

EKM.AU

Eleckra Mines Limited

A\$ 0.10

15 March 2010
 Gold, Uranium
 Australia (WA)
 Advanced Exploration
 Exchanges: ASX:EKM

EKM's Yamarna belt (WA) exploration has produced a new high grade discovery and probably more with two major new anomalies to be drilled 2Q10. This increases our expectation of a >1moz resource (0.75moz current), with improved grades, and a share valuation of ~A\$0.20.

Capital Profile

Share price (A\$)	0.10
52 week range (A\$/share)	0.02 to 0.21
Number of shares (m)	192.8
Options and warrants (m)	76.0
Convertible notes (m)	0.0
Fully diluted (m)	268.8
Market capitalisation (undiluted) (A\$m)	19.3
Debt (A\$m) - Mar 10F	0.0
Enterprise value (A\$m)	19.3
Major shareholders: Directors (7.3%), Perth Select Seafood (5.1%), Geiger Counter Fund (4.0%), Asarco Expl. Co. Inc. (2.6%)	
Avg monthly volume (m)	16.0
Cash (A\$m) - Mar 10F	2.7
Price/Cash (x)	7.1
Price/Book (x)	2.4
Company options:	EKMO

Production and Financial Forecasts

YEAR END: June	Dec-09a	Mar-10F	2009a	2010F	2011F
Exploration and evaluation (A\$m)	0.74	0.45	1.10	2.21	3.10
Corporate (A\$m)	0.22	0.25	0.71	1.01	1.20
Exploration/(Expl.+ Corporate) (%)	77	64	61	69	79
Funding duration at current burn (years)			1.3	0.6	0.4
Shares on issue (pr end) (m shares) **	192.8	195.8	170.4	195.8	233.9
Drilling - RAB (m)	1,500	1,000	15,500	8,000	9,500
Drilling - Other/Diamond (m)	2,000	1,000	3,000	14,000	24,000
Land holding ('000 ha) *	450	450	450	450	450
Tenement costs (\$k per year)	-	-	-	-	-
Capital raisings (A\$m)	2.36	0.32	2.66	2.67	4.00
Funding from JV partners (A\$m)	0	0	0	0	0
Cash (A\$m)	3.1	2.7	2.4	1.8	1.6
Cash backing (A\$/share)	1.6	1.4	1.4	0.9	0.8
Net asset backing (A\$/share)	4.0	4.0	3.5	3.9	5.0

*Gold and uranium prospective tenements, held and under application.

** FY11 shares assumes nominal A\$4m equity raised.

Investment Points

EKM's focus is gold and uranium in WA. Exploration budget increasing to ~A\$2mpa, mostly directed to gold.

Strategic position (~5,000km²) in remote under-explored Yamarna greenstone belt in Yilgarn Craton.

Yamarna (Attila-Alaric) gold resource 749koz Au near surface - many untested targets along 17km strike.

New high grade discovery Central Bore - 520m new open-ended high grade mineralised zone.

Additional larger Byzantium and Hann anomalous zones near Central Bore recently discovered, drilling 2Q10.

Initial resource statement for Central Bore 3Q10.

If Byzantium and Hann zones reproduce Central Bore success, EKM will be re-rated strongly.

As resource approaches 1moz and grades improve, our six month target range is A\$0.16/share - A\$0.22/share.

Company Comment

Overview: EKM listed on the ASX July '06. Its focus is the under-explored Yamarna Greenstone Belt where it has established a 749koz gold resource, and a 6.2mlb shallow calcrite U₃O₈ resource.

Yamarna Project (WA): (3,000km², gold) EKM has defined an initial gold resource along the Yamarna shear zone - a regional scale mineralised trend considered prospective for multi-million ounce discoveries. EKM's 749koz (1.78g/t) resource defined to date occurs in the **Attila-Alaric zone** along a 17km strike length. The deposit is open at depth and along strike. EKM is targeting total resources of 1moz - 1.5moz Au before commencing a PFS. Recent 7,000m RC campaign 3Q09 focused on two areas, with significant success: **1. Yamarna Deeps:** EKM has identified 10 target areas with potential deeper high grade shoots (>10g/t). The first target - **Alaric 2** - was subject of a 2,132m 15 hole program in 3Q09, and produced good high grade intercepts. Second target Khan North also produced good intercepts. **2. Central Bore ("CB"):** (3.7km E of Attila) - A new high grade quartz vein discovery parallel to Attila-Alaric, strike length of 520m, open along strike and at depth. The 2009 RC drilling program (3,900m, 39 holes) confirmed that CB is a likely source of higher grade ore.

