

BUY - ADD:ASX

Reward/Risk Ratio – 2.71:1

New Trade Opportunity

Target: (+114%) – 0.107

*Current Unit Price -
\$0.050*

Adavale Resources Limited.

Stop: (-42%) - \$0.029

<i>Sector</i>	<i>Market Cap</i>	<i>P/E Ratio</i>	<i>Dividend Yield</i>	<i>Beta</i>	<i>Consensus Price Target</i>	<i>Short Interest</i>
Materials	17.17M	NA	0.00%	0.68	NA	NA

Adavale Resources Limited is a mining, exploration, and development company that operates in Australia and Africa. They holds a 100% interest in the Kabanga Jirani Nickel project, that consists of 7 granted licenses and one application covering an area of 1,145 square kilometers located in Kagera, Tanzania; and Lake Surprise uranium project comprising three exploration tenements covering approximately 400 square kilometers situated in the northern part of the Lake Frome Embayment, South Australia. The company was incorporated in 1969 and is based in Sydney, Australia.

INVESTMENT THESIS

Adavale has had very promising results in both the nickel and uranium space which are directly linked to electric vehicle space and the large lower carbon thematic. Over the long run this thematic is only going to grow and a company like Adavale provides high potential upside, with their low-cost exploration endeavors. When considering the company's current fundamental position there are 4 reasons we think it is a good buy at the moment.

The recent farm-in acquisition contiguous to Adavale's promising Kabanga North East licence are the 2 x Luhuma licences that allow Adavale to surround the very impressive historic LUH06 drill hole intercept 1.1% Ni in 8.4m massive sulphides.

Secondly, their recent drilling success on Kabanga North East at Target 7, discovery of a layered mafic-ultramafic intrusion within a 248m interval of disseminated sulphides and pXRF readings of Ni up to as high as 1.7%.

Thirdly, their potential mineralised system to explore along strike from LUH06 hole SSW across the 2 Farm-in licenses and through to Target 7 creates high priority exploration corridor. Further SSW lies Target 16 containing both an ultramafic outcrop and a thick 25m mafic intrusion starting from 30m depth

Fourthly, the Uranium fieldwork showing some very high gamma readings taken via handheld spectrometer at site across large and strong 1.8km x 8km gamma anomalies. This anomaly as well as several other gamma anomalies are coincident with a recent Helium satellite study supporting the exploration targets.

Looking ahead Adavale will return to South Australia in the coming weeks, with their exploration foc to include:

- Sampling across the paleo channel to define zones where high uranium content expected
- Continuation of the gamma survey
- Sampling further helium anomalies highlighted
- Development of targeted drilling programs for resource definition

TECHNICALS



Source: Yahoo Finance

RECENT PRICE SENSITIVE ANNOUNCEMENTS

Date	Headline	Download Link
17/12/2021	Significant Gamma Results	Click to Download
16/12/2021	Adavale Discovers Significant Mafic-Ultramafic Intrusion	Click to Download
28/10/2021	Highly Prospective Nickel Sulphide Tenure Expanded	Click to Download
28/10/2021	Lake Surprise Delivers Encouraging Gamma Readings	Click to Download
28/10/2021	Successful Share Purchase Plan Closed at \$1.34M	Click to Download
27/09/2021	Uranium Prospectivity at Lake Surprise Project	Click to Download

Source: ASX

SIMILAR COMPANIES

Ticker Code	Name	P/E	Yield	Market Cap	12 Month Change
BOA	Boadicea Resources Limited	4.72	NA	16.3M	-10.42%
AYM	Australia United Mining Limited	26.67	NA	14.74M	-20%
CRB	Carbine Resources Limited	96.67	NA	13.91M	-42%
AHK	Ark Mines Limited	NA	NA	10.48M	15.79%

Source: ASX

If you have any questions in relation to this recommendation please feel free to contact us on j.pritchard@fortemwealth.com.au or your adviser direct, or simply reply to this email and we will be in touch.

Disclaimer

Fortem Wealth Pty Ltd (ABN 21 615 026 321) is a Corporate Authorised Representative (No. 1248947) of LeMessurier Securities Pty Ltd (AFSL No. 296877). Any advice contained in this document is general advice only and has been prepared without considering your objectives, financial situation or needs.

You should not rely on any advice and/or information contained in this document and before making any investment decision we recommend that you consider whether it is appropriate for your situation and seek appropriate financial, taxation and legal advice. Please read our Financial Services Guide before deciding whether to obtain financial services from us.

Fortem Wealth Pty Ltd and/or entities and persons connected with it may have an interest in the securities the subject of the recommendations set out in this report. In addition, Fortem Wealth Pty Ltd and/or its agents will receive brokerage on any transaction involving the relevant securities or derivatives. Sources: ASX, FN Arena, Trading View, Yahoo Finance, Reuters.