

EKM.AU

Eleckra Mines Limited

A\$ 0.04

27 May 2009
 Gold, Uranium
 Australia (WA)
 Advanced Exploration
 Exchanges: ASX:EKM

EKM controls most of the highly prospective and underexplored Yamarna belt (WA) and has established resources of 749koz gold and 6.2mlb U₃O₈. The company is increasing its gold focus, pegging further unexplored ground N of AngloGold's Tropicana (5moz resource).

Capital Profile

Share price (A\$)	0.04
52 week range (A\$/share)	0.01 to 0.15
Number of shares (m)	141.0
Options and warrants (m)	39.4
Convertible notes (m)	0.0
Fully diluted (m)	180.4
Market capitalisation (undiluted) (A\$m)	5.1
Debt (A\$m) - Jun 09F	0.0
Enterprise value (A\$m)	5.1
Major shareholders: Perth Select Seafood (7.7%), Troyleigh Inv. Ltd (6.1%) HSBC Custody Nom's (6.1%), Haifa Pty Ltd (5.2%)	
Avg monthly volume (m)	5
Cash (A\$m) - Jun 09F	2.5
Price/Cash (x)	2.1
Price/Book (x)	0.6
Company options:	No

Production and Financial Forecasts

YEAR END: June	Mar-09a	Jun-09F	2008a	2009F	2010F
Exploration and evaluation (A\$m)	0.17	0.40	1.71	1.10	1.50
Corporate (A\$m)	0.12	0.15	0.99	0.71	0.60
Exploration/(Expl.+ Corporate) (%)	60	73	63	61	71
Funding duration at current burn (years)			0.6	1.4	0.2
Shares on issue (pr end) (m shares)	68.3	170.4	62.1	170.4	170.4
Drilling - RAB (m)	3,000	5,000	17,400	15,000	14,000
Drilling - Other/Diamond (m)	0	0	3,550	3,000	15,000
Land holding ('000 ha)*	710	710	200	710	710
Tenement costs (\$k per year)	-	-	-	-	-
Capital raisings (A\$m)	0.16	2.50	0.00	2.66	0.00
Funding from JV partners (A\$m)	0	0	0	0	0
Cash (A\$m)	0.5	2.5	1.6	2.5	0.5
Cash backing (Ac/share)	0.7	1.4	2.5	1.4	0.3
Net asset backing (Ac/share)	8.4	4.8	9.7	4.8	4.5

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

Investment Points

EKM's focus is gold and uranium in WA. Exploration budget is ~A\$1.5mpa mostly now directed to gold.

Strategic position (~2,500km²) in remote under-explored Yamarna greenstone belt in Yilgarn Craton.

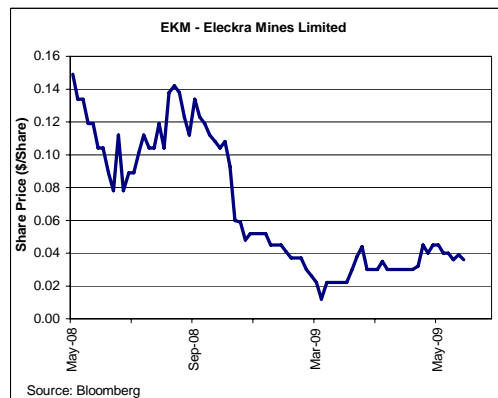
Yilgarn Craton hosts world-class gold ore bodies and produces over half of Australia's gold.

Yamarna (Attila-Alaric) gold resource 749koz Au near surface - potential upside along 17km strike and at depth.

Current exploration drilling focus is on four potential new Yamarna targets.

Newly granted tenements (Golden Sands project) cover unexplored ground between Yamarna and the AngloGold Tropicana discovery (5moz resource).

Recent capital raisings injected A\$2.7m.



Company Comment

Overview: EKM listed on the ASX July '06. The company's highest priority is the Yamarna greenstone belt where its most advanced project is the Attila gold deposit (749koz resource). The area also hosts uranium mineralisation with a 6.2mlb resource identified by EKM in the extensions to the Thatcher Soak drainage channel.

Yamarna project (WA): (2,500km², 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 resource defined to date occurs in the **Attila-Alaric zone** along a 17km strike length. There are gaps in drill coverage with over 50% of the strike length untested. The deposit is open at depth and along strike. Anticipated resource conversion is ~50% with EKM aiming to achieve resources of 1moz - 1.5moz Au before commencing a PFS. Preliminary metallurgical testing has indicated good heap leach characteristics. Further testing planned for 3Q09. There are multiple regional targets to be tested for potential resource expansion. A 5,000m RAB drilling campaign is underway to test 4 of the most promising geochem and drill anomalies, the 1km **Dorothy Hills** prospect (25kn NE of Attila) and **Central Bore, Hann** and **Elvis** which are adjacent to Attila.

Golden Sands (WA): (1,500km², gold) EKM has recently been granted new exploration tenements between Yamarna and the tenements to the south hosting the AngloGold Ashanti/Independence Group **Tropicana** gold project (5moz resource - currently subject of a PFS for a ~400kozpa operation). Tropicana is a recent discovery (2005) resulting from following up an unexplained gold-in-soil anomaly. EKM is planning an initial program comprising airborne magnetic and radiometric surveys over the tenements in 2H09 in order to understand the regional geology and to delineate potential extensions of the Yamarna shear zones beneath sand cover.