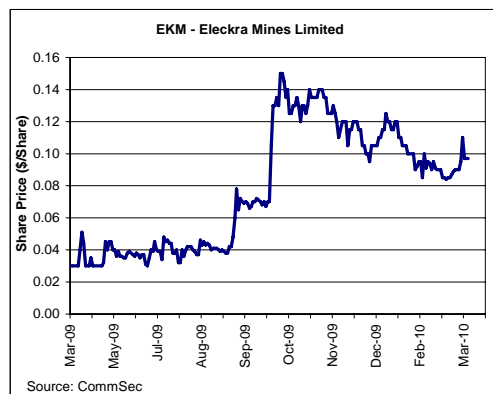
New Anomalies: Soil geochem surveys have recently resulted in the discovery of two larger 1km long gold anomalies - **Byzantium Prospect** - 1 km long, only 500m from CB, and the **Hann Prospect** - a strong 2.8km anomaly (surface grades up to 2.1g/t) only 1.1km from Attila. Both of these new anomalies are stronger anomalous zones than the original CB zone, and are high priority for RC drilling in 1Q10.

Next Steps: Immediate drilling priorities for 2Q10 are the **Byzantium** and **Hann** anomalies (total 7,000m RC campaign). Second 14,000m campaign will follow 2H10. We expect that EKM will announce an initial JORC resource for CB in 3Q10, after the next round of drilling. Subject to drilling results and resource size, PFS could start early 2011. PFS likely to focus on open pit and possibly underground mining of high grade shoots, heap leach of oxide ore, trucking of primary ore.

Golden Sands (WA): (1,500km², gold) EKM holds largely unexplored exploration tenements north of the AngloGold Ashanti/Independence Group **Tropicana** gold project (5moz resource).

Thatcher Soak (WA): (500km², uranium) EKM holds Eastern portion of the Thatcher Soak calcrite uranium prospect, (total 20mlb resource - Uranex NL (ASX:UNX) 14mlb and EKM 6.2mlb). Based on UNX recent transaction, we think a deal with UNX would value Thatcher Soak at around ~A\$1.00/lb.

Investment Comment: The higher grade Central Bore zone discovery has been a real revelation for EKM and a potential significant boost to the economics of this project. If the two new larger parallel anomalies near Central Bore come up anything like Central Bore, then this will dramatically increase the perceived value and economic viability of EKM's ground. A higher grade >1moz target will look more assured. Putting a deal value of A\$1.00/lb on Thatcher Soak, plus A\$3m for other exploration ground, gives a target range between **A\$0.16/share** (A\$20/oz valuation) and **A\$0.22/share** (A\$30/oz valuation) assuming a 1moz target. Upper level of this range is more likely as a six month share price target.



Reserves and Resources/Mineralised Material

Code for reporting mineral resources - Australian: (JORC)

Gold	Classification	Project Equity	Ore Mt	Au g/t	Cut Off g/t	Au t	Au koz	Au Eq koz
Reserves						0.0	0.0	0.0
Resources								
Yamarna - Attila-Alaric	Inf., Ind. & Meas.	100%	13.1	1.78	1.00	23.3	749	749
Mineralised Material (est., non compliant with JORC)						0.0	0.0	0.0
Uranium Resources		Project Equity	Mt	U₃O₈ %	Cut Off ppm	U₃O₈ kt	U₃O₈ mlb	U₃O₈ Eqty mlb
Thatcher Soak	Inferred	100%	16.1	0.017	100	2.7	6.2	6.2

