

## Company Research

22<sup>nd</sup> July 2024

**Share Price** **\$0.22**

52-Week Range	\$0.12 - \$0.40
Shares Outstanding	34.0m
Restricted Shares	7.8m
Options (exp 22 <sup>nd</sup> Jun 2026)	8.4m
Options (exp. 22 <sup>nd</sup> Jun 2027)	7.0m
Market Capitalisation	\$9.2m
Cash (31 <sup>st</sup> March 2024)	\$3.0m
Enterprise Value	\$6.2m
<b>Major Shareholders</b>	
Board & Management	9.3%
Top 20 shareholders	45.4%
<b>Board</b>	
Anthony Reilly	Non-Executive Chairman
Donald Garner	Managing Director
Justin Mouchacca	Non-Executive Director & Company Secretary
<b>Management</b>	
Erik Norum	Exploration Manager
Bruce Gemmill	Technical Consultant

Research Analyst: J-François Bertincourt

### Exploration Target Clarifies Drilling & Development Strategy

**Background:** Iltani Resources Ltd (ASX: ILT) listed in June 2023 on the Australian Securities Exchange raising \$5 million at \$0.20/share. The company portfolio consists of several base metals and precious metals projects. This short note is solely focused on the flagship Herberton silver-lead-zinc-indium project, 100% owned, including the Orient West, Orient East and Orient North prospects.

**Geology:** Orient is an extensive precious metal-rich epithermal system with a possible intrusion (porphyry) at depth being the source of the metals. It shows strong similarities to the large Bolivian silver, lead, zinc, indium, tin systems. Orient hosts multiple high-grade Zn-Pb-Ag-In veins and stockworks outcropping over at least a 4 km<sup>2</sup> area.

**History:** the deposit was mined from 1886 to 1924 and has more than 200 historical workings that targeted high grade direct shipping silver-lead oxide ore at the time.

**Recent Drilling Success:** drilling has intersected multiple high- grade vein systems with extensive lower grade mineralisation.

- ORR001: 38m @ 190 g/t Ag Eq. (69 g/t Ag, 1.3% Pb, 1.4% Zn & 7 g/t In) from 19m
- ORR010: 41m @ 125 g/t Ag Eq. (35 g/t Ag, 0.7% Pb, 1.0% Zn & 35 g/t In) from 60m
- ORR003: 41m @ 107 g/t Ag Eq. (36 g/t Ag, 0.8% Pb, 0.8% Zn & 5 g/t In) from 39m
- ORR021: 5m @ 440 g/t Ag Eq. (43 g/t Ag, 0.7% Pb, 5.0% Zn & 263 g/t In) from 117m
- ORR012: 9m @ 216 g/t Ag Eq. (88 g/t Ag, 1.6% Pb, 1.1% Zn & 31 g/t In) from 64m
- ORR021: 4m @ 448 g/t Ag Eq. (48 g/t Ag, 1.0% Pb, 4.8% Zn & 268 g/t In) from 186m
- ORR011: 6m @ 278 g/t Ag Eq. (79 g/t Ag, 1.6% Pb, 2.5% Zn & 38 g/t In) from 69m

**Exploration Target for Orient West:** on 18<sup>th</sup> July 2024, ILT announced an initial JORC compliant Exploration Target independently estimated by Mining One Consultants. Using a 30 g/t Ag Equivalent cut-off grade, the Orient West Exploration Target amounts to:

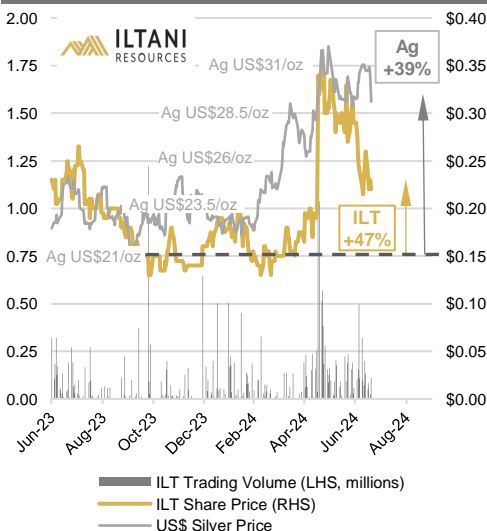
**74 – 100 Mt @ 55 – 65g/t Ag Equivalent**

