

Adyton Resources Corporation

ADY-TSX.V: \$0.14
Rating: Watch List

Adyton Resources Corporation; ADY-TSX.V

Stock Data	
Previous Close (C\$)	\$0.14
52-Week High-Low	\$0.2 / \$0.005
Avg. Daily Volume (3M)	617,906
Basic SO (MM)	206.9
Fully Diluted SO (MM)	221.2
Market Cap. (FD ITM, C\$ MM)	\$31.0
Cash (C\$ MM)	\$1.5
ITM Options & Warrants Value	\$0.2
Debt (C\$ MM)	\$0.0
Enterprise Value (FD, C\$ MM)	\$29.3

Company Information

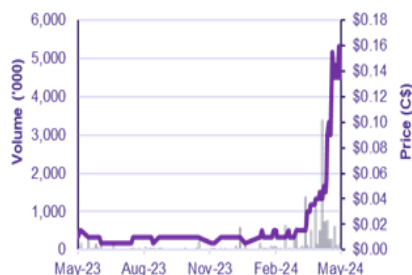
Flagship Project	Feni Island
Project Location	Papua New Guinea
Global Resources (MMoz AuEq)	2.2
EV/oz Valuation (global, C\$/oz)	\$10.0

Management

CEO	Tim Crossley
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Shareholders

Mayur Resources Limited	24.6%
Directors and Management	12.5%



ADY Offers Massive Cu-Au Porphyry & Near-Term Production Potential in PNG

May 9, 2024

We think that geologically, Papua New Guinea (PNG) is the place to be for hunting large copper/gold deposits such as Lihir (56MM oz Au), Panguna (6.4Mt Cu & 25MM oz Au). Adyton owns two projects in PNG on 2 islands: (i) Feni Island that currently hosts a 1.45MM oz resource; (ii) Fergusson Island (700k oz resource). Mgmt. thinks there is potential for fast-tracking Fergusson towards production while the main opportunity is at Feni with potential for discovering a massive porphyry. At a ~C\$30 MM market cap, we think Adyton offers significant torque to a potentially material discovery in a market with strong tailwinds for copper. We are adding ADY to our Watch List.

ASSET SUMMARIES

Feni Island

- Structural setting is very prospective for a large porphyry discovery as the Feni project is located in the same chain as Lihir (150km, 56MM oz Au) & Simberi (250km, 5MM oz), Panguna (300km, 6.4Mt & 25MM oz Au);
- +30 years of exploration with 18,813 m drilled, incl. ~2,000 m drilled by ADY;
- Testing, incl. petrography, has confirmed that the mineralization is porphyry related;
- Most of the historic drilling (shallow <150 m) did not test key areas of interest. Mgmt. believes that based on their geological model most of the highest potential areas were largely untested;
- Importantly, Feni is derisked from an exploration standpoint with a 1.45MM oz resource that remains open for expansion both along strike and at depth;
- We highlight that a lot of the historic drill holes were not assayed for copper (interested only in gold) and hence the above resource is understated if copper were to be included – a low hanging fruit that could be impactful in growing the resource with some additional drilling;
- Additionally, Feni has multiple mineralization styles with epithermal low sulphidation (Lihir style) close to surface and potentially potassic porphyry mineralization beneath – this offers potential for low capex development starting with a shallow epithermal deposit potentially funding the development of the porphyry beneath;
- To date, best drill result came from ADY's drilling in 2021 - ADK004 intercepted a shallow disseminated zone of copper followed by a zone of massive sulphide copper: 6.4 m at 5.1% Cu & 1.6 g/t Au (massive sulphide intercept) beneath disseminated 35.9 m at 0.3% Cu & 1.1 g/t Au. However, previous drilling proximate to ADK004 also intercepted significant mineralization including (MAD005) 284 m at 0.7g/t Au and

72 m at 0.3% Cu, (MAD001) 188 m @ 1.7 g/t Au , (AMDO02) 114 m at 1.1g/t Au, 10.2 M 0.5% Cu, (KAD001) 57 M 1.1g/t Au, 55M 0.4% Cu;

