

10th June 2008

ASX Code: **ADD**

ASX ANNOUNCEMENT FOR ADAVALE RESOURCES LIMITED

EXPLORATION UPDATE May 2008

LAKE SURPRISE PROJECT

CLAYTON BASIN

- During May the company completed a further 27 rotary air blast (RAB) holes at the Jubilee Prospect area.
- The holes were a continuation of the grid pattern commenced in earlier programs.
- Gamma radiation from uranium persists and now appears to occur generally on three horizons.
- A level of continuity between drill holes and drill grid lines has been identified.
- Calibrated gamma ray anomalies between 100 ppm and 300 ppm eU₃O₈ were recorded.
- Drilling will continue in June. RAB drilling will focus on the Jubilee Prospect. Core drilling will be undertaken in areas of anomalous gamma ray intersections to establish continuity and grade.
- Data from earlier drilling and logging at the Plastic Tank and Jubilee Prospect areas are being reviewed and compiled together with the latest results.

MUMPIE PROSPECT

- Drilling, calibrated gamma ray logging and assaying were delayed pending grant of work area clearances and are programmed to start in the next few weeks. Approximately 80 RAB holes will be drilled and gamma ray logged in areas identified from initial reconnaissance drilling and radiometric surveys. Anomalous drill holes will be cored and gamma ray logged. Assays of these core samples will provide data on their uranium content that can be correlated with the calibrated gamma ray logs.

SPRINGVALE PROJECT

- Native title clearance has been received and photogeological interpretation and digital geological maps of the area have been completed.
- Geologists will commence field investigations and carry out rock chip sampling and spectrographic measurements during June.
- Drilling will follow and focus on targets identified during the geological field work.

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FINNISS SPRINGS PROJECT

- Previous exploration focused on the Clara St Dora copper mine and an associated large gravity anomaly. Anomalous copper, gold, zinc, lead and uranium reported from rock chips in the vicinity of this mine is encouraging for further exploration.
- In addition, encouraging assays of copper and zinc were found in conjunction with high levels of tellurium, selenium and bismuth. This combination of elements elsewhere in the world are associated with large precious metal ore bodies.
- The area is considered as having potential for strata-bound copper-zinc and Olympic Dam type deposits at depth.
- Photogeological interpretation is in progress and field work to follow up on the geological mapping and to identify drill locations is planned for the third quarter. Drilling is subject to native title clearances.

MT FLINT PROJECT

- The project lies to the north and west of Lake Surprise and totals 3020 sq km.
- The targets lie within Cainozoic sediments and sedimentary rocks and comprise palaeochannel uranium, and phosphate rock.
- Sedimentary rock types recorded from former drilling indicate suitable conditions for the presence of palaeochannels containing roll front style uranium deposits.
- High phosphate assays were found in library samples of core and cuttings and XRF analyses indicating a one metre interval containing up to 27% P₂O₅.
- Air photo interpretation of newly flown aerial photographs is nearing completion.
- Geological field work will be undertaken in the third quarter to identify drill locations. Drilling is subject to native title clearances.

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Adavale Resources Limited ("Adavale") is a junior mineral explorer focused on identifying and evaluating projects that present significant potential. Adavale has access to a technical team with decades of experience along with all necessary geophysical instruments and a drilling business that help optimise a philosophy of consistent effective exploration.

Competent Persons Statements

The information in this report relates to exploration information reviewed by Dr Brian Senior, who is a Fellow of the Australasian Institute of Mining and Metallurgy and independent geological consultant to the company. Dr Senior has over 35 years of exploration and mining experience in a variety of mineral deposit styles, including uranium, base metals and gold mineralisation and he consents to inclusion of the information in this report in the form and context in which it appears. He is a Certificated Professional (Geology) and qualifies as a Competent Person as defined in the 2004 Edition of the "Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves"