



Eleckra Mines Ltd EKM

Investment Drivers

- Eleckra plans to embark on a 5-6,000 metre, RC drilling program during September '09 which has potential to substantially improve the company's knowledge of gold systems along its Yamarna Shear Zone permits, on Western Australia's Yilgarn Shield.
- The company will target infill drilling and deeper mineralisation, with an eye towards higher gold grades and improved quality of Resource certification.
- The oxide component of existing gold Resources, totalling 749,000 ounces at an average grade of 1.78g/t in several deposits, holds potential for processing in a low capex, heap leach operation, while the extension of higher grade gold zones, could support a toll treatment option, 100 km west at Laverton, or a stand-alone processing option.
- Eleckra's 6.2 million pounds of low grade, uranium oxide Resources at its portion of the Thatchers Soak deposit, could be developed in conjunction with Uranex's neighbouring main zone of the same deposit.
- Eleckra's market capitalisation per ounce of gold in Resource at just \$9/oz, looks cheap by comparison with its peers, especially since the company also has 6 million pounds of U₃O₈ in Resource.
- Eleckra's management continues to assess new exploration projects and corporate opportunities with the aim of adding value for shareholders.

Capital Structure

Code	EKM	
Shares	170	m.
Options m.	75	~58m @7 cts
Share Price	\$0.04	
Market Cap	\$ 6.8	m.
Cash (est)	\$ 2.0	m.

Major Shareholders

Perth Select Seafoods	5.9%
Troyleigh Investments (Ian Murray)	4.8%
Geiger Counter Fund	4.6%
Haifa P/L Peter Allchurch	4.0%
Top 20	53.8%

Share Price



Opinion*

Eleckra's management is taking a systematic and professional approach to assessing multiple gold and uranium anomalies and occurrences, which it has identified along prospective Yamarna Shear Zone permits.

Exploration work planned for the remainder of 2009 holds substantial potential for value enhancement from additional gold intercepts, especially at depth, below known higher grade occurrences.

Despite the low grade nature of its gold Resources, the company appears to be trading at a discount to its peers, especially considering the exploration appeal of its permits, which cover almost the entire Yamarna Shear Zone .

Peter Strachan.

*No recommendation is offered for commissioned research.

EKM - Major Project Location



Source: Eleckra Mines

Introduction

Eleckra raised \$2.7 million of new equity in May 2009 and presently has just over \$2 million of cash to apply to its exploration effort.

