

Quarterly Activities Report

September 2024

URANIUM TENURE EXPANSION (~ 6,000km²)

- **Northern Flinders Ranges – South Australia (2,758km²)**
 - EL6553 (340km²) incorporating MacDonnell and George Creek prospects
 - EL's at Mundowdna South and Lake Surprise Uranium Project, The Hook (2,418km²)
- **Eyre Peninsula/Ceduna – South Australia (3,202km²)**
 - Acquisition of Uranium rights on the Wirrulla Project (957km²),
 - Exploration Licence Applications (Tolmer, Narlaby Projects) (2,245km²)

URANIUM EXPLORATION ACTIVITIES

- Cultural Heritage survey finalised with 17-line kms cleared over three priority areas at MacDonnell Creek to facilitate infill and extensional aircore drilling (2,000m).
- Drilling and associated on-site service contracts currently being finalised, with the program expected to commence Q4 2024.
- Program for Environment Protection and Rehabilitation (**PEPR**) lodged with the South Australian Department for Energy and Mining for proposed drilling.

CORPORATE

- Mr. Grant Pierce stepped down as Chairman of the Company
- Mr. Nic Matich was appointed as a Non-Executive Director.
- Subsequent to quarter, Mr. David Rieke has resigned as Executive Director and Mr. Allan Ritchie was appointed as Executive Chairman
- The Company reviewed and continues to review several acquisition opportunities with the potential to complement its current projects and build shareholder value.

Adavale's Executive Chairman & CEO, Mr. Allan Ritchie commented:

"The board and the team at Adavale have worked hard this quarter and have focussed much of our efforts on the preparatory work including site visits ahead of the forthcoming drilling which we expect to progress soon on our highly prospective targets at MacDonnell and George Creek.

With the additional tenure expansion this quarter, Adavale now have a significant uranium portfolio in South Australia of approximately 6,000 km² and given the strong outlook for uranium prices and solid supply-demand fundamentals, we are all quite excited."

Directors & Officers

ALLAN RITCHIE
Executive Chairman & CEO

NIC MATICH
Non-Executive Director


JOHN HICKS
Non-Executive Director

LEONARD MATH
CFO & Company Secretary

 Adavaleresources

 AdavaleL

 investor@adavaleresources.com

 +61 2 8003 6733

ASX: **ADD**
adavaleresources.com

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

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

URANIUM TENURE EXPANSION

MacDonnell and George Creek Prospects

Adavale’s 100% owned tenure in the Marree Embayment now sits at 2,758km², making it one of the largest public-listed licence holders in the region that hosts the Beverley uranium mine. (Figure 1). MacDonnell and George Creek prospects are located within EL6553 on the NE side of the Marree embayment.

