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26 OCTOBER 2020

September 2020 Quarterly Activities Report

New Board Delivers Strong Quarter for Adavale

Quarterly Highlights:

- **New Board of Directors Appointed**
- **New Chief Executive Officer and Company Secretary Appointed**
- **Agreement to convert Convertible Note at 167% to previous closing price and Freeing Company from all Long-Term Debt**
- **Rights Issue Withdrawn**
- **New Focus on Nickel Sulphide Exploration in East Africa**
- **Company Acquires Historical BHP Exploration Data for Target Generation**
- **Application Made for Additional Prospecting Licence in Tanzania**

Adavale Resources (ASX: ADD) is pleased to report on what has been a very successful quarter for the Company as it prepares to implement a renewed exploration strategy for nickel sulphide deposits in the Kagera Nickel Belt in Tanzania, East Africa

Corporate

On 27 August a new Board and Company Secretary were appointed comprising Grant Pierce (Chairman), Rod Chittenden (Non-Executive Director), Steven Georgiadis (Non-Executive Director) and Julian Rockett (Company Secretary). Allan Ritchie was subsequently appointed as Chief Executive Officer on 8 September 2020.

All Directors and Officers agreed to be remunerated in Adavale shares equivalent to $3,000 per month at the 5-day VWAP calculated on the last 5 trading days of each relevant month. This remuneration will be subject to shareholder approval at the AGM to be held in November 2020.

A binding agreement was executed during the quarter with the recent acquirers of the $1M face value convertible note to convert 100% of their interest, at a significant premium to the current share price.

The $1M face-value convertible note together with accrued interest at 8% per annum from 28 April 2017 is converted per the terms of the Convertible Note Agreement at a price of 5 cents per ordinary fully paid share, which removes all long-term debt from the Company's balance sheet. The conversion price is at a 167% premium to previous days close and which represents quite favourable terms. Post-conversion, the convertible note holder's interests

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will be fully aligned with the Company's. The removal of debt presents a significant opportunity in terms of the Company's ability to move the Company's projects forward and create shareholder value.

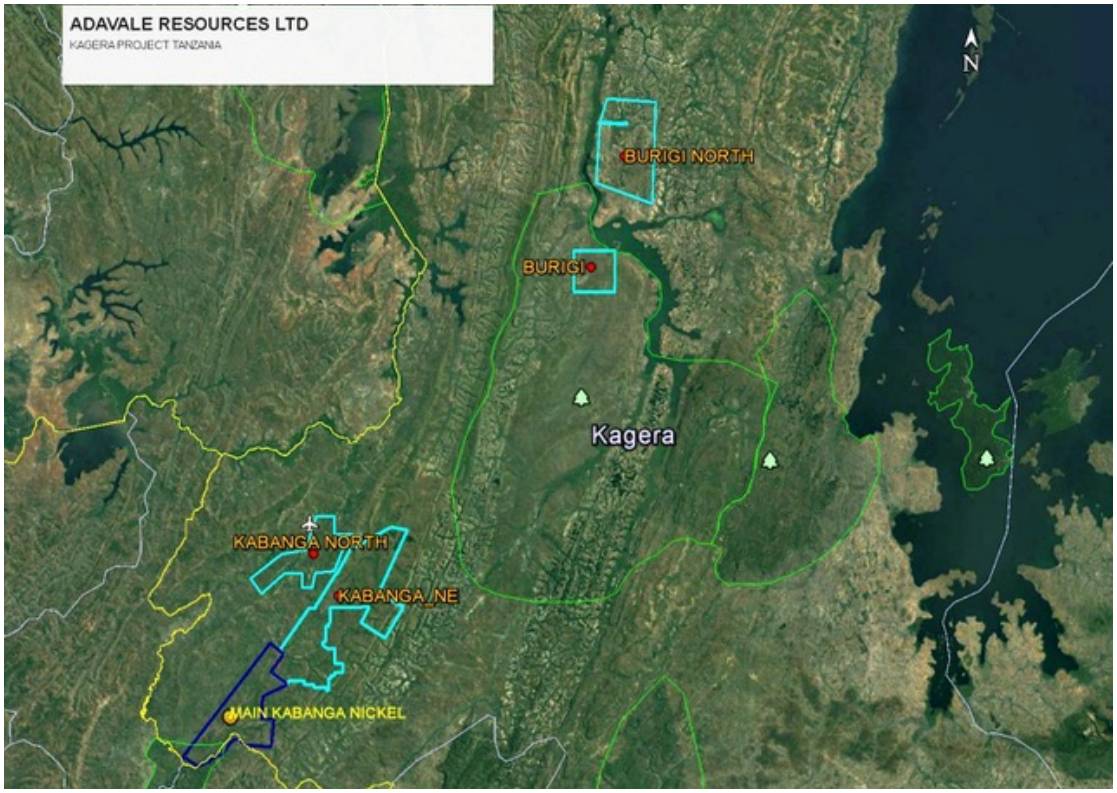
Subsequent to the end of the quarter, the Company announced a Share Purchase Plan whereby each eligible shareholder under the SPP, has been provided with the opportunity to acquire up to $30,000 worth of shares at an issue price of $0.03 (subject to scale-back at Adavale's absolute discretion), without paying any brokerage fees, commissions or other transaction costs.

Net proceeds from the SPP, together with the funds available from the existing Standby Subscription Agreement will be used to strengthen Adavale's balance sheet and enable Adavale to progress exploration work on its Tanzanian tenements.

Nickel Sulphide Exploration in Tanzania

During the quarter the Company obtained a comprehensive exploration data package comprising a significant body of exploration work undertaken in Tanzania's Kagera Nickel Belt region between the mid-1970's and 2008.

The wealth of relevant data contained in the package has already guided Adavale's technical team to recommend the application for additional prospecting licences. During the quarter the Company applied for the Burigi Licence and subsequent to quarter end, the Burigi North Licence.



MAP 1: Location of Company's 100% owned Kabanga North and NE prospecting licences and its Burigi and Burigi North licences under application in relation to the world class Kabanga Nickel Project.

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Capital Structure and Cash Position

The Company's summarised capital structure as of 30 September 2020 is as follows:

Issued fully paid ordinary shares:	171,194,340
Cash at bank:	$29,590

Schedule of Tenements

Mining Tenements Held, Acquired or Disposed of by Adavale Resources Limited as at 30 September 2020.

Pursuant to ASX Listing Rule 5.3.3 the Company reports as follows in relation to mining tenements held at the end of each quarter and acquired or disposed of during the quarter and their location.

Ministry ID	Area (km^2)	Project Location
PL 11406/2020	298.02 km^2	Kabanga Nth East, Tanzania
PL 11405/2020	113.84 km^2	Kabanga North, Tanzania
EL 5892	92 km^2	Lake Arthur East, Sth Aust.
EL 5893	167 km^2	Lake Arthur, Sth Aust.
EL 5644	137 km^2	Canegrass Swamp, Sth Aust.

Tenements Acquired during the quarter: Nil
Tenements Disposed during the quarter: Nil

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

To contact the Company about this announcement please email Julian Rockett, julian@adavaleresources.com.

For further information on the Company and our projects please visit www.adavaleresources.com

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