Gold

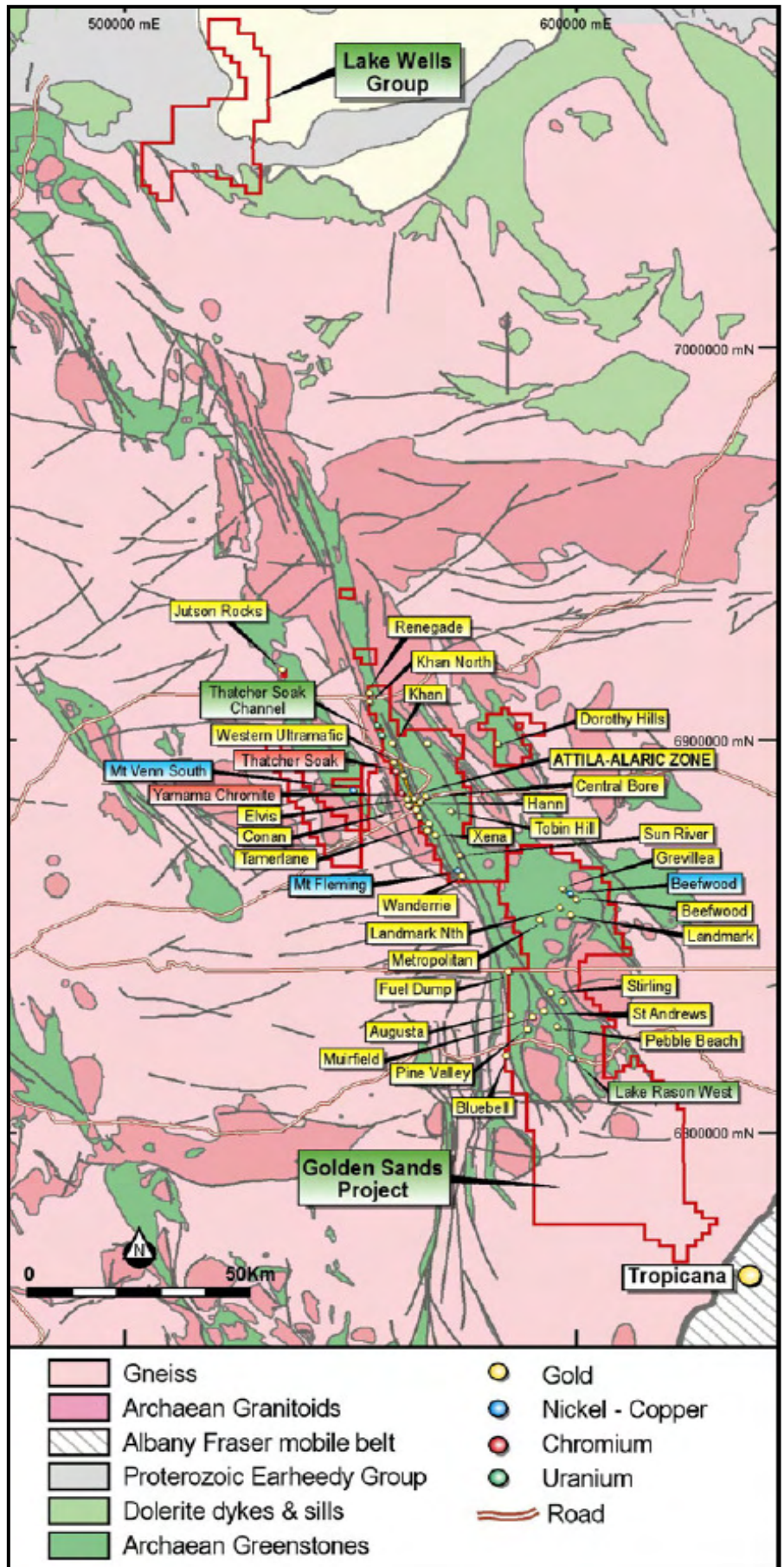
Budgeted \$300K of drilling in Q3 Eleckra is planning a 5-6,000 metre drilling programme to follow-up on recent strong gold results on its Yamarna tenements during September 2009. Drilling will target two or three priority projects from a long list of undrilled or under-drilled anomalies. The drilling will entail assessment of some in-fill zones and also deeper mineralisation below known zones of higher gold mineralisation.

Large, underexplored permit area Eleckra controls a majority of the prospective permits along the entire Yamarna Shear Zone, located in the remote eastern portion of the Yilgarn Craton. The Yamarna Shear Zone is a major, deep seated mineralising feature, stretching about 500 kilometres in a roughly north-south orientation, which runs south to the +4 million ounce Tropicana Deposit. This mantle tapping shear is similar to other major systems located to the west, including the Laverton Shear Zone, with over 25 million ounces of discovered gold and the 12 million ounce, Leonora shear zone.

749Koz of Resources @ 1.78g/t Au Eleckra has established a JORC Resource estimated at 13.1mt of mineralisation grading 1.78g/t Au, containing 749,000 ounces of gold. Metallurgical studies indicate recoveries averaging 93% from this ore type. The low grade oxide portion of this mineralisation holds potential to support a dump leach operation. Tests are underway to determine the recovery dynamics of selected oxide ore samples, with a view to exploring potential for a dump/heap leach operation.

The region is underexplored, largely because of its remoteness. Eleckra is confident that it can find higher grade zones of gold mineralisation along its large mineralised systems which would present a commercial opportunity for toll milling at Laverton, 100 km to the west.

Mineralisation tends to be associated with cross-cutting physical features creating dilation within banded ironstone formations, but gold is found in all types of rock formation within the shear zone. Once prospective zones are identified by geophysical mapping, geochemical assessment is undertaken by shallow RAB drilling.