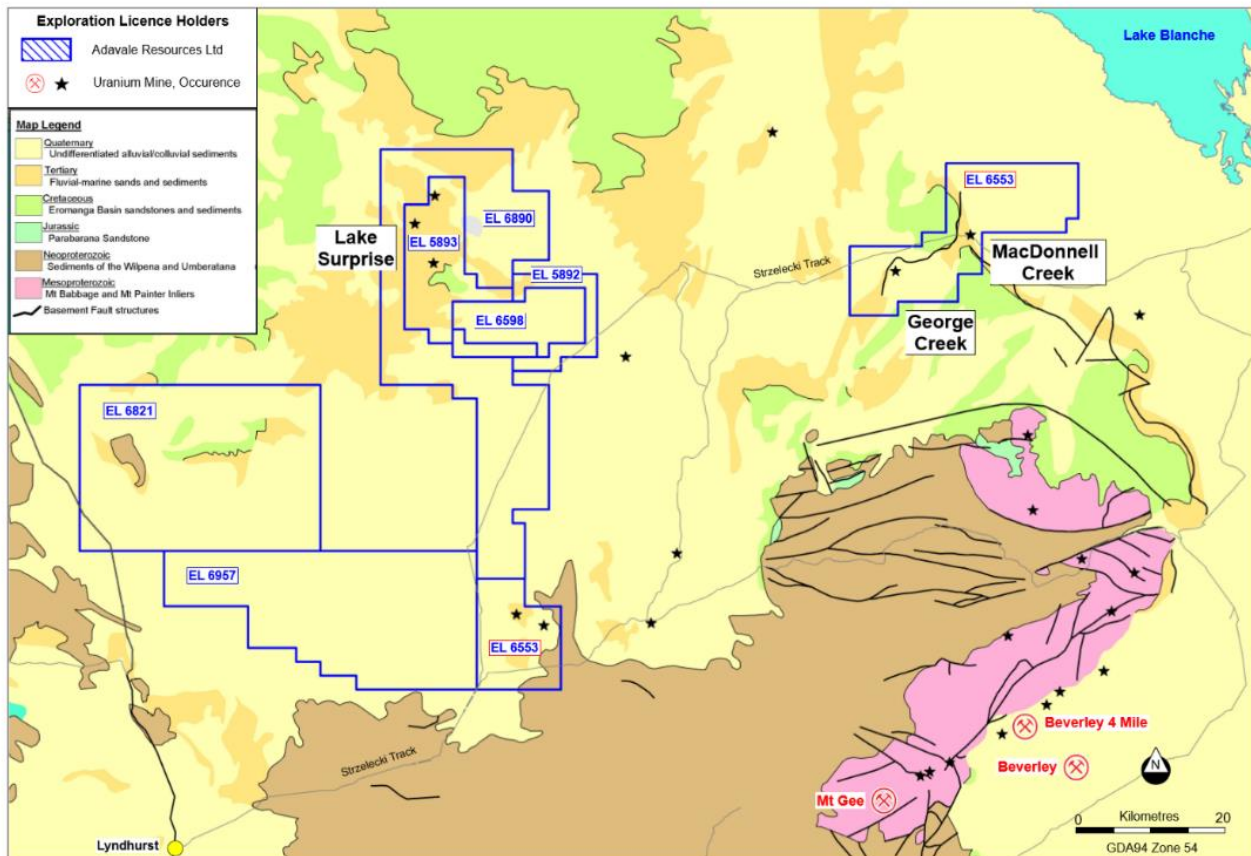


Figure 1: Adavale’s expanded Exploration Licence areas in the Marree Embayment South Australia.

Eyre Peninsula (Narlaby, Tolmer Projects and Wirrulla Uranium rights)

In June, the Company announced that it had applied for four exploration licences covering 2,445 km², centralised on the Yellabinna area, ~85km east-northeast of Ceduna. The Company is specifically targeting paleochannel, sandstone hosted uranium mineralisation, which may also be associated with basement intersecting faults and buried uranium enriched granites of the underlying and adjacent Hiltaba Suite. The new projects comprise two ELA’s each and have been named the Narlaby Project and Tolmer Project, respectively (Figure 2).

