(1,435,892)</b> |
| <b>Statement of profit or loss and other Comprehensive Income</b> |                    |                    |
| Total (loss)                                                      | (4,367,292)        | (5,397,423)        |
| <b>Total comprehensive (loss)</b>                                 | <b>(4,367,292)</b> | <b>(5,397,423)</b> |

### (b) Commitments

The parent entity did not have any contractual commitments or contingencies as at 30 June 2024.

# **CONSOLIDATED ENTITY DISCLOSURE STATEMENT**

| <b>Name of Entity</b>              | <b>Type of Entity</b> | <b>Trustee, partner of JV Participant</b> | <b>% Share Capital</b> | <b>Country of incorporation</b> | <b>Australian or foreign resident</b> | <b>Foreign jurisdiction of foreign residents</b> |
|------------------------------------|-----------------------|-------------------------------------------|------------------------|---------------------------------|---------------------------------------|--------------------------------------------------|
| Adavale Resources Limited (Parent) | Body corporate        | -                                         | N/A                    | Australia                       | Australian                            | N/A                                              |
| Adavale Minerals Pty Ltd           | Body corporate        | -                                         | 100%                   | Australia                       | Australian                            | N/A                                              |
| Adavale Africa Pty Ltd             | Body corporate        | -                                         | 100%                   | Australia                       | Australian                            | N/A                                              |
| Adavale Burundi Pty Ltd            | Body corporate        | -                                         | 100%                   | Australia                       | Australian                            | N/A                                              |
| Adavale Resources Tanzania Limited | Body corporate        | -                                         | 100%                   | Tanzania                        | Australian                            | Australia                                        |
| Adavale Resources Burundi SU       | Body corporate        | -                                         | 100%                   | Burundi                         | Australian                            | Australia                                        |

**ADAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**

**DIRECTORS' DECLARATION**

**FOR THE YEAR ENDED 30 JUNE 2024**

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The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 31 to 55 are in accordance with the Corporations Act 2001 including:
  - (a) complying with Australian Accounting Standards, the Corporations Regulations 2001 professional reporting requirements and other mandatory requirements, and
  - (b) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the year ended on that date;
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. Note 2 confirms that the consolidated financial statements also comply with International Financial Reporting Standards.
4. The information disclosed in the attached Consolidated Entity Disclosure Statement is true and correct.
5. This declaration has been made after receiving declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2024.

This declaration is made in accordance with a resolution of the Board of Directors.

On behalf of the Directors



**David Riekie**  
**Executive Director**  
Date: 23 September 2024

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Adavale Resources Limited

**Report on the Audit of the Financial Report***Opinion*

We have audited the financial report of Adavale Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

*Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Material Uncertainty Related to Going Concern*

We draw attention to Note 2(c) in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

*Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

| Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Convertible notes</b><br>Refer to note 11 in the financial report                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <p>The Group secured funding of \$2 million (before costs) in the prior year through the issue of unsecured convertible notes. The convertible notes had a 12 month term, and during the year to 30 June 2024, all convertible notes were extinguished through the issue of shares or repayment in cash.</p> <p>As the notes contain a conversion feature which fails the 'fixed for fixed' criteria in AASB 132, the conversion feature was treated as a financial liability.</p> <p>The convertible notes were valued by an independent party who has adopted the approach of valuing the convertible notes in their entirety which is permitted under AASB 9.</p> <p>Our audit focussed on the accounting for the conversion to shares where the election was made by a convertible note holder and accounting for residual balances under the convertible note.</p> | <p>Our procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> <li>- We obtained an understanding of the key processes associated with management's review of the convertible note agreements;</li> <li>- We considered and reviewed the expert's valuation of the convertible notes;</li> <li>- We reviewed the convertible note agreements in place;</li> <li>- We reviewed the accounting treatment against the requirements of AASB 9 <i>Financial Instruments</i>;</li> <li>- We inspected signed documentation from note holders requesting conversion to shares;</li> <li>- We verified the repayments to note holders to bank statements; and</li> <li>- We examined the disclosures made in the financial report.</li> </ul> |

#### *Other Information*

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### *Responsibilities of the Directors for the Financial Report*

The directors of the Company are responsible for the preparation of:

- (a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

(b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

(a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

(b) the consolidated entity disclosure statement that is true and correct and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

#### *Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **REPORT ON THE REMUNERATION REPORT**

### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included within the Directors' Report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Adavale Resources Limited for the year ended 30 June 2024 complies with Section 300A of the *Corporations Act 2001*.