RC drilling at the project includes:

- 3m at 9.36g/t Au from 68m at Attila North
- 6m at 5.45g/t Au from 53m at Attila
- 7m at 3.72g/t Au from 111m at Attila
- 2m at 10.3g/t Au from 19m at Renegade
- 1m at 6.14g/t Au from 54m at Renegade

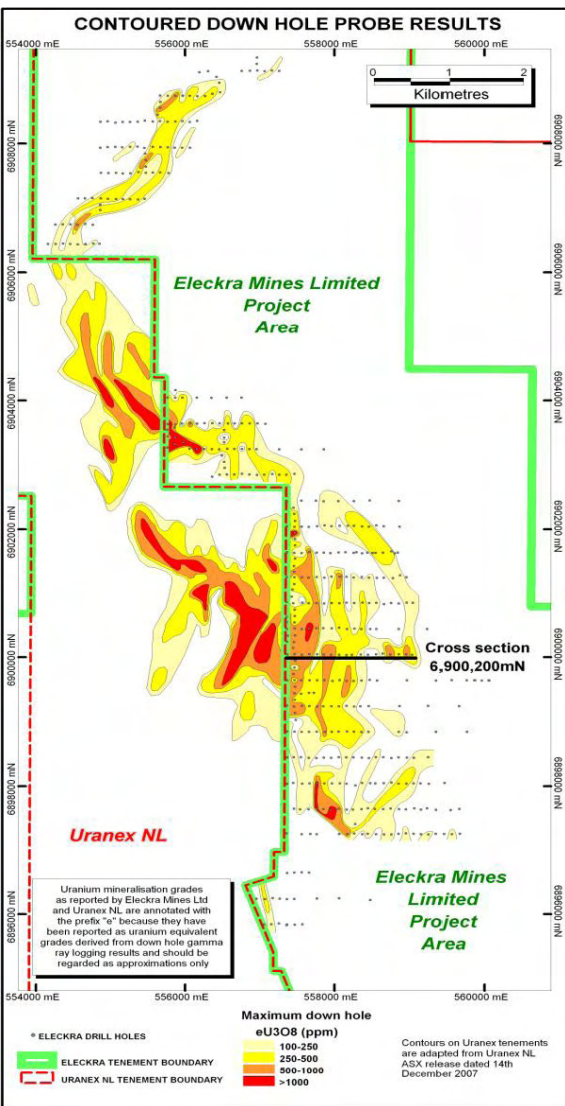
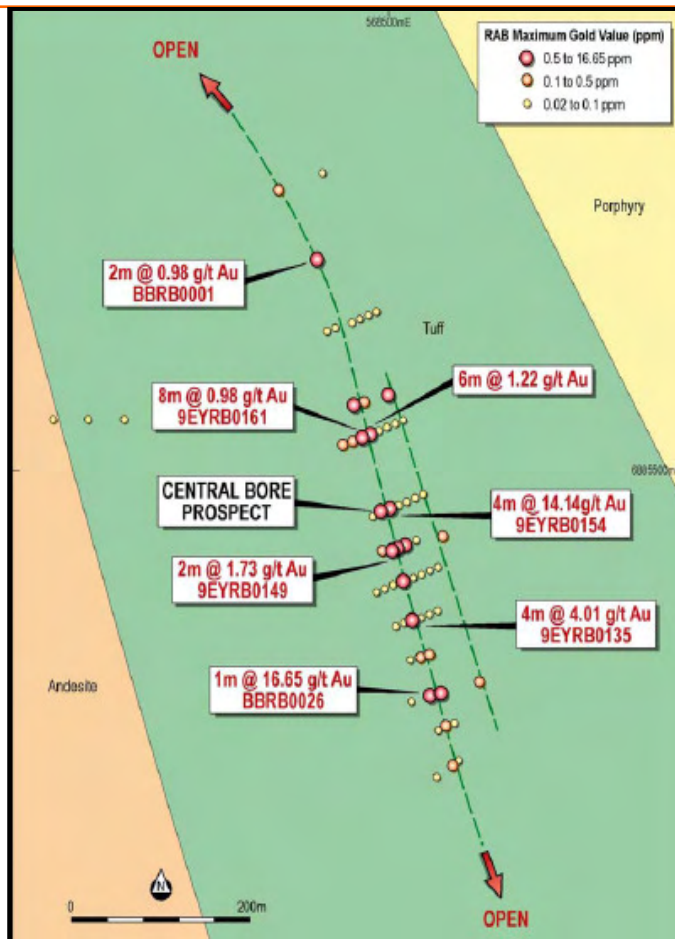
During the June Quarter 2009, drilling at the Central Bore prospect proved up a new zone of mineralisation along 300 metres of strike, located about 2 kilometres east of the main shear zone, line of mineralisation containing the Attila and Hann deposits, and apparently represents a new and separate line of lode. Intercepts such as:

- 4 metres grading 4g/t Au from the surface and
 - 4 metres grading 14.1g/t Au from 16 metres,
- show promise for the identification of higher grade mineralisation at Elvis, Hann and Central Bore, which the company now plans to follow up with drilling during September.