For personal use only

For personal use only

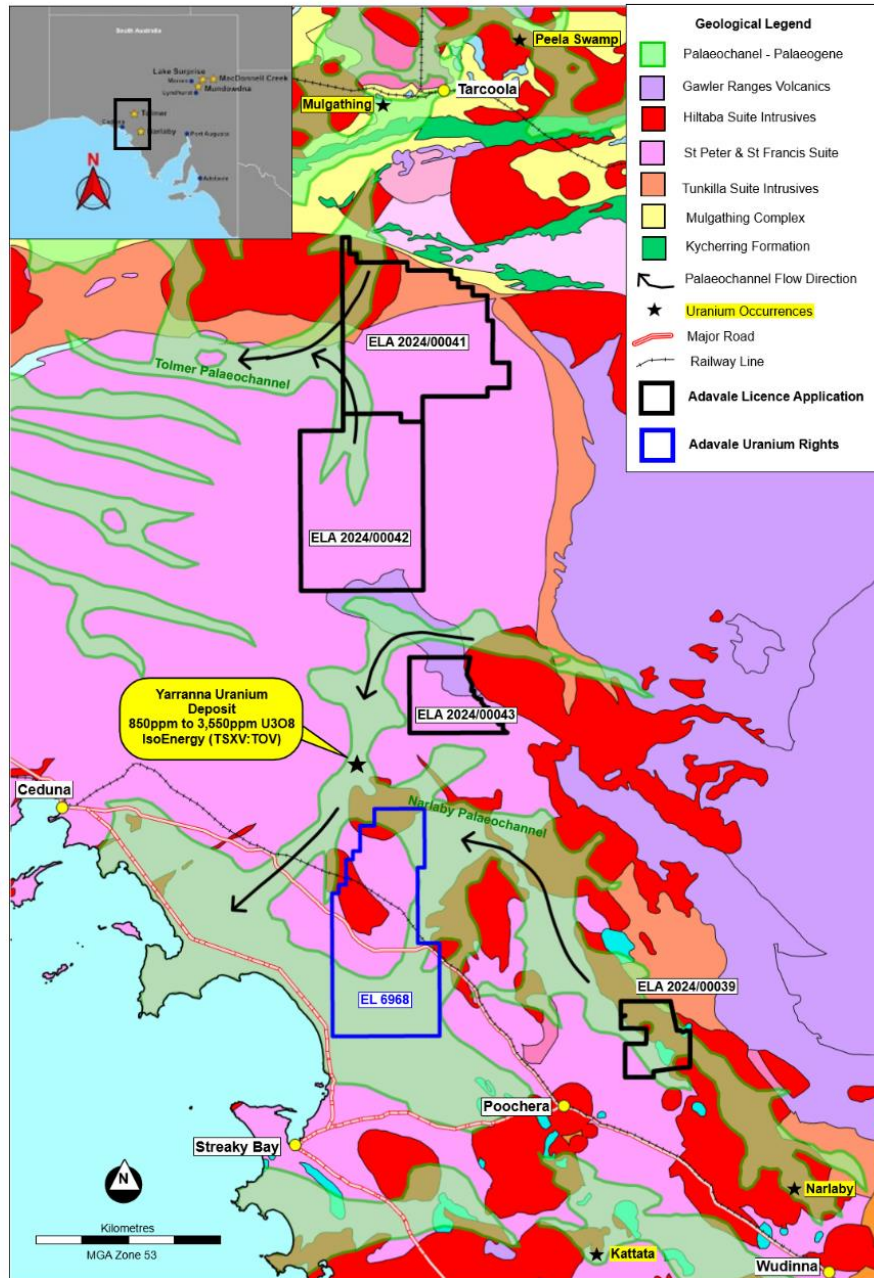


Figure 2: Adavale Exploration Licence application areas and regional palaeochannels and uranium occurrences identified.

Narlaby Project

The Company applied for two applications covering 189 km² and 259 km² respectively with one to the northwest of the upper branch of the Narlaby paleochannel (*ELA 2024/00043*), which hosts the Yarranna roll front uranium deposit, and one southeast of the Yarranna deposit (*ELA 2024/00039*), 16 km northeast of Poochera on the Eyre Peninsula,

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

from 66m, and IR1378 1m at 1,400 ppm U₃O₈ from 69m¹. This mineralisation is associated with channel sequences of the Narlaby paleochannel.

Tolmer Project

Adavale also applied for two exploration licences (ELA 2024/00041, ELA 2024/00042) covering ~1,986km², located in the Yellabinna area, ~90km south of Tarcoola and 95km northeast of Ceduna (Figure 2). 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 Uranium Project

Adavale executed a binding Heads of Agreement with Pinnacle Minerals Limited (ASX:PIM) to acquire 100% of its uranium rights on the Wirrulla Project in South Australia. Wirrulla Project (EL6968) is 957km² of tenure in the northwestern extents of the Eyre Peninsula South Australia (Figure 3).

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.