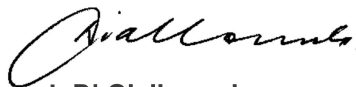
### *Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



**HLB Mann Judd**  
**Chartered Accountants**

**Perth, Western Australia**  
**23 September 2024**



**L Di Giallonardo**  
**Partner**



**ADAVALE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**

**ADDITIONAL SHAREHOLDER INFORMATION  
FOR THE YEAR ENDED 30 JUNE 2024**

Additional information included in accordance with the Listing Rule 4.10 and are not shown elsewhere in this Annual Report are as follows:

**1. SHAREHOLDER INFORMATION**

**(a) Distribution of holders at 20 September 2024**

|                  | Number of holders | Fully paid ordinary shares |
|------------------|-------------------|----------------------------|
| Distribution is: |                   |                            |
| 1 – 1,000        | 402               | 88,583                     |
| 1,001 – 5,000    | 218               | 534,396                    |
| 5,001 – 10,000   | 144               | 1,104,972                  |
| 10,001 – 100,000 | 789               | 37,931,514                 |
| 100,001 and Over | 952               | 1,184,105,902              |
|                  | <b>2,505</b>      | <b>1,223,765,367</b>       |

**(b) Less than marketable parcels of ordinary shares**

There are 1,886 shareholders with unmarketable parcels totalling 94,041,576 shares.

**(c) Voting rights**

In accordance with the Constitution each member present at the meeting whether in person, or by proxy, or by power of attorney, or in a duly authorised representative in the case of a corporate member, shall have one vote on a show of hands, and one vote for each fully paid ordinary share, on a poll. Performance rights and Options have no voting rights.

**(d) Substantial shareholders (as at 20 September 2024)**

There are no substantial shareholders as at the above date.

| Shareholder | Number of shares | % |
|-------------|------------------|---|
| NIL         |                  |   |

**(e) Distribution of Listed Option holders (ADDOA) exercisable at \$0.03 expiring 31 December 2025 at 20 September 2024**

|                  | Number of holders | Listed Options     |
|------------------|-------------------|--------------------|
| Distribution is: |                   |                    |
| 1 – 1,000        | 6                 | 2,279              |
| 1,001 – 5,000    | 9                 | 25,788             |
| 5,001 – 10,000   | 12                | 91,561             |
| 10,001 – 100,000 | 69                | 2,530,801          |
| 100,001 and Over | 206               | 540,070,142        |
|                  | <b>302</b>        | <b>542,720,571</b> |

**(f) Shareholders**

The twenty largest shareholders hold 30.64% of the total issued ordinary shares in the Company as at 20 September 2024 are as follows:

| <b>RANK</b>                                                         | <b>NAME</b>                                                          | <b>NUMBER OF<br/>SHARES</b> | <b>% OF<br/>SHARES<br/>ISSUED</b> |
|---------------------------------------------------------------------|----------------------------------------------------------------------|-----------------------------|-----------------------------------|
| 1                                                                   | MCNEIL NOMINEES PTY LIMITED                                          | 58,315,286                  | 4.77                              |
| 2                                                                   | 10 BOLIVIANOS PTY LTD                                                | 32,885,714                  | 2.69                              |
| 3                                                                   | MR PETER ANDREW PROKSA                                               | 30,000,000                  | 2.45                              |
| 4                                                                   | KILONOVA METALS PTY LTD                                              | 25,000,000                  | 2.04                              |
| 5                                                                   | BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>               | 22,523,556                  | 1.84                              |
| 6                                                                   | CITICORP NOMINEES PTY LIMITED                                        | 20,801,151                  | 1.70                              |
| 7                                                                   | LKC TECHNOLOGY PTY LTD <LKC TECHNOLOGY P/L S/F A/C>                  | 20,730,000                  | 1.69                              |
| 8                                                                   | UBS NOMINEES PTY LTD                                                 | 19,421,941                  | 1.59                              |
| 9                                                                   | PALM BEACH NOMINEES PTY LIMITED                                      | 16,766,667                  | 1.37                              |
| 10                                                                  | RAAR CAPITAL GROUP PTY LTD                                           | 16,446,983                  | 1.34                              |
| 11                                                                  | MARK LA STARZA SUPERANNUATION FUND PTY LTD <MARK LA STARZA SMSF A/C> | 14,200,000                  | 1.16                              |
| 12                                                                  | VINDICATION PTY LTD <MARSHALL&ASSOCIATES S/F A/C>                    | 13,250,000                  | 1.08                              |
| 13                                                                  | PYNMIST PTY LIMITED <THE S MARSHALL FAMILY A/C>                      | 12,000,000                  | 0.98                              |
| 14                                                                  | SIDNEY SECURITIES PTY LTD <J MARSHALL A/C>                           | 11,000,000                  | 0.90                              |
| 15                                                                  | M & K KORKIDAS PTY LTD <M & K KORKIDAS PTY LTD A/C>                  | 10,850,000                  | 0.89                              |
| 16                                                                  | MRS AIBAO GONG                                                       | 10,591,441                  | 0.87                              |
| 17                                                                  | MR DAVID JOHN PFEIFFER <PFEIFFER FAMILY A/C>                         | 10,190,105                  | 0.83                              |
| 18                                                                  | MR ALEXANDER MORGAN CRESWICK                                         | 10,000,000                  | 0.82                              |
| 19                                                                  | MR BERTRAND LALANNE                                                  | 10,000,000                  | 0.82                              |
| 20                                                                  | SABA NOMINEES PTY LTD <SABA A/C>                                     | 10,000,000                  | 0.82                              |
| <b>Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)</b> |                                                                      | <b>374,972,844</b>          | <b>30.64</b>                      |
| <b>Total Remaining Holders Balance</b>                              |                                                                      | <b>848,792,523</b>          | <b>69.36</b>                      |

**(g) Restricted Securities**

There are no shares subject of any mandatory restrictions.

**(h) On-Market Buy-Backs**

There is no current on-market buy back in relation to the Company's securities.

**(i) Listed Option holders (ADDOA)**

The twenty largest listed option holders (ADDOA) in the Company as at 20 September 2024 are as follows:

| RANK                                   | NAME                                                      | NUMBER OF<br>OPTIONS | % OF<br>OPTIONS<br>ISSUED |
|----------------------------------------|-----------------------------------------------------------|----------------------|---------------------------|
| 1                                      | MS CHUNYAN NIU                                            | 71,672,576           | 13.21                     |
| 2                                      | 10 BOLIVIANOS PTY LTD                                     | 35,285,714           | 6.50                      |
| 3                                      | M & K KORKIDAS PTY LTD <M & K KORKIDAS PTY LTD A/C>       | 28,375,000           | 5.23                      |
| 4                                      | MCNEIL NOMINEES PTY LIMITED                               | 23,136,180           | 4.26                      |
| 5                                      | GOFFACAN PTY LTD                                          | 13,956,061           | 2.57                      |
| 6                                      | BOWDEN MINERALS PTY LTD <BOWDEN A/C>                      | 12,563,232           | 2.31                      |
| 7                                      | K-SUM CAPITAL PTY LTD                                     | 12,500,000           | 2.30                      |
| 8                                      | SIZZ PTY LTD <JH SUPERFUND A/C>                           | 10,428,571           | 1.92                      |
| 9                                      | MR PETER ANDREW PROKSA                                    | 10,000,000           | 1.84                      |
| 10                                     | SHEARWATER AUSTRALIA PTY LTD                              | 10,000,000           | 1.84                      |
| 11                                     | MR TERENCE KENNETH TOPPING <TTJT A/C>                     | 10,000,000           | 1.84                      |
| 12                                     | TRINITY DIRECT PTY LTD                                    | 10,000,000           | 1.84                      |
| 13                                     | WEYBURN GROUP PTY LTD                                     | 10,000,000           | 1.84                      |
| 14                                     | JAMBER INVESTMENTS PTY LTD <THE AMBER SCHWARZ FAMILY A/C> | 8,857,143            | 1.63                      |
| 15                                     | PAUL THOMSON FURNITURE PTY LTD <THOMSON S/F A/C>          | 7,957,142            | 1.47                      |
| 16                                     | YUCAJA PTY LTD <THE YOEGIAR FAMILY A/C>                   | 7,470,402            | 1.38                      |
| 17                                     | MR DEAN ROBERT MELLERS <DAHRC A/C>                        | 7,142,857            | 1.32                      |
| 18                                     | P AND N BAKARIC P/L <P AND N BAKARIC SF A/C>              | 6,791,275            | 1.25                      |
| 19                                     | PYNMIST PTY LIMITED <THE S MARSHALL FAMILY A/C>           | 5,250,000            | 0.97                      |
| 20                                     | METAL TIGER PLC                                           | 5,210,527            | 0.96                      |
| <b>Totals: Top 20 holders of ADDOA</b> |                                                           | <b>306,596,680</b>   | <b>56.49</b>              |
| <b>Total Remaining Holders Balance</b> |                                                           | <b>236,123,891</b>   | <b>43.51</b>              |

**(j) Application of funds**

During the financial year, Adavale Resources Limited confirms that it has used its cash and assets (in a form readily convertible to cash) in a manner which is consistent with the Company's business objectives.

**(k) Unquoted Equity Securities**

The Company has no unquoted fully paid ordinary shares on issue as at 20 September 2024.

The Company has the following unquoted securities on issue as at 20 September 2024:

**ADDAAE: Option exercisable at \$0.03 expiring 3 August 2025**

|                  | Number of holders | ADDAAE           |
|------------------|-------------------|------------------|
| Distribution is: |                   |                  |
| 1 – 1,000        | -                 | -                |
| 1,001 – 5,000    | -                 | -                |
| 5,001 – 10,000   | -                 | -                |
| 10,001 – 100,000 | -                 | -                |
| 100,001 and Over | 1                 | 5,000,000        |
|                  | <b>1</b>          | <b>5,000,000</b> |

**ADDAAA: Option exercisable at \$0.15 expiring 13 January 2025**

|                  | Number of holders | ADDAAE           |
|------------------|-------------------|------------------|
| Distribution is: |                   |                  |
| 1 – 1,000        | -                 | -                |
| 1,001 – 5,000    | -                 | -                |
| 5,001 – 10,000   | -                 | -                |
| 10,001 – 100,000 | -                 | -                |
| 100,001 and Over | 5                 | 9,000,000        |
|                  | <b>5</b>          | <b>9,000,000</b> |

**ADDAAB: Performance Rights**

|                  | Number of holders | ADDAAE            |
|------------------|-------------------|-------------------|
| Distribution is: |                   |                   |
| 1 – 1,000        | -                 | -                 |
| 1,001 – 5,000    | -                 | -                 |
| 5,001 – 10,000   | -                 | -                 |
| 10,001 – 100,000 | -                 | -                 |
| 100,001 and Over | 8                 | 60,000,000        |
|                  | <b>8</b>          | <b>60,000,000</b> |

**QUOTATION**

Listed securities in Adavale Resources Limited are quoted on the Australian Securities Exchange.

**Schedule of Mining Tenements and Beneficial Interests**

| 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. |           |                                    |                         |
| 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%                    |
|                                                                                                                                                                 |           | EL 6553                            | 100%                    |