

Company Research

20th April 2021

Share Price **\$0.055**

52-Week Range	\$0.011 - \$0.087
Market Capitalisation	\$15.7m
Shares Outstanding	285.5m
Unlisted Options (6¢, Dec 2022)	17.5m
Cash (as at 31 st Dec 2020)	\$2.3m
Enterprise Value	\$13.4m
Top 20 shareholders	40%

Board

Grant Pierce	Chairman
Rod Chittenden	Non-Executive Director
Steven Georgiadis	Non-Executive Director

Management

Allan Richtie	Chief Executive Officer
Geoff Brayshaw	Chief Financial Officer
Julian Rockett	Company Secretary

Research Analyst: J-François Bertincourt

On Track for Drilling in June - Aiming for a World Class Discovery

Strategy: The key elements of ADD strategy are as follows:

1. Explore systematically all the targets defined through database compilation, geochemical and geophysical surveys and fast track to drilling (expected to start this quarter)
2. Leverage the in-country expertise of the management team to progress the exploration and development of any mineral resource discovered

Board and Management: to follow this strategy and deliver results, ADD can rely on a team with successful mine building and operating experience in Tanzania including:

- **Grant Pierce**, mining engineer, was part of the team who built the first modern gold mine in the country, Golden Pride of Resolute Mining Ltd (ASX: RSG), then 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) and Executive Director of EcoGraf (ASX: EGR) leading to the company receiving the Epanko Graphite Projects' Environmental Certificate and Mining Licence.
- **Rod Chittenden** is a metallurgist with over 40 years of experience across Africa, Australia and South America, both in executive and project development roles. He has worked over 9 years in Tanzania and recently led the team on the Nachu Graphite Project for Magnis Energy Technologies (ASX: MNS) from discovery through to feasibility studies and environmental permits.

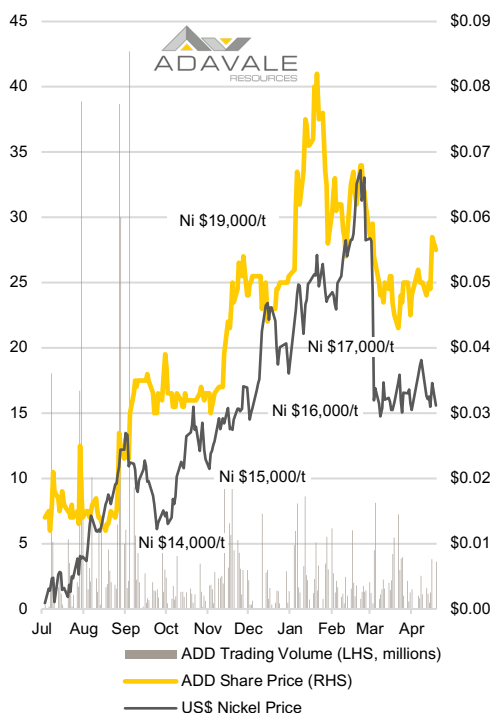
Results Driven Team: In a context of increasing nickel prices and in less than nine months, ADD has delivered the following:

1. A new Board
2. The conversion of debt (now nil)
3. A new Chief Executive Officer
4. The acquisition of exploration data generated by BHP over ADD tenements
5. Four additional exploration licences granted
6. A market capitalisation increasing from A\$2.4m to A\$15.7m
7. A share price increasing from 1.4¢ to 5.5¢ (with a high at 8.7¢)

Initial Exploration Results: The current exploration programs are focused on combining the results of both geochemical and geophysical surveys to define drilling targets. The geochemical surveys consist of soil sampling along grid lines every 400m with samples every 50m. Target areas are defined by coincidence of favourable attributes such as elevated nickel and copper values in soil, magnetic lows as well as late channel electromagnetic conductors that may be indicative of underlying mafic/ultramafic intrusions. So far so good. See next page: the soil sampling results confirm from of Kabanga NE exploration licence confirm its appropriate selection, located approximately 10km from the Kabanga Nickel Deposit. In addition, the identification of an outcropping ultramafic intrusion hosting disseminated sulphides within the Kabanga NE target area bodes well for the upcoming drilling program.