Permits extend towards Anglo's Tropicana Deposit

At the southern end of the Yamarna Shear, Eleckra control about 65 km of strike length within 1,500km² of permits in its Golden Sands project.

The project area holds considerable appeal for the discovery of gold mineralisation below transported cover material. The southern boundary of these tenements is about 25km north of the +5 moz Tropicana and Havana deposits. Gold anomalism is known at the Augusta and Bluebell prospects at the northern end of the project area within the Yamarna shear zone. During H2 2009, Eleckra intends to carry out a first pass geochemical survey and depth modelling of the magnetic data across Golden Sands project.



Uranium

6.2 mlb of U₃O₈

Eleckra owns a part of the shallow, low grade Thatcher Soak, calcrete uranium deposit, along with additional uranium targets on its Yamarna Greenstone Belt. Eleckra's portion of the deposit has a resource of 16.1 mt grading 174 ppm U₃O₈, containing 6.2 million pounds of uranium oxide. Neighbouring permit holder Uranex NL is presently preparing a scoping study for its majority of the Thatcher Soak deposit, which totals about 20 million pounds of contained uranium oxide. An encouraging result from Uranex's work would enhance the value of Eleckra's adjacent mineralisation. Strachan Corporate believes that ultimately, development at Thatcher Soak is likely to be undertaken in some form of joint venture.

Recent drilling includes intersections commencing virtually from the surface, such as 2 metres grading 808 ppm e U₃O₈ and 2.2 metres grading 758 ppm eU₃O₈, offering the potential for a higher value sections of mineralisation.

Low grade

At a uranium oxide price of US\$70/lb, Thatcher Soak mineralisation has an average insitu value of around A\$32/tonne, which would provide a challenge for commercial production, but higher grade zones show potential to treat pockets of mineralisation with an insitu value of over A\$100 per tonne.

Exploration appeal on edge of the Craton...

Parts of Eleckra's southern, Golden Sands permit area, sit within the Officer Basin and hold potential for both calcrete and Mulga Rock type sandstone/lignite and unconformity-associated uranium targets within the Lake Rason and Lake Wells paleo drainage systems. The tenements are also considered to be highly prospective for uranium mineralisation.

...and sedimentary basin The company plans to conduct field checks of radiometric anomalism during H2, 2009.

