



**ADAVALE RESOURCES LIMITED
ANNUAL GENERAL MEETING
CHAIRMAN'S ADDRESS**

This AGM is my second year holding the chairmanship of this company.

The book value of the company has declined from AUD ~5.4m (June 2012) to AUD ~600k (June 2014). Most of this devaluation is because we have to write off most of the past expenses for exploration both in Tapan and Lake Surprise.

As a company, we have tried our best to select projects that would be able to generate cash flow for the company and / or increase the value of the company. Unfortunately due to macroeconomics conditions and the implementation of new mineral regulation in Indonesia, it is extremely difficult to meet our investment criteria.

At the moment market value has reached its bottom of AUD 950k, with the price of AUD 0.003 per share drop almost 8 folds from the time we took over the management.

The civil court trial on Tapan has consumed lots of management time and expenses. This issue has held back several partners from having strategic partnership with us to develop the mine. Based on the copy of the official Verdict, the Judges' District Court in South Jakarta has made decision which is not in the Company's favour. The Company's local legal representation has advised that the Judges' decision has no merit and an appeal has been lodged with the High Court.

Regarding our uranium tenement, unfortunately there is no interested party to develop the uranium tenement at the moment.

These conditions make it difficult for the Company to raise capital from the public.

As the executive chairman, I have to make sure that this company is afloat and solvent, but we need your support to reconstruct ADD, so it will be compelling for other party to vend one or more their assets/projects.

I believe that despite the macroeconomics condition, in Indonesia, a country abundant with natural resources, there are other potential projects beyond coal. Moving forward, management will consider other mineral resources projects including its processing industry which will provide the company with cash flow to ensure that the company will increase its book value for our mutual benefits.

Thank you for your continued support.

Haryono Eddyarto
Executive Chairman