For personal use only

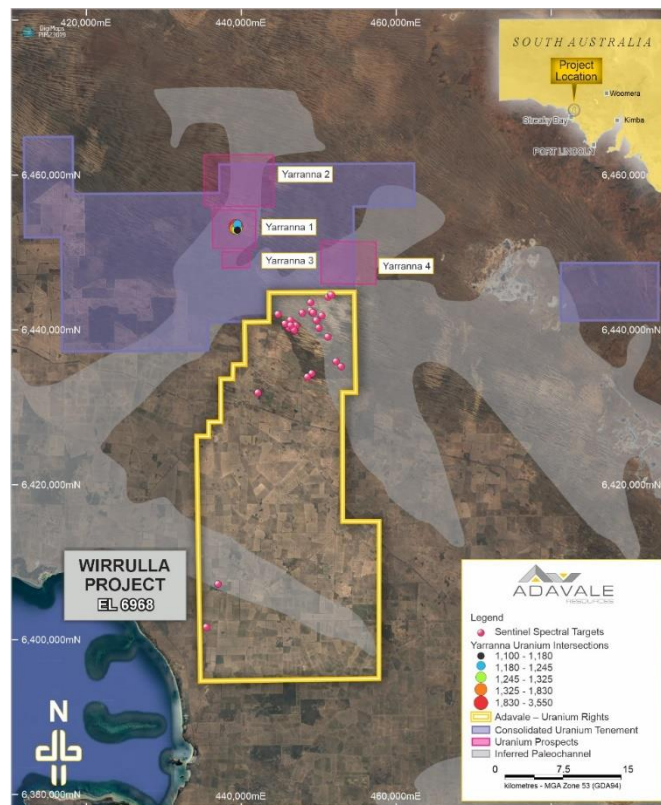


Figure 3: Wirrulla Uranium Project highlighting uranium mineralisation and targets

¹ 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/>)

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 palaeochannel within EL6968.