Thatcher Soak Tenements: (2,000km², U) EKM holds sections of the Thatcher Soak calcrete uranium prospect and extensions to the palaeochannel that hosts the Thatcher Soak historic deposit. EKM has established a 6.2mlb resource - strategies for this project are currently being reviewed.

Corporate: Through recent placements and a rights issue at 2.5cents per share (+ free options) EKM has raised A\$2.7m which will ensure gold exploration momentum can be maintained during FY10.

Investment Comment: The prospectivity and exploration upside of EKM's gold exploration projects in the highly prospective Yamarna greenstone belt has been greatly enhanced by picking up the unexplored ground north of the 5moz Tropicana discovery. With an established 749koz resource, highly prospective grass roots gold exploration ground, cash of just over A\$2m, and a renewed focus on serious gold exploration (not to mention a 6.2mlb uranium resource) EKM capitalised at under A\$6m looks undervalued and will be highly geared to any positive exploration developments in 2H09.

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								
Thatcher Soak	Inferred	100%	16.1	0.017	100	2.7	6.2	6.2

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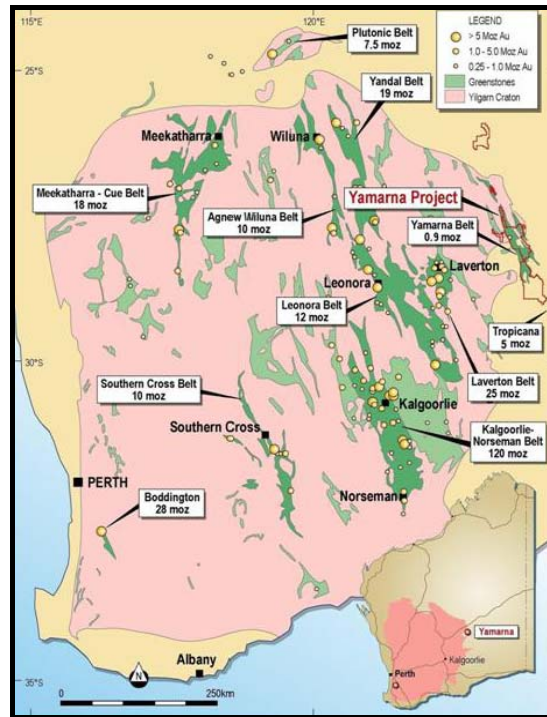
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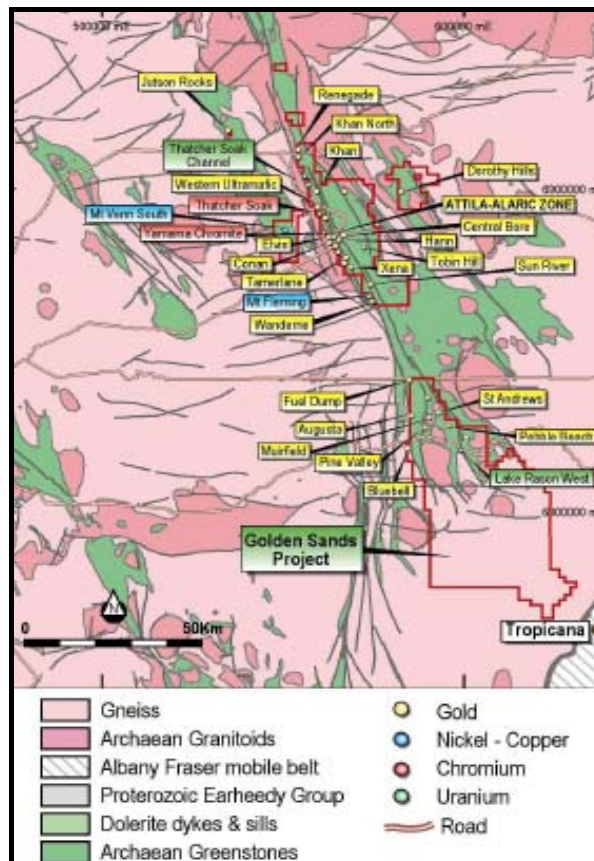
Key Projects

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	none	ox/sulp	na	Early Expl.	Aus (WA)
Yamarna: Thatcher Soak	100%	U	none	Calcrete	Alk. Leach	Mid Expl.	Aus (WA)
Lake Rason + Lake Wells	100%	U	none	Calcrete	Alk. Leach	Early Expl.	Aus (WA)

The Yamarna project tenements are on the western edge of the Yilgarn Craton, WA. EKM's Yamarna Greenstone Belt gold prospective portfolio covers an area of approximately 5,100 km² of underexplored ground.



EKM's Yamarna tenements (red boundary) include the 749koz Attila gold resource and numerous advanced gold drill targets in the surrounding region. Further south the newly acquired Golden Sands tenements north of AngloGold's 5moz Tropicana discovery are unexplored.



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