Valuation & Peer Group Ranking

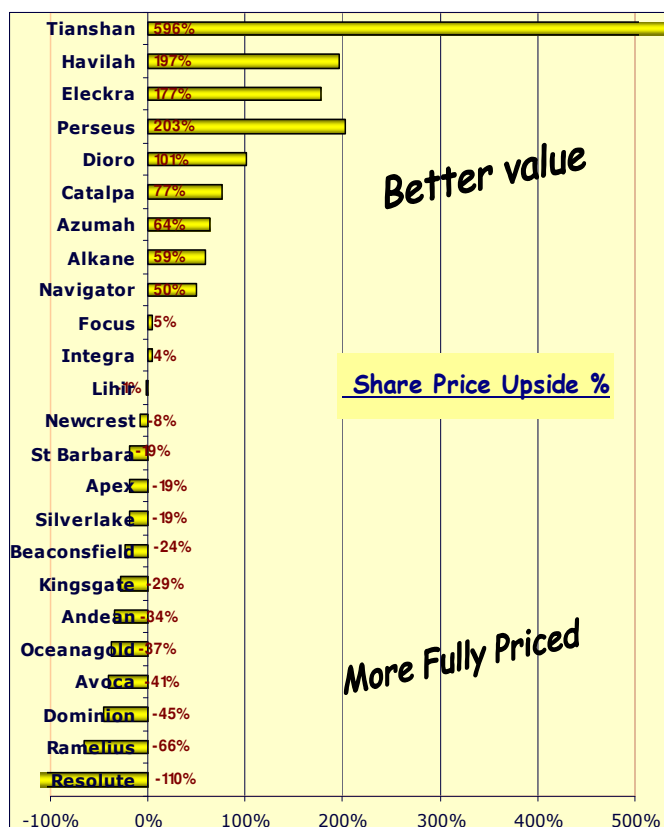
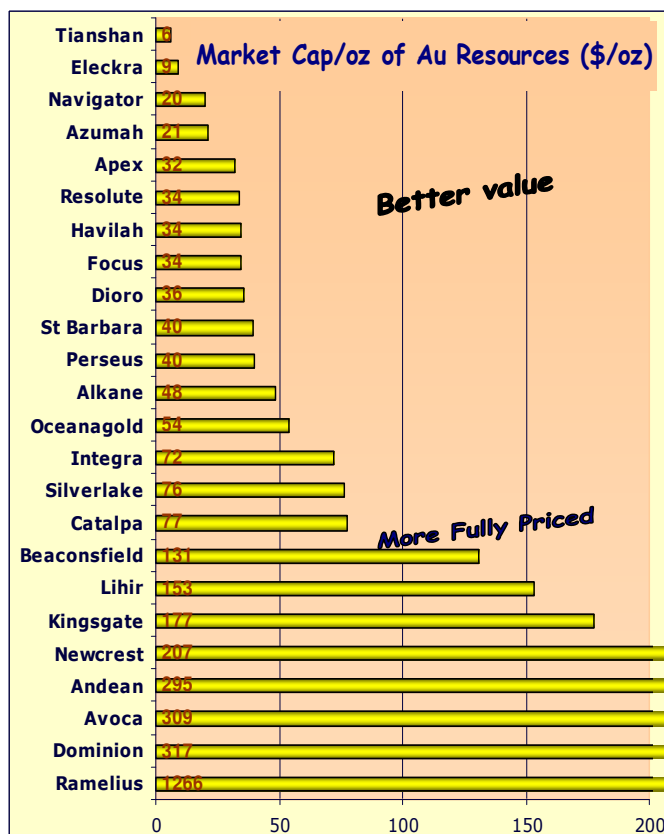
Ranking gold producers and developers on the basis of their market capitalisation per ounce of gold held in Resources is a good way to detect possible anomalism in the way the market is valuing a gold development company. Gold producers tend to be priced at over A\$200 per ounce of gold held in Resources. High margin, low cost operators with long life reserves attract the largest premium, thus Dominion, Newcrest and Lihir are priced on high dollar multiples of their Resources. Companies which have strong leverage to exploration success, or those that are well funded such as Ramelius and Avoca, are also ranked highly. Pure exploration companies, or those with short mine lives and high costs, tend to attract a value of less than A\$80 per ounce of Resources held.

Eleckra looks cheap on this metric. The company's gold Resource is remote from infrastructure and low grade in nature, which contributes to its poor rating by the market.

A quick value ranking method involves assessing recoverable, mineable gold Reserves, applying the current gold price, after subtracting total estimated capital and operating costs, royalties, taxation and hedging gains or losses, along with net debt and after valuing any other significant assets.

In Eleckra's case, Strachan Corporate applies a gold price of A\$1,137/oz to an estimated, shallow oxide Reserve of 174,000 ounces, which it assesses on the basis of a heap leach operation, recovering 70% of the contained gold at a capital cost of \$26 million and an operating cost of A\$700/oz. After allowing a value of \$1.50/lb, or \$9 million for the company's uranium Resource, this formula produces a target value of \$27 million or 11.1 cps on a fully diluted basis, which is 2.8 times the current market price for EKM shares. Even if the company's uranium interests are considered to be valueless, the formula delivers a fully diluted target value of 7.4 cents per share, which compares favourably with the current share price of 4 cps.

Ranking methods reveal EKM to be a cheap option In addition to any value calculated for possible exploitation of a potential gold reserve, which Strachan Corporate estimates to sit within known mineralisation, the company should also have some risk adjusted, speculative value for its exploration upside. Eleckra's almost total control over permits covering the entire Yamarna Greenstone Belt has an intrinsic value which is hard to value, especially without a secure funding source in place. Strachan Corporate believes that if the company's upcoming exploration programmes continue to demonstrate potential for commercial gold or uranium, then funding should not be a problem in a market which is apparently keen to search for the next big discovery.



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