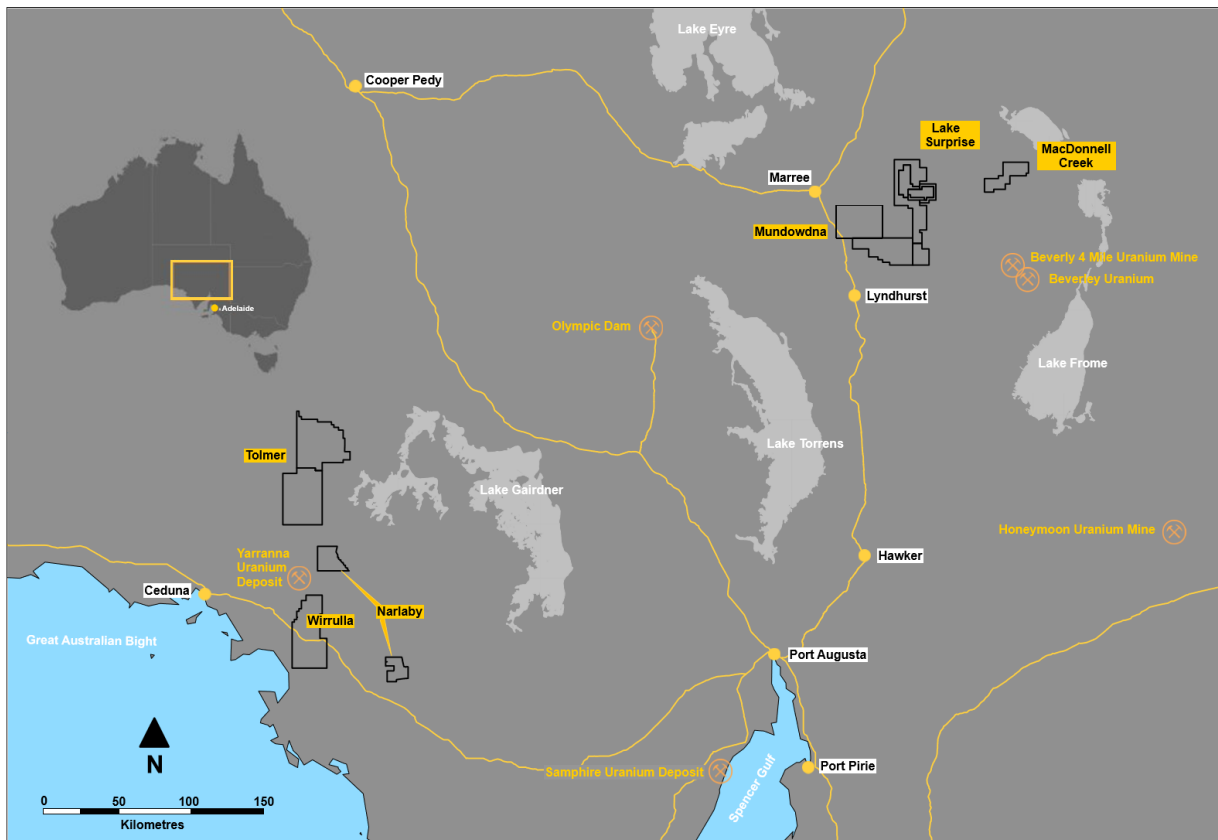


Figure 4: Adavale's extensive South Australian uranium tenure

EXPLORATION ACTIVITIES

On Site Surveys – MacDonnell/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. Approximately 17-line kms over three priority areas surveyed to enable the planned stage one (2,000m) Aircore drill program at MacDonnell Creek (Figure 9 Heritage Clearance areas).

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 (Figures 5-8).

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

For personal use only

For personal use only



Figure 5: George Creek proposed drillhole



Figure 6: MacDonnell Creek proposed drillhole



Figure 7: MacDonnell Creek NE looking SW



Figure 8: MacDonnell Creek South

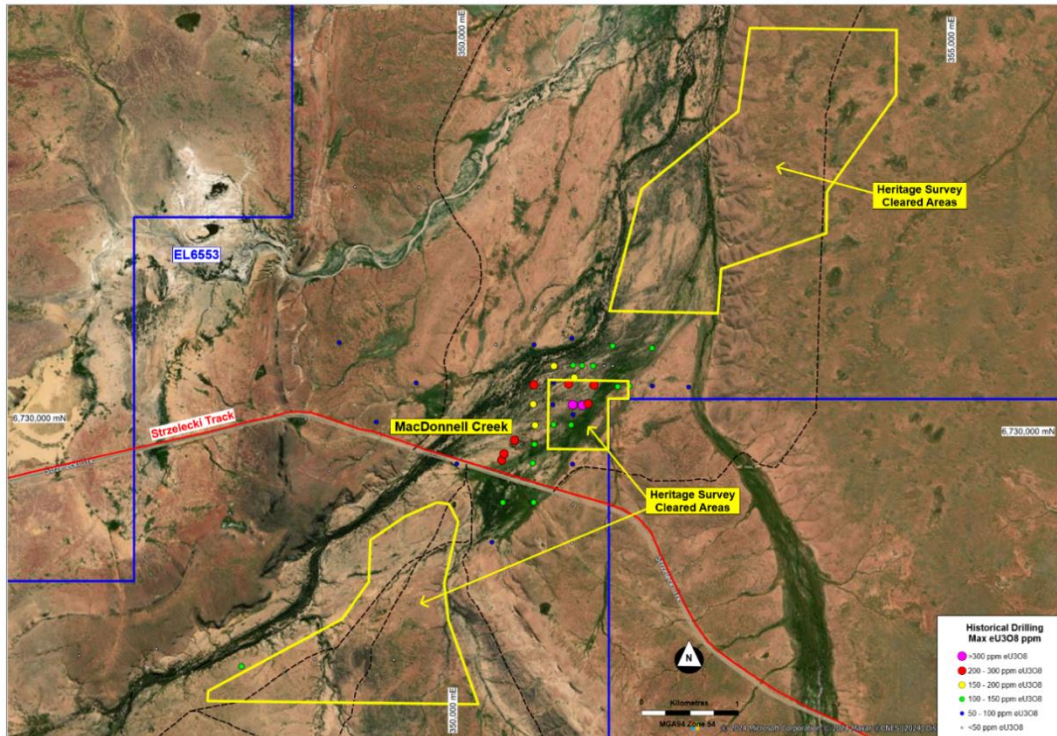


Figure 9 Heritage Clearance areas

Adavale's 2,000m Aircore program at MacDonnell Creek will be the first drilling at this prospect since 2011. The paleochannel at MacDonnell Creek is dominated by oxidised sands with the highest-grade uranium mineralisation located in interbedded reduced sands and clays at the bottom of the channel. The initial drill program will primarily target extensions of the known mineralisation both up and down stream as well as infilling the historical drill holes (Refer Figure 10).

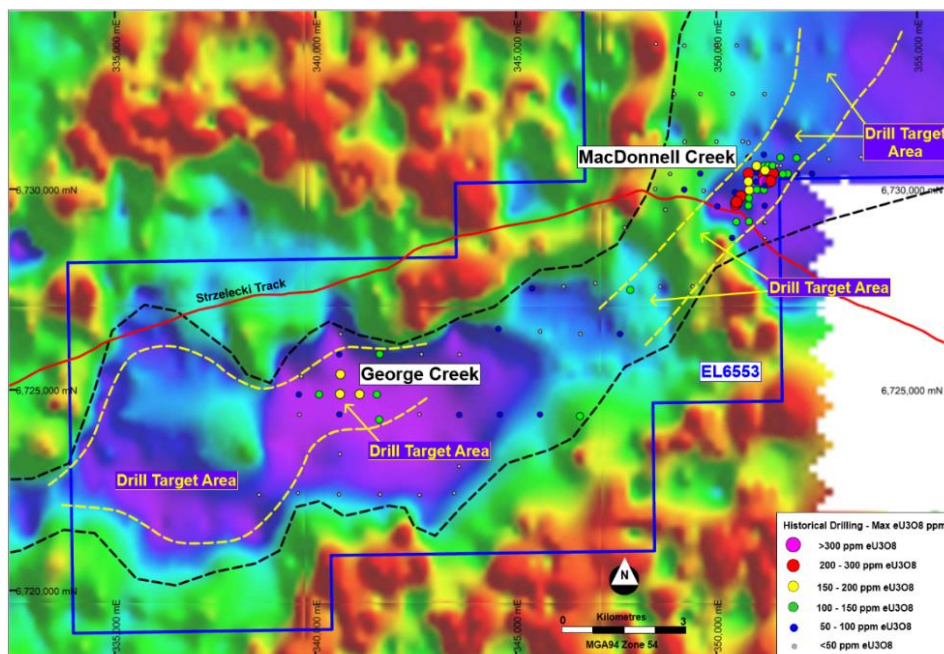


Figure 10: Current exploration and drill target areas at MacDonnell and George Creek.

For personal use only

MacDonnell Creek and George Creek prospects are proximal to the uranium-rich Mount Babbage and Mount Painter Inliers of the northern Flinders Ranges. Previous exploration by Cauldron Energy Limited (ASX: CXU) (Cauldron) from 2008 to 2011 intersected thin Quaternary alluvial/colluvial sediments overlying up to 80m of Namba Formation sediments.

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. The drilling returned the project's best uranium intercepts, with downhole gamma probing returned a maximum intersection of **1.0 metre at 263 ppm eU₃O₈** and **0.65 metres at 235 ppm eU₃O₈** in reduced sediments directly below the channel itself.²

Uranium mineralisation occurs in the underlying Eyre Formation sediments of 30m to 80m thickness, with oxidised and reduced lignitic clays, and lignitic quartz sands. These prospective Paleogene-aged Eyre and Neogene-aged Namba Formations are the host to several sedimentary roll-front uranium occurrences including the Beverley, Beverley Four Mile, and Honeymoon Well uranium mines. These formations are the principal target for uranium mineralisation within the Project area.

Historical exploration drilling targeted a paleochannel outlined by a detailed heliborne electromagnetic survey and extensions of the known mineralised areas remain to be fully explored within the Project area.

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 (See Figure 11).