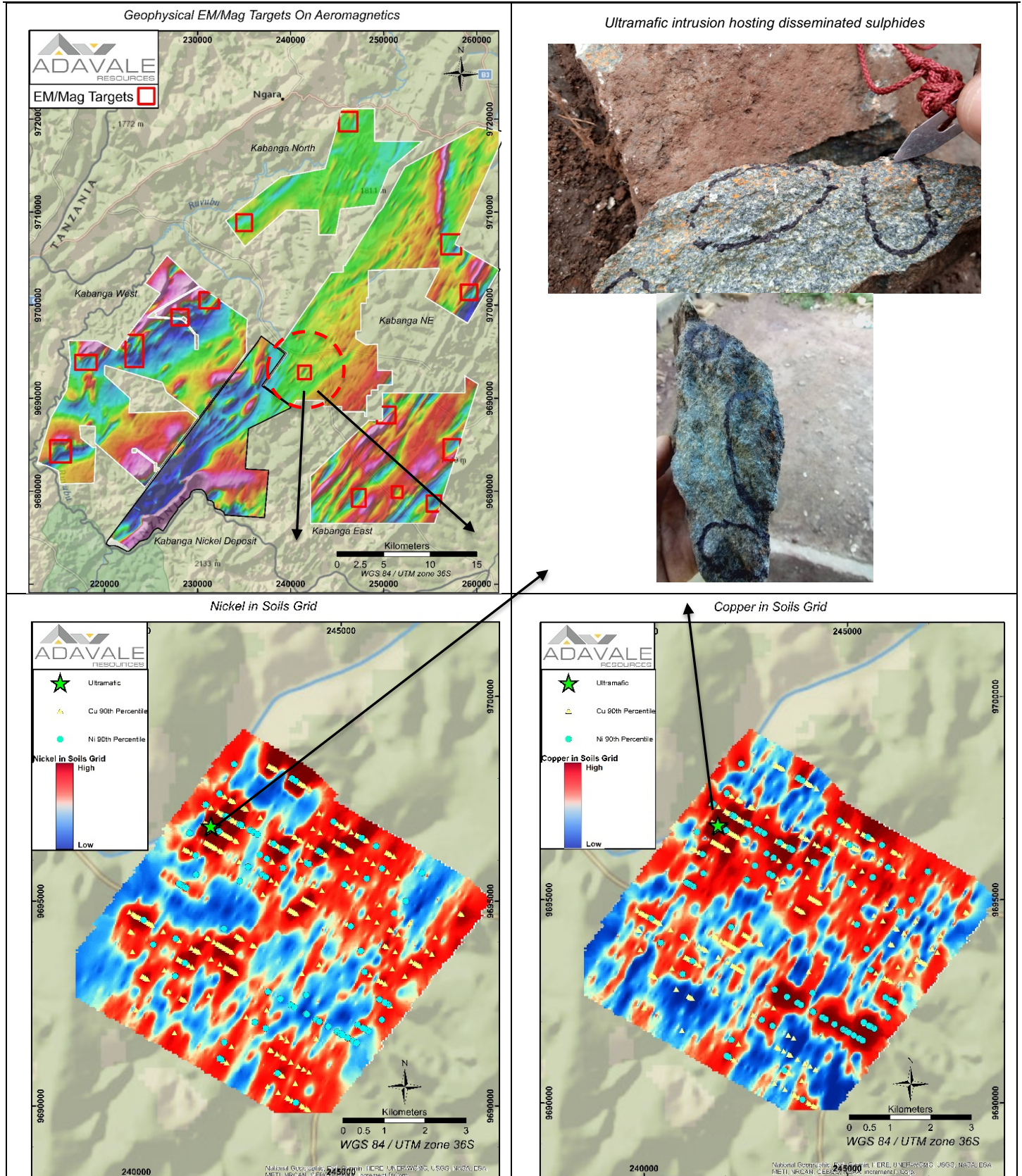
Target Definition and Upcoming Drilling: Targets areas are refined using audio-frequency magneto-tellurics (AMT) and ground electromagnetics (EM). The EM plates that are modelled will then form the drill targets. The overall targeting process is sufficiently advanced for ADD to request quotes from drilling contractors with experience in Tanzania and familiar to ADD's Directors to provide both reverse circulation and diamond drilling.

Subject to further review, the provisional plan is for an initial program of 8 drillholes to a depth of approximately 350m for a total of 2,800m.



Adavale Resources Ltd (ASX: ADD) is a mineral exploration and development company currently focused on its recently acquired, 100% owned, Kabanga Jirani Project in Tanzania. The project consists of six granted licences and one application covering nearly 1,145km². These licences are adjacent and along strike one of the world's largest and richest undeveloped nickel sulphide resource, namely the Kabanga Nickel Deposit, which contains a mineral resource of 58 million tonnes at 2.62% Ni.

Kabanga Jirani Nickel Project – Kabanga NE Prospecting Licence



Source: ADD. 90th percentile for both Ni and Cu means that only the highest tenth of the soil sampling results are displayed.

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