

21 July 2023



Massive Nickel Sulphide Drilling Program Benefits from Increased Placement

- Further binding commitments received to raise an additional \$0.82m via a Placement to sophisticated and professional investors, bringing the Placement total to \$2.47m
- Underwritten amount for the Entitlement Offer has increased to \$800,000
- Company to undertake a 1-for-5 Entitlement Offer to eligible shareholders on the same terms as the Placement to raise a further ~\$2 million, as announcement previously
- Directors and management intend to subscribe for their rights under the Entitlement Offer
- New funds provide additional 'runway' to the current drilling program following the recent intersection of massive nickel sulphides at the Luhuma Central Prospect in Tanzania

Adavale Resources Limited (ASX: ADD) ("or the **Company**") is pleased to advise that it has received further binding commitments to raise an additional \$0.82 million (before costs) through an expanded placement to new and existing sophisticated and professional investors ("**Placement**").

Coupled with the \$1.65 million Placement announced on 19 July 2023, the total Placement amount is now \$2.47 million.

Adavale's Executive Director, David Riekie, commented:

"The interest we received following the placement announcement was very positive, allowing us to accept further funds that gives Adavale additional runway for its current exploration drilling program at Kabanga Jirani."

"With two rigs operating across multiple high priority targets, these funds will allow us to drill additional targets as well as allowing flexibility to inject additional resources as exploration progresses."

The total Placement will comprise the issue of 130 million new fully paid Ordinary shares at an issue price of \$0.019 per share ("**New Shares**") and a 1:1 attaching listed option (ADDOA) exercisable at \$0.03 per share expiring 31 December 2025 ("**Attaching Options**").

ASX: ADD

DIRECTORS & OFFICERS

GRANT PIERCE
CHAIRMAN

DAVID RIEKIE
EXECUTIVE DIRECTOR

JOHN HICKS
DIRECTOR

ALLAN RITCHIE
CHIEF EXECUTIVE OFFICER

LEONARD MATH
CFO & COMPANY SECRETARY

ISSUED CAPITAL

Shares: ~523 million
Options: 191 million
Performance rights: 11.25million

ABOUT ADAVALE

Adavale Resources is an ASX-listed exploration company targeting projects in the 'battery materials' space. The company is currently focused on both its 100% owned Kabanga Jirani Nickel Project and 2 Farm-in 'Luhuma' licences adjacent and along strike from the world's largest undeveloped high grade NiS resource of 58Mt @ 2.62% Ni. Adavale is also progressing exploration on its 100% owned uranium tenements in South Australia



adavaleresources.com



CONTACT

Adavale Resources Limited Level 2,
49 Oxford Close, West Leederville
WA 6007

Tel: +61 2 8003 6733

investor@adavaleresources.com



Post the Placement, the Company will also conduct a 1 for 5 Entitlement Offer on the same terms as the Placement Offer to raise up to ~\$2m ("**Entitlement Offer**"). The directors and management of the Company intend to subscribe for their rights in the Entitlement Offer totalling approximately \$118,000.

Funds will be used to progress and accelerate the nickel exploration at the Company's Kabanga Jirani Nickel Project in Tanzania, including Downhole EM (DHEM), RC & diamond drilling, general working capital and costs associated with the Placement and Entitlement Offer.

The additional Placement shares of 43.2 million New Shares will be issued pursuant to the Company's available placement capacity under ASX Listing Rule 7.1 and is expected to be settled on or about 28 July 2023. Subject to receipt of shareholder approval at a General Meeting of shareholders to be convened by the Company, a further 43.2 million Attaching Options will be issued associated with the expanded Placement.

Placement Shares will rank equally with existing fully paid Ordinary shares, noting that they will be issued after the Record Date for the Entitlement Offer and will not carry an entitlement to participate in the Entitlement Offer.

GBA Capital Limited acted as Lead Manager for the Placement and Underwriter to the Entitlement Offer.

Amended Appendix 3B for the new total Placement and issue of Attaching Options was lodged with the ASX as at the date of this announcement.

ENTITLEMENT OFFER

As announced on 19 July 2023, the non-renounceable Entitlement Offer will be offered to existing shareholders on a pro-rata basis of one (1) new share for every five (5) ordinary fully paid shares held in the Company on Friday, 28 July 2023 (**Record Date**), at an issue price of \$0.019 per share to raise up to ~\$2.0M (before costs). The pricing and terms of the Entitlement Offer have been set so that shareholders can obtain new shares at the same price and terms as subscribers under the Placement. Entitlements may only be exercised by Eligible Shareholders being persons with a registered address on the Company's Share Register in Australia or New Zealand. The Entitlement Offer shares will be issued pursuant to a disclosure document issued under section 713 of the Corporations Act to be lodged with the ASIC on 24 July 2023. Placement shares will not carry an entitlement to participate in the Entitlement Offer.

Eligible shareholders will be given the opportunity to apply for additional securities in excess of their entitlement, via a shortfall facility which shall be allocated at the absolute discretion of the ADD Board. The Entitlement Offer is underwritten for \$800,000.

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

Further information:

David Riekie
Executive Director
E: investor@adavaleresources.com

For broker and media enquiries:

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

INDICATIVE PLACEMENT & ENTITLEMENT OFFER TIMETABLE

The indicative timetable below remains subject to change at the Company's discretion, subject to compliance with applicable laws and the ASX Listing Rules.

Event	Date (AWST)
Announcement of the Placement and Entitlement Offer, and lodgment of Appendix 3B with ASX	Wednesday, 19 July 2023
Announcement of the expanded Placement and lodgment of Appendix 3B with ASX	Friday, 21 July 2023
Lodgment of Prospectus with the ASIC and ASX	Monday, 24 July 2023
Existing Shares quoted on an 'EX' basis	Thursday, 27 July 2023
Record Date for determining Entitlements	Friday, 28 July 2023
Anticipated Manual Settlement of new shares issued under the Placement	Monday, 31 July 2023
Notice of General Meeting Dispatched	On or around mid-August 2023
Prospectus - Entitlement Offer and Acceptance Form dispatched to Eligible Shareholders	Wednesday, 2 August 2023
Closing Date of Entitlement Offer (Offer closes 5:00pm AWST)*	Thursday, 31 August 2023
Securities quoted on a deferred settlement basis from market open	Friday, 1 September 2023
Announcement of results of the Entitlement Offer	Thursday, 7 September 2023
Quotation of Securities issued under the Entitlement Offer*	Thursday, 7 September 2023
General Meeting to approve Attaching Options	On or around mid-September 2023

**The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such the date the Securities are expected to commence trading on ASX may vary.*

Forward looking statements

This document contains forward-looking statements concerning Adavale. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward-looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes. Forward looking statements in this document are based on Adavale's beliefs, opinions and estimates of Adavale as of the dates the forward-looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments. Although management believes that the assumptions made by the Company and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. Forward-looking information involves known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any anticipated future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, the actual market price of nickel, the actual results of future exploration, changes in project parameters as plans continue to be evaluated, as well as those factors disclosed in the Company's publicly filed documents. Readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws. No representation, warranty or undertaking, express or implied, is given or made by the Company that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur.

ABOUT ADAVALE

Adavale Resources Limited (ASX:ADD) is a nickel sulphide exploration company that holds 100% of the Kabanga Jirani Nickel Project, a portfolio of 12 highly prospective granted licences covering ~1,216km² along the Karagwe-Ankolean belt in Tanzania. The six southernmost licences are proximal to the world-class Kabanga Nickel Deposit (58Mt @ 2.62% Ni). Adavale has farmed-in to two more highly prospective licences contiguous to our seven southernmost licences, adding a further 99km² to the portfolio (1,315sq km). Adavale's licences were selected based on their strong geochemical and geophysical signatures from the previous exploration undertaken by BHP.

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