**Higher Grade Core:** Using a 80 g/t Ag Equivalent cut-off grade, the high grade core material is estimated at:

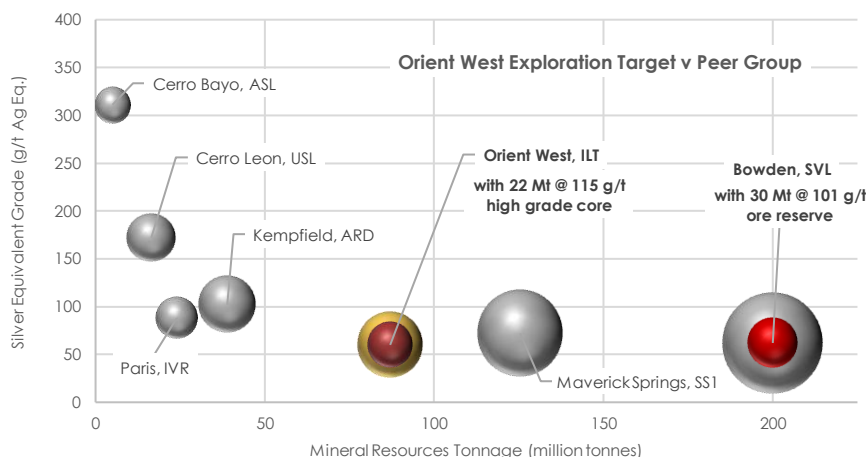
**20 – 24Mt @ 110 – 120g/t Ag Equivalent**

Those figures compare well with the “back of the envelope” estimate included in our previous publication 32 to 44 Mt @ 80-120 g/t Ag Eq. (11<sup>th</sup> Mar 2024 company profile). Going forward, ILT shall capitalise on the high grade zones with resource infill and extensional drilling.

**Project Benchmarking:** the chart below places the mid-point of the Exploration Target against the mineral resources estimated for various deposits developed by ASX-listed peers.



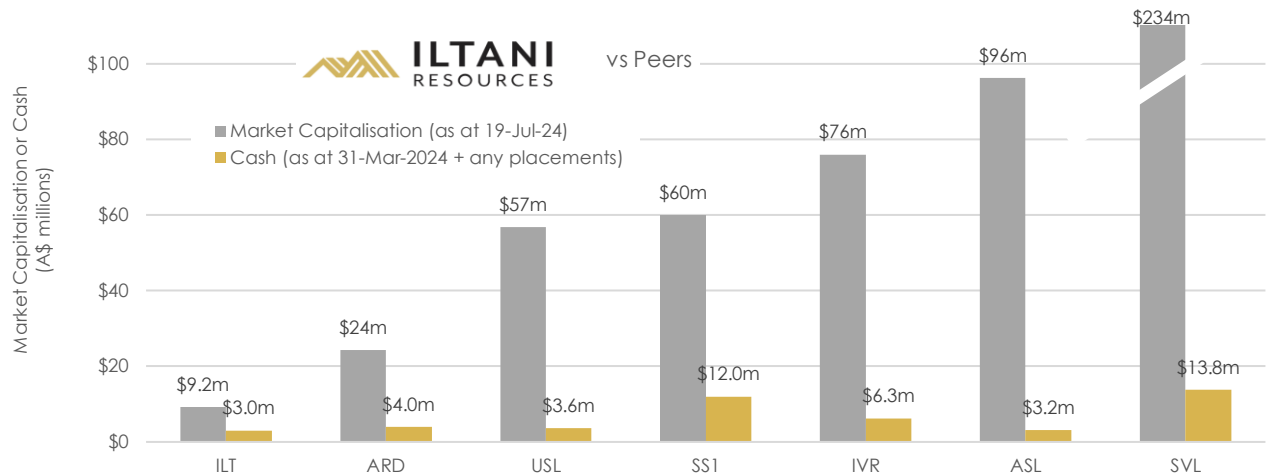
Iltani Resources Ltd (ASX: ILT) is a minerals exploration and development company. The Herberton key project covers 300 km<sup>2</sup> and consists of 4 granted Exploration Permits for Minerals: EPM 27168 (Herberton), EPM 27721 (Isabel), EPM 27223 (Orient) and EPM 27331 (Wade Creek) and one application EPM 28899. The project area is located approx. 100 to 150km inland from Cairns in Far North Queensland. Other projects include the Northern Base Metal, Southern Gold and Rookwood projects in Queensland and its Mt Read Project, a highly strategic 99km<sup>2</sup> licence in Tasmania’s Mt Read Volcanics (MRV) Belt, located between the world-class Rosebery and Hellyer-Que River VHMS deposits.



Bubble size is according to silver equivalent content. Note the bubbles for the high grade core (Orient West) and the ore reserve (Bowdens) are not placed according to tonnes and grade.