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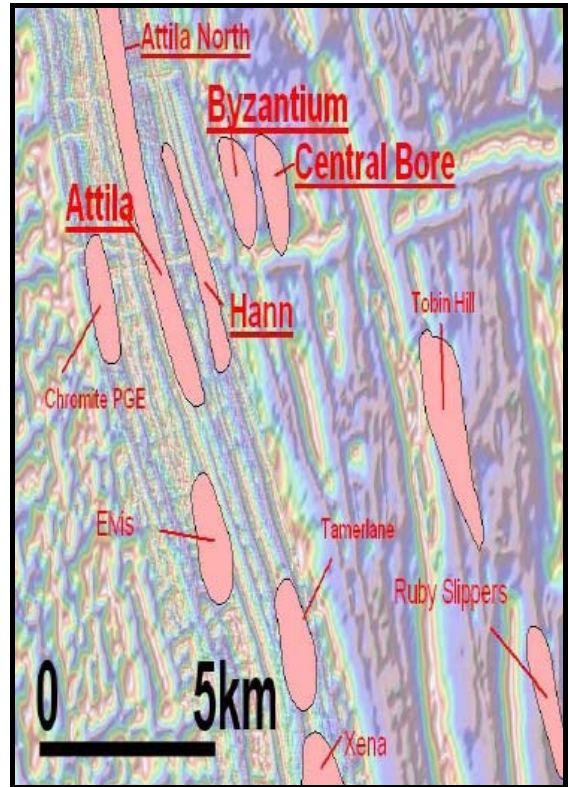
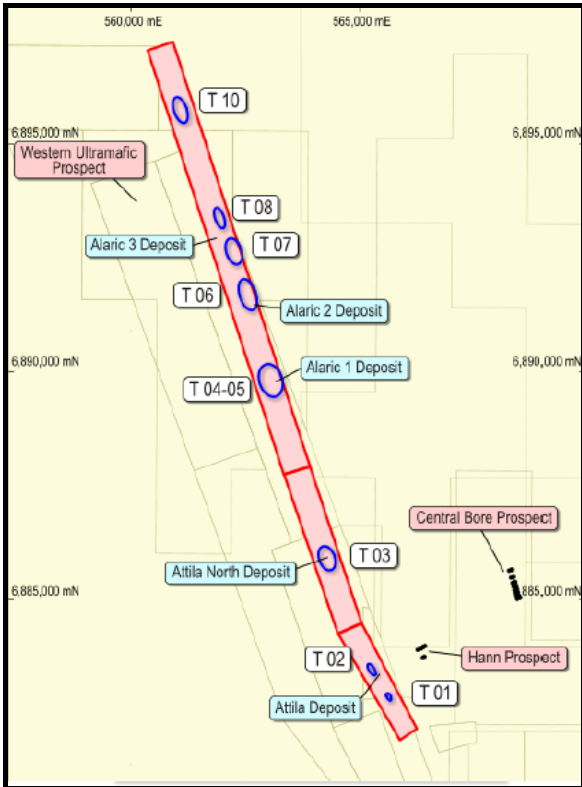
Directors

I Murray (Exec Chairman)
 R Davis (Non-Exec Dir)
 K Hart (Non-Exec Dir)

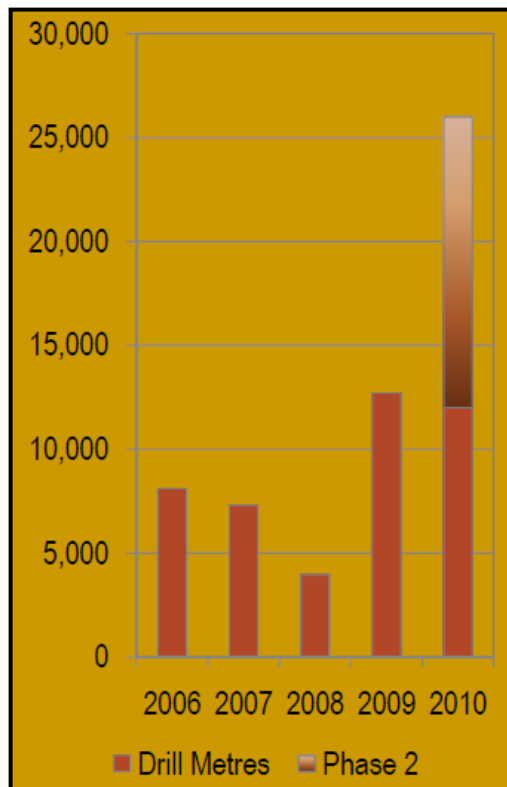
Key Projects

Project	Ownership/Option	Metal	JV Partner	Target Type	Process Route	Project Status	Location
Yamarna - Attila	100%	Au	none	ox/sulp	heap leach	Adv. Expl.	Aus (WA)
Yamarna - Gold regional	100%	Au	none	ox/sulp	na	Mid Expl.	Aus (WA)
Golden Sands	100%	Au,U	none	ox/sulp	na	Early Expl.	Aus (WA)
Yamarna: Thatcher Soak	100%	U	none	Calcrite	Alk. Leach	Adv. Expl.	Aus (WA)
Lake Rason + Lake Wells	100%	U	none	Calcrite	na	Early Expl.	Aus (WA)

The newly discovered anomalies at Byzantium and Hann are between the existing Attila resource and the newly discovered Central Bore 520m higher grade zone. They are both bigger and stronger anomalies than was Central Bore, which bodes well for follow up drilling in 2Q10.



After completing share placements to raise A\$2.7m EKM can aggressively increase its drilling campaigns in 2010 with a doubling of planned drill metres – mainly focused on the new anomalies.



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