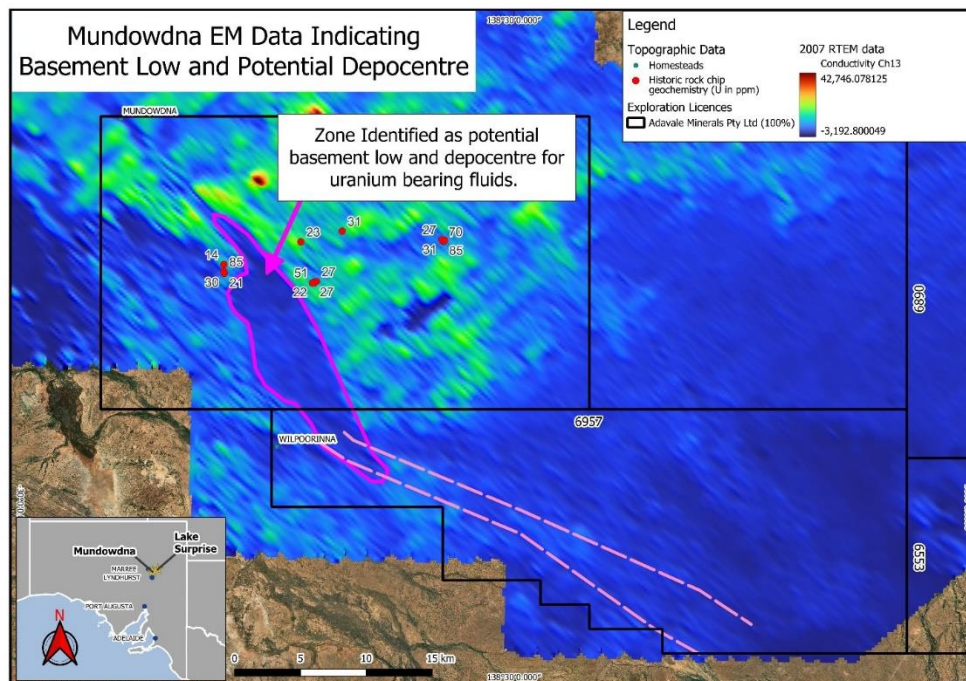


Figure 11: Area identified as potential basement low. This was identified using channel 9 – 15 of the re-processed EM Data. The image above shows channel 13 of the dataset.

² Refer to CXU ASX announcement dated 14 July 2011 – “Maree Drilling Results” and ADD ASX announcement dated 26 March 2024 – “Strategic Licence Acquisition to Expand Uranium Portfolio in SA” for full historical and JORC details.

For personal use only

NICKEL EXPLORATION

Kabanga Jirani Nickel Project and Luhuma Nickel Project (Tanzania)

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

December 2024 Quarter Exploration Plans

- Commence drilling including downhole logging at MacDonnell Creek and George Creek prospects
- Field exploration of the Marree Embayment Project to test for near surface uranium mineralisation.
- Progress a drill programme at the Depocentre prospect, Mundowdna.

CORPORATE

During the quarter, the Company has received firm commitments to raise a total of \$632,000 via a two tranche Placement to professional and sophisticated investors including directors and management participation.

The Company will issue 210 million fully paid Ordinary shares at an issue price of \$0.003 per share. Each Placement Share will receive a 1 free attaching Option with an exercise price of \$0.005 each expiring 31 December 2027 ("**Attaching Options**"). The Placement of 158,550,000 New Shares was issued pursuant to the Company's available placement capacity under ASX Listing Rule 7.1 ("**Tranche 1**"). Subject to receipt of shareholder approval at a General Meeting, a further 52 million New Shares and the Attaching Options will be issued ("**Tranche 2**").

During the quarter, Mr. Nic Matich was appointed to the Board of Adavale as Non-Executive Director. Nic is a mechanical engineer and finance professional with over 17 years' experience in the resources sector. Mr. Grant Pierce resigned as Non-Executive Chairman and Director of the Company on 30 September and Mr. Allan Ritchie, the current Chief Executive Officer, was appointed as interim Chairman. Grant joined Adavale in August 2020 and played a key role in restructuring and recapitalisation of the Company. He was also integral in building the Company's significant nickel exploration portfolio.

Subsequent to the quarter, Mr. David Rieke resigned as Executive Director and Mr. Allan Ritchie was appointed Executive Chairman of the Company.

For personal use only

Summary of Cashflow for the Quarter

Adavale held cash reserves and funding availability at the end of the quarter of approximately \$499,000.

During the quarter, approximately \$98,000 was paid to directors and officers. Included in the amount \$48,000 (as shown at 6.1), was paid to directors in accordance with their standard employment agreements.