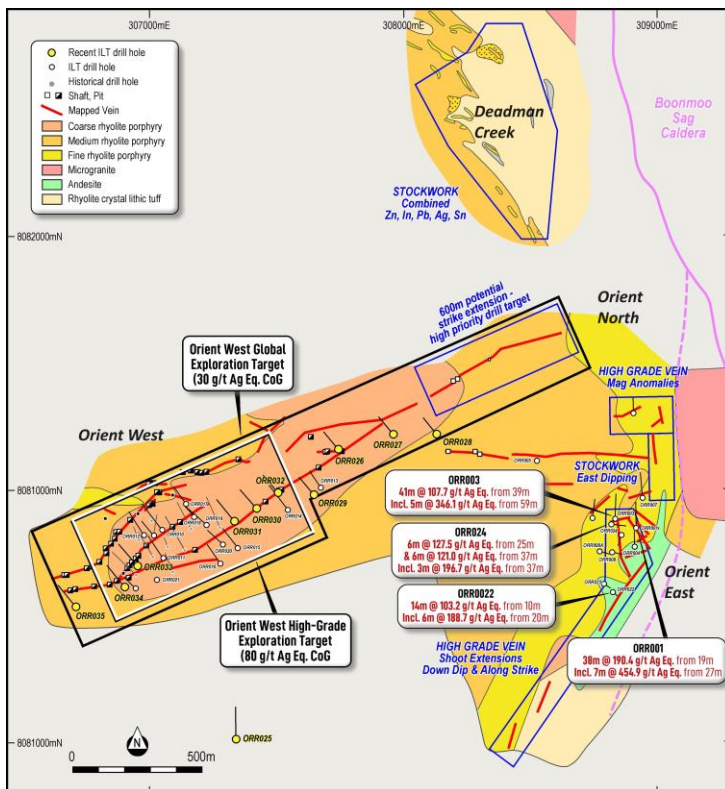
The Orient West deposit is already significant in size and the high grade core bodes well to define a mining inventory. There is also an opportunity to increase the size of the deposit with Orient East and Orient North.

**Company Benchmarking**



Market Cap (\$m)	Code	Company	Key Project	Location	Stage	Market Cap (\$m)	Code	Company	Key Project	Location	Stage	Market Cap (\$m)	Code	Company	Key Project	Location	Stage	
\$9.2m	ILT	Iltani Res.	Herberton	QLD	Exploration Target	\$24m	ARD	Argent Min.	Kempfield	NSW	Resource Drilling	\$57m	USL	Unico Silver	Cerro Leon	Argentina	Maiden MRE	
			Orient West	QLD	Resource Drilling				Maverick Springs	Nevada	Inferred MRE				Investigator	South Australia	DFS in Q3 2024	
									Paris	Chile	Exploration w/plant				Andean Silver		Exploration w/plant	
									Cerro Bayo		DFS Jun 2018				Silver Mines	NSW	DFS Jun 2018	
<b>MINERAL RESOURCE ESTIMATE</b>																		
Tonne (Mt)	74	100	87	38.9	16.5	125	24.0	5.0	200									
Ag Eq. (g/t)	55	65	60	102	172	72	88	311	62									
Ag Eq. (moz)	131	209	168	127.5	92	292	68	50	396									
<b>RECOVERABLE RESOURCE or ORE RESERVE</b>																		
			<b>Shallow high grade core</b>		n/a		n/a		PFS inventory		n/a		<b>Open pit ore reserve</b>					
Tonne (Mt)	20	24	22	n/a	n/a	n/a	8.6	n/a	30									
Ag Eq. (g/t)	110	120	115	n/a	n/a	n/a	128	n/a	101									
Ag Eq. (moz)	71	93	81	n/a	n/a	n/a	35	n/a	97									

Source: company announcements



Source: ILT

**Drilling Strategy:** in light of the conversion from MRE to ore reserve at Bawdens, it makes perfect sense for Iltani Resources to focus future drilling programs on the high-grade core as it is the portion of the deposit, which will most likely convert to a mineable inventory and an ore reserve. Shareholders fund should not be wasted on adding mineral resource tonnes for the sake of making the deposit bigger.

**Resource Growth with Orient East and Orient North:** while good drill hole intercepts have already been reported at Orient East, those have not yet been considered for the Exploration Target at Orient. As such, there is an opportunity to increase the mineral resource. Our “back of the envelope” of 8 to 11 Mt for Orient East in March 2024 appears optimistic and is now reviewed to 4 to 8 Mt for the HG grade core. Overall, Orient is likely to contain in excess of 30 Mt of open pittable mining inventory at a silver equivalent grade in excess of 100 g/t.

**Investment Perspective:** The currently low market valuation of ILT compared to its peers offers an excellent investment opportunity. Additional positive drilling results as well as a JORC compliant mineral resource estimate confirming the Exploration Target values should be catalyst for a re-rating.

**DISCLAIMER & DISCLOSURE OF INTEREST** - This document is provided in good faith from sources believed to be accurate and reliable. Terra Studio Pty Ltd directors and employees do not accept liability for the results of any action taken on the basis of the information provided or for any errors or omissions contained therein. Readers should seek investment advice from their professional advisors before acting upon information contained herein. The views expressed in this document accurately reflect the personal views of Jean-François Bertincoart about the subject and its related securities. The author does not hold an economic interest in the securities included in this document. The production of this document has been sponsored by Iltani Resources Ltd.