- Plan is to follow up on this high grade area as well as other high priority untested targets:
 - Starting with geophysics to home in on drill targets – starting in June/early July
 - Drilling in September – will incl. deeper drilling down to ~600 m to target the geophysical anomaly at depth

Fergusson Island:

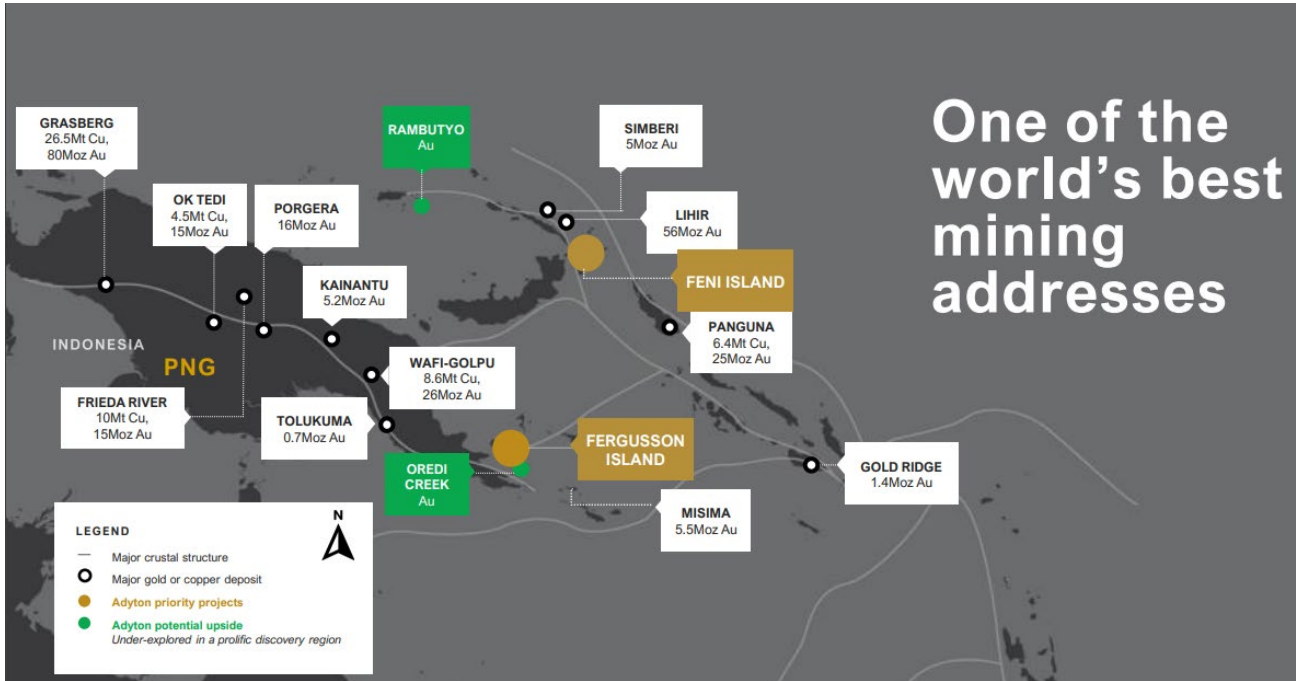
- 2 mineralization centers, 30 km apart – Wapolu & Gameta with a combined resource of ~715k oz at ~1.3 g/t;
- Shallow mineralization, low mining cost – into paydirt immediately below surface;
- Some of the widest intercept include (ADDO02) (13.2 m at 6.74 g/t) and to the southwest outside of the current resource (GRCo76) 5 m @ 6.59 g/t indicating the system the system remains open and indicates potential for expanding the resource;
- Mgmt. believes the project is ready to advance towards development;
- Progressing towards production in the near-term;
- As a result, offers cash flow potential for ADY to self-fund future exploration once Fergusson is in production.

Figure 1: ADY – Project Resource Summary



Source: Company Reports

Figure 2: Prospective Location



Source: Company Reports

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