The Company spent approximately \$212,000 on exploration and evaluation activities as per the table below:

Project	Nature of expenses	Amount \$
Kabanga and Luhuma Nickel Project		
	Project administration and compliance expenses	14,000
	Field expenses	6,000
	Geology consultants, field workers and other staff salaries	72,000
	Annual tenement rental rates	15,000
	Travel expenses	6,000
	Sub-total	113,000
Uranium Projects (South Australia)		
	Field expenses	14,000
	Geological services	55,000
	Tenement application and management fees	30,000
	Sub-total	99,000
TOTAL EXPLORATION AND EVALUATION EXPENDITURE		\$212,000

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

Further information:

Allan Ritchie
Executive Chairman & CEO
E: investor@adavaleresources.com
P: +61 2 8003 6733

Competent Persons Statement

The information in this release that relates to “exploration results” for the Project is based on information compiled or reviewed by Mr Patrick Harvey MAppSci, Australia. Mr Harvey is a consultant for Adavale Resources Limited and is a member of the AIG. Mr Harvey has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration as well as to the activity that is being undertaking to qualify as a Competent Person under the ASX Listing Rules. Mr Harvey consents to this release in the form and context in which it appears.

Tenement Holdings and Movements
Schedule of Mining Tenements and Beneficial Interests

Held as at the end of the September 2024 Quarter

Project/Location	Country	Tenement	Percentage held/earning
Kabanga Jirani Nickel Project	Tanzania	Kabanga West (PL11590/2021)	100%
		Kabanga North (PL 11405/2020)	100%
		Kabanga North East (PL 11406/2020)	100%
		Kabanga South East (PL 18602/2021)	100%
		Kabanga East (PL 11591/2021)	100%
		Ruiza NE (PL 11539/2021)	100%
		Burigi Block (PL11538/2021)	100%
		Burigi North (PL11537/2021)	100%
		Kabanga South East (PL11886/2022)	100%
		Southeast Wedge (PL12175/2023)	100%
Luhuma Central (PL12350/2023)	100%		
Luhuma Nickel Project	Tanzania	PL11692	65%
		PL11693	65%
The Company entered into a Farm-In Agreement to earn up to 100% of the Luhuma Nickel Project. The Company currently has achieved a 65% interest in the project on 8 February 2023.			
Nachingwea Prospect	Tanzania	PL11887/2022	100%
Lake Surprise Uranium Project	Australia	EL5892	100%
		EL5893	
		EL6598	
Maree Embayment Uranium Project	Australia	EL6821	100%
		EL6957	
		EL6890	
MacDonnell/George Creek Uranium Project	Australia	EL6533	100%

Acquired during the September 2024 Quarter

Project/Location	Country	Tenement	Granted/ Acquired Date
MacDonnell/George Creek Project	Australia	EL 6533	July 2024

Disposed of during the September 2024 Quarter

Project/Location	Country	Tenement	Withdrawal Date
Nil			

For personal use only

Appendix 5B

Mining exploration entity quarterly cash flow report

Name of entity

ADAVALE RESOURCES LIMITED

ABN

96 008 719 015

Quarter ended ("current quarter")

30 September 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	44	44
1.2 Payments for		
(a) exploration & evaluation	(212)	(212)
(b) development	-	-
(c) production	-	-
(d) staff costs	(98)	(98)
(e) administration and corporate costs	(130)	(130)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (GST (Paid)/Received)	10	10
1.9 Net cash from / (used in) operating activities	(386)	(386)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	(20)	(20)
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(20)	(20)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	475	475
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(25)	(25)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings (Con Notes)	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	450	450
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	280	280
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(386)	(386)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(20)	(20)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	450	450

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	324	324

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	324	280
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	324	280

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	48
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

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

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

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(386)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(386)
8.4	Cash and cash equivalents at quarter end (item 4.6)	324
8.5	Unused finance facilities available at quarter end (item 7.5)	175
8.6	Total available funding (item 8.4 + item 8.5)	499
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.29
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Yes.	

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

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

As announced on 31 July 2024 and 7 August 2024, the Company has successfully received firm commitments to raise \$632,000 via a Placement to professional and sophisticated investors. A balance of approximately \$156,000 (Tranche 2) will to be completed subject to shareholder approval at the General Meeting scheduled to be held on 29 October 2024.

The current cash balance plus additional funding will be sufficient to fund the Company's operations.

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

Yes as per above 8.8.2.

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

Compliance statement

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

Date: 28 October 2024

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

Notes

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